

# Sustainability Report

2023







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# About us



NARBUTAS is an international manufacturer of office furniture, offering a wide range of solutions that help to fulfil the concept of the modern office. Focusing on meaningful innovation, time-tested and easy-to-implement solutions as well as internationally relevant design, NARBUTAS aims to provide employees with the opportunity to work in modern and high-quality offices. Our design motto is “Nothing unnecessary”.





# About the Report

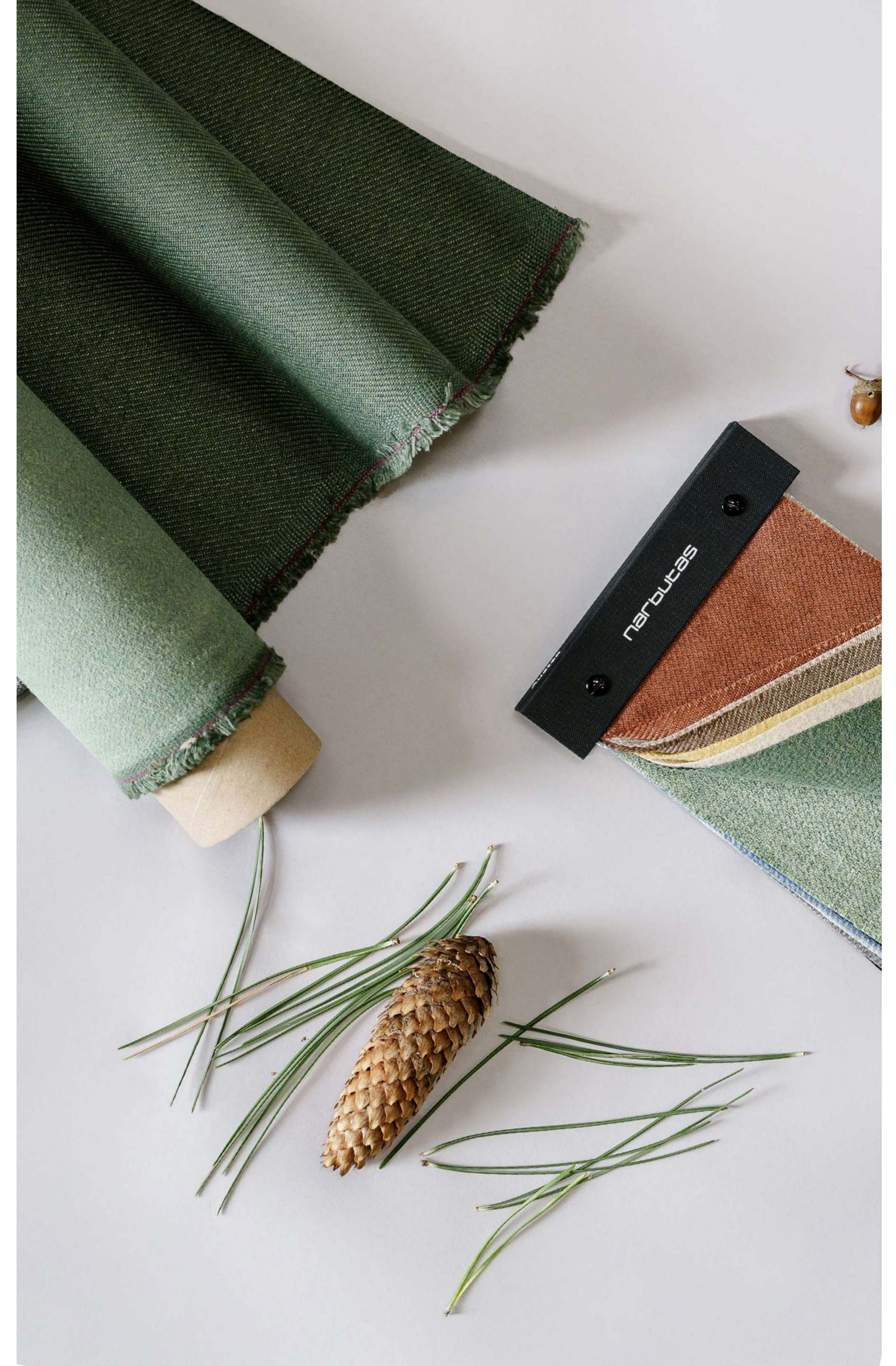
This is the fourth voluntary Annual Sustainability Report of Narbutas International UAB, covering the period from 1 January 2023 to 31 December 2023.

It presents the key events of the year, key performance indicators and key sustainability information. The Report has been prepared with reference to the latest version (2021) of the Global Reporting Initiative (GRI) standards.

It contains the most relevant information available to the company at the time of preparation and has not been externally audited. The names Narbutas International UAB and NARBUTAS are used synonymously.

The Report is available in Lithuanian, English, German, French and Spanish in electronic form only, and is publicly accessible on the website [www.narbutas.com](http://www.narbutas.com).

Our stakeholders' opinions are important to us and we welcome your feedback or questions on sustainability by email: [certification@narbutas.lt](mailto:certification@narbutas.lt).





# President’s foreword

“

Dear partners, colleagues and all those interested in the company’s activities,

It is my pleasure to present to you the insightful Annual Sustainability Report which is important for all of us. This Report is not just a review of the year but also an important moment in our commitment and responsibility to the environment, society and our business. The Annual Sustainability Report is a way of measuring our achievements as well as a platform for us to create and develop a long-term sustainability plan for the company together. So I invite everyone to collaborate, discuss and engage in this important process of creating positive change in the company, society and world.

Thank you for your commitment and cooperation.

Respectfully,  
Petras Narbutas, President of Narbutas International





# Only sustainable companies have prospects for the future

Sustainability has been NARBUTAS' strategic direction since 2021. Our long-term goal is to reduce CO<sub>2</sub> emissions and become a climate-neutral company by 2028, so sustainability is the foundation for every choice we make.

We have been in business for 33 years. It is our firm belief that only companies that care about the environment and contribute to sustainable development have a future. Sustainability is fundamental to building a lasting business.

We can see that the world is becoming increasingly conscious about sustainability. This is a topic that resonates with all our target groups: sales partners, architects and designers, end-users and our own employees. We aim to be the best partner for our customers, work hand in hand with them and pursue common goals, so we are happy to meet the ever-increasing need for sustainable products. Sustainability is moving from being a value to being an inevitability, a daily routine – one of those good daily routines that are meaningful and change us and our whole environment.

We pursue our sustainability goals by continually investing in cleaner, healthier and more transparent activities. NARBUTAS has identified three key areas of sustainability: energy and emissions, sustainable design, employees and community.

We are constantly working to reduce our use of fossil fuels. Electric vehicles made up 74% of our car fleet maintained in Lithuania at the end of 2023. We use only green electricity in our production and offices, much of it generated by our own ever-expanding solar power plant installed on the factory roof. It provided around 10% of the energy needed in 2023 and will provide around 40% in 2025, including the company's continued growth. To further reduce CO<sub>2</sub> emissions, we started to measure Scope 3 emissions in 2023. For several years now, we have been measuring our Scope 1 and Scope 2 emissions on an annual basis.

The European Union has set itself the ambitious goal of becoming a climate-neutral continent by 2050. One of the most important things we have planned for 2024 is to develop an action plan to achieve our long-term goal of becoming a climate-neutral company in terms of Scope 1 and 2 emissions by 2028.



# Only sustainable companies have prospects for the future

Raw materials have the greatest environmental impact in furniture production. NARBUTAS follows the sustainable design principles which encompass not only the universal, timeless design of our collections but also considerations for raw materials, logistics, packaging, the product's separability and recyclability at the end of its life. We are proud that over 50% of our suppliers are from Lithuania, where all our products are manufactured. Only one of our suppliers is not from a European country. 75% of our suppliers have signed our Supplier Code of Conduct, which covers areas such as human rights, business ethics and environmental protection.

We are continually looking for raw materials with the highest possible recycled content and their recyclability, constantly improving our production and use of raw materials to be more efficient, reducing our packaging and trying to sort our waste as much as possible. In 2023, our employees received training that resulted in improved sorting rates for industrial waste and showed that the topic was personally relevant to the employees. We are pleased that this knowledge about sorting and sustainability has spread beyond the factory and into their homes.

In addition to CO<sub>2</sub> reduction, education and training are our sustainability priorities for the next three to five years. We want our managers to have a good understanding of sustainability and keep it at the forefront when making decisions. Our aim is for all our employees to think and act sustainably. This means conserving resources, sorting waste, being mindful of and reducing consumption everywhere: in the factory, in the office, on the street, in public spaces and at home.

One of NARBUTAS' key areas of sustainability is its employees and the community. We take care of our own people, continually investing in their physical and mental well-being and training. Ensuring equal rights, opportunities, and transparent salaries for all our employees is our top priority. As one of the largest employers in Ukmergė, NARBUTAS cares for the city's environment and community.

We operate around the world and always follow global events and processes. NARBUTAS has supported Ukraine's fight for freedom for all Europeans since the beginning of the war. Last year, we donated over €500,000 to Ukraine during the RADAROM! campaign. This year's donation amounted to €750,000. NARBUTAS will continue to support Ukraine. NARBUTAS is a supporter of more than 20 different social, youth and sports organisations in Lithuania.

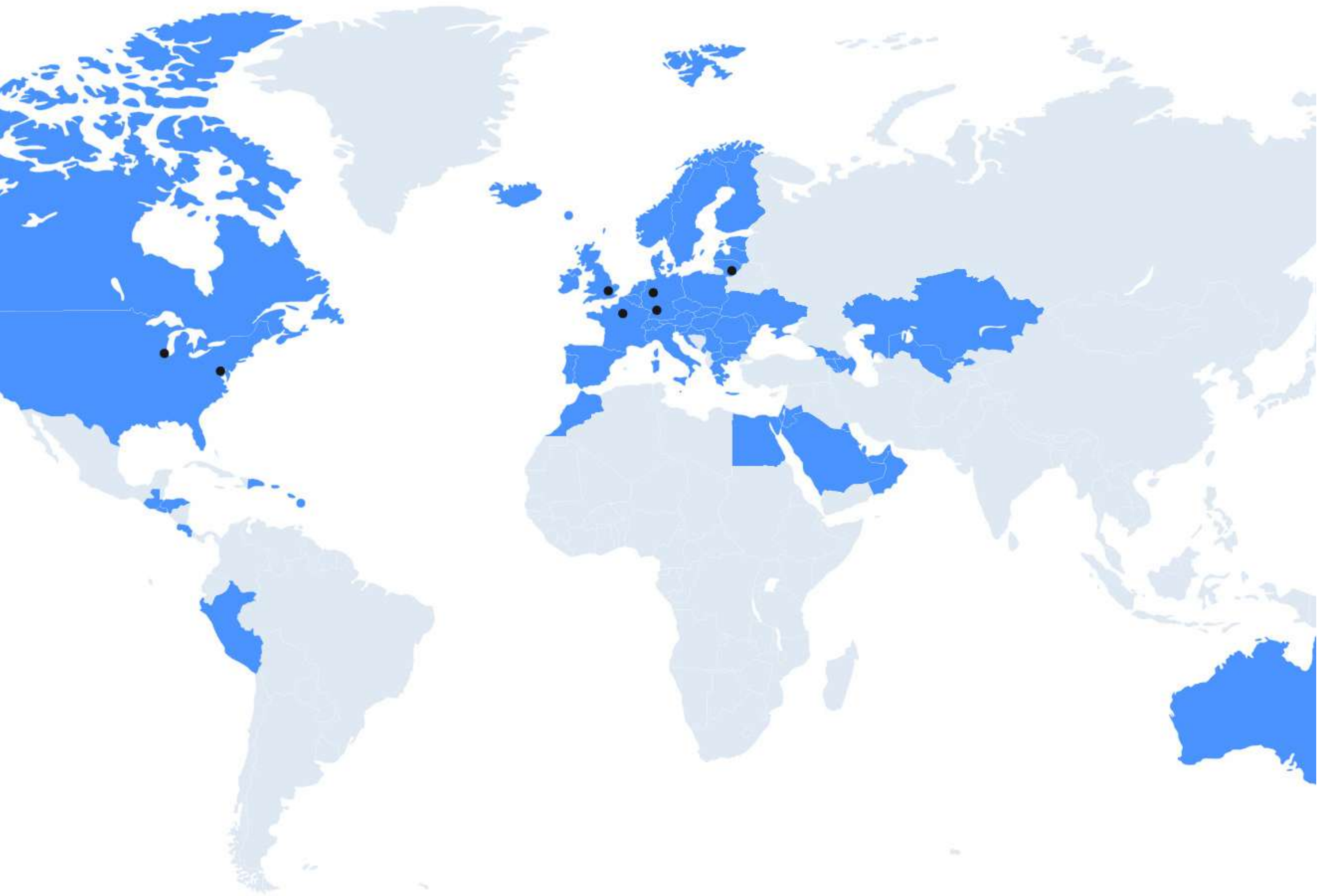
The company's founder and President Petras Narbutas, who is often invited to speak at various business forums, believes that the best way to initiate change is to start with yourself, in small steps. One of the ideas he has publicly expressed is that we can all invest in children by teaching them how to take care of themselves, their health, physical and mental well-being. Because if children know how to take care of themselves, they will know how to look after others when they grow up.

Sustainability and what we are doing for it today are actually thinking about future generations.

NARBUTAS Executive Team



# NARBUTAS in brief



Established in  
**1991**

**58,400** m<sup>2</sup>  
factory in  
Lithuania,  
Ukmergė

**33**  
years of  
experience

**66**  
export markets

**1,000+**  
partners

**1,400+**  
employees



# Our vision

A sustainable, dynamic workspace solutions company, leading and desirable in the modern world.

# Our mission

We are passionate about creating inspiring workspaces and strive to make them available to more people.

# Our values

Responsibility

Honesty

Respect

Love

## Values of the organisation:

Dynamism

Modernity



## The employee's values:

Teamwork

Engagement

## The manager's values:

Leadership

Competence





# Overview of 2023

158M  
Sales revenue, €

+10%  
Sales growth

9M  
Investments, €

TOP Markets  
United Kingdom, France,  
Germany, USA, Belgium.

6  
New furniture  
collections



5  
Renovated  
furniture  
showrooms

in Paris, Chicago,  
New York, London  
and Ukmergė.

10  
Year warranty

4  
Exhibitions

NeoCon  
Stockholm  
Furniture  
Fair

TRENDS & TRADITIONS®  
workspace  
design show  
amsterdam

3  
Awards





# New furniture collections



## COMBUS

This modular shelving system is designed not just for storing items but also for shaping office spaces. It perfectly combines different finishes and their design elements can be used to create distinctive combinations. The COMBUS shelving system was developed according to the sustainable design principles. To reduce the amount of raw materials, thinner and lighter metal parts are used for the shelving structure, and the entire product can be easily disassembled and recycled at the end of its life cycle.



## CANNIE

These stools in three different heights are for those looking for comfort in simplicity. They fit easily into collaborative or meeting spaces, an office kitchen or public spaces. The 1,620 possible options range from neutral combinations that blend in with the surroundings to brighter combinations that can serve as an interior accent.



## PARTHOS Acoustic columns

The stylish, mobile and sustainable acoustic columns not only improve the acoustics of spaces, but also make the environment more functional. The PARTHOS columns are filled with textile off-cuts from manufacturing, which have excellent sound-absorbing properties. Because of their size and the materials they are made from, they offer excellent attenuation of all types of sound – high, medium and low frequencies.



## ARQUS

The executive furniture collection with a modern luxury feel was developed in collaboration with the Italian studio Orlandini Design. It combines elements of sophistication, minimalism and sustainability. Light lines, subtly rounded shapes and durable natural materials create a revamped image of executive furniture.



# New furniture collections



## PARTHOS tables

The PARTHOS tables reflect our aim to create an environment that encourages creative, comfortable communication and collaboration. Its main design element is a sculptural cylindrical column, making the table a modern interpretation of classical architectural elements. The column is wrapped in PET felt with a textured pattern of vertical lines, emphasising the architectural nature of the furniture and creating a high-quality acoustic environment.



## Q-ACTIVE

A versatile, quick-assembly height-adjustable desk that easily adapts to different working styles and changing tasks. Its special structure makes it possible to assemble the desk in 9 minutes. Improved packaging allows us to transport larger quantities of furniture with minimal air space, reducing CO<sub>2</sub> emissions in our logistics chain.



## ACOUSTIC ARTWORK

The new PET felt acoustic products have joined the ACOUSTIC ARTWORK family. PET felt is more than just one of the best acoustic materials. It also offers additional possibilities for implementing the most interesting functional and decorative interior design solutions when shaping spaces, dividing areas, decorating ceilings, walls or their parts. PET felt is made from over 50% post-consumer recycled plastic.



## CHOICE LOCKERS

New types of modules, locks and accessories were added to the CHOICE locker collection. It now includes closed lockers as well as cabinets with niches for hanging clothes or taking a short rest break. Available in different materials (melamine, HPL, veneer or perforated metal) and a wide palette of colours, the lockers can be customised to match both expressive, playful and presentable interiors.



# Awards

Our innovative products, which combine excellent design and sustainability, consistently win international awards. The ARQUS executive furniture system, developed with the designer Folco Orlandini, was recognised with the German Design Award 2024. The NOVA Wood Multipurpose desking system received the iF Design Award. And the PARTHOS conference and meeting tables won the Public Vote Award in the awards organised by Archello, an online platform for designers and architects.





# Our approach to sustainability

Sustainability is one of NARBUTAS' long-term strategic directions. We understand that sustainability is a journey, a process with no end point, so when planning our sustainability activities, we ask ourselves "What is next?". We decide what our next steps should be for the year ahead and how we see the coming few years. Sustainability is a broad area for us, not only because it encompasses three broad aspects (environmental, social and governance), but also because we manufacture a wide range of products and export them to many countries. For these reasons, we encounter various materials used in production and have to meet different requirements in different countries. This makes the question of "What is next?" even more challenging, as we have to choose between a multitude of possible ways and priorities.

We have identified three key areas of sustainability that are important to us: sustainable design, energy and emissions, and employees and community, for each of which we set targets and work to achieve them.

We are happy that the double materiality assessment started in 2024 will help us to formulate our goals next year, taking into account the views of our stakeholders and the expert assessment of the issues that matter to us.







# NARBUTAS sustainability areas



## Sustainable design

We aim to reduce the environmental impact of our products throughout their life-cycle.



## Energy and emissions

We are using more and more sustainable energy sources, measuring and reducing CO<sub>2</sub> emissions across our business operations.



## Employees and community

We contribute to the well-being of our employees, the youth and entire community.





# Implementation of the sustainability goals for 2023



We have set 15 annual sustainability goals for 2023. Eleven of them (73%) were achieved, two (13%) were partially achieved, two (13%) were not achieved. More information on the implementation of the goals can be found in the relevant sections of the report.

## Sustainable design

- Publish information on the composition of our products and the percentage of recycled content in our products.
- Introduce two sustainable upholstery collections made from 100% recycled raw materials into our standard production.
- Obtain FSC Chain of Custody certification.
- Reduce the amount of mixed municipal waste sent to landfill by 60% compared to 2022.
- Reduce the amount of industrial waste used for energy recovery by 5% compared to 2022.
- Prepare disassembly and material sorting instructions for new products.
- Improve our desktop packaging solutions by replacing polypropylene tape with hot-melt adhesives.

## Energy and emissions

- Install 100% LED lighting in the factory and its outdoor areas for responsible use of electricity.
- Measure Scope 3 CO<sub>2</sub> and other GHG emissions.

## Employees and community

- Support socially responsible initiatives in Lithuania and abroad.
- Set up a management training system.
- Increase employee engagement.
- Elect sustainability representatives for the company's divisions.
- Have 75% of our suppliers sign NARBUTAS' Supplier Code of Conduct.
- Reduce workplace accidents by 30% compared to 2022.



# Sustainable design



We chose sustainable design as a sustainability direction for a reason – not all manufacturers develop new products on their own, and we have a dedicated innovation unit in both the office and the factory to introduce five or more product lines each year. We develop many new products, and manufacture many more, so our decisions about what to produce and choosing what raw materials to use to make it are very important. The choice of raw materials has the largest environmental impact in the life-cycle of a product, but other decisions are also important, such as the longevity of the product, the manufacturing technologies, the material separability for recycling, or the lightness and compactness of the product to minimise the environmental impact of transport. In our product development process, we try to apply as many sustainable design principles as possible.





# Sustainable design principles

“Nothing unnecessary” is our design motto.

## Choosing raw materials with a lower environmental impact:

- More environmentally friendly raw materials;
- Renewable raw materials;
- Raw materials that require little energy to manufacture;
- Recycled and recyclable raw materials.



## Reduced environmental impact of the product:

- Energy from renewable sources;
- Using energy efficiently;
- Fewer product parts that need to be replaced (short-lived) or more sustainable choice of product parts (e.g. light bulbs).

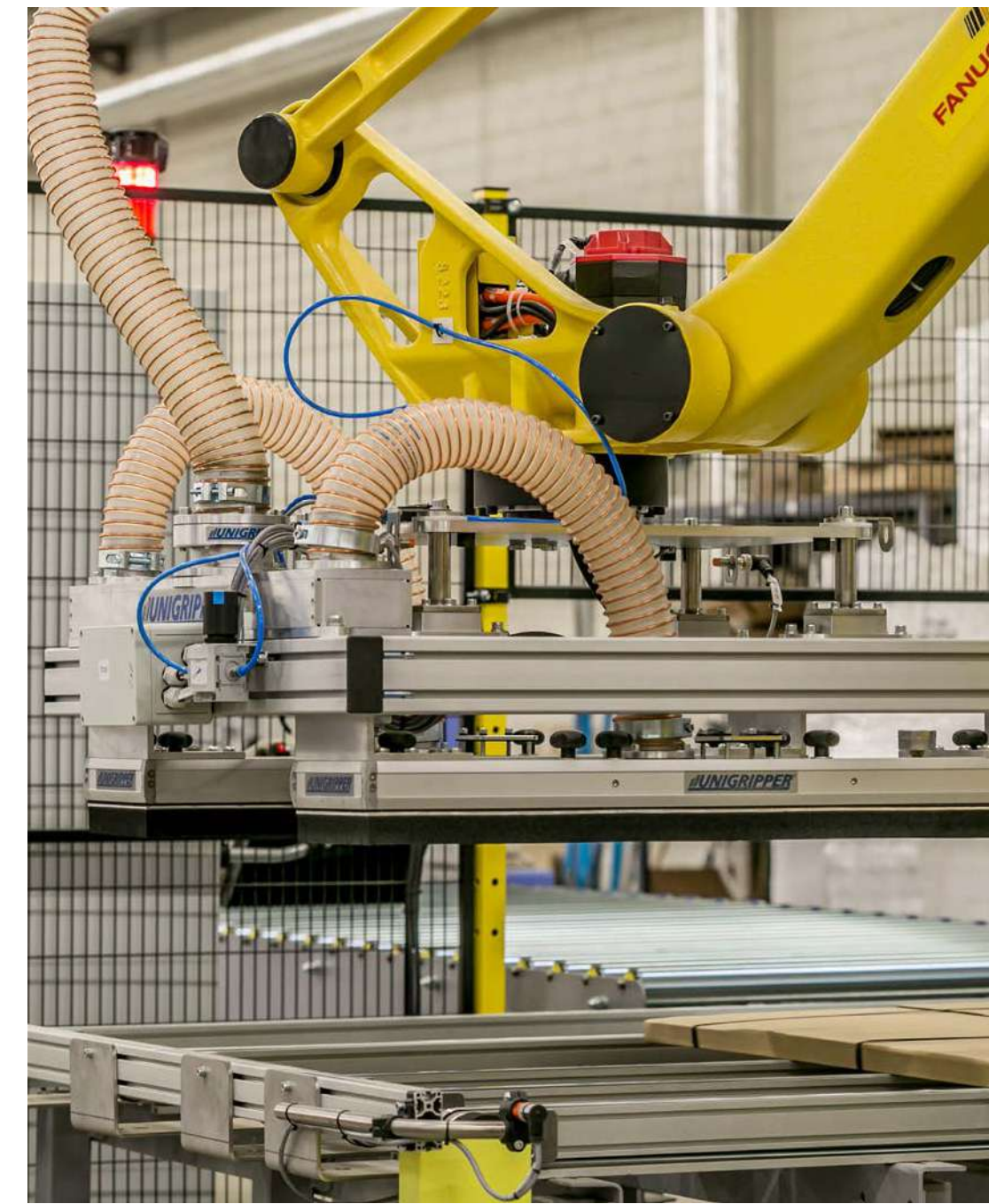
## Minimising the use of raw materials:

- Reducing weight;
- Reducing volume (for transport).



## Longer product lifetime:

- Reliability and durability;
- Easier maintenance and repair;
- Modular structure of the product;
- Classic design;
- Strong product-consumer relationship.



## Reduced environmental impact during manufacturing:

- Using alternative technologies;
- Fewer manufacturing steps;
- Using less and clean energy;
- Less waste.

## Reduced environmental impact during transport:

- Less packaging materials, more sustainable packaging choices, reusing packaging;
- Energy-efficient transport vehicles;
- Organising energy-efficient logistics.



## Optimising the end-of-life of the product:

- Reusing the product;
- Renovating/repairing the product;
- Recycling raw materials;
- Safer incineration.



# Selection of raw materials

A calculation of the company’s direct and indirect CO<sub>2</sub> emissions along its entire value chain shows that as much as 86% of these emissions are generated in the raw material production stage. So we have to be very responsible in our choice and use of raw materials. We do this through the following sustainable design principles: using fewer materials, favouring raw materials with recycled content, raw materials that are easier to recycle and raw materials with environmental certifications.

The exact quantities of raw materials used can be found in the section “List of GRI Indicators” (GRI 301-1) →





# 100% FSC-certified chipboard



## Sustainability goal for 2023

### ● Obtain FSC Chain of Custody certification

In 2023, we not only obtained the FSC (Forest Stewardship Council®) Chain of Custody certification, but also started the full transition to FSC-certified chipboard.

Chipboard is the main raw material used in NARBUTAS' production, being the most used raw material in terms of both weight and monetary value. So we are very delighted that this raw material now carries the world's most recognisable FSC certification. It shows that the wood used in our chipboard comes from responsibly managed forests.





# New sustainable upholstery collections

## Sustainability goal for 2023

- **Introduce two sustainable upholstery collections made from 100% recycled raw materials into our standard production**

Since we had already started the development of a recycled upholstery and the selection of a second upholstery when we set this goal, it was fully achieved in 2023.

Last year we introduced two sustainable upholstery collections: CYBER by the Danish manufacturer Gabriel and AUSTEA, woven at the Audėjas factory in Lithuania. Both upholsteries are made from 100% recycled polyester. We are particularly proud of the AUSTEA collection, as the NARBUTAS team also contributed to its development.

The AUSTEA upholsteries are made applying Repreve technology: the process uses plastic bottles collected from the seas, oceans, their shores and other natural environments. The Repreve system, which meets international certification standards, operates in countries where there is no public waste management system.

Collected plastic goes to recycling centres around the world where the raw material is washed, shredded into plastic flakes and turned into resin that is used to make recycled polyester yarn – a fibre with the OEKO-TEX Standard 100 and Global Recycled Standard certifications. Around 30 million plastic bottles are recycled per year using the Repreve process!

The distance between the NARBUTAS factory in Ukmergė and the Audėjas factory in Vilnius is less than 100 km, which makes the logistics of raw materials more efficient.

Upholsteries are made from 100% recycled polyester.





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“Our decision to follow a sustainable path led us to produce the AUSTEA upholstery in Lithuania. We are one of the leading manufacturers of office furniture and sell our products in more than 60 countries, so our choices have an impact on the environment.”

Dovydas Balaišis,  
Narbutas International Head of Product Development





# Our main raw materials



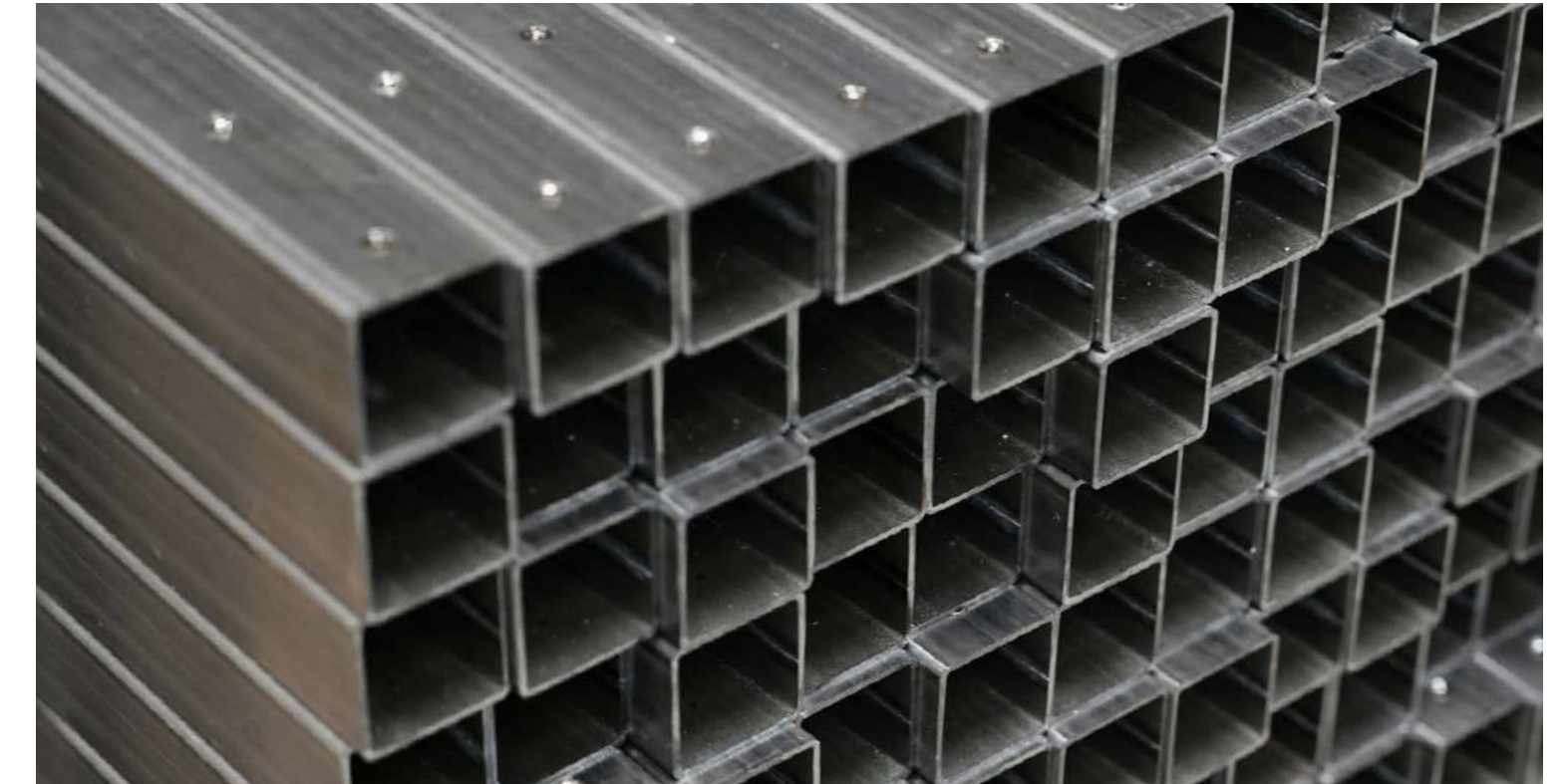
## Wooden chipboard

- ❏ It is the main raw material in terms of consumption.
- ❏ The recycled content is around 20%.
- ❏ It has extremely low formaldehyde emissions according to the American CARB II and German E05 standards.
- ❏ FSC (*Forest Stewardship Council*®) certified.



## Solid wood

- ❏ Complies with the European Union Timber Regulation (EUTR).
- ❏ All wood paints and varnishes are water-based and therefore have extremely low emissions of volatile organic compounds (VOCs).



## Metal

- ❏ It is an extremely durable, long-lasting, easily recyclable raw material.
- ❏ The percentage of recycled content is an important selection criterion when making purchases.
- ❏ The recycled content ranges between 20% and 100%, depending on the type of metal.
- ❏ Powder coated. Powder paints have zero emissions of volatile organic compounds, making them more environmentally friendly and healthier for the end user and contributing to a healthier work environment. In addition, powder paints are extremely durable and long-lasting.



# Our main raw materials



## Plastic

- ❏ The plastic is phthalate-free.
- ❏ Since 2022, we have been producing the POLYTONE-O plastic chair, a product made from 100% recycled raw materials.
- ❏ The content of recycled plastic in other products varies between 0% and 100%, depending on the type of plastic.



## PET felt

- ❏ Made of more than 50% recycled post-consumer plastic.
- ❏ Part of this raw material range is Oeko-Tex Standard 100 certified.



## Textile

- ❏ All upholstery fabrics carry the EU Ecolabel/ Oeko-Tex Standard 100 certification. These certifications ensure that products do not contain harmful substances and are safe for both the environment and humans.
- ❏ For standard production, we can offer our customers four collections of 100% recycled fabrics: AUSTEA, CYBER, XTREME PLUS and LUCIA.
- ❏ The textiles are free from persistent organic pollutants.



# Publishing information for customers



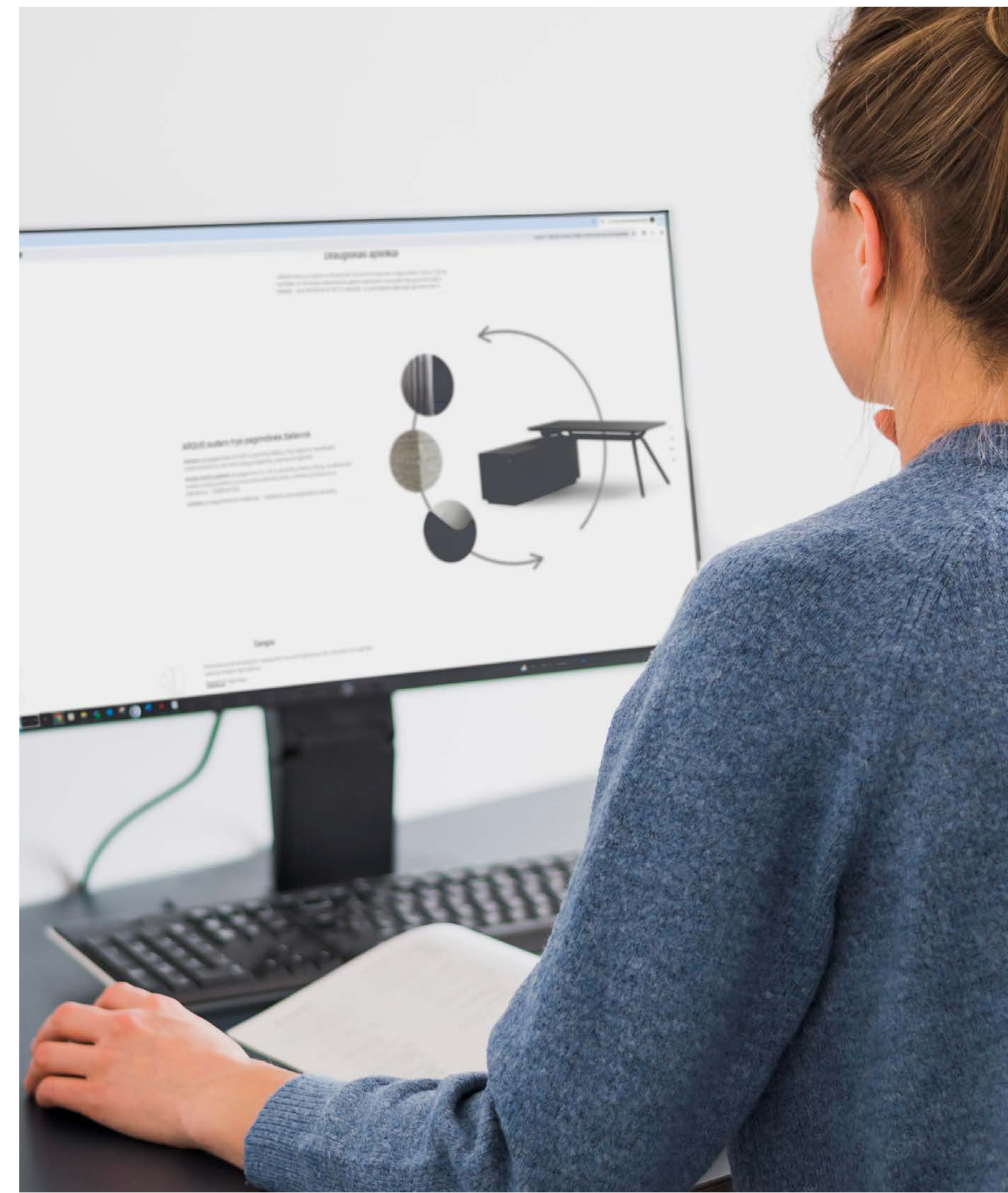
## Sustainability goals for 2023

### ● **Publish information on the composition of our products and the percentage of recycled content in our products**

This information was made available in newly prepared product presentations. In response to the customer demand, we prepared sustainability documents for some of our products, providing information on the raw materials used in their manufacture, the recycled content of the products and their recyclability.

### 🕒 **Prepare disassembly and material sorting instructions for new furniture**

The implementation of this goal was put on hold. In 2023, we looked for the best unified way to provide disassembly instructions for our very different products. We thought about the most convenient way to present the information to our end customers, as most of the information is currently prepared for our partners. We did not make any final decisions on either the presentation or the format, so we put this goal on hold.





# Production waste

We understand the environmental impact of waste, which is why we make sure that it is managed responsibly. Our waste records are kept using PPWIS (Product, Packaging and Waste Record Keeping Information System). This system stores data on the quantities of waste generated by the type of waste. The majority of our production waste is sent to waste management companies, while some of our wood waste (9.3% of the total waste generated) is used internally during the cold season to generate heat energy.

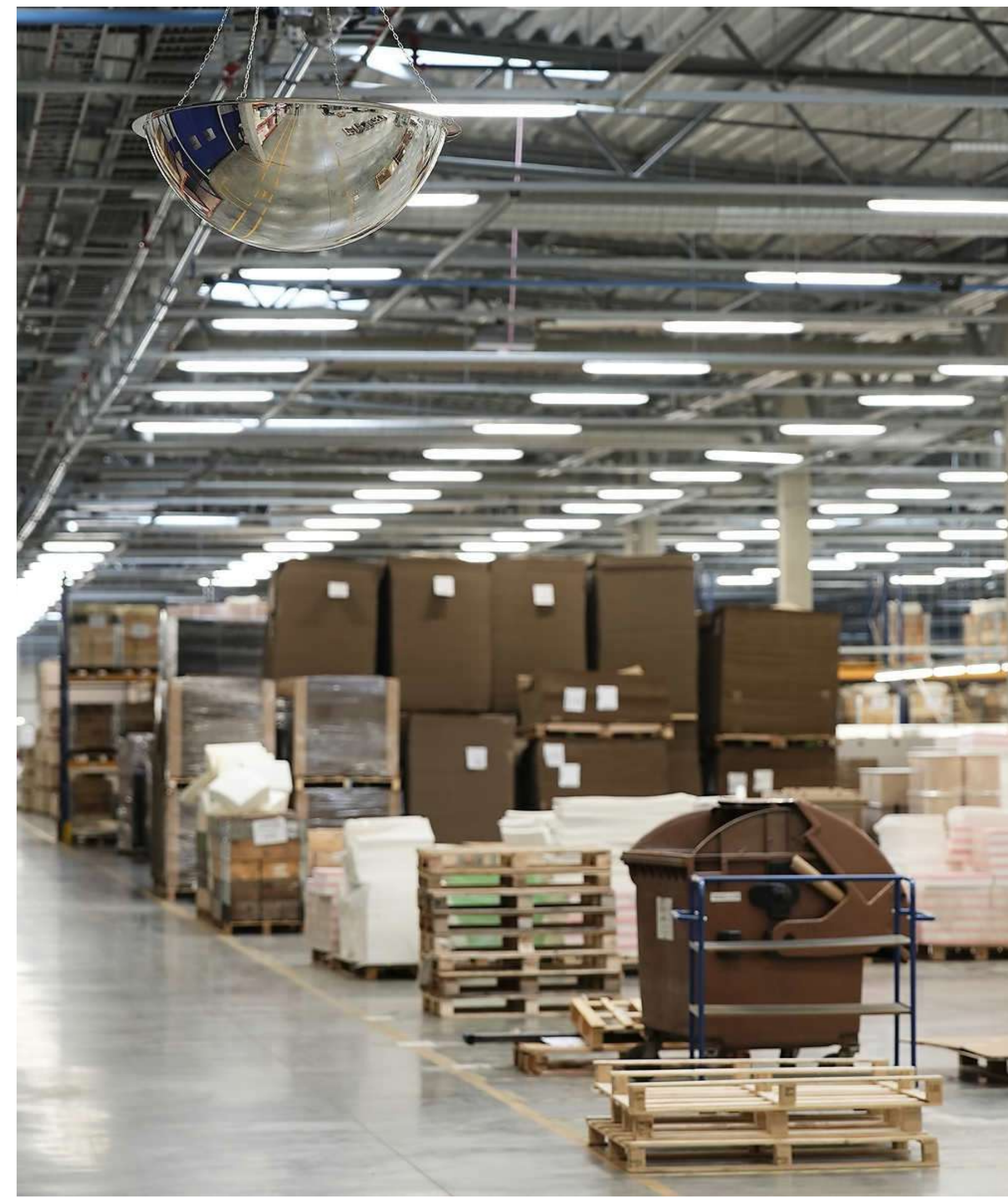
## Sustainability goals for 2023

- **Reduce the amount of mixed municipal waste sent to landfill by 60% compared to 2022.**

The goal was fully achieved. Intensified training on sorting for production workers was the main reason for this achievement.

- **Reduce the amount of industrial waste used for energy recovery by 5% compared to 2022.**

We achieved this goal and even exceeded it by a significant margin. Recycled waste accounted for 20.6% of total waste in 2022 and 83.1% in 2023. The recycling of wood waste (mainly boards) was a key factor in achieving this increase. We ensure recycling by sending wood waste to a waste management company that works with a wood board manufacturer, which uses 96% of the waste received from NARBUTAS to make new boards.





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“By organising waste sorting training, we aim to get the employees more involved in reducing the negative impact of waste on the environment. Each person makes a direct contribution to this goal by disposing of his or her waste in the appropriate recycling bins. When interacting with my colleagues, I am happy to see their growing interest and care for the environment.”

Sandra Kabalinskienė,  
Environmental Specialist





# Using textile off-cuts in the production of PARTHOS

Textile recycling is one of the most problematic issues around the world. In May 2023, we launched the PARTHOS acoustic columns, which are filled with upholstery cut-offs that are no longer suitable for production.

The idea of filling a hollow product with fabric off-cuts came from the search for sustainable solutions. Usually, similar products are filled with foam that is made from virgin raw materials and requires energy to produce.

Approximately 80% of the column filling consists of textile off-cuts. This makes the product more stable and improves its acoustic properties. The column is filled with 4.5 to 9 kg of off-cuts, depending on its height. That way, we used about 2 tonnes of our production waste in almost 8 months last year!

The PARTHOS columns are covered with PET felt with a recycled content of more than 50%. The frame of the acoustic columns is made from metal with a 20–80% recycled content and is fully recyclable. We designed the product parts to be easily separable, making it easy to disassemble the worn-out product and sort its parts properly.

We used 2 tonnes of our own production waste in 8 months last year.





“

“More and more customers care about sustainability, so the PARTHOS acoustic columns are very well received. People want to have a choice and support sustainable solutions through their choices.”

Daniel Junevič,  
Acoustic Product Category Manager





# Other waste reduction initiatives



- ✓ We have been optimising the way we purchase metal tubes since 2023. Prior to this project, we mainly bought standard 6-metre length tubes, but we found that by buying tubes of different lengths, we can significantly reduce the amount of metal offcuts we generate. A preliminary estimate shows that this change will save approximately 77 tonnes of metal waste per year.
- ✓ In 2023, we decided to stop using wooden pallets for the transport of some waste. We compact waste to reduce the number of pallets discarded.
- ✓ Since 2022, we have been returning some of the polyester wadding and cardboard packaging in which we receive upholstered furniture parts to the supplier, which reuses it to package the parts it delivers to us.
- ✓ Since 2023, we have been giving part of the leather off-cuts to a shoemaker and part of the plexiglass waste to souvenir makers.

For data on the quantities of waste generated and its management, see “List of GRI Indicators” (GRI 306-3, 306-4) →





# Packaging

We aim to ensure that our packaging not only protects the product from damage but is also more sustainable. Therefore, we are constantly looking for sustainable packaging solutions.

## Sustainability goals for 2023

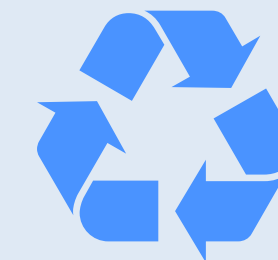
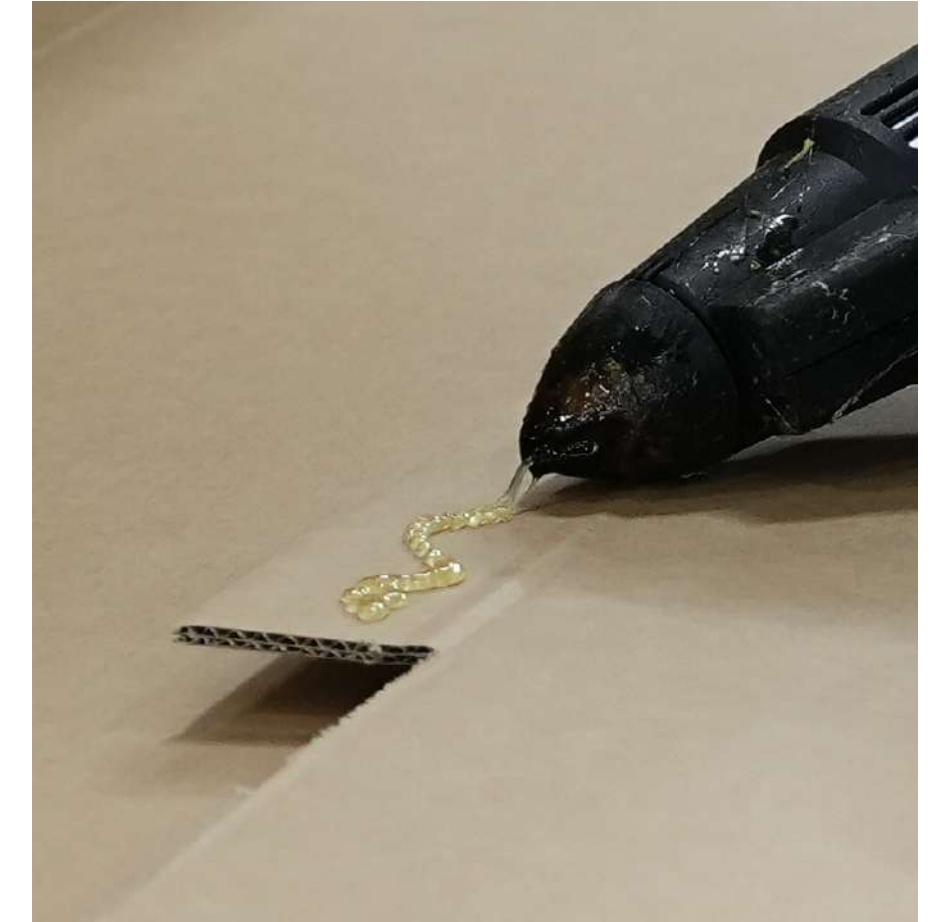
### **Improve our desktop packaging solutions by replacing polypropylene tape with hot-melt adhesives**

This goal was partially achieved in 2023. Although hot-melt packaging takes longer than conventional packaging using polypropylene tape, we already pack some of our desktops this way. We will continue to refine this method in 2024. By our estimate, this will reduce the amount of plastic used by around 5.5 tonnes per year.

To achieve our goals for more sustainable packaging, we have planned the following measures for 2024:

- Eliminate the use of plastic film in the packaging of some metal products. This will save 5.9 tonnes of plastic packaging per year.
- Buy the four most popular desktop packages pre-cut to shape to reduce the amount of cardboard waste. This change is expected to reduce the amount of cardboard purchased for packaging by 96 tonnes per year.
- Reduce the use of polystyrene foam by replacing it with cardboard. We will aim to reduce the use of this material by 5.5 tonnes in 2024.

**Our main packaging material is 100% recycled and recyclable cardboard.**





# Energy and emissions



As a manufacturing company, we inevitably use various sources of energy in our processes. We are constantly looking for solutions on how to consume energy sustainably. We measure the impact of our activities on climate change by the amount of CO<sub>2</sub> emitted across all our operations and ensure that the relative amount of emissions decreases as production rates increase.





# CO<sub>2</sub> and other greenhouse gas (GHG) emissions



NARBUTAS' long-term goal is to become a climate-neutral company by 2028.\*

The European Union has set itself the ambitious goal of becoming a climate-neutral continent by 2050. This means understanding not only how much emissions one produces and where they come from, but also how to minimise them, and where they cannot be minimised, how to compensate for the damage they cause. To achieve this goal on time, progress on sustainability regulation has accelerated in recent years. NARBUTAS will be affected by the Corporate Sustainability Reporting Directive (CSRD) next year and will have to prepare this Sustainability Report in line with the standards required by the EU from 2026.

We have been measuring the company's Scope 1 and Scope 2 GHG emissions on an annual basis since 2020 and have started to measure the Scope 3 emissions, which are considered very important in the CSRD regulation, since 2023. Relative reductions in Scope 1 and 2 emissions have already been achieved and a further assessment of emission reduction pathways is planned for 2024 for all scopes.

The calculation methodology is described in the section "List of GRI Indicators" (GRI 305-1) →

\* in terms of Scopes 1 and 2 (for more information on the emission scopes, see the section "GRI List of Indicators (GRI 305)" →





# Overview of CO<sub>2</sub> emissions in 2023

–27%

CO<sub>2</sub> emissions\*/€1 million revenue

from 8.54 tCO<sub>2</sub>e\*\* in 2022 to 6.26 tCO<sub>2</sub>e in 2023



–22%

CO<sub>2</sub> emissions\*/1 production unit

from 0.30 kg CO<sub>2</sub>e\*\* in 2022 to 0.24 kg CO<sub>2</sub>e in 2023



–21%

CO<sub>2</sub> emissions\*/1 kg of products

from 0.041 kg CO<sub>2</sub>e\*\* in 2022 to 0.033 kg CO<sub>2</sub>e in 2023



\* of Scopes 1 and 2  
\*\* A CO<sub>2</sub> equivalent is a unit of measurement for greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O) based on global warming potential.



# Indirect (Scope 3) CO<sub>2</sub> emissions from the value chain



## Sustainability goals for 2023

● **Measure Scope 3 CO<sub>2</sub> and other GHG emissions**

To assess the company’s full impact on climate change, we have measured Scope 3 GHG emissions across the corporate value chain for 2022 and 2023. Our calculations follow the GHG Protocol methodology, which identifies 15 categories of activities in which companies have an environmental impact. Seven of these are relevant to NARBUTAS, as shown in the table on the right.



## Scope 3 GHG emissions in tonnes of CO<sub>2</sub> equivalents

GHG emission category (Scope 3)	2022	2023
Purchased goods and services	76,466	77,845
Downstream transportation and distribution	6,344	5,543
Capital goods	2,935	2,544
Upstream transportation and distribution	1,354	1,084
Fuel- and energy-related activities	311	282
Waste generated in operations	139	160
Business travel	25	35
Total GHG emissions (Scope 3)	87,574	87,493



# Impact of CO<sub>2</sub> reduction measures implemented



In 2023, as well as measuring our total emissions, we also tracked the impact of our past projects on emissions reductions.

In 2021, NARBUTAS decided to replace its car fleet with electric vehicles. When we placed our order at the beginning of 2022, we waited until October for the cars to be delivered, and it was not until 2023 that we clearly felt the positive effect of this change. The consumption of petrol and diesel in 2023 was 57% lower than in 2022.

By switching to renewable electricity in the company's office, Scope 2 emissions were reduced by 50%.

In order to provide a more objective assessment of emissions as the company grows and expands, three relative emissions indicators were calculated, i.e. the annual GHG emissions are compared to the company's economic performance indicators – revenue, production units and production weight. In relative figures, GHG emission reductions were 27% per million € of revenue, 22% per production unit and 21% per kg of production.

## GHG emissions in tonnes of CO<sub>2</sub> equivalents

	2021	2022	2023
Direct GHG emissions (Scope 1)	907.5	1,195.5	977.5
Indirect GHG emissions (Scope 2)	27.0	21.1	9.7
Total GHG emissions (Scope 1 and 2)	934.5	1,216.6	987.2
Scope 1 ir 2 GHG emissions in tonnes per €1 million revenue	8.58	8.54	6.26
Scope 1 and 2 GHG emissions in kilograms per 1 kilogram of products	0.033	0.041	0.033
Scope 1 and 2 GHG emissions in kilograms per production unit	0.25	0.30	0.24
Indirect GHG emissions in value chain (Scope 3)*	–	87,574	87,493
Scope 3 GHG emissions in tonnes per €1 million revenue*	–	612	555
Scope 3 GHG emissions in kilograms per 1 kilogram of products*	–	2.95	2.89
Scope 3 GHG emissions in kilograms per production unit*		21.73	21.07
Total GHG emissions (Scopes 1, 2 and 3)*	–	88,791	88,480

\* Scope 3 GHG emissions were not measured in 2021



“

“Sustainability is one of our company’s strategic directions and the renewal of our car fleet is therefore one of the steps towards implementing our sustainability policy. More than 70% of our fleet consisted of electric vehicles at the end of 2023.”

Vilma Sinkevičiūtė,  
Narbutas International Vice President of Sales and Marketing





# Energy consumed

Despite the annual growth in the company’s furniture production and sales, the factory’s electricity and gas consumption decreased by 0.1% and 2% respectively in 2023 compared to 2022 as a result of the implemented energy efficiency improvement measures.

In particular, the consumption of fossil fuels for transport, diesel and petrol, were reduced by 57% in 2023 compared to 2022. This is a result of the aforementioned switch to electric vehicles.

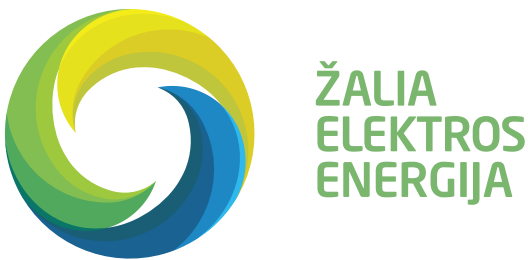


## Consumption of the key forms of energy

	2021	2022	2023
Electricity in the office, MWh	36	38	40
Electricity in the factory, MWh	7,169	7,823	7,812
Diesel, L	31,402	33,372	15,294
Petrol, L	43,655	54,485	21,377
Natural gas for industrial processes, MWh	3,358	3,646	3,574
Energy for heating the factory, MWh	3,497	3,634	3,224



# Sustainable electricity



## Sustainability goals for 2023

- **Install 100% LED lighting in the factory and its outdoor areas for responsible use of electricity**

This goal was successfully accomplished. By using renewable electricity responsibly, we are also contributing to reducing GHG emissions and mitigate climate change.

100%  
renewable electricity at the factory.

Electricity is the main source of energy for manufacturing processes. We are proud that 100% of the electricity used in NARBUTAS manufacture comes from renewable energy sources (mainly wind, water, solar energy, and geothermal wells). Renewable energy we use comes in two ways:

- ✓ We buy energy certified with the Green Energy Label;
- ✓ We generate our own electricity using the solar power plant.

The energy generated by our solar panels accounted for 8% of the factory’s electricity consumption in 2023. Solar energy is one of the most sustainable sources of energy, which is why the development of renewable energy sources is one of the most important projects that we are currently developing. The expansion of the solar power plant on the factory roof started in late 2023. We expect the work to be completed in 2024, and the expanded plant will enable us to generate up to 40% of the electricity we consume each year on our own.



40%  
of the electricity needed will be self-generated from 2025, following the expansion of our solar power plant.



“

“We are constantly faced with the dilemma of return on investment and environmental protection as we expand. Ideally, these elements should go hand in hand. One example is our solar plant which provides a financial return and is like a statement of the company’s sustainability orientation.”

Vitalijus Trakšelis,  
Director of Development





# Plans for the future



We will continue to take steps towards climate neutrality by adopting annual CO<sub>2</sub> emission reduction measures:

- 🔍 We are committed to continuing to use 100% of our electricity from renewable sources. We are expanding our solar power plant with the aim of generating around 40% of the electricity the company needs on our own.
- 🔍 In 2024, we will assess opportunities for change in other areas where we use fossil fuels and develop an action plan to achieve our long-term climate neutrality goal in Scopes 1 and 2.
- 🔍 We started measuring the company's Scope 3 CO<sub>2</sub> emissions in 2023. This has allowed us to understand how much of our environmental impact occurs outside the company, for example, in the production of raw materials, transportation of goods, business trips, etc. In 2024, we will evaluate these results and plan the next steps to reduce the impact along the value chain.





# Employees and community



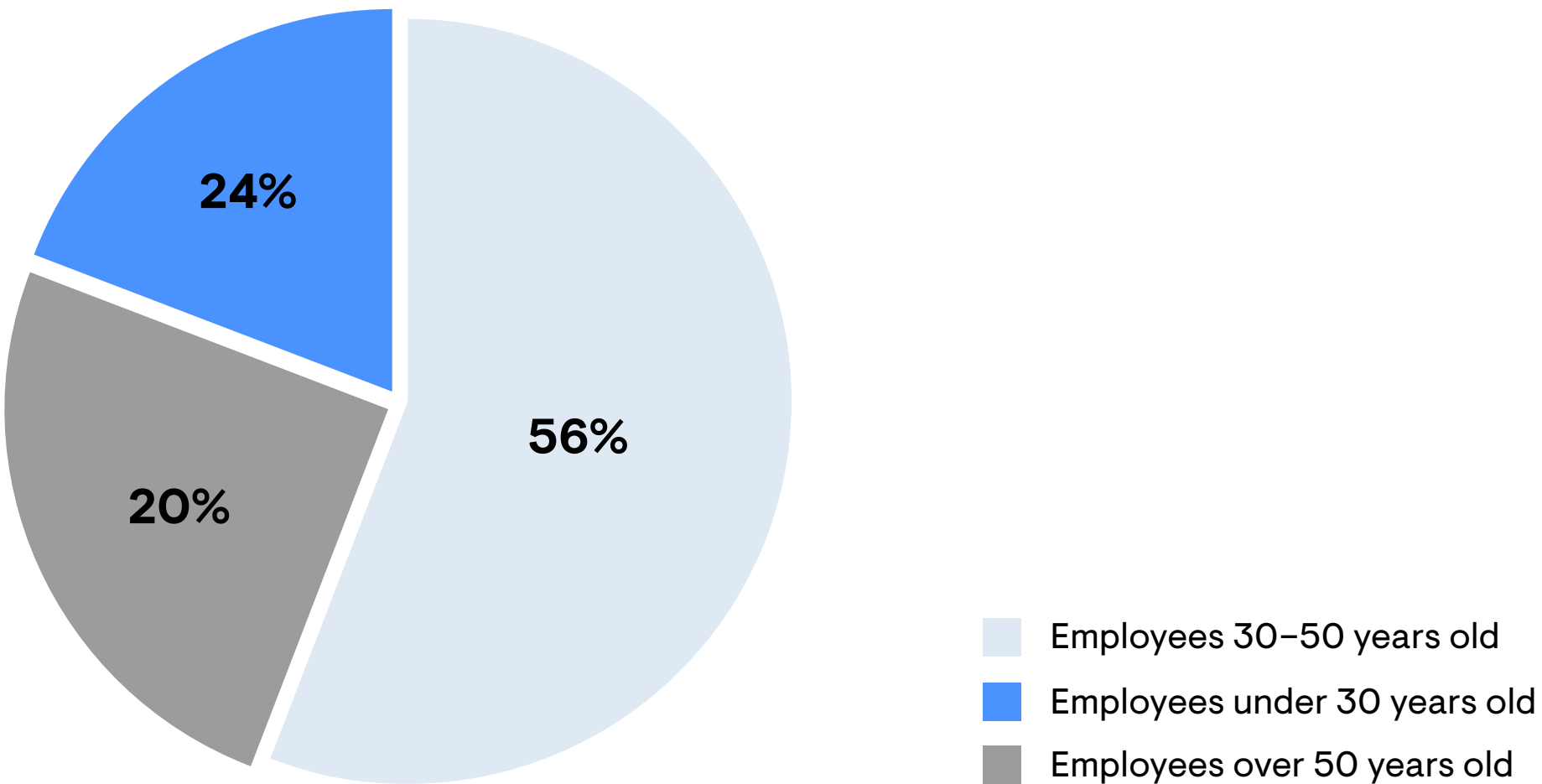
NARBUTAS' main asset is its motivated, professional and loyal team, which is why we invest in the employee health, development and additional benefits. We care not only for our employees but also for the local and international community, supporting more than 20 organisations each year in financial and other ways.





# Employee diversity

Distribution of employees by age



The company employs 1,475 people (excluding those on long-term leave). Equality on the basis of age, gender, and other grounds is one of our values reflected both in our daily decisions and in the company’s statistics. The company employs 53% men and 47% women. The largest group of employees by age category remains the same as in the previous two years, between 30 and 50 years old, accounting for 56% of the employees.



1,475  
employees  
working for the  
company



53%  
are men

47%  
are women

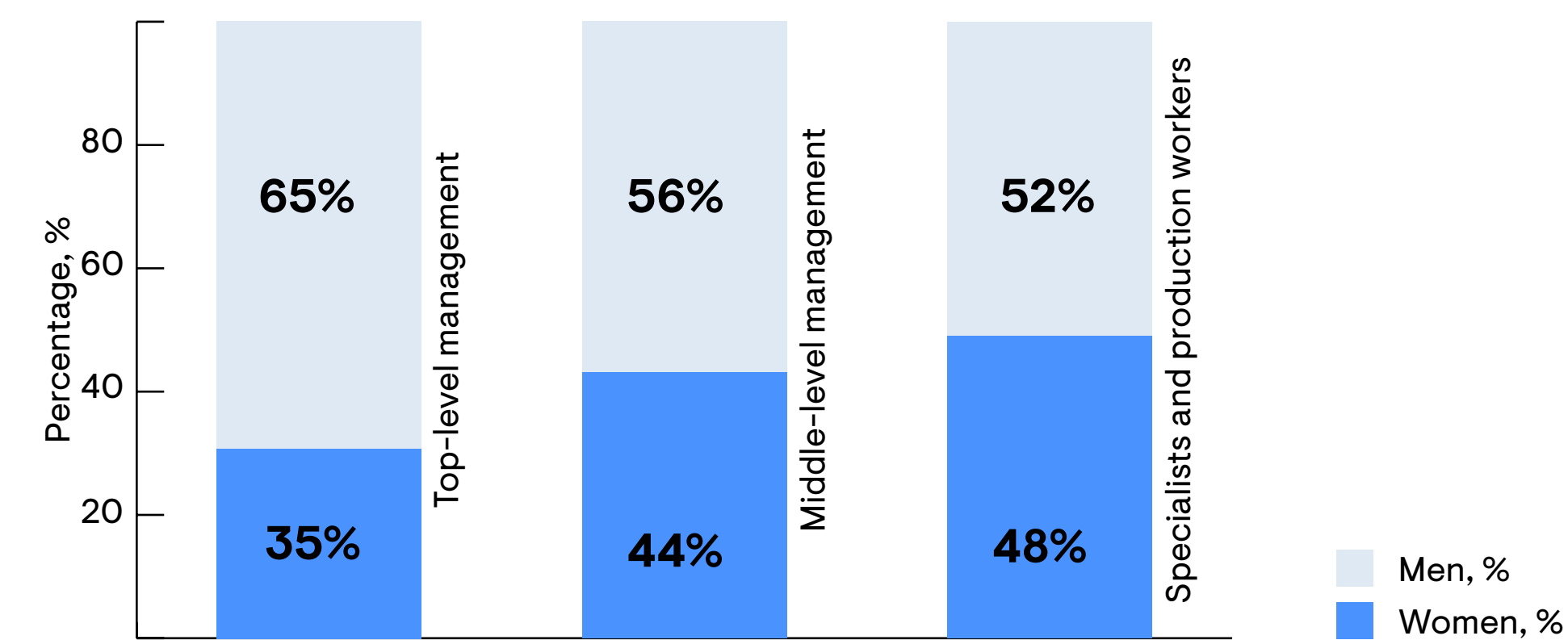
19%  
of our employees have been with the  
company for more than 7 years



# Employee diversity



Staff gender diversity by position



We encourage internal career opportunities, so 57% of our managers are employees who have been with the company for more than 5 years. The gender distribution by position is shown in the graph ‘Staff gender diversity by position’. The proportion of women in top-level management has increased by 7% compared to 2022 and currently stands at 35%, while their salaries are 5% lower than those of men. Women make up 44% of middle-level management, also 7% more than in 2022, and are paid 1.7% more than men. 48% of the women work as specialists or production workers and are paid 4.8% less than men. This difference is much smaller than the statistical gender pay gap in the manufacturing sector in Lithuania (it was 23.4% in 2022\*).

For other detailed statistics on employee dynamics, see the section “List of GRI Indicators” (GRI 2-7) →

\* Data from the official statistics portal.





# Employees’ well-being

At NARBUTAS, we firmly believe that an organisation is strong when its people are strong. We value responsibility, integrity, respect and build a culture of empathy and friendly communication. Violence or harassment of any form has no place in the company. We believe that work done with love is much more successful and rewarding, which is why love is one of our values. To reinforce these values and ensure a safe and healthy organisational climate, we have introduced the Policy for the Reduction and Prevention of Tension at Work in 2022. It encourages employees to report any serious situations they have encountered and recommendations for improving those situations. The company has several channels (email, telephone and a special form) for contacting the responsible department to solve the problems. In 2023, 11 reports were received and all cases were resolved.

The company approved the procedure for the management of conflicts of interest in 2023. An employee has a conflict of interest when, in the performance of his/her duties, he/she has to make decisions concerning his/her own business/job or the business/jobs of persons close or important to him/her; his/her professional activities; his/her employment in other companies or self-employment; or the jobs of persons close or important to him/her in the company. Any employee, who becomes aware of circumstances which he/she believes may give rise to a conflict of interest, or who believes that a conflict of interest has already arisen, must immediately inform his/her line manager, within one working day at the latest, declare his/her private interest and abstain from the preparation, consideration and making of any decision concerning his/her own private interest, or that of a person who is close or important to him/her, pending the panel’s decision and recommendations for further action.

The company has an active Labour Council which defends the professional, labour, economic and social rights of the employees and represents their interests. Its activities are regulated by the Labour Code of the Republic of Lithuania and the internal rules of the Labour Council of NARBUTAS. In 2023, the Labour Council initiated the installation of a bicycle and scooter parking facility, actively participated in improving the quality of the employee shuttle service, and was involved in investigating several cases of mobbing.

The Procedure for the Identification and Management of Conflicts of Interest has been prepared.





# Employee engagement

In 2023, we conducted our annual employee engagement survey: our employees shared their feedback, needs and suggestions on how to make our organisation a great place to work for everyone. The purpose of this survey was to assess the organisation’s workplace culture and employee involvement in the organisation’s activities. According to the survey results, the proportion of engaged employees in 2023 was 40%, i.e. 12 percentage points lower than in 2022 (52%). This was because of various factors arising from the growth and expansion of the organisation, such as structural changes as well as the updating of existing processes and creation of new ones. However, the overall result is higher than that of 68% of other organisations across all industries, regions and sizes.

Six areas requiring more attention have been identified and measures to improve them have been planned. Some actions have already been implemented:

## Leadership and motivation

A Management Training Plan for 2024–2025 was developed, which aims to close the knowledge and skills gaps of managers, increase team spirit and a sense of togetherness, and encourage better communication between different levels of management.

## Salary

Salaries and motivational packages for all employees are periodically reviewed and improved. A new annual bonus scheme was approved in 2023.

## Communication

The network of internal communication channels has been expanded to include feedback tablet kiosks and information screens at the factory as well as regular communication of the company’s major news.

## Our values

NARBUTAS’ corporate values were reviewed and updated. A campaign to communicate the updated values is planned for 2024.

## Sustainability goals for 2023

### ☐ Increase employee engagement

The goal was not achieved due to rapid growth of the company.

## Teamwork and collaboration

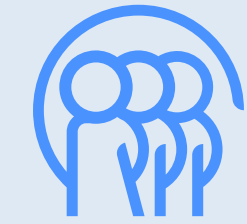
We support, encourage and budget for team-building initiatives. Communication and collaboration skills in dealing with work situations are given much attention in management development.

## Business processes

We have begun identifying processes across the organisation, appointing process owners and standardising process descriptions. This ongoing work will continue in 2024.



# Employees' development



## Sustainability goals for 2023

### ● Set up a management training system

This goal was achieved with the approval of the Management Training Plan for 2024–2025. The training of managers is planned on the basis of identified management competencies and the manager's purpose. Each manager will receive training material appropriate to his/her level and will be able to apply it in everyday work situations. This training plan aims to:

- Provide a targeted management development process – we can identify the competences that managers lack, provide the necessary knowledge and skills, and start to tailor training according to the assessment system and specific needs.
- Train managers and encourage employees to engage and collaborate with each other.
- Strengthen team spirit and the sense of togetherness and improve the learning organisation culture.
- Ensure that all managers have an understanding of what a NARBUTAS manager should be.
- Encourage smoother collaboration between managers at different levels.





# Employees' health



## Sustainability goals for 2023

- Reduce workplace accidents by 30% compared to 2022.

Unfortunately, this goal was not accomplished. However, a 20% reduction in the number of accidents was achieved in 2023 compared to 2022. All 24 accidents are classified as minor. We have partially managed to manage the risks arising from the company's rapid growth and the resulting increase in the number of employees, as well as the installation of new equipment and technology. We hope that the new Occupational Health and Safety Management Programme, introduced in 2023, will not only make the training of new employees more efficient, higher quality and more enjoyable, but will also contribute to smoother management of the entire safety system.

One of NARBUTAS' top priorities is to provide safe working conditions and care for the health of its employees. This area is overseen by the company's Occupational Health, Safety and Environment Department. The Labour Council, consisting of employee representatives, also makes suggestions on how to improve health and safety in the company. Employee health data is stored in accordance with the GDPR requirements.

All employees are required to undergo a pre-employment health check up based on the occupational risk factors specified by the company. Once hired, they receive safety training (repeated every year) and hazardous work training with practical skills building. Fire safety and first aid training is provided periodically.

The company records all incidents and accidents and pays a great deal of attention to their prevention. In 2023, the occupational risk factors were reassessed, work equipment was checked for compliance with safety requirements, and a Safety Walks initiative involving managers and workers was launched. Much attention was paid to increasing the safety of internal traffic by improving road and walkway markings, installing panoramic mirrors and making safety signs more visible.

For detailed information on employee safety, see the section "List of GRI Indicators" (GRI 403-6) →





# Fair salary

## €1,559,642

was allocated to annual bonus payments

NARBUTAS is a trustworthy employer with a transparent, fair and motivating reward system. The procedure for paying salaries is set out in clear rules that are accessible to our employees and apply equally to all. The essential criteria on which the reward and motivational system is based are the employee's competence, the level of responsibility and complexity of the position, the employee's personal achievements and the contribution to the overall performance of the company.

The conditions for granting annual bonuses for 2023 were presented to all employees at the annual gathering. These conditions provided that once EBITDA reached €23 million, all employees would receive an annual bonus of 3% of their annual salary, with an additional 1% for each additional million of EBITDA. As the EBITDA for the year was €26 million, the annual bonus was 6% of the annual salary (a total of €1,559,642).

## The reward system consists of the following:

- ❏ A basic salary that is calculated according to the publicly published salary system.
- ❏ A variable part of the salary that is paid for good work and the company's performance.



## 8.2 %

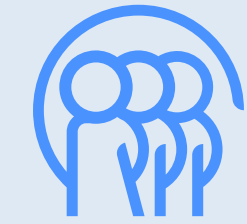
average salary rise in 2023

In 2023, the company's average salary rose by 8.2% and the highest salary by 10.4%. The difference between the company's highest and average salaries is 4.9 times. This figure has fallen by as much as 17% since 2020.





# Additional benefits for employees



## Promoting physical activity

Physical activity is an important factor in maintaining good health and emotional well-being, which is why we encourage and fund active and healthy lifestyles of our employees and the residents and visitors of Ukmergė. Last year, we took part in the Cross-Country Cup of Ukmergė Factories for the ninth time. The competition consists of six rounds, takes place between May and October and can be participated in by cycling, running or walking. About 160 people from the NARBUTAS team took part in at least one of the rounds in 2023.

In addition, we installed a bicycle and scooter shelter at our Ukmergė factory in 2023 to encourage more sustainable commuting.



## Financial benefits for major life events

In addition to working together, we also support our employees in difficult and happy moments by providing financial support for the birth of children, marriage, illness, and death of immediate family members, etc. These financial benefits for our employees amounted to more than €41,063 in 2023.



## Supplemental health insurance

NARBUTAS provides supplemental health insurance to all employees who have been with the company for more than 3 months. The insurance covers both physical and mental health. In recent years, employees have increasingly taken up the opportunity to check and strengthen their health: in 2023, the amount paid out for health insurance rose by 12% compared to 2022 and by as much as 51% compared to 2021.



# Additional benefits for employees



## Free meals and transport to work

Employees working at the Ukmergė factory have access to free bus transport from home to work and vice versa. There are 11 bus routes from other cities, towns and villages to the Ukmergė factory, with a total distance of 644 km in one direction. There are two separate routes within the city limits of Ukmergė, used by around 120 employees every day. In 2023, the company spent €496,076 on transporting employees to and from work.

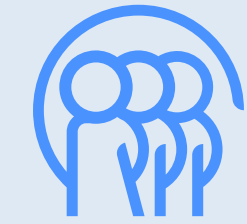
In addition, all employees of the Ukmergė factory receive free hot meals. It cost the company €643,014 in 2023.

## Referral bonuses

NARBUTAS has a procedure for employee referral bonuses. This is part of the additional benefits to incentivise existing employees to recommend a candidate, who does not have labour relations with the company, for open positions. Amount of €87,118 was allocated to referral bonuses in 2023.



# We are part of the community



## Sustainability goals for 2023

### ● Support socially responsible initiatives in Lithuania and abroad

We have been able to successfully achieve this goal every year for more than a decade. Children's football and youth entrepreneurship in Lithuania are two areas we have consistently supported over the past few years.

- ❏ The NARBUTAS Support Foundation is the founder of the football club "Vilnius". More than 400 children are currently training at this club, and we hope that this number will increase in the future.
- ❏ Junior Achievement Lithuania is an international organisation that helps children to try their hand at creating their own businesses while still at school, set up student companies and, eventually, start real businesses.

In addition to financial support, we also donate furniture to many other organisations and initiatives that provide physical and psychological support to vulnerable social groups, foster creativity and learning of the younger generation and encourage them to be physically active.

On the next page, you will find a list of Lithuanian organisations to which NARBUTAS provided financial or in-kind support in 2023.

€590,138  
was allocated for support in 2023.





# Support to organisations



## Youth organisations

- Alanta Gymnasium of Molėtai District
- Panevėžys Progymnasium “Šaltinis”
- Tulpiakėmis Children Day Care Centre
- Ukmergė Antanas Smetona Gymnasium
- Preschool of Ukmergė “Nykštukas”
- Preschool of Ukmergė “Saulutė”
- Taujėnai Gymnasium of Ukmergė District
- Vidiškiai School of Ukmergė District
- Ukmergė Old Town Progymnasium
- Preschool of Ukmergė “Buratinas”
- Preschool of Ukmergė “Eglutė”
- Engineering Lyceum of Vilnius Gediminas Technical University

## Community-based organisations

- Ukmergė Animal Shelter “Akeso”
- Association “Šeimų bendrystė”
- Club “Miško broliai”
- Lithuanian Sports Federation for the Disabled
- Narbutas Support Foundation
- Ukmergė Animal Shelter “Klajūnas”
- Ukmergė Culture Centre
- Ukmergė Primary Health Care Centre
- Ukmergė Sports Centre

## Sports organisations

- Football Club “Vilnius”





# Continuing our support to Ukraine



€507,414

was allocated to the 2023 RADAROM!  
campaign supporting Ukraine

NARBUTAS ceased its activities in Russia and Belarus as soon as the war started. We do not accept product orders coming from these countries. No raw materials or components used in our production come from Russia or Belarus, as we have secured reliable, stable sourcing alternatives for raw materials and furniture components from other countries and are continuing with our growth plans. Since the beginning of the war, NARBUTAS has provided a wide range of support to the Ukrainian people and fighters.

The Lithuanian National Radio and Television is the main organiser of the RADAROM! campaign. The campaign raised a total of €14 million for the purchase of multi-mission tactical radars. The purpose of the radars is to monitor the Ukrainian skies around strategic infrastructure such as power stations, water towers, etc., which help to keep life as normal as possible for Ukrainians during wartime. We are determined to continue to defend the principles of freedom, democracy and human rights.





# Involvement of stakeholders

NARBUTAS' key stakeholders are employees, partners, customers, suppliers, contractors, the local community and public authorities. A double materiality assessment is planned for 2024. Its goal is to methodically identify the areas of sustainability in which the company has the greatest environmental impact and which have the greatest impact on the company. NARBUTAS' key stakeholders will also be involved in the assessment process. The double materiality assessment is one of the steps we are taking to prepare for the implementation of the EU Corporate Sustainability Reporting Directive.

## Sustainability goals for 2023

### ● **Elect sustainability representatives for the company's divisions**

The goal was successfully accomplished.

One way of promoting sustainability within the company and ensuring the quality of sustainability projects implemented is to elect sustainability representatives in different divisions. We have identified the following levels of involvement of sustainability representatives: formulating sustainability goals, implementing sustainability goals and other sustainability initiatives, and providing data for sustainability reports. The company's sustainability representatives are the managers of departments and divisions or colleagues appointed by them.





# Our supply chain



75%  
of our suppliers have signed the  
Supplier Code of Conduct

## Sustainability goals for 2023

- **Have 75% of our suppliers sign NARBUTAS' Supplier Code of Conduct**

The goal was successfully accomplished. The Supplier Code of Conduct covers areas such as human rights, business ethics and environmental protection.

53%  
of our purchases in 2023 were local.

As a manufacturer, much of our environmental impact comes from the raw materials we buy, so choosing materials and suppliers and working with them are particularly important. We are pleased that more than half of our suppliers are based in Lithuania, resulting in lower emissions when transporting raw materials, and that 75% of our suppliers have already signed our Supplier Code of Conduct.





# Sustainability goals for 2024





# Sustainability goals for 2024



## Sustainable design

- Integrate a system for assessing products against sustainable design principles into the new product development process.
- Obtain the FISP (Furniture Industry Sustainability Programme) and EcoVadis sustainability certifications.
- Start using only FSC-certified chipboard in standard production.
- Prepare Environmental Product Declarations (EPDs) for a selected group of products.
- Reduce the amount of packaging cardboard off-cuts by 96 tonnes per year.
- Reduce the use of polystyrene foam for packaging by 5.5 tonnes per year.
- Reduce the use of plastic film for packaging by 5.9 tonnes per year.



## Energy and emissions

- Expand our solar power plant with the aim of generating around 40% of the electricity we consume in manufacturing on our own by 2025.
- Implement an energy resource monitoring system.
- Develop an action plan to achieve our long-term goal of becoming a climate-neutral company in terms of Scopes 1 and 2 emissions by 2028.

## Long-term goal

Reduce CO<sub>2</sub> emissions and become a climate-neutral company by 2028\*.

\* in terms of Scopes 1 and 2 (for more information on the emission scopes, see the section “GRI List of Indicators (GRI 305)” →

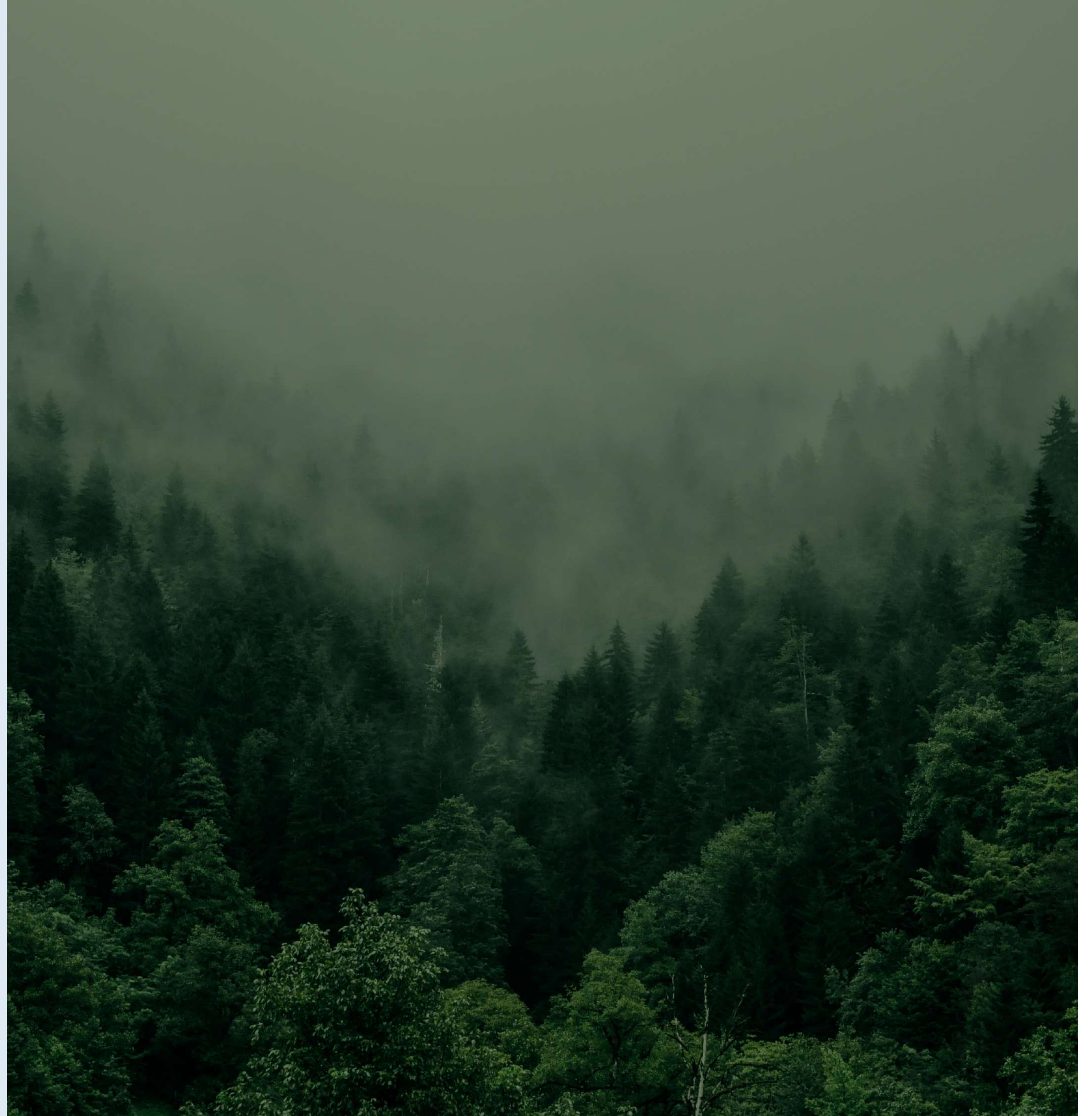


## Employees and community

- Perform a double materiality assessment of the company.
- Implement a system of corporate performance indicators.
- Implement a training programme for all managers.
- Train all of our employees to sort waste.
- Continue conducting our employee engagement surveys, develop and implement action plans to improve engagement.
- Continue to support Ukraine, Junior Achievement Lithuania and the development of children’s football in Lithuania.



# List of GRI Indicators





# List of GRI indicators

GRI indicator number	GRI indicator name	Notes and references in the report
1	GRI content index with reference	NARBUTAS has reported the information cited in this GRI content index for the period 1st January 2023 to 31st December 2023 with reference to the GRI Standards. 4 p.
1	Sector-specific GRI Standards	No sector-specific standards were applied.  p. 4
2	General Disclosures	
2-1	Organizational details	The company's name is Narbutas International, UAB (a private limited liability company).  The short form NARBUTAS is used synonymously in the report.  Factory address: Žiedo g. 14, Ukmergė, Lithuania.  Headquarters address: Ukmergės g. 308, Vilnius, Lithuania.  p. 8
2-2	Entities included in the organization's sustainability reporting	p. 4
2-3	Reporting period, frequency and contact point	p. 4
2-4	Restatements of information	GRI 302-1 (Energy consumption within the organisation) for 2022 has been updated. 431.61 MWh less energy was consumed for office heating.  Because of the updated calculation methodology and the updated 2022 data for GRI 302-1 (Energy consumption within the organisation), changes have been made to 2022 data for GRI 305 (Emissions), GRI 305-1 (Direct (Scope 1) greenhouse gas (GHG) emissions) and GRI 305-2 (Indirect (Scope 2) GHG emissions). GRI 305 (Emissions) increased by 23.37 tCO <sub>2</sub> e, as GRI 305-1 (Direct (Scope 1) GHG emissions) increased by 60.27 tCO <sub>2</sub> e and GRI 305-2 (Indirect (Scope 2) GHG emissions) decreased by 36.9 tCO <sub>2</sub> e.  2022 data for GRI 401-1 (New employee hires and employee turnover) has been updated: in 2022, 18% of the employees have been with the company for more than 7 years.





GRI indicator number	GRI indicator name	Notes and references in the report																																																												
2-5	External assurance	The report was not externally audited.																																																												
2-6	Activities, value chain and other business relationships	p. 8, p. 56																																																												
2-7	Employees	pp. 43-44 <table><tr><td>FTE</td><td>1</td><td>0,75</td><td>0,5</td><td>0,25</td></tr><tr><td>Permanent employees</td><td>1,456</td><td>6</td><td>0</td><td>4</td></tr><tr><td>Temporary employees</td><td>8</td><td>1</td><td>0</td><td>0</td></tr><tr><td>Total number of employees</td><td>1,475</td><td></td><td></td><td></td></tr><tr><td>Total number of female employees</td><td>699</td><td></td><td></td><td></td></tr><tr><td>Female employees under 30 years old</td><td>129</td><td></td><td></td><td></td></tr><tr><td>Female employees 30-50 years old</td><td>415</td><td></td><td></td><td></td></tr><tr><td>Female employees over 50 years old</td><td>155</td><td></td><td></td><td></td></tr><tr><td>Total number of male employees</td><td>776</td><td></td><td></td><td></td></tr><tr><td>Male employees under 30 years old</td><td>224</td><td></td><td></td><td></td></tr><tr><td>Male employees 30-50 years old</td><td>406</td><td></td><td></td><td></td></tr><tr><td>Male employees over 50 years old</td><td>146</td><td></td><td></td><td></td></tr></table>	FTE	1	0,75	0,5	0,25	Permanent employees	1,456	6	0	4	Temporary employees	8	1	0	0	Total number of employees	1,475				Total number of female employees	699				Female employees under 30 years old	129				Female employees 30-50 years old	415				Female employees over 50 years old	155				Total number of male employees	776				Male employees under 30 years old	224				Male employees 30-50 years old	406				Male employees over 50 years old	146			
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2-15	Conflicts of interest	p. 45																																																												
2-21	Annual total compensation ratio	p. 49																																																												
2-22	Statement on sustainable development strategy	pp. 6-7																																																												
2-28	Membership associations	Main memberships of NARBUTAS:  Lithuanian Marketing Association  Association of Lithuanian Wood Industry Companies “Lietuvos mediena”  Association of Personnel Management Professionals  Vilnius Chamber of Commerce, Industry and Crafts  Association of Manufacturers and Importers "Gamtos ateitis"																																																												
2-29	Approach to stakeholder engagement	55 p.																																																												



GRI indicator number	GRI indicator name	Notes and references in the report
3	Material topics	
3-1	Process to determine material topics	pp. 14 -15, 17, 32, 42
3-2	List of material topics	pp. 14 -15, 17, 32, 42
3-3	Management of material topics	pp. 14 -15, 17, 32, 42
201	Economic Performance	
201-1	Direct economic value generated and distributed	p. 10
201-4	Financial assistance received from government	A financial assistance of €715 055 was received from the state in 2023.
203	Indirect Economic Impacts	
203-1	Infrastructure investments and services supported	p. 10
204	Procurement Practices	
204-1	Proportion of spending on local suppliers	p. 56
205	Anti-corruption	
205-3	Confirmed incidents of corruption and actions taken	No cases of corruption have been reported in 2023.
206	Anti-competitive Behavior	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal infringements were recorded in 2023.



GRI indicator number	GRI indicator name	Notes and references in the report																																																																								
301	Materials																																																																									
301-1	Materials used by weight or volume	<table><tr><th>Type of raw material, in kilograms</th><th>2022</th><th>2023</th></tr><tr><td>Board</td><td>25,473,191</td><td>22,517,759</td></tr><tr><td>Solid wood</td><td>295,759</td><td>299,523</td></tr><tr><td>Edging</td><td>1,518,842</td><td>1 474,095</td></tr><tr><td>Plywood</td><td>143,604</td><td>126,583</td></tr><tr><td>Veneer</td><td>13,013</td><td>20,422</td></tr><tr><td>HPL / CPL</td><td>101,928</td><td>83,152</td></tr><tr><td>Metal tubes</td><td>3,743,942</td><td>3,877,400</td></tr><tr><td>Sheet metal</td><td>694,851</td><td>875,782</td></tr><tr><td>Other semi-finished metal products</td><td>454,647</td><td>527,134</td></tr><tr><td>Furniture hardware</td><td>670,203</td><td>771,659</td></tr><tr><td>Furniture fixings</td><td>184,129</td><td>188,157</td></tr><tr><td>Other metal products</td><td>92,748</td><td>88,537</td></tr><tr><td>Locks</td><td>72,195</td><td>42,787</td></tr><tr><td>Chair components</td><td>1,313,649</td><td>1,284,701</td></tr><tr><td>Components of Sit-stand desks</td><td>480,041</td><td>687,919</td></tr><tr><td>Upholstery fabrics and leather</td><td>555,731</td><td>511,665</td></tr><tr><td>PET felt</td><td>22,515</td><td>41,652</td></tr><tr><td>Foam</td><td>154,886</td><td>149,235</td></tr><tr><td>Polyurethane products</td><td>288,508</td><td>286,855</td></tr><tr><td>Chemical products</td><td>235,608</td><td>252,703</td></tr><tr><td>Glass</td><td>104,069</td><td>211,616</td></tr><tr><td>Electric parts</td><td>21,093</td><td>19,511</td></tr><tr><td>Packaging materials</td><td>2,714,908</td><td>5,549,291</td></tr></table>	Type of raw material, in kilograms	2022	2023	Board	25,473,191	22,517,759	Solid wood	295,759	299,523	Edging	1,518,842	1 474,095	Plywood	143,604	126,583	Veneer	13,013	20,422	HPL / CPL	101,928	83,152	Metal tubes	3,743,942	3,877,400	Sheet metal	694,851	875,782	Other semi-finished metal products	454,647	527,134	Furniture hardware	670,203	771,659	Furniture fixings	184,129	188,157	Other metal products	92,748	88,537	Locks	72,195	42,787	Chair components	1,313,649	1,284,701	Components of Sit-stand desks	480,041	687,919	Upholstery fabrics and leather	555,731	511,665	PET felt	22,515	41,652	Foam	154,886	149,235	Polyurethane products	288,508	286,855	Chemical products	235,608	252,703	Glass	104,069	211,616	Electric parts	21,093	19,511	Packaging materials	2,714,908	5,549,291
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301-2	Recycled input materials used	pp. 23-24, 31																																																																								



GRI indicator number	GRI indicator name	Notes and references in the report
302	Energy	
302-1	Energy consumption within the organization	pp. 38-39
302-4	Reduction of energy consumption	pp. 38-39
305	Emissions	
305-1	Direct (Scope 1) GHG emissions	<p>p. 36</p> <p>The methodology for calculating GHG emissions is based on the Greenhouse Gas Protocol.</p> <p>CO2 is the most important of the greenhouse gases; other gases such as methane (CH4) and nitrous oxide (N2O) are also included in the calculations. The final figure is given in CO2 equivalents when summarising the data. CO2 equivalents – a unit of measurement for greenhouse gases (CO2, CH4, N2O) based on global warming potential.</p> <p>Scope 1 refers to direct emissions. It covers GHG emissions directly attributable to the company’s activities that are within its control, e.g. company-owned transport and equipment used in the production of products.</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>p. 36</p> <p>Scope 2 covers indirect GHG emissions from off-site production of electricity or heat used by the company. The figure in the company’s GHG emissions table is based on the market-based method, i.e. based on actual energy purchases. The location-based method would result in GHG emissions of 212,3 tonnes of CO2 equivalents.</p>
305-3	Other indirect (Scope 3) GHG emissions	<p>pp. 35-36</p> <p>Scope 3 covers GHG emissions from the value chain, i.e. from the manufacturing of raw materials for products, their transport, use, etc.</p>
305-4	GHG emissions intensity	pp. 34, 36
305-5	Reduction of GHG emissions	pp. 34, 36



GRI indicator number	GRI indicator name	Notes and references in the report																																																			
306	Effluents and Waste																																																				
306-1	Waste generation and significant waste-related impacts	pp. 26, 30																																																			
306-2	Management of significant waste-related impacts	pp. 26, 30, 58																																																			
306-3	Waste generated	<table><tr><th>Type of waste / amount in tonnes</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Wood waste (sent to waste management companies)</td><td>3,717</td><td>4,836</td><td>6,026</td></tr><tr><td>Wood waste (used for energy recovery in the factory, tonnes are calculated based on the amount of energy recovered)</td><td>1,049</td><td>910</td><td>807</td></tr><tr><td>Total wood waste</td><td>4,766</td><td>5,746</td><td>6,833</td></tr><tr><td>Paper and cardboard waste</td><td>697</td><td>867</td><td>662</td></tr><tr><td>Metal waste</td><td>334</td><td>632</td><td>719</td></tr><tr><td>Plastic waste</td><td>169</td><td>102</td><td>33</td></tr><tr><td>Hazardous waste</td><td>82</td><td>100</td><td>91</td></tr><tr><td>Mixed municipal waste</td><td>36</td><td>71</td><td>66</td></tr><tr><td>Waste not otherwise specified (foam, PET felt, upholstery fabrics, etc.)</td><td>185</td><td>257</td><td>252</td></tr><tr><td>Ash</td><td></td><td></td><td>6</td></tr><tr><td><b>Total waste</b></td><td><b>6,269</b></td><td><b>7,775</b></td><td><b>8,662</b></td></tr></table>				Type of waste / amount in tonnes	2021	2022	2023	Wood waste (sent to waste management companies)	3,717	4,836	6,026	Wood waste (used for energy recovery in the factory, tonnes are calculated based on the amount of energy recovered)	1,049	910	807	Total wood waste	4,766	5,746	6,833	Paper and cardboard waste	697	867	662	Metal waste	334	632	719	Plastic waste	169	102	33	Hazardous waste	82	100	91	Mixed municipal waste	36	71	66	Waste not otherwise specified (foam, PET felt, upholstery fabrics, etc.)	185	257	252	Ash			6	<b>Total waste</b>	<b>6,269</b>	<b>7,775</b>	<b>8,662</b>
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306-4	Waste diverted from disposal	<table><tr><th>Type of waste, amount in tonnes</th><th>Waste</th><th>Recycled waste</th><th>Disposed waste*</th></tr><tr><td>Wood waste (sent to waste management companies)</td><td>6,026</td><td>5,785</td><td>241</td></tr><tr><td>Wood waste (used for energy recovery in the factory, tonnes are calculated based on the amount of energy recovered)</td><td>807</td><td>0</td><td>807</td></tr><tr><td>Total wood waste</td><td>6,833</td><td>5,785</td><td>1,048</td></tr><tr><td>Paper and cardboard waste</td><td>662</td><td>662</td><td>0</td></tr><tr><td>Metal waste</td><td>719</td><td>719</td><td>0</td></tr><tr><td>Plastic waste</td><td>33</td><td>33</td><td>0</td></tr><tr><td>Hazardous waste</td><td>91</td><td>0</td><td>91</td></tr><tr><td>Mixed municipal waste</td><td>66</td><td>0</td><td>66</td></tr><tr><td>Waste not otherwise specified (foam, PET felt, upholstery fabrics, etc.)</td><td>252</td><td>0</td><td>252</td></tr><tr><td>Ash</td><td>6</td><td>0</td><td>6</td></tr></table>				Type of waste, amount in tonnes	Waste	Recycled waste	Disposed waste*	Wood waste (sent to waste management companies)	6,026	5,785	241	Wood waste (used for energy recovery in the factory, tonnes are calculated based on the amount of energy recovered)	807	0	807	Total wood waste	6,833	5,785	1,048	Paper and cardboard waste	662	662	0	Metal waste	719	719	0	Plastic waste	33	33	0	Hazardous waste	91	0	91	Mixed municipal waste	66	0	66	Waste not otherwise specified (foam, PET felt, upholstery fabrics, etc.)	252	0	252	Ash	6	0	6				
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Ash	6	0	6																																																		

\* Sent to landfills or incinerated for energy recovery.



GRI indicator number	GRI indicator name	Notes and references in the report																																								
306-5	Waste directed to disposal	See table under GRI 306-4 (Waste diverted from disposal).																																								
401	Employment																																									
401-1	New employee hires and employee turnover	<div>pp. 43-44</div> <table><tr><td>Total number of newly hired employees</td><td>545</td><td>Total number of resigned/dismissed employees</td><td>358</td></tr><tr><td><b>Total number of newly hired women</b></td><td><b>214</b></td><td><b>Total number of resigned/dismissed women</b></td><td><b>128</b></td></tr><tr><td>Newly hired women under 30 years old</td><td>82</td><td>Resigned/dismissed women under 30 years old</td><td>52</td></tr><tr><td>Newly hired women 30-50 years old</td><td>111</td><td>Resigned/dismissed women 30-50 years old</td><td>64</td></tr><tr><td>Newly hired women over 50 years old</td><td>21</td><td>Resigned/dismissed women over 50 years old</td><td>12</td></tr><tr><td><b>Total number of newly hired men</b></td><td><b>331</b></td><td><b>Total number of resigned/dismissed men</b></td><td><b>230</b></td></tr><tr><td>Newly hired men under 30 years old</td><td>182</td><td>Resigned/dismissed men under 30 years old</td><td>130</td></tr><tr><td>Newly hired men 30-50 years old</td><td>116</td><td>Resigned/dismissed men 30-50 years old</td><td>76</td></tr><tr><td>Newly hired men over 50 years old</td><td>33</td><td>Resigned/dismissed men over 50 years old</td><td>24</td></tr><tr><td>Total number of employees at the end of the year</td><td>1,475</td><td></td><td></td></tr></table>	Total number of newly hired employees	545	Total number of resigned/dismissed employees	358	<b>Total number of newly hired women</b>	<b>214</b>	<b>Total number of resigned/dismissed women</b>	<b>128</b>	Newly hired women under 30 years old	82	Resigned/dismissed women under 30 years old	52	Newly hired women 30-50 years old	111	Resigned/dismissed women 30-50 years old	64	Newly hired women over 50 years old	21	Resigned/dismissed women over 50 years old	12	<b>Total number of newly hired men</b>	<b>331</b>	<b>Total number of resigned/dismissed men</b>	<b>230</b>	Newly hired men under 30 years old	182	Resigned/dismissed men under 30 years old	130	Newly hired men 30-50 years old	116	Resigned/dismissed men 30-50 years old	76	Newly hired men over 50 years old	33	Resigned/dismissed men over 50 years old	24	Total number of employees at the end of the year	1,475		
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401-3	Parental leave	<table><tr><td>Male employees who took parental leave</td><td>4</td></tr><tr><td>Female employees who took parental leave</td><td>21</td></tr><tr><td>Male employees returned after parental leave</td><td>1</td></tr><tr><td>Female employees returned after parental leave</td><td>11</td></tr></table>	Male employees who took parental leave	4	Female employees who took parental leave	21	Male employees returned after parental leave	1	Female employees returned after parental leave	11																																
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403	Occupational Health and Safety																																									
403-1	Occupational health and safety management system	<div>p. 48</div> <div>At the national level, the occupational health and safety management system is regulated by the Labour Code of the Republic of Lithuania, the Law of the Republic of Lithuania on Safety and Health at Work, the Law on Fire Safety and the general fire safety regulations. At the company level, the occupational health and safety management system is regulated by the following: occupational health and safety instructions (general and at the workplace); training on hazardous work; documentation of occupational risk assessment; pre-employment occupational health check-up and periodic health check-up every 2 years; internal procedures: internal traffic procedures, safety signs, the procedure for investigating and recording of incidents, issue of personal protective equipment, etc.</div>																																								



GRI indicator number	GRI indicator name	Notes and references in the report
403-2	Hazard identification, risk assessment, and incident investigation	<p>p. 48</p> <p>An occupational risk assessment assesses the following factors: physical, biological, chemical, ergonomic, physical, psychosocial. Risk factors are managed by collective (ventilation, air-conditioning, dust and fume extraction systems) and personal (hearing and respiratory protection, protective work clothing) equipment, rotational working and special breaks. Incidents are investigated using the PDCA (Plan, Do, Check, Act) method.</p>
403-3	Occupational health services	<p>p. 48</p>
403-4	Worker participation, consultation, and communication on occupational health and safety	<p>pp. 45, 46, 48</p>
403-5	Worker training on occupational health and safety	<p>p. 48</p> <p>The company carries out the following occupational health and safety training: first aid training; manual handling, working in noise, working with chemicals, fire safety, working at height, working with electric forklift trucks, electric trolleys and platform trucks; occupational health and safety training for team managers. All of these trainings are free of charge and take place during working hours. A knowledge check (in the form of a written test or written questions) is carried out after all the training sessions.</p>
403-6	Promotion of worker health	<p>p. 50</p>
403-9	Work-related injuries	<p>In 2023, a total of 2,337,342 hours were worked in direct and indirect production and 24 workplace accidents occurred, none of which were serious or fatal. The international Total Recordable Incident Rate (TRIR) calculation method is used to measure the level of employee safety in the company. In 2023, it was 2.05, 24% lower than in the previous year.</p>
<b>405</b>	<b>Diversity and Equal Opportunity</b>	
405-1	Diversity of governance bodies and employees	<p>pp. 43-44</p>
405-2	Ratio of basic salary and remuneration of women to men	<p>p. 44</p>
<b>406</b>	<b>Non-discrimination</b>	
406-1	Incidents of discrimination and corrective actions taken	<p>None of the 11 reports received in 2023 were related to discrimination.</p>
<b>414</b>	<b>Supplier Social Assessment</b>	
414-1	New suppliers that were screened using social criteria	<p>p. 56</p>
414-2	Negative social impacts in the supply chain and actions taken	<p>p. 56</p>



GRI indicator number	GRI indicator name	Notes and references in the report
416	Customer Health and Safety	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	We did not receive any warnings or financial penalties for product quality defects or non-compliance in terms of product safety in 2023.
417	Marketing and Labelling	
417-2	Incidents of non-compliance concerning product and service information and labelling	The company received no warnings or financial penalties for mislabelling, misleading advertising or competition infringements in 2023.
417-3	Incidents of non-compliance concerning marketing communications	The company received no warnings or financial penalties for mislabelling, misleading advertising or competition infringements in 2023.
418	Customer Privacy	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	The company received no complaints of breaches of customer data privacy in 2023.