
CSR REPORT

2015/16

Gabriel
Holding A/S

Hjulmagervej 55
9000 Aalborg
CVR nr. 58 86 87 28



Gabriel

MAKING SENSE OF BUSINESS



MISSION

Innovation and value-adding partnerships are fundamental values of Gabriel's mission statement.

Gabriel is a niche company which, in the entire value chain from concept to furniture user, develops, manufactures and sells upholstery fabrics, components, upholstered surfaces and related products and services.

Gabriel develops its services to be used in fields of application where product features, design and logistics have to meet invariable requirements, and where quality and corporate social responsibility must be documented.

In the Gabriel Group, we believe that the true purpose of our business is to create long-term growth while creating value for customers, users, partners and employees, acting responsibly towards the environment, and making a difference to the communities we are part of. It is at the core of the business and a strong strategic driver.

To succeed in creating value, the company depends on dedicated employees. To ensure strong employee commitment, the company strives hard to create meaningful jobs, a strong sense of purpose and motivating work environments.

This CSR Report reflects our commitment to run a profitable business while contributing to solving broader challenges that impact each and every one of us.

We are pleased to share with you:

- Our CSR values and efforts.
- Our objectives and how the Group aims to make further improvements.
- An overview of the progress we have made.
- Insight into some of the challenges we are facing.

The Gabriel Group is committed to transparent reporting and are pleased to present a new and more easily accessible CSR Report. The report is aimed at our primary customers and at everyone with an interest in Gabriel – from partners and suppliers to investors and employees. This report is an invitation to further co-operation, and we hope to inspire our customers to engage directly with us to create further improvements and activities together.

At Gabriel, we are aware that CSR is a never-ending challenge. We take on our responsibility by continuing to raise the bar and striving to stay at the forefront. We do it, because it makes sense for our users and business, for our people and partners – and not least for the planet.

Please join us in our quest for a higher purpose

Anders H. Petersen
Anders Hedegaard Petersen
CEO

Kurt Nedergaard
Kurt Nedergaard
Director of CSR & Quality

We invite you to offer your comments on this report and welcome any enquiries. Please contact:

- Kurt Nedergaard, Director of CSR & Quality: kn@gabriel.dk / +45 2324 2311
- QEP-Master: qep@gabriel.dk
- Or any other member of the Gabriel team who will help you find the answers you are looking for.

Please refer to the Annual Report 2015/16, Gabriel Profile and www.gabriel.dk for further information about the Gabriel Group.



A RACE TO THE TOP

Gabriel was the first company in the upholstery fabric industry to significantly improve its environmental performance and gain a range of environmental certifications.

The improvements covered a wide range of processes – from eliminating heavy metals in dyeing procedures to introducing quality and environmental management systems and adopting the product labels Oeko-Tex, the EU Ecolabel and *Cradle to Cradle™* certified.

The Gabriel Group continues to do progress and delivers solid growth in both revenue and profit. Within the last year, we have moved closer to our customers with new sales offices in Stockholm, Paris and Grand Rapids (Michigan, USA). FurnMaster units have been certified according to ISO 9001, and six new fabrics have been launched.

In addition, the Group management have been strengthened by including the CFO and CCO in the top management of Gabriel Holding A/S and by establishing two new executive positions – a Creative Director and a Director of CSR & Quality.

Today, the Gabriel Group is more committed to CSR than ever before, and with new insights and technologies it is possible for us to achieve even further improvements and continue the race to the top.

The process of achieving improvements has, however, become more and more complex. Every company has to look far beyond their own backyard, focus on the entire value chain and co-operate with a wide range of stakeholders - from global supply chain partners to customers, NGOs and knowledge institutions.

To simplify the process, Gabriel has established a CSR Academy. The purpose of the academy is to educate about CSR, break down organisational boundaries, and to ensure that all stakeholders share the same values and work towards common goals.

Please come and join us!

KEEP MOVING FORWARD

- The entire Gabriel Group wants to work even closer with our customers to find out how our CSR programme can support customers' sales and value creation processes.
- Within the next year, it will be defined how we can support the new Sustainable Development Goals of the United Nations.
- The process of certifying all Gabriel business units in the areas of quality, environment, work environment and CSR will continue.

Go Couture, Go Check and Go Uni
– the only *Cradle to Cradle™ Certified*
upholstery fabrics made from Trevira CS.

A STRONG SENSE OF PRIDE AND PURPOSE

Every day at Gabriel, dedicated employees create superior customer experiences. They are making a difference, they are creating value, and they are going the extra mile. This makes everybody proud and acutely aware of the fact that the employees are the heart and soul of the company.

We know that motivated employees improve customer experiences, and that the company can only succeed if the employees go to work happy, proud of what they do and with a strong sense of purpose. Consequently, the Gabriel Group continuously seeks to create positive and open work environments for our employees to thrive.

In addition, the company cultivates a strong sense of solidarity, we have fun, and we challenge each other – no matter where in the world we work. Every day organisational boundaries are crossed to help each other out and to learn from each other. Crossing borders creates understanding, respect and humility towards our colleagues and the work they do.

The Gabriel Group is rapidly growing and so is the team of employees. All new employees are given a warm welcome and meaningful job responsibilities from their first day at work. New

team members are met by employees who have been working with Gabriel for years, and who all have the same story to tell: A story about an organisation, curious by nature, always on the lookout for new opportunities, new inspiration and new markets without ever compromising its high ethical standards.

KEEP MOVING FORWARD

- All new colleagues will always be properly introduced to Gabriel and our core values.
- Initiatives to ensure superior employee motivation and a strong sense of purpose is a continued focus.
- A good working environment across all business units and regions must always be provided.



Members of the Gabriel team.

CREATING SUPERIOR FUNCTIONAL AND EMOTIONAL VALUE

Gabriel is the furniture industry's preferred development partner and supplier of upholstery fabrics, components and related products and services. It is a position earned over the years by our ability to create superior functional and emotional value for our customers – and for the end users.

Our products and services are used in fields of application where demands are high. Product features, design and logistics have to meet invariable requirements, and quality and CSR must be documented. There is no cutting corners, and the standards within the industry are continuously raised to meet customer and consumer expectations. Gabriel believes that intensive co-operation with key account customers ensures continuous optimisation of products and services. Customer satisfaction surveys are regularly performed and used for creating continuous improvement.

Creating comfortable and safe indoor environments

At Gabriel, our main goal is to help our customers succeed in delivering great looking and highly functional furniture to happy consumers. Consequently, consumer health and safety is one of the key focus areas.

Many people spend the majority of their time indoors, and a good indoor climate is essential not only to well-being but also to productivity. Gabriel develops products that contribute to the creation of comfortable and safe indoor climates in homes and offices.

Rather safe than sorry

In all our business areas – from Fabrics to FurnMaster, Sample-Master and ZenXit – Gabriel is very restrictive, when it comes to the use of chemicals. Each raw material, including for example dyes and processing aids, undergoes a comprehensive evaluation

and approval process, before being allowed in the products. Gabriel rejects all types of chemicals, if we are not convinced that they are harmless to both humans and the environment.

Transparency creates credibility

At Gabriel, we document our environmental performance to ensure that our customers have all the information they need to make environmentally sound choices. As consumer demands for safe and sustainable products increase, transparency creates credibility – all the way to the end user.

Let's go green!

Through the commitment to sustainability and consumer safety, Gabriel wants to support our customers go green. Gabriel offers the largest selection of eco labelled upholstery fabrics on the market, and our products carry internationally recognised product labels such as Oeko-Tex, EU Ecolabel and Cradle to Cradle™ Certified.

The labels are strong endorsements of the products' performance and empower our customers to meet increasing market demands for safe and sustainable products – and to achieve their own sustainability objectives.

Challenge us

Gabriel is ready to support our customers meeting the increasingly specific requirements from the public and private sector. We are always prepared to offer technical support and provide the necessary documentation, and it is our experience that we are able to make significant contributions that help realise customer projects.

Please contact us at any time.



KEEP MOVING FORWARD

- Gabriel will continue to offer the largest selection of upholstery fabrics on the market with internationally recognised product labels such as Oeko-Tex, EU Ecolabel and Cradle to Cradle™ Certified.
- New product labels are added if they support our primary customers in their markets.
- The use of recycled materials across business areas and products will be increased.
- The Gabriel Group will continue our proactive efforts to avoid hazardous chemicals. Chemical legislation such as REACH only sets the minimum level.

"Let's work together to create excellent indoor environments."



Step upholstered on Cron from Actiu.

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN MANAGEMENT

In the Gabriel Group, our CSR efforts cover the entire organisation across business areas and countries, every aspect of the working day, every process and procedure and the entire supply chain. In addition, our approach to CSR fully complies with the UN Global Compact principles.

For our customers this means that they can rest assured and feel confident working with us. Gabriel wants to care about the details, we take an open and honest approach to CSR, and there should be no unpleasant surprises.

Every day we co-operate closely with customers around the globe to understand, support and address the issues that they face and develop sustainable solutions that continue to meet their requirements and the market's changing needs.

In close co-operation with our primary supply chain partners, we work to strengthen CSR activities across the entire supply chain. From animal welfare on New Zealand to global working conditions and ensuring human rights, we set high standards and take an end-to-end responsibility. All initiatives are managed through certified management systems, and we visit and audit supply chain partners on a regular basis.

Partners are chosen with great care

The Gabriel Group maintains the highest standards of ethical conduct, and we expect no less from our supply chain partners. Partners are chosen with great care, and we aspire to work only with business partners, who are transparent about their efforts, who share our CSR vision and are committed to turning this approach into action.

Our partnerships reach far beyond signing our Code of Conduct – a must for all suppliers. In 2015/16 we have updated our country risk analysis covering primarily human rights and corruption to ensure we have identified all potential issues in our countries of operation.

Quarterly, the specific risk assessment of our partners are updated to mitigate risk in the supply chain. This assessment also includes topics such as working environment, environmental performance and other topics from the Code of Conduct in order to track progress and secure continued compliance. We develop strategic plans with our partners that are continuously implemented.

The Gabriel Group expects our supply chain partners to join us wholeheartedly on the road to improving CSR performance – and we have seen no violations of our Code of Conduct.

Over the past years, business with our supply chain partners have been improved and systematised. More and more suppliers have become certified in accordance with ISO 9001 and ISO 14001. Suppliers producing significant volumes of the product programme have shifted to 100% renewable energy to reduce climate impacts. There is an overall reduction of the water and energy consumption per unit produced. In addition, we have purchased CO₂ credits covering 5% of onsite emissions related to our *Cradle to Cradle Certified™* programme, and we are monitoring and setting targets for shipments by sea to reduce costs and climate impact.

We get you the information you need

Every year, an increased amount of supplier performance data becomes available to us. The Gabriel Group have chosen not to publish all the information in this CSR Report, but we will provide our customers with the specific data, facts and information on request. We welcome any enquiry and do our utmost to answer any questions that might arise.



"The Gabriel Group maintains the highest standards of ethical conduct, and we expect no less from our supply chain partners."



KEEP MOVING FORWARD

- To comply with the new requirements of the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises, we will within the next year fully document our social responsibility development plans together with our strategic supply chain partners.
- The Gabriel Group is open and honest about major non-conformance issues.
- We want to ensure that our customers always find safety and environmental performance of the production best in class – throughout the entire supply chain.
- The Gabriel Group will continue to require documented and certified management systems from strategic suppliers covering key areas such as quality, environment and climate, occupational health and safety as well as CSR in general.

NUMBER OF
EMPLOYEES

 **292**



GENDER BALANCE

TOP MANAGERS: **13% FEMALE**

MIDDLE MANAGERS: **57% FEMALE**

PRODUCT LABELLING



95%



56%



12%

NUMBER OF MANAGEMENT SYSTEM CERTIFICATES IN THE GABRIEL GROUP

ISO 9001: **10**

ISO 14001: **2**

System Coverage: **100%**



NUMBER OF VISITS AND AUDITS AT OR BY STRATEGIC SUPPLY CHAIN PARTNERS

Gabriel Group: **193**

PERCENTAGE OF STRATEGIC PARTNERS WHO SHARE DETAILED CSR-DATA **100%**

CONSUMPTION OF RAW MATERIALS **1,885 TONS**

Wool: 773 tons

Polyester: 1,092 tons

Recycled input materials: 21 tons



TRANSPORT BY SEA

97.2%



Transport from China to Europe

CSR POLICY

The CSR policy is applicable to activities of the Gabriel Group and includes our collaborative approach to the value chain.

Gabriel endorses the principles embodied in the UN Global Compact and focuses on the following areas:

- To develop and manufacture our products and services with user health and safety in mind, reducing our impact on environment and climate, and with respect for animal welfare throughout the production process.
- To ensure good working environments throughout the supply chain in compliance with country-specific laws and Gabriel's own requirements. These requirements comprise detailed technical specifications and the content of Gabriel's Code of Conduct.
- To treat continuous employee development and skills upgrading as high priorities.
- To support students by providing practical training. Gabriel participates in training projects which benefit both the students and the company.
- To maintain our position as first mover within our industry by implementing new initiatives to improve our performance as a responsible company.
- To take into account all product life cycle stages and focus on the areas where we have the strongest influence and can make the biggest impact.
- To encourage sustainable consumption and user health by using product labels: Gabriel works with recognisable labelling schemes with a high level of consumer trust.
- To advise customers and users on significant impacts related to the production, use, recycling or disposal of the company's products. Company employees in customer contact positions must be able to provide correct information on the Group's objectives and policies. This information is available at the company website.
- To select our suppliers on their ability to fulfil environmental requirements and willingness to enter into an open and detailed partnership to achieve optimum outcomes. Supply chain partners must regularly introduce cleaner technology, environmental improvements and cleaner energy sources, paying due heed to the technical and financial implications.
- To apply internationally recognised standards such as ISO 9001 to Quality Management Systems, ISO 14001 to Environmental Management Systems, and follow the principles of OHSAS 18001 Occupational Health and Safety Management and ISO 50001 Energy Management.
- To conduct an open and detailed dialogue with the authorities on CSR and environmental requirements and oppose unlawful acts and irregularities.
- To communicate our CSR activities openly and foster the spread of CSR as a company-wide managerial activity.
- To annually renew our objectives within CSR, prepare action plans to ensure ongoing reductions of the most significant impacts and create continuous improvements; integrating objectives into the internal business plans described in the CSR Report, and make them known to all employees. The CSR Report shows results and completed objectives and is published with the annual financial statements.

Gabriel®

Gabriel Holding A/S
Hjulgagervej 55
DK-9000 Aalborg
Phone: +45 9630 3100
www.gabriel.dk

