

ENVIRONMENTAL REPORT 2002/03

Gabriel®



SOUND GREEN ARGUMENTS

SOUND GREEN ARGUMENTS FOR USING QUALITY FURNITURE FABRICS FROM GABRIEL

Gabriel is Europe's biggest manufacturer of quality woollen furniture fabrics.

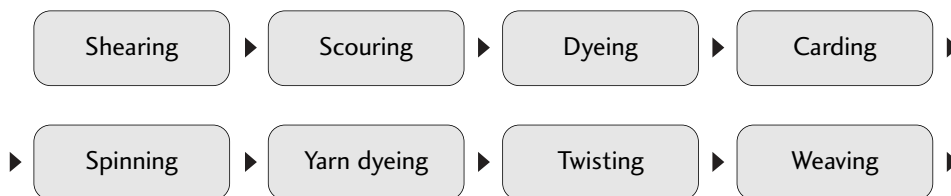
Gabriel does its own processing, starting with wool from New Zealand and ending with the finished fabric ready for upholstery.

The purpose of this environmental report is to provide information to our customers, employees, the authorities, shareholders, the local community and others interested in environmental conditions at Gabriel.

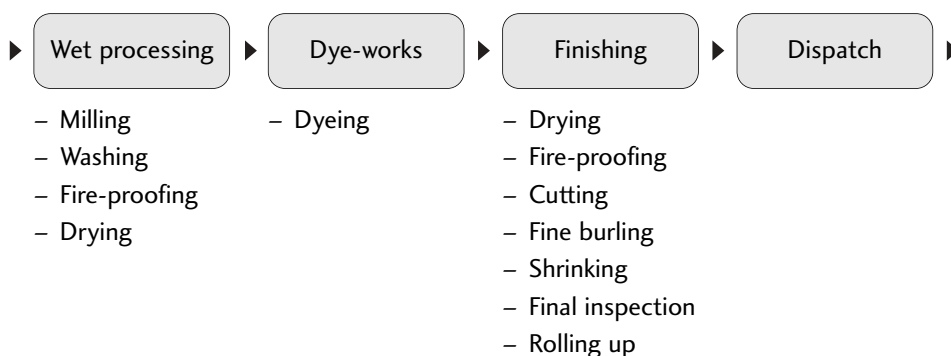
The report covers Gabriel's factory in Aalborg. This environmental report was prepared in compliance with the requirements of the EMAS regulation on industrial companies' voluntary participation in a common scheme of environmental management and auditing, and with the provisions of Section 35a of the Danish Environmental Protection Act on green accounts with associated regulations.

Gabriel's eco-management is certified under DS/EN ISO 14001:1996. Gabriel's quality assurance is certified under DS/EN ISO 9001:2000, the international standard for quality assurance.

ACTIVITIES BEFORE GABRIEL'S AALBORG FACTORY



ACTIVITIES AT GABRIEL'S AALBORG FACTORY



ACTIVITIES AFTER GABRIEL'S AALBORG FACTORY



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COMPANY INFORMATION

The company

Gabriel A/S
Hjulmagervej 55
9000 Aalborg
Reg. no. 176574
Danish VAT no. 12 72 13 07
Telephone: +45 96 30 31 00
Fax.: +45 98 13 25 44
www.gabriel.dk
E-mail: mail@gabriel.dk

Group structure

Gabriel A/S is a 100%-owned subsidiary of the listed company Gabriel Holding A/S.

Sector

Textile industry

Principal activities

Production of furniture fabrics including dyeing and finishing treatment

Listing

Gabriel's dye-works in Aalborg is a listed company under Chapter 5 of the Danish Environmental Protection Act, point E6 "Textile bleaching and dye-works".

Supervisory authority

City of Aalborg

Financial year

01.10.02 - 30.09.03

Number of employees

101

External auditor and accredited environmental verification

Danish Standards Association Certification

NACE code

17.4 Manufacture of made-up textile articles, except apparel



PROFILE OF GABRIEL

PHILOSOPHY

Innovation and value-creating partnerships are keywords in Gabriel's philosophy.

Gabriel is a niche company which develops, manufactures and sells furniture fabrics and related textile products for areas of use in which there are mandatory requirements concerning special product properties, design, logistics, and documented quality assurance and environmental management.

VISION

With furniture fabrics as its area of expertise, Gabriel aims to be the preferred partner of and supplier to global and international market-leading manufacturers of furniture, seats and upholstered surfaces.

FINANCIAL GOALS

Gabriel will continually generate growth and profitability at a level which is attractive to the company's shareholders. Gabriel's general financial goal is to achieve a return on invested capital (ROIC) which exceeds capital costs.

Under the current capital structure, capital costs are fixed at 15% before tax.

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Assuming stable market conditions, the group attempts to achieve

- an average annual growth in turnover of 15%
- an average annual growth in profit of 10%

STRATEGY – GABRIEL IS GROWING WITH THE BIGGEST

Gabriel seeks to fulfil its vision and objectives via the group's strategy, which is implemented with focus on four core processes:

1. Global Key account sales activities
2. Development of product and range
3. Logistics
4. Competitiveness in terms of price

Possible acquisitions and alliances are under constant evaluation with a view to improving the group's competitiveness and value-creating activities.

Gabriel uses the Balanced Score Card Model to ensure implementation of its strategy.



MARKET SEGMENTS

Gabriel's market segments consist of the following:

- Contract (office, conference, hospital and care, hotel, restaurant, theatre and concert, cinema, education, airports etc.)
- Home (upholstered furniture, chairs)
- Transport (train, plane, bus, car, ship)

INNOVATION

Close collaboration within Gabriel's network of customers, users, suppliers, consultants and competent employees ensures optimal evaluation of new ideas and possibilities.

New products and concepts must represent innovations which offer added value to customers and users.

Gabriel attempts to ensure that at least 25% of its turnover derives from products launched less than five years ago. It is intended that this objective will be met by the end of the 2004/2005 financial year.

RAW MATERIALS

Wool is Gabriel's most used raw material. The properties of the wool fibre are unique and, for use in furniture fabrics, unmatched by any other natural or synthetic fibre.

Gabriel possesses or has access to the professional competence and the special manufacturing plant required for leadership in this niche area.

EMPLOYEES

All employees at Gabriel know and work to achieve our common goal.

Gabriel wants to attract and retain ambitious, qualified employees who seek and accept challenges. The daily dialogue and delegation of responsibilities create dynamism and efficiency. Constant changes, demands for fast handling and adaptation require intellectual and professional flexibility in all staff.

The individual employee's qualifications and professional competence are kept up-to-date via job development and relevant training.

Gabriel has a good and informal work climate based on trust, reliability, mutual respect and an awareness of shared responsibility.

SOCIETY

Gabriel wishes to make a positive contribution to society both locally and globally. This means that we feel a responsibility for the environment and show a social responsibility towards the weaker groups in society.



QUALITY AND ENVIRONMENT

Gabriel's position as a quality and environmentally conscious company is evidenced by its certification under DS/EN ISO 9001: 2000 and DS/EN ISO 14001: 1996 and the EMAS system.

Gabriel is licensed to use the EU flower environmental label, which guarantees the safety of employees during the production process, users of the fabrics, and the environment.

Gabriel's quality and environmental objectives are as follows:

Services provided by Gabriel must correspond accurately to customer needs and expectations. The company's production and distribution must proceed with due respect for the need to ensure a continuing reduction in resource consumption and emissions which might impact upon the environment.

Do things right the first time – is the standing motto for the planning and implementation of the company's activities.



GABRIEL'S ENVIRONMENTAL POLICY

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The environmental management system covers all functions at Gabriel, including the production processes piece-dyeing and finishing. The system covers Gabriel's Aalborg factory.

Energy consumption has an important impact on the environment, and energy management is an integral part of Gabriel's environmental management.

Energy management covers production processes and supplies systems with a significant energy consumption. Environmental goals and the environmental action programme must include energy considerations and ensure ongoing improvements in energy consumption.

The company's general objectives are documented in a business plan prepared once a year for the period 1/10 to 30/9.

Measurable environmental goals are set for all activities. These goals, together with responsibility and competence, must be known by all employees.

Cleaner technology and environmental improvements are introduced on an ongoing basis with due consideration of their technical and economic consequences and the prevention of pollution.

Gabriel conducts an open and close dialogue on environmental requirements with the authorities. The company is pledged to respect relevant legislation and relevant statutory requirements in the area of the environment as well as other provisions to which the company has committed itself.

Gabriel prepares an environmental report in connection with the end of the financial year. The report includes information on significant environ-

mental impacts and objectives. The environmental report is available to the public and is reviewed with all employees at departmental meetings.

Those of the company's employees in contact with customers are able to provide correct information on Gabriel's environmental objectives and policies. Guidance must be provided to customers on significant environmental aspects of the use and ultimate disposal of the company's products.

The company's subcontractors must be selected on their ability to comply with environmental requirements and their willingness to enter into an open and close collaboration to achieve optimal solutions.

Contractors working in Gabriel's Aalborg factory must comply with the same environmental requirements applying to Gabriel.

THE ENVIRONMENTAL MANAGEMENT SYSTEM

The environmental management system is an integral part of Gabriel's total management system, which covers the company's management, core and support processes.

The relationships between the individual processes are specified. This applies to responsibility, input and output, and the performance of the various activities.

Gabriel's management system is audited by Gabriel and Dansk Standard. The assessments include an evaluation of whether the system is functioning in practice and complying with the requirements specified for it.

ENVIRONMENTAL REPORT OF MANAGEMENT

Gabriel's environmental management is carried out under the environmental standard DS/EN ISO 14001 and the EMAS scheme on voluntary participation in a common scheme for environmental management and auditing by industrial companies as well as the provisions in Section 35a of the Danish Environmental Protection Act on green accounts with associated regulations.

The 2002/03 environmental action programme was implemented to a satisfactory extent. Altered sales conditions, where customers order more frequently but in smaller quantities, did, however, have a negative effect on several key figures.

EXTENSION OF KNOWLEDGE OF ENVIRONMENTAL LABELLING WITH THE EU FLOWER

Gabriel has been granted a licence to use the EU flower on the main range of the company's piece-dyed woollen products.

Employees associated with sales and marketing were trained in the requirements for labelling with the EU flower in order to provide better information to customers and users.

The sales and marketing materials carry the EU flower.



CHANGES TO TECHNICAL INSTALLATIONS IN CONNECTION WITH NEW CONNECTION TO MUNICIPAL WASTE WATER SYSTEM

The City of Aalborg has established a pumping station which enables Gabriel to discharge waste water at the rate of 60 litres/second 24 hours a day. The previous maximum discharge was 20 litres/second. The new capacity will ensure that production can increase without this limitation.

The new waste water system is designed to effectively prevent the spreading of leaks into the municipal waste water system. A stop valve has been installed which can block the discharge from production and, on contact with the City of Aalborg, pumps in the new pump station can be stopped by remote control.

A new well improves the working environment by allowing the taking of waste water samples.

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NEW WASTE WATER PERMIT

An application for a new waste water permit is in preparation and the new permit is expected to be issued in the 2003/04 financial year.

The application takes account of the improvements made in the new drainage system.

REDUCTION IN CONSUMPTION OF CHEMICALS VIA PROCESS OPTIMISATIONS

The change in sales conditions has required production in smaller series, and thus less filling of machinery. Chemicals are added in proportion to the quantity of water rather than the quantity of materials; thus a lower level of filling has a negative effect on relative consumption of chemicals.

The product mix was changed in the direction of piece-dyed products, which are refined more in the factory in Aalborg than are the material-dyed products. The result is a higher average consumption of chemicals.

Substances with better environmental properties are continually being substituted for chemicals and dyes. A new chemical was introduced this year which meets the requirements of the EU flower, but it must be added in greater quantities than previous products.

The relative consumption of chemicals was 16% higher than in the previous year. A reduction in consumption of chemicals is part of the 2003/04 environmental action programme.



Ninety-three percent of chemical production complies with the requirements of the EU flower. Twenty-eight percent of the consumption is the fire retardant Flovan, which is based on phosphorus and does not impact upon users and the environment.

CRITERIA FOR DETERMINATION OF SIGNIFICANT ENVIRONMENTAL IMPACTS

Environmental conditions and their impacts have been mapped at the Aalborg site. Following Gabriel's environmental policy, significant environmental impacts are determined on the basis of the following criteria:

- Energy consumption
- Waste water
- Chemicals and dyes. The effect of substances on the aquatic environment is assessed on the basis of a score system prepared by Ringkjøbing County
- The total quantity of waste, which leads to unnecessary resource consumption
- Information in safety data sheets
- Statutory limit values
- Requirements for the EU flower
- New information from institutes, authorities and others with extensive expertise in the area of the environment

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The importance of environmental impacts is expressed by setting up key figures which show the impact relative to production. The goal is to minimize the relative environmental impact.

ASSESSMENT OF ENVIRONMENTAL IMPACTS IN THE FACTORY AREA

Total relative energy consumption was 7% higher than last year. The increase is attributable to production in smaller series and a cold winter.

The relative quantity of waste water was 2% higher than last year. Lower consumption of rinsing water almost negated the increased consumption accompanying production in smaller series. The waste water is classified as not particularly polluted, and all requirements in relation to waste water are complied with. Only dyes free of heavy metals are used.

The relative quantity of industrial waste fell by 10% relative to last year, among other reasons because of reduced discarding and waste in production. The waste consists principally of textile remnants and packaging which are unsuitable for recycling and are therefore sent for incineration.

The company has fixed procedures for the handling of waste, which is sorted at source and consigned to appropriate containers. Cardboard, paper and plastic are sent for recycling.

The noise limits specified in the City of Aalborg's environmental approval (Chapter 5) were complied with.

Requirements concerning gaseous emissions were complied with and the use of natural gas as energy source ensures a minimal environmental impact.

Consumption of raw materials is primarily wool from New Zealand and sodium sulphate, which is used in dyeing processes, and sodium chloride, used to soften river water for washing, dyeing and production of steam.

Reticulated water accounts for only a minor part of water consumption as processing is based on river water. Potable water resources are thus spared.

Consumption of dyes depends primarily on the sales mix. Dark colours require greater quantities of dyes.

The environmental data are given on page 14.

ASSESSMENT OF INDIRECT ENVIRONMENTAL IMPACTS

Indirect environmental impacts at suppliers' premises are determined on the basis of the same criteria of significance used in the assessment of Gabriel's activities in Aalborg.

The environmental audits made at selected subcontractors' premises include charting of environmental considerations and environmental management, and assessment of compliance with ISO 14001 requirements. The criteria for labelling with the EU Flower are also used.

During the year, Gabriel's partners gained certification for weaving under ISO 9001 and ISO 14001.

Environmental impacts are also evaluated by carrying out life cycle analyses as described in the following reports published by the Danish Environmental Protection Agency.

- Life cycle analysis (LCA) of textiles from Gabriel, documentation report under ISO 14040, May 2000.
- Life cycle analysis and product-oriented environmental management at Gabriel, May 2000.

Significant indirect environmental impacts at subcontractors' premises include:

- Energy consumption and waste water in the scouring of raw wool
- Consumption of chemicals
- Energy consumption and carding waste in the spinning of yarn
- Energy consumption and waste water in the dyeing of yarn
- Transport of raw materials
- Transport of finished goods

The environmental qualities of Gabriel's products ensure that there is no impact on the environment from either processing or many years of use by the consumer. The products can be handled after their useful lives as ordinary non-hazardous waste or recycled, as they contain no hazardous substances such as heavy metals.



THE WORKING ENVIRONMENT

Gabriel ranks employee safety, health and well-being highly.

In cooperation with the consultancy BST, employees received instruction in correct work positions and the carrying out of work routines.

Recommendations were prepared concerning aids and preventive exercises.

Employees with special needs are offered flexi-jobs or reduced hours of work in order to preserve their position in the labour market.

An arrangement was also established under which employees with physical problems are treated at work by a physiotherapist.

The number of smokers was reduced via an active smoking policy, and no employees are exposed to annoying smoke in the workplace.

A new canteen arrangement was established during the year with a varied range of healthy foods.

In cooperation with the City of Aalborg, immigrants and others requiring a permanent place in the labour market are being integrated.

Physical conditions are under constant improvement, and a new office in the dye-works is nearing completion.

EMPLOYEE PARTICIPATION

Delegation of responsibility and a process-oriented work procedure ensure the individual employee an influence on his or her own work situation at Gabriel.

Employees are involved in environmental management under Gabriel's environmental management system. Environmental matters are considered at departmental meetings and areas requiring attention are determined.

ENVIRONMENTAL APPROVALS

Gabriel has environmental approval under Chapter 5 of the Danish Environmental Protection Act and has a permit for the discharge of waste water to public drains and a permit to take river water for processing purposes.

ENVIRONMENTAL ACTION PROGRAMME 2003/2004

The environmental action programme includes the following components:

- Examination of environmental impact of decline in batch sizes.
- In cooperation with the municipal of Aalborg, a new waste water permission to replace the existing is being prepared including enhanced waste conditions. This is based on major waste capacity in the new waste water connection.
- Examination of the possibilities of recycling the rinsing water as process water.
- Visualisation of the composition of the chemical consumption and description of the individual fabric's quality and environmental characteristics.
- An overall reduction of the consumption of chemicals.

Responsibility for implementation of the various activities in the environmental action programme has been assigned. The activities will be implemented by 30.9.2004.

Management regularly follows up on implementation of the activities in the environmental action programme.

The deadline for the 2003/2004 environmental report is 31.01.05.

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FURTHER INFORMATION

Please contact Gabriel if further details on the company's environmental issues are required.

Aalborg, 6 November 2003

Management



Jørgen Kjær Jacobsen
General manager



Rudi Bjørn
Sales manager



Kenneth Mynster Dolmer
Head of logistics, purchasing and IT

ACCOUNTING POLICIES

This environmental report was prepared in compliance with the requirements of the EMAS regulation, including verification. Thus the report also complies with the requirements of Section 35a of the Danish Environmental Protection Act and associated regulation on green accounts.

The report covers the period 1 October 2002 to 30 September 2002 and summaries were made on the basis of the usual accrual accounting according to the company's activities.

The environmental report includes both absolute quantities and key figures. Information in the report is based on data from ongoing internal readings and reports under the environmental management system.



DANSK STANDARD

EMAS

Validation of environmental statement

DS-Attest nr. 283.1

This is to certify that an environmental statement of the company

GABRIEL A/S
Hjulmagervej 55
9100 Aalborg

has been prepared in conformity with the relevant requirements laid down in the Regulation (EC) No 761/2001 of the European Parliament and of the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

Reference to the environmental statement:

Environmental Statement 2001/2002, dated 6 November 2003, written in Danish

DANSK STANDARD has verified this statement written in Danish and does not vouch for translations of the environmental statement into other languages

Reference to the environmental management system:

Environmental Management Manual of Gabriel A/S, edition dated 7 September 2003

NACE code:

17.4 Manufacture of made-up textile articles except apparel

On the basis of an examination of the environmental management system mentioned above, including the environmental policy, environmental programmes and audit procedures, the DANSK STANDARD hereby certifies that the environmental policy has been established so that it meets the requirement of Article 3 and relevant requirements in Annex I of the Regulation referred to; that an environmental programme and an environmental management system are in place and comply the relevant requirements in Annex I of the regulation; that the environmental audit has been carried out in accordance with the relevant requirements in Annexes I and II of the Regulation; that data and information in the environmental statement are reliable and adequately cover all the significant environmental issues of relevance to the site and comply the relevant requirements in Annex III, VI and VII, and that the industrial activities of the company correspond to the above NACE code.

Jørgen Larsen
Management representative

2003-12-09
Date of issue


Tommy Lund
Lead auditor

 **DANAK**
Reg. nr. 8000

 **DS**
CERTIFICERING
DANISH STANDARDS ASSOCIATION
Kollegvej 5, 2020 Charlottenlund

ENVIRONMENTAL DATA

	2003/04 Target	2002/03 Actual	2002/03 Target	2001/02 Actual	2000/01 Actual	1999/00 Actual	1998/99 Actual
Energy							
Natural gas (m ³)	-	515,869	-	549,760	741,809	761,985	705,587
(m ³ /m)	0.49	0.53	0.49	0.49	0.54	0.61	0.67
(KWh/m)	5.29	5.72	5.29	5.29	5.83	6.59	7.24
District heating (m ³)	-	27,516	-	29,589	34,684	43,345	43,679
(m ³ /m)	0.025	0.028	0.025	0.026	0.025	0.03	0.04
(KWh/m)	1.01	1.13	1.01	1.05	1.01	1.22	1.62
Electricity (KWh)	-	1,262,000	-	1,424,000	1,749,000	1,607,400	1,583,600
(KWh/m)	1.26	1.30	1.26	1.26	1.27	1.29	1.50
Total energy (KWh/m)	<u>7.56</u>	8.15	7.56	7.60	8.11	9.10	10.36
Waste water							
Waste water(m ³)	-	92,090	-	105,062	155,840	142,652	120,626
(l/m)	<u>93</u>	95	93	93	113	115	114
Waste							
Chemical waste (kg)	-	0	-	490	511	0	0
Industrial waste (kg)	-	36,860	-	47,720	65,190	85,091	85,650
(gm/m)	38	38	42	42	47	68	81
Cardboard for recycling (kg)	-	20,580	-	22,700	34,680	28,900	-
Plastic for recycling (kg)	-	2,760	-	3,640	2,780	810	-
Chemistry							
Chemicals (kg)	-	126,745	-	127,542	172,899	150,969	139,274
(gm/m)	<u>120</u>	131	<u>110</u>	113	126	121	132
Dyes (kg)	-	11,166	-	12,523	11,640	14,290	12,427
(gram/dyed kg)	-	22	-	25	25	24	24
Consumption of raw materials/reticulated water							
Yarn (kg):		648,449	-	710,042	1,186,557	996,849	591,118
Sodium sulphate (kg):		54,600	-	55,650	77,700	79,800	64,050
Sodium chloride (kg):		50,250	-	73,470	86,250	62,650	98,290
Reticulated water (m ³):		12,390	-	8,365	10,443	12,522	12,219

NOTES

STATEMENT OF GOALS

Goals for improvements for 2002/03 and 2003/04 are given with underlining. Other goals are goals to be maintained.

ENERGY

The unit "m" specifies metres of furniture fabric with width varying from 1.3 to 1.7 m.

1 m³ natural gas = 10.8 kWh (source: Dansk Naturgas A/S).

A cooling of 350C is used for conversion of m³ district heating to kWh. The heated production area was extended in 1999/00.

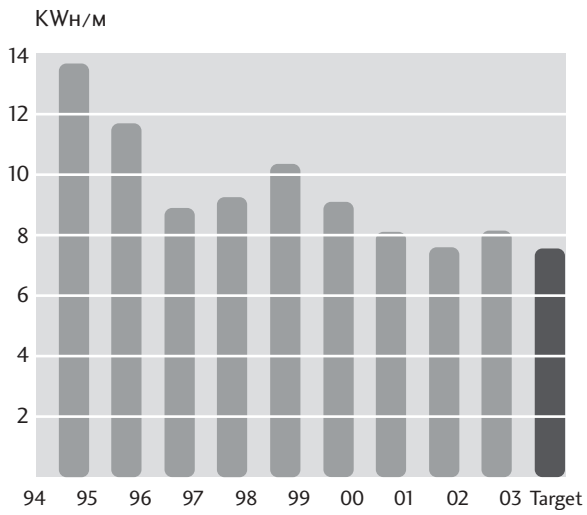
Total energy is the sum of energy consumption in kWh/m from natural gas, district heating and electricity.

WASTE

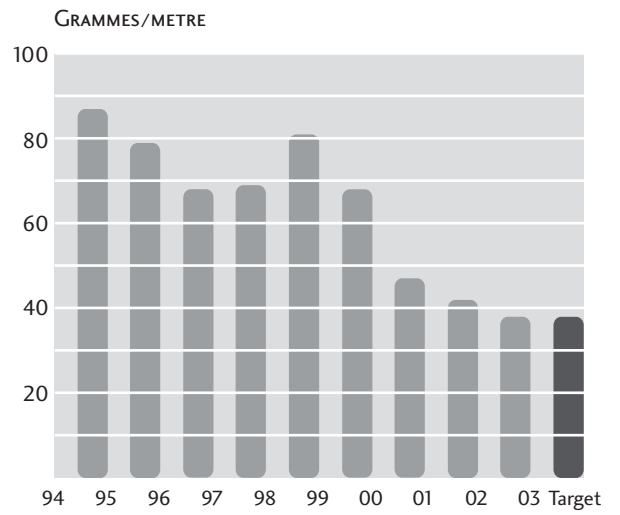
Waste recorded does not include construction and metallic waste from renovation of buildings and plant.



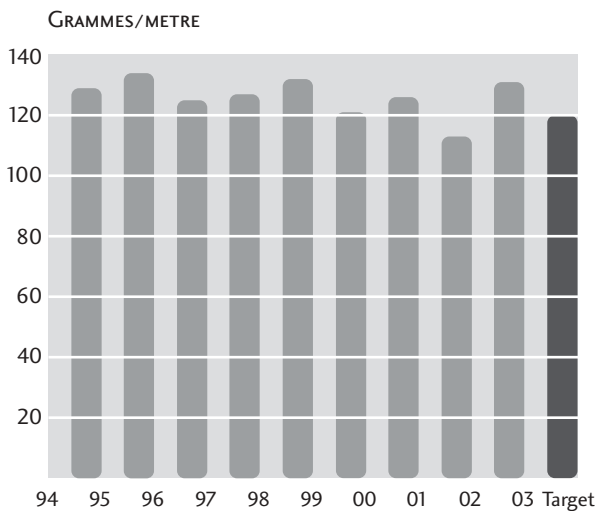
TOTAL ENERGY CONSUMPTION



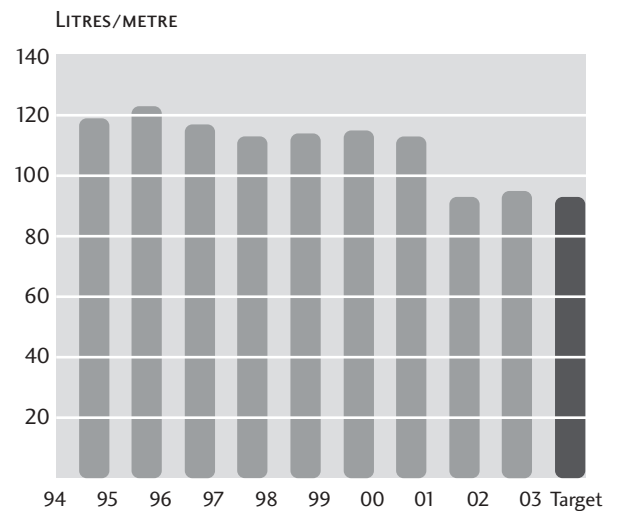
INDUSTRIAL WASTE PRODUCED



CONSUMPTION OF CHEMICALS



WASTE WATER PRODUCED



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ENERGY SUPPLY

