



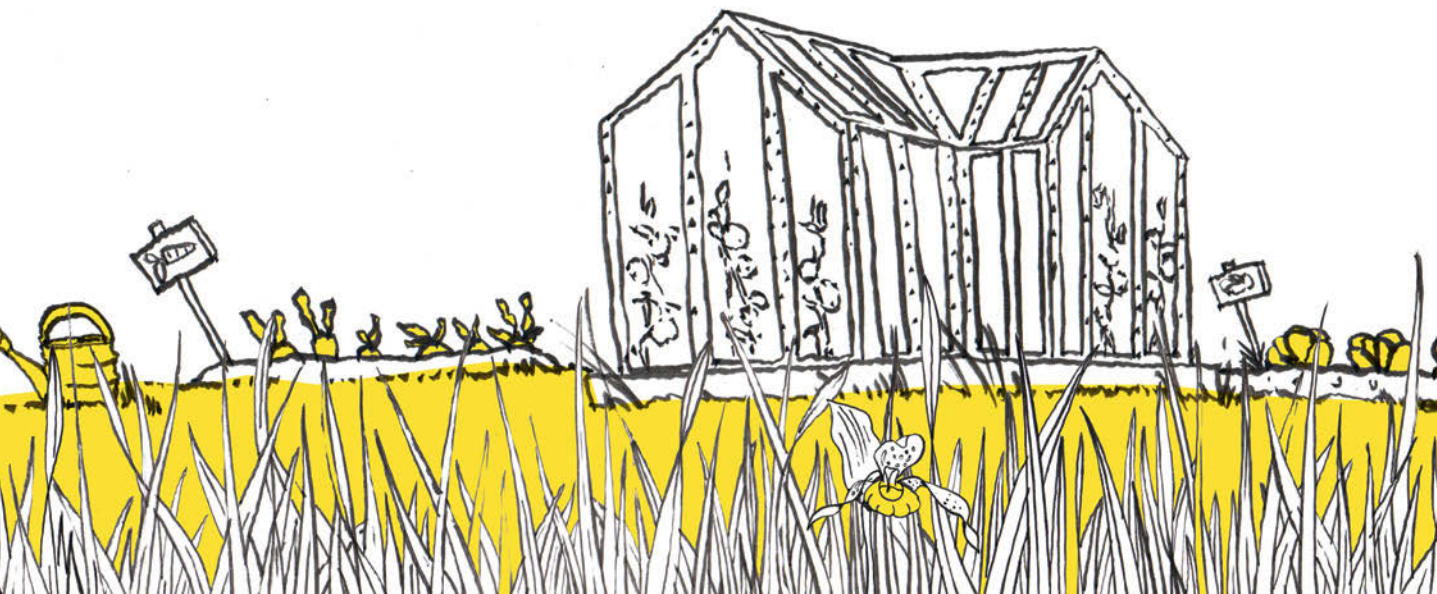
# INSPIRED

## 2021

13th Communication on Progress  
UN Global Compact

[www.vs.de](http://www.vs.de)





## WE SUPPORT



The United Nations Global Compact (UNGC) is a global pact that has been concluded between businesses and the United Nations. It was set up in 1999. With more than 13,000 participating companies and organisations, it is now considered to be the world's largest and most important initiative for responsible corporate management.

The initiative is not to be thought of as a certifiable standard or regulatory instrument but as an open forum that seeks to stimulate change processes and share ideas.

On the basis of ten universal principles and the Sustainable Development Goals, the Global Compact pursues the vision of an inclusive and sustainable economy for the benefit of all people, communities and markets – both now and in the future. These ten principles are categorised into the areas: human rights, labour standards, environmental protection and the fight against corruption.

VS Vereinigte Spezialmöbelfabriken GmbH & Co. KG joined the UN Global Compact on 22 September 2008 and has been an active member ever since

2009. Consequently, the company has voluntarily committed itself to aligning its business activities with these ten principles and implementing them within its own sphere of influence. At VS, these principles are found as social, ecological and economic aspects throughout the transversal activities of the company. The current Communication on Progress documents how this is reflected in the company's activities and indicates the measures taken during the year under review, 2021.





# Contents

## UN Global Compact Communication on Progress 2021

	<b>Statement of support for the UN Global Compact</b> .....	5		<b>2.4 Employees</b> .....	<b>20</b>
<b>1</b>	<b>The company</b> .....	<b>6</b>		Changes in workforce .....	20
1.1	VS in figures .....	6		Proportion of women employed in the VS Group .....	20
1.2	Company profile .....	8		Women in management positions .....	20
1.3	Company structure .....	8		Basic and further training / personnel development .....	20
1.4	Company strategy .....	8		Health care and protection .....	21
1.5	Company values .....	9		Catering .....	21
<b>2</b>	<b>Sustainability strategy</b> .....	<b>10</b>		Inclusion and diversity .....	22
2.1	Sustainable corporate management .....	10		Combining family and professional life .....	23
	Sustainability management .....	10		JobBike .....	23
	Human rights .....	10		Study and training award .....	23
	Compliance .....	10		Current developments in 2021 .....	23
	VS sustainability system .....	10	<b>2.5</b>	<b>Social commitment</b> .....	<b>24</b>
	Stakeholder dialogue .....	11		Culture .....	24
	Sustainability in the supply chain .....	11		Education and training .....	24
	Current developments in the year under review, 2021 .....	11		Support for charities .....	24
<b>2.2</b>	<b>Product responsibility</b> .....	<b>12</b>		Sport .....	24
	Made in Germany .....	12		Current developments in the year under review, 2021 .....	24
	Design and durability .....	12	<b>3</b>	<b>Implementation of the ten principles of the UN Global Compact</b> .....	<b>24</b>
	Circular value added .....	12		<b>Annex 1</b> .....	<b>26</b>
	Certifications .....	12		A VS corporate policy .....	27
	Current developments in the year under review, 2021 .....	13		B Code of Conduct (Supplier Guideline) .....	27
<b>2.3</b>	<b>Climate and environmental protection</b> .....	<b>14</b>		Publication details .....	28
	Environmental policy .....	14			
	Energy policy .....	14			
	Energy monitoring .....	14			
	Current developments in the year under review, 2021 .....	15			
	Packaging and waste concept .....	16			
	Assessments and certifications .....	16			
	VS garden .....	19			
	Solvent consumption and proportion of VOC .....	19			
	Current developments in the year under review, 2021 .....	19			



Fortunately, the demand for our products picked up quickly and indeed even more strongly than we had predicted. Thus, at the end of the year we were approaching our record sales of 2020 which – and this should not be forgotten – included an unexpected and one-off major order. Senior management and the Managing Board are very much aware of the enormous efforts made once again by our employees during 2021 in order to achieve this result.

We used the year under review to further implement our Strategy 2022. We

2022 will again be characterised by a challenging materials procurement situation and scarce transport capacities (alongside the Covid crisis, Europe and the world are now also suffering the consequences of the war in Ukraine), but also hopefully by stable demand levels. We will therefore continue with the measures we introduced in 2021 in order to be able to control the workload in our company better. These include, for example, considerable new recruitment for our industrial activities and record investments in the Tauber-bischofsheim site, the most important of which is the new Plant 7.

---

### Statement of support for the UN Global Compact

---

Dear VS employees,  
Dear Sir or Madam,

2021 was another turbulent year for us. Covid was once again the overarching issue even if the programme of vaccinations throughout the year brought some relief.

At the economic level, 2021 brought with it some challenges but also a number of positive developments. Due to the continuing lockdown, the wait for a vaccine and the generally high level of uncertainty, our planning at the start of the year was comparatively conservative. And it did indeed prove to be the case that the availability and costs of materials and transport capacities, as well as the recruitment of seasonal workers, would constitute the greatest challenges.

were guided by the aims set out in this strategy: We have satisfied customers. We are a family company. We are a top employer. We are a strong brand. In addition to our quality policy, the environmental and energy policies continue to be vital elements in our corporate activities. I would also like to emphasise our multifaceted commitment to society and culture. Examples of this as well as of all the other measures taken within the framework of the UN Global Compact are presented in the current report.

## WE SUPPORT



From the very start, environmental protection played an important role in the planning and execution of this large-scale investment and construction project – whether in the form of the implemented compensatory measures, which go significantly beyond statutory requirements, or measures relating to energy savings, building optimisation and the responsible use of resources during the construction and subsequent operating phases. Despite all the circumstances beyond our control, we are therefore approaching 2022 with some confidence and hope that we can work together to ensure that the year is a success.

VS will continue to support the principles of the UN Global Compact and implement them in its field of activity.

Yours sincerely,

Philipp Müller  
Managing Director

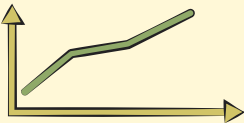


1 The company

1.1 VS in figures

Corporate development 2018 to 2021

	2018	2019	2020	2021
Sales (mill. euros)	238.8	253.6	280.3	272.9
Workforce	1 500	1 569	1 595	1 580



History

Founded in 1898, now managed by fourth generation of the same family

1898

Customers

Educational establishments, mid-sized companies, corporations and DAX-listed companies, banks, savings banks and insurance companies, authorities and ministries

Environmental responsibility

Cogeneration plant, district heating, photovoltaic system, burning of wood chips for heat, recycling concept for end-of-life furniture, heat recovery system, powder coating, member of UN Global Compact, environmental and product certificates (Level, Cradle to Cradle, PEFC, LGA and many others), recyclate concept

Production area

More than 113,000 m<sup>2</sup> (approx. 15.75 football pitches) with 6 factories at the Tauberbischofsheim site, Plant 7 currently under construction with an area of 17,000 m<sup>2</sup>

Head office and production

In Tauberbischofsheim





#### **Sales structure**

Direct domestic sales with more than 100 employees, export sales via dealers

#### **Areas of business**

Production and sale of school and office furniture as well as boards and interactive displays

#### **The best-seller**

Famous for the wooden skid chair which has been sold 6 million times

#### **Project planning and handling**

Delivery, installation and service

#### **Design-oriented, ergonomic creative principles**

Cooperation with, for example, Verner Panton, Jean Nouvel, Dion Neutra, Martin Ballendat, Günter and Stefan Behnisch, Nicolai Fuhrmann, Hubertus Eilers, David A. Stubbs II

#### **Production capacity in 2021**

1,231,000 chairs, 642,000 tables, 301,000 cabinet-type units, 19,600 tables, whiteboards and interactive displays

#### **Corporate structure**

4 branches in Germany  
Subsidiaries in Germany, USA, France, holding in the United Arab Emirates  
International dealership network



## 1.2 Company profile

VS Vereinigte Spezialmöbelfabriken GmbH & Co. KG is Germany's leading manufacturer of school furniture and is present worldwide. We have been developing, manufacturing and marketing furniture and equipment concepts for the knowledge society since 1898: for schools and universities, administrations and ministries, companies and corporations. In addition, we also offer a full range of services from room planning and the implementation of digital media through project handling and on to ongoing support and training. We are also successful as a supplier of fittings for office buildings and construction projects.

The head office and production site is located in Tauberbischofsheim in the north of Baden-Württemberg, Germany. We also have branches and subsidiaries in Germany, Europe, the USA and a holding in the United Arab Emirates. Together, these entities form the VS Group. We have now been a family-run company for four generations.

Throughout our history, we have always seized on the challenges of the future. We have supported concepts leading to educational reform, and today we still embrace important developments in the fields of education and work and support them with our room and furnishing concepts. Or give them new impetus.

The driving force behind this is our desire to understand how people learn and work. How do they communicate with one another, how do they exchange ideas and experiences? What conditions best help them concentrate and which lead to the generation of new ideas? This knowledge helps us design learning and working worlds that respond precisely to these needs – and provide individuals with optimum support during their work and learning activities.

## 1.3 Company structure

VS Vereinigte Spezialmöbelfabriken GmbH & Co. KG has been a family-run company for four generations. Philipp Müller has been sole Managing Director since 2019 and prior to this was also the Chairman of the Managing Board. The Chairman of the Partners' Meeting is Professor Thomas Müller.

VS is subdivided into four corporate divisions: Commercial Controlling, Corporate Planning, Production and Sales, each of which is headed by a separate Director. These are complemented by the Services and Products division, whose Director reports directly to the Managing Board. The Management Representatives for Quality/Environment and Energy, the Officer responsible for Occupational Safety and the Company Doctor also report to the Managing Board. All these divisions and units are located at the company's primary site in Tauberbischofsheim.

Domestic sales are subdivided into the four branches: North (Dortmund), Central (Tauberbischofsheim), South (Munich) and Berlin. In its international markets, VS works together with a network of dealers. Export activities are managed from Tauberbischofsheim.

In addition to the parent company, the VS Group comprises the subsidiaries VS America, Inc., Mobilier VS, VS Service and VS Visuelle Medien as well as the holding VS Furniture Middle East FZC.

## 1.4 Company strategy

VS has enjoyed continuous, strong growth over recent years. We have systematically strengthened our portfolio to meet the requirements of the educational and office sectors and have continued to invest in state-of-the-art technology and the training and qualification of our workforce.

Our strategy is to continue to be the leading supplier in the educational furniture market in 2022 and to extend our premium position in this market at the global level. We want to become market leaders for digital infrastructure in the education sector and develop to become a system house offering extensive IT services. In the office furniture market, we want to continue to be successful as a specialist supplier and to focus on selected customer sectors.





that only we are able to service in the way we do. As far as infrastructure is concerned, we are, on the one hand, committed to the continuous upgrading of our production equipment and, among other things, are investing in a new plant at our main site. On the other, we are continuously optimising our IT structure and increasing our focus on route, customer service and assembly planning as well as production planning.

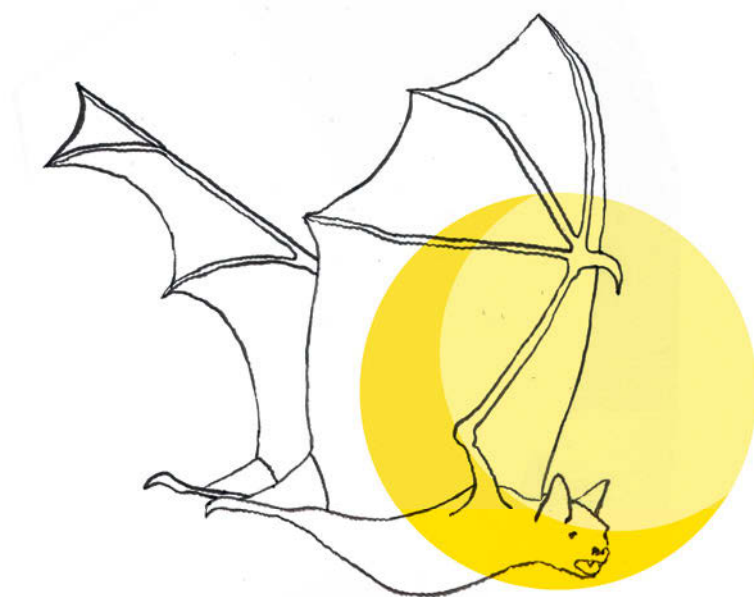
We have an integrated company policy for all our management systems, including for environmental, energy and quality management. The company and energy policies are verified annually by third-party auditors. The policies are reviewed prior to any significant changes that make early adaptations necessary.

### 1.5 Company values

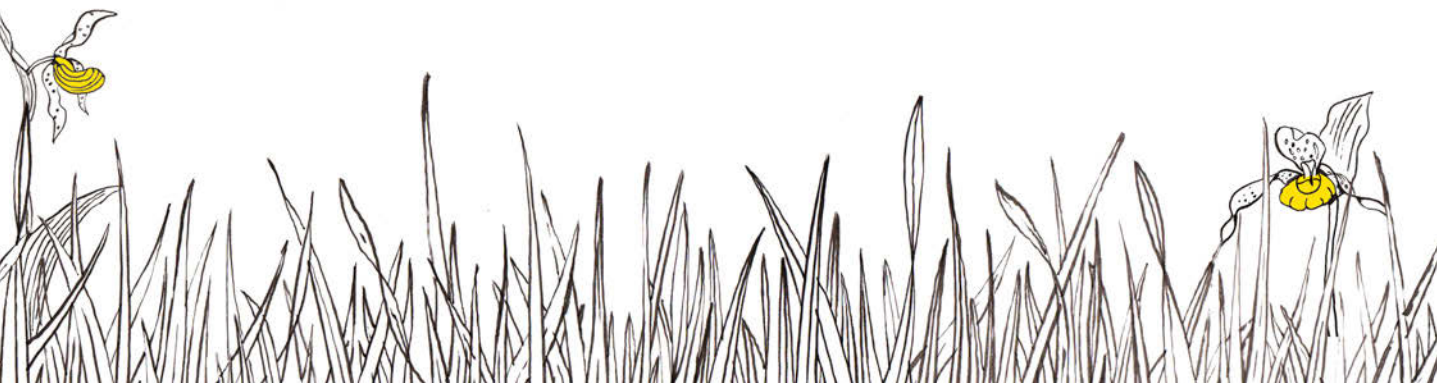
Our values form the basis for our actions. They embody the spirit of VS and serve as a guideline for our everyday action and interaction within the company.

- Integrity: We do what we say. This is the basis for a trusting relationship among ourselves and with our customers, partners and suppliers.
- Tolerance: We are open towards other opinions and ways of behaviour. We appreciate all our colleagues who share the corporate values and contribute to VS's success.

- Independence: We complete our tasks autonomously. In doing so, we accept mistakes and show our appreciation of the results achieved.
- Desire to improve: We always want to improve. To do this, we support one another by offering and accepting respectful criticism.
- Sustainability: We want to have a positive influence on our environment and the social world in which we act. We harmonise this ambition with VS's economic success.



**Space for bats.** In the deciduous wood adjoining the newly constructed Plant 7, we have installed bat nesting boxes as a compensatory nature protection measure. The boxes were made by the apprentices in the wood workshop.



## 2 Sustainability strategy

### 2.1 Sustainable corporate management

VS and its senior management have long been committed to a sustainable approach to business. For us, this means always acting responsibly towards people, the environment and society, and marketing outstanding products under economically sensible conditions.

#### Sustainability management

As a family-run, mid-sized business, we are and will remain independent and free to make our own decisions. We have a consistent, overarching philosophy framed within the long-term context. We place great value on securing our employees' jobs, maintaining our core competences at our German headquarters and growing at a sensible rate. For us, forward planning is more important than short-term profits. We regularly invest in optimisations to our system technology. This helps us preserve natural resources, manufacture high-quality, durable products and set new standards in our sector.

By monitoring our processes in accordance with DIN EN ISO 9001 (quality management), 14001 (environmental management) and 50001 (energy management), we can guarantee the consistent high quality, reliability and safety of our products and working procedures, while meeting our aims in terms of climatic and environmental protection.

We have our roots in the town of Tauberbischofsheim, in Baden-Württemberg in Germany. And this is where our head office and production facilities are still located. As the largest employer in the area, we are fully aware of our responsibility for our region, just as we are of our responsibility towards our customers and partners worldwide

#### Human rights

The protection and promotion of human rights within our sphere of influence are part of the general VS corporate strategy. In all this, we are guided by the International Charter of Human Rights, consisting of the "General Declaration of Human Rights" of 1948 and the International Civil and Social Pacts of 1966. As set out in the Charter, we recognise the universality and indivisibility of human rights and undertake to adhere to them strictly in our sphere of influence.

A large proportion of our value added comes from our manufacturing operations at the production site in Tauberbischofsheim. Here, the binding standards relating to human rights are set out in law. At the same time, a large proportion of supplies are sourced from companies in Germany or Central Europe. These regions are also subject to strict legal requirements which are monitored and adhered to. We demand that our supplier companies adhere to the provisions of the Supplier Guideline (see Appendix), in which the standards in terms of human rights are again defined. We refuse to be directly or indirectly involved in the violation of human rights, in particular by states in which we have business relations.

#### Compliance

As early as 2004, the VS senior management decided on regulations according to which employees in the Purchasing department could only charge small amounts as expenses for customer support. Individual VS contractual dealers are also not permitted to obtain contracts through bribery. However, we are not able to check whether any bribery is practised by contractual dealers within the scope of their commercial margin. If such cases are identified then we examine the business relations with a view to ending such practices. No complaints were reported during the period under review.

#### VS sustainability system

To make our company's approach to sustainability even more transparent, to assess it more accurately and to improve it, we have developed a systematic corporate approach in the form of a sustainability pyramid. To do this, we have defined relevant corporate and product-related modules and assigned these to the different levels. At the lowest level of the pyramid, there are the basic modules, followed by statistics and certificates. These are followed by standards relating to sustainability and then, at the apex of the pyramid, sustainability at VS.

A descriptive fact sheet is stored for every module. This fact sheet contains detailed information on implementation as well as on responsibilities within the company and makes it clear how the individual modules are linked to one another. This provides us with an overview of all the relevant information to be taken into account in connection with sustainability in the company. It also makes it possible to evaluate new requirements quickly and in full within the overall context.

One part of this system is the environmental information which we draw up for the majority of VS products.



### Stakeholder dialogue

Due to our business activity, our social orientation and our regional roots, we have an influence on various stakeholder groups, just as these, in turn, have expectations and demands for us. The dialogue with our stakeholders is extremely important to us as it enables us to identify their different interests and harmonise these wherever possible. We thus want to maintain, reinforce and extend our mutual trust and understanding.

We use a range of methods for communicating with our stakeholders. These include, for example, anonymous employee surveys, customer, supplier and business partner surveys as well as workshops and discussion events. Through the associations in which we participate, we are actively involved in processes that contribute to social policy. With the regular publication of the COP in German and English on our website, we give all stakeholders the opportunity to gain an insight into sustainable developments at VS.

**Vegetable garden.** On our site, we cultivate a small kitchen garden based on organic principles.

### Sustainability in the supply chain

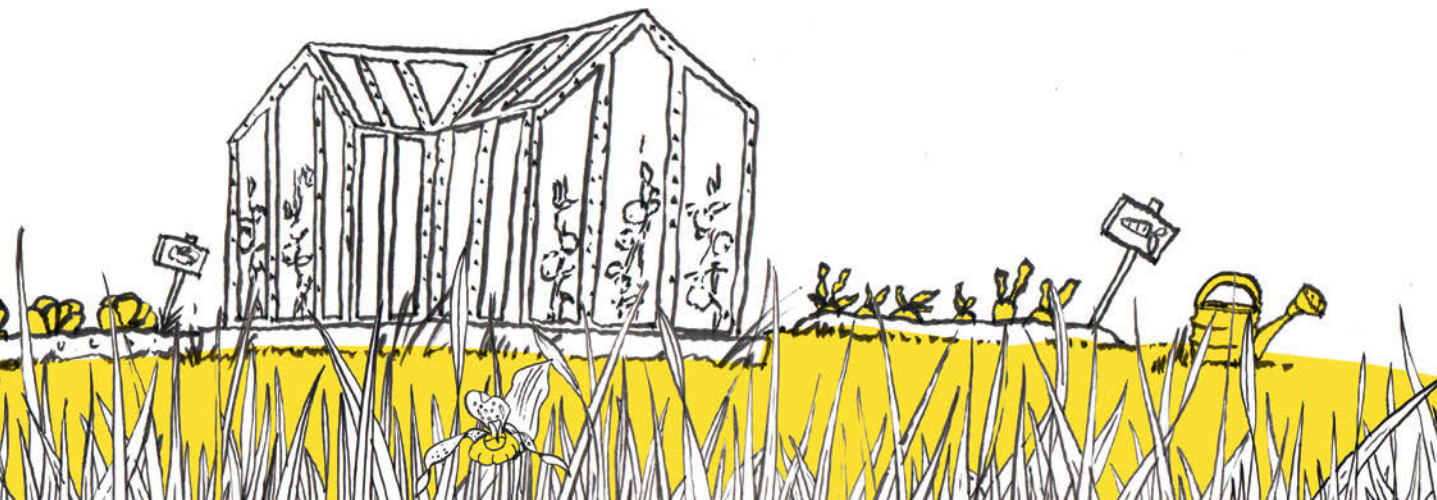
In 2013, the senior management of VS decided on a guideline for suppliers based on the principles of the UN Global Compact. This Code of Conduct has been applicable every year since 2014 and was included in the General Terms and Conditions of Purchasing in 2017.

The Code of Conduct imposes the requirement to respect social and labour standards, for example adherence to the ILO core labour standard, the rejection of child labour, the free choice of occupation, the freedom of association, the right of employees to form an employee representative body and conduct collective bargaining, as well as the prohibition of discrimination. In addition, the wages and welfare contributions paid by supplier companies should allow employees to live a dignified life and workplaces should meet internationally acknowledged health and safety standards. People with disabilities should be given special support.

The hundred suppliers with the highest sales levels every year, our energy providers and the manufacturers of machines and plant that is specially designed for VS are contacted in this regard on a rolling basis. They must confirm their commitment to the VS supplier guideline. VS places orders with approximately 1200 suppliers and the supplier database contains some 6000 suppliers.

### Current developments in the year under review, 2021

- We have used a survey tool to develop a system for the analysis of customer satisfaction and conduct such analyses on a quarterly basis. In 2021, we conducted four surveys during which we wrote to 258 customers and obtained a response level of 15 percent. The results of these surveys flow into our strategy and, in the coming year, will also be used to further improve the analysis. We also want to extend the scope of the analysis.
- During 2021, work started on the construction of Plant 7. The building was erected as planned. One change was made with regard to the heating (of the infrastructure) and this is currently being implemented. The cogeneration system and solar power system will have to be reassessed at a later date and the current regulatory framework conditions will have to be compared with VS's requirements.
- Training of the second safety specialist was completed in June and the corresponding appointment was made on 1st July.
- The new risk assessment system, which we elaborated in 2020, was rolled out to five selected units: LP (Lignodur/paper), PBA (powder-coating system), MTI (table assembly), WIV (maintenance/repair/construction) and Office.
- On the basis of our stakeholder surveys, we are working together with an external agency to develop a new brand image which will be rolled out in 2022.





## 2.2 Product responsibility

For us, product responsibility starts with our very first ideas concerning product development and continues throughout the whole process chain: from raw materials purchasing, production, adherence to quality and emissions standards, delivery, assembly and service, right through to a return and recycling concept for end-of-life furniture.

### Made in Germany

We manufacture in Tauberbischofsheim in Germany. The machining and processing of timber materials and tubular steel, as well as the assembly of our products, are our core competencies that we will outsource to no-one.

### Design and durability

The way a product is conceived has a considerable influence on its sustainability. This includes, for example, considerations concerning the number of parts (the fewer there are, the easier the product is to recycle), the type of materials used (different materials have different environmental impacts), the design (good design is never out of fashion, the products can be used for a long time and the required machines can be used for a long period, thereby saving resources), ergonomics (ergonomically designed furniture contributes to good health and well-being) or durability (durable products help ensure all-round resource savings).

A number of our products have developed to become classics. One outstanding example is the wooden skid chair, which was developed by VS in 1950 and can still be found in classrooms today – and now also in design museums. Since the mid-nineties, the Panto range of chairs has been a firm favourite in practically every school. We developed it in collaboration with the Danish design legend Verner Panton. Currently, the JUMPER school and office chair, which was launched on the market in 2019, is on its way to becoming a best-seller. It is the work of Pritzker Prize Winner, Jean Nouvel.

Many of our tables and chairs have been designed with ergonomic principles in mind and have been certified with the AGR Healthy Back Campaign label of quality.

To make sure that our furniture can continue to be used for a long time, we support our customers with our spare parts service. In particular demand are wear parts such as chair and table glide elements which users can easily replace themselves. However, requests for spare parts for products that we have already removed from the range can almost always be satisfied by the spare parts service.

### Circular value added

In the manufacture of our products, we are guided by the vision of circular value added, that is to say product use without materials consumption. Recycling has already shown that it is possible to manufacture without continuously having to extract new raw materials. However, the great challenge in this process is to avoid simply practising down-cycling – i.e. creating products that are of less value than the original product – and instead to truly retain the value of the materials when they are reused or transformed.

This approach has long since been pursued at VS. One example is provided by the Lignodur boards – extremely stable table tops which are compacted from beechwood chips obtained from waste wood using a process patented by VS. This idea has been taken further with the design of furniture made from only a few parts and materials which can then be separated again into their original constituents and recycled. These include, for example, the Panto family of chairs and the JUMPER chair range (consisting of a polypropylene or wood laminate shell and a steel frame).

The aim is to design products so intelligently that their components can be endlessly recycled – by introducing end-of-life products into a technical or natural cycle without this having any negative consequences for humans or the environment. This is the basis for the “Cradle to Cradle” approach.

### Certifications

We regularly have our products tested by independent bodies for their quality, safety and environmental responsibility. The aim is to achieve the German GS (“Tested Quality”) label for all VS standard products and, for all products manufactured at the Tauberbischofsheim site, the label “TÜV Rheinland certified. Emission Tested. Tested for Harmful Substances.” These are complemented by a wealth of other national and international quality and environmental certificates, including Cradle to Cradle Certified™. You will find more on the subject of certificates on page 17 ff.



### Current developments in the year under review, 2021

- We have obtained two new certificates: Nordic Swan for the NF-Chair with recycle shell and the EU Eco-label for the EcoTable. Two certificates that were due to elapse have been successfully extended: FEMB Level for all product groups and BIF-MA Level for electrically-driven height adjustment mechanisms.
- We have worked together with an external service provider to standardise the lifecycle assessment calculation for our products. We are now able to calculate the values ourselves using a software tool. The new Environmental Product Information sheets (EPI) have been revised and been given a graphic design. Training was performed for all VS sales personnel and a training video has been produced which clearly explains the Environmental Product Information as a standardised calculation of the lifecycle assessment for VS products in accordance with DIN EN 15804.
- We have finished creating the basic prerequisites for the use of plastic recyclates. The seat shell of the NF chairs is now also available as a recycle variant. The introduction of a further recycle product (Stakki three-legged chair) is in the final phases of implementation. The basic prerequisites have been created to enable us to categorise all employed plastic products and evaluate these for the possibility of replacement by recyclates.
- With regard to the introduction of products and successor models in the field of Visual Media, we have placed – and will continue to place – the emphasis on low power consumption. One example is the VS-S-L86EB interactive display, which is documented as having an overall power consumption of 500 watts. The current successor model has power consumption of only 185 watts.

**Minimalist parts.** The JUMPER chair consists of just a few components and can be completely recycled.



## 2.3 Climate and environmental protection

We are committed to protecting our environment. That is why we are careful to avoid any harmful impact on humans or nature that could result from the manufacture, use or disposal of our products.

### Environmental policy

We adopt a full lifecycle approach when considering our materials. In this way, we make sure that products can be reintegrated in the material cycle. When using our raw materials, we make sure that we reduce offcuts and waste to a minimum. Any offcuts are re-used.

We use modern powder coating systems with high recovery levels. For our high-quality, patented LIGNOdur boards, we use only beechwood chips from regional forests, thereby again reinforcing the principle of the circular value added chain. These chips are generated as waste in other businesses and then purchased by us.

We use chipboard residue from our own production operations to generate the heat needed for our processes and to heat our factory and office spaces. Any steel tube offcuts and metal waste are recycled. What is more, we have developed a return concept for old furniture with tubular steel frames. Plastic furniture parts – such as the LuPo seat shells or Hokki stool – are manufactured from pure polypropylene (PP). Polypropylene is not only extremely

tough and long-lived but is also fully recyclable. To package and transport our furniture, we use reusable packaging, for example in the form of furniture covers, which is returned to us for further use.

### Energy policy

Environmental protection and the associated need to use energy economically have been guiding principles in the company for many years. The introduction of an energy management system in accordance with DIN EN ISO 50001 in 2016 created the conditions necessary for the targeted control and continuous improvement of our energy performance. We do this by

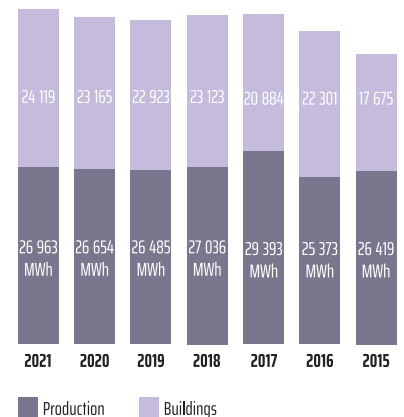
- optimising energy provision and generation,
- taking account of the energy efficiency of the production equipment at the time of procurement,
- making careful use of energy in all our production sectors,
- encouraging the use of regenerative energies, and
- reducing CO<sub>2</sub> emissions.

We take care not to use any more energy than we actually need, to use highly efficient power generators and to make use of renewable energies. Our energy management system is certified in accordance with DIN EN ISO 50001:2018.

69 percent of our wood waste (or 3,491 tonnes) is burned in emission-tested waste wood combustion systems. We use the resulting energy for process heat and to meet our heating requirements. This volume corresponds to about 15.3 million kWh of energy and therefore saves some 1.53 million litres of heating oil per year, while simultaneously reducing CO<sub>2</sub> emissions by approximately 2000 tonnes during the same period.

Since 2001, we have generated electricity from the photovoltaic systems installed on the roofs of our production facilities. These have a total peak capacity of 950 kilowatts (kWp). Due to the age of the system on Plant 1, this was shut down by the operator TAUBER-SOLAR in late 2021 after 20 years of electricity production.

In 2012, we installed a district heating connection over a length of 650 metres, which has allowed us to further reduce our gas requirements for generating process heat. In 2015, we commissioned a gas-fired cogeneration system with electrical output of 854 kW. This produces 4.8 million kWh and covers approximately 36 percent of VS Vereinigte Spezialmöbelfabriken's entire electrical power requirements, while also supplying additional heating power.

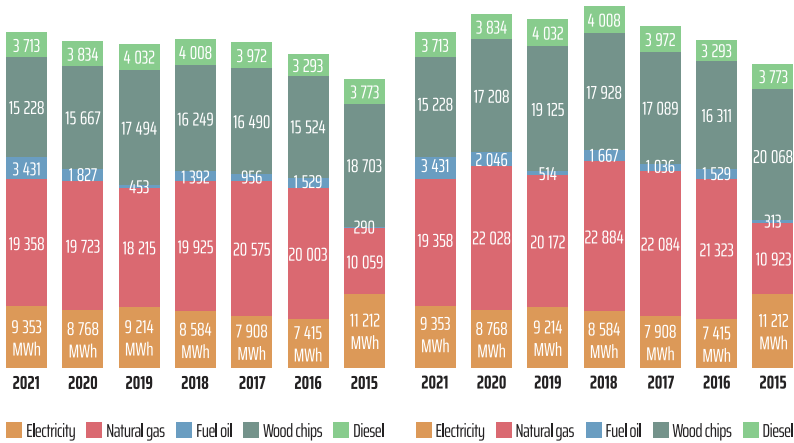


### Break-down of energy usage

The energy usage of buildings is calculated from the energy amounts used for room heating, air conditioning and lighting. The energy amounts used for power and process heat are attributed to production. The increase in consumption is due to the increase in value added at the Tauberbischofsheim site, the purchase of fuel oil for Plant 7, the installation of additional equipment and machinery and the additional welding robot in Plant 4 – SRF (steel tube production).







### Total VS energy use

**Electricity:** The increase consumption is due to the growth of our subsidiary VS Visuelle Medien, the construction of Plant 7 and very high production capacity utilisation.

**Gas:** Long periods of cogeneration plant operation and a comparatively cold and rainy 2021 resulted in a high level of gas consumption, in particular in Plant 3/4. Once the temperature drops below a certain level, no more district heating is conveyed from boiler room 1 to boiler room 3.

**Wood chips:** The reduction in the burning of wood chips is due to the use of chips with a lower calorific value.

**Fuel oil:** Temperatures as low as -25°C in February 2021 and the processing of wood chips with a lower calorific value meant that more fuel oil had to be used as fuel in addition to the burning of wood chips.

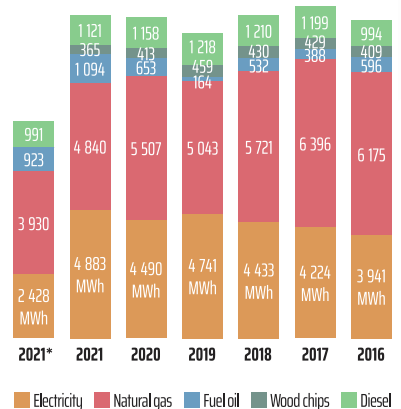
**Diesel fuel:** Due to the Covid-related travel restrictions, less diesel fuel was used than in the previous year, with the fall being similar to that seen in 2020.

### Total VS energy use, adjusted for weather conditions

An adjustment for weather conditions is applied for all energy sources that are converted into heat quantities (for heating) (for example, chips that are burnt in order to provide the hot water for the heating). The weather adjustment factor for 2021 was 1.0. This means that there is no difference in the energy values compared to the absolute presentation above.

The purpose of this is to evaluate the (heat) energy requirement of a building/company, independently of location; for example, on a yearly average, it is colder and wetter in Tauberbischofsheim than it is in Freiburg.

Consequently, two buildings of identical construction and with the same insulation but located at different sites will have different absolute heat energy requirements due, however, to climatic influences and not to the building technology. For this reason, the German meteorological service compiles monthly reports of average weather conditions (for example, hours of sunlight, temperature, precipitation, wind strength, etc.) and computes weather factors from these (sorted by post code). These must be compared with the absolute (heating) energy requirement in order to obtain the (heating) energy requirement adjusted for weather conditions.



### CO<sub>2</sub> emissions

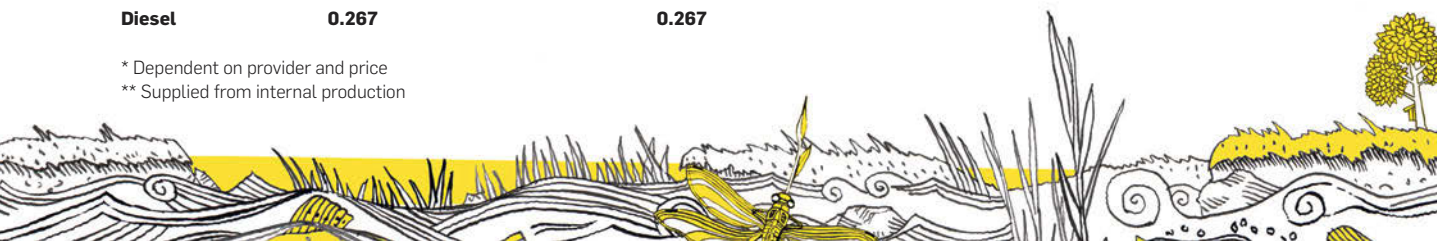
Since 2021, CO<sub>2</sub> equivalent values have been used that do not correspond to the German average but instead represent the actual VS emissions. The CO<sub>2</sub> equivalents are based on the measurements made for VS by the sustainability consulting company Fokus Zukunft. Fokus Zukunft, in turn, refers to the values indicated by VS's electricity suppliers, the GEMIS database (Global Emission Model for integrated Systems) and standards.

### CO<sub>2</sub> equivalent of different energy sources

Energy source	CO <sub>2</sub> equivalent, German average [t/MWh]	CO <sub>2</sub> equivalent VS [t/MWh]
Electricity*	0.565	0.281
Natural gas*	0.250	0.203
Fuel oil	0.269	0.269
Wood chips**	0.024	0.000
Diesel	0.267	0.267

\* Dependent on provider and price

\*\* Supplied from internal production



With the introduction of an energy management system DIN EN ISO 50001, we were able to intensify the acquisition of energy-related data. This supervision of energy consumption is known as energy monitoring and is a key standard element in the management system. The ascertained data is intended to make it possible to identify potentials for energy savings and assess the energy-related aspects of the implemented projects. The values recorded at VS are the so-called final energies. These final energies are converted (for example in the cogeneration plant, in the boiler systems and the electricity subdistributors) and are made available as useful energy to the energy consumers in the form of electricity and heat (building and process heat).

At VS, there are currently 160 meters that are able to record final and useful energies. Because electricity is far and away the most expensive energy source, particular importance was attached to the measurement and analysis of electricity consumption. As a result, a large number of electricity metering points can now be digitally consulted via the building control system. This means that it is possible to identify the consumption in each VS building and call up current connection values online in real time. The detailed measurements reveal important information, for example regarding energy consumption by area of usage. The relevant energy management measures are derived from this information.

### Packaging and waste concept

In this area, VS follows the clear series of priorities set out in the German legislation on recycling and waste handling (KrWG): Avoidance of waste, preparation for recovery, recycling (recovery of materials), other forms of recovery (in particular for energy and infill), disposal.

What is more, we go beyond legal requirements and think of the future. As early as the design and manufacture of VS products, we do all we can to make sure that all the furniture produced at VS can, as far as possible, be separated into individual material types at the end of the product lifecycle.

For transporting furniture from the factory to the customer, we avoid unnecessary packaging and use recyclable or reusable packaging materials. We prefer to use reusable packaging, for example in the form of furniture covers. If required, we take back old VS furniture in the same vehicle after installing the newly delivered furniture. The old furniture is then disassembled in our recycling yard and the materials obtained are integrated in the external materials cycle by certified disposal companies.

If a complaint is received regarding a product then repairs are undertaken by VS's in-house customer service on-site if possible. If this is not possible then, in accordance with the VS re-utilisation concept, furniture that is taken back is sold at the factory outlet or, if this is not possible, any individual parts that can

still be used are returned to the production cycle.

Wooden materials obtained by dismantling old furniture or from the production process are burnt in the company's incineration plant to provide heat which is used for the internal production process (for example, for heating presses for school table tops) or for heating buildings at the production site. Any other reclaimed residue is entered into the public reusable material cycle.

Furniture manufacture gives rise to individual waste material types that are assigned to the internal material sorting cycle at the place at which they arise in accordance with the German Commercial Waste Ordinance (GewAbfV). These materials are collected by our internal service company and transported to the recycling centre. Finally, a further inspection is performed before final sorting in order to obtain the finest possible level of sorting.

The individually sorted material types and non-reusable sorted waste are then handed over to certified, inspected waste disposal companies in accordance with § 52 of the German legislation on recycling (KrWG).

### Gas-fired cogeneration plant.

This covers 36 percent of our electricity consumption and also provides us with additional heating energy.



Long before the promulgation of the packaging ordinance (VerpackV) and the German legislation on packaging (VerpackG) came into force on 01.01.2019, we had already introduced methods for re-using materials from our sales and transport packaging and returning them to our internal processes. This meant that it was easy for us to adhere consistently to the provisions of the legal framework requirements without any extra effort. For many years, packaging that cannot be re-integrated directly into the VS cycle has been transferred to VS's long-standing partner, Duales System Deutschland (DSD GmbH). Here, the packaging is taken over into the external materials cycle for re-use.

### Assessments and certifications

The assessments and certifications to which we regularly submit our company and products can be subdivided into three areas: Company-related certificates, certificates relating to product sustainability and certificates relating to product and user safety.

Company-related certificates provide information about a company as a manufacturer, constructor, property owner, employer and social stakeholder. What principles underpin its actions? What is the quality of its processes?

- We have therefore undertaken certification in accordance with the quality management system DIN EN ISO 9001 since 1996, in accordance with the environmental management system DIN EN ISO 14001 since 2004, and in accordance with the energy management system DIN EN ISO 50001 since 2016. For each of these, recertification takes place every three years.
- As of 3rd March 2013, it has been necessary to adhere to the European Union Timber Regulation (EUTR), which is based on the regulation on the marketing of timber and timber products, no. 995/2010. The aim of the regulation is to ensure that only timber from safe sources enters the EU market. The placing on the market of illegally harvested timber is prohibited. Importers of timber or timber products must implement and apply a due diligence system and, in Germany, register with the Federal Office for Agriculture and Food (Bundesanstalt für Landwirtschaft und Ernährung (BLE)). VS defined the due diligence system in a work instruction and has been registered with the BLE since 28th August 2013.
- Since July 2011, VS has possessed the status of Authorized Economic Operator (AEO), type C. This status is awarded to businesses that meet certain requirements for reliable global trade. The C stands for the simplification of customs procedures.

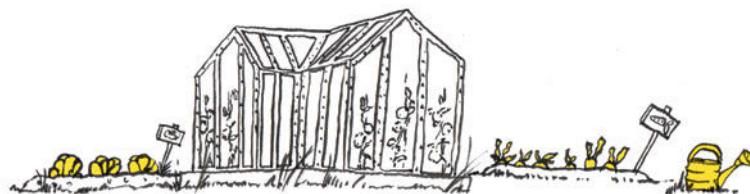
- Since October 2020, VS has been one of the first companies in its sector to have DIN ISO 38200 certification. This standard governs the transfer of information throughout the supply chain for wood and wood-based products and promotes the responsible procurement of wood from legal sources. DIN ISO 38200 provides for the marking of end products which come from PEFC™- and/or FSC®-certified raw materials sources. This means that all the products delivered by VS are covered by this new system and can be labelled accordingly. Independently of this DIN ISO 38200 certification, the raw materials purchased by VS continue to be PEFC™ and/or FSC®-certified and both of these certificates are covered by the new DIN ISO 38200 standard.
- Building companies that are prequalified (PQ) in accordance with the regulations set out in the the Construction Tendering and Contract Regulations (VOB) are entered in the nationwide German PQ-VOB database. It is then considered that the proof of performance required under VOB for public contracts is present.





Certificates relating to product sustainability consider products on an all-round basis – from the choice of materials and the product sustainability process through to delivery. The areas of energy, environmental impact and social considerations are examined. We have decided on these all-round certificates for our furniture:

- BIFMA e3 Level is the sustainability standard of the association of American furniture manufacturers BIFMA. This is an assessment and certification system for environmentally and socially responsible school, office and other non-residential furniture. Since October 2013, most VS products have been certified in accordance with this standard. Recertification is performed every three years. All the tested products achieved the highest level 3 (Platinum).
- European Level is a certification programme developed by the European furniture association FMB in order to boost the sustainability of school, office and other non-domestic furniture. It was introduced in 2018. It makes it possible to assess furniture in terms of its ecological and social impacts. VS was the first company to be certified in accordance with the "European Level" standard and all of its 50 or so certified products have achieved the highest level (3). Recertification is performed every three years.
- Cradle to Cradle Certified pursues the idea of a waste-free economy that thinks exclusively in terms of cycles, i.e. circular value-added chains. All the employed materials are part of a natural or technical cycle. Thus, all waste, in the conventional sense,



is avoided because all the materials are reused or recycled or can be composted without leaving any harmful residue. Currently, four of our products have been tested in accordance with this exacting certificate: the JUMPER Air Active school and office chair and the PantoSwing-LuPo school chair (both Silver) as well as the Uno-C and EcoTable tables (both Bronze). The certificate is valid for two years.

- EU EcoLabel is issued by RAL GmbH and identifies products and services that are characterised by having lower environmental impacts than comparable products. Corresponding documentary evidence of this must be submitted when applying for the award of the label. If all the requirements set out in the standard are satisfied, an agreement for the use of the label is concluded. As of 2021, the EcoTable (model 23005) has been certified with the EU Ecolabel.

- Nordic Ecolabel (Nordic Swan) is the state sustainability label of the Scandinavian countries. The certificate is awarded worldwide for products that excel in the fields of environmental protection, quality and risk-free composition and is comparable to the Blue Angel ("Blauer Engel") certificate. Our NF-Move chair with its seat/backrest shell manufactured from plastic recyclate was certified in 2021.



Certificates relating to product and user safety relate to clearly defined aspects – for example to pollutant loads, the origins of the raw materials or to product safety. Among these certificates, the following apply to our products:

- TÜV-Rheinland-certified "Emission tested. Tested for Harmful Substances" for the cabinets, chairs and tables product groups. The "school boards and projection surfaces" product group will continue to be covered by the LGA-pollution tested certificate until this is replaced by the new TÜV certificate at the end of 2021. The underlying requirements and test criteria have not changed.
- Greenguard (US-American counterpart of TÜV-Rheinland-certified "Emission tested. Tested for Harmful Substances") for approximately 90 VS products so far, most of which play a role on the American market.
- GS tested safety for all VS series products.
- Fire protection standard for upholstered furniture and chair models, compliant with classifications P-c (low), P-b (medium) and P-a (high).
- STANDARD 100 by OEKO-TEX for all upholstery foams used at VS and for most of the fabrics and fabric groups.
- AGR quality label issued by the AGR Healthy Back Campaign (Aktion Gesunder Rücken (AGR) e. V.) for VS chairs and tables that meet particularly demanding ergonomic requirements.

### VS garden

We have set up a kitchen garden measuring 2,000 square metres on the company site. This supplies the VS canteen with fruit and vegetables cultivated in accordance with organic principles. In addition, employees are able to buy the produce once a week at the "market stall" during the summer months.

### Solvent consumption and proportion of VOC

VS has been using water-based paint systems for more than 20 years, making it one of the first furniture manufacturers to do so. Unlike conventional solvent-based systems, these systems contain only 6 percent instead of 70 percent volatile organic compounds (VOCs). As a result, VS is significantly below the legally required limit values set out in the 31st German Federal Clean Air Act (Ordinance on Solvents).

### Current developments in the year under review, 2021

- The compensatory area was created in the light of the construction measures undertaken for Plant 7. This should be followed by the construction of the toad pond in 2022.
- Legislation and market demands are making the issue of climate protection ever more important for businesses in every sector. As a company, we want to continue to make an active contribution to climate protection and further extend our efforts in this area; we are therefore examining the possibility of joining a climate protection initiative. We have also identified the data necessary for the conduct of a CO<sub>2</sub> assessment and have calculated this in cooperation with an external service supplier – resulting in the conversion of the CO<sub>2</sub> equivalent.



2.4 Employees

Our employees are a vital and dependable factor behind our company's success. As the largest local employer and one of the largest in the Tauberfranken region, we offer a wide range of training opportunities, student positions and jobs in the fields of administration, technology, sales, production, dispatch and logistics. Our employees at the head office in Tauberbischofsheim come from a catchment area of approximately 50 kilometres.

Changes in workforce

In 2021, VS employed a workforce of 1580, 15 fewer than in the previous year. This drop is due to the very conservative planning for the Covid-affected year 2021. There were also 55 young people who trained or participated in a cooperative training/study programme at VS as well as a number of interns.

For many years, we have been making great efforts to continuously increase the proportion of women in the workforce. However, because a third of the jobs practised are in the industrial sector and involve intensive physical effort and shift-work, the proportion of women is still relatively low. In response to

advertised vacancies, we receive approximately ten times as many applications from men as we do from women. However, the proportion of women in the company has marginally increased. Overall, the proportion in 2021 was 18.5 percent (12 percent in the industrial and 32 percent in the office sector).

Many of the employees have been working for VS for many years. This can be seen in the average length of service of 13.45 years (31/12/2021). During the year under review, seven employees celebrated 40 years of service, 26 could count 25 years of service, while another 26 looked back on their tenth year with the company.

Proportion of women employed in the VS Group:

	2018	2019	2020	2021
proportional				
All	18 %	18 %	18 %	18,5 %
Office	31 %	31 %	31 %	32 %
Industrial	11 %	11 %	12 %	12 %

Women in management positions

At VS, there are still unfortunately very few women in management positions. This is again a consequence of the low overall number of women in the company. There are no women in the top management level, one in middle management (head of department) and one in junior management (team head).

Basic and further training / personnel development

We place great importance on the development of our personnel. We offer continuous training in industrial, technical and commercial professions. In addition to cooperative vocational training, we work together with the Baden-Württemberg Cooperative State University as a cooperative partner. Training is offered in the fields of woodworking mechanics, industrial mechanics, warehouse logistics, commerce, commerce with additional qualifications, technical product design, IT for system integration. Cooperative work/study courses are available in the fields of woodworking mechanics, IT, international business administration, dispatch administration, transport and logistics, industrial management and mechanical engineering. In 2021, we also offered commercial training in our Northern sales branch in Dortmund for the first time and immediately recruited the required number of participants.

We select our apprentices and work/study trainees via education fairs, work experience schemes and personal interviews. We offer training in the light of our requirements. Consequently, we do not offer the same subjects to the same extent every year and instead adapt the available options intentionally to allow trainees to subsequently be taken on permanently.

In addition to this in-house training, VS also cooperates in training partnerships with regional academies. The aims are to provide support for students when





they move from school to training, study and the professional world as well as to improve their maturity and ability to train and study.

To make it easier for the annual intake of apprentices and students to familiarise themselves with VS and to encourage a spirit of comradeship and mutual support within the group, the first few weeks are designed to act as induction weeks. Thus, during the first three days, the various VS departments present themselves. The aim is to help new recruits get to know the company better and familiarise them with its structure and the various departments. All this is complemented by shared excursions and leisure events.

During their induction weeks, the apprentices in the commercial and technical departments and the students are looked after by the Human Resources department. In addition to guided tours of the site, they are also given project tasks in order to help them work in teams to complete their first missions within the company. For the apprentices in the industrial sector, induction takes place in the relevant workshops.

The apprentices and students are supported by mentors throughout their entire apprenticeship or period of study. These are young colleagues who themselves have only recently completed their training at VS and act as the first point of contact for any questions or problems that arise. This approach is complemented by an apprentices' breakfast, which is also attended by the apprentices and students from the more advanced years of training as well as by the mentors and trainers.

VS supports apprentices and students who wish to benefit from additional possibilities offered by the vocational colleges and cooperative universities, for example for language-learning visits abroad, qualifying to act as a trainer or basic REFA training. What is more, employees work as examiners on the Chamber of Trade and Industry's examination boards.

### Health care and protection

Human beings spend a lot of their time at their place of work. That is why VS considers it to be its responsibility to design its employees' working environment in a way that protects their

health. Workstation design is always oriented around safety-related and ergonomic considerations. And we go far beyond legal requirements. For example, all administrative employees can change their seating arrangements as the situation requires throughout the working day. Naturally, height-adjustable sitting/stand-at workplaces are available. Workstation design is generally oriented around safety-related and ergonomic considerations.

Every year, we offer our employees a range of options relating to the topic "Healthy living and working" and we are constantly extending the possibilities available. Most of these are available to all employees, who can make use of them on a voluntary basis.

### Catering

In our canteen, we offer our employees high-quality breakfast and lunchtime catering. The company canteen sources organically grown fruit, vegetables and other produce from the company's own kitchen garden. Meals are subsidised by the company.

Due to the Covid situation, the canteen was closed to external visitors throughout 2021 and has also not been available for hire for events and private parties. We were able to keep the company



**JobBike.** All employees are able to hire a company bike.

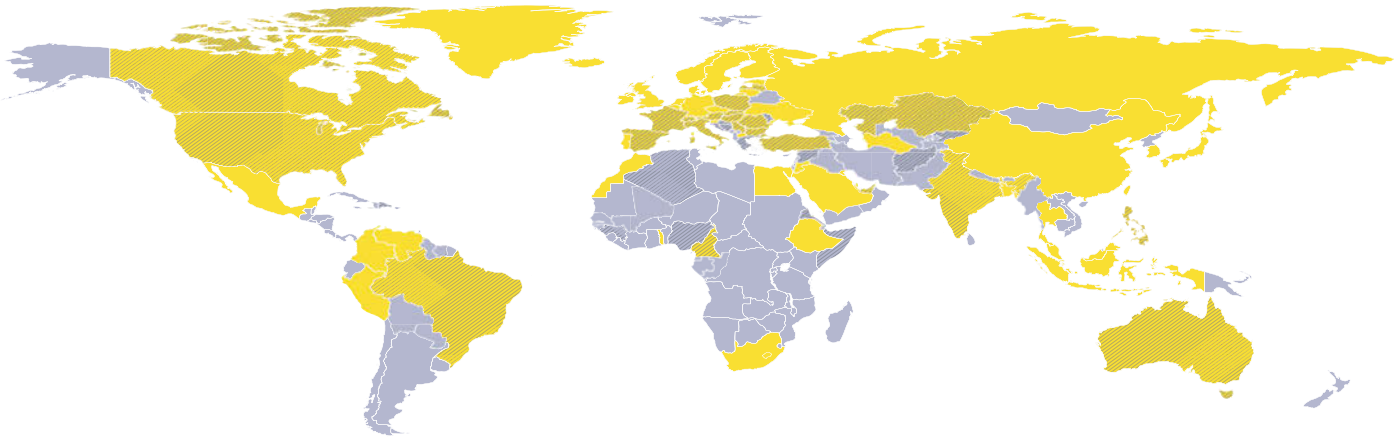
At 31st December 2021, 93 of the VS Group's employees were severely disabled with an acknowledged DD (degree of disability) of 50 percent or more. Due to the severity of their disability, three of these can each be attributed to two mandatory positions. Three other disabled employees cannot be assigned to the equalisation levy because they are employed on a part-time basis and work less than 18 hours a week. 39 employees are considered equivalent to a disabled person, that is to say that they have a DD of at least 30 percent and have made an application for equal status which has been approved by the

The proportion of people with a disability has fallen to 9.77 percent, a drop of 0.8 percent compared to the previous year. It is nevertheless still significantly higher than the statutory minimum level of 5 percent.

Despite the high level of people with disabilities employed at VS, the company also attempts to place as many orders as possible with the corresponding workshops. The order volume placed by VS has again increased and represented 534,961.47 euros (gross) in 2021.

**Hatched:** Countries of origin of VS employees

**Yellow background:** Countries to which VS delivered in 2021



canteen open for employees throughout 2021 during the Covid pandemic subject to respect for strict hygiene regulations.

### Inclusion and diversity

One of VS's long-standing social aims has been to support the participation and equal opportunities of people with disabilities in the labour market. This is demonstrated by the continuing high proportion of VS employees with disabilities. Our equal opportunities officer ensures that the provisions of the German Equal Opportunities Act are implemented and observed and supports management and company executives in their adherence to the corresponding regulations.

German Federal Employment Office. Thanks to this equal status, these employees have the same job protection and protection against dismissal as people with a DD of 50 percent or more. In terms of labour law, the difference between a person who has been accorded equal status and a person with a severe disability lies solely in the entitlement to additional leave. The former has no additional leave entitlement.

### Combining family and professional life

One important aim for VS is to help ensure the successful balance of family and professional life. Since 2012, and interrupted only due to the Covid pandemic from 2020 to 2022, we have organised an educationally oriented full-day childcare facility for our employees' children on the company site for a period of three weeks during the summer holidays. We offer our employees a range of part-time working models to meet their own individual needs. The choice includes home office as well as part time working during or after the period of parental leave. Other options such as a company kindergarten or reserved places in the local preschool facilities are under discussion but are not currently considered necessary by the company's staff.





### JobBike

VS is one of the first businesses in the Main-Tauber district to offer its employees a company bicycle. Employees can choose between a mechanical bike driven by pedal power or an e-bike. The project was launched in June 2017 and, by the end of 2021, 534 JobBikes had been ordered by employees. That is again 30 more than twelve months previously. The JobBike initiative complements our efforts in the fields of promoting occupational health and environmental and climate protection. The monetary equivalent of using the job bike is subject to tax in the same way as the use of a company car. As a result, the bikes can also be used for leisure activities.

### Study and training award

Training at VS is outstanding. This is proved by the Dualis certificate issued by the Heilbronn-Franken Chamber of Trade and Industry confirming that VS is a "Company offering outstanding training". The high quality we offer in the field of combined work/study courses is testified to by our status as "Gold Future Partner" of the Baden-Württemberg Cooperative State University in Mosbach.

### Current developments in 2021

- We once again welcomed the new students and apprentices to our induction days in early September and familiarised them with the company. Alongside receiving general information about VS and their rights and duties as apprentices and students, the group was able to tackle a number of project tasks. These project tasks were proposed, monitored and accompanied by the different departments.
- In 2021, we were able to put into practice 14 of the environmental and energy-related improvements suggested by our employees within the framework of our improvement management programme. 11 suggestions are still being considered and 9 were not feasible.
- In the health care field, we once again offered occupational health examinations by the company doctor. The advice and adaptations offered in the field of in-ear auditory protection were well received.

All employees were able to receive a flu vaccination during their working hours. Approximately 100 people took advantage of this possibility during the period from October to December.

All of this was complemented by considerable efforts in the field of Covid prevention, with a regularly updated hygiene concept, cost-free self-tests and a self-test centre for service providers and – in cases where visits were permitted – guests and interns. A total of 74,640 self-tests were purchased. 67,382 were distributed to the various departments.

The spring saw the start of the VS vaccination initiative "Together against Covid", during which the company doctor and other medical staff offered first, second and third vaccinations. On 03.07., 16.07., 13.08., 18.12.2021 (and also on 15.01.2022), VS organised a total of approximately 660 vaccinations in cooperation with six different medical teams. Of these, 160 vaccinations were administered in practices outside of VS and approximately 500 were administered directly at VS on the above-mentioned vaccination dates.





## 2.5 Social commitment

Responsibility should not stop at the factory gates. As a part of society, we want to contribute beyond our immediate sphere of action and help promote a good quality of life in the community.

### Culture

With our school museum in Tauberbischofsheim, we have extended the diversity of the region's museums through the addition of an original exhibition and training space. Visitors experience a unique journey through the history of school institutions and architecture at the national and international levels from the start of the 20th century through to the present day. Entrance to the museum is free. In addition, we also support regional and supra-regional cultural institutions.

### Education and training

We support selected educational initiatives and establishments providing general education and professional or specialist training.

### Support for charities

We make regular contributions to regional charitable and social initiatives. We support international aid projects by donating school furniture and logistics services.

### Sport

We are committed to supporting the athletes of tomorrow. Every year, we sponsor the International VS-Möbel-Cup, a ranking tournament in fencing for pupils and young people held in Tauberbischofsheim. Regional sports associations are awarded regular subsidies for their work with young people.

### Current developments in the year under review, 2021

- For many years, we have been sponsor of the Tauberbischofsheim fencing club, where we primarily support the club's work with young people. Because the VS-Möbel-Cup, the annual ranking tournament for pupils and young people, had to be cancelled again in 2021 due to the pandemic, the money was channelled into other areas of youth development.
- Education is the key to long-term individual and social development. That is why we support education and are a member of the Didacta Verband e. V., support partner of the foundation Pro DHBW Heilbronn and have once again supported numerous educational establishments, primarily within our own region.

- During the year under review, financial contributions were again made to regional cultural institutions and cultural events, service clubs and charitable organisations.
- We continue to have close connections with the Tauberbischofsheim Civic Trust and are represented on its Board of Directors.

## 3 Implementation of the ten principles of the UN Global Compact

VS has participated in the UN Global Compact since 2009. The table below indicates where in this report the ten principles of the UNGC are dealt with.



Principle	Implementation in 2021 through obligations, guidelines, measures	Section/paragraph 2021 (Kapitel)
<b>Human rights</b>		
<ol style="list-style-type: none"> <li>1. Companies should support and respect international human rights in their area of influence, and</li> <li>2. Ensure that their own company is not complicit in human rights abuses.</li> </ol>	<p>Corporate values, Supplier Guideline (Code of Conduct), Purchasing Guidelines</p>	<p><b>2.1</b> Sustainable corporate management</p> <ul style="list-style-type: none"> <li>- Corporate values</li> <li>- Human rights</li> <li>- Compliance</li> <li>- New in 2021</li> </ul> <p><b>Annex 1:</b> Corporate policy <b>Annex 2:</b> Code of Conduct</p>
<b>Employment and social standards</b>		
<ol style="list-style-type: none"> <li>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, and</li> <li>4. Eliminate all forms of forced and compulsory labour,</li> <li>5. Abolish child labour, and</li> <li>6. Eliminate discrimination in respect of employment and occupation.</li> </ol>	<p>Corporate values, Information Sheet to the German Equal Opportunities Act (AGG) Protection against discrimination in employment and occupation, Supplier Guideline (Code of Conduct)</p>	<p><b>2.4</b> Employees</p> <ul style="list-style-type: none"> <li>- Initial and further training</li> <li>- Health care</li> <li>- Inclusion and diversity</li> <li>- Compatibility of family/professional life</li> <li>- Employment of women</li> <li>- Employment of people with disabilities</li> <li>- Cooperation with workshops for people with disabilities</li> <li>- New in 2021</li> </ul> <p><b>2.5</b> Social commitment <b>Annex 2:</b> Code of Conduct</p>
<b>Environmental and climate protection</b>		
<ol style="list-style-type: none"> <li>7. Businesses should support a precautionary approach to environmental challenges,</li> <li>8. Undertake initiatives to promote greater environmental responsibility; and</li> <li>9. Encourage the development and diffusion of environmentally friendly technologies.</li> </ol>	<p>Mission statement and corporate policy, Corporate values, Corporate strategy, Management guidelines/documentation</p>	<p><b>2.2</b> Product responsibility</p> <ul style="list-style-type: none"> <li>- Made in German</li> <li>- Design and durability</li> <li>- New in 2020</li> </ul> <p><b>2.3</b> Climate and environmental protection:</p> <ul style="list-style-type: none"> <li>- Environmental policy</li> <li>- Energy policy</li> <li>- Energy monitoring</li> <li>- Sustainability in the supply chain</li> <li>- Packaging and waste concept</li> <li>- Assessments and certifications</li> <li>- VS garden</li> <li>- CO<sub>2</sub> emissions</li> <li>- Solvent consumption and proportion of VOC</li> <li>- New in 2021</li> </ul> <p><b>2.4</b> Employees</p> <ul style="list-style-type: none"> <li>- JobBike</li> </ul>
<b>Fight against corruption</b>		
<ol style="list-style-type: none"> <li>10. Businesses should work against corruption in all its forms, including extortion and bribery.</li> </ol>	<p>Supplier Guideline (Code of Conduct), Corporate image and corporate policy</p>	<p><b>2.1</b> Sustainable corporate management</p> <ul style="list-style-type: none"> <li>- Compliance</li> </ul> <p><b>Annex 2:</b> Code of Conduct</p>

Annex 1

**VS Corporate Policy – short version  
(status at 31.10.2019)**

**Quality, environmental  
and energy policy as part of  
the corporate strategy**

The quality, environment and energy policies (referred to together as the "corporate policy" below) are vital elements in the corporate strategy of Vereinigte Spezialmöbelfabriken. The principles and objectives of the corporate policy are defined by senior management, which is responsible for them, documents them and communicates them both internally and externally. They are harmonized with all the other corporate principles and corporate aims.

**Integrative approach and CIP**

VS operates a quality, environment and energy management system which is integrated in company activity. In this way, we ensure a continuous improvement process for quality, environmental protection and energy consumption. The targets in terms of quality, environmental protection and energy use are regularly checked and revised.

**Corporate image**

One main aim of our corporate policy is to safeguard the image of our company as a manufacturer of durable, high-quality products using ecologically responsible materials and production processes.

**Quality policy:**

**Principles and objectives**

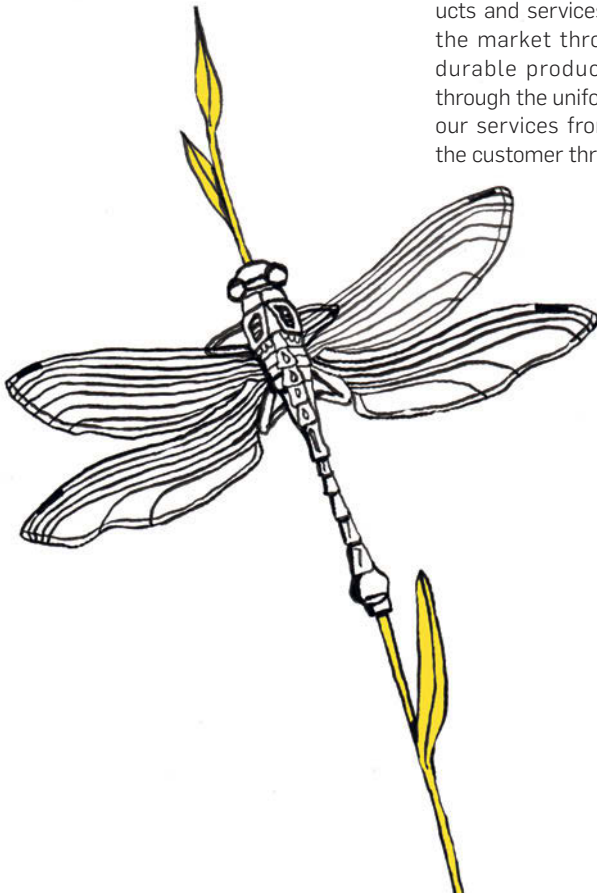
The most important principle underpinning our quality policy is to meet the demands placed by our customers on the quality and reliability of our products and services. We want to excel in the market through a uniform, high, durable product quality as well as through the uniformly high quality of all our services from initial contact with the customer through to customer sup-

port after the delivery of our products. When defining the quality requirements placed on our products and services, we always provide our customers with partnership-based advice to the best of our abilities.

The most important aim of our quality policy is therefore to achieve the greatest possible level of customer satisfaction. It is our company's stated aim to manufacture high-quality products that are as environmentally responsible as possible and that meet the needs and expectations of our customers. To this end, we use state-of-the-art processes, methods and production equipment.

**Compliance with legal regulations:  
Environmental protection, product  
safety and accident prevention**

For VS, compliance with the requirements resulting from legal and administrative regulatory and administrative provisions at European, federal, state and local authority level is self-evident and we try to achieve levels significantly below the legal limit values. In the same way, we ensure the safety of our products by working together with neutral, authorized test institutes. Even before we start to develop and design our products, we take account of all relevant technical regulations (e.g. DIN) and other accident prevention requirements. One principle reflection of our conception of quality is that all relevant product sectors must possess an up-to-date GS (safety tested) label. We also arrange for our products to be examined in respect of minimum pollutant emissions.





### **Environmental policy: Principles and objectives**

VS considers the responsible use of the natural resources in the environment to constitute an important corporate principle. One of the main aims of the environmental policy at VS is to minimize environmental impacts at the production site and to be able to offer our customers products that are manufactured in a way that preserves the environment as much as possible. We at VS consider our obligation to the natural environment to include:

- protecting the environment, our employees and our customers by avoiding harmful influences during the manufacture, use and disposal of our products,
- preventing or minimizing emissions and waste,
- minimizing our consumption of the natural resources water, ground and air,
- being economical in our consumption of materials in all manufacturing sectors (recirculation),
- ensuring that VS products are particularly durable, selecting materials on the basis of environmental criteria and designing VS's products to ensure they are modular and recyclable.

### **Energy policy: Principles and objectives**

Environmental protection and the associated need to use energy economically have been guiding principles in the company for many years. With the energy management system in accordance with DIN EN ISO 50001, we are

continuously creating the conditions necessary for the conscious control of our energy consumption and the ongoing improvement of our energy performance. This will be achieved by

- optimizing energy provision and generation,
- taking account of the energy efficiency of the production equipment at the time of procurement,
- being economical in our consumption of energy in all manufacturing sectors,
- encouraging the use of renewable energies,
- reducing CO<sub>2</sub> emissions.

### **Responsibility and qualification of all employees**

Trained, qualified personnel perform the necessary work in every area of the company. VS's corporate policy, together with its principles and objectives, can be accessed by all employees and is binding and obligatory during the discharge of their responsibilities. In their fields of work, all our employees have quality-related tasks and functions that are defined in corresponding process descriptions and work instructions. Through structures and workflows that are adapted to requirements, as well as through clearly described interfaces, we support our employees and avoid possible errors and the wasting of resources during the development phase. In addition, all employees are obliged to report process errors or environmental pollution directly to their manager without delay. By qualifying employees in the direct and indirect environmental repercussions of their area of activity, we encourage environmental awareness and action in all sectors



### **Strategy for 2022**

Within the framework of the Strategy 2022 project, VS is developing measures for the coming years which also pay particular attention to the topics surrounding digitalisation. On the basis of the defined projects, forward-looking strategies for the years up until 2022 will be developed and implemented in various VS areas of activity.

### **Corporate controlling**

Senior management at VS Vereinigte Spezialmöbelfabriken GmbH & Co. KG is convinced that quality and the preservation of resources are compatible with business activity. Through quality, environmental protection and economic efficiency, we will ensure the long-term existence of our company.

### **Certification**

Certification of our management systems in accordance with the specifications of DIN EN ISO 9001, DIN EN ISO 14001 and also DIN EN ISO 50001 provides documentary evidence of the effectiveness of our quality demands, environmental measures and energy performance.

## Annex 2

---

**Supplier Guideline – Code of Conduct**  
**(status at 3.2.2020)**


---

For VS Vereinigte Spezialmöbelfabriken GmbH & Co. KG (referred to as VS below), sustainable development is an important corporate objective. We can show that we have achieved this objective thanks to an environmental management system certified in accordance with DIN EN ISO 14001, a certified energy management system as per DIN EN ISO 50001 and participation of the UN Global Compact. In this context, we place concrete requirements on our suppliers and their supply chains in order to ensure sustainable business relations. Below, you will find the most important of the relevant requirements, adherence to which we ask you to confirm in writing.

**I. Human rights and working conditions**
**Rejection of child labour**

Child labour must not be used in any production process. Adherence to the ILO core labour standard is required: according to this, the general minimum age is 15 years, or 14 years in economically less developed countries.

**Free choice of employment**

Employees must not be employed against their will or be forced to work.

**Freedom of association**

The company VS expects its suppliers to respect the right of employees to form an employee representation body and conduct collective bargaining as provided for in national law.

**Wages and social security contributions**

Employees should be paid at least the minimum national wage or standard negotiated wage. The wage paid should enable employees to live a dignified life. The working hours and vacation or recovery periods must at least comply with national legislation and standards.

**Health and safety**

Workplaces should comply with internationally recognized health and safety standards. Supplier companies must take measures to reduce the frequency of accidents and prevent the occurrence of health risks. Employees must be trained appropriately and must be equipped with safety clothing if necessary.

If the supplier company arranges accommodation for employees then this must be fit for human habitation. If it provides meals then these must comply with acknowledged health and hygiene requirements.

**Integration of disabled persons**

Persons with disabilities should be particularly well supported by enterprises. The recruitment and training of persons with disabilities should be encouraged.

**Non-discrimination**

Suppliers to VS should promote equal opportunities and equal treatment. In addition, discrimination when appointing employees, conferring promotions or offering training and further training possibilities must be prohibited. No employee may be disadvantaged due to his or her gender, age, skin colour, culture, ethnic origin, sexual identity, the presence of a disability, religious faith or personal views.



## II. Environmental and energy standards

### Responsibility

Nationally applicable environmental guidelines and legislation must be adhered to. Suppliers to VS should have set out their energy and environmental objectives in their corporate principles. If no environmental management system is in force then suppliers should strive to introduce such a system.

Environmentally and energy-friendly production

For us, the most important points of this form of production are

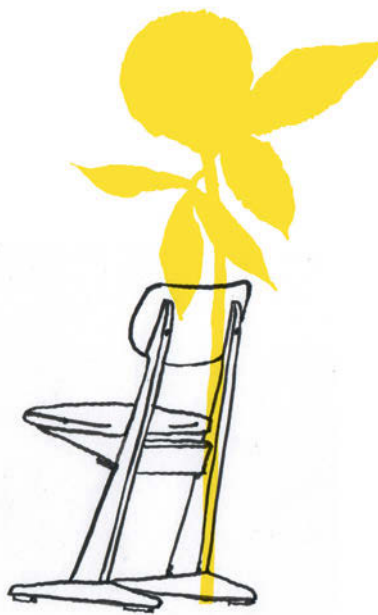
- being economical in the consumption of energy and materials in all manufacturing sectors (recirculation)
- encouraging the use of renewable energies
- minimizing the consumption of the natural resources water, ground and air
- preventing or minimizing emissions and waste
- protecting the environment and employees by means of a regulation governing the handling of hazardous substances
- assessing the relevant environmental aspects of the production sites and equipment at regular intervals.

### Environmentally responsible products

Materials and products supplied to VS must meet the following criteria:

#### Packaging

Goods should be adequately protected against damage; unnecessary packaging must be avoided. In addition, the employed packaging material should be recyclable and should itself be manufactured from recycled materials. As far as possible, the use of reusable packaging should be preferred.



### Harmful contents

- Substances on the SVHC candidate list issued by the ECHA must respect the maximum permitted threshold values and are subject to mandatory information requirements as set out in Article 33 of the REACH regulation.
- Substances that are listed in Annex XIV of the REACH regulation (List of Substances subject to Authorisation) must be registered.
- Products or components with electronic parts must comply with the RoHS Directive.
- In addition, the requirements of the Chemicals Prohibition Order must be taken into account.

### Transport activities

To protect the climate and the environment and to reduce traffic noise, the personnel in transport and haulage companies have to be trained in energy-saving driving behaviour. In particular, this means avoiding unnecessary transport operations and developing an awareness for anticipatory driving in which the factors that affect the driver and the vehicle are explained.

## III. Business Ethics

### Fight against corruption

Corruption must not be tolerated. The United Nations Convention against Corruption and the Organization for Economic Co-operation and Development (OECD) Anti-Bribery Convention must be respected. It is necessary to ensure that VS employees are offered no inducements with a view to acquiring an order or other business advantage.

### Gifts.

Invitations and gifts may only be offered to VS employees if they are appropriate both for the occasion and in scope, i.e. if they are of low value and can be considered to be the expression of normal, locally recognized business practices.



### **Free competition**

VS expects its suppliers to act fairly with regard to the competition and to respect applicable anti-trust legislation. Suppliers will not engage in or benefit from agreements with competitors that are against anti-trust regulations.

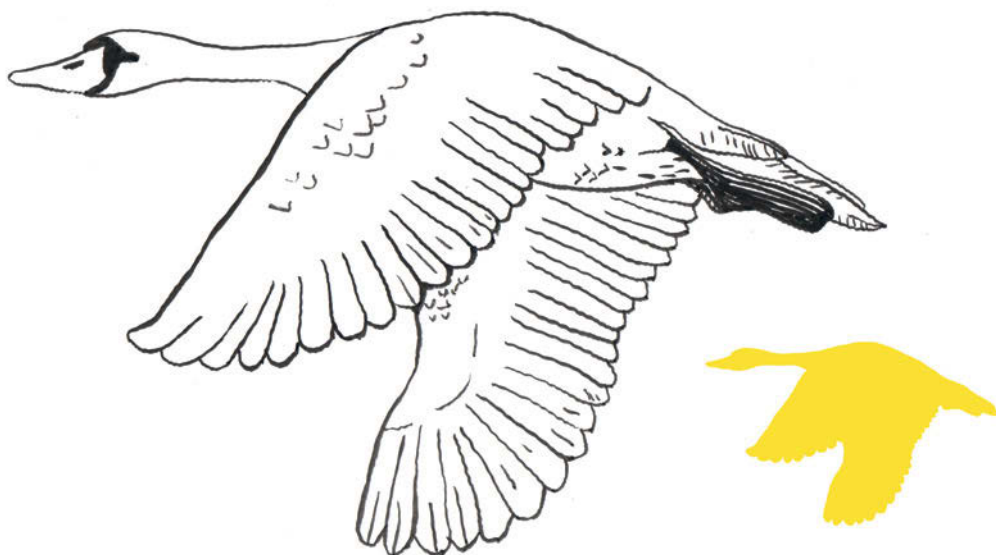
### **Money laundering**

VS expects its suppliers to respect the applicable legal obligations on the prevention of money laundering and not to be party to any financial transactions that directly or indirectly support money laundering.

### **IV. Compliance with the Supplier Guideline**

Any violation of the principles and requirements set out here will be considered to be a significant breach of the contractual relationship on the part of the supplier. If there is any suspicion of a failure to respect the principles and requirements set out here, VS reserves the right to demand information regarding the corresponding circumstances. In addition, VS has the right to terminate extraordinarily individual or all contractual relationships with suppliers that demonstrably do not comply with the supplier guidelines or do not attempt to develop and implement measures for improvement after having received an appropriate period of notification to do so from VS.





#### **Publication details**

##### **Published by:**

VS Vereinigte Spezialmöbelfabriken GmbH & Co. KG

Hochhäuser Straße 8

D-97941 Tauberbischofsheim

Phone: +49 (0) 93 41 88 - 0

[vs@vs-moebel.de](mailto:vs@vs-moebel.de)

[www.vs-moebel.de](http://www.vs-moebel.de)

##### **Company management:**

Philipp Müller

© VS Vereinigte Spezialmöbelfabriken GmbH & Co. KG



