



DIZOZOLS PLUS

SUSTAINABILITY REPORT

2025

MESSAGE FROM THE BOARD

2025

*Growth does not always mean expansion,
it means smarter and more responsible
development*

”

After a challenging 2024, when demand in the furniture industry declined across Europe and the company's turnover fell to EUR 8.7 million (2023: EUR 9.06 million), in 2025 SIA "Dižozols plus" was able to restore growth. The company's turnover reached EUR 11 million, demonstrating successful adaptation to market conditions and a focused effort on introducing new products and improving processes. At the same time, the company closed 2025 with a stable profit, returning to a positive financial result after fluctuations in the previous period.

The year 2025 was a year of stabilization and focus for SIA "Dižozols plus". Following a period of significant investment in new product development and expansion of the client portfolio, our main priority this year was to ensure the stable quality and sustainable integration of these developments into production. Market conditions remained unstable, yet demand for our production capacity and high-quality solutions was strong. At the same time, we deliberately chose not to expand at the expense of any demand. Our strategy is to grow together with existing clients, operate more efficiently, and ensure consistent quality rather than maximize short-term turnover. A strong focus was placed on organizing production processes, improving efficiency, and stabilizing quality. It is also important to note that 2025 was marked by the development of knowledge and competencies within the company. Employees actively enhanced their skills both in Latvia and abroad, dedicating more than 1,700 hours, or 71 days, to training. Particular emphasis was placed on leadership development, strengthening managerial capabilities and team management.

The results of these investments are clearly visible- employee satisfaction increased from 3.5 to 3.9 (maximum score: 5), demonstrating a positive impact on the work environment and organizational culture. At the same time, the availability of qualified workforce remained one of the key challenges in 2025. To address the causes of employee turnover, the company continued conducting exit interviews, identifying the main reasons for leaving and implementing targeted improvements in the work environment and organizational processes. In parallel, the employee motivation system was strengthened - salaries were increased by 5–10% for all employees, and work continued on the development and implementation of a five-level remuneration system. This approach is expected to ensure a clear link between competencies, development, and compensation, while also reducing employee turnover.

We are also clearly aware of our challenges- limitations in production capacity, availability of qualified employees, and increasing demands from clients. These factors define our future development directions. In 2026, we will continue working on the company's strategy for 2026-2030. The strategy will focus on efficiency and sustainable development, enabling the company to maintain competitiveness and ensure stable long-term growth. Our goal is clear- to be a reliable partner for our clients, a stable employer for our employees, and a responsible company overall.

In 2025, the company's investments were focused and targeted, with emphasis on safety, efficiency, and sustainable solutions. Total investments reached EUR 119,000 (1.1% of turnover), directed towards technology development, infrastructure, and improving the working environment. At the same time, several strategic projects were initiated, including automation and digitalization initiatives, which will continue in 2026. These investments aim to improve production efficiency, enhance quality, and reduce resource consumption.

The year 2025 confirmed that our strength lies in our ability to adapt, make well-considered decisions, and operate with a clear focus. We have demonstrated that sustainable growth is not about rapid expansion, but about smarter, more efficient, and more responsible development.

Our success is built on our people - employees who ensure quality and stable operations every day, as well as clients and partners who trust us long-term. We value this trust and see it as our greatest responsibility. We will continue to move forward by maintaining high quality standards, developing our competencies, and implementing solutions that make our operations more efficient. Our goal is not to do more, but to do better - delivering clear value to our clients, employees, and society.

Thank you to everyone who is part of this journey!

Gatis Rudzītis and Girts Plakans
Members of the board

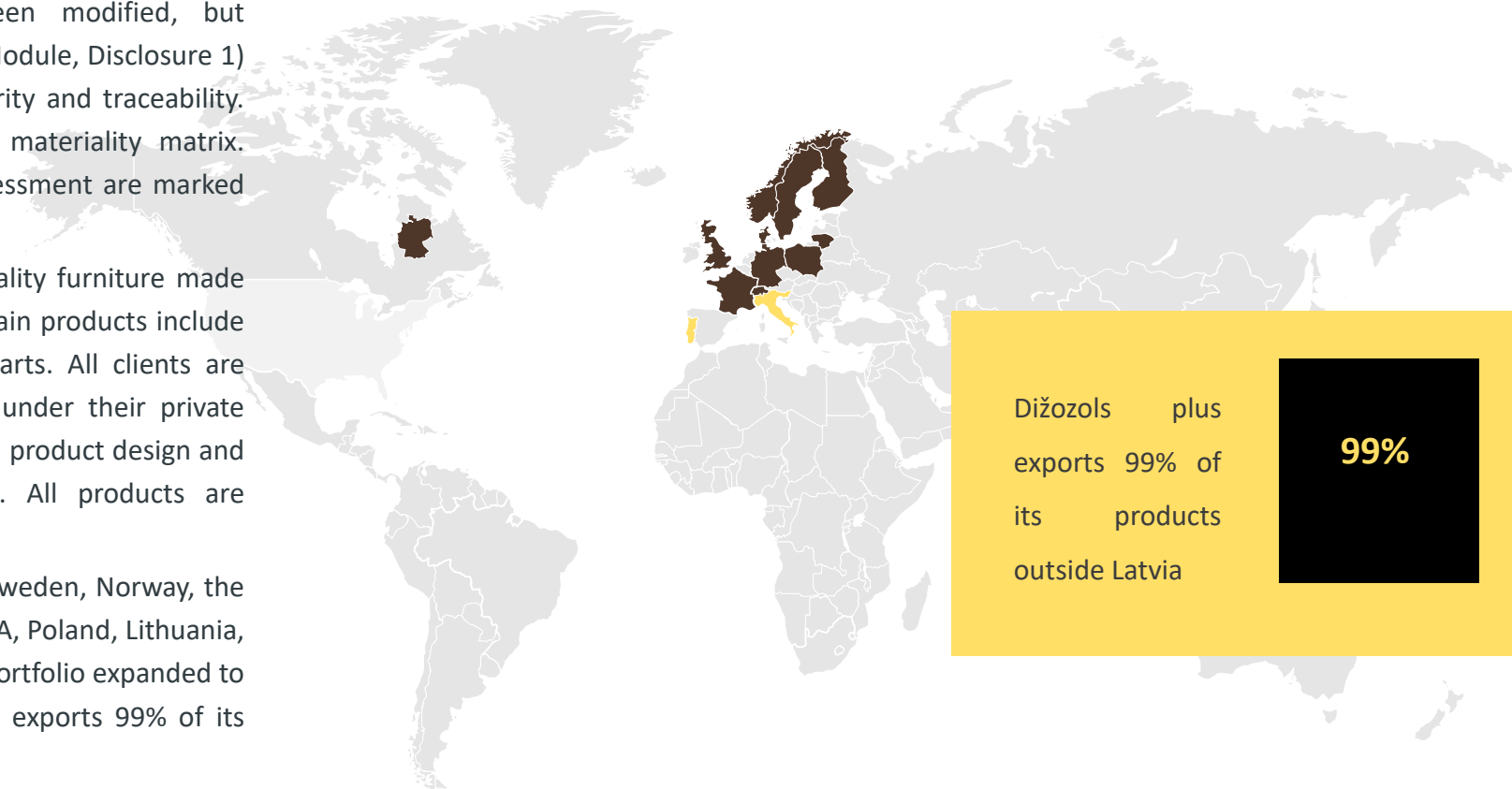
Basis for preparation

B1/C1

This sustainability report is compiled based on both the Basic Module and the Comprehensive Module of the Voluntary reporting standard for SMEs (VSME). The titles from the standard have been modified, but corresponding disclosure numbers (e.g., B1 for Basic Module, Disclosure 1) are included in upper right side of each page for clarity and traceability. Some additional information is included based on materiality matrix. Material topics identified through the materiality assessment are marked with “(M)” on each page.

Dižozols plus specializes in the production of high-quality furniture made from bent plywood and solid wood. The company’s main products include chairs, tables and bent plywood components and parts. All clients are furniture manufacturers, and products are supplied under their private labels. The company provides a full service cycle - from product design and prototyping to production, assembly, and logistics. All products are exported and sold under private brands.

Dižozols plus collaborates with partners in Denmark, Sweden, Norway, the United Kingdom, Switzerland, Germany, France, the USA, Poland, Lithuania, Canada, Austria, Spain and others. In 2025, the client portfolio expanded to include clients from Portugal and Italy. The company exports 99% of its production outside Latvia.



LOCATION
Salaspils pag., Acone, Granita street 32 k-13, LV-2119

COORDINATES
56.9100299957814, 24.25863816370057

NACE
Manufacture of furniture (31.00)
Manufacture of other furniture (31.09)

PRIORITIES

PRODUCTION EFFICIENCY

EMPLOYEE WELLBEING

TECHNICAL CAPABILITY

SUSTAINABLE RESOURCE USE



Dizozols plus strategy and business model

The company operates a B2B business model, supplying furniture and bentwood components to international clients under private labels, with 99% of production exported. Its value chain includes manufacturing, assembly, and logistics.

Customers are primarily international furniture manufacturers, while key suppliers are mainly Europe-based, ensuring quality, reliability, and the use of certified materials such as FSC. Certain materials, such as walnut, are sourced from outside Europe due to limited regional availability, primarily from North America through established European import partners.

Strategic priorities:

1. Production efficiency-improve production efficiency, standardise processes, reduce losses, and continuously improve work organisation to ensure stable quality and high productivity.
2. People-develop employee skills, motivation, and responsibility, strengthen leadership and cooperation, and maintain a safe workplace where employees are proud of their work.
3. Technical capability- ensure a modern and reliable technical base, including equipment, systems, and digital solutions that support efficient processes, quality, and innovation.
4. Sustainable resource use -plan, analyse, and optimise resource use, increase efficiency, reduce costs, and minimise environmental impact.

Sustainability is integrated across operations through responsible sourcing, energy efficiency improvements, waste reduction, circular material practices, and compliance with international quality standards.

2025 figures and facts

180

Employees

11 Mil. EUR turnover
(8.73 mil. EUR
2024)**243t** EUR profit 2025
(2024. profit
25.9t EUR)**>50**

Clients

27

Product groups

6.33Total assets
(mil. EUR)

2025 marks a recovery year following challenges in the furniture industry. The company closed 2025 with a stable profit.

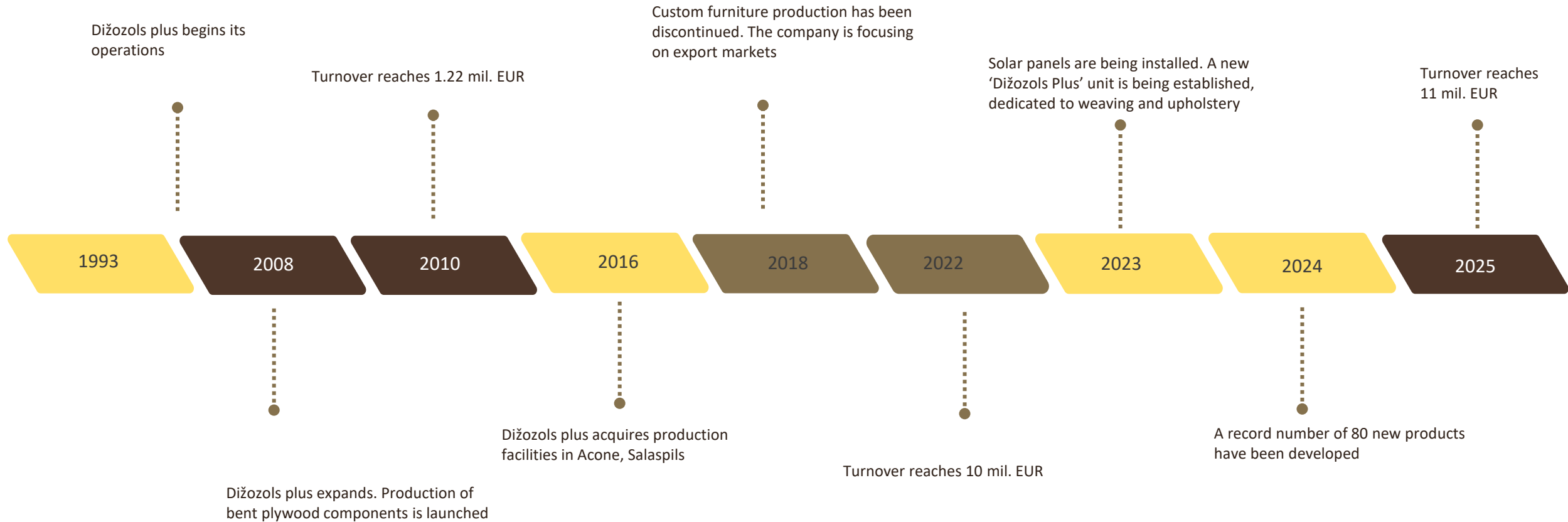
Our operations are based on delivering client-driven design solutions, and in 2025 demand for our production services increased, with particular recognition of our quality and reliability. Considering our current production capacity, we carefully evaluate and prioritize projects, focusing on long-term partnerships and high value-added work.

At the same time, we continue to develop our product portfolio and strengthen our team, maintaining consistently high quality standards in production.



Gatis Rudzītis and Ģirts Plakans
Members of the board

Our history



20
25

Growth and stabilization

This was a year of growth for the company. During the reporting period, production capacity was significantly strengthened and the workforce expanded. Compared to the previous period, the number of employees increased by 18%, while production capacity grew by 25%, enabling the company to more efficiently meet rising demand.

Mission and Vision



Our mission is to provide customers with excellent service and sustainable products by designing and manufacturing furniture with care for people and the environment



Our vision is to become a leading manufacturer of bent-glued design chairs and components in Europe, offering innovative, high-quality products

Certifications and Awards



EcoVadis

Silver Medal

71/100 · 93rd percentile · Top 7%

Received in 2023, planned for renewal in 2026
Evaluated by: EcoVadis SAS



Sustainability Index

Responsible Business

Latvian company sustainability assessment

Evaluated by: Corporate Sustainability Institute · 2024



FSC

Responsible Forest Management

Certification for responsibly managed forest resources

Certified by: Preferred by Nature · since 2021



ISO 14001

Environmental Management

Environmental management system certification

Certified by: Bureau Veritas · 28.04.2026.



ISO 9001

Quality Management

International quality management system standard

Certified by: Bureau Veritas · 28.04.2026.



ISO 50001

Energy Management

Energy efficiency management system

Certified by: Bureau Veritas · 28.04.2026.



UN Global Compact

Voluntary Signatory

Human rights · Labour rights · Environment · Anti-corruption



Nordic Swan Ecolabel

Nordic Ecolabel

Dižozols plus produced chair (4 models) awarded Ecolabel

Certified by: Ecolabel Denmark



EU Ecolabel

EU Ecolabel

Dižozols plus produced chairs (4 models) awarded Ecolabel

Certified by: Ecolabel Denmark

7

**Dižozols Plus ranks 7th
among furniture
manufacturers in Latvia
by net turnover.**

Practices, policies and future initiatives supporting the transition to a more sustainable economy

B2, C2

	B2			C2	
Sustainability issue	Existing sustainability practices [YES/NO]	Publicly available [YES/NO]	Policies have targets [YES/NO]	Description of practices or policies and their consequent actions	Specification of future initiatives or targets
Climate change	YES	YES	YES	The company improves energy efficiency under ISO 50001 (since 2017) and uses renewable energy (21%) supported by solar panels.	The company aims to achieve carbon neutrality in Scope 1 and 2 and to define Science Based Targets by 2027.
Pollution	YES	YES	NO	The company ensures compliance with Category B pollution permit requirements and reporting obligations. In parallel, it applies waste management practices focused on reducing waste generation and improving recycling performance	
Water and Marine Resources	YES	YES	YES	The company treats and monitors wastewater through on-site treatment systems and regular testing. Water consumption is controlled, with usage not exceeding 9 m ³ per employee.	Water consumption is maintained at or below 9 m ³ per employee
Biodiversity and Ecosystems	YES	YES	YES	The company maintains FSC certification and increased the share of FSC-certified wood to 88% in 2025, supporting sustainable forest management.	The company aims to ensure that 100% of wood materials used in bent glued components are FSC-certified by 2027.
Circular Economy	YES	YES	NO	The company reuses wood offcuts in production and repurposes non-usable wood materials for new product development or internal use, following a zero-waste approach. Leather and textile materials are also repurposed through partnerships with educational institutions.	

Practices, policies and future initiatives

	B2			C2	
Sustainability issue	Existing sustainability practices [YES/NO]	Publicly available [YES/NO]	Policies have targets [YES/NO]	Description of practices or policies and their consequent actions	Specification of future initiatives or targets
Own workforce	YES	YES	YES	The company promotes responsible workplace practices through a Code of Conduct and regular internal and external training. In 2025, a structured five-level remuneration system was introduced to ensure fair and transparent compensation.	The company aims to achieve zero workplace accidents and provide at least 8 hours of targeted training per employee annually.
Workers in the value chain	YES	YES	YES	The company manages supply chain risks through a Supplier Code of Conduct, supplier audits, and continuous monitoring using a supplier engagement platform.	The company aims to ensure that 100% of suppliers with an annual procurement value of at least EUR 20,000 have signed the Supplier Code of Conduct.
Affected communities	YES	YES	NO	The company engages with the local community through partnerships with a local school and universities, offering internships and organising annual tree-planting initiatives.	
Consumers and end-users	YES	YES	NO	The company ensures product safety and quality by complying with customer requirements, maintaining an ISO 9001-certified quality management system, and obtaining recognised product certifications such as EU Ecolabel and Nordic Swan.	
Business conduct	YES	YES	NO	The company ensures compliance with national and international regulations and promotes ethical conduct through a Code of Ethics signed by all employees upon hiring and supported by annual training. A whistleblowing mechanism is in place	

CLIMATE AND ENVIRONMENT

Energy consumption

Energy consumption includes electricity, heat energy, and fuel use, based on energy bills and internal measurements. Since 2024, part of electricity demand is covered by on-site solar generation.

In 2025, total energy consumption reached 2,909 MWh, increasing by 6% compared to 2024, mainly due to higher electricity demand from production growth.

Self-generated renewable electricity accounted for 25% in 2024 and 21% in 2025. Energy consumption trends reflect operational and seasonal factors. Heat energy consumption decreased due to improved efficiency and reduced heating demand, while electricity consumption increased due to production growth and process electrification.

Since 2024, the company has introduced solar energy generation and transitioned part of heating processes to electricity, improving energy efficiency and reducing reliance on fossil fuels.

Fuel consumption remains limited and accounts for approximately 5% of total energy use, and is considered non-material.

Energy intensity is monitored relative to production output. In 2025, electricity consumption amounted to 0.147 kWh per euro of revenue. The company aims to maintain electricity intensity at or below 0.16 kWh per euro of production value.

Energy type	2024	2025
Electricity - purchased	1034	1276
Electricity - self-generated (renewable)	345	339
Total electricity (MWH)	1379	1615
Heat energy	1228	1160
Fuel	144	134
Total energy consumption (MWH)	2751	2909

Energy intensity	0.147 kWh per euro of revenue
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Greenhouse gas emissions

The company is committed to systematically reducing its carbon footprint and environmental impact. In 2025, a full emissions calculation was carried out with the support of an external certified service provider to ensure accuracy and alignment with international standards.

For the first time, Scope 3 emissions were quantified, providing a comprehensive view of the company's total climate impact across the value chain- from raw material sourcing to product delivery.

Emissions are calculated in accordance with the GHG Protocol, covering Scope 1, Scope 2, and Scope 3.

Scope	tCO ₂ e	Share
Scope 1	79.4	12%
Scope 2	200.9	30%
Scope 3	385.5	58%
Total	665	100%

GHG intensity (2025) - 60.5 tCO₂e per €1 million revenue

Scope 3 emissions represent the largest share (58%), primarily driven by purchased materials (63%) and upstream transport (29%). This highlights supply chain and material selection as key areas for future emission reductions. 21% of electricity consumption in 2025 was covered by on-site solar generation, contributing to reduced Scope 2 emissions.

665t

CO₂ tonnes in 2025
(Scope 1, Scope 2
and Scope 3)

21%

Share of total electricity
consumption generated
by solar panels

**577 678
EUR**

Investment in solar
energy infrastructure



Greenhouse gas reduction targets and climate transition plan

GHG reduction targets

Scopes	Base year: base year value	Target year: target year value
1. + 2.	2022: 650 tCO ₂ e	2028: 90% reduction (≤65 tCO ₂ e)
3.	2025: 385.5 tCO ₂ e	N/A

In the base year (2022), total Scope 1 and Scope 2 emissions amounted to 650 tCO₂e. The company aims to reduce these emissions by 90% by 2028, reaching ≤65 tCO₂e. As the company will continue to use diesel fuel in certain operations, achieving full zero emissions in Scope 1 is not considered feasible. Therefore, the target is defined as a 90% reduction rather than full elimination.

Scope 3 emissions were fully calculated for the first time in 2025, with the support of an external service provider.

Specific reduction targets for Scope 3 emissions have not yet been defined; however, the company has identified key emission drivers and plans to develop targeted reduction measures in the coming years.

1

90% reduction in Scope 1 and Scope 2 emissions by 2028

The company aims to transition to fully renewable electricity, with 100% of purchased electricity sourced from renewable energy by 2027. In 2025, 21% of electricity consumption was already generated on-site. Due to continued diesel use, full elimination of emissions is not feasible in the short term; therefore, a 90% reduction in Scope 1 and Scope 2 emissions has been set as the target.

2

Development of Scope 3 emissions calculations and reduction targets

Scope 3 emissions were fully calculated for the first time in 2025. Key drivers include purchased materials (63.3%), upstream transport (28.8%), and business travel (8%), highlighting supply chain emissions as the primary focus area. Reduction targets are not yet defined.

3

Transition to renewable electricity (2026–2027)

2026: Transition to renewable electricity in the second half of the year.
2027: All purchased electricity will be sourced from renewable energy, achieving verified green energy status and effectively reducing Scope 2 emissions to zero.

CLIMATE RISKS

SIA “Dižozols plus” applies a structured approach to risk management, enabling the identification, assessment and mitigation of risks that may impact business operations. The company has established a risk management framework, including a defined methodology, risk register, regular assessments and mitigation actions, with risks reviewed at management level. Climate-related risks are integrated into the company’s sustainability risk category and include both transition and physical risks.

Transition risks are primarily linked to increasing energy and raw material costs, regulatory requirements (including EUDR and CSRD), and potential supply chain disruptions. These risks may affect cost structures, material availability and compliance obligations.

The company’s direct physical climate risks are considered low, as its operations are not located in areas exposed to significant climate-related hazards.

Physical risks related to suppliers have not yet been fully assessed. The company plans to evaluate supply chain exposure to climate-related risks in future risk assessments, with the aim of strengthening supply chain resilience. The company recognises that climate-related risks also create opportunities, including improving energy efficiency, strengthening supply chain management and increasing the share of sustainably sourced materials.

TARGET:

Ensure that all high-level risks are identified and mitigation actions are implemented within 6 months to reduce risks to an acceptable level.

Pollution of air, water and soil

Category B pollution permit

The company holds a Category B pollution permit, which regulates emissions to air, water, and soil. The permit is publicly available in the State Environmental Service register.

registri.vvd.gov.lv

Emission reports - LVĢMC

The company regularly submits emission reports to the Latvian Environment, Geology and Meteorology Centre (LVĢMC). Emission data, including CO₂, NO_x, NH₃ and other pollutants to air and water, is publicly available on the (LVĢMC) platform.

[LVĢMC platform · parskati.lvģmc.lv](https://lvģmc.platform.lv)

Water

Total water withdrawal - 1,063 m³.

As water is mainly used for hygiene purposes, the company aims to ensure that water consumption does not exceed 9 m³ per employee per year. In 2025, water consumption per employee was 6.46 m³ (based on an average of 180 employees), which is significantly below the defined threshold. The company's operations are not located in a high water stress area, based on the Aqueduct Water Risk Atlas.

[WRI's Aqueduct Water Risk Atlas tool](https://www.wri.org/aqueduct)

Biodiversity

Land-use

Land-use type	2025
Total sealed area	0,9567 ha
Total nature-oriented area on-site	2,4058 ha
Total nature-oriented area off-site	0 ha
Total use of land	3,3625 ha

Operations located in or near biodiversity-sensitive or protected areas

The company's operations are not located in or near officially designated protected natural areas.

[KBA - keybiodiversityareas.org](https://keybiodiversityareas.org/)

Sustainable wood sourcing and biodiversity



88%
In 2025, 88% of the wood used was FSC certified. (increase of 2%)

Wood is the primary raw material used in the company’s furniture production. The company is committed to responsible sourcing and sustainable forest management practices. SIA Dižozols plus is FSC (Forest Stewardship Council) certified, ensuring that wood is sourced from responsibly managed forests that support biodiversity and environmental protection. In 2025, 88% of the wood used was FSC-certified (2024: 86%), demonstrating continuous improvement in sustainable sourcing. The company has set a specific target to ensure that 100% of wood materials used in bent glued components (veneer) are FSC-certified by 2027. The company aims to further increase the share of certified materials and strengthen transparency in its supply chain. In addition, the company engages local primary school students in annual tree-planting initiatives, contributing to environmental awareness and local biodiversity.

Wood use (2025)

Material	Volume (m³)	Share (%)
Solid wood	315	24%
Veneer	1,023	76%
Total wood use	1,338	100%

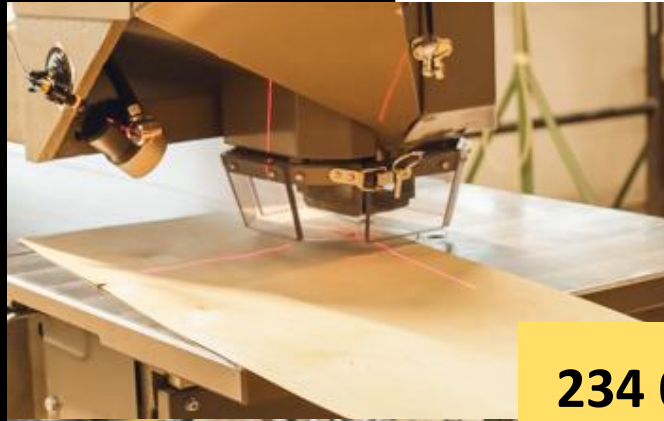
Resource use and circular economy

The company applies circular economy principles by maximising resource efficiency and reducing waste through material reuse and process optimisation.

Wood is the **main production material**, with a total of 1,338 m³ used in 2025 (solid wood: 315 m³; veneer: 1,023 m³). Wood offcuts are reused across production stages, reducing the need for new raw materials. In 2025, 60 m³ of wood was reused (2024: 45 m³), while material use was further reduced through repair processes (42 m³) and reuse of other residues (16.2 m³).

Wood residues that cannot be reused are processed into briquettes or used internally for energy, ensuring full utilisation of resources.

Additional materials, such as fabric and leather offcuts, are provided to educational institutions, supporting their reuse beyond the company's operations.



234 000

Repaired wood defects
(knots) in 2025

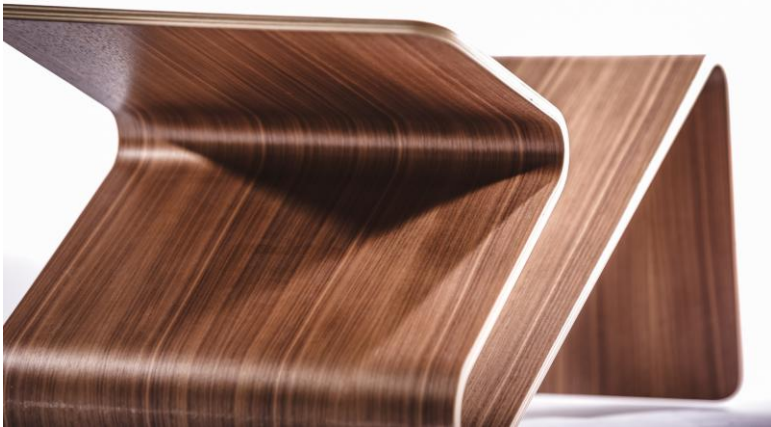


16,2 m³

Veneer patches
applied in 2025



Waste type	Waste diverted to recycle or recovery	Waste diverted to disposal	Total, t
Non-hazardous waste			
Leather and fabric	0.64	0.00	0.64
Metals	3.24	0.00	3.24
Mixed municipal waste	0.00	44.00	44.00
Packing materials	7.10	0.00	7.10
Paper for recycling	0.26	0.00	0.26
Glass	0.20	0.00	0.20
Hazardous waste			
Organic solvent, paint and varnish residues	0.00	1.21	1.21
Absorbents	0.00	0.73	0.73
Total	11.44	45.94	57.38



Bent laminated furniture is produced by gluing together multiple layers of veneer under heat and pressure. The bonded veneers are pressed in special molds to create shapes for various furniture components such as seats, backrests, and frames. The parts are then processed using CNC machines, sanded, and finished if necessary. This technique allows for the creation of highly durable and uniquely shaped furniture components.

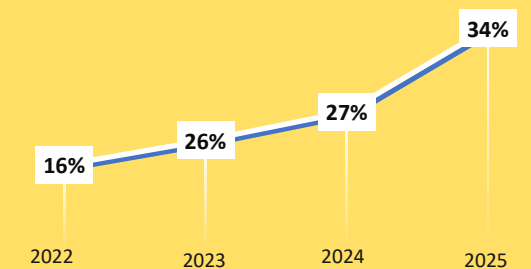
MINIMIZE NEGATIVE IMPACT

Adhesives and varnishes

We actively explore ways to offer our clients alternatives to harmful adhesives and finishing materials. One of our goals in 2023 was to start using an adhesive with significantly lower formaldehyde levels for the production of bent laminated components. This goal has been achieved, and since 2023 a new adhesive has been used for these products. Testing conducted by the Danish Technological Institute shows that the level of free formaldehyde has been reduced by 2 times compared to the previously used adhesive. In 2024, we initiated cooperation (project completed in 2025) with the Fit4Reach project to identify finishing materials that should be replaced due to their harmful impact on human health and the environment. We have also increased the use of water-based coatings from 16% in 2022 to 34% in 2025.

We recognize that finishing materials also have a negative impact on the environment, therefore we educate our clients about the benefits of environmentally friendly alternatives and the use of water-based coating technologies. By 2025, our goal was to double the use of water-based coatings compared to 2021. Data for 2025 shows that this target has been achieved – in 2020, the use of water-based materials was 10%, increasing to 13% in 2021, and doubling to 26% in 2023. In 2025, the share of water-based materials increased by an additional 7%, reaching 34% of total material consumption.

WATERBASE MATERIALS



The use of water-based materials results in longer drying times, but this is a small trade-off for the significant benefits these environmentally friendly materials provide, such as reduced VOC emissions and a safer workplace.



Edgars Valjko, Head of production

Sustainable products

We recognize that the furniture manufacturing industry plays an important role in promoting sustainability. In 2023, we initiated eco-certification of our products and obtained the Nordic Swan Ecolabel, followed by the EU Ecolabel certification in 2024.

The decision to pursue eco-certification was based on several considerations:

Environmental management: eco-certification highlights our commitment to sustainable practices. From responsible sourcing of materials to energy-efficient production, we ensure that every step meets high standards.

Meeting market demand: as the industry shifts towards more sustainable practices, our business clients seek partners that reflect their environmental values.

Compliance and competitive advantage.

Leading by example: this reflects our commitment to setting an example and encouraging other companies to move towards more sustainable business practices.

In 2025, Dižozols plus did not obtain new eco-certifications as a manufacturer but continued to support clients in their eco-certification processes.

In 2025, the company also began developing a new service-Product Life Cycle Assessment (LCA), implemented in cooperation with an external service provider. This service enables clients to quantitatively assess the environmental impact of their products and make data-driven decisions.

Sustainability requirements in the industry are becoming increasingly specific and measurable. In 2025, we focused not only on maintaining certifications, but also on supporting our clients and developing new services, such as Product Life Cycle Assessments (LCA), which enable a structured evaluation of environmental impact and support informed decision-making.



Gundega Mennika,
Sales and Sustainability manager



SOCIAL RESPONSIBILITY



OUR PEOPLE

The company implements several mechanisms to engage employees, including development discussions, employee surveys, and idea submission initiatives, ensuring that employee feedback is systematically heard and integrated into the company's development.

Our remuneration policy is focused on competitiveness and fairness, ensuring that the average hourly wage across professional groups exceeds industry averages in Latvia.

In 2025, the company successfully implemented one of the key objectives of its human resources strategy - strengthening employee motivation, professional development, and competitive remuneration. During the reporting period, employee salaries increased by an average of 5%, aligning with labour market trends and supporting employee retention.

In addition to salary adjustments, the employee qualification assessment system was significantly improved in 2025. The previously used three-level system was replaced with a five-level model directly linked to the remuneration structure.

The new system is based on clearly defined professional skills and competencies, structured across progressive development levels. It enables more objective employee evaluation, ensures a transparent link between competencies and remuneration, and provides a clear career development path. This approach also serves as an important tool for employee development and succession planning, strengthening the company's long-term competitiveness and ensuring a transparent and fair remuneration system.

In 2026, the company plans to further develop its human resource management system, focusing on a structured and unified approach across the organisation. The main objective is to fully implement the five-level qualification system developed in 2025 for production employees across all operational units, while ensuring alignment of remuneration levels between departments. This approach will promote greater fairness, transparency, and equal treatment throughout the production structure.

Additionally, in 2026, the company plans to develop and introduce a structured performance evaluation and results-based bonus system for production supervisors and administrative employees. The aim of this system is to strengthen accountability for results, encourage goal-oriented performance, and ensure a fair and motivating remuneration approach also for management and support functions.

At the same time, the company's long-term human resources strategy places strong emphasis on building a stable and professional workforce. The goal is to further reduce employee turnover by creating a working environment where employees feel a sense of belonging, see opportunities for development, and are motivated to remain with the company and grow professionally over the long term.

M

180

EMPLOYEES

43.6

AVERAGE AGE
(YEARS)

5.87

Average employee
tenure in 2025 (6 in
2024)

48.6

% of employees
working in the
company for more
than 5 years

12%

Employee turnover
rate





Workforce general characteristics

Indicator	2025
Total number of employees (headcount)	180
Country of employment contract	Latvia
Share of women (%)	36.1%
Share of men (%)	63.9%
Permanent employees (%)	100%
Temporary employees (%)	0%
Full-time employees (%)	100%
Part-time employees (%)	0%
Employee turnover rate (%)	12%

Salary, Training and Employee Engagement

3.9

Points (out of 5) in the employee satisfaction survey (previous year: 3.5)

9.9

Training hours in 2025 per employee (6.8 hours in 2024))

9.9

Average training hours in 2025 / per employee

We are committed to creating a work environment where employees feel valued as an integral part of the team. Employee satisfaction and development are key to our long-term success, and we implement targeted actions to support this. All employees receive salary above the statutory minimum wage, ensuring fair and competitive compensation.

Salary levels are regularly benchmarked against official data from the Central Statistical Bureau (CSB) of Latvia. One of the company's key annual targets is to maintain average hourly wages, by occupational group, above the corresponding national averages.

In 2025, employees received an average of 9.9 training hours per person (8.6 hours for women and 11.16 hours for men). Regular development discussions are held at least once a year to define individual goals, identify development needs, and plan training activities.

Employee satisfaction improved to 3.9 out of 5 (2024: 3.5), reflecting a positive trend in engagement and workplace conditions. Open idea channels and exit interviews are used to continuously improve internal processes and employee experience.

The company does not operate under collective bargaining agreements; employment terms are defined through individual contracts in accordance with national labour legislation.

Indicator	2025
Employees covered by collective bargaining (%)	0%
Average training hours per employee (h/person)	9.9
Training hours - Male (h/person)	11.16
Training hours - Female (h/person)	8.6

Inclusive employer

Diversity, Inclusion and Workforce Equality

Dižozols plus ensures an inclusive work environment where recruitment, development, and evaluation are based on competencies, experience, and professional suitability rather than personal characteristics.

In 2025, women represented 36.1% of the workforce and held 25% of management positions, reflecting equal opportunity practices. The workforce spans ages 20 to 69, supporting knowledge exchange across generations.

In cooperation with the State Employment Agency, the company implemented workplace adaptation measures, including ergonomic improvements and the introduction of modern equipment such as upgraded forklift seating and electric tools, enhancing working conditions and employee wellbeing.

Equal pay is ensured for men and women in the same roles; the unadjusted gender pay gap is 7.4%.

36.1%

Women

20G

Youngest
employee

69G

Oldest
employee

7.4%

Gender pay gap
(men/women)

Indicator	2025
Self-employed workers (exclusive)	0
Temporary workers	0
Women in management (%)	25%
Men in management (%)	75%
Gender diversity in board (% women)	0%
Board composition (men / women)	2 / 0

180
employees16.1%
International
migrants25%
Women in
management

Future of the industry



14

Interns in 2025

1260

Hours spent training
interns

The education and practical experience of our employees in furniture manufacturing is one of the key drivers of the company's development, enabling us to ensure high quality of products and services.

We believe that investing in the development of young professionals is an essential element of sustainable growth. During internships, young specialists gain practical skills and industry knowledge, while also forming a potential future workforce for the company.

In cooperation with the Employers' Confederation of Latvia within the European Union project "Growth and Employment", the company provided internship opportunities for young professionals. In total, employees supervised 15 internships (2023: 7), demonstrating increasing involvement in developing new talent.

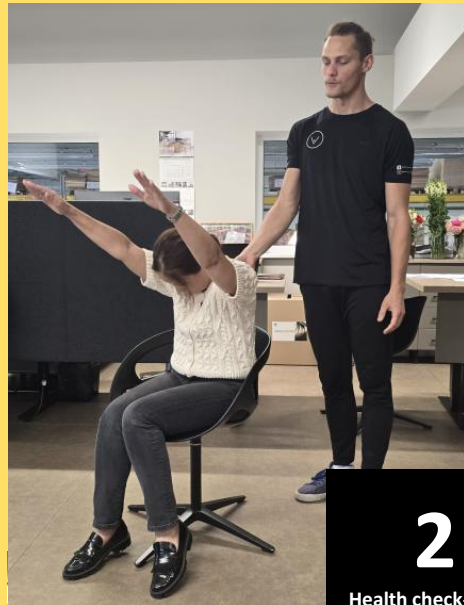
During the year, 14 interns completed internships at the company, with an average duration of approximately 2.4 months per intern.

In addition, international cooperation was implemented through the Erasmus+ program. In collaboration with Eurofortis, two students from the Czech Republic worked at the company for six weeks, promoting knowledge exchange and cross-cultural collaboration.

These initiatives strengthen the company's role in industry development and support the long-term attraction of qualified specialists.

Skills matrix

In 2025, the company developed a new five-level qualification assessment system, directly linked to the remuneration structure and professional development path. The new system will be fully implemented in 2026, ensuring clearer and more objective employee evaluation, a transparent link between skills and remuneration, and a consistent approach to qualification assessment across all production units.



2

Health check-ups per
year at the company's
premises



Health and safety

Employee health and safety is one of the company's key priorities and an essential part of sustainable operations. A structured approach to occupational safety is implemented, including regular training, risk assessments, incident analysis, and continuous improvement of the working environment.

During the period from 2022 to 2024, no workplace accidents were recorded. In 2025, two workplace accidents were recorded. Considering that no incidents occurred in the previous three years, the 2025 cases were treated as an important signal for further system improvement. The company used this situation to conduct a more in-depth risk assessment and introduce additional preventive measures, strengthening long-term safety management. Actions taken included improvements to the working environment, implementation of additional safety solutions for production equipment, and updates and enhancements to safety instructions. Employee awareness of safety requirements was also strengthened, with a focus on preventive behavior and safe daily work practices.

To promote employee health and wellbeing, the company also implements proactive initiatives. Health Week has become a well-established and important tradition aimed at educating employees and encouraging healthy habits. In 2025, a masterclass on sustainable thinking and a healthy lifestyle was organized under the theme "The Decathlon of Small Steps to Longevity," focusing on practical everyday habits for improving health.

In addition to educational activities, employees are provided with practical tools to support their wellbeing, including exercise videos tailored to job-specific needs and focused on areas subject to higher physical strain, such as the back, arms, and neck/shoulder area.

Overall, the company's approach to employee health and safety is based on preventive measures, systematic incident analysis, and continuous improvement.

The company monitors employee health and absence duration. In 2025, the absence rate was 9.15% (2022: 8.65%). In 2025, 45.20% of employees achieved perfect attendance with no absence days (2022: 29%), while 54.8% had at least one absence day. Data shows that 70.6% of absences lasted up to 7 days (2022: 68%).

Each year, the company organizes a Health Week. The theme of this year's Health Week was "The Decathlon of Small Steps to Longevity," encouraging employees to adopt healthier habits in their daily lives through small, consistent actions. A step challenge was also organized, where departments formed teams and competed against each other. The top-performing team completed more than one million steps and participated in a team-building event, while the employee with the highest number of steps received a hot air balloon flight as a reward.



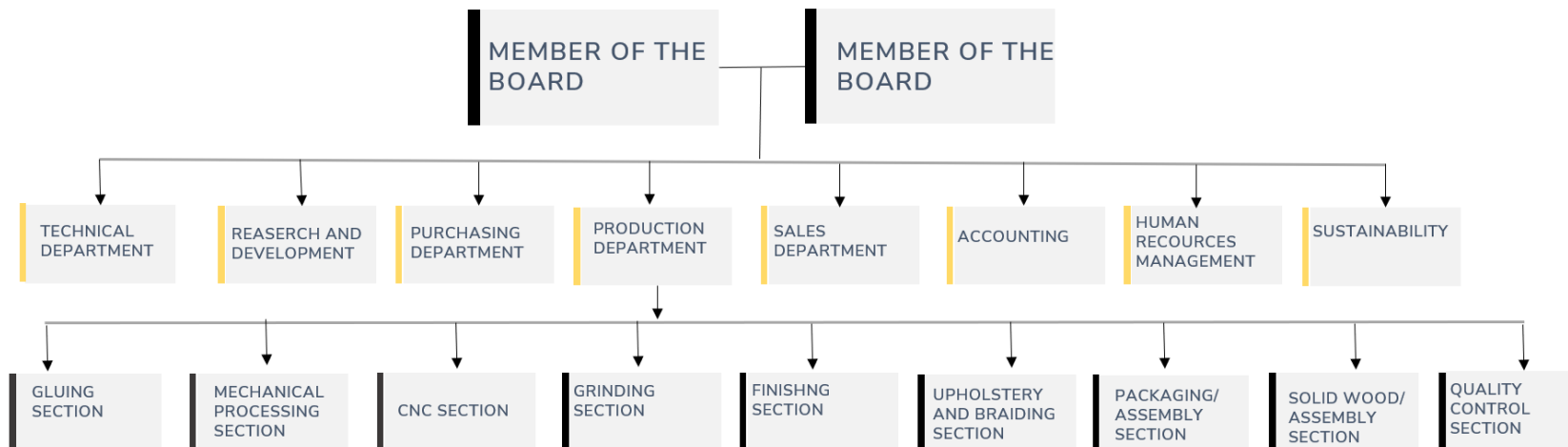
Health and safety metrics

Metric	2025
Number of recordable work-related accidents	2
Rate of recordable work-related accidents	1.1
Number of fatalities as a result of work-related injuries and ill health	0

*The rate of recordable work-related accidents represents the number of such cases per 100 full-time employees over a one-year period, assuming that one full-time employee works 2,000 hours per year.

GOVERNANCE

Corporate governance



The governance of SIA “Dižozols plus” is carried out by the management board, which operates in accordance with applicable legislation, the company’s articles of association, strategic objectives, and budget. Considering the size and structure of the company, governance functions are performed at board level without establishing separate committees.

The experience, education, and professional competence of the board members ensure high-quality decision-making and the company’s long-term development. Decision-making takes into account financial, operational, and sustainability aspects.

The company follows the principles of fair business practices and applies a zero-tolerance approach to corruption, fraud, and other unlawful activities. These principles apply to all employees and business partners.

Professional and ethical standards define employee conduct in daily operations, while cooperation with partners is based on transparency, trust, and mutual responsibility.

In 2025, the company’s organizational structure was strengthened by adding a HR specialist position, enhancing human resource management and employee development processes.

Employee engagement

SIA "Dižozols plus" systematically implements LEAN principles in its operations, fostering a culture of continuous improvement across all levels of the company. As an essential part of this approach, a system of LEAN trainers has been established in each department, with one to three trainers depending on the size of the department.

LEAN trainers are experienced employees who, in addition to their direct responsibilities, promote process improvements, engage colleagues, and ensure communication between employees and management. Their role is essential in identifying improvement opportunities and encouraging employee involvement in enhancing daily processes.

LEAN trainers regularly participate in meetings where occupational safety, production efficiency, workplace organization, and employee engagement are analyzed. In addition, LEAN audits are conducted to assess workplace organization, process compliance, and visual management elements, including tool marking, material placement, and workplace orderliness.

In 2025, a total of 36 LEAN ideas were submitted, demonstrating active employee involvement in continuous improvement processes.

To further expand improvement potential, a goal was set in 2024 to engage an external LEAN expert. This initiative was launched in 2025, with management approving key improvement priorities and a working group, led by an experienced LEAN trainer, beginning process optimization activities. These improvements are planned to be fully implemented in 2026.

In addition, in 2026 the company plans to strengthen quality and process management by introducing a new role focused on quality management and the integration of LEAN principles into company operations.

**>3**

Improvement ideas
are submitted at
each LEAN meeting



The best ideas are
rewarded



36 ideas submitted
in 2025

CLIMATE RISKS

SIA “Dižozols plus” applies a structured approach to risk management, enabling the identification, assessment and mitigation of risks that may impact business operations. The company has established a risk management framework, including a defined methodology, risk register, regular assessments and mitigation actions, with risks reviewed at management level.

Climate-related risks are integrated into the company’s sustainability risk category and include both transition and physical risks.

Transition risks are primarily linked to increasing energy and raw material costs, regulatory requirements (including EUDR and CSRD), and potential supply chain disruptions. These risks may affect cost structures, material availability and compliance obligations.

The company’s direct physical climate risks are considered low, as its operations are not located in areas exposed to significant climate-related hazards.

Physical risks related to suppliers have not yet been fully assessed. The company plans to evaluate supply chain exposure to climate-related risks in future risk assessments, with the aim of strengthening supply chain resilience.

The company recognises that climate-related risks also create opportunities, including improving energy efficiency and strengthening supply chain management.

TARGET:

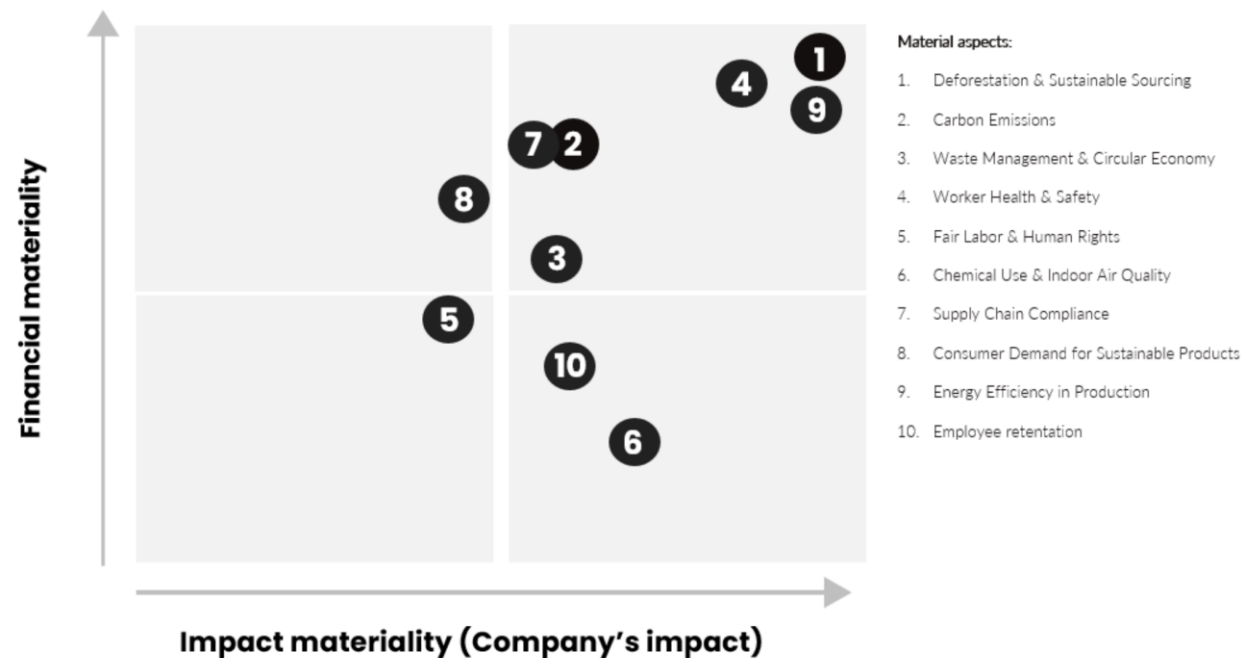
Ensure that all high-level risks are identified and mitigation actions are implemented within 6 months to reduce risks to an acceptable level.

Materiality matrix

In 2024, Dižozols plus identified its key sustainability aspects and developed a materiality matrix, which defined the company's priorities. The question of the most important sustainability aspects was also included in the customer satisfaction survey.

Our double materiality matrix highlights the main sustainability topics that impact both our financial performance and our broader impact on society. As wood is the primary resource used in our production, one of the key topics identified as material is deforestation and sustainable sourcing, ensuring that materials come from responsibly managed forests to protect biodiversity and maintain supply chain stability. Another important topic is carbon emissions, as we aim to reduce our impact through energy-efficient production. Waste management and circular economy practices are essential to minimize inefficient use of resources. The use of chemicals and indoor air quality are addressed through the use of water-based materials, improving environmental, consumer, and employee health.

Employee attraction and retention are critical for the stability, productivity, and long-term development of a manufacturing company. Creating an environment where employees feel valued, engaged, and motivated directly impacts quality, innovation, and the ability to adapt to market demands. We consider investments in human capital to be a strategic contribution to the company's competitiveness and reputation. In 2025, particular focus was placed on training for production unit managers.



Membership in organizations



In addition to its core operations, Dižozols plus SIA actively participates in industry associations and organizations, providing a platform for industry experts to exchange insights, engage in collaborative activities, and support various initiatives.

Stakeholder engagement

Dižozols plus actively engages with its stakeholders. In 2025, we held regular meetings with clients to assess their satisfaction and identify areas for improvement.

Each year, we conduct an employee satisfaction survey to evaluate employee engagement and wellbeing within the company.

Our cooperation with educational institutions reflects our commitment to contributing to society and supporting the development of future industry professionals. We believe it is important to support the local community and provide students with opportunities to gain practical skills.

Collaboration and communication with stakeholders are an essential part of corporate governance.



Ways we interact with stakeholders

 Employees	 Clients	 Suppliers	 Governmental Institutions	 Non governmental Institutions	 Banks	 Educational institutions
Training, Meetings, Satisfaction survey Working groups Annual negotiations Team building events Health week	Meetings Customer Satisfaction Surveys Information and Education	Meetings Cooperation Agreements Partner Evaluation Surveys Joint Projects	Meetings Discussions Consultations Project Submissions for Infrastructure Development	Participation in Work Groups and Industry Associations Consultations, Conferences, Workshops Involvement in Industry Policymaking	Meetings, consultations, reports	Meetings Consultations Cooperation Agreements Organization of Tours in the Company's Premises

Customer service

As a furniture manufacturer specializing in custom design solutions, we place strong emphasis on customer satisfaction and long-term partnerships. To systematically assess customer experience, the company conducts a customer satisfaction survey every two years, evaluating key aspects of cooperation such as product quality, product development, customer service, and delivery.

The latest results indicate a decline in customer ratings across several areas. Product quality decreased from 4.5 to 4.1, product development from 4.2 to 3.6, customer service from 4.8 to 4.5, and delivery from 4.5 to 3.6. The most significant decreases were observed in delivery and product development, highlighting challenges in process stability and execution accuracy.

We highly value customer feedback, as it helps us identify areas for improvement, enhance processes, and strengthen long-term collaboration. The past year was one of the most challenging in the company’s operations. Following market demand fluctuations, the company focused on developing and introducing new products into production. This required significant resources and temporarily impacted production flow and delivery timelines, particularly in the first half of 2025.

However, by the second half of 2025, the situation had stabilized. Production processes were improved, planning was strengthened, and execution discipline was restored, allowing a return to stable operations.

Based on customer feedback and identified challenges, the company initiated several targeted improvement actions in 2025. A key focus area is the product development process, which was identified as a critical factor affecting production flow and delivery timelines. With the support of an external LEAN consultant, this process is being reviewed and improved to ensure better preparation before production, reduce changes during production, and increase execution accuracy.

In addition, production planning and delivery coordination are being strengthened to improve adherence to deadlines. The company also continues to develop team competencies and improve internal processes, which are essential for ensuring quality and timely delivery.

The introduction of new products is carefully evaluated, as the company’s strategic goal is not rapid volume growth, but sustainable development together with existing customers, improved process efficiency, and consistent quality. The company focuses on thoughtful growth and long-term partnerships rather than increasing turnover at any cost.

Considering market fluctuations and changing demand, the company continues to develop a flexible yet stable operating model that ensures high quality standards and reliable fulfillment of customer requirements even in dynamic conditions.

We deliberately choose to grow together with our existing clients, building long-term partnerships based on trust, consistent quality, and reliable delivery. We see ourselves not only as a manufacturer, but as a partner capable of ensuring stable and sustainable cooperation over the long term.



Evita Akmenkalna
Head of sales

4.1 Product quality	3.6 Product development
4.5 Customer service	3.6 Delivery

*Maximum score: 5

Product development

In 2024, SIA “Dižozols plus” focused on acquiring new clients and developing new products to ensure stable turnover and employment. In 2025, the focus of the product development team shifted to consolidating and stabilizing the previously initiated development cycle.

Compared to 2024, the number of newly developed products decreased, which was a deliberate decision. The products developed in 2025 were more complex and primarily fully finished products rather than individual components, requiring higher standards in both development and implementation, as well as greater pressure on production capacity.

Given the large volume of new products entering serial production, the main priority in 2025 was to ensure successful industrialization and integration into production processes. Particular attention was paid to improving technological processes, optimizing machining programs, and increasing production efficiency to ensure consistent quality and reliable delivery.

As a result, the focus was intentionally shifted from intensive new product development to improving existing products, optimizing production flow, and increasing process efficiency. This approach allowed the company to stabilize operations following the rapid growth phase of the previous period.

In addition, 2025 emphasized knowledge sharing and competence development. Employees from the development department participated in exchange visits, including a visit to a CNC equipment manufacturer in Italy, and contributed to professional education initiatives in Latvia by sharing practical insights on the use of digital tools in product development.

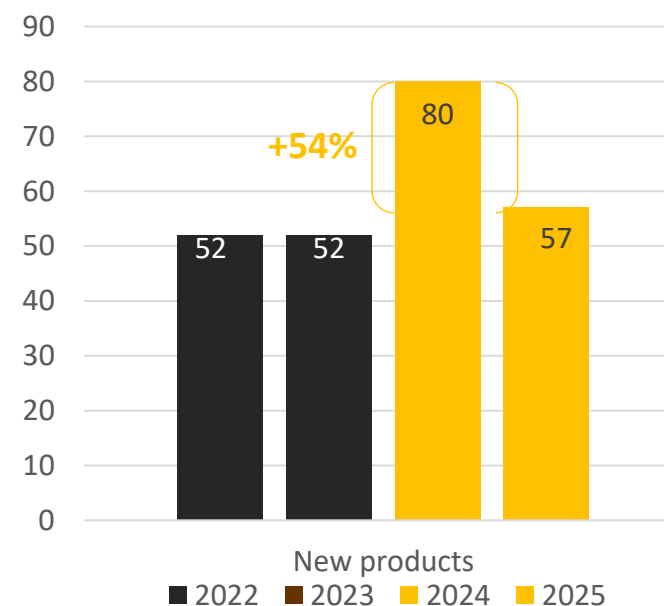
In 2026, the development department will continue to focus on optimizing production processes, improving efficiency, and ensuring high-quality product development.

Although fewer new products were developed in 2025 compared to the previous year, they were significantly more complex and mostly fully finished chairs rather than individual components. As a result, their successful introduction into production was more challenging.

For this reason, the focus shifted from intensive new product development to the industrialization of existing products, improving production flow, and increasing process efficiency. In 2026, the main focus of the Development Department will remain on optimizing production processes and improving efficiency.



Kaspars Ivanovs
Head of development



STAY ONE STEP AHEAD

Investments

**1.1%**

New equipment as % of
annual turnover (2025) /
1.5% in 2024

The company continues to invest consistently in its development, emphasizing the importance of technology, safety, and process improvement. While investment volumes were significantly higher in previous years, in 2025 investments were more targeted, focusing on critical areas that directly impact production safety, efficiency, and sustainability.

In 2025, the company invested EUR 119,000 (1.1% of turnover) in new equipment and infrastructure development. The largest investments were directed toward improving fire safety by installing two new fire safety gates, as well as implementing a wastewater treatment system, strengthening environmental management. Additionally, new technological equipment and an electric forklift were acquired.

At the same time, several strategically important projects were initiated in 2025 and will continue into 2026. These include the implementation of a coating robot with a drying tunnel, which will automate finishing processes, improve quality, and reduce material losses. A co-financed project with LIAA was also launched to digitalize company processes, significantly improving data management and production planning.

Furthermore, due to the growth in administrative staff, new office premises are planned for 2026. Overall, the company's investment approach in 2025 reflects a deliberate and balanced development strategy, focusing on efficiency, quality, and long-term sustainability.

Looking ahead, the company will continue to invest in technology, people, and processes that support the achievement of strategic goals and strengthen competitiveness.

In response to market challenges, in 2025 the company's investments were planned and implemented in a targeted manner, focusing on projects that ensure long-term efficiency and cost optimization. The main focus was on the development of digitalization, automation, and technological solutions, enabling improvements in production processes, reduction of resource consumption, and strengthening of the company's financial stability.



Lāsma Millere
Chief Accountant

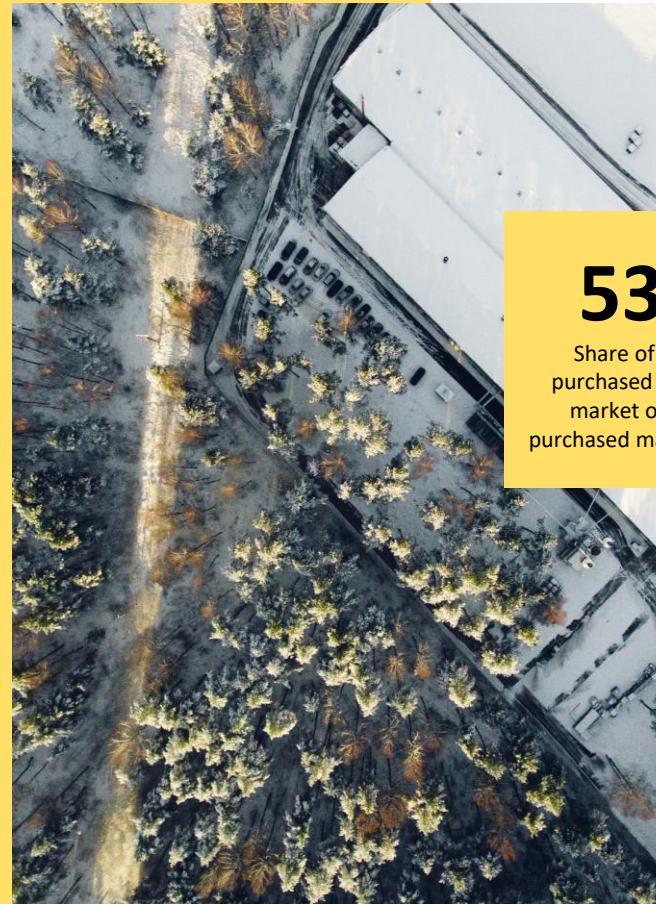
Supply chains

Dižozols plus production processes limit the use of only local suppliers; however, to support local community development and reduce environmental impact from transportation, the company prioritizes local suppliers where possible. In 2025, 53% of total purchased materials were sourced from local (Latvian) suppliers.

In 2025, supply chains remained stable, although prices for high-quality, non-standard wood continued to be consistently high. As in previous years, Dižozols plus diversified its supplier base to reduce supply disruption risks. Suppliers are evaluated annually based on several criteria, including price, quality, communication, country risk, and delivery reliability. Before establishing new partnerships, suppliers are checked for outstanding tax liabilities and screened against international sanctions lists. Particular attention is given to wood materials, including their quality, origin, and FSC certification.

Flexibility and reliability in the supply chain are highly valued, enabling the company to adapt quickly to market changes and customer needs while ensuring consistent delivery of high-quality products.

In 2023, the company developed a Supplier Code of Conduct. All suppliers are expected to sign it, confirming compliance with fair business practices, ethical and legal standards, as well as high requirements in health and safety, environmental responsibility, and fair working conditions. The Code will be updated in 2026, with a target that by 2028, 100% of suppliers have signed the Supplier Code of Conduct.



53%

Share of materials
purchased on the local
market out of total
purchased materials (2025)

We, Dižozols Plus SIA, view our suppliers as partners on the path toward sustainable operations and excellence. By building long-term relationships and maintaining regular communication, we ensure flexibility and reliability in our supply chain, enabling us to respond quickly to market changes and guarantee consistent availability of high-quality products to our customers.



**Roberts Driķis, Head of
Purchases**

*Suppliers with an annual supply volume exceeding EUR 20,000

Human rights policies, processes and incidents

Dižozols plus ensures an inclusive work environment that supports diversity and prohibits discrimination based on ethnicity, age, gender, disability, sexual orientation, religion, political views, family status, social origin, or other similar characteristics.

The company's approach to human rights is defined in its Code of Ethics and Supplier Code of Conduct, **which cover key topics including child labor, forced labor, human trafficking, discrimination, and occupational safety.** All employees are introduced to these principles upon joining the company, and each employee signs the Code of Ethics as part of their employment. Regular training on ethical conduct and workplace behavior is provided to ensure awareness and consistent implementation.

The company has established reporting and complaint-handling mechanisms, including internal reporting channels and a whistleblowing system. The whistleblowing policy is an integral part of the Code of Ethics, and information on reporting channels is publicly available on the company's website.

In 2025, no whistleblowing reports or substantiated complaints related to human rights were received. The Ethics Committee was convened once following a request from the designated trusted person, and the case was resolved within 48 hours.

Suppliers (suppliers whose annual supply value exceeds EUR 20,000) are required to sign the Supplier Code of Conduct, which covers all key human rights areas. Supplier compliance is monitored through regular assessments, enabling the company to identify and prevent potential risks within the supply chain.

In 2025, **no confirmed human rights incidents were identified across the company's own operations, value chain workers, affected communities, or end-users.**

86%

% of suppliers who signed the Code of Conduct in 2025



Target: 100% of suppliers with an annual procurement value exceeding EUR 20,000 to have signed the updated Supplier Code of Conduct by 2028.



Eva Eglīte, Trustee

In my role as a designated trusted person within the company, I support employees by promoting a work environment built on integrity, empathy, and mutual respect between management and staff. This includes actively listening to concerns and providing appropriate guidance.

Corruption and Bribery Incidents and Compliance

The company has not been subject to any fines, sanctions, or convictions related to corruption or bribery in 2025 or in prior reporting periods.

Revenues from certain sectors and exclusion from EU reference benchmarks

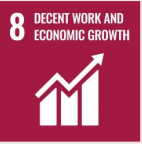
Dizozols plus is not active in controversial weapons, cultivation and production of tobacco, or fossil fuel sectors. We are also not excluded from any EU reference benchmarks that are aligned with the Paris Agreement.

UN Sustainable Development Goal

Dižozols Plus SIA has joined the United Nations Global Compact initiative - a voluntary leadership platform that promotes responsible business conduct and the implementation and disclosure of its principles. We are proud to be among those Latvian organisations that have committed to promoting responsible business in order to create the world we all want to see. The UN Global Compact calls on companies to align their strategy with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. The operations



Dizozols plus action

Nr.	Goals	UN Goal description	Dižozols plus action
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5. By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value. 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, and in particular migrant women and those in precarious employment.	1.Dignified and equal treatment. In 2025, the company developed a new five-level qualification assessment system directly linked to the compensation structure and professional development pathway. The new system will be fully implemented in 2026. 2.Health and safety: This includes training, dissemination of information, and organisation of dedicated events. 3.Support in providing student internships. 4.A Code of Ethics has been introduced, ensuring that 100% of employees are informed about it. Investments in the development of our employees. 5.The company's average hourly wage rate by occupation code exceeds the national average hourly wage rate in Latvia by occupation code.
	Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.	9.2 Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances.	1. Expand production, create more jobs in the sector. 2. Investments in workforce training and development programmes, increasing productivity and making the sector more competitive and sustainable. 3. Adoption of sustainable manufacturing processes- use of environmentally friendly materials, waste reduction and energy-efficient production.
	Ensure sustainable consumption and production patterns	12.2. By 2030, achieve sustainable management and efficient use of natural resources. 12.6. By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse. 12.6. Encourage companies, and in particular large and international companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	1. Gradual increase in the share of renewable energy usage. 2. Circular economy principles in production and packaging. 3. Investments in the establishment and maintenance of environmental management systems, ISO certification (ISO 14001, ISO 50001).

Dižozols plus action

SDG	Goals	UN Goal description	Dižozols plus action
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	15.1. By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements. 15.2. By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.	1. Use of certified timber- Forest Stewardship Council (FSC), promoting responsible forest management. 2. Environmentally friendly production methods that reduce energy consumption. 3. Use of renewable energy sources. 4. Manufacturing of high-quality, long-lasting furniture. 5. Maintenance of environmental management system certification ISO 14001.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	16.1. Significantly reduce all forms of violence and related death rates everywhere. 16.5. Substantially reduce corruption and bribery in all their forms. 16.B. Promote and enforce non-discriminatory laws and policies for sustainable development.	1. Integrity, ethics and transparency in all business dealings. 2. Promoting workforce diversity and inclusion. 3. Idea channels for improvements: we encourage our employees to actively participate in the growth and improvement of our business. Everyone is welcome to share suggestions by writing to idejasuzlabojumiem@dizozols.lv 4. Collaboration with non-governmental organisations.

Targets

Dižozols plus is committed to sustainable development, employee wellbeing, and continuous process improvement. The company's objectives cover social, environmental, and governance aspects, creating a balanced and long-term development model.

In occupational safety, the company maintains a zero-tolerance approach to workplace accidents, with a target of zero incidents.

In terms of employee wellbeing and fair remuneration, the company ensures that the average hourly wage by occupational group is higher than the national average in Latvia. At the same time, the company aims to achieve an employee satisfaction level above 80 out of 100 and to further develop employee competencies by increasing training hours per employee.

In the environmental area, the company has set a target to reduce CO₂ emissions (Scope 1 and Scope 2) by 90% by 2030 compared to 2021, as part of its long-term path toward climate neutrality. In addition, the company plans to increase the use of water-based materials, significantly raising their share in the product portfolio.

In sustainable materials, the company is committed to ensuring that 100% of wood used in production is FSC-certified, strengthening responsible sourcing and supply chain management.

In supply chain management, the company aims to ensure that 100% of suppliers have signed the Supplier Code of Conduct, promoting transparent, responsible, and sustainable cooperation.

In quality management, the company continues to reduce defect rates, with a target not to exceed a 0.35% defect rate in finished products, while strengthening quality control and process stability.

In energy efficiency, the company monitors electricity consumption and aims to improve efficiency by reducing consumption per unit of production.

Overall, the company's objectives are focused on balanced development-improving efficiency, strengthening employee engagement, and reducing environmental impact, while ensuring high quality and stable cooperation with clients and partners.



0 workplace accidents



The average hourly wage in the company by occupational group is higher than the national average in Latvia for the respective occupational group



Employee satisfaction level >80 (out of 100)



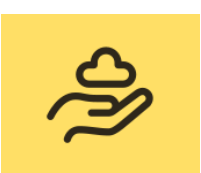
Increase in the use of water-based materials by 40% by 2030 (compared to 2023), reaching 60%



By 2028, all wood particles used in the core layers of bent glued components and upholstered grade items will be FSC-certified



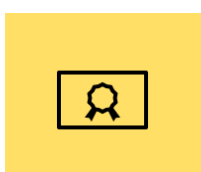
Training hours per employee >8 hours per year



90% reduction in CO₂ emissions (Scope 1+Scope 2) by 2028 compared to the base year (2022)



100% of suppliers have signed the Supplier Code of Ethics by 2028



The number of defects in finished products/% does not exceed 0.35%



0.16 Kwh Electricity consumption per euro produced