

# **Sustainability Report 2023**



“Sustainability has been embedded in our company for many years. It evolves gradually across all processes and people.

Winning the National Design Award in 2023 filled us with double satisfaction: not only for what it means for the company, but also because this achievement reflects our commitment to eco-design, a path we began over 10 years ago. Since 2020, 100% of our new products have been designed under sustainable criteria. This award recognised our constant effort to make sustainability a fundamental part of our business.

Our next challenge is to decarbonise our processes, make our products more sustainable and circular, and achieve this by relying on local suppliers. We start from a strong position and would love for you to join us on this journey. Together, we can build a better company and a fairer, more sustainable society.”

Nadia Arratibel  
Product Developer

“Today, Ondarreta is an international and modern company, but it still has a strong link with the past, because we are the daughters and granddaughters of wood workers. This heritage is so strong that we can feel it in our daily work, when we choose local suppliers or when we opt for a quality eco-designed product.

Although it may seem contradictory, it is our past that makes us care about the future. That is why our business strategy is closely linked to the decarbonisation of our processes, the circularity of our products and the well-being of the people who make it possible.

In this report, we try to share this legacy with you through specific data. We want to tell you honestly how far we have come, while maintaining the humility of those who know we still have a long way to go. A road we hope to travel by your side.”

Nora Arratibel  
CEO & Sales Director

**With this document, we invite you to explore the different aspects that we at Ondarreta work on every day to fulfil our commitment to the environment. In a world that is constantly evolving, sustainability is expanding its boundaries, opening the way to new approaches, principles and people. From here, we want to play a leading role in this change.**

**Our environmental responsibility is reflected in everything we do: in the way we design and manufacture our products, in the way we select and reuse raw materials, and in the strong relationship with our supply chain. Every new idea is an opportunity to make progress.**

**We have been incorporating eco-design into our products for more than 10 years, and in that time we have learned valuable lessons about our strengths and areas for improvement, as well as the challenges that lie ahead.**

**Without losing sight of what we have achieved, we want to continue to pay attention to every step in the production, design and distribution of our furniture. Every piece we create carries with it a deep respect for nature, because environmental protection is one of our key pillar principles.**

**This commitment defines our feelings, our attitudes and even**

**our thoughts. We are aware of the challenges we face in order to achieve the ambitious goals we have set ourselves, and we invite you to learn more about them in this document. We believe that together we can achieve them. This exercise in transparency is our statement of intent and our invitation to a journey together.**

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(1.1) **Our activity & passion**

**Weaving links through furniture**

We are a Basque family business with a passion for designing and making quality furniture. We are dedicated to creating pieces that combine the best of craftsmanship with the latest manufacturing technologies. Each piece of furniture we make is a testimony to our commitment to eco-design, using local raw materials and techniques that combine tradition and innovation.

Our products are available in 45 countries through 2,000 points of sale. In total, more than 60,000 products are used every year to furnish offices, restaurants, hotels, public spaces and homes around the world, helping to create comfortable and welcoming spaces. From the chairs and tables in the various editions of the ARCO VIP lounge to restaurants in London, Singapore and San Francisco, the LinkedIn offices in Chicago, a youth centre in Macedonia and a house in the middle of the Australian desert. We have 4 main product lines, broken down as follows:

- (01) SEATING
- (02) TABLES
- (03) SHELVES
- (04) SPACE DIVIDERS

For each product we collaborate with local and international designers to create our products. At our factory in Oiartzun, just 10 km from San Sebastian, a team of 42 people bring these creations to life.

We work closely with local suppliers, 80% of whom are located less than 200 km from our facilities. In addition, our top 10 suppliers are less than 30 km away. This proximity not only minimises our carbon footprint but also ensures appropriate working conditions for all the people who help make our products possible.

(1.2) **Materiality & Performance**

**2023 key figures**

In 2023, we overcame challenges, evolved and strengthened our ability to deliver products that not only embellish, but also promote the well-being of those who enjoy them. This summary of the year's highlights reflects our commitment to innovate and persevere towards a more sustainable and enriching future for our customers and partners.

<b>Company</b>	Sales 10,6M€	Employees 42
<b>Supply Chain</b>	National Suppliers 87%	European Suppliers 13%
<b>People</b>	Permanent Contracts 95,2%	Average Tenure 11,15 years
<b>Equality</b>	Women in Workforce 44%	Women in Leadership 75%
<b>Environment</b>	Eco-Design 20 products with ISO 14006 Eco-Design Certificate	Green Energy 100% use of renewable energy
<b>Climate Neutrality GHG protocol</b>	Scope 1+2 emissions 46,06 tCO <sub>2</sub> eq 0 tCO <sub>2</sub> eq alcance 2	Compensated Emissions 74,60 tCO <sub>2</sub> eq <small>*Offset in 2023 for 2022 emissions.</small>

2003–  
2009

2011–  
2018

**2003**  
**ISO 9001**  
Quality Management System

**2008**  
**Change of Leadership**  
New markets and sustainable course

**2009**  
**FSC Y PEFC**  
Certificates origin of material

**2011**  
**KM.0 Supply**  
Commitment to local workshops.  
100% european components

**2013**  
**ISO 14001**  
Environmental Management

**2014**  
**ISO14006**  
Eco-Design

**2014**  
**LED Lighting**  
65% reduction in lighting consumption

**2018**  
**Solar Panels**  
30% energy self-sufficiency

2020–  
2022

2023–

**2020**  
**Eco-design**  
The 100% of new collections  
Eco-Designed

**2020**  
**Removable Upholstery**  
Easier to clean and remove fabrics.  
Less use of adhesives

**2021**  
**Recycled Materials**  
New collections containing recycled materials

**2021**  
**CF Measurement**  
**GHC Protocol**  
Start of carbon footprint measurements

**2022**  
**Scope offset**  
78.1 Ton CO<sub>2</sub> compensated

**2022**  
**Renewable Energy**  
Use of 100% renewable energy

**2023**  
**Scope 3**  
Scope 3 emissions measurement

**2023**  
**EPD HARI**  
Analysis providing a verified environmental product declaration (EPD)

**2023**  
**Use and Maintenance**  
Documents and videos to help improve maintenance of the products

**2023**  
**Company growth**  
Expansion of work areas, new more efficient machinery

**2023**  
**National Design Award**  
Recognition for the trajectory, quality of the product, commitment to sustainability and local purchasing

# ondarreta

( ECO-DESIGNS )

50% 100%

FAMILIES WITH AN  
ECO-DESIGNED PRODUCT

OF NEW PRODUCTS WITH  
ECO-DESIGNED PROCESS

( REDUCES ITS EMISSIONS )

-38% 100%

IN SCOPES 1+2 EMISSIONS  
INTENSITY SINCE 2021

RENEWABLE  
ENERGY

( COMMITMENT TO PEOPLE )

80% 45% 0

OF PURCHASES  
WITHIN 200 KM

OF WOMEN IN THE  
WORKFORCE

ACCIDENTS AND  
3 INCIDENTS IN  
2023

(1.3) **Our commitment**

**Integration of the ESG Criteria and the SDGs**

The Sustainable Development Goals (SDGs) are a global plan, adopted by 193 countries, to improve our planet and our lives by 2030. This framework of 17 goals addresses the most pressing global challenges, from poverty and inequality to climate change and justice. At Ondarreta, we recognise our responsibility and the role we play as part of this global community. Through specific actions and an approach based on ESG (Environmental, Social and Governance) criteria, we seek to make a positive impact and actively contribute to these goals.<sup>1</sup>

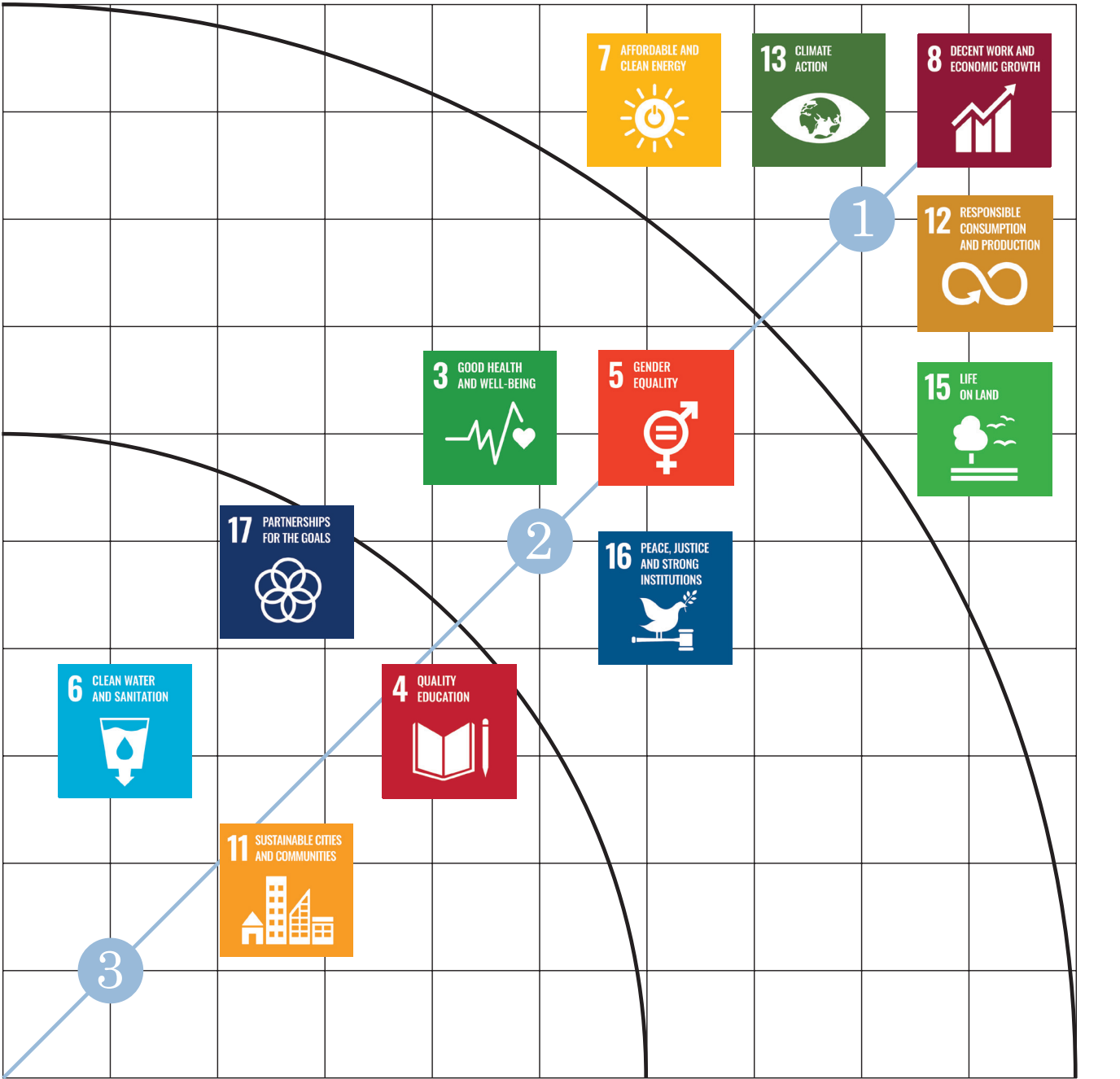
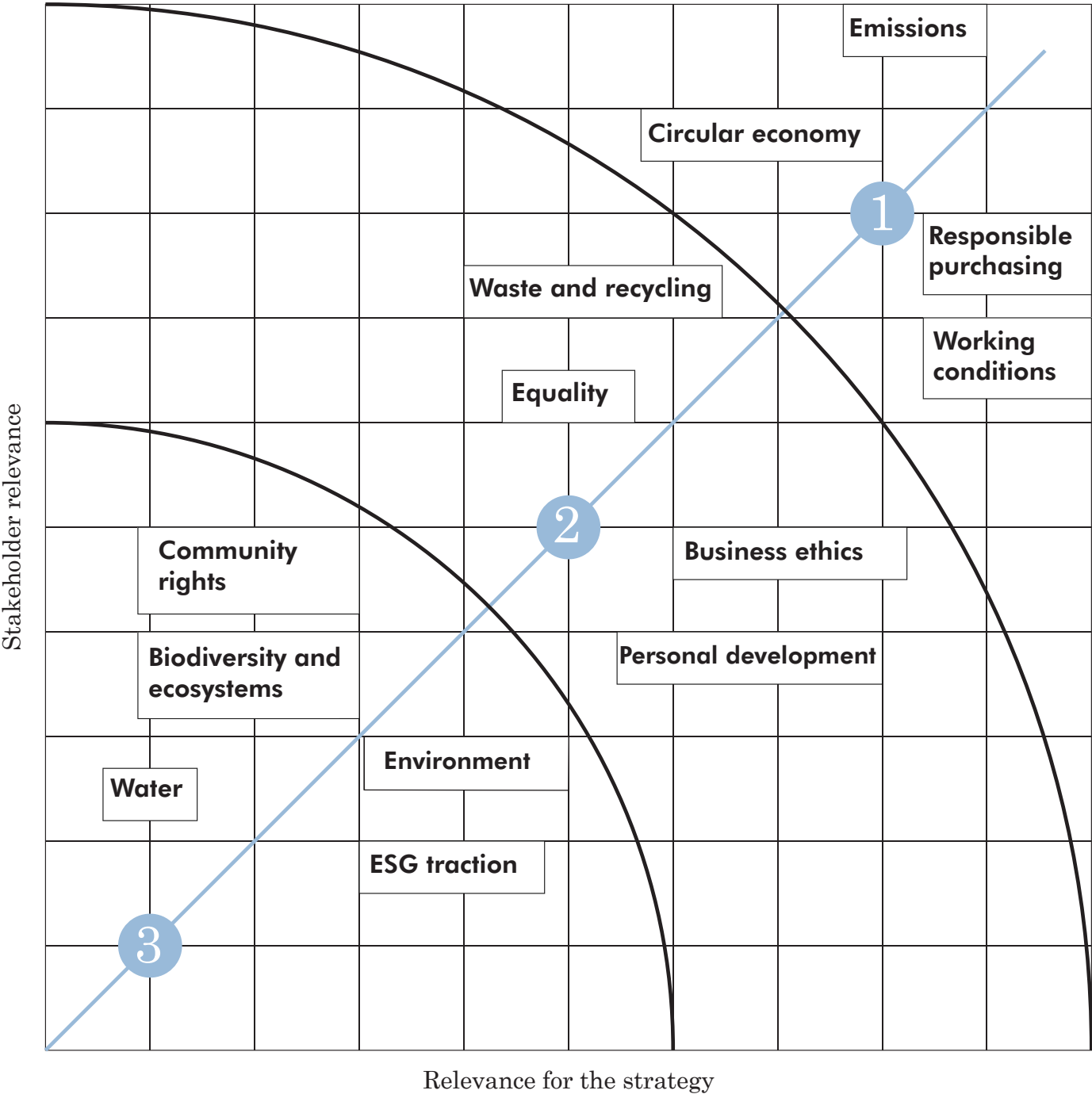


<sup>1</sup> Highlighting the SDGs in this chart reflects the level of positive impact we can have through our activity.



Going into detail

A materiality analysis, such as the one shown in the figures below, helps us to identify the ESG issues where we have the greatest scope for action, and to build our sustainability strategy in a coherent and effective way. We identify key words that we will address in our actions throughout this document.







1. Environmental Pillar (E)  
Actions and achievements

- Clean energy and reduction of emissions (ODS 7, ODS 13): Ondarreta has implemented the use of renewable energy, such as photovoltaic panels, which has allowed us to reduce our carbon footprint by 23.1% in 2022 and 38% in 2023. This progress reflects our commitment to the decarbonisation of our operations.
- Responsible production and consumption (ODS 12): We adopt ISO 14001 environmental management and ISO 14006 eco-design standards to ensure a more sustainable product lifecycle. This approach minimises the use of resources and promotes the durability and quality of our products.
- Innovation for sustainability (ODS 9): At Ondarreta, we promote innovation focused on environmentally friendly materials and circular practices. We work with our suppliers to reuse and recycle waste and transform it into useful resources.
- Local production and support to communities (ODS 11): We prioritise the use of local suppliers, with the top 10 located within 30 kilometres. This reduces transport emissions, contributes to local economic development and strengthens our links with local communities.
- Action for climate (ODS 13): In two years, we have reduced our greenhouse gas emissions from 86 to 49.06 tonnes of CO2 Eq and offset 78.1 tonnes of CO2 through contributions to the Naturklima fund, supporting local environmental action.

2. Social Pillar (S)  
Actions and achievements

- Health and well-being (ODS 3): Focusing on the well-being of our team, we implement ergonomic initiatives and ongoing occupational health training and maintain safe and comfortable workspaces to ensure quality working conditions.
- Gender equality (ODS 5): In a traditionally male-dominated sector, 75% of management positions at Ondarreta are held by women and 44% of the production team is female, double the average representation in the industrial sector in the Basque Country. Our commitment to gender equality is a cornerstone of our structure.
- Decent work and economic growth (ODS 8, ODS 10): We promote stable and sustainable employment, with 95.2% of employees on permanent contracts and an average tenure of 11.15 years. In addition, all employees receive an equal annual performance-related bonus. We source from European suppliers and ensure decent working conditions throughout our supply chain.
- Training and development (ODS 4): We provide ongoing language and skills training, strengthening internal engagement and talent retention, and fostering an environment for personal and professional growth.



3. Governance Pillar (G)  
Actions and achievements

- Business ethics and transparency (ODS 16): At Ondarreta, we conduct our business in a transparent and ethical business management, ensuring compliance with the highest standards of integrity. Corporate responsibility is part of our strategy and is reflected in our purchasing decisions and responsible partnerships.
- Partnerships and cooperation (ODS 17): We work with suppliers and strategic partners to drive sustainable development throughout the value chain. This partnership strengthens our capabilities and broadens our sustainability impact.

Integrated Vision and Long-Term Strategy

Our commitment to sustainability is comprehensive, aligned with the SDGs and ESG criteria. With a focus on continuous improvement, we aim to create shared value for our community, employees and the environment. We follow a sustainability strategy that prioritises the material issues where Ondarreta has the greatest impact. We set ambitious targets to reduce our environmental footprint, strengthen our local community and operate with transparent and responsible business ethics.

# Made in Ondarreta

(2.1) **Km 0**

We believe strongly in the power of local, not only because of our commitment to the economic growth of our community, but also because of the positive impact this has on the environment. That is why, more than 10 years ago, we undertook the transformation of our supply chain, opting for suppliers as close to us as possible. In a first phase, we avoided suppliers on other continents, thus avoiding long journeys by sea or air. In a second phase, we prioritised even closer suppliers.

As a result, more than 80% of our raw materials are currently sourced from less than 200km away. In addition, of all the purchases made less than 200 km away, 83.6% were made within Guipúzcoa, with a maximum distance of 70 km from our factory. Our 10 main suppliers are located less than 30 km from us.

This commitment allows us to guarantee and improve the quality of our products. We build strong and trusting relationships with our partners, which allows us to maintain full traceability of our products. This proximity gives us advantages such as increased capacity to deal with unforeseen events, direct control of quality, optimal visibility of the supply chain and agile and flexible management of deadlines. It also allows us to create customised orders, even in small batches.

We are committed to local suppliers

80%

OF PURCHASES  
WITHIN 200 KM

42Tn

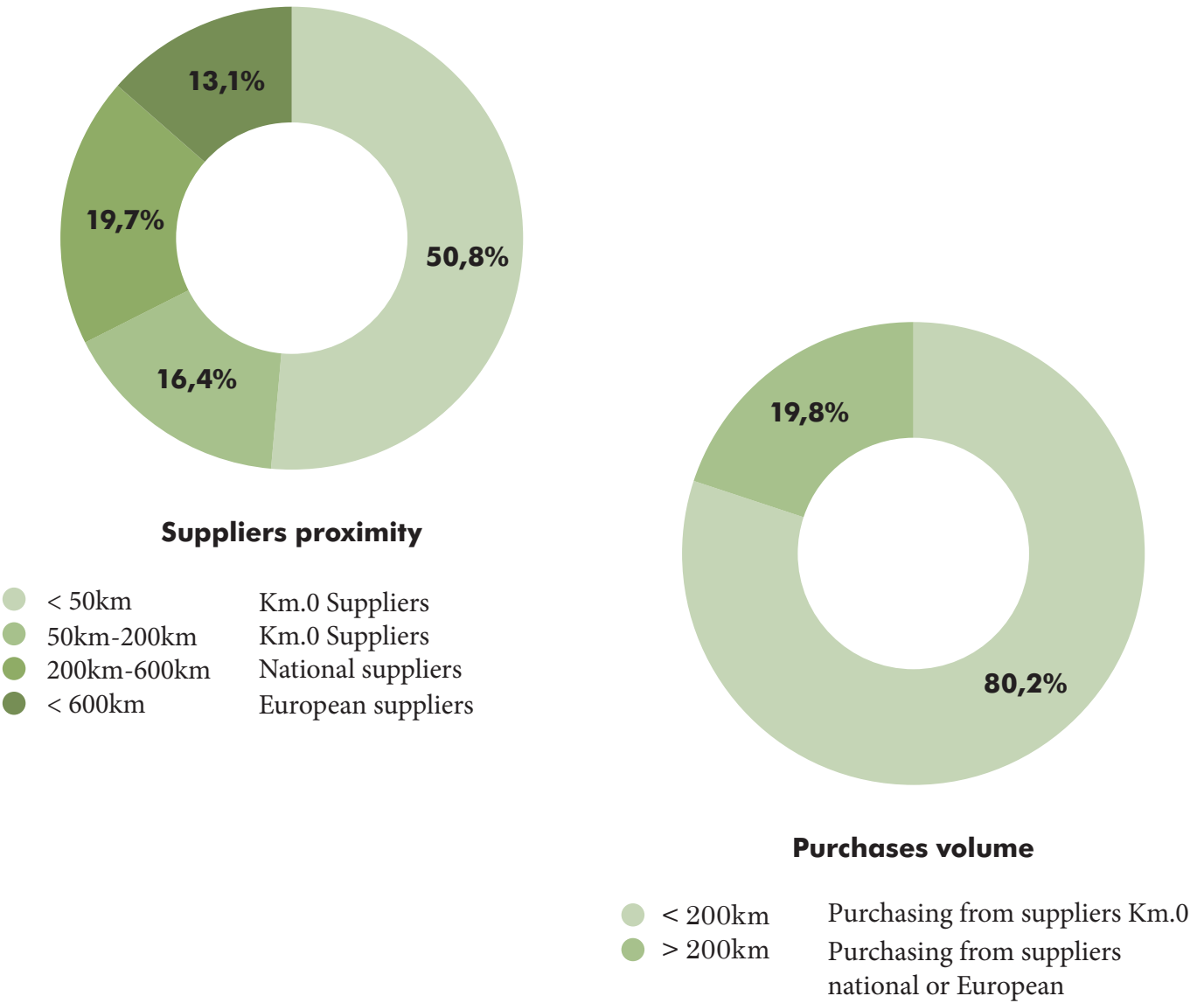
CO<sub>2</sub> eq. LESS PER  
YEAR

“As a company, we have a strong commitment to local suppliers. We want our discourse to be consistent with local production, with people who identify with the project, with eco-design, with cooperation and with adding value to the local economy. We want to be coherent and respectful; respectful of both the environment and the families involved in the whole project.”

NADIA ARRATIBEL

This proximity allows us to improve our sustainability performance :

- We avoid 42 tonnes of CO2 per year by reducing the distance from which our raw materials are transported. If we wanted to capture the same amount of CO2 in one year, we would need to plant 4200 trees, the equivalent of 7 football pitches.
- By sourcing locally, we ensure that the people involved in our supply chain have decent working conditions, all of whom are covered by collective bargaining agreements with occupational health and safety measures to protect them, and that they have the right to work in a safe and healthy environment.



In other words, our local sourcing policy ensures that our supply chain is in line with the Global Compact principles and complies with strict European environmental and social legislation.

(2.2) **Eco-Design**

Sustainability is a fundamental pillar of our vision and guides every decision we make, especially in our design processes. That's why our motto is 'no sustainability, no design'.

Each collection we create is a manifestation of our deep respect for what we value most: a heritage of craftsmanship spanning more than forty years, a desire to evolve while maintaining a vibrant style, and a balance between the functional and the aesthetic, the handmade and the technologically manufactured, as well as between the local and the global.

At Ondarreta we have always had a strong commitment to the environment. 11 years ago, we decided to strengthen this commitment by obtaining ISO 14006 certification in Eco-design, focusing on reducing the impact of our designs at every stage of their life cycle, with the firm conviction that design, and sustainability are inextricably linked. Today, every new product we launch has gone through this process. As a result of this ongoing commitment, 75% of our product families are eco-designed. Our goal for 2030 is to have 100% of our product portfolio eco-designed.



“We want our mentality to stand out in each of our designs, rather than ephemeral aesthetic trends. From the moment it is conceived, our furniture should transcend the balance between functionality and beauty. We want it to reflect values of honesty and sustainability; we want it to create bonds between people and to promote human connection.”

NORA ARRATIBEL

“When we are designing we focus on bringing harmony, connection and joy to human relationships. We design and make furniture with soul.”

NADIA ARRATIBEL

Our objective is to minimise the impact of our products as much as possible, without compromising the quality standards that set us apart. To achieve this goal, we focus ecodesign efforts on the following areas, using Life Cycle Assessment (LCA) at different stages of product development:

**1. Sustainable materials**  
We carefully select the materials we use in our products, both for their responsible sourcing and local origin. In addition, we seek recycled and renewable alternatives wherever possible.

**2. Smart design**  
Our designers consider every stage of the product's life cycle. We create furniture that is easy to dismantle, repair, and recycle, minimising the number of components needed for assembly. We favour the use of uniform and homogeneous materials, limiting the use of composites. This helps reduce waste, extend the lifespan of our products, and facilitate recycling.

**3. Production efficiency**  
From the early stages of eco-design, we are committed to minimising energy and resource use throughout our production chain, thereby achieving optimal use of raw materials. We strive for a synergy between traditional craftsmanship and modern manufacturing technologies.

**4. Responsible transport**  
We design our furniture to take up less space during distribution. This, along with other actions implemented in our logistics operations, helps reduce carbon emissions and contributes to a cleaner world.

**5. Quality and durability**  
We believe the most sustainable approach is to create furniture that lasts. We are committed to offering high-quality products that will stand the test of time. To ensure longevity, we provide spare parts so that components of our products can be replaced and renewed.

**6. Recyclability**  
We design with the aim of making it easy to separate and recycle the materials used, ensuring that the recovery process is as straightforward as possible.

“Today, our production process combines artisanal techniques with modern technology. It requires skilled hands and trained eyes, but also advanced machinery. We honour our heritage and origins while continuously striving to innovate and evolve.”

NADIA ARRATIBEL

**Plastic**  
( 50% RECYCLED AND 100% RECYCLABLE )

**Cardboard**  
( 70% RECYCLED AND 100% RECYCLABLE )

**Steel**  
( 80% RECYCLED AND 100% RECYCLABLE )

**Wood**  
( SUSTAINABLY SOURCED )

**Fabrics**  
( CERTIFIED )

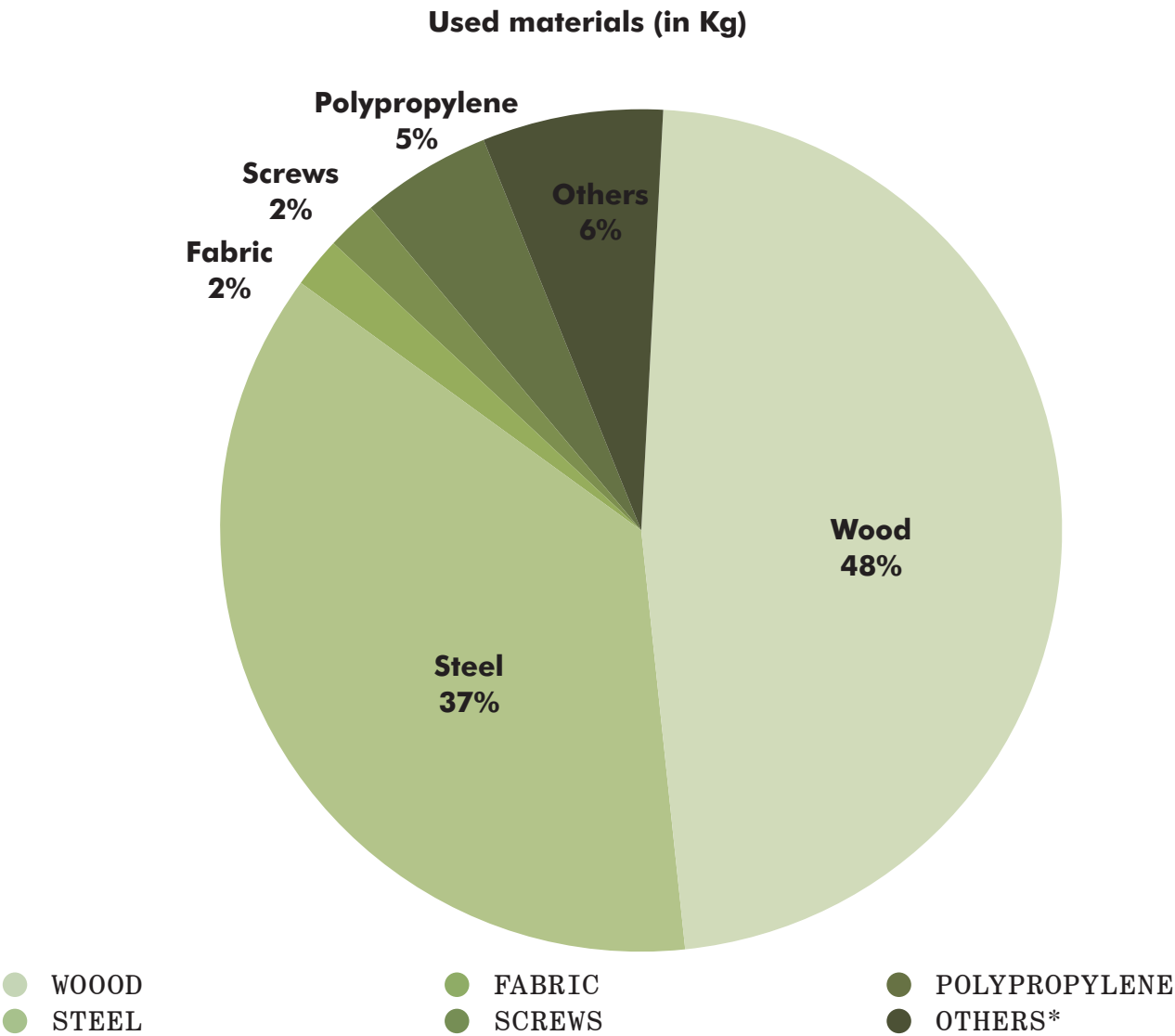
**Research**  
( CIRCULARITY, DURABILITY AND RESISTANCE )



(2.3) **Materials**

At Ondarreta, we are committed to ensuring that the materials used in our products become increasingly circular. To achieve this, we prioritise sustainably sourced or recycled materials, such as the sustainably sourced wood and recycled steel we use, thereby promoting a more responsible life cycle. Our commitment to the environment is reflected in our ongoing pursuit of sustainable solutions at every stage of the production chain.

We prioritise materials that are certified for their sustainability and quality, ensuring that they are not only environmentally responsible but also socially responsible, and that they can be reintegrated into the production cycle at the end of their useful life.



\*Varnishes, Zamak, Adhesives, PVC Components, Leather, Foams, Porcelain, Tempered Glass

“It's not just about making a "green product"; it's about developing an industrial strategy that includes the whole production process”

NORA ARRATIBEL

**WOOD**

We use wood in a variety of forms - solid wood, veneer, plywood, particle board, MDF, among others - always with a sustainable approach. All our wooden components are manufactured in Europe and are sourced from responsibly managed forests, meeting FSC or PEFC standards and subject to strict forestry controls. We do not use tropical woods, reaffirming our commitment to preserving ecosystems.

We know that the air we breathe indoors, whether at home or at work, is just as important as the air we breathe outdoors. That's why we are committed to ensuring that :

- Ondarreta ensures that all its wood products have low formaldehyde emissions. The finishes, including varnishes and lacquers, contain reduced levels of VOCs (Volatile Organic Compounds) complying with the UNE-EN 71-3 standard and the Healthy Interiors Standard, guaranteeing a healthy indoor environment.
- All the adhesives used are urea-formaldehyde-based and comply with the European E1 standard, which guarantees minimum formaldehyde emissions.
- Option available for CARB2 certified table-tops.







STEEL

Our steel is a strong, durable and fully recyclable alloy - currently the world's most recycled material and capable of endless transformation

We source it from local suppliers less than 40km away. The steel supplied contains over 80% recycled material, mainly from post-industrial waste. This percentage may vary depending on market fluctuations and the availability of recyclable material.

The sourcing of this recycled material is managed by the European Purchasing Platform, which co-ordinates the procurement and distribution of steel across all sites to optimise both cost efficiency and proximity between raw materials and production plants.

On every steel component we apply an epoxy coating formulated with polyester resins, known for their excellent mechanical and chemical properties and free from harmful compounds such as TGIC. In addition, we offer an enhanced finish option designed to maximise outdoor durability. This process involves electrostatic application followed by oven curing at 200°C.

This treatment allows us to achieve a high level of protection for the steel, together with extensive customisation options, available in a wide range of colours.

PLASTICS

For our components, we use plastics such as polypropylene in a variety of colours and compositions, PET (polyethylene terephthalate) and felt. We prioritise those with high recycled content and those that can be recycled at the end of their useful life.

Polypropylene

Our polypropylene is a recyclable material, produced locally under sustainable criteria and available in a variety of finishes and compositions. We currently offer classic polypropylene, Re-Wood polypropylene and 100% recycled polypropylene. The latter is made from recycled materials from both post-industrial and post-consumer sources (including vehicles, white goods, containers, etc.).

A notable example is our Hari chair, whose black polypropylene version uses 100% recycled material, achieving 84% reused content in the final product and remaining fully recyclable. Each of these chairs gives a second life to approximately 4,160 grams of waste.

Re-Wood polypropylene, on the other hand, incorporates waste from the wood transformation process, reducing the amount of virgin polymer needed for its production and thereby reducing carbon emissions.

PET

In our Uda collection we use 100% post-consumer recycled PET plastic for the tabletops. This material is produced by recycling almost all types of plastic, without the addition of resins or dyes. Certified as safe for users and the planet, it is a recycled and recyclable material. It is available in a variety of finishes, each with its own unique character:

- White: Derived from shampoo bottles and pharmaceutical and cosmetic production waste.
- Mineral: Made from clear pharmaceutical production waste, milk bottles and black caps.
- Floreal: Made from mixed waste from yellow recycling bins.

Each tabletop is made from approximately 18 kg of 100% recycled material, resulting in a reduction of 27 kg of CO<sub>2</sub> emissions per unit.

Felt

For our Ola space dividers and Espai screens collections, we use felt made primarily from recycled fibres. This material consists of 60-70% recycled PET plastic bottles.

For Espai screens and Ola dividers, the number of recycled bottles used varies according to the size of the product, as shown below:

Espai S	12 bottles
Espai M	17 bottles
Espai L	27 bottles
Ola A1	161 bottles
Ola A2	320 bottles
Ola B1	215 bottles
Ola B2	426 bottles





FABRICS

All our fabric suppliers are based in Europe. We give preference to those who meet recognised sustainability certifications such as: STANDARD 100 by OEKO-TEX, Greenguard, Eco-Sense, EU Ecolabel, Indoor Advantage Gold, REACH Compliant, RoHS Compliant, Carbon Neutral, HPD and EPD. These certifications ensure that the fabrics we work with are environmentally friendly and safe for human health. Currently, 23% of the fabrics in our catalogue contain recycled yarn and two of these references are made entirely from this type of material.

With the latest additions to our product range, we have developed new families with removable cushions, making cleaning and replacement easier and reducing the use of adhesives - an improvement for end-of-life management.

As part of our recent expansion, we have installed a new automatic cutting machine that will allow us to optimise this process and significantly improve material efficiency.



PACKAGING;  
CARDBOARD AND BAGS:

We are committed to using environmentally friendly materials in our packaging. Our approach focuses on responsible practices that ensure safe and sustainable packaging for our products. To this end, we continually evaluate and revise our packaging design to maximise the benefits of circular materials.

The 70% of the raw material used in our cardboard boxes comes from recycled sources, FSC-certified sustainably managed forests and local suppliers. The plastic bags we use to protect our chairs are made from 50% recycled material. Both are 100% recyclable. To facilitate recycling, we avoid the use of staples in our packaging.

We promote a circular economy for our industrial packaging by returning boxes, bags, protective components and pallets to our suppliers. This allows us to extend the life of these elements and avoid the continuous production of new units - a practice made possible by the proximity of our supply network.

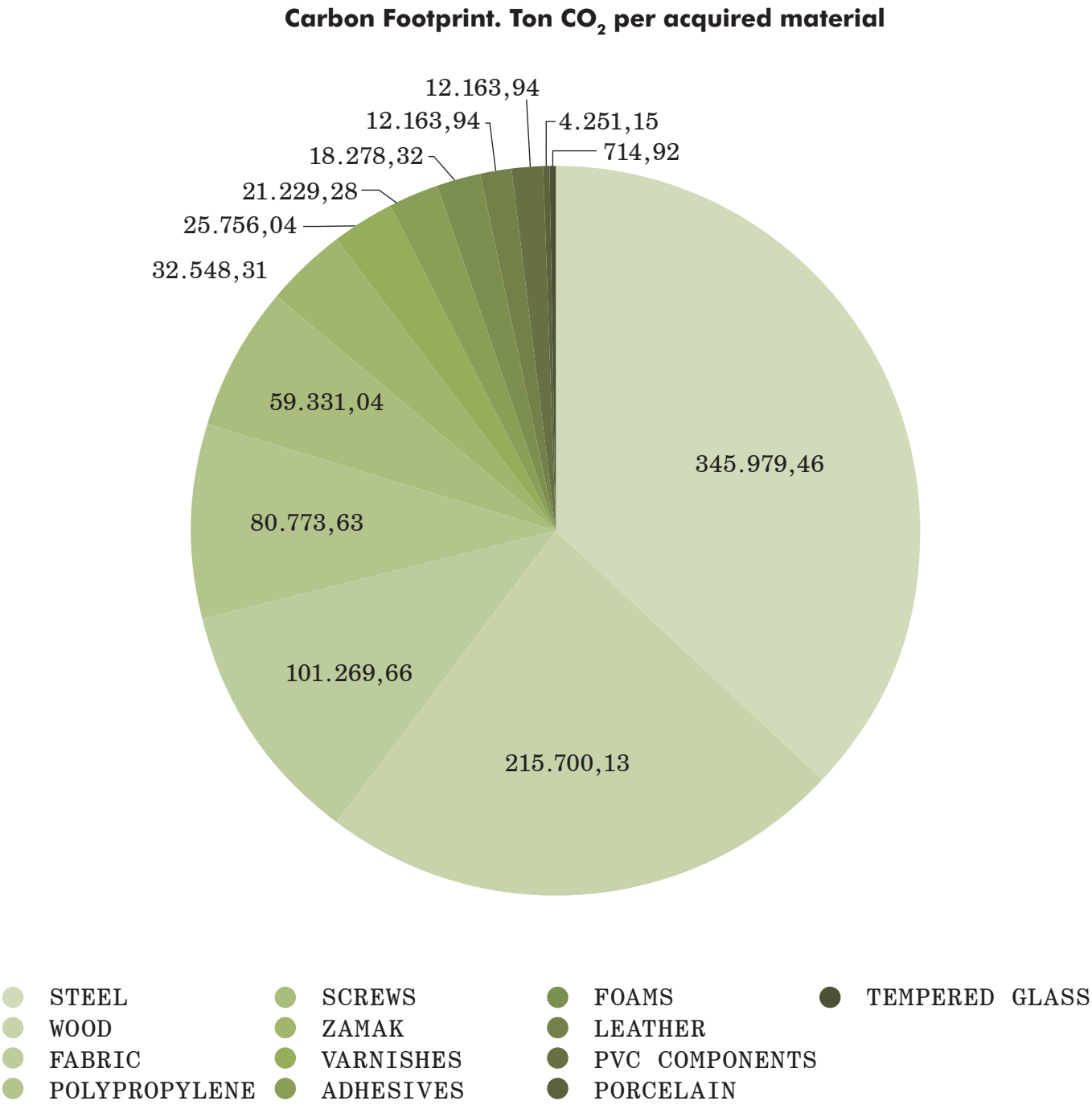




As you have seen, at Ondarreta we use a wide variety of materials to bring our collections to life, and the ongoing development of our materials portfolio is one of the key pillars of our commitment to sustainability. To reduce our environmental impact, we are actively working to replace virgin plastics with recycled or bio-based alternatives.

For example, we are expanding the use of 100% recycled polypropylene, first introduced in the black Hari model, to a wider range of colours and collections. We also use PLA filament for 3D printing prototypes - a bio-based material derived from plant starch that is both biodegradable and compostable.

A study has been conducted to assess the emissions impact of the amount of each material used in 2023:



## WASTE MANAGEMENT

At Ondarreta we make the most of our resources, always striving to do more with less. We recognise that waste can be transformed into valuable resources: when given a second life, waste ceases to be discarded material and becomes recyclable raw material. To maximise its value, we focus on careful separation and classification to increase its potential for reuse.

We have adapted and designed our processes to recover up to 77% of our waste. This has been achieved through our daily operations and by working with external partners who manage these materials and reintegrate them into new production chains.

Our aim is to minimise the amount of waste we generate and, wherever possible, to reuse it in the manufacture of other products. Production waste management, selective collection of paper, plastic and metal, and proper recycling are therefore integral processes within our operations.

In addition, our industrial processes do not require the use of water, which is limited to the hygiene and sanitary needs of our employees. Although this consumption is minimal and not a major focus of our strategy, we have implemented measures to reduce it as much as possible.

### (2.4) Innovation R + D + i

To reach this point, we have invested considerable effort in innovation, with the clear objective of creating products that bring real value to the market. Some of these efforts have delivered immediate results, while others continue to drive us to explore new possibilities. All are part of our strong commitment to innovation, research and design - a commitment we will continue to pursue with passion in the years to come.

We work closely with material research centres to increase the use of sustainable materials in our Eco Families, always striving to reduce our environmental footprint. We are also committed to exploring new technologies and methods to improve the efficiency and sustainability of our products and processes. Our aim is not just to meet current standards, but to set new benchmarks within the industry.

We are constantly looking for innovative solutions to improve our products - both in terms of aesthetics and materials. When we discover a new, more sustainable material that meets our strict quality standards, we incorporate it into the design of new products, ensuring that they are perfectly matched to the characteristics of the material.

Below are some of the major innovation projects we have undertaken in recent years:

“Sometimes, changes and innovations are visible and at other times, they take place within the product itself.”

NADIA ARRATIBEL

# Our path to Climate Neutrality

## (3.1) **Measuring, Reducing and Offsetting Emissions**

Just as we cannot conceive design without sustainability, we cannot imagine production without progressive decarbonisation. That is why we have calculated our carbon footprint - to understand and mitigate our environmental impact. This analysis has given us a detailed view of the emissions generated by our activities, allowing us to define more sustainable and responsible strategies.

Since 2018, we have set a clear path to reduce our emissions and are fully committed to continuing this journey towards climate neutrality over the next 20 years. Below, some of the key milestones in our decarbonisation strategy:

**1. Replacement of traditional lighting with LED technology. Achieved a 65% reduction in energy consumption related to lighting.**

**2. Installation of photovoltaic panels for renewable internal consumption. Implemented in 2018, these panels now cover one third of our internal electricity consumption.**

Since 2021, we have been measuring our organisational carbon footprint in Scopes 1 and 2<sup>2</sup>, and in just two years we have reduced the intensity of our emissions by 38% (CO2 eq per unit).<sup>3</sup>

The results of the measurement have enabled us to identify and prioritise the main sources of emissions on which to focus our efforts. For example, Scope 1 emissions come mainly from natural gas boilers and company vehicles. Thanks to various energy efficiency measures, we were able to reduce emissions in this area by 8.2%.

In addition, we have reduced our Scope 2 emissions to 0 by 2023, thanks to the installation of photovoltaic panels for our own use and the purchase of 100% renewable electricity from certified sources. This has allowed us to completely eliminate our Scope 2 footprint since 2021 and avoid the emission of 30.4 tonnes of CO2 equivalent in 2023. To offset this CO2, we would have had to plant around 30,000 trees.

**3. Improved roof isolation. Also carried out in 2018, this upgrade has significantly increased the energy efficiency of our production facility.**

**4. In mid-2022, we began sourcing all our electricity from 100% renewable origins.**

In parallel with our reduction activities, we are offsetting the total of our Scope 1 and 2 emissions (74.6 tonnes of CO2 in 2022) through the Naturklima Voluntary Fund, the Gipuzkoa Foundation against Climate Change, which supports environmental actions in our region. We have also planted trees on the land adjacent to the factory, which will absorb 0.24 tonnes of CO2 equivalent per year.

This is just the beginning of our journey, as we have aligned ourselves with key international frameworks such as the Paris Agreement and the European Green Deal, with the aim of becoming carbon neutral.

To achieve this goal, we have a decarbonisation plan that includes the transition of our vehicle fleet to hybrid or electric models, as well as the gradual elimination of polluting emission sources. These efforts are described in more detail in the next section.

**5. Offsetting our greenhouse gas (GHG) emissions since 2022. 78.1 tonnes of CO2 offset this year.**

**6. Measurement of Scope 3 emissions from 2022.**

**-38%**

IN SCOPE 1+2  
EMISSIONS INTENSITY  
SINCE 2021

**100%**

OF EMISSIONS OFFSET  
IN 2022

IN 2023 WE EMITTED:

SCOPE 1

**49,06Tn**

CO<sub>2</sub> eq.

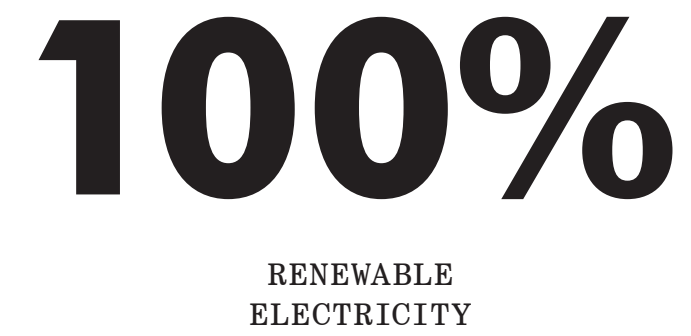
SCOPE 2

**0Tn**

CO<sub>2</sub> eq.

<sup>2</sup> Calculated in accordance with the GHG Protocol. Scope 1 includes direct emissions and Scope 2 includes indirect emissions from electricity consumption.

<sup>3</sup> Details are provided in the appendix of this report.



**Scopes 1 & 2**  
**Sustainable energy as the**  
**foundation for decarbonisation**

We have been able to reduce our carbon footprint thanks to our commitment to a sustainable energy transition, which includes reducing energy consumption, optimising our production processes and using renewable energy. In 2023, we will achieve 100% of our electricity supply from renewable sources.

In our quest for efficiency and sustainability, we have chosen to use natural gas for our boilers, as it is a more energy efficient alternative to electricity, especially in the climate in which we operate. We are committed to avoiding more polluting sources such as propane or petrol, which are only used in commercial vehicles - for which we have already implemented a fleet renewal plan to gradually phase out these fuels.

We have also improved our energy efficiency by 8% compared to 2022. Following the classification of the European taxonomy, we divide our energy consumption into three categories: renewable sources, sources necessary for the ecological<sup>4</sup> transition and polluting sources.

Since 2021, we have quadrupled energy from renewable sources, reduced the use of polluting sources by 25%, and reduced energy from ecological transition sources by 30%. This progress has been made possible mainly by switching to renewable electricity and optimising the use of gas in our boilers<sup>5</sup>.

<sup>4</sup> The sources necessary for the ecological transition are energy sources without which energy demand could not be met or which in certain cases are more efficient than electricity.

<sup>5</sup> Further information is provided in the appendix to this report.

<sup>6</sup> All our carbon footprint measurements are verified by accredited auditors. The results are registered with Miteco (Ministry for Ecological Transition and the Demographic Challenge).

**Scope 3**

In line with our environmental commitment, since 2022 we have been measuring our Scope 3 emissions using the Habicca tool, developed for our sector by the Habic cluster. Thanks to this tool, we have been able to assess all 15 Scope 3 emission categories, giving us a comprehensive view of our organisation's carbon footprint. These measurements provide us with in-depth knowledge of all the emission points associated with our activities, enabling us to analyse them in detail and develop specific actions to reduce emissions, both throughout our supply chain and throughout the lifecycle of our products.

In 2022, our total emissions amount to 2,248.06 tonnes of CO<sub>2</sub> equivalent, with the largest impact concentrated in the 'Purchased goods and services' category, which accounts for 77% of the total. This category includes greenhouse gas (GHG) emissions generated by the extraction, production and transport of materials from their source to our facilities, as well as the journey of our products from our company to the end customer, covering their entire life cycle.

A particularly positive aspect is that the emissions focus in 'upstream transport and distribution' (from our suppliers to our factory) represents less than 1% of our total emissions. This result is due to our commitment to local suppliers, with 80.2% of our raw materials coming from zero-kilometre sources. Thanks to this proximity, we avoid the emission of approximately 42 tonnes of CO<sub>2</sub> equivalent per year - equivalent to the carbon sequestration capacity of 4,200 trees over the same period. As a result, we have reduced emissions in this category by almost two-thirds.

We are currently carrying out the measurement of Scope 3 emissions for the year 2023<sup>6</sup>.

# Ondarreta

# social

## (4.1) Commitment to Corporate Social Responsibility (CSR)

At Ondarreta, we are deeply committed to our community. We dedicate part of our efforts to improving the quality of life of those around us through Corporate Social Responsibility (CSR) initiatives.

Through design and innovation, we support projects that promote contemporary craftsmanship and enrich our culture and society. As a firm believer in the importance of CSR, we have implemented a number of projects and policies that reflect our commitment to collective wellbeing and make a positive contribution to our environment. We also recognise that our achievements would not be possible without the people who make up Ondarreta. That's why we are committed to promoting the wellbeing of our team, ensuring good working conditions and providing ongoing training for the development of each staff member.

The same commitment we make to the care and training of our team - to promote an equal, safe and welcoming working environment - is extended to the working conditions of our entire supply chain. Reflecting this commitment, 70% of our production costs are allocated to the local economy, contributing through wages, taxes and investment in suppliers. This approach empowers both our community and our partners, driving a socially responsible and economically sustainable value chain.

## (4.2) Healthy Environment

### Compensation and benefits

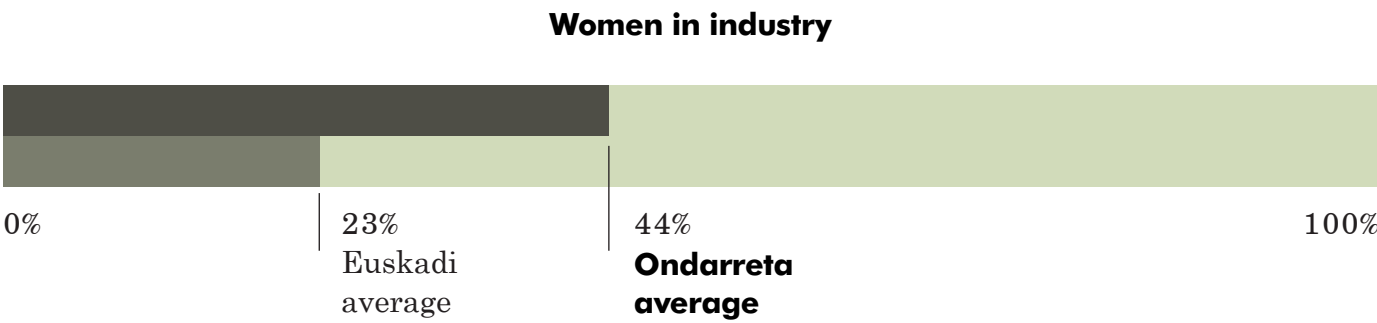
At Ondarreta, we operate in one of the regions with the highest purchasing power in Spain, where the industry agreement is one of the most competitive. In addition, we offer an annual bonus based on the company's financial performance, which is shared equally among all employees, regardless of their level of responsibility.

We know that good working conditions go far beyond pay. That's why we're building a participative culture where everyone feels like an active part of the project.

We share key business results and challenges transparently and create listening spaces to address the needs of our team. To foster this culture, we hold weekly meetings within each team, monthly company-wide communications and an annual review of key achievements and challenges with the entire workforce.

These efforts have helped us strengthen internal engagement and improve our ability to anticipate and respond to the future needs of our team.





Gender equality

We are a company with a strong history of female leadership and a firm commitment to gender equality. This commitment is particularly important in a traditionally male-dominated sector such as furniture manufacturing. At Ondarreta, 75% of management positions are held by women, and we are leading a significant transformation in production: 44% of our workforce are women - twice the average for the Basque industrial sector.

75%

WOMENS IN LEADERSHIP

Job stability

At Ondarreta, we are committed to providing stability and optimal working conditions for our entire team, supported by collective agreements that reflect our principles of fairness and well-being. We focus on providing continuous training, adapted to the changes and new procedures in the company, as well as language training programmes, to enable our employees to perform at their best in their specific roles.

These initiatives not only foster a highly skilled workforce but also help to retain talent and strengthen our leadership. Currently, the average tenure at Ondarreta is 11.15 years, with a team that includes both new hires and individuals who have been with the company for over 30 years. In addition, 95.2% of our employees are on permanent contracts, reinforcing our commitment to job stability and professional development.

Health and safety

As part of our commitment to the wellbeing of our team, we implement concrete steps to ensure that working conditions do not pose a risk to their health or safety. We invest in ergonomics, adapting desks and workstations to the height and needs of everyone, maintaining safe and comfortable workspaces, and providing ongoing health and safety training.

Thanks to these initiatives, we have achieved excellent safety record. For example, there were no lost time accidents and only three minor incidents in 2023.

(4.3) Commitment to the community

Partnerships with local institutions

We actively collaborate with local institutions to promote the development and dissemination of contemporary craftsmanship, supporting projects that benefit our community and preserve our cultural traditions. These partnerships strengthen our connection with the local environment and reinforce our shared identity.

We take part in talks and conferences where we share our knowledge and experience of design. These activities allow us to engage closely with the community and encourage a valuable exchange of ideas and expertise.

Collaboration in university projects

At Ondarreta, we actively collaborate with universities on projects that promote research and development in design and manufacturing processes. These partnerships allow us to stay at the forefront of trends and advances in our industry, while supporting the training and growth of emerging talent.

We believe that through these projects we are making a meaningful contribution to the development and well-being of our community, while promoting innovation and excellence in design.

Collaborative Actions with Educational Institutions

We recognise the importance of education and training in the field of design and related disciplines. That's why we work closely with educational institutions, offering support and sharing our experience to contribute to the development of future professionals. Through internship agreements, we provide students with the opportunity to apply their knowledge in a real working environment.

Many of these students choose to continue their careers with us after completing their internships, strengthening our team and reinforcing our commitment to education and talent development within the sector. These agreements are a key part of our commitment to the professional future of our community.

# Annexes & Certificates

## (5.1) Certifications

To move forward, we focus on the environmental aspects of design and associated processes, working with specialist institutes. We hold ISO 14001 Environmental Management and ISO 9001 Quality Management certifications, confirming our commitment to excellence in these areas and our attention to all environmental variables within the process.

Since 2014, we have also been certified to ISO 14006 for Eco-design, which provides us with guidelines for integrating sustainable design practices into the development of our products. This includes considering environmental impacts at all stages of the product lifecycle.

In 2023, our Hari chair - one of our flagship products - achieved EPD certification, making it a benchmark for sustainability in the industry. This rigorous life cycle assessment results in a verified Environmental Product Declaration (EPD) that quantifies and communicates the environmental impacts associated with its manufacture, use and end-of-life in a reliable, relevant and transparent manner. This enables us to provide our customers with objective and comparable information to support environmentally responsible purchasing decisions.







# Hari

DESIGNED BY ESTUDI{H}AC

ORIGIN

100% Made in Spain.  
Ondarreta Carbon Neutral.

MATERIALS

PEFC certify wood.  
80% recycled and  
100% recyclable steel.

RECYCLABILITY

	% recycled material	% recyclable material
Upholstered chair	43	54
Upholstered seat and wood back chair	44	74
Wood chair	45	>99
Polypropylene chair	48	>99
Rewood polypropylene chair	53	>99
Recycled black polypropylene chair	81	>99
Polypropylene armchair	55	>99
Upholstered lounge	44	41
Polypropylene H75 stool	61	>99

CERTIFICATION



EPD (Environmental Product Declaration) in accordance with the standard ISO 14025:2006



Designed in accordance with the Ecodesign standard UNE-EN ISO 14006:2011 certified by AENOR.



Manufactured under the Environmental Management System ISO 140001:2015 certified by AENOR.





# Ginger

DESIGNED BY SEBASTIAN HERKNER

ORIGIN

100% Made in Spain.  
Ondarreta Carbon Neutral.

MATERIALS

PEFC certify wood.  
80% recycled and  
100% recyclable steel.  
Removable fabric, without  
adhesives.

RECYCLABILITY

	% recycled material	% recyclable material
Ginger 4 legs chais	40	79
Ginger sled chair	49	84
Ginger wood chair	15	87
Ginger 4 legs lounge	30	75
Ginger sled lounge	41	80
Ginger wood lounge	14	82
Ginger 240 x 120 table	3	>99
Ginger 55 x 45 low table	19	>99

CERTIFICATION



Designed in accordance with the Ecodesign standard UNE-EN ISO 14006:2011 certified by AENOR.



Manufactured under the Environmental Management System ISO 140001:2015 certified by AENOR.

(5.3) **Research projects**

PROJECT	OBJECTIVES
<b>Zirplast</b>	Identifying recycled-origin plastic materials suitable for the manufacture of furniture and equipment products. Collaborative project.
<b>Susplast</b>	Incorporating materials derived from waste from other industries that can help reduce environmental dumping. Collaborative project.
<b>Habica Tool</b>	Development of a tool to measure Scope 1, 2 and 3 emissions in the furniture, design and equipment sector. Collaborative project with 10 other companies in the sector.
<b>Circular sales</b>	Internal project for the design of modular furniture and the creation of circular sales models to facilitate their repair and subsequent recycling.
<b>Packaging LCA</b>	Collaborative project to study the rates of recycled and recyclable material in packaging.

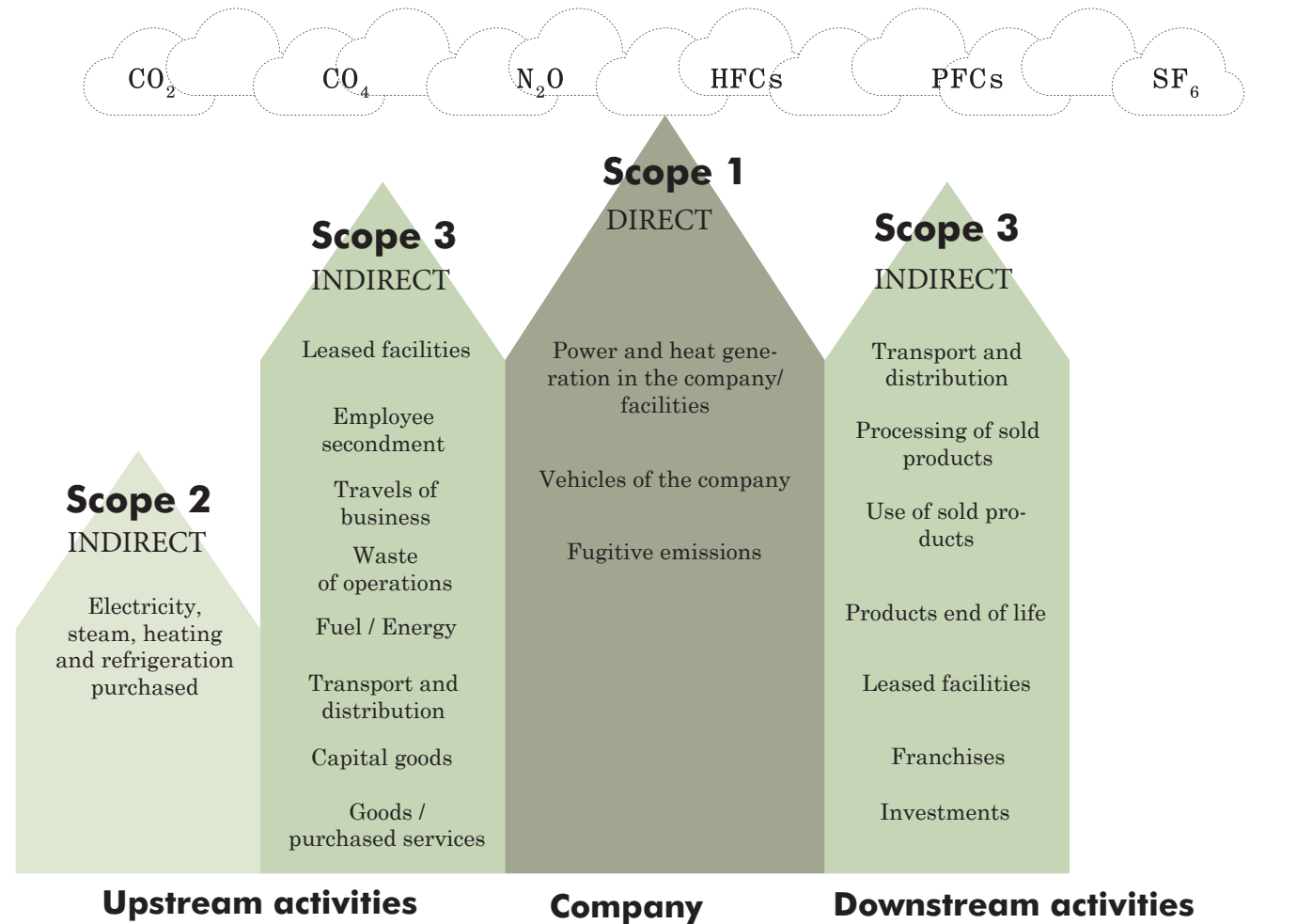
(5.4) **Scopes 1, 2 and 3 emissions**

	2021	2022	2023
<b>Total emissions 1+2</b>	86 ton CO <sub>2</sub> eq.	74,6 ton CO <sub>2</sub> eq.	49,06 ton CO <sub>2</sub> eq.
<b>Scope 1</b>	53,5 ton CO <sub>2</sub> eq.	52,4 ton CO <sub>2</sub> eq.	49,06 ton CO <sub>2</sub> eq.
<b>Scope 2</b>	32,5 ton CO <sub>2</sub> eq.	22,2 ton CO <sub>2</sub> eq.	0 ton CO <sub>2</sub> eq.
<b>Scope 3 emissions</b>	N/D	2248,06 ton CO <sub>2</sub> eq.	In process of calculation
<b>Emissions intensity</b>	1,3 kg CO <sub>2</sub> eq. / part	1 kg CO <sub>2</sub> eq. / part	0,8 kg CO <sub>2</sub> eq. / part
<b>Offset Emissions</b>	-	74,6 ton CO <sub>2</sub> eq.	During 2024

(5.5) **Energy sources**

	2021	2022	2023
<b>Total energy consumption</b>	384,17 MWh	390,86 MWh	362,14 MWh
<b>Electricity from Renewable Sources</b>	30,72 MWh	67,42 MWh	121,56 MWh
<b>Electricity from no Renewable Sources</b>	57,79 MWh	68,42 MWh	0 MWh
<b>Natural gas</b>	171,66 MWh	170,96 MWh	158,28 MWh
<b>Propane gas</b>	0 MWh	0 MWh	0 MWh
<b>Petrol + diesel (vehicles)</b>	88 MWh	84,06 MWh	82,3 MWh
<b>Energy intensity</b>	5,39 kWh / part	6,05 kWh / part	5,59 kWh / part

METODOLOGY. GEI PROTOCOL.





(5.6) **Future goals**

- (1)  
REPLACEMENT OF COMPANY  
VEHICLES WITH NEW HYBRID  
CARS.
- (2)  
OPTION FOR WATER-BASED  
VARNISH FINISHES; REDUCTION  
OF VOCs.
- (3)  
USE OF 100% RECYCLED PLASTIC  
IN A GREATER NUMBER OF  
COLLECTIONS AND COLOURS.
- (4)  
INCREASE THE AVERAGE  
RECYCLED MATERIAL CONTENT  
IN OUR PACKAGING TO 90%.

- (5)  
-42% GHG EMISSIONS BY 2025  
COMPARED TO 2021.
- (6)  
-55% GHG EMISSIONS BY 2030  
COMPARED TO 2021 .
- (7)  
NET ZERO CARBON BY 2050.

Investment	Continue investing in R+D+i projects that allow us to develop a new generation of sustainable materials.
Driving force	Work to transform the way we produce across our entire supply chain towards a sustainable model.
Circular economy	Circular furniture. Dismantlable, repairable and recyclable collections.

(5.7) Stakeholders with whom we promote sustainability

To advance our commitment to sustainability, we collaborate with partners who share Ondarreta’s aspirations: building alliances for change. Together, we are dedicated to continuously exploring new and better ways to create timeless designs in the most responsible way possible.



FSC

The Forest Stewardship Council (FSC®) is an international non-governmental organisation. Its mission is to promote environmentally appropriate, socially beneficial, and economically viable management of the world’s forests. Since its founding in 1994, FSC® has grown to become the most respected and widespread forest certification system in the world. One of the requirements for an FSC-certified forest is that no more trees are harvested than the forest can naturally regenerate, in order to prevent the overexploitation of nature.



PEFC

The PEFC (Programme for the Endorsement of Forest Certification) is an international system that certifies sustainable forest management. Its main activities include forest certification, ensuring that forests remain healthy and productive; chain of custody, guaranteeing that forest products come from certified forests; the promotion of sustainability; environmental education; support for environmental regulation; and participation in innovation and digitalisation projects to improve forest management.



United Nations Global Compact (SDGs)

The Sustainable Development Goals are a shared plan adopted by 193 nations, comprising 17 goals aimed at improving our planet and living conditions by 2030. The SDGs are the master plan for achieving a sustainable future for all. They are interconnected and address the global challenges we face every day, such as poverty, inequality, climate change, environmental degradation, prosperity, peace, and justice.



Habic

Habic is the cluster for equipment, furniture, and design in the Basque Country. It brings together the leading companies in the sector whose areas of activity include furnishing for collectives, homes, hospitals, hotels, offices, and work environments. Our mission is to support the competitiveness of companies in the design sector through sector representation initiatives, generating new visible value for users and sustainable competitive advantages, while promoting innovation and business transformation through collaboration and shared knowledge.



GRI (Global Reporting Initiative)

The Global Reporting Initiative (known as GRI) is an independent international standards organisation that helps businesses, governments, and other organisations understand and communicate their impacts on issues such as climate change, human rights, and corruption.



IK Ingeniería

The company specializes in eco-innovation services, assessing and communicating the environmental impact of products, activities, and organizations. Using methodologies like Life Cycle Assessment (LCA) and calculating environmental footprints (Carbon, Water, Ecological, Product, and Corporate), they develop Environmental Product Declarations (EPDs), apply Ecodesign principles, and support Circular Economy initiatives. They also help design communication and branding strategies grounded in environmental sustainability.



Ihobe

Ihobe is a Public Agency of the Basque Government. Its objective is to support the Department of Economic Development, Sustainability and Environment in the development of environmental policy and in promoting a culture of environmental sustainability within the Basque Autonomous Community.



Tecnalia

TECNALIA is the largest applied research and technological development centre in Spain, a European benchmark, and a member of the Basque Research and Technology Alliance. We collaborate with companies and institutions to improve their competitiveness, enhance people’s quality of life, and achieve sustainable growth.



Aenor

It is the leading Spanish-language source of information on conformity assessment. It features reports, interviews, and opinion pieces in which experts in quality, sustainability, innovation, and safety share their views on the benefits of services related to conformity assessment. AENOR, as a conformity assessment body, is a leader in product certification. With over 100,000 certified references, the AENOR Mark — present in more than 40 countries — is among the five most widely recognised product quality marks globally.



Environdec

Environdec is a provider of Environmental Product Declarations (EPDs) that measures and reports the life cycle impacts of products and services. It is the organisation responsible for managing and publishing EPDs. These declarations provide transparent, verified, and comparable information about the environmental impact of products and services throughout their life cycle.

**Contact**

This report presents key topics related to how Ondarreta understands sustainability. The sustainable development of a company relies on dialogue with its stakeholders.

You can get in touch with us through our contact emails. We look forward to hearing from you.

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