BAUX Sustainability Report 2020

WE AIM FOR CLIMATE NEUTRALITY





THAT BUILDING MATERIALS SHOULD BE SUSTAINABLE, REMARKABLY BEAUTIFUL. LET'S BUILD!

BAUX IS FOUNDED ON THE BELIEF SURPRISINGLY FUNCTIONAL AND



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"I hope our sustainability report will inspire the design industry to be more transparent and to put environmental impact on top of the agenda"

Lina Schleenvoigt CEO at BAUX



A message from our CEO

Sustainability has been a fundamental part of the BAUX business model since we launched in 2013.

BAUX was born out of our profound love of nature.

We're constantly seeking to uncover potential, inspire change and discover new ways to make people's lives better at work with sustainable acoustical solutions. It's our passion. And it's firmly rooted in the belief that our products should do more than serve as a functional solution or meet the contemporary design expectations of

architects and engineers. They should also contribute to a better planet—both today, and for generations to come.

This is why we are proud to reach this milestone and present our sustainability report. We have pushed the boundaries so far that we can now measure our total carbon footprint for all the products we produce.

By being this transparent, we hope to both inspire and challenge our friends and colleagues in the design sector to do the same. We, as an industry, can no longer afford to ignore the part we play.

Lina Schleenvoigt, Stockholm, 2021



The year in brief

Growth

Our international team managed to grow the business by 16 % during 2020. This was despite having a tough year globally with Covid-19 and its impact on businesses.

Projects and clients

In 2020, we enjoyed working with new projects and clients from almost every continent around the world (except Africa and Antarctica). We are proud to have a product that people love.

Some of our biggest clients are:

- Google
- Amazon
- Netflix
- And many more

Expanding global network

BAUX is a global market leader in designed wood wool acoustic solutions. Through local representation and partnerships, we supply, install and maintain sustainable acoustic solutions worldwide.

We currently have several partners who represent us throughout Europe, the Middle East, North America, South America, Australia and Asia. This year, in 2021, we've welcomed team additions in California, Dubai and Germany.

Please visit <u>this link</u> for more information about who to contact in your local market.

Expectations for 2021

In 2021, we aim to grow our business through expanding our global sales network, recruiting talents to our Stockholm HQ, investing in Sales technology for our Sales network, and through diversing our portfolio of products.

In June 2021, we launched a new sustainable material called Acoustic Felt. The material has a circular approach; Instead of creating more plastic, we partnered with The Loop Factory and made the felt out of 100% traceable textile offcuts which would have otherwise been sent to the incinerator.



IT'S TIME TO ACCELERATE THE INDUSTRY TOWARDS A FOSSIL-FREE FUTURE.



Over the past century, fossil based materials have become the norm and standard for acoustical products in the interior design and building industries. The degradation of our natural environment is a global topic of increasing urgency, and we can no longer afford to turn our backs or cut corners.

We believe in a future where companies are founded upon strong values that direct industries towards a sustainable future. Where businesses guide customers in the right direction. And brands you can trust create products and services that work with nature —not against it.





WEARE COMMITTED TO DOING OUR PART.



We are committed to reducing our ecological footprint and making sustainability an integral part of everything we do and create. For us, this means preventing pollution, reducing waste, conserving resources and designing for longevity. It also means asking the right questions and learning

from our mistakes along the way, as we continuously strive to do things better than ever before.

This sustainability report is our pledge to the world that we are doing everything we can to accelerate change towards a fossilfree future.



Materials

We design, produce and market functional construction materials that meet the contemporary expectations of architects, engineers and builders—without compromising tomorrow's safety and environmental standards. Today, we are proud to offer a range of materials that embody our core promises: they are sustainable, surprisingly functional and remarkably beautiful.



Wood Wool

Made from sustainably harvested Swedish wood, cement and water.





Acoustic Pulp

Made from 100% bio-based, recyclable and biodegradable ingredients.

Acoustic Felt

Made from upcycled and 100% traceable post-production textiles.







BAUX Wood Wool. Made from sustainably harvested Swedish wood, cement and water.

A functional, natural material

BAUX Acoustic Wood Wool is an environmentally friendly, recyclable material made from wood wool, cement and water. The natural components, together, provide many functional characteristics.

Moisture-regulating

The moisture-resistant material evens out air humidity by absorbing and then emitting moisture into the ambient air. This contributes to a pleasant indoor climate which is good for both comfort and health. The high pH value also discourages mould and the material is not affected by rot.



Heat-accumulating

BAUX Acoustic Wood Wool products store heat from the ambient air and emit it when the air temperature falls. This contributes to lower energy costs, reduced environmental impact and a stable and comfortable climate indoors.

Sound-absorbent

The open material structure reduces sound reflections and makes BAUX Acoustic Wood Wool a good sound absorber. The material dampens noise and contributes to restful acoustics in residential buildings, industrial premises and public spaces.

Fireproof

BAUX Acoustic Wood Wool is fire resistant and is type-approved as protective cladding with a class 1 coating.

Low-emission

Measurements show that emissions from BAUX Acoustic Wood Wool products are extremely low. The strong surface can cope with vacuum cleaning, and the use of the product in restaurants and other sensitive environments show that the boards do not emit dust or particles.



An environmentally friendly, recyclable material containing two of the world's oldest building materials. The combination is simple and ingenious.

BAUX wood fibres are FSC® and PEFCTM certified -- guaranteeing that they can be traced back to responsible forestry operations. The wood is collected from the Swedish forest in the direct surroundings of the factory in order to minimise negative CO2 emissions caused by longer transport distances. The small amount of wood waste that is generated as a result of production is taken care of—80% is used to heat the factory and drying plant. No waste is produced from the timber log.

For the cement used in the product, BAUX has carefully selected the world leading supplier in terms of sustainability. An advanced system for carbon capturing has been put in place to ensure that

g	CO2 emissions from the manufacturing limestone heating process
e	are absorbed and re-captured in porous stone materials.
IS	Once installed, BAUX Acoustic Wood Wool panels also capture CO2
t	from the surrounding air in a reactive process called carbonation.
	The limestone in the cement reverts back to its original state when
' ב	CO2 is collected. Independent tests show that, thanks to its open
<i>,</i>	material structure, BAUX Acoustic Wood Wool is able to carbonate
	as much as 70% of the CO2 that is emitted during the manufacturing
е	process.





ACOUST





- 100% bio-based
- 100% recyclable
- 100% biodegradable
- 0% pollution or waste
- **Biomimicry engineered**
 - Lightweight
 - Durable
 - Fire retardant
 - Water repellent
 - Color made of wheat
- Laser enhanced sound absorption



BAUX Acoustic Pulp. Made from 100% bio-based, recyclable and biodegradable ingredients.



Cellulose

Cellulose from sustainably harvested For strength, we utilised a naturally Swedish and FSC controlled fir and catalytic combination of potato starch extracted from potatoes. The pine trees. cells of the root tubers of the potato plant contain leucoplasts making it ideal for strength.

Wheat Bran

Non-GMO wheat bran. Adding paint would have compromised our vision of creating a 100%-bio-based product. Instead, colour is achieved using different percentages of wheat bran.

Potato Strach

Citrus fruit peel

For strength, we utilised a naturally catalytic combination of potato starch, plant-based wax and citrus fruit acids from lemons, limes, and oranges to provoke the cellulosic molecules into creating a powerful matrix of intermolecular fusions.

Plant Wax

Plant-derived wax is used to further increase fire protection in the product.



BAUX Acoustic Pulp drastically pushes the boundaries of cellulosic properties to a completely new level.

Our 100% bio-based BAUX Acoustic Pulp panel is the first in the world to uncompromisingly combine the performance properties of sound absorption, safety and durability with sustainability and modern aesthetics.

The result is a restful and sustainable acoustical environment for residential buildings, industrial premises and public spaces that calls us back to the harmonising pulse of nature. Harmless for us, harmless for the environment. It's nothing short of an acoustical revolution. The manufacturing process is 100% sustainable and highly technological. The cellulose mix is formed inside a 3D mould with a powerful vacuum method and dried under high pressure. The surface is nano-perforated using an advanced laser technique. All material waste is recycled back into the production process and reused again. All water used is built into a closed circular system and recycled. The only emission from production is a tiny amount of pure and clean water vapour that is released as the material dries.





BAUX Acoustic Felt. Made from upcycled and 100% traceable post-production textiles.



Made of 100% traceable textile offcuts

Instead of creating more plastic, we made our felt out of textile offcuts which would have otherwise been sent to the incinerator.

Produced as a single standardised sheet

To avoid generating offcuts or excess of our own, we carefully press—not glue—the textiles into a single standardised sheet and precisely cut it.

Minimal number of hardware pieces

To minimise unnecessary production and streamline assembly, just four standardised hardware pieces are used—made of 100% recyclable metal and 100% recyclable plastic.

Natural palette of colours

Due to its upcycled origins, the felt is naturally variegated in colour. Each batch of threads is dyed locally in a closed process that follows Swedish environmental legislation.



A next generation textile, made from upcycled and 100% traceable post-production textiles in partnership with The Loop Factory.

BAUX Acoustic Felt is made out of upcycled textile offcuts combined When we started our journey into the world of felt, we discovered a natural partner in The Loop Factory. Specialists within sustainable with a low melt polyester fibre that gives the material its structure. strategies and renewable and unused resources, The Loop Factory The offcuts consist of a 100% polyester based thread, sourced from Ludvig Svensson—resources which normally would have been was just the ally we needed to help us realise a felt solution that could truly push the boundaries of sustainability, in a way the incinerated. Thanks to our relationships with textile producers, we can ensure a traceable and continuous flow of material with industry has never done before. The solution we arrived at is the result of forging a brand new value chain for upcycled textiles. One desirable quality. Each batch of threads is dyed locally in Sweden in a closed process that follows Swedish environmental legislation. The that connects raw material suppliers and their unused materials with resulting colour schemes have naturally variegated identities, a brand new production possibilities. perfect reflection of the material's diverse origins—and one more loop closed.



WHENEVER WE'RE LOOKING FOR NEW DESIGNS, PRODUCTS OR MATERIALS, NATURE IS ALWAYS OUR FIRST SOURCE OF INSPIRATION



The BAUX approach to product development.

We strive to create acoustical solutions that not only check the boxes of functionality and design, but that also contribute to creating a better tomorrow for our planet. Nature provides a wellspring of ideas for colours, patterns and shapes. And, when you explore beneath the surface, it holds the key to removing unsustainable ingredients from the equation entirely.

Our criteria for materials

When searching for new materials, we critically evaluate every aspect using the following criteria:

- It should be possible to trace the material back to it's source of origin
- There should be zero risk of recycled materials containing dangerous content
- Materials should have a low amount of volatile organic compounds (VOC)
- It should be possible to recycle and/or reuse the material







UNFCCC and the Climate Neutral Now Initiative.

In order to achieve a better and more sustainable future, the United Nations and global leaders have agreed upon a number of Sustainable Development Goals. The Paris Agreement was adopted by 196 Parties of December 12, 2015 with the goal of limiting climate change.

The Climate Neutral Now Initiative is one of several initiatives launched Development Goals. The Paris Agreement was adopted by 196 Parties on by the UNFCCC secretariat to increase climate action by engaging non-December 12, 2015 with the goal of limiting climate change. party stakeholders. It was launched in 2015 based on a mandate to We at BAUX have decided to put effort, money, engagement, and promote the voluntary use of carbon market mechanisms recognised decisiveness into fulfilling one of the United Nations goals—Goal 13 under the Convention. The process of joining Climate Neutral Now which involves aiming for climate neutrality in 2021. To achieve this, we started with BAUX signing the Climate Neutral Now Pledge. Being part of have joined the Climate Neutral Now initiative, launched by the United this initiative means that we follow the steps (Measure, Reduce, Nations Framework Convention on Climate Change (UNFCCC) Contribute) outlined by the initiative, and report on our actions and secretariat. achievements annually.

BAUX signed the Climate Neutral Now Pledge





"We are pleased to see BAUX ambitious sustainability efforts and their aim for climate neutrality."

Miguel Naranjo Programme Officer Climate Neutral Now Lead



The 4 steps we have taken.

Measure the entire company's greenhouse gas emissions, including production, transportation and operations. Commit to reducing the emissions as much as possible.

Any business can contribute to limiting temperature rise and take climate action by following these steps. Learn more how we managed to do this at BAUX on the coming pages.





Annually offset/compensate for the emissions that can't be avoided by using UN certified emission reductions. Commit to annually report our estimated Co2 emissions, reduction activities, targets, and offsetting projects.



Climate terminology explained.

GHG Emissions

Greenhouse gases, or GHGs, are compound gases that trap heat or longwave radiation in the atmosphere. Their presence in the atmosphere makes the earth's surface warmer. Sunlight or shortwave radiation easily passes through these gases and the atmosphere. This radiation is absorbed by the surface of the earth and released as heat or longwave radiation. The molecular structure of GHGs allows them to absorb the heat released or trap them in the atmosphere and re-emit them back to the earth. This heat-trapping phenomenon is known as the greenhouse effect.

Carbon Footprint

A form of carbon calculation that measures the amount of carbon dioxide equivalent that a country, a business, an industry or an individual produces or is responsible for. The footprint calculates the direct and indirect levels of CO2-e emissions. Direct emissions include the burning of fossil fuels for energy and transportation and indirect emissions focus on the whole lifecycle of products from procuring raw materials to waste management.

Carbon Credit

A generic term to assign a value to a reduction or offset of GHG emissions.

A carbon credit is equivalent to one metric ton of carbon dioxide equivalent (CO2-e). A carbon credit can be used by a business or individual to reduce their carbon footprint by investing in an activity that has reduced or sequestered GHGs at another site.

Climate Neutrality

To achieve 'climate neutrality' means to reduce GHG emissions as much as possible, while also compensating for any remaining emissions. In this way, a net-zero emissions balance can be achieved, which means the amount of greenhouse gases released into the atmosphere is neutralised. This can be done by carbon sequestration, i.e. by removing carbon from the atmosphere, or through offsetting measures, which typically involve supporting climateoriented projects (for more information look for the definitions of 'offsetting', 'carbon credits', 'Clean Development Mechanism (CDM)', and 'Certified Emissions Reductions (CERs)'

Co2 Equivalent (Co2-e)

A carbon dioxide equivalent or CO2 equivalent, (CO2-e) is a metric measure used to compare the emissions from various GHGs on the basis of their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.













As previously mentioned, sustainability has been at the core of everything we do and create at BAUX ever since we launched the company in 2013. When we learned about the UNFCCC Secretariat's Climate Neutral Now Initiative—and realised we could take our sustainability commitment to the next level by becoming climate neutral—our decision was easy.

In 2020, when Covid-19 hit and totally changed our world in many ways, we decided to act. In the spring of 2020, we contacted all our suppliers, factories, transport companies and employees to undertand our CO2 emissions on a deeper level. On the following pages, we share the insights we got while following the steps laid out by the UNFCCC Secretariat's Climate Neutral Now Initiative.







Step 1: Measure

The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool for understanding, quantifying, and managing greenhouse gas emissions and working towards the United Nation's Sustainable Development Goals.

On the following pages, we will present our Co2 emissions findings.





Emissions

Page 33

Including raw materials, production, transport and installation/end of life.

Page 35 Pulp emissions

transport.

Wood Wool emissions

Including raw materials, production and

Page 37 **Other BAUX emissions**

Including employees, business travel, office emissions, fairs and exhibitions.

Page 38

Additional information and comments.

Total emissions, and comments on raw materials, manufacturing and more.



kg. CO2 e per m2

Wood Wool

BAUX wood fibres are FSC® and PEFCTM certified -- guaranteeing that they can be 3 traced back to responsible forestry operations. The wood is collected from the Swedish forest 0 in the direct surroundings of the factory in order to minimise negative CO2 emissions caused by -3 longer transport distances. The small amount of wood waste that is generated as a result of -6 production is taken care of—80% is used to heat the factory and drying plant. No waste is produced from the timber log. -9



Raw materials Manufacturing Transport Installation & End of life



Wood Wool

Ra

Raw Materials	Manufacturing	Transport	Installation & End of life	
 Wood cement and water. We use locally harvested FSC certified pine and spruce from Swedish forests. We use 100% natural materials with no additives. Our cement provider, Cementa, has been recognised as the world's most sustainable cement factory. Read more about this under 'Installation & End of life.' 	 Sweden, USA and AUS. The raw materials we use are produced in Sweden, in a factory that runs on 100% renewable energy. We use low waste production methods. We have production plants in the USA and Australia to ensure the final parts of the manufacturing process takes place closer to our end customers. 	 From factories to the end client, including samples and the final product.* We aim to produce as few emissions as possible during the transportation of products. We transport products to clients on the ground by truck, and rarely use air transportation. We have an efficient raw materials logistics solution that provides materials to the USA and Australia. 	 Installed Wood Wool products lead to reduced energy consumption due to their heat accumulating performance. All Wood Wool products have a long life and 50 year warranty. Wood Wool captures a significant amount of CO2 from the atmosphere, leading to reduced Co2 emissions. 	
kg. CO2 e per m2 Wood: 0,05 Cement production: 10,33 Cement carbon capture: -7,23 Raw materials total emissions: 3,15	Power consumption kg. CO2 e per m2 Sweden: 4,42 (Green energy: Yes) Australia: 0,28 (Green energy: Yes) USA: 9,12 (Green energy: No)	kg. CO2 e per m2 From factory to end clients: 1,35	% % of carbon capture: -70% This means that we have a 70% reduction from the total CO2 that stem from the Wood Wool cement production.	

* This is a weighted average value taking all deliveries during 2020 into consideration.



kg. CO2 e per m2

Pulp

The manufacturing process is 100% sustainable 3 and highly technological. The cellulose mix is formed inside a 3D mould with a powerful vacuum method and dried under high pressure. The 0 surface is nano-perforated using an advanced laser technique. All material waste is recycled -3 back into the production process and re-used again. All water used is built into a closed circular -6 system and recycled. The only emission from production is a tiny amount of pure and clean water vapour that is released as the material dries. -9





Pulp

Raw Materials	Manufacturing	Transport	Installation & End of life
 Cellulose, potato starch, wheat bran and plant wax. We use organic and locally harvested cellulose and the wheat bran is a rest product. The wood we derive our cellulose from is FSC 	 The factory is run on hydropower. 100% renewable energy sources are used for production. There is zero waste produced during production. 	 From factories to the end client, including samples and the final product. We aim to produce as few emissions as possible during the transportation of products. We transport products to clients on the ground by truck, and rarely use air transportation. 	 Acoustic Pulp is the world's first biodegradable acoustic panel. The panels are 100% circular—used panels may moulded and used for reproduction
kg. CO2 e per m2	Power consumption kg. CO2 e per m2	kg. CO2 e per m2	
Wood/pulp: 0,45 OC-BioBinder™: 0,04 Glue: 0,01 Raw materials total emissions: 0,498	Sweden: 1,81 (Renewable energy: Yes)	From factory to end clients: 0,63	



Other

BAUX employees	Business travel	Our office	Fairs and fair stands
 All employees are offered the option to purchase a discounted bike for their office commute. We offer flexible work hours and all employees receive generous health benefits to spend on either a gym card or massages 	 Whenever possible, we aim to have online meetings rather than travel (long or short haul). We walk, bike and take the tube to meetings. 	 We have a central office location in Stockholm, giving all our employees the possibility to easily walk, cycle or commute to the office. Our office runs on 100% renewable energy and we try to use the space as effective as possible. 	 When showcasing the BAUX brand and products at fairs and events, we aim to reuse material whenever possible. We borrow or rent furniture and products from our friends and colleagues in the industry to reduce both the CO2 and money spent.
Total CO2 per employee: 0,036 tonne	Business travel per employee: 0	Our office per employee: 0,48 tonne	Fairs total CO2: 0,17 tonne





Additional information

Page 39 BAUX total emissions

Page 39 Raw mat

Page 43 Manufac

Raw materials emissions

Manufacturing and production

Page 47 Transportation to customers

Page 49 End of life

Page 51 Other





Manufacturing constitutes the largest share of BAUX's CO2 emissions (56%). BAUX has manufacturing plants located in Sweden, the USA and Australia.

Renewable energy has been selected in three out of four factories.

Despite shipping globally, transportation makes up a relatively small share of our total CO2 emissions. This is thanks to good selection of transportation providers as well as an effective logistic set up where manufacturing takes place as close to the end client as possible.

Other emissions from office and employee travel add up to only 1% of BAUX's total emissions.

56 %

Other







Pioneering sustainable materials in acoustics.

Whenever we're looking for new designs, products or materials, nature is always our first source of inspiration. We strive to create acoustical solutions that not only check the boxes of functionality and design, but that also contribute to creating a better tomorrow for our planet. Nature provides a wellspring of ideas for colours, patterns and shapes. And, when you explore beneath the surface, it holds the key to removing unsustainable ingredients from the equation entirely.

Our criteria for materials:

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- Materials should have a low amount of volatile organic compounds (VOC)
- It should be possible to recycle and/or reuse the material







Pulp has by far the lowest emissions.

On top of the low CO2 values, Pulp can also be fully recycled. The emissions for Wood Wool are also still very competitive from a market perspective, just not as exceptionally low as Pulp.



Cement is the largest source of raw material emissions.

...and that is why BAUX have carefully selected the world's leading cement supplier in terms of sustainability. An advanced system for carbon dioxide capture has been put in place to ensure that CO2 emissions from the manufacturing limestone heating process are absorbed and re-captured in porous stone materials.

3.08 kg

3.08 kg CO2 per m2 is the NET CO2 emission from cement.

10.28 kg

The advanced system for Carbon Dioxide Capturing that is in place ensures that inly 10.28 kg CO2 per m2 produced wood wool panel is emitted to produce the cement.

7.2 kg

7.2 of the 10.28 kg is absorbed from the surrounding air in a reactive process called carbonation.

70%

Wood Wool is able to carbonate as much as 70% of the CO2 that was emitted during the manufacturing process. kg. CO2 e per m2 Cement carbon capture Actual cement emissions









Manufacturing in Sweden

BAUX products are produced and manufactured in Sweden. However, we have established local factories in the USA and Australia to shorten lead times and reduce transportation emissions. As a product based company, manufacturing will always play a big role in our total CO2 emissions. Today, 75% of our factories run on renewable energy. We aim to increase this number to 100% in the coming 5 years.



BAUX has manufacturing plants located in Sweden, the USA and Australia.







Having local factories reduces our total CO2 and leads to less emissions related to the transportation of products to our customers.





The factory in the USA is run on natural gas, and emissions amount to 9.12 kg CO2 per m2.



The Australian factory is already compensating for their emissions, which is the reason behind their low CO2 value.





Australian factory

Emissions per product and factory

On top of the low CO2 values, Pulp can also be fully recycled. The emissions for Wood Wool are also still very competitive from a market perspective, just not as exceptionally low as Pulp.





Other manufacturing



Pallets for shipping

0.01 kg

When shipping our products around the world, we use pallets. Per 1 square meter of produced product, we have to take the pallets into consideration. The pallets add a total of 0.01 kg of CO2 per m2 of product, which is a relatively small emission.



Product samples

0.135 %

Sending out samples stands for 0,135 % of our total emissions. We do not want to send fewer samples since they are important for our customers. Instead, we take care to ensure that all samples are long lasting, reusable and, of course, sustainable.





Reducing transportation emissions as much as possible

Transportation stands for 13 % of our total emissions. That's why it's really important for us to do what we can to reduce the emissions as much as possible when we delivery products to all our clients, no matter where they are in the world. We aim to send our products while generating as few emissions as possible. When we ship the raw material to our factories, we use a boat. When we ship products to clients, we use a truck. No air travel!



Our biggest markets have the lowest emissions

Our biggest markets (marked in orange) where the majority of our customers are located, also have the lowest CO2 emission values per m2.



kg. CO2 e per m2





The CO2 emissions generated during transportation are, in general, fairly low. This is mainly due to our smart logistics structure and the fact that we manufacture products as close to the customer as possible.

Sweden, our home market, has the best result with only 0.16 kg CO2 emissions e per m2 produced per panel during transportation.







The cement in Wood Wool captures CO2 from the atmosphere

For Wood Wool, BAUX has carefully selected the world's leading cement supplier in terms of sustainability. An advanced system for Carbon Dioxide Capturing is in place, ensuring that CO2 emissions from the manufacturing limestone heating process are absorbed and re-captured in porous stone materials. Once installed, BAUX Acoustic Wood Wool panels also capture CO2 from the surrounding air in a reactive process called carbonation. The limestone in the cement reverts back to its original state when CO2 is collected. Independent tests show that, thanks to its open material structure, BAUX Acoustic Wood Wool is able to carbonate as much as 70% of the CO2 that is emitted during the manufacturing process.



Recycling Acoustic Pulp

All material waste generated from the manufacturing of Acoustic Pulp is recycled back into the production process and re-used again. All water used is built into a closed circular system and recycled. The only emission from production is a tiny amount of pure and clean water vapour that is emitted as the material dries.







When building our fair stands we aim to:



Borrow furniture from friends in the industry (in the last case we borrowed from SDW2020 and +Halle).

Building massive exhibition stands only for a few days can be debatable from a sustainability standpoint. That's why we have taken all our fairs into consideration when calculating our CO2.



Reuse whatever we can from the stands.



Recycle all materials possible.



Our office runs on renewable energy and all employees are encouraged to bike to work.

We constantly strive to be more climate conscious when it comes to our employees and workplace. All employees are encouraged to bike to work, and are offered the chance to purchase a bicycle at a discount. Having our office located in central Stockholm minimises travel emissions and opens opportunities for sustainable commuting via public transport.

In 2020, the global pandemic caused us to rethink how many business trips and international meetings we actually need in order to run our business. Even though we didn't travel, our business kept growing! Furthermore, we can proudly say that our office runs on renewable energy and we aim to not have a bigger office than needed.





A few of our initiatives



Central office location run on renewable energy.



Policy to walk to meetings when possible. When not possible: we take public transport rather than a taxi.





Possibility to cycle to work.

All employees can either walk or commute via public transport (tube/bus).





Our office is not bigger than what we need—we use all the space!

Reduced international travel.









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Once we measured our greenhouse gas emissions and identified significant source activities, we identified actions we could implement to reduce the emissions generated from those activities.

On the following page, we will present how we have (and will continue to) reduce emissions in the coming years.

Step 2: Reduce

ne second step we took was reducing our greenhouse emissions wherever possible. We, as an organisation, need to reduce our climate footprint as much as we can to ensure the credibility of any associated climate action.





The second step is to reduce our emissions wherever possible. During 2020, we reduced our emissions through:



Green energy in Stockholm Head Quarters.



Green energy in our Swedish and Australian factories.



Bikes for the employees commute.



Reduced international travel.



Reduced taxi journeys.









When we offset our emissions with Certified Emission Reduction units (CERs), we have chosen to take climate action through a process which is overseen by the United Nations. We have purchased CERs that are issued from trustworthy climate-friendly projects called Clean Development Mechanism (CDM) projects. CDM projects take place in developing countries and contribute to their sustainable development. Each project goes through a strict and thorough vetting process.

We are aware that offsetting our CO2 emissions is not equal being Climate Neutral. However, we believe that through offsetting towards trustworthy CDM project, we can help initiatives that do good for our planet.

Step 3: Offset

Offsetting is a climate action that enables us to compensate for the emissions we cannot avoid by supporting worthy projects that reduce emissions somewhere else.

On the following pages, we will present our offsetting projects.





Offset

We have decided to offset all of our emissions from the year 2020 by donating to renewable energy projects around the world. We have diversified our offsetting to cover three main continents; Asia, Africa and Latin America.



India, Asia

Wind power generation by Shree Naman Developers Ltd – 1/3 of total CO2 offsetting.



Chile, Latin America

Valdivia biomass power plant – 1/3 of total CO2 offsetting.



Chile, Latin America

Chacayes Hydroelectric Project – 1/3 of total CO2 offsetting.



India, Asia



Wind power generation by Shree Naman Developers Ltd

This project involves the successful installation and generation of 29.25 MW through the efficient utilisation of wind energy, a renewable energy source, at Nashik, Sangli and Satara districts.

The wind turbines generate electricity that would have otherwise been generated using fossil fuel-based power plants.

The project, therefore, contributes to the reduction of specific emissions, including GHG emissions. The project also promotes sustainable economic growth and environmental conservation through the use of wind as a renewable resource.



Chile, Latin America



Valdivia biomass power plant

This project involves the construction of a new pulp mill with a 61 MW surplus electric power generation capacity to the grid in the XIV Region of Chile. The project uses biomass residues (sawdust and bark) from third party sawmills and black liquor from the pulping process as renewable fuel sources to cogenerate heat and power.

The Valdivia project assists Chile's sustainable development by fostering the implementation of distributed power generation. By using biomass residues, the project creates additional labor opportunities and prevents the uncontrolled burning or natural decay of the residues. This prevents water contamination and decreases the risk of forest fires in the region, which has historically suffered from high levels of particulate material pollution.

This project is a good example of how forestry companies can successfully implement renewable, clean and more efficient technologies, while at the same time incorporating effective and scalable policies to combat Climate Change in their long-term development strategy.



Chile, Latin America



Chacayes Hydroelectric Project

Hydro projects like this one generate electricity from flowing water and reduce dependency on burning fossil fuels to generate power. The benefits of this project are far reaching, and include: preserving natural resources; promoting renewable energy generation; reducing dependency on nonrenewable resources; helping spread green technology worldwide; and improving health.

Pacific Hydro's corporate community plan engages with localities during construction and operation of the hydro power stations in the region. Local communities also benefit from the sustainable communities' fund Creciendo Juntos (Growing Together), which aims to improve the population's quality of life. Since its creation, Creciendo Juntos has delivered more than one million dollars to the communities of the Alto Cachapoal Valley.

Acoustics for tomorrow. Sustainable design today.

- Sustainability is a fundamental part of our business model at BAUX.
- We aim to provide long-lasting and functional solutions for our customers.
- By doing so, we help to build societies that can support fully sustainable lifestyles.

• For us, designing sustainable acoustic building materials for tomorrow means producing environmentally friendly materials today.

Niki Gynnerstedt Sustainability Manager at BAUX

"For me, working with sustainability at BAUX is about more than just reaching targets — it's about feeling proud of the efforts we're making to push the boundaries of what is possible in the design industry."

Transparency

We understand the importance of climate action and being honest about the emissions present throughout our value chain. To **BE TRANSPARENT** is, and will continue to be, our main guiding principle, helping us to move in the right direction. We are also open and transparent about the fact that our efforts do not stop here. While offsetting our emissions is a great start, it is not our final goal. As we move forward, we will work actively to change some of the ways we operate. Our promise to you is that we will continue to be transparent while doing so.

Inspire change. Uncover potential.

We are also guided by our drive to UNCOVER POTENTIAL & INSPIRE CHANGE. There is always potential waiting to be uncovered in everything we do and create. We inspire change by identifying and acting upon these potentials—creating sound absorbing materials that are sustainable, surprisingly functional, and remarkably beautiful.

Actionables

01

Keep choosing a sustainable supply chain for all our new products and materials, no matter what.

02.

Keep developing innovative and sustainable materials and products. We want sustainability for nature, as well as for humans in the office inn terms of their wellbeing.

04.

Aim to use renewable energy in all factories. Currently, our two Swedish factories and the Australian factory are run completely on renewable energy. We will start working towards the same environmental focus in the US factory too.

05.

and samples.

03.

Carry out a complete cradle-to-cradle and life cycle analysis. And, on top of this, seek out more certifications.

Look at how we can incorporate more local factories where needed as we grow the business. This not only reduces lead times to our clients, but it also reduces the emissions generated from the transportation of products

06.

Work towards zero waste production in all facilities. Currently, our factory for the Acoustic Pulp is living up to this, and the factory for Wood Wool is almost there. But we see areas of improvements.

These are the principles that will continue to guide us everyday as we develop and operate our business. It is our aim that—beyond meeting our own goals—our actions will also help to influence the progress of sustainable design and safe living in the industry at large.

Let's build!

<u>baux.com</u>