Sustainability report
2023–24

The Road to Circularity

The photo series in this year's sustainability report takes you to the USM site in Münsingen. Recognised by Stiftung Natur & Wirtschaft in 2007, the campus features wetlands, dry meadows and hedgerows that provide a habitat for rare local flora and fauna.

Less is more

The phrase “Less is more” is attributed to the great architect Mies van der Rohe, a guiding light for both Fritz Haller and our father Paul Schärer as they developed the USM Haller furniture system in the sixties.

"Less is more” has a further important resonance in the context of sustainability today, which emphasises reducing consumption and waste to minimise environmental impact.

In business we often celebrate more. However, when we reflect on sustainability at USM in 2024 we are pleased to celebrate less: 23% less carbon emissions than in 2021, our base year. Also 23% less emissions in our value chain, the hardest area to reduce, and very close to our 2030 target of 25%. Operational emissions down 32% from 2021. Using 24.8% steel with less CO_2.

Whilst we celebrate this promising progress, we also recognise there are many years left of hard work to reach our goals. Our vision of becoming a fully circular business, to ensure our products stay in use their entire life span and manufacture in the most efficient way towards our environment still has some way to go.

Our most immediate focus has been to lower emissions, guided by our science-based targets and reductions roadmap. Alongside this work, we place great emphasis on circularity. USM products are optimised for being used over and over, for numerous purposes, while retaining their inherent value and quality.
The three strands of our circularity strategy; Circular Design, Material Circularity and Product Lifetime Extension are all key in exploring how the circular economy can be scaled and benefit our customers and business long term. Continuing to test circular business models is therefore a priority, whilst streamlining back-end processes and systems.

Our most prominent circularity project to date has been with a major German company where we helped them furnish four new offices with 55% reused USM Haller furniture, saving carbon emissions as well as cost. We also helped a renewable energy company in Spain to reconfigure their USM Haller furniture in their zero-energy building. In addition to this, several of our markets have now offered second-hand furniture, and we support many second-hand sales partners.

The circular economy is perhaps the optimal celebration of how a business can make the most of less, and as engineers with circularity at heart this is a challenge that our company very much welcomes!

Alexander Schärer
Chairman of the Board and Co-Owner of USM

Dr. Judith Stuber-Schärer
Member of the Board and Co-Owner of USM

Highlights 2023–24

Emissions

- Reduction targets approved by the Science Based Targets initiative
- Total emissions in 2024 reduced by 23% from our 2021 base year
- Operational emissions (scope 1 and 2) reduced by 32% from 2021
- Value chain emissions (scope 3) decreased 23% from 2021
- Emissions per kg product continues to go down
- Switched to renewable electricity in all markets

Circularity

- Replaced polystyrene with cardboard and plastic stretch film with EcoFibreFilm in our packaging
- 55% reused/ refurbished USM Haller in four office moves for major company in Germany
- Full reuse configurations for renewable energy company in Spain and major global communications agency in the UK
- Sales of second hand products established in France, Japan and the UK
- Awareness campaign promoting the value of repurposing, reuse and redesign
- Knowledge sharing event for 145 sales partners in Germany with panel of experts

People

- Removal of remaining gender pay gap in Münsingen, Switzerland
- FONDATION USM 2023 Design Grant to projects supporting people with limb loss and dementia
- FONDATION USM 2024 Design Grant to project highlighting impact of light pollution on biodiversity
- FONDATION USM launched Futures Lab to explore positive future impact scenarios
- Collaboration with social enterprise THE SKATEROOM for Milan Design Week 2023

Responsible manufacturing

- Invested in CO_2-reduced steel for 24.8% of our supply in 2024
- Renewed Cradle to Cradle certifications for USM Haller and USM Kitos M

USM is a Swiss family-owned designer and manufacturer of modular furniture

Our company started in 1885 as a metalworking and locksmith's business in the Swiss village of Münsingen outside Bern, where the main production facility remains today. In the 1960s, engineer Paul Schärer commissioned architect Fritz Haller to design a new factory using a modular steel construction system. Together they developed furniture that could be adapted and reconfigured to meet the diverse needs of the new factory and offices.

The USM Haller modular furniture system is now our main product range, manufactured in Switzerland and sold throughout the world via showrooms in Hamburg, London, Munich, New York, Paris, Shanghai and Tokyo, as well as more than 950 sales partners internationally.

USM Haller is considered a modern design icon, included in the permanent collection of the Museum of Modern Art (MoMa) in New York.

1

2

3

4

1 1920, USM starts manufacturing window fittings.

2 1961, Paul Schärer joins the company and commissions Fritz Haller to design a new factory.

3 1965, the USM office pavillion, one of the first Swiss open space offices, is completely furnished with prototypes of USM Haller.

4 USM is owned by the fourth generation of the Schärer family to lead the company, Alexander Schärer and Judith Stuber-Schärer.

Products

USM Haller System

The design icon, since 1965. The modular concept made of steel combines functionality, durability and timeless aesthetics. Used in homes, offices and public spaces, it can be adapted and reconfigured as needs change.

World of Plants

One of various features that can be easily integrated into the structure of USM Haller furniture. Special metal panels and pots with watering sets allow the creation of a lively evergreen landscape and improve the indoor climate.

USM Haller Tables

These tables combine a clear design language with robust materials. Suitable as a desk, dining table or conference table in many different settings.

USM Kitos Desks

A flexible desk system with stepless height adjustment. Solid construction and useful accessories support ergonomic and adaptable working environments.

USM Inos Box

A compact container for storing smaller items. Stackable and tailored to fit USM Haller furniture, it helps keep things tidy and accessible.

USM Privacy Panels

Freestanding or mounted on tables, the panels structure space, improve acoustics and support focused work.

Explore more via www.usm.com

Our vision, goals and roadmap

Vision

Our vision for sustainability is to become a fully circular business. We want our products to be manufactured ethically, in an energy-, water- and resource-efficient way, generating minimum greenhouse gas emissions. We want our products to stay in use during their entire potential life span and to support our clients in achieving this end.

UN SDGs

The United Nations' Sustainable Development Goals (SDGs) have helped shape our overall sustainability strategy. Our overarching goal is Responsible Consumption and Production (SDG 12) with the additional key goals of Gender Equality (SDG 5), Affordable and Clean Energy (SDG 7), Climate Action (SDG 13) and Partnerships for the Goals (SDG 17).

Science-based targets

We have chosen to set ambitious science-based targets for reducing greenhouse gas (GHG) emissions in line with the goals of the global Paris Agreement. Our targets have been verified by the Science Based Targets initiative and read as follows:

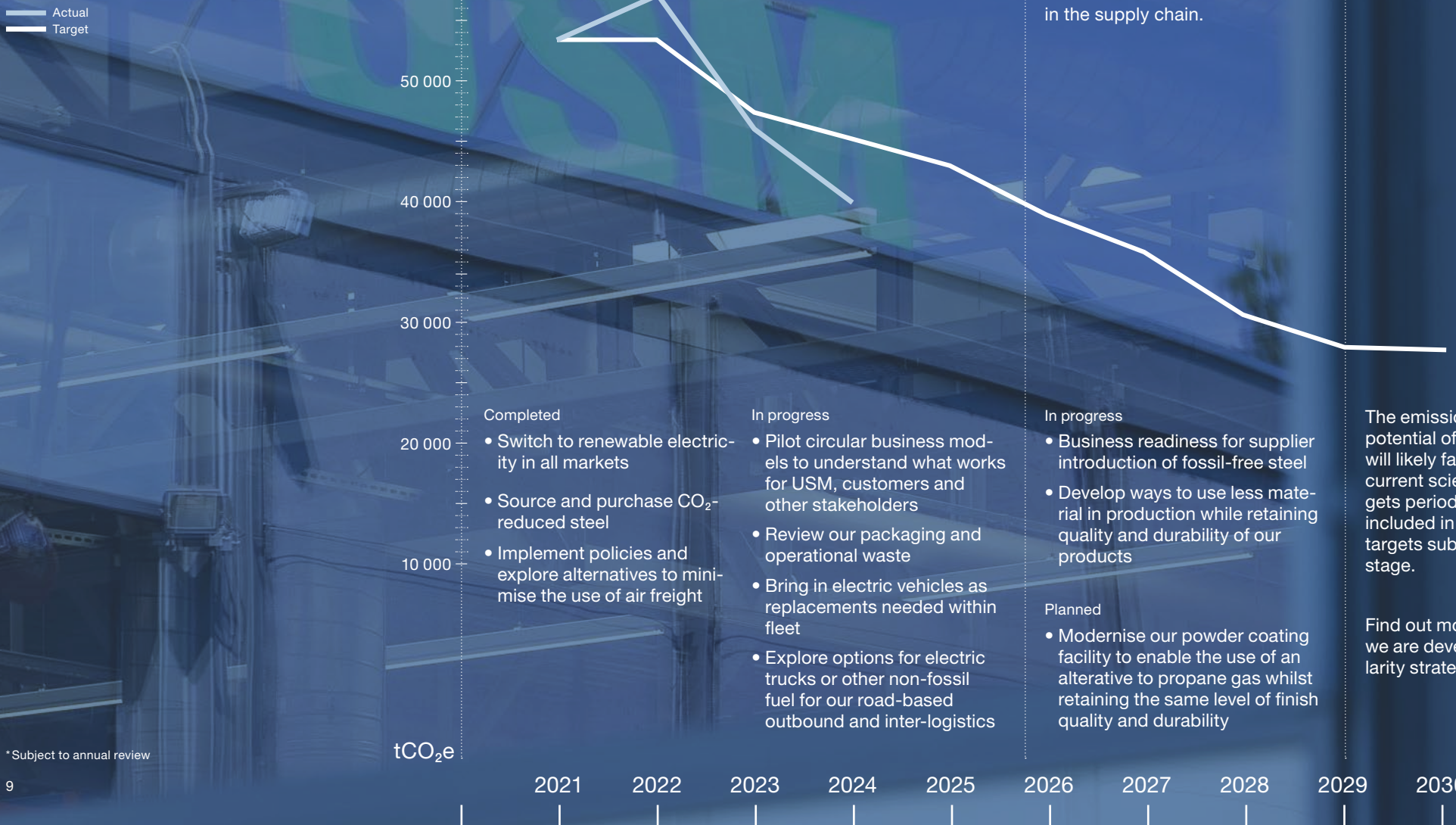
USM U. Schärer Söhne AG commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.*
USM U. Schärer Söhne AG also commits to reduce absolute Scope 3 GHG emissions 25% within the same timeframe.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

Roadmap

Our science-based targets and the vision to become a fully circular business drive our roadmap of projects* during this decade.



Phase 1: Near-term emissions reduction and business preparation

Emissions that can be reduced according to the science-based targets during the first half of the decade.

Completed

- Switch to renewable electricity in all markets
- Source and purchase CO_2-reduced steel
- Implement policies and explore alternatives to minimise the use of air freight

In progress

- Pilot circular business models to understand what works for USM, customers and other stakeholders
- Review our packaging and operational waste
- Bring in electric vehicles as replacements needed within fleet
- Explore options for electric trucks or other non-fossil fuel for our road-based outbound and inter-logistics

Phase 2: Larger-scale emissions reduction

Reductions that require higher levels of investment or preparations, or awaiting the rollout of particular technology in the supply chain.

In progress

- Business readiness for supplier introduction of fossil-free steel
- Develop ways to use less material in production while retaining quality and durability of our products

Planned

- Modernise our powder coating facility to enable the use of an alterative to propane gas whilst retaining the same level of finish quality and durability

Phase 3: Embedding circularity

Implementing at large scale business models that have been trialled during the decade.

The emissions reduction potential of these projects will likely fall outside of the current science-based targets period, so will be included in a longer-term targets submission at a later stage.

Find out more about how we are developing our circularity strategy here.

*Subject to annual review

Emissions

2030 goal

Reduce absolute GHG emissions according to our science-based targets: Scope 1 and 2 by 42% and Scope 3 by 25% by 2030 from a 2021 base year

Key figures in tons of CO_2 equivalent

	2021 (base year)	2024	Change
Total corporate carbon footprint	53 135	40 688	–23%
Scope 1* emissions	2 151	1 812	–16%
Scope 2* emissions	1 292	517	–60%
Scope 3* emissions	49 693	38 358	–23%
Kg CO_2e per kg product**	4.32	4.15	–3.9%

* See p. 11 for explanation of scopes 1–3
** Corporate Carbon Footprint divided by the total product weight (without packaging).

Our carbon footprint

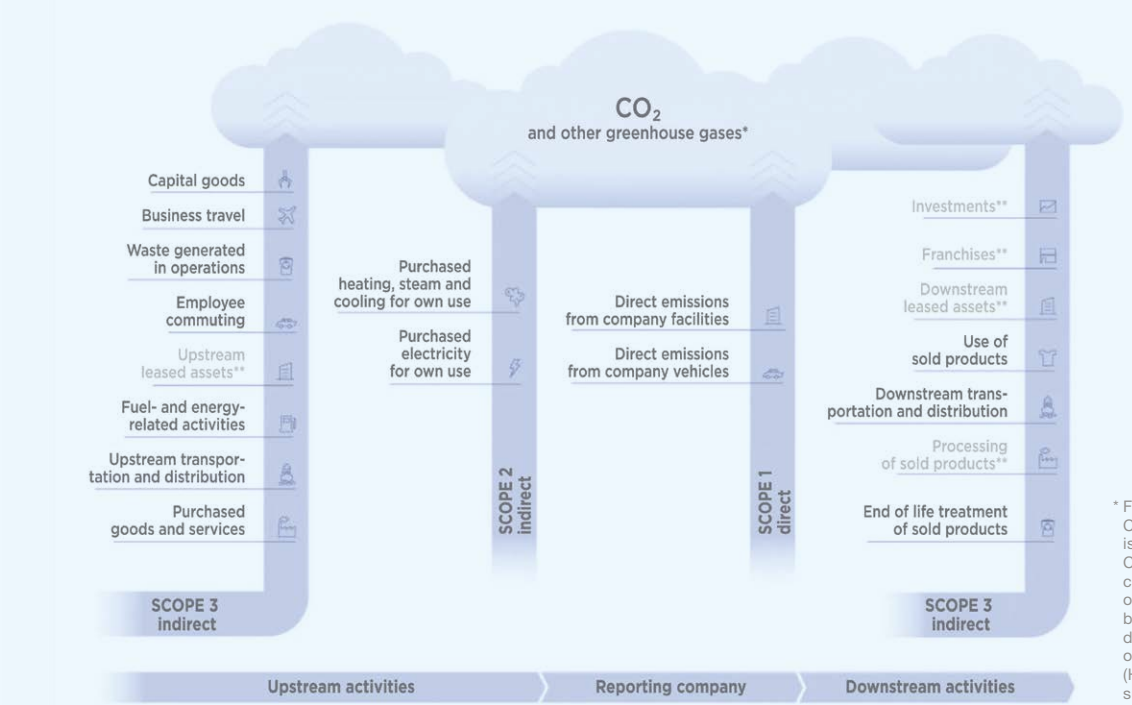
At USM we measure our carbon emissions according to the Greenhouse Gas (GHG) Protocol, which is the most recognised framework globally for carbon accounting. We choose to use the most comprehensive approach, which includes our value chain (scope 3) as well as our own operational emissions (scope 1 and 2).

Working with ClimatePartner we carry out a full annual carbon audit covering our headquarters, production and assembly, USM-owned showrooms as well as more than 950 third-party retailers.

The majority of our emissions is in our value chain (94.27% in scope 3), as is the case with most manufacturers. The rest is from our operational emissions (4.45% in scope 1 and 1.27% in scope 2). Our most significant sources of emissions are production materials (76%) and upstream and downstream transportation (11%).

You can see the full table of our emissions by GHG Protocol category on page 12.

From 2021 to 2024 our total emissions have reduced by 23%, well ahead of our science-based target.



** not applicable

Source: www.climatepartner.com

* For the sake of simplicity, we refer to CO_2 or CO_2e. USM's carbon auditing is based on the GHG Protocol's Corporate Standard. The standard covers the accounting and reporting of seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Source: GHG Protocol

Emission categories	2021 (Base year)		2022		2023		2024		Comparison 2021/2024	
	[tCO_2e]	[%]	[tCO_2e]	[%]	[tCO_2e]	[%]	[tCO_2e]	[%]	[tCO_2e]	[%]
Scope 1	**2 150.51**	**4.00**	**2362.60**	**4.20**	**1 939.56**	**4.20**	**1 812.56**	**4.45**	**–337.95**	**–15.72**
Direct emissions from company facilities	**1614.74**	**3.00**	**1645.20**	**2.90**	**1 468.67**	**3.20**	**1 405.41**	**3.45**	**–209.33**	**–12.96**
Heat (self–generated)	1 557.69	2.90	1593.60	2.80	1 458.17	3.20	1 371.93	3.37	–185.76	–11.93
Refrigerant leakage	57.05	0.10	51.60	0.10	10.50	0.00	33.48	0.08	–23.57	–41.31
Direct emissions from company vehicles	**535.77**	**1.00**	**717.50**	**1.30**	**470.89**	**1.00**	**407.15**	**1.00**	**–128.62**	**–24.01**
Vehicle fleet	535.77	1.00	717.50	1.30	470.89	1.00	407.15	1.00	–128.62	–24.01
Scope 2	**1 291.65**	**2.40**	**881.70**	**1.60**	**495.61**	**1.10**	**517.22**	**1.27**	**–774.43**	**–59.96**
Purchased electricity for own use*	**636.81**	**1.20**	**604.50**	**1.10**	**0.21**	**0.00**	**2.33**	**0.01**	**–634.49**	**–99.63**
Electricity (stationary)	636.81	1.20	604.50	1.10	0.00	0.00	0.00	0.00	–636.81	–100.00
Electricity (vehicle fleet)	0.00	0.00	0.00	0.00	0.21	0.00	2.33	0.01	2.33	—
Purchased heating, steam, and cooling for own use	**654.83**	**1.20**	**277.20**	**0.50**	**495.40**	**1.10**	**514.89**	**1.27**	**–139.94**	**–21.37**
Heat (purchased)	654.75	1.20	277.10	0.50	495.40	1.10	514.89	1.27	–139.86	–21.36
Purchased cooling	0.08	0.00	0.10	0.00	0.00	0.00	0.00	0.00	–0.08	–100.00
Scope 3	**49 692.63**	**93.50**	**53182.40**	**94.30**	**43 779.95**	**94.70**	**38 358.64**	**94.27**	**–11 333.99**	**–22.81**
Purchased goods and services	**41 180.79**	**77.50**	**43821.10**	**77.70**	**35 924.46**	**77.70**	**31 453.69**	**77.30**	**–9 727.10**	**–23.62**
Production materials and consumables	40 556.20	76.30	42868.50	76.00	35 372.07	76.50	30 894.66	75.93	–9 661.54	–23.82
Packaging materials	519.70	1.00	752.40	1.30	477.29	1.00	475.87	1.17	–43.82	–8.43
Operating supplies	—	—	--	—	—	—	11.41	0.03	—	—
Print products	48.91	0.10	124.90	0.20	16.24	0.00	0.00	0.00	–48.91	–100.00
Water	11.81	0.00	37.60	0.10	37.48	0.10	38.90	0.10	27.08	229.28
Externally calculated service emissions	29.76	0.10	23.30	0.00	18.28	0.00	27.39	0.07	–2.37	–7.97
Office paper	14.39	0.00	14.50	0.00	3.07	0.00	5.31	0.01	–9.08	–63.11
External data centre	0.01	0.00	0.00	0.00	0.01	0.00	0.15	0.00	0.14	1 760.85
Capital goods	**1 246.60**	**2.30**	**1820.50**	**3.20**	**1 229.38**	**2.70**	**156.11**	**0.38**	**–1 090.49**	**–87.48**
Capital goods	1 246.60	2.30	1820.50	3.20	1 229.38	2.70	156.11	0.38	–1 090.49	–87.48
Fuel– and energy–related activities	**517.17**	**1.00**	**471.60**	**0.80**	**544.67**	**1.20**	**466.44**	**1.15**	**–50.73**	**–9.81**
Upstream emissions heat	319.53	0.60	253.50	0.40	280.61	0.60	271.06	0.67	–48.47	–15.17
Upstream emissions electricity	133.79	0.30	148.00	0.30	149.04	0.30	94.50	0.23	–39.29	–29.37
Upstream emissions vehicle fleet	63.05	0.10	70.10	0.10	115.03	0.20	100.88	0.25	37.83	60.00
Upstream emissions cooling	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–0.80	–100.00
Upstream transportation and distribution	**1 620.85**	**3.10**	**3169.90**	**5.60**	**1 428.33**	**3.10**	**1 771.91**	**4.35**	**151.06**	**9.32**
Other upstream transports	631.04	1.20	2474.40	4.40	1 070.58	2.30	1 189.60	2.92	558.56	88.51
Inbound logistics	590.58	1.10	695.50	1.20	357.75	0.80	582.31	1.43	–8.28	–1.40
Upstream storage	399.23	0.80	0.00	0.00	0.00	0.00	0.00	0.00	–399.23	–100.00
Waste generated in operations	**69.82**	**0.10**	**50.70**	**0.10**	**424.93**	**0.90**	**320.48**	**0.79**	**250.66**	**359.01**
Operational waste	65.58	0.10	48.90	0.10	368.17	0.80	270.61	0.67	205.03	312.65
Transport to disposal facility	4.24	0.00	1.80	0.00	56.76	0.10	49.87	0.12	45.63	1 076.09
Business travel	**67.53**	**0.10**	**243.20**	**0.40**	**367.91**	**0.80**	**373.84**	**0.92**	**306.32**	**453.63**
Flights	58.50	0.10	232.00	0.40	355.80	0.80	364.94	0.90	306.43	523.79
Rail	7.08	0.00	7.80	0.00	5.91	0.00	5.98	0.01	–1.10	–15.54
Rental and private vehicles	1.94	0.00	3.40	0.00	6.20	0.00	2.93	0.01	0.99	50.73
Employee commuting	**886.84**	**1.70**	**849.30**	**1.50**	**856.66**	**1.90**	**684.20**	**1.68**	**–202.64**	**–22.85**
Employee Commuting	797.70	1.50	803.70	1.40	783.42	1.70	605.37	1.49	–192.33	–24.11
Home office	89.14	0.20	45.50	0.10	73.24	0.20	78.83	0.19	–10.31	–11.57
Downstream transportation and distribution	**3 695.93**	**7.00**	**2315.50**	**4.10**	**2 475.06**	**5.40**	**2 675.65**	**6.58**	**–1 020.27**	**–27.61**
Outbound logistics	3 695.93	7.00	1916.30	3.40	2 133.11	4.60	2 241.87	5.51	–1 454.06	–39.34
Downstream storage	0.00	0.00	399.20	0.70	341.95	0.70	433.79	1.07	433.79	—
Use of sold products	**208.12**	**0.40**	**206.60**	**0.40**	**180.65**	**0.40**	**158.60**	**0.39**	**–49.52**	**–23.80**
Electricity	208.12	0.40	206.60	0.40	180.65	0.40	158.60	0.39	–49.52	–23.80
End–of–life treatment of sold products	**198.98**	**0.40**	**234.10**	**0.40**	**347.90**	**0.80**	**297.72**	**0.73**	**98.74**	**49.62**
Product disposal	188.38	0.40	221.70	0.40	334.92	0.70	106.19	0.26	–82.19	–43.63
Product waste transport to disposal facility	10.60	0.00	12.40	0.00	12.97	**0.00**	**191.53**	**0.47**	**180.93**	**1 707.10**
Overall results	**53 134.78***	**100.00**	**56426.70***	**100.00**	**46 215.12***	**100.00**	**40 688.42***	**100.00**	**–12 446.37**	**–23.42**

*This figure does not include 1 032 kg CO_2 from biogenic emissions in Switzerland according to GHG Protocol. Source: www.climatepartner.com

Reducing our emissions

We have chosen to set science-based targets to decrease our emissions in line with the Paris Agreement, and we are currently reducing ahead of our targets. Between 2021 and 2024 our total emissions went down by 23%.

Compared to 2021, which is the base year for our science-based targets, we reduced our operational emissions (scope 1 and 2) in 2024 by 32%. Our 2030 target for scope 1 and 2 is a 42% reduction. Our value chain emissions (scope 3) decreased by 23%. Our 2030 target for scope 3 is 25%.

Our reductions were mainly driven by

- Investing in CO_2-reduced steel (24.8% of total steel purchased; ahead of our 20% target)
- Purchasing less steel after building up stock post-pandemic in 2021 and 2022
- Completing the switch to renewable electricity (via Green Energy Attribute certificates)
- Using a smaller amount of propane gas in production
- Reducing air freight
- Switching from polystyrene to cardboard packaging for many of our products

Our science-based targets are ambitious and achievable and guide our efforts to reduce emissions in our supply chain as well as our operations.

Even though we are currently reducing emissions ahead of our commitments, reaching the final stretch of our targets is ambitious and may not be easy. In particular, our scope 3 targets rely heavily on decarbonisation in our supply chain, availability of fossil-free steel and scaled-up electric commercial logistics.

Our further reduction plans in scope 3 therefore include a combination of internal and external projects to mitigate against risk of delays.

- Increase use of recycled content in packaging from 2025
- Introduce use of electric trucks in logistics by 2027 (Changed from 2026 due to a trial showing lack of relevant infrastructure in Germany)
- Reduce the amount of steel required in certain modular parts from 2027
- Develop business readiness for supply of fossil-free steel when available at scale by the steel industry

Plans to further reduce our operational emissions (scope 1 and 2) include

- Extend the use of photovoltaic panels to our office facilities in Germany by 2027
- Electrify our vehicle fleet by 2029
- Further reduce the use of propane gas through the introduction of a new powder coating facility. This is still in planning phase and more details will be published when available.

We will continue to share progress in reaching our science-based targets in our annual sustainability reports.

Circularity

2030 goal

Full circularity across all business areas, reduce use of virgin raw materials and encourage more responsible consumption

Key figures

Adherence to Circular Design principles*:

100% products designed for longevity**

100% products designed for reusability**

99% products designed for repairability**

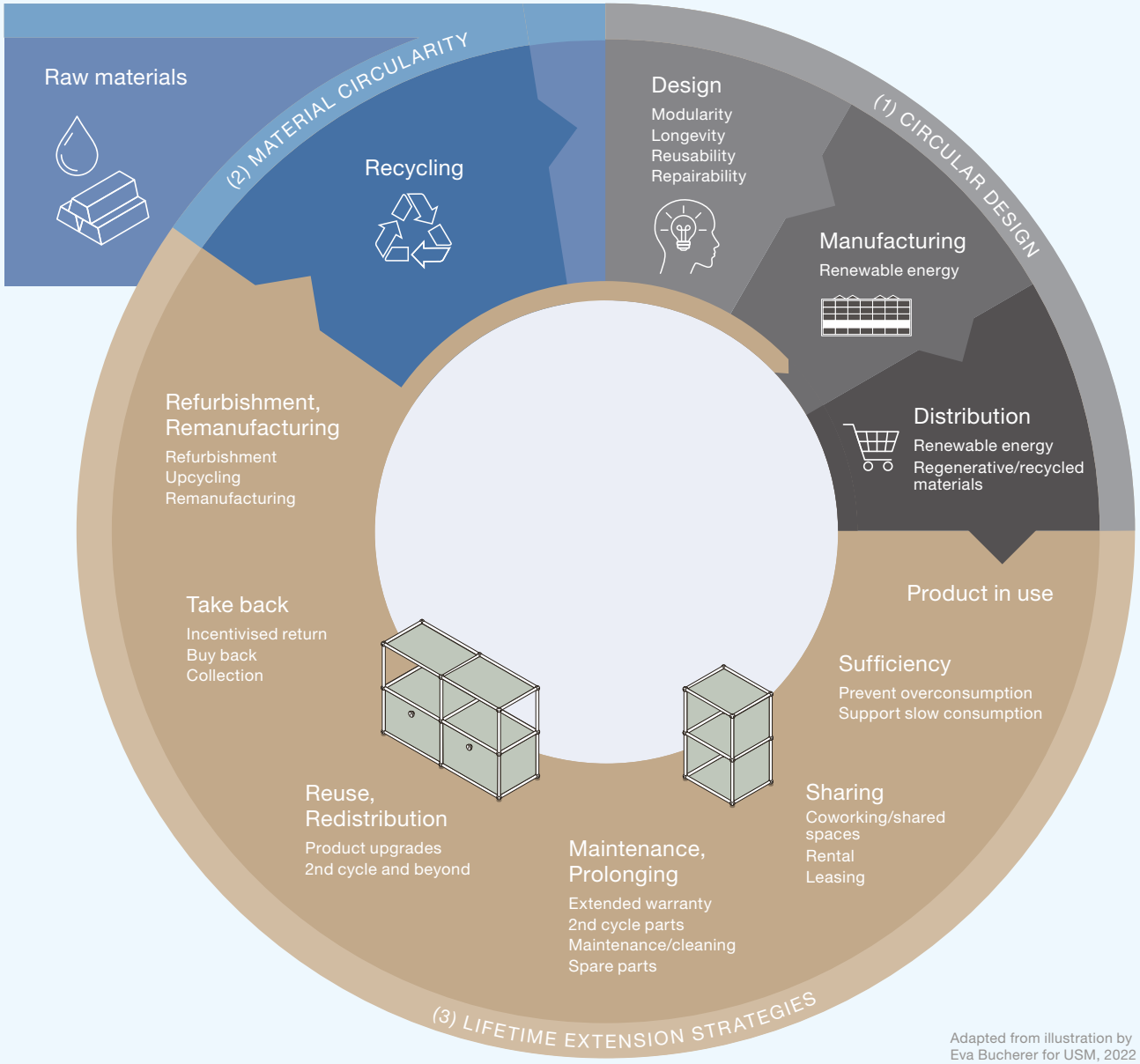
2 product lines Cradle to Cradle Certified

25% recycled steel***

* According to the Ellen MacArthur Foundation
** Calculations based on product by revenue
*** Annual average from largest supplier

Our circular economy ambition

To fulfil our long term vision of becoming a fully circular business we are focusing on three main pillars: (1) Circular Design, (2) Material Circularity and (3) Lifetime Extension Strategies.



Adapted from illustration by Eva Bucherer for USM, 2022

Circular Design

Since the birth of USM Haller, our design approach has involved many of the key circular design aspects. Our modular furniture system was designed for adaptability, longevity and a range of uses. These have remained core principles for USM until today and will continue to guide our decision making.

We design our products according to reverse compatibility, ensuring new modular pieces fit old ones, keeping to a limited colour range and using colours that do not fade. The result is that many of the products bought several decades ago are still in use, of good quality and reconfigurable.

The technical construction of USM Haller – tubes connected via the iconic connector ball – creates a strength that exceeds the more common methods such as screws, glue or magnets. We choose mechanical over electronic systems where possible for longer lasting structures, and we test functions such as our drawers to 50 000 cycles of opening and closing.

Material Circularity

A key purpose of the circular economy is to keep materials in use for as long as possible to reduce reliance of virgin raw materials.

The steel from our largest supplier contains an annual average of 25% recycled material (24.3% pre-consumer and 0.7% post-consumer scrap)*. Improvements to this figure are beyond our control and depend on availability of quality scrap steel, which is variable and in high demand.

Material circularity is also key in our packaging. In 2023 we replaced polystyrene with recycled cardboard for corner protection of USM Haller furniture. In 2024, following comprehensive functional and quality testing, we changed our plastic stretch film to an EcoFibreFilm.
We continue with trials for cardboard and paper fibre to replace polystyrene for our powder coated surfaces and table corners, as these have more complex needs for adequate product protection.
For transport between our USM sites we use reusable wooden crates where possible.

In 2023 the Cradle to Cradle Institute awarded USM Haller Gold in their Material Reutilisation category, recognising its potential to “eliminate the concept of ‘waste’ by designing products with materials that may be perpetually cycled to retain their value”*. See more information about our Cradle to Cradle certifications on page 25.

* https://c2ccertified.org/certified-products/usm-haller

Lifetime Extension Strategies

Extending a product's lifetime through reuse, refurbishment or remanufacturing is crucial for a long-term circular economy at scale. USM products are optimised for multiple product lives with their durability, flexibility and timeless appeal.

In 2023/24 some of our key projects in this area have been:

- Reconfiguration of USM Haller furniture for a major international company in Germany during their four office moves. We collected, audited, cleaned and sorted the client's existing USM Haller parts. By providing planning services for the new office space we maximised pre-used product in new installations. As a result, their new offices consist of 45% new and 55% reused/reconfigured USM Haller furniture. The client saved both cost and carbon emissions, valuable to them in their own drive to reduce their value chain footprint (scope 3).

- Reuse, planning and configuration of all USM Haller furniture in the zero-energy office of a renewable energy company in Spain. After using their furniture for 8 years they adapted the modular system to create new workflows, breakout areas and flexible spaces to suit expanded operations. Their USM Haller system was reused and updated with planters and sound-absorbing panels for a renewed office environment.

- Reconfiguring all USM Haller furniture of a global communications agency during an office relocation in London. By incorporating planters, additional colour panels and changing the structure, their existing USM Haller furniture was suitable for their move to a new floor and saved the client 10t CO_2e.

- Reuse of USM Haller furniture to create a kitchen fully constructed of pre-owned USM parts in the iconic, mid-century Wolfhouse in the US.

- Second-hand and ex-display sales in France, Japan and the UK.

We also work closely with partners in the industry to exchange mutual knowledge and experience of circularity. In 2023 we ran a discussion forum of leading circularity experts with 145 sales partners in Germany. This led to a circularity-based awareness campaign promoting the value of repurposing and redesigning USM furniture with 25% of our German sales partner participating.

Reuse, planning and configuration of all USM Haller furniture in the zero-energy office of a renewable energy company in Spain.

People

2030 goal

Be a nourishing employer brand and responsible corporate citizen

Key figures

11.2 years average employment

42 different nationalities in permanent positions

78/22 % male/female split

Our commitments as an employer

We are very proud to say that USM employees stay with the company for an average of 11 years. Our work culture is driven by a common pride of the quality, design and versatility of our products.

Pay equality is extremely important to us. Following a thorough gender pay gap analysis in 2024 there is no longer a gender pay gap in Münsingen. In our German offices in Bühl we have started the complex data gathering, and we are working with an external company to address the gender pay gap in our logistic hub in Leipzig, Germany. We have also implemented tools for fair payment.

To ensure future proofing of our workforce and to address any disproportionate representation in middle and senior management we introduced a strategic hiring initiative in 2024 focused on critical roles.

We strongly commit to fair employment conditions and the safety of our employees. Our Employee Code of Conduct is guided by the fundamental conventions of the International Labour Organization, the UN Guiding Principles on Business and Human Rights, and the International Bill of Human Rights.

Our wider community

We continue our partnership with the Südhang Arbeitsintegration & Handels AG, which supports people who have struggled with addiction back into meaningful work. The clinic in Bern is an official USM second-hand partner. They run workshops for therapeutic training and recondition pre-owned USM products as high quality second-hand furniture or art installations.

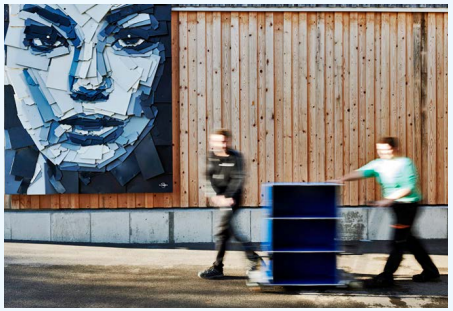
Through our not-for-profit organisation FONDATION USM we provide continuous support to individuals and organisations in the fields of design and architecture, art and culture, music, sport, science and education. Among other things we encourage innovation with the yearly USM Design Grant competition rewarding student's project.

The 2023 edition challenged young interior architecture students to design inclusive and accessible caravan interiors for people of all abilities. The award was given to Ilena Escher's StepByStep, a project to meet the specific needs of people with upper limb loss, and Amarine Dondey's Dementia Get Away project received a Special Mention for caravan interiors tailored to Alzheimer's sufferers.

The 2024 Design Grant referred to the UN Sustainable Development Goals with the theme "For a good cause, make the SDGs a reality". The visual communication students Rebecca Alfandary, Emma Grosu and Phinn Sallin-Mason were rewarded for their Anthracite project, which aims to raise public awareness of how light pollution threatens the survival of nocturnal insects and affects biodiversity.

For Milan Design Week 2023, USM teamed up with social entrepreneur THE SKATEROOM and Swiss artist Claudia Comte who created a bespoke collection of modular furniture and skateboard art editions. Proceeds from the collection went to supporting one of THE SKATEROOM's social projects to develop skateparks, training and education to young youth in Jordan.

FONDATION USM



südhang

USM × THE SKATEROOM

Responsible manufacturing

2030 goal

Operate with minimal environmental impact and waste while maintaining the highest standards of safety and comfort for our people

Key figures

24.8% CO_2-reduced steel

98% trivalent chrome

70% suppliers from Switzerland

25% suppliers from rest of Europe

25% renewable energy at main production site*

4 product lines UL GREENGUARD Certified

* Photovoltaic panels and biomass

Swiss manufacturing

Our approach to responsible manufacturing begins with our decision to remain based in our original Swiss home of Münsingen where the family business originated. All USM components are made in this factory, where we maintain the highest standards of safety and equipment to reduce risk in the working environment and provide optimal energy efficiency. While machinery does the bulk of the production, they are expertly guided and supervised by skilled personnel.

Considerate use of natural resources

The factory runs on 25% renewable energy from a combination of biomass and 3939 m^2 photovotaic panels. The use of biomass has reduced our reliance on fossil fuel, and heat recovery systems in our powder coating plant keep energy requirements as low as possible.

Where possible we use the natural water cycle. Water for cooling, bathroom facilities and the powder coating plant come from groundwater fed by rainwater basins on the manufacturing site. Treatment of wastewater follows strict regulations and is subject to regular control by an external party. We continuously monitor PH value of our groundwater. Cleaning facilities for industrial vehicles include an oil separator to ensure clean wastewater.

To promote biodiversity at our site, we have preserved 7000 m^2 as meadowland for local flora and fauna. It is home to rabbits, deer, ducks, grass snakes and various species of birds and insects. For this we were awarded a certificate by Stiftung Natur & Wirtschaft (Foundation for Nature & Economy) in 2007 for our efforts in local nature conservation.

Local supply chain

70% of our suppliers are from Switzerland, and 25% from other European countries. Keeping our supply chains as local as possible means we can minimise transport, control raw material quality and maintain a high degree of transparency. USM's Supplier Code of Conduct is guided by the fundamental conventions of the International Labour Organization, the UN Guiding Principles on Business and Human Rights and the International Bill of Human Rights, and all suppliers are required to comply with these guidelines.

Core materials

The materials used to make USM products are carefully selected based on our key design principles of quality, durability and modularity. The main material for our furniture is steel, accompanied by a number of other materials used in surfaces and smaller parts (see table).

Main materials	Main reasons for use	Recycled content	Recyclability	Material share by weight (in standard model)		
				USM Haller	USM Haller tables	USM Kitos
Steel	Durability, stability, visual identity	25% from primary supplier	100%	97%	56%	57%
Wood	Dimensional stability, regenerative material	0%	0%		35%	27%
Various plastics	Stability/weight ratio, insulation/smoothness for mobile parts, no additional coating necessary	— Partial, but currently not able to quantify	100%	1%	8%	10%
Glass	Visual identity, good recycling properties	0%	100%			
Aluminium	Stability/weight ratio, durability, precise fitting/reliable casing	0%	100%		1%	5%
Composite materials	Only used if pure material does not fulfil functional requirement (e.g. wooden tabletops	0%	0%	0.2%		0.5%
Brass	Resource-saving processing/finishing	0%	100%	1%	1.2%	
Zinc	Surface quality	0%	100%	0.4%		

CO_2-reduced steel

In 2024 we switched to CO_2-reduced steel for 24.8% of our steel supply. This is ahead of our 20% target and has played a significant part in the reduction of emissions for our production materials.

Trivalent chrome

To ensure maximum durability and resistance to corrosion, scratches and wear, the structures of most USM furniture are chrome plated. More than 98% of the chrome we use is trivalent (chromium III), a trace element which occurs naturally in the environment and many foods.

Only safe materials

USM products do not contain any Red List materials, substances restricted under the EU REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals), Cradle to Cradle Certified Products Program Restricted Substances List or materials classified as dangerous under Article R231-51 of the French Labour code.

Cradle to Cradle Certified

USM Haller and USM Kitos M have been certified by the Cradle to Cradle Products Innovation Institute since 2018. The certification assesses companies' "efforts to apply the principles of material health, product circularity, clean air and climate protection, water and soil stewardship, and social fairness to product design and manufacturing. The standard provides designers, manufacturers, and suppliers with a framework for continually improving what products are made of and how they are made. Cradle to Cradle Certified is a respected mark of products and materials made for the circular economy."*

We also seek to use Cradle to Cradle Certified suppliers where possible, for example the printing company used by USM Group Marketing.

GREENGUARD Certified

Our USM Haller furniture system, USM Haller table and USM Kitos are all UL Greenguard certified for their low emissions of volatile organic compounds (VOCs).
USM Haller Soft Panel carries the elevated UL GREENGUARD Gold Certification Standard, which sets even lower VOC emission limits. Gold Certified products must also comply with the California Department of Public Health (CDPH) Standard Method for the Testing and Evaluation of Volatile Organic Chemical Emissions from Indoor Sources Using Environmental Chambers, also known as California Section 01350.

Having undergone rigorous scientific testing to meet stringent emissions requirements, this certification approves that our products contribute to a healthier indoor air quality.

* https://api.c2ccertified.org/assets/c2c-certified-circularity-standard_v4.1_final_011525.pdf

Glossary of common terms

Carbon; carbon emissions; CO_2; CO_2 equivalent; emissions; Greenhouse Gas (GHG) emissions

In the context of this sustainability report any of these terms refer to the CO_2 equivalent of the six greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6), calculated according to, the GHG Protocol Corporate Standard.[1]

Circular business model; circular business

In general, a "circular business model" describes a business model that implements circular economy principles in a certain way. A "circular business" follows a circular business model.

Circular design principles

In the context of this sustainability report "circular design principles" refer to design that enables the three principles of the circular economy: (a) Eliminate waste and pollution upstream through design, (b) Circulate materials and products by designing them to be kept in use, and at their highest value, for as long as possible, and (c) Regenerate nature by designing to improve local biodiversity, air, and water quality.[2]

Circular economy

A "circular economy" is based on the idea that products and materials are maintained in the economy for as long as possible, along with the resources of which they are made, thereby ideally avoiding waste and preventing greenhouse gas emissions or at least reducing waste and greenhouse gas emissions.[3]

Circular economy principles

"Circular economy principles" are, in general, the principles an economy is following to become a circular economy. These principles involve that products and materials are designed in such a way that they can be reused, remanufactured, recycled or recovered.[4] Further circular economy principles are, in particular, sharing, leasing and repairing.[5] By these principles, the life cycle of products shall be extended and, where a product reaches the end of its life, its materials shall be kept within the economy to the greatest extent possible.[6]

Circular materials

"Circular materials" refer to materials that can be circulated to retain its embedded value, either by keeping finite materials (materials that are non-renewable on timescales relevant to the economy, i.e. not geological timescales) in the economy and out of the environment, safely returning biodegradable materials to the earth or using renewable materials (Materials that are continually replenished at a rate equal to or greater than the rate of depletion).[7]

Circularity

In the context of this sustainability report the term "circularity" refers to the development and application of USM's circular business model by way of implementing and enhancing USM's circular economy principles.

CO_2-reduced steel

In the context of this sustainability report, the term "CO_2-reduced steel" refers to steel that is "manufactured using technologies and practices that result in the emission of significantly lower emissions than conventional production".[8]

Energy efficiency

The term "energy efficiency" refers, in general, to the ratio of output of performance, service, goods or energy to input of energy.[9]

Post-consumer recycled

"Post-consumer recycled" content is, in general, material that has been recycled subsequent to the use of the product by its end-user.[10]

Pre-consumer recycled

"Pre-consumer recycled" content is, in general, material that has been recycled from the waste stream during a production process.[11]

Recyclability

The term "recyclability" refers, in general, to the characteristic of materials that still have useful physical or chemical properties after serving their original purpose and that can, therefore, be reused or remanufactured into additional products.[12]

Recycling; recycled

"Recycling" means, in general, any recovery operation by which waste materials or products are reprocessed into materials, products or substances whether for the original or other purposes.[13] A "recycled" product or material refers to a product or material that has been subject to such a recovery operation.

Regeneratively grown materials

The term "regeneratively grown materials" refers, in general, to materials that have the ability to regrow naturally, e.g. wood.

Repairability

The term "repairability" refers, in general, to the ability of a product to be fixed in case it is damaged or faulty.

Responsible consumption

"Responsible consumption" is, in general, an attitude towards making a thoughtful decision about the products one consumes.[14] The decision-making process involves the consideration of social, environmental and ethical impacts.[15]

Responsible manufacturing

"Responsible manufacturing" ensures, in general, that goods and services are produced in a process which considers environmental, social and ethical impacts.[16]

Reusability

The term "reusability", in general, refers to the potential of a product or parts thereof to be used again.[17]

Science-based targets

The term "science-based targets" refers to the framework provided by the Science Based Targes initiative, which "shows companies and financial institutions how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change."[18]

Sustainability

The term "sustainability", in general, means meeting the needs of the present without compromising the ability of future generations to meet their own needs.[19] "The term "corporate sustainability", starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption."[20]

Sustainable production and consumption

The term "sustainable production and consumption", in general, refers to a production and consumption of goods in a way that safeguards the quality of life and well-being for present and future generations by a balanced relationship between economic, ecological and social interests.[21]

1 https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf
2 https://www.ellenmacarthurfoundation.org/introduction-to-circular-design/we-need-to-radically-rethink-how-we-design
3 https://www.un.org/sites/un2.un.org/files/circular_economy_14_march.pdf
4 https://www.un.org/sites/un2.un.org/files/circular_economy_14_march.pdf
5 https://www.europarl.europa.eu/news/en/headlines/economy/20151201STO05603/circular-economy-definition-importance-and-benefits
6 https://www.europarl.europa.eu/news/en/headlines/economy/20151201STO05603/circular-economy-definition-importance-and-benefits
7 https://www.ellenmacarthurfoundation.org/circulate-products-and-materials
8 https://worldsteel.org/media-centre/blog/2021/blog-low-carbon-steel-meaning
9 Directive 2023/1791/EU Art. 2(8)
10 see definition of "post-consumer material" by the Circular Plastic Alliance (CPA), page 3
11 see definition of "pre-consumer material" by the Circular Plastic Alliance (CPA), page 3
12 https://www.eea.europa.eu/help/glossary/gemet-environmental-thesaurus/recyclability
13 see Directive 2008/98/EC Art. 3(17)
14 https://www.un.org/sustainabledevelopment/wp-content/uploads/2023/09/Goal-12_Fast-Facts.pdf
15 see also: https://www.un.org/sustainabledevelopment/wp-content/uploads/2023/09/Goal-12_Fast-Facts.pdf
16 see also: https://www.un.org/sustainabledevelopment/wp-content/uploads/2023/09/Goal-12_Fast-Facts.pdf
17 Directive 2005/64/EC Art. 4(13)
18 https://sciencebasedtargets.org/about-us
19 http://www.un-documents.net/our-common-future.pdf; see part I.3.27
20 https://unglobalcompact.org/what-is-gc/mission/principles#:~:text=Corporate%20sustainability%20starts%20with%20a,%2C%20environment%20and%20anti%2Dcorruption
21 see also: https://social.desa.un.org/2030agenda-sdgs

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Thank you

The end of this report is the beginning of an ongoing conversation. Please share your ideas with us at sustainability@usm.com

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