



SUSTAINABILITY REPORT

SUSTAINABLE AWARENESS GUIDING DUX INTO THE FUTURE

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1. MESSAGE FROM THE CEO



DUX created this report in 2018 in order to formalise our longstanding, keen awareness of the importance of human and labour rights, the environment and anti-corruption considerations, in doing business globally.

Little did we know then, that the efforts made to become a member of the UN Global Compact and focus since then on our chosen UN Sustainability Goals, would put us in such good stead to weather the additional, extraordinary challenges, imposed on humanity since early 2020.

These challenges have further reinforced our commitment to uphold our high standards and work within and outside the organization, inclusive of our employees, suppliers, subcontractors, resellers and customers, to build on our solid foundation for achieving the goals.

DUX promotes the Sustainability Goals on a day to day basis, reflected in its commitment to employees, excellence in design, quality of materials, production processes and supply chain, in order to make them second nature, ensuring we not only deliver the best products possible but also peace of mind, to our customers.

The DUX network spans the globe. We believe that if we strive to fulfil our Sustainability Goals our products will serve as a bridge uniting our customers, notwithstanding the unique cultures, traditions, political and economic systems, for the overall betterment of our home, the Earth.

Given the developing regulatory environment and global dynamics, it is difficult to predict how environmental, social and governance performance requirements will evolve amongst regulators and stakeholders but we are determined to lead and continue to provide the best.

Henrik Ljung
President DUX

2. THIS IS DUX

DUX originated from a dream to create the world's best bed, with the best sleeping comfort and a natural place for relaxing. Our mission is to create the best conditions for a good night's sleep, both comfort- and quality wise. We aim to encourage customers to focus on our comfort, long-lasting quality, sustainability and design. Our products may well last for a lifetime under the right circumstances. That possibility makes us enthusiastic to go even further. We intend to focus and be more transparent on our Sustainability awareness, responsibility to communicate our regulations and strategies for the future.

DUX was founded in 1926 by Efraim Ljung in Sweden. Our present management is fourth generation Ljung. The fourth generation are proud inheritance of the invention of our unique spring system, used in our beds and some of our furniture. Building on this foundation, we continue to develop our manufacturing materials, production methods, focusing on comfort in both traditional and new designs, customer service, human resources and technological innovation to ensure a sustainable future and best possible products for our customers.

The Nordic head office is located in Malmö. Senior management oversees finance, sales, marketing and HR. DUX have several production units. One unit is in Sösdala. The unit is responsible for Nordic customer support and furniture manufacturing, other than beds. In Portugal there are two production units.

The unit located in Vilas das Aves is responsible for fabric and upholstery production. This unit also oversees customer support and production management for the EU and our other global markets. The second unit is located in Sequiero where we manufacture our springs and beds. All beds and bed accessories are assembled, packaged and distributed from this unit to the world.



In Sequeiro there is also a DUXIANA boutique retail outlet for the Portuguese market. Bed- and bed accessories are sold through our global network of DUXIANA concept boutiques. The Nordic market also has a network of DUX resellers, retailing both beds and furniture. Hotel Duxiana is a premium showcase for all products. Duxiana hotels are our own concept hotels. These hotels are equipped with DUX beds to guarantee our customers the best and most comfortable night's sleep. The rooms are carefully and tastefully designed to offer not only an exclusive experience but also a chance to enjoy the Duxiana lifestyle.

As a privately owned group, we always pay careful attention to ensure that day to day activity and the systems in place to meet our sustainability goals and strategy of reduce, reuse and recycle are followed but also never lose sight of the big picture. DUX strives to create and enhance an innovative business model that can support and guide our sustainability awareness into the future, to make sure the life cycle of our beds and furniture fit with this strategy.

OUR BUSINESS AND IMPACT

All our products are designed and developed by our in-house design team. Almost all manufacturing and production is also done in-house, at our Portuguese units for beds and associated accessories and furniture in Sösdala, Sweden.

Products from Portugal are transported around the world, including North-and South America, APAC and Oceania regions, Europe and the Nordic markets. Our furniture is manufactured and produced in Sweden and is mostly distributed over the Nordic market. All products are tested extensively and meet the specific regulatory requirements for each market.

Our retail channels include distributor partners and DUXIANA Stores. We carefully monitor the whole group to ensure production, ordering and inventory are always in balance. With this procedure, DUX can decrease unused items and maximise sales. Consequently, we minimize our storage, reduce our overall carbon footprint and let as little as possible, go to waste.

We strive to use quality, sustainable materials and evaluate social standards within our manufacturing process. The ability to decide what processes and materials to use in a dynamic and flexible way, is one of our biggest advantages. In this way we strive to be a responsible and trustworthy producer. We maintain strict internal policies and guidelines to achieve the best foundation to protect human rights, adhere to labour laws, meet environmental standards and resist all forms of corruption.

There are many challenges in being a diverse manufacturing company. Environmental - the textile industry is the second worst polluting industry after oil. To be a part of the textile industry you need to be aware of all aspects positive as well as negative. It is a long and complex supply chain. It demands an understanding of how the environmental aspects are affected at each stage up to manufacturing. DUX strives to increase overall knowledge regarding chosen materials, including springs, frames, latex etc. We analyse the effects, methods and course of action within all these steps, to be satisfied we are using the right products and processes.

MANUFACTURING AND PRODUCING

DUX have been a manufacturing company since 1926. We believe that the best sleep and comfort in a bed can only be gained if the highest quality materials are used in the product. As such, we strive to create a product that provides the best comfort, with long-lasting quality, design and environmentally sustainable.

DUX always strives to increase the use of more sustainable materials.

DUX always strives to create the most efficient way of using all parts when manufacturing, to minimise as much as possible from a cost and environmental point of view.

DUX works hard to maintain its reputation as an honest and responsible manufacturer. We highly value the input from our customers, resellers and stakeholders regarding our products and services. That input is a driving factor for our constant improvement.

DUX have OEKO-Tex 100 Certification for beds, top pads and linen. This means that these products meet strict human-ecological requirements by being completely free of any unhealthy or harmful substances. DUX Portugal is also ISO9001 Quality certified. The certification includes strong customer focus, motivation and implementation procedures for management and production. Continual improvement is demanded.

Most importantly, we only produce products to order, so we do not produce more than needed, limiting overconsumption.

EMPLOYEES

DUX has developed internal guidelines that harmonise with external requirements to ensure our position as a respectable employer is maintained. We work with several Unions in the Nordic market, as well as in Portugal. Together with these Unions, DUX created Code of Conduct for our employees and the organisation in general. The Code of Conduct is implemented on our suppliers and subcontractors as much as possible, to ensure that all work follows the same guidelines. Consistent with the chosen United Nations Global Impact Goals, human rights, labour, environment and anti- corruption. An important aspect of human rights, DUX continually works to ensure equal opportunities for all employees. DUX strives to offer a safe and healthy work environment and to provide a good physical and psychosocial environment for our employees. The Code of Conduct also gives guidelines to our employees regarding peer to peer interaction and in management dealings with outside authorities to ensure full transparency and adherence to laws regulating business.

DUX always strives to give all employees good working conditions with clear understanding of rights and obligations between the employee and the employer. It is of great importance that we attract good employees with our values. We strive for overall good communication, equality, workplace health and safety, and consistent sustainability education that will stimulate work ethics. We also work for participation, to instil a sense of inclusion as an important work and health factor, to impact on daily work.

DUX works actively for gender equality and diversity, to counter discrimination based on religion, disability, sexual orientation, age, marital and maternal status, all forms of discrimination and harassment. This is a criteria of assessment of persons in connection with recruitment and promotion, along with knowledge of duties, competence, results and behaviour. Each Manager is responsible for securing the DUX commitment in each work area, implementation and follow up.

PARTNERS

DUX strives to be a responsible producer and aims for a long-term and rewarding relationship, based on mutual trust. Our suppliers, agents, vendors, and other partners are all an important part of the DUX family, helping with our sustainability awareness.

We expect our partners to follow the same guidelines, regarding human rights, labour, environment and anti-corruptions principles and standards per the United Nations Global Compacts Goal.

DUX requires our partners to sign our Code of Conduct**MUST HAVE**

- No corruption
- No severe environmental pollution
- Equality regulations

SHOULD HAVE

- Good working conditions
- Ongoing sustainability awareness
- Focus on quality
- No discrimination

CUSTOMERS

Our customers are generally aware of the choice they make when they choose our DUX products. But we take nothing for granted, working continuously to provide more knowledge about our products and philosophy. Why choose us instead of other bed producers, what makes us top of the class? We strive to communicate all conscious choices we are actually making during our manufacturing process, the result being the best products.

Our bed is a product made in a way that is as environmentally friendly as is possible. We strive for continual improvement. A DUX bed will help our customers to achieve better wellbeing, with a good night's sleep, using pure materials, the body will be more relaxed and well rested. Our aim is to make products for overall wellbeing, with a great sleep as the important first step. Customers can easily update or upgrade comfort or change the look or design on our beds. That is the a unique feature of our products.

Many DUX customers have had their bed forever, long after our warranty or normal usage, without care. We believe the ability to to change parts, renew or restore our products, helps that long-lasting effect, unlike any other product. We guide the customer on caring for their bed so that even after the 20-year warranty is over, no problems.



DUX classic frame bed with natural latex top pad.

PRODUCTS

The integrity of each DUX High Performance Sleep System starts with the quality of the materials we choose for manufacturing. We choose the most superior materials based exclusively on their performance characteristics. DUX is a high-end brand known for the high quality of all our products. We use first class materials, craftsmanship and construction sustainability. DUX use durable, hard-wearing natural materials. DUX use extra dense pine from northern Sweden, combed cotton, quality Swedish steel unique to DUX and especially soft natural latex. The result is a bed and furniture with unsurpassed quality and durability. Our aim is to work with environmentally responsible choices whenever possible.

There are always environmental considerations when also manufacturing products aiming for sustainability but preserving both quality and utilization efficiency. Those two aims are not always compatible but we strive to find the best balance. When we need to use a mixture of materials, natural and synthetic, we utilise our nearly 100 years of knowledge to ensure we find that balance and share that information with our customers so they have peace of mind when it comes to material choices.



Cut through of a DUX bed. We are proud to show our quality materials, including the unique multi-elastic continuous coil springs, wood, natural latex and textiles.

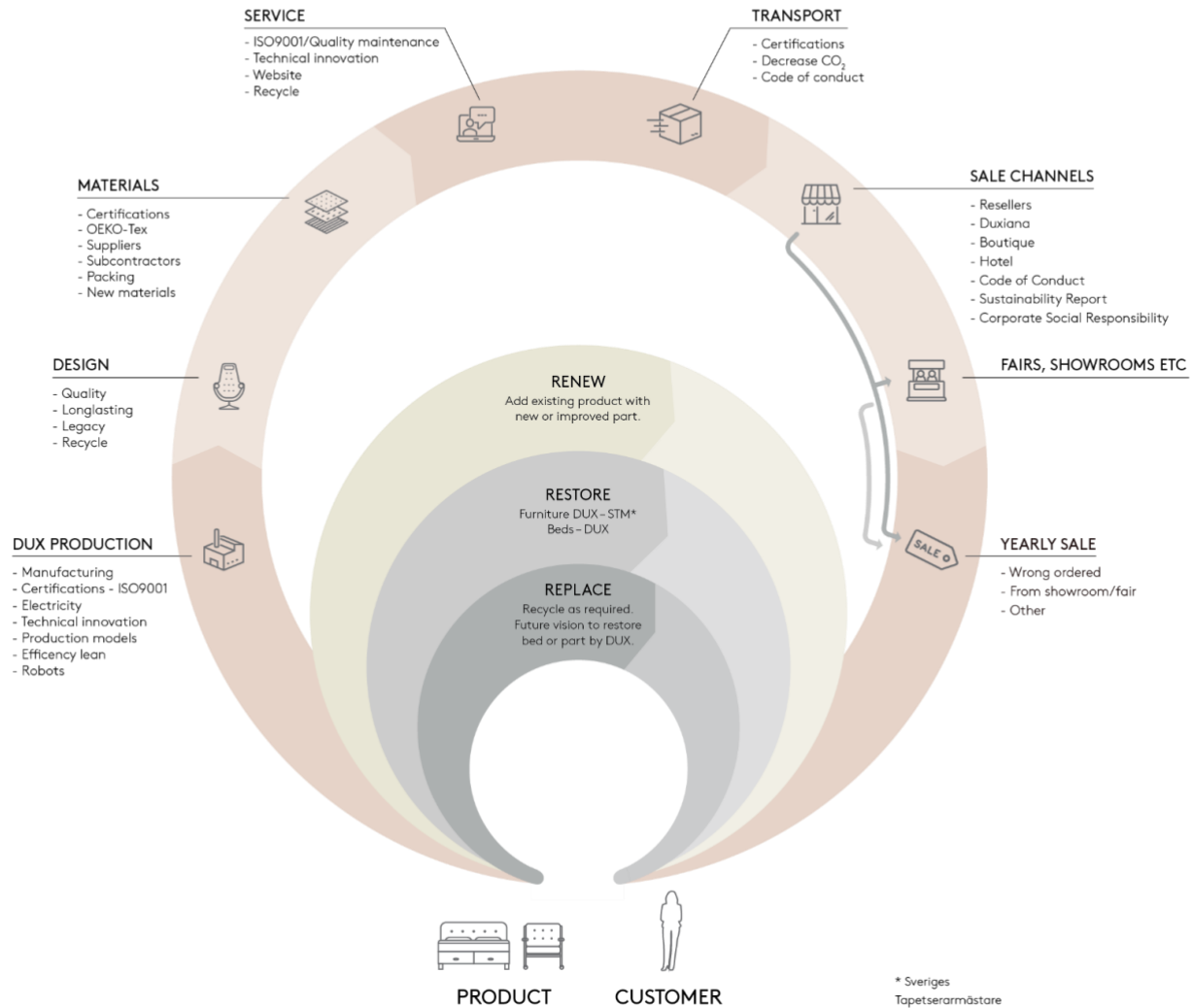
3. OUR 2030 COMMITMENTS

The goals we are concentrating on, without compromising possibilities to work with the other goals are:

- 3. Good health and wellbeing
- 9. Industry, Innovation and Infrastructure
- 12. Responsible consumption and production
- 17. Partnership for the goals

These goals will be the incorporated into our business model to the fullest extent possible.

DUX Corporate Social Responsibility circular model



5. SUMMARY

We feel it is necessary for all companies to have a plan to help navigate the critical developments of the new millennium and maintain a keen sense of emerging trends. Understanding the ethics and values that customers and other stakeholders are increasingly invested in, such as sustainable operations from start to finish, is essential. DUX will continuously work, report and develop its sustainability goals. To meet new challenges in existing markets but also in new markets, new technology or sudden changes in availability of natural resources, we must work with diligence and ongoing, keen attention. DUX strives to lead by example, to be a step ahead when it comes to this awareness and execution. DUX will continue to transform, maintain focus and adapt as a part of the environment, concerned for it, and develop innovation and technology to meet the needs of this new era, by acting responsibly and contributing to a better, more sustainable and aware future.

Thank you for reading our Sustainability Report.