



CSR Report 2016-17

Gabriel Holding A/S
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CVR nr. 58 86 87 28

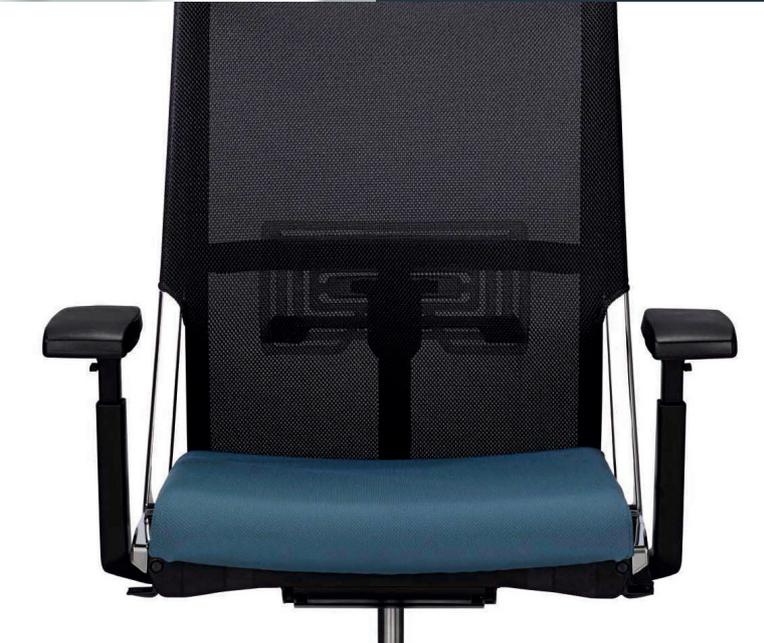


Mission

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 environmental management must be documented.





Making sense of business

Dear Reader,

Throughout 2016/2017, the Gabriel Group has experienced substantial growth, and in our effort to continuously develop and expand our business, CSR is still a central factor.

In the past year, our primary focus has been to ensure that our fabrics continue to meet even the latest and most stringent CSR requirements and expectations.

With the environmental certification of FurnMaster companies, the entire Gabriel Group is certified in accordance with ISO 14001 standards*. The FurnMaster certifications follow last year's ISO 9001 certification.

At Gabriel, CSR is a top priority and consequently, an integrated part of our mission statement. The Gabriel mission not only states that we must create value for all stakeholders, but also that all CSR and quality efforts must be documented.

In our 2016/2017 CSR Report, we share what we have accomplished in the past year, and where we are headed. We are proud of our accomplishments and committed to doing even better in the future.

Our CSR Report complies with the CSR reporting requirements in §99a of the Danish Financial Statements Act as well as the UN Global Compact requirements.

We hope you will enjoy reading our report.

Anders Hedegaard Petersen
CEO

Kurt Nedergaard
Director of CSR & Quality

More information

Gabriel invites you to offer your comments on this report and welcomes any enquiries. Please contact:

- Kurt Nedergaard, Director of CSR & Quality: kn@gabriel.dk, +45 2324 2311
- Rikke Lyhne Jensen, Project Manager CSR & Quality: rlj@gabriel.dk, +45 6014 2475
- 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 2016/17, Gabriel Profile and www.gabriel.dk for further information about the Gabriel Group.

For the sake of the environment, this CSR Report is only available online.

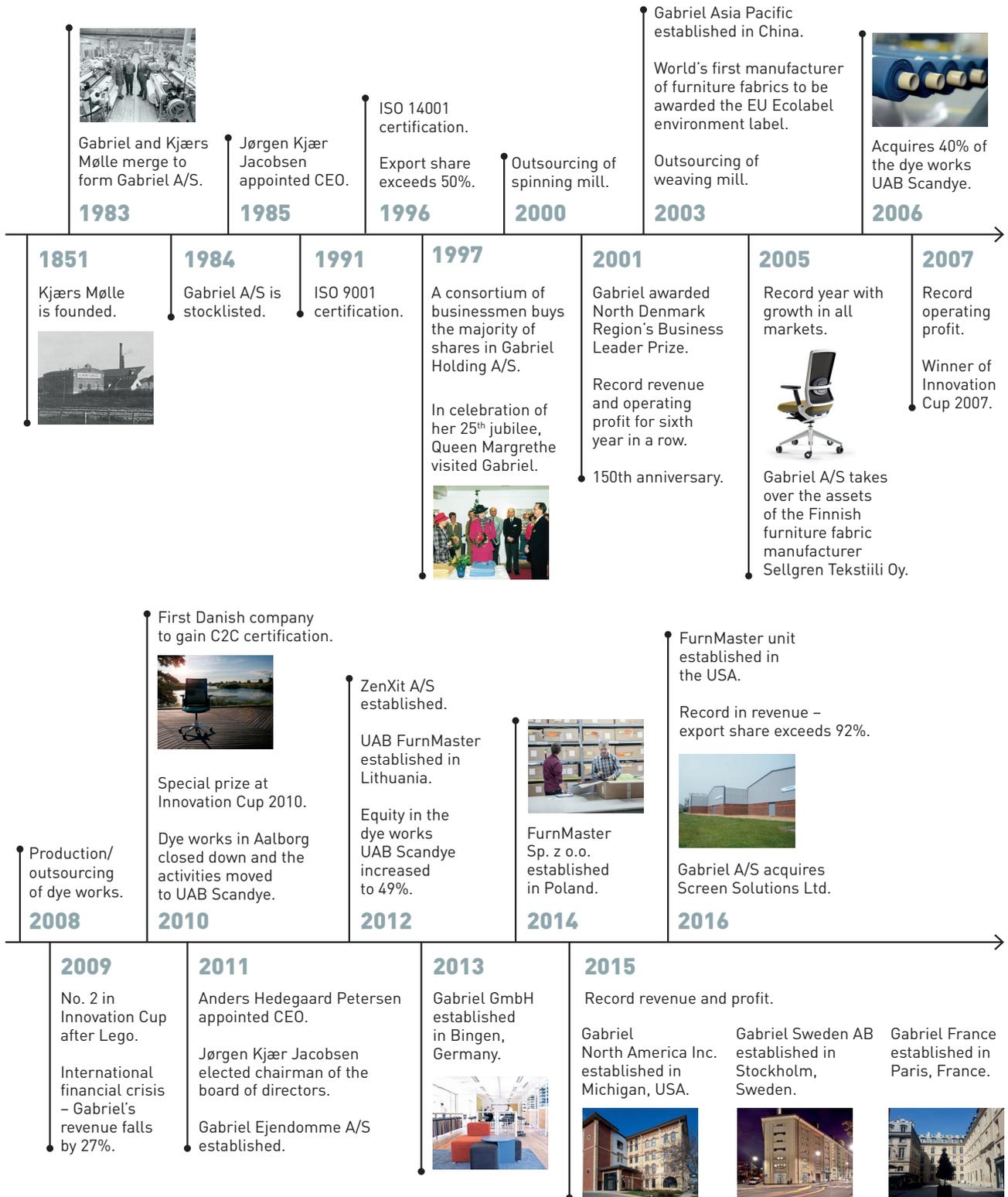
*FurnMaster sp. z o.o. obtained ISO 14001 in 2018.

From 1851 to 2017

Since the very beginning, sustainability has been a core value at Gabriel and a determining factor in the development of our company.

More than 150 years ago, Gabriel was founded on an idea of processing wool, nature's own material, and even today the development of sustainable products and solutions still form the foundation for company growth.

Historic Milestones



Our business model

The Gabriel Group applies management systems which offer a high degree of independence to the individual Group companies.

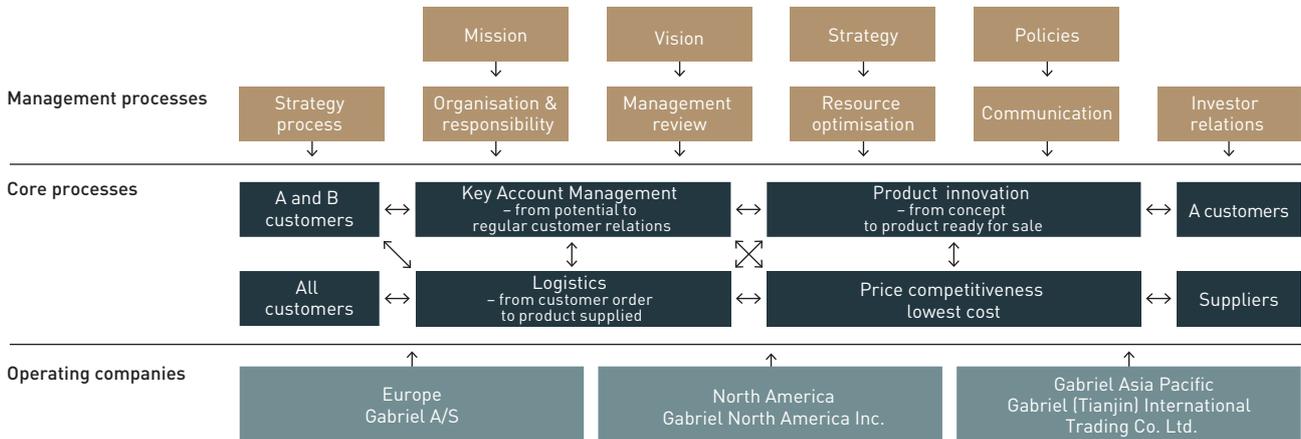
The purpose is to ensure that each company complies with the Group's mission and vision statements, overall strategies and policies – and at the same time has the freedom to develop and manufacture the products and services required by their specific markets and customers.

Gabriel is committed to identifying, preventing and reducing risks associated with CSR. Potential CSR risks include pollution of the environment, consumer health issues as well as work environment issues throughout the supply chain.

We continuously work to reduce environmental and health risks by ensuring that all Group companies apply certified management systems, and that product development and manufacturing processes always meet international standards and certifications.

Our consistent and targeted risk management efforts significantly reduce risk exposure.

Business model



Gabriel is committed to identifying, preventing and reducing risks associated with CSR.

New certifications and standards

Throughout 2016/2017, Gabriel's CSR efforts have resulted in various new approvals and certifications across the Group companies.

Gabriel North America has been certified in accordance with ISO 9001 and ISO 14001. UAB FurnMaster has obtained ISO 14001 and FurnMaster sp. z o.o. obtained ISO 14001 in 2018*. Furthermore, UAB FurnMaster has achieved FSC certification and is now able to deliver FSC-labelled products.

Gabriel has chosen to adhere to Danish Fashion and Textile's revised Code of Conduct which is based on the UN Global Compact and the UN Guiding Principles on Human Rights and Business.

The focal point of the new Code of Conduct is still UN's four global focus areas: Human and employee rights, the environment, anti-corruption, and animal welfare.

With the new Code of Conduct as the point of departure, Gabriel will continue to focus on exercising due diligence in close cooperation with our suppliers.

Over the next two years, Gabriel plans to develop management systems related to work environment. The dye works Scandye has been certified in accordance with OHSAS 18001 for several years, and it is our goal that all Group companies obtain work environment certification.

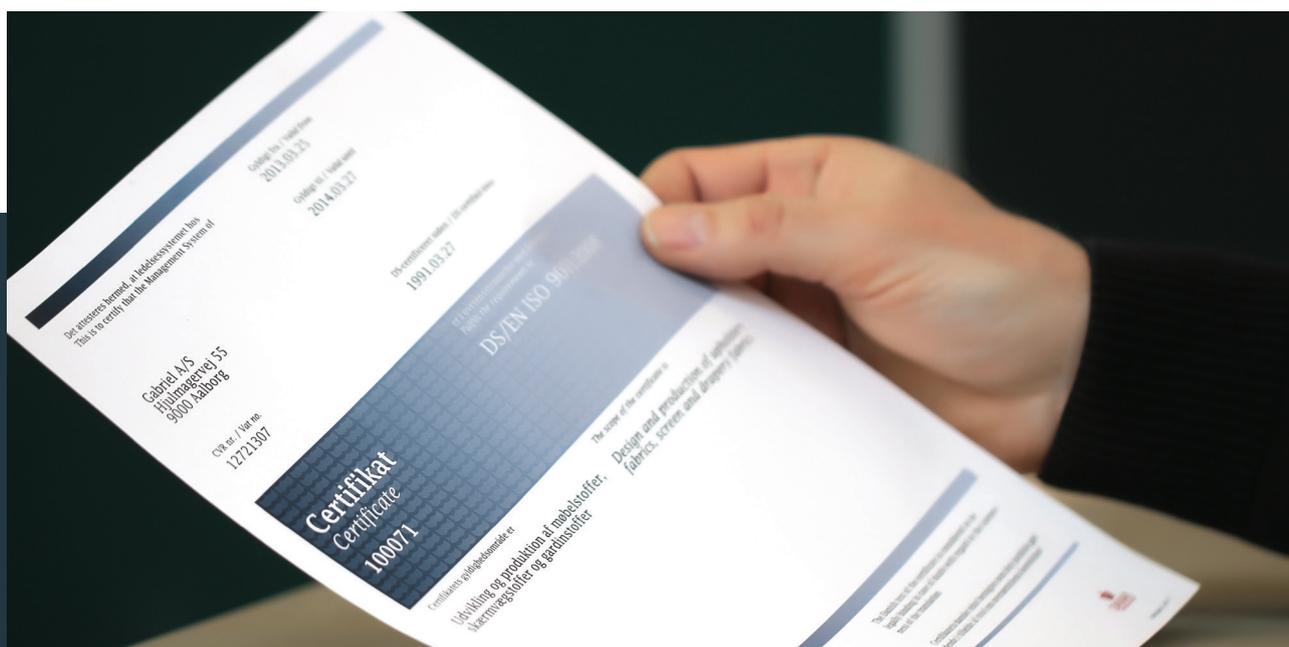
CSR Academy for customers

The purpose of Gabriel Academy is to educate about CSR and products. A CSR Academy course is organised and conducted by Gabriel representatives. It takes place at a Gabriel facility somewhere in the world or is hosted by one of our customers.

Please contact us for further information.

Goals

- The entire Gabriel Group works closely with customers to support customers' sales and value creation processes.
- Within the next year, the Gabriel Group aims to strengthen and update systems in relation to the upcoming international ISO standard for Occupational Health & Safety and ISO standards for energy management and anti-bribery.
- Furthermore, Gabriel will continue to focus on the 17 UN Sustainable Development Goals as well as the new and extended Code of Conduct from Danish Fashion and Textile.



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United Nations' 17 sustainable development goals

In 2015, the United Nations adopted 17 sustainable development goals. These goals describe specific objectives to be realised in the years to come – in 2030 at the latest – and the goals are defined in the UN § 51 resolution no. A/RES/70/1. Goals and targets will stimulate action in areas of critical importance to humanity and the planet. The 17 goals are supported by 169 targets, which demonstrate the scale and ambition of this new, universal agenda.

Gabriel endorses the United Nations' 17 sustainable development goals and considers the following four goals the most important and relevant to our business:

- Goal 6.** Ensure access to water and sanitation for all.
- Goal 7.** Ensure access to affordable, reliable, sustainable and modern energy for all.
- Goal 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- Goal 12.** Ensure sustainable consumption and production patterns.

Addressing the challenges described in the global goals is, however, not new to Gabriel. For several years, the Gabriel Group has been committed to meeting UN goals and has implemented a wide range of far-reaching solutions. Solutions range from eliminating harmful substances and using renewable energy to providing products from responsible sources, reducing waste, increasing recycling to approaching ethical matters such as human rights, gender equality, and sustainable business behaviour.

Goals

The focus on responsible and sustainable production, products and services is implemented at all levels of the Gabriel Group, and in the coming years, the focus will be on improving performance even further in accordance with the UN's 17 sustainable development goals.



The global goals for sustainable development.

CSR happens between people

CSR is basically all about people, and in the past year, Gabriel has worked determinedly to develop a company culture that supports and reflects our CSR policies.

Gabriel never compromises, when it comes to employee satisfaction, and the goal is satisfied employees who thrive in safe and positive work places.

One way of creating positive work environments and thriving employees is to ensure that all employees have the necessary skills and qualifications to meet job demands. Another way is to make sure that all employees know exactly what their jobs entail, what their responsibilities are and what is expected of them.

Today, Gabriel is a global company spanning multiple countries and cultures. To succeed in a cultural diverse marketplace, Gabriel employs local professionals who have an in-depth understanding of the norms and regulatory requirements that apply in each country where Gabriel has activities.

No matter where our employees come from and regardless of their job functions, every Gabriel employee is required to adhere to the guiding principles and key values that apply to the entire Gabriel Group – including our CSR policies and processes.

Knowledge sharing creates not only operational efficiency but also a strong sense of purpose. Consequently, exchanging and sharing best practises on a daily basis is a key value.

Employees who have been working with Gabriel for years 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.

The 1948 UN Universal Declaration of Human Rights defines labor standards that aim to achieve decent and humane working conditions. The Gabriel Group is committed to uphold the internationally accepted UN practices and standards – throughout the entire supply chain.

Suppliers and others affiliated with the Gabriel Group are expected to ensure respectful and ethical treatment of workers and to comply with all relevant and applicable laws. Gabriel monitors and ensures compliance through audits and by continuously encouraging best practices. Our key focus areas are fair wages and safe and healthy work places.

www.un.org/en/universal-declaration-human-rights

The Gabriel Culture

- We are proud of our company.
- We strive for excellence – measured by our customers.
- We are profitable.
- We have a growth mindset.
- We seek possibilities rather than avoiding mistakes.
- I am proud of my team and my role.
- We act with integrity.
- We are global.



Members of the Gabriel team in North America.

Creating superior functional and emotional value

Gabriel aims to be the furniture industry's preferred development partner and supplier of upholstery fabrics, components and related products and services.

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.

Industry standards are continuously raised to meet customer and consumer expectations. At Gabriel, close co-operation with Key Account customers ensures continuous optimisation of products and services. Customer satisfaction surveys are regularly performed and provide the foundation for continuous improvement.

Creating comfortable and safe indoor environments

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

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

Eliminating harmful substances

In all business areas – from Fabrics to FurnMaster, SampleMaster and ZenXit – Gabriel is very restrictive, when it comes to the use of chemicals. Each raw material, including for example dyes, undergoes a comprehensive evaluation and approval process, before being allowed in the products, and Gabriel rejects all types of harmful chemicals.

Transparency creates credibility

Gabriel documents environmental performance to ensure that 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.

Documented CSR

Gabriel offers the largest selection of eco-labelled upholstery fabrics on the market, and the 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 customers to meet increasing market demands for safe and sustainable products – and to achieve their own sustainability objectives.

As an example UAB FurnMaster has achieved FSC certification and is now able to deliver FSC-labelled products made from wood from sustainable sources.

Meeting invariable demands

Gabriel helps customers meet the increasingly specific requirements from the public and private sectors, and offers technical support and documentation that help our customers realise their projects.

Please do not hesitate to contact Gabriel at any time for further information.



Goals

- 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 will be added, if they support primary customers in their markets.
- The Gabriel Group will continue to take proactive steps to avoid hazardous chemicals.
- Gabriel will expand the selection of FSC labeled solutions.



Management systems: ISO 9001, ISO 14001

ISO 9001 and ISO 14001 are both standards for quality and environmental management. A company can choose to become certified to these standards. Both standards are based on the principle of making continuous improvements by implementing a fixed cycle: evaluate the current situation; set goals and formulate policies; implement the required actions; and, finally, measure the result. Based on the result, an assessment is made of whether actions and goal are adequate, or whether to make improvements and set new goals. ISO 9001 focuses on parameters of significance for a company's quality performance, while ISO 14001 concerns the matters of significance for the company's environmental performance. An important tool in this is the audit, which assesses whether the systems are functioning as planned.

www.iso.org



Oeko-Tex

Oeko-Tex is the world's leading health label for textiles. The label certifies that the item was tested and approved according to the requirements set by the international Oeko-Tex Association. These requirements concern the content of chemicals which are – or are suspected of being – physically harmful. The label goes further than the law. The requirements are divided into four classes, depending on the textile's use (how close to the body they are). The substances in question include, for example: formaldehyde, chemical residues with an acidic or basic action, pesticides, phenols, heavy metals, special dyes and phthalates.

www.oeko-tex.com



Cradle to Cradle

Cradle to Cradle concerns the way we view our resources (extraction, use, disposal) and works to create a closed cycle with either technical or biological nutrients. The concept was formulated by the German Michael Braungart and the American William McDonough in 2002, but ideas underlying the concept are now shared in various circles.

A Cradle to Cradle certification assesses the product on five counts: renewable energy; water consumption; material health properties; social responsibility; and recycling. The result is certification at one of five levels. The scheme is administered by The Cradle to Cradle Products Innovation Institute.

www.epea.com

www.c2ccertified.org

www.mbdic.com



EU Ecolabel

The EU Ecolabel (the Flower) is the European Union's environment label. The label covers environmental issues throughout the product's life cycle with a focus on energy, water and chemicals, and accords a high priority to reducing the most significant environmental impacts of a given product. For textiles, this means focusing on the quantity of pesticide residues in the raw material, the scouring of the raw wool, the use and emissions of hazardous chemicals in production, and the quantity of toxic substances and heavy metals in the finished product.

The EU Ecolabel also sets requirements concerning the product's quality, so that the product with the environmental label is at least as good as the non-labelled alternative.

www.ec.europa.eu/environment/ecolabel/



FSC

FSC is a global non-profit forest certification system promoting the responsible management of the world's forests – and protecting them for future generations. The organization works against deforestation, protects animals and plants and ensures that foresters receive decent wages, proper training and safety equipment. The FSC operates in more than 100 markets, and the label is respected around the world.

www.ic.fsc.org



Gabriel: Ten-year guarantee

Gabriel provides a ten-year guarantee against wear-through on all furniture fabrics in the price list under normal office or home use, normal maintenance and appropriate upholstery. The label was designed by Gabriel. Gabriel also has a comprehensive spot removal guide which can also be used to keep the fabric clean and attractive in the event of an accident.

www.gabriel.dk/en/fabrics/product-standards/10-year-guarantee/



Gabriel: No heavy metals

The label was developed by Gabriel back in the 1980s to signal to customers that Gabriel can offer ranges of dyes which are free of heavy metals. Gabriel was the first Danish textile manufacturer to introduce this, and no heavy metals are now used in our dyes. Since then, the environmental labels have appeared, and they also govern the limit values for heavy metals. The label is also still used as a symbol of our tradition of taking the lead in the sector.



Web and Step upholstered on Soko's Alaia chair.
Designed by Irtzoki Lizaso.

Responsible production and supply chain management

The Gabriel Group's 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, Gabriel's CSR approach fully complies with the UN Global Compact and UN Guiding Principles on Human Rights and Business.

To meet our CSR objectives and comply with the UN Guiding Principles, the entire Gabriel Group applies efficient management systems, and all suppliers and partners sign – and work in compliance with – the Gabriel Group's Code of Conduct.

In close co-operation with suppliers and partners, Gabriel works to strengthen CSR activities across the entire supply chain. From animal welfare on New Zealand to global working conditions and human rights, Gabriel sets high standards and takes an end-to-end responsibility. All initiatives are managed through certified management systems, visits and audits at suppliers.

We choose our partners with great care

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

Risk assessments are made to mitigate risk in the supply chain including factors such as physical and mental work environment and environmental performance. The purpose is to track progress and secure continued compliance with both CSR and quality standards.

Gabriel develops strategic plans with partners that are continuously implemented, and encourages suppliers – and requires strategic partners – to get certified in accordance with ISO 9001, ISO 14001 and OHSAS 18001 – or in the future ISO 45001.

The Gabriel Group expects all suppliers to uphold high CSR standards, and there have been no violations of our Code of Conduct.

The majority of Gabriel's upholstery and screen fabrics are dyed at Scandye. The dye house has recently invested in new dyeing machines, and other investments are in the pipeline the next three years. Measurements throughout the year show that the energy use that causes CO₂ emissions are at the planned level and new investments will lower the emissions even more.

Saving resources and cutting emissions

Gabriel's most energy heavy production has shifted to 100% renewable energy to reduce climate impacts, and an overall reduction of the water and energy consumption per unit produced has been achieved.

In addition, Gabriel has purchased CO₂ credits covering 5% of onsite emissions in relation to Gabriel's Cradle to Cradle Certified™ program, and is monitoring and setting targets for shipments by sea to reduce costs and climate impact.

In addition to buying CO₂ credits, Gabriel continuously strives to bring up the share of renewable energy bought from local suppliers around the world.

Get the information you need

The Gabriel Group has chosen not to publish all information in this CSR Report, but will provide customers with specific data, facts and information on request. Any enquiry is welcomed.



Goals

- To comply with the new requirements of the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises, we will fully document our social responsibility development plans together with our strategic supply chain partners.
- Gabriel wants to ensure that production safety and environmental performance are always best in class – throughout the entire supply chain.
- The use of recycled materials across business areas and products will be increased.
- 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.
- The Gabriel management systems will be updated in order to meet the ISO 37001 standards regarding anti-bribery and the upcoming ISO 45001 standards concerning occupational health and safety.
- Gabriel will implement energy mapping in compliance with the standards of ISO 50001 Energy Management.
- The Gabriel Code of Conduct will be revised in order to meet the standards of Danish Textile and Fashion's new Code of Conduct.



FurnMaster production facility in Poland.

NUMBER OF EMPLOYEES



458



GENDER BALANCE

Board of directors: **25% females**

Top managers/executive board: **0% females**

Middle management: **30% females**

All: **58% females**

PRODUCT LABELLING



95%



52%



14%

Number of management system certificates in the Gabriel Group

ISO 9001 certificates: **11**

ISO 14001 certificates: **5**



ISO 9001= ISO 14001
DNV-GL BUSINESS ASSURANCE DENMARK A/S

Consumption of raw materials **2,111 tons**

Wool: 794 tons

Polyester: 1,279 tons

Recycled polyester: 38 tons



Transport by sea

96%



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®

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