

STUDIO HENK

Impact Report 2020

Message From The Founder

From the beginning, producing zero waste furniture has been an important part of our story. Studio HENK was founded with the purpose to create furniture pieces that age beautifully and last for generations to enjoy. The first tables we produced were made from waste wood that Xander and I found on the streets of Amsterdam. When we grew bigger, we ensured pieces were made to last by using high quality materials and working with skilled craftsmen and manufacturers. We believe it is important to work with local suppliers. All our furniture is produced in Europe, and a great deal of it even in the Netherlands.

We limit waste by offering customisable pieces of furniture, that allow customers to exactly choose the furniture they want and need. And because our tables are modular (any tabletop can be combined with any of the table legs or base in our collection), our furniture can fit the future needs of our customers too. Moreover, all our furniture is 'made-to-order', which means that all pieces are produced upon demand which limits waste of raw materials or useless stock. When the furniture is produced, we work in batches to ensure efficiency and limited waste.

Staying close to our "zero waste" roots, we've started to do a lot of research in 2020 on how to make our collection even more sustainable. This included the process of only using FSC or PEFC certified wood and launching our first dedicated collection made from waste materials. But we also looked into drastically reducing the plastic used in the packaging and measuring and reducing our carbon footprint.

We want to be transparent in our journey, but also be able to fully back-up the claims we make. Therefore, we have taken the time to do our research and decide on our strategy. In the coming months we'll share our new and more ambitious Purpose, Mission, and Vision, which we have already started to integrate into our way of working and company mindset in 2021.

We're excited to share with you the steps we've taken in 2020. To me, this is the story about our challenges as well as achievements, written as a transparent (and maybe even inspiring) part of our journey towards a sustainable future. I hope you will join us!



Okke Albers

Co-founder and CEO of Studio HENK

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Mission & Vision

We are dedicated to making the world a greener, more beautiful place. That's why we aim to make beautiful furniture that leaves a small footprint on earth.

We believe that beautiful furniture adds value to your life. It invites you to talk, laugh, play, unwind and enjoy meaningful moments together. It's why we love making furniture. We do recognise the impact this has on the environment and take responsibility in building a more sustainable future, for example by keeping our ecological footprint as limited as possible.

Our mission is to design furniture that lasts for generations. That's why we make high-quality furniture from the finest materials. Although this is a good first step towards a more sustainable future – a future that is characterized by quality rather than quantity –, there are many more things we can do. That's why we take actionable steps every single day. Eventually, we hope to make durable design more accessible, so that we can all choose quality over quantity.

Goals & Strategic Focus

One of Studio HENK's main focuses for 2020 was to build and grow our business in an organic and sustainable way. From an operations perspective, this meant expanding our team, and finding a separate office space to house our growing team. We want to take good care of our hard-working employees, we also wanted to ensure a dedicated HR manager was hired.

With regards to our product collection, growing our business included the development and launch of new products, opening new stores, and finding new reliable suppliers to start long-lasting relationships with.

However, we realized that growing our business should not be at the expense of the planet. That is why, at the start of the year, we have set ourselves sustainability goals for 2020 as well.

1. Ensure that all tables in our collection are exclusively made with FSC or PEFC certified wood.
2. Replace the plastic packaging of tables with certified cardboard packaging.
3. Introduce a collection of recycled materials.

The results of our 2020 focus are presented in the following sections. For transparency, each impact section is guided by an impact indicator that is used to track our year-on-year progress. As this is our first impact report, no comparison with previous years is possible. We have, however, written down a future ambition for each section that we will hold on to and measure ourselves against in the following years.

We're excited to share with you our impact, challenges as well as achievements, written as a transparent (and maybe even inspiring) part of our journey towards a sustainable future.

Impact Overview – Our Products

IMPACT CATEGORY	2020 IMPACT INDICATOR	FUTURE GOALS
FSC/PEFC CERTIFIED WOOD	27% of furniture made with certified wood (based on revenue).	2022: All wood that is used in our products (including construction frames in sofas, armrests, etc) must be FSC/PEFC certified.
	24% of wooden furniture ¹ that are certified on a product level (based on revenue).	2022: All tables, wooden benches, and cabinets to be FSC/PEFC certified. 2023: All wooden products to be FSC/PEFC certified.
RECYCLED MATERIALS	16% of upholstered furniture ² that is made with recycled fabrics (based on revenue).	2021: Add at least 2 new recycled fabrics ³ to our fabric collection. 2024: 100% by only offering recycled fabrics for upholstery.
	3,8% of products made with recycled materials (based on revenue).	2021: 6% 2022: 15% 2023: 25% 2024: 35%
TOXIC FREE UPHOLSTERY	41% upholstered furniture made with toxic-free certified fabrics ⁴ (based on revenue).	2022: at least 50% of our upholstered products must be made with toxic-free certified fabrics (such as EU ecolabel).

1. Wooden furniture: dining tables, coffee tables, desks, wooden benches, cabinets, dressers, wooden dining chairs, wooden lounge chairs.

2. Upholstered furniture: Sofas, poofs, upholstered dining chairs, upholstered dining benches, upholstered lounge chairs, upholstered bar stools, cushions.

3. Recycled fabrics: Fabrics that contain at least 50% recycled content

4. Toxic-free certified fabrics: Fabrics that are certified with labels such as EU eco-label or Greenguard that guarantee eco-friendly practices and bans certain chemicals from the production.

Impact Overview – Our Packaging

IMPACT CATEGORY	2020 IMPACT INDICATOR	FUTURE GOALS
PLASTIC PACKAGING	N/A% packaging with plastic content (based on volume)	2022: Determine plastic packaging share and improvement plan
	N/A% of plastic packaging from recycled materials	2022: All plastic we use must be from recycled content
CARDBOARD PACKAGING	100% cardboard packaging used that is certified (based on product revenue)	Continue to use 100% certified cardboard packaging
FLAT PACKAGING	52% furniture that is flat packed ⁵ (based on revenue)	2022: all dining, coffee and bistro tables; desks; wooden benches; and cabinets.

5. Flat packed: Furniture that is supplied in pieces that are packed into flat boxes for assembly upon delivery to the customer.

Impact Overview – Our Manufacturers & Retailers

IMPACT CATEGORY	2020 IMPACT INDICATOR	FUTURE GOALS
LOCAL	47% of products manufactured in NL (based on COGS).	Although exceptions could be possible for, for instance, international social projects or products that require overseas local expertise, we will strive to keep our production local to the EU and preferably the Netherlands.
	100% of products manufactured in EU (based on COGS)	

Impact Overview – Product Lifespans

IMPACT CATEGORY	2020 IMPACT INDICATOR	FUTURE GOALS
LOW RETURN RATE	Less than 5% of sales of products returned or replaced (based on revenue)	Continue to keep the returns low, under 5%.
SECOND CHANCE	75% of products returned or replaced products resold during Restore event (based on revenue)	Continue to host a yearly Restore event to give all returned or replaced items a second chance at a new home
LONGER LIFESPAN	What services we offer to our customers – In progress	2022: Create a program for refurbishment, repurpose or resell services for our customers

6. Fte means full-time equivalent employee, based on a 40 hour working week.

7. www.milieubarometer.nl

8. www.milieubarometer.nl

Impact Overview – Our Operations

IMPACT CATEGORY	2020 IMPACT INDICATOR	FUTURE GOALS
CARBON FOOTPRINT	26 tons CO ₂ emitted on a company level.	We are committed to bring our company's CO ₂ emissions to net zero by 2030.
	100% CO ₂ emission compensated.	We will continue to fully compensate for our company's CO ₂ footprint each year.
	Carbon footprint certification – in progress.	We want to obtain the Carbon Neutral Group certification for our company in 2022.
WATER	6,5 m ³ water consumption/fte ⁶ .	Stay below the office average ⁷ and are putting in place a monitoring and reduction plan by 2022.
WASTE	unknown% of waste created that is recycled.	2022: Map our waste and design an improvement plan.
ENERGY	23% of energy consumption from renewable sources.	2024: 100% of our energy usage must come from renewable sources.
	1700 kWh energy consumption/fte.	Stay below the office average ⁸ and are putting in place a monitoring and reduction plan by 2022.
COMPANY CARS	66% of company fleet runs on renewable resources.	2023: 100% of company cars must be electric.

Reducing The Impact Of Our Products

Since the beginning of Studio HENK, we've been mindful of the impact our furniture has on the environment.

We are aware that the choices we make with regards to our furniture design have a significant impact that we as a company have on the planet.

The Materials We Use

FSC/PEFC Certified Wood

From the start, we've always tried to use FSC or PEFC wood in our products, when possible. In 2020 we set ourselves the goal to only work with certified wood for our biggest product category, dining tables, as well as the coffee tables and desks, wooden dining benches, cabinets, and dressers.

We're proud to announce that since October 2020, all the wood that is used in the production of all tables, wooden benches as well as cabinets is FSC or PEFC certified. This means that of all furniture we sold in 2020, 27% was made with certified wood.

It is however important to mention that not all wooden products that are made with certified wood can be sold as certified. For these products to carry the FSC or PEFC logo, the furniture manufacturers must also be chain of custody (CoC) certified themselves. Three of our four table manufacturers are FSC or PEFC certified since 2020. In total, 24% of the products we sold in 2020 came from certified suppliers. We are currently working with the last manufacturer to also obtain their CoC certification, so that all wooden furniture can be labelled as such. By the end of 2022 we have set the goal for all our tables, wooden benches, and cabinets to carry the FSC or PEFC logo.

In addition to our wooden furniture⁹, we also sell upholstered furniture⁹, that is not predominantly made of wood, but includes wooden components such as wooden armrests or wooden (construction) frames. For this product group we want all wooden components to be FSC or PEFC certified by the end of 2022.

Recycled Materials

In September 2020 we launched the Amoeba collection: our first collection completely made of waste materials. It consists of an organic shaped dining table and a coffee table made from LivingBoard - a sustainable board material made of wood chips and fibres from FSC or PEFC certified wood. It is pressed and glued together with formaldehyde-free glue. Livingboard has a variety of certifications: Blauer Engel Ecolabel, Cradle to Cradle Silver, QGHW Premium. As the product only launched towards the end of 2020, the share in revenue is still low, but expected to increase in the coming years.

In addition to offering tables made entirely out of recycled wood chips, we also try to incorporate recycled materials in our upholstered products. We're happy to say that one of our top 3 2020 bestselling upholstery fabrics consists of 75% recycled woolen yarns, carded from regenerated post-consumer wool like clothing and other products. As such, 16% of our upholstered product revenue came from furniture made with recycled fabric. Overall, in 2020 3,8% of the furniture we sold was made with recycled materials.

In 2021 we are looking to add at least 2 new recycled fabrics to our collection and explore new ways to incorporate innovative waste materials in our collections.

9. Upholstered furniture: Sofas, poofs, upholstered dining chairs, upholstered dining benches, upholstered lounge chairs, upholstered bar stools, cushions.

Toxic-Free Upholstery

While tables are Studio HENK's largest product group, we are trying to limit the impact that our other product categories have by making conscious decisions for the materials we use, and through educating our customers.

It starts with choosing to work with suppliers that offer fabrics that are certified by labels such as the EU ecolabel, Greenguard Gold, OEKO-TEX or the Leather Working Group. In 2020 41% of our upholstered product revenue was made with EU ecolabel fabrics, meaning they meet high environmental standards throughout their life cycle.

In 2021 and beyond, we will continue to expand our collection of sustainable fabrics and collaborate with new, sustainable, suppliers. By the end of 2022 we want at least half of our upholstery options to be made with EU Ecolabel fabrics, and the revenue of these to be at least 50% of our upholstered products.

The Packaging We Use

Reduce Plastic

To protect our products during transport, we must use sturdy packaging to minimize damages. In the furniture industry, it is common practice to protect and package furniture with LPDE (low density polyethylene), plastics and PS rigid foam (or Styrofoam). As furniture is often heavy, expensive and scratch-sensitive, plastic is an effective and 'clean' method of protection.

However, we like to challenge the status quo. As the largest product category our tables had the primary focus but formed a special challenge because of their weight and sensitivity (sharp but fragile edges). Luckily we found an alternative packaging supplier that is FSC

certified and offers sustainable solutions. We were able to replace the plastic corner profiles and protection edges with cardboard alternatives. The surface protectors of styrofoam were replaced by cardboard inlays that only contain a very thin layer of expanded polystyrene to absorb shocks. With this new method, we've reduced approximately 80% of plastic packaging in our table category.

Our next goal is to replace the remaining layer of polystyrene from all table packaging by early 2022. By the end of 2022, we want all tables, cabinets, and dining chairs to be packaged fully plastic free.

Replacing the plastic packaging for our sofas will be a bigger challenge. Therefore, we have set ourselves the intermediate goal of only using recycled and recyclable plastic by 2023. By 2024 at the latest, we want to have completely plastic-free packaging for all our products.

Certified Cardboard

To minimize the impact of our cardboard packaging, we also made sure that by December 2020 all cardboard we use in our packaging is 100% FSC certified.

Flat Packaging

Many of our products are suitable to be "flat-packed": they are designed to be supplied in pieces that are packaged in compact boxes for assembly upon delivery to the customer. As a result, less packaging material needs to be used and more items can be loaded in one truck which reduces the transport emissions. In 2020, 52% of products were flat packed and assembled on site.

However, whether a product is suitable for flat packing also depends on the product category. A sofa or poof, for instance, are nearly impossible to flatpack given the density of the product itself. For that reason, it

is difficult to make a precise commitment on what share of products we want flat packed. Rather, we're ensuring our design team is continuously challenging their designs to optimize flat packing even further. That is why in 2021, half of the new products that are developed must be designed for flat packaging.

Where We Manufacture & Sell

Local

We believe it is important to keep our production as local as possible, to reduce the impact of transport. Our first tables were made by ourselves in the workshop of our father-in-law Henk, in the Netherlands. When the business grew and we needed to scale-up we found a great and reliable partner in Romania, that is still one of our main suppliers to this day. Because we believe in long-lasting relationships, we believe it is important to continue investing in this partnership. Most of our suppliers, however, are in the Netherlands. In 2020, 47% of our supplier purchases were made in the Netherlands.

Although exceptions could be possible for, for instance, international social projects or products that require overseas local expertise, we will strive to keep our production local to the EU and preferably the Netherlands.

In addition to local production, we also focus on local sales. With our roots, office and store in Amsterdam, the Netherlands is currently our largest market. Since we've opened our store in Antwerp, Belgium is our second biggest market. While we have the ambition to grow beyond these borders, we will continue to focus on Europe as our main region.

Ensuring Our Products Have A Long Lifetime

Although all our furniture is made to order and handled with care, it sporadically happens that an item is damaged in transit. The first solution is always to offer a repair, but on some occasions, it is decided to replace the item instead. Instead of discarding the damaged item, we take them back to our craftsmen who can fully repair the pieces.

Moreover, while in principle Studio HENK items are non-refundable because they are made to order, in seldom cases customers are allowed to return their item in consultation with our service team. Firstly, however, we always try to create awareness with the client about the impact of a return and look for an alternative solution to minimize returns.

In 2020, less than 5% of items were returned or replaced due to damages. During the Restore event held in August 2020, 75% of these products were sold to give them a second chance in a new home.

The remaining products were either stored in our warehouse for a next Restore event, or 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.

We want to continue and keep our % damaged goods and refunds stable at less than 5%. In 2021 we are planning to host our third Restore event, something that we plan to do every one or two years in the future.

Finally, we also want to work towards a complete service program where customers can get their Studio HENK furniture refurbished, repurposed, or resold. We want to offer these services by 2022 and believe that this program will further contribute to a long lifetime of the products.

Reducing The Impact Of Our Operations

In 2020 we have seen a big expansion of Studio HENK. We started off the year with operating one store in Amsterdam (Cruquiusweg), which also housed our office, and a team of 21 people (14 FTE). In September 2020 we opened our second store, located in Antwerp. Due to our growing team we also decided to move our operational activities to a new office in Diemen in November 2020. By the end of 2020 our team counted 26 people (19 FTE).

With our expanding operation we believe it is important to keep track of the impact that our company has. That is why we have started measuring our carbon footprint and implementing small changes in the office to lower our impact.

Our Carbon Footprint

With the guidance of the Climate Neutral Group we have identified our carbon footprint of 2020. We started with measuring the greenhouse gas emissions that result from running our office and stores. While this is the first year that we've measured and compensated for our company's footprint, we want to make a formal commitment to doing this each year and to start reducing our footprint. That is why we are working with the Climate Neutral Group to obtain a Climate Neutral Certification for our organisation, which we're looking to receive this certificate by 2022.

Over 2020, our business operations emit 26 tons of CO₂-e, which we fully compensated for through an emission reduction project in Romania (below).

This footprint however is quite low. To put this into perspective, an average household in the Netherlands emits up to 20 tons of carbon annually¹⁰. There were multiple factors that resulted in our low emissions in 2020. We had a relatively small team: the team grew

from 21 employees at the beginning of the year to 26 employees towards the end. Additionally, we only had one combined store and office for the largest part of 2020. In the last quarter we opened a separate office in Amsterdam and a new store in Antwerp. Also the lockdown at the end of the year resulted in somewhat lower emissions.

With a team that continues to grow and new stores that are opening, we can realistically expect the footprint of our business to grow in the coming year. This means we will have to make additional efforts and invest in lowering our organisation's emissions. We are committed to bring our company's CO₂ emissions to net zero by 2030.

It is important to note that the bulk of our carbon emissions will result from the production of our furniture. Scoping these emissions is a significant project, but we're committed to take the first steps in 2021 and receive a Climate Neutral certification for our products in 2023.

We've fully compensated for our footprint through an emission reduction project in Romania¹¹. This project focuses on PET recycling which proactively reduces greenhouse gasses emissions that would be otherwise required to produce plastic products made of virgin inputs. The project was chosen firstly because recycling aligns with our organisational goals of striving towards a zero-waste industry. Secondly, because a significant part of our tables is produced in Romania, we believe it is important to invest in the region.

¹⁰. www.milieucentraal.nl

¹¹. www.marketplace.goldstandard.org

Creating A Positive Social Impact

Conscious Choices In The Office

We are aware that our impact goes beyond our carbon footprint. As a team, we have an important role to play in reaching our sustainability goals as well. We stimulate our employees to use public transportation or commuting by bike for coming into the office. Only a limited number of employees have a company (lease) car. In January 2020 we traded in two of these company cars for electric lease cars to limit emissions.

The energy we purchase for our office in Diemen, where we moved in November 2020, is from renewable sources. For our Amsterdam store in Cruquius, however, running on renewable energy was a bigger challenge as the store is part of a larger complex that controls the energy delivery. In 2020, we started conversations with the landlord to switch to renewable energy for the entire complex. They have agreed and are planning the switch for the entire complex, containing approximately 20 business units, for the end of 2021 or early 2022. This will create a big impact that spreads beyond our own business.

Finally, we monitor the water and energy usage in our stores and offices and average this to the number of FTE employees at Studio Henk. Our water and energy usage is currently below the average usage¹² of office employees. We are striving to stay below this average and are putting in place a monitoring and reduction plan by 2022.

In addition to our environmental impact, Studio HENK wants to create a positive social impact as well. For us, this starts at our own company, with our own employees. It goes without saying that we respect our employees' rights and national labour laws. In addition, we have a dedicated Human Resources team since 2020, provide a pension plan to our employees and offer a free healthy lunch in the office.

COVID-19 presented a great challenge for us in 2020—as it did for the rest of the world. As a company we did our best to guarantee our employees' wellbeing as much as possible. No job roles were lost during 2020, we stayed in close contact with our team by organizing online get-togethers and sending care packages to our employees' home offices.

Although we also made efforts in 2020 to have our social impact reach beyond Studio HENK itself, we must be honest in acknowledging that we still have some big steps to take.

By 2022 we want to guarantee that not only our Studio HENK employees are treated well, but this is extended to all our suppliers and other partners. We will draw up a Code of Conduct that we will comply with and must be signed by all our significant suppliers. We also want to improve our footprint by contributing more to social causes. One way to do this is by putting in place a donations policy commitment in 2022.

¹². www.milieubarometer.nl

What's Next

In 2020 we made some great steps in measuring our impact, reducing it and planning to reduce it even further. We aim for the furniture industry to become more conscious and to take serious steps to become future proof.

We have worked with our suppliers to get them FSC or PEFC certified and will continue to do so until all wood we use across all our product categories is certified.

We started to measure and compensate for our carbon footprint for scopes 1 and 2, meaning our organisation's footprint, and are now working with the Climate Neutral Group to obtain a Climate Neutral certification for our organisation. This means that we will compensate for our measured footprint each year, and in addition will set yearly reduction targets until we have reached zero emissions in 2050.

In 2021 and 2022 we'll be aiming for a B Corp certification. We'll also start measuring our carbon footprint for our products (scope 3) so we can start reducing emissions and compensate for what we can't reduce.