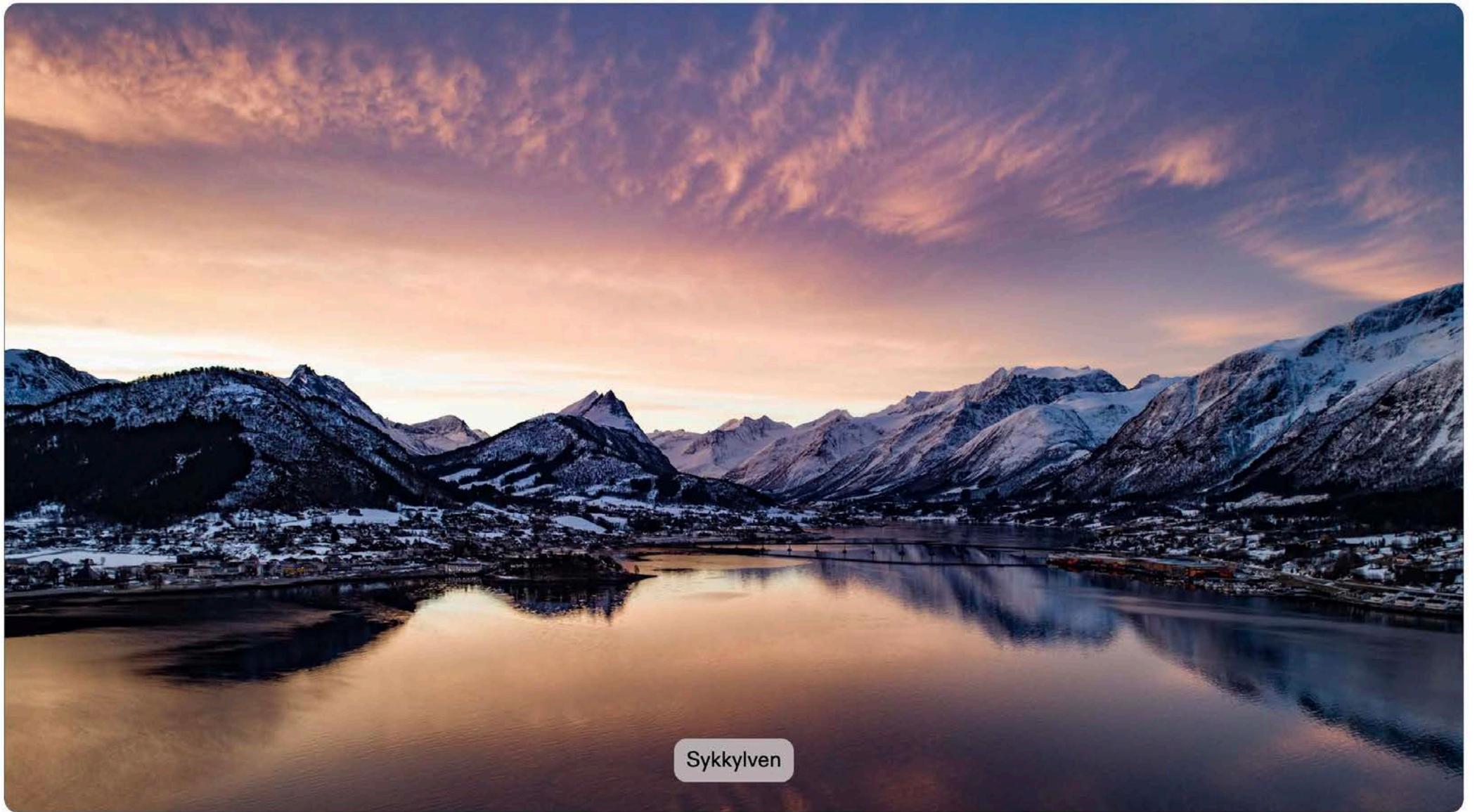




SANDELLA

Annual sustainability report

Developed in March 2025 for the year 2024



Sykkylven

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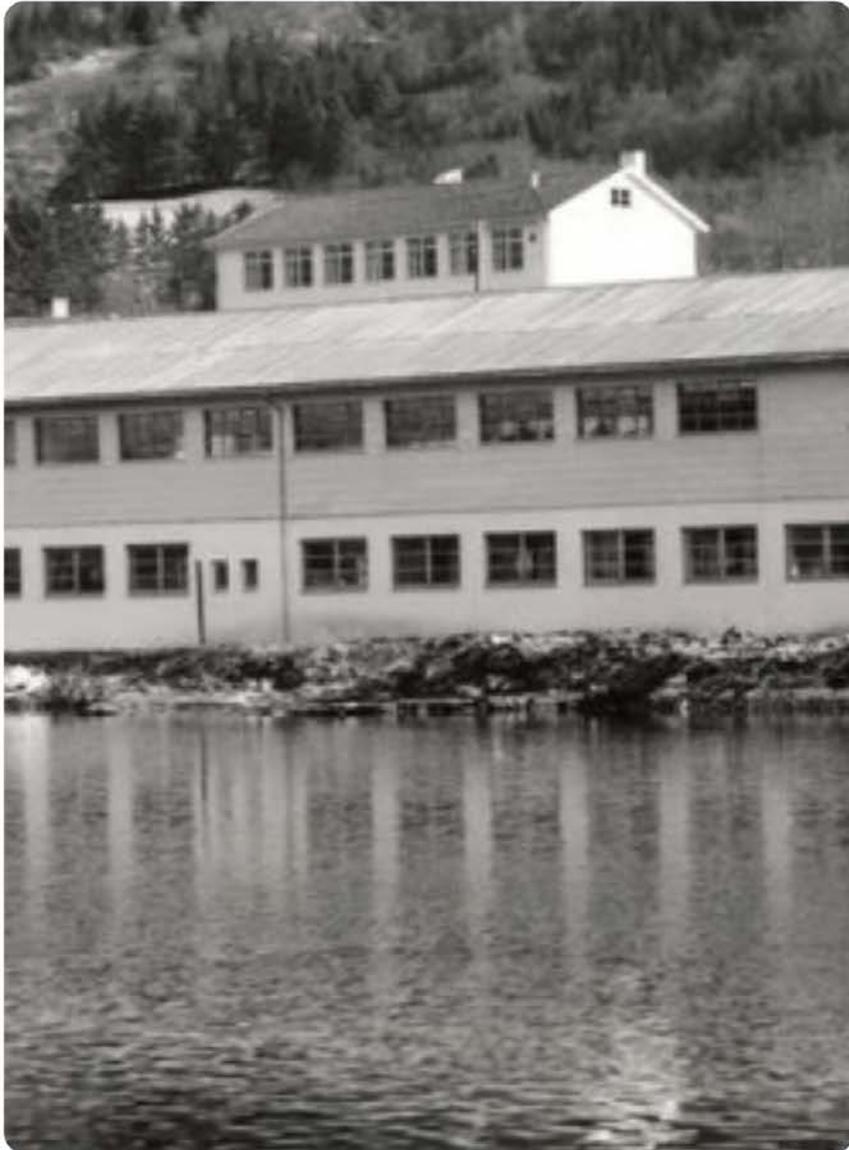


**Long and reliable
history since 1960**



The history

Sandella Fabrikken As was established in 1960 in Straumgjerde with the goal to produce latex rubber foam as upholstery material for the furniture industry. The company originates from Sande Fabrikker A/S which since 1947 was the first company in Norway to produce rubber foam. As an increasingly large part of the production was delivered to the furniture industry in Sykkylven, the management decided in 1960 to establish a production plant in Sykkylven, the center of the furniture industry in Norway.



The production started in January 1961 in a former furniture factory in Stramgjerde and soon it became clear that this was the correct decision. The process to build a new and modern factory at Vik was started in 1966 and the official opening by the Minister of Industry took place in August 1968.

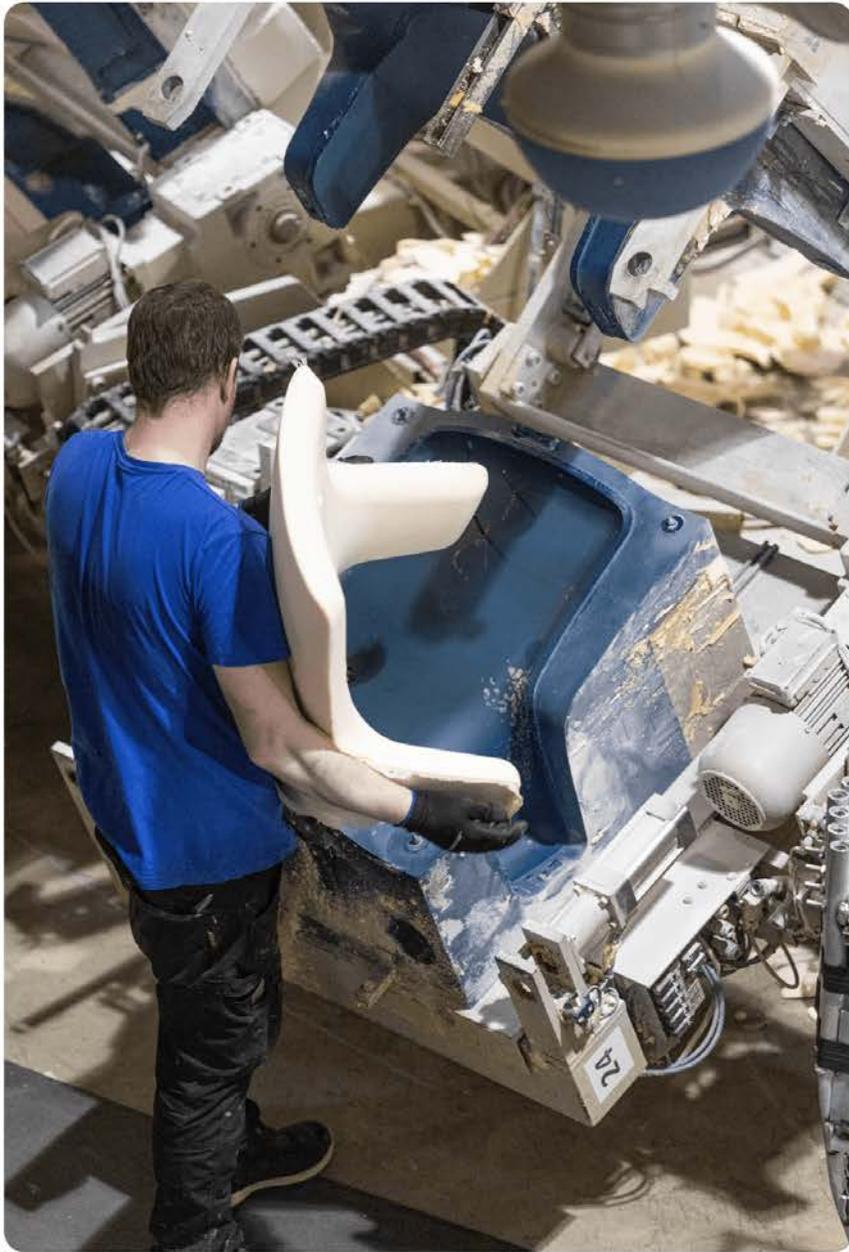
New products were continuously developed and within the foam sector they from late 60`s developed a molded cold cured polyurethane foam.

Compared with rubber foam this technology enabled overmolding of other materials which gave the furniture industry new possibilities in design and rational production methods.

During the spring 1970 Sandella Fabrikken initiated a cooperation with Gommagomma in Milan and trial production started in Sykkylven. This was great success and soon production of polyurethane foam on two shifts were running.

In April 1974 the production of latex rubber foam at Vik was closed due to the oil crisis. Sandella Fabrikken focused now 100% on molded, flexible polyurethane foam and built its first automated production line. More expansions of the factory followed, and new production lines were built.

Early in the 90`s Sandella Fabrikken decided to enter new markets outside Norway with Denmark as it`s first export market. The feedback was very good, and we extended the following years to many new markets. Today we are supplying to more than 15 countries in Europe, North-Amerika, and Australia.



Sandella Fabrikken acquired know-how within steel products, aluminum, and construction/development through acquisition of suppliers – last with the acquisition of Shape As in Ålesund within its expertise of construction in 3D, product development, machining, and reverse engineering.

The Sandella-Group is today the largest independent producer of molded cold cured foam in Europe with factories in Sweden and Lithuania. We have a production of approx. 1 million parts and the Group reached in 2024 a total turnover of NOK 177 million.

Sandella Fabrikken has since its foundation in 1960 been owned by the family Mehren and is today owned by third generation Marius Mehren.

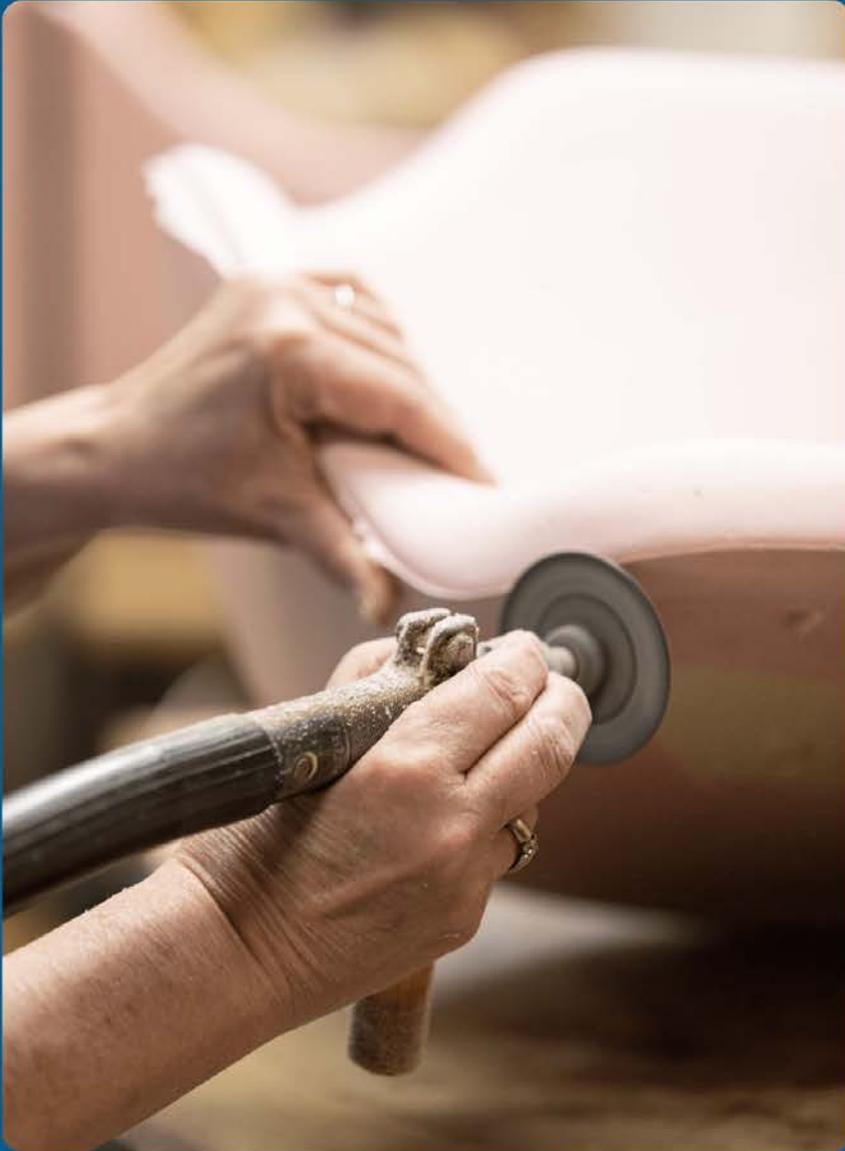
About Sandella Fabrikken

Sandella Fabrikken shall be the best supplier of molded cold cured polyurethane foam and technical solutions for the industry.



The Sandella-Group has its expertise within these types of polyurethane foam:

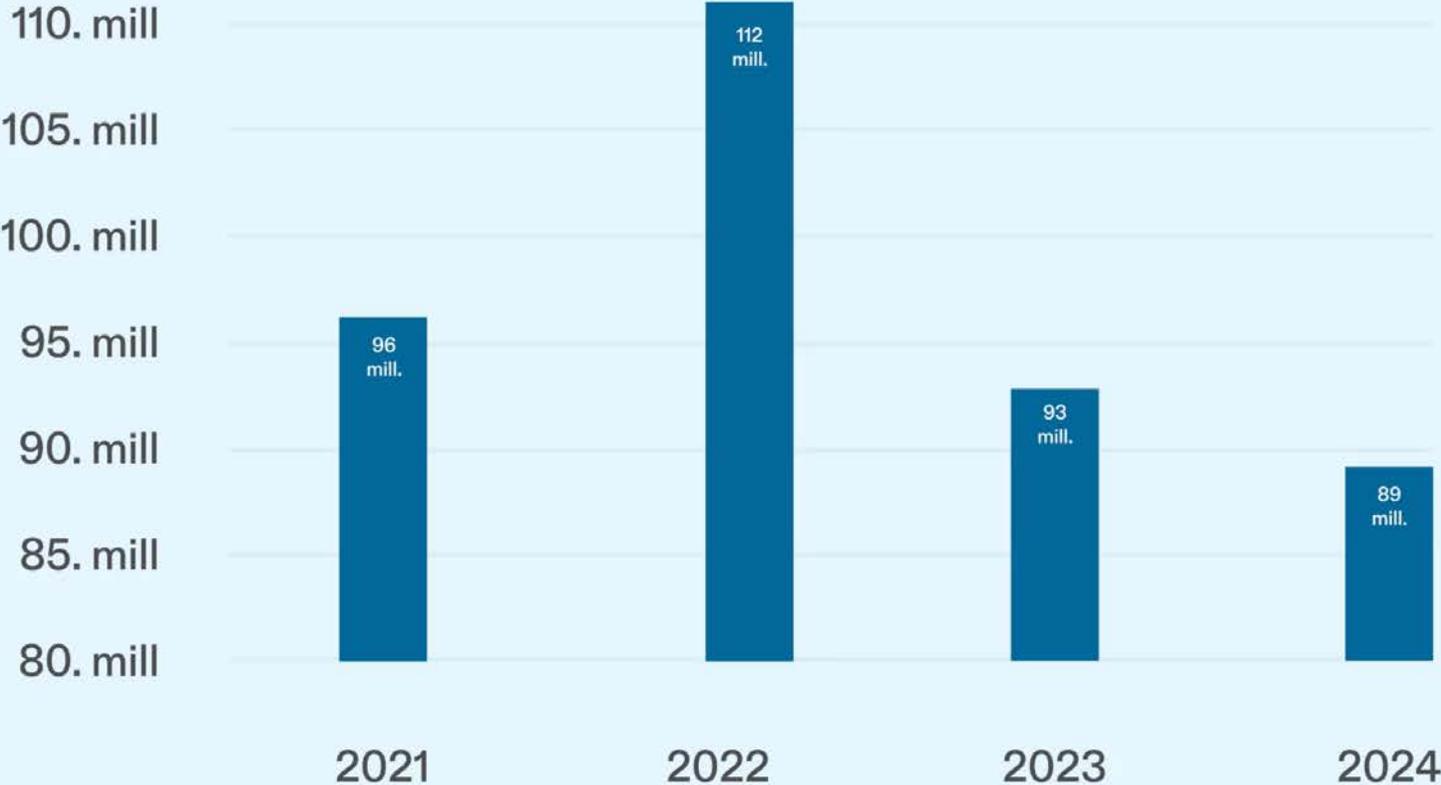
- Flexible polyurethane foam, HR-foam
- Flexible combustion modified polyurethane foam, CMHR-foam
- Visco-elastic foam
- Visco-elastic fire retardant foam
- Integral-skinfoam
- We are also producing Mørehåven (Aqua-farm hoops) and other equipment for the farming industry



Sandella Fabrikken sets high quality standards:

- All activities are goal oriented and we use the ISO 9001 quality assurance system as a management tool.
- We shall at all time have sufficient documentation for all areas of responsibility and spheres of authority which effect on quality
- Management and co-workers are all to possess the relevant expertise and be aware of their responsibility and spheres of authority
- All goods and services are to be carried out in complete accordance with customer specifications and expectations
- The quality assurance at Sandella Fabrikken is to comply with ISO9001 requirements as well as satisfactory profitability for the company

Turnover



Financial key figures Sandella Fabrikken AS

	2020	2021	2022	2023	2024
Turnover	85 799	96 225	112 195	93 730	88 812
Profit	7 110	-746	5 558	-1 679	-1 008*

*Profit for 2024 is preliminary

UN Sustainable Development Goals and how we contribute

To find our focus UN sustainable development goals we have done a materiality analysis.

The result of the workshop is presented on the next page.

Materiality analysis – Agenda 2030



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Sandella Fabrikken is an industrial company with long traditions. This sustainability goal is part of the core business of the company and with this goal we can make an impact through:

- Innovation through product development
- Sustainable industry
- Ensure efficient and energy saving production

11 SUSTAINABLE CITIES AND COMMUNITIES



To be able to participate and build a sustainably community Sandella Fabrikken is sourcing locally when this is possible and in this way, we are:

- maintaining local jobs
- Contributes to a sustainable local economy
- reduction of the environmental impact by avoiding longer transport routes where this is possible

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



The use of molded PUR-foam results in less production waste than most of the other type of foams. Molded PUR-foam have a very long lifespan. A possibility is to look at different ways of re-use. This is a challenging process to solve sustainably. Because of the foams durability the upholstery of the furniture will be worn out much faster than the foam and re-upholstery of the furniture is possible without replacing the foam.

- Together with our customers we will challenge the development of recyclable products
- Customers of Sandella can re-upholster furnitures without replacing the foam. Some of our customers have already started this process
- Focus on quality - our products are built to last

13 CLIMATE ACTION



We are keen to contribute to stop the climate changes. Our emissions and negative environmental impact are important and these we are actively working to reduce:

- We are investigating the possibilities for EPD certificates on our foam recipes
- Sandella Fabrikken was re-certified as an Eco-Lighthouse company in 2023
- Reduction of our CO2 emissions
- Sandella Fabrikken became an FSC-certified company in 2023

17 PARTNERSHIPS FOR THE GOALS



We are all depending on cooperation to achieve the climate goals. For Sandella Fabrikken it is important to have a close relationship with customers and supplier to support a circular economy with less environmental footprint.

- Cooperation with customers and suppliers to work with innovation and development of sustainable products

Certifications and memberships

Certifications and memberships



Grønt Punkt Norge



The mark of
responsible forestry





Social sustainability

The employees at Sandella Fabrikken are our most important asset. Many of the employees have long experience which show stability in the work force and is a sign of well-being in the workplace. Sandella has a good relationship with the occupational health service to prevent health issues and seek leave. We have health controls and regular reviews with occupational therapists. Additionally, we offer all employees relevant vaccines (voluntary). The company has also a well-organized trade union which cooperates good with the management.

Key figures social sustainability

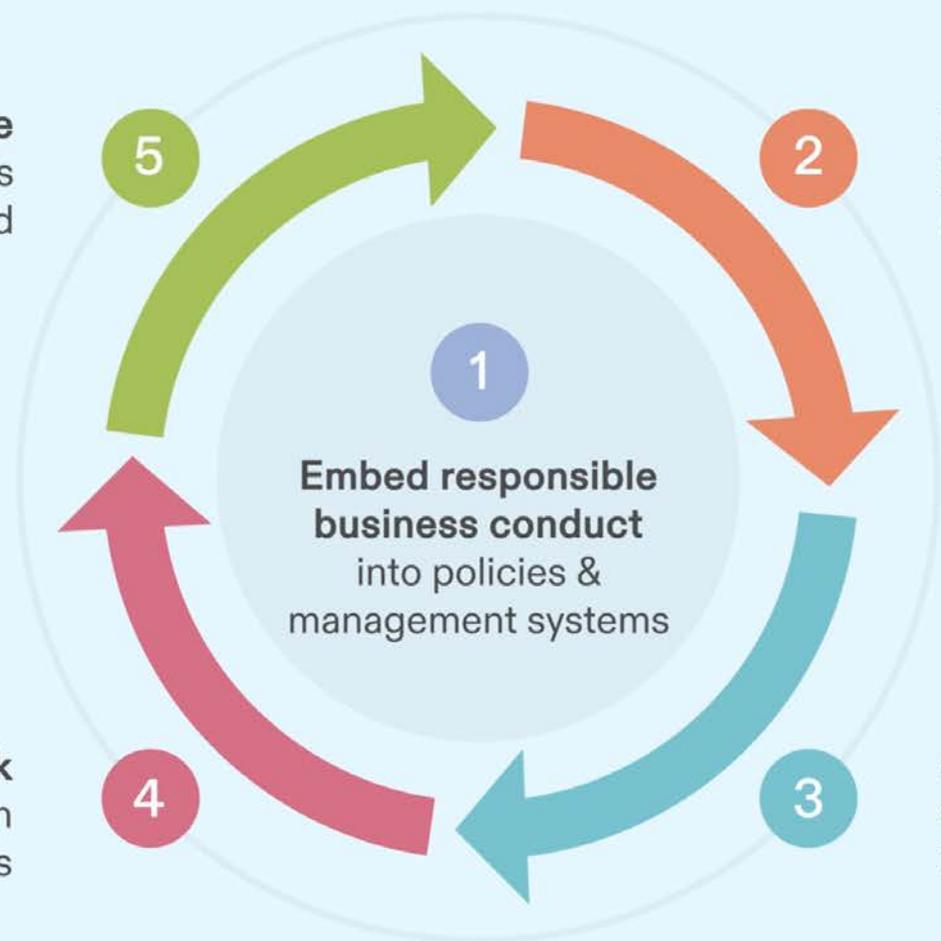
Number of employees	66
Women	22
Men	44
Sick leave	3,9%
Sick leave long term	2,9%
LTI/H1 (Lost Time Injury)	0

Human rights and working conditions in the supplier chain.

Sandella Fabrikken aim to be known with high ethical standards and a good reputation. We comply with the new transparency law in the supplier chain which took effect from 1st of July 2022. We will conduct due diligence assessments in accordance with OECD`s guidelines for multinational enterprises which includes to carry out risk assessment of the negative impact on human beings, societies and environment, and stop, prevent, and reduce such impact. The actions are monitored and communicated to those affected.

Where our activities are causing or contributing to a negative impact on human being, societies and environment, we will do our outmost to stop this activity. When the supplier is responsible for the negative impact/damage, the supplier is also responsible for the recovery.

Communicate
how impacts
are addressed



Identify & assess adverse impacts in operations, supply chains & business relationships

Provide for or cooperate in remediation when appropriate

Track
implementation
and results

Cease, prevent or mitigate adverse impacts

Requirements to the supplier chain

We expect that suppliers and business partners are working purposefully and systematically to follow our guidelines for suppliers including the principles for sustainable business which cover the basic requirements to human rights, employee rights, anti-corruption, animal welfare and environment.



Our supplier requirements:

- Follow the guidelines for suppliers included the principles for sustainable business.
- Work continuously with due diligence assessments, meaning: execute own risk assessments of the negative impact on human beings, societies and environment, and stop, prevent and reduce impact as such. The actions must be monitored and assessed for the effects and be communicated with the involved
- Show the will and ability to continuous improvements for human beings, society and environment through cooperation
- At the request from Sandella Fabrikken to document how they and their suppliers are working to comply with the guidelines
- If the supplier after repeated inquiries is not showing the will and ability to comply with the guidelines for suppliers, this can result in termination of the contract

Statement and Information

The statement of our work on the due diligence assessments is published at our website. If you have questions regards the due diligence assessments, please contact us at sandella@sandella.no

— Through quality on the products and innovative long-lasting solutions, we have received good results.



Wide expertise and the will to challenge the possibilities

Where others says; “No, this is not possible”, Sandella often says; “Yes! – this is achievable”.

This has made who we are today – a solid and leading partner at what we do best, molded cold cured foam. Other companies in Norway have discontinued their operations, but Sandella is still in business. The customers and the market know where to get tailoring and innovative solutions.



Recycling and Re-use

We are today producing some products which enables separation of components at the end of the products lifetime which helps to simplify the sorting and recycling. The aim is to keep as much as possible from the products lifespan and give life to new products. Our customers have also the possibility to re-upholster the furniture instead of buying new and in a cost-effective and simple way give new life to the furniture where the foam, the steel and plywood normally can be kept as is.

Our aim is to have high quality products which leads to minimum use and throw away.



EPD-certificates

The environmental product declaration EPD summarizes the environmental profile of a product. The EPD-certificates are prepared and supplied on request and have a duration of 5 years. We are investigating the possibilities to certify our foam system. This will give customers an overview of the environmental profile on the products we are supplying.



FSC®-certified products

FSC®(Forest Stewardship Council®) is a global NGO established in 1993 to promote sustainable foresting and to secure good conditions for the nature, animals, and human beings in the world's forests. An FSC®-certified forest shall live up to high requirements for social, economic, and sustainable foresting. This means that with FSC® we contribute to look after the forests for now living and future generations and all human being and animals living in them. FSC`s® traceable certification from forest to finished products as furniture, building material and packaging, is from sustainable driven forests and other responsible sources. During 2023 Sandella Fabrikken will only source and use FSC® certified wood in our products. This is according to requirements from our customers which we also make for ourselves and our suppliers.



The mark of
responsible forestry

Report of energy and GHG-emissions in 2024

Identification of emissions

The company has identified the emissions according to Scope 1, 2 and 3. The report uses the GHG-protocol, an international standard for carbon accounting. The report is according to the local-based method.

Scope 1

Includes emissions related to sources that are controlled by the company. This includes emissions associated with fuel combustion in boilers, furnaces and vehicles. This includes also direct process emissions.

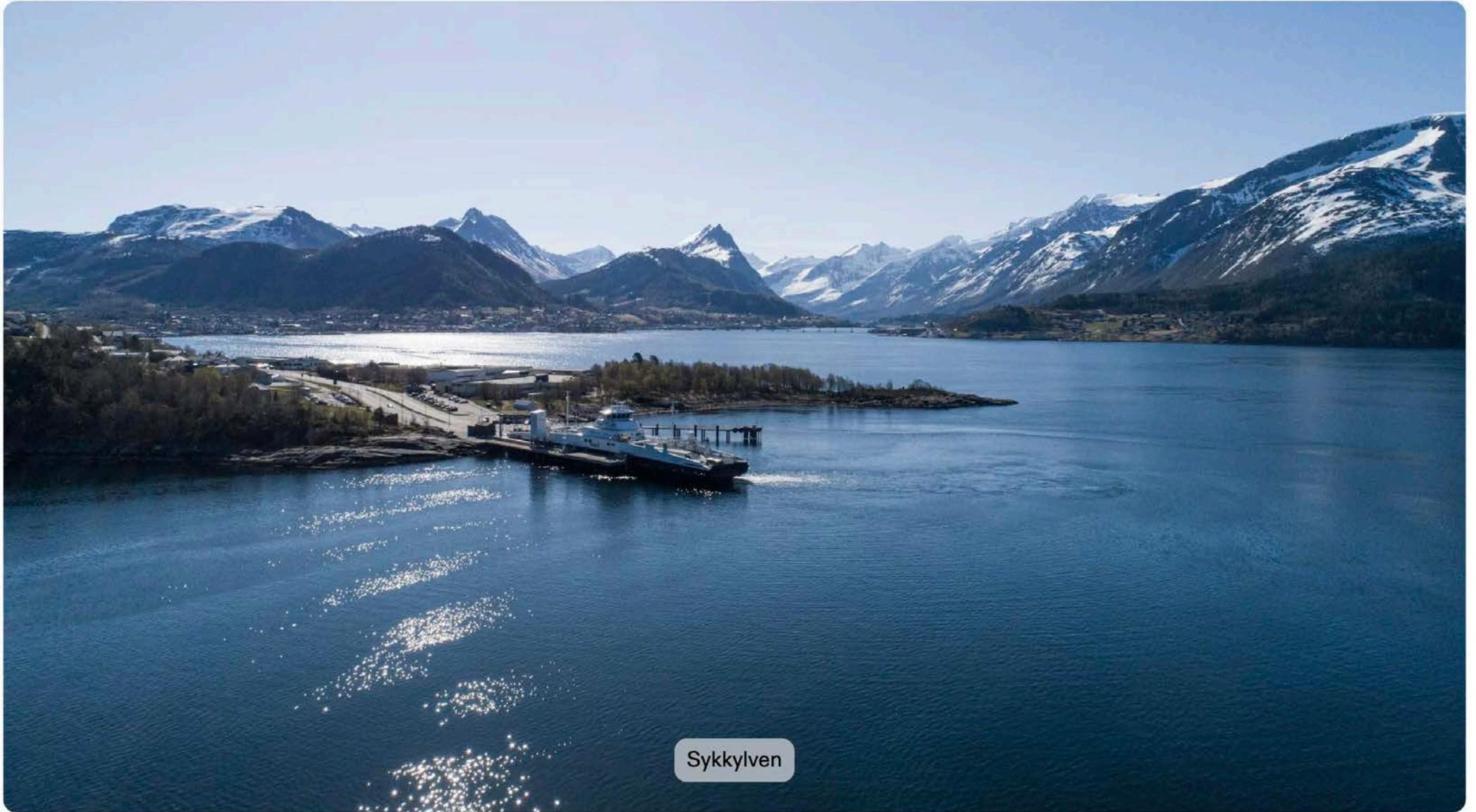
Scope 2

Includes indirect emissions associated with the purchase of electricity, steam, heat or cooling. This relates to the buildings the company is renting and not necessarily owning. Electricity related to Sandella's rented buildings are included in the figures. The main consumption is related to heating and operation.

Scope 3

Includes all other emissions in the whole value chain, from for example purchase and sales of products, services, travel business and investments.

	Emission source	Consumption	Unit	Emission tCO2e
Scope 1	Own vehicles - Petrol	55	liter	0,129
	Own vehicles - Diesel	5885	liter	15,655
	Energy use - Heating oil	11.000	liter	27,940
	Total emission for Scope 1			43,724
Scope 2	Energy use - Electricity	2.379.896	kWh	35,698
	Total emission for Scope 2			35,698
Scope 3	Total waste generated	117870	kg	2,214
	Production emissions	16940	liter	9,546
	Production emissions and grid losses	2.379.896	kWh	42,838
	Business travel	84	trips	11,982
	Total emission for Scope 3			66,580
	Total combined emissions for Scope 1, 2 and 3			146,002



Sykkylven



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