

Framery Sustainability Report 2021

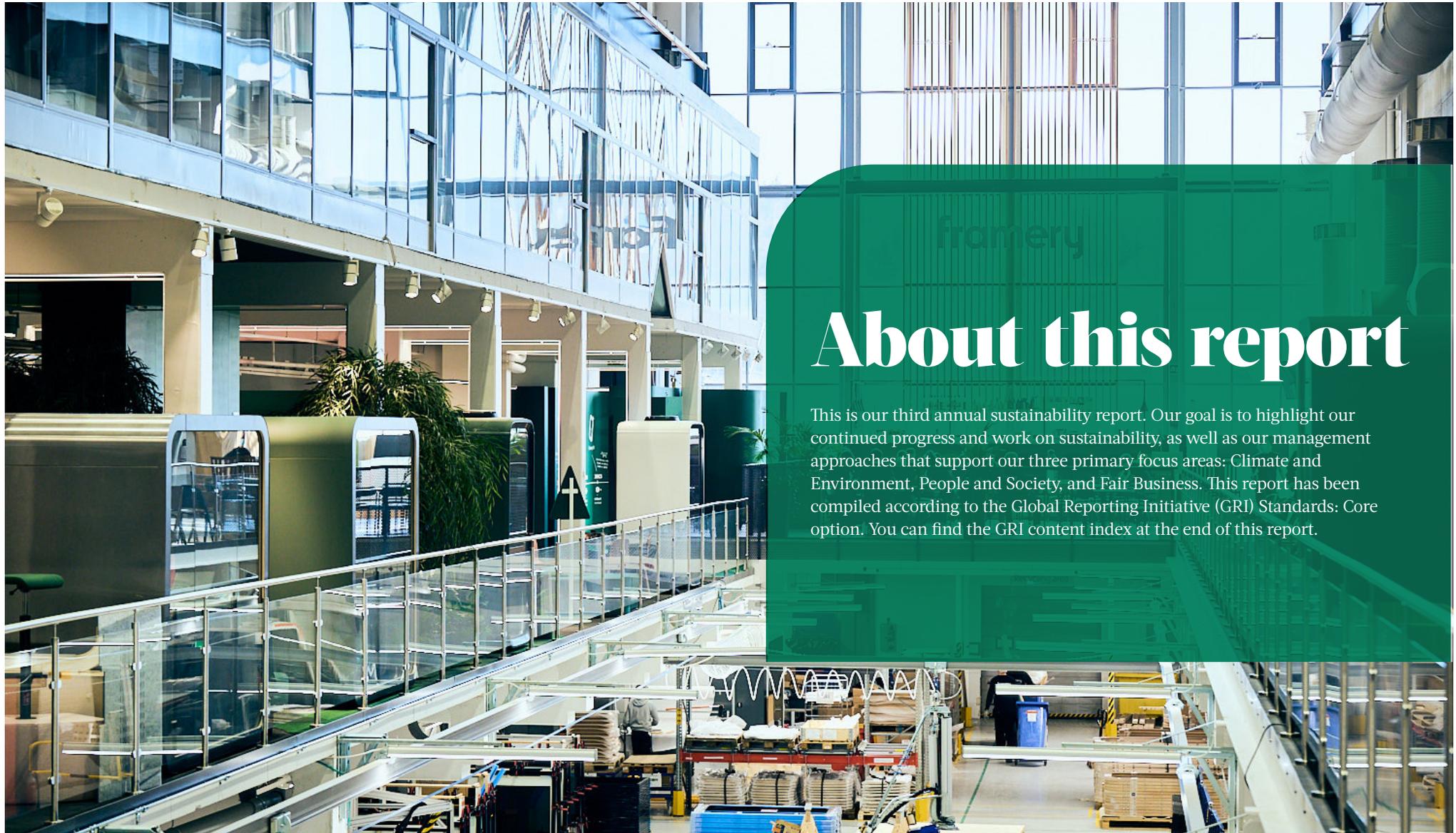


framery
SERIOUS ABOUT HAPPINESS

Contents

1 How we got here	5
CEO's review	6
Framery in 2021	8
Highlights and challenges	10
2 Sustainability at Framery	11
Our sustainability work	12
Climate and Environment	19
People and Society	31
Fair Business	42
3 Reporting principles	53
How our report was created	54
GRI Standards index	61





framery

About this report

This is our third annual sustainability report. Our goal is to highlight our continued progress and work on sustainability, as well as our management approaches that support our three primary focus areas: Climate and Environment, People and Society, and Fair Business. This report has been compiled according to the Global Reporting Initiative (GRI) Standards: Core option. You can find the GRI content index at the end of this report.

This is Framery

Framery is the pioneer and world's leading manufacturer of acoustic pods, phone booths and soundproof private spaces for solving noise and privacy issues in offices and other venues. Our products make employees happier and more productive in the offices of many of the worlds' leading companies, including Tesla, Puma and Microsoft. In fact, around 40% of all 'Forbes 100' companies use Framery products.

In 2021, our revenue was EUR 94 million. In the next few years our growth is projected to strongly increase.

We employ around 400 people in 15 countries and our end customers can

be found in 89 different countries and across all inhabited continents. Our headquarters is in Tampere, Finland, where around 90% of us work.

Our product family is made from durable, renewable and recyclable materials and our pods are designed to have a long lifespan. With a strong focus on research and development, as well as a firm commitment to practice what we preach, we remain determined to find the keys to overall work-life happiness – in a sustainable manner.



Around 40% of all 'Forbes 100' companies use Framery products.



94
In 2021, our revenue was EUR 94 million.

400
We employ around 400 people 15 countries.

89
Our end-customers can be found in 89 different countries.

Tampere
Our headquarters is in Tampere, Finland, where around 90% of us work.

'Our products make employees happier and more productive in the offices of many of the worlds' leading companies, including Tesla, Puma and Microsoft.'



1 How we got here

CEO's review	6
Framery in 2021	8
Highlights and challenges	10

CEO's review

At Framery, sustainability is critical to our innovation and strategy work. Our sustainability agenda incorporates Climate and Environment, People and Society, and Fair Business throughout our operations and across our entire value chain. Sustainability is a fundamental part of our company's mission to increase happiness and helps to support our customers demand for sustainable sound-proof acoustic pods and meeting booths, both now and in the future.

Enhancing sustainability throughout another challenging year

While it was a successful year for Framery, the Covid-19 pandemic continued to impact our business during 2021. However, the severity of the disruption was considerably less than that experienced in 2020. The positivity at year-end can be attributed to two things: the successful launch and rapidly filling order books for our new and next-generation Framery One connected pod, along with a general increase in demand for our Framery O, Q and 2Q products. The second highlight was the continuing expansion of our 'Framery Subscribed' circular economy model.

The biggest challenges throughout 2021 were concerned with the ongoing disruption to logistics, which variously caused slower delivery times to some customers for finished units and increased supply chain transportation costs. Furthermore, rising inflation and greater difficulties and increased expense

in procuring certain raw materials and other complex components also had a negative impact. Ongoing challenges related to logistics are likely to continue throughout 2022.

Our total revenue increased in 2021 to EUR 94 million due to strong demand for our product family in the third and fourth quarter. Our outlook for 2022 currently looks very positive and indicates a solid return to an ambitious growth trajectory.

The driver of our future growth

This is our third annual sustainability report. I remain proud of the fact that we signed up for the Science Based Targets initiative (SBTi) during 2020 and have continued to strictly adhere to the initiative since. Framery also remains committed to the United Nations Global Compact (UNGC) – to adopt and implement sustainable and socially responsible policies – and will continue to advance the goals of the Global Compact through our actions.



'The Framery One is digitally connected, enhanced by long-lasting, upgradeable and 95% recyclable materials.'

Throughout 2021, we pushed ahead with product launches, and multiple R&D and investment projects that focused on, amongst other things, how the ongoing pandemic will continue to impact the 'hybrid' workplace of the future. In addition, we are currently developing exciting new technologies which we will be able to reveal in the next few years.

The connected Framery One

A highlight of the year was the launch of Framery One. The Framery One is now the most sustainable and future-proofed pod in the industry and with sales of nearly 3,000 units in 2021, the strong demand is testament to our continuing focus on research and development and our enhanced technological capabilities. Launched in February, the Framery One is digitally connected, enhanced by long-lasting, upgradeable and 95% recyclable materials, and promises lifelong software updates and predictive maintenance features, amongst many other benefits. Even though it uses considerably more metal than the previous products, if we compare it to the average office furniture lifespan of 7-10 years, we have designed the new Framery One to last for up to 50 years.

In addition, initiated and developed throughout 2020 and 2021 and implemented in early 2022, our new department, Digital Offerings and Services, with our proprietary Framery Connect digital service package, now provides Framery One with seamless

office calendar synergies, and will soon deliver other powerful data utilization and insight tools to help our customers, and marks the next clear step in our continuing evolution as a technology company.

Framery Connect has been designed to help professional facility managers globally to solve workplace problems in this new 'hybrid' age, where offices are likely to be very quiet on Mondays and Fridays, but busiest on Wednesdays, for example. Therefore, our customers will need to plan their offices based on the peak demand usage. Framery Connect will address these challenges by having one person pods bookable by calendar, and this will help reduce the sub-optimal usage of companies' larger meeting spaces, traditionally the scarcest resource.

Enhancing our sustainability

From a sustainability perspective, our pods will help companies save on construction, labor and raw materials resources, and will boost sustainability from the idea that entire rooms do not have to be made into expensive non-productive meeting rooms. This is because our pods allow for a flexibility to be built into the entire ecosystem and are enhanced by advanced digitalized and utilization tools. Companies then should be able to cope with the smaller offices and less capacity because they have the tools to maximise the efficiency by distributing the efficiency throughout the working week.

Another highlight is related to our recently launched circular economy business model, 'Framery Subscribed'. Scaling significantly in 2021, this is a business model with 'product as a service' thinking, allowing us to fully reservice one of our pods and provide it to a new customer in a condition that is considered comparable to a totally new product. This really gets to the heart of our sustainability work, as it highlights the fact that our products are made to last, and that we are able to deliver potential multiple lifetimes of service for our market-leading products.

The Subscribed model was rolled out in five countries during 2020: Finland, Sweden, Norway, Germany and the Netherlands. Currently, we have about 220 companies that are part of this circular economy business model with over 470 pods and booths being utilized. At the end of 2021, the 'Subscribed' model was operating at a EUR 1.5 million annual recurring run rate, a considerable achievement in light of the fact that 'Subscribed' was only established two years ago.

Our passionate and dedicated Framerians also played a critical role in the success of the company during the year, not least in offering their super valuable insights and feedback across multiple company-wide strategy workshops between June-November and their helping shape Framery's future direction as a technology company. It was a huge investment of time, but

their insights and collective voices also led to an increased understanding of our operations and thought leadership throughout the industry and helped to turn our many Framerians into more knowledgeable strategic ambassadors of Framery, as well as move into 2022 with greater aspirations and a collective sense of purpose.

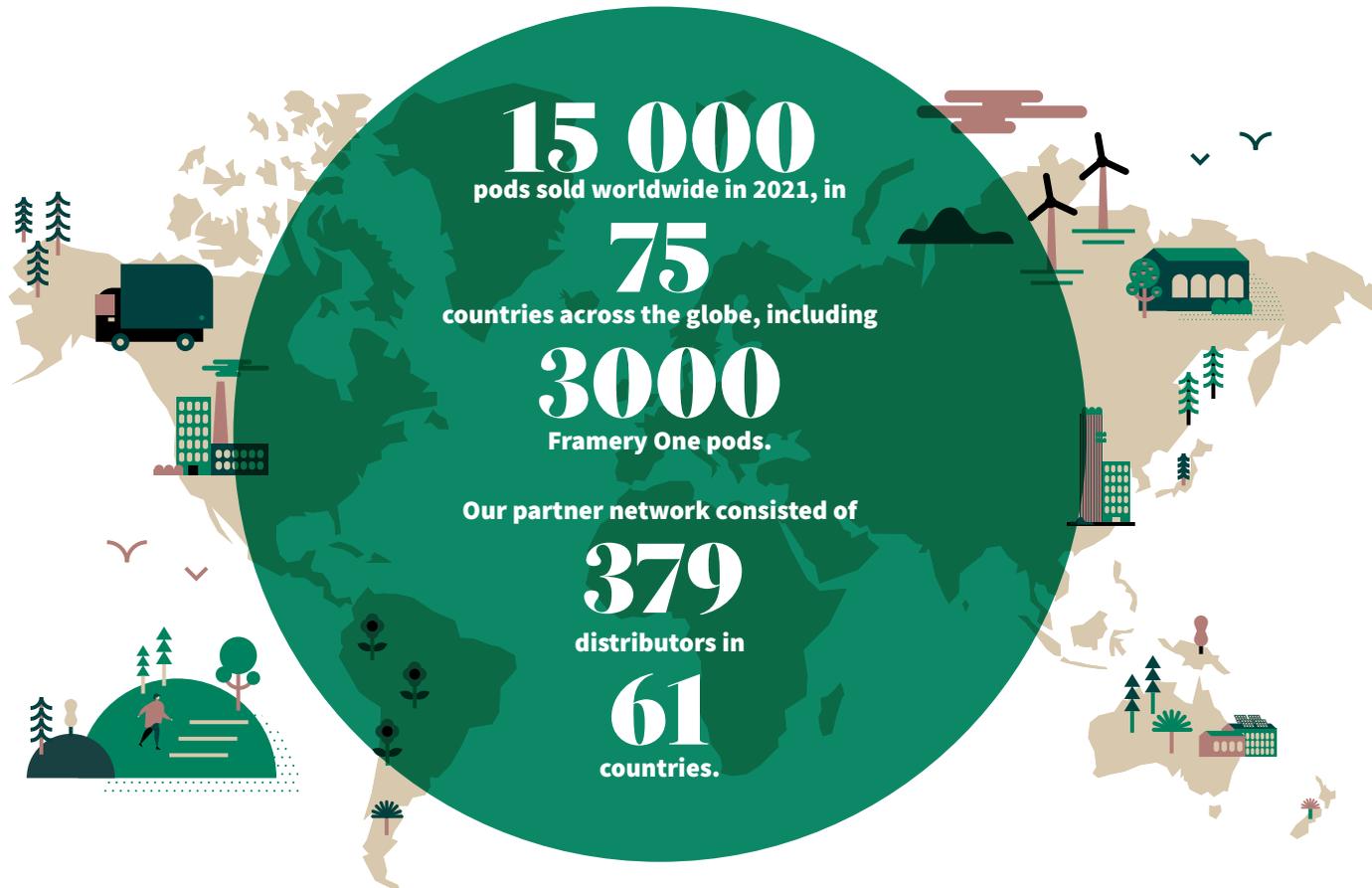
To all our valued employees, customers, consumers, distribution partners, suppliers and investors, I am happy to say that while the year was both largely successful and positive, I believe that 2022 promises to be even better. Successful companies understand happiness, so let's continue to together create a business that makes the world happier!

Welcome to our third annual sustainability report.



Samu Hällfors, CEO

Framery in 2021



January: Framery, in collaboration with Kaukokiito, starts operations of a biogas truck to operate the daily factory-warehouse-factory route. Using biogas-run trucks for the milk run, 90% of emissions will be cut and the complete scope 3 upstream transportation and distribution will decrease by around 5%.

February: Framery One launch. Framery One is the world's first connected acoustic pod.

April: Framery One is the pod industry's first (and to date the only) product to receive the GREENGUARD Gold certification. This means that Framery One has been tested and scientifically proven to have very low levels of chemical emissions.

May: Framery O VCR and Framery Q Flow were named winners at the 2021 GREEN GOOD DESIGN Awards. The awards aim to bestow recognition on companies (and others) who have

inspired significant progress towards a healthier and more sustainable universe.

June: Company-wide strategy workshops begin. They are designed to clarify Framery's future company direction. The workshops conclude in November.

July: A focus quarter with objectives on wellbeing for Framerians was implemented.

October: Framery One received the honor of Editor's Pick at The Architect's Newspaper 2021 Best of Product Awards in the Furnishing – Commercial category.

November: Framery initiates and begins to invest heavily in a new division, Digital Offerings & Services.

December: Framery One is the winner of the "Most Sustainable Architectural & Space Divider" category in Love That Design's first-ever Sustainability Awards program.

How we create value

Inputs and resources

Employees

- Talented and diverse employees
- 400 persons on average (257 white collar, 145 blue collar workers) in 15 countries, 150 new colleagues in 2021

Environment

- Materials: 4,500 metric tons of renewable and 3,960 metric tons of non-renewable materials
- Energy for own direct operations: 1,989 MWh electricity (100% renewable), 2,484 MWh district heat (44% renewable, 56% fossil) and 1,647 liters of diesel for company vehicles

Partners

- 379 distributors in 61 countries
- 109 suppliers in 18 countries

Financial

- EUR 121 million: equity and liabilities
- EUR 10.5 million: investment in research and product development

Intellectual property

- Framery culture and values
- Technical expertise: 13 patent and patent application families
- Unique design: 57 design registrations and design registration application families
- Framery brand: 10 trademarks and trademark application families
- Competitive position geographically protected: IPR portfolio extending to 58 countries

Investors

- Vaaka Partners and its co-investors own 60% of the company. The rest of Framery is owned by Framery's founders, operative management and private investors.

Our purpose

Our company was born out of a solution to a happiness problem. Every detail of every product is carefully considered and perfected to ensure it contributes to our customers' happiness, from usability and acoustics to aesthetics and sustainability.

Vision:

Make three million people happier by the year 2022 because they can use our products.

Values:

- Respect
- Courage and curiosity
- Transparency
- Responsibility
- Good judgement

Outputs and impacts

Employees

- Happy and engaged employees with enhanced skills: The Flame Index = 74
- Salaries: EUR 15 million
- Employee social security and pensions: EUR 2 million

Customers

- Wellbeing
- Financial savings e.g. lower life cycle costs

Environment

- Fossil GHG footprint per product: O/1,634, Q/2,880 and 2Q/3,890 CO2 eq kg
- CO2 uptake per product: O/1,760, Q/2,923, and 2Q/3,268 CO2 kg
- Other environmental impact categories available in EPD's

Partners

- EUR 48 million: goods and services purchases

Investors

- Sustainable value for their investment
- Interest expenses

Society

- A total of EUR 25 million was paid directly (taxes borne) while EUR 5 million was collected on behalf of governments.

Highlights and challenges

Highlights

Framery One – Launch

For the company, the highlight of the year was the launch in February 2021 of Framery One, the world's first connected acoustic pod. The state-of-the-art futureproof pod combines 4G technology, optimal video-conferencing capabilities, and a digital system with superior acoustics, Framery's acclaimed design DNA and industry-leading sustainability. Designed as the most innovative single-person pod on the market and as an adaptable workstation for an adapting workforce, the pod was well-received at launch and sold nearly 3,000 units in 2021.

For more information, please refer to the case study on [page 49](#).

Framery One – Certified Gold

In October 2020, following stringent testing, Framery's product family was awarded the GREENGUARD certification. This certificate means that our pods and booths have now been scientifically proven to meet some of the world's most rigorous third-party chemical emissions standards. Airborne chemicals are commonly referred to as volatile organic compounds (VOCs) and are used to manufacture building materials and indoor furnishings, for example. Achieving this certification means that we are therefore helping to reduce indoor air pollution and the risk of chemical exposure. In 2021, Framery One was awarded the highest possible GREENGUARD Gold certification level and is currently the only pod globally to have been awarded the gold certification.

Framery One – Award winner

Framery One was the winner of the 'Most Sustainable Architectural & Space Divider' category in Love That Design's first-ever Sustainability Awards program. The winning entries included manufacturers and products that demonstrated a holistic, sustainable mindset and process. Framery also received two awards at NeoCon 2021: a Best of NeoCon Silver award in the Work Pods category, and as an honoree in the workplace pods category at Interior Design's 8th Annual HiP Awards - a recognition program honoring industry people and innovative products.

Challenges

Covid-19 pandemic

The disruption caused by the Covid-19 pandemic continued to be the single greatest challenge that we had to confront as a company during 2021. Like many other companies, individuals, and societies throughout most of the world, the negative impact was also felt at Framery. The pandemic caused disruption across many facets of our operations, particularly in terms of sourcing materials, component issues, increased supply chain disruptions, slower delivery times and increased transportation costs. That said, during the second half of 2021, demand for our product family set new records, we remain both determined and resilient as a company, and we see a strong growth trajectory for 2022 and beyond.



2 Sustainability at Framery

	Our sustainability work	12
	Climate and Environment	19
	People and Society	31
	Fair Business	42

Our sustainability work

Our sustainability work covers Climate and Environment, People and Society, and Fair Business throughout our entire value chain. In 2021, with our valued distribution partners and suppliers, we worked continuously to fully support our customers and to meet their demands for timely and transparent information, as well as functional, reliable and sustainable products, and we continued to innovate for a more sustainable and renewable future.

In the 12 years since our founding, we believe that the people working for us have always been responsible and dedicated, and that the many actions and choices we have made as a company have been both honest and reasonable. As the years have progressed, we have also more fully understood the critical link between sustainability and the need to carefully report on our materiality in a detailed and transparent way to our stakeholders, as well as all other interested parties. A materiality assessment is a method to identify and prioritize the sustainability issues that are the most important to us as a company and our stakeholders.

Our role in a sustainable world

In addition to the ongoing Covid-19 pandemic, we have also come to understand more clearly, as well as to take concrete actions to help to mitigate the increasingly serious environmental,

social and economic threats we now face globally. These many challenges that we must continue to confront in the near future include mitigating the negative impact of resource scarcity, global heating and loss of biodiversity. Additionally, we must also further understand, innovate and ultimately positively impact critical work-life challenges, which include occupational health and safety issues, as well as workplace mental and physical wellbeing.

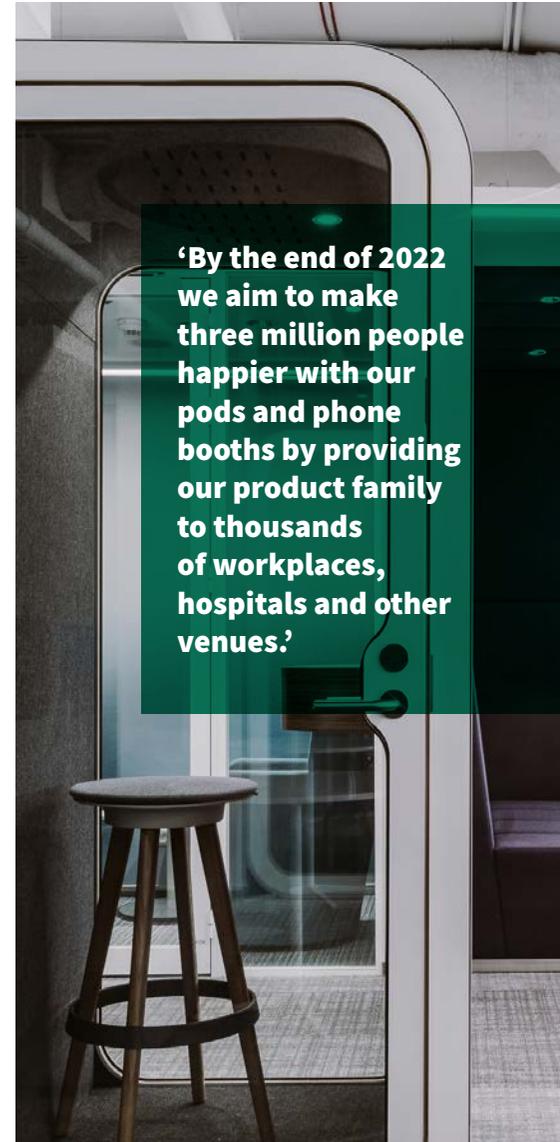
Throughout all of this, we fully understand that Framery's operations have both a positive and a negative impact on climate and the environment and that we also impact those people who fall within our entire ecosystem, and that includes our global customers in 89 countries.

Our firm ambition, crystallized across the last few years, remains resolutely unchanged: by the end of 2022 we aim to make three million people happier with our pods and phone booths by providing our product family to thousands of workplaces, hospitals and other venues. That said, we remain conscious that our operations utilize many raw materials during production, as well as create greenhouse gas emissions throughout the entire supply chain. Therefore, at Framery, we are continuously striving to enhance our sustainability, by making our operational carbon footprint smaller and our handprint bigger, to ensure that we are not just creating happiness today, but also happiness for future generations.

Memberships

Since 2018, Framery has been committed to the United Nations Global Compact (UNGC) principles. In 2020, we also joined the Science Based Targets initiative (SBTi), a call to action designed to assist companies in reducing their climate impact by setting ambitious targets. Additionally, Framery is also a member of BIFMA, a non-profit trade association for business and institutional furniture manufacturers, FEMB, the European Office Furniture Federation, Kasvuryhmä Suomi ry, an organization that brings together the most ambitious scale-ups in Finland, as well as Tampere Chamber of Commerce and Industry, a leading business organization in the Tampere region: the home of our company headquarters and production facilities.

'By the end of 2022 we aim to make three million people happier with our pods and phone booths by providing our product family to thousands of workplaces, hospitals and other venues.'



Our primary material topics

In order to transparently report and focus on the most pressing issues in our sustainability work, across the last two years we have conducted numerous surveys and workshops with our stakeholders and other parties. According to the findings of these critical information gathering exercises, our most material topics are:

- Customer happiness
- Product safety and regulation compliance
- Supply chain compliance (environment, human rights)
- Framerman work culture
- Occupational health and safety
- Sustainable and healthy materials
- Environmental efficiency (materials, energy, emissions, waste)
- Product carbon footprint / handprint
- Circular economy (product and business model design)
- Economic value creation

Based on these core areas of our operations, we have created our own detailed sustainability agenda, incorporated it into our company strategy, and grouped these topics into three primary focus areas: Climate and Environment, People and Society, and Fair Business. For this, our third annual sustainability report, we will report on these three focus areas as they concern our scope of operations during 2021.

‘Based on these core areas of our operations, we have created our own detailed sustainability agenda, incorporated it into our company strategy, and grouped these topics into three primary focus areas: Climate and Environment, People and Society, and Fair Business.’



Our sustainability agenda

Climate and Environment

Materials

Circular economy

Energy and greenhouse gas emissions

People and Society

The Framarian culture

Employees and the wider workforce

Fair Business

Customers

Investors

Society

Our sustainability key performance indicators

	TOPICS	KEY PERFORMANCE INDICATOR (KP)	2019	2020	2021	TARGETS	PROGRESS
CLIMATE AND ENVIRONMENT	Materials	Material efficiency %	93.7%	93.9%	94,8%	Achievement and maintain the level 95%	In progress
	Circular economy	Number of products delivered via circular economy business model	85	250	470	Continue to grow the number of products	In progress
	Energy and greenhouse gas emissions	Absolute scope 1 and 2 GHG emission (CO2 eqv) tons compared to 2018 base year	+12.5%	-5%	-22%	Reduce absolute scope 1 and scope 2 GHG emissions 50% by 2030	In progress
PEOPLE AND SOCIETY	The Framarian culture	% of supplier spend covered by Supplier Code of Conduct	92%	98%	98%	100% of supplier spend	In progress
	Employees and the wider workforce	Employee engagement	4.66	4.57	74	2021 and onwards The Flame Index, target 80 2019-2020 Engagement score target 4.85 (scale 1-6)	In progress
FAIR BUSINESS	Customers	Number of people that have access to our booths	1.0 M	1.3 M	1.8 M	3 million by the end of 2022	In progress
	Society	Volunteering hours	-	-	-	Starting 2022	In progress

Our management approach

Our guidelines and policies steer our sustainability work in the right direction. Find out more how we lead each of our focus areas below:

	GOALS AND TARGETS	COMMITMENTS	POLICIES	RESPONSIBILITIES, RESOURCES	GRIEVANCE MECHANISMS
MATERIALS	Use sustainable and healthy materials efficiently	UN Global Compact, UN SDG's 12,13,15, ISO 14001	Code of Conduct, Supplier Code of Conduct, Environmental Policy	Management team, Sustainability Lead, HSE Engineer, Sustainability Steering Group, Product and Offering Steering Group	Safety Manager tool for environmental observation and incident reporting, contact via web pages or sustainability@frameryacoustics.com
CIRCULAR ECONOMY	Develop solutions and business models that support circular economy				
ENERGY AND GREENHOUSE GAS EMISSIONS	Reduce the footprint and increase the handprint across the whole life cycle and value chain				
THE FRAMERIAN CULTURE	Conduct our business ethically. Our employees live by our values. Our suppliers follow the Supplier Code of Conduct	UN Global Compact, UN SDG 16	Culture Handbook, Code of Conduct, Supplier Code of Conduct	Management team, Sustainability Steering Group	Close relationships and open communication with our suppliers. Strategic purchasers and quality engineers in dialogue with suppliers
EMPLOYEES AND THE WIDER WORKFORCE	Offer hundreds of people provenly a great place to work	UN Global Compact, UN SDG's 3, 5, 8, ISO 45001	Culture Handbook, Code of Conduct, anti-harassment policy, equality plan, occupational health and safety policy, Supplier Code of Conduct	Management team, Head of People & Culture (P&C), OHS manager, P&C team, team leaders, OHS committee, occupational healthcare	Flat hierarchy and instant feedback face-to-face, happiness insurance process, Safety Manager tool for occupational health and safety observations and incidents
CUSTOMERS	Our vision is to make three million people happier by the year 2022 because they can use our products	UN Global Compact, UN SDG 3, 12	Culture Handbook, Code of Conduct	Management team, Head of Sales, Head of Product, Product and Offering Steering Group, Future Steering Group	QR code in booths for feedback, contact via web pages, contact with global sales team members, normal claim processes
INVESTORS	Create sustainable value for our investors	UN Global Compact, UN SDG 16	Vaaka Partner's policy for responsible investment	CEO, Sustainability lead, board meetings	Regular board meetings and ESG calls
SOCIETY	Increase efficiency at work. Reduce sick leave and healthcare costs. Create jobs in value chain. Pay taxes	UN Global Compact, UN SDG 3, 8	Culture Handbook, Code of Conduct, Supplier Code of Conduct	Management team, Sustainability Steering Group	Contact via web pages or sustainability@frameryacoustics.com

Our stakeholder engagement

We believe that only a happy Framarian can make our customers more happy. This can only be ensured through respecting, listening to and understanding our other stakeholders, since we are all in a continuous chain of actions and reactions. This is how we engaged with our stakeholders in 2021.

STAKEHOLDER GROUP	EXPECTATIONS AND NEEDS	HOW WE RESPONDED
Employees and wider workforce	Happiness, safety, complying with agreements, maintaining jobs, IT security, equality and welfare at work, career development and feedback, personal growth, job satisfaction, equitable salary	ISO 45001 certification, training and personnel plan, taking care of occupational health, cooperation with pension insurance companies, following labor unions' demands, continuing our Happiness Insurance
Customers	A partner that supports its customers' workspace needs and solving noise and privacy issues in open offices by providing quality products with top-notch product features and safe, sustainable manufactured solutions –proficient and secure assembly of products, specifications and information on the products	We offer soundproof office booths, pods and private spaces that solve noise and privacy issues in open offices, making employees happier and more productive. Every product's detail is carefully considered and perfected to ensure it contributes to our customer's happiness, from usability and acoustics to aesthetics and sustainability. Enhancing our management system work, certificates, adding informative labels to our products, communication, improving eco-efficiency, effective customer service and claim handling system, product quality improvement projects
Suppliers, dealers & partners	Safety, quality, responsibility and sustainability, construction rules, specifications, informative labels, safety when assembling, knowing delivery and installation times, having support and a reliable relationship, on-time payments, ability forecast	Adjusting our management system work, certificates, adding informative labels to our products, open communication, having certified assembling partners, precise requirement surveys, effective claim handling systems, customer service for suppliers, dealers and partners, product quality improvement -projects, supplier audits
Owners, board & financiers	Responsible action, profitability, long-term growth	ESG calls with Vaaka Partners, board ESG review
Media and other industry influencers / influencers in design industry	Providing valuable information thorough company and product news, workplace and other industry insights, responsiveness of communications, transparent communications	Proactive media work towards all relevant media in our field of business as well as in the business media, proactive communications towards other industry influencers, keeping website and social media channels up to date, prompt responses to queries
Universities	Training and thesis positions, employment opportunities, research subjects	Training and thesis positions available, apprenticeship positions
Authorities	Obeying the laws, approvals on product safety, accuracy of reporting	Open communication, collaboration

The most sustainable pods in the industry



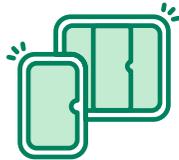
Design

- Our goal is to produce products that have as long-life cycle as possible.
- This goal is supported by timeless design and durable high-quality materials. (None of our products have come to the end of their life cycle yet to our knowledge).



Manufacturing

- We use renewable and recycled raw materials following our Code of Conduct
- We use 100% renewable electricity and milk run logistics is 100% biogas operated.
- Our own production material efficiency rate was 95% in 2021. Virtually no waste goes to landfill.



Use

- Standardized tests and certifications demonstrate that electrical, fire, seismic and emissions concerns have been addressed.
- Superior air quality and flow makes it possible for our pods to stay within levels typically recommended for workspaces.
- Our products can be relocated and reused.
- We are pioneering a 'pod as a service' circular business model called Framery Subscribed.



Maintenance

- Service and spare parts are available.
- In addition, we have Framery Connect with its 4G connection that keeps the Framery One's software always up to date.
- Our products are recyclable and recycling instructions are available.

Longevity

Modular design, upgradeability, durability and movability enable multiple product life cycles and circular economy. 3rd Party Certifier has conducted a Life Cycle Assessment (LCA) and compiled Environmental Product Declarations (EPD) for Framery O, Framery Q, and Framery 2Q.

Energy efficiency

LED lights, stand-by mode and motion sensors.

Safety

Our products have GREENGUARD certification.

Raw materials are listed transparently in Health Product Declarations (HPD's) on 100 ppm level.

No flammable materials are used in Framery products. The fire safety is tested and classified by either national or international standards.

We conduct emissions testing for the products in order to be sure that there aren't any harmful compounds volatilizing from the products such as formaldehydes or VOCs.



Material efficiency

We use renewable and recycled raw materials.

All wood component suppliers are required to have FSC or PEFC certification. Fabrics have EU Ecolabel.

Felts and acoustic foam are ca. 80% recycled PET (plastic bottles). Steel is ca. 20% recycled and glass 15%.



ISO 9001
BUREAU VERITAS
Certification



ISO 14001
BUREAU VERITAS
Certification



Framery O, Q, 2Q and One shipped in North America are UL 962 listed



Framery O, Q and 2Q are UL GREENGUARD certified



Framery One is UL GREENGUARD GOLD certified



EPD®
THE INTERNATIONAL EPD® SYSTEM

Climate and Environment



Throughout 2021, we did not lose sight of the existential environmental threats facing us globally, from resource scarcity and climate change to loss of biodiversity. These unprecedented events continue to strongly motivate us at Framery to strive to do our part towards helping to create a far more sustainable future world.

Of critical importance in the achieving of a greater future sustainability is the fundamental shift towards enhancing circular economy thinking and the delivering of verifiable and quantifiable real-world actions. To that end, we strongly believe that by converting our business models and operations to be

more circular in nature, we can both future proof our business and respect planetary boundaries at the same time. To achieve this, throughout 2021, we were energized to deliver a more ambitious environmental program as well as further enhance our detailed vision and strategy for our environmental work.

‘Our ambition is to maximize our company handprint.’



How we work

We have two clear, transparent and long-standing environmental goals at Framery:

1. To further minimize our carbon footprint and maximize our handprint
2. To further move away from a take-make-waste -culture into a circular economy

Our company carbon footprint can be utilized as the foundation for many sustainability-related strategies. By understanding this footprint, we are able to ascertain where the hotspots occur across our value chain and can therefore focus on the main drivers of their environmental impact. Furthermore, a company footprint, based on life cycle assessment (LCA) methodologies, is a critical step when implementing metrics-centric sustainability strategies. For Framery, the majority of the carbon

footprint impact occurs outside of our direct operations, and it identifies the biggest opportunities for improvement, as well as allowing us to build effective strategies for meaningful change. As our goal at Framery is to continually and permanently reduce our carbon footprint, we need to have a clear understanding of our footprint’s baseline, to be able to track progress going forward.

Likewise, our ambition at Framery is also to maximize our company handprint. The understanding behind our company handprint is that we develop products and services that help our customers to reduce their own carbon footprint. Our continuing actions aimed at reducing the excess use of materials, improving energy efficiency, further developing product recyclability, lengthening our product lifespans, enhancing product usability, making sustainable choices of

raw materials and reducing waste, can all contribute to having a positive impact on our carbon handprint.

Throughout, we approach these environmental questions by using systematic environmental management and continuous improvement of our environmental performance, by constantly analyzing our entire operational ecosystem, as well as by taking the entire life cycle of our products into careful consideration. Our Environmental Policy continues to be the starting point for our work, and every step we take to further enhance our environmental efficiency will move us towards a more successful circular economy ecosystem. We follow the ISO 14001 environmental management system standard and have received external verification for it.

In order to achieve our increasingly strict environmental efficiency goals, throughout 2021, we proactively implemented specific projects and processes to enhance our operations. Examples of our concrete actions taken during the year include the ongoing work of our internal material efficiency group which has given us a further understanding of our use of materials. At the end of the 2021, our material efficiency totaled 94.8%.

Furthermore, we continued to dedicate energy and resources on R&D, so we can further increase, for example, our industry-leading knowledge of our

products' life cycle and emissions. And at the end of 2021, we were more able than ever to provide detailed, transparent and fact-based information to our stakeholders and all other interested parties.

In 2020, our environmental strategy was renewed. Since then, we have been able to both reach and pass our short-term environmental targets related to three main strategic focus areas:

Eco-efficient offering:

- Our products have GREENGUARD certification
- Raw materials are listed transparently in Health Product Declarations (HPD's) on 100 ppm level
- All wood component suppliers are required to have FSC or PEFC certification. Fabrics have EU Ecolabel.



'We use 100% renewable electricity and our milk run logistics is 100% biogas operated.'

- Felts and acoustic foam are ca. 80% recycled PET (plastic bottles). Steel is ca. 20% recycled and glass 15%
- Framery provides externally provide externally verified product life cycle carbon footprint and other environmental impacts in Environmental Product Declarations EPD's
- Our goal is to produce products that have as long-life cycle as possible.
- This goal is supported by timeless design and durable high-quality materials. (None of our products have come to the end of their life cycle yet according to our knowledge)
- We use renewable and recycled raw materials
- Our own production material efficiency rate was 94% in 2020. Virtually no waste goes to landfill.
- We use 100% renewable electricity and our milk run logistics is 100% biogas operated.
- Service and spare parts are available.

- Our products can be relocated and reused.
- Our products are recyclable and recycling instructions are available.
- We are pioneering a 'pod as a service' circular business model in Finland, Sweden, Norway, Germany and Netherlands called Framery Subscribed. The same pod can be used from one customer to another enabling multiple life cycles and saving valuable resources.

Sustainable Supply Chain & Operations:

- A greenhouse gas emission reduction target was set and approved by Science Based Targets initiative (SBTi). A material efficiency target was set, and a cross-functional material efficiency group was formed.

Sustainability Communications:

- We published our second sustainability report in March 2021, containing our updated environmental data and other benchmarks.

Materials

Creating environmentally sustainable pods for our customers

Since our founding in 2010, we have created long-lasting, safe and eco-efficient soundproof pods and meeting booths for our global customers. Our entire product family continues to be manufactured at our production facilities in Tampere, Finland. In addition, almost the entirety of our materials required are sourced from within the European Union, with the bulk coming from Northern Europe. Of particular note is the fact that around 50% of the purchased volume comes from Finland, and 99% from Europe. This helps us cut down on logistical and transportation emissions and helps to reduce the risks related to our supply chain.

With regards to the materials used in the creation of our pods, in 2021 we continued to prioritize materials with recyclable, renewable, durable and non-toxic qualities. The Framery O, Q and 2Q pods continue to be made primarily of sustainably sourced plywood, glass, steel, aluminum, polyester, polyamide, PMMA plastic, polyurethane foam, nylon and wool. Framery One contains substantially more metal as its exterior is constructed from deep-drawn steel sheets.

At the end of 2021, our internal data reveals that over 50% of the materials used in our O, Q and 2Q pods are renewable and around 16% is recycled. Additionally, to further enhance the lifespans of our family of products they can also be subject to maintenance and refurbishment procedures, with worn parts being replaced or upgraded.

Our continuous R&D also plays an essential role in our environmental work. To that end, the life cycle environmental impact can be both analyzed and evaluated during the critical design process. A noticeable positive impact can be made by creating and selecting alternative processes that deliver a reduced environmental impact and are designed with circular economy in mind. Our products can be relocated and reused. They are also recyclable and recycling instructions are available.

Our next-generation pod, Framery One, launched in February 2021 sets new industry benchmarks for sustainability, lifespan durability, modularity and renewability and the pod is 95% recyclable. The Framery One was also designed with circular economy thinking at its core and was designed so it is easier to update. In addition, we have Framery Connect that with its 4G connection keeps the software always up to date. By utilizing a steel exterior, we wanted



to make the pod as robust as possible, so it is able to deliver more life cycles. In addition, the steel can be recycled and the infrastructure for recycling metal already exists. The aim is that our future products will also follow the same innovation framework as Framery One and will likewise be almost 100% recyclable.

Energy efficiency

Motion sensor lights are installed in our pods by applying specially designed, automatically adjusted LED lamps and ventilation systems into them. All Framery products are in conformity with the Low Voltage Directive (LVD) 2006/95/EC. The power consumption for Framery One is 30W when in use (default) and 6W in stand-by mode. Framery O pods consume 13W when in use and 0.8W in stand-by mode. As a comparison, ten Framery O’s use less energy than one 60 W light bulb. Framery Q pods consume 20W when in use and this consumption drops by around 90% to 2.1W when in stand-by mode. To put these energy usage figures into context, fast-charging (USB-D the latest high-end 2021 smartphones require the same, or even more energy, compared to our Framery Q (four person) pods when in use.

Nordic birch plywood

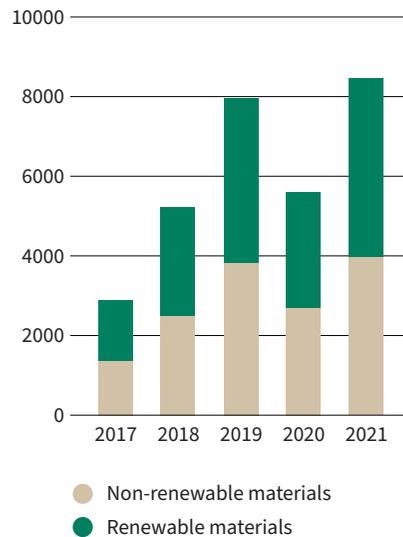
For our O, Q and 2Q pods, we build our structural elements from plywood. Across the years we have had a preference for using birch plywood from sustainably managed forests in Finland, other Nordic countries or the Baltic

States. All of our wood material suppliers have either FSC or PEFC certificates. For our pods, the wood used provides a carbon sink throughout the lifespan of the pod, with one phone booth for example, being able to uptake 1,760 kg of CO2 during its entire life cycle.

Soundproof glass

At Framery, we use a high-quality laminated safety glass, which is especially formulated to provide excellent soundproofing qualities. Our glass contains around 15% of recycled material.

Materials by weight, metric tons



Recycled steel

For our O, Q and 2Q units, steel parts used in the initial manufacturing processes consist of recycled materials. For our next-generation Framery One, the hand-drawn steel sheets used to create the pod’s exterior are 99% non-renewable, but utilizing the circular economy is one of the biggest aspects when we talk about Framery One, as in terms of recyclability the steel can be reused almost indefinitely.



Recycled premium felts

Our pods contain felt that is made from up to 70% recycled plastics. Polyethelene terephthalate (PET) is made from recycled plastic bottles, for example. Our felt is dust-free, does not irritate lungs or skin and does not release any harmful particles into the air.

Safe acoustic foam

We use the highest-quality acoustic foam. Made from 60% recycled, heat-bound polyester fibers, the foam has been awarded an M1 Emission Certification. In addition, our foam has been recognized by the Finnish Allergy and Asthma Federation, due to the fact that it does not absorb humidity or provide a breeding ground for any harmful microbes.

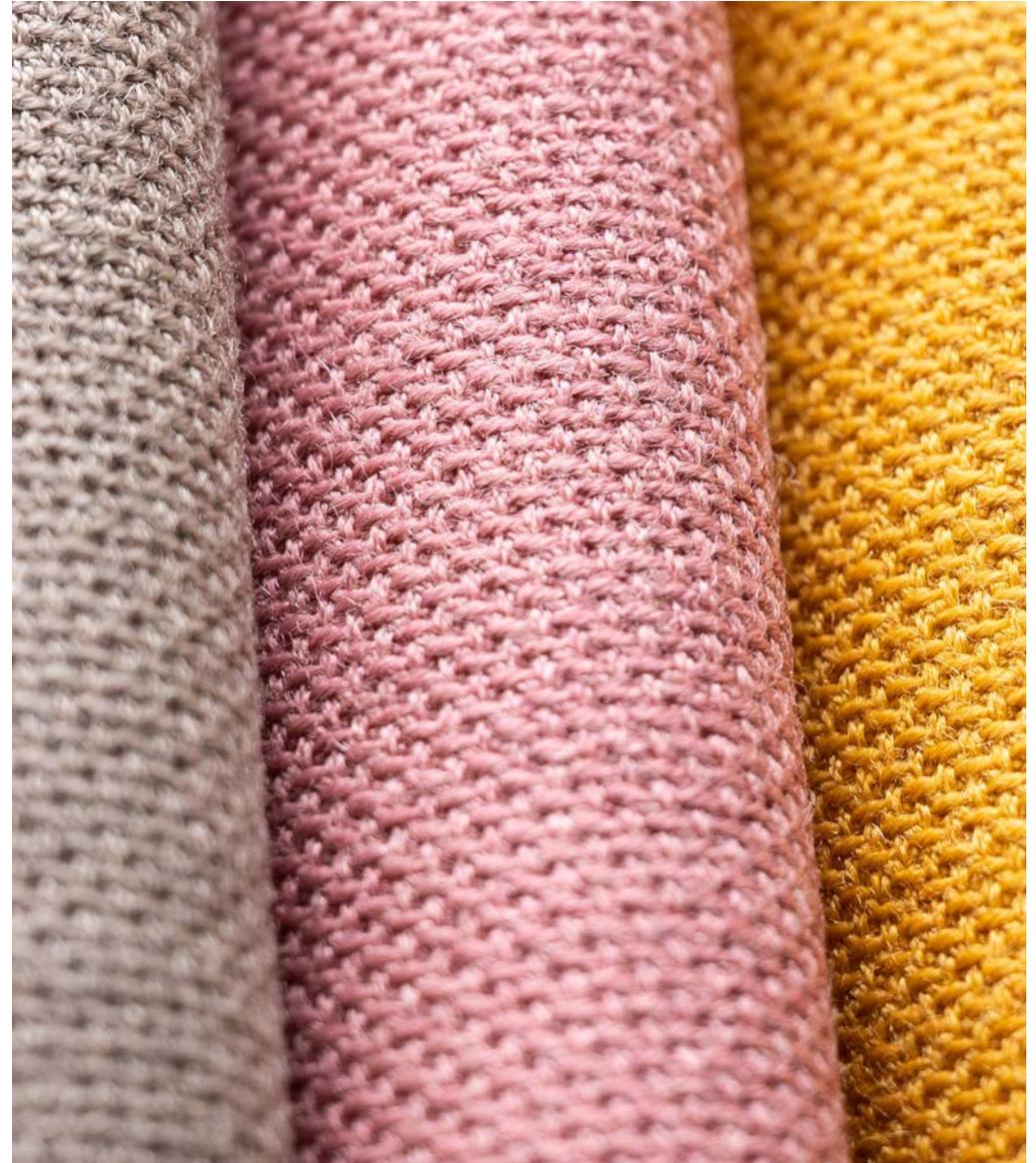
Health & safety first

Our design and engineering teams carry out comprehensive research and testing to ensure Framery pods do not cause harm to humans – whether it is from dangerous VOC emissions from the pod or in cases where pods encounter fires or earthquakes. The GREENGUARD certification received in 2021 signifies that our products are proven to meet some of the world’s most rigorous third-party chemical emissions standards, thus helping to reduce indoor air pollution and the risk of chemical exposure. In addition, during 2021, our new Framery One pod was awarded the GREENGUARD Gold certification, the most stringent standard of the certification process. Framery One is the only pod globally to have currently received the gold certification.

One example of concrete health and safety actions taken during 2021 relates to the Covid-19 pandemic. While our table top laminates used in Framery pods have been anti-microbial as standard for a number of years, we were able to take further health and safety steps during 2021 in other areas too. According to a recent study in the New England Journal of Medicine, the Covid-19 virus (as well as other common viruses) disintegrates quicker after landing on copper surfaces than on plastic or stainless-steel surfaces. Accordingly, during both 2020 and 2021, we were able to equip our new pods (as well as retrofit existing pods) with anti-bacterial and anti-viral copper handles for our customers who requested it.

Additionally, we conducted thorough research into new anti-microbial fabrics that could be utilized on our upholstered Framery furniture like seats and sofas. Anti-microbial protection on a non-toxic polyester fabric attracts, pierces, deactivates and perforates the biochemicals within each microbe or virus. This durable, waterproof, stain resistant, bleach cleanable and anti-microbial fabric is ISO 10993-5:2009 tested and was made available to our customers on request.

The handles and fabrics provided our end-users with both additional anti-viral properties and extra peace of mind throughout 2020 and 2021 and continue to be well adopted.



Suppliers

Framery's many suppliers, coupled with efficient global supply chain logistics, represent a critically important part of our entire operations. Due to the ongoing global disruption caused by the Covid-19 pandemic in 2021, the procurement of certain raw materials and components from our suppliers proved more challenging to source than in previous years and increased raw material prices also had a notable negative impact on company profitability.

One example of the challenges involved concerns our world-leading next-gen Framery One pod, launched in early 2021. With the exterior constructed from deep-drawn steel panels, and due to the extra costs and relative scarcity of the material throughout the year, we had to purchase the steel from multiple sources, as well as from a number of countries further afield than usual. However, the largest percentage of steel components still came from Finland.

Greater transportation and logistics costs throughout the supply chain, and delayed delivery dates, particularly for some customers receiving their products in the US and Singapore, was an occasional issue during the year. As a result, from August onwards, we took steps to aggressively replenish our US hub. In addition, while Framery absorbed a significant percentage of

these extra costs throughout the year, unfortunately a modest increase in the prices of the finished products was unavoidable. That said, in the factory during the second half of the year the workload was higher than ever, the impact of global events on our production was relatively minimal and the company survived well from the component shortage. We saw an increase in 2021 revenue in comparison to 2020, our supply chain overall proved to be fairly resilient and ensured that the high-quality of components sourced from our regular suppliers, as well as a few additional suppliers who were able to source critically needed material, arrived throughout the year without too much disruption.



'Majority of our Finnish suppliers are situated 500 km or less from our headquarters in Tampere.'

In 2021, around 93% of Framery's purchasing volume came from the European Union, and of this total, a bit less than 50% was from Finland. Other countries of note include Estonia 23% and Sweden 15%. Over 90% of our pods are exported beyond Finland's borders and to every inhabited continent.

In 2021, Framery used 109 suppliers from 18 countries to provide us with the materials required to produce the pods and booths at our facilities in Tampere. From a domestic perspective, 74 out of the total 109 suppliers were from Finland. Majority of our Finnish suppliers are situated 500 km or less from our headquarters in Tampere. Framery One, the new generation of pod with next-gen materials launched in the first quarter of 2021, required utilizing 20 additional suppliers, mainly from our previous supplier countries.

In 2021, our annual supply spend was approximately EUR 48 million, an increase

from the 2020 supplier spend. The increase is a reflection of the reduction in disruption caused in the marketplace due to the pandemic in 2021 compared to 2020, as well as our decision to increase our overall inventory levels required to help meet strongly increased demand for our product family in the second half of 2021 in particular.

At the end of 2021, 98% of our suppliers had signed our Supplier Code of Conduct. Additionally, we conducted 12 supplier audits throughout the year. Due to travel restrictions, a significant amount of supplier assessments were conducted as supplier self-assessments and followed by video conferences. Like in 2020, in 2021 special focus was also given to supplier's business continuity planning.

Disruptions to the global supply chain and the transportation of materials and finished products were more prevalent in 2021 compared to 2020. One example of this was the continued increasing of air freight costs from the beginning of 2021 onwards, due to the disruption of logistics caused by pandemic, which created the need for us to re-evaluate and then further streamline our supply chain process. The decision worked hand in hand with our overall sustainability ambitions to use road and particularly sea freight to transport a far greater percentage of Framery products and components. From an environmental and sustainability perspective, it became clear that transport per unit via road, rail and sea caused less emissions in comparison to the utilizing of air freight.

Circular Economy and Supply Chain

Circular economy

Our circular economy thinking

During recent years, we have been intensively focused on moving ever further away from a take-make-waste culture and more towards a circular economy. To achieve this, we have initiated a number of verifiable and quantifiable actions to realize this ambition across our entire ecosystem. For example, in order to deliver a more in-depth and comprehensive understanding of circular economy thinking and real-world science-based concrete actions needed to be taken, Framery participated in the Nordic CIRCit research project from 2019-2020 and to its conclusion. CIRCit makes reference to circular economy Nordic integration, a project that aims to help companies to discover the opportunities of circular economy. Throughout the project our primary focus was on three different work packages: Circular Economy business modelling, Collaborating and Networking for a Circular Economy and Closing the Loop for a Circular Economy.

<http://circitnord.com/results/>

Framery 'Subscribed'

In 2021, we moved beyond the 2019 pilot phase and 2020 implementation

in Finland and Sweden and during 2021 continued to enhance and expand our new 'product as a service' business model. Named 'Framery Subscribed', or simply 'Subscribed', the business model promotes the circular economy as part of our operations. In essence, the model allows us to fully refurbish (and optionally upgrade) one of our pods – after it has successfully completed its first customer life cycle – and then deliver it to a new customer for another life cycle. In addition to the pod, behind the monthly fee, the Subscribed package also provides on-demand service, a lifetime guarantee and relocation services if the pod is required to move to a new office location. The net result is that our pods are therefore able to last even longer, by allowing potential multiple lifetimes of service for each product. The Subscribed model was operational in 5 countries at the end of 2021: Finland, Sweden, Norway, Germany and the Netherlands, and around 220 customers and over 470 pods are currently part of the positively received Subscribed program.

Production circularity

Minimizing the volume and the type of waste at our offices and production site remained an ongoing project throughout

2021. During this time, we were able to find further opportunities to mitigate the waste creation in the first place and we continued to look at new ways to enhance our overall recycling rate.

Material efficiency can be defined as the recognizing and the implementing of measures to optimize the environmental impact of material use and waste. Our material efficiency group, an internal team of experts gathered from across multiple functions in the company, was set up in summer 2020 to allow us to look at our operations as a whole. We are able to report that at the end of 2021, our material efficiency rate was 94.8%, with very little excess material either required or wasted during our operations. Our goal set in 2022 is to achieve and maintain a material efficiency rate of 95.5%.

In 2021, around 66% of our waste created was turned into energy, around 34% recycled, around 0.7% composted and 0% taken to landfill.

Furthermore, as a result of our production processes, as a company we have almost negligible risks of chemical spills. A large percentage of our production materials arrive at our production site as readymade components. These components are manufactured by our trusted suppliers that also have their own stringent environmental rules and safeguards in place throughout their own operations. Additionally, we don't use any water



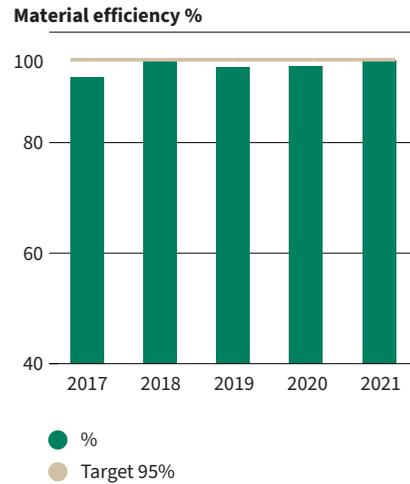
'In 2021, around 66% of our waste created was turned into energy, around 34% recycled, around 0.7% composted and 0% taken to landfill.'

in our own production processes, and therefore we have no need for industrial wastewater handling.

Product design circularity

Our circular design thinking and concrete actions taken are also particularly evident in the product design of our pods. Our pods, and particular our next-gen Framery One acoustic pod, are highly modular in terms of construction and easily assembled, disassembled and reassembled according to our customers office, or other venue-based needs. The fact that our pods are highly modular means they can easily be taken apart and moved to new physical locations according to changing circumstances before being rebuilt. This allows our pods to be continually reused and even to find new homes with new customers (see our ‘Subscribed’ model for more information). We have an extensive inventory of spare parts used for maintaining, refurbishing or upgrading our existing products.

Our component raw materials are also carefully chosen to support the principles of circularity, with our laminated glass being composed of 15% and our steel materials of 20% recycled material. Furthermore, our felt materials consist of 60-70% of recycled plastic bottle materials. For more information on our materials, please see [page 22](#).



Waste, by type and disposable method (kg), metric tons	2019	2020	2021
Hazardous			
Recycling	0.30	0.30	0.55
Non-hazardous			
Energy recovery	172.7	274.4	290
Recycling	328.4	65.1	102
Landfill	5.2	0.3	0.2
Composting	1.9	2.8	3.6

CASE

Framery One sustainability and circular economy

Our recently launched Framery One acoustic pod arrives with industry-leading sustainability and circular economy benefits.

Framery One is a top-of-the-line futureproof pod that combines 4G technology and a digital ecosystem with superior acoustics and Framery’s distinguished design DNA. It is the world’s first-ever GREENGUARD Gold Certified acoustic pod, meaning there are no hazardous chemical emissions. The materials used in Framery One are safe, sustainable, and high quality. The structure is constructed from steel, which means that 95% of the material used in your pod can be recycled. In addition, Framery One features wheels, allowing users to re-arrange the product within the office as needed over time. As it can be difficult to re-organize an office without renovating, especially during the pandemic-related disruption, this feature allows the product to be more adaptable and flexible for user needs. Utilizing a Framery One acoustic pod also mitigates the need to have to construct a permanent, expensive, resource intensive and environmentally negative meeting room.

Framery One has been designed to have a lifespan of up to 50 years, and it will improve over time due to its intuitive software that keeps the pod up to date as technology evolves. Its future-proof, modular design ensures that the pod can be upgraded as new tech specifications or working methods become the norm. Finally, to contribute to the circular economy, Framery One features an innovative maintenance system with parts that are readily available and easy to replace. The pod can also become part of the ‘Framery Subscribed’

circular economy business model, a ‘product as a service’, meaning we can fully refurbish one of our products after it has been used by one customer and then lease it to another customer. The result is that our products are made to last even longer and can potentially deliver multiple ‘lifetimes’ of service. Framery One is the most sustainable pod in the world.



Energy & Greenhouse Gas Emissions

Energy and GHG

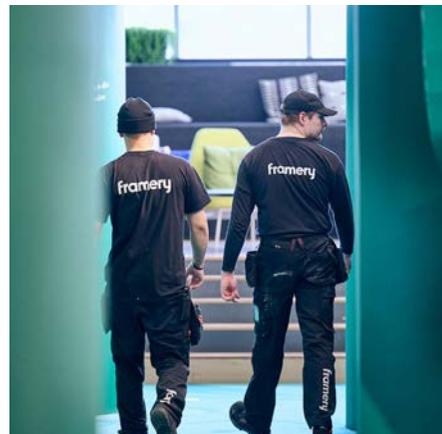
In 2019, Framery began making screening calculations on its different scopes of greenhouse gas (GHG) emissions. During 2021, we further enhanced our understanding, as well as analytical data gathering, of the impact of different parts of our overall operations on our emissions. We follow the Greenhouse Gas Protocol in our GHG emission reporting. Accordingly, our GHG emissions fall under three scopes.

Scope 1 emissions are defined as direct GHG emissions that are owned or controlled by Framery. Our scope 1 emissions are very low, as the emissions come only from our three company cars. A full 100% of the scope 1 emissions are offset via a fuel provider compensation service.

Scope 2 emissions are defined as indirect GHG emissions from electricity, steam, heat or cooling purchased from utility providers. Our scope 2 emissions arise from electricity and district heat used in our headquarters and production facilities. As we operate in a rented facility, we

purchase renewable electricity guarantees of origin for 100% of our electricity consumption, irrespective of our landlord. Regarding district heat, we will continue to suggest more sustainable choices to our landlord, by encouraging, for example, the utilization of biobased heating.

Scope 3 emissions are defined as all indirect emissions (not included in scope 2) that are the result of activities from assets or utilities not owned or controlled by Framery, but on which Framery indirectly impacts in its value chain. Scope 3 emissions, also known



as value chain emissions, include both upstream and downstream emissions and make up the majority of a company's total carbon footprint / GHG emissions. As part of our continued efforts to help reduce our direct impact in scope 3 emissions, in late 2020, for example, we began a collaboration with our local logistics partner to operate our milk run by a biogas-powered truck. The truck became operational in early 2021.



Please see our biogas truck case study on [page 30](#)

Science-based targets

At Framery, we are determined to reduce our carbon footprint year-on-year. As evidence of our commitment, we signed up to the Science Based Targets initiative (SBTi) in 2020. The SBTi has approved our goal to reduce absolute scope 1 and scope 2 GHG emissions 50% by 2030 from a 2018 base year, and to measure and reduce our scope 3 emissions.

We are also determined to continually increase our carbon handprint, by helping to further reduce our customers' scope 3 emissions.

Renewable electricity

In order to further reduce our scope 2 market based GHG emissions, during

2021 we continued to voluntarily purchase renewable electricity (hydropower) guarantees of origin for 100% of our electricity consumption. During 2021, we spent EUR 20,000 on the purchasing of energy-efficient LED lights for our production facilities. Furthermore, we also started to support the local production of another source of renewable energy, by leasing 60 solar panels from the Tarastejärvi solar plant located in Tampere. The contract was signed in late 2019, became fully operational at the very beginning of 2020 and will be valid until 2025. On average, a single solar panel at the plant generates 230 kWh of energy per year, with the combined energy output from the 60 solar panels therefore equaling to 13,800 kWh of energy per year.

Overall, our energy efficiency showed an improvement in 2021 in comparison with 2020 and we are proud of the fact that our entire office and production facilities now run on 100% renewable solar and hydropower electricity.

Life cycle assessment

Life cycle assessments (LCA) is an important part of our energy and emissions reporting. Life cycle assessments are defined as a methodology for assessing environmental impacts that are associated with all the stages of the life cycle of a product. This full life cycle refers to the initial raw material extraction, through materials processing, manufacturing, distribution, use and finally recycling or energy recovery.

Framery has conducted life cycle assessments (LCA) on Framery O, Q and 2Q products. This way we can provide our stakeholders with reliable environmental footprint information, including our carbon footprint. The footprint information is available in our externally verified Environmental Product Declarations (EPD).

According to our LCA's carried out in 2021, the greatest percentage of our environmental impact arises from our upstream processes. During 2021, we continued to work closely with our suppliers to ensure we are able to help further mitigate the negative impact of resource usage and GHG emissions.

Maximizing our handprint

Efforts to further maximize our handprint continued throughout the reporting period of this 2021 sustainability report. We are proud of the fact that our product family creates a strong carbon handprint and is able to deliver positive climate change mitigation to our customers and other end users globally.

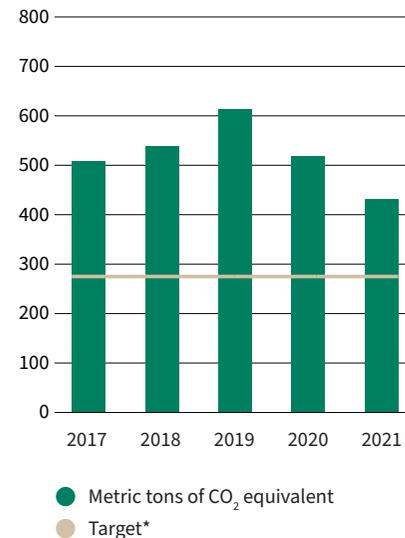
Due to the ongoing impact of the Covid-19 pandemic, 2021 continued to reveal the dramatic shift in terms of how companies and their employees had to adapt to radically disrupted office life, as well as deal with multiple challenges of remote working for extended periods of time, a so-called hybrid model of work. One other impact of the pandemic remains the comprehensive decline in business travel and the resultant exponential increase in the use of digital meetings and conferences. Our pods continued to be indispensable for many people during 2021 as they enabled more optimal video conferencing capabilities to be implemented (particularly our next-gen and fully 'connected' Framery One pod) and thus made it considerably easier for our customers to continue conducting business meetings while being unable to physically travel due to the many pandemic-related global restrictions that remained in place throughout many months of the year.

For more on this subject, please turn to our [Customers section on page 49](#).

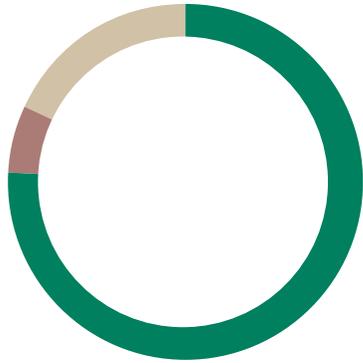
The annual fossil carbon footprint of our O pod (for one person) has been calculated at 163 kg when the whole life cycle of 10 years is taken into account. To put this figure into a more understandable context, a 163 kg carbon footprint is equivalent to the emissions created by a one-way flight from Helsinki to Frankfurt for one person. If the pod helps to reduce the equivalent amount of business travel per year, all future travel that is avoided from this point onwards may be regarded as being carbon negative, ultimately meaning that our pod is responsible for producing a positive carbon handprint rather than a negative carbon footprint.

Our larger pods and smaller phone booths also dramatically reduce the need for our customers to have to construct unnecessary meeting rooms. The construction of a meeting room requires utilizing more energy and increasingly expensive raw materials in comparison to manufacturing one of our pods. This applies especially when certain parts of office real estate need to be remodeled or demolished before building a new meeting room. Additionally, due to the modular nature of our pods, they can easily be dismantled and moved to a new location as required and they also save space, as typically meetings take place between 2-4 people. Furthermore, the energy required to power a larger and infrequently used meeting room does not constitute optimal energy efficiency usage, whereas our pods consume very little electricity when in standby mode. Due to the Covid-19 pandemic, there has been a lot of discussion about the future office and the benefits of having our pods incorporated into next-gen offices as part of the 'next normal'.

Greenhouse gas emissions scope 1 and 2, metric tons of CO₂ equivalent



Framery O life cycle CO₂ emissions



- Upstream 76 %
- Core 6 %
- Downstream 18 %

‘Our larger pods and smaller phone booths also dramatically reduce the need for our customers to have to construct unnecessary meeting rooms.’



CASE

Biogas Truck

At Framery, we are continuously striving to make our operational carbon footprint smaller and our handprint bigger. We have set up clear, transparent, and long-standing goals for environmental efficiency, including the minimizing of greenhouse gas emissions. As a manufacturing company, logistics are a big part of our everyday operations, so in 2021 we teamed up with Kaukokiito to help reduce our local logistics scope 3 emissions.

We joined the Science Based Targets initiative (SBTI) in 2020. Through this initiative, we have pledged to meet emission reduction goals outlined in the historic Paris Agreement, and to meet this goal, we are reducing our absolute scope 1 and scope 2 greenhouse gas (GHG) emissions by 50% by 2030 from a 2018 base year, as well as measuring and reducing our scope 3 emissions.

Kaukokiito operates the logistics from our suppliers to the Kaukokiito warehouse and the milk run from the warehouse to our factory and back. To further minimize our operational carbon footprint, Kaukokiito suggested that we use a biogas truck to operate the daily factory-warehouse-factory route.

Biogas is produced from waste feedstocks such as biowaste, sewage sludge, manure, and other industrial and agricultural side streams. This fully renewable and circular fuel can help to reduce life-cycle greenhouse gas emissions by up to 90% compared to fossil fuel use.

Scope 3 emissions are defined as all indirect emissions that are not controlled by Framery, but on

which Framery indirectly impacts in its value chain. By using a biogas-run truck for the milk run, the complete scope 3 upstream transportation and distribution will decrease by about 5%.

The biogas truck began operations in May 2021. Between May-December, the truck was calculated to have completed around 1,600 cycles, an average of 10 cycles per day, with each cycle 14km in length. The total distance covered was approximately 22,400 km.

With the success of the biogas truck in 2021 from both an operational and a 90% emissions reduction perspective, a second biogas truck will begin operations in the spring of 2022, to help further meet Framery’s increasing logistics demands and the company’s determination to further help reduce scope 3 emissions.



People and Society



The Framarian culture 32

Employees and the wider workforce 36

The Framerian Culture



During 2021, we are proud to say that despite the ongoing disruptions caused by the Covid-19 pandemic, we remained true to our Framerian culture. Throughout the year, we continued to emphasize transparency, fair decision-making and openness. And, as always, we complied with national and international legislation and ethical principles, which are binding on all our employees.

Our mission is still crystal clear: we are serious about happiness. Happiness

drives our work and is our sole purpose, since it is the essence and reason for everything we do. Happiness can be found through the impact of our products, our commitment to our people and in the way we work. Our vision is to make three million people happier by the end of 2022 because they can use our products. Framery also offers hundreds of people around the world a provenly happy and fulfilling place to work. By working per our mission and vision, we can create a world that is a little bit better than it would be without us.

‘Our mission is still crystal clear: we are serious about happiness.’



Values at the core of our culture

Every one of us is responsible for living according to our values. Our values are the abilities and practices that we especially appreciate in our colleagues, as well as what we base our decision-making on. They are at the core of our culture and create our shared practices, rules, and goals.

In 2021, we refreshed our Culture Handbook, and as part of this refresh, we further clarified our company values, and our core messages are now conveyed in a more simple and clear way. The Handbook is given to each new employee as soon as an employment contract has been signed. The values we now expect each of us and future colleagues to live by are:

- Respect
- Courage and Curiosity
- Transparency
- Responsibility
- Good judgment

Values are the very heart of our culture. They shape our shared ways of working, our policies, and our goals.

Our values are the abilities and practices that:

- we particularly appreciate in our colleagues
- we expect to see from each other in our work community
- we base our decision-making on
- we reward people for
- we look for when recruiting new Framerians

To clarify each value, we’ve listed many examples in our refreshed Culture Handbook of the principles, choices, conduct and actions that we wish to see at Framery. These examples help us understand how the values shape our everyday working life and acting against them is something each and every one of us must have the courage to confront if we witness wrongdoing taking place.

Internally, the Culture Handbook creates our Code of Conduct, but for external use we have created a separate document.

A one-of-a-kind community

While there are great cultures in many companies, we believe that our unique way of working makes Framery one-of-a-kind. One of the key elements of a happy company is transparency. The idea is simple: our organization is basically flat – no strong hierarchy, no unnecessary middle management, no hidden secret processes. All the information regarding the operation of our company is available to Framerians on our internal Wiki-intranet.

Another major contributor to workplace happiness is fair decision-making – we want to invite everybody into the decision-making process and not make conclusions at the managerial level that employees are forced to act upon.

A powerful example of the decision-making process in action took place during June-November 2021. Almost our entire personnel were given the opportunity to collectively collaborate on the refreshing of the company's strategic direction. Across multiple workshops and other fact and opinion gathering exercises during those six months, all employees were able to make their voices heard and directly influence future strategy. For more information on this subject, please see the case study on the right.

That said, not everything went perfectly throughout the year. In 2021, we received insightful feedback from our employees on certain issues, such as what we could have done better with compensation, leadership, and wellbeing. Reminders of multiplier effects (not only from Framery) of the continuing pandemic on individuals health and well-being. We continue to learn from mistakes made, as well as the ongoing challenges encountered, and now we are able to move on stronger and more together than before. During the year we were committed to finding new ways of working with dialogue, and in finding new ways to connect with our people as the pandemic ebbed and flowed. The continuous dialogue with our employees continues as before as it is an essential part of our culture: people speak up if there is something that needs to be said and then we find ways to things better together.

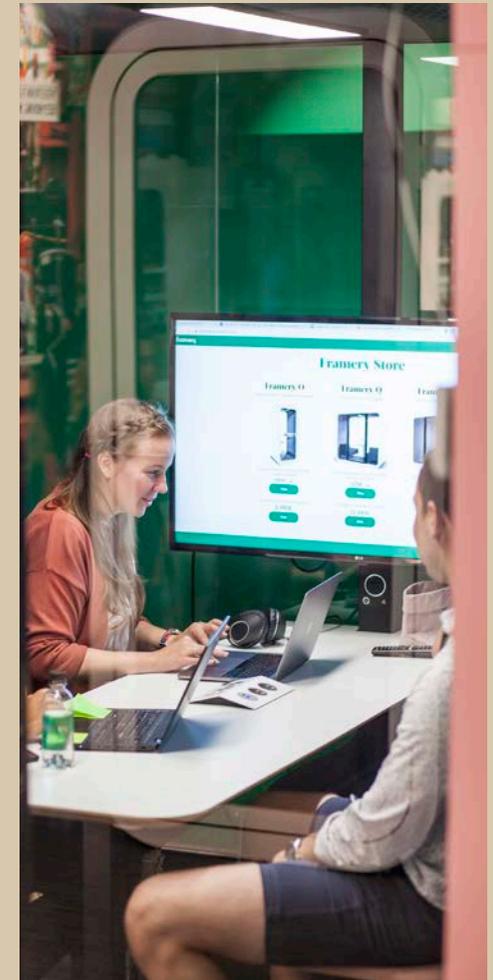
CASE

Framery Strategy: Co-designed with personnel

During 2021, Framery undertook a comprehensive, time-intensive, company-wide and fully-inclusive series of workshops, meetings and other fact and opinion gathering exercises, to help enhance and redefine the company's future strategy and to help clarify to interested external third parties – be they current or future customers, suppliers, the media, competitors and others – the company's future direction as an industry-leading technology company.

Through more than 20 workshops that took place between June and November, as well as many unit-specific meetings, almost the entire Framery workforce (which totaled around 400 employees by year-end) were given the opportunity to express their personal thoughts, ideas and opinions regarding their strategic vision of the company moving into 2022 and beyond.

The new Framery strategy, co-designed with the personnel, represented a huge investment of time, but ultimately the insights and collective voices of all Framerians also led to an increased understanding of the company's entire operational ecosystem. The strategy workshops also helped turn many employees into more knowledgeable strategic ambassadors of Framery, as well as help all Framerians move into 2022 with greater aspirations and a collective sense of determination, ambition and purpose.





Our frequent events and activities in 2021

- Framery talks videos: During the year our management team members shared their insights on various business-related topics.
- Framery updates on financial performance and quarterly reports
- ‘Thank God it’s Wednesday’ -coffees at the Framery headquarters provided popular weekly updates to the employees. In 2021, coffees were divided into two sessions – with the first held in Finnish, the second in English (with both recorded to allow virtual viewing for those not able to attend in person). The participation rate throughout the year was very promising.
- Team meetings also reflected on information given by the management.
- In addition, Framery supports employees’ leisure groups. In 2020, yoga and ice-hockey clubs were the most popular hobbies. In 2021, the newest groups include hobby clubs for ice swimming and artisan work, for example.

Speaking up

We feel that it is important that everybody has the chance to speak up and there should be no hesitation in bringing any questions or ideas into open conversation. During the unprecedented past two years, this need has been re-emphasized, and our team leaders have been open to constant dialogue with our personnel.

In 2021, Framery initiated a whistleblowing channel and began conducting Code of Conduct training.

One of the key channels for internal communication and development for every Framerian is a close relationship and interaction with their team leader and People & Culture Business Partner.

Still not happy? We want to be sure everyone feels included and content and that’s why we have the world’s first happiness insurance. It’s simple: if a Framerian feels that something at work strongly decreases their general happiness, as a company we will do everything we can to fix it. If we don’t succeed, the person will receive EUR 5,000 compensation. In 2021, conversations were conducted with two people, and the insurance settlement was not deemed necessary once.

Diversity work at Framery

Diversity is in our DNA. Every Framerian has a right to be whoever they wish to be, and we want to endorse this in every possible way. However, we also want to continue to explore the theme from different viewpoints, open a discussion and help Framerians to recognize possible issues with regards to diversity. During 2021 we payed extra attention to diversity of gender and sexual orientation. This follows on from our event in the fall of 2020, where Seta, a Finnish human rights advocacy organization, held a webinar to increase our awareness of these topics. After the

session, we asked Framerians to report all the practices that either support or discriminate against diversity. No burning issues were brought up, but our gender-neutral toilets at our factory were praised, as was the culture of no longer calling women or men 'girls' or 'boys'. Equality work continues at Framery. Our management team touched on the topic in one of our Wednesday coffees, and we created an equality plan for the year 2021 where our principles and actions are detailed. As part of the equality work, we will review two of our HR processes from the perspective of diversity and gender equality, for example.

Hybrid work

Framerians love to gather together, though flexible conditions for remote working have successfully been in place since pre-pandemic times. To that end, during 2021 our transition back to the office became more pronounced and 'normal' in the second half of 2021 compared to much of 2020, although remote working and hybrid working in general, remained a part of our operations. Only in the very last weeks of 2021 did the move back towards remote working become more prevalent once again, due to the rise of the more contagious Omicron coronavirus variant.

Even though we often could not all meet face-to-face during the year, we strived to keep the Framerialian community alive. For instance, teams have been encouraged to organize virtual coffees, workshops and

day-to-day conversations. Some teams have come up with their own activities: important milestones have been celebrated with virtual toasts.

Framery also once again gave great attention to the subject of ergonomics in 2021. Computer screens, office chairs and electric desks could be borrowed from our office to aid those employees working from their home office, for example. One concrete action implemented in 2021 regarded the enhancing of our 'wellbeing toolbox'. One hour of exercise every week was allowed as part of our employees paid salary. We took a deeper dive analysis on how people manage stress. Group coaching sessions were made available. 'Official' exercise breaks were taken twice a week, and throughout the year pre-emptive measures were implemented with the aim of mitigating future negative ergonomics and wellbeing issues.

As with 2020, we acknowledge that the Covid-19 pandemic has continued to take a toll in 2021, and these times call for particular resilience, endurance and the ability to conduct self-leadership. To support employees in these areas, we have deepened cooperation with our occupational healthcare. Employees have, for example, been offered virtual trainings on psychological coping mechanisms during these challenging times.

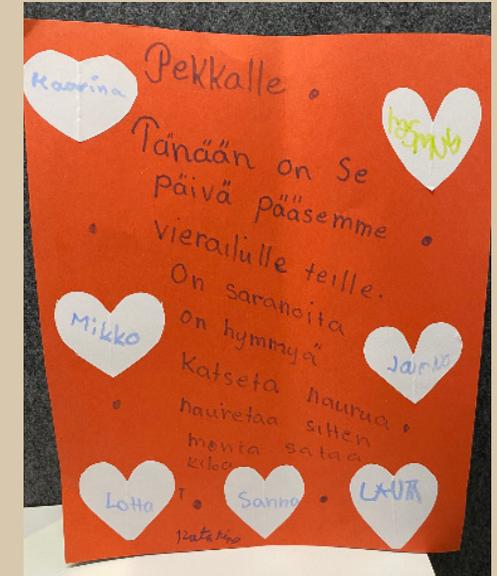
CASE

Diversity and the Nuutinsara Centre

Celebrating diversity at Framery has always been central to the company's entire operations and remains at the core of its culture. This can be seen most clearly in its long-standing relationship with the Nuutinsara Centre, a local activity center for a number of people with varying intellectual disabilities, around 500 meters from Framery's headquarters in Tampere, Finland. Across many years (although no-one is absolutely sure how and when the collaboration began) Framery has been purchasing small components for sub-assembly and part collections and giving purposeful jobs to the around 20 individuals at the center who receive guidance and supervision and then help with the collecting, manufacturing and packing of different kinds of hinges and screws for our products, as well as the cutting of edge covers and table wire tubes, for a few hours each day. By way of a thank you and celebration, on 21st October 2021, 16 people from Nuutinsara visited Framery's headquarters and were given a guided tour of the entire facilities, as well as the production floor. The visit was a great success.

In addition, and perhaps singularly representing Framery's desire to further nurture diversity throughout the company, one person, Markus Pieniluoma – who used to help with the sorting of parts part-time at the Nuutinsara Centre and still visits the center three days a week – has for more than three years had a two-day a week job contract at Framery's headquarters and works in the maintenance team driving the floor-cleaning machine on the factory floor, as well as helping out with cleaning tasks in the factory kitchen. Paid a salary as part of his contract, Markus

loves his work at Framery and has described it as his "dream job" and he represents the very definition of diversity in action at the company. The Framery culture is considered open and equal, and many people have learned from Markus in the sense that people from very different backgrounds and capabilities can work together successfully. The work with the Nuutinsara Centre is also about giving back to the local society and helping people with less work-related opportunities to still gain meaningful, purposeful, and ultimately fulfilling employment and this helps to create social sustainability throughout the entire community.



Employees and the wider workforce

Adapting to a disrupted world

A year of two halves. That may be the best way to describe the year 2021.

The ongoing pandemic continued to provide its fair share of disruptions and challenges for our valued personnel. The first half of the year found our Framerians continuing to adapt to the evolving circumstances, while unfortunately having less work to do than we would have liked, due to the temporarily reduced demand for our products because of the global uncertainty. During the second half of the year, here the issues related to the coronavirus was more manageable compared to the previous months. In addition, the order books for our product family increased rapidly from the summer months onwards, with the earlier successful launch of our next-generation Framery One acoustic pod, the most sustainable pod in the industry, also leading to exceptional demand as the year progressed.

Our resilient and passionate personnel ended 2021 on a hopeful and positive footing and determined to move into 2022 stronger than ever. To ensure our competitiveness, and due to the strong demand for our product family in the latter half of the year, we recruited

many new Framerians to help us meet that increased demand. In addition, we continued to put a considerable amount of effort into both our product development and our health and safety work.

Amidst the ongoing pandemic, we have again prioritized the needs of Framerians, and our actions have borne fruit: the results of our Signi survey in the fall of 2021 improved incrementally from the first quarter of 2021. Signi is an employee engagement and experience survey that measures how engaged and motivated our employees are. Based on the first quarter results, we targeted three areas of focus: compensation, leadership, and wellbeing. Actions such as a wellbeing toolbox for team leading and the Korn Ferry salary study were implemented to improve the experience of Framerians. We will continue to focus on these three areas also in 2022.

The result of our employee engagement survey reiterates the fact that we are still able to offer our Framerians a working place that meets their high expectations.

Our dream team

Around 150 new Framerians joined us during the year, including around 70 people who joined after the summer to

help meet the increased product demand. At the end of the 2021, Framery employed 403 people in 15 different countries, the largest total workforce in Framery's history. All our production happens at our headquarters in Tampere, Finland, where we have 143 employees working to get our products ready for our global customers. Our sales team is our most 'global' team, working in over 40 different locations around the world. In terms of where the new recruitments were distributed throughout the year, a number joined the production floor as well as other parts in the supply chain. In addition, a large ramping-up of the global sales team, as well as the product function, was initiated.

We remain determined to offer our employees enhanced opportunities to develop in an evolving environment. However, this means that we must also take special care of our employees' health and wellbeing. Every year, we aim to enhance our strategic goals. In 2021, we revised and fine-tuned our structures and management approaches.

During 2021, we focused on:

- Training our team leaders to give them the best tools to manage our high-performing teams



- Training personnel with new Framery One production floor processes and safety procedures
- Improvement of our performance enablement
- Improvement on health and safety

A great place to work

Framery received the Great Place to Work® (GPTW) certification in 2017, 2018 and 2019. In 2019, we were ranked as the 16th best place to work. We were thus able to improve our ranking by six places compared to the previous year – and we are very proud of this fact. At the end of 2019 we decided to no longer participate in the GPTW certification process, and actively began seeking out a new partner for measuring engagement during 2020. In 2020, Framery was also ranked as the 46th Best Workplaces for Innovators by Fast Company.

Ensuring our competitiveness

The cornerstone of Framery’s success lies in the expertise of our employees. It is therefore vital for our competitiveness that our competences are kept up to date and that our skills are further developed and shared. Thus, we are firmly focused on delivering continuous training that supports our Framerian’s competence development.

For us, recruitment is not a one-way selection process; rather, we want to find people who also want to be part of the Framery story. We want to employ new colleagues who wish to develop themselves and Framery with us. We search for the brightest minds to join us and offer them the chance to develop. We want our employees to be able to flourish in their work and to get to use their potential to the full. However, finding the right talent isn’t always easy.

In 2021, we implemented many essential recruitments to ensure our competitiveness remained strong. Since there were many world-class specialists on the job market, we were able to grow our production floor, product development and global sales personnel, in particular.

Continuous development delivers success

Performance enablement was one of our strategic development areas in 2021 and enhancing our Objectives and Key Results (OKRs) was the primary focus of our effort: with systematic feedback, Personnel Development Plans and

structured one-to-one conversations utilized throughout. One project completed during 2021 was the creation of a clear job description for every Framerian. This project will continue throughout 2022 and beyond due to the need to create new job descriptions as Framery evolves. These job descriptions will help our people to better understand the requirements of their work, as well as the possibilities for personal growth and development.

Lifelong learning is something we want to emphasize, and every Framerian should be able to constantly grow in their position. To support this, team leaders and employees can discuss possibilities for tailored trainings and the support they need to succeed on a regular basis.

In addition, we want to offer our people possibilities for both horizontal and vertical career development opportunities and the possibility to change career internally.

Well-trained team leaders help us to flourish

Only well-trained team leaders can help our employees thrive. In 2019, we started a supervisory training program, which lasted until the beginning of 2021. In the program, we helped our leaders to grow their capabilities to Coach for Impact. The trainings were successful, and we had fruitful conversations on broad-ranging topics, for example on Framery’s holistic management philosophy. All of our team leaders attended the Coach for Impact trainings.

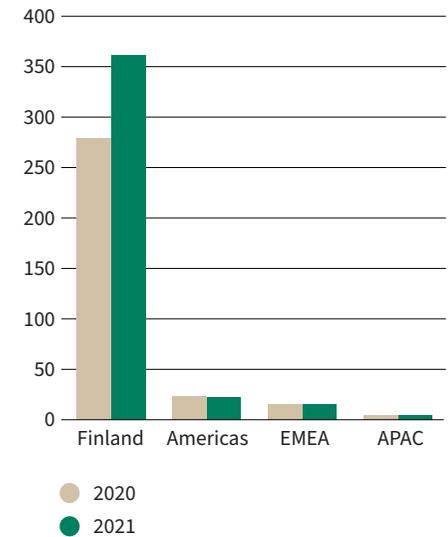
Enhancing our performance and development

To help Framerians succeed in their work, we regularly discuss each Framerian’s performance. In this, we utilize both performance review discussions and OKRs.

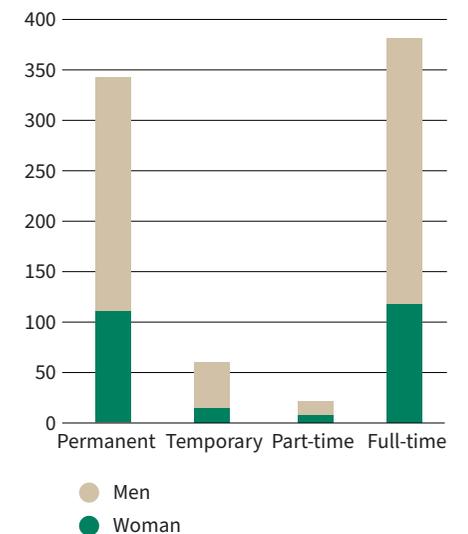
There are separate performance review models for office and production workers. For production workers, personal performance review discussions are organized twice a year. Employee, team leader and assisting production team facilitators each review the performance of an employee and decide the areas of development for the next period. Since multi-disciplinary skills in production work is something we greatly appreciate, we want to pay extra attention to development in different areas and make sure nothing hinders it. That said, all possible licenses, for example truck or electricity licenses, need to be up to date.

Office workers have official one-to-one discussions with team leaders at least once a month. Twice a year, they complete a Personal Development Plan, in which the individual’s competences are discussed and the short- and long-term career development planned. The goal is to identify the individual’s current strengths, development opportunities and needed key competences. In the plan, both employees and team leaders specify in which actions they will engage in order to ensure continuous development. In 2021, production workers started to have one-to-one

Employees by region, number



Employees by contract type, number



discussions with their team leaders once a quarter, compared to once every six months previously.

All new Framerians receive a comprehensive induction. Besides position-specific inductions, Framery has an onboarding programme designed to ease the introduction into the company, and its strategic and operational practices, and entire ecosystem business environment. Training and mentoring is also offered to help support the induction process.

Our OKRs help measure our performance and ensure that each employee has clear goals and receives ongoing feedback and support to grow. The purpose of OKRs is to connect company, team, and personal goals to measurable results, while having all team members and leaders work together in one unified direction. Currently, we are searching for a Framery way of using an OKR framework to optimally support us in this constantly changing environment.

Framerians have a large degree of freedom and responsibility in what they do. In addition, Framerians have found the bonus program helps them keep up to date in terms of the direction they should be working towards. We have a fair bonus system in place.

One notable highlight in 2021 was that we carried out a Lean Six Sigma training process for 8 selected personnel in the company. In 2021, average hours of training per year per employee was 4.6,

which means 18% increase compared to the previous year.

Health, safety, diversity, and equality

Framery is committed to building an environment and culture where equality, safety, and collaboration flourish. We want to ensure safe and healthy working conditions for all our employees and people whose workplace or work conditions the company can impact. This has been particularly relevant issue in 2021 amidst the global pandemic. The primary goals in 2021 were to secure our employees' health during the pandemic and reduce sickness absences, the number of accidents and the number of absences caused by accidents.

In 2021, we paid continued special attention to inclusion and diversity. As a company, we have a clear and defined set of values (and our Framery Culture Handbook was refreshed in 2021), we encourage people to always highlight issues they feel are of concern, we have a zero-tolerance policy for any kind of discrimination or inappropriate behavior, and if any Framerian feels that they are being discriminated against or unfairly treated we will investigate the matter objectively and ensure that actions are taken if merited.

We cannot perform at the highest level as a team and as a company if we are unable to give our absolute best as individuals. This requires an understanding of our own limits, recovery times and suitable

working practices if we are to get the maximum potential out of ourselves and our work. At Framery, health and safety issues are managed by an occupational health and safety lead in our People & Culture function, as well as an occupational safety specialist in production. Our management system is certified against ISO 45001. We emphasise the importance of each employee to be aware of occupational health and safety risks, as well as how to manage the risks. We also have an active occupational health and safety committee that has representatives from all employee groups.

Supporting our employees in health and wellbeing

In general, Framerians overall health and wellbeing are at a good level. However, we are still working hard to both prevent and help with two main issues when it comes to health. Musculo-skeletal system diseases and mental health issues remained the most common reasons for longer periods of sick leave at Framery during 2021, and we are close to the industry average in these regards.

In order to support the wellbeing of our employees, we pay special attention to three focus areas:

1. We create a culture that supports being yourself in your everyday work. We want to have everyone come as they are.
2. We promote taking care of yourself. We offer information and the tools on



nutrition, ergonomics and sleeping, for example. Also, Framerians are given the permission to use one hour of their weekly working time for personal sports activity. Any Framerial can also establish a sports hobby club supported by Framery. Currently, we have 24 active sports clubs.

3. We continue to build a high-performance culture and to offer a model in which everyone has a chance to take part and enhance their wellbeing. We believe that through frequent one-to-one discussions and feedback and by utilizing the best management practices that include the implementation of OKRs, for example, we can get there. In addition, to support our employees' mental health, we offer a mental training Slack channel in collaboration with our occupational healthcare and each Framerial can book up to five discussions with our healthcare psychologist without a doctor's note. In this way, we are able to support mental health before any issues escalate as the channel offers an occupational healthcare professional ready to discuss everyday concerns of our employees and helps bring mental health services closer to our people.

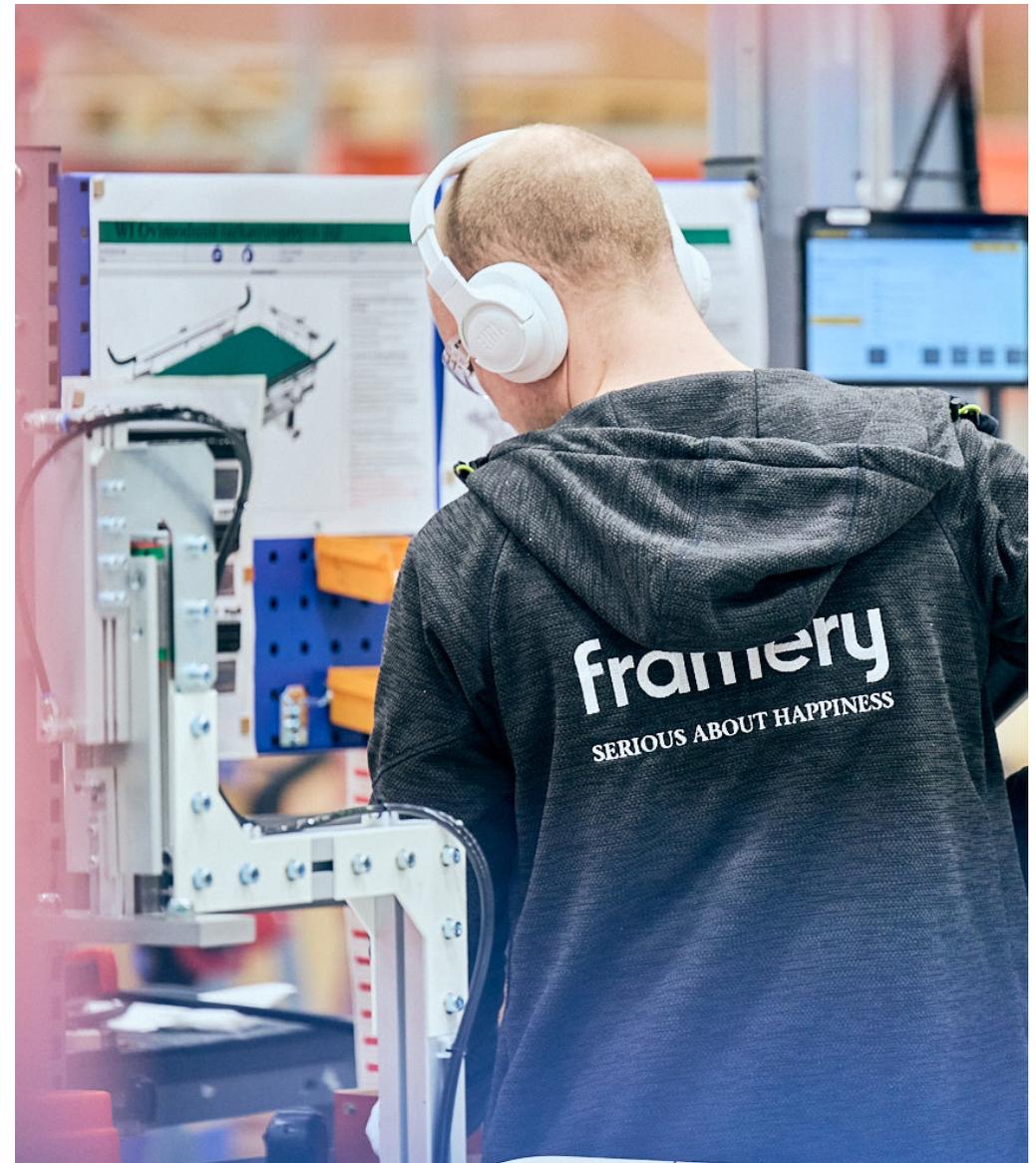
Enhancing our safety work

Wellbeing and happiness have deep roots in our culture and Framerians come first when we consider workplace safety. No customer order can ever shake our safety standards – no matter how big.

During 2021, our safety work took a further step forward. A considerable amount of systematization was conducted, and both our management and occupational health and safety committee were very committed to all the development projects.

At Framery, we encourage and support our employees to take care of their personal wellbeing. Wellbeing actions at work also aim to promote and support the wellbeing and work capacity of employees. One of our targets is, therefore, to decrease absences due to illness. The absentee rate due to illness (as a percentage of total theoretical working hours for our own personnel) in 2021 was 6.11% (5.16%). A figure of around 5–6% is considered close to the industry average. Our sick leave per person in 2021 was 13.1 days per annum.

We are committed to improving our safety performance and our long-term target is zero accidents. To monitor our progress towards this target, we have set a key performance indicator of lost time incident frequency (LTIF1) of employees in operations in Finland. The short-term target for LTIF1 was 5.20 and in 2021 it was 6.99 (5.57). The LFIF1-target was around 30% lower in 2021, compared to 2020 and we did not meet the target. We will continue to work systematically to achieve our long-term target of zero accidents. By way of comparison, the LTIF in Finnish industrial workplaces in 2020 was 25.0. In 2021, the forecast was 26.5.



The biggest recognition of our work was the ISO 45001 standard we received in late 2020 and implemented in full throughout 2021. The standard helps an organization to improve its occupational health and safety performance. As a part of the ISO 45001 process, we updated our health and safety policy, which sets standards for our health and safety work.

Other safety improvements in 2021:

We carried out a large daily management process -improvement project in our production and the daily management also included safety. Safety became a part of every production department's meeting routine. At the beginning of every shift, a team had a meeting and their team leader went through new safety observations and other relevant safety topics.

Emergency preparedness:

- We had an annual fire drill in which we practiced: putting out a fire and the use of fire extinguishers, exiting the factory building to assembly points during emergency, the establishing of defined locations to move to, and the use of first-aid equipment.

- There is a large amount of combustible material (wood) at our factory, and we need to be prepared if a fire occurs. We also added another 15 fire extinguishers to the factory. Now everyone can easily find a fire extinguisher close to them.

- Improvement in internal communications: In every quarterly update, our management delivers an update on occupational safety. Current

status, past incidents, goals and indicators are presented.

- Safety walks: Each month, our occupational health and safety committee takes a walk through our premises to discuss safety issues with our personnel. During 2021, we also had short meetings with the occupational health & safety committee to discuss relevant safety topics before going for the monthly safety walk. In addition, once a quarter, two of our management team members attend the walks.

- Management review: Twice a year, our occupational health and safety committee and our management gather to discuss safety. Concrete procedures are reviewed, and future plans are discussed

- Risk-assessments: Throughout 2021, there were extensive risk-assessments



‘One notable action taken in 2021 was the stricter defining of the usage of carpet knives, which caused a reduction in injuries and sick leave.’

carried out across all departments and these occupational safety risks will continue to be assessed on an annual basis.

- Safety introduction to non-Framerians: In 2020, we introduced a safety onboarding which is binding to non-Framerians working at our factory. In addition, practices concerning authorizations were clarified. All our safety instructions are binding to everyone – from Framerians to contractors and guests – and for visiting and working at our factory. In 2021, we continued to utilize the same safety introduction to non-Framerians and no injuries or near misses to non-Framerians occurred during the year.

- eLearning material for installment: During 2020, we created novel eLearning installment instructions for technicians mounting our booths. Instructions for all products, excepting Framery O, were completed during 2021. Framery O instructions will be completed during Q1/2022. Throughout this material, safety has been further prioritized in comparison to our pre-2020 guidance. In addition, we now regularly conduct test installments and aim to continually improve mounting instructions based on our observations.

Safety is our priority

Our biggest safety risks are in our production, but we also pay attention to work safety at the office. Most typical injuries are related to small cuts in the production of day-to-day tasks. Each employee has a duty to intervene if they believe that they see ways of working that are deficient in terms of occupational welfare or safety. All accidents, anomalies, observations and improvement suggestions related to safety are entered in the Framery's Safety Manager occupational safety system. One notable action taken in 2021 was the stricter defining of the usage of carpet knives, which caused a reduction in injuries and sick leave. As previously mentioned, we conduct a safety introduction to contractors and partners. In addition, we have a warehouse that is run by an external partner, and we have conducted a safety audit there. We also carry out supplier audits.

The new system, introduced in the summer of 2020, allows everyone, from Framerians to visitors and contractors to register their safety observations in the system by using a QR code. By our well-established process, our occupational health and safety organization can find out about all safety-related events.

In 2021, there were 511 safety observations entered into the system, and 4 lost time injuries were reported. This represents remarkable progress (+59%); the number of safety observations have only been rising since the safety manager system was implemented in August 2020. It strongly highlights the fact that employees are more aware of safety risks and want to develop the workplace so that it is safer for everyone.

In total, 18 working days were lost. Our lost day rate was therefore 31 per 1 million hours worked. If an employee makes an entry in the Safety Manager system, within one week an investigation of the incident will be initiated together with the employee, and measures and a timetable will be agreed upon.

Production supervisors and our occupational health and safety committee go through the entries in their weekly safety review meetings. Actions and responsibilities are decided, and thorough analysis is conducted. We are committed to finding methods that prevent similar incidents. These methods are then copied in other departments. Our process means

we can constantly improve employees' safety and working conditions.

In 2021, we raised our bar even higher. During the year, for example, we started using daily management boards and meetings, as well as television screens to communicate safety objectives, metrics, findings, and actions taken.

During the year:

- We conducted a three-part safety leadership training for our production supervisors / team leaders. 1) Responsibilities and safety legislation 2) Risk assessments, safety observation investigations 3) Safety leadership. We are planning to extend it to other team leaders, too.
- Every employee working with chemicals went through a chemical safety training.
- Most of our occupational safety representatives attended to an advanced occupational safety training course.
- In 2021, we hired many new employees and each new employee in production went through a one-day safety training session.
- Ergonomics training for all production departments was implemented by our occupational health physiotherapist and new on-boarding materials including ergonomics for our new employees.

Looking towards an even better 2022

This was almost the year we had hoped for, and we made it through relatively unscathed and ultimately quite positively.

We are eagerly looking forward to 2022. We still want to be the best possible working place for our valued Framerians, and we strongly believe that the considerable investment we put into our people is worth it.

In 2021, the year continued to focus on wellbeing. Our efforts were directed towards mitigating health-related problems before they escalated and taking pre-emptive measures so we could ensure that Framerians on sick leave stay within reasonable limits. The large theme of learning – including performance enablement, headcount planning (new recruitments, internal transfers and our long-term needs for employees' skills), will be further analyzed to help us to find ways to further enhance our operations.

And then there's the continuing question about our culture. There's no escaping the fact that the global pandemic across the last two years has challenged our community, and we need to still ponder: what will our culture look like in future when the pandemic becomes a more manageable endemic? What are the elements we want to preserve, and what should be quietly left in the past? Whatever that very complex answer may be, our core remains the same. We are



serious about happiness. And serious about having the happiest possible Framerians.

Fair Business



Customers	45
Investors	51
Society	52

Fair Business



Framery is the pioneer and global market leader in manufacturing acoustic pods, phone booths and private workspaces. In 2021, the disruption caused by the Covid-19 pandemic continued to negatively impact raw material prices and global supply chain logistics, as well as to bring about greater challenges in the sourcing of components. That said, our purchasing volume and turnover increased in comparison to 2020, and total revenue totaled EUR 94 million. Our company remained resilient throughout the year, and allowed us to continue to support society, to further improve the working environment for our customers and to deliver solid revenue to enhance our investor's portfolios.

The leading pioneer

Framery continues to strengthen its global market share in open office furniture and noise solutions. Over the last seven years, the company has grown organically from EUR 1 million to over EUR 106 million in 2019, before witnessing a decline in revenue during

2020 due to the substantial global disruption caused by the Covid-19 pandemic. In 2021, due to strong demand for our product family in the second half of the year, our revenue increased to EUR 94 million and we expect our total revenue to strongly increase in 2022 and beyond. Though more than 100 direct

‘Our global sales hit record-high figures in 2021’



competitors have entered the office furniture industry since our founding in 2010, and a period of consolidation and mergers between our competitors are likely to result in the near-future timeframe, Framery has continued to further strengthen its position as a global market leader throughout another disruptive year for business in general. Furthermore, during 2021, we have never lost sight of the fact that the primary focus of our work is to continue to create a reliable, functional and sustainable family of products that make people happy all over the world.

We set realistic growth targets for 2021, and while our results in the first half of the year were below expectations and we had to implement various cost savings to mitigate the reduced revenue, the early 2021 launch of our next-generation connected pod – Framery One, the most sustainable pod in the industry – was a

considerable success and demand for our entire product family strongly increased in the second half of the year and substantially exceeded expectations. As a result, we boosted our inventories, hired around an additional 150 employees to help meet the greater demand for our products, increased our R&D expenditure, laid the groundwork for the implantation of a new 2022 department, Digital Offerings and Services, sharpened our overall business control and operational procedures, and continued to lay the foundations for strong projected growth in 2022.

Our focus on growth

Framery's global sales hit record-high figures in 2021 and are now more than 10% higher than pre-pandemic levels. We also delivered a major increase in sales in the Nordic region in particular, showing clear growth from the previous pre-pandemic levels. In addition,

significant growth in 2021 was recorded in other markets including Japan, France, Germany and Singapore. In Africa and the Middle East region, we saw a maturing market and the building of awareness in the pod category. There was a clear increase in sales compared to previous years.

As a result, we now remain confident that in the near-future timeframe, we will continue on our path of strong and sustainable growth. How will we do this? The answer is by following our tried and trusted procedures; those smart business decisions enabling us to grow year-on-year to become the global leader in sustainable and soundproofed office furniture solutions. To that end, we are honest, and don't engage in any unethical or illegal business. We continue to pay all our taxes 'fair and square,' and we continually strive to offer our many customers the best products possible. In addition, we still keep all of our production at our Tampere headquarters in western Finland. In this way, we can continue to be proud of the fact that we can support our local community by offering jobs in our home municipality of Pirkanmaa, as well as creating jobs for many people around the world too.

Exporting globally

Over 90% of our turnover in 2021 came from exporting our products beyond the borders of Finland. Each year we have expanded our distributor network, and we now deliver our products to our dealers and ultimately to our customers

in 89 countries and across all inhabited continents. As a result, it is important that we continue to have a strong and trusted relationship with all of our distribution partners and suppliers globally and to remind them about our sustainability requirements through our Supplier Code of Conduct. Furthermore, we do not support monopoly dealer arrangements in any country.

With regards to sustainability, one example of our work with regards to exports can be seen in our logistics hub in Michigan, US, a facility that first became operational in 2019. The hub enhanced its operations throughout 2021, and we took aggressive steps to replenish inventory stocks from August onwards. That said, while global supply chain disruptions and consequent delayed delivery dates had a negative impact on our US operations in the second half of the year, our ambitious stock replenishment will allow us to offer our customers increasingly more rapid and efficient deliveries throughout North America during 2022. Furthermore, it has also helped us to further minimize our carbon footprint due to the fact that we can ship large deliveries of pods throughout the region (and using less plastic and wood packaging materials) without having to use cross-continental flights.

Read more about our environmental work on [page 20](#).

No tolerance for corruption

We have always had, and continue to have, an unambiguous zero-tolerance policy on corruption. We also fully understand that the greatest risks in terms of corruption can occur when working with dealers and suppliers. As a result, we have stringent rules in place, and we ensure that supplier contracts are detailed and transparent and that our suppliers' responsibilities are precisely defined. Furthermore, we also have strict in-house rules in terms of who has the authority to sign our major contracts and all other legal documents. We believe that only by acting this way can we safely minimize the risks of potential exploitation and bribery. During 2021 we recorded no incidents of corruption, and we are proud to point out that this has also been the case every year since our founding in 2010.



Customers

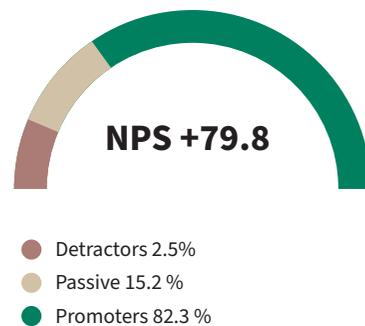
For a large percentage of ‘white-collar’ workers in particular, the arrival of the Covid-19 pandemic during early 2020 proved to be the catalyst that pushed remote work to become considered the so-called ‘new normal’. But, as 2021 progressed, we also came to even more clearly understand that while remote work offered some advantages, like the tangible saving on business travel and commuting time, there was also a negative impact too. Our ongoing research projects and increasing knowledge gained on the subject reveals that not only does virtual and distance work reduce productivity and create the feeling of perceived loneliness, but it also becomes much harder to efficiently collaborate when people can only exchange ideas through largely scheduled teleconferences and phone calls. Innovation and creativity flourish when people come together, and happily, this was something that began to be seen rather more of in 2021, compared to the year before.

For our many end customers globally, who were able to spend more of their weekly working hours during 2021 at their office (the so-called ‘hybrid’ remote working / office-based model), our acoustic pods and private workspaces continued to offer an optimized place to achieve focused and productive work. This, in turn, led to less stress and higher employee productivity throughout the working day

– consequently leading to a qualitatively and quantitatively greater ROI (return on investment) for our customers.

At the end of 2021, over 56,000 booths and pods were in place in offices and other venues across 89 countries globally, serving our more than 6,700 end-customers. Backed-up by meticulously measured and data-rich metrics, benchmarks and KPIs (key performance indicators), our pods and booths significantly contribute to our end users’ sustainability, as well as their individual and organizational wellbeing, all the way from enhanced usability, ergonomics and acoustics, to aesthetics, health and safety, ‘flow’, ‘resilience’ and productivity.

Customer Net Promoter Score



‘Our pods and workspaces continued to offer an optimized place to achieve focused and productive work.’

Currently, many of the world’s leading companies use our product family to help make their people happier and more productive, as well as to save time, space and money. We also build pods and booths to support our customers and end users on their journey towards attaining their own goals, by providing a product that is not only sustainable, but also supports their own work with sustainability and environmental questions. More than 40% of all ‘Forbes 100’ companies use Framery’s products, including Tesla, Microsoft and Puma.

We conducted two NPS (Net Promoter Scores) surveys in 2021 to our end customers. The surveys were sent to almost 1900 contacts and contained only one question, “On a scale of 0 to 10, how likely is it that you would recommend Framery to a colleague, business associate or a friend?” The answering scale was from 0, “Not at all likely” to 10, “Extremely

likely.” In the first NPS survey, 81.8% of the respondents were ‘Promoters’ and gave a score between 9-10. In the second NPS survey, out of a total of 175 responses, 82.9% of the respondents were classed as ‘Promoters’ and gave a score between 9-10. These were very positive results.

Strong demand from customers

From June onwards, we had record months every single month. The year 2021 ended on an all-time high from an order intake perspective and more than 15,000 Framery pods were sold during the year. Of note, our next-generation Framery One pod, the most sustainable pod in the world, successfully launched in February 2021. Nearly 3,000 Framery One pods had been sold by year end. In addition, our Framery 2Q Huddle, a new pod variation released in the summer of 2021, quickly became the best-selling 2Q variation in 2021. Our Framery O & Q: iconic and timeless products, remained Framery’s best-selling pods in 2021. Also during 2021, the third year since its launch, Framery Subscribed, our circular economy subscription model continued to grow strongly and delivered a more than 80% increase in sales in comparison to 2020.

We remain optimistic that this strong sales growth will continue in the future. When it comes to the pandemic, we believe that most countries are now more used to it and are becoming increasingly adept at managing it, and this in turn will lead to a more ‘normalized’ future from both a personal and a business perspective.



There are multiple reasons behind our upward trajectory in the second half of 2021. For us, the highlight of the year was the launch in early 2021 of Framery One. We had thousands of people joining us to watch our live launch event. We knew we had an innovative and world-leading product. The timing of the launch was also successful in the sense that we had many people working from their home offices during early 2021, they joined the launch remotely and they proved to be a ‘captive’ audience.

For further information, please see our case study on [page 49](#).

In addition, when we consider 2021 as well as the next few years to come, it is clear to us at Framery that people will still be conducting video meetings in the office. We see that there will be differences in terms of the numbers of employees in workspaces on a day-to-day basis, with more people present on Tuesdays, Wednesdays, and Thursdays than on Monday or Friday. Moreover, from a sustainability perspective, it also became increasingly apparent that the materials required for conference or meeting room construction became increasingly expensive as 2021 progressed, and that for many companies it became more difficult to find people to come in to do the room construction in the office.

More uncertainty globally means there is a need for more flexible solutions. No one knows where individual companies,

or their physical offices will be in 10 years from now; but our pods are easily moved. In addition, acoustic pods are more sustainable due to the fact that companies do not have to build walls at the start of the lease and then tear them down at the end.

Our hybrid future

Based upon our analysis of the many disruptions that both 2020 and 2021 created – and looking to the future and thinking about our customers and end users – we believe that there will continue to be a far higher acceptance for people to work remotely than in pre-pandemic times, and that there will also be better tools, both physical and digital, for people to work remotely. We remain of the opinion that it is likely that a number of organizations will take steps to reduce the size of their office in the future, though that is largely dependent on what kind of industry the organizations are in. As witnessed throughout the last two years, we also believe that the decline in business traveling will continue and is unlikely to return to pre-pandemic levels. But even if some people sometimes work remotely and most people will be traveling considerably less, we do not see the role of pods in office workspaces changing even if the space is utilized differently. Looking through the updated prism of 2021, our analyses undertaken suggest that the future office will continue to be very much a living and breathing entity which will continue to have a critical function in the near to mid-future

timeframe. Likewise, we believe that there will be many companies thinking that if they are to be more productive, creative, innovative, sustainable, and able to gain a competitive advantage in the long term, they will not 'buy into' the working model that proposes that nearly everyone will be working from home.

As 2021 progressed and many people began tentatively looking towards a genuinely more 'back to normal' 2022 and beyond, an increasing number of companies are now seeing challenges now that their employees have successfully adapted to working remotely from home offices. Companies will need to attract their workers back to the office to some extent. At Framery, we believe that our product family and advances in technology can play a critical role in the transition back to the office in the post-pandemic world.

When it comes to acoustic pods and private soundproof workspaces, technology is still at early adoption stages. The importance of digital booking is one important element in this process: and one-person pods also must be bookable. It is a natural step for Framery to increasingly become a tech company and the launch of our state-of-the-art and fully connected Framery One pod provides the firm evidence of our future direction as a company. Connected, digitalized pods will deliver a lot of added value for both companies and the employees who use the pods. Who would want to buy just a pod when you

can buy a connected one? To that end, while non-connected pods still have a critical role to play in the soundproof office furniture industry, we are now beginning to view non-connected, 'dead' or 'analogue' pods as the equivalent of buying a smartphone without a sim-card. To that end, connected pods will continue to advance. In the future, the pod will recognize you as a user and automatically adjust to your personalized needs. It could even provide certain health data of the user. Companies will be able to receive valuable insights from the pod. They will not just be connected, but also networked. The connectivity will open enormous possibilities for pod users. At Framery, we believe that soon enough every company will want and need to have connected pods.

Due in large part to Covid-19 and the rapid shift to more digitalized societies, the virtualization of meetings accelerated rapidly throughout 2021 and has become a natural part of our lives now. This 'next normal' will impact offices for years to come, as our customers will continue to have a notable percentage of their end users working remotely for at least some days of the week, coupled with a profound decrease in business traveling. Taken together, our view is that there will have to be the facilities for people to have qualitatively optimal video meetings, and not just one-on-one, but in larger groups too.

To that end, during the second half of 2021 in particular, our order books

CASE

Customer new ways of working

During 2021, Framery analyzed its customer base, which includes 40% of Forbes 100 companies, to gain critical insights into what the world's top companies are doing to transition back to the workplace.

The survey findings suggest that for companies, the post-pandemic (or endemic) hybrid work model will force them to confront an evolutionary shift in office culture. A hybrid workplace is where some employees work onsite and others work remotely, and while numerous countries had already started a slow shift towards the hybrid model, the pandemic proved the catalyst which led to the rapid digitalized shift in the way all businesses operate.

During 2021, some companies hypothesized that full-time remote work would become permanent in a post-pandemic 'new normal'. However, with the arrival of 2022 and a return to the office starting to be more firmly on the agenda, it has become increasingly clear that many companies would now prefer to see their employees back in the office for at least a few days of the week. To that end, and to stay competitive, these businesses are implementing new policies that allow for increased employee flexibility.

Furthermore, employees themselves expressed an increasing desire to return to the office as 2021 progressed. In June 2020, a survey of Salesforce's approximate 60,000 employees indicated that only 23% wanted to return to the office. But in 2021, the company saw the figure increase to 72% for those that desired only two or three days per week in the office.

As a result, it has become clear that as employees work from various locations for the foreseeable future, the demand for flexible workspaces with video conferencing capabilities will rise. Research indicates that the projected increase in video conferencing will be between 100- 500% in the new endemic hybrid age compared to pre-pandemic times. Consequently, 71% of the companies surveyed said their offices are not currently equipped to handle this demand and will need to make new spaces dedicated to taking video calls.

Analysis of Framery's customer base also indicates that influential companies, demonstrating thought leadership within their respective industries, are already initiating the complete transition to a hybrid work model to more optimally accommodate this next-gen transient workforce. This means that a finely balanced mix of collaborative setups, team-based offices, and privacy pods will be critical to hybrid workplace success in the future.

Traditional and pre-pandemic open offices often lacked a variety of conference rooms and quiet areas to work, making it more challenging to conduct conference calls. The survey results suggest that to support the new modes of working in this post-pandemic age, private office pods will become essential to a productive workday. For workplaces not considering large-scale construction projects, 81% of the participants agreed that office pods represent the best solution.

revealed large companies buying pods and equipping them with high-end video equipment, and we consider these companies to be the top 15% early adopters. The larger market has not yet fully realized what a powerful solution it will be to place sustainable and connected pods like Framery One into offices, rather than build walls and meeting rooms which are a considerably less sustainable and financially viable option. Simply put, it is very expensive to build new walls and it is not a flexible solution. A pod can be moved multiple times or moved to entirely new premises and even refurbished and delivered to new customers, and all without the need to construct unsustainable walls and permanently restructure office real estate.

Our future mission

Starting in early 2021, we began a new 5-7-year mission to further inform our current and future customers about the positive environmental impact our pods can have, what kind of flexibility they will bring to office spaces and with our next-gen Framery One, what a future-proofed solution they will prove to be. We have noticed that there is a shared need now to have a dynamic office. Our take is that if you have fixed walls, it is neither a flexible nor cost-efficient solution if changes are required. An open space with pods makes that precious real estate more flexible, more dynamic and ultimately more sustainable in the long term – and our customers can be prepared for more or less people being

‘We are beginning a important mission to make connected and sustainable pods the future standard.’

in their offices – so if they are either downsizing, or indeed upscaling, their situation can be enhanced by utilizing our pods.

Another area of note that remained important to address during 2021 was the continuing issue of work-related mental health issues, and particularly work-induced stress and burnout. To help mitigate these highly disruptive, destructive and debilitating conditions, further meticulous, data-rich research on the subject of psychological as well as physiological wellbeing was undertaken throughout the year. Results indicate that utilizing our product family can play a beneficial role in preventing or reducing the onset of succumbing

to debilitating mental ill-health, by reducing stress levels and helping to increase concentration and productivity. Therefore, our promising first results suggest that our pods could have a positive impact on stress levels and therefore represent a tool to help mitigate this widespread work-related issue.

Throughout 2021, we continued to look for more optimal ways to utilize the right contact points, methods and tools to allow us to even more successfully engage with our valued customers and end users. This critical communication work, particularly in terms of explaining the long-term added value of having office-based connected pods, will continue unabated throughout 2022 and beyond. Connectivity will open enormous possibilities for pod users, and we have distribution partners that we have to educate to help better inform our future customers. We are beginning a important mission to make connected and sustainable pods the future standard.



Product quality

At Framery, delivering industry-leading products and services goes to the very heart of our company strategy and daily operations. Throughout our ecosystem, we strive to ensure that quality-related benchmarks are embedded in all our processes. Our products, for example our next-generation Framery One connected pod, have been designed using advanced quality planning tools and have been tested to reach and exceed the strictest industry quality standards and health and safety benchmarks, as well as to exceed the UX expectations of our end users. Throughout our entire product family, we strive to ensure that our pods and booths, as well as the many comprehensive services that complement them, set new industry standards for quality in terms of aesthetics, reliability, safety, durability and user experience (UX).

Everyone at Framery is responsible for making sure that quality standards are maintained and are verifiable and quantifiable throughout our entire operations. To help achieve and further enhance all quality-centric metrics, the roles and responsibilities of all Framerians are precisely defined, and numerous key performance indicators (KPIs) and other targets are implemented, monitored and developed on an annual basis. In addition, multiple training courses covering nearly all aspects of our operations are proactively encouraged with the aim of further delivering more efficient processes.

At Framery, we set and implement many monthly and annual objectives to help improve our overall quality performance, and we proactively review risks to help us improve our overall standards of quality, while always taking into account industry best practices, new health or safety legislation, as well as advances in technology that can be utilised in our products for the benefit of our end users. Furthermore, our quality-centered management approach is strongly impacted by both consumer and customer feedback and that feedback is systematically analyzed, and where applicable, acted upon to further enhance our product quality.

To that end, all of the product quality designed tools at our disposal have been designed to further improve our products and services, and to make them more safe, sustainable, efficient, as well as more intuitive and user-friendly for our customers and consumers globally.

Keeping our customers healthy and safe

In addition to acoustics, lighting, and ergonomics, when it comes to our customer's use of our pods, and product quality in general, regardless of where a pod is placed or how it's used, for Framery the issue of pod safety is always a critical priority. In the case of single-person pods or larger sized units, the main concerns are electric, fire, seismic safety, ventilation and emissions. Our four products all have all the latest

CASE

Framery One launch

The commercial launch of our connected next-generation acoustic pod, Framery One, in February 2021, together with our distributing partners, proved to be a unique, industry-first event and has helped create the template for future product launches at Framery.

Occurring in two stages, two weeks apart, the first phase of the launch focused on the sending of all confidential Framery One product information in advance to our valued distribution partners globally. The second event, the official live online launch of Framery One, fell at a time when much of the work-based world was working remotely due to the ongoing Covid-19 pandemic and helped provide a 'captive audience' at the launch for all interested parties including office facility managers, distribution partners, the media, future customers and our competitors.

By February 2021, due to the considerable disruption of Covid-19 across the previous 11 months, the industry was considerably depressed and effectively frozen. Even our partner distribution network did not have much to sell due to the fact that nobody was essentially buying any new products for office workplaces globally.

The launch took a new approach in the office furniture industry through our choosing to first focus on working with our distribution partners. As manufacturers, at Framery we are providing both the brand and the product, but our partner network is ultimately tasked with the selling of our product family, and through

the launch of Framery One, we wanted to enhance our tight cooperation with them. The cooperation approach taken with our valued core stakeholders, by communicating all the information related to our next-gen pod to them early, helped deliver a greater knowledge of Framery One as well as create a new generation pod 'buzz' throughout the reseller network in advance of the official launch event.

To that end, bringing this next-gen product to our distribution partners to help boost their sales became part of a unique value chain that we were creating. As a company, we didn't hit the brakes when the pandemic hit. Rather, we put considerable effort towards enhancing the product design and the development of Framery One during that time. Being able to launch Framery One in the middle of a pandemic was an extraordinary thing to do, and the success of the launch event and well as the sales of the Framery One pod since, has highlighted the fact that strong partner cooperation and industry 'disruption' can deliver a positive and beneficial upside.



industry-leading certifications that adhere to stringent and recognized safety benchmarks.

To that end, all our products meet electrical safety requirements in all areas. Our pods don't interfere with the functioning of sprinklers, and their materials are selected so they do not increase the fire load in the space they are located. Our pods can be anchored in place, if required in seismically active areas. And our pods do not emit harmful emissions.

Standardized tests and certifications are needed to demonstrate that electrical, fire, seismic and emissions concerns have been addressed.

Product safety

In terms of product safety, our management system has been certified according to the ISO 9001 Quality Management System standard, ISO 14001 Environmental Management System standard, and ISO 45001 Occupational Health and Safety Management System standard. The CE marking found on our products is a manufacturer's declaration that a product meets the requirements of relevant EC directives. The EC directives for Framery O, Q, and 2Q pods are: Low Voltage Directive (LVD) 2006/95/EC, Electromagnetic Compatibility Directive (EMC) 2004/108/EC, Restriction of Hazardous Substances (RoHS) Directive 2011/65/EU and Ecodesign Directive 2009/125/EC.

Fire safety

In terms of fire safety, no flammable materials are used in our products. The fire safety of all the surface materials, upholstery and acoustics materials used in our products are tested and classified by either national or international standards. The EN 13501-1 classification for the used materials is the following: acoustic wool is classified B-s1, d0, acoustic felt B-s2, d0, and carpet Bfl-s1. Wall, ceiling, and floor panels have also been tested against ASTM E84 / UL 723 and are classified as Class A. Molded foam and fabrics used in seating meets CAL TB 117:2013 requirements.

The fabric used in our range of pods and booths meets the performance requirements of BS EN 1021-1 and 1021-2. According to KIWA Inspecta, an EU accredited inspection body, there is no need for the installation of sprinklers in our Framery One, O, Q, or 2Q units in Europe. In the US, we have conducted extensive fire testing on our products and results suggest that there is no need for installing sprinklers in Framery One, O, Q, and 2Q in North America either. It is still recommended to check the requirements with the local AHJ / fire inspector in North America as interpretations may differ.

Material safety

In terms of material safety, we conduct emissions testing on our pods and booths every time a major update is planned in order to be certain there are no harmful compounds volatilizing from the products, such as formaldehydes or VOCs. All Framery products are certified

against UL GREENGUARD and tested against the M1 emissions standard of Finnish Building Information Foundation RTS levels.

A Greenguard Certified product is tested for over 10,000 chemicals and VOC (volatile organic compounds) emissions. The UL Greenguard Certification Program offers two tiers of certification. The Greenguard Gold adheres to even stricter standards than the Greenguard certification criteria. For example, the Greenguard Certification allows 500 µg/m³ (micrograms per cubic meter of air) total VOCs. This is much more than the Greenguard Gold limit of only 220 µg/m³ total VOCs. The Gold standard even checks for additional chemicals. Our industry leading Framery One pod has achieved the highest possible GREENGUARD Gold certification level and is currently the only pod globally to have been awarded the gold certification.

For more information on our materials, please see [page 22](#).

Air quality and flow

For our customers, another critical issue related to the product safety of our pods concerns the air quality and flow inside our units. The temperature and CO₂ content inside are of course dependent on the conditions in the workplace outside of our pods, but with proper ventilation our pods have been designed to limit the rise of the temperature to approximately 3°C as well as CO₂ build-up to 500 ppm above

ambient conditions. This makes it possible for our pods to stay within levels typically recommended for workspaces. These benchmarks have been achieved by delivering a minimum of 20 l/s of ventilation per person in a pod, which is a much higher figure than that typically used in ventilation design.

The indoor air quality of our four products have been tested by an accredited testing laboratory, VTT Technical Research Centre of Finland, and have been found to be well within the limits of the M1 emission classification. The total air flow in a next generation Framery One pod, for example, is 29 l/s (and with optional carbon activated filter; 26 l/s). The minimum recommended space for the air to circulate is 20 cm / 8" above the pod.

Investors

In 2018, Framery received a significant boost to its operations when the Finnish Private Equity Investor, Vaaka Partners, became the majority shareholder in the company. Since then, Vaaka Partners has proven to be a very important enabler of growth, which has helped Framery to build up very solid business foundations in recent years. Those foundations already in place, due in part to the support of Vaaka Partners, took on added resonance and importance during both 2020 and 2021, and allowed Framery to remain financially and operationally resilient in the face of many challenges due to the pandemic, including considerable disruptions to global logistics and the company's complex supply chain.

Vaaka Partners and its co-investors currently own 60% of Framery. The remaining ownership of Framery is shared between the company's founders, operative management and private investors. The investors of the private equity funds managed by Vaaka Partners are leading Finnish and international investors. Pension insurance companies and fund-of-funds continue to be the largest investor groups. Vaaka Partners is registered with the Financial Services Authority in compliance with the Alternative Investment Fund Manager's act. Vaaka Partners follows the United Nations Principles for Responsible Investment in its investments activities and strives to

improve long-run risk-adjusted returns from its investments by taking into account ESG-factors (environmental, social and governance). Vaaka Partners has a Policy for Responsible Investment ("Vaaka PRI"), and accordingly it integrates sustainability perspectives into the investment process and active ownership, as well as aims to ensure that sustainability becomes a fundamental part of the companies' business.

Sustainability and our investors

Framery continues to hold its board meetings once a month (remotely throughout much of 2021) and Vaaka Partners has two seats on the board for its representatives. In the latter half of 2018, Vaaka Partners supported us in taking our sustainability issues at Framery further. The publishing of our first annual sustainability report in March 2020 and our second in March 2021 was strong evidence of how seriously we took the original guidance and wanted to turn our evolving sustainability agenda into real-world actions. For this, our third annual sustainability report, our belief that sustainability should be transparently and honestly communicated – as well as rigorously measured and more deeply embedded into our strategy and management approaches – has only increased. It remains a sustainability journey that will be further integrated into our entire operational ecosystem every year.



Society

Our largest economic impact on society flows from our tax footprint and the jobs we offer, both directly and indirectly through our own pay list, as well as through our global dealers and suppliers in the many countries across the globe.

Our tax footprint

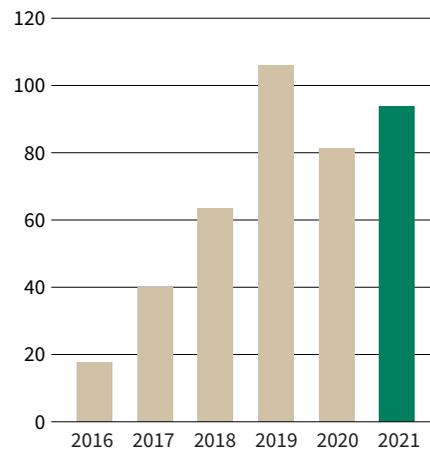
As a transparent and responsible taxpayer, we commit to all applicable tax laws, rules, guidelines and regulations in all the jurisdictions where we conduct our business activities. Since our entire production and the lion's share of our employees are resident in Finland, the

country also receives the majority of our corporate taxes. In 2021, Framery paid EUR 29.2 million in taxes to governments in countries where we have operations. Directly paid taxes, tax borne was EUR 24.6 million while EUR 4.6 million was collected on behalf of governments.

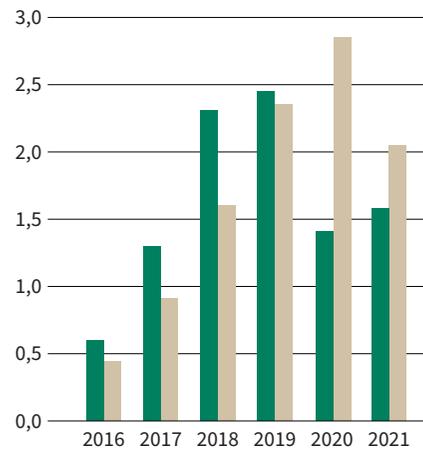
Jobs sustained

Across the last two pandemic-disruptive years, considerable efforts have been made to keep hold of our valuable people throughout the entire company. At the end of 2021, Framery directly employed

Net Sales MEUR



Tax footprint: Taxes collected, MEUR



● VAT
 ● Employee's social security

In 2021, Framery paid EUR 29.2 million in taxes to governments in countries where we have operations.

more than 400 personnel, the highest number in the company's history.

Continuing to spread happiness

Every year, Framery chooses a campaign or a fundraiser to support, and 2021 was no exception. For 2021, our ongoing charity work was related to our decision to donate a Framery O pod and a Framery Q pod to Syöpäsäätiö, the Cancer Foundation Finland. The cancer Foundation, which is financed by public donations, supports cancer patients and their loved one, as well as finances cancer research. Delivery of the two pods took place at the beginning of 2022.

Many Framerians also donate to other charity causes. These include animal welfare protection charities, Hope ry, a charity dedicated to giving children more equal opportunities for everyday life in the local Tampere region, and the Finnish Red Cross, among others.



3 Reporting principles

How our report was created	54
Principles of our operations	55
GRI Standards index	61

How our report was created

Reporting period

This report covers our sustainability operations for the calendar year beginning January 1, 2021 and ending December 31, 2021. It contains data for Framery's operations, excluding leased workers, dealers and suppliers, unless otherwise clearly stated. This is Framery's third annual sustainability report.

Reporting boundaries

This report is based on our most material issues. Our updated material topics were identified through several stakeholder analyses conducted during 2019 and 2020 (read more on [page 17](#)).

With every passing month we continue to learn more about our impact on people, society and the environment around us. Consequently, we see our operations impacting the following primary stakeholder groups and areas:

- Climate and Environment: environmental causes throughout our products' life cycle, society at large.
- People and Society: our employees, our culture, the wider workforce, society at large

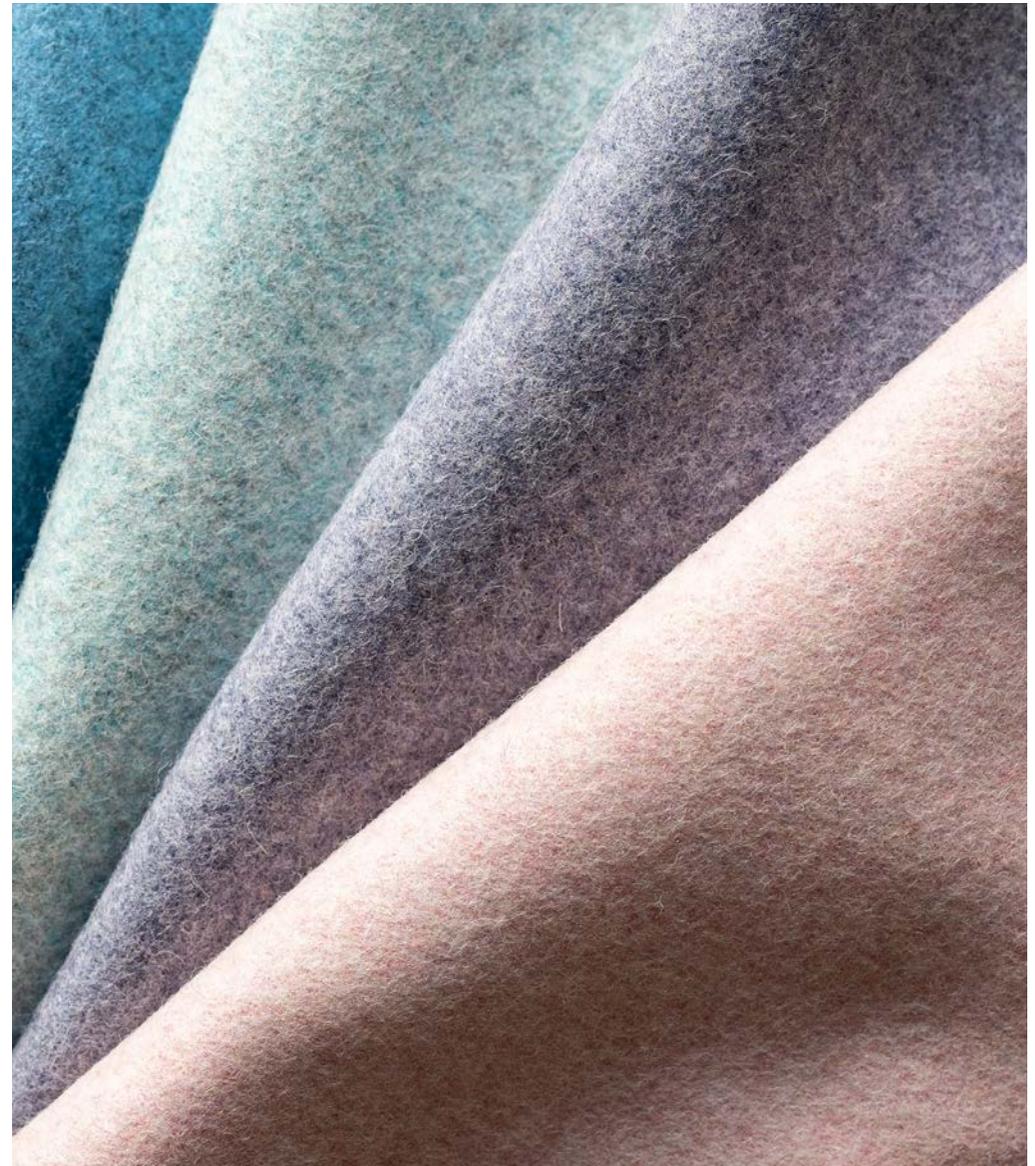
- Fair Business: investors, employees, customers, society at large

Accordance with GRI and assurance

This report has been prepared in accordance with the GRI Standards: Core option. GRI is a non-profit organization that promotes sustainability and leads in the field of non-financial reporting. This sustainability report has been approved by the executive team at Framery. The information contained in this report has not been externally assured.

Contact us

For more information about Framery's work on sustainability and company responsibility, please contact us at sustainability@frameryacoustics.com.



Principles of our operations

Values are the very heart of our culture. They shape our shared ways of working, our policies, and our goals.

Our values are the abilities and practices that:

- we particularly appreciate in our colleagues
- we expect to see from each other in our work community
- we base our decision-making on
- we reward people for
- we look for when recruiting new Framerians

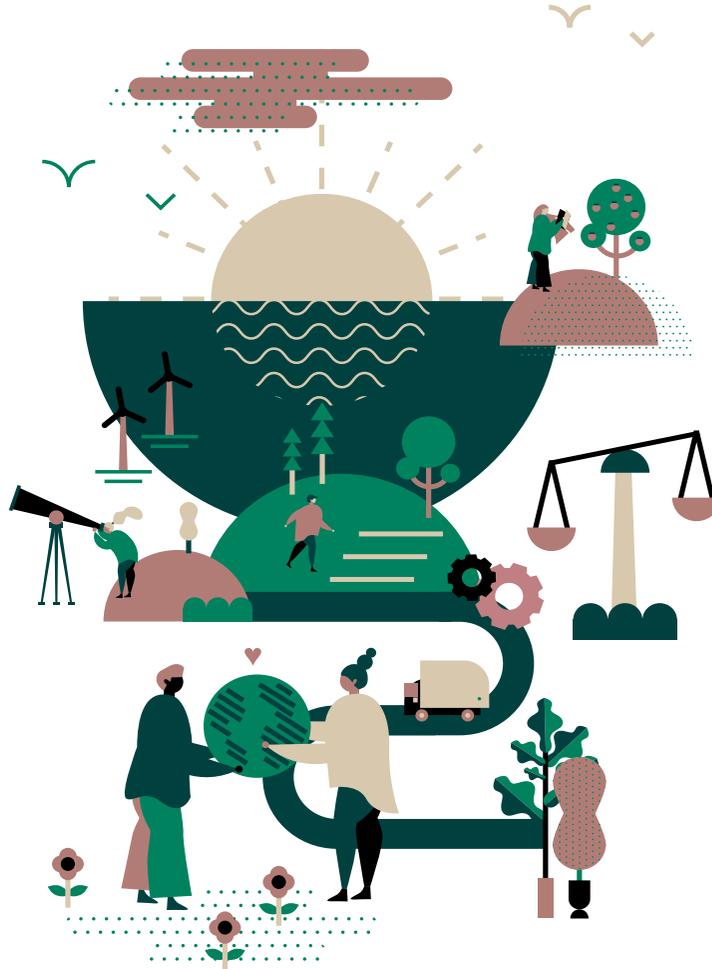
Code of Conduct

The Framery Code of Conduct outline principles that we commit ourselves and expect also our suppliers to follow. The Code of Conduct consist of the ethical principles that determine how both we and our suppliers conduct our business, and how we take responsibility for people and for the environment.

Our commitments

Since 2018 Framery has been committed to the UN Global Compact ten principles on

- Human Rights
- Labour
- Environment
- Anti-Corruption



Framery values

- **RESPECT**
- **COURAGE AND CURIOSITY**
- **TRANSPARENCY**
- **RESPONSIBILITY**
- **GOOD JUDGEMENT**

Management

Framery is the pioneer and global market leader in manufacturing acoustic pods, phone booths and private workspaces. Our headquarters is in Tampere, Finland, where around 90% of us work. Vaaka Partners and its co-investors own 60% of the company. The rest of Framery is owned by Framery’s founders, operative management and private investors.

Framery’s management system has been certified according to the ISO 9001 Quality Management System standard, ISO 14001 Environmental Management System standard, and ISO 45001 Occupational Health and Safety Management System standard.

Risk management

Framery Risk management system is an important part of the company’s operational activities. Our risk assessment and management are systematic and categorized in three groups; strategic risks, operational risks and daily risks. Strategic risks are under the control of the Board and Management team, operational risks by function management teams and steering groups and daily risks by all Framerians.

Leadership at Framery

Framery’s leadership is organized in different levels and our operations are organized in functions, or teams as we call them. Each team has a team leader who is responsible for making Framery’s goals achievable to their team and helping every individual to reach their full potential.

Transparency

One of the key elements of a happy company is transparency. The idea is simple: our organization is truly flat – no strong hierarchy, no unnecessary middle management no hidden secret processes. All the information regarding the operation of our company is available to Framerians on our internal wiki.

Fair decisions, happier people

Another major contributor to workplace unhappiness is unfair decision making – decisions that happen somewhere at a managerial level and the employees are forced to adjust.

Freedom and responsibility

We trust that every Framerian knows how they work at their best, and everyone is given full responsibility for their own tasks. We believe that being trusted promotes productivity and drive, and people need context instead of control.

Board



Mika Sutinen,
Chairman of the Board



Ilkka Pentikäinen



Greg Bylsma



Timo Toikkanen



Ville Koskenvuo



Pipsa Loimijoki

Management team



Samu Hällfors
Founder&CEO



Rasmus Nanhed
Head of Sales



Lauri Isotalo
CFO



Daniela Tjeder
CMO



Lasse Karvinen
Head of Products



Anni Hallilla
Head of People and Culture



Arto Vahvanen
Head of Digital Services and Offerings



Hannu Seppä
Head of Supply Chain



Timo Inkinen
Head of Product Development & Quality

Framery's quality, environmental, personnel, and health and safety policy

Our quality management

Our quality management system is based on the ISO 9001 quality management system standard and the best practices of Lean management. Understanding customer requirements is essential for all development. We measure our customers' satisfaction regularly and strive to make an effective use of the information. To ensure customer satisfaction, we recognize the risks and opportunities associated with processes and develop their management.

Quality is the result of cooperation. Everyone knows their responsibilities in the value chain and are willing to develop their skills and working methods as a key factors for better quality. The preconditions for achieving the best results are created through an open and encouraging atmosphere. Leadership is the elimination of barriers of a team's success.

Learning from mistakes is an honour for us. We constantly gather and analyse feedback on product and service quality. Based on that information, we are able to guide development actions at the right

place and at the right time. We eliminate issues by systematic problem solving and utilize information to prevent similar issues in the future.

We cooperate with the best experts in our field. Our partners and suppliers are committed to our quality principles. Developing activities to enhance quality is a common goal in our company.

Our commitments:

- Fulfilling all applicable legal requirements as well as requirements of standard ISO 9001
- Measuring customer satisfaction and take actions to continuously improve it
- Setting goals to continually improve product and service quality
- Making sure our employees are properly trained to perform their tasks according to set targets

Our environmental work

We are aware of the serious environmental threats that our world is facing; climate change, resource scarcity, loss of biodiversity. This challenging context motivates us to do our part in creating more sustainable world. We see

a shift towards a circular economy as indispensable. By converting business models into more circular economy actions, we are future-proofing business and respecting planetary boundaries at the same time.

Our approach is to conduct systematic environmental management and continuously improve our environmental performance, step by step, taking the whole life cycle into consideration. We use the ISO 14001 environmental management system standard as a tool for this. R&D plays a key role in our environmental work. The life cycle environmental impacts can be evaluated and determined during the design process. This is where we can make a difference by creating and selecting alternatives that have smaller environmental impacts and are designed circularity in mind. For example, in material selections we prioritize long-lasting, renewable, recyclable and non-toxic materials. Product energy efficiency is considered important as well.

Environmental aspects and impacts of our operations are evaluated regularly. The two most relevant environmental aspects in our own production are material and energy efficiency. In our Tampere facilities all recyclable waste is recycled. We are primarily looking new ways to reduce the amount of waste. In order to reduce our scope 2 greenhouse gas emissions, we continuously increase our electricity and district heat consumption efficiency and aim to

change to renewable electricity. A great part of our indirect environmental impacts arise from our supplier network. That is why we are committed to selecting like-minded partners who are ready to collaborate with us on environmental matters. Together we can seek solutions to reduce the negative and increase the positive environmental impacts along the supply chain.

Our commitments:

- Fulfilling all applicable environmental legal requirements
- Delivering industry leading, innovative, eco-efficient solutions for our customers
- Continuously improving environmental efficiency throughout the supply chain
- We need everyone at Framery to commit to this policy and work together, remembering that even the smallest contribution matters. Each step we take to increase our environmental efficiency is also moving us towards circular economy.

Our personnel policy

Human resource management (HRM) is a structured work to support business goals. HRM and HR ensures competitive and modern people practices and supports management and supervisors in applying these practices. Framery's goal is to offer its employees a happy and transparent working environment where every Framerman has the possibility to use their strengths and continuously

learn. The foundation of Framery's personnel policy is to ensure a safe and motivating environment as well as equal and fair treatment. Open discussion and sustainable HRM practices support organizational success and individual development and growth, both short- and long-term. As a rapidly growing company we use agile development methodology to ensure our practices meet the changing needs of our business. Our people practices are strongly based on Framery's values. Personnel policy clarifies and unifies management practices on an organizational level and supports both the employer and company brand. Framery's success and profitability come from motivated and skilled employees.

Values

Our values should not be just hollow phrases. They are in the core of our culture and create our shared practices, rules and goals. The values we expect each of us and future colleagues to live by are:

- Respect
- Courage and Curiosity
- Transparency
- Responsibility
- Good Judgement

Equality

Equality, diversity and inclusion are clearly visible in our daily activities. Already in our recruitment processes we aim to select for employees with an appreciative and respectful attitude

towards others. We want to hire diverse talents that complement each other. We hire people that think "we" always before "me". At Framery we adhere to an equality plan and employees are equally offered opportunities to advance in their careers and succeed in their work. We treat all our employees fairly regardless of age, sex, religion, opinions, nationality, social or ethnic background, sexual orientation or their viewpoints, backgrounds or other expressions.

Wellbeing and safety

We are committed to support our employees' happiness by paying attention to wellbeing and safety. Framery maintains and develops high levels of occupational health, safety, and wellbeing in cooperation with our Health and Safety council. The responsibility for well-being and safety are shared between the employer and employees. We develop our practices continuously through our annual development plans and follow the progress through monthly OHS key performance indicators. We encourage employees to report safety deficiencies immediately and use the information gathered to develop our ways of working. We aim for a safe working environment with zero work-related accidents.

Learning and development

Learning is part of daily management at Framery. Individual skills and capabilities, ways of working, our core processes and the organizational structures are continuously developed

according to the business needs. We support our employees' personal and professional growth. We offer each Framarian opportunities to develop themselves through training, mentoring, learning on the job and job rotation. We make sure that every supervisor understands their responsibilities also as an enabler of their team members learning. With regular discussions with our employees, we aim to identify their current capabilities and career goals, as well as their needs for development. Every employee is entitled to clear expectations and goals for their role as well as for their development. These goals are discussed and followed up with team leaders through-out the year.

Compensation

We believe that fair rewarding supports work motivation, yet happiness that is solely based on pay diminishes quickly and influences motivation only temporarily. We offer our employees a competitive total compensation yet want to make sure that the compensation has both monetary and non-monetary elements. The monetary compensation is based on a fixed salary, benefits and on a bonus system. The fixed base pay varies depending on the complexity of the role and the skills and performance of the individual, while the bonuses are based on the company's profit and strategic goals. Rewards policy ensures that the foundation of the compensation is clear and motivating. Our employees are transparently and openly informed about the company's current financial

situation, strategy, annual goals and direction. Our employees have the right to unionize as per the local laws of each country we operate in. Adhering to local laws, official orders and agreements is a foundational part of our activities.

We are born and continuously driven by a single purpose - happiness. At Framery, we will do everything to provide a working environment that supports wellbeing and safety of our employees and all those who share our common workplace. We believe that safety and wellbeing also lead to high performance. We promote healthy lifestyles and support activities that enhance the health, wellbeing and work/life balance.

Our health & safety management

Our culture supports context over control but when it comes to safety there are situations where control is mandatory. Every Framarian is responsible for following safety instructions, using personal protection equipment and intervening if someone's health or safety is in danger. We make sure our employees have the competence and know-how to perform their tasks safely. We identify hazards and assess occupational health and safety risks and opportunities regularly. We set and implement corrective actions to reduce risks and to achieve a safer working environment. Even though we try we cannot foresee every possible outcome.

That is why we always report and investigate every hazardous situation or safety deviation that occurs.

As a fast-growing company we develop our ways of working continuously. We see change as an opportunity to improve our occupational health and safety even further. It is made possible by planning changes together with our employees. We do our utmost so that our high standards and fast-pace will not jeopardize the safety and wellbeing of our people. Transparent communication as our value means we share knowledge sincerely and proactively on any subject that might concern our employees' health and safety. We make our health and safety decisions as transparently as possible and involve employees in the decision making.

Our commitments:

- Fulfill all applicable legal requirements as well as
- requirements of standard ISO 45001
- Eliminate hazards and reduce OH&S risks
- Set goals to continuously improve our OH&S
- Management system
- Participate employees in OH&S decision making.

Code of Conduct for Framery and its suppliers

At Framery our common will is to do what's right in everything we do. This Code of Conduct gives a guideline that explains our approach to ethical business practices, human and labour rights, as well as environmental values. Framery's core values; respect, courage and curiosity, transparency, responsibility and good judgement, drive our behavior and create the foundation upon which this Code of Conduct grows.

Laws and regulation

In all our operations, we comply with all laws and regulations related to us.

Human rights

We support and respect the protection of human rights as defined in the UN Declaration of Human Rights. Every Frameryian is entitled to good, courteous and respectful treatment by his or her supervisors, subordinates and fellow employees. We do not tolerate harassment of any kind. Any conduct which constitutes moral or physical harassment, or any other form of abuse of power, is equally prohibited. We do not favor or discriminate against anyone based on their gender, age, religion, ethnic origin, nationality, sexual orientation, disability or any other characteristics.

Framery upholds the freedom of association and the effective recognition of the

right to collective bargaining. We do not use child or forced labour, or contract with suppliers or subcontractors using them.

Occupational health and safety

We work systematically in order to minimize health and safety risks and to reach our ultimate goal of zero accidents. We all are responsible for ensuring healthy, safe working conditions for all. Everybody is responsible for; complying with processes and safety instructions, using personal protection equipment and rectifying identified deviations from safety processes. We promote healthy lifestyles and support activities that enhance the health, well-being and work/life balance.

Environment

We are committed to continuously improving our environmental performance, taking the whole life cycle into consideration. We improve our processes so that we can reduce energy and material use, emissions and environmental risks. We design our products based on renewable materials, long lifetime and recyclability. We promote the environmental awareness of our employees.

Anti-corruption

We will not make bribes, nor will we condone the offering of bribes on our behalf, so as to gain a business advantage.

We will not accept bribes, nor will we agree to them being accepted on our behalf in order to influence business.

Gifts and hospitality

We may accept gifts of small items of limited value now and then but not regularly or often. We will not accept valuable items exceeding reasonable and customary standards of hospitality. We may give and accept reasonable, hosted entertainment which is in the legitimate interests of the business. We will not give or accept lavish or frequent entertainment, or entertainment which is not hosted.

Charity, donations, approach to political activity

We make philanthropic donations only to duly registered or accredited independent non-governmental organizations (NGO) or not-for-profit charities excluding governmental, political and religious entities. We do not take political stances, and neither the Framery name nor any resources controlled by us can be used to promote the interests of political parties or candidates.

Conflicts of interest

We shall never put our personal gain before the company's interests. All business transactions shall be conducted in favor of the interests of Framery.

Suppliers and subcontractors

We expect our suppliers and subcontractors to conduct their business in compliance with the same high legal, ethical,

environmental and employee related principles that we ourselves apply. Framery Supplier Code of Conduct is presented in a separate document. These principles are of high importance when establishing or conducting business relationships.

Competing fairly

We unequivocally support the goal of a free and competitive market. We promote our products and services honestly and compete fairly. We will refrain from any activities that might restrain fair competition or raise competition law concerns, for example sharing information on pricing, market shares or other similar nonpublic information with competitors.

Treatment of company assets and information

We protect Framery's and our business partners assets and confidential information with care, as we would our own. We safeguard intellectual property such as inventions, patents, trademarks and domain names by maintaining adequate legal protection or confidentiality. Any processing of employee, customer, supplier or other personal data must be lawful, fair and transparent in relation to the individuals concerned.

Framery Supplier Code of Conduct

Framery is committed to conducting its business in a socially responsible, environmentally sustainable, ethical and legal manner. We believe that sustainable growth will be achieved together with like-minded, reliable and fair partners who are willing to work with us on these topics. This Supplier Code of Conduct outlines the minimum standards we expect our suppliers to comply with when doing business with us.

Legal compliance

The supplier shall comply with all applicable national and international laws and regulations. This includes, but is not limited to, laws and regulations pertaining to competition, taxation, safety, prevention of bribery, illicit payments and corruption, employee rights, environmental protection, and recognition and protection of company assets, including but not limited to trade secrets, copyrights and other forms of intellectual property.

Human Rights and employment

The supplier shall support and respect the protection of international human rights (UN Declaration of Human Rights) and ensure that the supplier is not complicit in human rights abuse.

Respect and dignity

The supplier shall treat its employees with dignity and respect. The supplier shall not tolerate any type of harassment of its employees, whether direct or indirect, physical or verbal. The supplier shall ensure its

employees receive equal opportunity and equal treatment based on merit.

Compensation and working hours

The supplier shall ensure that compensation paid to its employees comply with all applicable local wage laws, including those relating to minimum wages, overtime hours and mandatory benefits. The working hours shall comply with the local laws and collective agreements.

Child or forced labour

The Supplier must ensure that child or forced labor is never used. The supplier shall not employ any workers below 15 years or the minimum age according to national legislation, whichever is higher. The employment of young people shall not jeopardize their education, health, safety or morals. Suppliers shall not use any forced labor, whether in the form of prison labor, indentured labor, bonded labor, or otherwise.

Non-discrimination

The supplier shall not tolerate discrimination in its operations against any employee on the basis of race, religion, ethnic origin, age, marital status, nationality, sexual orientation, gender, gender identity or expression, disability or any other basis prohibited by law in recruiting, hiring, placement, promotion, or any other condition of employment.

Freedom of association

The supplier is required to fully recognize employees' right to organize, belong to a union and bargain collectively.

GRI

Code	GRI content	Location	Comments
GRI 102: General disclosure			
Organizational profile			
102-1	Name of the organization	Cover page	
102-2	Activities, brands, products, and services	We are Framery p. 4	
102-3	Location of headquarters	We are Framery p. 4	Patamäenkatu 7, 33900 Tampere, Finland
102-4	Location of operations	We are Framery p. 4, Suppliers p. 25, People and society p. 36	
102-5	Ownership and legal form	Investors p. 51	
102-6	Markets served	We are Framery p. 4, Framery in 2021 p. 8	
102-7	Scale of the organization	Framery in 2021 p. 8, Society p. 52, Employees p. 37	
102-8	Information on employees and other workers	People and society p. 36	
102-9	Supply chain	Suppliers, p. 25	
102-10	Significant changes to the organization and its supply chain	CEO's review p. 6–7	
102-11	Precautionary Principle or approach	Climate and Environment p. 20–21, Materials p. 22–24	
102-12	External initiatives	CEO's review p. 6–7, Our sustainability work p. 12–13	
102-13	Membership of associations	Our sustainability work p. 12	
Strategy			
102-14	Statement from senior decision-maker	CEO's review p. 6–7	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	The Framarian culture p. 32–35, Principles of our operations p. 55	
Governance structure			
102-17	Mechanisms for advice and concerns about ethics	The Framarian culture p. 34	
102-18	Governance structure	Our management approach p. 16, Investors p. 51	
GRI 102: General disclosure			
Stakeholder engagement			
102-40	List of stakeholder groups	Our stakeholder engagement p. 17	

GRI

Code	GRI content	Location	Comments
102-41	Collective bargaining agreements	GRI index	87% percent of our workers are covered by a collective bargaining agreement.
102-42	Identifying and selecting stakeholders	Our stakeholder engagement p. 17	Stakeholder groups have been identified by listing key business stakeholders and partners and the actors interested in the impact of our work.
102-43	Approach to stakeholder engagement	Our stakeholder engagement p. 17	
102-44	Key topics and concerns raised	Our stakeholder engagement p. 17	
Reporting practice			
102-45	Entities included in the consolidated financial statements	GRI index	As a non-listed company Framery has not published any financial statements publicly.
102-46	Defining report content and topic Boundaries	Our sustainability work p. 12	
102-47	List of material topics	Our sustainability work p. 13	
102-48	Restatements of information	GRI index	No restatements of information.
102-49	Changes in reporting	GRI index	No significant changes.
102-50	Reporting period	Reporting principles p. 55	
102-51	Date of most recent report	GRI index	17th of March 2021
102-52	Reporting cycle	GRI index	Framery reports on its sustainability work annually.
102-53	Contact point for questions regarding the report	How our report was created p. 54	
102-54	Claims of reporting in accordance with the GRI Standards	How our report was created p. 54	
102-55	GRI content index	GRI index p. 61–64	
102-56	External assurance	How our report was created p. 54	
GRI 103: Management approach			
103-1	Explanation of the material topic and its Boundary	Our sustainability work p. 12–13, Our management approach p. 16, Climate and environment p. 20–21, People and society p. 32–41, Fair business p. 43–52	
103-2	The management approach and its components	Our management approach p. 15	
103-3	Evaluation of the management approach	Our management approach p. 15	

GRI

Code	GRI content	Location	Comments
ECONOMIC STANDARDS			
GRI 201: Economic performance			
201-1	Direct economic value generated and distributed	This is Framery p. 4, How we create value p. 9, Fair business p. 43, Society p. 52	
GRI 203: Indirect economic impacts			
203-2	Significant indirect economic impacts	Society p. 52	
ENVIRONMENTAL STANDARDS			
GRI 301: Materials			
301-1	Materials used by weight or volume	Materials p. 23	
301-2	Recycled input materials used	Climate and environment p. 20, Materials p. 22–24	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Climate and environment p. 29	
305-2	Energy indirect (Scope 2) GHG emissions	Climate and environment p. 29	
305-4	GHG emissions intensity		
GRI 306: Waste (2020)			
306-4	Waste diverted from disposal	Climate and environment p. 26–27	
SOCIAL STANDARDS			
GRI 403: Occupational health and safety			
403-1	Occupational health and safety management system	People and society p. 38	Every Framarian is entitled to occupational healthcare.
403-2	Hazard identification, risk assessment, and incident investigation	People and society p. 37–41	
403-3	Occupational health services	People and society p. 38	
403-4	Worker participation, consultation, and communication on occupational health and safety	People and society p. 38	
403-5	Worker training on occupational health and safety	People and society p. 38	

GRI

Code	GRI content	Location	Comments
403-6	Promotion of worker health	People and society p. 36–40	
403-7	Prevention and mitigation of occupational health and safety management system	People and society p. 36–41	
403-9	Work-related injuries	People and society p. 38–41	There were no fatalities recorded in 2021.
GRI 404: Training and education			
404-1	Average hours of training per year per employee	Employees and the wider workforce p. 38	
404-2	Programs for upgrading employee skills and transition assistance programs	Our stakeholder engagement p. 17, People and society p. 36–41	
404-3	Percentage of employees receiving regular performance and career development reviews	People and society p. 37	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	People and society p. 36. GRI index	

framery
SERIOUS ABOUT HAPPINESS