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Götessons Design Group's sustainability report

ABOUT THE REPORT

The Board of Directors and CEO of Götessons Design Group AB, (559203-6502), hereby present a sustainability report for the financial year 01/01/2022 - 31/12/2022. This sustainability report is made with reference to GRI Standards 2021. In addition to the Group company, the report also includes Götessons Industri AB, AM Acoustic i Falkenberg AB, David Design AB and Götessons Design GmbH.

The companies GSIGN, FROM: and Scan Sørlie were created or acquired during 2022 and are not covered by the report. This is Götessons Design Group's second sustainability report. The report has been externally audited by independent consultants. Financial targets and governance are reported in a separate annual report.

GÖTESSONS OKUSTIKMIJÖ David design

FROM: SCAN SØRLIE

Götessons Design Group in brief

FROM A CORNER IN A SWEDISH VILLAGE TO A GROUP COVERING THE WHOLE OF EUROPE

It all started when Ola Götesson founded Götessons Industri AB in 1984. In a corner of a premises in Dalstorp, a small village outside Tranemo in southern Västra Götaland, he manufactured wire products such as waste-paper baskets, hat racks and sink drying racks.

The market soon realised that Götessons was not like other companies. Innovation was mixed with great courage and enthusiastic entrepreneurship. This made the company grow rapidly. The company's innovations were based on people's needs, and with the rise of the computer, it began to develop products to improve the working environment for sedentary people in offices.

In 1992, Ola Götesson created a solution to keep the increasing number of cables beneath and on desks together. The world's first cable collector saw the light of day and it was the start of an incredible journey to the present day. The textile range was launched in the 2010s and the market expanded from offices and workplaces to include the conference and hotel industry.

In 2015, AM Acoustic i Falkenberg AB and 2020 David design AB were acquired. Now Götessons Industri has expertise in both acoustic solutions and furniture production within the new Nordic design. In 2021, a hub in Germany with its own warehouse and sales organisation, Götessons Design GmbH, was established.

In order to prevent the new brands from being transformed into Götessons Industri, the parent company Götessons Design Group, GDG, was created in 2021.

Through GDG, we are able to deliver ergonomic, functional and well-designed complete furniture and interior solutions on a daily basis throughout Europe.

2022 was a year when a further two companies were developed from the GDG group; GSIGN and FROM:. GSIGN develops and sells work stations and accessories for the gaming section, and FROM: is the company that offers products for the home office and also sells to private individuals. The Norwegian furniture manufacturer Scan Sørlie with associated production facilities in Lithuania was also acquired during the past year.

Götessons Design Group's main markets are Sweden, Norway and Germany, but our products are sold throughout Europe and globally, on other continents such as North America and Asia, through our wide range of retailers.

The Group's customers are in the interior design and construction industries, with the former constituting the largest proportion. The companies in the group only sell furniture to retailers, while construction products are sold directly to end customers. Our end customers are in both the public and private sectors: in offices, restaurants, hotels, schools, conferences and sports facilities.

The majority shareholding in GDG is held by Accent Equity Partners AB.

Our production facilities are located in Sweden. The head office is located in

Ulricehamn, Sweden. During 2022 the company employed 128 people, excl. GSIGN,

From: and Scan Sørlie.



Götessons Design Group

GÖTESSONS DESIGN GROUP

Götessons Design Group is made up of brands whose success is based on understanding people's needs before they do. Together we create furniture, environments and products that combine beauty, ergonomics and sustainability. Götessons Design Group was launched in 2021 and together with our brands we have gathered around 500 products and 100 years of experience in producing furniture and interior design.

CEO Emil Johansson
Turnover 2022 SEK thousand: 5,879 (2021: 0)
Results 2022 SEK thousand: -11,694 (2021: -6,119)
Number of employees 11

GÖTESSONS INDUSTRI

Götessons creates ergonomic, functional and well-designed turnkey solutions for offices and public environments, revolutionising with design, courage and knowledge. Head office, production and warehouse are located in Ulricehamn. With Europe as a market, there are sales representatives in Sweden, Norway, Denmark, Finland, Germany, Austria, Switzerland, UK, France, Benelux, Spain, as well as Poland, Czech Republic, Slovakia, the Baltic States and others. Götessons Industri is a member of the 100 Group, Teknikföretagen and Företagarna.

CEO Emil Johansson
Turnover 2022 SEK thousand: 335,888 (2021: 285,401)
Results 2022 SEK thousand: 61,655 (2021: 31,088)
71 (2021: 73)
Number of article numbers sold 15,462 (2021: 16,160)

AM ACOUSTIC

AM Acoustic has more than 30 years of experience of well-designed acoustic products and solutions. Together they are a skilled team covering all areas from knowledge, in-house production and site visits which allows them to deliver turnkey solutions to any acoustic problems Thanks to the fact that AM Acoustic works together with some of Sweden's most reputable acousticians, there is a level of expertise that few can match. Acoustics need not be dull and uninspiring. Production facility and offices are located in Falkenberg. AM Acoustic are members of Undertaksföreningen.

CEO | Emil Johansson | SEK thousand: 46,886 (2021: 43,258) | SEK thousand: 4,538 (2021: 3,147) | SEK t



DAVID DESIGN

David design is a brand of iconic, sustainable and functional furniture, lighting and accessories, for buyers around the world. Founded in 1998 by David Carlsson, the company offers premium collections of Scandinavian design furniture. The head office is located in Helsingborg and has production, product development and warehouse in Ulricehamn. David design is a member of Svensk form and Trä- och möbelföretagen, TMF.

CEO Håkan Nilsson Turnover 2022 SEK thousand: 18,668 (2021: 19,644) Results 2022 SEK thousand: -3,585 (2021: -1,346)
Number of employees 10 (2021: 12) Number of article numbers sold 2,165 (2021: 2,050)

GÖTESSONS DESIGN GMBH

Götessons Design GmbH was created in 2021 and had its first full financial year in 2022. Dreieich, Frankfurt houses a warehouse hub for the group with associated staff, in-house sales and showroom. This hub is GDG's new logistics hub for the DACH region and the whole of Europe.

Turnover 2022 Number of employees 13 Number of article numbers sold 4470

CEO Peter Knecht SEK thousand: 104,563 (2021:) Results 2021 SEK thousand: 3,261 (2021:)

A time to be patient

From one challenge to another. We have hardly made it through the pandemic before new challenges present themselves. The pandemic forced us into a fast reset of society and also how we worked. Not least in our industry where we saw employees forced to work in worse conditions at homes not designed for long term work. During this period we saw a great need for a solution for a professional ergonomic workplace created and designed for the home, as opposed to office furniture which has been developed for offices or an office environment.

In line with the sustainable person FROM: was born, our new brand for ergonomic furniture and solutions for home environments. It will be interesting to follow the brand and see what effects it has on working from home.

In the same way we have also developed a complete concept for gamers, where we also put a focus on human sustainability. This user group is not usually a priority group, but due to lots of hours in front of the computer, repetitive stress injuries are starting to appear at younger ages. Obviously, this is something that we want to prevent and we offer ergonomic gaming stations under GSIGN the brand.

During the autumn we have had the pleasure of welcoming another brand to GDG, namely Scan Sørlie. Previously Scan Sørlie had its main sales area in Norway and has been in the industry for a long time. The advantage of our persistent

sustainability work is that we can share it and apply it to them. Scan Sørlie therefore gets strong support in accelerating its sustainability performance in coming years.

As mentioned, we face new challenges since Ukraine was subjected to an illegal armed invasion by Russia. The effects on the people of Ukraine and the country itself are incomprehensible.

We have strongly distanced ourselves from Russia and Belarus, which means that we will not deliver or purchase goods to or from these areas.

Secondarily, this has had significant financial consequences for us all. Prices of raw materials

have not recovered at the pace expected after the pandemic, energy prices have made it difficult to produce products to the correct calculated price. Inflation of wages and interest rises also make it an extremely difficult situation to assess.

Unfortunately there is a risk that companies and private individuals make less sustainable choices in times of financial crisis, because the wallet takes a greater role in decision making.

Despite the stated challenges, we are convinced that our sustainability strategy and the persistent work on it will have good results in the long term.

To be able to meet price variations we do not quote prices on an annual basis but update them as necessary several times a year, something which was unthinkable only a few years ago. This is an unbelievably important tool to give our dealers and customers the right conditions for the projects.

We have started work to be able to quickly launch our own LOOP shop, where we will offer all preowned products to the market in a flexible way, and at the same time give our partners a good value and circular alternative in these times. During 2022 we established a central European transport hub in Frankfurt, which is now in full operation.

This means that we can coordinate deliveries from all our brands for efficient goods management. We don't need to send goods via unnecessary diversions and reduce the transport differences significantly. In future, our goal is to optimise this more and let our hub be a central part in our transport work.

Given the uncertainties in the world the future is hard to predict, if there is a time when a long-term perspective and patience are needed it is now.

"Human design, Human growth" are still strong guiding principles that one wished more people would take on as a wider perspective.

In conclusion, like the wise child in pre-school, I wish for one thing more than anything. Let there be peace!

Emil Johansson, CEO



Common sense from Dalstorp

When computers entered our lives in the late 1980s, they were large and cumbersome machines that began to take up space on and around desks.

It became difficult to clean and the workplace looked really messy - cables and cords took up far too much of the available space. Fortunately, Ola Götesson solved the problem by welding together the world's first cable collector and suspending it under his desk.

A pleasant workplace makes people feel good and thus perform better. This is something that should be in every employer's interest. Sustainability was not a word used in the 80s and 90s. But at Götessons we have been working along those lines without really knowing it. Right from the start, we have chosen materials with long service lives and that can be recycled.

Historically, the focus was on high quality products that were made to last. Little did we know then that such qualities are important today from a sustainability perspective.

In order to maintain a high product quality, Götessons has always had the attitude, and now the policy, of always working closely with our suppliers and in the long-term.

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Even today, we have many suppliers who have been with us from the beginning. Good and long-term relationships with suppliers are a way for us to take responsibility for our supply chains. High product quality, long-term supplier partnerships and our business concept of a pleasant, ergonomic and creative workplace. This, together with the common sense of Dalstorp, has made us proud of our products and our business today.

Sustainability work and responsible business are now a hygiene factor and the work we have done in recent years will be of great benefit to us in the future - while there is still much to do.

2022 in brief

NEW WHISTLEBLOWER SYSTEM

During 2022 the group's whistleblower system was updated from an analogue to a digital system, and provided by an independent third party with a committee of three people that consists of an employee, a manager and a Board member.

ENVIRONMENTAL PRODUCT DECLARATIONS - EPD

Credibility is important to us, and therefore we have started work to make environmental product declarations through external consultancy firms, to obtain knowledge about how our products affect the environment during the whole of their lifecycle. During the year, two lifecycle analyses (LCA) and environmental product declarations (EPD) have been completed: EcoSUND with the textile Hush and EcoSUND RAW for AM Acoustic. An LCA and EPD have been started for Götessons Industri.

Read more on pages 32-33.

ISO 9001 AND 14001 - GROUP CERTIFICATE

GDG has now received a group wide management system according to ISO 9001:2015 and ISO 14001:2015. The certificate includes Götessons Industri, AM Acoustic, David design and Götessons Design GmbH.

INTERNAL TRAINING IN SOCIAL SUSTAINABILITY, INCLUSIVITY AND NON-DISCRIMINATION

During the spring, internal training in social sustainability was held for all employees and managers across the group. The training was primarily based on Agenda 2030's objective 5 Gender equality and objective 10 Reduced inequality. The starting point for the training was that a socially sustainable company is an inclusive and gender equal company that ensures reasonable fairness for generations, both now and in the future. The primary goal of the training was to make employees aware of all the policies and documents within GDG that are associated with social sustainability. There were discussions regarding inclusivity and all employees were invited to give tips on inclusivity Inclusivity is a requirement for achieving an equal organisation and valuing skills and perspective.

A BETTER PRODUCT SELECTION

Götessons presented an internal environmental assessment system in order to be able to recommend products from our own range from an environmental perspective. We have set eight requirements of which five must be met if we as a company are to recommend an item. These are the same requirements that are now included in our product development process, where it is about service life, components as well as recycled, environmentally-friendly and non-hazardous materials.

FEWER PRINTED PAGES

The amount of printed matter in sales and marketing material has been actively reduced since two years ago with more digital material and less paper consumption. Between 2021 and 2022 we reduced the amounted of printed matter by nearly 90% - from 3,989,000 items* 2021, to 469,250 items* 2022.

*Counting the number of printed four colour A4 pages.

Sustainability work at Götessons Design Group

Sustainability is a broad term. For us at Götessons Design Group, GDG, the very state of our planet is a key reason why we are working towards more sustainable operations – without it, there can be no operations. But sustainable development for us is more than that. The very reason GDG companies exist is to create creative workplaces, where people feel good and can perform throughout their working day. The work and commitment to running a more sustainable operation cannot be done by one person alone. That's why we work on several levels to achieve our goal: together and across the organisation, with employees, customers, suppliers and partners in interior design. Sustainability starts from within, but the effects spread around us.

A STRATEGY THAT IS MORE IMPORTANT THAN EVER

Götessons Design Group's sustainability work is based on the Group's Code of Conduct and Sustainability Policy. This is the basis for our sustainability work and must always characterise our operations, our value chains and our customer offering. Götessons Design Group must be a sustainable company for everyone: we must be the industry's most attractive company to work in and with. Our products must meet high environmental and quality standards, our employees must enjoy and feel good at work, our suppliers and subcontractors are chosen with care, and our customers must be confident with us as a business partner over the long term. During 2022 work started on developing a complementary vision with associated long term objectives, to develop the whole of GDG's sustainability strategy. This work is expected to be completed during quarter 1, 2023.

GÖT DES GRO

A STRATEGY THAT IS MORE IMPORTANT THAN EVER

Götessons Design Group's sustainability strategy is based on two areas: product design and content on the one hand, and product function, use and production on the other.

A sustainable working day for everyone

A SUSTAINABLE WORKING DAY FOR EVERYONE.

A sustainable working day for everyone – for the people who use our products, for the people in our supply chains, and for our own employees. This includes developing products that contribute to the well-being of users, ensuring ethical and responsible supply chains with respect for human rights, and maintaining high levels of employee well-being, health and safety internally. This is at the heart of our operations and why we exist as a company – to contribute to a more sustainable working day.

Sustainable furniture and human design

SUSTAINABLE FURNITURE AND HUMAN DESIGN.

This area focuses on the product, i.e. the choice of materials, design, layout and components, where everything must be thought through, checked and executed according to relevant sustainability criteria. High product quality, safety and quality testing, smart design, no hazardous substances and sustainable material choices – that's important to us.



POLICY COMMITMENTS

Götessons Design Group's assumption of liability is based on the company's Code of conduct, with complementary policies.

The Code of conduct is based on the UN Global Compacts 10 principles, ILO's core conventions, the UN Convention on the Rights of a Child, the UN Convention against corruption, UN's global compacts and the UN's Guiding Principles on Business and Human Rights. The assumptions of the Code of conduct are in line with the GDG's sustainability policy, and mean respecting human rights, application of the precautionary principle and that the first line suppliers are responsible for spreading the requirements further in the supply chain.

The Human rights referred to in GDG's Code of conduct are child labour, forced labour and modern slavery, freedom of association, employment conditions, non-discrimination as well as work environment, health and safety. It also covers areas within environmental awareness and anticorruption and ethical business. The Code of conduct and sustainability policy are

available for employees, customers, suppliers and other stakeholders on GDG's website and internal management systems. The Code of conduct is approved by the Board of Directors and CEO and is included in all supplier agreements.

Work to implement and manage the policy commitments is divided between several positions in the organisation, and differs depending on whether it is for our own operations or for the supply chain. It is also the basis for a lot of work regarding HR, purchasing and product development.

Deviations from commitments in the Code of conduct and policies must initially be notified to the company's management group and thereafter, where necessary, to the Board of Directors. Other critical problems are reported in those cases as they arise to immediate managers. No critical problems have been reported to the Board of Directors during 2022.

PROCESSES TO MITIGATE NEGATIVE IMPACT

GDG uses different tools and procedures to identify, action and mitigate any negative impact on people, the environment or society. In 2022, a new external whistleblowing system with its own whistleblowing committee was developed. For more information, see page 44.

In the area of social sustainability, there is a code of conduct, a staff handbook and annual performance reviews for staff. Employee surveys are conducted twice a year. Safety representatives are present for both public sector employees and civil servants.

The Safety Committee meets quarterly and follows up on work environment issues. In case of any deviations, there is a procedure and an action plan for different types of events. More detailed information can be found in the report in the Employees section.

For external negative social impacts, GDG works mainly with its supply chain. In 2022, Götessons Industri, AM Acoustic and David design had risk-assessed the majority of the suppliers included in the category "relevant suppliers of goods and services".

Efforts to ensure sustainable supply chains and to

capture negative impacts that GDG companies may cause, or contribute to, will be further developed in 2023. New human resources are planned, as well as further development to handle the requirements of e.g. Möbelfakta and other upcoming legislation.

New documentation includes procedures for prioritising and managing risks in the supply chain, based on the OECD Due Diligence Guidance for Responsible Business Conduct. More detailed information can be found in the report in the Suppliers section.

Negative effects on the environment are identified through materiality analysis, risk analyses and environmental aspect assessments via the Group's environmental management system according to ISO 14001, but the above-mentioned risk assessments for suppliers also include environmental issues. In 2022, life cycle analyses with associated EPDs were completed on two of AM

Acoustic's products. In addition, a new project was launched for the life cycle analysis of Götesson's popular product ScreenIT A30.

This is part of the Group's approach to making evidence-based decisions within product development and product range management.

GDG's product development process has several requirements and gates to ensure the minimum necessary environmental impact. Parts of the Group's product range have various environmental certifications, the requirements of which enable better and better control. Examples of certifications include the Nordic Ecolabel, Möbelfakta, Byggvarubedömningen and SundaHus.

Improvements in the environmental area in 2023 include a complete mapping of climate impact according to Scope 1 and 2.



LEGAL AND REGULATORY COMPLIANCE

Götessons Design Group has a quality and environmental management system certified according to ISO 9001:2015 and ISO 14001:2015, where companies GDG, Götessons, AM Acoustic, David design and Götessons Design GmbH are included. Within the frame work of the different companies there is an annual check of compliance with quality and environmental management legislation.

During the year, Arbetsmiljöverket - The Swedish Work Environment Authority- audited Götessons Industri. No serious deficiencies were found and neither was there a requirement for sanctions. All companies in the Group are U-verksamheter (U-operations) and are neither subject to authorisation nor notification under the Environmental Code.

The operations' environmental work is characterised by the general rules of the Environmental Code, in particular the precautionary principle, the product selection principle, the household and recycling principle and the principle of best available technology.

GÖTESSONS DESIGN GROUP'S POLICY AND CONTROL DOCUMENTS

Environmental policy

Quality policy

Equal opportunities policy

Sustainability policy

Work environment policy

Whistle blower policy

Crisis management policy

Code of Conduct

Plan for equal rights and opportunities

Policy for sponsorship and community engagement

Policy against discriminatory treatment and sexual harassment





Stakeholders

Having continuous and open dialogue with stakeholders contributes to both the development and increased understanding of GDG's sustainability work. Our prioritised stakeholders are listed in the following table, with an accompanying description of how and why we communicate.

STAKEHOLDER	PURPOSE OF STAKEHOLDERS-COMMITMENT	COMMUNICATION
Owners and management	Identify requirements. Take consultation and approval in relevant issues around ESG.	Board meetings
Personnel	Rights based. Get knowledge of how the company is viewed as an employer.	Employee survey Personal development dialogue Systematic work environment work Well-being group
Retailers	Identify requirements and trends.	Ongoing dialogue with the sales organisation
Prescribing ranks and archi- tects	Identify requirements and trends.	Ongoing dialogue with the sales and product development organisation
Designers	Developing the product range and brand	Ongoing dialogue with selected designers
End customer	Identify requirements and trends.	Procedures and internal processes: product development/ESG/purchasing
Supplier	Inform of GDG's requirements and goals. Identify risk areas in the supply chain, to prevent or mitigate negative effects.	Procedures for supplier mapping, evaluation and follow-up
Public	Identify risk areas, to prevent or mitigate negative effects.	Procedures for local compliance with environmental requirements

STAKEHOLDER DIALOGUE

In 2021, Götessons initiated a stakeholder dialogue with customers and regulators for the Swedish market. The main purpose of the study was divided into in two main areas: to identify customers' current and future requirements and expectations for sustainability aspects in the furniture industry; and to identify barriers to sustainable purchasing behaviour among end customers in order to create a better understanding of how customer choice is made and may be affected in the future. The results have served as a partial basis for building the GDG's sustainability strategy.

WHAT SUSTAINABILITY REQUIREMENTS WILL END CUSTOMERS PLACE ON FURNITURE IN THE FUTURE?

- Circular furniture flows
- Materials: content, origin and recycled
- Certifications for credibility

- Social responsibility and controlled supply chains
- Reduced climate impact
- Credible, transparent and fact-based communication

HOW DO WE GET CUSTOMERS TO CHOOSE MORE SUSTAINABLE ALTERNATIVES?

- Pricing in relation to other sustainability aspects of product value
- Create high credibility for a more sustainable product through transparent, fact-based communication
- Dealing with lack of knowledge among customers through information and communication
- Work with legislative bodies to ensure that public procurement does not conflict with the rapidly evolving field of sustainability.
- Transparency, comparability and follow-up between products and manufacturers
- Use tools to promote sustainable choices, such as nudging and specific choice situations

Significant issues

Götessons Design Group's focus for this report is based on the materiality analysis conducted for the 2021 sustainability report. During the year, we have reviewed the analysis and updated it based on external events. We have also applied the dual materiality principle, which means that we have not only looked at our impact on sustainable development, but also how we and our operations are affected by our environment and various sustainability issues. This means that the prioritisation of our material topics has partly changed. Easily accessible information and traceability of components are two areas that have been given lower priority.

The issues now being prioritised the most are:

Choice of material in products
Circular furniture flows and reuse
Sustainable and controlled supply chain
Climate impact
Sustainable design and product development
Work environment, internal















KEY ISSUE	HOW DO WE INFLUENCE?	HOW ARE WE AFFECTED FROM THE OUTSIDE?	MANAGEMENT AND GOVERNANC
Choice of material in products	We impact the environment and people up and down the value chain through the materials we choose for our products. These include deforestation, use of fossil resources, land use for metal mining, chemical industries and their emissions. This links directly to people in the supply chain who are involved in the production of materials and components, in raw material production and processing. Customers could also be directly affected by the choice of materials, if they are hazardous to health.	Decreased supply of components, e.g. wood-based panels, due to war and pandemic. The supply of various components, e.g. eco-labelled products, is decreasing while demand for them is generally increasing.Increased costs such as electricity and materials cause subcontractors to cut back on environmental costs in order to operate.	Product development process Policy: Mandatory product requirements
Circular furniture flows and reuse	Our business model puts us far from the end customer, which makes it difficult to bring back existing products. There is an insufficient degree of maturity internally to be able to manage circular furniture supply in an optimal way throughout the organisation and all processes. We have a great opportunity to influence products for a circular future through design, product development and by creating products with a long lifespan. wThis leads to a reduced impact on the environment and climate in terms of both resource extraction and the production process. A long product lifespan also reduces this negative impact.	The customer segment generally chooses not to buy recycled and refurbished products because these do not live up to their expected low price image. There is a lack of requirements and controls on circular furniture supply from public administration.	Environmental objectives
Sustainable and controlled supply chain	Long-term supplier partnerships, good communication and mutual development. The risk of negative impacts regarding both environmental and social issues exists in all supply chains of all companies, where we are not exempt. Such as emissions to air and water, human rights violations.	Changes in supply chains are more likely to occur in times of uncertainty, when existing suppliers and subcontractors have no capacity or materials. Some countries and regions become more difficult to trade and partner with in the event of war, closed borders, etc.	Supplier follow-up according to requirements in the management system and Möbelfakta.
Climate impact	Our activities affect the climate through greenhouse gas emissions. Examples: energy use, transport, climate impact of different materials.	Extreme weather from climate change can affect our material supply, but also subcontractors and their production.	Environmental and sustainability policy Plan to calculate Scope 1 & 2 within the next year
Sustainable design and product development	The product development process and material strategy are our main tools for influence. The process also allows us to contribute to a circular transition.	Product requirements come from customers and regulators. We are also affected externally by the supply of and demand for products and materials, which means that we have to adapt the products and the process of producing them.	Product development process Educate and require customers and regulators to make more sustainable product choices.
Work environment, internal	We have a high degree of influence on the working environment in the organisation through the development of policies, rules and other guidelines. The main areas of our impact are organisational and social health and safety in production and storage.	From the outside, we are influenced by regulations, our employees' expectations and public opinion. This affects us as an organisation, both as an employer and as a business.	Management system Work environment policy Policy against discriminatory treat- ment and sexual harassment Equal opportunities policy



Götessons knowledge bank. Product development.

Well-being group. Personal development.

Production waste and new products. Product development. Supplier partnerships.

Goals and focus areas 2022

In 2022, we worked with the following focus areas for the companies in Götessons Design Group. Targets 1 and 4 were revised in March 2022, raising the level of ambition.

FOCUS AREA:

CIRCULAR FURNITURE FLOWS AND REUSE

OBJECTIVE 1: 1,500 products to be reused or LOOPed in 2022 (initial target 500 products).

OUTCOME: Objective achieved.

A total of 1853 products were LOOPed in 4 different projects.

FOCUS AREA:

CIRCULAR FURNITURE FLOWS AND REUSE

OBJECTIVE 2: Three projects will be implemented where we use internal production waste as a component in new products or existing units.

OUTCOME: Objective not achieved.

Several projects in this area were started but not finalised due to lack of resources. Work continues during 2023.

FOCUS AREA:

CIRCULAR FURNITURE FLOWS AND REUSE

OBJECTIVE 3: Develop an e-commerce scheme to sell reused products by 2023.

OUTCOME: Objective not achieved.

The project was started but not finalised due to lack of resources. Work continues during 2023.

FOCUS AREA:

CHOICE OF MATERIAL IN PRODUCTS & SUSTAINABLE AND CONTROLLED SUPPLY CHAIN

OBJECTIVE 4: 12 products will be declared in Möbelfakta in 2022 (original target 5 products).

OUTCOME: Objective achieved. A total of 15 products were declared in Möbelfakta during the year, all products for Götessons Industri.

ENVIRONMENT

Sustainable furniture & human design

PRODUCTS WITH WELL THOUGHT-OUT DESIGN AND CONTENT

SUSTAINABLE DESIGN, MATERIAL AND PRODUCT DEVELOPMENT

Product development and design is one of the core functions of the Götessons Design Group, and one of our most important sustainability issues. We place great emphasis on developing products that are both safe and beneficial to the health of the user. A design and product development philosophy in line with human health sometimes goes against current trends. Our hope is that sustainable solutions will be the common thread throughout, and our ambition is that sustainable development is not something that is strived for in the future, but that the shift happens here and now.

In our product development process, we have set requirements for social and environmental sustainability, including long service life, no hazardous materials and that the product should be reusable. A clear example of how we are embracing this is the decision taken in 2021 not to produce products for Götessons with a chromium or nickel coating. The decision was made partly with the user in mind, but above all it is about people in the supply chain and the environment that need to be protected.

TRACEABILITY OF COMPONENTS AND MATERIALS IN THE SUPPLY CHAIN

Checking the origin and content of components and materials is important from several perspectives: that we have a controlled and ethical supply chain, that no hazardous substances and materials are used, and that the product is recyclable and reusable. The furniture industry faces many challenges and opportunities in terms of being able to trace whole pieces of furniture and components, both to phase out less durable materials, but also to keep products and components in service for a longer time.

There are proposals and plans from the EU for digital product passports that are expected to be implemented within a couple of years. Products available on the European market must provide reliable sustainability data while

promoting circular product flows. We welcome these developments and are studying them closely. We believe that collaboration between actors in the furniture industry, but also outside, is of utmost importance to succeed in reaching a circular future faster.

Internally, we work systematically with the traceability of components and materials in our products by meeting the requirements of Svanen (Nordic Swan Ecolabel) and Möbelfakta product certifications. Götessons has had products certified by Svanen ((Nordic Swan Ecolabel) since 2013 and Möbelfakta since 2021. The systematic approach is applied to all companies in the Götessons Design Group.



At Götessons Design Group, our product and design strategy is to ensure that every new product brings something new to the market, while meeting the needs of our customers. We want to do this without compromising on quality, design or the environment. Through our clear product development process, we go through all the steps of material selection, design and quality requirements to deliver the most sustainable product on the market.

- Dajana Omanovic, Product Development Director, Götessons Design Group



A BETTER PRODUCT SELECTION

All the furniture we buy and consume has an impact on our environment and our planet, and is produced by working people at several stages before the customer finally gets the product to their office, school or chosen location. This environmental footprint must be minimised. Office and public space furniture will continue to be produced whether we like it or not, so the products produced, purchased and used need to have the smallest possible environmental footprint. In other words, a product can be better or worse from an environmental and sustainability perspective.

So how do you know if a product has a high or low impact on the planet? This requires thorough and extensive research, including life cycle analyses and environmental product declarations. Götessons aims to offer this information for the whole product range, but is also aware that this process will take time. On the positive side, we started work on environmental product declarations in 2022.

Even if we can't provide EPDs for our products, we still want to help customers and interior designers make better choices. This is why we developed our own internal environmental assessment system, Better Product Choice. These are products we recommend from our own range, as we consider them to be slightly better from an environmental point of view. It is based on eight parameters, the same requirements as in our new product development process. The products must have passed at least five of them.

& A BETTER PRODUCT CHOICE

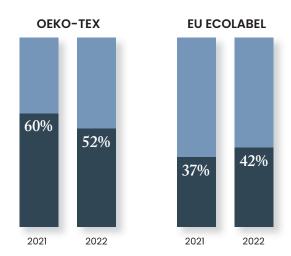
- Long lifespan
- Smart design few components, easy to disassemble, high energy efficiency
- Recycled material as input component
- Possible to reuse
- Environmental labelling
- Consist of environmentally-friendly materials
- No hazardous chemicals
- Locally produced and/or checked supplier chain.





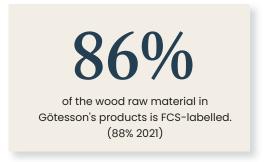


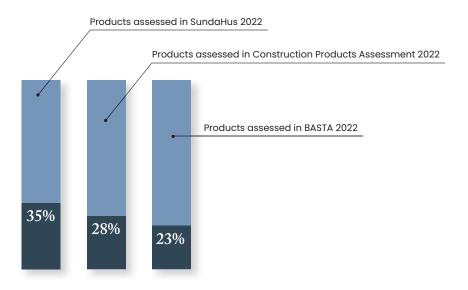
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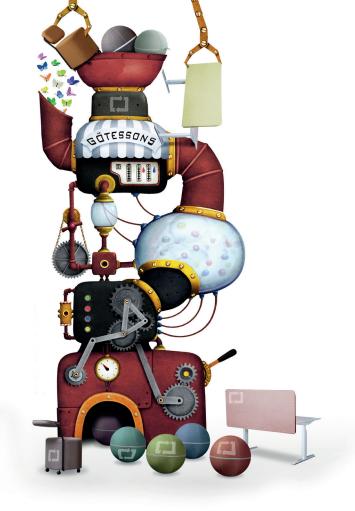
Of the textiles available in Götesson's standard range, 74% are ecolabelled (2021): 77%). Some textiles are labelled with both the EU Ecolabel and OEKO-tex.

ECO-LABELS AND SUSTAINABILITY CERTIFICATIONS





The proportion of products declared in Byggvarubedömningen, SundaHus and BASTA for AM Acoustic does not give a completely fair picture, because many of the products are similar in material and design, but account for a small proportion of sales, and thus have not been prioritised for declaration. There were no new product registrations in 2022.



CIRCULAR FURNITURE FLOWS AND REUSE

LINEAR = TODAY, CIRCULAR = TOMORROW

It has to go full circle. Today's linear consumption behaviour is unsustainable -we are using far more new natural resources than the planet can produce, while piles of waste are increasing in size and polluting land and sea. The good news is that circular initiatives are being created in many places and in many industries - the furniture industry is one that is bubbling up. Like us, many colleagues in the industry have taken up their responsibilities, including creating e-commerce or reuse concepts to promote circular furniture use. We are pleased and proud of that!

The Götessons Design Group is committed to the circular future and will work even harder on circular solutions going forwards. It does not just apply to LOOP. In our product development process, we strive to use recycled material as an input component, both pre-consumer recycled (production waste that occurs before product use) and post consumer recycled (products recycled after use).

David design offers refurbishment and reupholstery of used furniture. AM Acoustic's EcoSUND sound absorber is made of polyester fibre where 50% is recycled PET. Goals 2022:

At least 1,500 products
from customers should be
LOOPed.

Outcome 2022: 1853 products LOOPed. Outcome 2021: 192 products.

CIRCULAR SOLUTIONS AT GDG

GÖTESSONS

- LOOP
- Product development, e.g.
 Office Ballz Medley
- We offer textiles in different price ranges that are post consumer recycled.

AM ACOUSTIC

EcoSUND is made from 50% GRS certified post consumer recycled PET plastic.

DAVID DESIGN

We renovate and reupholster second-hand furniture at the request of customers.



LOOP is a unique recycling concept by Götessons launched in February 2020. We take back end-of-life products, refurbish them and re-sell them again just like a new piece of furniture.



REUSE OF PRODUCTS FOR FAIRS AND SHOWROOMS

GDG's exhibitions and showrooms use products from all of the group's brands. When planning and decorating these, products are usually chosen in colours and materials that are not trend-sensitive, but those that will last over time and can be combined with other products. The products are recycled at several fairs, showrooms and events over the years, and then either sold, used in showrooms or retailers' exhibitions. Another home where we like to see our

reused products is with youth organisations such as sports clubs.

The products that do not find new uses are LOOPed and given a new life in the circular flow around fairs and exhibitions. Building materials at fairs are saved and reused for several fairs. External products such as flooring, board materials, and customised furniture are renovated and used again and again.







CLIMATE IMPACT

In 2022, the mapping of the GDG's climate and environmental impact has started. Two life cycle assessments with associated EPDs have been finalised and another one is underway. EPDs for AM Acoustic's product EcoSUND with the textile Hush and Raw are available on EPD International. In 2023, the goal is to map the climate impact in Scope 1 and Scope 2. An EPD for Götesson's ScreenIT A30 product will be finalised during the year.

THE VEHICLE FLEET AND RECHARGING POSSIBILITIES

Götessons Design Group's policy is that company cars should be electric or hybrid. The number is growing steadily and soon all company cars will be electric. No new cars were delivered in 2022. The number of charging points was increased in 2022. In Ulricehamn, there are a total of 22 charging points with charging powers from 3.7 - 11 kW for our staff and visitors.

TREE PLANTING WITH THE MEDICAL MISSION

For every fair that Götessons participates in, a tree is planted to match the number of visitors, both physical and digital guests. The tree planting is carried out through Läkarmissionen. 7,000 trees were planted in Niger during 2022.

RESTORATION OF WETLANDS

Götessons is a partner in a local carbon storage pilot project in Sweden, Project: Restore. On the initiative of Swedebridge, local companies have invested in the project, which is based on the rewetting of drained peatlands and the planting of fast-growing trees. This project is created by participants in the local business community and has no intermediaries. Project: Restore helps to increase biodiversity by providing more animals and plants with improved habitats when nature restoration is carried out. Forestry in the area will be clear-cut and this will store carbon in the restored wetlands.

141.5 tonnes

CO₂ stored through our participation in Project: Restore in 2022





PLASTICS AS A MATERIAL

EcoSUND is AM Acoustic's unique material for sound absorbers that consists entirely of polyester fibre (PET), 50% of which is recycled PET. The recycled PET fibres are third party certified according to GRS, Global Recycling Standard. GRS ensures that requirements are met for recycled content, limitation of chemicals, and social and environmental issues in production. The fibres are also certified according to

Oeko-Tex Standard 100. Because EcoSUND is made of the same material, it is fully recyclable. The product has a long service life and can be reused again and again. It contains no binders and emits no emissions or gases, nor dust or other allergens.

TOGETHER FOR A PLASTIC-FREE OCEAN

AM Acoustic in Falkenberg is proud to be a partner organisation of the Ocean Alliance, an initiative from Keep Sweden Tidy where companies and organisations in Sweden come together with the common goal of a

plastic-free ocean. EcoSUND, AM Acoustic's own soundabsorbing material, consists of 100% polyester. We are aware of the negative environmental impact of plastic and try to compensate for the product content in several ways. We will continue to be committed to working on Havsalliansen's vision, especially our product development and production process. An increased mix of recycled materials, together with reduced use of fossil-based plastics, without compromising on quality are important issues for us. In the coming years, major efforts will be made to increase the amount of recycled content in order to minimise the amount of plastic that becomes waste, and instead extend its service life by incorporating it into new products. A measure that seems small in the grand scheme of things, but which has local effects in the neighbourhood, was an occasion when AM Acoustic's staff carried out litter picking at Skrea Strand in Falkenberg. There are many ways to help reduce litter and plastic emissions, and this is one of them.



The Ocean Alliance has an overall vision, where the second point is highly relevant to AM Acoustic and is thus a focus area in the company's continued work.

- 1. Eliminate unnecessary single-use plastic packaging
- 2. Reduce the use of fossil-based virgin plastics
- 3. Increase reuse and recycling of plastic products and packaging
- 4. Restore our oceans from plastic pollution



SUPPORT FOR EVIDENCE-BASED DECISIONS

In 2022, A. M. Acoustics produced two life cycle analyses (LCA) with associated environmental product declarations(EPD). Life cycle assessments calculate the environmental impact of a product over all or part of its life cycle. Having the information from an LCA and EPD allows us to identify the key areas of environmental impact and therefore focus on the right things in our product development, production and communication. In January 2022, a new law on climate declaration for buildings was introduced, aiming to raise awareness and reduce the climate impact of buildings. AM Acoustic's products are not

included in the first part of the reporting requirements, but other stakeholders are requesting the information and knowledge of the environmental impact is of utmost importance to us. Our Life Cycle Assessments (LCA) and Environmental Product Declarations (EPD) are based on methodologies according to ISO standards 14040/14044 and ISO 14025. They are also audited and verified by third parties. LCA analysts have examined the environmental impact in 17 different categories. The following is a description of the results from the five main impact categories. The EPDs are available on EPD International.

EPD REG. NO.
EcoSUND with textile: S-P
05175
EcoSUND RAW: S-P 06013









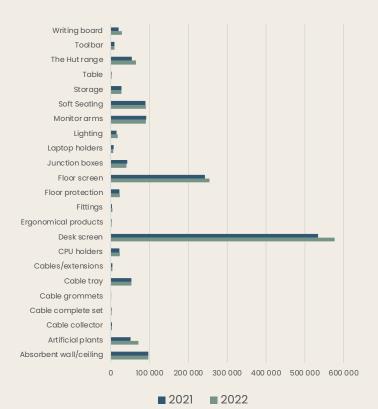
EcoSUND Raw 1 m2 1600 EcoSUND Raw	EcoSUND laminated with textile 1 m2 1600 EcoSUND with textile
6.8 kg CO2 equiv	10 kg CO2 equiv
60 MJ	123 MJ
65 CTUe	107 CTUe
2.4 E-05 kg Sb eq	5.0 E-05 kg Sb eq
1.5 E-07 disease inc.	2.7 E-07 disease inc.
	1 m2 1600 EcoSUND Raw 6.8 kg CO2 equiv 60 MJ 65 CTUe

GÖTESSONS, MATERIAL CONSUMPTION 2022

For Götesson's material consumption, the largest sales category is table screens with 42% of the range, consisting of wood, absorbent and textile. The second largest sales category is sound absorbers. Our sound absorbers use the material EcoSUND, which consists of 100% polyester fibre. Sound absorbents make up 10% of Götessons product mix.

The next sales category of 6% is floor screens with input materials such as foam, wood, plastics and textiles. The remaining sales categories include wood, metal, foam, electrical components, wood, EcoSUND, textiles, plastics and glass. In 2022, the share of recycled material components was <20%.

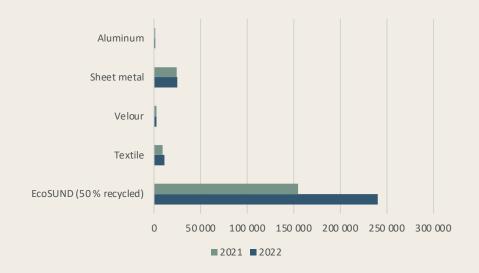
PRODUCT GROUP	KG 2022	KG 2021	MATERIAL
Absorbent wall/ceiling	96 000	96,000	EcoSUND (50% recycled)
Artificial plants	71100	51,000	Plastic
Cable collector	2,600	2,600	Sheet metal, Plastic
Cable complete set	1,500	1,500	Sheet metal, Plastic
Cable grommets	640	600	Sheet metal, Plastic, Electrical components
Cable tray	53,000	52,700	Sheet metal
Cables/extensions	3,600	3,400	Sheet metal, Plastic, Electrical components
CPU holders	23,000	22,100	Sheet metal
Desk screen	577,000	534,000	Wood, Absorbent, Textile
Ergonomic products	1,500	1,600	Sheet metal, Plastic, Foam, Textile
Fittings	3,600	3,200	Sheet metal, Plastic
Floor protection	23,000	21,900	Plastic
Floor screen	254,000	242,600	Wood, Absorbent, Textile
Junction boxes	39,800	41,700	Sheet metal, Plastic
Laptop holders	6,200	6,900	Sheet metal, Plastic
Lighting	17,200	14,900	Sheet metal, Plastic, Electrical components
Monitor arms	89,900	91,400	Sheet metal, Plastic, Textile
Soft seating	89,600	89,400	Wood, Foam, Plastic, Textile
Storage	27,400	27,400	Wood, Plastic, Sheet metal, Textile
Table	1400	1,300	Wood, Sheet metal
The Hut range	64,000	53,600	Wood, Foam, Textile
Toolbar	9,500	9,500	Sheet metal
Writing board	28,000	20,100	Wood, Absorbent, Sheet metal, Textile, Glass



AM ACOUSTIC, MATERIAL CONSUMPTION 2022

AM Acoustic's material consumption consists mainly of the sound absorbent EcoSUND, with a recycled content of 50%. Then the accessories are added to the sound absorbent, such as textile upholstery, velour for wall hanging, sheet metal for hanging on ceilings, walls and frames, and aluminium for suspension from ceilings. Sale of products to Götessons are included in the reported volumes.

MATERIAL	KG 2022	KG 2021	
EcoSUND (50% recycled)	240,000	154,800	
Textile	11,200	9,100	
Velour	2,500	2,500	
Sheet metal	25,000	24000	
Aluminium	700	700	



DAVID DESIGN, MATERIAL CONSUMPTION 2022

Material consumption in kg cannot be presented for 2022. This is primarily because many of the products sold are specially adapted to the customer's requirements, and thus do not have weight and material specifications at article level. Material used in the products are: Wood, Metal, Plastic, Electrical components, Foam, Textile, leather, Laminate (plastic and paper).

PACKAGING

	MATERIAL	KG 2022	KG 2021	RECYCLABILITY
Götessons	Corrugated board	35097	24287	Unknown
Industri	Stretch film	1012	975	
	Corrugated board	24407	21055	65%
AM Acoustic	Stretch film	20	0	
	Corrugated board	4624	4850	Unknown
David design	Stretch film	96	113	
	Corrugated board	280 m	N.D	Unknown
Götesson	Stretch film	72,000 m		
Design GmBH	Plastic straps	21,800 m		
	Bubble wrap	200 m		

WASTE PER FRACTION (TONNE)	2022	2021
Combustible, fine Combustible, coarse	13 10.5	12 2
Cardboard Metal	5.8 8.5	- 12 10
Soft plastic	3.3	3.5
Office paper Wood	2 24	2 19
Corrugated board Unsorted construction waste*	20 52	18.5 67
Hazardous waste**	1.2	2.3

^{*} At the waste supplier's premises, this fraction is sorted by the supplier at the recycling centre and the waste is then sent for recycling or energy recovery.

WASTE

Waste from Götessons is mainly packaging material in the form of corrugated cardboard, wood, soft plastics and other combustible materials, which are generated in the logistics handling at the warehouse. The waste at AM Acoustic is generated in the production of sound absorbing materials and textiles. This waste is sorted at the recycling centre by its staff. During assembly, waste is generated in the form of packaging and material cut to size at the customer's premises. For David design, waste is generated during the cutting of textiles and, where appropriate, wallpapering and assembly. The waste consists mainly of textiles, foam, wadding and packaging materials. Combustible materials and wood are incinerated, while metal, plastic, corrugated cardboard and paper are recycled.

ELECTRICITY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

The electricity consumption of the companies in the Group is green and comes from fossil-free sources; solar, wind and hydro power as well as biofuels. The premises in Ulricehamn are heated with local district heating, which uses a very low proportion of fossil fuels and a very high proportion of recycled heat from local industries. In Ulricehamn, we plan to invest in a solar cell plant in the coming years. The premises in Falkenberg are heated with electricity and excess heat from the machinery. Götessons Design GmBH refers to calculations of greenhouse gas emissions from electricity via German energy mix, data from Umwelt Bundesamt (UBA, German Environment Agency) with calculations from 2019. Calculations of greenhouse gas emissions from heating could not be implemented because the emissions factor for German natural gas was missing when this report was produced.

ELECTRICITY (kWh)	2022	2021	CO ₂ e 2022
Götessons	351,992	353513	0-emissions*
AM Acoustic	168492	178604	0-emissions*
David design	4,178**	22,512	422 kg CO ₂ e***
Götessons Design GmBH	49,860	N.D	20,000 kg CO ₂ e****

^{*}We use only renewable energy.

[&]quot;Electronic waste, asbestos

[&]quot;Data for 2022 refers to Helsingborg, 2021 refers to Skillingaryd (Premises sold).

^{***} Source: Öresundskraft, n.d. Information about emission factor applies to 2021.

[&]quot;" Source: Umwelt Bundesamt (UBA), 2020. Emission factor refers to the 2019 annual calculation...

SOCIAL RESPONSIBILITY

A sustainable working day for everyone

A SUSTAINABLE WORKING DAY FOR EVERYONE - FOR CUSTOMERS, SUPPLIERS AND OURSELVES



THE USE OF OUR PRODUCTS

The philosophy of Götessons has long been 'From workplace to creative space' - that a workplace can be so much more for the people who will use it.

It is not just internally that health and well-being is the focus. Our products and their function are at the heart of our business. At Götessons Design Group, we have many years of experience in designing products to create environments where people feel good and thrive. People spend more and more of their time indoors. Living, eating, sleeping, working and socialising. There are many things to consider to ensure a healthy indoor environment, and we also think it should be pleasant. There are many elements of healthy buildings that are not built-in, but later added through interior design furnishing.

In order to spread our knowledge further, with the hope that more people will have a more pleasant workplace and indoor environment, a knowledge base on designing for a sustainable working day was published on Götessons website. It covers how to design for better acoustics, how to furnish meeting rooms in a thoughtful way, what to

consider in terms of lighting and how to think when designing classrooms.

In addition to the knowledge we have regarding furniture and interior design, it is important that our products are safe and fit for health. All our products are tested according to the relevant standards for the different categories of furniture and furnishings. We carry out tests for tipping risk, surface finishes, fire and noise, among other things. The products must be durable and meet the customer's requirements and we strive to be present in the market and follow the evolution of needs as well as trends in order to satisfy the market in the best way. We place great emphasis on ergonomics and ensuring that the end user gets the most out of their product while the product provides a benefit in terms of creating a better working environment. For products where it is relevant, we provide instructions for assembly, disassembly, care and cleaning, as well as a user manual. In our product development process, we exclude materials and chemicals that are hazardous to health so that the user is not adversely affected by them.

A SUSTAINABLE AND CONTROLLED SUPPLY CHAIN

Today, it is no longer enough for companies and organisations to have good control over their own internal processes Increasing attention is being paid to the upstream supply chain, and rightly so. It is very common for companies today that it is there that the majority of both environmental impacts and hazardous operations occur. Working solely on environmental and health and safety issues within one's own organisation, but selling products that are not controlled upstream, therefore distorts the picture and the end product is far from sustainable. In addition, it is often complicated because many smaller companies cannot rely on their suppliers, or find it difficult to obtain information

if suppliers and their subcontractors are global, are located in high-risk countries or are state-owned.
Globalisation and outsourcing have a downside. But, just because it is sometimes difficult does not mean you should not do it. The market and other stakeholders are increasingly demanding that companies take responsibility for their entire operation, and for all parts of their products - which means it is not possible to have irregular production.

For Götessons Design Group, long and close cooperation with suppliers has been an important point since the company was founded. Quality, fair conditions and functioning collaboration have always cost a little more. We carry out regular supplier visits and where necessary third party audits. Since 2021 the work for a sustainable supply chain has taken on a new dimension, and the work has been restructured in that Götessons now declares products in Möbelfakta. We view the coming requirements of legislation regarding sustainable supply chains positively, and prioritise this area in our organisation. In 2022, supply chains for David design have been mapped, in addition to the existing data for Götessons Industri and AM Acoustic.

BUSINESS SUPPLY CHAINS

Götessons, AM Acoustic and David design strategies for production and logistics differ from year to year, but the companies use common suppliers where applicable. The majority of first and second tier suppliers are located in Sweden or the rest of Europe. The supplier assessment and associated risk analysis show little risk of negative social aspects such as shortcomings in human rights, child labour, forced labour or freedom of association for our largest suppliers. However, there are suppliers in high-risk countries such as China and Turkey where we have noted possible risks of human rights, labour and environmental protection violations. In 2022, we removed two textiles of Chinese origin from the range, as there was a risk of human rights violations in the supply chain, mainly forced labour.

Götessons does not have its own production, but buys all finished products from subcontractors where the product is quality assured, packaged and labelled according to set requirements. Some manufacturing does occur but is more of a "logistical nature", i.e. packaging or configuring the product according to customer requirements. A large stock of products is held for good customer service, but about half of the turnover is order-driven with customer-configured products. Suppliers are located in Sweden, Europe and a few in Asia. In total, Götessons has about 48 product suppliers (>100,000 SEK/year).

AM Acoustic produces products made using EcoSUND as core material, in its own premises in Falkenberg. Production is customer order driven and only a small amount of stock is held. Production takes place in Falkenberg and during 2022 the production capacity was doubled when another lamination and cutting machine was installed. In addition to this the following manufacturing operations take place and where appropriate assembly with the customer. The suppliers

are mainly located in Sweden. AM Acoustic has 26 product suppliers (>100,000 SEK/year).

David design production is completely customer order driven and almost all products are manufactured according to the customer's wishes. The range of textiles is not fixed as at Götessons and AM Acoustic; all textile choices are made by the customer. Generally, however, well-known European textile suppliers are chosen. David design production takes place in its own premises in Ulricehamn, and components, and in some cases finished products in the range, are manufactured by subcontractors in Sweden or northern Europe. All assembly, quality control and packaging is carried out in-house. David design has 17 product suppliers (>100,000 SEK/year).

SUPPLIER ASSESSMENTS

Supplier assessments are carried out throughout the year, and new assessments particularly apply to David design (19 x.). An overview, and the need for updating, has been taken of Götesson's and AM Acoustic's suppliers. This assessment process investigates sustainability aspects in the form of country-specific risks and sector specific risks for environmental protection, anti-corruption and social conditions through human rights, workers' rights and the working environment. For 2022 no suppliers who have a significant negative impact on the environment or social conditions were identified. In the coming years, all component suppliers and critical suppliers, new and existing, will be assessed using this new process.

CHANGES IN THE SUPPLY CHAIN

No strategic changes have occurred in the supply chain during 2022. The increase in Swedish suppliers is related to the product mix and normal offsetting around the turn of the year.

CHALLENGES IN OUR SUPPLY CHAIN

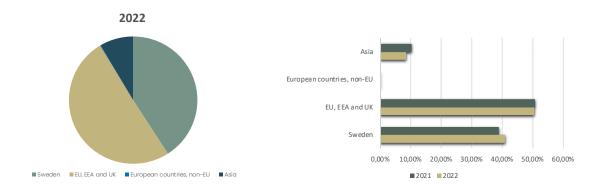
It is more difficult to obtain transparent and factual knowledge about the supply chain behind other supply chains in high-risk countries. This applies to both the origin of materials and the social conditions of staff.

There is a lack of actual knowledge about the environmental impacts of products and materials in all supply chains, e.g. lack of life cycle analyses. If the knowledge of materials and components had been available, it would facilitate further work at product level.

Within Götessons Design Group there are many subcontractors in other supply chains and backwards, which makes it more difficult to track and measure the environmental impact of a single material or component.

SUPPLIERS, DISTRIBUTION OF PURCHASES

DISTRIBUTION OF PURCHASES IN 2021 & 2022



PURCHASES FROM LOCAL SUPPLIERS* (Proportion in %)	2022	2021
Götessons Industri	32%	29 %
AM Acoustic	91%	83%
David design	97%	86%
Total for group	41%	39%

EMPLOYEES, WORK ENVIRONMENT AND EQUALITY

The employees of Götessons Design Group are our most important resource. Happiness, well-being, equality and development are and have always been top priorities for the company.

OUR EMPLOYEES

The number of employees in Götessons Design Group in 2022 was 128, of which 48% (62) are women and 52% (66) are men. The age distribution of employees is 16% below 30 years old, 60% between 30-50 years of age, and 23% over 50 years old.

During the year, 24 people were hired, including three temporary staff. Gender balance between new employees is divided between

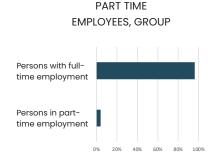
33% men and 67% women, and with an age distribution of six people below 30, 13 people between 30-49, and five people over 50. The turnover of staff during the year was 22 people who left their employment. During the year staff were hired in at both Götessons Industri and AM Acoustic, both on the collective and the administration side. The hired in staff had employment contracts with the staffing company.

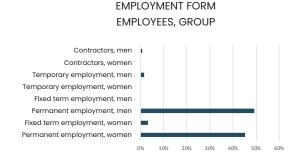
The management team of Götessons Design Group consists of nine people, of whom three are women (33%) and six are men (67%). Six of the people (67%) are between 30-50 years of age and three of the people (33%) are over 50 years old. Götessons Design Group's Board of Directors consist of six ordinary members, one of who is female (seven ordinary members with deputy, two of whom are female).

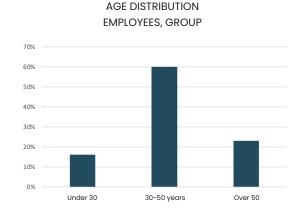
Data for staff is information that applied as per 31/12/2022.

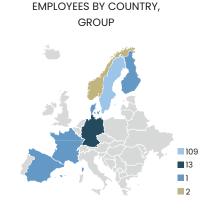












WORK ENVIRONMENT, HEALTH AND SAFETY

At Götessons Design Group Vision Zero (no loss of life is acceptable) applies regarding workplace accidents and we are constantly working on risk assessments, health and safety audits and improvement work.

There is a safety management system for systematic work environment management within the Group, which covers all companies and employees. As an employer, we work with the investigation, implementation and follow-up of activities in matters that prevent illness and accidents and achieve a satisfactory working environment. This is implemented in the form of policies, working methods, risk analyses, guidelines and a plan for equal rights and opportunities. The goal for Götessons Design Group's work environment work is that there should not be any work injuries in the work place. It is the company's responsibility to minimise the risks for the staff as far as possible. Any incident, accident or injury is immediately reported to the immediate supervisor and the HR department, after which it is notified to the Social Security Agency. When reporting an occupational injury, you can, if you wish, take the safety representative with you. Serious occupational injuries are reported to the Swedish Work Environment Authority. Incidents and accidents are monitored and reported by all companies in the Group. In 2022, a total of five accidents and ten incidents were reported.

At GDG, occupational health care is contracted with Priserva. Together we work to identify and catch signs of ill health early on, to help us as employers to reduce and prevent all types of risks and ill health in the work environment and to facilitate return to work in the event of sick leave. In 2022, health interviews were conducted with staff in Sweden and an independent personal survey was carried out. Employees abroad have the opportunity to have a health check-up on their own. Safety rounds are carried out twice a year, on both the collective and administrative sides, to examine and map the working conditions and assess the risks of ill health or

accidents at work.

Employee inclusion in work environment management at Götessons Design Group is primarily based on a health and safety committee consisting of ten people, two of whom are part of the company's management group, three middle managers, four health and safety representatives and one other employee representative. The Safety Committee meets four times a year and discusses issues according to an agreed agenda, such as health and safety, risk assessment and other social and ethical issues. Our health and safety representatives represent workers on health, safety, ill health and wellbeing issues. Training of GDG staff in occupational health and safety in 2022 consisted of D-HLR training with 98 participants.

All Götessons Design Group employees are covered by a collective agreement and all employee benefits apply regardless of whether you are a full-time, part-time or hourly employee. At GDG, we comply with the Parental Leave Act, which means that all parents have a legal right to be on parental leave. During the period of parental leave, the person retains their employment and the rights that go with it. In this sustainability report, we have chosen to report those people who took parental leave for at least 30 consecutive days during the reporting period. In 2022, eight women and one man took parental leave for at least 30 consecutive days.

The organisation has a well-being group to contribute to greater well-being, commitment and health in the workplace. The well-being group consists of employees from different departments and all staff are asked to provide ideas for well-being-enhancing activities. The companies in Sweden carry out their own activities, all following similar themes. The Group organises around 10 activities per year, large and small. In 2022, lectures and training sessions with Hanna Falk from Ulricehamn IF, an Easter egg hunt, a Lucia procession and a barbecue for lunch for the staff were organised.





WHISTI F BLOWING

Götessons Design Group endeavours to maintain a good business culture and to prevent corruption and other irregularities. Whistleblowers play a central role in protecting and promoting important values of a democratic society, such as openness and transparency. From 2022, the GDG has a new reporting channel as part of the organisation's efforts to prevent and detect misconduct and to protect whistleblowers who report misconduct. Through the GDG's reporting channel, whistleblowers can report misconduct and irregularities within the GDG, without having to worry about negative consequences. Götessons Design Group's internal reporting channel is a secure system provided by KPMG, an independent party to the GDG. The whistleblowing service is completely independent of the GDG intranet and external website and can receive reports around the clock. The reporting person can choose to report anonymously or to come forward with their personal data. No account registration is required to make a report, but it facilitates further investigation of the case and/or follow-up on the status of the case. To ensure the anonymity of the reporting person, IP addresses or other metadata are not stored. The system also protects the report and any information about the person(s) whose identity appears in the report. The whistleblowing committee is composed of three people who are considered to have a particularly high level of trust among staff: the safety officer, a manager at management level and a board member.

EQUALITY AND NON-DISCRIMINATION

At GDG, there is absolutely zero tolerance for discrimination, harassment and discriminatory treatment. Incidents in this area are captured in the twice-yearly employee surveys, through the whistleblowing system, via the safety representatives and in the annual appraisal interviews.

In the employee surveys conducted in March and October 2022, three and one respectively responded "not correct at all" to the statement "I have not been treated badly by my manager in the last six months". A further five and four people responded 'not correct at all' to the statement 'I have not been treated badly by a colleague in the last six months'. Measures taken as a result of the 2022 employee survey results, in addition to appropriate measures such as counselling, have included training on social sustainability and discrimination grounds.

Götessons Design Group has a written equal rights and opportunities plan, which focuses on eight areas: awareness, knowledge and sensitisation; working conditions; rules and practices on pay and other employment conditions; recruitment and promotion and promoting gender balance; training and other skills development; parenting and work; no harassment, sexual harassment, retaliation and victimisation, as well as social responsibility. The plan is based on all grounds of discrimination and aims to increase equality within the Group.

The Group offers everyone the same opportunities at work regardless of gender, transgender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation, age or form of employment. There are complementary policies on victimisation.

A salary survey was carried out in 2022. The outcome showed no unfair pay differences for employees in GDG, Götessons Industri, Götessons Design GmbH, AM Acoustic and David design. For the highest paid individual, the total annual allowance for 2022 amounted to SEK 1,799,525 (39.3% increase compared to 2021). The median total annual remuneration, excluding the highest paid individual, was SEK 550,285 (10.0% increase compared to 2021).

INCLUSIVITY

At GDG, the inclusion of people is an important issue. In spring 2022, a training on social sustainability and inclusivity was held for staff across the group, to achieve an equal organisation and value skills and perspectives. The training was mainly based on Agenda 2030's Goal 5 Gender Equality and Goal 10 Reduced Inequality. The starting point for the training was that a socially sustainable company is an inclusive and gender equal company that ensures reasonable fairness for generations, both now and in the future. The aim of the training was mainly to make employees aware of the adopted GDG policies and documents related to social sustainability.

SUSTAINABLE BUSINESS

Business ethics and anti-corruption



SAFE AND RESPONSIBLE PARTNER

Götessons Design Group must be the industry's most attractive company to work with and for - that's the company's vision. It is important for us to always act responsibly in our business relationships, both internally and externally. Basically, it is about having trust in us as a company, where we value ethics, morals, fair conditions and good business practices.

It must feel right to work with Götessons. We therefore have long relationships with suppliers and carefully check materials and producers. Most of our suppliers are based in Sweden or other European countries. We work systematically to take responsibility for our supply chains and ensure compliance with human rights, labour law, environmental responsibility and anti-corruption through CSR reviews or continuous visits where these important issues are discussed. Our Code of Conduct applies to both ourselves and our suppliers.

Götessons Design Group has zero tolerance for and rejects all illegal competition. No form of corruption, bribery, extortion or kickbacks may occur in the sphere of influence of the Group, from or to the companies. Doing business in an ethical manner is important to us and we believe it is the only

sustainable way to move our business forward. To ensure this, we have a Code of Conduct that applies to both ourselves and our suppliers. Götessons Design Group has a whistleblowing system. It provides the opportunity for our employees to be able to report serious irregularities, such as economic crime, corruption, security, discrimination and harassment, environmental crimes or irregularities in supplier relations. In 2022, no cases related to whistle-blowing were received.

We feel happiest in a chain where every party is profitable. When we know that we always have our carefully selected suppliers with us and that what we deliver to the customer always meets their requirements and is on time. Our goal therefore is to grow together with our partners, to create security both for ourselves and for our customers. As a responsible partner, we value customer satisfaction highly, which is why we also place great emphasis on making it quick and easy both to contact and order from us. Delivery reliability and fast customer service can be crucial to our customers' success and is therefore something we place great importance on.



LOCAL INVOLVEMENT AND SPONSORSHIP

Götessons Design Group is involved in various organisations and associations to increase the organisation's local roots and to support organisations that live up to GDG's values, which is mainly done through sponsorship. In 2022, a policy on sponsorship was developed, and this will be further developed in 2023 to develop the requirements on equality. The policy sets out the basic principles that an association or organisation must comply with in order to enter into a sponsorship agreement. Examples of this are requirements to live up to GDG's values and code of conduct, and to conduct active work linked to drug prevention and gender equality work. In 2022, Götessons Design Group sponsored the following associations and organisations:

ULRICEHAMNS IF

As a sponsor of UIF, GDG supports the organisation's investment in both grassroots and elite levels. The organisation has more than 125 young people and 40 leaders and aims to become a club for both cross-country skiing enthusiasts, as well as those who want to be elite. There are plans to build and furnish a lounge in the UIF pavilion.

MOMENTA

GDG sponsors Momenta, a company that distributes over 500,000 road safety products to children in Sweden every year. Many people recognise the initiative through Flexbert, reflective products provided to children in schools and kindergartens across Sweden. Local involvement in Ulricehamn and Falkenberg.

IF ELFSBORG

In Vi Tillsammans, the GDG works with schools, organisations and businesses to create a better society where more people feel included rather than excluded. Local commitment in Borås.

ÖRESJÖ SAILING SOCIETY

GDG stands for a common room for the organisation's young people to create cohesion and security. Local commitment in Borås.

GIVING PEOPLE

An aid organisation with a vision that no child in Sweden should live in exclusion or poverty. Giving people works to combat economic vulnerability and child poverty. GDG is involved locally in Ulricehamn and helps with food parcels, among other things.

BARNCANCERFONDEN

A non-profit organisation that funds childhood cancer research in Sweden. The organisation receives financial support because it operates exclusively on donations from individuals and companies. The commitment to the organisation is national.

NOLL TOLERANS

The organisation aims to provide all schools in Sweden with free anti-bullying materials. No school should have to de-prioritise the issue for financial reasons. The commitment to the organisation is national.

UNICEF

In 2022, no one could avoid the war in Ukraine. The situation for people was and still is acute. Götessons Design Group chose to donate money to UNICEF for the people of Ukraine. UNICEF is on the ground fighting to save lives and help is needed.

AKTIV SKOLA

Aktiv skola provides training and lectures for teachers, school nurses and other school staff on topics such as mental health, grooming and bullying, as well as for guardians and primary school pupils. The GDG has zero tolerance for bullying and abusive behaviour, which is why the commitment is high. The commitment to the organisation is national.

LÄKARMISSIONEN

For several years, GDG has reduced give-aways in favour of tree planting together with Läkarmissionen. In recent years, the GDG has planted trees for every visitor to our stands or live broadcasts at trade fairs. Tree planting improves the local climate and provides timber, firewood or fruit that is of great benefit to people in the neighbourhood. 7,000 trees were planted in Niger during 2022.

HAVSALLIANSEN

Together for a plastic-free ocean - AM Acoustic is committed to the Havsalliansen (the Ocean Alliance) to realise the vision of a cleaner ocean. AM Acoustic is committed to reducing the use of virgin plastic raw materials and reducing the outflow of plastic emissions from its operations. In addition, local initiatives to prevent plastic from ending up in the sea are carried out through local litter picking on the beaches of Falkenberg.

PROJECT: RESTORE

Götessons is committed to the Project: Restore, a local wetland restoration project in Sjuhärad. Restoring wetlands is an effective way to store and sequester carbon while improving the biodiversity of the area. In 2022, 141.5 tonnes of CO2 were stored through our participation, in the former peat cutting site in Herliunga.

GRI Content Index

Statement of use

Götessons Design Group has reported the information cited in this GRI content index for the period 2022.01.01 - 2022.12.31 with reference to the GRI Standards.

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Götessons Design Group's organisation and governance

The ultimate responsibility for the sustainability report and the sustainability work, including policies, targets, monitoring and development, lies with the company's Board of Directors, supported by the management team. The ongoing day-to-day work in the area of sustainability is led by the company's ESG department, which during the year consisted of Stellan Bygård and Emma Hagman.

GÖTESSONS DESIGN GROUP'S MANAGEMENT TEAM

Emil Johansson (CEO), John de Boer (Sales Director), Marika Hermansson (CFO), Mika Haglund (COO), Jessica Carlstein (Marketing Director), Johan Götesson (Business Development Manager), Dajana Omanovic (Product Development Director), Tomas Svensson (Senior Product Developer) och Stellan Bygård (ESG Manager).

GÖTESSONS DESIGN GROUP'S BOARD OF DIRECTORS

Niklas Sloutski (Chairman of the Board), Tommy Torwald (Independent), Martin Creydt (Independent), Isabelle Sjövall (Independent), Johan Götesson (executive), Håkan Nilsson (executive) och Victoria Scheer (deputy).

FOR QUESTIONS ABOUT THE REPORT, PLEASE CONTACT:

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