



BetterBed  
holding

Sleep better, live better.

In focus

2022 Sustainability Report

## Sustainability key figures



### Promise

Percentage of mattresses purchased after using Beter Slapen ID

2022 **58%**

2021 **15%**



### Promise

CO<sub>2</sub> emissions

2022 **2,252 tonnes**

2021 **6,237 tonnes**



### People

Number of training hours per FTE

2022 **14 hours**

2021 **16 hours**



### People

Percentage of suppliers to have signed the code of conduct

2022 **100%**

2021 **81%**



### Product

Percentage of more sustainable products

2022 **16%**

2021 **15%**



### Product

Percentage of mattresses returned for recycling

2022 **13%**

2021 **11%**

## Beter Slapen ID

# Bringing the latest sleep technology to our stores

One year on from its in-store launch, Beter Slapen ID is today used in over 40 Beter Bed stores across the Netherlands and Belgium, helping customers get the perfect night's sleep using the latest developments in sleep science. Jeffrey Gans, store manager at Beter Bed's Experience store in Groningen, explains how this device is truly innovative, with special sensors providing data and measurements to advise customers. "Beter Slapen ID really is the future of sleep technology, today. Thanks to this innovation we're able to provide our customers with the highest-quality personalised advice, backed by science and the expertise of our sleep advisers in store."

### A new instore experience

Beter Slapen ID is central to our *Sleep better, live better* purpose. "The reason we're so excited by this technology is because it is all about improving people's lives by improving the quality of their sleep. We first ask customers a few important personal questions about their sleep habits."

"This includes their height; whether they prefer lying on their side, back or stomach; how they turn, to identify pressure points; and whether they experience any nagging pains, such as backache. After this we ask customers to lie down on the measurement mattress and watch a short explanatory video about the science behind Beter Slapen ID. Whilst customers are lying down in a relaxing environment, we use the technology to take key measurements to find out which mattress is the best for them. The whole process only takes about six minutes, during which time the computer makes thousands of calculations before recommending the five best supporting mattresses in store – which are normally from different brands at different price points."

Customer feedback about the new service has been very positive, with trust being crucial to this success. This is reflected in a higher customer Net Promoter Score (NPS), which is used to measure customer loyalty, satisfaction and enthusiasm. "We're really pleased to see just how popular Beter Slapen ID is proving to be. One of the reasons that customers trust buying a mattress in this way is that their decisions are informed by science, which is a direct result of us embracing sleep science technology in line with our strategy."

"We want everyone to sleep better. Rather than focus on selling the technical elements of different mattresses, we want to offer better sleep for better health and better living." This focus is an important differentiating factor for the Company. "Beter Bed is a sleep specialist, not just a store that sells beds. That's something our customers recognise. And it's a key difference between us and our competitors."

### Combining science with personal service

The introduction of new innovations does not mean that the whole shopping experience is defined by technology alone. "It's all about combining the science of Beter Slapen ID with the best personal service. As well as taking customers through this latest technology, our store teams are there to enhance the experience by sharing their expertise. For example, on personal preference for comfort, such as choosing a slightly softer or harder mattress within the range of mattresses recommended by Beter Slapen ID."

What's more, getting a good night's sleep does not start and stop at buying a new mattress. "Our sleep better, live better purpose has really resonated with people. Customers don't just want the perfect mattress. They want the perfect night's sleep. That's why after choosing a mattress, the next question our store teams are invariably asked is 'what should I do if I'm too hot or cold in bed?' Our teams can



## Beter Slapen ID

then provide their expertise to advise on other products, such as duvets and pillows, which leads to higher average order values.”

**“We were immediately served by a member of staff and in addition to discussing our sleeping needs, we did a test to quickly find the right mattress - Pieter”**

### Customer benefits

From a commercial perspective, the introduction of Beter Slapen ID has been very positive in other ways too. “Another reflection of the popularity of this innovation is the high conversion rate among people who have used Beter Slapen ID. Moreover, all customers benefit, whether or not they choose to buy a new mattress. This is because everyone who’s tried it leaves our stores with a greater awareness of the importance of sleep and how to achieve it. That’s what being a sleep specialist is all about.”

Speed and efficiency are two other big wins that Jeffrey cites. “Beter Slapen ID helps to speed up the whole process of choosing a mattress, which saves time for both our customers and our store teams. In the past, customers would often try ten mattresses before deciding which to buy. Now, equipped with the very best information, they are more confident and know that they can make a decision based on science. For us as a business, this is particularly useful during busy periods such as Easter, Black Friday, or the Holiday Season.”

“We also get real-time insights into what customers want and need – for instance whether we have too many or too few of a certain type of mattress. This enables us to optimise our collection and make the right adjustments to our stock and range.”

**“We were helped in a very professional way, with a test showing the right mattress profile for us - Marianne”**

In addition, Beter Slapen ID has proven valuable in terms of becoming a more sustainable business. “We now get far fewer mattresses returned. This reduces our carbon footprint and leads to considerable savings, such as lower transportation costs thanks to customers getting the right mattress first time.”

Jeffrey is enthusiastic about the roll-out of this technology across the Beter Bed’s store network. “We plan to introduce Beter Slapen ID in all our stores in the Netherlands and Belgium by the end of the first half year of 2023. Sleep science means that we, and our customers, are looking at sleep in a whole new way. Many couples, for instance, now choose to have individual mattresses that match their individual needs. New technology is only set to accelerate this trend, and real potential exists for further growth.”



Jeffrey Gans (1983) is responsible for the first Beter Bed Experience Store in Groningen, the Netherlands. Jeffrey has been working at Beter Bed since 2014. He is an ambassador of the new strategy and Beter Slapen ID.

## Sustainability strategy

# Our sustainable focus

**Beter Bed was founded 40 years ago with the purpose of providing a good night's sleep at a price that everyone can afford. By offering good-quality mattresses, beds and pillows at a reasonable price, we have helped to make a good night's sleep possible for millions of people across Europe and beyond. While our company has evolved over the years, the essence of what we do has remained the same, and this is reflected in our purpose: *Sleep better, live better.***

The world around us is changing fast, and we continue to change to meet new customer needs. The pace of life, in particular, has accelerated. With that has come added pressure for many people, which has impacted on their quality of life. As demand for what we do has grown, so too has our business and our supply chain, which is today larger and more complex than when our company was founded. Legislation has also changed, bringing with it an ever-greater responsibility as to how we as a company must act at all times, whether it be our impact on the lives of our customers, the environment, or society as a whole.

For many years, this responsibility was manifest in developing high-quality products available to all that added value for a good night's sleep, in addition to striving to minimise our environmental impact, and participating in activities that contributed to improve society. More recently, awareness of the impact of sleep as an enabler for a better life has grown among our customers, the market for raw materials has changed, and the demand for transparency and accountability has risen – both from stakeholders and in terms of legislation.

Last year, we launched a new corporate strategy that incorporated our sustainable goals. Having conducted a materiality assessment with our key stakeholders we determined three focus areas for 2025.

### Promise

We will enable everyone to have the best quality sleep, improving their health and well-being, by offering innovative solutions and stimulating sustainable choices.

### People

We will deliver social impact by always focusing on employees' safety and well-being, striving to become an employer of choice, and working together with our suppliers to ensure that they align with our goals and standards.

### Product

We will minimise our environmental impact by using ever more sustainably sourced materials, and by collaborating with our suppliers to increase the reuse and recycling of our products and packaging, thereby driving the transition towards more circular product propositions.



## Sustainability progress

# Implementing our renewed sustainable strategy

## Our progress to date

To ensure that our sustainability strategy is fully integrated across our company, clear goals are set for all responsible departments involved so as to gain company-wide commitment and set realistic goals. These goals were translated into KPIs as part of the long-term incentive scheme for the Management Board and into personal goals for every employee to secure commitment and create momentum. The KPIs are supported by quarterly reports across the company to secure progress. During monthly meetings, the Group Leadership Team discusses developments and actions required to achieve positive outcomes.

Sustainability criteria are embedded in Beter Bed Holding's strategy and organisational structure. Sustainability themes are defined and approved by the Management Board. The senior lead for Sustainability & Innovation chairs various committees, which are made up of departmental managers who oversee work relevant to a given theme. The senior lead for Sustainability & Innovation updates the Management Board on progress, approach and planning on a monthly basis, and reports directly to the CEO. On a quarterly basis, sustainability data is included in the overall set of business KPIs that is reported to and discussed with the Group Leadership team. To ensure that external perspectives are fully taken into account, stakeholder dialogues are held with external experts to advise BBH both on its approach to sustainability in general, and in greater depth on its sustainability themes. Climate-related risks and opportunities are considered integral to the governance of operations and sustainability themes. Further details on governance and risk can be found in the chapter 'Risk Management' (see page 80).

In addition to focusing on our KPIs, we also examined wider developments, as the world around us is constantly evolving in terms of new technologies, the availability of sustainable raw materials, and new legislation. We closely monitor these changes with further information about our approach outlined later in this chapter, and encourage our employees to share any ideas they have to make us a more sustainable company.

## Report structure

Information about our performance in terms of sustainability is structured in line with our three focus areas: Promise, People and Product. We report on our most material topics, which are identified during our materiality and stakeholder engagement process. In this annual report and in our 2021 annual report, we used GRI's definition of materiality based on the 2016 GRI standards, whereas in the 2023 annual report we will perform a double materiality analysis so that this part of the report is also in line with the GRI 2021 standards. We also report on progress made on the related KPIs, and highlight the United Nations Sustainable Development Goals (SDGs) on which we have had the greatest impact.



## Interview with Lisa Proenings

# A revolution in sustainable reporting

**With ever more investors, customers and other stakeholders wanting to be able to examine the sustainability credentials of companies, the reporting of non-financial information has fast become the norm for large, stock-listed companies such as Beter Bed Holding. This trend is only set to accelerate with the advent of the new EU Corporate Sustainability Reporting Directive (CSRD) over financial year 2024 explains Lisa Proenings, Business Controller Sustainability, at BBH: “The new regulatory framework is both a challenge and an opportunity. A challenge because we will need to introduce new processes and collect new data. An opportunity because we all benefit from a more transparent business ecosystem in which we share the most material information about our operations”.**

The regulation, which is part of the European Green Deal and the Sustainable Finance agenda, will require all large and listed companies to disclose a broad range of qualitative and quantitative environmental, social and governance information. “This really is a revolution in the regulatory landscape as the non-financial part of reporting will effectively be equal in importance and integrated with the financial information”.

## The impact of CSRD legislation

This spells change for organisations like BBH, which will be in the first wave of companies to report in compliance with the CSRD. “While sustainability considerations and the reporting of non-financial information have been central to BBH’s strategy and operations for a number of years, this directive is

nonetheless hugely significant for us. It will not only change how we compile data and what we report, but also make us look at our business and our impact in a new way.”

The new directive requires companies to conduct a so-called ‘double materiality’ assessment, meaning that they will both have to report on financial materiality – how sustainability issues might create financial risks and opportunities for the company – and impact materiality – the company’s own impacts on people and the environment.

“CSRD represents a big shift as the double materiality analysis will mean companies will be required to report on a host of material information – such as their impact on biodiversity, climate change and human rights – that is of interest to everyone from investors to NGOs and civil society organisations. But the new directive isn’t about transparency alone. It is about creating positive, tangible change by encouraging organisations to make their operations more sustainable.”



## Interview with Lisa Proenings

“This is something that really strikes a chord at BBH, as our existing sustainability approach is about far more than simply reporting, as we’re focused on value creation and impact through our business and value chain operations. What’s more, the new directive will ultimately reduce the risk of organisations ‘greenwashing’, which is obviously a very positive development.”

### “The new regulatory framework is both a challenge and an opportunity”

“We have an ambitious sustainability strategy. Any regulatory change that leads to a company’s employees taking the effects of their day-to-day work on colleagues, the environment and society into account is something hugely positive, as it will help to change behaviour and culture for the better.”

#### A sustainable reporting revolution

Going forward, the comparability of data will become ever more important. “Investors will be better placed to make informed investment decisions, and to actively challenge companies on their record – such as their Scope 3 emissions or their adherence to human rights principles. At present this sort of challenge is often limited, and information is either not shared or not comparable given that different companies report in different ways.”

Investors will not be the only interested parties. “It will also be easier for customers to make informed choices – both directly themselves and indirectly through consumer organisations that will be able to highlight both those companies that perform well and those companies for whom there is a gap between their rhetoric and the reality when it comes to their sustainability performance. This is an area that is already of real importance to many people who apply to work at Beter Bed, as they want to know that they are working for a purpose-driven organisation that understands its wider responsibility – such as on emissions and in its supply chain.”

As BBH gears up for this reporting revolution, the new directive is already the subject of significant focus and attention at the company. “Getting ready for CSRD requires a lot of preparatory work across our entire organisation. The fact that the directive is more wide ranging than how we currently report means that more people need to be involved.”

#### In preparation for financial year 2024

“In my role, I’m helping to ensure we report correctly and in a timely manner, and to see how we can improve data collection. Among other things, we’re performing a gap analysis to give us insight into any topics that will take a lot of work, and to identify any quick wins. In 2023, we aim to conduct the double materiality assessment as one of the first stepping stones to reach full alignment.

Our sustainability team will then outline requirements for different departments, and will measure our impacts. This will enable us to have a dry run to collect data for CSRD in 2023, which will include getting limited external assurance, so we’re able to collect all the required data completely and correctly in 2024.”

While this will initially lead to a considerable amount of work, BBH is focused on the opportunities that this will bring. “Above all, we see this directive as a means to really dig deep into the different areas covered. In this sense it’s a chance to make our sustainability outcome more mature and more professional. What’s more, we have to make sure we are not only focused on reporting but also developing the business in a sustainable way with new ideas, initiatives and innovations.”



Lisa Proenings (2000) has been responsible for reporting and analysing on sustainability topics at BBH since June 2022, having graduated in business administration and completed her internship at the Company. In her role she ensures that information is reported correctly, in addition to improving data collection.

## Our sustainable goals

# Materiality and stakeholder engagement

**Our materiality process drives how we engage internally and externally, how we invest our resources, and how we adapt our strategy on environmental, social, economic and governance topics across our value chain.**

Since 2021, we have performed a materiality assessment on an annual basis to identify how important specific issues are to our organisation. The relevant topics are determined by extensive desk research that examines both our organisation's activities, and topics where peer organisations have the most significant impact. A shortlist is then established from this list of topics, with relevance determined through a series of interviews, questionnaires and online surveys with our key stakeholders. The final step, is to create a materiality matrix (see page 155) by determining the maturity level of the relevant topics at a management level, and the extent to which we as an organisation are able to influence the material topics.

In the chapter 'Other information' (see page 156) we provide a matrix that shows our management approach on the material topics. We also describe the impact of our organisation on these topics, what our goals are, and how we plan to achieve them. In addition, we report on our progress and how we involve our stakeholders in the relevant topics.

From 2023, our materiality assessment will be expanded to a double materiality process and include useful information about the financial impact of material topics due to the upcoming Corporate Sustainability Reporting Directive (CSRD) regulation.

In recent years, we have witnessed dramatic changes across the world. This means continually adapting how we as a business operate to meet new challenges and drive meaningful progress on our social and environmental priorities.

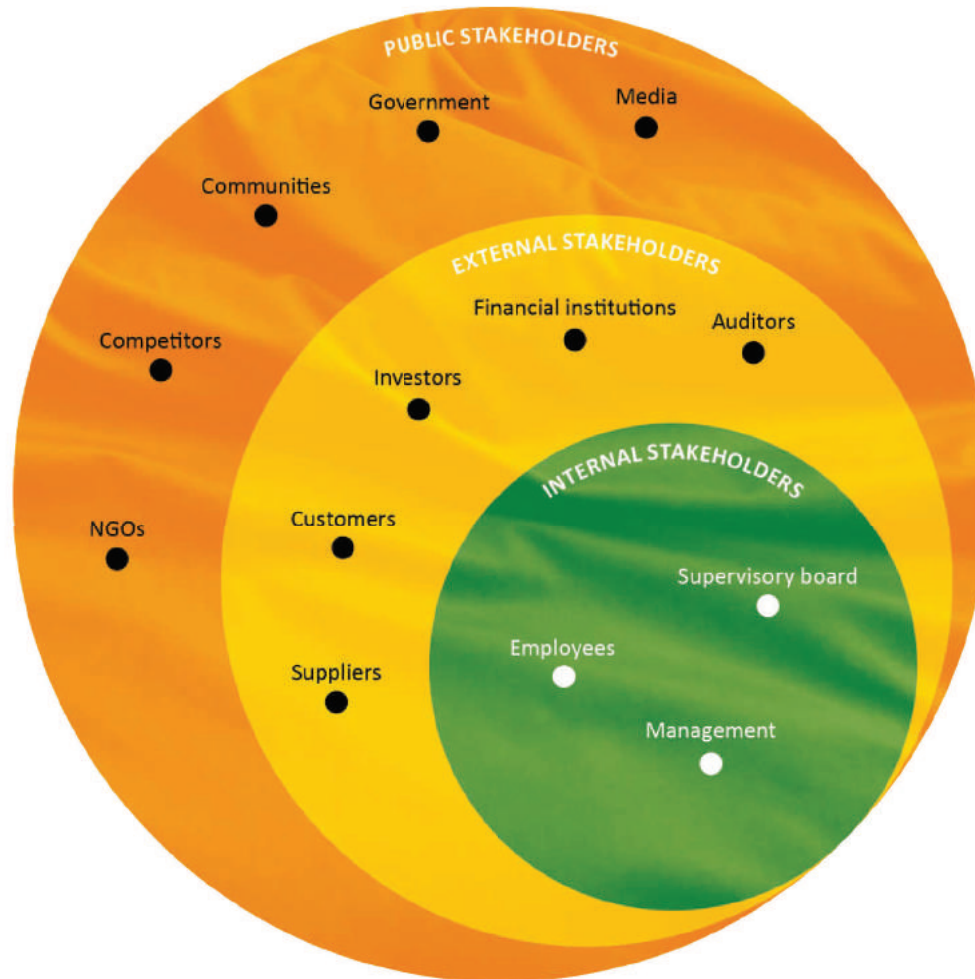
We believe that solutions are only possible through collaboration, and that systemic change is built on deep, ongoing engagement with the people that our operations impacts. From those who manufacture the products we sell and the team members who deliver the products to our customers, to the communities in which we work, we engage with a diverse group of stakeholders and use their valued perspectives to inform our approach to systemic change. Through these partnerships, we are able to build a more sustainable future together.

## Our sustainable goals

### Our proactive approach to stakeholder management

We map our various stakeholders and proactively involve them in developments that relate to our strategic vision, work in the community, workforce and organisation, together with product development and risk management.

To achieve our sustainable and responsible commitments, we believe it is essential to proactively inform, and engage with our stakeholders. Through active stakeholder engagement and management, we are able to consider the diverse range of opinions and values of our different stakeholders. In doing so, we aim to build valuable long-term partnerships on the basis of transparency and trust. This is important as trust is fundamental to people working efficiently and effectively together, which in turn helps to minimise uncertainty and leads to better-informed decision-making. We have, for example, involved our stakeholders extensively in the formation of our strategic risk assessment and our new sustainability strategy. In this strategy, we set a number of ambitious targets to become a sustainability leader in the bed and mattress industry.



## Our sustainable goals

### Our main stakeholders are:

#### Our customers

How we make choices within our company and how we shape our strategy are largely determined by the wishes of our customers. This also applies to the sustainable development of our products and services that we offer. Over the past decade, many customers have increasingly started to give greater consideration to the impact their behaviour and the products they purchase has on the environment. This change in behaviour is influenced by the visible changes in the climate that they have observed with their own eyes and in the media, through education, and as a result of public debates. We believe that it is important to include customers' points of view in our sustainability strategy, and therefore take customer reviews into account.

#### Our employees

Our team plays a vital role in our company achieving its sustainability objectives. We are convinced that an effective sustainability strategy will also contribute to the well-being of our employees, and it therefore also contributes to retention. Through surveys and internal interviews, employees are regularly asked for their opinion about various sustainability topics.

#### Our suppliers

Many sustainable product developments can only be achieved through intensive collaboration with our suppliers. In addition, suppliers are often aware of international developments in materials, and are required to work together to ensure compliance with international regulations with regards to human rights and emissions both within their own organisation and also their subcontractors. For several years, we have discussed our sustainability strategy and developments as part of our regular and annual meetings with all suppliers.

#### Our investors

Sustainable organisations are attractive to investors as they are more likely to generate long-term returns. Such organisations typically have strong environmental, social and governance practices, and are more transparent, which makes it easier to assess the company's future performance and stability. In addition, being sustainable can lead to a better reputation, cost savings, improved customer loyalty, and enhanced access to capital, which can all contribute to long-term returns. Furthermore, sustainable organisations are more attractive to a growing number of investors who are looking to make investments that align with their own values. We communicate and discuss our sustainability strategy during meetings with investors on a quarterly and ad hoc basis. Information from other stakeholders – such as government, competitors, financial institutions and auditors – is collected through desk research and through various discussions with the relevant organisations.

#### Our Management Board and Supervisory Board

Our Management Board and Supervisory Board are informed about the views and opinions expressed by stakeholders with regards to BBH's sustainability-related impacts through regular meetings, reports and communication with our sustainability team. This ensures that stakeholders' concerns are addressed in a timely and appropriate manner. The Management Board is also informed about the progress and outcomes of initiatives taken to reduce the company's sustainability-related impacts, and the sustainability team provides it with regular reports and updates on the company's progress in achieving its sustainability goals.

All information with regards to sustainability is made available to all employees in Dutch, and at the corporate level in English, so that the information is accessible and available to all. Language, cultural barriers and privacy are all taken into account.

## Our sustainable goals

### Customers

How we engage	Top 5 topics	How we respond
<ul style="list-style-type: none"> <li>Customer reviews</li> <li>Sales interviews</li> <li>Market research</li> <li>Brand websites</li> </ul>	<ul style="list-style-type: none"> <li>Accessibility &amp; affordability</li> <li>Innovation for better sleep</li> <li>Collaboration for reuse &amp; recycling</li> <li>Circular product development</li> <li>Customer awareness</li> </ul>	<ul style="list-style-type: none"> <li>Introduce Beter Slapen ID to improve our customers' quality of sleep</li> <li>Collaborate with mattress recycler Matras Retour to prevent mattress incineration</li> <li>Establish and participate in a sector-wide group to increase mattress recycling</li> <li>Introduce a range of circular and more durable products</li> <li>Enhance the online visibility of our more durable product range</li> </ul>

### Employees

How we engage	Top 5 topics	How we respond
<ul style="list-style-type: none"> <li>Job interviews</li> <li>One-on-one conversations</li> <li>Personal training &amp; development</li> <li>Internal communications / the BBH app</li> <li>Durability ambassador programme</li> </ul>	<ul style="list-style-type: none"> <li>Employee well-being</li> <li>Circular product development</li> <li>Innovation for better sleep</li> <li>Sustainable operations</li> <li>Collaboration for reuse &amp; recycling</li> </ul>	<ul style="list-style-type: none"> <li>Provide our employees with opportunities to grow professionally in their careers</li> <li>Introduce a range of circular and more durable products</li> <li>Introduce Beter Slapen ID to improve our customers' quality of sleep</li> <li>Increase the use of renewable energy and further reduce CO<sub>2</sub> emissions</li> <li>Collaborate with mattress recycler Matras Retour to prevent mattress incineration</li> <li>Establish and participate in a sector-wide group to increase mattress recycling</li> </ul>

### Suppliers

How we engage	Top 5 topics	How we respond
<ul style="list-style-type: none"> <li>Online surveys</li> <li>Annual meetings</li> <li>Supplier Code of Conduct</li> <li>BBH brand websites</li> </ul>	<ul style="list-style-type: none"> <li>Circular product development</li> <li>Collaboration for reuse &amp; recycling</li> <li>Sustainable operations</li> <li>Training &amp; development</li> <li>Innovation for better sleep</li> </ul>	<ul style="list-style-type: none"> <li>Introduce a range of circular and more durable products</li> <li>Collaborate with mattress recycler Matras Retour to prevent mattress incineration</li> <li>Establish and participate in a sector-wide group to increase mattress recycling</li> <li>Increase the use of renewable energy and further reduce CO<sub>2</sub> emissions</li> <li>Offer Beter Bed Academy training to all employees</li> <li>Introduce Beter Slapen ID to improve our customers' quality of sleep</li> </ul>

### Investors

How we engage	Top 5 topics	How we respond
<ul style="list-style-type: none"> <li>Online surveys</li> <li>Annual meetings</li> <li>One-on-one conversations</li> <li>Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Innovation for better sleep</li> <li>Accessibility &amp; affordability</li> <li>Human rights &amp; supply chain</li> <li>Sustainable operations</li> <li>Customer awareness</li> </ul>	<ul style="list-style-type: none"> <li>Introduce Beter Slapen ID to improve our customers' quality of sleep</li> <li>Ensure the Beter Bed Supplier Code of Conduct is signed by 100% of our suppliers</li> <li>Increase the use of renewable energy and further reduce CO<sub>2</sub> emissions</li> <li>Create a more durable choice in every product category</li> <li>Enhance the online visibility of our more durable product range</li> </ul>

## Our sustainable goals



## Promise

**We will enable everyone to have the best quality sleep, improving their health and well-being by offering innovative solutions and stimulating sustainable choices.**

### Our approach

Providing a good night's sleep to live a better and healthier life has always been at the core of who we are as a company and what we do. For this reason, our primary focus is creating awareness and making better sleep solutions available to our customers, potential customers and wider society.

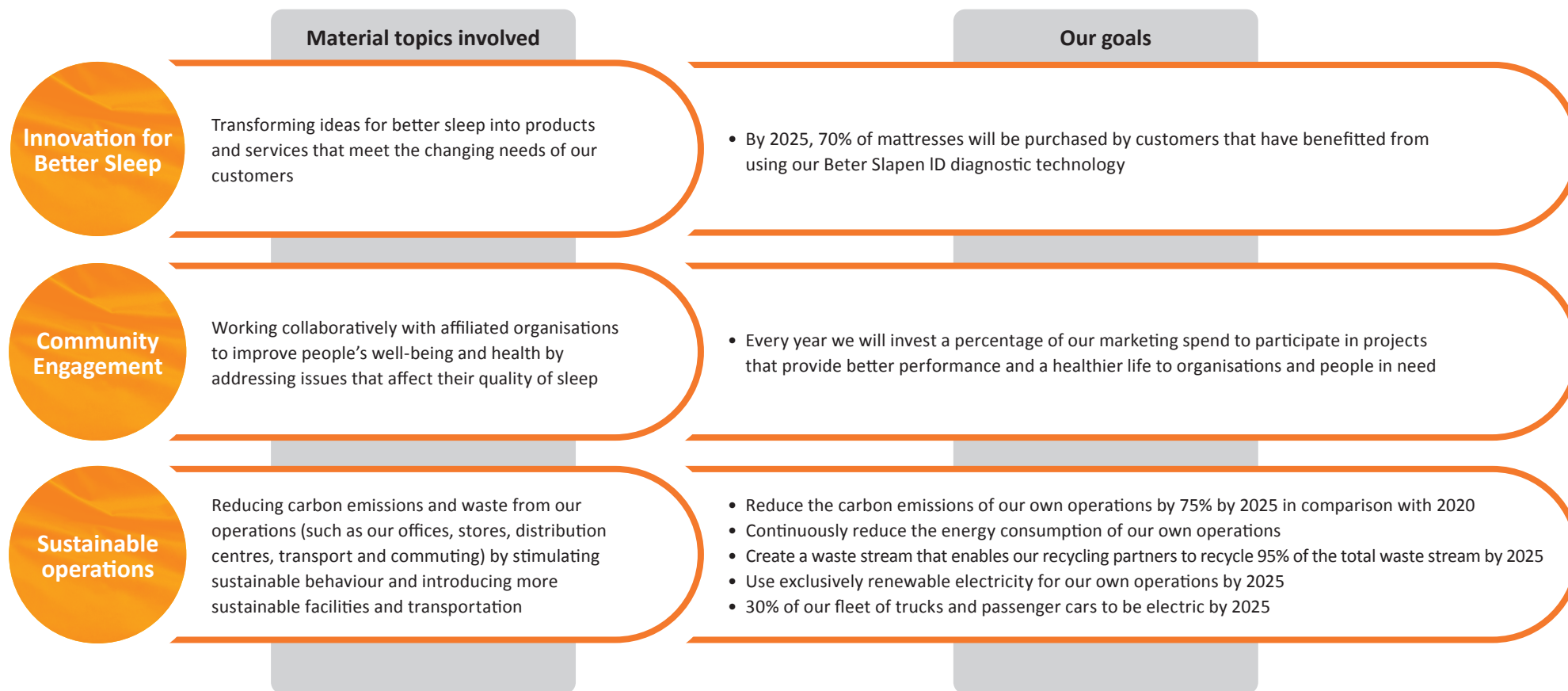
As a company, we also deepen our knowledge about the extent to which a good night's sleep contributes to a happier and healthier life by drawing on research from experts such as sleep scientists and physiotherapists. By utilising data and new technology, we are able to improve sleep solutions for every individual customer. The introduction of the Beter Slapen ID in our stores is a good example. Thanks to this diagnostic technology, we have successfully eliminated those elements of the selection criteria that are not relevant when choosing the right sleeping solution, which contributes to a higher quality of sleep for our customers.

We believe we have a special responsibility to help the most vulnerable, for whom having a good night's sleep is especially important. For this reason, we participate in projects to provide better health and care, such as at the Princess Máxima Center for pediatric oncology and refugee shelters throughout Europe, including Ukraine.

In addition, we engage with sports clubs, and national and Olympic teams to learn more about the relationship between sleep and performance. We ensure the knowledge we gain through these partnerships is made available to everyone who wants to sleep better and live better.

We place considerable emphasis on ensuring that we operate in line with sustainable business practices and that we use resources responsibly. Key to our efforts are the valuable partnerships, such as within our supply chain, that we nurture to enable us to create impact at scale.

## Our sustainable goals



## Our sustainable goals

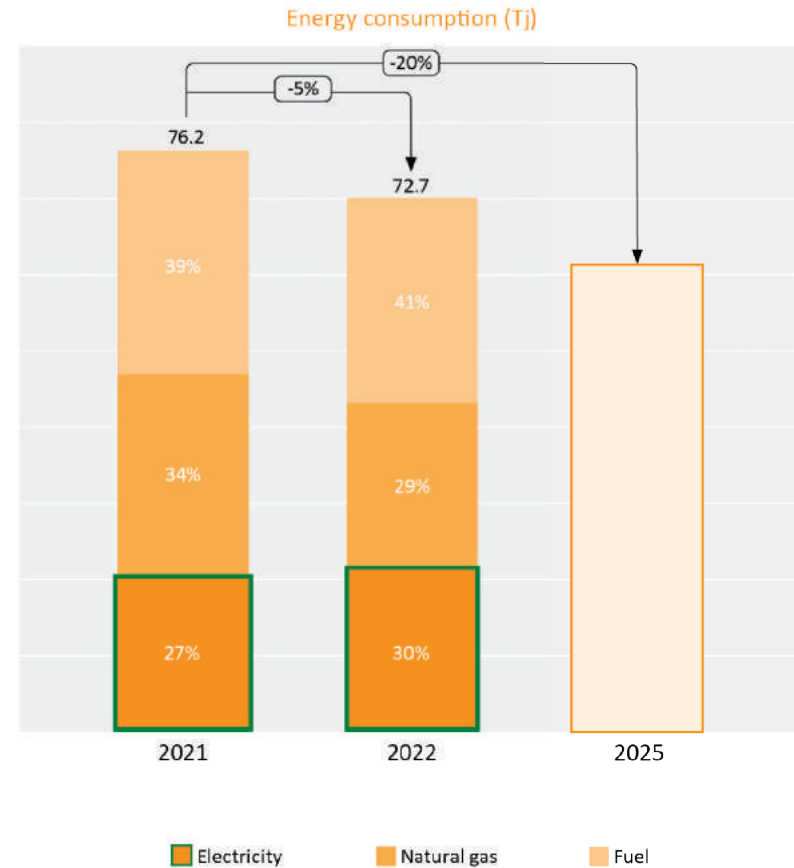
### Where are we now

Following a phased pilot, the full roll-out of Beter Slapen ID across our entire Beter Bed store network is set to be completed in the first half year of 2023. This diagnostic tool has proven to be very popular, leading to higher customer satisfaction levels, lower returns, and better in-store conversion rates.

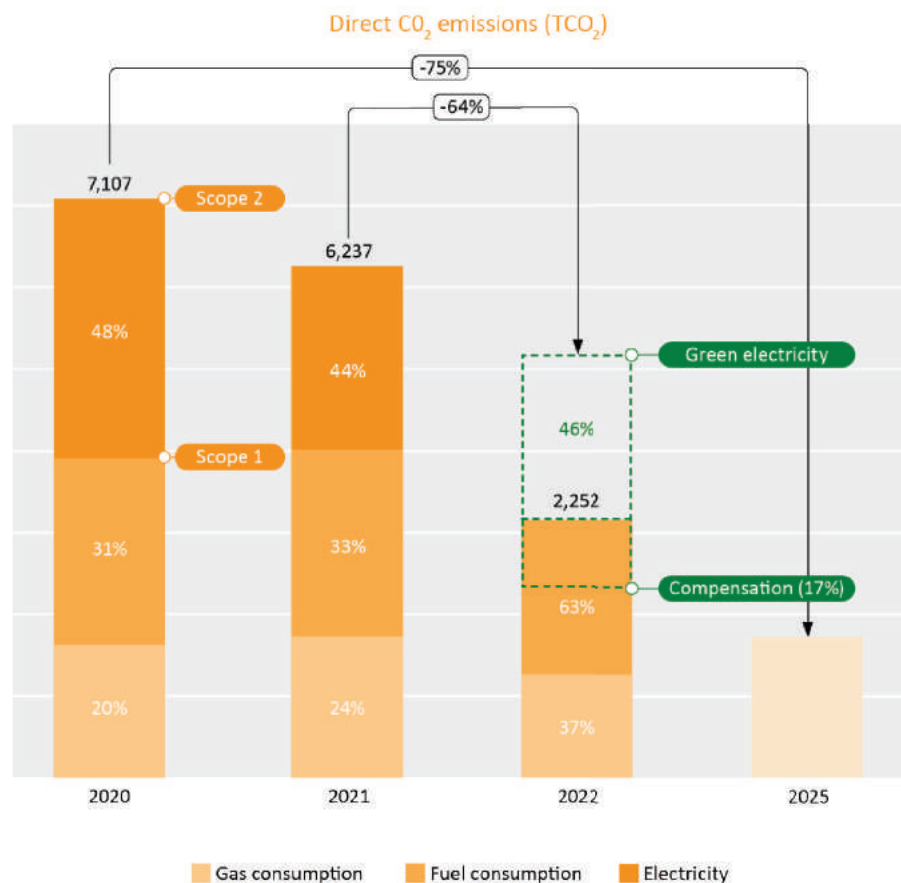
The next step is to reach our 2025 goal that 70% of mattresses will be purchased by customers that have benefitted from using this diagnostic technology. As part of our overarching strategy, we intend to measure and report actual improvement in quality of sleep going forward.

We share information and insights about sleep with our elite sports partners, and also learn from their experiences and research. This is beneficial not only to the athletes involved, but also helps us to better support our social partners, such as the Princess Máxima Center for pediatric oncology, through the development of sleep solutions.

**“We are proud to report significant progress against a number of our goals”**



## Our sustainable goals



We promise to provide the best possible night's sleep for our customers while also minimising our impact on the environment. To this end, we transitioned to 100% green electricity in 2022 for all of our in-house operations. In terms of carbon emissions from our operations, this resulted saving of 2,760 tonnes of CO<sub>2</sub> over 2022 (which represents 46% of our total carbon emissions). In addition, we are also implementing changes to make our vehicle fleet more environmentally friendly in the coming years. Our lease scheme provides flexibility, enabling our employees to choose between a lease car or a mobility allowance. Moreover, we now only offer electric company cars, and we have also started the first pilots for electrically powered commercial vehicles for our truck fleet.

Our company will continue to invest in making our operations fully climate-neutral. Until this has been achieved, we will also participate in various projects to offset CO<sub>2</sub> emissions, for example the Afforestation Project in Qianbei in the east of China. In 2022, our participation in this project led to the offsetting of 1,000 tonnes of CO<sub>2</sub> emissions. This resulted in a total CO<sub>2</sub> reduction of 64% compared with 2021.

## Our sustainable goals

### What's next

In support of our overarching company strategy, in 2023 we intend to measure and report the actual improvement of quality of sleep as a result of our Beter Slapen ID, while also continue to fine-tune this innovative diagnostic technology.

One of the most important aspects of BBH's sustainability strategy is to reduce CO<sub>2</sub> emissions to help combat climate change. In the coming years, we will continue investing in energy-efficient measures in our branches and other buildings, in addition to reducing emissions through the electrification of our fleet of vehicles and by transitioning to renewable energy.

We aim to reduce the CO<sub>2</sub> emissions of our activities by 75% by 2025 compared with 2020, with the ultimate goal being to operate completely carbon neutrally by 2030. To achieve this, we are both significantly reducing our own CO<sub>2</sub> emissions and developing sustainable products and services for our customers.

At present, 26% of our operations' CO<sub>2</sub> emissions are related to transportation. In 2023, we will continue to focus on reducing the impact of our operations through increasing the proportion of electric vehicles within our fleet. In addition, we will continue to invest more in energy-saving measures through the renovation of branches and distribution centres, and the wider use of renewable energy.

In waste management, while we have already achieved a high level of waste reuse, together with our partners we are examining how we can reuse materials to the highest possible degree by processing recycled waste streams in our packaging and products. By doing so, we will be able to close the loop, reusing materials recycled from our products, thereby minimising the impact of our organisation.



## Our sustainable goals



## People

**We will deliver social impact by always focusing on our employees' safety and well-being striving to become an employer of choice, and working together with our suppliers to ensure that they align with our goals and standards.**

### Our approach

From our supply chain to our stores, we believe everyone deserves to be treated with dignity and respect, and we use our scale to protect individual human rights across our business.

Through our (predominantly European) supply chain we are able to exercise influence to help protect and uphold the human rights of people across our value chain. While we care deeply about human rights everywhere, we recognise that we can have the most impact on the lives our team members.

The need for companies to improve visibility in their production and - where possible - implement start-ups in their supply chains is today greater than ever before. In 2022, we took another important step in our human rights journey by joining the amfori BSCI (Business Social Compliance Initiative) platform, which helps companies to commit to better working conditions in their global supply chain. It does this through offering a common code of conduct and a step-by-step plan to companies that applies to all sectors and production countries.

We also have an ongoing commitment to monitor for any indication of forced labour throughout our supply chain, and to take swift action to address any such problems. We work to enhance worker well-being on a continuous basis, often through high-impact partnerships that seek to address issues that are locally relevant.

Furthermore, we aim to improve workplace safety for BBH's logistic workers and support enhanced overall well-being for everyone in our supply chain. To this end, we engage with strategic partners that have the knowledge and reach to address the issues that matter most to supply chain workers.

Beter Bed is committed to creating a diverse, equitable and inclusive workplace. We value the unique perspectives and experiences that each individual brings to our business, and strive to create an environment in which everyone feels respected and supported.

We are committed to providing training and development opportunities tailored to our employees' individual needs. For this purpose, we use the Beter Bed Academy, which features almost 800 training modules. We actively seek candidates from a diverse range of backgrounds and ensure that our recruitment processes are fair and equitable.

We also recognise the importance of creating an environment that is attractive to potential employees. We actively promote the benefits of working at Beter Bed and emphasise our commitment to creating a positive and supportive workplace. We also strive to ensure that our benefits and compensation packages remain competitive so that we can attract and retain top talent.

## Our sustainable goals

	Material topics involved	Our goals
Human rights & our supply chain	Ensuring human rights are an integral part of our supply chain, especially within our HR processes, supplier management and procurement processes	<ul style="list-style-type: none"> <li>By 2025 all of our suppliers will have signed our code of conduct with auditing and progress reporting conducted on a regular basis</li> </ul>
Diversity & inclusion	Fostering, cultivating and preserving a culture of diversity and inclusion within our company in which people can be themselves and are treated equally, independent of age, gender, origin, religion or sexual orientation	<ul style="list-style-type: none"> <li>By 2025 our team of employees, Management Board and Extended Management Team should be made up of a minimum of 33% of either gender</li> </ul>
Training & development	Giving employees the opportunity to develop skills and competencies to facilitate sustainable employability at BBH	<ul style="list-style-type: none"> <li>We continuously provide training to build skills at all levels, including specialised skill development, leadership opportunities, coaching and mentoring</li> <li>We will create new career development opportunities within our company by enabling 10% of our team of employees and management to secure a promotion every year by 2025</li> </ul>
Employee safety & well-being	Contributing to the enhancement of the physical and mental well-being of our employees by ensuring a healthy and safe working environment and supporting a healthy lifestyle	<ul style="list-style-type: none"> <li>We continuously focus on the health and well-being of our employees, creating a work environment in which sick leave decreases to 4.5%, and work-related accidents are avoided whenever and wherever possible</li> </ul>
Talent attraction & retention	Continuing to be an interesting and desirable place to work for potential employees, and actively recruiting new talent	<ul style="list-style-type: none"> <li>We will continue to improve working conditions and the well-being for our employees, which will be reflected in a maximum employee turnover of 30% by 2025</li> </ul>

## Our sustainable goals

### Where are we now

We verify compliance with our policies through factory vetting, on-site assessments, corrective action plan development, capability building, and training in collaboration with the BSCI platform. In the event of a problem related to human rights violations, we commit to working with third-party experts to develop, execute and oversee appropriate remediation programmes.

The Beter Bed Supplier Code of Conduct supports key suppliers in evolving their approach towards continuous improvement. This Code of Conduct, which has to date led to us engaging with 57 suppliers in 15 countries, should lead to an increase in worker satisfaction at these organisations with respect to working conditions, in addition to an increase in worker engagement. In 2022, we achieved our 2025 target as we were successful in ensuring all our suppliers (100%) signed the code of conduct. As a result, we will start the risk inventory and audit of the suppliers faster than planned.

During the year, we carried out a safety assessment in all our distribution centres, which led to an update in our safety protocols and changes to the distribution centre layout. This should contribute to a reduction in the number of accidents and near-accidents going forward. All company emergency plans were also revised, and an extensive training programme established to ensure our team of first responders is adequately trained. In addition, a safety team was created that discusses progress and incidents on a monthly basis, and takes actions to enhance safety across all disciplines and locations within our company. We offer a compelling work environment with meaningful experiences and abundant growth and career development opportunities. We have developed a culture of learning and invest almost 12,000 payroll hours into training our team members each year. This includes extensive programmes that help our team build skills at all levels, including specialised skill development, leadership opportunities, coaching and mentoring.

### What's next

We believe that the two most powerful accelerators of change in our industry are collaboration and alignment. We will continue to use the BSCI platform as well as collaborating with our suppliers to measure supply chain performance and drive continuous improvement across our global manufacturing footprint.

In today's fast-changing global marketplace, companies have to address a growing number of challenges and concerns in operations and supply chain. At the same time, demands for greater transparency and accountability from wider society have grown. For this reason, in 2023 we will also join the amfori BEPI (Business Environmental Performance Initiative) network. Amfori BEPI covers a wide variety of 11 environmental performance areas, which range from energy consumption and greenhouse gases to chemical management. This service includes a five-step approach to drive continuous improvement through supply chain mapping and analysis, improvement work and progress monitoring.

More information about our Human Resource efforts and plans can be found in the chapter People (see page 67).

## Our sustainable goals



## Product

**We will minimise our environmental impact by using ever more sustainably sourced materials, and by collaborating with our suppliers to increase the reuse and recycling of our products and packaging, thereby driving the transition towards more circular product propositions.**

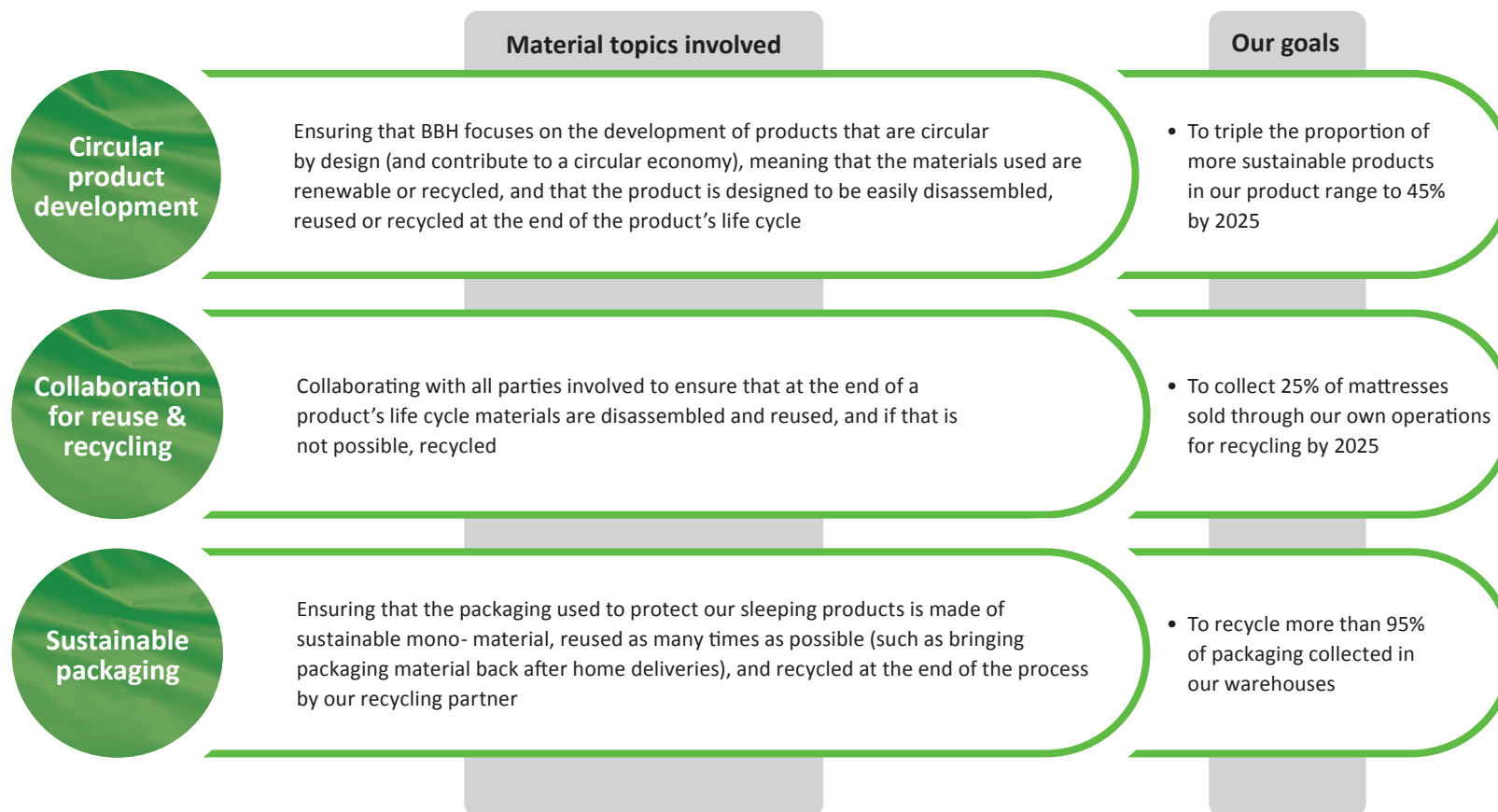
### Our approach

To achieve a fully circular economy, many steps still need to be taken by individuals, companies and other organisations - the precise nature of some of which is still yet unknown. We do know, however, what our eventual goal is, and it is for this reason that we are taking the steps described. Moreover, as we continue our journey towards becoming a circular business, we are examining the market for new materials and developments that would help ensure that our products can be reused even more effectively.

To help us reach our goal of fully circular products, we have defined four sustainable product categories: circular, modular, certified natural and certified recycled. We have adopted these categories in our tender criteria for the development of new products, and we report the percentage of sustainable products as a KPI.

We believe that becoming fully circular is only achievable if we engage in effective collaborations both in and outside our usual supply chain. To close the chain completely, we will also have to manage product materials at the end of their life cycle, which will also contribute to our suppliers using fewer raw materials. For this reason, we are actively involved in innovative projects to reuse more of our products in new products or packaging.

## Our sustainable goals



## Our sustainable goals



## Our sustainable goals

### Where are we now

BBH today offers sustainable options across all product categories. These range from products that are designed to be modular, fully circular, and use certified natural raw materials or recycled raw materials. In pursuit of our ultimate goal of offering fully circular products in all product categories to all of our customers, we engage with all our suppliers and encourage them to develop and offer more sustainable products, in addition to searching for more sustainable options beyond our sector.

In 2022, we introduced several new more sustainable products:

- M line circular: a mattress consisting exclusively of materials that can only be used in a circular way, and which are visible in a digital product passport.
- M line modular: a mattress designed for easy disassembly, due to its modular construction, made exclusively from materials that can be used in a circular way.
- Karlsson box spring: a new box spring range that uses upholstery fabrics produced from recycled textile raw materials.
- Element mattress range: a mattress collection consisting of predominantly naturally sourced (and therefore renewable and biodegradable) raw materials.
- Simmons Generation mattress collection: a mattress collection consisting of 70% reused materials that is fully recyclable at its end-of-life.

For our customers, the most noticeable change has been the increasing number of more sustainable products added to our range and the visibility of these online. So that we can fulfil our sustainability promise to our customers and wider stakeholders alike, we will closely follow all developments in our sector and other sectors that could help us make our products and services more sustainable.

We are an active participant on the board of the Dutch foundation Matrassen Recycling Nederland (MRN), a group initiated by BBH and four other large bedding companies. This foundation oversees the execution of the Extended Producer Responsibility (EPR) for mattresses, the objective of which is to collect as many used mattresses as possible and recycle them to the highest possible degree. By doing so, we are able to limit the impact at the end of the product life of our mattresses. We aim to extend this responsibility for recycling to all of our other product categories.

For packaging materials, we have introduced a mono-material strategy in combination with using less packaging whenever possible. This has resulted in the use of less packaging material for our products, and a higher quality of recycling of our packaging waste.

### What's next

In the coming years, our main focus will be on the use of mono-materials in our products, and the modular design of our products. This will enable us to extend the life cycle of our products, and reuse the materials to the highest possible degree at the end of the life cycle. Looking ahead, while the phasing out of traditional and non-circular materials in our products is our priority, we will in the meantime ensure that traditional and non-circular materials are reused to the best possible degree.

Product considerations include equivalent comfort of circular materials and their affordability for the consumer. Ultimately, we want to ensure a good night's sleep is available at a price that everyone can afford.

In terms of the recycling of our products at the end of the user phase, our strategy is to limit the residual flow of materials and to use a higher proportion of mono-materials. This means they can either be reused at a higher quality level or new products can be manufactured for our own collection.

## Our value chain

## Our value chain

**Our materiality process drives how we engage internally and externally, how we invest our resources, and how we adapt our strategy on environmental, social and governance topics across our value chain.**

BBH is part of a number of upstream and downstream value chains. The main upstream value chain consists of our suppliers and partners, which provide us with products, services, and IT support. The main downstream value chain consists of our customers, who choose to purchase our products. Our position in the value chain is that of a retailer, and through DBC International as a wholesale company, offering a wide range of products, services, and experiences to our customers. BBH also has a presence in the e-commerce market, which enables our customers to purchase products online. Across all markets, we work closely with our suppliers and partners to ensure the quality and safety of our products.

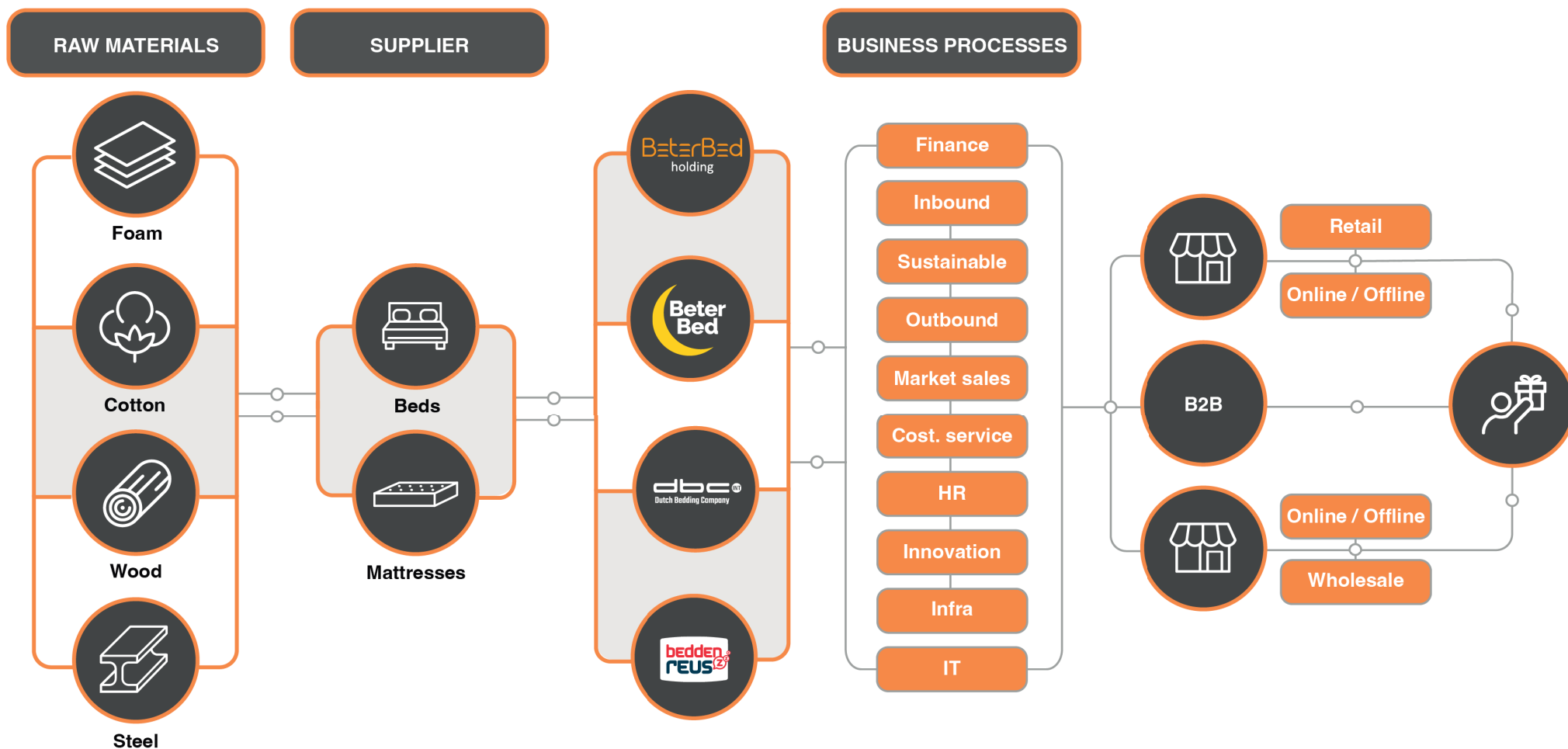
Our input and approach to gathering, developing, and securing these inputs of the supply chain is based on a combination of both internal and external sources. Internally, we leverage our extensive network of retail stores and e-commerce platforms to gather customer feedback and develop innovative products. Externally, we source complete products from suppliers, and maintain relationships with a range of partners to provide services such as logistics and IT support.

Downstream from BBH, a variety of entities are involved in the value chain. These include delivery companies, lease companies, and service providers. These entities provide a range of services to BBH, such as the leasing of box springs and mattresses, the delivery and assembly, installation of mattresses, and the removal and recycling of old mattresses and box springs. They also provide services direct to customers, such as the delivery and installation of products. Further downstream, our supply chain includes suppliers of raw materials, such as wood, foam, and fabrics, as well as manufacturers of furniture and bedding.

BBH also provides services such as leasing, delivery, and assembly of furniture, beds and box springs. Moreover, we offer a wide variety of bedroom furniture, bedding, and related products, including beds, mattresses, bed frames, headboards, bedding sets, and pillows.

The outputs of our supply chain are focused on providing our customers with quality products, services, and experiences. By leveraging our retail stores, e-commerce platforms, and close relationships with suppliers and partners, we are able to provide customers with a wide range of products at competitive prices. To ensure customer satisfaction, we also offer a range of services, such as delivery, installation and after-sales services. For investors, we aim to offer long-term shareholder value, as well as the potential for long-term capital appreciation. Furthermore, we also seek to create value by providing employment opportunities and contributing to the local communities in which we operate.

## Our value chain



## Our supply chain

# Our supply chain

## Selecting suppliers and procurement policy

The sustainability of our suppliers is an integral part of our circular business operations, as their activities have an influence on the communities and environment in which they operate. To ensure our suppliers meet our ESG standards, we have implemented a procurement policy that guides us in sourcing, contracting, and managing our relationships with suppliers. This enables us to take their performance in relation to sustainability into consideration when making decisions. At the heart of our procurement process is the comparison of suppliers based on economic and technical criteria, in addition to the following ESG criteria for products, which forms part of the decision-making in our sourcing process:

- Complying with the Beter Bed Supplier Code of Conduct;
- Adopting the Business Social Compliance Initiative (BSCI), which is described in more detail below;
- Promoting the reuse and recycling of Beter Bed products to reduce landfill and help us shift to a circular business model;
- Promoting the reduction of the use of virgin raw materials and glue;
- Our suppliers must undertake reasonable due diligence within their supply chains to ensure that raw materials used in their products are sourced with the utmost care, for instance excluding sanctioned regions, complying with timber regulations, and respecting human rights and animal welfare;
- Extending the life cycle of products.

Having selected a supplier, we require them to comply with the Beter Bed Supplier Code of Conduct. As a large company that purchases many sleep-related products, we only do business with suppliers that comply with our supplier code of conduct. This code, which forms part of our general purchasing conditions, sets out social and environmental requirements for suppliers, with provisions related to human rights, labour conditions, privacy, timber regulations, safety, environment, bribery, and corruption. We work with strategic suppliers on an ongoing basis, setting out specific terms and conditions for products and services so as to improve their sustainable performance.

## Supplier risk management

We classify suppliers that we have selected according to the impact they may have on the environment and the communities in which they operate, in addition to the working conditions of their employees.

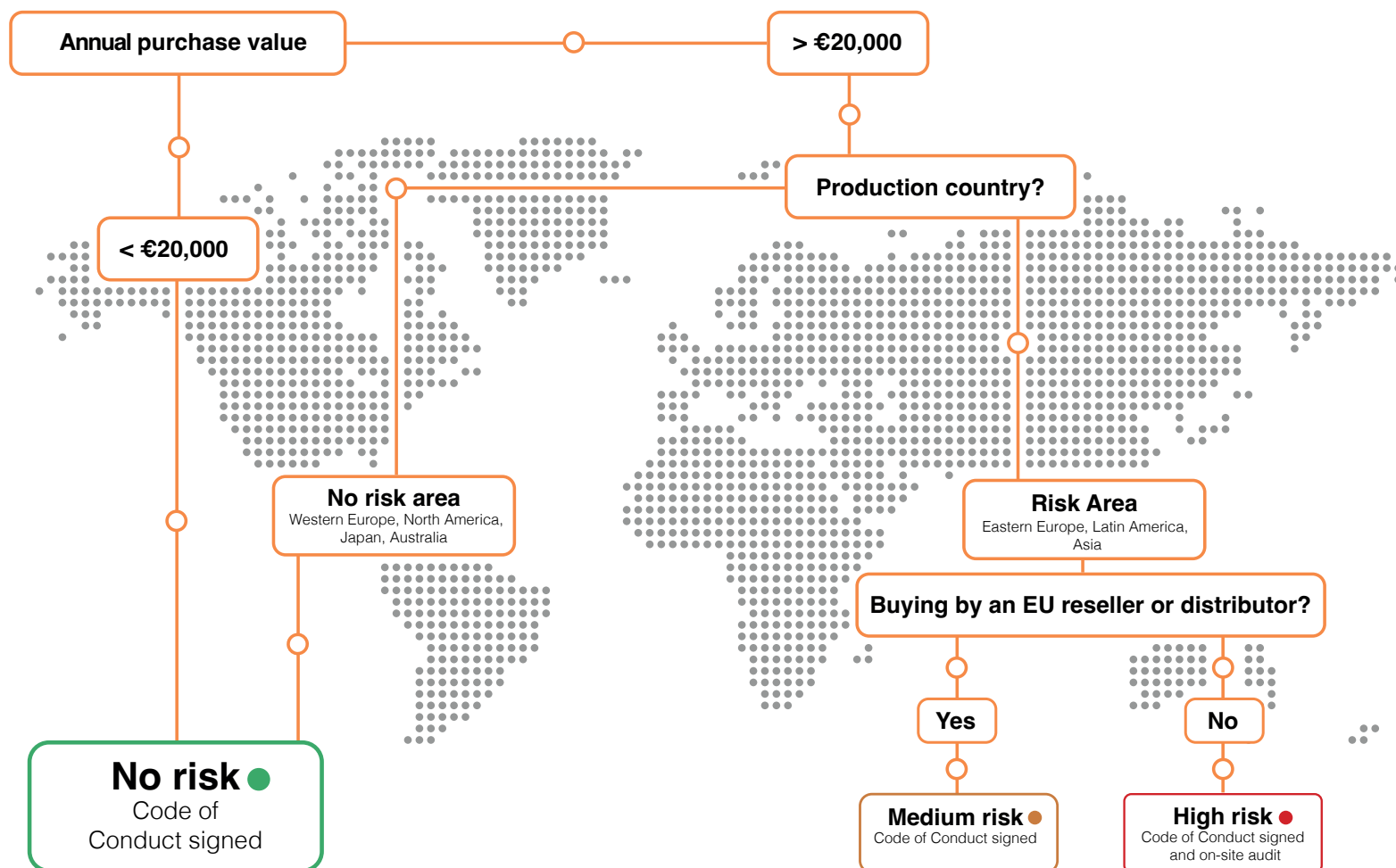
### We assess this risk based on three factors:

- Production country;
- Annual purchase value;
- Potential environmental or social impact of a supplier's operation, product or service.

We use this assessment to determine the frequency with which we check the annual purchase value of the sustainability of their operations. In 2022, we had a total of 57 unique Tier 1 suppliers with a spend of more than € 20,000, of which we classified 13 as high-risk.

Suppliers classified as high-risk are subject to social audits carried out by an independent third-party auditor. These audits are repeated periodically to monitor whether suppliers and subcontractors comply with the sustainable guidelines set in our supplier code of conduct and the Business Social Compliance Initiative (BSCI).

## Our supply chain



# EU taxonomy

## Reporting framework

The European Green Deal has been developed to tackle and overcome the massive challenges associated with climate change. To mitigate the risk of greenwashing, create clarity as to what being ‘sustainable’ entails, and determine what activities contribute towards a climate-neutral future, the European commission developed the EU taxonomy, a classification system for sustainable activities. This criteria determines whether an organisation makes a substantial contribution towards a sustainable economy, and aims to encourage and increase the understanding of sustainable finance and investment.

In order to classify an activity as sustainable using the EU taxonomy, it is necessary to make a distinction between being taxonomy eligible and taxonomy aligned. If the activity is covered under the delegated act, it has the potential to have a significant impact on one of the environmental objectives, and is therefore considered eligible. For an activity to be considered as taxonomy aligned, the eligible activity must meet three criteria. First, it must meet the ‘substantial contribution’ criteria in the delegated act. Second, it must ‘do no significant harm’ to the remaining environmental objectives. Third, we as a group are required to meet the minimum social safeguards in relation to the OECD guidelines for multinational enterprises and the UN Guiding Principles on business and human rights. If the eligible activity meets the previously stated performance requirements, it is sustainable according to the delegated act.

For the financial year 2022, we are required to not only report on taxonomy-non-eligible and taxonomy-eligible activities, but also on taxonomy-eligible activities that are not aligned, and those activities that are aligned.

## Results

At year end, our sustainability team conducted a review of Beter Bed Holding’s turnover, capital expenditure and operating expenses to identify the extent to which any activities within BBH’s business should be considered eligible. The eligible activities were then screened and examined in line with the criteria to determine whether the activities made a substantial contribution, and are therefore considered aligned or not. A full reconciliation was then made to the total reported sales, capital expenditure and operating expenses information so as to avoid double counting in the allocation of the numerators.

### Revenue

None of our revenue generating activities are described in the delegated acts on climate change mitigation and climate change adaptation. They are therefore not currently considered to be ‘eligible’, and for this reason there is no alignment analysis on the turnover KPI in this year’s report.

### Capital expenditure

Our capital expenditures are detailed in the consolidated cash flow statement Notes 1 and 2 (see page 111). A reconciliation of the additions included in the denominator of capital expenditure under the EU taxonomy is provided below.

in thousand €	2022
Additions to intangible assets	2,166
Additions to property, plant, and equipment	4,163
Total capital expenditure for EU Taxonomy purposes	6,329

## EU taxonomy

The following expenditures are covered under the delegated acts, and are therefore eligible in accordance with the environmental objective 'climate change mitigation'.

Activity number in thousand €		2022
7.3	Installation of energy efficient light sources	606
7.3	Installation of heating, ventilation, and air-conditioning (HVAC)	105
Total eligible capital expenditures		711

11% of BBH's capital expenditure in 2022 was eligible but not aligned. We analysed these investments to determine whether they met the technical screening criteria and do no significant harm to one of the remaining objectives.

On the basis of information obtained by BBH's facilities department and suppliers of light sources and air conditioning systems, we can confirm that none of our eligible capital expenditure complies with all the criteria. This is due to the lack of information collected with regards to Directive 2010/31/EU, which concerns meeting the minimum requirements set for individual components and systems. In addition, light sources and air conditioning systems are not rated in the highest two populated classes in energy efficiency according to Regulation (EU)2017/1369, partly due to the new scale adjustments of the energy label. For this reason, we aim to conduct a climate risk analysis in 2023 so as to meet the 'do no significant harm' criteria. Nonetheless, to date, we are not aware of any climate risks within the scope of our eligible investments. Furthermore, we are continuing to enhance our human rights due diligence processes so that we can make a more positive impact within our supply chain.

The full EU taxonomy capital expenditure table is shown in the section 'Other information' (see page 159).

### Operational expenditure

The delegated act uses a narrower definition of Operating Expenses than used in accounting definitions. A reconciliation of the denominator operating expenses under the EU taxonomy is provided below, and represents 0.5% compared with the accounting operating expenses.

Activity number (in thousand €)	2022	%
Maintenance and repair costs	645	
Total operating expenses for EU Taxonomy purposes	645	0.5%
Total operating expenses	117,715	100%

No research and development expenses were incurred in 2022, and we had no lease contracts shorter than 12 months. The following expenses are covered under the delegated acts, and are therefore eligible in accordance with the environmental objective 'climate change mitigation'.

Activity number in thousand €		2022
7.3	Maintenance and repair of energy efficient light sources	24
7.3	Maintenance and repair of energy efficient equipment (heating, ventilation, and airconditioning)	78
7.4	Installation, maintenance and repair of charging stations for electric vehicles	15
Total eligible operating expenses		117

18% of BBH's operating expenses in 2022 were eligible but not aligned. The activity 7.3 'installation, maintenance and repair of energy efficiency equipment' does not meet the technical screening criteria due to the equipment having the same characteristics as the capital expenditure. The activity 7.4 'installation, maintenance and repair of charging station' satisfied the criteria 'substantial contribution'.

The full EU taxonomy operating expenses table is shown in the section 'Other information' (see page 159)

## EU taxonomy

### Change during the reporting period (Capex & Opex)

In 2021, less than 1% of EU taxonomy capital expenditures and operating expenses qualified as eligible. Due to internal decisions such as the installation of energy efficient light sources and charging stations for electrical vehicles, different interpretations of the KPIs and criteria by means of analysing annual reports from peer organisations, and advice obtained from advisory parties, the analysis was performed according to the reporting requirements and with higher reliability than previous reporting year.

### Disclaimer

We note that while the EU taxonomy regulation entered into force in August, 2021, common practices are still being identified that affect its application. Our findings are based on known practices and the most recently updated taxonomy.

## Looking forward

In the future, it is likely that the taxonomy will continue to evolve and be refined to better meet the needs of investors, businesses and other stakeholders. The four remaining climate objectives will be added and existing activities will be more precisely defined to ensure that the taxonomy is an effective tool for driving sustainable investment. Based on these factors, our eligible activities could change, and through new innovations and developments we hope to make as positive an impact as we can.

	Revenue <sup>1</sup>	Capital Expenditure <sup>2</sup>	Operating Expenses <sup>3</sup>
Total scope of activities	Net turnover accounted for in the Consolidated Income Statement under IFRS derived from the sale of products and the provision of services.	Additions to tangible and intangible assets accounted for in the Consolidated Financial Statements under IFRS during the financial year, considered before depreciation, amortization and any re-measurements, excluding Goodwill.	Direct non-capitalized costs recorded in the Consolidated Income Statement under IFRS that relate to research and development, building renovation measures, short-term lease, maintenance and repair (excluding expenses reported as raw materials and consumables used), and any other direct expenses relating to the day-to-day servicing of assets or Property, Plant, and Equipment (PPE).
Total scope of activity	€ 229,434 thousand	€ 6,329 thousand	€ 645 thousand
Taxonomy eligible activities	Turnover derived from products or services that are associated with taxonomy eligible activities.	The part of the Capital Expenditure that is any of the following: <ul style="list-style-type: none"> <li>• Related to assets or processes that are associated with taxonomy eligible activities</li> <li>• Part of a plan to expand taxonomy eligible activities</li> <li>• Related to the output of Taxonomy aligned, enabling or transitional activities as well as activities related to the installation, renovation and repair of building or renewable energy solutions</li> </ul>	The part of the Operating Expenses that is any of the following: <ul style="list-style-type: none"> <li>• Related to assets or processes that are associated with Taxonomy-aligned economic activities</li> <li>• Part of a plan to expand taxonomy eligible activities</li> <li>• Related to the output of Taxonomy aligned, enabling or transitional activities as well as renovating activities.</li> </ul>
Taxonomy-eligible percentage	N/A	11%	18%
Aligned activities	Turnover generating activities that are eligible and make a substantial contribution to one of the environmental objectives by meeting the technical screening criteria of that activity and objective.	Capital Expenditure that are eligible and make a substantial contribution to one of the environmental objectives by meeting the technical screening criteria of that activity and objective.	Operating Expenses that are eligible that make a substantial contribution to one of the environmental objectives by meeting the technical screening criteria of that activity and objective.
Taxonomy-aligned percentage	N/A	0%	0%

## KPI scorecard

## KPI scorecard highlights

**To ensure the successful execution of our strategy, we established at least one KPI for every material topic to monitor progress over time. In 2022, we focused on those material topics identified in our materiality analysis as having the highest priority. In addition, we report on the KPIs that we will continue to report on in the future, in addition to those required by specific laws and regulations.**

### Promise

#### Innovation for better sleep

To improve our customers' quality of sleep, we introduced Beter Slapen ID. This began in 2021 with a pilot in our new sleep experience store in Groningen in which we tested, optimised and assessed the popularity and effectiveness of the new technology. In 2022, we started the system's roll-out across our network of Beter Bed stores in Belgium and the Netherlands, with the full roll-out is set to be completed in the first half year of 2023.

This year, we also introduced a KPI to measure the use of Beter Slapen ID in the stores in which it is available. Feedback to date is very positive, and we expect 70% of in-store customers will use the system to choose the right sleep solution for them by 2025.

#### CO<sub>2</sub> emissions

One of the most important aspects of our sustainability strategy is to contribute to a better climate by reducing our CO<sub>2</sub> emissions.

In 2022, we invested in energy-efficient measures in our stores and other buildings, and reduced emissions through the electrification of our fleet and the transition to renewable energy for our own operations.

We also began a pilot for the use of electric transport vehicles in our service fleet, and changed the lease regulation for staff cars so that all future cars will be electric, with the goal being a fleet that is at least 30% electric by 2025.

In addition to these investments, which resulted in a year-on-year reduction in CO<sub>2</sub> emissions of our own operations of 50.7%, we invested to offset a further 1,000 tons of CO<sub>2</sub> emissions by participating in the Qianbei Afforestation Project in the east of China. This resulted in a total reduction in CO<sub>2</sub> emissions of 64% compared with 2021.

### People

#### Human rights & supply chain

In 2022, we achieved our 2025 target, as we were successful in ensuring that all our suppliers (100%) signed our supplier code of conduct. As a result, we will start the risk inventory and audit of the suppliers earlier than planned. In our supplier code of conduct we also make agreements with our suppliers to prevent corruption and bribery: suppliers may not pay or accept any bribes, including gifts, in order to obtain services, assignments or other benefits (including financial benefits) and may not otherwise be engaged in corruption within the meaning of the OECD guidelines.

## KPI scorecard

### Employer safety & well-being

We consider safety & well-being to be of paramount importance, and therefore provide central guidance to ensure a clear and consistent approach is taken across our Group. This includes creating a central point of contact to which responsibilities by department are defined and recorded.

In 2022, to ensure that safety is given the highest priority at BBH, our cross-departmental safety organisation was restructured. Central safety contacts were appointed and procedures redefined. Furthermore, all distribution centres were reviewed and required to meet new safety standards. Among other things, this has improved how any accidents or incidents are recorded.

## Product

### Circular product development

2022 was the first year in which we applied our new definitions for our more sustainable products. These were determined on a product group basis by our sustainability team and category management department. In total, there are four categories of more sustainable products: circular, modular, certified natural and certified recycled. These categories have been adopted in our tender criteria for the development of new products. By year-end, this had resulted in 16% more sustainable products across our product range.

## KPI scorecard

Material topic	KPI's	Unit	KPI score 2021	KPI score 2022	Target year 2025 <sup>4</sup>	Status
Promise						
Innovation for better sleep	% of mattresses purchased after using Beter slapen ID	%	n.a.	58%	70%	●
Community engagement	% investment in sponsoring (of marketing budget)	%	3.9%	2.8%	no target applicable	●
Sustainable operations	% waste recycled	%	93%	89%	>95%	●
	CO <sub>2</sub> emissions	Tonnes	6,237	2,252	-75%	●
	Energy consumption (TJ)	TJ	76	73	-20%	●
	% renewable energy	%	0%	100%	>75%	●
	% electrical fleet	%	3.4%	5.1%	>30%	●
People						
Human rights & supply chain	% suppliers who signed the code of conduct <sup>2</sup>	%	81%	100%	100%	●
	% suppliers audited	%	n.a.	n.a.	100% <sup>3</sup>	●
Diversity & inclusion	Gender diversity staff	%	43%	43%	>40%	●
	Gender diversity extended management team	%	29%	30%	>33%	●
	Gender diversity Management Board	%	50%	50%	>33%	●
Training & development	# hours training per employee	h	16h <sup>1</sup>	14h	no target applicable	●
	Number of employees to have received a promotion	#	68	53	10% of total FTE	●
Employee safety & wellbeing	Sick leave	%	5.5%	5.3%	5.3%	●
	Accidents	#	9*	12	0	●
	Near misses	#	0	0	0	●
Product						
Circular product development	More sustainable products	%	15%	16%	45-52%	●
Collaboration for reuse and recycling	% of mattresses returned for recycling	%	11%	13%	25%	●
Sustainable packaging	% of packaging recycled	%	96%	96%	>95%	●

1) Definition changed

2) Suppliers with >20k purchase value in reporting year

3) High risk suppliers

4) Base year: 2021

● New

● Maintained

● Work to be done & Maintained

## People key figures



### Number of employees and FTEs

	Employees	FTEs
2022	<b>1,047</b>	<b>911</b>
2021	<b>1,084</b>	<b>937</b>

### Age diversity

	<30	30-50	>50
2022	<b>29%</b>	<b>39%</b>	<b>32%</b>
2021	<b>32%</b>	<b>38%</b>	<b>30%</b>

### Training modules completed

2022	<b>20,516</b>
2021	<b>13,918</b>

### Gender diversity

	♀	♂
2022	<b>44%</b>	<b>56%</b>
2021	<b>44%</b>	<b>56%</b>

### Gender diversity Supervisory Board<sup>1</sup>

	♀	♂
2022	<b>50%</b>	<b>50%</b>
2021	<b>40%</b>	<b>60%</b>

### Gender diversity Management Board<sup>2</sup>

	♀	♂
2022	<b>50%</b>	<b>50%</b>
2021	<b>50%</b>	<b>50%</b>

<sup>1</sup> Our goal is that the Supervisory Board exists of a minimum of 33% in either gender. In 2022, the Supervisory Board consisted of 2 women and 2 men.

<sup>2</sup> Our goal is that the Management Board exists of a minimum of 33% of either gender. In 2022, the Management Board consisted of 1 woman and 1 man.

## People

# Being an employer of choice

## How we create ambassadors by focusing on happiness at work

Having a clear sense of purpose at work has become ever more important to employees in today's working environment. How we as a company articulate our *Sleep better, live better* purpose internally with our team of employees, is therefore every bit as important as how we communicate it externally. Each and every member of our team plays a vital contribution in helping people to have a better life by getting a better night's sleep. We believe this mission is something our employees can be proud of and passionate about, and something that can help them make the right choices for our customers at work.

We are striving to be an 'employer of choice'. Our company has already taken considerable steps to become more attractive to our existing employees, helping to make them proud and engaged ambassadors in what remains a competitive employee market. Central to this is our work to make BBH an inspiring place to work. We challenge our employees to discover, use and enhance their talents in a pleasant, respectful and safe working environment. To this end, we as a company place a real focus on learning and development, helping to improve our team's knowledge and competences, and ultimately their ability to deliver for our customers.

We are proud that our teams live and breathe our *Sleep better, live better* purpose, exhibit a shared passion for the products and services we offer, and provide the very best possible sleep advice to our customers.

## Employee engagement

### Engagement survey

Happiness at work is pivotal to everything from employee commitment to productivity. It all starts with listening to our employees so that we understand their wants, needs and expectations, together with any causes of dissatisfaction.



To ensure their commitment and happiness, we require the right data and insights to respond appropriately to how they feel. This is why in 2022 we launched our new employee engagement survey: Happy@work.

At 70%, the response rate for the 2022 survey was good, indicating high levels of engagement. The results were also positive, demonstrating that BBH performed significantly better on almost every topic compared with the average benchmark score, which included a large number of comparable employers.

## People

Overall, based on results from the survey, our employees are more positive and significantly happier compared with the benchmark scores about levels of cooperation and working together within their own team, the willingness to embrace change across our company, and feeling appreciated and recognised. Further progress is, however, required to improve internal communication within our company.

One way in which we have worked to enhance internal communication has been through the introduction of our new custom-designed and easy-to-use employee app called Happy@work. The app fulfils the needs of our employees by providing access to a wide range of information, such as updates about HR, safety, our commercial performance and new colleagues joining our company. The app is proving popular with employees, as evidenced by the numbers of dedicated users, which has increased from 65% on the old app to almost 75%. It is also helping us to strengthen both employee engagement and internal branding. We understand that the commitment and engagement of our employees must continue to be a focus area if we are to achieve our ambition of becoming an employer of choice.

### A safe, happy and respectful working environment

As an employer, we do all we can to foster a safe, happy and respectful working environment. During 2022, we took a number of actions in the warehouses to improve safety, such as training programmes about physical strain, a training programme on emergency response, and new signage to highlight safety instructions. As a result of these improvements, safety incidents are detected and signalled earlier. Over the course of the year, a total of 12 work-related accidents were reported. These accidents were not the result of an unsafe working environment, but nevertheless occurred during office hours and were therefore reported as such. In all cases, appropriate action was taken immediately.

In terms of creating a respectful workplace, we believe that any incident of inappropriate behaviour that is inconsistent with our values and affects an individual's dignity at work is one too many. We have communicated our zero-tolerance statement – which outlines what employees should do in the event of them experiencing or observing any such behaviour – to all employees through various channels, emphasising that all employees must feel safe at BBH and be treated with respect at all times.

BBH's Code of Conduct (COC) includes the key principles on how BBH conducts its business, and how it expects its employees to act. The COC is compulsory for our employees and includes various topics, including fair competition, corruption, improper advantages, and anti-fraud. Awareness about the COC is raised through our employee onboarding programme and our company whistleblowers policy. The COC applies to members of our Supervisory Board, Management Board and all employees, with anyone at BBH able to report potential violations of our COC through the procedures stated in our whistleblowers policy. Regardless as to how an issue is reported, our whistleblowers policy includes a non-retaliation policy that applies to any individual that reports a concern or incidence of inappropriate behavior. In 2022, no concerns were reported through our whistleblowers policy.

### Recruiting in a competitive market

Given that the significant number of vacancies in our sector has occurred at a time of low unemployment, our company has experienced how challenging it can be to fill vacancies in the current market. For this reason, we have sought to continuously improve both our online and offline visibility. An important element of this work was the launch of our state-of-the-art new recruitment website in March 2022. This showcases BBH by giving potential employees an insight into our company and culture, together with promoting opportunities across our organisation. In addition, we are putting greater emphasis on our social media channels to better target the right people.

### Working in a performance- and development-oriented environment

Employee development is not only key to an individual's future prospects, but also to the future success of BBH. We therefore strongly believe in the importance of employees having clear career paths in which they can grow, discover their talents, follow their ambitions, and have opportunity to get promoted. During the year, 53 BBH employees received a promotion as a direct result of this focus on development.

This year, 53 employees from different levels of our organisation – drawn from our head office, and regional and store management – followed a training programme to strengthen their management skills. We also held a series of management offsites during which almost 60 of our senior leaders and executives focused on their personal leadership style, together with learning more about the best way to translate our strategy to their teams in an engaging, inspiring and practical way. Another interesting development initiative involved 150 employees further improving their teambuilding skills by taking part in our new 'talent check programme'.

## People

This programme is undertaken at team level and helps to provide insights about the respective talents of the different members of the team. This helps to better understand one another, particularly in terms of getting the very most out of one another's talents.

In 2022, we developed a senior leadership programme for high potential senior leaders set to take on greater responsibility within the next two years. This blended programme will begin in 2023, and includes knowledge modules, skills training in personal effectiveness, strategic leadership, team development, and active participation in several projects. Learning takes place both 'on the job', with coaching provided internally by GLT members to whom they do not report, and 'off' the job, with coaching provided by external learning and development specialists.

### Talent review

As part of the strategic HR planning, a talent review was undertaken in 2022 of the GLT members and senior leaders reporting directly to them. This talent review was also discussed with the Supervisory Board. The talent review provides not only a review of performance with respect to other senior colleagues but also a picture of the possible development opportunities for the succession of the Management Board members and GLT members. This review is a regular subject of discussion at BBH with respect to talent recognition and career development.

### From product sale to sleep advisor

Our new special sales programme, launched in January 2022, will see traditional sales conversations transformed from being product-oriented to truly sleep advice-oriented. Our sales advisors are today sleep specialists, and equipped with expert knowledge are able to advise customers about the best sleep solutions for them as individuals. All our stores' teams now receive specialist training so that they are fully able to provide expert sleep advice, in line with our company's shift in approach from focusing on product sales to sleep advice. This is supported by our Beter Bed Academy (our online learning platform with almost 800 training modules), which has a number of newly created product modules that enable our teams to be up-to-date with the latest sleep products and technologies.

### Diversity & inclusion

Our company strongly believes in the importance of having a diverse and inclusive workforce in terms of education and experience, nationality and cultural background, gender, age, and also in people with a distance to the labour market. Moreover, it is vital that everyone at BBH feels welcome and respected.

As an organisation that is working hard to foster a more inclusive workplace, we were pleased to achieve the Performance Ladder Social Entrepreneurship (PSO) certificate in February 2022, as a result of our focus on supporting individuals who find themselves in a vulnerable labour market position. We believe our work and commitment in this area is an important element of our social responsibility as a company. As a result of this change in focus, we successfully increased the percentages of employees in this specific target group.

While we reached our goal for gender diversity of at least 33% of either gender across our company in 2022, female representation in our extended management team amounted to 30%. Through our senior leadership programme for high-potential senior leaders, we hope to strengthen the experience of future leaders at BBH, thereby creating a more balanced extended management team in the future.

### Representing our employees

A new works council was chosen at the beginning of 2022, with 12 positions split across our organisation's different disciplines and functions. The works council represents all different business units and meets on a monthly basis to discuss topics related to employees and business operations.

BBH values having an effective, open, and transparent working relationship with BBH's works council, which represents all employees in our organisation in a highly professional way. We are very pleased that our working relationship with the works council is honest, transparent and cooperative, and would like to thank them for their constructive collaboration over the past year.

## People

The development of the number of employees is as follows:

	2022	2021	2020	2019 <sup>1</sup>	2018 <sup>1</sup>
<b>Diversity</b>					
Women	457	471	492	535	500
Men	590	613	632	651	596
<b>Total</b>	<b>1,047</b>	1,084	1,124	1,186	1,096
<b>Age</b>					
<30	306	345	399	421	340
30-50	402	417	448	491	512
>50	339	322	277	274	244
<b>Total</b>	<b>1,047</b>	1,084	1,124	1,186	1,096
<b>Diversity in extended management team</b>					
Women	15	15	12	10	9
Men	35	36	35	35	31
<b>Total</b>	<b>50</b>	51	47	45	40
<b>Diversity in extended management team (in %)</b>					
Women	30%	29%	26%	22%	22%
Men	70%	71%	74%	78%	78%
<b>Total</b>	<b>100%</b>	100%	100%	100%	100%

	2022	2021	2020	2019 <sup>1</sup>	2018 <sup>1</sup>
<b>Full-time/part-time</b>					
Full-time - women	73	72	86	92	71
Full-time - men	360	380	371	416	401
Part-time - women	384	399	405	470	429
Part-time - men	230	233	262	208	195
<b>Total</b>	<b>1,047</b>	1,084	1,124	1,186	1,096
<b>Fixed-term/temporary contracts</b>					
Fixed - women	308	339	353	353	352
Fixed - men	416	420	404	386	385
Temporary - women	149	132	138	172	148
Temporary - men	174	193	229	275	211
<b>Total</b>	<b>1,047</b>	1,084	1,124	1,186	1,096
<b>By region</b>					
The Netherlands	991	1,029	1,073	1,028	908
Sweden	-	-	-	120	156
Belgium	56	55	51	38	32
<b>Total</b>	<b>1,047</b>	1,084	1,124	1,186	1,096
<b>Parental leave</b>					
Women	7	8	5	15	17
Men	16	2	9	4	10
<b>Total</b>	<b>23</b>	10	14	19	27

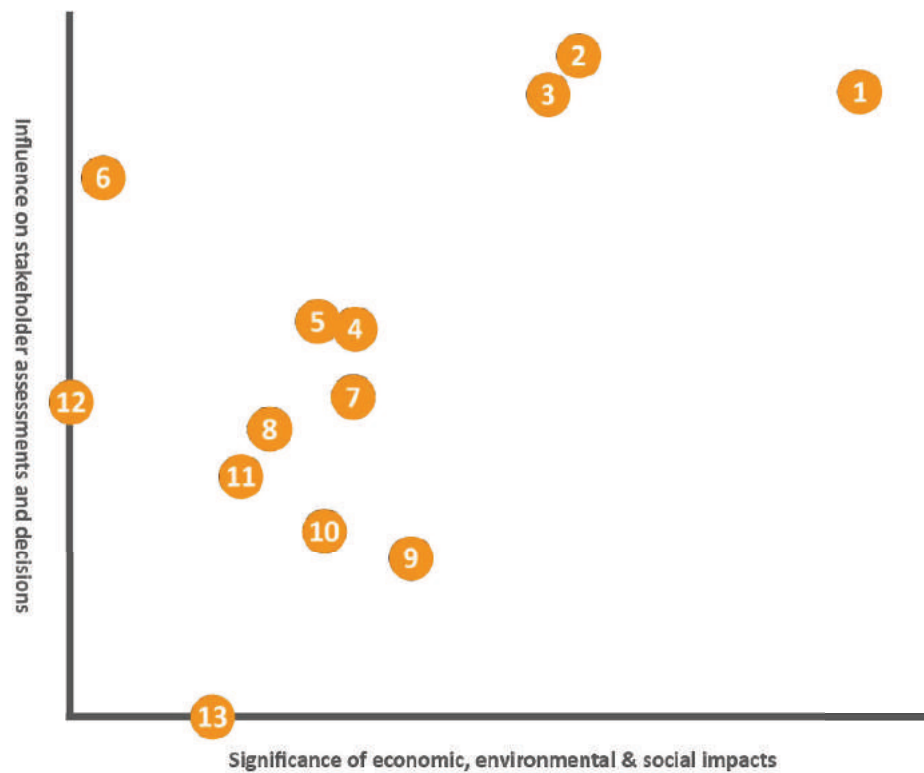
<sup>1</sup> The years 2018 and 2019 include Swedish employees.

## Materiality matrix

### Topics

- 1 Durable product development
- 2 Innovation for better sleep
- 3 Collaboration for reuse & recycling
- 4 Customer awareness
- 5 Sustainable operations
- 6 Accessibility & affordability
- 7 Employee well-being
- 8 Certified materials
- 9 Talent attraction
- 10 Sustainable packaging
- 11 Training & development
- 12 Human rights in our supply chain
- 13 Diversity & inclusion

### Materiality matrix



## Management approach material topics

Innovation for Better Sleep				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Transforming ideas for better sleep into products and services that meet the changing needs of our customers.	Influencing the quality of sleep of our customers, which is reflected in their health and well-being.	To improve the quality of sleep of our customers and ensure that this is measurable.	In 2022, we introduced the data-driven technology Beter Slapen ID in our retail stores to provide our customers with objective product advice. The full roll-out is set to be completed in the first half year of 2023.	Our team has quickly become skilled at using Beter Slapen ID, and the technology has been embraced by customers which value the advice they receive. We are therefore rolling out the system to all stores.
Community Engagement				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Working collaboratively with scientists and organisations to improve people's health and well-being by addressing issues that affect their quality of sleep.	Contributing to the general quality of sleep in our markets, thereby improving health and well-being, with a particular focus on those suffering from medical conditions.	To make a good night's rest possible for everyone; to contribute to health, well-being and performance; and to gain knowledge about the importance and impact of sleep on our general health and well-being.	We provide sleep solutions for and sponsor the Princess Máxima Children's hospital, refugees, the Netherlands Olympic team, professional cycling and speedskating team Jumbo Visma, Ajax football club and many others.	Many consumers value that our products are chosen by top athletes, as it underlines that link between good sleep and high performance. In addition, we receive valuable information from the elite athletes about the impact of various sleeping systems on their performance.
Sustainable operations				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Reducing carbon emissions and waste in our operations – for instance in our offices, stores, distribution centres, transportation and travel to and from work – by promoting sustainable behaviour and introducing more sustainable facilities and transportation.	Positively impacting the environment, including by reducing Greenhouse Gas emissions. In addition, reducing emissions can reduce our costs, leading to efficiency gains, and positively impact our reputation.	To reduce the CO <sub>2</sub> emissions of our own operation by 75% in 2025.	We provide sleep solutions for and sponsor the Princess Máxima Children's hospital, refugees, the Netherlands Olympic team, professional cycling and speedskating team Jumbo Visma, Ajax football club and many others.	Many consumers value that our products are chosen by top athletes, as it underlines that link between good sleep and high performance. In addition, we receive valuable information from the elite athletes about the impact of various sleeping systems on their performance.
Human rights & our supply chain				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Ensuring human rights are an integral part of our supply chain, especially within our human resources, supplier management and procurement processes.	We have a responsibility for the well-being of everyone involved in the production process of our products, right up to their delivery to our customers. Carelessness and inattention can lead to abuse and mistreatment.	We want to be able to guarantee that all suppliers and their subcontractors endorse our supplier code of conduct and act accordingly in practice. Step one is that they must sign up to the code. Step two is that we will monitor this through visits and audits.	In 2022, all active suppliers with a purchase value over EUR 20,000 signed our supplier code of conduct. We are now examining their performance in practice, and will continue this work going forward.	The materiality analysis we conducted made it clear that monitoring compliance with human rights in our supply chain is essential for both our investors and our customers. This is one of the drivers of it being central to our sustainability strategy.

## Management approach material topics

Diversity & inclusion				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Fostering, cultivating and maintaining a culture of diversity and inclusion within our company so that people can be their best selves at work, and are treated equally, whatever their age, gender, ethnicity, religion or sexual orientation.	Having a diverse and inclusive workforce can enhance creativity, innovation, and overall performance. Moreover, a diverse and inclusive culture creates a more positive and engaging working environment, which can lead to improved employee retention and satisfaction. In addition, by focusing on diversity and inclusion, we are better able to attract top talent and benefit from a greater variety of ideas and perspectives.	To promote gender diversity within our company, with a minimum of at least 33% female employees across all divisions.	We achieved 50% gender equality within our Supervisory Board and Management Board, and we continued to work hard to achieve at least 33% of either gender across all divisions.	Our stakeholders have the opportunity to express their different perspectives and contribute to decision-making processes. They are frequently involved in the development of diversity and inclusion strategies and policies, and provide valuable insights as to how we are performing with regards to diversity and inclusion within our organisation.
Training & development				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Providing our employees with the opportunity to develop their skills and competencies.	Having an effective learning and development programme positively impacts employee satisfaction. Moreover, if members of our team are able to continue learning and developing, they will be more likely to want to continue their careers at BBH and progress within our organisation.	To support our organisation and staff with the right knowledge and skills training during onboarding; to broaden their knowledge and skills as they progress through our organisation, and to contribute to employee retention and promotion.	In 2021, we reported a significant increase in employee training hours as shop closures due to COVID-19 led to an increase in online trainings. While there were fewer shop closures in 2022, we were still able to provide 14 hours training per employee.	Our learning and development programmes are continuously tailored to the needs and demands of our team. This includes employees' personal development trajectories, for example, broadening their knowledge and skills in specific areas.
Employee safety & well-being				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Contributing to the enhancement of the physical and mental well-being of our employees by ensuring a healthy and safe working environment, and by supporting a healthy lifestyle.	On one hand, a safe and healthy workforce can enhance productivity and morale, and reduce absenteeism and employee turnover. In addition, it can also benefit how customers perceive our business, which in turn leads to increased business. On the other hand, neglecting employee safety and well-being can lead to accidents, injuries, and illnesses, which can result in decreased productivity, increased healthcare costs, and potential legal and financial liabilities.	To establish a plain safety organisation, and clear communications about procedures and regulations related to safety and supervision so as to create a safe working environment.	In 2022, all distribution centres were inspected and adapted in line with our safety standards. Special attention was paid to technology that supports this, and to the level of knowledge on the shop floor. As a result of raising awareness, the logging of accidents and near misses has improved, which means we are now better able to take action to improve the working environment. An organisation-wide risk inventory and evaluation is planned for 2023, in which staff will be asked to share their views about safety and well-being at work.	We obtain safety information from external experts and the occupational health and safety service to assist us in following regulations. In addition, safety topics and progress made is discussed at an organisational level on a monthly basis.

## Management approach material topics

Talent attraction & retention				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Continuing to be an interesting, inspiring and desirable place to work for potential employees, and actively recruiting new talent.	Our company has a positive reputation and strong brands that helps to attract top talent both within and beyond our industry. In addition, organisations that offer competitive compensation and benefits, opportunities for professional development, and a positive work-life balance have better employee retention rates.	To be the employer of choice for our employees and our soon-to-be employees, we strive to create a positive working environment and culture, which is important for the attraction and retention of the top talent. Opportunities for career growth and development, clear communication and transparent leadership, fair compensation, and a healthy work-life balance are all key recruitment and retention factors.	Despite the recent tight labour market conditions, we have still been successful in attracting talent for our organisation, and we are pleased with the internal promotions within our organisation, which reached 3,9 % in 2022. Given shortages in the wider market, retaining personnel continues to be a focus area, particularly as there are currently many employment opportunities for employees at branches and distribution centres.	By maintaining close contact with managers within our organisation, we are better able take quick actions to retain staff. In addition, we have been successful in using social media to promote our organisation as an attractive potential employer.
Circular product development				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Ensuring that we focus on the development of products that are circular by design (and contribute to a circular economy), meaning that the materials used are renewable or recycled, and that our products are designed to be easily disassembled, reused or recycled at the end of the product life cycle.	By bringing products to market, our company invariably has an impact on the environment. Offering more circular, natural and recycled materials is increasingly enabling us to limit this impact. It is important that we continue to closely monitor the sustainable development of raw materials so that adjustments can be quickly incorporated into our products.	To triple our product range with more durable options to 45% of our total collection, in line with our sustainability goals for 2025.	Through various collaborations with industry peers and suppliers, we now offer 16 products as more sustainable options for our consumers. Any such products consist of circular, recyclable and/or natural materials, or have a modular structure, so that the remaining mono-materials can be reused to a higher degree.	In the field of circular product development, we are dependent on developments in the raw materials market. We work closely with suppliers both within and outside our industry to monitor these developments.
Collaboration for reuse & recycling				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Collaborating with all parties involved to ensure that materials are disassembled and reused at the end of a product's life cycle, and if that is not possible, recycled.	Until all our products are circular, it will be necessary for us to collect as many as possible at the end of the life cycle, and reuse or recycle them to the highest possible degree.	We are active participant on recycling mattresses in the Netherlands and Belgium. Together with four industry partners, we have committed ourselves to recycle 75% of the mattresses we bring to market by 2028. This will entail both promoting responsible collection at local collection stations and collecting the mattresses ourselves.	In 2022, we collected 55% of the mattresses that we brought to market through the Matras Recycling Nederland (MRN) foundation, in addition to collecting 13% of the mattresses ourselves. Consumers can often use local collection points for mattresses, which are affiliated with MRN; this will limit the transport needed.	We actively participate in the MRN foundation, together with four industry partners. This foundation's goal is to collect mattresses and recycling them in a responsible way. Agreements have been made with the Ministry of Infrastructure and Water Management about the MRN's work, and these have been declared generally binding.
Sustainable packaging				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Ensuring that the packaging used to protect our sleep products is made of sustainable mono-materials; that it is reused as many times as possible (for instance reusing packaging material used in home deliveries), and that it is recycled at the end of the process by our recycling partner.	Sustainable packaging is designed to minimise the environmental impact of packaging materials throughout their life cycle, from sourcing and production to disposal or recycling. This can include using materials that are biodegradable, recyclable, or made from renewable resources. Using sustainable packaging can reduce the amount of waste generated, in addition to the use of fossil fuels and other resources, which can have a positive impact on the environment.	To limit the use and/or weight of packaging, packaging used must consist of a single type of packaging material that is easy to reuse or recycle. This enables us to recycle the packaging that we collect ourselves to a high degree in collaboration with our waste processor.	At present, in consultation with our suppliers, we limit packaging materials used for our products to two materials: polyethylene plastic and cardboard. Both materials are collected separately and converted into reusable materials by our waste partners. We are currently examining whether in the future these materials could also be used in our products.	Limiting the use of packaging materials is central to discussions when we develop and purchase products. For this reason, the use of PVC in packaging materials has, for instance, already been discontinued in recent years. The quality of the collection and the level of recycling and/or reuse is part of the discussions we have with our waste partners on an annual basis.

## EU taxonomy - tables

### Capex

Economic activities	Code(s)	Absolute Capex	Proportion of Capex	Substantial contribution criteria				DNSH criteria*					Minimum safeguards	Taxonomy- aligned proportion of Capex, 2022	Taxonomy- aligned proportion of Capex, 2021	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
		x € thousand	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A. Taxonomy-eligible activities																	
A.1. Environmental sustainable activities (Taxonomy-aligned)																	
No taxonomy-aligned activities yet													0%				
Capex of environmentally sustainable activities (Taxonomy aligned) (A.1)		0	0%	0%	0%												
A.2. Taxonomy-Eligible but not environmentally sustainable activities																	
Capital Expenditure on energy efficient light sources and equipment	7.3	711	11%	0%	0%	N	N	N	N	N	N	N				T	
Capex of Taxonomy-eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (A.2)		711	11%														
Total (A.1 + A.2)		711	11%											0%			
B. Taxonomy-non-eligible activities																	
Capex from Taxonomy-non-eligible activities (B)		5,618	89%														
Total (A + B)		6,329	100%														

\* no alignment with 'DNSH' because no climate risk analysis has yet been fulfilled.

## EU taxonomy - tables

### Opex

Economic activities	Code(s)	Absolute Opex	Proportion of Opex	Substantial contribution criteria		Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	DNSH criteria*				Minimum safeguards	Taxonomy-aligned proportion of Opex, 2022	Taxonomy-aligned proportion of Opex, 2021	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Y/N	Y/N	Y/N	Y/N	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		x € thousand	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-eligible activities																		
A.1. Environmental sustainable activities (Taxonomy-aligned)																		
No taxonomy-aligned activities yet															0%			
Opex of environmentally sustainable activities (Taxonomy aligned) (A.1)		0	0%	0%	0%													
A.2. Taxonomy-Eligible but not environmentally sustainable activities																		
Maintenance and repair of energy efficiency equipment	7.3	102	16%	0%	0%	N	N	N	N	N	N	N	N	N				T
Maintenance and repair of charging stations for electric vehicles	7.4	15	2%	100%	0%	N	N	N	N	N	N	N	N	N				T
Opex of Taxonomy-eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (A.2)		117	18%															
Total (A.1 + A.2)		117	18%													0%		
B. Taxonomy-non-eligible activities																		
Opex from Taxonomy-non-eligible activities (B)		528	82%															
Total (A + B)		645	100%															

\* no alignment with 'DNSH' because no climate risk analysis has yet been fulfilled.