

April 2024

BEMZ SUSTAINABILITY REPORT 2023.

Bemz



Breathing new life into existing furniture and furnishings is the Bemz way. By consciously filling customers' homes with a lifetime of expression and keeping more products out of landfill, we're endlessly striving to make positive change for our people and planet. Sustainability is at the heart of this.

In 2023, we continued our sustainability journey and have made huge strides forward. We started the process for B Corp certification and were extremely proud when Bemz became B Corp Certified early in 2024. This aligns with our broader view of sustainability and our commitment to be a force for good.

As a B Corp in the textiles industry, Bemz is now counted among progressive businesses that are leading a global movement for an inclusive, equitable, and regenerative economy.

We've also forged ahead in areas where we have the most impact – the climate, our customers and the environment. Key achievements include: transitioning towards more sustainable fabrics, introducing a sales channel for imperfect items, reducing air freight CO₂e by producing in the US, and more granular reporting on our emissions.

These measures will have a big impact for years to come. But for now, there's more work to do to progress our sustainability journey as a B Corp and keep the momentum going.

Anneli Kansbod, CEO

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Bemz is the best company EVER! They have the most beautiful fabrics to suit almost any IKEA couch. I have been purchasing couch covers and accessories for my IKEA couches since 2019. I love love love this brand!.

L Varley, Customer (Trustpilot, March 2024)



Fantastic quality slipcovers, they arrived sooner than expected which was a plus. I am beyond happy with them. Fantastic quality and workmanship, and they fit my footstools better than expected. Really pleased with my experience with Bemz!

K Cook, Customer (Trustpilot, April 2024)



This is the second time I've bought Bemz covers for my sofas, which says it all. They are perfect, much better range of colours and fabrics than the original Ikea covers, with perfect fit and finish.

S Smith Customer (Trustpilot, April 2024)



1. BEMZ SUSTAINABILITY STRATEGY

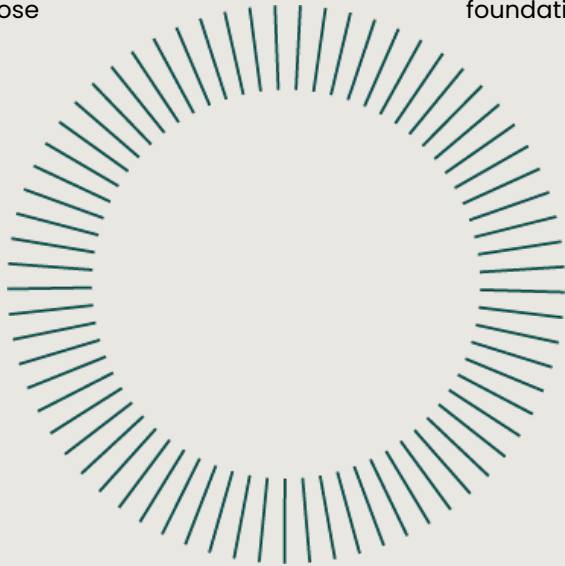
BEMZ SUSTAINABILITY STRATEGY

CIRCULARITY

We prolong the life of furniture using design to re-fashion, re-purpose and save furniture.

SUSTAINABLE SUPPLY CHAIN

A socially responsible and transparent supply chain is the foundation of our operations. We safeguard workers' rights by tracking and tracing how, and by whom, our products and fabrics are made.



SUSTAINABLE MATERIALS

We are moving towards more sustainable materials with less environmental impact, and more socially responsible production.

CLIMATE PROTECTION

We reduce the climate impact of furniture by designing a more sustainable alternative to purchasing a new piece of furniture.

BEMZ ENVIRONMENTAL, SOCIAL & GOVERNANCE TOPICS

Environmental, Social, and Governance (ESG) goals are non-financial targets that are used to help companies work with sustainability in a more tangible, comparable way. At Bemz, we prioritise the ESG issues that are most relevant to our business and stakeholders, and where we can potentially have the greatest impact:

- **Circularity**
- **Climate protection**
- **Social responsibility in the supply chain**
- **Sustainable materials**
- **Product safety**
- **Animal welfare**
- **Inclusivity, diversity & gender equality**
- **Employee well-being and non-discrimination**
- **Environmental responsibility in the supply chain**
- **Sustainability communication to consumers**
- **Data privacy & security**
- **Anti-corruption**

THE SUSTAINABLE DEVELOPMENT GOALS

Closely connected to the ESG framework are the United Nations Sustainable Development Goals (SDG).
At Bemz, we work actively with four of the 17 SDGs for 2030:

5 GENDER EQUALITY



The purpose of SDG 5 is to end all forms of gender discrimination.

For Bemz this includes empowering women and men at work and in management.

It also includes a focus in our supply chain on eliminating harassment and other forms of violence against women and men including trafficking.

8 DECENT WORK AND ECONOMIC GROWTH



There are many purposes within SDG 8 and several are particularly relevant for Bemz and are reflected in our strategy:

- Aiming to decouple economic growth from environmental harm.
- Protecting labour rights, ensuring decent wages and promoting safe and secure working environments.
- Eliminating all forms of forced labour and child labour.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



A central purpose of SDG 12 is circularity of resources, which is also at the core of Bemz's business and sustainability strategy.

SDG 12 also covers sound management of chemicals and hazardous waste.

13 CLIMATE ACTION



The purpose of SDG 13 is urgent climate action and achieving the goals of the Paris Agreement 2015, reducing emissions with 50% by 2030 and achieving net zero emissions latest by 2050.

With our emission reduction initiatives SDG 13 is a central part of Bemz sustainability strategy.

2. B CORP CERTIFICATION

B CORP RATING

PROUDLY B CORP CERTIFIED

In February 2024, we were thrilled to become a Certified B Corporation. Bemz is proud to be one of the first companies in the Nordic markets to achieve this.

WHAT IT MEANS TO BE A B CORP

B Corp is a global social movement that believes in business as a force for good. B Stands for Benefit for All. By creating a new type of organisation, we can positively impact all stakeholders — workers, communities, value chains, customers, and our planet.

We chose B Corp governance because we share the values and aspirations of the B Corp movement, which also aligns with our broad view on sustainability. As a globally-recognised certification, it's also mark of trust that will give our customers extra confidence in Bemz.

WHAT IT MEANS FOR BEMZ

Bemz has been verified as meeting B Lab's high standards for social and environmental impact. We've made a commitment to our stakeholder governance, to demonstrating accountability and transparency by disclosing this record of performance in a public B Corp profile.

This will become our roadmap to operate even better as a business, while consciously leading the way for the textile and furniture industries.

B CORP CERTIFICATION



B CORP

BEMZ B CORP RATING

The lengthy B Corp certification process evaluated Bemz's best practice in many areas through a B Impact assessment. We're proud to have scored highly overall, achieving an impact score of 93.2 – way above the minimum requirement of 80 points.

OVERALL B IMPACT SCORE

Bemz earned an overall score of 93.2. The median score for ordinary businesses who complete the assessment is currently 50.9.



Overall B Impact Score

- 93.2 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

Governance 12.1

This score reflects our overall mission, engagement around our social and environmental impact, ethics and transparency. Plus, our ability to protect our mission and formally consider stakeholders in decision making.

Workers 30.1

This score reflects the contributions we make to our employees' financial security, health & safety, wellness, career development and engagement & satisfaction.

Community 13.5

This score reflects our engagement with and impact on the communities in which we operate, hire and source. Topics include diversity, equity & inclusion, economic impact, civic engagement, charitable giving and supply chain management.

Environment 33.2

This score reflects our overall environmental management practices, including our impact on the air, climate, water, land, and biodiversity. It also considers the direct impact of our company's operations, supply chain and distribution channels.

Customers 4.1

This score reflects the stewardship of our customers through the quality of our products and services, ethical marketing, data privacy and security, and feedback channels.

B CORP CERTIFICATION

3. ENVIRONMENTAL RESPONSIBILITY

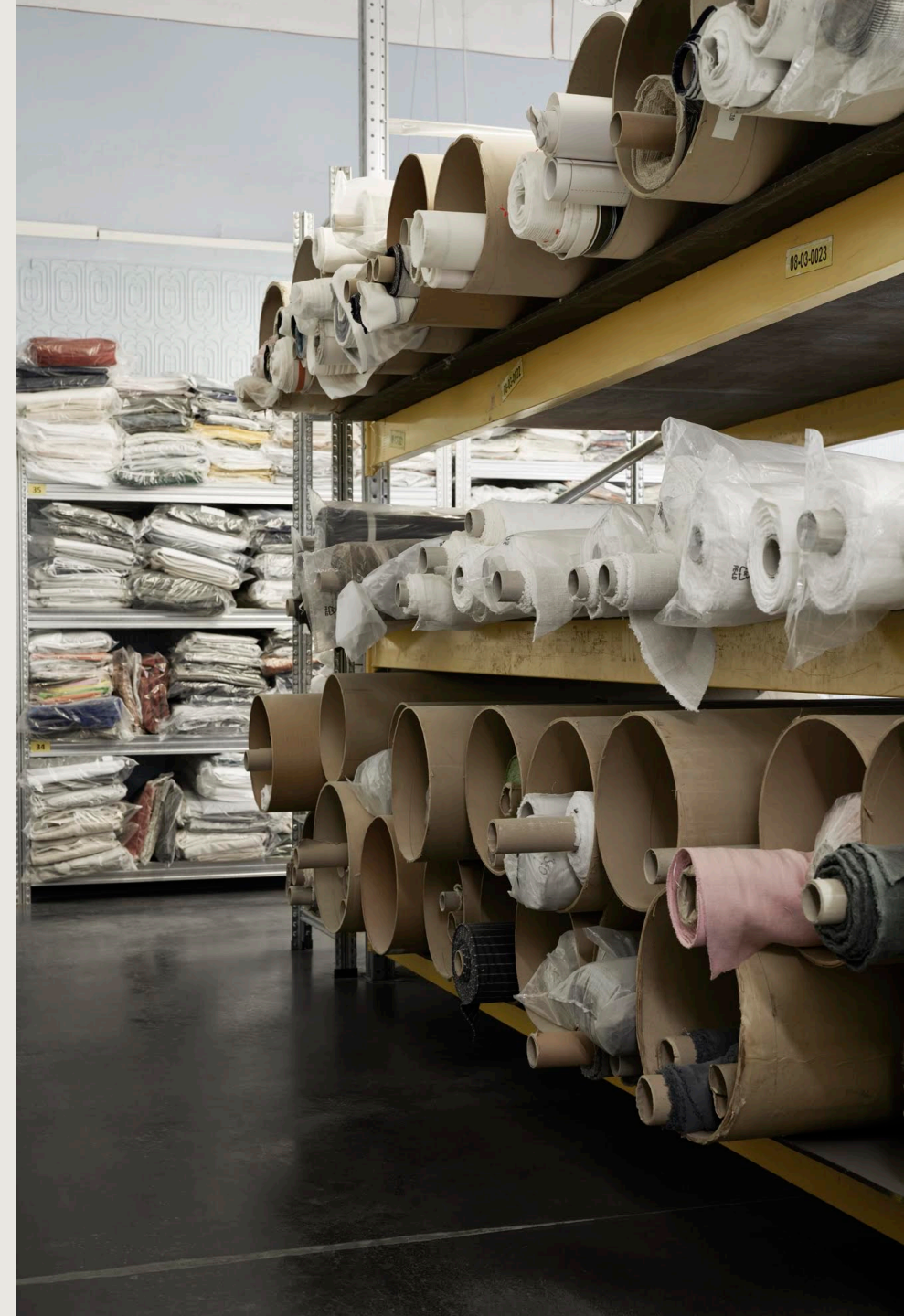
BEING MORE CONSCIOUS

All our products are consciously and responsibly made to order, so there's no wasteful over product.

We are lessening our impact on the environment by focusing on lengthening the life of furniture, reducing CO₂e emissions in our transport and logistics chain and making even more sustainable material choices. Our focus areas include:

- **Lengthening the life of furniture**
- **Sustainable materials**
- **Circularity**
- **Lowering CO₂e emissions**

ENVIRONMENTAL RESPONSIBILITY



LENGTHENING THE LIFE OF FURNITURE

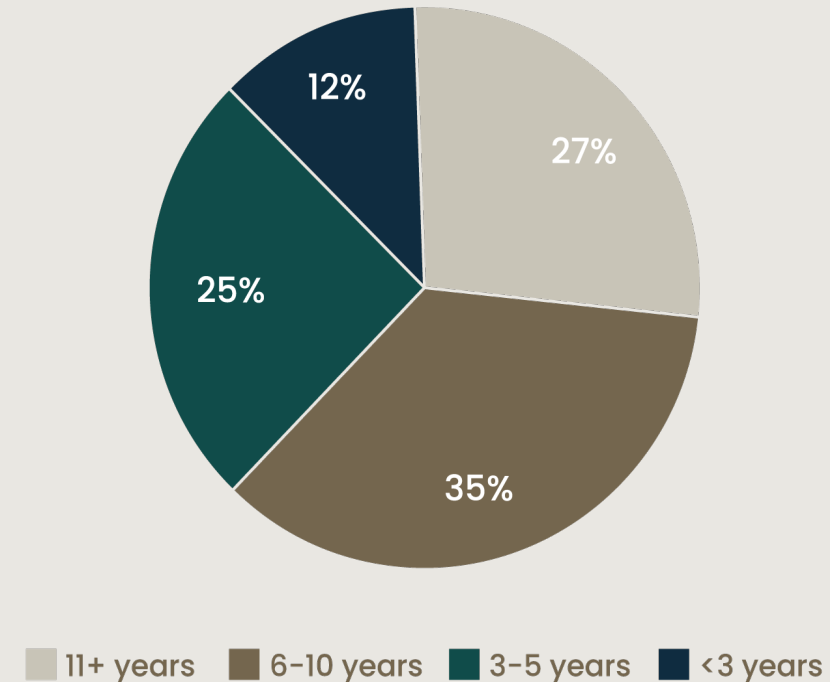
With over 10 million tonnes of furniture either burned or going to landfill each year in Europe, Bemz is proud to give furniture a second chance at a new life. By following a respectful and stringent manufacturing process we produce a high-quality product that's designed to last.

In our annual survey completed by over 1,000 customers, 88%* said they buy a cover for furniture they already own or will buy secondhand. This is a slight increase from the previous year, especially for customers buying secondhand.

This equates to saving 60,000 items of IKEA furniture from landfill in 2023, and almost 500,000 over the past ten years.

We also asked customers how long they had owned the furniture they were covering. 62% answered over 6 years, showing our customers' commitment to repurposing furniture and keeping it out of landfill.

How long have you had the furniture you are covering?



OUR MATERIALS

MORE SUSTAINABLE FABRICS

With fabrics having the biggest impact on our social and environmental footprint, fabric sourcing continues to be a key focus for us. We're increasingly using more sustainable materials produced in good social conditions to keep our CO2e emissions in our operations and value chain to an absolute minimum.

MEETING TEXTILE EXCHANGE STANDARDS

In 2023, we stepped up the transition to fabrics that meet the standards and categorisations set out by the Textile Exchange*. This means sourcing certified and recycled fabrics with preferred fibres that have a low impact on the environment. We're already transitioning our largest conventional cotton categories into organic cotton and BCI cotton, and conventional polyester to recycled polyester. Our ambition is to phase out 'no go' fabrics by 2025. We aim to achieve this by continuing to work to the Textile Exchange standards. We will also keep working with European fabric suppliers who meet our Supplier Code of Conduct, pushing them to develop fabrics in line with our quality, durability and sustainability demands.

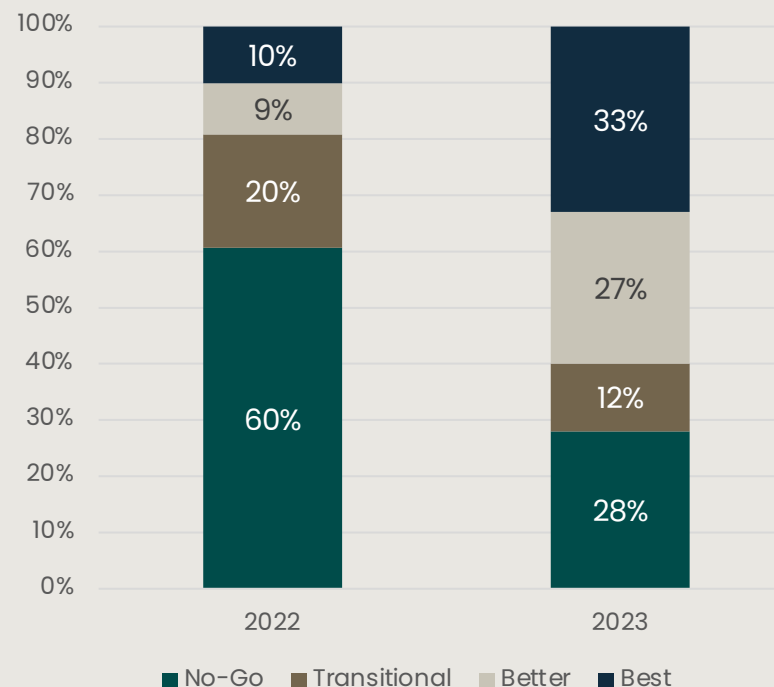
MINIMISING WASTE

We're progressing our mission to reduce waste in all areas of our supply chain to minimise our environmental impact, reduce costs and improve customer satisfaction.

In March 2023, we launched a new sales channel with Swedish online marketplace Tradera. The platform is a place to sell ex-display items from our store and returned items that aren't 'as-new' to further minimise waste and find a home for all items. By supporting customers in reselling their Bemz products, we are further contributing to a circular economy.

ENVIRONMENTAL RESPONSIBILITY

Fabric sales by preferred fibre category*



*Textile Exchange: Preferred fibres are those that result in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production.

OUR EMISSIONS

For complete transparency, we use an external company to measure and validate our tCO₂e emissions using a publicly available methodology. The emissions in our own operations (Scope 1 & 2) are negligible, as 100% of our electricity used in our head office and store is generated using renewable sources.

In 2023 our Scope 3 emissions were:

- Total: 4961 tCO₂e, (that's the equivalent CO₂e of 4000 flights from Stockholm to New York)
- Transportation & distribution: 2073 tCO₂e
- Purchased goods & services: 2875 tCO₂e

In 2023 we have seen an increase in CO₂e per order. The reasons for this are:

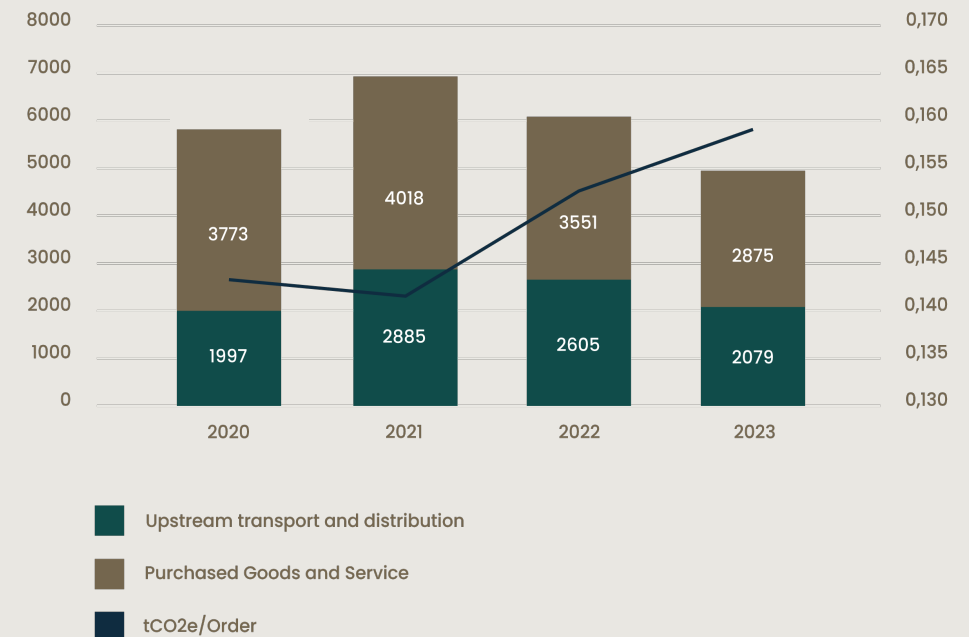
- Reduction in items per order of 6%
- Air freight emissions increased by over 6%
- Emissions relating to the sewing production of our products increased, with an update in the Exiobase database used for our carbon accounting*

We have defined targets and initiatives to reduce these emissions.

With 42% of our CO₂e emissions related directly to air freight to our Northern America customers, we began reducing this by starting production in the US in Q4 2023. Producing products closer to our customers in the US is a big step towards reducing our CO₂e from air.

ENVIRONMENTAL RESPONSIBILITY

tCO₂e total and total order



**In the journey to provide the most accurate reflection of our environmental impact, our carbon account supplier (Normative) have implemented the newest version of the Exiobase database within the carbon accounting practice. This utilizes spend-based emissions data and has led to changes in the emissions reporting. These enhancements can lead to differences when comparing to our past emissions figures. Normative's dedication to transparency and accountability remains as strong as ever.*

4. OUR CUSTOMERS

OUR CUSTOMERS

RESPECTING OUR CUSTOMERS

We value our customers' feedback and take this on board to make sure our products and services are truly exceptional. This in turn impacts our sustainability by minimising waste from faulty products.

IMPROVING PRODUCT QUALITY

We always place high demands on the quality of our products. Each one is made to order by highly skilled seamstresses in one piece production. And we have rigorous quality checks in place before each item leaves the sewing factory.

In 2023, less than 1% of items resulted in a claim for quality. Each of these claims was carefully reviewed and any changes made to improve the fabric collection or product.

BOOSTING CUSTOMER SATISFACTION

We rely on customer reviews and feedback to improve our services and products and ensure our customers are fully satisfied with their Bemz experience.

We gather ongoing feedback from customers via surveys on the Bemz website and Customer Support. Customers are also able to share their feedback on our product quality and service via Trustpilot. For complete transparency, these reviews are visible via Trustpilot, on our website home and product pages.

In 2023, we consistently achieved a 4.6/5.0 Trustpilot* rating, which is benchmarked as 'Excellent'.



**Färlöv 3 seater cover,
Simply Linen - Unbleached**

*Love this couch cover!!!
I ordered a free sample
many months in advance
and felt it adequately
reflected how the couch
cover would feel/ look. It
looks loose yet chic and is
easy to dress up or down. The
couch with cover is SO comfy,
I especially love the single
pillow cover for the back 2
pillows as it comes with extra
padding. I don't regret my
purchase one bit.*

**Elizabeth, Customer
(Trustpilot, April 2024)**

OUR CUSTOMERS

*Trustpilot is an online review community hosting verified customer feedback relating to the products and services they have purchased from a business.

5. OUR EMPLOYEES

OUR EMPLOYEES

SUPPORTING OUR EMPLOYEES

Bemz is a small, dedicated team of 19 employees based in Stockholm. We have an inclusive and informal culture with diverse backgrounds and competencies. Key to this is a strong focus on employee wellbeing and engagement.

We have regular discussions with employees on how to improve and develop the company by offering a good work-life balance and tailoring our employee engagement initiatives to prioritise their needs.

TRACKING EMPLOYEE ENGAGEMENT

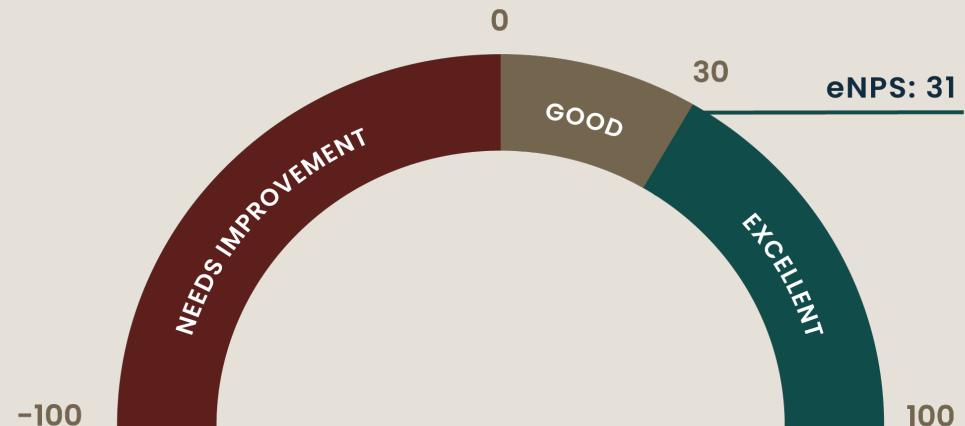
We track our employee engagement every second week and our eNPS* rating (employee Net Promoter Score) every quarter.

ENHANCING EMPLOYEE BENEFITS

In Q2 2023, we responded to feedback to improve our physical office space and better reflect our brand. Our office now offers more meeting rooms and quiet areas for a better workplace experience.

We also added to our extensive range of employee benefits. These now include a hybrid working policy and flexibility around working locations, enhanced parental leave benefits, and a volunteer scheme enabling employees to volunteer in the local community during working hours.

OUR EMPLOYEES



*eNPS & Frankly:
<https://www.andfrankly.com/sv/blogg/vad-ar-ett-enps-resultat?>

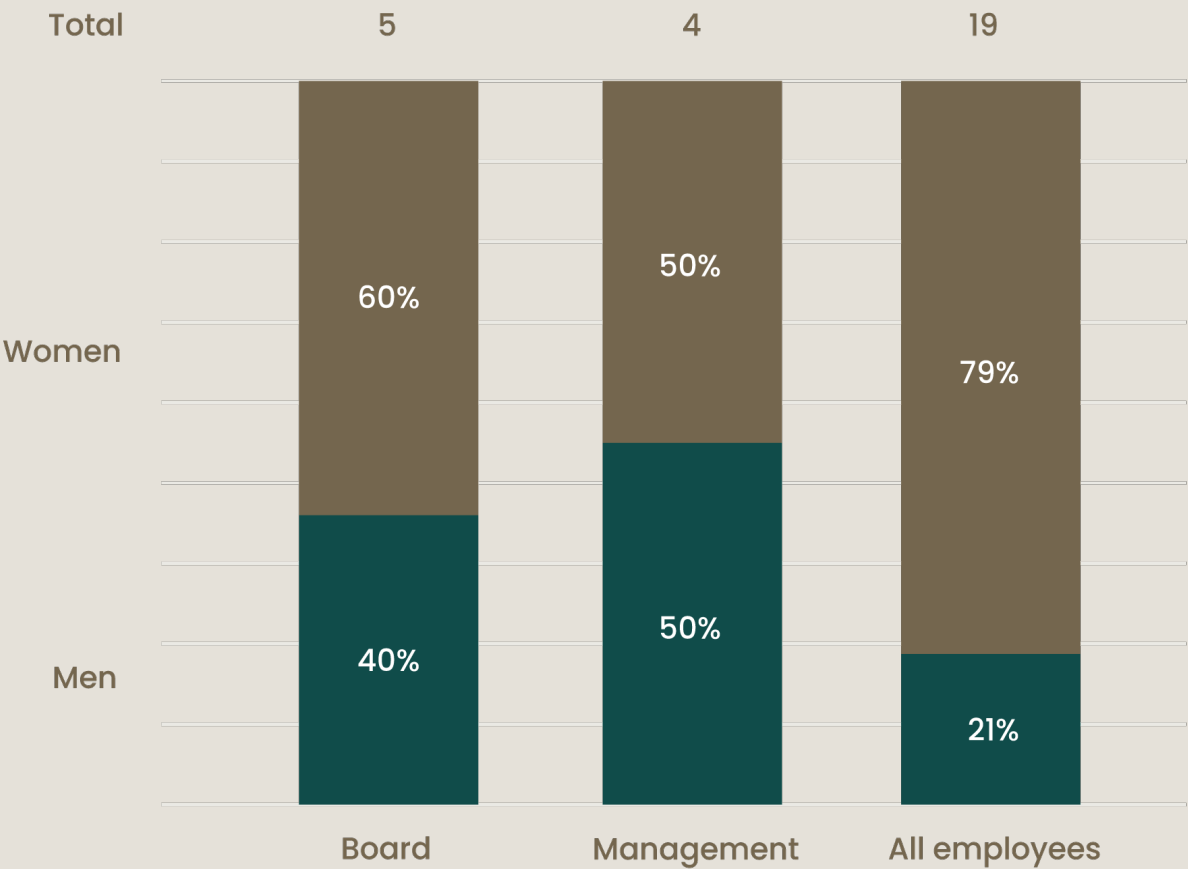
DIVERSITY AND GENDER EQUALITY

MONITORING DIVERSITY

Celebrating the power of our differences in an equal, diverse and inclusive workplace is a key part of being a B Corp. Justice, Equity, Diversity, and Inclusion are the framework for building teams, cultivating leaders, and making business a force for good.

These values are central to working at Bemz. Within our company, we represent several nationalities and a balanced gender split across our Board and Management Team.

We currently track and measure diversity across our Board, Management Team and all employees from a gender standpoint. We strive to empower men and women, and balance this across all employees in the company with our varied employee engagement initiatives.



OUR EMPLOYEES

6. OUR COMMUNITY

WORKING WITH OUR COMMUNITY

We're continually reviewing and considering ways to build on our B Corp Impact Assessment scores across all areas. Bemz scored 13.5 in our work within our community and we're acting on best practice recommendations to bolster our impact at local level.

In 2023, we hosted workshops with local schools and Universities including Stockholm School of Economics. Our focus has been entrepreneurship mentoring in a school program sponsored by 'Ung Företagsamhet', and ecommerce knowledge sharing . We also established a volunteering scheme in the last quarter of the year, encouraging employees to play a more active role in our surrounding areas.

Better serving our community can help drive a more inclusive economy, from forging relationships with local businesses, to making employees feel more engaged with a company that gives back.

OUR COMMUNITY

*<https://ungforetagsamhet.se/om-ung-foretagsamhet>



7. KEY TARGETS & COMMITMENTS

KEY TARGETS & COMMITMENTS 2022-2030

- **60% reduction of our CO₂e emission intensity from 2021 to 2030**
- **Save 43,000 tCO₂e between 2021–2025 by prolonging the life of existing furniture**
- **100% preferred materials by 2025**
- **Progressing our circularity principles by developing a solution for end-of-life covers**
- **100% traceability of all products by 2025**

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SUSTAINABLE MATERIALS

We are transitioning to more sustainable materials with less environmental impact, always produced under good social conditions.

CLIMATE PROTECTION

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8. LOOKING AHEAD

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We're excited to progress our sustainability work and become even more environmentally and socially sustainable as a company in 2024.

SOME OF OUR MAIN FOCUS AREAS WILL BE:

- Continuing our transition towards a 100% share of preferred fibres
- Establishing alternative transportation services and production facilities for non-European customers
- Exploring initiatives to incorporate customers in our product design process
- Providing recycling options for customers at the end of our product's life
- Collaborating with suppliers to further understand the impact throughout our supply chain
- Sharing information with customers about the environmental impact of our products

LOOKING AHEAD





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