

SUSTAINABILITY REPORT 2020/2021

WHAT DRIVES US.
WHAT WE'RE DOING.
WHAT LIES AHEAD.



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DEAR READER,

Taking sustainable action is one thing. Reporting about sustainability is something else altogether. For almost 70 years, COR has been designing, manufacturing and acting in a way that today would be described as sustainable. Because we're a family company that tends to think in decades rather than quarters. Because our products are made in Germany and nowhere else – so they meet what are likely the most stringent environmental and social standards. And because we work with long-standing partners to build high-quality furniture that doesn't end up on the kerb after a move or two. Furniture that's a constant companion for its owners, serving as a backdrop in many homes and to many phases of life. And so, in the very best meaning of the word, our furniture is sustainable.

Admittedly, we're far from perfect. But we're learning every day. And learning means constantly taking a critical look at what we do. Identifying where we stand. Where we can do even better. And where we urgently need to make improvements.

None of these things is new. Back in the 1990s, we became the first German furniture company to undergo an environmental audit. What's new is that, from now on, we will report about our sustainable activities at regular intervals in keeping with official GRI standards. We will be just as transparent when talking about our targets and our progress as we will be on the inevitable setbacks and challenges.

That's why this report is more of a logbook. We're not looking back. Instead, we're mapping out where we stand right now, in what direction we are headed, what we have planned and what stormy waters we have to navigate. Through it all, feedback from our customers, employees, partners and friends is helping us to move forward. So we invite you to join us on this journey. We welcome all comments – both complimentary and critical. We can guarantee one thing: it'll never be boring.

Leo Lübke – Managing Partner, COR Sitzmöbel

OUR SUSTAINABILITY APPROACH AND TARGETS

At our company, sustainability touches on the areas of manufacturing and materials, resources, employees and social issues. Although we've always been guided by the notion of sustainability and we've launched many initiatives and improvements in recent years (you can read more about them in this report), we haven't adopted a sustainability strategy yet.

This is one of the items on our to-do list for 2022. With the help of an external sustainability consultancy, we are in the process of setting out a vision and a strategic approach for our sustainable activities. The next sustainability report will present our results.

ABOUT THIS REPORT

The COR Sustainability Report 2020/2021 adheres to Global Reporting Initiative (GRI) criteria. It includes data for our site in Rheda-Wiedenbrück (factory, offices and exhibition space) for the period from 1 January 2020 to 31 December 2021. COR employees drew up and validated this report with assistance from the strategic consultancy InteriorPark. An external audit was not performed.

We weren't always able to draw on historical data for comparison purposes because this is our very first report. But we intend to report every two years from now on, shining a spotlight on our progress, challenges and targets. This first sustainability report serves as the baseline for future reports. It will allow us to compare figures, illustrate trends and deliver constant improvements.

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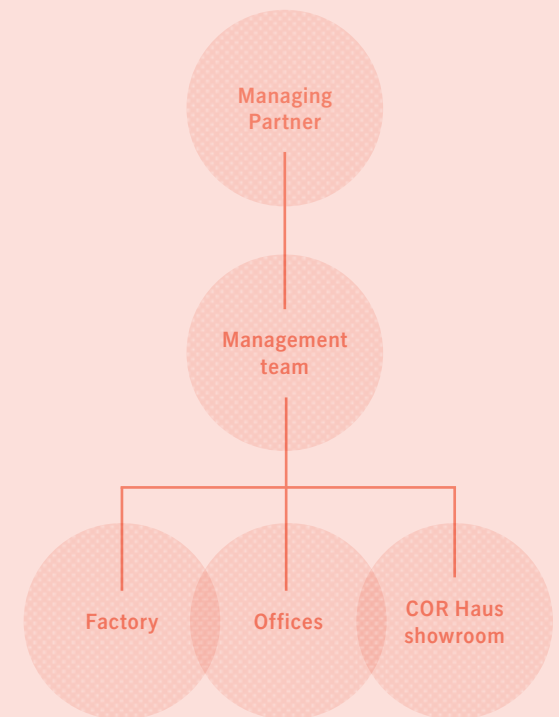
COMPANY

COR was founded in 1954 by the very same family that manages our company to this day. We are still headquartered at our original location in Rheda-Wiedenbrück. And all of the shares in our company are in family hands. What does this mean? That we can plan and act with the long term in mind – just like the responsible family-owned company that we are.

1.1 CORPORATE STRUCTURE

COR Sitzmöbel Helmut Lübke GmbH & Co. KG is a private limited company ('GmbH') whose shares are 100% owned by the Lübke family. Founded in 1954 by Helmut Lübke, our company has been headed by his son, Leo Lübke, as Managing Partner since 1994. A management team made up of senior executives is at his side.

CORPORATE



1.2 ECONOMIC RESULTS

With a workforce of 216 employees, COR Sitzmöbel Helmut Lübke GmbH & Co. KG generated sales of €45.4 m in the 2021 financial year. This was a year-on-year growth of around 12%. It was a record year with the highest order intake in our company's history.

We ploughed a portion of our profits back into the company in the form of investments. In 2020, we spent around €350,000 on a new fabric cutter and installed a lift high-bay store – two investments that are boosting efficiency. The fabric cutter will help us better place the pattern when cutting, which minimises offcuts, leftovers and waste.

Our new soft parts depot is another step on the journey to becoming a lean factory. It allows us to reduce our inventories and our resource consumption. Rather than making foam and cushions to put on stock (and having to get rid of them once a model is discontinued), we produce them to order before storing them temporarily and feeding them into the production process.

We invested a total of €1.2 m in 2021. Half of this amount went on another fabric cutter and on converting the foam and cushion hall into the soft parts depot. The other half was spent on refurbishing the office building and remodelling the cafeteria.

KEY PERFORMANCE INDICATORS

	2020	2021
Sales (in € m)	40.5	45.4
Year-on-year growth	1%	12%
Investments (in € m)	0.4	1.2
Equity (in € m)	8.3	12.0
Equity ratio	40%	52%
Balance sheet total (in € m)	20.7	23.2
Export sales (in € m)	8.9	10.9
Export rate	21%	23%

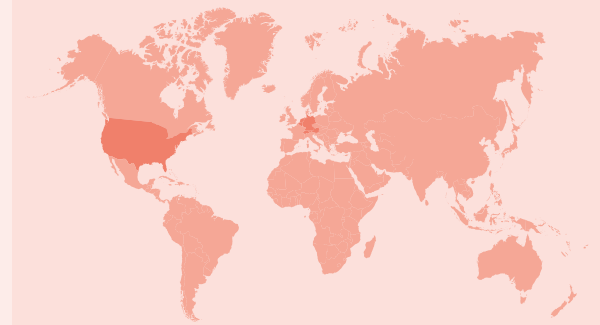
1.3 LOCATION

We are one of the few German furniture companies to combine every phase of the production process at a single location – in Rheda-Wiedenbrück in East Westphalia. Here, in the heart of Germany’s furniture-making region, we manufacture our furniture in accordance with strict German rules governing occupational safety, emissions and environmental protection, and high social standards.

For our workforce, this means short journeys to work and low transport emissions: most COR employees live nearby, and many of them bike to work. Our headquarters on Nonenstraße features an electric charging station with two spaces for visitors and employees. And we’ve added another one at the COR Haus showroom on Hauptstraße.

Our portfolio of products comprises high-quality sofas, easy chairs, chairs and tables that we sell in 41 countries via high-end specialist and contract retailers. We are happy to advise customers at our own exhibition space: the COR Haus showroom in Rheda-Wiedenbrück. Our franchise partners also run COR brand stores in Hamburg, Berlin, Nuremberg, Munich, Stuttgart and Vienna. This sustainability report solely covers our site in Rheda-Wiedenbrück.

OUR SALES MARKETS



	2020	2021
Germany	79%	77%
Switzerland	5%	5%
Austria	3%	4%
US	3%	3%
Netherlands	3%	4%
Belgium	3%	3%
Other countries	4%	5%

1.4 SUPPLIERS

We've been working with many of our suppliers for years – sometimes even decades. Thirteen of our top twenty suppliers (by purchasing volume) have been COR partners for over a decade.

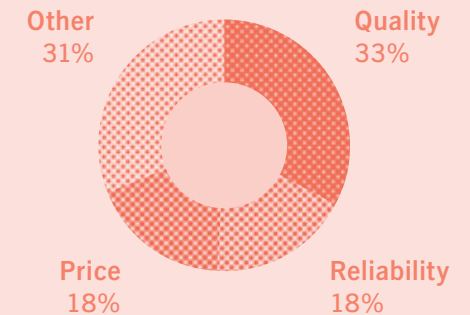
In terms of sales, two thirds of our suppliers are based in Germany, with one third headquartered in other European countries.

Since 2008, we have been rating all of our suppliers using our own **supplier assessment system**. We look at sustainability-related criteria such as

- geographic proximity (short delivery and transport journeys to reduce CO₂ emissions);
- environmental credentials (e.g. using materials conforming with the criteria of the Blue Angel environmental label and REACH Regulation);
- use of high-quality materials that ensure a long life for furniture.

We replaced several suppliers in the years prior to the reporting period because they were unable to meet Blue Angel criteria. We didn't have to delist any suppliers during the reporting period itself. But we did add a new supplier – Leder Heller from the Weser Uplands – which manufactures its high-quality leather in accordance with Blue Angel criteria just 110 kilometres from our factory.

CRITERIA IN OUR SUPPLIER ASSESSMENT SYSTEM



Each year we also carry out random checks on suppliers to see if they comply with **risk criteria**:

- risks associated with logistics/supply chain
- sustainability risks
- risks associated with competition/market conditions
- staffing risks
- certificates

We turn the components provided by our suppliers into furniture in Rheda-Wiedenbrück. It's only in the rarest of cases that we subcontract individual production stages to companies in the region to cope with capacity constraints. So no matter where in the world its owners live, almost every piece of COR furniture can be traced back to Rheda-Wiedenbrück, Germany.

2

MANUFACTURING AND MATERIALS

Designing the most sustainable furniture possible starts at the drawing board. The furniture's construction and materials determine how complex the manufacturing process is, how long it will last and how environmentally friendly it will be to dispose of one day. The choice of supplier, manufacturing conditions and the employees' skill level also have a major influence on a product's environmental footprint. That's why we work to create solutions that are as sustainable as possible at every stage of the process.

2.1 MANUFACTURING

We had a number of goals in mind when we revamped our production facility to comply with the principles of a lean factory in 2015, ranging from short lead times and low inventories to more efficient manufacturing and waste prevention.

Another benefit of overhauling our processes is that we can identify errors at an early stage so they aren't passed down the production chain anymore. We've added another layer of quality control in the leather cutting department since mistakes at this stage are especially costly. The result: we save time and raw materials every day that our factory is running.

We have rearranged our machinery room and acquired modern machines since 2015 as part of the transition. Every new machine has engines in efficiency class 3 or better. All machines come from Germany or Switzerland, limiting transport distances in the event of repairs or maintenance.

Now that work in the production halls is done, we are reorganising the foam hall. This buffer store has already been converted to a dynamic warehouse that we call the soft parts depot. It allows foam to be ordered on a commission basis and stored temporarily, which has cut inventories and resource consumption dramatically.

2.2 WOOD

Wood, a renewable raw material, is one of the main materials that we use to build furniture. That's why COR currently employs around a dozen joiners.

Four planks of beech wood form the stable base of every Conseta*, for instance. This COR classic also has solid beech incorporated into its armrests and back. Altogether, our joiners go through 750 cubic metres of this renewable raw material each year. That's about 25 fully loaded articulated lorries arriving at our site in Rheda-Wiedenbrück year after year. This wood stores significant amounts of CO₂ for as long as the furniture lasts (and for COR furniture, that usually means for a very long time).

But the timber lorries don't have far to drive. At COR, we traditionally buy our solid wood from our neighbours. For instance, in the Sauerland region, one of Central Europe's largest forest regions, which offers ideal growth conditions for beech with its mild winters and moist clay soil. One hundred per cent of our solid timber holds FSC or PEFC certification and comes from German forests managed using sustainable practices.

We use leftovers from the woodworking process as fuel to heat our production halls (read more on page 25). The combustion process emits the same amount of CO₂ as the wood has previously absorbed.

SOLID BEECHWOOD USED

750 m³

2020

760 m³

2021

By embarking on planting initiatives like the one in the Solling region (read more on page 29), we are making sure that forests grow back for future generations.

* Our top-selling COR sofa

2.3 FOAM

Upholstery is one of the things that matter most when making a piece of furniture that is comfortable to sit in. Each COR model has its own customised upholstery composition that we select from approximately 80 different foam qualities.

As a matter of principle, we use very high-quality foam materials to make sure that their life and cycle times are as long as possible. Mineral oil is the primary raw material used to make foam. At the end of its life, recycling is almost never an option, though, so foam is typically incinerated.

That's why our development department is actively looking for natural materials that might replace mineral-oil-based foam as an upholstery material. Spring cores, down, feathers, natural latex, coconut fibre, cotton and lamb's wool are among the items that we are analysing and testing. Unfortunately, none of the materials we have tested so far lives up to our comfort and durability standards.



The cushion filling for Conseta: An elastic dimensionally stable cold foam combination with a Visko foam cover.

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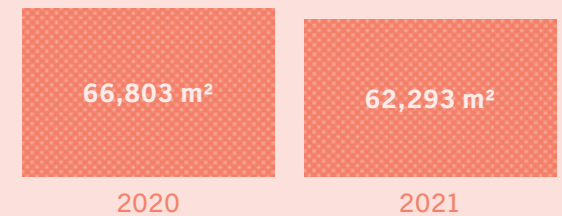
different types of foam are used by COR for its customised upholstery combinations.

2.4 LEATHER AND FABRIC

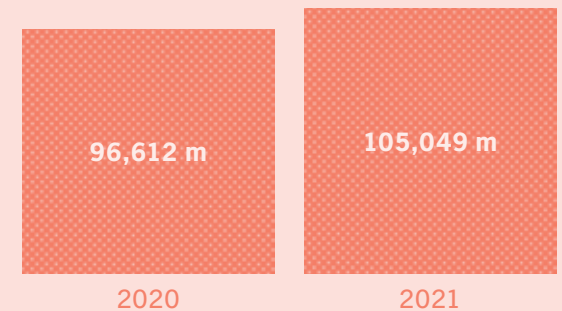
The leather that we use comes exclusively from European cowhides and is a by-product of the food industry. We only use leather hides tanned and processed in Germany and Italy that are allowed to carry the Blue Angel environmental label. The mineral chromium III tanning process does not present any health risks. We sell leftovers from leather processing to the leather industry where they are turned into belts and purses, for instance. This means that almost none of the leather that we order goes to waste.

Additionally, the upholstery materials that we use are made in Europe and nowhere else. All COR upholstery fabrics bear the Blue Angel eco-label. This seal of approval confirms that materials do not contain substances that harm human health or the environment and comply with strict emission requirements. In other words, COR's upholstered furniture is both comfortable and healthy to sit on.

LEATHER DEMAND



FABRIC DEMAND



2.5 DEVELOPMENT AND DESIGN

Our development and design department aims to achieve not one but several sustainability-related goals when developing new models and fine-tuning our existing portfolio of products.

Using more sustainable materials. Unveiled in 2021, the Farmer easy chair is a perfect example: its solid timber frame has a linseed-oil-based coating and is equipped with powder-coated metal fittings. No solvents are used to coat these fittings. The Farmer features a fabric panel made out of 50% recycled polyacrylic and no oil-based seating foam. So it's produced from a handful of environmentally friendly materials, some of which are reused, meaning that this easy chair is made to last.

Making our collection more environmentally friendly. Many of our models have been sold for years – some even for decades. So we are constantly reviewing our furniture to find ways to make it even better. Right now, for example, we are working on replacing the upholstery we use in the Elm and Pilotis models with non-oil-based foam.

Making a long life possible for furniture. We opt for sustainability as early as when we are choosing quality raw materials, such as certified beech, high-value woollen fabric and leather made in Europe. After all, material quality directly affects how durable, long-lasting and easy to repair a piece of furniture is. Our joiners, upholsterers, engineers, tailors and technicians



A close-up look at the Farmer easy chair

also have expertise and skills that are a major factor in our furniture's exceptionally long life expectancy. But because even the highest-quality components can fail every now and then, we design our furniture to make repairs as easy as possible. For instance, the fabric cover on our classic Conseta can be easily removed using the channel bead – making it a cinch to replace a defective steel spring.

Designing beyond trends and fashion. In 1954 we started manufacturing upholstered furniture in accordance with the principle of 'quality in its purest form'. Even then, we didn't want to advance the throwaway mindset. Instead, we designed our furniture with durability in mind. We want to develop timeless, holistic design that considers all elements that make furniture a good place to sit. Our Conseta sofa has been part of our portfolio for over half a century and doesn't look old-fashioned at all. But we didn't commission a "classic". Conseta has simply logically become one thanks to our design philosophy.

Making recycling and reuse easier. We develop and manufacture our products with the goal of recycling as much material as possible at the end of their lives.



Quality materials and expert employees ensure that our furniture is made to last.



Conseta

2.6 PACKAGING AND LOGISTICS

Conserving resources is one of our top priorities when packaging and transporting our furniture. A packaging machine acquired in 2020 has helped us to optimise packaging for all furniture delivered in cardboard. On average, we have saved 18% of cardboard material – both reducing cardboard consumption and cutting transport costs and the amount of storage space needed.

All of our sales and transport packaging is registered with the environmental services provider Interseroh – making it easier to identify and recycle.

Wherever possible, we use packaging materials from our B2B customers multiple times. Unfortunately, the first tests using reusable packaging from lorry tarpaulins did not yield the results we had hoped for. On the one hand, our furniture is customised so it comes in a wide variety of dimensions and needs a large number of different packaging sizes. On the other hand, our products cannot be packed tightly enough to make sure that they arrive at customers undamaged 100% of the time. So any savings on reusable packaging material would come at the cost of a significantly higher risk during transportation.

We moved logistics from our own COR fleet to largely using an external logistics firm in 2016. Since then, we have scheduled furniture deliveries using a smart route planning programme, avoiding special journeys and empty runs. Average lead times have become two to three weeks shorter and our customers happier as a result.

PACKAGING MATERIALS USED

	2020	2021
Film units (bags in various sizes)	44,509	67,020
Adhesive tape units (reels of various widths)	17,668	9,912
Cardboard units (in various sizes)	1,287	5,906
Fan-fold cardboard (running metres in various widths)	51,491	54,428

2.7 CERTIFICATES AND RANKINGS

Blue Angel

All COR upholstered furniture for the home has been recognised with the Blue Angel eco-label since 2017 – a testament to its environmentally friendly nature. This means: our furniture has been tested for harmful substances like formaldehyde, solvents and plasticisers. But furniture for the contract business has to be treated to make sure that it is flame-retardant (fire tests in accordance with BS5852 or TB117 in the US). The flame retardants and flame-retardant technologies we use cannot be certified under the Blue Angel standard. In this respect, fire protection and environmental considerations are, unfortunately, rivals.

FSC/PEFC

All of the solid timber used by COR is FSC- or PEFC-certified and comes from forests managed using sustainable practices.

GREENGUARD

The GREENGUARD Gold Certificate demonstrates that we avoid volatile organic compound emissions indoors to the maximum extent possible. UL GREENGUARD Gold certification is internationally recognised within many green building rating systems, such as LEED, WELL and BREEAM, and in some instances is a requirement to receive this certification.



www.blauer-engel.de/uz117





Site audit
CO₂ certificate 2020



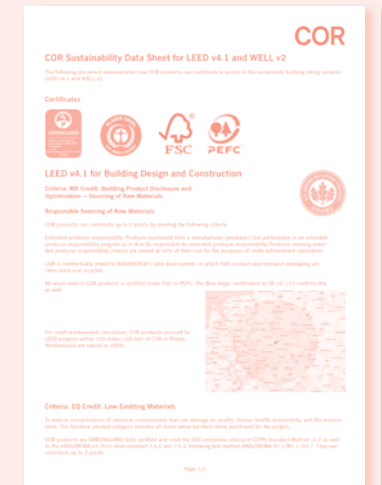
Site audit
CO₂ certificate 2021



CO₂ certificate 2020 –
Showing COR is a climate-neutral
company



CO₂ certificate 2021 –
Showing COR is a climate-neutral
company



COR Sustainability Datasheet
for LEED v4.1 and WELLV2



Focus Future
Plant Certificate 2021



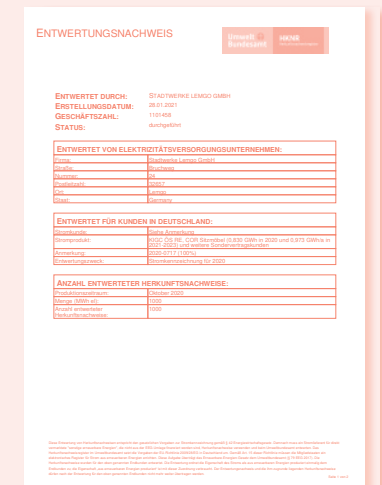
Focus Future
Plant Certificate 2022



Climate-neutral gas certificate
2021



Green power certificate
2020–2023



Stadtwerke Lemgo 2020
Proof of cancellation

3

RESOURCES

Our goal is to minimise our resource consumption and keep our environmental footprint as small as possible. That's why we're leaving no stone unturned in our efforts to save energy, avoid waste water and tap renewable energy sources. We offset greenhouse gases that we have so far been unable to avoid by purchasing environmental certificates. COR's site in Rheda-Wiedenbrück has been climate-neutral since 2020.

3.1 ENERGY

MAPPING ENERGY CONSUMPTION

We need electricity to light our buildings and to power our machinery, IT infrastructure and properties. We heat the COR Haus showroom using climate-neutral gas. Our demand for gas and electricity was significantly higher in 2021 than in 2020 because of increased output and the start-up of additional machines during our record-breaking year of 2021.

REDUCING ENERGY CONSUMPTION

The COR Haus showroom is located inside an old 1930s bag factory that was renovated from top to bottom in 2008. Today, a photovoltaic system on its roof generates the majority of the electricity we use in-house. In 2020, all of the lighting inside the COR Haus was switched to LED light bulbs. Swapping around 800 light bulbs inside the COR Haus led to annual electricity savings of 242,880 kWh, translating into CO₂ savings of 97,367 kg. Our wood department was also fitted with LED lighting in 2020. Generally speaking, the buildings at our headquarters are very diverse. Some of them date back to 1954 and have been updated to reflect the latest energy efficiency standards over the years. Others, like the foam hall built in 2001, were constructed in accordance with current standards. Over the past 15 years, we have gradually reinsulated all of our hall roofs.

ENERGY DEMAND

	2020	2021
Electricity (in kWh)	994,324	1,039,520
Gas (in kWh)	182,226	213,595
Total	1,176,550	1,253,115

USING CLEAN ENERGY

One hundred per cent of the electricity we use comes from renewable energy sources. We have installed three photovoltaic systems on the roofs of the COR Haus, the factory and the warehouse. We use the power generated by one system in-house, meaning that around 3% of our total electricity consumption comes from solar energy. Electricity generated by the two other photovoltaic systems is fed into the grid and sold.

The remaining 97% of the electricity we consume is provided by the public utility Stadtwerke Lemgo, which sources electricity from the Hofsfoss and Skollenborg hydropower stations in Norway. In other words, COR's site in Rheda-Wiedenbrück is powered entirely using the rays of the sun and the force of water. Some of this electricity powers two electric charging stations that we have installed for visitors and employees at the COR Haus on Hauptstraße and at our main site on Nonenstraße.

The green climate-neutral gas used to heat COR Haus is sourced via KlimaInvest Green Concepts GmbH in partnership with Stadtwerke Lemgo (certificate no. 2021-0647). Carbon credits to offset natural gas deliveries to COR come from a climate action project in Região Norte, Amazonas, Brazil. TÜV reviews the cancellation process at our partner KlimaInvest. All carbon credits are cancelled in accordance with the standards set out by the Kyoto Protocol.

ENERGY GENERATED BY OUR PHOTOVOLTAIC SYSTEMS

	Year comissioned	Installed capacity	Use
1	2005	48.61 kWp	Fed into the grid
2	2011	28.52 kWp	Fed into the grid
3	2011	31.05 kWp	Used in-house

While the COR Haus showroom uses a gas heating system, our factory is heated solely using the wood waste we produce – a renewable raw material. Our wood chip plant converts waste wood from our manufacturing process into energy. These residues are turned into chips and fed into the furnace. We only turn on our redundant oil-fired heating system to cover peak loads in the event of extreme weather conditions or technical malfunctions.

In 2020, our CO₂ emissions from heating our factory using waste wood as fuel amounted to 19.6 t CO₂e. That means that annual greenhouse gas emissions from heating our factory are less than the average CO₂ emissions from two people living in Germany.

100

per cent of the energy used by COR in Rheda-Wiedenbrück comes from hydropower or solar power.

CO₂ EMISSIONS FROM WASTE WOOD COMBUSTION



3.2 EMISSIONS

Despite all of our best efforts, generating emissions from our operations and activities is unavoidable. We document all relevant sources, reduce emissions where possible and offset the rest. We managed to halve our CO₂ emissions compared with 2019 simply by switching to green power with effect from 1 January 2020.

MAPPING CO₂ EMISSIONS

In 2020, COR had emissions of approximately 657 t CO₂ – on average the same amount that 58 people living in Germany emit each year. The sharp growth in sales boosted this figure to 770 t CO₂ in 2021. Business travel and transportation were the biggest CO₂ sources by quite some margin.

CO₂ SITE BALANCE SHEET

CO ₂ sources	2020 footprint (absolute proportion in kg CO ₂ e)	2021 footprint (absolute proportion in kg CO ₂ e)
Scope 1 – direct emissions	185,027	200,377
Business travel using company vehicles	100,383	112,428
Transportation using company vehicles	2,466	2,762
Use of energy sources for internal combustion	82,178	85,186
• Natural gas	42,747	41,023
• Waste wood combustion	19,584	21,934
• Heating oil	19,847	22,229
Scope 2 – indirect emissions	1,706	1,910
Energy from external sources	1,706	1,910
Scope 3 – indirect emissions	410,429	497,401
Business travel using external means of transport	23,481	21,506
Transportation using external service providers/vehicles	206,964	231,799
Wood, paper, cardboard	48,198	53,755
Waste	14,422	16,153
Water	319	320
Commuter travel	117,046	173,868
Total emissions	597,162	699,688
Total emissions including 10% safety margin	656,878	769,656

OFFSETTING GREENHOUSE GASES

All of our site-specific CO₂ emissions generated in 2020 were offset by acquiring 657 certificates from the VCS and CCBS forest preservation project in Brazil. By doing so, we help to preserve a woodland at risk of deforestation in Para, Brazil. The project is located in a region undergoing rapid change. It's a place with unclear land-use laws, widespread land speculation, illegal logging and severe poverty. The risk of deforestation of these valuable trees is very high.

The project's main goal is to prevent illegal deforestation in native forests – storing 10,564,630 t of CO₂e over a period of 41 years. It will do so by managing the area as a 'private nature conservation reserve' with a strict monitoring and implementation plan. The project builds upon the lessons learned by monitoring work under way in the region since 2008.

The sustainability consultancy Fokus Zukunft connected COR to this project, which is certified in accordance with VCS and CCBS criteria.

In 2021, we offset our site-specific CO₂ emissions by acquiring 770 certificates from the VCS and CCBS forest protection project in Brazil.

We are also working to preserve near-natural forests closer to home. In November 2021, we supported the planting of 380 wildlings by the Bergwald-projekt (Mountain Forest Project) in Hardeggen in the Solling region. Volunteers transplanted natural seedlings to create a near-natural forest on

770

certificates from the VCS and CCBS forest preservation project in Brazil offset all of our site-specific CO₂ emissions from 2021.

land that used to be home to spruce plantations – planting the very same red beech that we use at COR to build frames. The higher these trees grow, the more greenhouse gas they will store – day in, day out. All in all, we absorb more CO₂ than we release into the environment through our activities.

OTHER EMISSIONS

Our main **process-related emissions** are volatile hydrocarbons generated in our paint shop that contribute towards the formation of petrochemical ozone. Unfortunately, currently available water-based lacquers do not yet have the level of quality needed for our lacquering process so we have to keep using solvent-based lacquers. Pipes capture exhaust air containing dust and solvents from the paint shop and upholstery areas and discharge it into the open air through chimneys.

Noise emissions are predominantly generated in the machine room, although we only use machines and systems with elevated sound protection there now. Employees have to wear noise protection equipment (e.g. earplugs or earmuffs) if noise pollution is too high at or near their workplace and cannot be reduced by structural or building measures. The area in question is then designated as a noise protection area, making ear protection – which is provided to employees free of charge – mandatory.

Our buildings are shielded from a residential area to the south by an embankment to the railway line connecting Hanover with the Ruhr area. Any noise pollution is barely discernible to local residents. The premises are

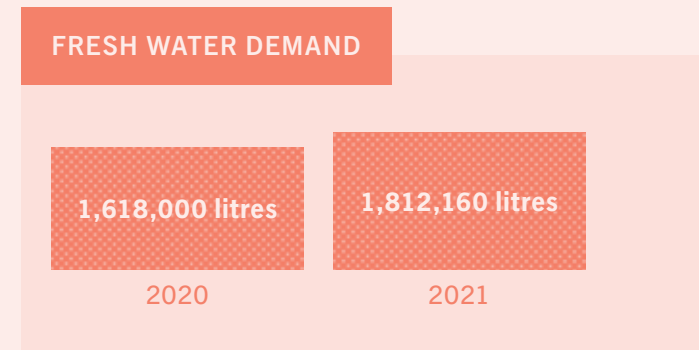


380 wildlings are planted in the Bergwaldprojekt (Mountain Forest Project) in Hadegsen in the Solling region in November 2021.

completely surrounded by industrial and commercial businesses to the north, east and west.

3.3 WASTE WATER

COR does not generate waste water during manufacturing, but almost exclusively from kitchens and bathrooms. Our highest water consumption comes from regularly topping up the fire extinguisher system, performing test runs on the sprinkler system and watering green spaces. Fresh water consumption stood at 1,618,000 litres (2020) and 1,812,160 litres (2021).



3.4 WASTE

COR generates relatively little waste because of our commitment to conserving resources. We collect film, paper, metal, organic waste and batteries separately before sending them to certified local specialist waste management companies. Some of these materials are fed back into the loop. Leather offcuts (around 45% of the raw amount) are sold to processors that turn these pieces into belts, shoes and leather accessories.

	2020	2021
Film	6,600 kg	7,400 kg
Recovered paper	56,000 kg	62,400 kg
Waste destined for recovery	38,080 kg	42,650 kg
Paint and varnish sludge	2,300 kg	800 kg
Aqueous sludge	4,300 kg	2,500 kg
Bottom ash	1,600 kg	2,500 kg
Total	108,880 kg	118,250 kg

DESIGN FEATURES

COR's USP: We can add a new cover and new upholstery to seating furniture whose frame is still in good shape – extending its lifespan.



4

EMPLOYEES AND SOCIAL ISSUES

COR is not an abstract entity. It's a living, breathing organism made up of more than 200 employees. Even though it's easy to lose sight of at times, each one of us makes a contribution to the life of our company each and every day. Together, we can work much more effectively to make sure that COR thrives and grows, is constantly developing and is more successful tomorrow than today. As a company, we do this by encouraging and helping our employees to develop their skills and expertise.

4.1 OUR TEAM

We offer our dedicated employees a company health management system and long-term prospects. The fact that our employees have spent an average of around 15 years with us is testimony to our success.

COR is not bound by a collective bargaining agreement. But we are guided by the collective agreements for the German wood and plastic industry and have a close relationship with our works council.

Showing respect, being helpful and working as equals are three of the values that we embrace when interacting with others – regardless of their seniority, origin, skin colour, gender or religion. We also help our employees to balance their work and family life commitments with arrangements for mobile working, flexitime and part-time models. And our new employees can look forward to a structured onboarding process. Everyone enjoys equal treatment and opportunities at COR.

INFORMATION ABOUT OUR WORKFORCE

	31 December 2020	31 December 2021
Number of employees	223	216
Women	90 40%	85 39%
Men	133	131
Trainees	9	7
People with disabilities	8	10
Full-time employees	186	179
Average number of years with the company (in years)	15	16
Average age (in years)	45	46
Annual leave (in days)	30	30
People taking parental leave	5	6
New hires	13	13
People who left the company	11	20

4.2 EDUCATION AND TRAINING

TRAINING

Our trainees experience close supervision and learning opportunities. Along with internal lessons and external trips, they also take part in a wide variety of regional career fairs. Once their training is over, each trainee is offered a guaranteed one-year position with our company. The training ratio stood at 4% in 2020 and 3% in 2021.

The dedication shown by our trainees is reflected in the fact that they are repeatedly recognised as the best in their trade. They include Edgar Koller (best upholsterer at regional, state and national levels in 2019), Alexander Tverdovski (the state's best upholsterer and decorative tailor in 2021) and Fabian Mohaupt (state's best upholsterer in 2021).

CONTINUING PROFESSIONAL DEVELOPMENT

We don't just invest in young talent. We also fund and support continuing professional development for our more experienced colleagues. Since our employees coordinate their continuing professional development activities with their superiors, the average number of hours spent in training is not documented centrally at the moment.



Fabian Mohaupt



Alexander Tverdovski

CSR TRAINING

Approximately 45 employees from the sales and marketing team and managers received training on the following topics in the two reporting years:

- The code of competition law as a frame of reference for using anti-trust norms at COR
- Prohibition of horizontal restrictions on competition, price collusion among competitors and dividing up of territories
- Prohibition of vertical restrictions on competition, resale price maintenance, EIA, geographical and planning protection

The law firm Rechtsanwalt Buchmann carried out the training in 2020. Oliver Emmrich, the data protection and anti-trust officer at COR, conducted the classes in 2021. Each session lasted two hours.

4.3 WORKING ENVIRONMENT

Our employees enjoy a wide range of benefits that create attractive and healthy workplaces. These benefits include flexible working times and mobile working, part-time positions, reintegration into the workplace and flexitime. We also offer contributions to the company pension scheme and profit-sharing for employees.

Our company's health management system offers employees twice-monthly training sessions by trained physiotherapists. We also subsidise health-related training sessions provided by selected partners.

Our occupational safety committee constantly reviews and optimises safety in the workplace and in work processes. In 2021, we replaced all of our office staff's desks with height-adjustable tables. We gave the old desks to interested workers, providing them with a new home and a second life.

4.4 COMMUNITY INVOLVEMENT

We are also committed to community projects. Many of these issues are brought to our attention by COR employees who often look after these projects, too. To list a few examples from 2020 and 2021:

- **Building help** for students taking part in a technology class at Osterrath School in Rheda-Wiedenbrück: companies based in the region, such as Westag AG, Venjakob and COR, supported their project to build a seating area for their school cafeteria. At COR, the students worked with our trainees and training manager Susanne Schlenke to manufacture the seating furniture. COR also provided the materials.
- **Sponsorship** (around €300) for a cycling proficiency colouring book and workbook from the Gütersloh road safety organisation.
- **Aktion Lichtblicke (Ray of Hope) Fundraising Campaign** for victims of the Ahr Valley floods: COR donated €10,000, with employees contributing a total of €4,864. COR also donated tools valued at €3,950 for the Fluthilfe-Ahrtal (Ahr Valley Flood Assistance) initiative.

GRI INDEX



GRI INDEX

FOUNDATIONS

DMS/SRS	CONTENTS	PAGE	REFERENCES AND REMARKS
101	Foundation 2016		
102	General Disclosures 2016		
	1. Organizational profile		
102-1	Name of the organization		COR Sitzmöbel Helmut Lübke GmbH & Co. KG
102-2	Activities, brands, products, and services	9	COR has been manufacturing and selling high-quality design furniture since 1954: sofas, easy chairs, chairs and tables. The company has its headquarters in Rheda-Wiedenbrück in East Westphalia, Germany. This is where you can find our offices, our COR Haus showroom and our manufacturing facility where all of our products are made. Our products are sold in 41 countries via high-end specialist and contract retailers. Our franchise partners also run COR brand stores in Hamburg, Berlin, Nuremberg, Munich, Stuttgart and Vienna. We advise our customers on-site at the COR Haus showroom.
102-3	Location of headquarters		Nonenstraße 12, 33378 Rheda-Wiedenbrück, Germany
102-4	Location of operations		Factory and offices: Nonenstraße 12, 33378 Rheda-Wiedenbrück, Germany COR Haus showroom: Hauptstraße 74, 33378 Rheda-Wiedenbrück, Germany
102-5	Ownership and legal form		COR Sitzmöbel Helmut Lübke GmbH & Co. KG is a partnership as a mixed form made up of the GmbH (private limited company) and KG (limited partnership) legal forms. The family company is 100% owned by the Lübke family, represented by Managing Director Leo Lübke.
102-6	Markets served	9	41 countries (Germany is the main sales market with over 75%, plus Switzerland, Austria, the Netherlands, the US, Belgium and other countries)
102-7	Scale of the organization	8	In 2020, sales stood at €40.5 m generated by 223 employees. One year later, in 2021, sales amounted to €45.4 m – a 12% year-on-year growth. The company employed 216 people as at 31 December 2021.

102-8	Information on employees and other workers trainees	33	<p>The company employed 223 people as at 31 December 2020: 133 men and 90 women (40%), including a total of 9 trainees. Some 186 workers were in full-time employment (83%). The average amount of time spent with the company stood at 15 years.</p> <p>The company employed 216 people as at 31 December 2021: 131 men and 85 women (39%), including a total of 7 trainees. Out of the overall workforce, 179 workers were in full-time employment (83%). The average amount of time spent with the company stood at 16 years.</p>
102-9	Supply chain	10	We cultivate long-standing relationships with our suppliers. We have worked together with 13 of our top 20 suppliers (by purchasing volume) for over a decade. Two thirds of our suppliers are based in Germany and one third in other European countries. Sustainability criteria are firmly enshrined in our contracts with suppliers.
102-10	Significant changes to the organization and its supply chain	7 11	<p>The company's leadership and management level did not have any changes in personnel during the reporting period.</p> <p>There were no significant changes to our main suppliers, either. But we did add a new supplier – Leder Heller from the Weser Uplands in Germany – which manufactures its high-quality leather in accordance with Blue Angel criteria just 110 kilometres from our factory.</p>
102-11	Precautionary Principle or approach		COR exercises its duty of care for all decisions and activities and includes impacts on the environment and society to avoid damage of any kind ahead of time. The company's leadership takes action not only to safeguard COR's economic prosperity, but also take equal account of environmental and social issues. It goes without saying that we comply with legal requirements. However, we have not adopted a sustainability strategy or a strategic risk management system to date.
102-12	External initiatives	24 29	<p>COR is involved in the following initiatives to promote sustainable development, CO₂ offsetting and health and well-being:</p> <ul style="list-style-type: none"> • Climate action project in Região Norte, Amazonas, Brazil • Climate action projects by the Fokus Zukunft (Focus Future) sustainability consultancy • Supporting the Wege durch das Land (Pathways through the Land) local literature and music festival • Supporting the COR Tennis Club Rheda e. V.
102-13	Membership of associations		<p>COR is a member of and/or supports the following institutes, associations, initiatives and clubs:</p> <ul style="list-style-type: none"> • IHK Ostwestfalen zu Bielefeld (Chamber of Industry and Commerce East Westphalia) • Verband der Deutschen Polstermöbelindustrie (Association of the German Upholstered Furniture Industry VdDP e.V.) • Verband der Deutschen Möbelindustrie (Association of the German Furniture Industry VDM e.V.) • imm Cologne (furniture exhibition) • Rat für Formgebung (German Design Council)
	2. Strategy		
102-14	Statement from senior decision-maker	3	Editorial by Leo Lübke, Managing Partner
	3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	33	Showing respect, being helpful and working as equals are three of the values that we embrace when interacting with others – regardless of their seniority, origin, skin colour, gender or religion. Everyone enjoys equal treatment and opportunities.

	4. Governance		
102-18	Governance structure	7	The highest level of governance, Managing Partner Leo Lübke, develops, makes decisions on and is responsible for all economic, environmental and social targets, values and strategies for the entire company. He is authorised to give instructions to all employees. And he is supported by a management team made up of senior executives from manufacturing, the offices and the COR Haus.
	5. Stakeholder engagement		
102-40	List of stakeholder groups		COR strives to engage in constant dialogue with internal and external stakeholder groups. Communication takes place through various avenues that are expanded and intensified where needed, depending on the stakeholder group, their composition and interests. Internal stakeholders include employees (also represented by the works council) and the Lübke family. Customers, retail and franchise partners, suppliers, policymakers, authorities, society and NGOs are among the external stakeholders.
102-41	Collective bargaining agreements	33	COR is not bound by a collective bargaining agreement. But we are guided by the collective agreements for the German wood and plastic industry and have a close relationship with our works council.
102-42	Identifying and selecting stakeholders		Communication with different stakeholder groups is based on the occasion, requirements, opportunity and urgency.
102-43	Approach to stakeholder engagement		No predefined processes or structures are in place. COR advocates a free corporate culture of open discussion, which also shapes our stakeholder engagement.
102-44	Key topics and concerns raised		A materiality analysis was not performed for the first COR Sustainability Report. We defined and developed key sustainability topics based on our company's interests, feedback and external suggestions. Key topics that arise in dialogue with external stakeholders or our employees are evaluated and addressed in a prompt fashion with the greatest degree of attentiveness and diligence.
	6. Reporting practice		
102-45	Entities included in the consolidated financial statements	8	All consolidated financial statements for COR Sitzmöbel Helmut Lübke GmbH & Co. KG relate to our sole headquarters in Rheda-Wiedenbrück, Germany. The company has no subsidiaries or other branches.
102-46	Defining report content and topic Boundaries		A materiality analysis was not performed to identify important issues for the first COR Sustainability Report. Key sustainability topics were identified based on the company's own interests and (current) environmental and social issues. Topics that arose in dialogue with external stakeholders or our employees were taken into account when choosing topics. The selection of topics was finalised in keeping with the GRI Standards.
102-47	List of material topics	2	Contents
102-48	Restatements of information	5	This is the first COR Sustainability Report so it covers 2020 and 2021. Information is provided separately for each year and compared (where possible). Information is not restated due to this being the first report.
102-49	Changes in reporting		Since this is COR's first Sustainability Report, no changes in reporting were made.

102-50	Reporting period	5	1 January 2020 to 31 December 2021 (two financial years) Where possible and available, respective measures, data and information were provided separately for the two financial years and (if possible) compared with one another.
102-51	Date of the most recent report	5	This report is the first COR Sustainability Report.
102-52	Reporting cycle	5	Biennial
102-53	Contact point for questions regarding the report	47	Anna Thiessen, Corporate Communications, a.thiessen@cor.de
102-54	Claims of reporting in accordance with the GRI Standards	5	The COR Sustainability Report 2020/21 adheres to the internationally recognised standards of the Global Reporting Initiative (GRI). This report is drawn up on a voluntary basis.
102-55	GRI content index	39–46	GRI Index
102-56	External assurance	5	No external assurance took place.

ECONOMIC TOPICS

DMS/SRS	CONTENTS	PAGE	REFERENCES AND REMARKS
GRI 103	Management Approach 2016		
	including GRI 103-1, 103-2, 103-3	6	Company
GRI 201	Economic Performance 2016		
201-1	Direct economic value generated and distributed	8	Economic results In 2020, sales stood at €40.5 m generated by 223 employees. One year later, in 2021, sales amounted to €45.4 m – a 12% year-on-year growth. Investments increased from €425,000 in 2020 to €1.203 m in 2021.
201-3	Defined benefit plan obligations and other retirement plans	36	Pension provisions are governed by law. At the current time, there are no additional performance-based pension plans or other additional benefit plans. However, we do offer contributions to the company pension scheme.
201-4	Financial assistance received from government		During the review period, subsidies were provided by the government during the Covid-19 pandemic as part of the furlough programme.
204	Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	10	Two thirds of our suppliers are based in Germany and one third in other European countries.

ENVIRONMENTAL TOPICS

DMS/SRS	CONTENTS	PAGE	REFERENCES AND REMARKS
GRI 103	Management Approach 2016		
	including GRI 103-1, 103-2, 103-3	12	Manufacturing and materials
GRI 301	Materials 2016		
301-1	Materials used by weight or volume	14	Wood, a renewable raw material, is one of the main materials we use to make furniture. The solid beech that we use comes from FSC- or PEFC-certified forests in Germany managed using sustainable practices. Our consumption stood at 750 m³ in 2020 and 760 m³ in 2021. Leather consumption reached 66,803 m² in 2020 and 62,293 m² in 2021. We consumed 96,612 metres of fabric in 2020 and 105,049 metres in 2021.
		16	
301-2	Recycled input materials used	17	The Farmer easy chair, which we unveiled in 2021, has a fabric cover made out of 50% recycled polyacrylic. Some of the (blended) fabrics we use for upholstery contain recycled materials. The proportion of recycled input materials has not been ascertained in quality terms to date.
301-3	Reclaimed products and their packaging materials	18	We develop and manufacture our products with the goal of recycling as much material as possible at the end of their lives. The use of high-quality material allows our products to last for an unusually long time. Individual components can be replaced or repaired at any time during use thanks to our furniture's modular design and our workers' expertise – saving resources and making the life cycle much longer.
		19	The packaging materials that we used are depicted for 2020 and 2021 broken down by type and quantity. A packaging machine acquired in 2020 optimised packaging for all furniture delivered in cardboard and made savings on cardboard materials.
GRI 103	Management Approach 2016		
	including GRI 103-1, 103-2, 103-3	22	Resources
GRI 302	Energy 2016		
302-1	Energy consumption within the organization	23–25	COR uses 100% electricity from renewable energy sources. 3% is generated by our own photovoltaic systems, with the other 97% coming from hydropower stations in Norway, sourced by Stadtwerke Lemgo. The climate-neutral gas we use to heat the COR Haus is sourced via Klimainvest Green Concepts GmbH in partnership with Stadtwerke Lemgo. Our energy consumption in kWh is shown by comparison for electricity and gas for 2020/2021.
302-3	Energy intensity		Energy demand as a proportion of total sales stood at 28 kWh/€1,000 in 2020 and at 29 kWh/€1,000 in 2021.
302-4	Reduction of energy consumption	23–25	The report details measures carried out to reduce our energy consumption during the reporting period. We are continually striving to further optimise our consumption.

302-5	Reductions in energy requirements of products and services	23–25	Despite a growth in sales of about 12% between the 2020 and 2021 financial years, energy demand as a proportion of overall sales was just 1 kWh/€1,000 higher, even though new machines were commissioned in 2021.
303	Water and waste water 2018		
303-1	Interactions with water as a shared resource	31	Our highest water consumption comes from regularly topping up the fire extinguisher system, performing test runs on the sprinkler system and watering plants. We source drinking water from the local utility for these purposes. COR does not generate waste water during manufacturing, but almost exclusively from kitchens and bathrooms. It is discharged into the public sewer system for treatment at sewage treatment plants.
GRI 305	Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	27	CO ₂ footprints
305-2	Energy indirect (Scope 2) GHG emissions	27	CO ₂ footprints
305-3	Other indirect (Scope 3) GHG emissions	27	CO ₂ footprints
305-5	Reduction of GHG emissions	28–29	We halved our CO ₂ emissions compared with 2019 by switching to green power with effect from 1 January 2020. We offset our remaining site-specific CO ₂ emissions generated in 2020/2021 by acquiring certificates from the VCS and CCBS forest preservation project in Brazil.
GRI 306	Waste 2020		
306-1	Waste generation and significant waste-related impacts	31	We collect film, paper, metal, organic waste and batteries separately before sending them to professional waste management companies. Local certified specialist waste management firms handle paint and lacquer sludge, aqueous sludge and bottom ash. Leather offcuts (around 45% of the raw amount) are sold to processors that turn these pieces into leather products and accessories.
306-2	Management of significant waste-related impacts	31	Wherever possible, all waste is sorted by type and made available to professional waste management companies to send these materials to the best-possible recycling processes. Circular materials are fed back into the value chain. Our goal is to produce as little waste as possible, to use material for as long as possible and to dispose of these materials at the end of their life cycle in a way that ensures that they can have a new life as raw materials.
306-3	Waste generated	31	Waste volumes are shown in kg per waste type in 2020/2021.

SOCIAL TOPICS

DMS/SRS	CONTENTS	PAGE	REFERENCES AND REMARKS
GRI 103	Management Approach 2016		
	including GRI 103-1, 103-2, 103-3	32	Employees and social issues
GRI 401	Employment 2016		
401-1	New employee hires and employee turnover	33	In 2020, there were 13 new hires and 11 employees left the company, representing a turnover rate of 4.9%. In 2021, we hired 13 new employees and 20 people left the company. This translates into a turnover rate of 9.3%.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	36	We offer a whole range of benefits helping to create an attractive and healthy workplace for both full-time and part-time employees. They include flexible working hours, mobile working, part-time work, reintegration and flexitime. We also provide contributions to the company pension scheme, profit-sharing, holiday pay and Christmas bonuses.
401-3	Parental leave		Parental leave is offered and governed in accordance with legal requirements.
GRI 402	Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes		The company's leadership informs employees as early as possible about operational changes and decisions – in compliance with notification periods set out by law. COR is not bound by a collective bargaining agreement and so it operates independently of notice periods agreed upon in collective bargaining agreements.
GRI 403	Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	36	Our occupational safety committee constantly reviews and optimises safety in the workplace and in work processes.
403-2	Hazard identification, risk management and incident investigation		The occupational safety committee identifies hazards and analyses, evaluates and documents risks and incidents.
403-3	Occupational health services		The company physician advises COR on occupational medical issues and offers flu vaccines. Operational first aid infrastructure is in place.
403-5	Worker training on occupational health and safety		First-aid training takes place every two years. Ergometric training is provided with assistance from PhysioPlus GmbH Meyer & Meloh. Workplaces are designed to be ergometric with the involvement of the health and safety physician.
403-6	Promotion of worker health	36	Our company health management system offers employees twice-monthly training sessions by trained physiotherapists. We subsidise health-related training sessions provided by selected partners.

403-9	Work-related injuries		Altogether there were 49 work-related accidents in 2020 and 2021. Of this number, 28 took place in 2020 and 21 in 2021.
403-10	Work-related ill health		No work-related ill health occurred in the reporting period.
GRI 404	Training and Education 2016		
404-1	Average hours of training per year per employee	34	We constantly invest in training and upskilling our employees. Since all training for our employees is coordinated with their superiors per year and employee, the average number of hours spent in training is not mapped centrally at the moment.
404-2	Programs for upgrading employee skills and transition assistance programs	35	In the two reporting years, around 45 employees from sales and marketing and the management team (for transition purposes) received training on anti-trust law, vertical and horizontal restrictions on competition, price collusion, price fixing and territory and planning protection. The law firm Rechtsanwalt Buchmann carried out the training in 2020. Oliver Emmrich, the data protection and anti-trust officer at COR, conducted the classes in 2021. Each session lasted two hours.

PUBLISHING CREDITS

Publisher

COR Sitzmöbel Helmut Lübke GmbH & Co. KG
Nonenstraße 12
33378 Rheda-Wiedenbrück
Germany
Tel. +49 5242 41020
info@cor.de
www.cor.de

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Contact Anna Thiessen, Corporate Communications, a.thiessen@cor.de

Strategic consulting Andrea Herold, InteriorPark, Stuttgart

German text Harald Willenbrock

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The COR Sustainability Report is available on our website www.cor.de to download as a PDF version. We have decided not to print copies of this report as another way of conserving resources.