

# STUDIO HENK

Impact Report 2021

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## 2021 was quite the year

The pandemic turned everything we used to take for granted upside down. It impacted our company immensely, and we, like businesses around the world, experienced a lot of uncertainty: what would this mean for our business and the people working for it? We were pleasantly surprised to learn that people wanted to invest their money where they were spending a lot of their time at home. Even though our shops were closed, our business grew exponentially and we employed more people to manage this unexpected growth.

This made us think about the potential impact we could make as a company, if this growth were to continue. Confined to our home during the pandemic, we spent a lot of time with our children, a constant reminder of the world we brought them into and of our responsibility to take care of them and the planet – they are the future, after all.

Inspired by the impressive Dutch chocolate company Tony Choclonely, a brand on a mission to normalise slave-free chocolate, We explored our ambition to do something significant for the furniture industry. Waste is an enormous problem in our industry. CO<sub>2</sub> emissions and deforestation must be reduced drastically. We knew that by encouraging customers to shop consciously; to buy less, consider industry standards in furniture production, and promote the endless life of products, we would be taking the first steps to tackle the significant waste issues faced by the industry – and inspire others to do the same.

Thank you for taking the time to browse our second Impact Report. We hope it gives you insights into our goals, the choices we have made, the obstacles we have faced, and the achievements we have accomplished. We're on a journey, and we hope you'll continue to follow along.



Okke Albers  
Studio HENK Co-Founder and CEO







## Mission

To disrupt industry standards by making furniture that is circular by design and made-to-last.

## Purpose

We are paving the way for our industry to collectively reduce waste to zero.

## Vision

A zero-waste furniture industry.









Founded 2013

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Employees 60+

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Organisation Organic Growth

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Revenue 2021 €12m



## Impact Overview

We want to create furniture that is beautiful and functional, while having a positive impact across our **Products** and **Operations**. In order to have our ambitious vision for a zero-waste future become reality, we need to make continuous **Progress**. In this Impact Report we will share our results and commitments in each of these areas.

## Product

We are in the business of creating furniture. Our sustainable mission is reflected in every aspect of our production: from the design process and material choice to manufacturing and packaging. As a result, we create quality products that last a lifetime. Through our repair service we further ensure that our products never end up as waste.



Wood

83%

83% of wood furniture revenue resulted from FSC® or PEFC® certified furniture.

51%

51% of revenue resulted from FSC or PEFC certified furniture.

Goal

Within 2 years we want 100% of our wood furniture to be FSC or PEFC certified.

Certified wood

We only want to work with certified wood that is sourced from responsibly managed forests. FSC or PEFC certification ensures that carbon storage and biodiversity conservation are maintained and communities are protected. FSC also helps forest owners improve their earning model. This ensures that forests receive the appreciation they deserve and preserves them for future generations.

In 2021 all the wood used in our wooden furniture production came from FSC or PEFC-certified forests. In addition, 83% of wooden furniture was PEFC or FSC certified on a product level.

Our goal is that by the end of 2022, 100% of our wooden furniture will be FSC or PEFC certified. In addition, we want all wooden elements in our upholstered furniture – such as wooden armrests or construction frames – to be produced with certified wood. Although most of our suppliers already work with certified wood for these smaller elements, we are working towards 100% certified wood in 2022.



Fabrics

44%

44% of upholstered products revenue resulted from certified fabrics.

20%

20% of upholstered products revenue resulted from recycled fabrics.

Goal

By 2025 we only want to offer fabrics that are certified or recycled.

Certified fabrics

We offer a curated selection of fabrics for upholstery. All fabrics must meet national and international toxicity standards (REACH) at a minimum, but preferably carry additional certifications such as the EU ecolabel, Greenguard Gold, OEKO-TEX, or the Leather Working Group. 17 of the 24 fabrics in our collection carry such certifications. In 2021 44% of upholstered product revenue was produced with certified fabrics.

Recycled materials

Recycled materials play a role in two of our product categories: we offer a table in LivingBoard – a sustainable board material made of recycled wood chips and fibres, certified with Blauer Engel Ecolabel, Cradle to Cradle Silver, QGHW Premium – and recycled fabrics for our upholstered products. In 2021, 20% of upholstered chairs, poofs and sofas were upholstered with recycled fabrics.

By 2025 we want all fabrics in our collection to be recycled or carry credible certifications.



Manufacturing process

51%

51% of our manufacturing spend was with Dutch suppliers.

Footprint

We've started the kick-off the project measuring the CO<sub>2</sub> emissions of all 500,000 possible product configurations.

Local, environmentally-friendly production

The first Studio HENK tables were made by and in the workshop of our father-in-law Henk in the Netherlands. Much of our production still takes place close to home: in 2021, 51% of our manufacturing costs were from Dutch suppliers.

However, not all manufacturers are as local as the Netherlands: one of our largest suppliers that we have been in business with since 2014 is in Romania. We believe it is equally important to invest in such long-term partnerships as it allows us to work on sustainable production methods and worker conditions, thereby rapidly improving conditions.

In addition, we support suppliers that strive to be environmentally friendly while manufacturing. One of our top three manufacturers, for example, was about 75% self-sufficient due to its solar panel roof.

We strive to keep the bulk of our production local, meaning the Netherlands or Europe. However, the power of local expertise should not be underestimated. If opportunities present themselves that require specialised knowledge from suppliers further away, we believe these investments could be valuable too.

Production footprint

As a furniture company, we realise that the largest part of our impact comes from manufacturing our products. This includes the emissions from harvesting, transporting, and processing the materials, manufacturing the products, and transportation to the stores and consumers. But also, the waste generated during the manufacturing process or after use by the consumer creates a footprint that must be included.

In 2021 we kicked off the ambitious and challenging project of scoping the emissions from our production. It requires us to collect data throughout the entire supply chain from multiple manufacturers, raw material suppliers and other sub-suppliers. Information that has yet to be readily available to us. We need to translate this into a carbon footprint when we have gathered the information. Luckily, we have found a partner that has built a tool to measure the carbon footprint of products, specifically for the furniture industry. In 2021 we took the first steps in customising the tool for our needs and collecting preliminary data.

We will dedicate 2022 and 2023 to collecting data and automating our calculations. By 2024, we want to be able to measure the footprint of each product, allowing us to reduce our emissions and fully compensate for the remaining emissions yearly.



## Packaging & transport

100%

100% of cardboard packaging is FSC certified.

## Plastics

We have replaced the plastic protection inlays with cardboard honeycomb inlays.

53%

53% of furniture was shipped flat-packed.

## Goal

Switch to recycled plastic packaging in 2024.

### Certified cardboard

We exclusively use 100% FSC-certified cardboard to minimise the impact of our cardboard packaging and will continue to investigate other, even more environmentally friendly alternatives.

### Plastic use

Furniture requires sturdy packaging to minimise damage during transport and offer protection against dirt. While plastic packaging is the industry standard, we opt for sustainable alternatives wherever possible. We have previously replaced the plastic corner profiles with cardboard alternatives, and this year we replaced the plastic protection inlays of our table packaging with cardboard honeycomb inlays. Our next step is to investigate how we can reduce the plastic packaging in our upholstered furniture packaging. For the plastic packaging that remains, we have set the goal to switch to recycled plastic from 2024.

### Flat packaging

Flat packing means compact packaging and assembly upon delivery to the customer. It requires less packaging material and allows for more efficient storage and transport, which reduces emissions. In 2021, 53% of our furniture pieces sold were flat packaged. Last year five of the ten products we launched were designed for flat packing. Our goal for 2022 is that all new designs for wooden furniture are flat-packed. Although the same commitment cannot be made for lounge chairs and sofas, we have challenged the design team to design a new sofa that can be transported more compactly as well.



Product lifespan

4%

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Only 4% of products were returned or replaced.

Goal

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We want to continue and keep our percentage of damaged goods and refunds stable at less than 5%.

89,6%

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89,6% of returned or replaced products were resold.

Low return rate & giving products a second chance

Our furniture is made-to-order to avoid excess stock and returns. When furniture is damaged, we will always attempt to repair the product before offering a replacement. Even when a furniture piece is replaced, our craftsmen will carefully restore the damaged item, after which it will be sold at our yearly REstore event. Only when items are damaged beyond repair will they be sent back to the original manufacturer, who can relatively easily recover the materials (mostly wood) for reuse, or as a last resort, process the waste materials into energy.



## Organisation

Our day-to-day business is run in our office, stores and warehouse. Throughout this Operation we want to create as little as possible carbon footprint, as well as take the best care of our employees and people in the entire supply chain.



## Organisation

156 tons

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156 ton emissions from our office, stores and warehouse.

100%

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100% of CO<sub>2</sub> emissions compensated.

## Goal

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Become Climate Neutral certified.

### Organisation footprint

Since 2020 we've been measuring our organisation's carbon footprint with the Climate Neutral Group. Our organisation's footprint includes the direct emissions from running the office and stores.

Due to our growing business, our annual CO<sub>2</sub> emissions increased to 156 tons in 2021 compared to 102 tons in 2020. This year we opened a new store in Antwerp; moved into a new stand-alone office space in Diemen; and had a rising number of employees which increased the emissions caused by, for instance, commuting. Moreover, compared to 2020 – a year full of COVID restrictions – we spent much more time in our office and stores, which added to the emissions.

However, when we consider the carbon footprint relative to revenue, we've seen a decline in relative carbon emissions from 15 tons of CO<sub>2</sub> emissions per million euros in revenue to 13 tons. The footprint per full time employee remained stable at 4 tons of CO<sub>2</sub> emissions.

Similar to last year, we've compensated for our emissions (156 tons) by investing in an emission reduction project. We prefer to invest in projects that we share a connection with, and this year we chose to invest in a project in India, where several of our IT developers live.

### Reducing our footprint

In 2021 we actively took steps to reduce our carbon footprint. We have started offering our employees an electric bike lease plan; fully switched to renewable energy for both our offices; and created an impact policy for our stores and offices that reduces resource consumption and purchasing. In addition, our logistics department switched to a fuel card that compensates for emissions.

Our goal is to reduce our organisation's emissions to 0 by 2050, while we try hard to aim at 2030. To formalise our commitment to measure, reduce, and compensate for our emissions every year, we are working with the Climate Neutral Group to obtain a Climate Neutral Certification. We expect to receive the certification at the end of 2022.





People

Taking care of people

Creating a positive social impact is as vital to Studio HENK as caring for the environment. Our responsibility is to create a healthy work environment for our colleagues and workers throughout our supply chain. However, we realise we still have some significant steps to take in this area.

COVID-19 still held a grip on the world in 2021. Like the previous year, we ensured that no jobs were lost, stayed in close contact with our employees, and offered a ‘working-from-home’ allowance. When we could come into the office again, we started a weekly boot camp session with all who wanted to join. We kept on offering a pension plan and market-conformed salaries. We continue to provide a free and healthy lunch for our workers in the office, and an allowance for lunch for those working in stores. to compensate through a Gold Standard project once again, as we did for our 2020 footprint, because it has the highest standard for these projects.

Our goals for the coming year are to put in place a supplier Code of Conduct to ensure good working conditions throughout the supply chain, and a Code of Ethics that supports high standards of employee wellbeing at Studio HENK. We are also aiming to become a Great Place To Work and will dive deep into our workers’ conditions, like their pension and insurance.



## Progress

Achieving our vision of a zero-waste furniture industry will not happen overnight. Every day we take steps, big and small, to get closer to this goal. Here is what we are working on in 2022 and beyond:

### B Corp

We started the process of becoming a B Corp in 2021. The B Impact Assessment is a rigorous one. We expect the B Corp process to take a year, or two. We believe that we have what it takes to become a B Corp, and expect to receive our certification in 2023.

### Climate Neutral Certification

As in 2021, we will continue to measure and compensate for our organisation footprint in the years to come. To formalise this commitment, we are working on obtaining the Climate Neutral certification in 2023.

### Product footprint

To determine the footprint of our products, we need to calculate the emissions from the production. We want to do this as precisely as possible since we want to know exactly where to improve, and we want to be able to use it when designing new products and adjusting current products. We found a tool to do this with, and we will start using and implementing this in 2022. We hope to have our first product category ready in detail in the first half of 2023.

### Sustainable design principles

In 2022 we want to create a set of sustainable design principles that offer our design team guidelines when designing new products and provide our customers with insight into our values and way of working.