



Girsberger Sustainability Report 2018

- certified parts of company

Introduction	Profit and the environment	4
	Business performance of the Girsberger Group	7
	Objectives and priorities	10
	Key figures at a glance	12
	Taking our stakeholders into account	13
	Photo gallery: Our operating locations	16
_1. Economy	Procurement practices	24
	Photo gallery: Our new products 2018/19	28
_2. Ecology	Product stewardship/environmental compliance	35
	On the practicality of Girsberger products	38
	Product life cycle	40
	Environmental resources	42
	Environmental relevance matrix/ Operational ecology concept	43
	Resources and raw materials	45
	Supplier assessment according to environmental criteria	24
	Operational waste, disposal	48
	Logistics (transport and packaging)	49
	Energy consumption	50
	Emissions	51
	Photo gallery: Our employees	52
_3. Social affairs	Employment, Equal treatment, equal opportunities and equal pay	63
	Employee satisfaction	64
	Absences and occupational health	65
	Training	66
	Corporate citizenship	67
	Supplier assessment according to social criteria	
	Monitor suppliers from high-risk regions	25
	Customer health and customer safety	36
	Additional information/ Publishing details	68

We endeavour to use gender-inclusive language. In the event of any ambiguity, however, all references to people are intended to apply equally to all genders.

Profit and the environment: Conflict of interest or promising opportunity?

Dear Customers, Suppliers and Business Partners
Dear Employees

Climate change is a human-made problem with far-reaching consequences: we are facing nothing less than a global climate catastrophe.

However, as politicians and economists know, it is also possible to capitalize on global warming. Many companies have long recognized that besides the problems it brings, global warming also presents business opportunities. New products are constantly being developed and launched on the market under a variety of eco-labels. Compostable textiles, products made entirely of recycled materials, low carbon footprint holidays, environmental investment funds, to mention but a few.

Many start-ups move directly into environmentally friendly products and services, for example in the fields of wind energy, waste separation and recycling, solar cells, alternative drive technologies, and much more besides. There are also numerous organizations that make their money by inspecting and certifying companies in all sectors of industry to increasingly detailed international standards.

On the whole this is a positive development that is set to continue. Given the increasing pressure from environmental organizations and politicians, we will see more and more eco-friendly products and services being launched. The economy will fill every conceivable gap in the market, create new needs and provide additional business opportunities. Strong companies will identify and create whatever may be profitably marketed. So the marketing of the environment is effectively self-sustaining.

And provided the products offered are indeed truly sustainable, there is no reason to take issue with companies exploiting the commercial opportunities afforded by climate change. If eco-friendly credentials are not merely greenwash on the label, the marketing of the environment is not only legitimate, it also creates more jobs and benefits the economy as a whole. However, this only addresses the causes of climate change to a limited extent, and consequently will not avert the impending climate catastrophe.

Unless we ramp up our efforts to specifically address its causes, we will not be able to halt global warming. This requires truthful analysis, rigorous research, ambitious targets, effective countermeasures and a willingness to make long-term investments. However, it is an equally real fact that every company is subject to certain business constraints. If we are to safeguard the future, we need the money to do so. Saving the planet is therefore irrevocably bound up with making a profit.

Consequently, every company has to decide whether it will primarily seek to instrumentalize the environment only for strategic marketing purposes and business gain, or whether it will manage its entire business according to both economic and environmentally responsible principles.

At present, the imperative necessity of aligning the economy with the needs of the environment poses a fundamental conflict of interest. It is very difficult to reconcile profit with rigorous environmental protection. As environmentally sustainable practices are for the most part complex and therefore expensive, it is harder for a company that currently practises environmental management throughout its business to return a solid profit. In some areas, sustainable systems can also lead to lower costs. Overall, however, environmentally driven

“Without the voluntary initiatives of businesses global warming cannot be halted. The real challenge will be to instil the necessary synthesis of environmental and economic thinking in people’s minds.”



Michael Girsberger
CEO Girsberger Holding AG
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decisions can reduce cost competitiveness or create additional costs, and consequently impair financial performance.

For the most part, making a profit and protecting the environment are still at odds, but societal and political forces are driving change and turning this around. In future, it will only be possible to achieve good operating results with environmentally sound management. We are also increasingly seeing a change in attitudes in many consumers. Young people in particular want to be assured that they are making the right purchasing decisions from an environmental point of view too. Therefore companies that are not already striving to effectively protect the environment across all their operations will in all probability be in a worse position in future. So we must embrace the inevitable as soon as possible, otherwise we will not be able to take the urgent action needed to tackle the causes of climate change. Politicians alone will not be able to do this.

The right policies, coupled with pressure from environmental organizations, political parties and governments, are crucial. At the same time, we must not burden the free market economy with too many rules and regulations. Finding balanced solutions is not easy. But without a political majority, a democratic state will not be able to push through sustainable and economically sound environmental policies at a fast enough pace.

Owing to the constraints and the time-consuming nature of political processes, democratic governments are therefore even more dependent on far-sighted voluntary initiatives in the private sector. So when it comes to the environment, it is companies – in other words the economy – that bear the primary responsibility.

If we manage to meet our declared environmental targets in the coming decades, this will in large part be thanks to the business sector, for no democratic government on earth has such a big influence on global social development as the economy does. Think of today’s technologies for transporting people and goods, of medical technology, of IT, or of the internet and social media. It is often underestimated what the economy can influence across the globe – both negatively and positively.

The economy has created the impending global climate catastrophe. And only the economy can avert it. Every company should therefore make effective, comprehensive environmental management a top-priority.

Forward-thinking and responsible companies, including large multinationals, are setting more ambitious environmental goals and tracking them more rigorously. These relate not only to making more eco-friendly products and services, but also to a wide range of aspects not directly apparent to customers – environmentally responsible production processes, development, procurement, distribution, repair, disposal and recycling. Various steps are necessary to achieve this, and in some cases the associated investment required is high. This entails financial risks, especially since environmentally minded efforts to date have not yet yielded sufficient competitive advantages to boost sales. So far there has been no payback.

However, this is set to change in future, namely once these forward-thinking and responsible companies are able to show their customers and employees that they are developing, producing and marketing products in a much more eco-friendly way than their competitors. And above all when the majority of customers make their purchasing decisions based primarily on the environmental footprint of the products offered.

In future, these innovative companies that have already incorporated all-round effective environmental protection in their business plans will gain market share, achieve higher profits, attract the best employees and most talented managers and drive environmental progress.

It is this conviction that led Girsberger in 2006 to expand our existing operations and quality management system to include environmental management. Since 2007 Girsberger Holding AG and its subsidiaries based in Switzerland, Germany, France, Austria and the Netherlands have been certified as compliant with European Standard ISO 9001:2015 for quality and ISO 14001:2015 for environmental management systems. This certification constitutes an indispensable foundation as – by its nature – environmental management

“When it comes to the environment, it is companies – in other words the economy – that bear the primary responsibility.”

drives continuous improvement. In order to systematically assess our progress and take decisions that are both economically and environmentally sound, however, we must look beyond the environmental management system itself. The process of setting environmental targets and monitoring whether they have been met consequently forms an integral part of our economic planning and our internal reporting and controlling systems. This applies equally to our additional production sites in Serbia and Turkey, and to Mobimex AG in Seon, Switzerland. In addition, environmentally relevant criteria are included in all Girsberger product specifications, investment requests, process descriptions, internal audits and employee appraisals.

Our efforts to date and the resulting environmental protection outcomes could therefore be summarized as follows: at Girsberger we have put the environment centre stage across the entire company. We have made great progress. We are constantly setting ourselves new binding targets and pursuing them vigorously. Because one thing we know above all:

Without the voluntary initiatives of businesses global warming cannot be halted. The real challenge will be to instil the necessary synthesis of environmental and economic thinking in people's minds.

We will therefore continue intensifying our efforts to protect the environment, and we thank you most sincerely for your loyalty to Girsberger.

Business performance of the Girsberger Group

As at the end of 2018, all subsidiaries of Girsberger Holding AG reported year-on-year revenue growth. Adjusted for currency factors, the consolidated sales revenue for the Group consequently increased by 5.7% in 2018 compared with the previous year.

Despite the revenue growth achieved and the largely positive operating results of its subsidiaries, the Group as a whole posted an annual loss of CHF 1.2 million in the consolidated financial statements for 2018. The particular factors and special items that led to this annual loss have in the meantime been largely eliminated.

We were able to finish the 2018 financial year with a healthy order book. We can also report a high level of new orders in the first quarter of the current 2019 financial year. This positive trend gives us every confidence that we will be able to further increase sales and significantly boost profits in 2019.

To improve our competitiveness and financial performance in the long term, in 2019 we will also be investing in the development of new model series as well as in the further development of our Customized Furniture, Remanufacturing and Wood Trade divisions. Another major investment focus will be expansion of the production site of Girsberger GmbH in Endingen, Germany. Provided planning consent is granted, construction of the additional building will commence in October 2019.

We will broadly continue to pursue our existing five primary objectives in the 2019 financial year, with only a few minor adjustments:

- _1. Focusing consistently on the six defined market segments:**
 - Office seating: Girsberger Office Seating
 - Home furniture for the dining area: Girsberger Dining
 - Customized commercial furniture: Girsberger Customized Furniture
 - Repair of commercial furniture: Girsberger Remanufacturing
 - Exclusive furniture in the high-end commercial and residential market segment: Zoom by Mobimex
 - Wood trade: Girsberger Solid Wood
- _2. Managing the company in a clearly sustainable manner in accordance with the GRI (Global Reporting Initiative) guidelines**
- _3. Strengthening the Office Seating and Dining product ranges, as well as the Zoom by Mobimex collection**
- _4. Intensively expanding the Customized Furniture, Remanufacturing and Wood Trade divisions**
- _5. Strengthening and expanding sales and marketing in all six divisions**

In our continued pursuit of these objectives, we seek wherever possible to strike the right balance between financial success, social benefit and ecological responsibility. This ensures our products are made in a socially and environmentally compatible way, and that they meet the needs of our customers.

We will always remain wholeheartedly committed to fulfilling this promise.

Michael Girsberger

“To improve our competitiveness and financial performance in the long term, in 2019 we will also be investing in the development of new model series as well as in the further development of our business areas.”

Introduction

This 2018 Sustainability Report applies to Girsberger Holding AG, Bützberg/Switzerland, Girsberger AG, Bützberg/Switzerland and Girsberger GmbH, Endingen/Germany and their subsidiaries in France, Austria and the Netherlands. All the information and figures in this report therefore refer to the Girsberger Group companies mentioned above.

This report does not include the subsidiaries Girsberger Industries Inc., Smithfield/USA, Mobimex AG, Seon/Switzerland, Boreal doo, Kraljevci/Serbia, Bo-Real Estate doo, Kraljevci/Serbia, as well as the joint-venture production company Tuna Girsberger Tic. AS, Silivri/Turkey.

In light of the fact that Girsberger Ind., Inc./USA and Bo-Real Estate doo/Serbia are limited to the holding of real estate, we consider their inclusion unnecessary for the purpose of environmental certification.

Boreal doo has been a subsidiary of Girsberger Holding AG since July 2016. Environmental targets also form an integral part of our economic planning as well as our internal reporting and controlling systems at this production site too. We are also taking steps to include Boreal doo in our Sustainability Report as soon as possible.

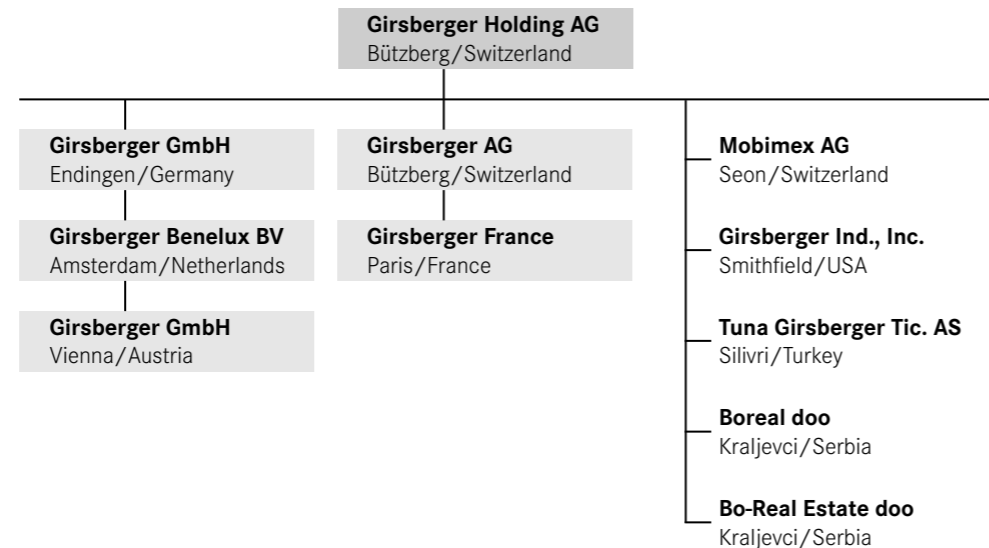
Mobimex AG produces and sells a completely independent furniture collection. The Zoom by Mobimex brand is positioned at the apex of the top market segment and is therefore managed strictly separately from Girsberger. To create a separate Sustainability Report for Mobimex AG would involve disproportionately high costs.

The Girsberger office chairs produced by Tuna Girsberger Tic. AS in Turkey are exclusively for sale in Turkey and export to the Middle East. Girsberger Holding AG's shareholding in Tuna Girsberger Tic. AS is 50%. Ongoing political instability, high inflation and the continued fall of the Turkish lira against the euro is increasingly paralysing the Turkish economy. In these circumstances, it continues to be difficult for Tuna Girsberger Tic. AS to achieve a positive operating result. For cost reasons, therefore, environmental certification has been put on hold for the time being. Nevertheless, environmental targets also form an integral part of our economic planning as well as our internal reporting and controlling systems at this production site too.


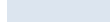
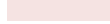


Girsberger Holding AG, parent company of the Girsberger Group, Bützberg/Switzerland

Organization chart



Applies to certified companies

	Objective achieved
	Objective partly achieved
	Continuing objective

Objectives and priorities

The following list shows the extent to which the objectives set for the end of 2018 were achieved and sets out the objectives/priorities to 2020.

	Objectives/priorities 2017/2018	Achievement	Objectives/priorities 2019/2020
Stakeholders	Systematic written customer satisfaction survey related to customer service and complaints	Objective partly achieved	Customer Service survey about satisfaction with the service provided by back office and sales force staff
_1. Economy	Procurement practices	Continuing objective	Give preference to suppliers/producers within a radius of 600 km (wherever practicable and economically viable)
_2. Ecology Product stewardship	Development and production of durable, quality products, minimum use of materials	Continuing objective	Development and production of durable, quality products, minimum use of materials
Resources and raw materials	Monitor wood and metal yield/leather and fabric waste factors	Continuing objective	Evaluate solution for fabric offcuts
	Bützberg: Continue to separate waste; additional separation of polystyrene waste	Objective achieved	Maintain a share of recyclable waste of at least 88.5%
	Endingen: Keep the proportion of recyclable waste at around 80%; additional separation of polystyrene waste	Objective achieved	Maintain a share of recyclable waste of at least 84%
Energy consumption, emissions	Measures of operational ecology concept	Objective partly achieved	Measures of operational ecology concept as per page 44
	Use of 100% green electricity in Bützberg and Endingen	Objective achieved	Use of 100% green electricity in Bützberg and Endingen
	CO ₂ output which cannot be reduced with in-house measures is fully offset with climate-protection certificates from Fair Recycling	Objective achieved	CO ₂ output which cannot be reduced with in-house measures is fully offset with climate-protection certificates from Fair Recycling
	New vehicle purchases with efficiency rating A wherever possible/EcoDrive courses for truck drivers and frequent drivers	Objective achieved	EcoDrive courses for truck drivers and frequent drivers, EcoDrive training as dealer workshop
	CO ₂ -neutral production of printed matter	Continuing objective	CO ₂ -neutral production of printed matter
Supplier assessment	Supplier assessment according to environmental criteria	Objective achieved	Annual update of supplier assessments with reference to social criteria and take any action necessary
Logistics	Transport and packaging	Objective achieved	Continue optimizing transport miles
Employees	Raising employees' awareness of environmental issues	Continuing objective	Focus on waste reduction

Objectives/priorities 2017/2018	Achievement	Objectives/priorities 2019/2020
Increase in average overall level of employee satisfaction from 8.1 to 8.3 (on a scale of 1 to 10); focus on information	Objective partly achieved	Employee satisfaction; focus on internal information
Review of equal pay by the end of 2018	Objective partly achieved	Gradually adjust pay at Girsberger GmbH, Endingen by the end of 2020
Training/securing the long-term availability of skilled workers	Continuing objective	Individual education and training especially for managers with leadership responsibilities, safeguard training places and internships
Absences and health protection	Continuing objective	Focus according to page 65
Corporate citizenship	Continuing objective	Continue to expand corporate citizenship where we can Evaluate new working time models, draw up guidelines for decision-making process
Evaluation of suppliers according to social criteria	Continuing objective	Annual verification of suppliers' environmental relevance, code of conduct signed by all A suppliers
Review of Asian suppliers	Continuing objective	Monitor suppliers from high-risk regions, site visits to suppliers/trade fair contacts
Customer safety and customer health (granting of conformity marks)	Continuing objective	Further increase the 86% positive health and safety rating for our office ranges if possible

_3. Social affairs

“All employees should be involved in the sustainability process by setting specific goals and priorities in the individual units.”

Key figures at a glance

This overview does not include the figures for the non-certified companies (see explanation on page 8)

Indicator	Unit	2014	2015	2016	2017	2018
Employees						
Number of management staff	Number	274	272	277	260	256
Managers – female	Number	10	9	9	11	12
Managers – male	Number	47	50	49	42	44
Composition of the workforce – age	Average	43,5	44,1	44,1	45,7	45,4
Fairness of pay – pay spread	Factor	7,1	6,6	6,5	6,5	7,2
Disciplined cases of discrimination	Number	0	0	0	0	0
Percentage of employee appraisals performed	Percent	100	100	100	100	100
Assessment of employee satisfaction (assessment scale 1-10)	Average	8,2	8,0	8,1	8,1	8,2
Employee turnover rate	Percent	9,2	11,3	8,3	10,0	9,0
Training per employee	Hours	11,7	10,4	6,2	6,8	8,1
Resources and raw materials						
Resources						
Wood	m ³	989	965	719	648	741
Metal	t	63	59	30	39	32
Leather	m ²	21507	21513	20381	15090	20675
Fabric	m	55049	52683	41134	56557	50850
Paper	kg	6069	6023	5050	4260	5430
Operational waste						
Wood reused to generate heat	t	404,9	397,8	223,2	255,8	268,6
Waste for incineration	t	63,0	52,9	57,2	62,9	62,9
Recyclable waste	t	160,4	155,2	168,8	170,7	159,5
Hazardous waste	t	0,9	1,3	1,0	2,0	0
Water						
Water consumption	m ³	2961	3736	3605	5360	7501
CO₂ emissions						
Electricity	t	49,5	49,3	47,7	45,1	44,9
Heating oil	t	36,3	32,0	40,9	32,3	29,2
Natural gas	t	92,4	110,6	122,6	127,3	114,3
Petrol/diesel	t	515,1	508,8	502,5	525,8	531,8
Flights	t	14,8	13,4	34,9	23,5	22,6
Other significant emissions						
VOC	t	6,1	6,3	7,2	4,0	3,5
SO _x	t	0,1	0,1	0,1	0,1	0,1
NO _x	t	1,4	1,5	1,5	1,4	1,4
Particulate matter (no measurements 2016 and 2018)	t	1,5	0,5	-	1,6	-
Adherence to the law						
Non-compliance	Number	0	0	0	0	0

Taking our stakeholders into account

We maintain an ongoing dialogue with our stakeholders in order to identify their needs, interests and concerns so we can factor them into our sustainable thinking and actions. Our key stakeholders include customers, employees, investors, suppliers and also society in general.

In 2017 we conducted a survey to find out how satisfied customers were with our service and our mobile field service engineers. Our Customer Service department asked customers specifically about services they had received. This included everything from advice provided over the telephone and order processing to technicians' visits and any repairs done. The main questions related to "satisfaction with the whole ordering process" and "satisfaction compared with our competitors". The survey results were very gratifying: of the total 762 customers, end customers and dealers who responded, 695 said they were very satisfied with our customer service, and 65 were satisfied. Only two customers rated the service negatively. In these cases, however, it transpired that their dissatisfaction arose from the choice of products and their design.

We will carry out another customer survey in 2019, when we will then be seeking to determine how our customers, end customers and dealers rate our back-office services and order handling by our field service staff. Our service technicians will ask the customers themselves and will record their responses.

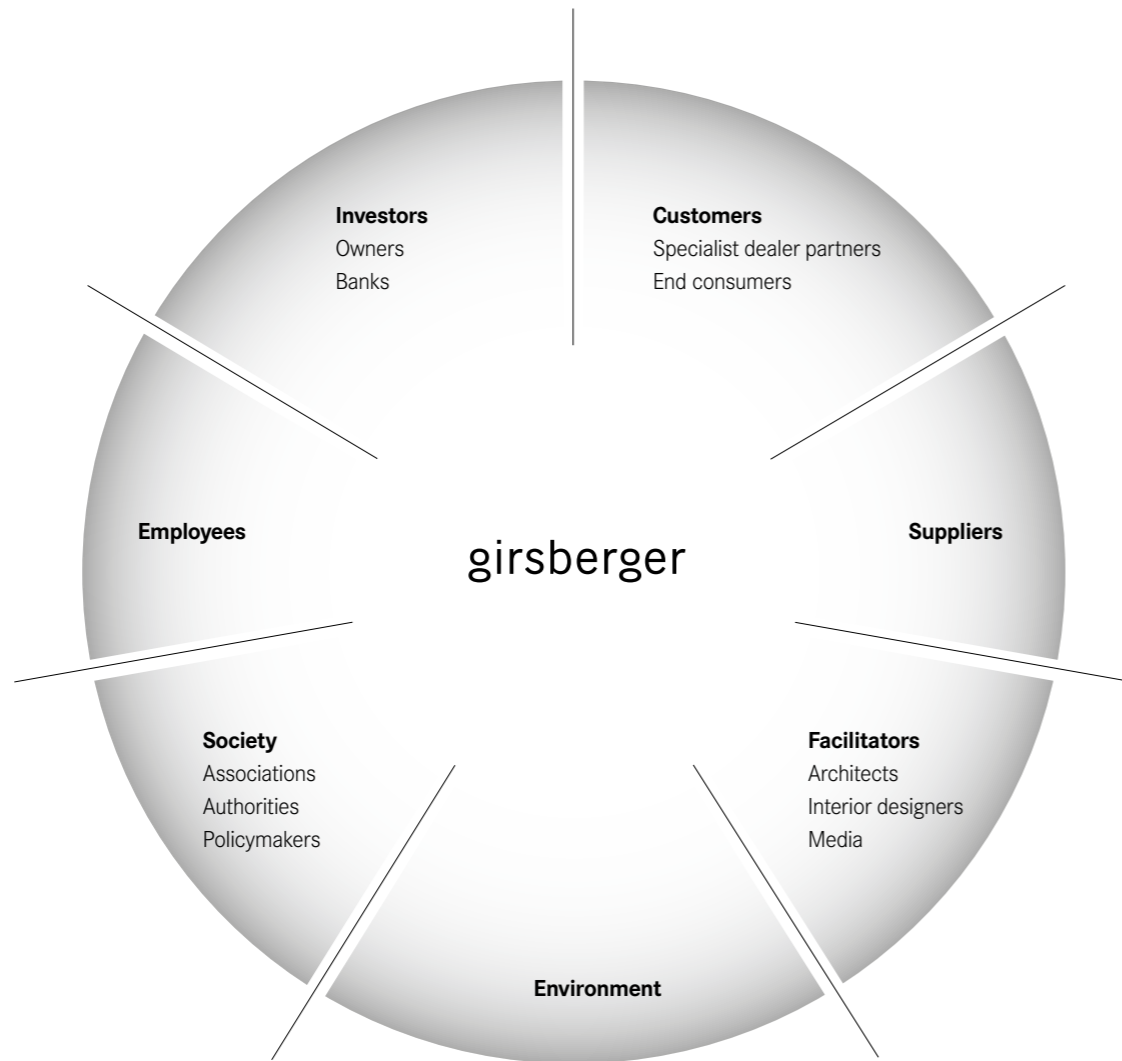
Every two months, the managing directors and division heads inform our employees about business developments and other current topics. At the end of every quarter, line managers also receive a confidential report on the current business performance of the entire group of companies. We make our employees aware of environmental issues through climate-related information and the Smaragd (Emerald) (Natura 2000 in the EU) project. The main issues we focused on during the reporting period were waste (especially plastic), palm oil and food. We tried to raise awareness of these issues with posters at the workplace and re-usable "veggie bags" for vegetables and other loose goods. As well as some key information about Girsberger, every new employee is also given information about our environmental concerns along with a veggie bag from Ocean Care. Leisure activities cultivate solidarity among employees. Where practicable, employees who take on social causes are allowed to fulfil these commitments during their working hours.

We maintain contact and hold regular discussions with our suppliers (including service providers). The focus here is on long-term partnerships.

We facilitate continued dialogue with our investors through monthly reviews, board of directors meetings, general meetings, annual reports, and annual financial statements. As well as using other channels, Girsberger generates publicity through active media work. For example, this takes the form of media releases regarding new products, projects and partnerships as well as direct dialogue with journalists and media representatives. All current information is also available on our website. Social media, on which Girsberger has an active presence, provide additional channels of information and dialogue. We also pursue proactive collaboration with the public and with the local communities of our subsidiaries. To this end, we support club activities through donations and are involved in environmental, sporting and cultural activities at the local level. We provide financial support to non-profit and charitable organizations at home and abroad.

“Ongoing dialogue with our stakeholders ensures that we factor them into our sustainable thinking and actions.”

Graphic Stakeholders



Key sustainability themes

Every reporting process begins with determining the key sustainability issues. Our division heads kicked off the process by identifying the most important issues and their scope by means of materiality assessments. They then teamed up with other board members in a workshop to decide on the key focal issues for this report.

_1. Economy	_2. Ecology	_3. Social affairs
Procurement practices	Product stewardship Environmental compliance	Employment, equal treatment, equal opportunities and equal pay
	Resources and raw materials	Employee satisfaction
	Energy and emissions	Absences and health protection
	Supplier assessment according to environmental criteria	Training
	Logistics Transport and packaging	Corporate citizenship
	Raising employees' awareness of environmental issues	Supplier assessment according to social criteria
		Monitor suppliers from high-risk regions
		Customer health and customer safety









Procurement practices

A key element of our procurement strategy is that we continually develop relationships with our supplier partners while taking changes on the procurement market into account.

When selecting suitable suppliers we are aiming to buy in high-quality third-party products at optimum cost. Alongside commercial and technical aspects, we also place importance on whether existing and future suppliers respect values such as sustainability and social responsibility.

Wherever practicable and economically viable, we give preference to suppliers or producers near our production sites, i.e. within a radius of 600km from our plants in Endingen in Germany and Bützberg in Switzerland. The establishment of Boreal doo, our own internal supplier of wooden components based in Serbia, has largely been completed. Along with individual custom solutions in wood for our Customized Furniture division, in 2018 we ramped up the series production of tabletops and chair frames there for our Office division. This will be followed in 2019 by further series of solid wood components made for the Velum lounge range, wooden frames for Biala chairs and tabletops for another Office table range.

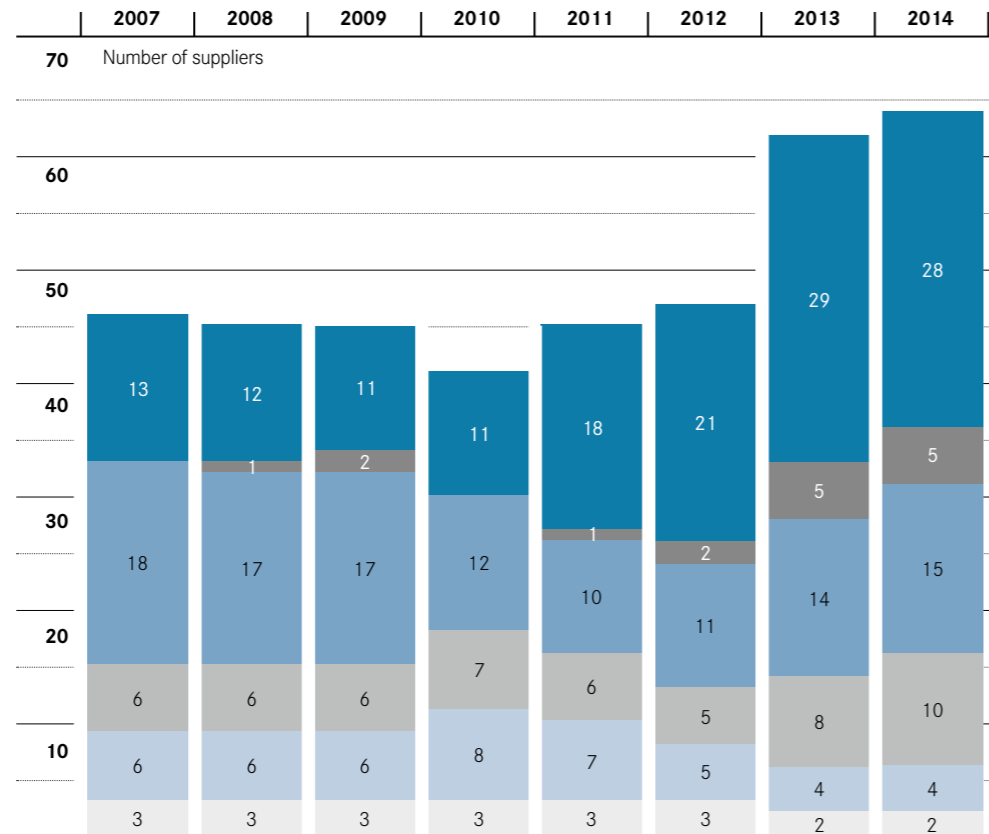
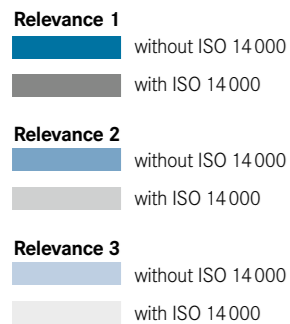
It is in our own interests for our supplier assessments to include not only measurable factors such as quality and compliance with delivery schedules, but also other factors such as flexibility, complaints management, communication and environmental aspects. An environmental relevance analysis of our suppliers documents the presence of structures for systematic improvement and further development.

In our procurement activities, Girsberger naturally also endeavours to continually improve resource and energy efficiency, avoid currency risks, and above all cause less harm to the environment by ensuring short transportation distances.

“When assessing suppliers, their ecological footprint is also an important factor.”

Supplier assessment according to environmental criteria

Suppliers Environmental relevance matrix



Owing to the high cost involved, to date we have not recorded the indirect emissions arising from our supply chain – from extraction of raw materials and their processing through to delivery – and we are currently not in a position to plan this. One reason for this decision is the fact that nowadays the raw materials and supply industry operates on a global scale. Unfortunately it is extremely difficult to trace material flows or freely choose production locations. With our new Simplex 3D swivel chair launched in 2019, for the first time we have chosen to introduce a product made entirely in the Far East. The decision to go down this route was taken in large part due to the highly labour-intensive upholstery work required for this model. We will therefore see the proportion of material sourced from Asia increase over the 2019/2020 reporting period.

Although we know the procurement sources of our main suppliers, we do not have any figures relating to procurement volumes from potential high-risk regions. We are therefore keen to fulfil our sustainability and corporate social responsibilities (CSR) in regions such as Asia and Eastern Europe too. We visited two of the four suppliers based in potential high-risk regions who supply Girsberger directly, and we will make further visits where possible. Ultimately, we do not have the resources at our disposal to check whether a supplier is breaching ILO guidelines. The checks we conducted in person gave a generally good impression but do not provide any conclusive guarantees. Girsberger’s supplier code of conduct is designed to ensure observance of the most important, fundamental criteria, such as compliance with local laws, basic human and labour rights as well as a ban on corruption. Our goal for the next reporting period is for all A suppliers to sign up to the code of conduct.

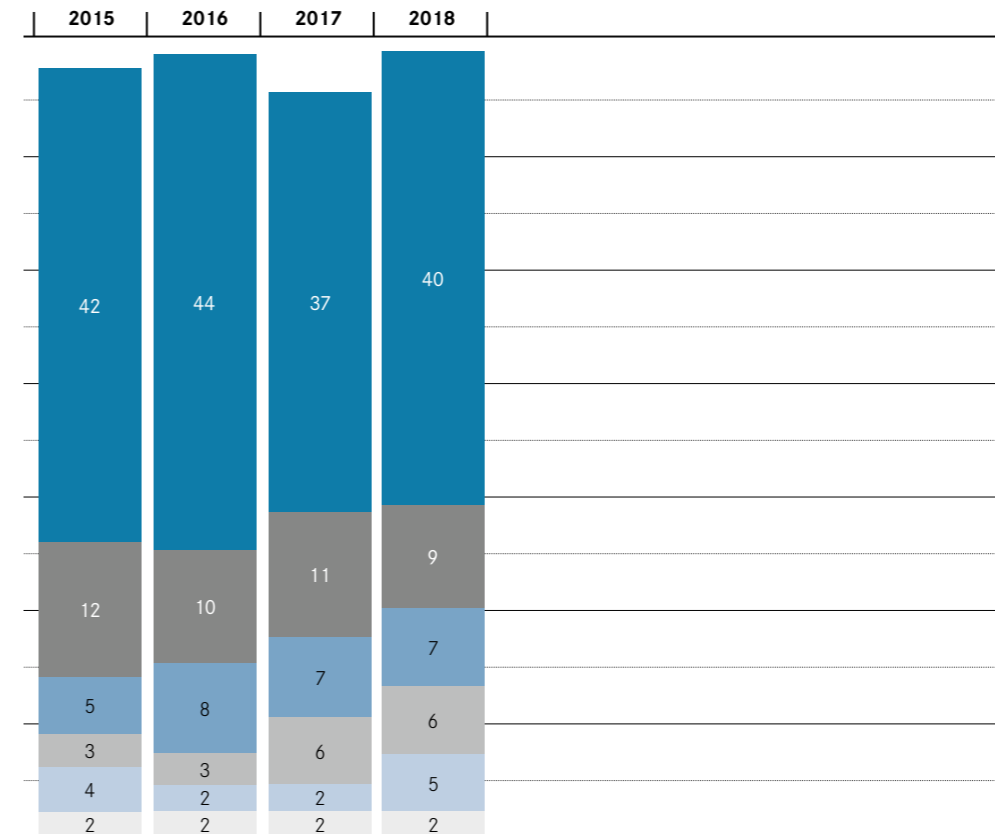
Against the backdrop of global climate change and the increasing scarcity of fossil energy resources, Girsberger is aiming to maximize its energy efficiency and run both our production sites at Bützberg in Switzerland and Endingen in Germany using 100% renewable energy.

Peter von Känel

Supplier assessment according to social criteria/monitor suppliers from high-risk regions



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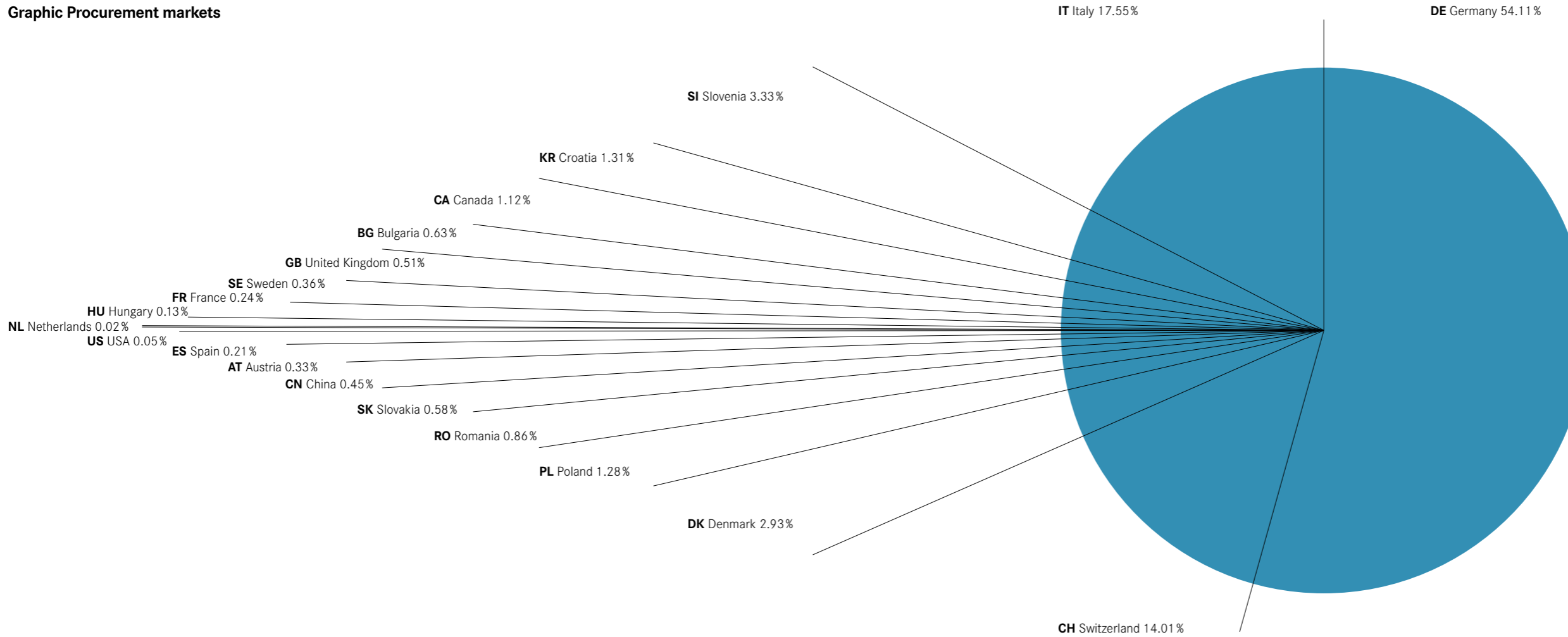


Procurement markets 2018

Ranking 2018

1.	Germany	54.11%	11.	Slovakia	0.58%
2.	Italy	17.55%	12.	United Kingdom	0.51%
3.	Switzerland	14.01%	13.	China	0.45%
4.	Slovenia	3.33%	14.	Sweden	0.36%
5.	Denmark	2.93%	15.	Austria	0.33%
6.	Croatia	1.31%	16.	France	0.24%
7.	Poland	1.28%	17.	Spain	0.21%
8.	Canada	1.12%	18.	Hungary	0.13%
9.	Romania	0.86%	19.	USA	0.05%
10.	Bulgaria	0.63%	20.	Netherlands	0.02%

Graphic Procurement markets



“Wherever practicable and economically viable, we give preference to suppliers or producers near our production sites, i.e. within a radius of 600 km from our plants in Germany and in Switzerland.”

Top from left to right:
Chair Biala, comfortable chair for living, home office and conference as well as
Biala two seater; Kuba high chair in two different heights for kitchen counter and
bar counter, Kuba chair with armrests; Barra rectangular table; Alambre chair

Below: Simplex 3D swivel chair



“Digitalization is resulting in big changes to the way we work and the processes involved. This in turn is creating new challenges for interior design concepts and furniture.”



Top from left to right:
Nava, comprehensive family of chairs for living room and office; Akio high table;
Modell 111/112 workshop stool; Akio and Barra table systems for living and
conference; Simplex 3D swivel chair

Below: Lounge furniture Velum





“As a counterpoint to our increasingly virtual working environment, we are seeing a new demand for natural and authentic materials. That’s why we are also using solid wood in our office ranges.”

Product stewardship

Our Product Development, Production, Sales and Customer Service units are instrumental in ensuring that Girsberger products are produced, sourced and used as sustainably as possible over many years. Durability, replacement parts warranties, safe designs and low-emission recyclable materials make purchasing our products an ecologically and economically sound decision.

In our Office and Dining collections, we focus above all on developing products with inspiring functionality, build quality, materials and surface finishes that will bring pleasure for many years to come. We strive to achieve a perfect balance when choosing design solutions, the ideal materials and finishes, while at the same time ensuring product safety. When all the advantages and disadvantages of plastics containing a high proportion of recycled materials are carefully weighed up, these plastics usually do not perform as well in terms of overall sustainability. This is because the recycling process weakens the properties of the material that are relevant to safety (i.e. its mechanical strength), which consequently increases the amount of materials required. As it would mar their aesthetic appeal, the use of recycled materials for visually exposed plastic parts is usually not feasible. For plastic base parts in less visible areas, on the other hand, the use of recycled materials is possible.

The main aspects influencing the choice of materials and production methods are increasing pressure coupled with lower production costs and the growing number of specific product and quality labels, as well as the uncertainty surrounding specifications for the future European standard for office chairs (EN 1335) and related approval symbols such as the GS mark for example. Such factors are increasingly restricting the choice of materials and processing methods and are likely to significantly influence the company's performance.

As offices become ever more like our living spaces, these evolving office environments offer a welcome opportunity to use for office furniture the most sustainable of all available materials – solid wood.

As Girsberger's historical roots lie in processing solid wood sourced exclusively from Europe, this is already one of our core competencies.

We invest a lot of time and capital in doing everything possible to guarantee the safety of Girsberger products. All the way from design drafts to market launch, our products are subjected to a battery of tests and plausibility checks in accordance with the relevant furniture industry standards. In addition to Girsberger's own quality and environmental standards, we naturally also comply with the general standards and norms underpinning the health and safety requirements stipulated by EU and Swiss product safety legislation.

Right from the outset our office seating undergoes strength calculations and simulations at the development stage. When developing new products, periodic development verification testing is essential. Prototyping and pretesting ensure product safety is continuously monitored throughout all development phases.

Before series production commences, products are subjected to multiple dynamic and static stress tests, and all such standard and plausibility checks are documented and archived. The products are then also independently tested by the certification organization TÜV/LGA in Nuremberg, with reverification being carried out every five years. With certification marks such as the German GS mark for products that have been safety-tested, Girsberger Office products affirm that product quality, product safety and the use of non-harmful low-emission materials are an integral part of the company's strategy.

“Durability, guaranteed replacement parts, safe designs and low-emission recyclable materials make purchasing our products a sound decision from both an ecological and economic point of view.”

During the 2017/2018 reporting period, we did not entirely succeed in meeting our goal of further improving the percentage of our Office ranges that are certified as safe and not harmful to health.

The percentage of office swivel chairs awarded the GS mark saw a steady rise from 90.0% in 2016 to 93.7% in 2017 and 96.0% in 2018, and the percentage of those tested for harmful substances increased from 89.5% in 2016 to 93.6% in 2017 and 95.9% in 2018.

In the case of multi-purpose/visitor chairs on the other hand, the percentage of ones awarded the GS mark decreased from 87.4% in 2016 to 85.1% in 2017 and 76.0% in 2018, while the percentage of chairs tested for harmful substances fell from 75.0% in 2016 to 72.2% in 2017 and 66.0% in 2018.

Coupled with a slightly smaller fall in unit numbers for non-certified classic models, the reason for this decline between 2016 and 2017 was that in absolute terms fewer multi-purpose/visitor chairs were built. There was a further decline in the percentage of multi-purpose/visitor chairs tested for harmful substances during the 2017/2018 period. This was due to the highly successful market launch of the Nava multi-purpose chair, for which the product certification process has not yet been completed.

Over the course of the next reporting period, we aim to maintain and if possible increase the percentage of products in our Office collection that are certified safe and non-harmful.

Ultimately we aim to have virtually all our new products undergo GS product safety certification and harmful substance testing. However, 100% coverage will never be possible as completely new products will not have been certified at the time the data is collected, or products nearing the end of their sales life will not be submitted for re-testing. The LGA mark “tested for harmful substances” signals to customers and end consumers that our Office products are very low-emission.

This mark is awarded on the basis of an emissions test and various material tests in accordance with the certification criteria for ecological product testing at TÜV Rheinland LGA Products. These specifications strictly limit the content of heavy metals and harmful softeners, dyes, solvents and preservatives, for instance, to ensure that the use of products does not pose a health hazard according to current scientific knowledge. Annual checks guarantee that our products are ecologically safe and harmless to health.

Thomas Gasser



Thomas Gasser
Executive Director
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Key product categories subjected to additional, independent testing to reduce risks and health impacts.

Tests for the GS mark are valid for a period of 5 years. After this time, the product must be retested to cover any modifications that may have been made. Testing for harmful substances is repeated every year.

Product range	Of which with GS mark	Of which tested for harmful substances
Swivel chairs Office Price list 2017	93.7 %	93.6 %
Swivel chairs Office Price list 2018	96.0 %	95.9 %
Multi-purpose chairs/visitor chairs Office price list 2017	85.1 %	72.2 %
Multi-purpose chairs/visitor chairs Office price list 2018	76.0 %	66.0 %

Product testing

The following life cycle phases of our products are systematically examined and analysed with regard to health impact, product safety and sustainability

Product life cycle phases	Examination	Who/What
Development of product concept	yes	Product development and distribution
Development and verification of conformity with norms	yes	Product development
Certifications	yes	Independent test body
Manufacturing and production	yes	Origin and process
Use and maintenance	yes	Product development/customer service
Disposal, reuse or recycling	yes	Sorting by type

Product development process

Type of material	Degree of achievement
Wood type (trade name) for products with characteristic wood constituents	100 %
Plastics: material designation directly on component	90 %
Aluminium castings: material designation directly on component	90 %
Other materials such as steel, textiles, leather: identification available, not possible to put designation on component	

Material declaration

On the practicality of Girsberger products

In 1910 Heinrich Girsberger had a clever idea. At the time, one of the products the company made was piano stools and piano players needed to be able to set these stools to exactly the right height. The customary method of adjusting the height using a spindle was tricky to use and the stool was always wobbly. So Heinrich Girsberger invented a height adjustment mechanism that was quick and easy to use, and applied for a patent for his invention.

The relevance of Heinrich Girsberger's invention was to emerge in subsequent years when it became clear that this new practical way of adjusting the height was ideal for all kinds of work chairs. And practical products are often commercially successful too. Soon the company was producing a wide range of work chairs incorporating this new height adjustment mechanism. Girsberger grew and grew, developing into a specialist in office swivel chairs.

To this day, when we're contemplating designing a new chair at Girsberger, practicality is always the first thing we consider. What new features would significantly improve the utility of the chair, or improve the health and well-being of users – or protect the environment and conserve resources? Amazingly, even today there is still scope to make practical improvements to chairs and tables.

Two recent examples: Girsberger has been successfully selling solid wooden tables for domestic spaces for many years. Two years ago we decided that we also wanted to offer solid wooden tables for offices and commercial buildings. We think it only natural to use such tables in offices, because wood is a renewable resource. Moreover, constructing tables from solid wood makes them a very high-quality product that will generally last a lot longer than the cheap mass-produced tables usually found in offices. Experience has shown that the latter tend to be retired and replaced at relatively short intervals. Our initial sales success already bears this out. In Switzerland in particular, we succeeded in furnishing several larger buildings with solid wooden tables last year.

Another example of a practical new product is our Simplex 3D swivel chair. This has a new type of seating mechanism that permits and encourages three-dimensional movement. It is ideal because it increases the range and intensity of movement while seated. Sitting is potentially unhealthy for the human musculoskeletal system and the only thing that helps guard against this is keeping the body moving. Our new swivel chair encourages this in a very special way: similar to a sitting ball, the user is constantly moving on the Simplex 3D. To investigate the influence of the Simplex 3D's three-dimensionally mobile seat shell, we commissioned the Institute for Biomechanics at ETH Zurich to carry out a pilot study. Among other things, the study confirmed that "all participants made use of the Simplex 3D's sideways tilting feature and exhibited an increased range of movement" (1). Ultimately, the Simplex 3D helps to reduce the health risk of sitting. And this is practical – because working in an office forces us to work sitting down for increasingly longer periods of time.

We will continue in future to focus on practicality when developing new furniture. In our experience, practical products tend to last on the market and are usually also commercially successful, which is necessary if the company is to remain in business. As was precisely the case with Heinrich Girsberger's height-adjustable stool – it sold successfully for 60 years, from 1910 to 1970. Indeed, these old stools can still frequently be found in Switzerland. Two years ago we reintroduced it into the Girsberger collection and it has again proved popular. Because it is a practical piece of furniture suited to the modern, flexible office, it is once again ideal for our times. Like its predecessor, there is a normal height model plus a high version for standing tables. However, it is fitted with a modern pneumatic system rather than Heinrich Girsberger's patented height adjustment mechanism as this is a more practical solution nowadays.

Mathias Seiler

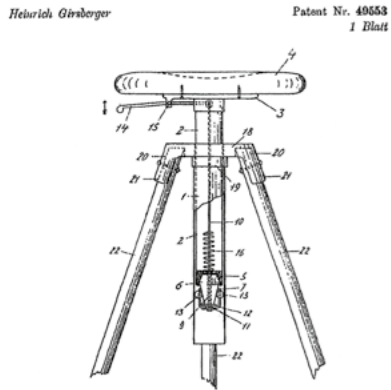


Illustration from registered patent 49553 dated 18 October 1910 in the name of Heinrich Girsberger



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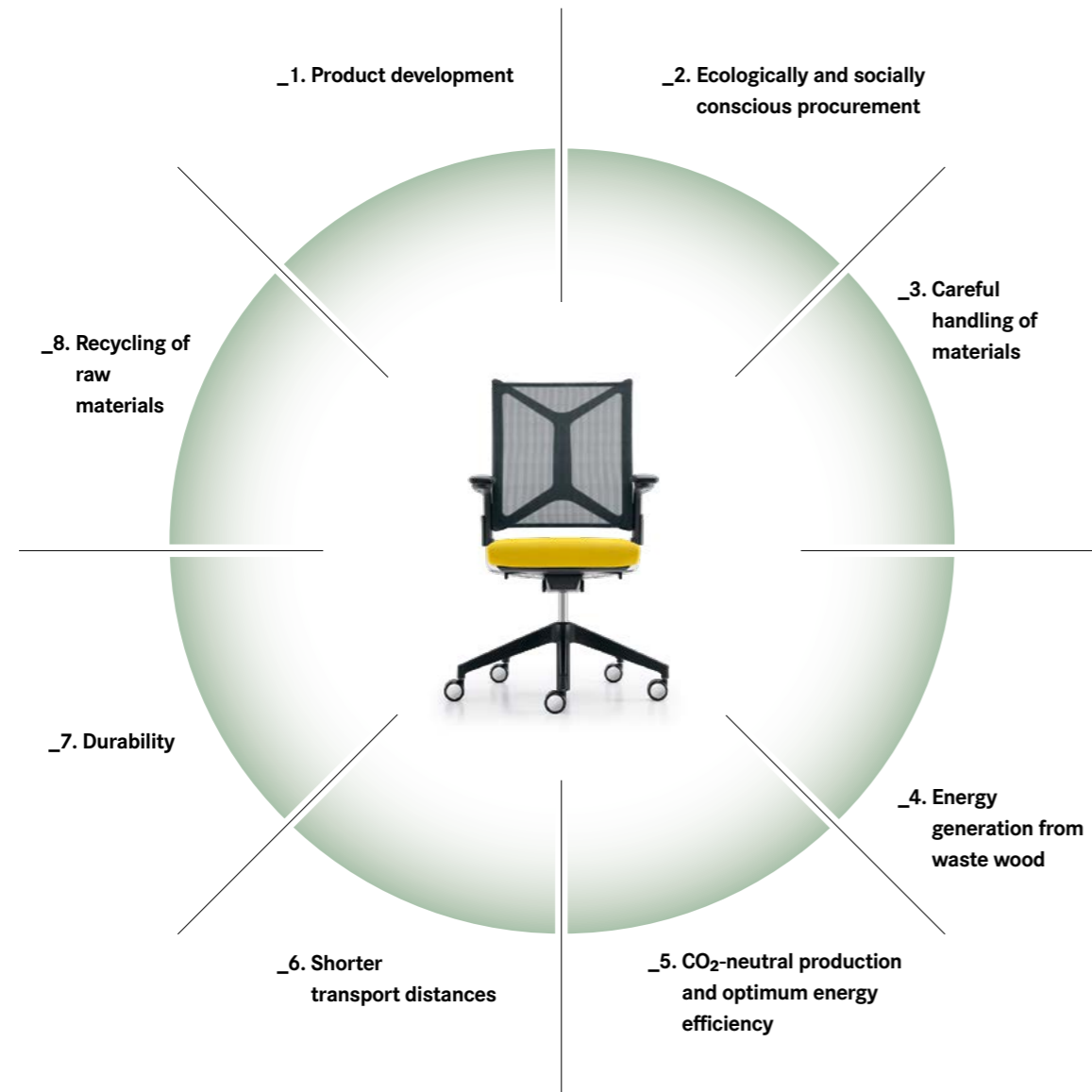
Top: Modell 112

Below: Simplex 3D swivel chair enables three-dimensional movements while sitting



References:
1. Zemp, R., et al., "Simplex" – eine Pilotstudie.
ETH Zürich, Institut für Biomechanik, 2018, p. 13

Product life cycle



_1. Product development

From the outset, our aim is to integrate environmental criteria into the conceptualization and design of new products. This means factoring ecological aspects into the creative and technical designs, material selection, and the choice of production processes. The entire life cycle of a product must be taken into consideration in order to make it as resource-efficient, low-pollutant, low-waste, recyclable, durable and repairable as possible, from the manufacturing stage through to the end of its useful life.

_2. Ecologically and socially conscious procurement

In the procurement of raw and other materials, apart from commercial and technical aspects, we place importance on selecting suppliers who work in a socially and environmentally sound way. For this reason, Girsberger has drawn up a supplier code of conduct. This code contains the key fundamental criteria that a Girsberger supplier needs to satisfy, including, for example, compliance with local laws and basic human and labour rights, and a ban on corruption. In addition, a supplier assessment is carried out annually.

_3. Careful handling of materials

To minimize the burden on people and the environment at every stage of a product's lifespan, we choose materials that are produced in an eco-friendly manner and can be disposed of in their pure form, while we avoid those with poor ecological properties, such as PVC, heavy metals and azo dyes.

_4. Energy generation from waste wood

All waste wood in the Bützberg facility is used to produce heating energy. At the Endingen site, the wood waste is recycled and processed into chipboard.

_5. CO₂-neutral production and optimum energy efficiency

We employ energy-efficient production processes and handle resources carefully. However, we cannot completely avoid creating CO₂-emissions in our production process and distribution channels. We offset these remaining emissions – 715 tonnes in 2018 – with Fair Recycling. This Swiss climate protection foundation is contributing to climate protection around the world by recycling old CFC refrigerators in developing countries in a fair manner. Since 2013, 100% of electricity requirements at our sites in Bützberg and Endingen have been covered by green electricity generated with hydro- and solar power. An electric vehicle has been purchased in Endingen for internal services. Between 2014 and 2018, the photovoltaic system at the Endingen production plant produced 59.3% of the site's electricity needs.

_6. Shorter transport distances

When placing orders, we endeavour where possible to give preference to suppliers who are situated close to our manufacturing facilities. Due to strong upward pressure on costs and the trend in production costs in Switzerland and in Endingen, however, this is becoming increasingly difficult. The shift in purchasing volumes towards Eastern Europe and Asia has continued. While 90% of our suppliers were based within a 600 km radius in 2012, the figure was only 87% in 2018.

_7. Durability

Durable products are an important prerequisite for the sustainable use of resources. With our Remanufacturing service, we are committed to ensuring that office chairs and other seating furniture are not prematurely thrown out and replaced, but are kept in use longer or given a new lease of life thanks to expert maintenance and repair, regardless of whether they are Girsberger products or not.

_8. Recycling of raw materials

Correct disposal by a certified waste disposal company ensures the right conditions for the raw materials to be fed back into the material cycle.

“At Girsberger, we look at the full life cycle of a piece of furniture – from the procurement of the materials right through to its disposal.”

Environmental resources

Environmental and quality consciousness have been a living element of the Girsberger company philosophy for 130 years. Since 1995, the Girsberger companies have had a quality management system certified to ISO 9001 for assuring quality in design and development, production, assembly, sales and customer service. Our office chairs also carry the seal of proven product safety issued by the Bavarian Trading Standards Department. This was supplemented in 2007 by the ISO 14001 environmental certificate for a comprehensive environmental management system. We have thus committed to adhering to the standard's regulations, continually improving our environmental performance, systematically pursuing key environmental aspects and adhering to the relevant legislation.

Through our Remanufacturing division, we are the only company in the industry to provide a reconditioning and restoration service for used furniture on a large-scale – irrespective of the original manufacturer. This offers a whole new lease of life to tried and trusted or historic furniture. The wood we use is sourced from sustainably managed European forestry operations.

An environmental relevance analysis, a programme of measurements and checks and a detailed list of the statutory requirements form the basis for everything we do. An external accredited body performs an annual audit to verify that we comply with the regulations. The continued sustainable development of the company is ensured by continually monitoring key data which is then used as a basis for defining measures to minimize the environmental impact of our operations.

For six years Girsberger has been an active member of the Bundesdeutscher Arbeitskreis für Umweltbewusstes Management e.V. (B.A.U.M., a German environmental management association). This forward-looking association successfully tackles the intertwined economic, environmental and social issues relating to sustainability. With some 500 members, today B.A.U.M. is the largest business network for sustainable management in Europe. By voluntarily signing up to B.A.U.M.'s code of conduct, we are committing ourselves to sustainable development as a core tenet of our future actions.

Over and above environmentally compatible production, we also work in specific ways to protect the environment and preserve biodiversity. Since 2009, we have supported the Smaragd (Emerald) project as part of the EU's Natura 2000 network. This is the largest network of its kind in the world, offering vital protection to the most endangered species and habitats in Europe. We use this platform to raise awareness of environmental issues through staff events and the provision of regular information.

In order to promote biodiversity in our own immediate neighbourhood too, in 2019 we will begin redesigning our green spaces to provide more natural insect-friendly planting at our sites in Bützberg and Endingen. This will be done in the spring of 2020.

Girsberger began CO₂-neutral production on 1 January 2015. We employ energy-efficient production processes and handle resources carefully. Of course, we cannot completely avoid creating CO₂ emissions in our production process and distribution channels. We offset these remaining emissions – 715 tonnes in 2018 – with Fair Recycling.

In Brazil, where this pioneering project is based, for nine years this Swiss foundation has been working with a local partner to recycle old refrigerators containing CFCs, and is consequently making an important contribution to climate protection. The appliances are dismantled, valuable materials are recovered, and the CFC is incinerated. With every refrigerator recycled in an environmentally responsible way, one tonne of CO₂ equivalent can be saved and 50 kilogrammes of raw materials can be recovered. External certification bodies verify the destruction of the greenhouse gases.

By the end of 2017, some 750,000 appliances had been recycled in this eco-friendly way. This prevented greenhouse gases amounting to around 750,000 tonnes of CO₂ equivalent entering the atmosphere. 37,500 tonnes of metal fractions such as copper, steel and aluminium were recovered to create high-quality raw materials.

Fair Recycling combines climate and resource protection with community engagement. Training up local employees is one of the organization's main priorities. Fair Recycling is committed to establishing training programmes for waste recyclers in developing countries. There is a very high demand for trained staff in this field as there is little in the way of professional waste management in many places. The course offers disadvantaged people access to the labour market and protects them from health hazards.

Further information can be found at www.fair-recycling.com.

Environmental relevance matrix

The environmental relevance matrix is based on detailed relevance criteria that are annually updated at the Bützberg and Endingen sites to reflect operational changes. A high level of environmental relevance does not necessarily equate to there being much room for improvement. However, it does mean that we must always take this dimension into account, that statutory regulations also generally exist, and that the monitoring demands are considerable. For matters of high relevance, we set ourselves objectives which we review every year. However, we also seek to make improvements wherever possible with regard to matters of medium or low relevance.

Types of emissions

Environmental relevance matrix 2018

(Excerpt for the locations Bützberg and Endingen)

	Product development	Sales/Customer service	Procurement	Production/Infrastructure	Personnel	Comment
High relevance	3					
Medium relevance	2					
Low relevance	1					
Indirectly through product during use and disposal	2	1	1	1	1	Material selection, separation by type, packaging
Indirectly through transportation and employee travel	1	3	1	2	2	Business travel, fuel consumption
Indirectly at suppliers	2	1	2	3	2	Transport, packaging, energy consumption
Raw material resource consumption	3	1	1	3	2	Manufacture of components/waste, yield
Energy resource consumption (fuel, electricity, heat)	1	2	1	2	2	Raising awareness among employees, fuel vehicles
Air emissions incl. greenhouse gases	1	2	1	1	2	Heating, fuel vehicles
Effluent	1	1	1	1	1	Recycling, disposal of chemicals
Noise	1	1	1	2	1	Production wood, metal, stapling, machines
Waste	2	1	2	3	2	Waste concept, separation, packaging
Risks (transport, stock, fire, safety at work, etc.)	1	2	1	3	2	Traffic, infrastructure, employees

“Girsberger began CO₂-neutral production on 1 January 2015.”

The annual evaluation of the environmental relevance matrix determines the objectives and focal points for the company ecology concept.

We continued to make systematic, quantifiable progress at the Bützberg and Endingen sites in the area of business ecology on the one hand and infrastructure on the other, by implementing our business ecology strategy at both plants.

Raising employees' awareness of environmental issues with a view to implementing the Girsberger philosophy is essential and decisive in order to achieve the goals set. This is implemented through regular employee information and activities within the framework of the Emerald Project.

**Overview of objectives/priorities
Operational ecology concept**

2017/2018

Girsberger AG, Bützberg	Implementation
Purchase a fine particulate air filter in 2018	Not completed
Continuously assess the condition of the heating system and heating controls	Ongoing
Complete the second and third stages of updating the sub-distribution board in plant 1	Partly completed
Continuously replace faulty light sources with LED lighting	Ongoing
Replace old and leaking air guns	Partly completed
Girsberger GmbH, Endingen	
Renovate roof of production and administration areas where necessary	Partly completed
Renovate windows	Partly completed
Renovate the lift in the administration building from a technical and visual standpoint	Completed
Carry out a thermal imaging scan of the building in 2017	Not completed
Redesign the showroom and implement infrastructure-related measures	Completed
Redesign of the sanitary facilities in the office building and adaptation to state-of-the-art technology	Completed
Change over sewing lighting to LEDs	Completed
Explore possibility of using self-generated electricity	Completed

2019/2020

Girsberger AG, Bützberg	
Complete projects on fine particulate filters for heating and sign up to large-scale consumer model	
Complete the upgrade of the sub-distribution board in plant 1	
Draw up plans for renovating the roof of plant 2	
Ongoing replacement of faulty lights with LED lighting	
Complete the air gun replacement project	
Girsberger GmbH, Endingen	
Continue roof renovation as necessary	
Refurbish windows as necessary	
Modernize the staircase in the administration building	
Complete the whole lighting concept	
Track down and eliminate leaks in the compressed air supply	
Carry out a thermal imaging scan of the building	

Resources and raw materials

At Girsberger, we look at the full life cycle of a piece of furniture – from the procurement of the materials right through to its disposal. The aim is for the least possible burden to be placed on people and the environment at every stage. We therefore choose materials that are produced in an eco-friendly way and can be disposed of in their pure form, and we avoid those with poor ecological properties, such as PVC, heavy metals or azo dyes.

Wood

741 m³ of solid wood was processed in Bützberg in 2018, slightly up on the figure of 648 m³ for the previous year. Of the total volume of wood consumed in 2018, only 6.7 m³ was sourced from overseas. In other words, 98.9% of the wood came from Europe, mainly from France, Switzerland, Slovenia, Croatia, Germany, Austria and Hungary. With a volume of 393 m³ (53%), oak is the predominant type of wood used, including for our own requirements. Other important woods are black walnut (160 m³/21.6%), elm (64 m³/8.6%) and the European walnut (60 m³/8.1%).

The gratifying growth of our Customized Furniture division has resulted in more wood being processed again in Bützberg in 2018 than in previous years.

Metal

All semi-finished steel products that we use or process, such as tubes and steel sheet, contain a high proportion of recycled metal. At the end of the product lifespan, they are fully recycled. Wherever possible, surfaces are finished without chromium 6.

We use aluminium almost exclusively in the form of die-cast aluminium parts so it is also possible to mark them with the relevant material identification code. Aluminium is very strong, easy to shape and can be finished in many different ways. It is also a material that can be recycled practically ad infinitum. A large proportion of the aluminium used in manufacturing today has been in circulation for decades.

Thermoplastics

Wherever possible we use in our plastic parts only a single type of polymer such as polypropylene, polyamide, polyethylene or ABS (acrylonitrile butadiene styrene). Depending on the particular application, we also use fibre-reinforced plastics for some components. We use CFC-free expanded polyurethane foam for foam padding. We mark every plastic part with an identification code so parts can be sorted into the different types of material at the time of disposal in order to facilitate recycling. A certain proportion of recycled material is always used in suitable components. However, for quality and safety reasons it is not always possible to use recycled plastics.

“In the procurement of raw and other materials, apart from commercial and technical aspects, we place importance on selecting suppliers who work in a socially and environmentally sound way.”

Seat cover materials

Our seat cover fabrics satisfy Oeko-Tex Standard 100 or the EU Ecolabel criteria. Every year they are checked against the EU's list of banned chemicals as part of annual compliance audits for the LGA "tested for harmful substances" certification.

The durable high-quality cover materials we offer may be made of wool, synthetic fibres, or a mix of natural and synthetic fibres. Seat covers made of synthetic materials can be recycled after use.

Our leather is processed exclusively in tanneries certified to ISO 14001. Waste volumes are continually monitored and optimized. Small leather offcuts are recycled by the shoe and handbag industries. The cutting department in Endingen monitors waste volumes continuously. We were able to reduce waste upholstery material by around 10% thanks to the commissioning and use of a new upholstery cutter as well as optimized nesting. The 100% switchover to the upholstery cutter will be completed in 2019, which will enable us to reduce the volume of waste even further in the next reporting period.

Paper

At the end of 2018, the total amount of paper consumed was some 1,100 kg more than in 2017. This fluctuation was due to the different point at which the paper was purchased, major events such as Designers' Saturday, and an increase in the number of marketing materials produced in-house. Over the whole reporting period, however, paper consumption was 1,393 kg less than in the two previous years.

Water

The increase in water consumption was mainly at Girsberger AG in Bützberg. This was due to the 1,854 m³ of water used by the firm Gebr. Kissling Galvanik AG, which has been renting space in plant 3 since August 2017. The other main factors that contributed to this rise were wood-drying processes and watering of the outdoor areas around our plants.

Peter von Känel

“Our remanufacturing service is intended to ensure that used furniture is not simply thrown away, but is refurbished wherever possible.”



Raw material wood

Both to supply our own requirements for production in Bützberg and to meet the demand from our customers in the wood trade, Girsberger has to source a wide variety of superior-quality timber. In order to buy in the volumes and qualities we require at competitive prices, we need to procure the majority of our timber in the form of round wood. We buy in this wood from sustainably managed forests all over Europe and take it to nearby sawmills possessing the necessary expertise and experience to optimally cut it into timber. It is then immediately graded according to colour, hue, grain, defects and knot characteristics. Together with further key data such as dimensions, origin, price, cutting date, drying process etc., this information is very important for us as it allows us to know in detail everything about the wood we have in store – the precise location of particular tree trunks, the quality of the wood, what drying stage they are at – so we can then plan to use the most suitable trunks at the optimum time.

As well as at its production site in Bützberg, Girsberger has a number of timber depots with capacity for air-drying cut wood in France, Germany and Austria. Our main depot in Koblenz (Switzerland) receives almost exclusively kiln-dried wood from these timber depots. Koblenz is therefore the final depot where kiln-dried wood that is ready to be processed is stored. From there the wood is then supplied either to our customers in the wood trade or else is sent on to Bützberg for use in our own production.

Managing this process all the way through from tree trunk to air-dried sawn timber requires a great deal of expert knowledge and experience, and is also highly capital-intensive. However, this is unavoidable for us because we need to source superior-quality cut wood that best meets our needs and guarantees a competitive margin.

The biggest challenge when sourcing wood is correctly anticipating at the time the logs are purchased and sawn what will be needed over the coming years. Depending on the particular species and the thickness of the wood, it can take up to five years before the purchased logs can be processed or sold as air-dried timber. The ability to accurately forecast how much wood will be required by our customers in the wood trade and our Bützberg production lines is therefore of vital importance.

Peter Reichen



Peter Reichen
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Country of origin (approximate percentages)	2010	2012	2014	2016	2018
Europe (Switzerland, Germany, Austria, France, Italy, Belgium, Slovenia, Hungary, Croatia, Czech Republic, Bosnia-Herzegovina, Slovakia, Poland, Serbia, Romania)	93.0%	90.6%	93.0%	95.3%	96.4%
Other (USA, Canada, Georgia, Russia)	7.0%	9.4%	7.0%	4.7%	3.8%

Overview of wood sources

Operational waste, disposal

Bützberg site

Around 75% of our operational waste is waste wood that is used to generate heat. Oil-fired heating is used only when the wood furnace is undergoing maintenance or is otherwise out of action. The volume of non-recyclable waste that we had to incinerate increased for the following reasons:

the relocation of the production of certain components for our Customized Furniture division to Boreal in Serbia, the Designers' Saturday event held in 2018, and the increase in product returns due to the expansion of our Customized Furniture division.

Thanks to our revised waste management concept and the additional separation of polystyrene waste, the proportion of recyclable waste (e.g. cardboard, paper, glass, electrical items, metal, foil, leather offcuts and wood etc.) was 88.5%. Despite our waste separation efforts, the percentage figure has fallen as much less wood was used for heating energy (because of the relocation of components to Boreal in Serbia). During the last reporting period, the proportion of general waste requiring incineration rose again due to the increased volume of packaging coming from Boreal. We are aiming to maintain a level of at least 88.5% recyclable waste during the next reporting period.

At 2 tonnes, the volume of hazardous waste such as oils, varnishes and solvents was much higher in 2017 than in preceding years. Owing to the reorganization of production and the liquidation of associated resources, we had to dispose of greater volumes of coolant and hydraulic oil. However, this continues to be a negligible amount, constituting only 0.56% of the total waste volume in 2017. As the volume of hazardous waste in 2018 was very low, it will not be disposed of until 2019.

Endingen site

Waste wood has been recycled into chipboard since 2016. Recyclable trestles are now being used for transporting leather. Our revised waste management concept allowed us to increase the proportion of recyclable waste (e.g. cardboard, paper, glass, electrical items, metal, foil, leather offcuts, wood, and polystyrene waste from 2017) to 84%. We intend to maintain at least this level in the next reporting period. Fabric remnants still have to be incinerated at present, but we are continuing our search for an economically viable and eco-friendly recycling solution.

Peter von Känel

Types of waste		2014	2015	2016	2017	2018
Girsberger AG Bützberg						
Waste wood recycled as heat	Tonnes	400.6	394.4	223.2	255.8	268.6
Waste for incineration	Tonnes	39.6	27.6	29.9	38.9	39.3
Recyclable waste	Tonnes	49.2	37.5	39.5	54.3	35.4
Share recyclable	Percent	91.8	93.7	89.5	88.4	88.5
Hazardous waste	Tonnes	0.9	1.3	1.0	2.0	0
Girsberger GmbH Endingen						
Waste wood recycled as heat	Tonnes	4.3	3.4	0	0	0
Waste for incineration	Tonnes	23.4	25.3	27.3	24.0	23.6
Recyclable waste	Tonnes	111.2	117.7	129.3	116.4	124.1
Share recyclable	Percent	90.1	80.4	82.6	82.9	84.0

Overview of operational waste

Logistics (Transport and packaging)

Transport in Switzerland

The value of goods shipped using our own vehicles has increased by approximately 140% since we started using only our own fleet to deliver all Girsberger products within Switzerland. However, the mileage driven by the trucks rose only 41% between the 2015/2016 and 2017/2018 reporting period so this has made the mileage much more efficient. In addition, we replaced one truck in 2017 with a new one boasting state-of-the-art low fuel consumption and emissions. As a result, our fleet of trucks consumed 12% less diesel fuel per kilometre.

In the 2019/2020 reporting period, we plan to continue choosing the most efficient routes to optimize transport distances.

Transport in other markets

Outside Switzerland, our products continue to be delivered by specialist furniture removal firms. We also succeeded in minimizing the packaging for chairs and furniture here too. We employ double-decker containers which allow us to pack more units into each container and therefore cut transport volumes.

Packaging

We were able to meet our objective of segregating styrene packaging from other plastics and recycling it separately. As a result, with packaging we have progressed to the point where only minor improvements are possible. As before, we aim to use the most environmentally friendly packaging materials as possible for our products. We also expect the same from our suppliers, and we are constantly pushing for further improvements in this regard. In general, we try to use only the minimum amount of packaging necessary to ensure our products are not damaged during storage and transport.

Disposal/recycling

Our Remanufacturing department refurbishes older but still technically functioning furniture to extend its service life. We offer this service not just for our own models, but for those of other brands as well. If refurbishment is not feasible for any reason, we offer our customers an expert furniture recycling service that returns the materials to the resource cycle. For this we cooperate with accredited specialist companies only.

Roland Ammann



Roland Ammann
Head of Production and Logistics,
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Energy consumption

After hitting its lowest levels from 2014 to 2016, by the end of the reporting period the total energy consumption in Bützberg had risen by 190 MWh to just under 3,000 MWh. This was primarily as a result of higher energy demand for heating and for drying wood. In addition, changes arising from restructuring, such as the relocation of component production to Boreal in Serbia, also had an impact on the total energy consumption. The available wood waste was barely enough to cover our energy demand, so no wood waste was disposed of externally from 2016.

The photovoltaic array at the Endingen production facility enabled us to generate 52.8% of the electricity we used at the plant in 2017, and 58.9% of the electricity consumed in 2018. The power generated is fed into the German electricity grid. We investigated using the generated electricity directly ourselves, but this is not yet economically viable.

Peter von Känel

Emissions

The level of CO₂ emissions has risen as a result of the high volume of fuel used, accounting for approximately 60% of the total output in Endingen and over 80% in Bützberg. We are aiming to counter this trend by purchasing new vehicles that meet the latest exhaust standards and the Euro 6d-TEMP emission regulations.

We succeeded in holding down emissions from electricity, heating oil and natural gas. Various measures and investments in lighting, buildings and infrastructure have had a positive impact. It must be borne in mind, however, that the figures can fluctuate widely depending on outside temperatures and the concomitant heating demand.

The remaining emissions, such as particulate matter, nitrogen oxides and solvents, are checked in accordance with the relevant statutory regulations and kept within the prescribed limits.

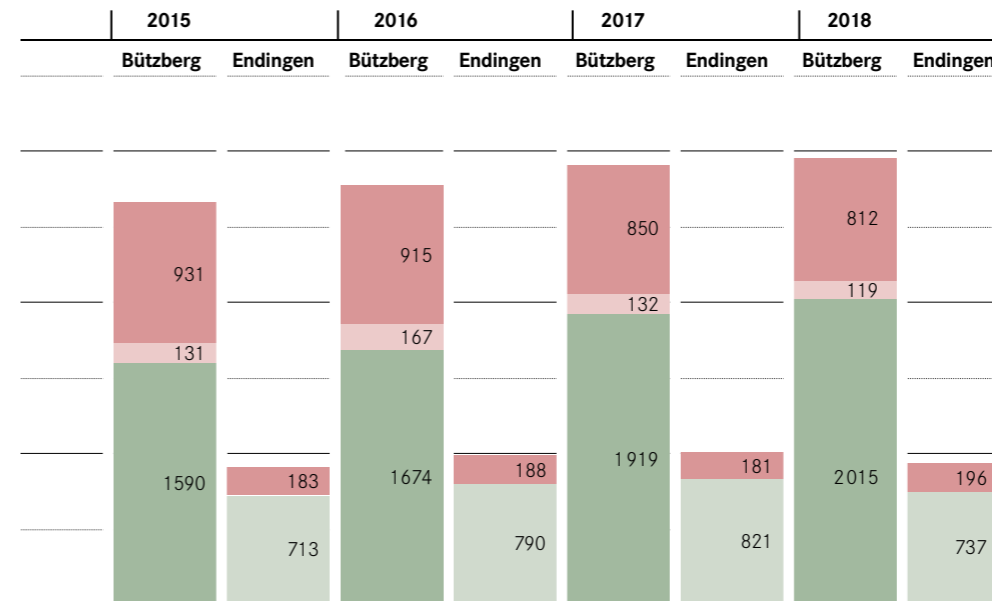
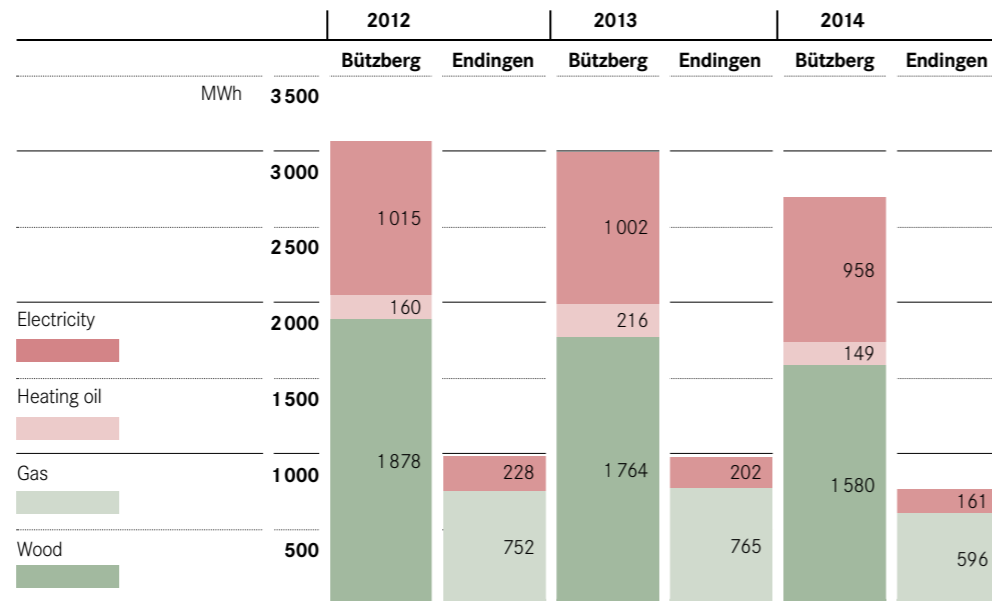
Thanks to the use of residual heat, the installation of a fine particulate filter in Bützberg at the end of the 2019 heating period will greatly improve energy efficiency. We offset all CO₂ emissions via the Fair Recycling project.

“We offset all CO₂ emissions via the Fair Recycling project.”

CO ₂ emissions in tonnes	2014	2015	2016	2017	2018
Girsberger AG Bützberg					
Electricity	38.3	37.2	36.6	34.0	32.5
Heating oil	36.3	32.0	40.9	32.3	29.2
Petrol/diesel	347.7	328.2	328.2	345.0	348.4
Flights	3.9	5.3	21.3	13.5	14.3
Compensation flights	3.9	5.3	21.3	13.5	14.3
Compensation print works	29.7	32.9	36.5	25.6	26.0
Girsberger GmbH Endingen					
Electricity	11.2	12.2	11.1	11.1	12.4
Natural gas	92.4	110.6	122.6	127.3	114.3
Petrol/diesel	167.4	180.6	174.3	180.9	183.3
Flights	10.9	8.0	13.7	10.0	8.3
Compensation flights	10.9	8.0	13.7	10.0	8.3
Compensation feed-in photovoltaic system	4.7	4.9	3.5	3.8	4.6

Overview Emissions

Graphic Energy consumption





Metal workshop
Plant 2, Bützberg | Switzerland





Outdoor area, solid wood drying, solid wood cutting, wood manufacture Plant 1, Bützberg | Switzerland

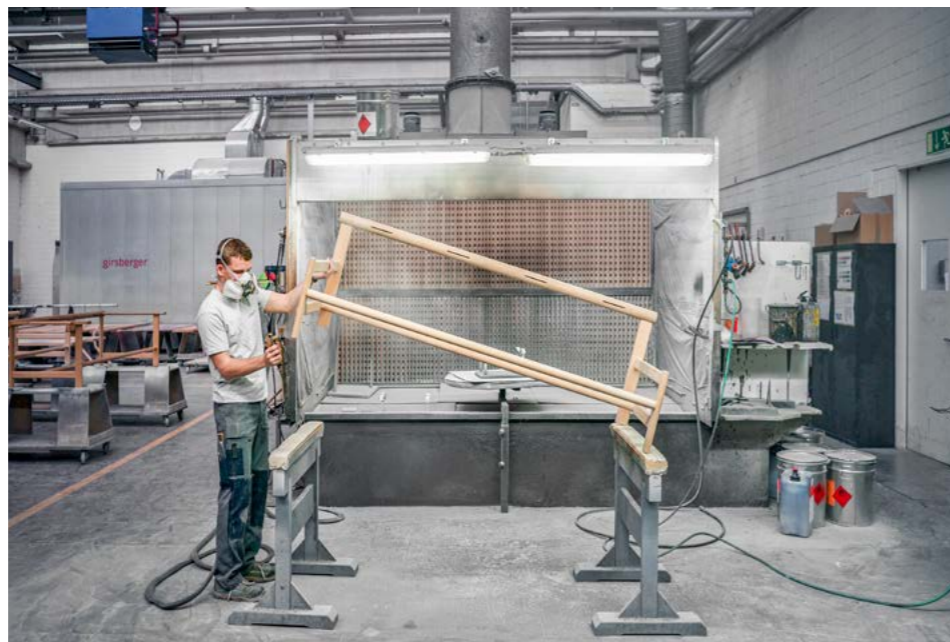


Workshop, solid wood processing, wood manufacture Plant 1, Bützberg | Switzerland



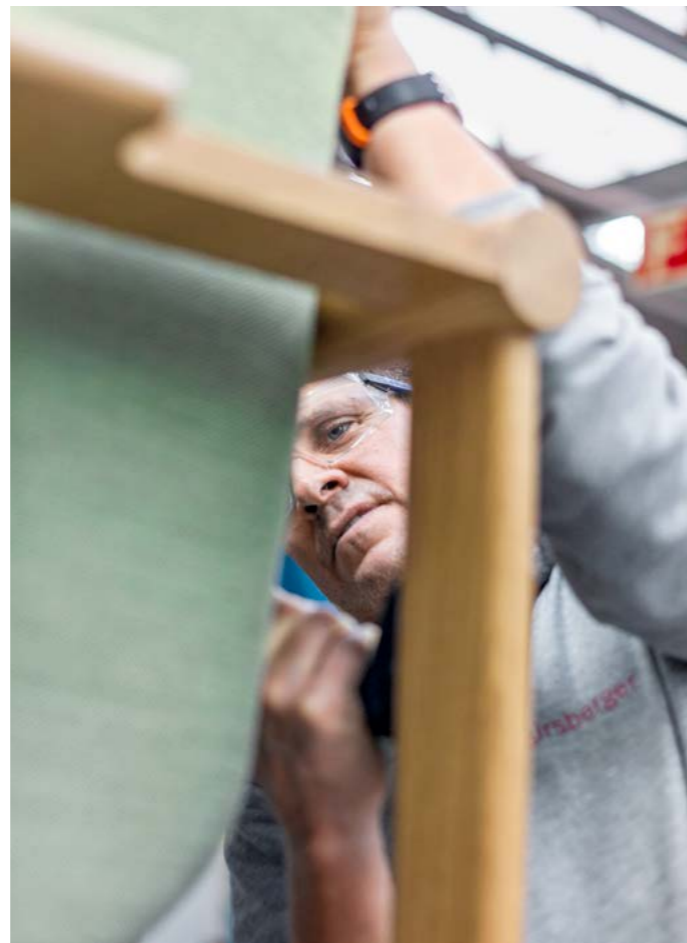


Paint shop, spraying and sanding booths
Plant 2, Bützberg | Switzerland





Completion and pre-assembly of furniture and components
Plant 2, Bützberg | Switzerland





Upholstery, cutting, sewing and upholstery manufacture
Plant Endingen | Germany



Employment, equal treatment, equal opportunities and equal pay

The certified parts of the company Girsberger AG, Girsberger Holding AG and Girsberger GmbH with its sales units, employ a total of 256 employees (including 20 trainees). Compared to 2016, the workforce decreased by 16 employees at the Bützberg site and by five employees at the Endingen site in the reporting period. Owing to the challenging economic climate, we were forced to restructure operations at our Bützberg site. This unfortunately resulted in nine redundancies. A social plan had been worked out in collaboration with the trade unions in 2015, and this was again used. Accordingly, the turnover rate at Bützberg rose to 18.1% in 2017 and dropped again in the following year to 12.1%. At Endingen, some production employees who left were not replaced. As at the end of 2018, the turnover rate in Endingen was 5.9% on average.

Highly skilled, interested and motivated employees form the bedrock on which the Girsberger Group can grow and expand further. Irrespective of gender, origin or religion, we are always honest, fair and helpful in our day-to-day interaction with other people. We foster a culture of openness and tolerance. Every employee should feel valued and accepted. Equal treatment and equal opportunities belong to our core principles. This is also explicitly stated in our management guidelines.

Using Logib, the equal pay self-test tool of the Federal Office for Gender Equality (FOGE), we systematically analysed and evaluated salaries again in 2018. Our findings showed us that women at the Bützberg site receive the same pay as their male colleagues in similar positions.

At Girsberger GmbH in Endingen, the pay gap between men and women in similar positions was reduced from over 7% in some cases to approximately 6% during the reporting period. Our aim is to bring all salaries gradually into line with each other. The necessary adjustments will be gradually made over the coming two to three years.

The pay gap trend is regularly measured at least once a year at both sites using the Logib self-test tool.

Total number of employees and employee turnover rate		2014	2015	2016	2017	2018
Total number of employees at certified companies	Number	274	272	277	260	256
Number of employees at Girsberger Holding AG	Number	25	22	21	18	19
Number of employees at Girsberger AG	Number	131	116	118	104	104
Number of employees at Girsberger GmbH	Number	118	134	138	138	133
Total employee turnover	Percent	9,2	11,3	8,3	10,0	9,0

Overview of total number of employees and employee turnover rate

Employee satisfaction

Regular employee performance reviews are still an important tool for gauging employee satisfaction at our sites. With a total of 8.2 out of a possible 10 points, the average score still remained high in 2018. Performance reviews are held at least once a year. These meetings are systematically evaluated by the respective HR departments, and the results are analysed by management. If an employee scores five points or less, the reasons behind this are discussed in a face-to-face meeting with the person concerned, during which the participants jointly seek to identify possible solutions and define suitable measures. Over the past reporting period we focused in particular on providing employees regularly with internal information that is relevant to them. As a result, the average score rose from 7.6 points at the end of 2016 to 8.0 points at the end of 2018. Internal communications will remain an important element of ensuring employee satisfaction over the coming reporting period too. The information boards at both sites will be reviewed and redesigned in 2019, and internal communications will be even more target-group-oriented and continuous.

Employees' assessments of their line managers is a further component of performance reviews. Here employees rate their line managers' performance with respect to setting an example, providing the information necessary to perform tasks, feedback given, involvement in decision-making, and information about deputization arrangements. Overall, line managers achieved the following average scores over the last three years: out of a possible 10 points, 8.93 in 2016, 8.95 in 2017, and 8.88 in 2018. Despite the slight dip in comparison with the two preceding years, we still achieved a gratifyingly high level at the end of 2018. We are aware of the reasons for the lower scores, namely restructuring and the high volume of projects needing to be handled at the same time at Girsberger AG. The outcomes from the discussions being held will flow into day-to-day working at the Bützberg site.

The performance review remains an important and valuable personal development tool for both employees and their line managers.

Over the coming reporting period we will be evaluating new working time models at both our Bützberg and Endingen sites, taking the respective local legislation and employment contracts into account. Management will make a decision on this once the necessary information has been collated.

“Highly skilled, interested and motivated employees form the bedrock on which the Girsberger Group can grow and expand further.”

Overview of employee satisfaction

Assessment of employee satisfaction (average)	2014	2015	2016	2017	2018
Satisfaction index	8.2	8.0	8.1	8.1	8.2
Collaboration	8.5	8.4	8.4	8.4	8.5
Information	8.1	7.8	7.6	7.9	8.0
Workplace/Surroundings	8.3	8.0	8.1	8.1	8.1
IT system	7.7	7.7	7.8	7.6	7.9
Environmental management system	8.5	8.3	8.5	8.5	8.5

Assessment scale 1 (very dissatisfied) to 10 (very satisfied)

Absences and occupational health

Absences at the Bützberg site fell from 7.7 days at the end of 2016 to 6.5 days per employee per year at the end of 2018. These figures also include long-term absences resulting from illness or accidents, with the majority being due to illness. We endeavour to prevent accidents at work and also away from the workplace with regular poster campaigns and internal training courses, especially in production. As at the end of 2018, average absences at Girsberger GmbH had risen to 15.8 days. Further cases of long-term illness arose during the reporting period, taking the total number of employees on long-term sick leave to six. These illnesses are not connected to the employees' work, so unfortunately it is not possible to take any targeted preventive measures. Individual discussions are regularly held with long-term absentees and their physician or the company doctor as appropriate, both in order to maintain contact with them and to plan their reintegration and enable them to gradually return to work. If necessary and feasible, they are given a new job within Girsberger GmbH. In a few cases, illness may result in individuals having to leave the company. Awareness-raising and preventive measures in the area of health and safety have been ongoing at Girsberger for years. Safety officers and safety experts conduct regular inspection walkabouts together with the plant managers at both the Bützberg and Endingen sites to ensure that the production machines and equipment are being operated correctly. Employees are provided with personal protective equipment for daily use. There is also a health and safety committee at the production sites (comprising the production managers, heads of finance, HR managers and safety officers/experts) which sets joint targets and decides on any action required in relation to health and safety.

A number of measures were implemented in 2017/2018. Bützberg: refresher training for workplace first aiders, defibrillator training, information on SUVA (Swiss National Accident Insurance Fund) posters and payslip inserts. With the help of SUVA, the risks in each department were systematically identified and a multi-year safety training plan, focusing on production, was drafted. Endingen: first aider training, including the use of defibrillators, fire extinguisher drill and – in conjunction with the company doctor – eye pressure measurement and flu inoculation campaigns.

In Bützberg the focus for 2019/2020 will be on the continued provision of information on SUVA posters and payslip inserts, along with refresher courses for workplace first aiders, defibrillator training, and the use of personal protective equipment (SUVA rule no. 10). Training sessions will also be held relating to SUVA's rules concerning loose objects and unprotected traffic routes. Consideration is being given to carrying out an evacuation drill across the whole of the Bützberg site. First-aid training (including the use of defibrillators) will be provided in Endingen, along with the annual refresher on wearing personal protective equipment. As well as an annual health day, our company doctor and the local health insurance company will team up for campaigns to measure blood pressure and blood sugar. Reports published by BG RCI (German statutory accident insurance association for the raw materials and chemical industry) will also be posted on the premises.

“Safeguarding health, safety and the environment is an integral part of our daily work.”

Absence in days per employee and year	2014	2015	2016	2017	2018
Girsberger AG and Girsberger Holding AG, Bützberg	5.29	7.44	7.70	7.73	6.55
Girsberger GmbH, Endingen	16.86	10.33	12.49	12.00	15.87

Overview of absences

Training

In 2017 and 2018, training focused on maintaining and extending our current skills and expertise in individual function-related training courses. Employees could pursue professional development with language courses, one-day seminars and in some cases multi-year continuing education courses, especially in our finance and accounting sections, purchasing department and in the solid wood and finishing units.

Over the next two years, we will continue to promote function-related and individual professional development. Such needs are identified during the annual performance reviews, and specific training measures are then planned for the individual departments. The training plan for 2019 focuses on further training for managers with leadership responsibilities, language and other specialist courses, plus a range of one-day seminars. We provide support for one employee at the Bützberg and Endingen sites in each case to attend multi-year courses in finance and accounting.

Training plays a crucial role in retaining our skilled workforce over the long term. We definitely want to keep apprenticeships for carpenters specializing in furniture/interior fittings, trimmers/sewing machinists, industrial upholsterers, warehouse operators and office clerks. Offering these apprenticeships maximizes the likelihood that we will be able to offer apprentices a skilled job once they have completed their training. Unfortunately we can no longer offer design engineer apprenticeships at Girsberger Holding AG as we no longer cover the training profile for this occupation. We continue to offer internships at the two sites, primarily in production (Endingen) and in the planning department (Bützberg), especially to students in the Department of Architecture, Wood and Civil Engineering at the Bern University of Applied Sciences. Owing to the size of the company, structured talent management is not practicable. Nevertheless, in some cases specific talent is recruited for new jobs and functions.

We participate in local job fairs, especially in the city job fair in Endingen as well as in Freiburg. We also occasionally take part in apprenticeship information days and apprenticeship fairs.

“Training plays a crucial role in retaining our skilled workforce over the long term.”

Overview of training

Training		2014	2015	2016	2017	2018
Number of trainees (as a percentage of all employees)	Percent	7.3	7.0	7.9	6.9	7.8
Trainees at Girsberger AG, Bützberg	Number	10	10	11	10	10
Trainees at Girsberger Holding AG, Bützberg	Number	2	1	2	0	0
Trainees at Girsberger GmbH, Endingen	Number	8	8	9	8	10
Total internal and external training days	Days	348	333	199	192	225
Number of hours of training per employee	Hours	11.7	10.4	6.2	6.8	8.1

Corporate citizenship

As part of our community engagement activities, for many years we have been sponsoring organizations and projects that aim to support the common good. Where feasible, we also employ people with disabilities. We also look to place orders with organizations providing protected workplaces for people with disabilities, such as regional job centres, the WBM Foundation Madiswil, Schwarzwaldwerkstatt Dornstetten (Black Forest Workshop in Dornstetten), and the Caritas Workshop in Riegel. We attach similar importance to being a member of associations/organizations that specialize in and raise awareness of environmental issues, sustainable business management, and social and economic matters. Examples include the Think-Tank Avenir Suisse; the largest network of sustainable business stakeholders in Europe, B.A.U.M. e.V. (German Environmental Management Association); and the Swiss network for sustainable business, öbu. Girsberger GmbH is involved in FAIR Ways at the SC Freiburg football club as one of 15 partner companies that provide long-term support for various education, exercise, environmental and solidarity initiatives. FAIR Ways awards a prize annually to non-profit institutions and/or projects in the region.

Girsberger GmbH offers work placements to attract further skilled workers and also to offer refugees opportunities for integration. If they demonstrate aptitude, they may then be offered the opportunity to commence an apprenticeship. Two people are currently undergoing training at Girsberger GmbH as part of this initiative. Assistance is provided for both educational and personal needs, for example private tuition as an adjunct to vocational school, or help with finding accommodation or writing letters to government agencies. In 2019, another person will be offered a contract initially for one year, with the aim of then offering him an apprenticeship in 2020. In general, we note that language skills are a significant barrier, with technical terms at vocational school often presenting especial difficulties. We are therefore determined to continue our efforts to support the integration of refugees.

Thomas Messerli

“As part of our community engagement activities, for many years we have been sponsoring organizations and projects that aim to support the common good.”



Thomas Messerli
Head of Finances and Controlling,
Girsberger Group
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Reports

The following documents are available for downloading at www.girsberger.com:

2018

- 2018 Sustainability Report
- Supplementary 2018 Sustainability Report
- Certificate of climate neutrality

2016

- 2016 Sustainability Report
- Supplementary 2016 Sustainability Report
- Certificate of climate neutrality

2014

- 2014 Sustainability Report
- Supplementary 2014 Sustainability Report
- Certificate of climate neutrality

2012

- 2012 Sustainability Report
- Supplementary 2012 Sustainability Report
- Statement GRI Application Level Check

2010

- 2010 Sustainability Report
- Supplementary 2010 Sustainability Report
- Statement GRI Application Level Check

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