

*Sustainability is close to Desenio Group's heart, as our products couldn't exist without the use of raw materials from our forests. Creating beauty through art is why we exist, and doing this in a sustainable way means always striving to improve our production methods and actively reducing our impact on the environment.*

WE STRIVE TO DO EVERYTHING WE CAN to achieve a sustainable future, but we are also mindful of the fact that we still have many steps ahead of us. With an emphasis on FSC®-certified raw materials and sustainable production methods, we actively work to reduce our environmental impact with a carefully selected team of partners. Our sustainability work is divided into two main areas, People and Planet, where People is related to social sustainability and Planet is related to environmental sustainability. In the 'People' area, we focus particularly on ensuring social compliance in our value chain. This work is carried out through our Code of Conduct, through our

factory audit programme, and through our close cooperation with our suppliers. This focus area also includes human resource matters. In the Planet area, we work across our value chain to reduce our impact on the environment, for example by choosing the right raw materials and taking measures to minimise our carbon emissions. We also work with selected charitable organisations to raise awareness of important issues, and to offset our emissions through projects with a clear link to our core business.

# FACTS



EMPLOYEES || 129  
(average 2023)

**BOARD OF DIRECTORS**

40% WOMEN  
60% MEN

**EXECUTIVE MANAGEMENT  
TEAM**

50% WOMEN  
50% MEN

**TOTAL**

78% WOMEN  
22% MEN

10,418

TREES  
PLANTED



Suppliers who have SIGNED OUR CODE OF CONDUCT = 100%

GEOGRAPHICAL  
DISTRIBUTION FACTORIES

50 % EUROPE

33 % ASIA

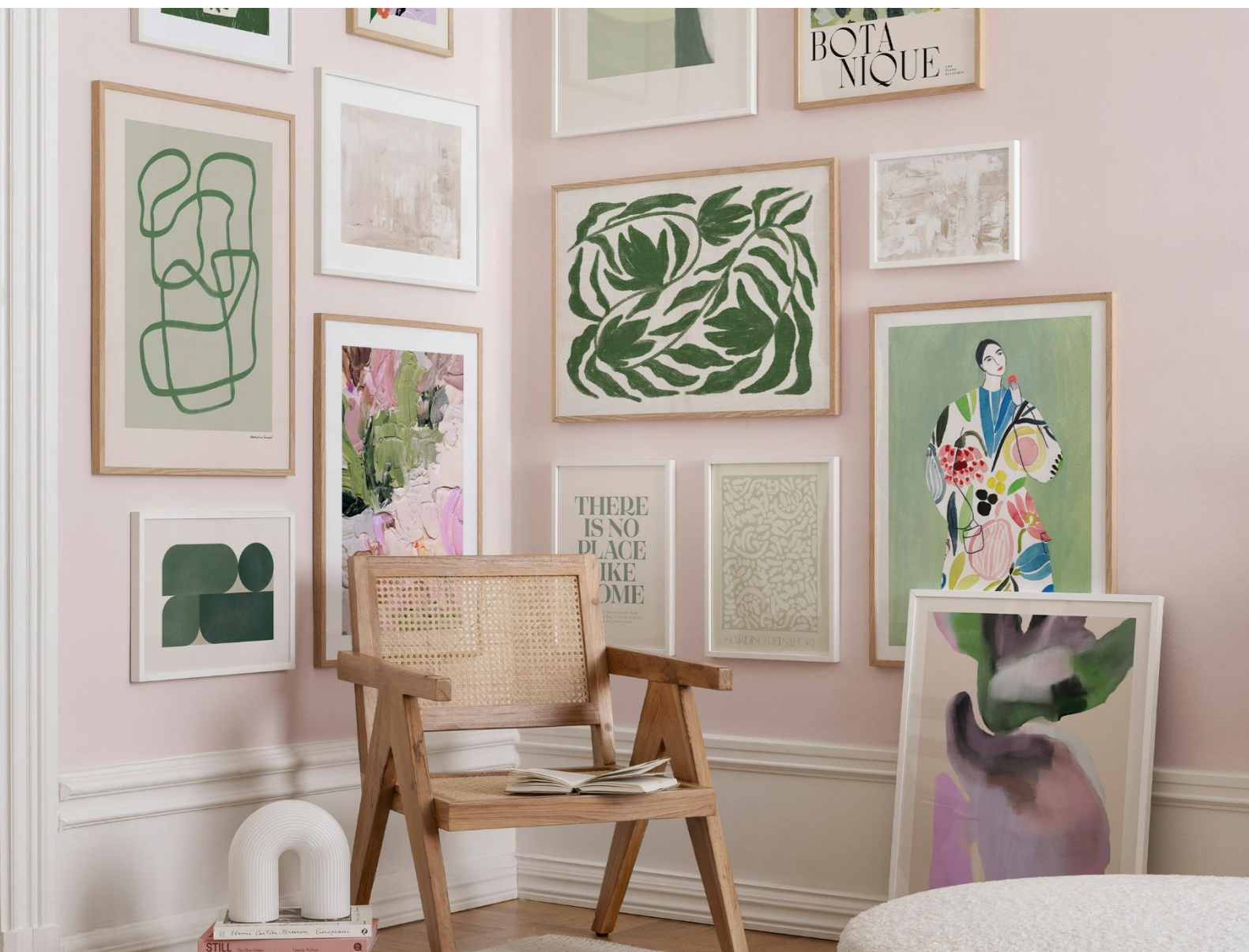
11 % NORTH AMERICA

6 % AUSTRALIA

37  
COUNTRIES

12  
SUPPLIERS

18  
FACTORIES



# PEOPLE SOCIAL SUSTAINABILITY

Our vision is to be an attractive employer in affordable and sustainable wall art. We want to lead the way by having a transparent value chain where all the people who are involved in our business have the same rights, good working conditions, and equal opportunities to create a bright future.

# OBJECTIVES

## 1 REDUCE SICK LEAVE

*Reduce our employees' sick leave during 2024.*

*Outcome 2023: In 2023, sick leave rates rose marginally in comparison to 2022.*

## 2 TRAINING

*Train our staff in fire safety, CPR, crisis management and occupational health and safety. Implement a procedure to train managers and create a delegation from the CEO to individual managers to maintain a healthy way of safeguarding our work environment.*

*Outcome 2023: In 2023, training was provided in the above area.*

## 3 STRESS MANAGEMENT

*Train our staff in stress management and time management.*

*Outcome 2023: In 2023, training was provided in the above area.*

## 4 INTERNAL MOBILITY

*Increase the level of job satisfaction and promote personal development within the organisation. Strive to identify internal solutions before looking for external options in recruitment and career development.*

*Outcome 2023: In 2023, 17 jobs were recruited from within the organisation.*

## 5 SOCIAL AUDITS

*Ensure that at least 80% of our suppliers in high-risk countries have completed and passed an independent social audit under our social audit programme.*

*Outcome 2023: In 2023, 80% of our suppliers in high-risk countries conducted and passed an independent social audit.*

## 6 CODE OF CONDUCT

*Ensure that all suppliers have communicated our Code of Conduct to all subcontractors involved in the manufacture of products for Desenio Group.*

*Outcome 2023: In 2023, all our suppliers communicated our Code of Conduct to all their subcontractors.*





## PEOPLE & CULTURE

Our business would not exist without the people in our organisation. We want all our employees to feel welcome and appreciated every day, because as they grow, so does Desenio Group. Desenio Group is the place to influence, inspire, and grow. Our work environment is thriving because of our core values of passion, commitment, and kindness. In 2023, we had an average of 129 employees working at Desenio Group. Together we have several distinct nationalities and speak more than 20 different languages. We work together as a team, and we embody our values every day. Our goal in the area of People & Culture is to provide a good work environment that prevents health problems and accidents from occurring, while creating a workplace that encourages personal development and is

stimulating for all employees. Desenio Group works consciously, in a structured and active way to create a solid foundation for a work environment that encourages cooperation, motivation and personal development. We describe some of the initiatives we worked on in 2023 to achieve our People & Culture vision below.

## WORK ENVIRONMENT

Our vision is to be a sustainable employer and a great place to work, offering all the necessary conditions to ensure wellbeing and performance. A place where you can influence, inspire, and grow. To guide us in this work, we have our Work Environment Policy, which contains guidelines for the working environment at Desenio Group, health and safety targets, and what initiatives need to be implemented to achieve the targets. The aim of our Work Environment Policy is to create and develop an efficient organisation, and to create simple procedures to support the health, safety, and wellbeing of our employees in the workplace. Managers and employees both contribute to creating and maintaining a motivating, proactive and healthy working environment.

At Desenio Group we do not tolerate harassment, bullying or victimisation. Our anti-harassment and anti-bullying work plan complements our work environment policy and describes how managers and employees should act in the event of such situations. We understand this type of problem in the workplace is a threat to wellbeing, health, and development opportunities, and that it leads to reduced productivity and therefore has a negative impact on the business. All managers are responsible for creating a work environment that is friendly, open, and respectful. We work together to maintain a positive work environment, and it is up to each employee to ensure that their attitude and behaviour reflect our values, and to inform their line manager if they see any signs of victimisation or harassment in the workplace. If an employee feels harassed or suspects that someone else is being harassed, we have a process in place to quickly escalate and manage the issue internally.

“Desenio Group is the place to influence, inspire, and grow. Our work environment is built on our core values of passion, commitment and kindness.”

At Desenio Group, we believe that gender equality is an important part of creating an inclusive culture and a sustainable workplace. We have implemented our Gender Equality Plan as part of our work environment policy, to ensure that we actively and systematically work together to achieve a good work environment that is free from discrimination. The Gender Equality Plan contains guidelines on working conditions, salary levels, recruitment and career development, skills development, and training, reconciling work and parenting, and finally, external gender equality initiatives. The Gender Equality Plan is evaluated once a year and concrete improvement measures are documented and monitored.

Desenio Group closely follows the requirements and regulations on systematic work environment from the Swedish Work Environment Authority (AFS 2001:1). These regulations describe how an employer should systematically plan, implement, and monitor activities carried out to achieve a good work environment. The regulations require all employers to analyse their employees' work conditions in terms of workload, working hours, bullying and discrimination. This work is carried out at three different levels: organisational; social and physical.

## HEALTH AND SAFETY

Our safety representatives are elected by Desenio Group employees. Their responsibilities include being a point of contact for all employees for questions or concerns about the work environment, sharing information with relevant stakeholders within the organisation, and participating in the annual safety audit that evaluates our organisational, social, and physical work environment. We also have a safety committee that works systematically on issues related to health and safety. The safety committee consists of a safety representative, an employers' representative, and a workers' representative. As part of our health and safety work, we regularly measure sick leave in our organisation. Sick leave in Desenio Group was 4.51% in 2023.

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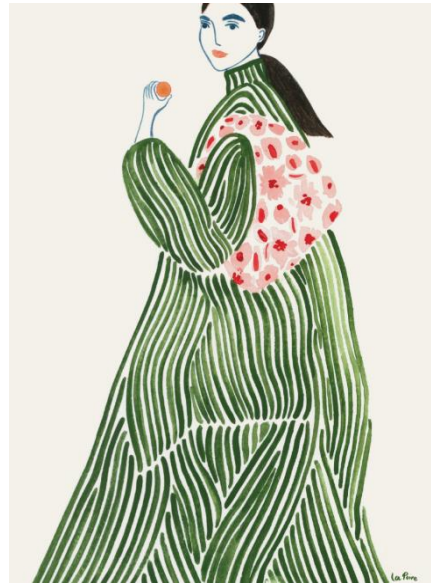


## EMPLOYEE SATISFACTION

We measure our organisation's wellbeing on a weekly basis in each department through a system called Winningtemp. Every month, all Desenio Group employees are given the opportunity to answer four short questions in a survey format, which only takes a minute. The regular feedback gives us valuable insights into work conditions and is a very good tool to easily initiate a dialogue on what initiatives are needed to create a good work environment. The results of the surveys form the basis for workshops in each department, where members discuss positive and negative changes and what measures should be taken to create an engaging work environment.

Our employees' individual wellbeing is measured in Winningtemp with a metric called temperature. Our average temperature for 2023 was 7.2. The strongest categories within Desenio Group were team spirit, leadership, and commitment. Through Winningtemp, we also measure our loyalty rate, known as the Employer Net Promoter Score (eNPS). These metric measures employee satisfaction and loyalty to the employer. Our eNPS in 2023 was -19. The scale goes from -100 to 100, and any value above 0 is considered higher than average.

Our main goal for Desenio Group is to conduct our business in an honest and direct way. Our employee Code of Conduct is available to everyone in our employee handbook. The Code of Conduct contains guidelines in areas such as anti-corruption, contracts with external parties, health and safety and press enquiries.



## VALUE CHAIN

We work in close cooperation with a total of 12 carefully selected suppliers, geographically spread across Europe, Asia, North America, and Australia. 50% of all the factories we work with are based in Europe, 33% are in Asia, 11% are in North America and the remaining 6% are in Australia. We nurture these relationships carefully and together we respect the important requirements for social and environmental sustainability that we have set out in our Code of Conduct. Our Code of Conduct has been signed by 100% of our suppliers who produce products for Desenio Group. Before entering a contract with a new supplier, we always require a signed Code of Conduct.

## SUPPLIER CODE OF CONDUCT

For Desenio Group, it is important to take responsibility for our actions and the impact we have on our environment. One of our main responsibilities lies with the people involved in the production of our products. To clarify our position and what we expect from our suppliers and partners, we have created our Code of Conduct. Our Code of Conduct applies to all suppliers and their subcontractors who manufacture products for Desenio Group. The Code of Conduct is based on the UN and ILO conventions and sets out the minimum requirements that all suppliers and subcontractors must fulfil to do business with Desenio Group. Our Code of Conduct contains ten different principles in the areas of social and environmental sustainability.









### **SOCIAL AUDIT PROGRAMME**

To ensure that all suppliers meet the requirements of our Code of Conduct, in 2020 we established a social audit programme for our entire supplier base. We classify all our suppliers as low or high risk for social non-compliance, based on the six different dimensions, also known as Worldwide Governance Indicators (WGI).

1. Voice and accountability
2. Political stability and absence of violence/terrorism
3. Government effectiveness
4. Regulatory quality
5. Rule of law
6. Control of corruption

We use the Amfori BSCI classification to determine whether a country is at low risk or high risk of non-compliance. Low-risk countries have an average WGI ranking of at least 60 and have a maximum of two individual dimensions ranked below 60. High-risk countries instead have an average ranking of between 0 and 60 and have three or more dimensions ranked below 60.

In our supplier base, 67% of all factories are in countries classified as low risk, while the remaining 33% of factories are in high-risk countries. We require that all factories in high-risk countries undergo an annual independent social audit to ensure they fulfil the requirements of our Code of Conduct. All deviations must be rectified by the supplier within the period determined by Desenio Group. The supplier draws up an initial action plan followed by a list of completed actions including supporting evidence in the form of documentation. The action plan and the implemented measures are then checked and approved by Desenio Group.

In 2023, 33% of the factories we work with in high-risk countries have completed and passed a social audit conducted by an independent third party. We aim to conduct social audits in 100% of all factories in high-risk countries.

# PLANET

## ENVIRONMENTAL SUSTAINABILITY

*Our vision is to be at the forefront of affordable and sustainable wall art, by creating products that are produced using certified raw materials and sustainable production methods, and by collaborating with external organisations that are dedicated to making our world a better place.*



## OUR PRODUCTION

We set high standards when producing our products, and we highly value the craftsmanship behind each individual component. Together with our suppliers, we work to continuously improve the quality and lifespan of our products through careful product development.

In our Supplier Code of Conduct, we have defined the strict environmental requirements that all suppliers must fulfil. Our suppliers must implement and maintain an environmental management system or similar to minimise environmental risks. They must also take the necessary measures to minimise the negative impact on the environment throughout the value chain. This includes minimising pollution, promoting the sustainable use of energy and water, and minimising greenhouse gas emissions throughout the value chain. To ensure compliance with all these requirements, all factories are inspected by the local environmental protection authority. We have also determined how to handle chemicals when they are used in production. All chemicals must be handled, stored, and used with knowledge and care in accordance with documented processes. We require all our suppliers to maintain a list of the chemicals used in production, including the names of the chemicals, the area of use, and a reference to the safety data sheet. To ensure workplace safety, all suppliers must also provide training and protective equipment to all employees who handle chemicals or perform any other type of work where the use of protective equipment is recommended.

## POSTERS

At Desenio Group, the sustainability of our products is very important to us. We are proud of the craftsmanship and expertise behind the production of our products. We are also proud to be certified by the Forest Stewardship Council® (FSC®). We offer a wide range of posters with modern and stylish designs. All our posters (except for a few hand-picked designs) are printed on a premium uncoated paper weighing 200g/m<sup>2</sup>. The paper has a matt surface free of reflections, giving a sense of quality. Our paper is also age resistant. The paper is produced in Sweden, and the pulp, paper mill and finished paper are all FSC® certified. This certification guarantees that the trees have been harvested in accordance with all applicable laws and regulations, and in accordance with the FSC organisation's strict requirements.



# OBJECTIVES

- 1 **FSC® certification:** ensures that the majority of our wood-based products from Desenio Group brands are FSC® certified.

*Outcome 2023: In 2023, the majority of our wood-based product range was FSC® certified.*

- 2 **Inbound air shipping:** to be used as an alternative shipping method only when other shipping methods are unsuitable or unavailable. A maximum of 5% of all inbound deliveries.

*Outcome 2023: In 2023, inbound air shipping was used in <5% of all inbound deliveries.*

- 3 **Outbound air shipping:** to be used as an alternative shipping method only when other shipping methods are unsuitable or unavailable. A maximum of 5% of all outbound deliveries.

*Outcome 2023: In 2023, outbound air shipping was used in <5% of all outbound deliveries.*

- 4 **Packaging:** minimise the use of plastic-based packaging materials in both inbound and outbound deliveries.

*Outcome 2023: In 2023, we replaced the previous transport packaging which was a tube with a plastic lid with a reinforced box that does not contain any type of plastic, thus reducing the use of plastic-based packaging materials.*

The majority of our posters are printed in Sweden, but we endeavour to print as close to the end customer as possible. In 2022, we started a collaboration with a new printing company in the US. This supplier provides customers with posters throughout North America, resulting in shorter lead times, reduced transport needs, and a reduced climate impact. We use different printers to achieve the best quality for each design, depending on whether it is a photograph, a graphic design, or a foil print. The printing companies we work with use different types of ink depending on the printing method used, but the ink is always chosen considering all applicable EU regulations (including REACH). The ink is also 100% vegan. We are proud to say that we have very low levels of waste in our poster production, and that all waste is recycled into newspaper by the printers and paper mills we work with.

## FRAMES

We offer elegant wooden and metal frames to suit all interior styles. We have everything from smaller frames that are great for photographs, to larger frames that can take centre stage on your walls. Our frames are made by hand by skilled craftsmen with extensive experience in frame making. Our metal and wood frames are FSC® certified, with a few exceptions, and come in eight different sizes. All frames come with transparent acrylic plexiglass, which is lightweight and shatterproof. All frames can be opened from the back using rotating metal clips, to easily mount posters without having to open sharp metal pins.

Our wooden frames are made from solid wood and come in black, white, oak, dark oak and pale wood. The wooden frames are produced in Europe and Asia. The oak frames are made from untreated solid oak. We also make frames in dark oak. These frames are partly made from waste material from our other oak frames, resulting in reduced waste and improved utilisation of raw materials. The dark oak frames are stained with a semi-transparent lacquer to achieve a dark and dusky design. The black and white wooden frames are made from tulip trees and then painted. Our pale wood frames are made from maple that is treated with a transparent colour for a natural finish. Our metal frames are available in the colours black, gold, silver, and copper. They are produced in Europe and made of aluminium with a thin and elegant profile. The metal frames in gold, silver and copper have a glossy finish while the black metal frame is matt. We also make canvas frames. They are made from high quality solid pine and covered with a cotton canvas. These frames are an elegant addition to our range of wall decor.

## ACCESSORIES

We offer a range of accessories to add that extra touch to your posters: from mounts to hanging solutions such as hooks, clips, poster hangers and washi tape, to picture ledges. All our passepartouts, poster hangers and picture ledges are FSC® certified. Our high-quality mounts are made in Sweden. With these, you can frame and accentuate a design and add an exclusive feel. Available in black and white, they are true to colour throughout, with the black having a black core and the white a white one. Our white mount has the exact same colour shade as the paper we use to print our posters. Our mounts, like our posters, are also acid-free.

## OUR DISTRIBUTION

We mainly use road and sea transport for our incoming deliveries from the factories to our warehouses. We only use air shipping in exceptional cases for smaller orders where road or sea transport is not possible due to low order volumes. Lorries and boats are always our preferred option. All incoming deliveries within Europe are distributed by lorries. Distribution is from our logistics centres in Stockholm, Sweden, Bor, Czech Republic and Ohio, USA. This enables a reduced transport distance for all customers in Northern and Southern Europe and North America, resulting in a lower environmental impact through less use of air shipping. For deliveries from all three warehouses, we work with many shipping companies to cover the 37 countries we operate in. As with inbound shipments, we treat air shipping as an option to be used only when other transportation methods are inappropriate or unavailable for the type of shipment or destination.



We use several different packaging options to ensure that we have the optimal packaging for each product category. Based on the product category and product mix of each order, we use different packaging options to minimise the amount of air in each package without compromising the quality of our products.



“We are proud to be an FSC® certified company since 2019 – a natural step in our journey towards our sustainability goals.”

## OUR COMMITMENT

### **FOREST STEWARDSHIP COUNCIL® (FSC®)**

We have been certified according to the Forest Stewardship Council (FSC) Chain of Custody since 2019 – a logical step in the journey towards our sustainability goals. FSC is a non-profit organisation that sets high standards to ensure that forest management is carried out in an environmentally responsible and socially beneficial way. In 2021, we expanded our certificate from single-site to multi-site, allowing us to include all Desenio Group subsidiaries and deliver certified products to the 37 countries in which we operate.

Being certified by FSC means that we fulfil the high standards defined by FSC in the field of sustainable and socially beneficial forestry. It also guarantees that the materials we use in the production of our products come from sustainable, FSC-certified forests. FSC has a strong focus on safeguarding workers' rights by integrating core labour standards into its system. These labour standards include the effective abolition of child labour, the elimination of all forms of forced labour, the elimination of discrimination in relation to employment and occupation, respect for freedom of association, and the effective recognition of the right to collective bargaining. In addition, FSC's work also contributes to achieving 40 different targets under 14 distinct Sustainable Development Goals (SDGs). FSC contributes to achieving sustainable forest management worldwide, which is one of the goals of SDG 15 (Life on Land). This broad focus on environmental, social, and economic factors in the FSC principles also contributes to meeting the Sustainable Development Goals which focus on poverty, gender equality, natural resources, production and consumption patterns, decent work, climate change, inclusive and responsible communities, and global partnerships.

Our certification code: FSC-COC-007047 (FSC-C153048)

## **VI-SKOGEN**

At Desenio Group, we care about the environment. To minimise our carbon footprint, we have been a proud supporter of Vi-skogen since 2017. Vi-skogen was founded in 1983 and has since planted over 140 million trees with the aim of fighting poverty and helping families to provide for their own living expenses. By planting trees in Kenya, Uganda, and Tanzania, Vi-skogen is working to combat the impact of both climate change and poverty in these areas. Agroforestry is at the heart of their business, which involves planting trees alongside other crops in areas where

livestock graze to create a balanced ecosystem that contributes to greater biodiversity and is more resilient to climate change. We are proud to support such an important cause. We plant two new trees for every tree used in the production of the posters we sell. In 2023, our contribution to Vi-skogen resulted in the planting of 10,418 trees that contribute to both carbon offsetting and social benefits. Since the beginning of our partnership, we have planted more than 57,573 trees.





# RISK MANAGEMENT

Our world is constantly changing, and the conditions and climate for businesses worldwide are heavily influenced by economic uncertainty, armed conflicts, and the effects of climate change. The importance of climate adaptation is growing and will affect the daily operations of all businesses and even entire communities in the future. Sustainability as a field is becoming increasingly complex for companies to navigate, resulting in an increased need to conduct regular risk analyses. Risk management is an important aspect of our sustainability work and is incorporated into everything we do. As an e-commerce company with a complex value chain, we work with many different external partners in areas such as purchasing, production and distribution. With this in mind, we conducted a risk analysis of our operations and value chain to identify and address risk areas.

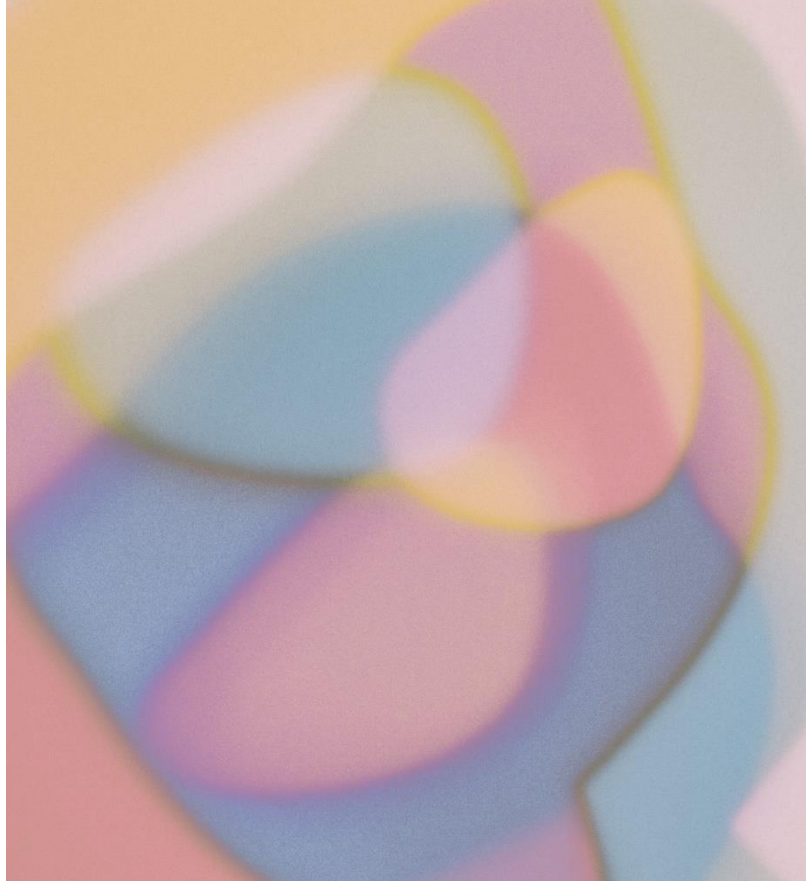
In conducting our risk analysis for 2023, we focused on social and environmental sustainability. Within these two areas, we identified a number of risks that we consider relevant for Desenio Group's sustainability work in 2023 and beyond. The main risks identified within our organisation and extended value chain are presented below. We are mindful of the fact that despite these efforts, unforeseen events can still occur, and we are therefore constantly working to improve our risk management processes to minimise risks and ensure a proactive approach.

## **FSC®-CERTIFICATION**

As an FSC® certified company, we must carefully follow and respect the requirements of the FSC standard applicable to our certificate. These requirements are often more stringent than the legal requirements. To minimise the risk of non-compliance with our FSC® certification, we have created a comprehensive mapping of all the processes involved in this certification. These processes are carried out regularly according to a predetermined schedule, and all process descriptions are regularly updated to ensure that they always contain accurate information. Within the scope of these processes, we provide regular training for employees involved in working with FSC. We also undergo an annual independent audit where all processes and documentation are thoroughly checked and approved by the FSC organisation. Through these actions, we believe that Desenio Group is successfully managing the requirements that come with our FSC certification.

## **LAWS AND REGULATIONS**

Within our organisation, the risks related to non-compliance with laws and regulations are mainly linked to our internal social and environmental sustainability processes and the complexity of our global operations due to differences in local laws in various countries. As we have a market presence in 37 different markets around the world, with varying scope and levels of sustainability legislation, we recognise that there is a risk of non-compliance with local legislation in areas such as our value chain, producer responsibility and sustainability reporting. To ensure that we work in accordance with all local laws and regulations, we carefully examine all local laws before entering a new market. For markets where we have already established our operations, we conduct regular business intelligence to ensure that we comply with any new laws and regulations in the area of sustainability. New laws and regulations on sustainability are now being produced and published at a rapid pace, in Sweden as well as internationally. We have identified stricter requirements in sustainable supply chains, for example through the new EU Corporate Sustainability Due Diligence Directive. These changes are highly relevant to the daily operations of the Desenio Group. We also closely follow updates on sustainability reporting and producer responsibility. As a result, we see an increased need for social compliance resources and expertise to enable and ensure compliance with new and updated laws and regulations in this area. Thanks to these measures, we believe that the risk of non-compliance is low and that Desenio Group is well prepared to deal with future changes in this area.



## VALUE CHAIN

Within our value chain, we consider non-compliance with our Supplier Code of Conduct to be the biggest risk. This mainly relates to human rights, the wellbeing and safety of the factory workers employed by our suppliers, anti-corruption, and the general ethical business behaviour of our partners. This includes all ten areas previously presented in our Supplier Code of Conduct, such as issues related to child labour, corruption, working hours and living wages. As an online retailer with a complex value chain, we work with factories located in different parts of the world. As a result, it can be challenging to keep abreast of the differences between different countries' laws and regulations. We always need to ensure compliance with local laws, but in cases where the requirements of local laws are lower than the requirements of our Code of Conduct,

we must also ensure that our suppliers fulfil all the requirements of our Code of Conduct. This means it is very important that we carefully examine and evaluate these risks. Our social audit programme allows us to do just that. All our suppliers in high-risk countries are required to carry out annual independent social audits. These audits include a review of all areas of our Code of Conduct and an assessment of the factory's status in each area. This provides us with the information we need to identify potential problems and quickly correct any deviations from our Code of Conduct. Through these efforts, we are confident that Desenio Group will continue to contribute to a more sustainable future by working to achieve our goals and actively making decisions with sustainability in mind.

