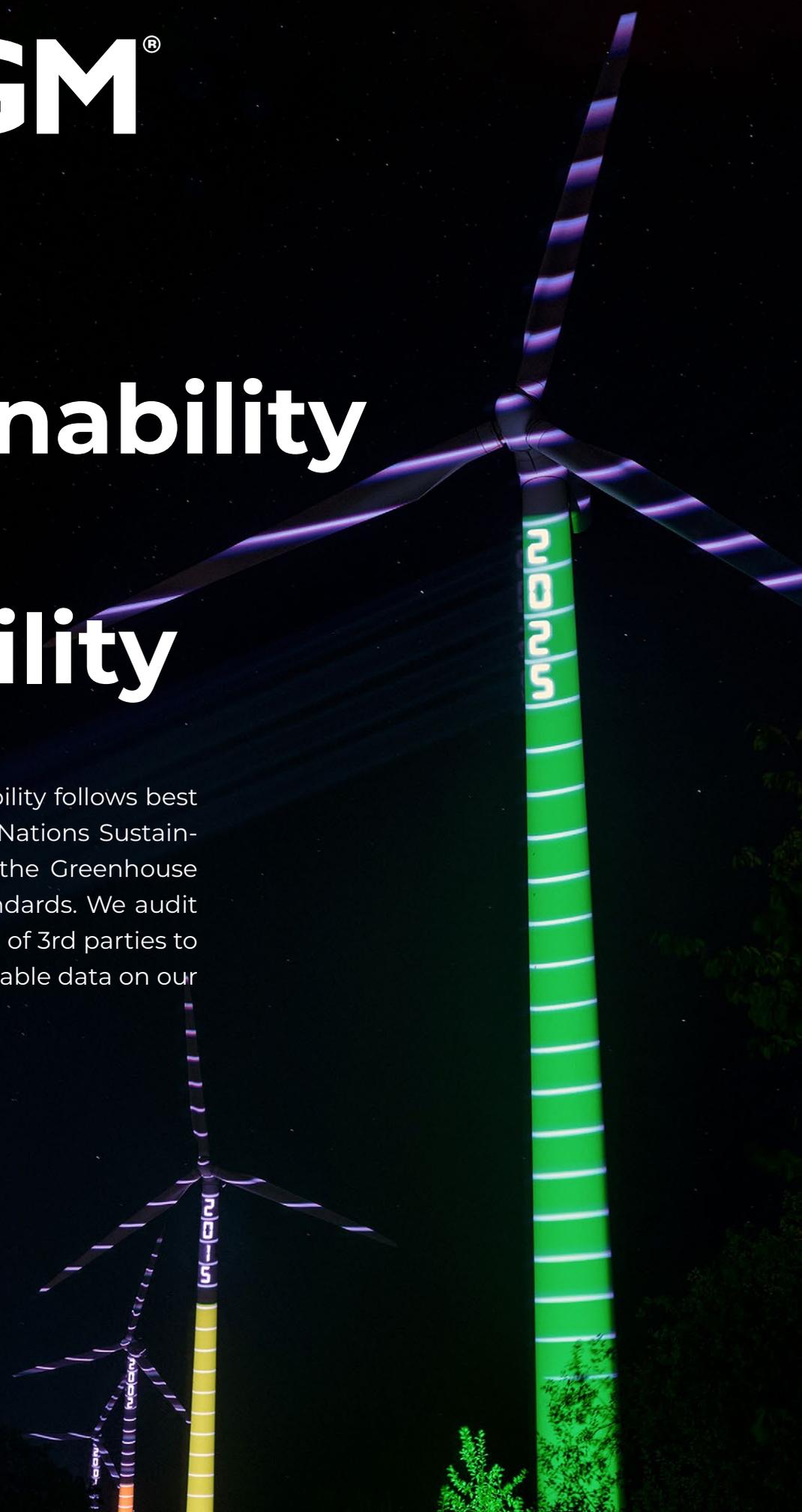




Sustainability with Durability

Our approach to sustainability follows best practice from the United Nations Sustainable Development Goals, the Greenhouse Gas Protocol, and ISO standards. We audit our activities with the help of 3rd parties to provide reliable and actionable data on our activities.



THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ARE THE BLUEPRINT TO ACHIEVE A BETTER AND MORE SUSTAINABLE FUTURE FOR ALL.



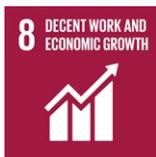
Quality Education

Obtaining a quality education is the foundation to improving people's lives and sustainable development.



Gender Equality

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.



Decent Work and Economic Growth

Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs.



Industry, Innovation, and Infrastructure

Investments in infrastructure are crucial to achieving sustainable development.



Reduced Inequalities

To reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations.



Sustainable Cities and Communities

There needs to be a future in which cities provide opportunities for all, with access to basic services, energy, housing, transportation and more.



Responsible Consumption and Production

Ensure sustainable consumption and production patterns



Climate Action

Climate change is a global challenge that affects everyone, everywhere.



Life Below Water

Careful management of this essential global resource is a key feature of a sustainable future.



Life on Land

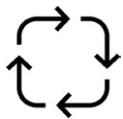
Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

SUPPLY CHAIN



Our products are sometimes complex and thus our supply chain is diverse. We work to ensure our supply chains are free from conflict metals, that human rights are respected, and that the embodied carbon from fabrication and transportation is minimized to the best of our ability. We are constantly working to improve our supply chain as new options become available. We monitor our existing suppliers and request ESG statements from all new suppliers.

SUSTAINABLE DEVELOPMENT GOALS 8, 9, 10, 12, 13, & 15



LIFE CYCLE ANALYSIS

LCA is an objective process to evaluate the environmental burdens associated with a product, process, or activity by identifying energy and materials used and wastes released to the environment, and to evaluate and implement opportunities to affect environmental improvements. SGM Lighting conducts LCAs on all products designed from 2023 onwards.

SUSTAINABLE DEVELOPMENT GOALS 9, 11, 12, 13, & 15

POWER AND ENERGY



By the end of 2023, SGM will operate on **100% renewable energy** at our Denmark HQ, our North American offices in Orlando Florida and soon, our Italian offices in Pordenone. This is mainly through wind turbine power in Denmark and solar photo-voltaic panels in Florida. We have guarantees of origin to show that we are only using renewable energy, and that we are supporting renewable energy sources. This vastly reduces our scope 2 emissions. Our local supply chain in Scandinavia and Northern Europe typically uses majority or entirely renewable energy to produce components.

SUSTAINABLE DEVELOPMENT GOALS 9, 12, 13, & 15

RENEWABILITY AND REPAIRABILITY



SGM products have a long history of repairability. Almost all SGM products can be refurbished or repaired, down to component level, as our products are designed using industry leading components sourced through reputable suppliers. Additionally, the SGM ReNew Program is a factory administered scheme to track, certify, and restore SGM luminaires over their product cycle. This continues our efforts to increase long-term sustainability of SGM products.

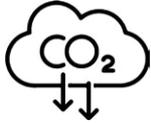
SUSTAINABLE DEVELOPMENT GOALS 9, 11, 12, & 15

RESOURCES AND RECYCLING



Where possible, we use supply chain partners which can provide recycled materials, including aluminium extrusions and molds. The energy used for the initial production of aluminium is “bound” in the metal, and therefore remelting requires only a fraction of the original energy. All 2023 and later designed products are made with majority recycled aluminium. We use FSC certified materials wherever practicable and endeavor to work with suppliers which do the same. Before the end of the year 2023 we will have phased out all non FSC certified cardboard. We work with packaging suppliers to ensure we are using the most sustainable materials possible while ensuring our products are sufficiently protected during shipping.

SUSTAINABLE DEVELOPMENT GOALS 9, 11, 12, 13, 15



CARBON REDUCTION

We increasingly work with local supply chain partners to reduce the carbon footprint of our products both in terms of manufacture and transportation. Many are within Denmark or Scandinavia which reduces transport emissions and increases components made with renewable energy.

We are working to quantify our emissions using the Greenhouse Gas Protocol scopes incorporating Scope 1, Scope 2 and Scope 3 emissions. This enables us to understand our full value chain emissions and focus our efforts on the greatest reduction opportunities. We work with 3rd parties to audit our business activities and help to reduce our footprint through the purchasing of carbon emissions allowances on closed cap and trade platforms. These are not typical voluntary carbon offsets. Rather, they are carbon allowances on government regulated schemes which provide a verifiable carbon offset guaranteed by regulators providing quantifiable impacts. We use these allowances to offset business travel and other scope 1, 2, & 3 emissions. The funds spent to purchase these allowances and the team which administers the service are rolled into research and development of carbon dioxide removal technologies which will be utilized in the future to hit carbon reduction targets as per the Paris Climate Agreement.

In the next revision of our carbon reduction policy, we will have targets which we will use to reduce our emissions by ambitious but achievable increments, ultimately to net zero.

SUSTAINABLE DEVELOPMENT GOALS 9, 11, 12, & 13

SOCIAL VALUE CHAIN



We aim to build good working partnerships with our value chain. We work with reputable sources and collaborate proactively with suppliers. We are increasingly working with suppliers and partners which have stated and audited ESG policies which demonstrate a commitment to promoting human welfare and social capital. Through evaluation beyond just the supply chain, we are more able to ensure that the impact of our business practice on society is one of increasingly positive effects.

SUSTAINABLE DEVELOPMENT GOALS 5, 8, 9, 10, 11, & 12



PRODUCT DESIGN

Dependability and Renewability are primary considerations in SGM products. For years, SGM products have been renewable through component replacement and through re-calibration.

The development of the latest SGM Lighting products takes this further by designing out, or using alternatives to toxic adhesives, chemicals, or other materials that are banned for use in Cradle-to-Cradle Certified V3 where possible. Through research, we maintain our exterior rated technologies for long lasting products while designing these toxins out of new products, Further, we actively design in materials and raw inputs with lower embodied carbon wherever possible.

SUSTAINABLE DEVELOPMENT GOALS 9, 11, 12, 14, & 15

STANDARDS AND OPERATIONS



We are committed to the Ten Principles of the UN Global Compact as well as the UN Sustainable Development Goals. We are scaling resources up to implement ISO 9001, 14001, and 14064. We actively work to manage risk through business planning, budgeting and forecasting, and KPI establishment and analysis. We are working with 3rd parties and carbon accounting platforms to quantify our emissions and environmental footprint.

SUSTAINABLE DEVELOPMENT GOALS 5, 8, 9, 10, 11, & 12

GOVERNANCE AND BUSINESS CONDUCT



We actively participate in integrating disadvantaged citizens, young people with challenges, and refugees together with Aarhus Kommune. We are a union compliant manufacturer and follow the relevant guidelines from those unions.

We create compassionate working environments and practices. We are careful not to create excessive noise or disturbance in our places of business. We donate equipment for educational and research purposes for the local communities.

We are working towards ensuring our supply chain is compliant with our goals for sustainable business practices. We do this by increasingly using EU based suppliers, commonly in Scandinavia. Further, we only bank with those who have a stated ESG policy. We are working to set robust internal sustainability and emissions reduction targets which link to remuneration.

SUSTAINABLE DEVELOPMENT GOALS 4, 8, 9, 10, 12, & 13





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