

Our view  
on *sustainability*



At firm LIVING, we proactively work to get sustainability into the core of our business. We do it because we believe in it and feel it is part of our responsibility. As a design-driven company, we want to continuously take accountability for the impact of our business, and we want to do our part to help move it in a better direction – both for people and for the environment. We believe that investing in sustainable, responsible practices should also be good business. We're designing not only for today, but for the future, where sustainable action will become even more vital.

We know that we are not perfect, and we take a holistic and humble approach to sustainability. Becoming more sustainable is an ongoing journey, and we want to do better, collection by collection. The more we grow, the more responsibility rests on our shoulders. When firm LIVING was founded in 2006 with just 10 wallpaper designs, it was with FSC™-certified wallpaper, and today we have a large and broad portfolio where ~20% of our products are made with sustainable materials.

### *Sustainability in Mind*

We want to inspire people to live a more mindful and sustainable lifestyle, and it is our ambition to grow the percentage of sustainable materials across all product categories with every new collection. We do so by integrating sustainable thinking already in the design phase, where the first important choices for a product are made. Wherever possible, we employ sustainable criteria for new products, and take a 'cradle to grave' approach, where we consider the product's entire lifecycle. Our goal of becoming

more responsible and sustainable is a proactive process. Throughout our business, we work within a set framework of practices, and we are aware that it is in our production and logistics we can make the biggest difference when it comes to impact. We are continually improving the way we work in order to reach our goals, and they span throughout all the different parts of our business: from the design phase and our company culture, to our production and how we deliver our products to our customer's doorstep.



## Design Philosophy

We design to create products that last, both in terms of function and aesthetics. For us, this means high-quality designs that are produced with honest materials, and with an aesthetic appeal that we believe will last the test of time – we look at it as Aesthetic Sustainability. The most sustainable is for all of us to buy less, buy better and to keep things in use for longer. We have a passion for authentic design with a clear functionality, and take pride in creating products that help you to balance the contrasts of life, making it easier for you to make good choices.



## Quality

With high-quality products that arrive to their destination in good condition, you only have to do things once – we believe that this is the most sustainable way of doing things. We have a claim rate of less than 1%, which we believe is low for our industry – and we want it to be lower. We have implemented a comprehensive quality control system in order to inspect our products and make sure that they live up to our quality standards. Our suppliers perform consistent quality control inspections on-site, and we also routinely visit the manufacturing locations to conduct our own quality control checks.



## Materials

Today, ~20% of our products are made from sustainable or recycled materials. These include organic, GOTS-certified cotton; textiles made entirely from recycled, post-consumer plastic bottles turned into PET-yarn; recycled paper pulp; recycled aluminum and FSC™-certified wooden furniture and wallpaper. 47% of our textile products are either GOTS, OCS or GRS certified. As an integrated part of the design phase, we will continue to challenge ourselves to work with new and sustainable materials with each new design and each new collection.

Though we always hope that our products will live for many years, and that our customers will choose to pass them on, we still design with disassembly in mind. We strive to make it as straightforward as possible to recycle or re-use each of our product's parts. That's why we work with simple, honest materials and many of our designs are made from only one material. As we challenge ourselves to make more sustainable choices early on in the design phase, the percentage of designs made from recyclable and sustainable materials will increase collection by collection.

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## Packaging

All of our gift boxes and hang tags are made from FSC™-certified cardboard and paper, and all black text is printed with soy ink. The majority of the protective packaging used to shield our products during shipping is made from natural-based materials (cardboard, paper pulp and kraft paper). We use recyclable plastic bags for smaller items and textile products.

Around 10% of our products come in protective packaging containing Styrofoam, something that we work on minimizing. It is therefore an ongoing task to source new and sustainable alternatives to plastic-based materials like Styrofoam. We do this in close collaboration with our manufacturers. We want high-quality products that arrive to their destination in good condition, we believe that this is the most sustainable way of doing things.



## Overstock

We strive to never over-produce. We want to manufacture just the right number of products. We never burn or destroy unsold items. We hold an annual, privately held stock sale, and leftover or unsold items are donated to the Red Cross or other NGO's.



## Production

We work in close partnership with some of the most talented artisans and craftsmen and women in the industry, investing in close and long-term relationships that are based on mutual respect for the unique competences of both parties. Our suppliers are based in the regions where their raw material is sourced, and the skills and traditions of the relevant craft is the strongest. Upholstered and wooden furniture, wallpaper and some of our textiles are produced in Europe, including the Baltics, Italy, Poland and Sweden, while we work with suppliers in India and China to produce textiles, glassware, ceramics and lighting.

We are committed to source and produce our products responsibly, and work with a Code of Conduct, which is based on the Ten Guiding Principles of the UN Global Compact and is in place to protect worker's rights and ensure a safe and healthy work environment. All of our suppliers have agreed to and signed this CoC. It is important to us that the working standards for employees follow both high environmental and labour standards.

It is important for us to be transparent with our production and supply chain, and this journey goes hand in hand with those with whom we work to produce our products. This is why we share stories from our suppliers and behind-the-scenes material from production. We see this as a way of inviting our customers into the journey that each firm LIVING piece makes – from the design process to the finished product.





## Certifications & Testing

We work with certifications and testing to ensure safe and fair work conditions in our supply chain and to ensure that our products are of high quality. All relevant products are tested before introducing them into our collection. That includes, for example: lighting, furniture, outdoor pieces, kitchen and kids' products. We put these products through all of the testing processes that are required by law to adhere to REACH regulations. The tests are carried out by accredited testing agencies, including Danish Technological Institute. We currently work with the following certifications:

### GRS: GLOBAL RECYCLE STANDARD

GRS verifies the recycled content of a product. The standard verifies responsible social, environmental and chemical practices in the production. The objectives of the GRS are to define requirements to ensure accurate content claims and good working conditions, and that harmful environmental and chemical impacts are minimized. An example of when we use GRS is for our Desert Chair, which has a seat made from recycled PET bottles, while the frame is made from powder-coated steel.

### OCS: THE ORGANIC CONTENT STANDARD

This certification applies to any non-food product containing 95-100 percent organic material. It verifies the presence and amount of organic material in a final product, tracking the flow of a raw material from its source to the final product. An example of where we use OCS could be a kids' product whose main fabric is GOTS-certified, and has a recycled polyester filling.

### FSC™: THE FOREST STEWARDSHIP COUNCIL

FSC™ is an international non-profit labeling scheme for wood and paper. In FSC™ forestry, no more wood is felled than the forest can naturally reproduce. At the same time, FSC™ is a guarantee that animals and plant life are protected and that the people who work within the forestry industry are appropriately trained and receive suitable safety equipment and fair wages.



The mark of  
responsible forestry

CU-COC-878159

Look for our FSC™-certified products in the Product Overview

### GOTS: THE GLOBAL ORGANIC TEXTILE STANDARD

GOTS is recognized as the world's leading processing standard for textiles made from organic fibres. It defines high-level environmental criteria along the entire organic textiles supply chain and requires compliance with social criteria as well.

### BSCI: BUSINESS SOCIAL COMPLIANCE INITIATIVE

The amfori Business Social Compliance Initiative is an industry-driven movement that aims to monitor and assess workplace standards across the global supply chain. An amfori BSCI audit helps us to monitor our supply chain in order to ensure that all suppliers are treating workers legally and ethically.

### SEDEX: SUPPLIER ETHICAL DATA EXCHANGE

Sedex works with businesses to improve working conditions in global supply chains. The Sedex database is an online platform where registered companies openly share information about their social and ethical performance.

In addition to the above certifications, we have our internal Code of Conduct, which is based on the Ten Guiding Principles of the UN Global Compact.

### CODE OF CONDUCT (CoC)

Our CoC is based on the Ten Guiding Principles of the UN Global Compact. This CoC protects workers' health, ensuring their safety during production, and has been signed by all our partners and suppliers. The CoC describes and defines the ethical principles of our business. The purpose of the CoC is to ensure an ethical and fair partnership for all those involved. We believe that with a strong focus and the continuous improvement of an ethical business strategy, as well as compliance to the principles in our CoC, will benefit all parties both social and economically.

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## UN Sustainable Development Goals (SDG's)

The SDG's are a blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. We support the UN Sustainable Development Goals, and believe that investing in sustainable and responsible practices is both the right moral decision as well as being good business. We're designing not only for today, but the future, where sustainable practices will become an even more important factor. We invest in close, long-term relationships with our suppliers – relationships that are based on mutual respect for both parties and are committed to working with SDG 8, 12 and 17.

### UN GOAL 8

To promote inclusive and sustainable economic growth, employment and decent work for all. Decent work means opportunities for everyone to get work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social

integration. At firm LIVING, we want to be a proactive partner in ensuring that the rights of workers in our supply chain are upheld, for example by utilising a CoC and certifications like BSCI. We want to be a part of implementing positive change, and contribute by providing good jobs and work conditions.

### UN GOAL 12

Ensure sustainable consumption and production patterns. Sustainable consumption and production are about doing more and better with less. It is also about decoupling economic growth from environmental degradation, increasing resource efficiency and promoting sustainable lifestyles. Sustainable consumption and production refers to 'the use of services and related products, which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of future generations'.

We want to inspire people to inhabit a more mindful and sustainable lifestyle. We work within a framework of practices and with a supply chain that we believe is honest. In close collaboration with our suppliers, we are continually working to develop and improve all phases of our supply chain. We ensure a high quality of our materials and products through certifications.

We strive to never over-produce. We want to manufacture just the right number of products. We never burn or destroy unsold items. We hold an annual, privately held stock sale, and leftover or unsold items are donated to the Red Cross or other NGO's.

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### UN GOAL 17

*Partnerships for the goals: 'Strengthen the means of implementation and revitalize the global partnership for sustainable development'* seeks to revitalize and enhance the global partnership for sustainable development through intensive and systematic engagement of governments, civil society, the private sector, the United Nations system and other actors in the implementation of other sixteen Sustainable Development Goals (SDGs).

Our approach to working with sustainability is both holistic and humble. We are not perfect, and are by no means experts on every subject, hence it is crucial for us to partner up with suppliers with great skillset when it comes to working with sustainable or recycled materials. That is why our partnerships are crucial to ensure development and progress. In our effort to become more sustainable, we want to increase transparency and we believe in engaging with partners and exchanging and sharing knowledge.



## Humans

### DIVERSITY & INCLUSION

We believe in diversity and value all human beings equally, while appreciating that we are all different. No one is set above anyone else and regardless of race, age, religion, sexual orientation or social background, people should be treated in the same way. We are opposed to racism in all forms and we are against violence – both physical and mental. We will always strive to provide the best possible service to all, regardless of who you are. We hire for talent and will always strive to employ the person with the best qualifications for any particular position.

We have a great responsibility when it comes to the people who work with ferm LIVING – one that goes beyond just the ferm LIVING staff. It also applies to our manufacturers and along our supply chain. We invest in long-term relationships with skilled suppliers, and do not simply go after the lowest manufacturing price. These partnerships are built on mutual respect, and we strive to create growth and benefits for both parties.

We at ferm LIVING view ourselves as an entrepreneurial organization with high ambitions. We have a flat organizational structure and make an effort to implement a casual atmosphere in our day-to-day business.

At ferm LIVING, we celebrate the contrasts of life. We always strive for balance, and this informs all aspects of our business: our design philosophy,

the aesthetic profile, how and where we produce, as well as our approach to sustainability. It is something that we take very seriously and that we are passionate about throughout our organisation. We have a Sustainability Manager working within the design team who closely tracks our progress, as well as researching and identifying new sustainable solutions for our business. We know that we are not perfect, and it is with a humble attitude that we pursue new and exciting roads to becoming a more sustainable and responsible version of ourselves.



## End-of-Life Impact

An important part of the design process that we consider is the end-of-life impact of our products. Though we hope that our products will be used for many years, and that our customers will choose to pass them on instead of throwing them out, we still design with disassembly in mind. It should be as simple and straightforward as possible to recycle or reuse each of a product's parts. We want to simplify the process of recycling for the customer.



## Freight & Transport

All of our shipping is carried out by external forwarders. Our European freight is transported by truck, while our products from Asia arrive by sea.

As a rule, we avoid air transport, but exceptions do happen – on occasion we choose to make certain high-priority shipments by air. The general split for the different modes of freight transport is:

**68% TRANSPORTED BY SEA**  
**30% TRANSPORTED BY ROAD**  
**2% TRANSPORTED BY AIR**

In 2020, our air transport increased to 4%, due to delays caused by the COVID-19 situation. We aim to get that number back down to 2% in the second half of 2021. We are continuously working to optimize our procedures in order to make them as efficient and space-saving as possible, keeping both costs and CO2 emissions to a minimum. We work with specialised software to calculate how we best can utilize the container capacity for shipments.

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## ferm LIVING Sustainable Choice

We have marked all of the ferm LIVING products that are made from sustainable materials with our new Sustainable Choice logo. These materials include recycled plastic, aluminium, polyester and paper; post-consumer plastic that has spun into PET-yarn; FSC™-certified wood, GOTS-certified organic cotton, RSPO-certified palm wax and natural materials like rattan, jute and raw linen.

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