

louis poulsen



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ADAPTABILITY AND RESILIENCE



Søren Mygind Eskildsen, CEO

ADAPTABILITY AND RESILIENCE

The beginning of 2022 marked the reopening of many countries around the world, after the Covid-19 pandemic, which was a positive development for many of us. Shortly thereafter, the Russian invasion of Ukraine, took the world by surprise, and as the year progressed the impact on aspects such as the economy and politics also led to increases in energy prices causing complexity for companies and citizens alike. Additionally, climate change led to record-breaking temperatures worldwide leading to challenges, with many countries experiencing wildfires and extreme heat.

I believe we may have to accept that the increased complexity we've all experienced in recent years, particularly in 2022, will become the norm in the future, making adaptability and resilience key in the years to come.

In 2022, Louis Poulsen aligned our ESG targets and measures with Design Holding's Sustainability Pillars, namely: Design for the Planet, Design for People and Design for Culture, which all aim to address different aspects of our work with ESG.

DESIGN FOR THE PLANET

Design for the Planet intends to foster our commitment to sustainability, by blending innovation, eco-design, and circularity principles in our business activities, and throughout our value chain. To achieve this, we actively work to reduce the environmental impact of our products - from procuring raw materials to manufacturing and transporting them according to more sustainable procedures.

Furthermore, we work to contribute to fighting climate change by setting clear targets inspired by global best practice standards. We aim to limit our footprint across our supply chain and target a significant decrease in our carbon emissions, promoting new sustainable practices related to environmental performance.

The key activities in 2022 to support this were the data-collection to calculate scope 1, 2 and 3 emissions to support the development of the Design Holding ECO Design Framework. The framework introduces a shared vocabulary and ensures that all brands implement similar circular design and recycling principles and practices. The ambition is to leverage the strengths of the Group to develop innovative systems, processes, and a universal knowledge base to minimize environmental impact, and to ensure common practices for reporting and communication. The framework will be further developed in 2023, as we will add an ECO Design product assessment methodology and tool, to be able to rate our products across brands and product types.

In 2022 Louis Poulsen completed lifecycle assessments and developed Environmental Product Specifications for our architectural product range to provide transparency regarding the specifications of our products, specifically for the business-to-business market.

DESIGN FOR PEOPLE

The purpose of the second pillar "Design for People" is to foster a better quality of life. This means sharing a common ethos focused on creativity, quality, and respect. Louis Poulsen promotes

sustainable luxury, creating products that provide exceptional light, to help create spaces for people to thrive. With this in mind we have worked on several projects in 2022, and one particularly important project is the Stillachhaus Private Clinic, for which we have provided several fixtures that exude exceptional light, which has been found to be an important element in human well-being.

This pillar also speaks to our work in guaranteeing the well-being of our employees, suppliers and customers, respecting the diversity of these groups. Therefore we continue to work to ensure that we maintain a professional approach to all those we work with, as well as ensuring a strong culture of collaboration and collective well-being among our employees.

We aim to increase diversity and inclusivity throughout our corporate hierarchy and all company positions, instilling a culture of equality. It's our duty and ambition to create a fair and inclusive work environment, where everyone - regardless of background - is empowered and able to unlock their full potential, all while generating value for communities around the world.

DESIGN FOR CULTURE

The purpose of the third pillar "Design for Culture" is to nurture Design Holding's brands' identities and promote craftsmanship and design heritage. It goes without saying that the quality and experience that goes into each of our products and the timelessness of the iconic designs guarantee their longevity, and in turn their sustainability. Besides this we create disruptive and innovative solutions and processes, that enable us to influence design culture and the industry, with the aim of promoting widespread adoption of sustainable practices.

To support this pillar in 2022, we sponsored the talented young designer Lise Vester on a project to produce an installation piece for The Cabinetmakers' Autumn Exhibition which had the theme "Factory". Additionally, we collaborated with KAKAO friends, to create the Panthella Portable "Ryan". Both of these projects strengthen our ties to the communities we operate in, while nurturing and celebrating our design experience and heritage.

Louis Poulsen is committed to continuing our work to develop our sustainable practices, to ensure that we strengthen our relationship with the communities we serve, while creating value across the board.

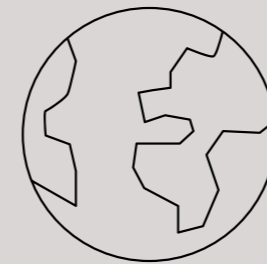
CONTINUE TO GROW
LOUIS POULSEN AS
AN INTERNATIONALLY
ACCLAIMED HIGH-END
LIGHTING BRAND.

Building on our strong heritage, we aspire always to exceed expectations in delivering long-lasting design that shapes light for people and spaces. We envision a world with only good light and are committed to giving people a better quality of life through exceptional lighting.



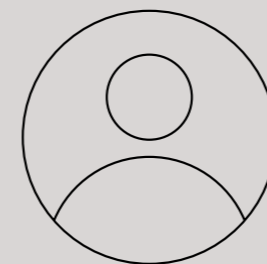
SUSTAINABILITY PILLARS

In 2022 Louis Poulsen aligned our ESG pillars, with Design Holdings Sustainability Pillars, and devised targets and measures to reflect the following structure.



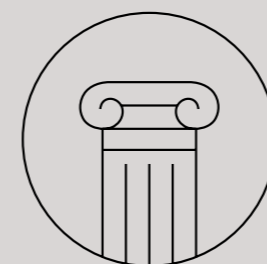
DESIGN FOR THE PLANET

By 'Designing for the Planet', we are stating our pledge to a thorough and environmentally committed approach throughout our operations, from production lines to office activities. This translates into embedding eco-design principles into all our Brands' design and engineering processes and assessing crucial aspects along the value chain by monitoring ESG risks. Working alongside our suppliers, we as a Group are committed to not only improving our own performance, but to being a beacon for the high-end design sector, spreading sustainability consciousness and modelling and driving forward change.



DESIGN FOR PEOPLE

By 'Designing for People', Design Holding is demonstrating that, products can be designed and made to last a lifetime and to bring beauty and value to homes and communities. We are actively engaged in creating an inclusive working environment where diversity can thrive, and in developing a powerful mindset that enables our employees to enjoy exciting careers and realize their full potential. Design Holding also intends to be a proactive actor in the communities of which it is a part through the establishment of partnerships that create long-term social value.



DESIGN FOR CULTURE

By 'Designing for Culture', Design Holding seeks to preserve the craftsmanship enshrined in its Brands' products and to promote the historical value encapsulated in their most iconic design pieces by supporting scientific research and rescuing design legacies for the benefit and enjoyment of future generations.



ESG DASHBOARD

To monitor our progress, we have compiled an ESG Dashboard for the Full Year 2022, that is related to the key pillars of our work with ESG.

DESIGN FOR THE PLANET	Greenhouse gas emissions: 39,533 tCO ₂ e Emission scope 1, 2 and 3 Scope 1: 902 tCO ₂ e Scope 2: 301 tCO ₂ e Scope 3: 38,350 tCO ₂ e % Renewable Electricity Sourced: 79 Waste: 444 kg	
DESIGN FOR PEOPLE	Voluntary Turnover Rate: 15.7 LTIFR: 2.2	Diversity & Inclusion: No. of FTEs by gender: 251 Female, 209 Male % of FTEs by gender: 54.7% Female, 45.5% Male % of FTEs in managerial positions by gender: 33% Female 67% Male
DESIGN FOR CULTURE	# of sponsorships of projects: 1 – Lise Vester	Brand collaborations: # of collaborations: 1 – KAKAO Friends

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LOUIS POULSEN
AT A GLANCE

LOUIS POULSEN IS PROUD TO BE A HIGH-END DANISH LIGHTING BRAND.

Our philosophy has deep roots in Scandinavian design tradition, where form follows function. Since Louis Poulsen was founded, we have sought not to design lamps, but to shape light.

Louis Poulsen is internationally recognised for providing our customers with exclusive lighting solutions of high quality and functional design. Our products are sold to both the consumer and commercial markets in Denmark and abroad. With our unique lighting and high quality, we serve the upper segments of both markets in the product categories of Decorative, Outdoor and Indoor Architectural. All our products meet the demand for a unique design as well as comfortable and glare-free lighting as well as fulfilling international demands for energy optimisation.

Louis Poulsen has established itself as a leading global architectural and decorative lighting brand and has a global presence with showrooms in Copenhagen, Oslo, Tokyo, Singapore and Dusseldorf. In 2023 we will open a new showroom in New York on Madison Avenue, as well as a directly operated store in Tokyo and we have developed a roadmap with Design Holding to continue the showroom expansion, in North America and Asia.

At Louis Poulsen, our aim is to improve quality of life by providing functional products that make people feel good, both indoor and outdoor. Sustainability in terms of long-lasting

products has always been a cornerstone of our business, and our products are long-lasting both in their durability and their design. Since Louis Poulsen was founded in 1874, timelessness has been a key element in our design philosophy, and we believe that the best designs are the ones that withstand the test of time.

Since 2018, Louis Poulsen has been owned by Design Holding S.p.A. which is jointly controlled by the Carlyle Group with funds managed by Investindustrial. The Design Holding Group consists of complementary companies that all have a strong individual identity and significant design heritage.

Design Holding is a global leader in high-end design with a cultural heritage of European origin. Louis Poulsen's management and sales operation are based in our headquarters in Copenhagen while our production facility is located in Vejen, Denmark.

This report constitutes Louis Poulsen's statutory reporting on corporate responsibility according to the Danish Financial Statement Act.



ASSESSING OUR PROGRESS

As the level of attention around Scope 3 emissions increases both for investors and legislators, the robustness of calculation methodologies becomes more and more pivotal.

GHG inventories are developed such that they rely on both supplier-specific data (primary data) and industry/literature data (secondary data).

In order to carry out the calculations in the most time-effective way, estimations will serve as an enabler to guarantee methodology consistency and result achievement.

At Louis Poulsen our reporting methods have continued to grow towards being as comprehensive and as accurate as possible.

Included Not included

Scope 3 (upstream)

- 1. Purchased goods and services
- 2. Capital goods
- 3. Fuel-and-energy- related activities (not included in Scope 1 or 2)
- 4. Upstream transportation and distribution
- 5. Waste generated in operations
- 6. Business Travels
- 7. Employee commuting
- 8. Upstream leased assets

UPSTREAM ACTIVITIES

Scope 1 & 2

- Scope 1**
All the direct emissions coming from the Group's operations (natural gas consumed for heating purposes, diesel and gasoline for the car fleet, etc).
- Scope 2**
All the indirect emissions coming from the Group's electricity and district heating consumption, purchased from the grid.

GROUPS PERIMETER

Scope 3 (downstream)

- 9. Downstream transportation and distribution
- 10. Processing of sold products
- 11. Use of sold products
- 12. End of life of sold products
- 13. Downstream leased assets
- 14. Franchises
- 15. Investments

DOWNSTREAM ACTIVITIES




WE SUPPORT THE UN'S SUSTAINABLE DEVELOPMENT GOALS

The world was introduced to the UN 2030 Agenda for Sustainable Development in 2015. As part of the agenda, 17 SDGs were established as a blueprint for achieving a better and more sustainable world.


They provide businesses, governments, individuals, and other stakeholders with a common framework within which to align their actions. Louis Poulsen is committed to supporting the global pursuit of sustainable development.

Commitments



Design for the Planet

GOAL	SDG	DESCRIPTION	TARGETS	TARGET YEAR
Energy and climate change		Climate change mitigation is developed by implementing strategies that limit or prevent greenhouse gas emissions and by enhancing activities that remove these gases from the atmosphere. Our objective is to design a decarbonization strategy aligned with other brands in Design Holding as well as the Science-Based Target initiative. This will include both our own operations and our value chain.	Definition and validation of a Science-Based Target	2023
Eco-design and Circular Economy		Eco-design considers environmental aspects at all stages of the product development process, aiming to create products that make the lowest possible environmental impact throughout their life cycle. Our objective is to implement an eco-design framework that can be applied across all workflows.	Define the eco-design framework	2023 - achieved
Supply Chain Management		Sustainability needs to be a guiding principle across our supply chain. Our objective is to implement an ESG suppliers' rating system that enables us to assess each relevant supplier's (defined according to specific criteria and thresholds) ESG risks, and to treat risky variables by engaging business partners.	Define a global framework for the supplier ESG evaluation. 100% of relevant suppliers mapped and assessed	2025 2025

Design for Culture

GOAL	SDG	DESCRIPTION	TARGETS	TARGET YEAR
Engage Communities		Strategic partnerships – Establish a number of partnerships with vocational technical schools, key universities, business schools and other non-governmental institutions to bring value to wider communities.	2 Louis Poulsen collaboration projects activated	2023

Design for People

GOAL	SDG	DESCRIPTION	TARGETS	TARGET YEAR
Diversity and Inclusion		As a global team we offer a diverse working environment. We truly believe that a diverse workforce, supported by an inclusive and caring environment that respects and nurtures people, is a way to improve well-being and our business performance.	At least 50% employees attending specific training to manage their biases and practice new behaviours. We are working to increase the proportion of female senior leaders. Our aim is to reach 42% the end of 2026.	2024 2026
People Empowerment		Continuous improvement – introduce bottom-up committees as well as a structured review process for evaluating and ultimately implementing proposed career development initiatives.	Completion of a survey of our population to define current Net Promoter Score (NPS)	2023

SELECTED KEY PERFORMANCE INDICATORS

While Louis Poulsen contributes positively to a number of the SDGs, we are also aware that we have a negative impact on others. When considering the lifecycle of our products, the negative environmental impact is primarily driven by the use of our products, which accounts for approximately 70% of the total LCA emissions. Aside from this, the production and transportation of our products also has an impact.

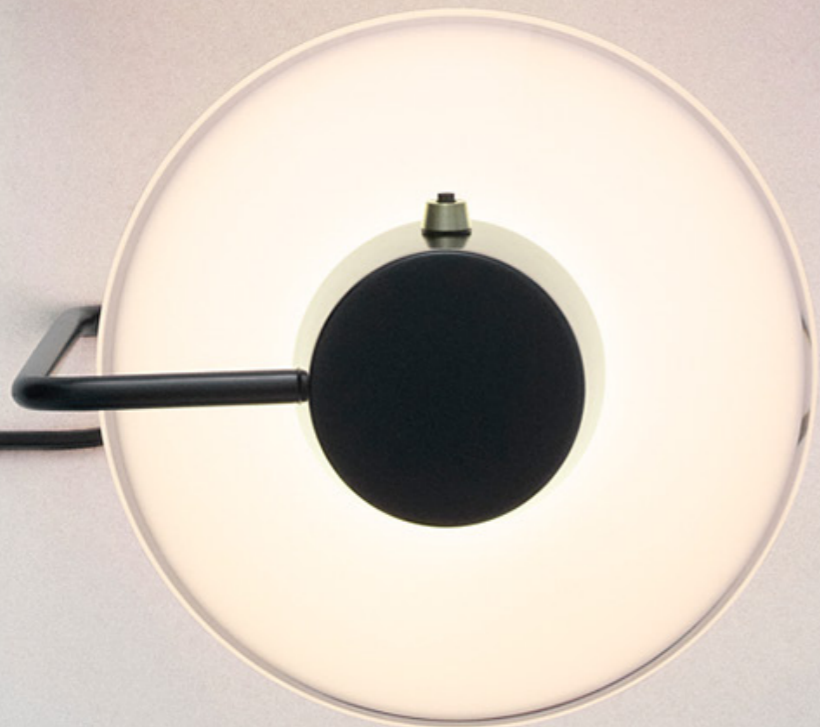
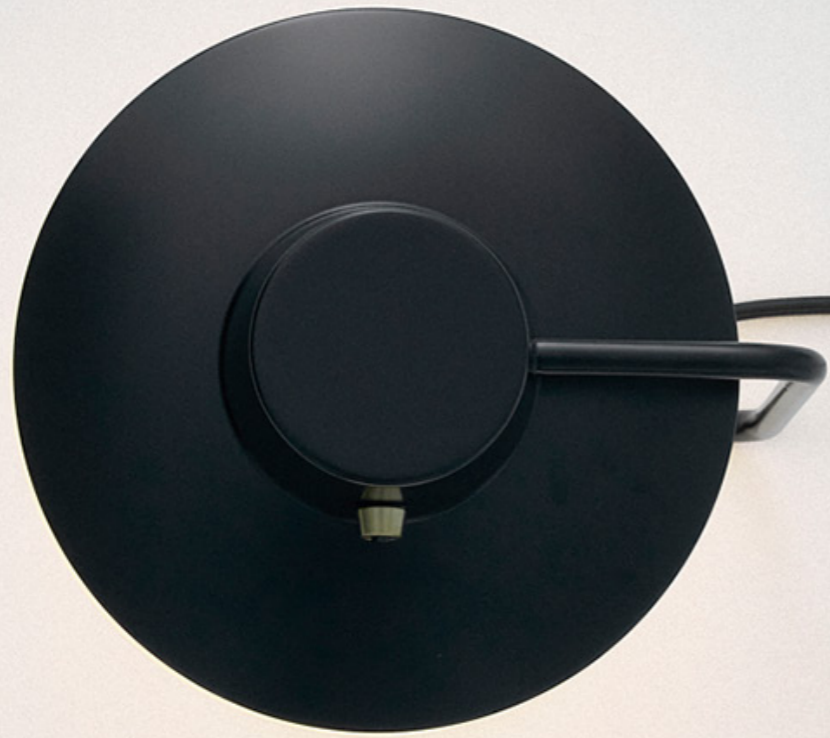
We see it as our responsibility to ensure that our operations are conducted in a way that minimises this negative impact. Through our growing focus on innovation and circularity, we will continue to seek ways in which we can minimise our negative impact on the environment and the climate, as well as continue to strengthen our positive contribution to a sustainable development. At the beginning of 2020, we identified the SDG goals and targets with the strongest association with our business activities. These are the ones we believe influence our sustainability work the most. The identified goals and targets cover issues that are core to our business activities and are integrated into the three strategic pillars of our sustainability strategy. We are committed to contributing to the SDGs by identifying initiatives that will help to improve our performance.

To track progress, we have defined a range of KPIs, targets within each sub-target. In the coming years we will report on the progress made within each of the sub-targets and the progress towards our overall target.

KEY TAKEAWAYS

Energy intensity has returned to normal levels after a busy 2021, while the amount of CoC signees have increased with the target for 2023 in sight. A substantial decrease in the amount of lost time injuries is showing progress in approaching our target of 0 in 2023. Furthermore, the waste per product has increased, while still being lower than 2020 levels. Finally, the amount of upcycled product has increased substantially, showing progress towards the target.

DESCRIPTION OF SDG SUBTARGET	LOUIS POULSEN INDICATORS	2020 (BASELINE)	2021 ACTUALS	2022 ACTUALS	2023 OBJECTIVES
By 2030, double the global rate of improvement in energy efficiency.	Energy intensity (total direct and indirect energy per FTE)	13.66 MWh per FTE.	16.56 MWh per FTE.	15 MWh per FTE.	10% reduction to 13.5 MWh per FTE.
Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular female migrants, and those in precarious employment.	Share of spend from suppliers covered by the policies of workers' rights (covered by signing Code of Conduct). Number of work-related lost time injuries in own production.	96% of spend from suppliers covered. Intensified the collaboration with the Elmegade institution to support employment of socially challenged people. 4 lost time injuries in own production.	96% of spend from suppliers covered. 14 lost time injuries in production.	97% of spend from suppliers covered. 3 Lost time injuries in production.	98% of spend from suppliers covered. Continuing target of 0 lost time injuries in production.
By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Waste per product.	1.75 kg waste per product.	1.27 kg waste per product.	1.57 kg waste per product.	1.00 kg waste per product by 2023.
By 2030, achieve the sustainable management and efficient use of natural resources.	Number of upcycled products sold (from take-back scheme).	0	54 upcycled products sold.	209 upcycled products sold.	Total of at least 1000 units of upcycled products sold.



COMPLIANCE AND DATA ETHICS

COMPLIANCE PROGRAM

As Louis Poulsen operates across several cultures, traditions, local laws and practices, it is important that we ensure that all employees are aware of the common set of principles, which provide guidance about what Louis Poulsen considers responsible business practices and ethical behaviour. These principles are outlined in the Design Holding Group's Code of Conduct (CoC). We have implemented measures to ensure that all employees are familiar with our CoC and that everyone reflects our policies. We consider the CoC to be a vital part of the organisation to ensure that we always work within the framework of the law and facilitate successful enforcement, in case of unethical or illegal conduct. The CoC is updated and improved on a regular basis to align with business requirements and stakeholder expectations.

DATA ETHICS

Data ethics is an important area for Louis Poulsen, including specific protection of personal data. Louis Poulsen has defined and implemented a set of rules for data protection to ensure compliance in relation to the company's collection, processing and storage of data.

Louis Poulsen's set of data protection rules and related guidelines (GDPR and IT Policy), form the basis of the company's Data Ethics policy. With this basis for Data Ethics, Louis Poulsen respects the expectations of our partners to operate in accordance with legal and ethical standards and we establish a solid basis for a trusting cooperation with our customers.

Louis Poulsen is committed to ensuring that all business and services are conducted in an ethically and legally impeccable manner and aligns business activities with the relevant requirements.

Louis Poulsen uses the necessary data for operating the business such as customer, supplier, HR and regulatory data. The data consists of master data received from the involved stakeholders and operational data either received from the stakeholders or generated during the operational processes. The processing of personal data, such as name, address, e-mail address or telephone number, is always in accordance with the general data protection regulation (GDPR) and the specific data protection rules of the country in question. The set of rules for data protection contains information about data controller and data protection consultant, data collection and data processing, duration of data storage and rights, etc. Louis Poulsen's set of data protection rules also contains information on data protection for business associates.

Louis Poulsen wants to ensure a fundamental development and permanent maintenance of suitable, target-oriented measures to raise the awareness of Louis Poulsen employees on data ethics.

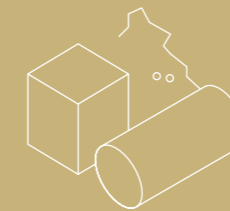
Decisions about data use and new technology, including how the company's efforts and policies for data ethics are evaluated, are thus anchored in the organization through training and information, e.g. via intranet through the Louis Poulsen Group's Compliance rules.

OUR VALUE CHAIN



DESIGNING

High quality products with more than 100 years of history and over 65 designs.



SOURCING

Raw materials and components sourced from 40 strategic suppliers in Denmark, Southern Europe and Asia.



PRODUCING AND ASSEMBLING

In-house production of components done by a total of 164 blue-collar workers, out of 460 employees.



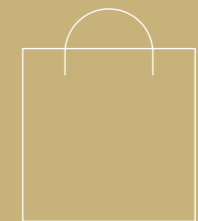
SELLING AND DISTRIBUTING

Sales channels annual revenue (2022) 151 million EUR.



REACHING OUR CUSTOMERS

Both personal and professional customers are reached through 1759 distribution points (2022).

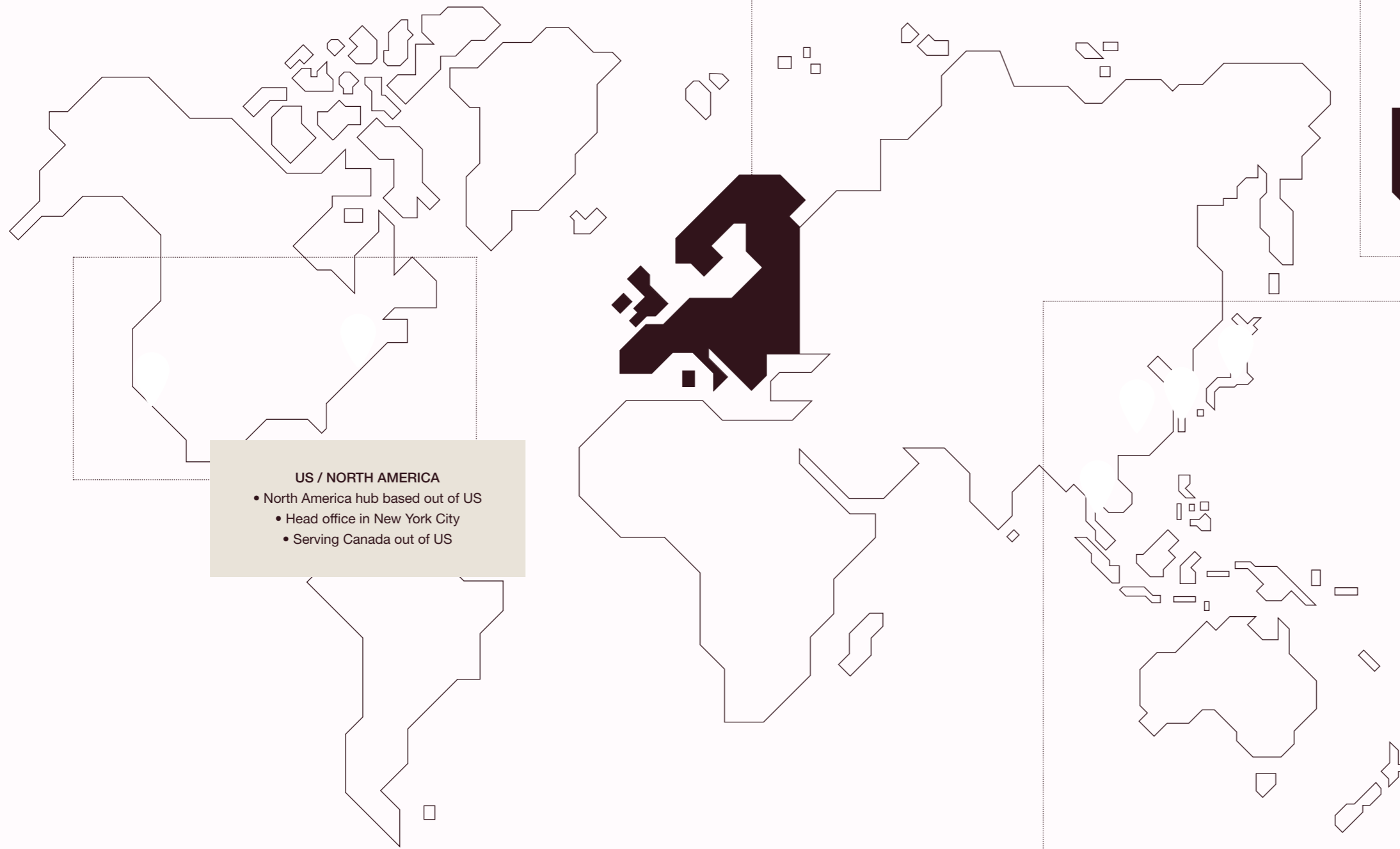


CONSUMERS

Product lifetime of around 20 years.
500,000 products per year
100,000 consumers reached.



COMPANY STRUCTURE



WESTERN EUROPE

- Multiple core markets and headquarters in Copenhagen managing multiple markets
- Core markets DK, NO, SE/FI, Central Europe, FR, ES and UK
- Own production and warehousing in Vejen, Denmark



INTERNATIONAL

- International hub based in Copenhagen managing multiple markets
- Dedicated presence in Middle East
- Project sales in non-core markets

US / NORTH AMERICA

- North America hub based out of US
- Head office in New York City
- Serving Canada out of US

ASIA / PACIFIC

- Dual hub based in Singapore and Tokyo
- Japan - dedicated organisation with office in Tokyo
- RoA organisation with HQ in Singapore
- South Korea - dedicated organisation
- China - dedicated organisation

“We at Design Holding use design to create beauty, to beautify people’s lives, and craft beautiful and innovative objects that – through their design- have both longevity and minimal environmental footprint on our planet across their lifetime.

The culture and ethos of sustainability, it is all about designing and crafting beauty – for society, for our own people, and for all the world around us”

DANIEL LALONDE, CEO DESIGN HOLDING

DESIGN HOLDING MATERIALITY ANALYSIS

Sustainability is one of the strategic assets to reach Design Holding’s ambitions, underpinning everything we do and helping us reach our primary goal of being a pioneering and responsible global leader in the luxury design market: this document sets out our Group’s sustainability strategy for the coming years, built on a strong analytical process of study.

This year, to strengthen the theoretical basis on which the document is based, we have worked to update the analysis on the pivotal sustainability topics that reflect the most relevant impacts we have through our operations and across our value chain on the economy, the environment and people, including human rights. The impacts the Group generates, or may generate, can be negative, if they produce harm to individuals, society and the environment, or positive if, conversely, they generate a positive contribution to sustainable development. The relevant topics covered in this year’s Sustainability Report were identified using an updated “materiality analysis” process in accordance with the GRI Standards 2021, consisting of the following steps:

1. an understanding of the context in which Design Holding operates;
2. the identification of the current and potential negative and positive impacts that the Group and its value chain have or may generate;
3. an evaluation of the significance of each impact, based on its severity and likelihood, as well as a prioritization of the impacts;
4. the identification of the material topics associated with the impacts identified as pertinent in the preceding steps;
5. the validation of the impacts identified by Design Holding top management and relevant stakeholders.

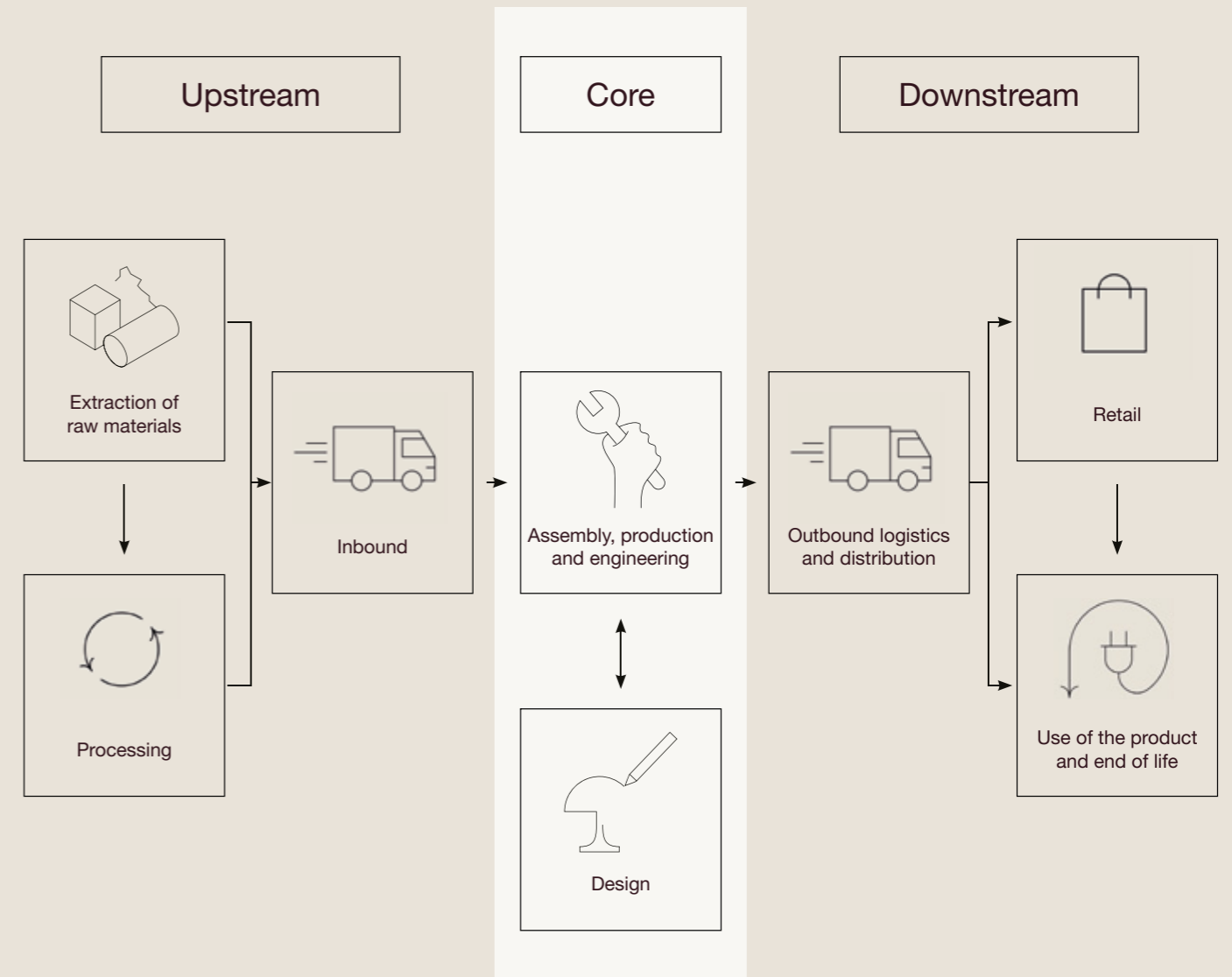
THE CONTEXT IN WHICH WE OPERATE

In order to identify the impacts we generate, all stages of the Group's value chain were mapped, identifying activities managed directly by the Holding and by our Brands (Core) as well as activities carried out by other actors, such as suppliers and other stakeholders, both upstream or downstream.

In particular, our value chain is comprised of different production processes and spaced across multiple geographies. To manage this complexity, supply chain management is devolved to our Brands and individual subsidiaries, in order to ensure the most territorial coverage possible and tailoring to individual production needs[2-6]. This structure enables each of our Brands to champion local suppliers and support the local communities in which they operate. This in turn improves reliability and delivery times and enables Brands to maintain a close and lasting relationship with suppliers.

Each Brand of our Group can count on a consolidated business model, comprising production facilities and a carefully selected suppliers' network, necessary to maintain and expand production capacity. However, the insourcing and outsourcing mix is structured in a way that keeps the most critical phases in-house, so as to ensure the highest level of quality and service to clients and customers. In particular, our Brands mainly operate in the design; assembly, production and engineering, and retail phases of the value chain (Core).

Mapping our value chain has laid the foundation to identify in which stages we have or could have a greater impact. These impacts were then identified through an analysis focused on the sector we operate in, on the sustainability issues spotted by the media, and on a benchmark of the impacts of the Group's main competitors and comparable companies.



IDENTIFICATION AND EVALUATION OF SIGNIFICANT IMPACTS

At this stage, the impacts we identified were addressed by an assessment of their significance, based on different attributes:





- severity of the impacts, determined by scale (how grave the impact is), scope (how widespread the impact is on the value chain), and irremediable character (how hard it is to counteract or make good the resulting harm);
- likelihood, namely, the chance of the impact happening.

Thanks to this process, we were able to confirm the following material topics, corresponding to the Groups' sustainability impacts. The whole process was validated by a workshop carried out with the Top Management of the Group.

Material topics	Description of material topic	Impacts	Value chain
Inclusion & Empowerment	To foster an inclusive and empowering workplace for everyone, ensuring equal opportunities, growth paths and fairness in our business activities	Discrimination of employees and lack of equal opportunity due to inadequate D&I practices	Core
		Workforce skills development through the promotion of training activities inadequate D&I practices	Core
Business Ethics & Responsibility	To ensure social, ethical and environmental compliance throughout our value chain and operations	Damage caused by violation of legislation on business conduct	Core
Eco-Design & Circular Economy	To integrate eco-design principles and circular economy drivers into our processes, from product design and engineering to end-of-life	Environmental pollution generated by mismanagement of waste	Upstream Core Downstream
		Promotion of Eco-Design and Circular Economy principles	Upstream Core Downstream
Energy & Climate Change	To actively engage in the fight against climate change by reducing emissions across our Group and by encouraging the use of renewable energy	Climate change due to greenhouse gas emissions	Upstream Core Downstream
Responsible Sourcing & Sustainable Supply Chain Management	To strengthen our foothold on our value chain by actively engaging our commercial partners while ensuring the utmost respect of all working conditions	Human and worker rights violations resulting from inappropriate working conditions	Upstream
		Depletion of natural resources caused by raw materials consumption	Upstream
Employees Well-being	To put initiatives in place to enhance our employees' well-being and guarantee the highest standards securing health and safety	Poor working conditions and lack of employees' wellbeing due to an improper protection of workers' safety and mental health	Upstream Core Downstream
Innovation & Product Quality	To secure the highest quality and safety standards for our customers while adopting the best technologies and committing to delivering the highest product experience	Unique and life-lasting products	Downstream
		Loss of brand credibility due to non-reliable marketing and labelling	Downstream
Heritage & Design culture	To preserve the heritage of design icons and promote and disseminate art and design culture across the global community	Preservation of cultural and design heritage	Downstream

RISK ASSESSMENT

As part of assessing the sustainability topics that are most important to Louis Poulsen, we also assess the most material sustainability risks related to human rights, environment, social aspects and anti-corruption on an annual basis. The most material risks identified can be found in the table below. In Chapter 5, Sustainability in our own operations, we discuss the way in which these risks are managed in relation to our supply chain, the environment and our own employees.






Topic	Identified risks	Material risk	Current mitigation activities
HUMAN RIGHTS	Violation of human rights (e.g. child labour, bonded labour or living wage) represent a risk to Louis Poulsen, especially within our supply chain, as we mainly operate in developed economies and have production in our home country, Denmark.		In 2022, suppliers accounting for 97% of our purchasing spend have signed our Supplier Code of Conduct which includes expectations and requirements relating to human and labour rights. All new employees have been informed about the company's human rights policy, and can refer to it in our employee handbook.
ENVIRONMENT	The greatest climate impact of Louis Poulsen's operations derives from the energy consumed during use of the products. Risk of old electronic products not being disposed of properly by the end user and thereby contributing to negative environmental impact. We use metals that are generally associated with a higher environmental and climate impact in the coating of certain products. These impacts could lead to reputational risk if impacts not managed properly.		Monitoring stakeholder requirements and market trends. Producing long-lasting solutions and starting initiative to expand product life-cycle by retrofitting. Ability to manufacture products with low carbon footprint by using more sustainable materials and ensuring energy efficiency in use phase. New framework established to support development of sustainable products. Implemented take-back strategy in 2021.
SOCIAL	Louis Poulsen is greatly dependent on attracting competent employees, which can help our company grow. Our greatest risk is therefore a potential inability to attract the best people to our organisation. The health and safety of our employees is instrumental to our business we recognise that there is a higher health and safety risk related to specific work tasks.		Strong employer brand based on employee engagement. Clear guidelines and rules for health and safety related behaviour such as use of protective equipment. Ensuring safety culture through health and safety management system. Monitoring health and safety levels.
ANTI-CORRUPTION	Our greatest risks pertaining to corruption exist in our sales function and supply chain. We recognise that the risk of unethical behaviour is always present when dealing with third parties even though we mainly operate in developed economies and have production in our home country, Denmark.		In 2022, suppliers accounting for 97% of our purchasing spend have signed our Supplier Code of Conduct which includes expectations and requirements relating to anti-corruption and anti-bribery. In 2022, employees were offered training on selected topics to ensure that they are up-to-date on statutory requirements and the company's guidelines. These courses cover human rights, anticorruption, and other topics. This is a continuous initiative.

CLIMATE RISK ASSESSMENT

We have mapped our climate-related risks and opportunities according to the classification provided by the recommendations from the Task Force on Climate Related Financial Disclosure (TCFD). The TCFD recommendations classify climate risks as either transition risks, which are those that relate to the transition to a low-carbon economy such as increasing regulation, new technologies and changes in energy mix, or physical risks, which can be driven by either acute events or long-term shifts in climate patterns.

The climate-related risks that are most important to Louis Poulsen are transition risks. However, the transition towards a low-carbon economy involves both potential risks and opportunities for us. The most material climate-related risks and opportunities are visualised in the table below.

In 2021, we included an assessment of whether the identified risks are short (<5 years), medium (5-10 years) or long term (>10 years) risks. We assess that most risks and opportunities are relevant to Louis Poulsen already in the short term and thereby require timely monitoring and action.

	Identified risks and opportunities	Material risk or opportunity	Time horizon	Current actions to address risk or opportunity
Climate risks	Policy and legal risk: Increased regulation and new policies on greenhouse gas emissions from logistics and airfreight may pose a risk to Louis Poulsen in terms of increasing costs for logistics and the need to reduce the use of airfreight.		5-10 years	Reducing climate impact of our logistics by optimising transportation. Louis Poulsen only uses airfreight for transportation in exceptional situations and is working on further reducing the need for airfreight by more accurate production planning. Due to the exceptional situation created by the global pandemic in 2020 we used more airfreight than in previous years. Using consignment stock agreements with supplier warehouses in the Nordics and thereby optimising logistics.
	Technology risk: There is a risk that in the future new technologies for lightning solutions with lower carbon footprint will compete against technologies traditionally used by Louis Poulsen.		<5 years	Monitoring the market and use of new technologies adhering to high energy efficiency requirements. Taking whole product life-cycles into account in the design phase, including retrofitting of old products. Looking into alternative battery solutions that enable longer product life cycles.
	Market risk: Consumers are becoming more and more climate conscious in their consumption habits. For example, preferring more local supply chains. In order to ensure consumer trust, Louis Poulsen must live up to sustainability-related expectations and transparently communicate with stakeholders.		<5 years	Systematic monitoring of stakeholder expectations related to sustainability aspects of products as well as Louis Poulsen as a company. Foreseeing and meeting market demand by developing sustainability profile of products and by integrating circularity into design and product life cycle. Increasing the share of sourcing from within the EU region.
	Reputational risk: If sustainability and environmental impacts are not managed correctly, there is a risk of negative reputation, which can result in financial underperformance.		<5 years	Systematic monitoring stakeholder expectations related to sustainability aspects of products as well as Louis Poulsen as a company. Transparent communication and reporting on products sustainability profile and key sustainability metrics regarding Louis Poulsen products and operations.
	Physical risk: Both acute and chronic climaterelated events such as rising sea levels or an increased number of hurricanes can hamper the supply chain and own production capacity of Louis Poulsen. The mining sector is especially exposed to the physical effects of climate change.		<10 years	Identifying and monitoring potential areas of concern in our own operations such as our facilities in US Florida, which are more exposed to extreme weather events such as hurricanes. Identifying areas of potential concern in our supply chain such as our glass supplier in Venice, which is an area that is expected to become gravely affected by rising sea levels.
Climate opportunities	Opportunity related to products and services: Opportunity to gain increased revenue due to growing customer interest and requirements for sustainable solutions.		<5 years	Producing long-lasting solutions and looking into expanding product life cycle by retrofitting. Producing products with low carbon footprint by using more sustainable materials and ensuring energy efficiency. Establishing a framework and piloting a take-back scheme to take responsibility for sold products.

STRATEGIC SUSTAINABILITY JOURNEY

As a part of our sustainability journey, we have now decided to align completely with the Design Holding Framework, we have developed a maturity model to guide our efforts towards a full integration of sustainability.

We began our journey to build the foundation of our sustainability work by developing core capabilities and structures. We focused on establishing policies, creating awareness and integrating sustainability into our thinking. We have defined key focus areas, set goals and defined activities to achieve these.

In the coming years we expect to reach a level of maturity where sustainability is part of our value creation and product innovation.

Current focus areas for thematic working groups

Design for Planet			Design for People		Design for Culture	
Product Eco-design	Climate Change Mitigation	Supply Chain Management	Diversity & Inclusion	People Empowerment	Engage Communities	Design for Future
From product design and engineering to end-of-life, eco-design concepts and circular economy drivers will be integrated in the processes.	Active engagement and effort in reducing emissions and promoting the consumption of renewable energy.	ESG risk assessment and management of suppliers	Implementation of specific project for fostering diversity and create an inclusive culture	Structured review process for evaluating the initiatives proposed and, ultimately, implementing the projects	Engage communities linked to our brand and markets	Promotion of culture with the goal to preserve the heritage of design icons.
Assess 100% of our product portfolio by 31st December 2025.	Meet our Science Based Target ambitions by 31st December 2025.	2023 target – 100% CoC coverage of suppliers +€5k spend	Continue to improve policies for recruitment, maternity leave and anti-discrimination.	Implemented by 1st January 2025.	A minimum of one project supporting a young designer per year.	A minimum of one brand collaboration per year.

3

DESIGN FOR
THE PLANET

DESIGN FOR THE PLANET

“ To foster our commitment to sustainability, blending innovation, eco-design, and circularity principles in our business activities, and throughout our value chain.

OUR COMMITMENT TO INSPIRE THE FUTURE OF ECO-DESIGN

By ‘Designing for the Planet’, we state our embracement of an ecologically conscious mindset throughout our operations, from production lines to office activities. We do this by incorporating eco-design and circularity concepts within our design and engineering processes, being alert to ESG risks in all our operations and by actively implementing climate change mitigation strategies throughout our value chain.

We continue to embrace the use of innovative materials, design methodologies and collaborative partnerships, implementing all required steps to reduce their environmental impact, always staying abreast of regulatory changes and scientific advancements.

In 2022, the first Group-wide eco-design framework was defined, which provides evidence of our commitment to minimise our environmental impacts in manufacturing processes, implementing circularity principles, enabling them to share knowledge and best practices. In addition, we have revisited our design process and some existing collections in order to enhance their environmental performance, incorporating new, efficient materials.

A DRIVE FOR LEADING CLIMATE AND ENVIRONMENTAL CONSCIOUSNESS

We intend to play our part in tackling climate change by progressively reducing our direct and indirect greenhouse gas (GHG) emissions. We will do this by setting transparent, ambitious, and measurable targets inspired by the Science Based Target initiative (SBTi), a globally recognised standard driving ambitious climate action in the private sector.

Finally, we are committed to engage our suppliers in embracing sustainable practices to reduce their own environmental impact, spreading climate consciousness and encouraging the adoption of disruptive solutions to limit the usage of raw materials and to improve packaging processes.

3.1 UNDERSTANDING THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS

We acknowledge that the creation of our products comes at an environmental cost. Therefore, we strive to minimise the environmental impact of our solutions. To do that, we first need to understand how our products impact the environment. One direct impact is the greenhouse gas emissions linked to the life cycle of our products.

An illustration of the different steps in the value chain of our products, showing the estimated proportion of greenhouse gas emissions deriving from each step. In the coming years we will use our newly established framework for assessing and scoring the level of sustainability for each of our products to support sustainable decision-making in the design of our products. The framework takes into account the whole product lifecycle starting from design, including materials, components and electronics to production,

produced services and components and finally product use phase and end of life. The rating of products is based on a weighted score for each of the dimensions according to their environmental impact.

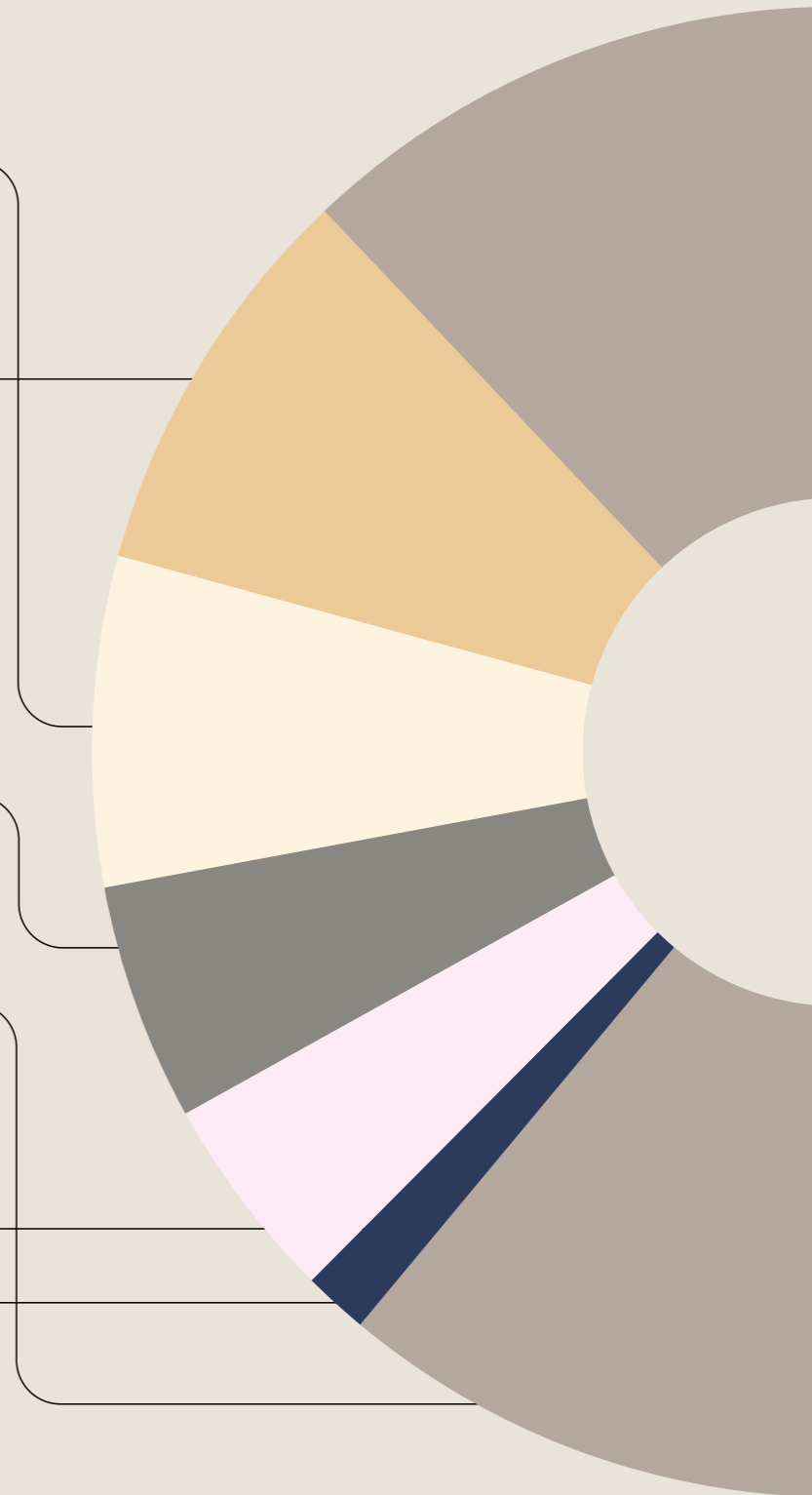
The framework will be used to support decision-making in the design and production of our products. The framework is inspired by and based on chosen impact categories from the Product Environmental Footprint (PEF) ISO-14067 method developed by the European Commission.

Additionally, we aim to map the greenhouse gas emissions deriving from our product life cycles. Our first step is to calculate the life cycle assessment (LCA) carbon footprint of selected products. In 2022 we completed the documentation of the environmental impacts of all our architectural and BtB outdoor products through the development of environmental product specifications.

In 2023, we will continue to focus on material transparency and documenting the environmental impacts with a focus on our BtC products and calculating environmental impacts to be used for benchmarking. We aim to document 100% of our product portfolio by the end of 2023.

Overview of greenhouse gas emission sources related to the value chain of our products

- Extraction of raw materials**
Steel, aluminium, plastic, glass
- Manufacturing**
Manufacturing of compounds and assembly of lamps
- Packaging**
Packaging made of cardboard and plastic
- Transport**
Upstream and downstream logistics and transport of products
- Use of product**
Energy used by lamp during its life
- End of life**
Landfill, recycling, incineration



This picture illustrates the different steps in our products' value chain, scaled in an estimated proportion of greenhouse gas emissions deriving from each step. It is based on our estimate and not measured emissions.



WE ARE RESPONSIBLE FOR THE ENTIRE PRODUCT LIFE CYCLE

The responsibility we have for our products does not end when the product leaves the store. We are responsible for the entire product life cycle. We aim to examine the ways in which Louis Poulsen can take responsibility for our products in the most sustainable way possible.

To maximise product life, we have developed a model for a take-back scheme and have started to investigate the use of replaceable batteries. Giving a product a second life makes the manufacturing of another lamp unnecessary. Reuse saves scarce resources and valuable materials and reduces greenhouse gas emissions.

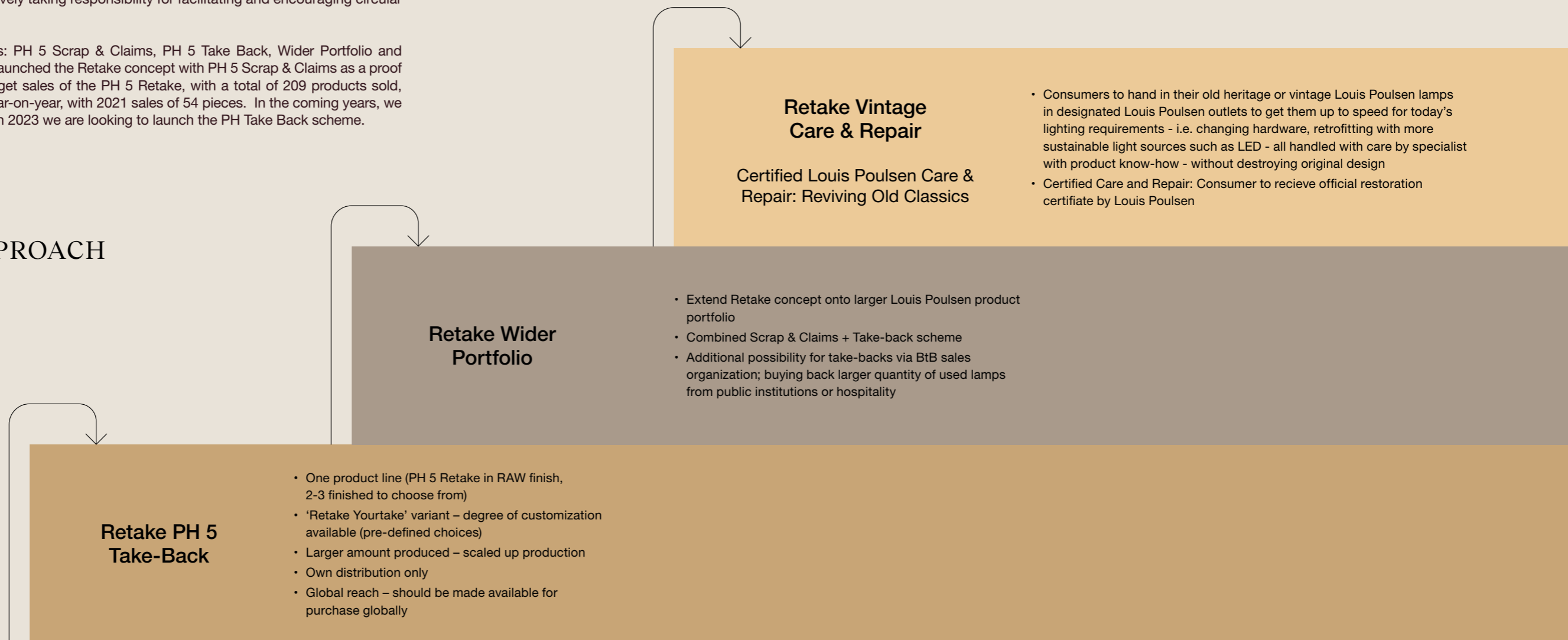
RETAKE STRATEGY

Retake is the name given to Louis Poulsen's concept for giving old or imperfect products a new life. To us, this means that we take old products, and recycle or upcycle them, restoring them with the latest technology, to give them a new lease on life and extend their lifetime value. It's a new operating model, a new way of thinking and the strategy provides a structure for our business when it comes to circularity and upcycling.

With Retake, we aim to shed light on the longevity of our products and the use of recyclable materials in the product designs, while also actively taking responsibility for facilitating and encouraging circular consumption.

The strategy is divided into 4 phases: PH 5 Scrap & Claims, PH 5 Take Back, Wider Portfolio and Vintage Care and Repair. In 2021, we launched the Retake concept with PH 5 Scrap & Claims as a proof of concept. In 2022 we exceeded target sales of the PH 5 Retake, with a total of 209 products sold, documenting a significant increase year-on-year, with 2021 sales of 54 pieces. In the coming years, we will commence the next phases, and in 2023 we are looking to launch the PH Take Back scheme.

STEP-BY-STEP APPROACH (2022 - 2026)



Retake PH 5 Scrap & Claims

- Initial Proof of Concept
- One Product (PH 5)
- Limited Amount produced (100 pcs)
- Limited Geography (DK, and very limited tests across EU locations only)
- Existing Scrap/Claims (own production)

Retake PH 5 Take-Back

- One product line (PH 5 Retake in RAW finish, 2-3 finished to choose from)
- 'Retake Yourtake' variant – degree of customization available (pre-defined choices)
- Larger amount produced – scaled up production
- Own distribution only
- Global reach – should be made available for purchase globally

Retake Wider Portfolio

- Extend Retake concept onto larger Louis Poulsen product portfolio
- Combined Scrap & Claims + Take-back scheme
- Additional possibility for take-backs via BtB sales organization; buying back larger quantity of used lamps from public institutions or hospitality

Retake Vintage Care & Repair

Certified Louis Poulsen Care & Repair: Reviving Old Classics

- Consumers to hand in their old heritage or vintage Louis Poulsen lamps in designated Louis Poulsen outlets to get them up to speed for today's lighting requirements - i.e. changing hardware, retrofitting with more sustainable light sources such as LED - all handled with care by specialist with product know-how - without destroying original design
- Certified Care and Repair: Consumer to receive official restoration certificate by Louis Poulsen



SUSTAINABILITY GOVERNANCE MODEL

The ultimate responsibility for sustainability management lies with the Group CEO, who approves policies and strategic targets. Responsibility for the sustainability strategy, ensuring progress and following up on performance lies with the sustainability steering group. The steering group was established in 2019 and mainly consists of executive management and professionals from different business functions such as HR, Supply Chain, Business Development, Product Design, Brand Management and R&D. The sustainability steering group is responsible for decision-making regarding strategy, targets, and initiatives, as well as allocation of necessary resources.

The steering group meets every other week to discuss progress and new initiatives. Our sustainability strategy and strategic targets are revised annually by the sustainability steering group and the sustainability key performance indicators are reported annually in our sustainability report.

GUIDELINES FOR EMPLOYEES AND EXTERNAL BUSINESS PARTNERS

Our Code of Conduct defines the policies of good business at Louis Poulsen. The Code of Conduct was approved internally in the spring of 2020 by the Louis Poulsen Management Team. The Code of Conduct was signed by all employees and returned to People and Culture. For future recruitments, the Code of Conduct will be communicated and signed at the beginning of the employment period.

To ensure that all employees and external business partners are familiar with the company's ethical standards and requirements, we have formalised an Employee Handbook and a separate Code of Conduct. These documents describe our expectations and guidelines for both parties.

We believe that open dialogue is the best way to ensure improvement and respect, which is why we always encourage people to speak up if they have any concerns related to the guidelines described in the documents. Currently, employees are encouraged to raise any concerns by sending an e-mail to the CEO. However, we have recently decided to implement the Get Ethics whistleblowing solution to ensure that all concerns can be reported easily and anonymously.

SUSTAINABLE PACKAGING

Packaging keeps our products intact and is an essential part of our product experience. However, it also contributes to a large share of the environmental impact of our products. As part of the EU Circular Economy Action Plan, the EU Commission is working to reduce waste from packaging and working towards better design on re-use and recyclability of packaging, including the complexity of packaging materials such as the number of different polymers used.

There are two factors that affect the sustainability of packaging: the amount and the type of materials used. To address the first factor, we aim for optimal sizing of our packaging to reduce the materials used and decrease our environmental footprint, while balancing this with customer appeal. To address the latter, we have decided to place greater emphasis on sustainable materials. For us, sustainable materials are renewable or recyclable and sourced in a responsible manner.

In recent years, we have started to investigate possible sustainable materials solutions. Our aim is to increase the recyclability of the packaging by looking at options to decrease the share of fossil-based plastics currently used in our packaging and increase the use of recycled materials such as recycled cardboard. However, in replacing packaging materials it is important always to consider the given business case and quality of the materials to ensure optimal protection for our products.

We believe that the best sustainable solution is to reduce the number of damaged products rather than use more sustainable packaging material that does not deliver the same quality.

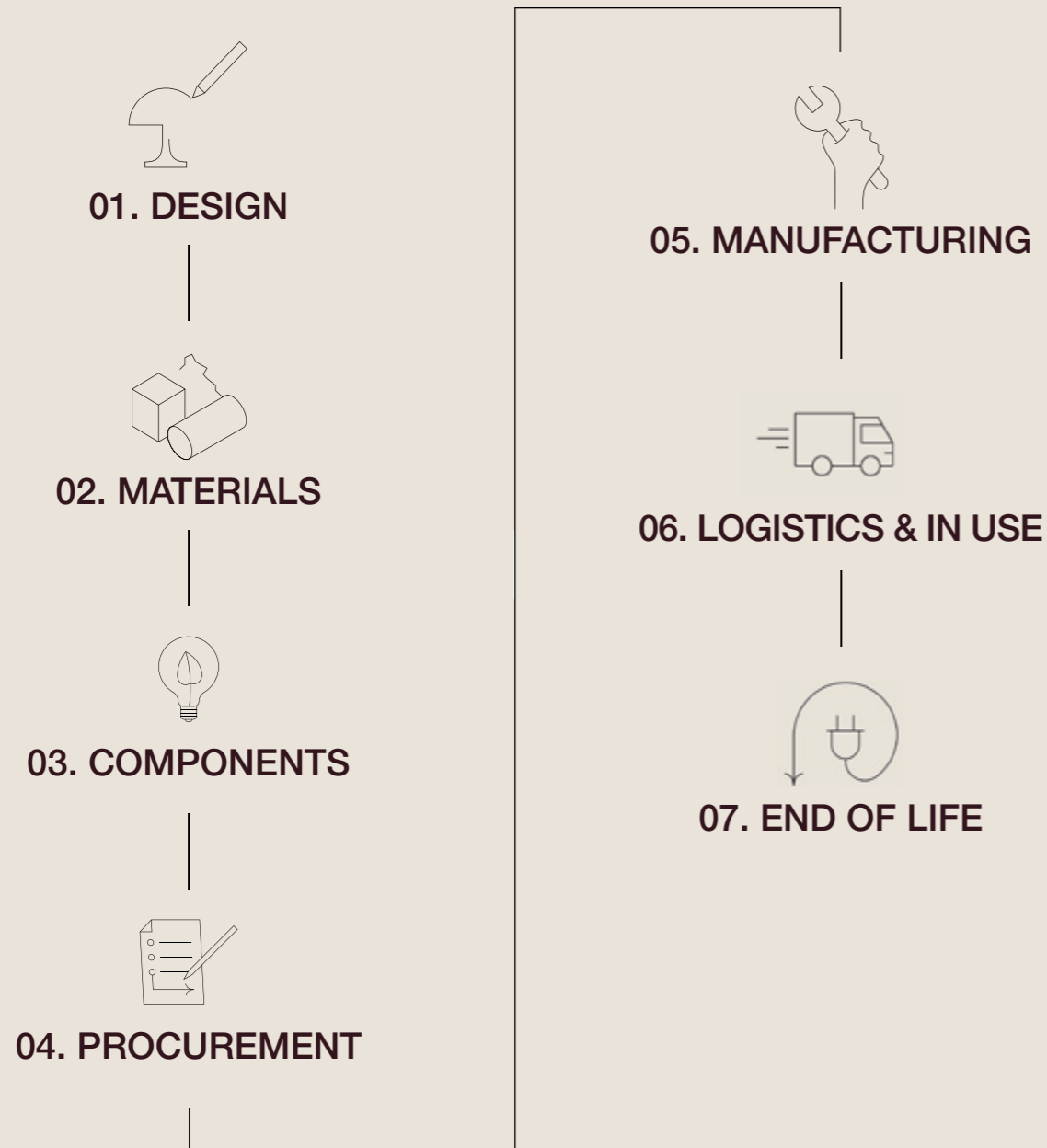
During the year, we investigated packaging solutions to reduce the carbon footprint and removed the polystyrene packaging from the Panthella packaging, so now all products are packaged in cardboard. Going forward we will focus on co-operating and discussing the most sustainable packaging solutions with our suppliers, and we will replace glossy white color printed packaging with brown boxes.



ECO-DESIGN

In 2022, Louis Poulsen and Design Holding's eco-design principles were defined and formalised, as a set of guidelines for how the group's brands can work to ensure that sustainability is at the forefront of the design process. The principles have been subdivided into 7 different categories, which will be communicated to suppliers and specifiers via a miniguide during 2023, additionally we have developed an eco-design assessment model to allow us to consistently assess products across all Design Holding brands, using the same methodology.

To this end, there are three main parts of our eco-design strategy: the principles, the maturity scale and an assessment framework.



01. DESIGN

Design choices that are timeless, and optimized to improve durability, recyclability and to reduce waste.

We strive to ensure that all our products are timeless, long lasting, and durable, so they can be loved for many years. We optimise our products so as to reduce the amount of raw material and design each product with disassembly in mind, to ensure that parts can be replaced.

02. MATERIALS

Choosing raw materials that are inherently sustainable, non-toxic and transparent in their traceability and specifications.

We endeavour to use sustainable raw materials, using recycled and non-virgin materials where possible. The materials we use are transparent in their origins and their environmental impact. We are working to decrease the overall toxic emissions linked to our products and processes.

03. COMPONENTS

Focus on a product's elements in terms of overall quality and durability, ease of maintenance and emissions impact.

We aim to utilise high quality components that are compliant with international standards, and can easily be replaced or upgraded, to increase durability and ensure longer product lifecycle. Our components are selected to achieve the highest efficiency, with the lowest possible emissions while maintaining the high quality.

04. PROCUREMENT

Ensure that our procurement of materials and resources are in line with our values and ambitions.

We prefer to select local vendors where possible, to decrease transportation emissions. Additionally, we aim to ensure that all suppliers work in alignment with our ESG principles and we vet our vendors to secure proper documentation and ensure the ability to monitor progress by categories, geographies and vendors.

05. MANUFACTURING

Focus not only on the energy consumed in manufacturing, but also the well-being of the people behind the machines.

We continuously work to reduce the direct consumption of energy and reduce waste and scrap materials. The well-being of our employees is our main priority, and we have policies in place to set the bar, just as we proactively work to reduce cases of Lost Time Injury.

06. LOGISTICS & IN USE

Ensure all logistics processes and packaging choices and products are designed for more uses and new versions.

We endeavour to use recyclable and certified raw materials to develop packaging in order to minimise volume. We are aware of our products' in use consumption and actively work to develop energy efficient products, for which spare parts can be purchased to increase product lifetime.

07. END OF LIFE

Consideration of our products' life cycle is a key element in the circularity of our mission.

We strive to increase our use of recyclable raw materials, which can increase the circularity of our products, and where this is not possible, to use certified partners to ensure secure handling of disposal and waste. We are looking into the complicated process of how to extend the life of our products beyond the end of their us.

ECO-DESIGN MATURITY LEVELS

Across the Design Holding Group we have defined 5 maturity levels for our eco-design, to help us progress and improve over time. They are:

1. INITIATION

At the initial level the product design & product lifecycle principles have been reflected in a disorganised, ad hoc way. Success is likely dependent on individual efforts and is not considered to be repeatable.

2. DEVELOPING

At the repeatable level, basic effort has been deployed to reflect the product design - & lifecycle principles. As a result, basic practice are established, and successes in key areas are able to be repeated.

3. DEFINED

At the defined level we have followed the standard procedures to secure that the product design - & lifecycle principles are reflected. Our activities enable greater attention to documentation and standardization.

4. MANAGED

At the managed level, we monitor and control that our product design - & lifecycle principles are reflected through data collection and analysis.

5. OPTIMISED

At the optimizing level, products are constantly improved through monitoring feedback from Branding, R&D, Production, Sales and Customers to introduce updated innovative versions.

ECO-DESIGN ASSESSMENT MODEL

Our eco-design framework also includes an assessment model, that helps all the Design Holding brands measure their maturity levels on the same scale.

QUANTITATIVE

Our eco-design assessment model contains quantitative, measurable goals to ensure that we are progressing and continually measuring key components. There are seven measurable KPIs to match with the seven eco-design principles we have defined, which we will use across the group to ensure consistency and transparency in our measurements.

QUALITATIVE

We are also working on a group-wide framework to assess our progress based on more qualitative measures that allow us to understand the nuances of our maturity for each of the principles.

The full assessment framework is expected to be finalised during 2023 and will be implemented shortly after completion.



3.2 THE ENVIRONMENTAL IMPACT OF OUR PROJECTS

We acknowledge that being in the lighting industry, we design and manufacture products to be used in projects that can come at an environmental cost. Therefore, we strive to minimise the environmental impact of our solutions.

We actively seek to work on solutions that minimise the impact on the environment by not only minimising greenhouse gas emissions but also by focusing on the preservation of local wildlife and nature, working actively to support initiatives such as Dark Sky.

In this chapter we provide commentary on one of our projects completed in 2022 and delve into the current perspectives on sustainability in the lighting industry.



LUMMUS PARK, MIAMI BEACH

On the iconic Ocean Drive in Miami Beach, you find Lummus Park, an urban oasis that is a firm favourite for running, cycling and going for a walk. During the day the park buzzes with activity, often hosting artisan markets and events, and after dark falls the area is illuminated with Albertslund Post Tops.

Miami Beach is home to a large marine turtle population, that relies on moonlight for wayfinding during the nesting season, so selecting illumination that did not disturb this was an important consideration when planning the lighting at Lummus Park. To support this, the Albertslund Post Tops are retrofitted with amber light to reduce the impact of the illumination on the nesting season and serve as a long-term strategy for better protecting the native sea turtles of Miami Beach.

Additionally, the Lummus Park project is equipped with motion sensors on a mesh network, which allows for 100% controllability optimised for both humans and wildlife. As such, during the turtle nesting period, the park's illumination is dimmed to 40% output between midnight and sunrise, however the motion sensors allow the park to reilluminate up to 50%.

The selection and implementation of the Albertslund Post tops in the Lummus Park project included considerations about wildlife preservation and the reduction of light pollution.

PERSPECTIVES ON SUSTAINABILITY

To provide other perspectives and expand our understanding of the current thinking regarding sustainability in the lighting industry we've spoken to leading international brands, NEO, Design Within Reach and Lumens, about current tendencies and trends.

HOW IS SUSTAINABILITY IN LIGHTING ADDRESSED AND MEASURED NOW?

Sustainability in lighting has a varying importance depending on the project and the individual purchasing the fixtures. Following the trend of previous years, sustainability is weighted more heavily in outdoor projects than in interior products, with design, brand and material being considered.

The sustainability of a fixture is most often defined by energy efficiency, and product lifecycle assessments. There are some quantitative sustainability metrics, but these are not widely used within the industry yet.

WHICH REQUIREMENTS TO SPECIFIERS (INTERIOR DESIGNERS/ARCHITECTS) HAVE WHEN IT COMES TO THE DOCUMENTATION OF OVERALL ENVIRONMENTAL IMPACT?

While the requirements are still very varied and the importance of environmental considerations differs from one specifier to the next, most specifiers are aware of the heightened focus on sustainability among consumers and in regulations and requirements, both of which guide specifier choice. Some larger firms have opted to only bring in sustainable products into their libraries for specification, a tendency which can be expected to trickle down into smaller architecture and design firms over the coming years.

HOW IMPORTANT IS SUSTAINABILITY TO CUSTOMERS IN THEIR PURCHASE PROCESS?

The importance of sustainability in purchasing decisions varies depending on the purchaser and the project, but general trends show an increased focus on sustainability. For outdoor landscapes and larger architectural projects, with many regulations the environmental considerations are often heavily weighted in selection criteria, whereas it is often of lesser importance for residential projects and consumer customers.

HOW DO YOU SEE CIRCULAR PRODUCTS IN THE LIGHTING INDUSTRY?

While circular products are a significant statement of sustainability and are becoming a much larger topic, there are not yet many circular products on the market and as such they're not central to the sustainability conversation in the lighting industry yet. Currently, the conversation often surrounds technology, packaging and recycled percentage.

WHAT ARE YOUR THOUGHTS ON FUTURE REQUIREMENTS, STANDARDS, OR LEGISLATURE?

Over the previous years there has been increased focus on sustainability, with new standards and requirements being set. This trend is likely to continue and we will see more stringent and more enforced requirements introduced.

WHICH TRENDS AND CHANGES REGARDING SUSTAINABILITY DO YOU EXPECT TO SEE 3 YEARS FROM NOW?

Overall, the importance of sustainability will increase, with an increasing number of designers and architects only specifying products that meet their requirements of sustainability. Additionally, the consumer will likely make more informed, sustainable choices when purchasing.

To meet this demand lighting designers and manufacturers will increase the focus on sustainability, improving energy efficiency with technological solutions as well as focusing on eco-design and the full product lifecycle.



3.3 THE ENVIRONMENTAL IMPACT OF OUR OPERATIONS

Being a responsible company entails considering a wider spectrum of stakeholders in our decision-making.

We want to do business in a way that minimises negative impact on people and the environment and supports positive value creation. However, we acknowledge that we still have a long way to go in implementing systematic sustainability management in line with best practice. This is why we have set up an action plan to define and implement required activities to take the necessary steps in the right direction.

Our goal is to reduce the environmental impact of our value chain and improve resource efficiency. The main risk of negatively impacting the environment and climate relates to energy use, waste from our operations, transport of our products and the business travel undertaken by our employees. Our environmental and climate policy addresses our responsibilities as they relate to our products and our operations. In line with our environmental policy, we strive towards continuous improvement in our day-to-day operations where we focus on reducing waste, energy use and greenhouse gas emissions.

CARBON NEUTRALITY

The main source of greenhouse gas emissions involved in our operations is the electricity and district heating used in our production facility in Denmark, and our sales offices in different countries.

Additionally, our greenhouse gas emissions stem from the use of natural gas for central heating and kilns as well as emissions deriving from business travel. We categorise our greenhouse gases in accordance with the Greenhouse Gas Protocol. Direct emissions (Scope 1) include the use of natural gas and use of fuel for company cars, indirect emissions from purchased energy (Scope 2) consist of only electricity and district heating. Other indirect emissions (Scope 3) consist of other emissions deriving from fuel and energy-related activities (Category 3) upstream transportation and

distribution (Category 4), waste generated in operations (Category 5), business travel (Category 6), and employee commuting (Category 7).

We are net carbon neutral in our own operations, and we plan to reduce energy consumption using a step-by-step approach. We are continuously focusing on improving energy efficiency at our production site in Denmark.

CARBON OFFSETTING

One of the key elements in Louis Poulsen's carbon neutrality, is the carbon offsetting scheme. We will continue to support the carbon offsetting initiative Guatemalan Conversation Coast Project to be able to offset the emissions that cannot be reduced at this point.

We have reduced Scope 1 & Scope 2 emissions by 22% since 2019, going from 1545 tCO₂e in 2019 to 1203 tCO₂e in 2022. Due to the inclusion of more Scope 3 categories, the total carbon footprint cannot be directly compared to 2020. However, in 2022 we had a total Scope 3 emission of 38,350 tCO₂e which is significantly lower than 2021, which was at 82,093 tCO₂e.



CUTTING CLIMATE IMPACT FROM LOGISTICS BY OPTIMISING TRANSPORTATION

The logistics and transportation of our products have a large environmental footprint and contribute to our climate impact. We seek to reduce the impact of our logistics by optimising transportation. This entails optimising packaging sizes and the number of products transported per cubic metre. We also strive to select the form of transportation that involves the lowest carbon output while still considering other business aspects such as service concepts,

lead times for customers and cost. Specifically, we aim to reduce the share of products transported by air and choose logistics involving a lower carbon footprint. Air freight does not form part of our transportation strategy and should only be used in exceptional circumstances when short delivery times are required. Nevertheless, in recent years we have experienced a slight increase in air freight due to urgent demands and insufficient supply chain flexibility and capacity.

In the coming years we will focus on concrete measures to decrease freight by air. One such measure is entering into consignment stock agreements with key suppliers, obligating them to establish stock close to our main production facilities. The consignment stock concept will ensure that we will be able to absorb higher fluctuations in sales, and the supplier will be able to ship large quantities of products to the production facilities by sea. In the coming years we will also introduce cascading ESG requirements for our logistics providers to drive low emission transportation and alignment with local, regional and global freight frameworks.

In 2022, we saw a decrease in Scope 3 emission, Category 4 (Upstream transportation and distribution) from 16,064 in 2021 to 1796 in 2022.

CASCADING REQUIREMENTS - MAKING A LARGER IMPACT WITH OUR SUPPLIERS

We are seeing an increased focus on companies to set climate targets in line with the Paris Agreement on both the climate impact of their own operations as

well as the climate impact of their up and down stream value chain. For Louis Poulsen, a considerable part of our environmental impact lies in our value chain, particularly in relation to the extraction of raw materials and components manufactured by subcontractors.

For us to be able to reach our own environmental targets and adhere to new regulation, we also need our business partners and suppliers to adhere to increasingly strict environmental requirements.

Requirements that pass on from us to our partners are what we call cascading requirements. Solving complex sustainability challenges requires a joint effort.

SUPPLIER CODE OF CONDUCT

We want to ensure that our biggest suppliers are working to improve their environmental impact and have a company policy stating how they are working with this.

We expect our suppliers to establish adequate processes to manage all significant potential and actual adverse impacts on the external environment as covered by the principles in the Rio Declaration on Environment and Development.

CARBON OFFSETTING

Louis Poulsen's carbon neutrality is achieved by balancing our carbon emissions with carbon offsetting, which involves using carbon credits coming from positive impact projects. Each credit is certified according to international standards

and corresponds to the reduction (or removal) of one ton of CO₂ (or equivalent). The two projects we are involved with are the Great Bear Forest Carbon Project and the Guatemalan Conservation Coast Project.

THE GREAT BEAR FOREST CARBON PROJECT

The Great Bear Forest Carbon project aims at improving forest management in British Columbia (BC), the westernmost province of Canada. It aims to generate emission reductions through the protection of forest areas that were previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation resulting in the protection of forest areas and reduction of harvest levels.

THE GUATEMALAN CONSERVATION PROJECT

The second project is the Guatemalan Conservation Coast project and addresses the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. The project has already produced significant results, with 2,406 ha being reforested, 658 locals receiving training, and 2,030 people benefiting from health services.



4

DESIGN FOR
PEOPLE



DESIGN FOR PEOPLE

“To ensure a thriving workplace that guarantees fairness and inclusion as well as generating value to communities around the world.”

We exist to create spaces in which people can thrive and pride ourselves on designing and producing products that provide exceptional light.

We believe that our people have enabled our long-standing heritage of innovation, craftsmanship and iconic design - all of which have contributed to our standing as a leading force in the high-end lighting design sector.

At Louis Poulsen we view our people as vital to every small step of our operations and to every success achieved since our foundation in 1874. Our success depends on having employees with a wide range of skills, experiences, and backgrounds, who have the resources and opportunities to bring their full selves to work and to realise their full potential. We work as a team and together we are building a passionate and responsible company that strives to be a force for positive change.

Creating a thriving, inclusive and fair working environment is essential and among our key priorities: within the framework of our Sustainability Plan we set and monitor specific ESG targets on diversity and inclusion, and people empowerment, to ensure these principles and rights can be guaranteed at every level of our operations. As a result, we intend to hire new employees with different nationalities or backgrounds to increase both diversity as well as a true feeling of inclusion and belonging.

As part of our commitment to being a Responsible Employer, we have several different initiatives and policies such as a new Diversity Policy and EXPECT, our new guidelines for regular one-to-one conversations between employees and managers. We also work to systematise our initiatives on reducing the risk of injuries and accidents in our production.

4.1 CREATING SPACES FOR PEOPLE TO THRIVE

Research shows that light plays an important part in our health and well-being, which is why Louis Poulsen is proud to design and produce light fixtures that provide exceptional light, to create spaces in which people can thrive. We endeavour to create glare-free, pleasant lighting that enhances quality of life and provides the perfect ambience for every occasion.



WE STRIVE NOT JUST TO
DESIGN BEAUTIFUL LAMPS,
BUT TO SHAPE LIGHT AND
CREATE ATMOSPHERES
THAT MAKE PEOPLE FEEL
GOOD, BOTH INSIDE
AND OUTSIDE



STILLACHHAUS, PRIVATE CLINIC

Stillachhaus is a private specialist clinic renowned for their work with psychosomatic medicine, psychiatry and psychotherapy. Located in Oberstdorf in Bavaria, Germany, the clinic is located in the Allgäu Alps with incredible views of the town of Oberstdorf.

Characteristic of the Stillachhaus clinic is the friendly and informal atmosphere, which contributes to the clinic's mission to provide peace, reflection, strength and perspective in a safe space.

When the clinic renovated their rooms and restaurant, they were looking for high-quality LED lighting that is comfortable and glare-free, as comfort and ambience are very important at the clinic. To this end, the specifiers chose the Panthella Portable, AJ Floor, Patera Oval, Yuh Floor Lamp and Keglen Pendant fixtures to not only provide exceptional lighting but also to create a warm and homely atmosphere.

All of the selected fixtures are either fitted with built-in LEDs or can be fitted with LED light bulbs, ensuring a more energy efficient fixture as requested by the specifiers. This, and the pleasant and comfortable light our fixtures emit was the reason for the selection of these fixtures.

The clinic at Stillachhaus is an example of design where healing and human well-being is at the forefront and where comfort for patients, staff and visitors is paramount. Louis Poulsen is pleased to have provided several lighting fixtures that support this overall design.

4.2 PASSIONATE EMPLOYEES ARE OUR MOST VALUABLE ASSET

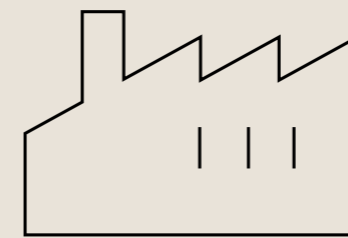
At Louis Poulsen, we want to provide a working environment that is interesting, exciting, and stimulating for all employees. We believe that an excellent work-life balance ensures employees' well-being and motivation at work. A motivated and engaged workforce is the source of creativity and good business.

We have identified that the material social impacts related to our employees are health and safety, employee satisfaction, development, and equal opportunities. Our HR policies provide clear guidelines and expectations on how to handle each issue in our day-to-day business operations.

Louis Poulsen has 460 employees of whom 110 are employed in subsidiaries abroad. The majority of the Danish employees work in the company's production facility in Denmark.

Taking care of our people and improving health and safety on an ongoing basis is a top priority.

EMPLOYEES DISTRIBUTION



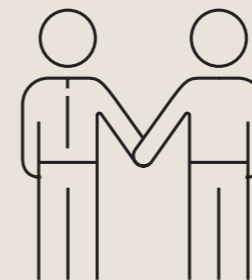
350

Employees at Louis Poulsen
in Denmark



110

Employees in our subsidiaries
worldwide



99%
permanent workers

96%
full time

TAKING CARE OF OUR PEOPLE AND IMPROVING HEALTH AND SAFETY

Ensuring an engaging, healthy, and safe work environment is a basic right for all our employees. Louis Poulsen has a clear ambition of providing the best possible setting for employees to thrive in relation to engagement, mental wellbeing, personal development, and other areas impacting the general work environment.

Louis Poulsen has adopted an employee feedback platform that aims to drive change and growth. This is provided through an employee-centric, data driven and automated tool that measures and responds to real-time employee feedback and creates a culture of productivity, engagement, and belonging.

The platform makes it easy for people leaders to put insights to work and take actions that improve employee engagement. All departments at Louis Poulsen actively work with the targets that are continuously set in this process, and we expect to see significant improvements in employee well-being over time.

Due to the nature of our company, we have a risk of injuries in our production facilities. We work continuously to identify potential hazards and ensure a culture that supports safe conduct in the workplace. We focus on preventative measures to avoid employees being exposed to repetitive strain and incurring work-related injuries. All our locations have a health and safety committee that handles all workplace safety issues.

In our operational premises in Denmark, we have a health and safety management system in place. We monitor incidents and report on the rate of recordable work-related injuries and lost time injury frequency rate (LTIFR) on an annual basis at our production site in Denmark. Our goal is zero accidents and to achieve that we have clear safety rules, first aid training and repeated fire drills in place at all our locations. All activities and monitoring of health and safety levels at Louis Poulsen are driven by our internal occupational health and safety organisation who refer to the Chief Operating Officer.

We have various employment policies including, but not limited to, health and safety, and have established clear rules on safety conduct and protective equipment to be followed at our premises. To prevent any injuries related to sedentary work, the company also organises short mandatory group workouts every day.

The Lost Time Injury Frequency Rate was 2.2 in 2022.

We have a proactive approach to sickness absenteeism and continuously introduce initiatives to follow up on absence, including wellbeing interviews for employees exceeding a 4% absence. In 2021, our absenteeism for production workers decreased to 5.7% from 6.4% in 2020.

Due to the extraordinary COVID-19 situation in 2021, Louis Poulsen introduced various measures like remote working, self-testing, face mask requirements, regulations surrounding hygiene in the canteen etc.

ENHANCING EMPLOYEE ENGAGEMENT THROUGH OCCUPATIONAL DEVELOPMENT

Developing our people and building highly skilled and engaged teams is one of the key drivers in creating greater products and results. We want our employees to feel motivated and engaged in their work for Louis Poulsen.

To retain our valuable employees, we actively work to promote job satisfaction through personal development. At Louis Poulsen, we support leadership that not only empowers employees, but also ensures that we have a strong team across all business activities. Going forward, we want to focus increasingly on developing the skills of individual employees and strengthening the ability of our managers to drive change and support employee development.

We support our employees in developing the necessary skills to achieve success in their job function. To ensure that our employees stay up to date and qualified for their job requirements, we encourage them to participate in various courses or undertake other educational activities. We believe that the need for skill development should be assessed not only in connection with our annual development reviews but should be an ongoing dialogue between the employee and the employee's immediate manager. The purpose of these one-to-one meetings based on the EXPECT guidelines is to discuss ambitions, potential, development and collaboration with the employee.



DIVERSITY AND EQUAL OPPORTUNITIES

At Louis Poulsen, all employees are appreciated for their skills, experience, and unique points of view regardless of gender, age, nationality, religion, sexual orientation, language, political views or disabilities.

We are committed to creating and maintaining a workplace in which all employees have the opportunity to participate and contribute to the success of the business and are valued for their skills, experience and unique perspectives. Our commitment to our employees, forms part of our company policy and the way we do business at Louis Poulsen.

At Louis Poulsen, we believe that a diverse workforce helps the company perform better in the long run. We therefore encourage everyone with the right skills to apply for our vacancies. To facilitate this development, we initiated the formalisation of a recruitment policy for leadership positions. According to our policy at least one applicant of each gender must be invited for a job interview when qualified applicants from both genders are available.

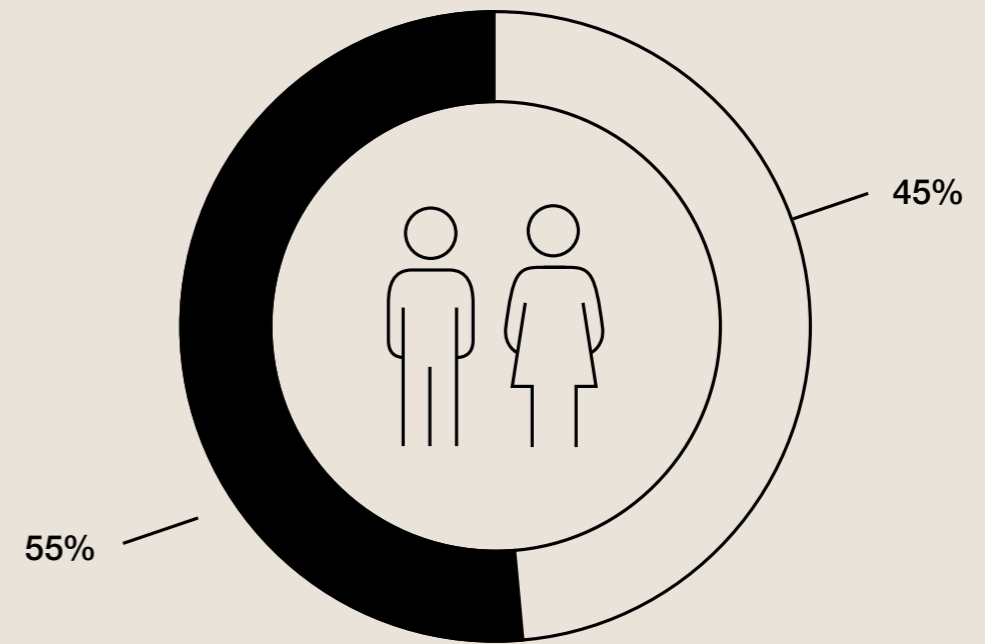
In 2022, top management consisted of one female and five males, and the gender diversity of the management team is 32% female and 68% male. Overall, 55% of our employees are women and 45% are men. During the year, we implemented our new diversity policy and recruitment guidelines on diversity and inclusion.

The policy aims to ensure that all Louis Poulsen employees are treated equally, irrespective of gender, age, race, religion etc., thereby ensuring equal opportunities for engagement, terms of employment, training and promotion.

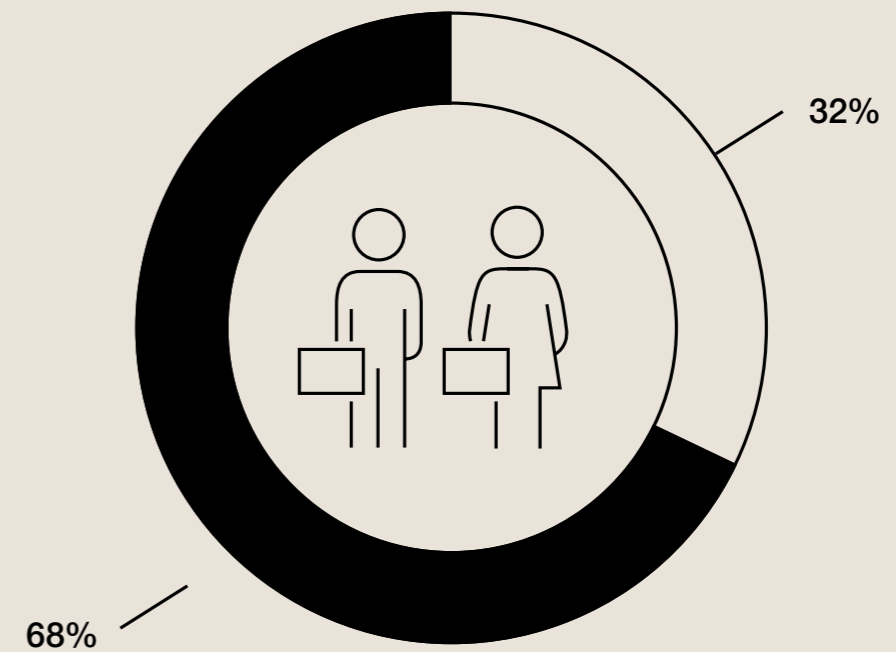
WE WISH TO ENSURE A HIGH LEVEL OF DIVERSITY, BUT NOT AT THE COST OF REQUIRED SKILL SETS.

We always hire the most qualified candidate for the job, regardless of any political, religious or personal orientation. We strive to provide equal opportunity for development, addressing inclusive behaviour, unconscious biases, and cultural understanding. Only by acknowledging and harvesting from different perspectives and experiences will we gain competitive advantage and leverage the effect of diversity for business growth. This requires a focus on equal opportunity throughout the organisation.

GENDER BALANCE EMPLOYEES



GENDER BALANCE IN MANAGEMENT ROLES



4.3 WORKING WITH EXTERNAL STAKEHOLDERS

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Respecting human rights and fighting corruption in all its forms is at the centre of our values. We believe this is not just the best, but also the right way to do business.

We strive to conduct business in a responsible and sustainable manner by acting with integrity and upholding a high degree of business ethics.

This includes our supply chain management and procurement of materials and components used in our products. Louis Poulsen is committed to acting ethically when dealing with suppliers, customers, government representatives and all other third parties.

Having suppliers in key markets such as Europe, China and Taiwan, we realise that our supply chain generates a potential risk of Louis Poulsen indirectly violating human rights, environmental standards and anti-corruption principles through our procurement activities. In order to mitigate the risk of our suppliers and business partners engaging in unethical business practices on our behalf, we have developed a Supplier Code of Conduct which covers expectations and requirements related to human rights and labour rights, environment and anti-corruption. This includes the establishment of adequate processes to manage all significant potential and adverse impacts related to these topics. The requirements of the Supplier Code of Conduct extend to all Louis Poulsen's suppliers.

ANTI-CORRUPTION AND BRIBERY

Louis Poulsen does not tolerate any form of corruption or bribery. Generating results in an ethical manner is of high importance and forms a key part of our company values.

At Louis Poulsen, we distance ourselves from corruption and bribery in every respect. It is of the highest importance that our employees share this commitment and maintain a high degree of business ethics in all our day-to-day operations. We only provide and accept occasional gifts and entertainment that does not exceed a purely symbolic value. All guidelines are extensively described in our newly implemented Code of Conduct which all employees are encouraged to consult in case of any uncertainty.

We realise that our supply chain poses a potential risk to Louis Poulsen indirectly violating human rights, environmental standards and corruption principles through our procurement activities. In order to mitigate the risk of our suppliers and business partners potentially engaging in unethical business practices on our behalf, we have a Supplier Code of Conduct that includes expectations and requirements related to human rights and labour rights, environment and anti-corruption. This includes the establishment of adequate processes to manage all significant potential and actual adverse impacts related to these topics. In 2022, we did not identify any breaches of our internal Code of Conduct or our Supplier Code of Conduct.

”SUPPLIERS ACCOUNTING FOR 97% OF OUR TOTAL PURCHASING VOLUME HAVE SIGNED OUR CODE OF CONDUCT”

5

DESIGN FOR
CULTURE



DESIGN FOR CULTURE

By 'Designing for Culture', we seek to preserve the craftsmanship enshrined in our products and to promote the historical value encapsulated in the most iconic design pieces by supporting scientific research and rescuing design legacies for the benefit and enjoyment of future generations.

While we celebrate our heritage and iconic designs, it is also important to cherish contemporary culture and look to the future. At Louis Poulsen we try to maintain a close relationship with our local areas, supporting local designers and communities, including design schools. We hope to continue to nurture these relationships and collaborations with other local brands such

as that with the Korean popular culture brand, KAKAO Friends. We are also focused on global affairs, in particular technological developments such as the widely discussed launch of Chat GPT and the continuing growth and adoption of Web3 and the metaverse. In 2022, we followed these developments and will continue to do so, in the coming years, while approaching them in a business appropriate manner.

We are proud of our initial steps and our longstanding heritage and will continue to work to preserve and proactively promote cultural aspects of our brand and surroundings, in order to have a positive impact on future generations.

5.1 CELEBRATING HERITAGE DESIGNS

At Louis Poulsen we are proud of our many heritage designs that often are passed down through generations, thanks to their high quality and timeless design. As a part of our Design for Culture pillar, we make it a priority to celebrate our heritage designs and their contribution to the legacy of Danish design.





LOUIS POULSEN AT TAVEGGIA

In 2022 Louis Poulsen participated in Milan Design Week with a special tribute to the heritage designs of Poul Henningsen. During the week, Louis Poulsen hosted a takeover at the historical Taveggia patisserie, that reopened with this event.

The well-known café was transformed into a mirage of pink to introduce the PH Pale Rose lamps, which were introduced in connection with the design exhibition. These lamps were a new version of the classic Poul Henningsen designs, with pale rose coloured glass shades. Inspired by Henningsen's fascination with the interplay between colour and light, the pieces utilise a similar soft pink shade, to the colour found on the inside of the leaves of the original PH Artichoke fixtures designed for Langelinie Paviljonen in Copenhagen.

The event at Taveggia was a success, in part due to the compatibility of these two brands with rich history and cultural relevance, and also because the new colour palette of the products proved that something exceptional happens when heritage meets modern.

At Louis Poulsen we believe that our participation in events such as Milan Design Week helps to contribute to the international awareness surrounding our heritage designs, but also fuels our abilities to design and produce relevant products that provide exceptional light.

5.2 A CULTURE OF COLLABORATION

Collaborating is a core part of Louis Poulsen's culture, dating back to 1924 when our collaboration with Poul Henningsen began. Since then, we have collaborated with many talented designers to create beautiful products that provide exceptional light.

At Louis Poulsen we believe that something truly special happens when great minds and great brands come together. In 2022 we launched a limited edition collaboration with KAKAO Friends in Korea, as well as sponsoring the talented young designer, Lise Vester for her piece called the Idea Generator. Additionally, there are plans for several exciting collaborations in the coming years.





LOUIS POULSEN & KAKAO FRIENDS

In 2022 Louis Poulsen collaborated with KAKAO Friends on Panthella Portable Ryan Edition. KAKAO is a mobile app that is used by almost all Koreans on a daily basis and is very closely linked to the Korean way of life. Limited to only 1000 pieces, it is a must have collectible item for all KAKAO and Louis Poulsen fans.

Through cooperation with various brands and artists, KAKAO Friends has continuously provided new user experiences. Collaborations with brands and products in the home and living industries were developed to expand the point of contact with consumers and for consumers to meet KAKAO Friends in the categories of living supplies, food and beverage, culture, fashion and even art.

The collaboration between Louis Poulsen and KAKAO Friends, saw the classic Verner Panton design, Panthella, in a new colour that made reference to one of the KAKAO Friends, Ryan. Additionally the product included two small figurines of the characters Ryan and Choonsik.

louis poulsen × **KAKAO FRIENDS**

나의 특별한 공간을 비춰주는 첫 조명

The first lighting to illuminate my space

언제나 우리 곁에서 힐링과 위로를 전하는
카카오프렌즈 라이언과 작은 빛으로 공간을 아름답게
만드는 루이스폴센 판텔라 포터볼이 만났습니다.

The encounter of Kakao Friends' Ryan, a warm hearted guy
who gives comfort, and Louis Poulsen Panthella Portable,
which turns even the tiniest light into a lovely space.



Shop Now

Sponsoring Young Talent:

LISE VESTER

In 2022, Louis Poulsen sponsored the Danish designer Lise Vester, to create a light installation for The Cabinetmakers' Autumn Exhibition which had the theme "Factory". The exhibition served as a laboratory for innovation of future furniture types with a high level of technical, functional, and artistic quality. Lise Vester's neon chandelier "Idea Generator" was designed and selected as a guest exhibitor for the exhibition. The design is a tribute to creative ideas and is inspired by the light bulb, which also serves as a symbol of an idea.

Lise works with the philosophy that design can improve the quality of life, and tries to create a sensory, aesthetic, but also therapeutic experience through her design. The chandelier is an attempt to challenge the typical neon sign aesthetic by creating a three-dimensional work which, with its large scale, shape, and pleasant glow, becomes a spatial experience of the blue and atmospheric light. We are proud to be a part of this project, which corresponds well with Louis Poulsen's light philosophy.



6

ABOUT
THIS REPORT

ABOUT THIS REPORT

This report covers the relevant and material social, ethical and environmental issues for the financial year 1st January to 31st December 2022.

It provides our stakeholders with an overview of our performance within the three areas and complements our Annual Report which primarily covers our financial performance.

This report focuses on the topics that we consider most important to our business and to society. It is based on a variety of inputs, including, but not limited to, the topics identified in the materiality assessment and in alignment with the UN Global Compact. The ESG figures represent all locations under Louis Poulsen's operational control.



Environmental	2022	2021	2020	2019
Scope 1 emissions (tCO ₂ e)	902	1055	941	825
Category 1: Heating (tCO ₂ e) (Natural Gas)	592	741	566	501
Category 2: Leased cars (tCO ₂ e) (Diesel)	310	307	375	324
Scope 2 emissions (tCO ₂ e) (location-based)	735	636	546	694
Scope 2 emissions (tCO ₂ e) (market-based)	301	227	269	720
Total Scope 1 and 2 emissions (tCO₂e)	1203	1282	1210	1545
Emissions intensity (Scope 1 and 2 tCO ₂ e per FTE)	2.6	2.48	2.64	3.49
Scope 3 emissions (tCO₂e)	38350	82093	4820	689
Category 1: Purchased goods and services	6964	62232		
Category 2: Capital Goods	2257	2702		
Category 3: Fuel- and energy-related activities (WTT)	927	256	198	
Category 4: Upstream transportation and distribution	1796	16064	4354	
Category 5: Waste generated in operations	133	14	16	
Category 6: Business travel	509	571	37	689
Category 7: Employee commuting	1945	253	215	
Category 9: Downstream transportation	122			
Category 11: Use of sold products	23,129			
Category 12: End-of-Life Treatment of sold products	569			
Total emissions (tCO₂e)	39,533	83375	6030	2234
Electricity consumption (MWh)	2432	3165	2944	2751
Fuel for cars (MWh)	1214	1210	1473	1238
Natural Gas (MWh)	2926	4045	3026	2680
District heating (MWh)	143	165	220	263
Total own energy consumption (MWh)	6715	8585	7663	6932
Renewable energy %	28.4	36.1	37.4	0
Energy intensity (energy consumption Mwh per FTE)	15	13.77	13.66	13.02
Total waste generation (tons)	444	479	446	313
Waste per product (kg)	1.57	1.27	1.75	1.47
Products produced in Vejen (number)	325,658	375,693	255,466	213,002

Total mass (gross) of sold products (kg)	609118.35	668126.99	593650.16	558030.6
Total mass (net) of sold products (kg)	381802.28	408711.1	374661.51	357303.5
Number of upcycled products sold	209	54		
Kg CO ₂ e emissions per FTE	2.51	2.47	2.64	3.49
Kg CO ₂ e emissions per revenue (millions €)	7.97	8.72	9.92	13.67
Kg CO ₂ e emissions per number of products produced in Vejen	0,004	0,003	0,005	0,007
Kg CO ₂ e emissions per FTE (Index year-on-year from 2021)	72	71	76	100
Kg CO ₂ e emissions per revenue (Index year-on-year from 2021)	58	64	73	100
Kg CO ₂ e emissions per number of products produced in Vejen (Index year-on-year from 2021)	59	47	65	100

Miscellaneous data	2022	2021	2020	2019
Company Cars	52	55	59	60
Car emission (tCO ₂ e)	310	307	375	324
Annual Revenue (€)	151M	147M	122M	113M
Wholesale distribution point	1759	1762	1779	1650
Confirmed incidents to breach of business ethics	0	0	0	0
Share of spend covered by supplier Code of Conduct (%)	97	96	96	96
Suppliers having signed supplier Code of Conduct	116 out of 235	102 out of 241	76 out of 217	

Employment data	2022	2021	2020	2019
Total Employees (FTE)	460	518	458	443
Employees (FTE) per country				
Denmark	350	380	332	312
Japan	33	34	29	37
USA	0	42	42	42
Germany	13	14	14	14
Norway	8	8	8	9

Sweden	7	8	8	11
Singapore	13	9	8	8
Netherlands	3	3	3	3
Switzerland	3	3	3	3
Finland	3	3	3	3
UK	1	1	1	1
China	4	3	1	-
Belgium	1	2	1	-
France	2	2	2	-
Spain	1	1	1	-
Middle East	1	1	1	-
Rest of Australia	4	4	1	-
Voluntary Turnover Rate %	15.7	18.2	9.2	11.1
Voluntary Turnover Rate % (White Collar)	26.9	13.7	9.2	
Voluntary Turnover Rate % (Blue Collar)	8.1	24.1	9.3	
Lost time injury (1 day or more)	3	14	4	3
LTIFR	2.2	16.9	5.2	8.7
Absentee rate due to illness (%)	2.7	5.6	4.1	3.0
Employee training hours blue collar	2258	3549	3066	2769
Gender balance in Senior Management (women/men)	1/7	1/6	1/6	1/6
Gender balance in Management Team (MCM) (share of women/men)	33%/67%	32%/68%	28%/72%	
Gender balance for all employees (share of women/men)	55%/45%	51.5%/48.5%	43%/57%	48%/52%
Gender balance for all employees (number of women/men)	262/218			
Gender balance in Board of Directors (women/men)	1 of 7	1 of 6	0 of 5	0 of 5

Environment data

Accounting practice

Scope 1 emissions	Scope 1 emissions have been calculated considering direct consumption of purchased fuels for both heating and car fleet in 2022.
Scope 2 emissions	Scope 2 emissions have been calculated using both location and market-based approaches: <ul style="list-style-type: none"> • location-based approach considers electricity and district heating purchased from the grid, reflecting the emissions based on the specific energy mix in that location; • market-based approach incorporates renewable energy certificates, treating electricity purchased from certified renewable sources as having zero emissions and only considering emissions from the remaining electricity purchases.
Emissions intensity (Scope 1 and 2 per FTE)	Scope 1 and 2 emissions in kg CO2e divided by number of full time equivalent employees. Scope 2 emissions are calculated using the market-based approach.
Scope 3, C1: Purchased goods and services	Category 1 has been calculated considering emissions from the production of products purchased or acquired by Louis Poulsen in 2022. Products include both goods (tangible products) and services (intangible products).
Scope 3, C2: Capital goods	Category 2 has been calculated considering all capital goods (CapEx) purchased during the reporting period.
Scope 3, C3: Fuel- and energy-related activities	Category 3 has been calculated considering emissions related to the production of fuels and energy purchased and consumed by Louis Poulsen in 2022 that are not included in Scope 1 and 2. This category includes upstream emissions of purchased fuels and energy, transmission, and distribution (T&D) losses. Furthermore, the Category includes Well-to-Wheel logistic-, business travel - and commuting-related emissions.
Scope 3, C4: Upstream transportation and distribution	Category 4 has been calculated considering: <ul style="list-style-type: none"> • transportation and distribution of products purchased in the reporting year, between Louis Poulsen tier 1 suppliers and its own operations in vehicles not owned or operated by Louis Poulsen; • Third-party transportation and distribution services purchased by Louis Poulsen in 2022, including inbound logistics, outbound logistics.
Scope 3, C5: Waste generated in operations	Category 5 was calculated including waste generated by Louis Poulsen in 2022, considering disposal and treatment method.
Scope 3, C6: Business travel	Category 6 was calculated by accounting for emissions from the transportation of Louis Poulsen employees for business related activities in vehicles owned or operated by third parties (such as aircraft, trains, buses, and passenger cars).
Scope 3, C7: Employee commuting	Category 7 was calculated by accounting for the total distance and mean of transport used by employees in their commuting. Emissions have been calculated through a dedicated questionnaire sent out to Louis Poulsen's employees, exploring parameters such as size of vehicles used, type of fuel, distance per day. The category includes employees located in: Denmark, Japan, China, Finland, France, Germany, Netherlands, Norway, Schweiz, Singapore South Korea, Spain Sweden, and Belgium.
Scope 3, C9: Downstream transportation	Category 9 have been calculated from emissions that occurred in 2022 from transportation and distribution of sold products in vehicles and facilities not owned or controlled by Louis Poulsen.

Environment data

Accounting practice

Scope 3, C11: Use of sold products	Category 11 was calculated considering emissions from the use of goods and service sold by Louis Poulsen in 2022, including power use and life expectancy of sold products as well as the amount sold by geography.
Scope 3, C12: End of life of sold products	Category 12 was calculated considering disposal practices of sold products by Louis Poulsen within the various regions where they were sold.
Total emissions (tCO ₂ e)	Sum of scope 1, 2 and 3 emissions. For the scope 2 emissions, the market-based approach is used.
Electricity consumption (kWh)	Total amount of purchased electricity for own operations.
Fuel (Mwh)	Total amount of fuels used in company owned or leased cars. Estimated based on kilometers driven. Assumed that fuel used in cars is diesel.
Natural Gas (Mwh)	Total amount of natural gas used in own operations.
District heating (kWh)	Total amount of district heating purchased.
% Renewable energy	Percentage of energy purchased that is renewable.
Energy intensity	The amount of energy consumption related to production in Mwh divided by number of FTE's.
Total waste generated (tons)	Generated waste from production, offices and canteens including landfill, recycling, incineration and scrap. The waste only covers production facility in Vejen.
Waste per product (kg)	Waste generated in production facility in Vejen per product produced in the production facility in Vejen.
Number of upcycled product sold	Number of products that are upcycled through the take-back scheme sold.

Social data

Accounting practice

Total Employees (FTE)	Total number of Full Time Equivalent employees at 31st December 2022. Including part-time, student and part-time employees. Excluding temporary workers.
Turnover Rate	Number of voluntary terminations divided by total number of permanent Full Time Equivalent employees at 31st December 2022.
Lost time injury (1 day or more)	Include all employees and contractors who work under direct supervision or is injured at the Louis Poulsen premises: based on local jurisdiction; include fatalities; include injuries as a result of commuting incidents only where the transport has been organised by the company. Include accidents which have resulted in one day or over one day absence from own work.
LTIFR	Total days off related to Lost Time Injuries multiplied by overall number of hours worked during the reporting period multiplied by 1,000,000. Lost time injuries are including all permanent and contractors who work under direct supervision.
Absentee rate due to illness	Calculated as total lost days due to illness, injuries etc. (excluding entitlements to periods of paid leave of absence from work (e.g. paid vacations, paid sick leave, public holidays), divided by days scheduled to be worked by the workforce. This is based on Danish locations only.
Employee training hours blue collar	Total number of employee training hours for blue-collar workers.
Gender balance in Board of Directors	Total number of women and men in Board of Directors based on headcount at 31st December of the previous year.
Gender balance in Senior Management	Total number of women and men in senior management based on headcount at 31st December of the previous year.
Gender balance in the Management team (MCM)	Total number of women and men in the management committee based on headcount at 31st December of the previous year.
Gender balance for all employees	Share of women and men according to FTE's at 31st December of the previous year.

Governance data

Accounting practice

Confirmed incidents related to breach of business ethics	Total number of cases identified within Louis Poulsen own operations or supply chain which relate to breach of ethical business practices and Louis Poulsen Code of Conduct such as corruption and bribery or violation of human rights.
Share of spend covered by supplier code of conduct	The total percentage of spend data from suppliers having signed supplier Code of Conduct
Amount of suppliers having signed supplier Code of Conduct	The total amount of suppliers having signed supplier Code of Conduct

louispoulsen.com

