

Sustainability Report

2023

framery

framery

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About this report

This is our fifth annual sustainability report. The purpose of this report is to highlight our continued progress and work on sustainability, as well as the management approaches that support our three primary focus areas: Climate and Environment, People and Society, and Fair Business. This report has been compiled in accordance with the GRI Sustainability Reporting Standards (GRI Standards). You can find the GRI content index at the end of this report.

Framery in brief

Framery is an industry pioneer and global leader in engineering and manufacturing soundproof pods, services, and solutions that enable people at work to focus on what really matters and get things done. Framery is a necessity for a successful workday for millions of knowledge workers around the globe in many of the world's leading companies, including Tesla, Puma, and Microsoft. In fact, around 70% of all Forbes Top 100 companies use Framery products.

In 2023, our revenue was EUR 152 million. In the next few years our growth is projected to strongly increase.

We employ around 430 people in 15 countries and our end customers can be found in over 101 countries and across all inhabited continents. Our headquarters are in Tampere, Finland, where around 90% of us work. All our products are manufactured in Tampere.

152
In 2023, our revenue was EUR 152 million.

430
We employ around 430 people in 15 countries.

> 91,000
pods delivered worldwide.

79
We delivered to 79 countries in 2023.

101
We have customers in 101 different countries.

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

CEO's review

At Framery, we make the world's most sustainable pods. This was our goal many years ago when we designed the first pods, and as technology, regulations, and workplace trends evolve we continue to stay true to our objective. With a focus on continuous innovation and improvement, we set the standard when it comes to delivering more value more sustainably.

In 2023, as more employees returned to work after the pandemic, many people still expressed a desire to maintain some degree of remote work. If companies want their employees to spend more time at the office, especially in competitive job markets, they will have to make their offices as attractive and productive as possible. Employees need to feel that leaving the benefits of the home office and spending time and money on their commute is worth it.

For employees, the office is a place to connect and socialize with colleagues, but it also needs to be a place that allows both effective collaboration and distraction-free focus. For employers, the office should be a productive, flexible place that is fully utilized to deliver a return on investment. The healthy growth in our production in 2023 is proof that businesses are increasingly turning to Framery as a solution that meets all these needs.

The world's most sustainable pods just got even more sustainable

In 2023 the market evolved as we expected. We met our business and financial targets successfully and continued to grow in a sustainable manner, leveraging our own positive cashflow. From a longer-term perspective it was a very important year because we finalized our new pod range ready for launch. As demand for our products continues to rise, the challenge for Framery is to ramp up production while simultaneously increasing the sustainability of each pod we produce.

Our new line of smart pods represents our answer to this challenge – pods that are produced with lower emissions and significantly less material and that deliver more avoided emissions for our customers over their lifetime. The new pods will also help us reach our 1.5°C aligned emission reduction targets validated by the Science Based Targets initiative.



With 23% less material and a reduced use of wood, in favor of recycled steel and aluminum, our smart pods are significantly lighter than earlier designs. As a result, they are easier to build, easier to ship, and easier to install. And because of their modular design – easily replaceable wear parts based around a steel chassis – the pods will last decades. Our smart pods are 100% recyclable and contain 100% certified wood as well as recycled steel, aluminum, glass, and fabric.

Once they have been sustainably produced, the next step is to ensure our pods are used as much as possible. We collected 8,000 pieces of customer feedback and two common challenges emerged. Firstly over 40% of employees reported spending more than 30 minutes a day trying to find a space to collaborate or concentrate. Secondly, facility managers complained about spaces being misused – mainly larger spaces being used by only one or two people because capacity and need are misaligned. We developed our workplace technology suite to tackle these two challenges head on. It enables our new pods to give real-time, accurate occupancy information to facility managers to help them align their capacity with the kind of spaces their people need. With the Framery app employees can navigate the office with ease, booking meeting places in seconds direct from their phone. By making spaces to collaborate and focus more available, we're democratizing workplaces and helping increase productivity and well-being. And, naturally, the more use each pod gets, the more sustainable it is over its lifetime.

Great results, but the work continues

In 2023 we introduced our new sustainability program to complement our strategy and help guide our efforts across the three pillars of our sustainability agenda – Climate and Environment, People and Society, and Fair Business.

In 2023, as in every year since 2019 when we began reporting our sustainability progress, we saw further improvements across KPIs in all three pillars.

The launch of our new, more sustainable pods and our successes with sustainability KPIs is not the end of the story. By closely monitoring workplace trends, ways of working, and technology we continuously strive to further improve the usability of our pods. We will also continue to find ways to further reduce the amount of material needed and seek to use more innovative and sustainably produced materials as they become available.

Framery is a leader and technological pioneer in the industry, and this position can only be achieved and maintained with the highest talent level in the industry. The best way to attract and retain that talent is by creating an inspiring workplace that provides challenges and exciting new career advancements. A place that is safe, both physically and psychologically, and a place where all employees are engaged with the company strategy and focused on a shared goal.

I'd like to thank our employees, customers, partners, suppliers, and other stakeholders for being a part of our journey so far. We live in a time of rapid change that presents plenty of opportunities to affect things for the better. I hope reading this report will make it even clearer that this intention is at the core of our efforts, along with the concrete details of how, together, we are making it happen.

Samu Hällfors
CEO



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Strategy

Framery's success depends on delivering value for people who get it done. Meeting our science-based climate targets will mean making pods that are closer to zero-emission and therefore increase the value we provide. To continue our success, we'll need to stay at the cutting edge of innovation, remain laser-focused on having the best product on the market, and continue to recruit top talent to enhance what is already the most talented team in the industry.

Increase the value we deliver

Framery is staying true to its original mission of reducing workplace noise and providing space to focus and collaborate. We bring value by increasing workplace efficiency and well-being. Based on hundreds of interviews we learned that we could increase this in two main ways: by helping customers make optimal use of their office with pods and by cutting down the time employees spend trying find a space for collaborating or concentrating. Our integrated suite of workplace technologies help us do just this.

The introduction of this new suite is a transformative move that marks the start of the smart pod era and the culmination of our own evolution from furniture company to technology brand. We believe offices should adjust to people, not the other way around, so in this new era we will deliver unparalleled value for people who get it done with a new smart pod range that seamlessly integrates with our

suite of workplace technologies, automatically adapting to the needs and preferences of any user.

Our suite of technologies makes wider office integration easier than ever before. Our new smart pods and Framery Connect sensors collect anonymized occupancy data from any space in the office. Framery Connect then turns this data into easily digestible insights that companies can use to optimize the use of their spaces. Finally, the Framery app puts employees in control, helping them book spaces in seconds and navigate the office with ease.

To help people stay focused and deliver their best at work, the Framery Office Sound Masking System improves the acoustics of the entire workspace by adding a subtle, unobstructive background sound.

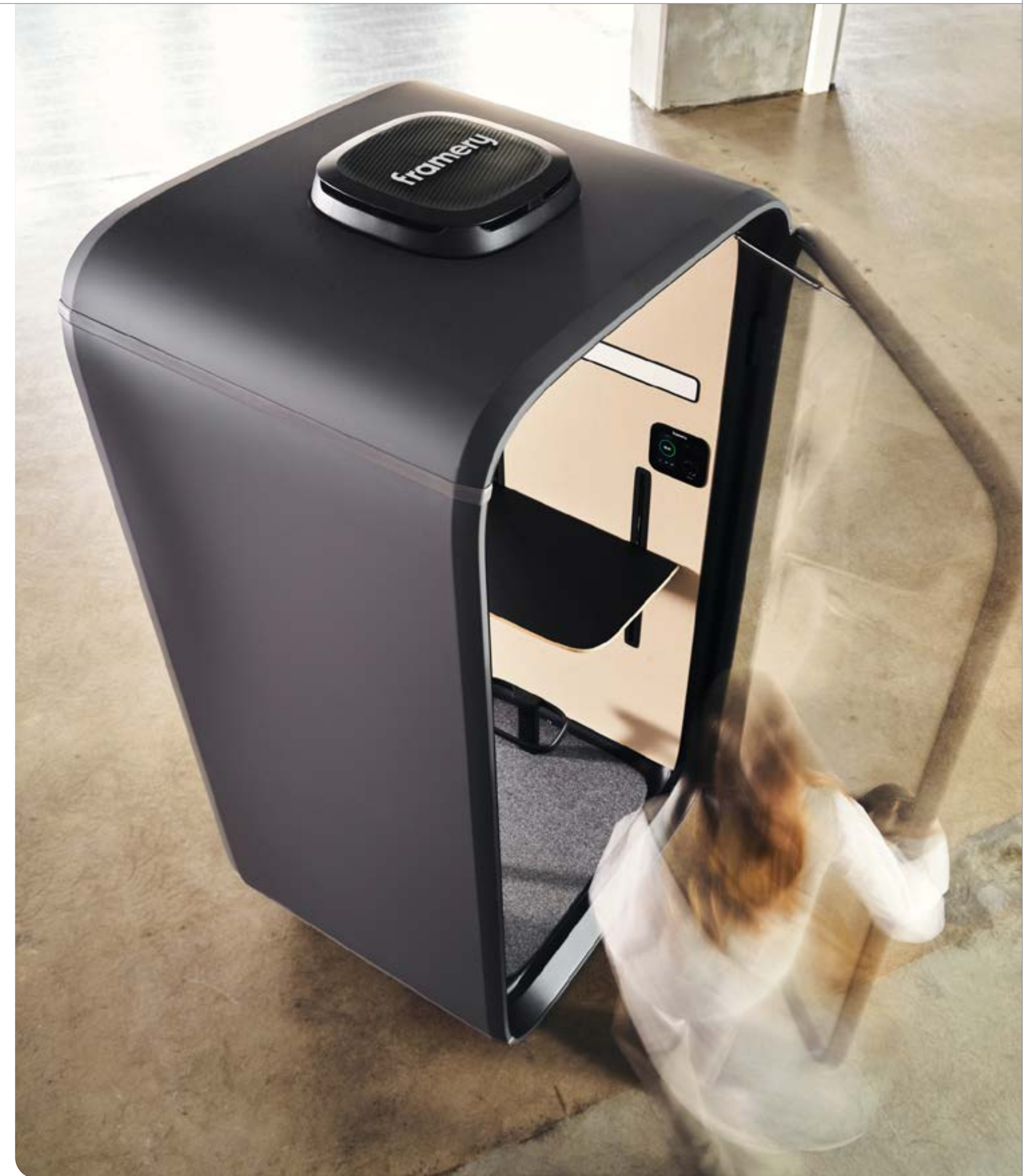
Our new smart pods remain true to

Framery's mission of democratizing a high-tech workday experience by offering all this new functionality at a lower price point – lower than our old range of pods and lower than the cost of legacy solutions like standard meeting rooms.

Make pods that are even more sustainable

As we increase production, it's more important than ever that we focus on minimizing the negative environmental impact of each pod. Hand in hand with our ambitious growth targets, we have also set the target to cut product CO₂ emissions by 50% by 2028. We feel that this is our responsibility, and it's also something that customers and regulators will demand more and more in the coming years.

To help us achieve this aim, we had three focus areas when creating our new pods. First we focused on designing for longevity and resource efficiency.





Based around a steel chassis with easy-to-refurbish wear parts and updatable technology, our pods are designed to last for decades.

Secondly we focused on material choices. Our smart pods use 23% less material than previous ranges and emit 16% less carbon during manufacturing. At the end of their life cycle, the products are 100% recyclable as they contain no composite materials.

Thirdly we focused on life cycle efficiency. The pods' design facilitates lifetime extension through easy relocation and refurbishment, while smart digital services help our customers get the most from their workplaces throughout decades of use.

Focus on continuous improvement

For the last four years we've been focused on developing and launching our new smart pods. Now that focus will switch to continuously refining our products and to simplifying production and other processes to increase efficiency.

We will keep our fingers on the pulse of emerging workplace trends and technological developments so we can continue to refine and add functionality to our products to ensure our pods continue to be the best on the market.

We'll continue to look for ways to increase the amount of sustainable raw materials and recycled material in our products, reduce their weight, and streamline logistics. We've already been learning from the automotive industry about ramping up production, eliminating process inefficiencies, and simplifying installation.

Manufacturing the components accounts for the largest share of the pods' carbon footprint. Therefore we can future-proof our supply chain through close engagement and cooperation with our suppliers on all

aspects of sustainability. When all parties in the supply chain share the same values and goals we can all help each other to reach our target.

Develop the best talent in the industry

If we are to increase the value we bring, make more sustainable products, and continuously improve in everything we do, we need to attract and retain talent that is second to none. We do this by fostering a culture of innovation, social connections, and mental and physical well-being.

We also do it by increasing Framerians' overall understanding of how our business works, including its strategy. By better understanding the purpose of their work, and the whole team's work, people gain greater clarity, purpose, and satisfaction, which in turn encourages a culture of innovation and better decision making.

We have already seen the value in enabling employees to move between roles and functions within the company. People gain a wider, more holistic perspective, new skillsets, and new social connections. It also helps career development and our ability to fill key positions from within Framery.

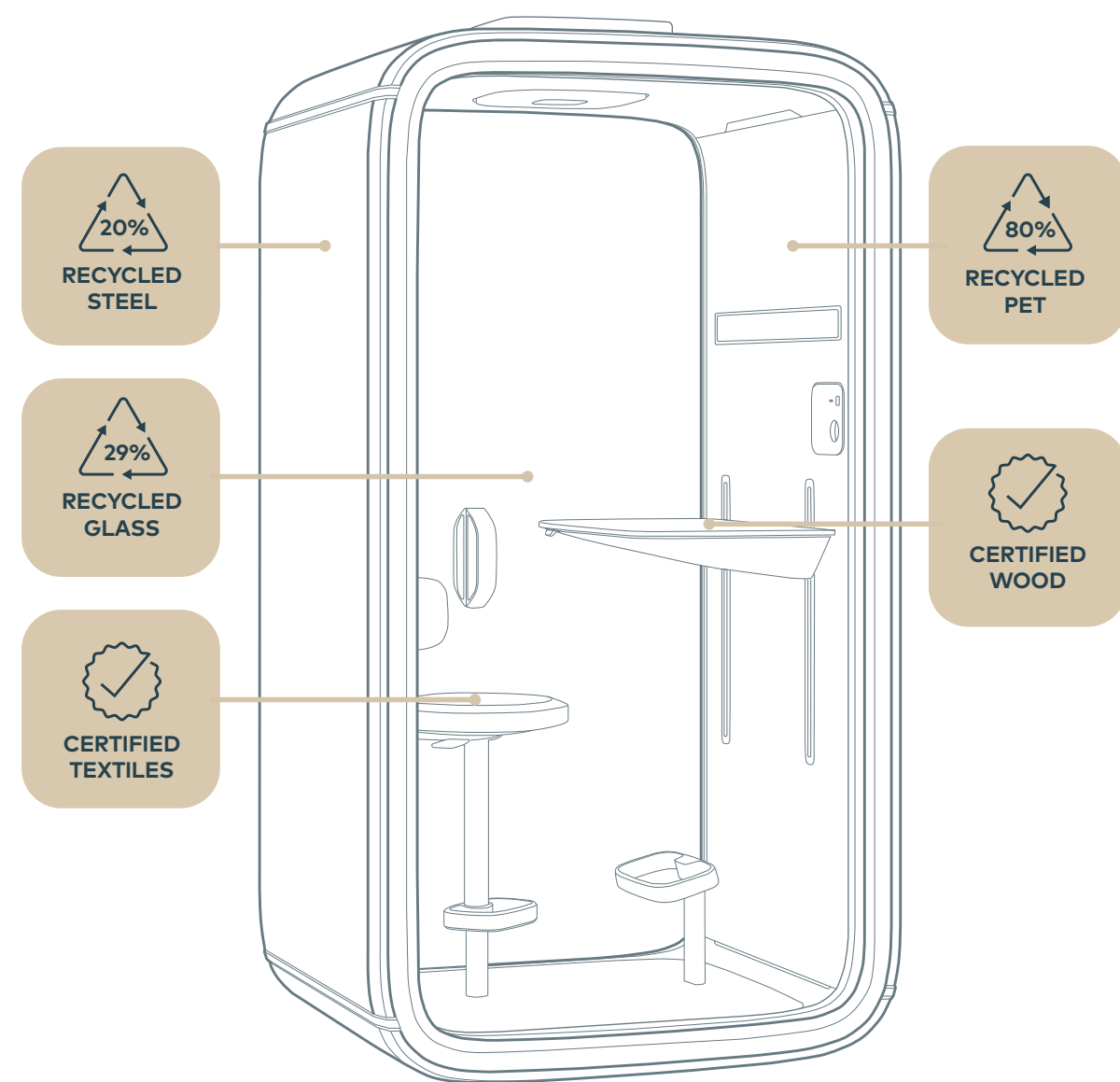
At Framery, we have cultivated a team of passionate individuals. We take great pride in our collective achievements, which set us apart as the best company in our field. Our ultimate objective is to assist other organizations and their employees in finding that same passion for what they do. When we accomplish this, we consider our mission fulfilled.

This is what Framery is all about.

The world's most sustainable pods

We produce our pods to meet the needs of evolving hybrid workplaces, which demand flexibility and the most sustainable use of resources. Our pods are designed to last decades, with modular components that are easy to update and refurbish, and to support optimal usage rates.

Framery is leading the way in the office furniture industry. We participate in the UN Global Compact as well as the Science Based Targets initiative and have set emission-reduction targets aligned with the goal of limiting global warming to 1.5°C compared to pre-industrial levels. Ecovadis has awarded Framery a Gold Medal sustainability rating.



LOGISTICS

We have logistics hubs in Singapore and the USA, reducing air freight and allowing us to load our shipping containers more tightly.

MANUFACTURE

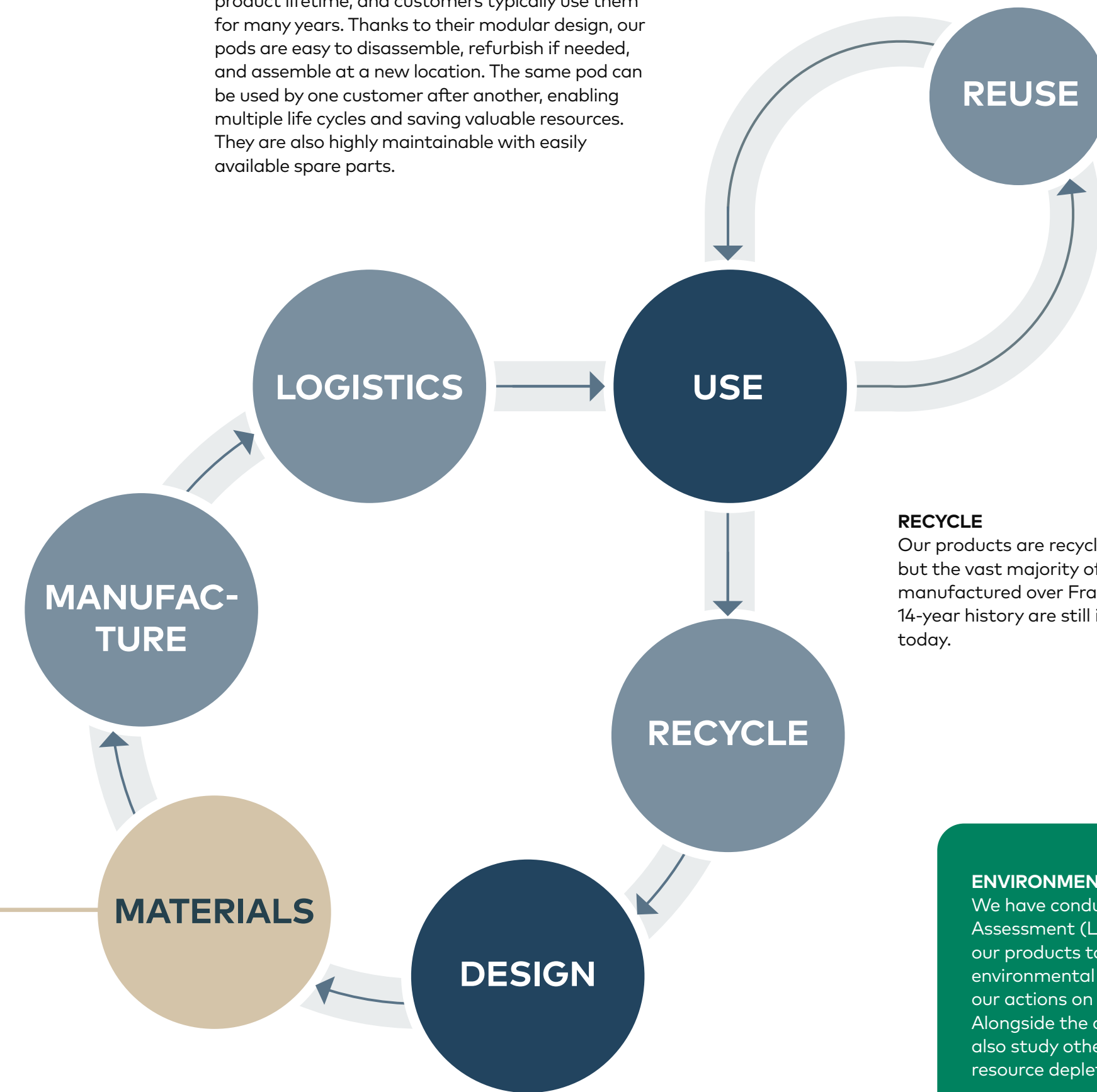
All our pods are manufactured in Tampere, Finland using 100% zero-emission electricity, and our factory logistics are operated on biogas and renewable diesel. The material efficiency rate of our production was 95.8% in 2023. Virtually no waste goes to landfill.

MATERIALS

Materials account for the largest share of the pods' environmental impact. We use renewable, recycled, and certified materials to the greatest degree possible, and 90% of our suppliers are located within 500 km of our production facilities. All the raw materials we use are listed transparently in Health Product Declarations (HPDs) on the 100 ppm level. Our products have GREENGUARD Gold certifications as a proof of low chemical emissions and high indoor air quality.

USE & REUSE

The modular design of our pods facilitates a long product lifetime, and customers typically use them for many years. Thanks to their modular design, our pods are easy to disassemble, refurbish if needed, and assemble at a new location. The same pod can be used by one customer after another, enabling multiple life cycles and saving valuable resources. They are also highly maintainable with easily available spare parts.



RECYCLE

Our products are recyclable, but the vast majority of the pods manufactured over Framery's 14-year history are still in use today.

ENVIRONMENTAL IMPACT

We have conducted Life Cycle Assessment (LCA) studies for our products to measure their environmental impacts and to base our actions on scientific knowledge. Alongside the carbon footprint, we also study other impacts such as resource depletion and water scarcity.

The studies are conducted according to ISO 14025:2006 and relevant product category rules for furniture. The results are verified by an independent third party and published as [Environmental Product Declarations](#) to provide stakeholders with reliable information on our products' environmental performance in a transparent way.

Making the world's most sustainable pods even more sustainable

Framery already makes the world's most sustainable pods, but to stay at the forefront of the industry we need go further in speeding up the development of our products and pioneering new ways to make more sustainable pods. Not only is this simply the right thing to do, but it will become increasingly necessary as regulations tighten and customers demand decarbonized products that fit with a circular economy.

When it came to making our new smart pods even more sustainable than our existing products we looked at three key areas to maximize our positive impact.

Design

Naturally it all starts from the design. We focused on increasing the circularity and modularity of the new pods while reducing their weight. For example, for the smart pods' chassis we have a lightweight structure that replaces wood with sheet metal. Among many other benefits, lighter products are more efficient to deliver. As well as using durable materials, we continued to design the new pods with timeless aesthetics to increase their longevity.

Materials

The new Framery pods are made of steel. As a result of the design our new pods use 23% less material. To increase their circularity, they contain

mono-materials rather than composites for 100% recyclability. They also contain more recycled materials, including 20% recycled steel and aluminum, 29% recycled glass, and fabric featuring 80% recycled plastic. More than 90% of our suppliers are based in Europe so have good access to low environmental-impact raw materials produced with fossil-free energy.

Life cycle

The durability of the all-steel structures of Framery's new products is measured in decades, and because the interior parts of our pods are easily refurbished and updated their life cycle can be extended indefinitely. Our new workplace technology suite provides valuable insights about pod usage to help optimize the utilization of both the pod and the office throughout their lifetimes.

In certain markets the Framery Subscribed model gives a second life to our pods by refurbishing them after they have served their previous owners and delivering them to the next. Because they are so durable and easy to relocate, there is also a strong second-hand market for our pods.

Framery One Compact



Framery One



Framery Four



Framery Six



CASE

Pods that generate a carbon handprint

We know that we make the world's most sustainable pods, but we wanted to find out how sustainable they are compared to traditional built meeting rooms. Do our products have smaller carbon footprints than built meeting rooms when a longer lifespan, office moving, and renovation of meeting rooms are taken into account? And if so what amount of emissions could our customers save by using our pods? We conducted a study to find out.

The carbon handprint study was conducted by UseLess Company in February 2024, and it was partially based on a previous cost study, which was conducted by CBRE. A handprint refers to the beneficial environmental impacts that organizations can achieve by offering products and services that reduce the footprints of others. A carbon handprint is the reduction of the carbon footprint of others.

The comparative carbon footprint calculation was carried out by using the handprint method. In addition, ISO 14067, 14044, and 14040 standards were applied. The carbon footprint of Framery's products were taken from the LCA study conducted by UseLess Company, which was finalized in January 2024.

The study compared our products to a baseline – a reference case that best represents the conditions most likely to occur in the absence of the offered solution. In this case the baseline was built meeting rooms for one, four, and six people in an existing office setup in Helsinki, Finland and the offered solutions were Framery

One Compact, Four, and Six. The offered solution is compared to the baseline with respect to its carbon footprint. The study considered the materials needed for the construction of both alternatives, a 20-year life cycle (including two office renovations and one office move), and end-of-life waste management.

Although the carbon footprint of pods is larger in the manufacturing phase, that's only telling half the story. We have to look at the entire life cycle to get the true picture. Cumulative emissions show that pods result in lower emissions compared to an office that undergoes renovation and a move to a new location. Over a 20-year lifetime, the results showed that the carbon footprints of Framery pods are on average 30% lower compared to fixed constructions. When the carbon footprint of a pod is lower than the footprint of a room, the difference between the footprints is the carbon handprint.

Compared to a 4 m² built meeting room, Framery One Compact generated 42% relative emissions savings and a carbon handprint of 861 kg over 20 years.

Compared to a 9 m² built meeting room, Framery Four generated 29% relative emissions savings and a carbon handprint of 1,033 kg over 20 years.

Compared to a 21 m² built meeting room, Framery Six generated 20% relative emissions savings and a carbon handprint of 1,096 kg over 20 years.

30%*

lower carbon footprint of Framery pods on average, compared to fixed constructions, over a 20-year lifetime.

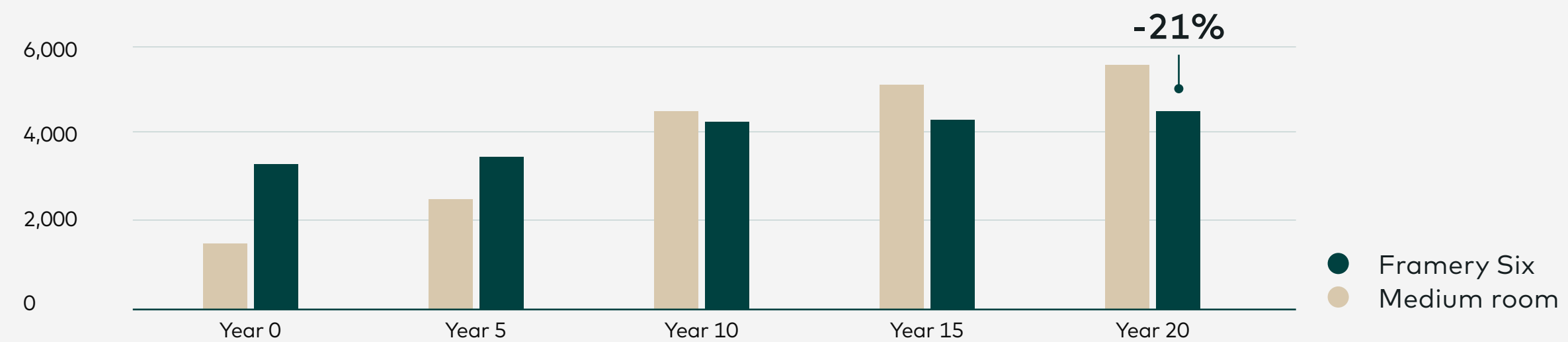
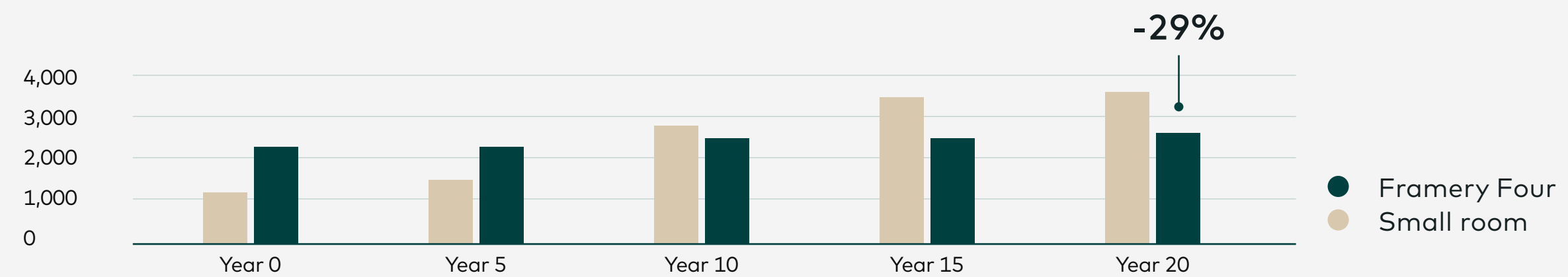
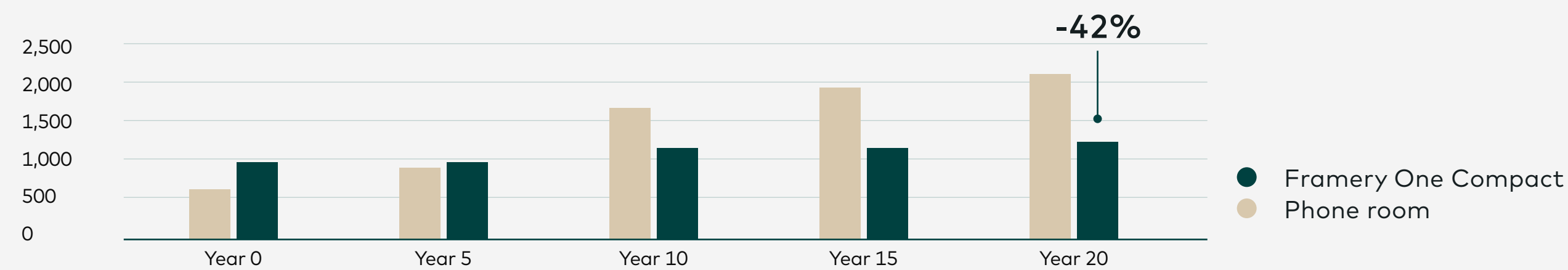
Based on study findings, Framery pods can be used to reduce the environmental impact of office construction and renovation.

The study is demonstrative, and situations may vary depending on the location and the company. However, the calculations can be applied to alternative scenarios as well.

From the climate point of view, it is clear that the pods provide the greatest value in terms of carbon handprint when their flexibility and ease of relocation is fully utilized.

*on average, according to the study conducted by UseLess Company.

Comparing Framery pods to traditional meeting rooms



Cumulative GHG emissions (kg CO₂e)

YEAR	BUILT ROOM	FRAMERY PODS
0	Office setup	Manufacturing of pod
	Production of material	Production of raw materials and components
	Transportation of material	Transportation and storage of components
	Electricity in room construction	Pod module assembly at Framery
	Construction waste management	Transportation of pods
5	Office renovation	Pod repositioning
	Replacement of 50% of materials, excluding frames and doors	No changes needed for pods
	Electricity in room construction	
	Construction waste management	
10	Move to a new office	Move to a new office
	Replacement of all materials	Replacement of interior panels and 50% of electrical parts
	Electricity in room construction	Waste management of replaced materials
	Construction waste management	Transportation of pods (within 20 km)
15	Office renovation	Pod repositioning
	Replacement of 50% of materials, excluding frames and doors	No changes needed for pods
	Electricity in room construction	
	Construction waste management	
20	End of life	End of life
	Construction waste management	Waste management of pods

Our impact on the world

Overview

We are a net positive company with a net impact ratio of +20%. This result indicates that we create more value compared to the resources we use. Our main positive impacts are within Society and Health, and the largest resources we use are the materials needed for the pods we provide.

The net impact profile is a bird's eye view of the holistic impact created by Framery's business on society, knowledge, human health, and the environment. The bars to the left illustrate the resources used and the negative impacts created by Framery, while the bars to the right depict the positive impact created and what is achieved with the use of those resources.

The analysis is based on Framery's business activities, meaning the products and services offered, and it takes into consideration the entire value chain of those products. The profile has been calculated and produced by the Upright Project's net impact quantification model, which uses machine-learning-based technology to process the knowledge contained in millions of scientific articles.

Compared to the previous year, in 2023 Framery continued to have a strong positive contribution in the dimensions of society, health, and the environment. From an impact perspective, Framery's business has stayed consistently positive. The growth of a net positive business also increases the total absolute positive impact created, which becomes visible with the total monetized impacts created (i.e. dollars per year), and this figure will develop over time as Framery's business grows.

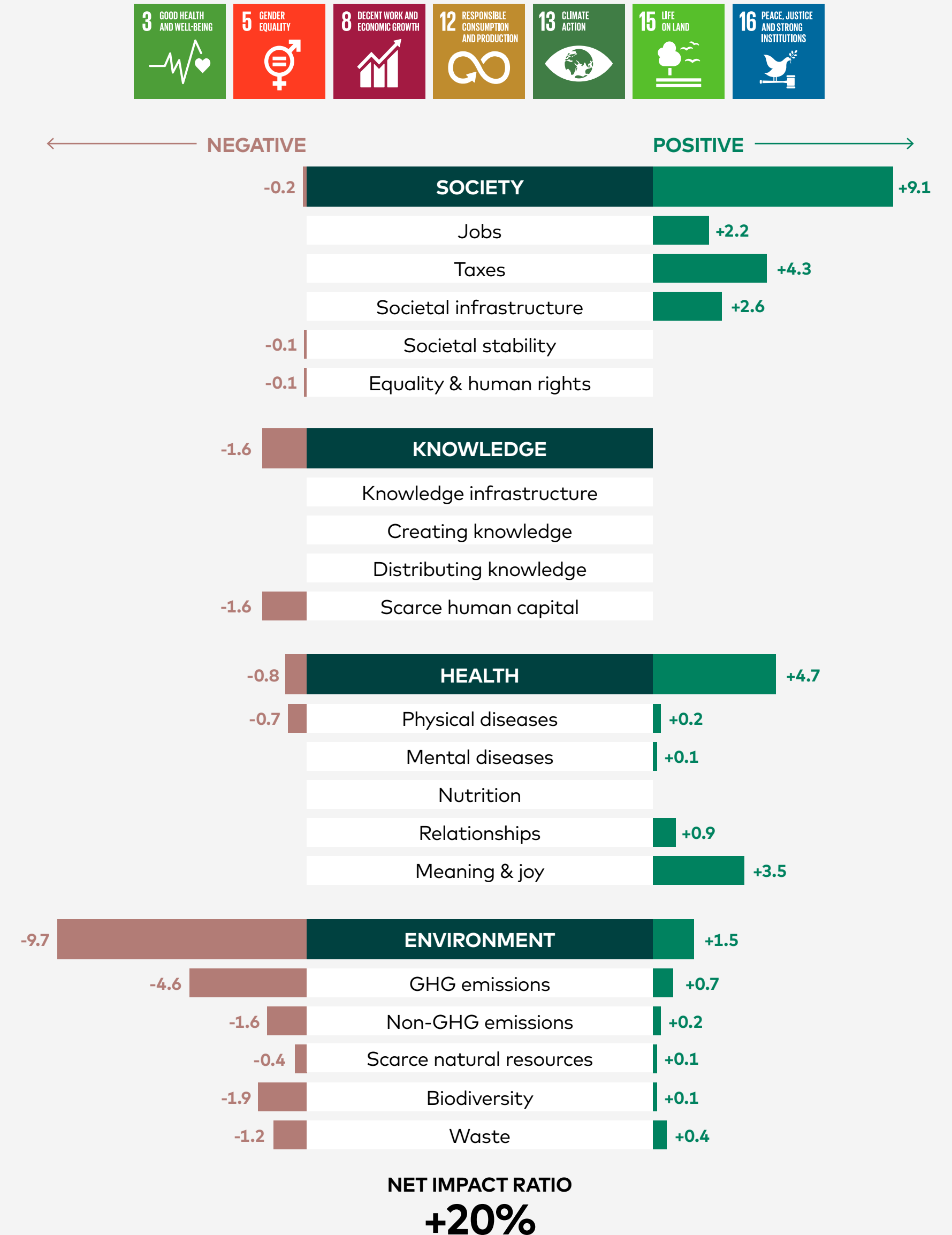
In 2023 the positive environmental impact increased (from 1.3 to 1.5 cents per US dollar of revenue) due to the relative share growth of Framery One, leading to a primary material shift from plywood to virgin and recycled steel. In particular, the use of recycled steel significantly contributes to emission and waste reduction. However, virgin steel entails greater adverse environmental effects. Therefore, the future distribution of these materials will significantly influence the development of Framery's environmental footprint.

Society

Like all companies, we have a positive impact on society by generating jobs and paying taxes, thus contributing to the joint resources of society. The Taxes impact consists of corporate taxes and value-added taxes. In addition, as our pods are furniture used in offices, they are considered a part of the infrastructure of our society and contribute towards a positive impact within Societal infrastructure.

Knowledge

Within the Knowledge dimension, our most significant resource is our people. Scarce human capital measures the opportunity cost of scarcely available human resources. The assessment includes the level and scarcity of the required education needed to produce the pods and services we offer. We employ, for example, highly educated engineers and business professionals, who are among the multiple resources we use to create all the positive impacts seen in our net impact profile.



Health

One of the most significant positive impacts we have on the world is through better health at the workplace. By providing quiet places to work, enabling uninterrupted focus on tasks and facilitating hybrid work, our pods contribute positively to increased feelings of meaning and joy. Simultaneously, our pods act as co-working spaces and enable teamwork, which enhances professional relationships.

Environment

Like most companies, we also use some environmental resources. Most of the negative impacts arise from the supply chain. Emissions and waste are, for example, created in the manufacturing of the pods, the mining and production of the components needed, and the packaging and transportation of the products. On the other hand, many of our activities also have a positive impact on the environment by increasing the lifespan, usage, or durability of the pods. Examples of such activities are repair and maintenance, the usage of recycled materials, and the leasing of pods to multiple customers.

A future scenario – the impact of smart pods

Framery has aligned its new strategy to fully transform its business toward smart and connected pods. To understand the implications of smart pods in terms of net impact, a future scenario analysis was conducted utilizing Upright's impact modeling. The scenario analysis finds, as anticipated, that the transition will likely create a range of both positive as well as negative changes in Framery's impact. Overall, however, the transformation is projected to improve Framery's holistic impact on the world.

The most significant changes will likely be the following:

KNOWLEDGE

By collecting data on pod usage, the smart pods will likely increase Framery's positive impact on knowledge. This data can be used to further optimize the pods, the surrounding offices, and their use in the future.

HEALTH

The smart pods will likely have an increased positive impact on people's health. The improved ventilation and soundproofing will make the pods quieter and more comfortable, leading to better work ergonomics.

ENVIRONMENT

As the smart pods will require more electronic components than other pods, the production of the pods will result in an increased demand for environmental resources such as rare earth metals. This impact is created in Framery's value chain, and it highlights the fact that the transition may also result in less desirable changes in impact. Framery continuously monitors the impact created in the value chains of the pods and works towards reducing the environmental footprint of the pods.

Explanation of Upright's model & methodology




Upright's quantification model is based on machine learning, open-source science, and the products and services that companies produce and offer. Using Natural Language Processing (NLP) techniques, the model has been taught to understand causality in scientific articles and summarize what science knows about all the impacts that the products and services have on the environment, health, society, and knowledge. Because all companies undergo the same methodology of analysis, the net impact profiles produced by the model are all comparable to one another.

Because the analysis is based on products and services, impacts here are defined strongly through what companies produce and offer, rather than on how they do so (i.e. governance and compliance). Net impact concentrates on the scientifically examined largest impacts a company's core business has on the surrounding world. It answers the questions: "What does the company achieve with the resources it employs? How effectively does it turn its resources into desired outcomes?" Because of this, the net impact profile is a comprehensive picture of a company's value creation and can be interpreted as providing an overall picture of what resources a company uses and what it achieves by using them.

About the Upright Project

The Upright Project is a technology company based in Helsinki (www.uprightproject.com). Its mission is to create incentives for companies to optimize their net impact. Upright produces data on the comprehensive net impact of companies, with the aim of looking at both the negative and positive impact and enabling smarter decision-making for institutional investors, consumers and employees. In addition, Upright's data offering covers the SFDR PAI indicators, EU taxonomy metrics and UN SDG metrics for unlisted and listed companies. The Upright platform's data universe comprises +24,000 companies, and its customers include +200 organizations in 15 countries.

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Our sustainability work

Framery was born from a necessity to rethink the office, and we continue to shape the world of work. We enable people to connect and achieve their best at work – solving problems, creating solutions, and building a better tomorrow.

We are here for the creators, innovators, and doers. We are here for people who get it done. We improve the flow of work with our technology-driven products, solutions, tools, and services. By choosing Framery you can expect nothing but superior quality and tested solutions.

In the 14 years since our founding, the people working for us have always been responsible and dedicated, and the many actions and choices we have made as a company have been both honest and reasonable. As the years progressed, and the more we grew as a business, the more important sustainability became. Framery's operations have both a positive and a negative impact on the environment and the people who fall within our entire ecosystem.

This report presents our sustainability efforts from 2023. Like many other companies, we are moving towards standardized sustainability reporting as a response to stakeholders' needs to better understand sustainability-related risks and opportunities. Beyond this, we want to set an example of transparency and ambition in terms of having a positive impact.

Additionally, we must also further understand and positively impact critical work-life challenges, which include occupational health and safety issues, as well as workplace mental and physical well-being.

Our material topics

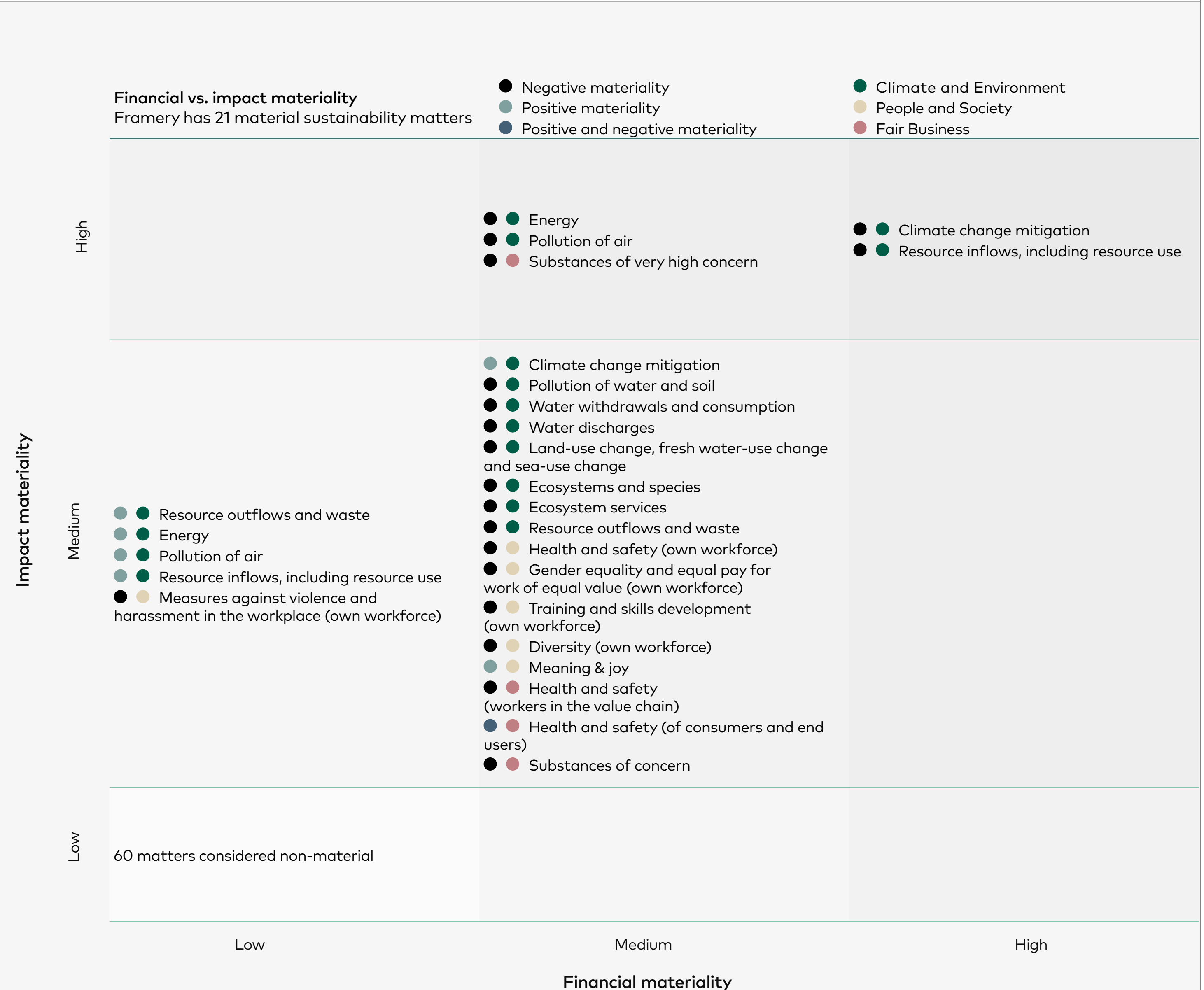
Our primary material topics

A materiality assessment is a method to identify material impacts, risks, and opportunities. Framery conducts materiality assessments on a regular basis. In 2023, we conducted a double materiality assessment to inform our sustainability program and to prepare for the upcoming Corporate Sustainability Reporting Directive's (CSRD) requirements. Double materiality, as introduced in the CSRD, refers to two dimensions: impact materiality and financial materiality, and both are considered in the assessment.

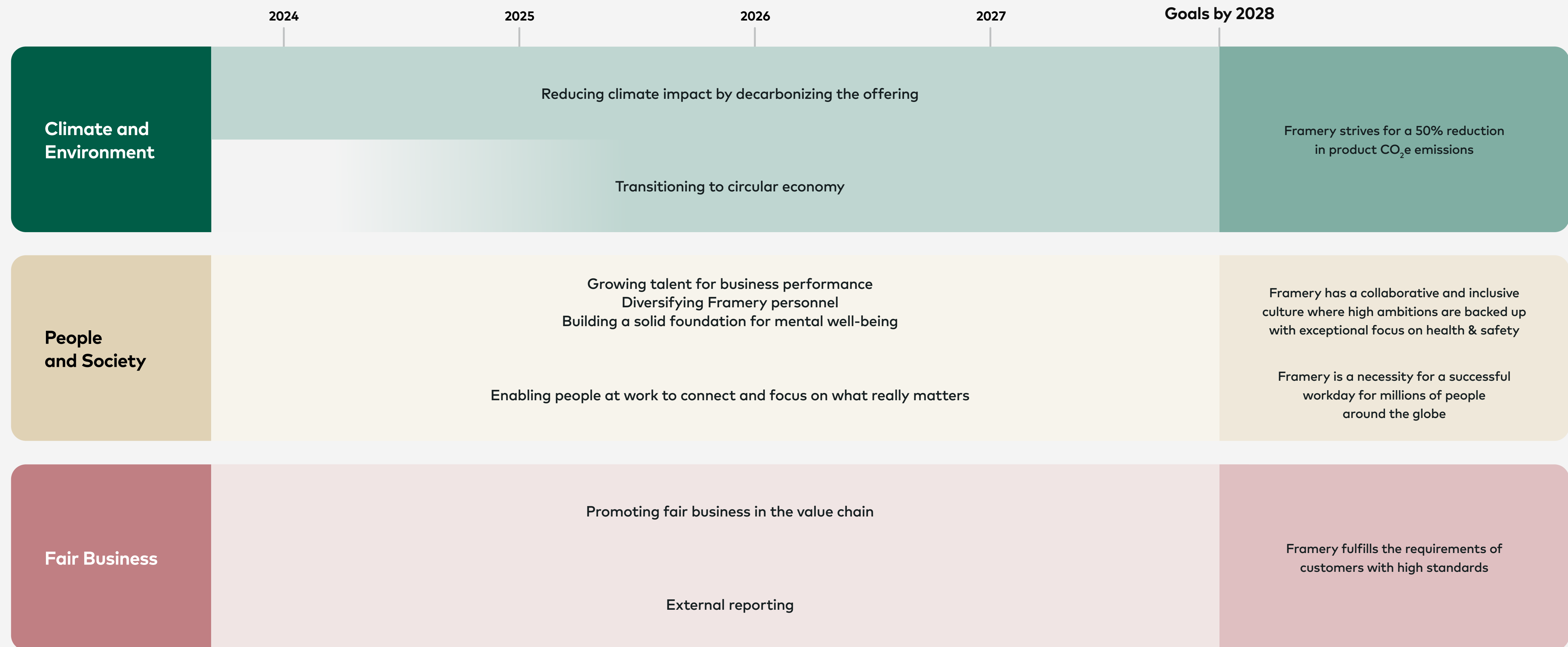
Framery's double materiality assessment was conducted by the Upright data engine based on information provided by Framery on our product and service mix, and geographic reach. The results of the double materiality assessment are presented in the matrix, showing the importance of various sustainability matters from the point of view of both impact and financial materiality. The results of the double materiality assessment have been validated by the sustainability steering group.

Our sustainability agenda with the material topics has been reviewed and approved by the executive team members who hold responsibility for these matters. The board is annually updated on sustainability matters.

Framery's sustainability program (see page 20) covers all three pillars: environment, social, and governance. The double materiality assessment gave Framery an understanding of its most significant sustainability impacts, risks, and opportunities. This provided a solid foundation for building the sustainability program for 2024–2028. The program complements Framery's strategy and aims to maximize the value created while minimizing resource use.



Our sustainability program



Our sustainability KPIs, targets, and progress

Topic	KPI	Target	2021	2022	2023	Status	
Climate and Environment	Reducing the climate impact by decarbonizing the offering	Reduction in products' life cycle GHG emissions	Reduce emissions per pod by more than 50% by 2028 compared to 2023			Framery One Compact: 1,507 Framery One: 2,671 Framery Four: 3,134 Framery Six: 5,164 kgCO ₂ e	● New target
		Reduction in own operation's GHG emission (scope 1 and scope 2, tCO ₂ e)	Reduce absolute scope 1 and scope 2 GHG emissions by 50% by 2030 compared to 2018 base year (570 tCO ₂ e)	-26%	-17%	-46%	● Well on track
	Transitioning to circular economy	Yearly growth of Framery Subscribed product fleet	Continue to grow the number of products in Subscribed fleet	85%	64%	14%	● On track
	Environmental efficiency	Material efficiency rate	Achieve and maintain the level of 95%	94.4%	94.9%	95.8%	● Well on track
People and Society	Customers	Customer NPS	75 by 2028	NA	1.8	2.3	● On track
	Framerian work culture	Employee engagement	The Flame Index > 80	74	75	77	● On track
	Employees and the wider workforce	Occupational H&S: lost time incident frequency (LTIF)	Short-term: 5 Long-term: 0	7.0	6.9	5.3	● On track
	Employees and the wider workforce	Sick leaves	Production: 8.0% Office: 1.8% by 2028		9.7% 3.2%	11.8% 2.7%	● Not on track
Fair Business	Promoting fair business in the value chain	% of supplier spend covered by Supplier Code of Conduct	100% of supplier spend	98%	99%	99%	● On track
	External reporting	Product certifications	Product safety: all products are GREENGUARD certified	100%	100%	100%	● On track

Sustainability management

The principles of our sustainability management are laid out in the Code of Conduct, Supplier Code of Conduct, and our commitment to the UN Global Compact. The material topics with respective goals and targets are presented in the previous section of this report.

How we manage our material topics related to climate and environment

As with all manufacturers of physical products, we are dependent on natural capital and ecosystem services. Nature is a prerequisite for our business to thrive. We use natural resources – both renewable and non-renewable materials – and energy as inputs to our activities.

We have identified and assessed the environmental aspects and impacts of our value chain as part of our externally certified environmental management system (ISO 14001). The most significant aspects relate to the use of raw materials and energy that are associated with the following negative impacts: depletion of natural resources, global warming, air pollution, land use change, deforestation, and biodiversity loss. We are implicated in these negative impacts as a result of our business relationships since raw materials extraction and component manufacturing takes place within our supply chain. On the other hand, we can have a positive impact on conservation of natural resources through our own activities when we design long-lasting products made of recycled and renewable materials.

Our work is guided by our Environmental Policy and our commitment to the Science Based Targets initiative. We deliver industry-leading, innovative, eco-efficient

solutions for our customers and continuously improve environmental efficiency throughout our supply chain. Our GHG emission reduction targets are aligned with the 1.5°C temperature goal of the Paris Agreement.

We are mitigating negative impacts by promoting the transition to a low-carbon circular economy. To systematically manage and monitor our progress, we have set measurable targets for these topics (see our sustainability agenda, KPIs, and targets). Since the biggest impacts are associated with our supply chain, we are actively engaging with our suppliers. To maximize the positive impacts, we have introduced an even more sustainable product range – Framery smart pods, complemented with Framery Workplace technologies – and continue to address product design and material selection.

How we manage our material topics related to people and society

Framery is the pioneer and the world's leading manufacturer of soundproof private spaces for solving noise and privacy issues in open offices. Framery has a positive impact on the people who use its products and provides employment for its workers. Framery pods increase productivity, employee well-being, and space efficiency. Potential negative impacts on people include





the risk of health and safety hazards for workers and end users of our products. We nurture the Frameryan culture to maximize the positive impact on our own employees as well as the people we engage with in our value chain. Considering our global operations, we recognize the risk of negative impact on human rights, especially in our business relationships.

We wrote a culture handbook to express our vision of how we succeed together as a company. It highlights what it means to be a Frameryan – our company culture and how we want to develop it further. The culture handbook clarifies what we value, what we expect from each other, how we work, and how we get the best possible results. A better workplace is a byproduct of what we do – and how we do it. We are a workplace that wants its employees to grow and learn, to question and be curious. We are committed to equality and inclusiveness in the workplace and have zero tolerance for discrimination. We want to create a workplace where everyone can thrive. We provide quality leadership, work-life balance, and a community where everyone feels seen, heard, and appreciated. We also measure eNPS and other employee experience metrics once a year with Signi and follow up to make changes according to the results.

We want to reinforce a culture of direct, open, and honest feedback that always aims to help. This enables us to work better together, grow together, and succeed together. We also encourage each team leader to think about and support their team members' growth paths to ensure meaningful work. Employee well-being is the cornerstone of our company's success. We aim to improve well-being through supporting mental health and physical activity, as well as fostering a culture of diversity, equity, and inclusion.

Our products are also tested to be safe under exceptional circumstances such as earthquakes or fires. We conduct product tests to prove they meet the requirements of emission standards and are safe for

end users. Framery's occupational health and safety policy confirms our commitment to do everything to provide a working environment that supports the well-being and safety of our employees and those who share our common workplace. Our management system for occupational health and safety is externally certified against the ISO 45001 standard requirements. We train our partners to ensure they know how to safely assemble our pods.

To mitigate the risks in our supply chain, we require our suppliers to commit to responsible business conduct by signing the Supplier Code of Conduct. Our sourcing practices also include supplier self-evaluation and audits.

We track the effectiveness of our actions on a monthly basis. We follow absences related to musculoskeletal disorders and mental health as well as the number of reports on occupational health and safety. We have been able to record improvements in relation to risks identified. Employee representatives meet monthly and the occupational health & safety committee meets on a quarterly basis. Employees are also involved in development through working groups.

How we manage our material topics related to fair business

Fair business means we do what is right. Regionally we are focused on Finland and Northern Europe while our footprint covers tens of countries through our value chain. Besides the direct employment impacts, we also have significant impacts through our suppliers and dealers due to the nature of our business model. We recognize the compliance risks in our business and have identified two functions that have an increased risk of being exposed to bribery and corruption: sales and sourcing.

In 2023 we launched the Framery Code of Conduct e-learning program so that all our employees have the same foundational understanding of how to behave

and make decisions. Last year we also created a policy and an approval process for giving and receiving gifts. In addition all new suppliers and dealers undergo a corruption risk assessment before starting business with us.

Integrity and transparency are of utmost importance to Framery. We are committed to conducting our business in a fair, ethical, and legal manner, which includes having zero tolerance for bribery in our business dealings and relationships. Taxes are paid where the added value is created and we comply with all applicable laws and regulations in each country. We pay taxes in 15 countries, following the OECD guidelines on transfer pricing.

We want to make good business for all stakeholders and build beneficial relationships for growth with our partners. In our sourcing function, we have contracts in place with each supplier and a process to keep the contracts up to date. In addition, we have a long-standing practice of requiring all our suppliers to sign our Supplier Code of Conduct, which includes anti-corruption provisions. In our sales function, we ensure that no improper benefits are offered to third parties by maintaining strict control over expenses. All expenses are reviewed before they are approved. Furthermore, we have internal rules in terms of who has the authority to sign contracts and other legal documents. With dealers, the contractual coverage is sufficient, with all key dealers having contracts in place.

Framery has also considered the countries where it has local establishments. Currently, all our employees and foreign establishments are in countries that score highly in both WJP Rule of Law and Transparency International's Corruption Perceptions. All our employees are encouraged to come forward if they become aware of any improper conduct. They may do so anonymously by using Framery's whistleblowing channel.

Climate and Environment

Our climate and environmental policies aim to mitigate climate change, resource scarcity, and loss of biodiversity. Accordingly, we hold that transitioning to circularity is essential for our profits, people, and planet. We can only future proof our business by transforming our old linear business models into new circular ones that respect planetary boundaries.

In terms of the environment, Framery's sustainability program aims to reduce our climate impact by decarbonizing our offering (through reduced resource use and increased use of fossil-free materials and renewable energy) and transitioning to a circular economy.

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Climate impact

Our science-based targets – challenges and opportunities

We joined the Science Based Targets initiative (SBTi) in 2020. SBTi has approved our target to be aligned with the Paris Agreement to limit global warming to 1.5°C compared to pre-industrial levels. Our target is to reduce absolute scope 1 and 2 greenhouse gas emissions by 50% by 2030 from the base year of 2018, as well as to measure and reduce our scope 3 emissions, which include our products' life cycle emissions.

To effectively tackle the scope 3 emissions that account for 99% of Framery's total emissions, Framery set a target for 50% reduction in product CO₂ emissions by 2028 compared to 2023. Most of the scope 3 emissions are related to the manufacture of components for our pods (namely, category 1. purchased goods and services), followed by the use of sold pods (category 11).

Our science-based targets represent a challenge for a growing company such as ours. The challenge lies in combining growth with our ambition to reduce emissions. Until our growth has stabilized, the only way to move forward sustainably is through innovation.

That's why, for the last four years, we have been developing a breakthrough innovation in pod construction, with patent-pending solutions. With their combination of reduced materials, low-emission materials, and streamlined

manufacturing process we have managed to reduce manufacturing-related emissions by 16%. Moreover, the smart pods are designed to last for decades and are supported by the Framery Workplace technology suite which can be easily updated to ensure the pods continue to benefit from the latest functionality throughout their life cycle. Our new smart pods represent market-leading innovation and demonstrate our commitment to sustainability.

Flexible offices are more sustainable offices

The demand for smaller meeting rooms to enable virtual collaboration and communication grows in tandem with the demand for videoconferencing and hybrid work. We want to enable and inspire our customers to embrace the promise of flexible offices by making it easier to rearrange their pods as needed, saving them money on construction, labor, and raw materials – and avoiding the associated environmental impact – by not having to reconfigure entire rooms to smaller non-productive meeting rooms. Our customers can contribute to a more sustainable future while still meeting their employees' needs by embracing this flexible approach to office design.

Measuring our products' environmental impact

We use Life Cycle Assessment (LCA) to quantify our pods' environmental impacts, including climate change, resource depletion,

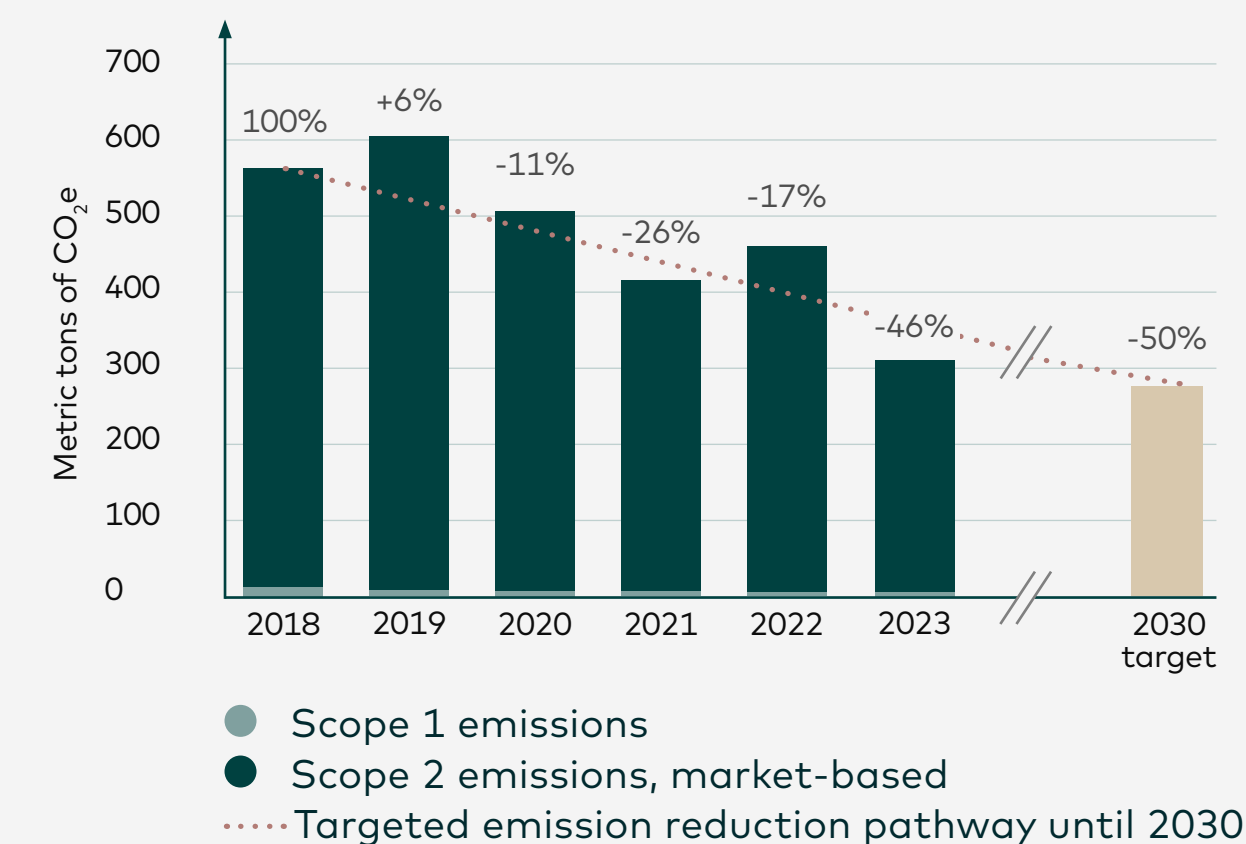
and toxicity. The full LCA encompasses raw materials extraction, processing, manufacturing, distribution, use, and recycling or energy recovery. We publish the LCA results as an Environmental Product Declaration (EPD) which is verified by a third party. The LCA studies are conducted according to ISO 14025:2006 and relevant product category rules for furniture.

We have commissioned third parties to conduct LCAs and compile Environmental Product Declarations for all our pods to transparently and reliably disclose their impacts. The results of the new smart pods are prepared according to a new version of the standards, which means the results are not comparable with the results of the previous lines of pods.

Most of the life cycle emissions are caused by manufacturing the components that account for all the life cycle phases from raw material extraction to transport to the customer location. Though it will be used for decades, the main structure (metals and glass) accounts for most of those emissions. On the other hand, the wearable parts, like the interior panels, need to be refurbished at some point but account for only a minor share of the emissions.

The vast majority of Framery pods manufactured are still in use, so we estimated a use phase of 10 years. The use emissions are

Reduction of scope 1 and 2 GHG emissions towards the 2030 target



caused by the operational energy used for lightning, ventilation, and maintenance.

It is worth noting that the use emissions would be eliminated if renewable electricity was used, as this study assumes the electricity to represent the national average grid mix in the countries the pods are sold to.

At end of life, the pods are disassembled and the materials are disposed of according to average EU recycling, incineration, and landfilling rates. The impact is limited as the pods are recyclable. The new smart pods are easy to disassemble to components that are made of mono-materials, which are easy to recycle.

The right materials and suppliers

Since product design matters greatly when mitigating future impacts as the

design inevitably determines the overall environmental impact, we use LCA methodologies to single out the most significant factors that contribute to our products' carbon footprint.

Our LCAs inform us that most of the products' life cycle emissions stem from our suppliers' manufacturing of the components of our pods. Therefore, selecting the right materials and suppliers enable the greatest CO₂ emissions mitigation impact.

We prioritize using recycled, renewable, durable and non-toxic materials in our manufacturing. Although our pods are made of sustainably sourced plywood, glass, steel, and aluminum, we primarily chose these materials for their ability to create high-quality sound-proof pods, not their environmental impact.

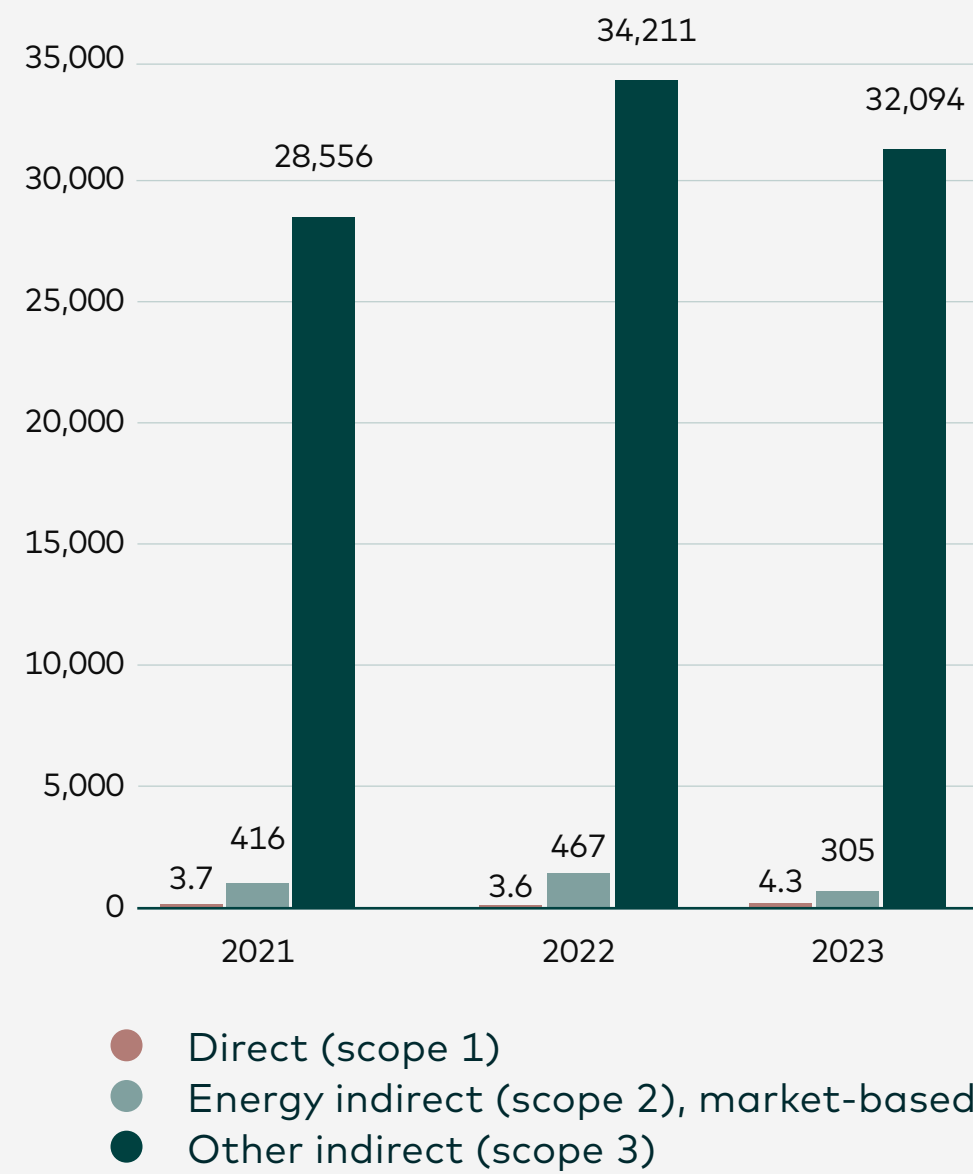
We are always on the lookout for new, more environmentally sustainable materials. In 2023, we explored the possibilities of using fossil-free steel and the availability of alternatives such as recycled aluminum.

We select our suppliers based on their ability to deliver high-quality materials, which usually aligns with our sustainability goals. To select suppliers who operate responsibly and sustainably, we must verify that our suppliers comply with, for example, ISO 14001 – the international standard for environmental management systems – local regulatory requirements, and our own high standards.

We jointly develop their processes, energy consumption, raw material use, and waste management.

Our traditional line of products is made from plywood, and all our suppliers must have FSC or PEFC certification. We always aim to increase the share of recycled content in our products. For example, 80% of the acoustic foam in our pods is made out of recycled PET (mainly plastic bottles); 20% of the steel structure is made out of recycled steel; and 29% of the glass is made out of recycled glass. Our products are also recyclable.

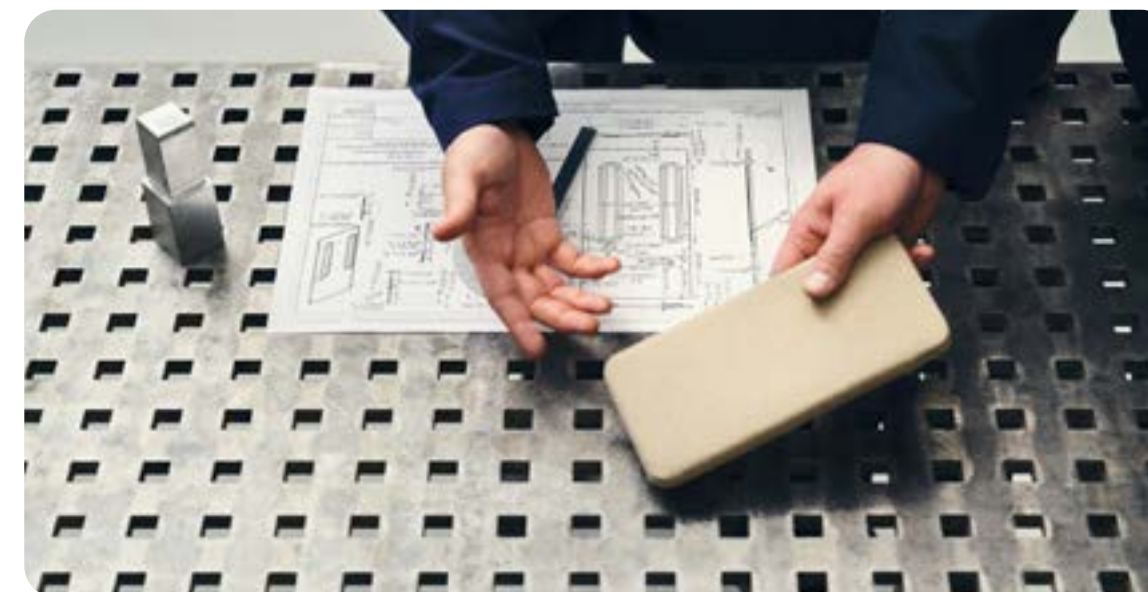
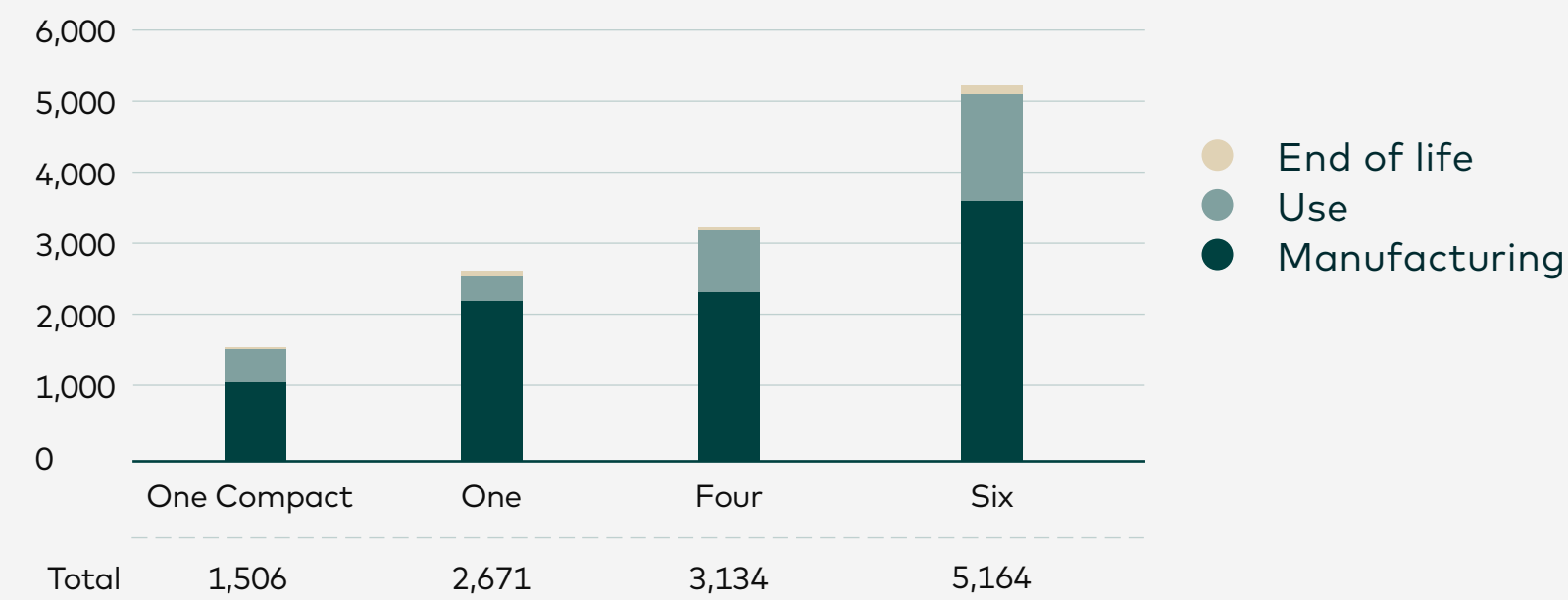
Greenhouse gas emissions scope 1, 2, and 3, metric tons of CO₂ equivalent



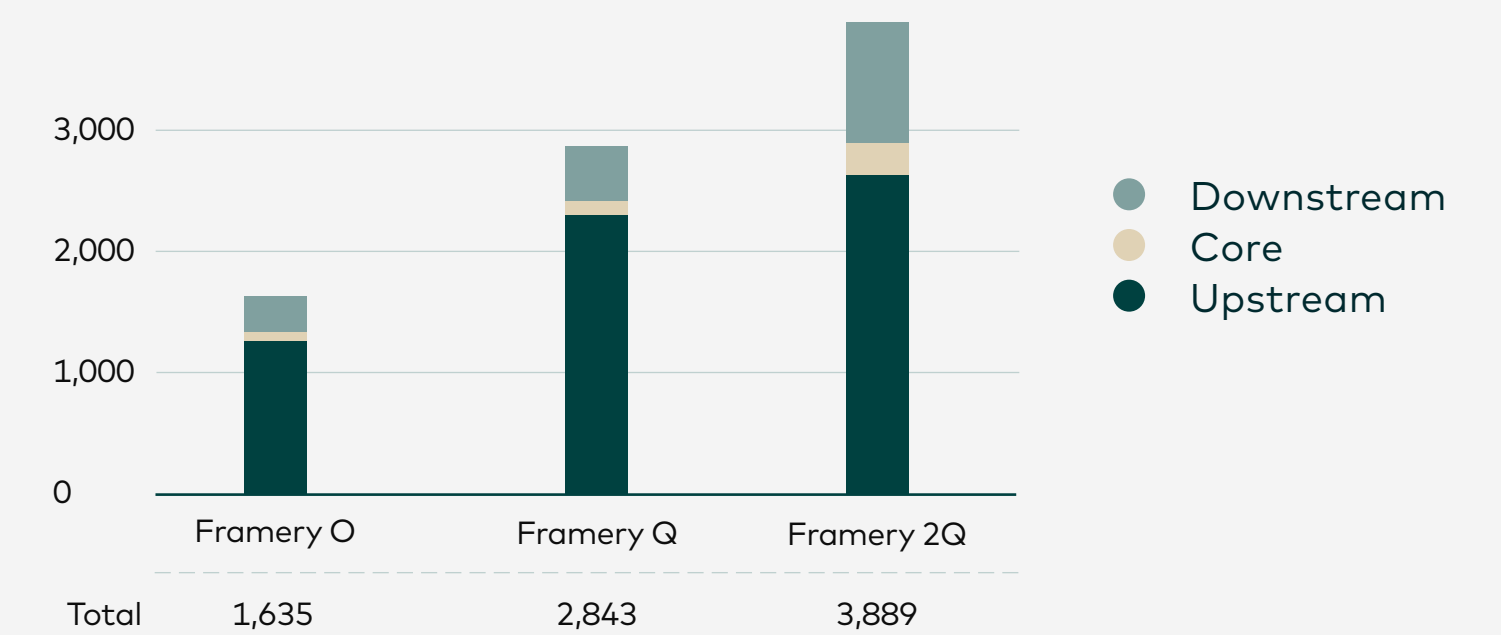
Greenhouse gas emissions scope 1 and 2, metric tons of CO ₂ equivalent	2021	2022	2023
Direct (scope 1)	3.7	3.6	4.3
Energy indirect (scope 2), market-based	415.8	466.7	305.2
Other indirect (scope 3)*	28,556	34,211	32,094
1. Purchased goods and services	22,272	26,226	24,472
4. Upstream transportation and distribution	396	474	444
9. Downstream transportation and distribution	1,424	1,704	1,596
11. Use of sold products	3,869	4,893	4,678
12. End-of-life treatment of sold products	595	914	904
Total	28,976	34,681	32,404

* including the scope 3 categories considered the most relevant: 1. Purchased goods and services, 4. Upstream transportation and distribution, 9. Downstream transportation and distribution, 11. Use of sold products, and 12. End-of-life treatment of sold products.

Products' life cycle GHG emissions (GWP fossil, kgCO₂e)
See Environmental Product Declarations (EPDs)



Products' life cycle GHG emissions (GWP fossil, kgCO₂e)
See Environmental Product Declarations (EPDs)



Circular economy

We strive for circularity in everything we do
We design every aspect of our products and services with circularity in mind. In the design process, we apply circular design principles to ensure they meet the needs of the circular economy. During their use, we provide our customers with smart, data-driven digital services that help users make the most of the pods. Afterward, when people no longer need them, we find ways to refurbish, redistribute, reuse, and recycle our pods and the components and materials they are made of.

Designing for circularity
We put a lot of thought into making our pods the most sustainable in the world. We understand that how a product is made — and what it is made of — can make a significant difference in its impact on the environment. So when we design our pods, we consider the requirements of circularity from the very beginning.

Unlike some low-end pods on the market, our pods are built to last for decades. This means that businesses do not need to replace them as frequently, which is better for both the planet and the bottom line. By designing our pods to structurally last longer, we are breaking the old linear consumption model of take, make, and waste and moving toward the new circular economy.

Quality is the foundation of sustainability
Producing low-quality pods that people do not want to use is not sustainable. Durable, high-quality pods last longer and improve the user experience. For example, our pods are designed to ensure good

air quality, which is one reason many people enjoy using them. Additionally, safe and well-made pods that meet all relevant standards reduce the risks of health and environmental hazards. Pods made of safe and non-toxic materials provide comfort and convenience and contribute to a more sustainable future.

Framery Subscribed — a fully circular business model
Framery Subscribed offers customers the opportunity to lease flexibly and affordably as few or as many pods as they need. When they no longer need their pods, our local installation partner picks them up, refurbishes and repairs them, and then delivers them to a new customer for a new life cycle. As a result, our pods can potentially enjoy multiple lifetimes of service.

Framery Subscribed ensures that no pod goes prematurely to waste but is used and reused repeatedly before its parts are eventually recycled.

The drivers of the Subscribed model
The primary motivation behind Subscribed is that renting out our pods generates greater value in the long run than simply selling them. This is because we design our pods with durability and longevity in mind. Consequently, companies that invest in our pods can use them for years without replacing them.

Because we maintain, refurbish, and repair the pods we rent out, they are of such high quality that they are quite popular on the second-hand market, where they can command a high resale price.

This means that our dedicated fleet of Subscribed pods represents a growing asset for us. In the future, companies may also prefer to rent rather than own their pods. We want to be ready for that shift with the Subscribed model.

The model thus shows that the right thing to do is also practical: what is economically sustainable also turns out to be environmentally sustainable.

Another year of growth and development
In 2023 the Framery Subscribed fleet grew by 14% from the previous year. The program is currently available in the Nordics as well as the Netherlands, Germany, France, and the UK. We are seeking to optimize the model in these countries before launching it in other markets.



Circularity at Framery



After a pod has served its purpose, we can reuse, redistribute, and refurbish it ready for reuse.



This way our pods can be used more or less indefinitely and upgraded to answer the needs of future users.



The vast majority of the pods manufactured over Framery's 14-year history are still in use today.

Environmental efficiency

Efficient operations

We want to minimize the negative environmental impacts of our own operations despite the fact that the biggest impacts arise from the upstream and downstream operations. Most of our emissions come from using diesel fuels in company cars as well as district heating. We use 100% zero-emission electricity in our manufacturing facilities and warehousing.

The material efficiency rate describes the volume of waste in relation to the input materials. In 2023, our material efficiency reached 95.8%. More than half of the waste generated is wood that is directed to incineration with energy recovery. We don't use any water in our manufacturing processes.

Digitalization as an enabler for resource efficiency

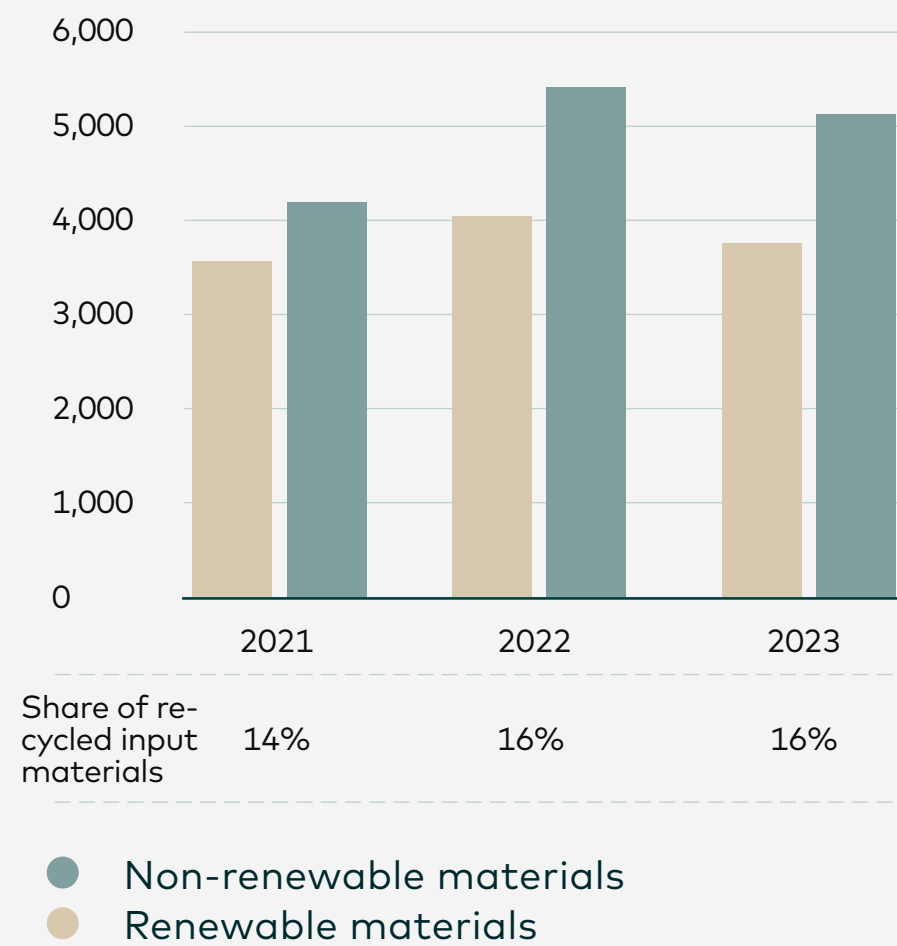
Digitalization is the key to a more circular and sustainable tomorrow. When we manufacture our pods, we inevitably harm the climate and environment. But with our digital solutions, we can increase our customers' utilization rate, space use, and resource efficiency to the point where the environmental impact we cannot completely avoid is justified.

In fact, according to a recent Upright Project study, Framery is a net positive company, which means our products, considering the full value chain, add more value to our customers than the resources we use in creating them.

Consider how this works with the world's first connected soundproof pod, Framery One. Framery One's connectivity allows us to collect and analyze space utilization data using digital tools that our Digital Offerings and Services division has been developing. With this data, we can help facility managers rearrange their Framery One pods to increase their use, enabling space optimization and resource efficiency in the process.

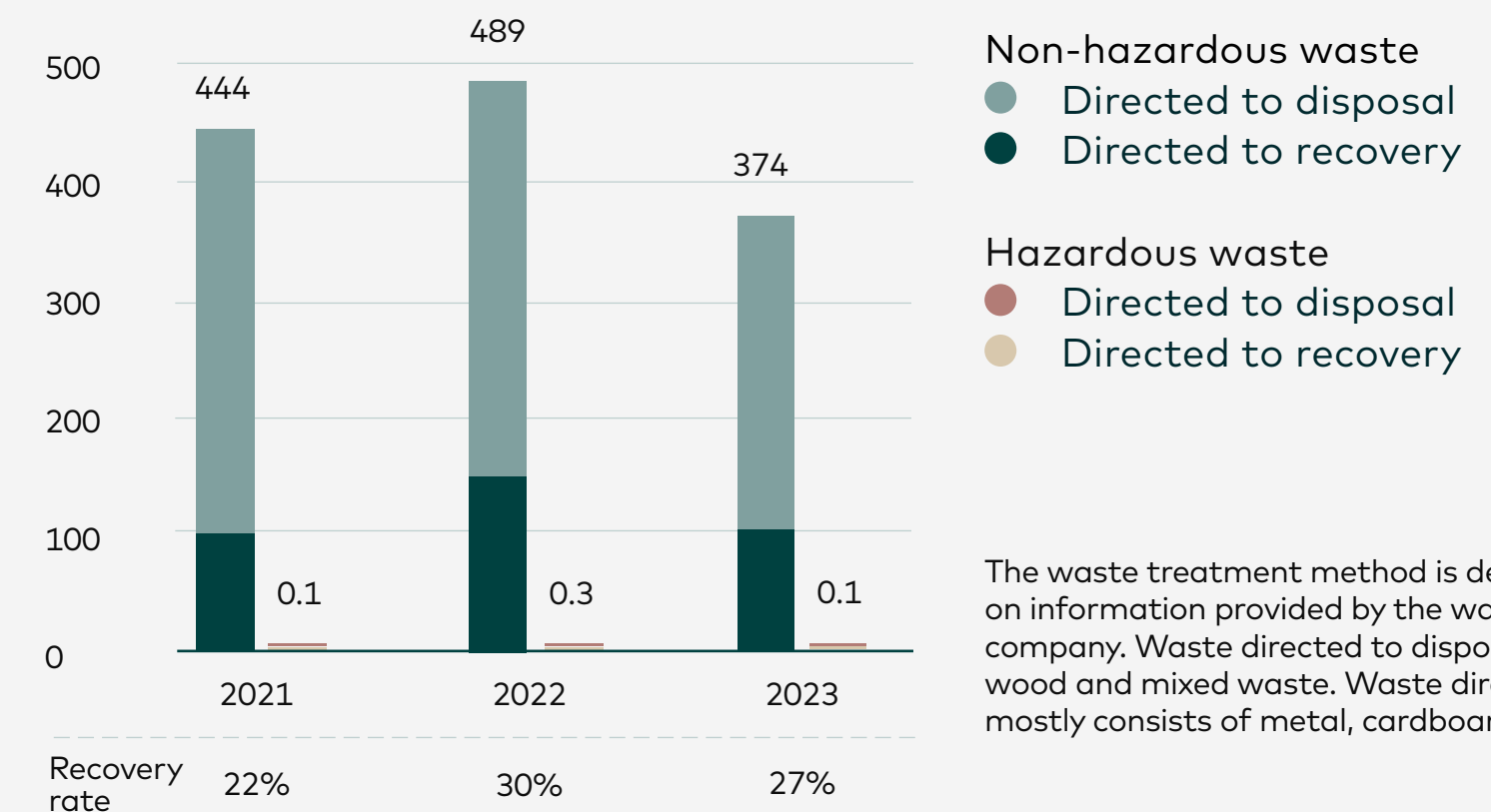
Moving forward, our new range of smart pods, equipped with the Framery Workplace Technology suite, will leverage data and digitalization even further. With the Framery Connect Sensor, usage data, and therefore insights on how to optimize it, will be available for the whole office. Usage rates of the pods themselves will be optimized through the Framery app, which makes it easy for people to book the right pod for their needs in seconds.

Materials used by weight, metric tons



Energy consumption MWh	2021	2022	2023
Primary energy consumption			
Diesel	16.1	18.5	19.2
Secondary energy consumption			
Electricity	1,857.2	1,743.9	1,172.1
Share of renewable electricity (%)	100%	100%	29%
Heating	2,362.4	3,030.3	2,951.2
Total	4,236	4,793	4,142
Share of renewable energy (%)	44%	36%	8%
Energy intensity MWh/MEUR	45.2	31.2	27.3

Waste generated, metric tons



Non-hazardous waste
 ● Directed to disposal
 ● Directed to recovery

Hazardous waste
 ● Directed to disposal
 ● Directed to recovery

The waste treatment method is determined based on information provided by the waste management company. Waste directed to disposal consists of wood and mixed waste. Waste directed to recovery mostly consists of metal, cardboard, and glass.

People and Society

At Framery, we value our employees' physical and psychological well-being. We invest in a healthy, safe, diverse, and welcoming workplace because we believe it fosters a positive workplace culture. Likewise, we provide high-quality products to create productive, satisfied, and loyal customers while also positively impacting individuals and society as a whole.

Framery's sustainability program aims to grow talent for business performance, diversify Framery personnel, and build a solid foundation for mental well-being. It also aims to enable people at work to connect and focus on what really matters.

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The Framerian culture

Values are the heart of our culture

We are what we do. Through our choices and actions, we cultivate the virtues that constitute our Framerian work culture and community. By embodying our values of respect, courage and curiosity, transparency, responsibility, and good judgment, we shape our goals and ways of working.

We give every new employee a copy of our Culture Handbook, "Being Framerian," to explain our values: the abilities and practices that we appreciate in our colleagues, expect to see from each other, base our decisions on, reward people for, and look for when recruiting or promoting Framerians.

The Culture Handbook guides us as we create a workplace where we appreciate and trust one another, encourage our smart colleagues to put their ideas into practice, recognize the good and know when to aim high, always try our best to achieve our goals but not at the expense of our well-being, see mistakes as learning opportunities, always aspire to get better, prioritize what matters most, and develop as individuals.

The Framerian culture has resulted in us forming an extraordinary team, made up of people with exceptional talent who feel empowered to make suggestions for doing things better and who have a hunger to succeed as a team. We set ambitious goals but always in balance with our wider lives – we achieve great results but not at the expense of our well-being. The Framerian

culture also means that we'll never become just another corporation but a low-hierarchy organization where it's easy to communicate across functions, ask questions, and make suggestions.

Employee engagement

Every year we conduct Siqni, an employee engagement survey to better understand our employees' experience. The resulting Flame Index informs us how engaged and motivated our employees are. For 2023, our target was 80 on a scale of 1–100. In 2023 the response rate was again very high (88%), so we can be confident that the results are reliable. The index increased from 75 to 77 but we maintain our target of an index of 80.

The score for Framerians' sense of togetherness was already very high according to the 2022 survey. However, as we see this as one of the company's key strengths, in 2023 we aimed to improve the score even further. As a result of everybody's efforts, the 2023 survey showed the score had improved by another five points.

Similarly, the 2023 Siqni survey indicated that employees have a strong desire to grow and develop their skill sets, so in 2024 "growing talent for business" will be a key focus area. Though it's not always easy to forecast future talent requirements, we believe that if we foster a good understanding of our business – our strategy, why we do what we do, and how we operate – we'll be in a strong position. Last year we saw big successes in people

moving between roles and functions within Framery. This kind of internal mobility gives people invaluable fresh perspectives and the ability to bring new insights to all areas of the company.

Speaking up

We encourage everyone to speak up if they see anyone being mistreated or acting in breach of our values or Code of Conduct. In 2022, we established our internal whistleblowing channel to enable our employees to anonymously report any suspected cases of illegal or unethical behavior in the workplace.

Whistleblowers can send their reports anonymously and we follow up with them anonymously. We inform the reporter within seven days that we have received the report and within three months inform them what actions we are going to take. We have two main whistleblowing channel operators who investigate reports. The process follows the EU Whistleblowing Directive and from the beginning of 2023 the Finnish law based on the Directive. In 2023, we received two reports of incidents via the whistleblowing channel. They were handled according to the process with no material causes found for complaint.

Explore our career opportunities →

Framery Values

Respect
 Courage and curiosity
 Transparency
 Responsibility
 Good judgment



Employees and the wider workforce

At Framery, we are dedicated to making our workplace a welcoming environment for all. Because we want to attract, keep, and engage the best and brightest, we want to create a workplace that promotes our employees' health, safety, and well-being and foster a culture of diversity, equity, and inclusion (DEI).

Working conditions of employees and contractors

In 2023, we had 397 permanent employees. The number of contractors increased during the year as we began to ramp up production of our new product line while simultaneously still producing the existing product line. This means that the workload of our manufacturing personnel will increase until old products are discontinued later in 2024. This has required a temporary increase in headcount, which has been achieved through a combination of part-time and fixed-term contracts.

In Finland 84% of our employees are currently covered by a collective bargaining agreement. But regardless of whether such an agreement covers them, everyone working for Framery in Finland, including management, enjoys the same policies concerning compensation, health support, and paid leave.

Although we provide our salespeople with the same essential work equipment, medical benefits, insurance, and so on, their working conditions will vary because most of them work overseas. They also tend to work with customers from their own or their customers' premises. Their customers usually also act as their peer group.

Diversity, equity, and inclusion

We can see from leading companies around the world that teams made up of people with different talents and from different backgrounds achieve better results. At Framery we want people who are not cut from the same cloth. Instead we want people with diverse backgrounds and experiences to bring their different ways of thinking and doing to the team.

During 2023, the diversity of our employees reached a new peak. Never have Framerians been as diverse as they are now. In Finland, we hired more people with diverse backgrounds in culture, nationality, language, gender, age, and education.

Although we do not work toward a numeric target, we always take diversity into account when recruiting. We want to recruit the best person for the role, but we do not want to do it in ways that might dissuade anyone from applying because of their background. For example, we always consider ways to attract more female applicants for the sectors where males are in the majority and vice versa.

In addition, we train our People & Culture team to raise their diversity, equity, and inclusion competency and make them more aware of, for example, how unconscious biases can influence decisions about hiring, promotions, and salaries.

Employees by region and contract type	Finland	Americas	EMEA	APAC	Total
Number of employees	385	23	22	6	436
Number of permanent employees	347	23	21	6	397
Number of temporary employees	38	0	1	0	39
Number of non-guaranteed hours employees	14	0	0	0	14
Number of full-time employees	356	23	22	6	407
Number of part-time employees	15	0	0	0	15

Employees by gender and contract type	Female	Male	Other	Not disclosed	Total
Number of employees	136	268	0	32	436
Number of permanent employees	129	241	0	27	397
Number of temporary employees	7	27	0	5	39
Number of non-guaranteed hours employees	2	11	0	1	14
Number of full-time employees	126	251	0	30	407
Number of part-time employees	8	6	0	1	15

Diversity of governance bodies and employees

	AGE GROUP			GENDER				REGION			
	Under 30	30-50	Over 50	Female	Male	Other	Not disclosed	Finland	Americas	EMEA	APAC
● Employee group: Employees	53%	42%	5%	12%	73%	0%	15%	100%	0%	0%	0%
● Employee group: Officials	21%	75%	4%	38%	57%	0%	5%	84%	7%	7%	2%
● Executive team	0%	100%	0%	25%	75%	0%	0%	100%	0%	0%	0%
● Board	0%	33%	67%	0%	100%	0%	0%	83%	17%	0%	0%

In 2023, we continued to provide training on the theory and practice of diversity, equality, and inclusion and further developed the onboarding process.

We introduced a Code of Conduct e-learning program that is mandatory for all Framerians and made the recruitment process more equal and inclusive by standardizing the interview questions. In addition, all interviewees were met in person. By treating everyone the same way, we hope to remove the possibility for our biases to influence the recruitment process.

It is essential that all Framerians feel free to be who they truly are and that everyone is welcomed and valued for being themselves. To further increase diversity, equity, and inclusion in 2024 we will explore the possibilities for anonymous recruitment, where names and photos are not shared until later stages of the process.

Ratio of basic salary and remuneration of women to men	2022	2023
Officials employee group	0.99	0.95
Production employees	1.01	1.01

Data based on employees based in Finland and active on 31.12.2023. Women avr./Men avr. Not including employees who have not disclosed gender (30 out of 385). Regional data is not comparable due to different employee groups and different countries' market practice and price levels.

Monitoring the gender pay gap

In 2022, we started monitoring men's and women's salaries to ensure equal pay. In 2023 the ratio between women and men was 0.95 for office workers and 1.01 for production

employees, meaning the salaries are nearly equal. The small gap varied slightly during the year.

Occupational health and safety

Our employees' well-being is vital for our company's long-term success since a healthy and safe working environment decreases absenteeism and increases productivity. In 2023, 100% of our employees and contractors were covered by the occupational health and safety policies of our ISO 45001 certified management system.

Sickness absence

One of our goals is to reduce sick leaves. Sickness absence as a percentage of the employees' total theoretical working time was 5.1% (5.3%) in 2023 for all Framerians excluding sales. Our sick leave per person in 2023 was 15.6 (16.4) days per year for Finland-based employees.

Sick leave figures differed between office and production staff. Sickness absence as a percentage of total theoretical working time was 11.8% (against a target of 8% by 2028) for production staff and 2.7% (against a target of 1.8% by 2028) for office staff. The difference in the numbers between the two groups is explained by the nature of the work of each group. For example, if an office worker feels like they are getting sick they might simply be able to work from home, whereas a production worker does not have that possibility but would be advised to stay at home to avoid affecting colleagues. Furthermore, production workers are more likely to be affected by musculoskeletal sicknesses that require longer sickness absences.

Work-related injuries

We are committed to improving our safety performance, and our long-term target is zero accidents. To monitor our progress, we use lost time injury frequency (LTIF), measuring the lost time injury that amounts to one full day of absence, as a key performance indicator. Our short-term target for LTIF was 5.0, and in 2023 it was 5.3 (6.9). Although we just missed our ambitious target, the LTIF score of 5.3 should be seen in the context of the average figure for Finnish manufacturing companies of 27–30. In total, we had 50 days of absences because of four injuries.

Musculoskeletal and mental health

We know from our occupational healthcare partner that about 30% of mental health and musculoskeletal disorder absences are work-related, making them the two most common reasons for longer periods of sick leave.

Preventing ergonomic disorders

During 2023 we focused on educating our employees about ergonomic best practices and our workstations have been improved significantly during recent years. However it is still the individual employee's responsibility to adjust their workstation on a suitable height and lift objects in an ergonomic way. Our occupational health physiotherapist paid regular visits to our production and we held ergonomics training for all production work advisors.

Work-related injuries	2021	2022	2023
Employees			
Fatalities	0	0	0
High-consequence work-related injuries	0	0	0
Recordable work-related injuries	4	5	4
Number of days lost	18	9	50
Number of hours worked	570,000	720,000	749,000
Rate of fatalities	0	0	0
Rate of high-consequence work-related injuries	0	0	0
Rate of recordable work-related injuries (LTIF)	7.0	6.9	5.3
Workers who are not employees			
Fatalities	0	0	0
High-consequence work-related injuries	0	0	0
Recordable work-related injuries	0	1	0
Number of days lost	NA	NA	NA
Number of hours worked	NA	NA	NA
Rate of fatalities	NA	NA	NA
Rate of high-consequence work-related injuries	NA	NA	NA
Rate of recordable work-related injuries	NA	NA	NA
(NA due to missing data on their working hours)			
Types of injury			
A cut by a knife	2	0	1
Stackers / forklifts	0	0	0
Slipping / tripping	2	1	2
Manual handling of modules	0	3	0
Work movement-related pain	0	2	0
A sprained finger	0	0	1
Incidents of discrimination			
Total number of incidents reported	0	1	2
Incident reviewed by the organization	0	1	2
Remediation plans being implemented	0	0	0
Remediation plans that have been implemented, with results reviewed through routine internal management review processes	0	0	0
Incidents no longer subject to action	0	1	2

Supporting mental health in the workplace

Mental health has always been one of our focus areas and we want to be a forerunner in this area. In 2023 we partnered with Mieli, a Finnish non-profit and the world's oldest non-governmental organization dedicated to mental health.

Experts from Mieli helped us assess the current state of our actions around mental health and identified future focus areas. Based on our commitment to improve mental well-being through a set of actions – for example mental well-being related training and tools for team leaders, renewal of pre-employment health examination, and various organizational communications – we were awarded the Mieli Mental Health Friendly Workplace badge.

Fostering social well-being through community-building Frevents and company events

To support Framerians' social well-being – their sense of belonging, connectedness, and enjoying meaningful and supportive relationships at work – employees made an extra effort during the year to initiate, host, and organize community-building social events, which we call Frevents. In 2023, the calendar was packed with Frevents, in addition to bigger company-organized events like the ever popular winter party.

Another highlight was our annual kickoff; as part of the program we hopped on a train to Tahko, one of Finland's most popular ski resorts, all expenses paid.

Outside of work, many Framerians expressed a wish to give something back to the community. In 2023 there were so many suggestions that we decided to enlist the help of Commu, a Finnish startup that helps companies reach their social sustainability goals through volunteering. In September we had a paid volunteering afternoon when everyone could participate, with many different options to choose from.

Health and well-being benefits

One way we invest in the health and well-being of our fellow Framerians is through our generous employee benefits. By default, we offer everyone the same basic benefits, even part-time employees and summer trainees:

- Everyone receives Smartum benefits, such as the lunch benefit, which allows our employees to have healthy, stress-free lunch breaks, and the exercise benefit, which supports our employees' physical activities and sports hobbies.
- Since we want people to enjoy the delicious and nourishing food and the company of their colleagues at the company bistro, we have made the food as affordable as possible by only charging for the ingredients.
- We have a club room that our employees can rent during weekends to organize parties and social events in their free time.
- For similar reasons, we also encourage our employees to set up Framery clubs built around their hobby of choice. It can be football, ice hockey, tennis, ice swimming, yoga, or anything else – as long as the club is open to everyone, and we will support it financially. Since we want our employees to take care of their physical fitness, we allow them to exercise for an hour every week during their paid work time.
- Not only do we provide all employees with healthcare benefits, even those on extended leaves of absence from work, such as parental leave, but we also offer everyone leisure-time accident insurance, which covers accidents outside the workplace.

Some benefits require, however, regular permanent employment. For employees based in Finland we offer, for example, the opportunity to lease a bike tax-free for up to 49 months. Clearly, such benefits are moot for fixed-term employees only hired for, say, three months.

Parental leaves

While all employees were entitled to parental leave, 12% of women, 14% of men, and 9% of employees with gender not disclosed took parental leave in 2023. Our return-to-work rate was 100% for all, and our retention rate after parental leaves was 93% and 94% for women and men, respectively.

In recent years, we have observed that not only are more Framerians choosing to become parents, but more are also taking parental leave. Increasingly, they are also taking extended leaves of absence. This represents a new development for our company. In truth, it was only a few years ago that we had our first employee on maternity leave and, shortly after that, parental leave. This suggests that Framerians feel psychologically safe enough to spend extended periods away from work and feel secure when returning to work.

Employee training

As part of our annual performance enablement process, all Framerians discuss with their team leader about their performance and development and plan improvement actions. The need for employee training is generally decided between the supervisor and the employee. If training is seen as beneficial for the company and the employee, it is usually covered in the budget. On average, the number of annual training hours per employee was 3.7 (4.4).

All training is implemented based on teams' and individuals' needs and are decided by, or together with, the team leader. During 2023 we conducted team-leader training on topics such as leading hybrid work, DEI (diversity, equity, and inclusion), 360° feedback, and Early Bird Model (EBIM). Our IT team has also offered both mandatory and voluntary training on information security.

However, the most significant impact in terms of development and growth comes from learning on the job and learning from peers.

The everyday learning and personal development is planned and reviewed in one-to-one meetings between supervisors and team members. The focus in these conversations is on reflecting on past development and identifying future needs and opportunities. Together they create personalized action plans to support employees in their professional goals.



New employee hires	Total	% of total	New hire rate
Age group			
Under 30 years old	19	35%	20%
30–50 years old	32	59%	11%
Over 50 years old	3	6%	18%
Gender			
Female	15	28%	12%
Male	29	54%	12%
Other	0	0%	0%
Not disclosed	10	19%	37%
Region			
Finland	41	76%	12%
Americas	5	13%	22%
EMEA	7	2%	33%
APAC	1	9%	17%
New hire turnover rate, total			9.3%

Employee turnover	Total	% of total	New hire rate
Age group			
Under 30 years old	9	23%	10%
30–50 years old	29	73%	10%
Over 50 years old	2	5%	12%
Gender			
Female	15	38%	12%
Male	24	60%	10%
Other	0	0%	0%
Not disclosed	1	3%	4%
Region			
Finland	35	88%	10%
Americas	3	5%	13%
EMEA	2	8%	10%
APAC	0	0%	0%
Employee turnover rate, total			9.7%

The information about new hires and employee turnover includes only permanent employees. The rate of new employee hires in the total workforce is the number of new hires divided by the number of all permanent employees at the end of the year. New hire rates within employee breakdown categories are calculated by dividing the new hires within the category by the total number of permanent employees within the breakdown category. For example, new hire rate for female employees is the number of new female hires divided by the number of all permanent female employees at the end of the year. Turnover rates are calculated on a similar basis as new hire rates.

Customers

Our business is all about enabling people to connect and achieve their best at work – solving problems, creating solutions, and building a better tomorrow.

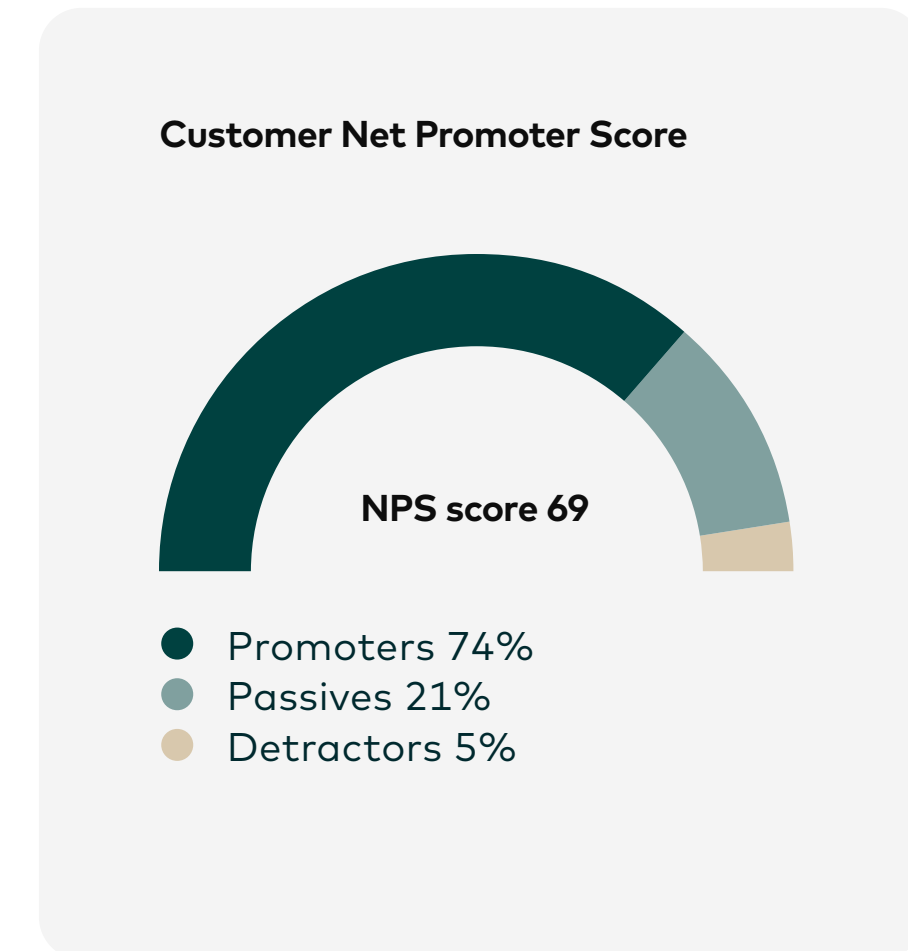
By providing privacy and reducing noise distractions, our soundproof pods are ideal for meetings, conference calls, and discussions; they offer a haven for uninterrupted work, focus, and flow. Our high-quality pods help companies overcome the challenges of the open office and meet the rising demand for videoconferencing workspaces in hybrid offices. The result is more productive workplaces where people get things done.

Promoting focus and happiness in the modern workplace

Constantly being distracted and disoriented by the sound of meetings, conversations, notifications, and phone calls undermines the privacy, focus, productivity and, ultimately, the happiness of employees. According to studies, more than half of people find it difficult to concentrate in open offices, and distractions can take up to 20 minutes to recover from. Furthermore, employees are 15% less productive when working in an open office.

We conduct NPS (Net Promoter Score) surveys so that every new customer is surveyed for the first time three months after the pod(s) is successfully put into use. After that, a new survey is sent every six months.

In total, the surveys were sent to more than 3,300 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 friend?" The answering scale was from 0 (Not at all likely) to 10 (Extremely likely). Out of a total over 550 responses, 74% of the respondents were classed as "Promoters" and gave a score between 9–10. This was a very positive result and represents an increase of 1% on 2022's score. Overall, our NPS improved to 69 (68) and we are on track to achieve our target score of 75 by 2028.



A focus on customer experience

At Framery, we always support our dealers and service personnel, including installation and maintenance partners, to ensure that we always provide the best possible customer service. Additionally, we collaborate with architects and designers to develop solutions that make work more enjoyable and efficient.

In April 2023 we combined three previously distinct teams to concentrate on one purpose: optimizing customer experience. The new Customer Experience team is dedicated to everything from helping dealers deliver and install our pods to helping facility managers set up and get the most out of our suite of workplace technology solutions. We believe that this reorganization is one of the reasons behind our positive NPS score.

Framery Connect — efficient performance, maintenance, and management

By virtue of being the world’s first connected soundproof pod, Framery One paved the way for Framery Connect, our first digital service, launched in 2022. Framery Connect is a feature of Framery One’s new digital management system that keeps Framery One running smoothly and efficiently.

We provide exceptional customer service through a dedicated customer success team for our digital services. Framery’s customer service can be reached via email or phone. Customers can create support tickets for smart pods through Framery Connect, and thus be in direct contact with our technical support team. As a result, we can reduce downtime while effectively extending the lifespan of the pods.

In addition, Framery enables future software updates, ensuring that our customers always have the most up-to-date version of their pods. Through continuous software updates, we can add new innovative digital features, constantly improve the user experience, and make the pods more valuable over time. Those who invest in Framery pods can trust they will stay functionally relevant for years to come.

In line with the ideals of circularity, Framery Connect helps us to digitally extend our pods’ life cycle and relevance, and optimize their use. Instead of customers having to repeatedly invest in pods every five years, they benefit from future-proof pods that have a long lifetime.

Framery Connect also allows us to integrate smart pods with Google and Microsoft calendars, enabling users to conveniently reserve pods through their calendars. Due to the pods’ 4G connection, people can also book them anywhere, anytime.

Office managers can understand the utilization rate of pods in a hybrid office and their return on investment thanks to Framery Connect, which also provides insights into how smart pods are being used.

Demonstrating our commitment to safeguarding our customers’ data

In 2022 Framery received ISO 27001 certification covering its information security management system for digital offerings. The certification, the leading international standard focused on information security, covers not only Framery’s internal IT infrastructure but also the digital services and technologies associated with its product offering.

Framery Subscribed makes our quality pods more affordable

Framery Subscribed offers customers the opportunity to rent pods for a fixed monthly fee. Subscribed makes our pods more affordable, allowing more people to benefit from our products and therefore increasing their sustainability. Subscribed is also a perfect example of a circular economy in action. When a pod is no longer needed it is simply refurbished and returned to use.

Subscribed allows our customers to expand their pod fleet as their business expands without taking the risk of investing in pods they may not need. On the flip side, they can also easily shrink their pod fleet if they have more than they need. In addition to installation, free relocation, and a lifetime warranty, Subscribe includes on-demand maintenance, ensuring that the pods remain in good condition throughout their use and extending their lifetime. From 2024 all new Subscribed smart pods will include Framery’s workplace technology suite to help ensure they are used optimally throughout their multi-decade lifespan.

Learn more about Framery Connect





Healthy and safe materials

To ensure that our products are safe for human health and the environment, we make sure to use safe materials in our products. We do this by systematically testing our products, meeting and developing international health and safety standards and requirements, as well as sourcing sustainably for and designing our products with sustainable and circularity-friendly materials.

Materials safety

We test the entire pod, not just the materials it is composed of, to ensure the product is safe to use. In our case, such tests are of particular importance since we design our pods to be soundproof, which means that they are airtight. That is why it is critical to ensure that our pods do not emit any dangerous gases into the air.

All our smart pods – Framery One, One Compact, Four, and Six – have been GREENGUARD Gold certified and our plywood products – Framery O, Q, and 2Q – are GREENGUARD certified. This means that we have minimized the risk to our customers of exposure to harmful chemicals present in the indoor air.

We compile Health Product Declarations (HPDs) for our products, listing the chemical contents of the materials on the 100-ppm

level in our products and their potential effects on human health. The HPDs show that we only use non-toxic concentrations of materials in our products, verifying our products are safe for people and the planet.

Fire safety

Besides using no flammable materials in our pods, we have also run numerous fire safety tests on all materials. These tests have shown that our products have a safe heat release rate and that their exterior metal panels and laminated glass are of such high quality that they can withstand heat and fire, demonstrating that our pods are fire safe to use and place in an office. Our smart pod range is even more fireproof than Framery O, Q, and 2Q because of the structure, which is mostly made of steel.

Seismic safety

During 2023 we conducted seismic tests on our smart pod range. This testing proved that during an earthquake our new products neither fall over when not attached to the building floor nor collapse when they are attached to the building floor.

Product safety

Our quality management system has been ISO 9001 certified, which means that our quality management processes have been

audited and approved by a third-party certification body. This means that we meet high international standards for quality management, including customers' expectations of product safety requirements.

Our pods have undergone the IECEE CB Scheme certification process, meaning our products have been independently tested to ensure they comply with international safety requirements of electrotechnical equipment and components.

In addition, our pods have been UL962 certified by Underwriters Laboratories. The UL962 certification, the leading North American standard for office furnishings such as pods, proves the electrical, fire, and structural safety of our products through rigorous third-party testing.

Advancing health and safety standards

As pioneers in the office pod industry, we offer our expertise to help legislators in North America, Europe, and the Asia-Pacific region to develop robust pod health and safety legislation, guiding regulators to approve office pods as a product category. Based in part on our input, city officials across the United States issued recommendations and ordinances in 2023, dictating the health and safety requirements office pods must meet.

For similar reasons, we have also been working with the Business and Institutional Furniture Manufacturers Association (BIFMA). Since 1973, BIFMA has been developing standards for furniture sustainability, durability and safety in the North American furniture industry.

In 2020, BIFMA published their guide for pods, laying down the criteria that businesses, facility managers, government officials, and architects should consider when investing in pods. Since then, BIFMA has been working on making their guide the industry standard, and we have been contributing to that effort by pushing for strict requirements that make it safe to install office pods in North America.

Fair Business

We believe that through our business operations and supply chain, we can play an important role in promoting fair business and labor practices, environmental and social sustainability, and anti-corruption policies. Accordingly, we understand the importance of setting high standards for ourselves and our suppliers. That way, we are building a business that makes the world a better and happier place.

Framery's sustainability program aims to promote fair business in the value chain through supplier engagement and good governance practices, as well as to produce external reports, such as this annual sustainability report, to provide transparency.

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Economic value creation

From the factory to happy workspaces

Framery was founded to improve the working conditions of our customers. By creating happy workplaces, we hope to increase the productivity and happiness of our customers' employees. We accomplish this by creating soundproof pods that allow people to hold effective meetings. Today, Framery is the global market leader in manufacturing pods, phone booths, and private workspaces.

The journey from factory to office begins in Tampere, Finland, the center of our supply chain. To assemble, sell, ship, and maintain our pods, we rely on a network of suppliers to provide us with components as well as services for warehousing, logistics, dealing, installation, and maintenance. Along the way, we must ensure that every link in our supply chain helps us create material values in an economical, ethical, and sustainable manner.

Our supply chain strategy

In 2023 50% of our suppliers were based in Finland, 80% in the Nordics and Baltics, and more than 90% in Europe. This makes things easier for a number of reasons. For example, physical proximity makes it more straightforward to cooperate and make changes. European suppliers are also better placed in terms of issues including human rights and access to sustainable raw materials and clean energy.

In 2023 we started piloting and scaling up due diligence work on human rights in our supply chain. The work covers not only our direct suppliers but their suppliers as well and focuses on a wide range of human rights issues aligned with the UN guiding principles.

Because most of our suppliers are in Finland or neighboring countries such as Sweden and the Baltic states, most of the value generated in our supply chain is created close to our factory in Tampere, Finland. Due to our proximity to our suppliers, our suppliers' lead times are also short.

We ship our products worldwide, primarily to Europe, the United States, and the APAC region. The challenge has always been to reduce lead times for our customers in the United States and APAC countries such as India, Singapore, Hong Kong, and Australia. We solved this problem by setting up hubs in the United States and APAC.

Logistically, the hubs also enable us to optimize container capacity. Since our production is so centralized, this is the most efficient way to ship. Last year, we delivered approximately 16,000 pods in modules and components in cardboard or plywood packaging, enabling us to ship more in the same container space. With the final assembly taking place at the customer's office, this approach optimizes the packaging.

Direct economic value generated and distributed (MEUR)	2021	2022	2023
Direct economic value generated			
Revenues	93.80	153.74	151.84
Economic value distributed			
Operating costs (total purchases of goods and services)	53.53	68.44	64.34
Employee wages and benefits	21.89	24.44	28.42
Income taxes paid, net	1.74	4.80	4.75
Dividends paid	0.00	0.00	0.00
Net financial expenses	5.10	5.67	6.99
Community investments	0.03	0.05	0.01

Promoting fair business in the value chain

Zero-tolerance approach to corruption

Our Supplier Code of Conduct demands that our suppliers live up to our standards of working conditions, fair business practices, and proper treatment of employees. It prohibits all forms of corruption and anti-competitive behavior. In 2023, 99% of our suppliers by spend had agreed to adhere to our Supplier Code of Conduct, and no code violations were reported.

Continuous supplier development

Our supplier development team builds and maintains our supplier base and ensures that our suppliers meet our requirements. Quality, supply, technological capabilities, cost, and environmental and social sustainability are all important considerations for any partner we take on board.

We are an assembly company, which means that upstream processes generate 80% of the value of our products and almost 80% of our products' environmental footprint. From a sustainability perspective, the operations of our supplier base matter greatly, which is why it is so important to partner with the right suppliers.

Our supplier selection process

Starting with identifying the need for new components and evaluating that, we start thinking of the possible candidate supplier to manufacture them. We use self-assessments to narrow down the candidate suppliers before visiting them. If they meet our high standards and are a good fit, we can start the cooperation.

In 2023 supplier self-assessment was updated to cover sustainability matters and, moving forward, this will have a significant impact on the selection process as part of a balanced scorecard approach.

In some cases a poor sustainability performance has already been a factor in a supplier not being selected and we have noticed that sustainability performance often goes hand in hand with overall performance – if a supplier has their sustainability criteria in order, they usually have everything else in order too. Following this process, we made many successful supplier selections during 2023. In fact when it comes to our new range of smart pods, approximately 50% of our suppliers are new and have been chosen following an extensive selection process that included sustainability performance. The sustainability of our suppliers has a direct impact on the sustainability of our products so we always aim for a long-term relationship where we share goals and collaborate on developing and constantly improving together.

Physical visits, audits, and responsible sourcing

Our supplier agreements, including product specifications, define the materials to be used. Our supplier agreements and supplier visits ensure that the materials and processes of our suppliers comply with various regulatory requirements, such as the Restriction of Hazardous Substances Directive of the European Union and Proposition 65 of California. The suppliers must also meet our requirements, such as being properly certified.

Additionally, we have quality agreements that function like appendixes to the supplier agreement. The quality agreements define their ways of working, what they need to fulfill, how they can modify the product or manufacturing process, and the structure of their supply chain. All of this and more is discussed with our suppliers and agreed upon.

We regularly conduct physical audits of our actual and potential materials suppliers. We start with the supplier self-evaluation questionnaire and perform the physical audit. In the audit, we map out the process to identify the strengths and weaknesses of the value stream. We use the resulting value stream map to discuss how their processes work with respect to sustainability, including where they are getting their raw materials from.



Governance

The governance and management of Framery are based on the Finnish Limited Liability Companies Act as well as its Code of Conduct. Accordingly, the highest decision-making power is exercised by Framery's shareholders at the Annual General Meeting. The company's sustainability work is governed on three levels: the board of directors, the executive team, and the sustainability steering group.

Vaaka Partners and its co-investors own a controlling stake in Framery. The rest of Framery is owned by Framery's founders, operative management, and private investors. Vaaka Partners has three seats on the Board. 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 investment activities and strives to improve long-run risk-adjusted returns from its investments by considering 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.

Board

In 2023, the board consisted of six members: two from the owner, three independent members, and one substitute member from the owner. They all are non-executive members. Mika Sutinen is an experienced Chairman of the Board, with experience in leading several growth companies. Greg Bylsma has extensive experience in the top management of Herman Miller, which is one of the leading companies in the industry. Timo Toikkanen, with a background in Nokia and currently CEO of Varjo, brings

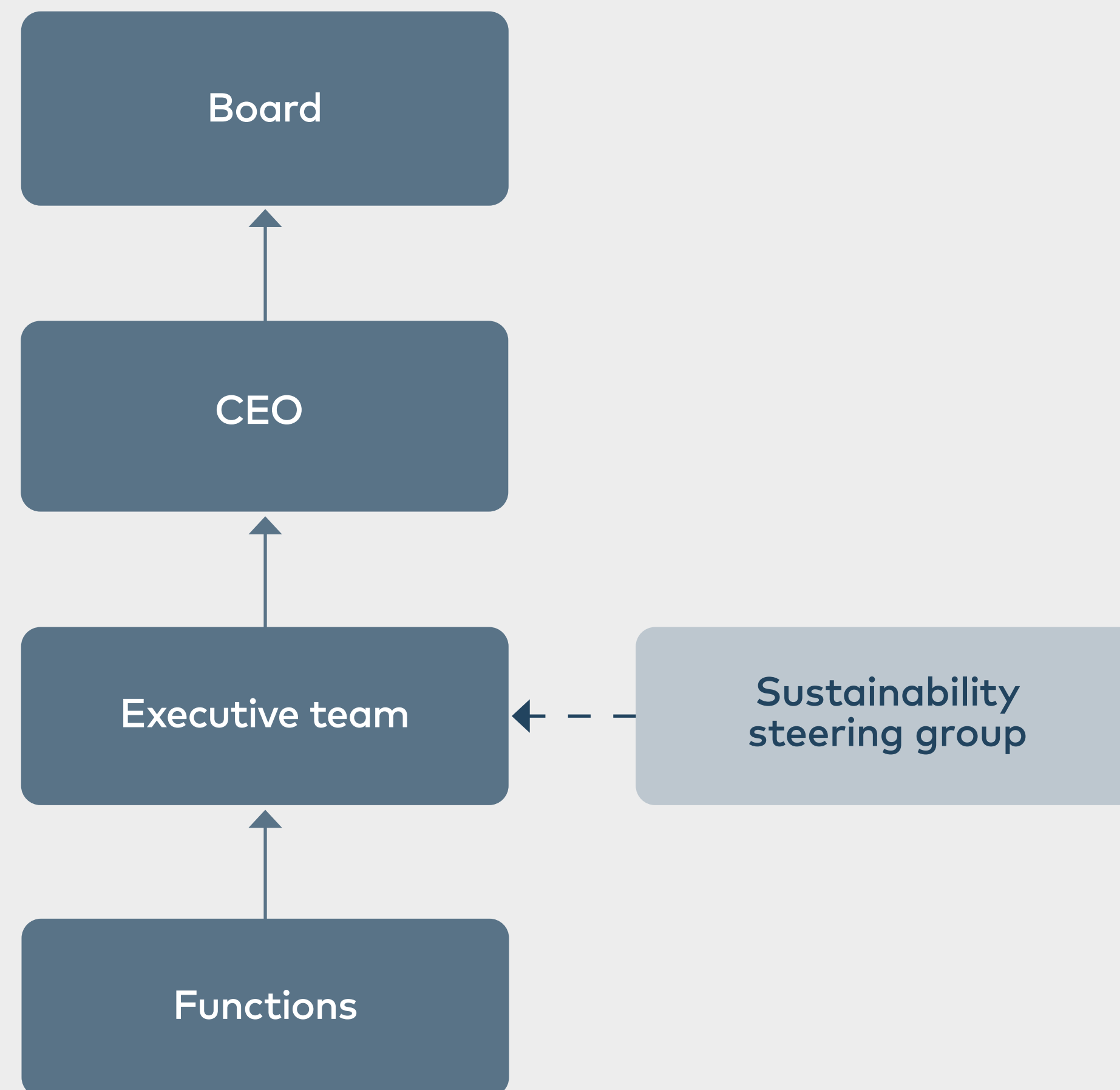
expertise especially from technology companies and global sales channels. Tuomas Siponen, Ville Koskenvuo, and Philip Kaustinen – all representing Vaaka Partners – have backgrounds in finance, consulting, and private equity.

There is one committee within the board: a Financial Committee consisting of two members of the Board, the CEO, and the CFO to enable a more thorough walk-through of the financial figures. Vaaka Partners controls the nomination and selection process for the board members. The board conducts self-assessment yearly based on Vaaka Partner's governance model. The CEO is evaluated with the same process and at the same time.

Vaaka Partners has organized training on sustainable business, diversity, equity and inclusion, and sustainable finance disclosure regulation for their investment team. Vaaka Partners also updates their teams regularly on sustainability matters. Framery has not organized any separate sustainability training during the year for the board members apart from updates given in the board meetings.

Roles and responsibilities

The board acts as the highest governance body. The board oversees development of and approves the company's strategy, policies, and goals including sustainability-related matters. Simultaneously, the board oversees the management and effectiveness of Framery's sustainability work. Sustainability matters are discussed as part of strategy, action plans, financial planning, annual budgeting, risk management, and business plans. The board monitors the implementation and performance of the strategic projects on a monthly basis. The board met 11 times during 2023 and discussed sustainability-related matters once as a separate agenda topic.



Responsibility and accountability for the management of impacts lies with the executive team members while the day-to-day activities are managed by teams reporting to the functions and sustainability steering group. Framery's sustainability report, including the material topics, has been presented to the board as well as selected members of the executive team for their approval.

The sustainability steering group is set up to manage operational day-to-day activities by gathering responsible individuals from the executive team and functions. The steering group monitors and guides the implementation of annual targets. The sustainability steering group meets on a bimonthly basis and, when required, on an ad hoc basis.

Conflicts of interest and critical concerns

Conflicts of interest are required to be reported by the board members as part of the Shareholders' agreement and by overall policy. Framery's Shareholders' agreement includes a clause that one must inform about competing activities. The board oversees their own actions and the executive team while Vaaka Partners oversees the board.

The CEO and CFO are responsible for communicating critical concerns to the board. During 2023, no major concerns were raised.

Remuneration

The remuneration and remuneration model is decided at the Annual General Meeting. The Annual General Meeting gives the board the rights and boundaries to make direct share issues for long-term remuneration to the board and management. All board members own a share of the company and their

remuneration is fixed pay without any variable pay or other bonus schemes. Remuneration of the board or the executive team is currently not linked to sustainability targets.

The ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for Finland-based employees (excluding the highest-paid individual) was 5.6 in 2023. The ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) was 0. The highest paid individual's salary did not increase during 2023, contrary to the median of other employees, thus the ratio is zero. The median annual total compensation includes only employees based in Finland due to incomparable compensation levels between countries. Both office workers and production employees have been included.

Board

Mika Sutinen, Chairman of the Board

- Independent of the company
- Board member since 2018

Gregory Bylsma

- Independent of the company
- Board member since 2021

Ville Koskenvuo

- Not independent of the company
- Board member since 2018

Philip Kaustinen

- Not independent of the company
- Board member since 2023

Timo Toikkanen

- Independent of the company
- Board member since 2018

Tuomas Siponen

- Not independent of the company
- Board member since 2023

Executive team



Samu Hällfors
Founder & CEO



Daniela Tjeder
CMO



Lauri Isotalo
CFO



Lasse Karvinen
Head of Sales



Arto Vahvanen
Head of Digital Offerings and Customer Experience



Hannu Seppä
Head of Supply Chain



Timo Inkinen
Head of Product



Anni Hallilla
Head of People and Culture

Principles of our operations

Framery is committed to conducting its business in a socially responsible, environmentally sustainable, ethical, and legal manner. In all our operations, we comply with all laws and regulations related to us. Our Code of Conduct outlines principles that we commit ourselves to and expect our suppliers to follow. Our Code of Conduct consists 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. In addition, we also expect our suppliers and subcontractors to live up to our high standards.

Framery has been a participant of the UN Global Compact since 2018. We are committed to aligning our operations with the basic principles and ambitious aspirations of the UN Global Compact, supporting human rights, the right to collective bargaining, the precautionary approach to environmental issues, and opposing corruption. The Ten Principles of the UN Global Compact rests on the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. We recognize our duty to respect human rights and address our operations' negative impacts.

We enforce our commitments via our Supplier Code of Conduct and topic-specific policies. Our Supplier Code of Conduct outlines the minimum standards

we expect our suppliers to comply with when doing business with us. Framery's Supplier Code of Conduct is presented in a separate document and all suppliers are expected to sign it. Our policies on Environment, Occupational Health & Safety, and Quality explain how we work and what we are committed to. Our commitments are embedded in our culture and processes. Responsibilities for operational day-to-day activities are allocated to the executive team members and their functions.

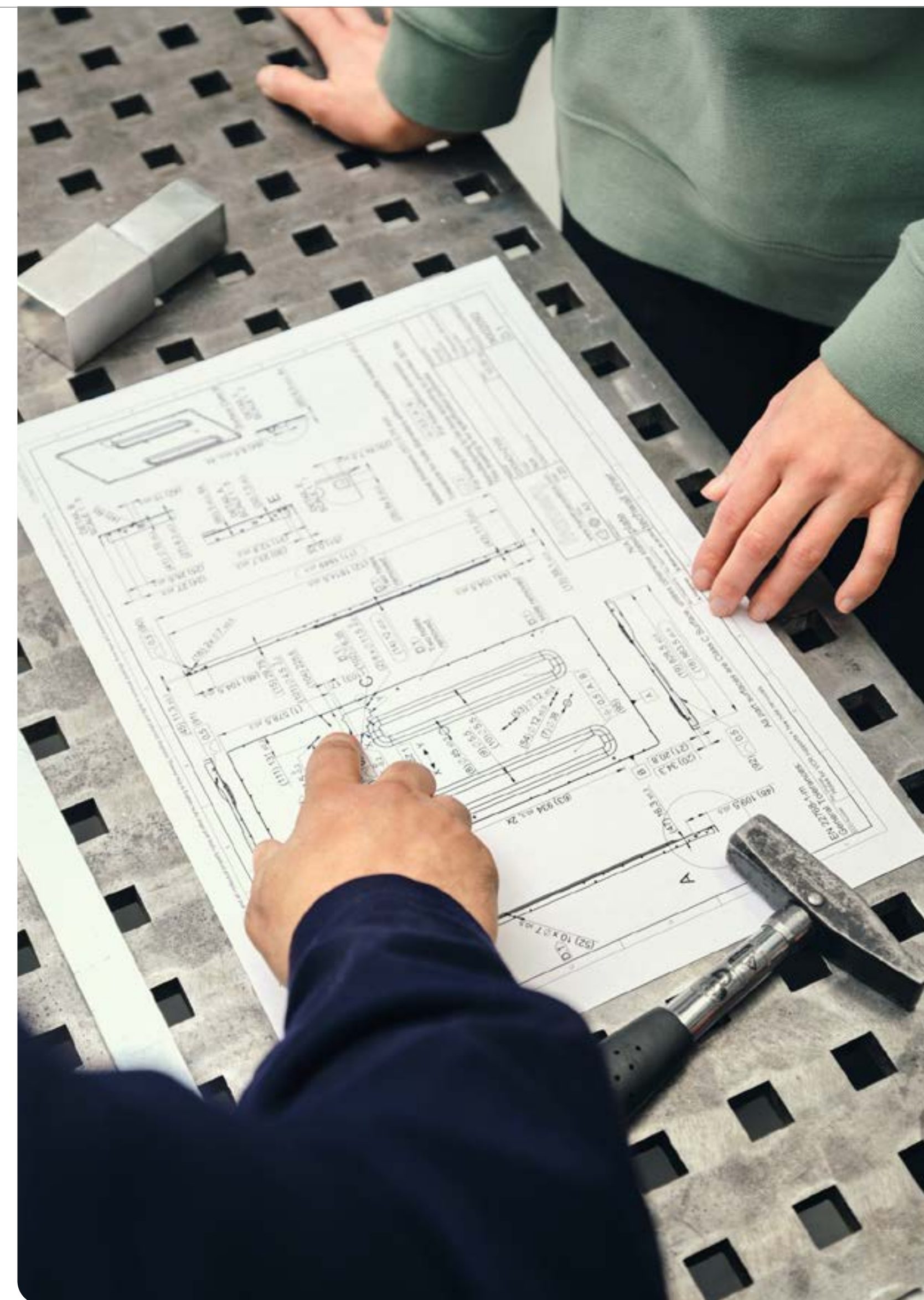
Framery's Code of Conduct, Supplier Code of Conduct, Environmental Policy, Occupational Health & Safety Policy, and Quality Policy are available on our website. All of Framery's policy commitments have been approved by the CEO and shared with all employees.

The management of the company is responsible for reporting all relevant topics to the board at least annually or whenever a relevant issue arises. The open issues are then followed at the board level until they are closed and the issue is remediated, with relevant KPIs set when needed. Within the company, all employees are instructed to report to their supervisors, People & Culture business partners, executive team members, or to any other relevant party when facing an issue. Additionally, an anonymous whistleblower channel exists if none of the other channels are seen as feasible means of communicating the issue.

Everybody at Framery can seek advice from their team leader or People & Culture business partner. To encourage open dialogue within the organization, we foster a close relationship and interaction with their team leader. Additionally, Framery has a whistleblowing channel that employees can use to report suspicions of misconduct or illegal activities. Employees can do so anonymously, without fearing repercussions. External stakeholders can raise concerns through their contact person at Framery.

In 2023, no significant non-compliance cases with laws and regulations were recorded.

Framery is 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. Besides participation in the United Nations Global Compact (UNGC), Framery joined the Science Based Targets initiative (SBTi) in 2020. SBTi is a call to action for the private sector to set ambitious climate targets.



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How our report was created

Framery publishes its sustainability data annually. Framery has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023. This is our fifth annual sustainability report and it was published on May 2, 2024.

The boundary of our reporting is all Framery related entities, of which Happyspace Oy is the top company. This report covers Happyspace Oy and all of its subsidiaries. It contains data for Framery's operations, excluding leased workers, dealers, and suppliers, unless otherwise stated. No significant restatements of previously reported information were made. Framery is a privately owned company with headquarters and production at Patamäenkatu 7, 33900 Tampere, Finland. As a non-listed company Framery has not published any financial statements publicly.

The information contained in this report has not been externally assured.

For more information about Framery's sustainability work write to: sustainability@frameryacoustics.com



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Disclosure	Location
GRI 2: General Disclosures 2021	
The organization and its reporting practices	
2-1 Organizational details	Framery in brief, p. 5 How our report was created, p. 45
2-2 Entities included in the organization's sustainability reporting	How our report was created, p. 45
2-3 Reporting period, frequency and contact point	Publication date May 2, 2024 How our report was created, p. 45
2-4 Restatements of information	How our report was created, p. 45
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Activities and workers	
2-6 Activities, value chain and other business relationships	Framery in brief, p. 5 CEO's review, pp. 6-7 Strategy, pp. 9-10 The world's most sustainable pods, p. 11 Making the world's most sustainable pods even more sustainable, p. 12
2-7 Employees	The number of employees related figures are reported as headcount in the end of the reporting period Employees and the wider workforce, p. 31
2-8 Workers who are not employees	The use of external labor includes subcontracting and the use of agency labor, and its principles are agreed in cooperation with employee representatives. Agency labor has been and will be used in those situations where hiring expertise to Framery is not profitable due to short-term or constantly fluctuating expertise needs. During the year 2023 the use of agency labor has been moderate, and the number of agency employees in the end of the reporting period is <5. Additionally, external labor is procured in situations where the required expertise is not part of Framery's core business or directly supportive to it. Employees and the wider workforce, p.31
Governance	
2-9 Governance structure and composition	Governance, pp. 41-42
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2-11 Chair of the highest governance body	Governance, p. 42
2-12 Role of the highest governance body in overseeing the management of impacts	Governance, pp. 41-42
2-13 Delegation of responsibility for managing impacts	Governance, pp. 41-42
2-14 Role of the highest governance body in sustainability reporting	Governance, p. 42

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2-20 Process to determine remuneration	Governance, p. 42
2-21 Annual total compensation ratio	Governance, p. 42
Strategy, policies, and practices	
2-22 Statement on sustainable development strategy	CEO's review, pp. 6–7
2-23 Policy commitments	Principles of our operations, p. 43 Framery's policies are published at frameryacoustics.com/en/company/responsibility/
2-24 Embedding policy commitments	Principles of our operations, p. 43 Sustainability management, pp. 22-23
2-25 Processes to remediate negative impacts	Principles of our operations, p. 43 Sustainability management, pp. 22-23
2-26 Mechanisms for seeking advice and raising concerns	Principles of our operations, p. 43
2-27 Compliance with laws and regulations	Principles of our operations, p. 43
2-28 Membership associations	Principles of our operations, p. 43
Stakeholder engagement	
2-29 Approach to stakeholder engagement	The categories of stakeholders Framery engages with include: employees and wider workforce, customers (including partners, architects, end customers), end users, suppliers and other partners, industry organizations and NGOs, media and influencers, authorities, owners, investors and financiers, universities and other educational institutions, and local communities. Introduction, pp. 3–7 Strategic outlook, pp. 8–16 Impact, pp. 17–43
2-30 Collective bargaining agreements	Employees and the wider workforce, p. 31

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3-1 Process to determine material topics	Our material topics, p. 19
3-2 List of material topics	Our material topics, p. 19
3-3 Management of material topics	Sustainability management, pp. 22–23
ECONOMIC PERFORMANCE	
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	Economic value creation, p. 39
ANTI-CORRUPTION	
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	Sustainability management, p. 23 Promoting fair business in the value chain, p. 40
MATERIALS	
GRI 301: Materials 2016	
301-1 Materials used by weight or volume	Environmental efficiency, p. 28 The materials used include both materials used in production and packaging materials.
301-2 Recycled input materials used	Environmental efficiency, p. 28
ENERGY	
GRI 302: Energy 2016	
302-1 Energy consumption within the organization	Energy consumption is reported based on invoices and data provided by the energy services supplier. The electricity consumption of warehousing is included starting from 2022 as the data became available. Environmental efficiency, p. 28
302-3 Energy intensity	The energy intensity is calculated by dividing the total energy consumption by revenue. Environmental efficiency, p. 28

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WATER AND EFFLUENTS	
GRI 303: Water and Effluents 2018	
303-1 Interactions with water as a shared resource	Framery does not use any water in its manufacturing processes. However, Framery is linked to water-related impacts through production of the components that Framery purchases from its suppliers. Water-related topics are considered both in Framery's product LCA studies and in the materiality assessment process in order to understand and manage the related impacts.
EMISSIONS	
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	GHG emissions are calculated following The GHG Protocol's Corporate Accounting and Reporting Standard and based on energy consumption figures. Emission factors are obtained from Statistics Finland (fuel classification for scope 1 emissions). Biogenic emissions are not reported due to minor impact. Climate impact, pp. 25–26
305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions are calculated following The GHG Protocol's Corporate Accounting and Reporting Standard and based on energy consumption figures. Emission factors are obtained from Statistics Finland (district heat production in Finland for heating, scope 2 location-based), Fingrid (emission coefficients of the Finnish electricity system for scope 2 location-based), and Tampereen Sähkölaitos (for heating, scope 2 market-based) besides our energy services supplier (for electricity, scope 2 market-based). Biogenic emissions are not reported due to minor impact. The emissions related to electricity consumption of warehousing is included starting from 2022 as the data became available. Climate impact, pp. 25–26
305-3 Other indirect (Scope 3) GHG emissions	GHG emissions are calculated following The GHG Protocol's Corporate Value Chain (Scope 3) Standard and based on Framery's Environmental Product Declarations (EPD, impact category GWP-fossil) and their underlying product LCA studies. As some of the EPDs are based on earlier data than of the reporting year, the reported scope 3 emissions shall be considered a reasonable estimate. Framery reports on the following scope 3 categories: 1. Purchased goods and services, 4. Upstream transportation and distribution, 9. Downstream transportation and distribution, 11. Use of sold products, and 12. End-of-life treatment of sold products. Climate impact, pp. 25–26
305-4 GHG emissions intensity	The GHG emissions intensity is calculated by dividing the total GHG emissions (incl. Scope 1, Scope 2 (market-based) and Scope 3) by revenue. In 2023, the GHG emissions intensity reached 213 tCO ₂ e/MEUR (2022: 226)
305-5 Reduction of GHG emissions	Reduction of GHG emissions is calculated with respect to Framery's Science Based Target, covering the Scope 1 and Scope 2 (market-based) emissions. Climate impact, p. 25

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WASTE	
GRI 306: Waste 2020	
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306-4 Waste diverted from disposal	Environmental efficiency, p. 28
306-5 Waste directed to disposal	Environmental efficiency, p. 28
EMPLOYMENT	
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	Employees and the wider workforce, p. 34
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Framery offers similar benefits to all its employees despite the nature of the employment. There are country-specific differences if the parental leave is a paid or unpaid leave, but all employees are entitled to parental leave. In Finland, which is the biggest location of our operations, the only applicable limit for paid parental leave is that the employment needs to have continued minimum 6 months before the birth and/or the start of the parental leave. This applies to full-time, part-time, and temporary employees. Employees and the wider workforce, p. 33
401-3 Parental leave	Employees and the wider workforce, p. 33
OCCUPATIONAL HEALTH AND SAFETY	
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	Employees and the wider workforce, p. 32
403-2 Hazard identification, risk assessment, and incident investigation	Sustainability management, pp. 22–23 Employees and the wider workforce, pp. 32–33
403-3 Occupational health services	Sustainability management, pp. 22–23 Employees and the wider workforce, pp. 32–33
403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability management, pp. 22–23
403-5 Worker training on occupational health and safety	Sustainability management, pp. 22–23 Employees and the wider workforce, pp. 32–33
403-6 Promotion of worker health	Employees and the wider workforce, pp. 32–33
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability management, pp. 22–23 Healthy and safe materials, p. 37
403-8 Workers covered by an occupational health and safety management system	Employees and the wider workforce, p. 32

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403-9 Work-related injuries	Employees and the wider workforce, p. 32
403-10 Work-related ill health	Employees and the wider workforce, p. 32
TRAINING AND EDUCATION	
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	Trainings by gender and employee category not available. Employees and the wider workforce, p. 33
404-2 Programs for upgrading employee skills and transition assistance programs	Information about transition assistance programs not available for disclosure. Employees and the wider workforce, p. 33
404-3 Percentage of employees receiving regular performance and career development reviews	100% of production employees received a regular performance and career development review during 2023. The percentage is not available for officials. We have an annual personal development cycle for officials and senior officials. We offer tools to the team leader and the employee to support a discussion of personal development topics. Still, we don't actively follow the number of discussions. Information is not available by gender and employee category. Employees and the wider workforce, p. 33
DIVERSITY AND EQUAL OPPORTUNITY	
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	Employees and the wider workforce, p. 31
405-2 Ratio of basic salary and remuneration of women to men	Employees and the wider workforce, p. 32
NON-DISCRIMINATION	
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken	Employees and the wider workforce, p. 32
CUSTOMER HEALTH AND SAFETY	
GRI 416: Customer Health and Safety 2016	
416-1 Assessment of the health and safety impacts of product and service categories	Sustainability management, pp. 22–23 Healthy and safe materials, p. 37
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Framery has not encountered cases where Framery products would have been non-compliant. There have been cases where, for example, Framery products have been flagged because the pods have not been equipped with sprinklers and then the customer has installed a sprinkler head into the product.

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CONTACT US

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

