



CSR &
environmental
report

2013/14

Gabriel A/S





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COMPANY INFORMATION

| | |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company: | Gabriel A/S Hjulgagervej 55 DK-9000 Aalborg Reg. no.: 176574 VAT no.: 12721307 Phone: +45 9630 3100 Fax: +45 9813 2544 E-mail: mail@gabriel.dk www.gabriel.dk |
| Group relationships: | Gabriel A/S is a wholly owned subsidiary of the listed company Gabriel Holding A/S. |
| Sector: | Textile industry. |
| Principal activities: | Production of furniture fabrics including the processes of dyeing and finishing. |
| Legislation: | Gabriel's activities in Denmark are covered by environmental legislation and regulations established by the City of Aalborg. |
| Supervisory authority: | City of Aalborg. |
| Financial year: | 01.10.13 - 30.09.14 |
| Number of employees: | 164 |
| External auditor and accredited environmental verification: | Gabriel A/S is certified by DNV GL Business Assurance Danmark A/S under accreditation number DK6001 |
| NACE code: | 13.92 – Manufacture of made-up textile articles, except apparel. |

The CSR and Environmental Report for the financial year 2014/15 will be published in November 2015.

This report was prepared for Gabriel A/S which, throughout the report, will be referred to as Gabriel. The report also covers some aspects relating to other companies within the Group.

MANAGEMENT'S REPORT

Corporate Social Responsibility (CSR) is a natural part of the Group's activities, and to Gabriel, CSR means that the company takes responsibility for adding value which contributes directly and indirectly to a positive development in society. The company therefore endorses the principles specified in the UN Global Compact and puts a determined effort into the company's CSR and environmental policies. Being a responsible company is central to the way Gabriel is run and is a permanent point on the strategic agenda. CSR is not a transient fashion phenomenon but a strategic driver on a par with e.g. product development and sales. Gabriel assumes an extraordinary responsibility for how products are produced, including in those areas where the group is not the owner.

We see Gabriel's environmental work as a part of our CSR, and this report relates to both perspectives. The purpose of the report is to share information on Gabriel's CSR and environmental work with the company's stakeholders and commit ourselves to continuous improvement by publicising goals, activities and achieved results in accordance with the guidelines in the EMAS regulation.

The company's CSR and environmental actions in the financial year 2013/14 include increased focus on the description and implementation of new work processes in the form of further development of the company's management system, which ensures that Gabriel is able to deliver products and services which meet the customer's requirements with respect to quality, environment and CSR.

Delivering the right products and services at the right time is not possible without a solid partnership with external partners – both customers and suppliers. Gabriel is maintaining its strategy of “growing with the largest market participants”, ensuring a

targeted effort towards existing and new selected key accounts. In the financial year 2013/14, Gabriel also focused on strengthening relations with strategic partners among suppliers to increase the transparency and flexibility of the supply network.

During the year, Gabriel played an active role in the development of the next generation EU Ecolabel to ensure widespread use of the label. In addition, the company was involved in a number of national projects and consulted other companies for the purpose of identifying environmental issues and developing CSR and environmental strategies.

The CSR work is developed continuously, and it is increasingly implemented in close partnership with the company's main customers, where strong emphasis is also attached to weighing the products' CSR and environmental impacts. There is increased focus on the chemical content of the products, and Gabriel therefore has constant focus on gaining new knowledge on chemical substances and technologies. Gabriel supports new focus points and finds that the years of environmental work make it a manageable task to handle new requirements and thus make it easy for the customer to choose the best alternative. Gabriel will continue to focus on ensuring responsible products through product certification and has thus in the financial year 2013/14 extended the C2C certification to include selected polyester products.

The following pages describe the company's objective, specific policies in the CSR and environmental area, concrete effects of implemented activities and the continuous work on the value chains of which the company is a part. A detailed review of Gabriel A/S's profile is available on the company's website, www.gabriel.dk, where the latest financial statements can also be found.

Aalborg, 6 November 2014



Anders Hedegaard Petersen
CEO



Kurt Nedegaard
Business Manager Quality, Environment and Production

CSR AND ENVIRONMENTAL POLICIES

Objective for quality, environment and CSR

Services provided by Gabriel must correspond accurately to customer needs and expectations. The company's production and distribution proceeds with due respect for a continuing reduction in resource consumption and emissions which might impact upon the environment. Gabriel's position as a quality and environmentally conscious company is evidenced by its certification under ISO 9001, ISO 14001 and the EMAS Scheme.

This objective is supported by policies which apply to all the company's activities, including Gabriel's collaborative behaviour in the value chain.

CSR policies

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

- Gabriel's products and services are developed and manufactured with consideration for the safety and health of users. In the production process, Gabriel must minimise environmental impacts and respect animal welfare.
- A good working environment which complies with country-specific laws and Gabriel's own requirements is ensured throughout the supply chain. These requirements comprise specific technical specifications and matters specified in Gabriel's Code of Conduct.
- Continuous skills and job development for all employees are accorded a high priority.
- Gabriel wants to support students by providing internships and participating in research projects which benefit both the students and the company.
- Gabriel communicates the company's CSR activities openly and supports the propagation of CSR as a managerial activity.

Environmental policy

The environmental management system covers all activities at Gabriel and all products and services which the company supplies:

- The company's annual general objectives are documented in a business plan for the period 1.10 to 30.9. The business plan covers environmental goals which must be known by all employees.
- Energy has an important environmental impact, and energy management is an integral part of Gabriel's environmental management. Energy management covers supply systems with significant energy consumption. Environmental goals and the environmental action programme must include energy considerations and ensure ongoing improvements in energy consumption.

- Cleaner technology and environmental improvements are regularly introduced into the supply chains with due respect for the technical and financial consequences, and pollution must be prevented.
- Gabriel conducts an open and detailed dialogue with the authorities on environmental requirements. The company has a duty 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 uses product labelling with the EU Ecolabel and the Oeko-Tex health label. These labelling schemes were chosen due to the high level of consumer trust, and awareness of the schemes is increasing.
- Gabriel takes account of all phases of the products' life cycle and prioritises the environmental initiatives in those areas where the influence and impact are highest.
- Gabriel will maintain its position as First Mover within the industry, meaning that Gabriel assumes the lead in relation to taking a position on and implementing new initiatives to improve the environment.
- Gabriel prepares a report in connection with the presentation of the annual financial statements. The report includes information on CSR and major environmental impacts and goals. The report is available to the public and distributed to all the company's employees.
- Customers and users must be advised on significant environmental aspects involved in the use, recycling and disposal of the company's products. Those of the company's employees in contact with customers must be in a position to provide correct information on Gabriel's environmental objective and policies. This information is also available on the company's website, where updated guidance on the company's products can be found.
- The company's suppliers must be selected in accordance with their ability to fulfil environmental requirements and their willingness to enter into an open and detailed partnership to achieve optimal solutions.



Gabriel®

PIXEL 2244
Gabriel Design Team
Mette Mikkelson
100% karnagsuld
530 g/10m
140 cm

1 (skala 1-8)
EN ISO 12947-2
EN ISO 12945-2
EN ISO 12947-2
EN ISO 12945-2

FROM RAW MATERIAL TO FINISHED PRODUCT: PROCESSES AND ACTIVITIES

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 is organised in a number of independent strategic business units (Masters) with their own visions, objectives, strategies and budgets.

The objective and the policies set the framework for Gabriel's CSR work, including how Gabriel works together with selected partners. Gabriel has an influence on the entire chain from raw materials to the finished upholstered product, and the company therefore has a shared responsibility in all stages both locally and globally.

There is focus on the complete life cycles of services to obtain the largest possible environmental benefit of the efforts. This ensures that a step in the life cycle is not optimised without noting how it affects the environmental performance in the following steps. It also ensures priority for the effort where the environmental benefit will be greatest.

Significant environmental matters are determined on the basis of systematic surveys, including measurements of input (raw materials, water, chemicals and energy), measurements of output (waste water, scrap and emissions), and setting up of key figures. Gabriel also continuously monitors the analyses and reports of institutes, authorities and others who are thoroughly familiar with environmental matters in order to identify relevant concerns.

The surveys show that the following must be regarded as the most important environmental matters in the products' life cycle:

- Raw materials – New Zealand wool
- Raw materials – polyester fibres
- Raw materials – other products used in upholstery, e.g. foam, metal and plastic
- Energy consumption and waste water, especially in washing, dyeing and finishing treatment

- Consumption of chemicals
- Scrap from production
- Waste water
- Transport of raw materials and finished goods
- Disposal, including recycling of the products

These matters relate primarily to suppliers and customers' activities (indirect environmental impacts). Gabriel works to a high degree with these matters in cooperation with suppliers and customers. It is therefore essential that Gabriel has a good relationship with these partners to ensure communication of requirements and goals.

Environmental matters related directly to Gabriel's activities and properties:

- Consumption of energy and heating
- Noise
- Generation of waste
- Transport for customer and supplier visits and other meetings.

High-priority areas

Gabriel's efforts are described under seven main areas which form the basis for implementing objectives and policies for CSR and the environment.

These seven prioritised areas were chosen under the following criteria:

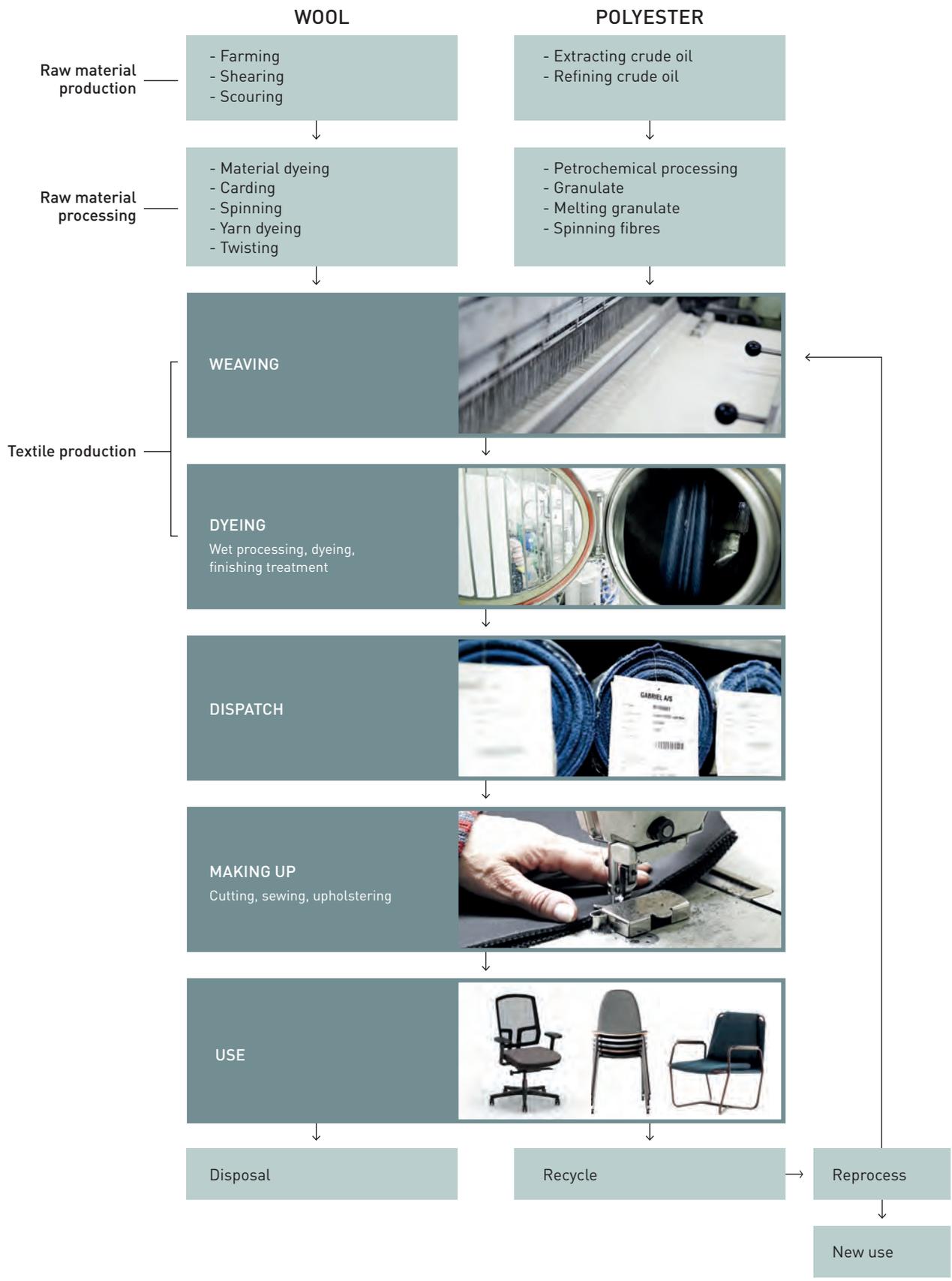
- Matters prioritised by Gabriel's CSR and environmental policies
- Matters judged important by legislation
- Matters judged important in product labelling, including C2C, Oeko-Tex and the EU Ecolabel
- Matters where Gabriel has an influence on effecting an improvement
- The relative importance of environmental matters

The seven main areas

- Materials and resources
- Responsible production and supply chain management
- Environmental labelling and certifications
- Quality and environmental management systems
- Development and innovation
- The working environment
- Gabriel Erhvervspark

These areas are discussed in greater depth on the following pages, which provide an overview of our positions, activities performed, results and new goals. This is Gabriel's environmental action programme, the details of which show how the company intends to work on impacts related to CSR and the environment in 2014/15.

From raw material to finished product



MATERIALS AND RESOURCES

Wool

Gabriel has a long-term partnership with Wools of New Zealand, which guarantees high quality raw materials and good conditions for the sheep. This type of wool possesses unique dyeing properties where the dye is absorbed into the fibre. The material also absorbs light, which results in very attractive colours with lots of depth and no reflections. Wool maintains its attractive appearance in use, assuring the finished product a long service life. Gabriel uses only high quality raw wool, thus avoiding many chemical finishing treatments.

Polyester

Polyester has come to comprise a significant part of Gabriel's product range in recent years. Polyester is the world's most used fibre, and it has properties which make it suitable for furniture fabric. Polyester can also be recycled in other products after use. As an example, Gabriel offers the product Comfort+, which consists of 37% recycled polyester. The work is ongoing to discover the possibilities for increasing the proportion of fabrics based on recycled material. Gabriel works only with suppliers who can deliver high quality polyester yarns which meet Gabriel's environmental requirements.

Furniture upholstery and upholstery solutions

With Gabriel's expansion within the business unit FurnMaster's activities, Gabriel's responsibility for buying materials to be used for the assembly of furniture parts is increasing. Raw material components are selected in close dialogue with customers, and Gabriel advises to the extent possible on selection of components and suppliers who meet Gabriel's requirements with respect to the environment, quality and CSR.

Recycling

Due to Gabriel's life cycle approach, we work on a continuous basis on how to recycle resources for use in other products or applications after use, with particular focus on retaining the high value of the resources. This means that the components can be handled as ordinary non-toxic waste or recycled in new products after use.

Control of chemicals

Chemicals are required in the production processes, but Gabriel controls the choice and use of dyes and chemicals in our suppliers' production. The following are therefore not used:

- Chlorine compounds
- Organic solvents
- Dyes containing heavy metals
- Dyes and pigments which can give off carcinogens
- PVC
- Bromine-containing flame retardants
- Silver ions or other bactericidal treatments
- Anti-moth impregnation
- Other substances classified as carcinogenic or mutagenic

These requirements are managed to a high degree in Gabriel General Requirements, which contain lists of phrases concerning undesired risks and chemicals, and minimum requirements for fabric performance.



Materials and resources: Goals and results

Goals 2013/14

Launch at least one new product on the basis of recycled polyester fibre.

Obtain FSC certification of wood products at FurnMaster UAB.

Gain CE-labelling of Zenxit, the new upholstery material, to allow testing and launching in special applications.

Results 2013/14

Two products based on recycled polyester fibre were developed.

The certification process is ongoing, and the goal remains.

CE-labelling gained specifically within health care. A furniture product with ZenXit gained certification under the Nordic Ecolabel scheme – the Swan.

Goals 2014/15

The goal has been achieved.

Obtain FSC certification of wood products at FurnMaster UAB.

The goal has been achieved.

Carry out a life cycle analysis to document ZenXit's environmental impact.

Objectives 2013/14

Carry out a development project using recycled yarn as a component.

There is substantial focus on the possibilities of establishing closed-loop material cycles, nationally and internationally, and Gabriel will follow and be directly involved in these projects.

Results 2013/14

Development projects using recycled yarn as a component were carried out. This resulted in C2C certification of selected polyester designs.

Gabriel followed and continues to follow developments within closed-loop material cycles. Among other things, Gabriel was project manager on an industrial symbiosis project and is participating in a PhD project on closed-loop material cycles.

Objectives 2014/15

Gabriel will continue to follow developments within closed-loop cycles actively and be involved in projects dealing with recirculation within both product and system development.

The potential of closed-loop cycles will be uncovered e.g. through networks and in study and research projects.

Intensified monitoring of global environmental legislation together with the industry organisation for the purpose of continuously increasing Gabriel's knowledge of industry-specific legislation.

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN MANAGEMENT

Gabriel only collaborates with suppliers who are capable of meeting the requirements applying to products and services, and Gabriel works actively to select the best possible partners. Continuous follow-up and assessment of environmental matters is a high-priority area, and Gabriel requires manufacturers to comply with all local regulatory requirements and Gabriel's own environmental requirements. Accordingly, action plans are prepared and implemented together with suppliers to ensure that environmental impacts are continually reduced.

The Oeko-Tex and EU Ecolabel labelling schemes ensure compliance with the manufacturing requirements for products to be verified by third parties. Gabriel follows up on partners' compliance with Gabriel's Code of Conduct, a set of rules which serve to provide guidance with respect to business ethics and to help our employees to maintain ethical behaviour. The Code of Conduct is developed on the basis of the UN Global Compact and is in accordance with the recommendations of the industry organisation Dansk Mode & Textil.

A responsible supply chain network

Day-to-day dialogues are undertaken by Gabriel's team in Aalborg with respect to European partners and by Gabriel Asia Pacific with respect to partners in that region. However, the development of systems and requirements as well as approval of new suppliers take place in close dialogue. FurnMaster offers unique services in furniture upholstery and upholstery solutions and is an integrated part of Gabriel A/S's quality management system.

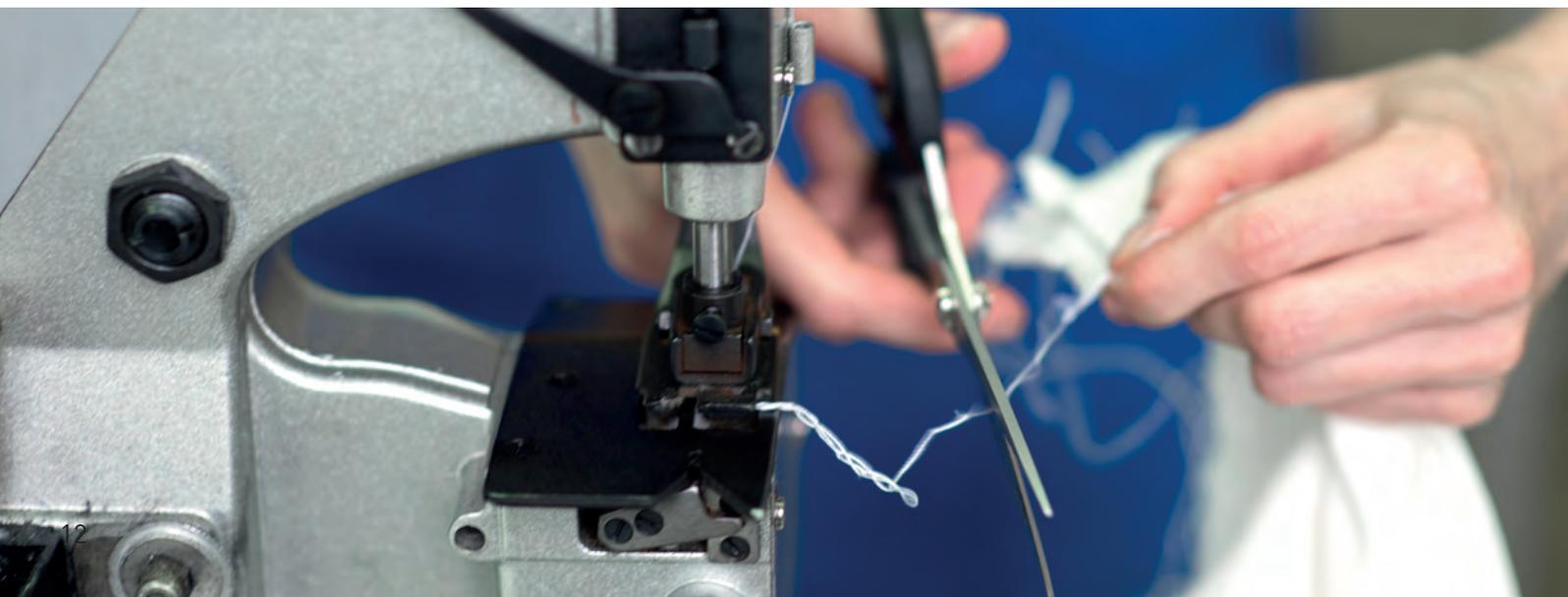
Via the project Strategic Cooperation in the Supply Chain, Gabriel has been focusing on the development of supplier relationship management. The project includes increased cooperation with and across key suppliers, since all links in the chain are responsible for delivering services and products which meet the CSR, environmental and quality objectives. This is a key element in creating a strong and transparent supply chain network.

Strategic partners must follow high demands. The term strategic partner covers those companies in the supply chain which are of the greatest importance to Gabriel. The requirements cover all areas in the value-adding process. The efficiency and value of the relation is therefore measured by categorising the relation and creating a risk profile where the value-adding processes, including design and product development, logistics, quality, production, environment, CSR and working environment as well as willingness and ability to improve are evaluated by the parties.

Throughout the supply chain, efforts are made to create responsible and sustainable results. It is important for Gabriel to take responsibility not only for financial earnings, but also for environmental sustainability and social justice. Gabriel has this in mind at all times and seeks to create a synergy effect between these perspectives to ensure a sustainable result. As an example, Gabriel is trying to avoid waste through the supply chain for financial as well as environmental reasons. Textile waste which cannot be used commercially is used for charity in the local community and projects such as "Blindes Arbejde" and "Projekt Øst".

Gabriel is continuously striving to establish a supply chain which provides a good and responsible working environment. Therefore Gabriel places high priority on choosing partners who provide proper conditions and comply with Gabriel's Code of Conduct, and who actively and continuously strive to improve conditions.

Through strengthened cooperation and good relations, mutual understanding between companies is achieved, and joint development plans can be prepared for the partnerships. Strong partnerships also help to ensure that Gabriel's requirements are communicated to other suppliers in the supply chain.



Responsible production and supplier management: Goals and results

Goals 2013/14

Results 2013/14

Goals 2014/15

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| <p>Minimum five Masters obtain an individual certification at the end of the 2013/14 financial year.</p> <p>This involves assessment by the individual Master of its core processes and services, including how quality and environmental conditions influence the Master's services.</p> | <p>→ One Master obtained certification, as the main focus was on developing and re-launching Gabriel's management system to a more user-friendly platform. This includes updating the company's core processes and the individual Masters' processes, to allow all Masters to obtain individual certification.</p> | <p>→ At least three more Masters obtain a certification at the end of the 2014/15 financial year.</p> |
| <p>Continue to increase the proportion of sea transport from China and, at a minimum, maintain it at 98.5%.</p> | <p>→ The proportion between sea and air transport indicates that 91.2% of the goods produced in China are carried by sea.</p> | <p>→ Gabriel's work on optimisation of transport is continuing, so that most goods will be transported by ship or lorry, which is important from both an environmental and a financial point of view.</p> <p>Increase the proportion of sea transport from China to minimum 94%.</p> |
| <p>Gain EMAS certification for the dye works UAB Scandye.</p> | <p>→ The focus was on optimisation of production processes with the main emphasis on reducing waste water, energy resources, chemicals and packaging, based on LEAN principles.</p> <p>Environmental considerations at Scandye are therefore still managed in accordance with ISO 14001, which is considered sufficient at the moment.</p> | <p>→ The goal is closed.</p> |
| <p>UAB Scandye continues to set reduction targets to obtain ongoing improvements which will be included in the future extended reporting of key data for suppliers.</p> | <p>→ The water consumption was 131 l/kg fabric, a reduction of 8% relative to last year.</p> <p>The electricity consumption was 1.37 kWh/kg fabric, a decrease of 9% relative to last year.</p> <p>The gas consumption was 0.92 m³/kg fabric, a decrease of 9% relative to last year.</p> | <p>→ The goal to reduce consumption remains and will be included in the extended reporting of key data for suppliers.</p> |

Objectives 2013/14

Results 2013/14

Objectives 2014/15

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Extend reporting to include key data concerning the key suppliers' CSR results.</p> <p>Establish a number of indicators to be included in the reporting for the next period.</p> | <p>→ A new management tool for collection of key data is being implemented, and a pilot project has been carried out. The purpose of these new actions is to present a broad picture of activities and results in the supply network. The reporting will thus include key data for the most important suppliers. Indicators have been established, and the reporting is being implemented.</p> | <p>→ The extended reporting of key suppliers' CSR results and performance continues, and the results are assessed on an ongoing basis.</p> |
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ENVIRONMENTAL LABELLING AND CERTIFICATIONS

Environmental and quality data on all Gabriel's products are available, and the company can thus offer specific details if a customer wants a particular label on the product for a specific market. Whether new product labels should be included in the portfolio is regularly identified and prioritised as this can be a way into new markets.

Product labelling helps to ensure that there is an objective basis for proving that the communication about the products is accurate. The labelling schemes mean that the product ranges are subject to a number of different requirements and external tests and approvals which are the customer's guarantee of the products' performance. This applies to both internationally recognised product standards such as those concerning wearability and fire-retardant qualities, as well as environmental matters. Gabriel's requirement is that an environmentally labelled product must

be able to comply with all the customer's needs at the same level as, or better than, a product without the label.

Gabriel uses internationally recognised product labels and certifications. On the product side, the EU Ecolabel, Oeko-Tex, Cradle to Cradle and the Nordic Ecolabel, the Swan, are selected as they are widely known and recognised. Gabriel strives to be at the forefront within the industry in using new labels with potential. In 2002, Gabriel was the first upholstery fabric manufacturer in the world to gain the EU Ecolabel on a large part of the range, and in 2010, Gabriel was the first Danish company to gain Cradle to Cradle product certification. Gabriel also seeks to be at the forefront in 2013/14 and has obtained another Cradle to Cradle certification in this financial year as well as a status as Oeko-Tex Company of the month in August 2014 due to the company's commitment to product safety and sustainable production.

Environmental labelling and certifications: Goals and results

Goals 2013/14

All new products must carry either the EU Ecolabel or Oeko-Tex.

Examine various labelling schemes to establish whether they are relevant to support sales on some of Gabriel's more recent markets.

Extension of the C2C programme to include at least one new polyester product.

Results 2013/14

Five new products gained certification under the EU Ecolabel. Seven new products gained certification under Oeko-Tex.

Gabriel obtained C2C certification for selected polyester yarns, including two products.

Goals 2014/15

New products will carry either the EU Ecolabel or Oeko-Tex, and Gabriel will go on examining new labelling schemes to support sales on Gabriel's more recent markets.

The goal has been achieved.

Objectives 2013/14

The deadline for revision and updating of the product range labelled with the EU Ecolabel is 2015.

Initiate any necessary changes to Gabriel's existing products after adoption of the new criteria.

In addition, update product requirements so that new products are developed with a view to the updated requirements.

Conduct training within the individual Masters in management systems and processes as part of the roll-out of the individual certification.

Results 2013/14

Gabriel follows developments and will be ready when the criteria become effective.

The individual Masters have updated/are updating process descriptions as part of the individual certification in connection with the re-launching of Gabriel's management system. In addition, all Masters are introduced to the new procedures for management of deviations.

All employees have been introduced to Gabriel's management system.

Objectives 2014/15

The goal remains, and Gabriel will follow the new EU Ecolabel criteria.

The goal remains, and training within the individual Masters in management systems and processes will be conducted as more Masters are certified.



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 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/



Oeko-Tex

Oeko-Tex is the world's leading health label for textiles. The label certifies that the item was tested and approved on the basis of the requirements set by the international Oeko-Tex association. These requirements concern the content of chemicals which can – or are suspected of being able to – damage the body. The label goes further than the law, and 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 (C2C) 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 a number of circles.

A C2C certification assesses the product in relation to five categories: renewable energy, water consumption, the materials' 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.mbdc.com



Management systems: ISO 9001, ISO 14001

ISO 9001 and ISO 14001 are both standards for quality and environmental management under which a company can choose certification. Both standards are based on the principle of making continuous improvements which are created by implementing a fixed cycle: the current situation is evaluated, goals are set and policies formulated, the required actions are implemented, and finally the result is measured. On the basis of the result, an assessment is made of whether actions and goal are adequate, or whether improvements should be made and new goals set. ISO 9001 focuses on parameters of significance for a company's performance with respect to quality, while ISO 14001 concerns the matters of significance for the company's environmental performance. An important tool in this is the audit, which is an assessment of whether the systems are functioning as planned.

www.iso.org



EMAS

EMAS (the EU Eco-Management and Audit Scheme) has many parallels with ISO 14001 as all the latter's requirements are included in EMAS. In some areas, the scheme is, however, more ambitious. For example, a published environmental account and measurable environmental improvements year by year are required.

ec.europa.eu/environment/emas/



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.



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.

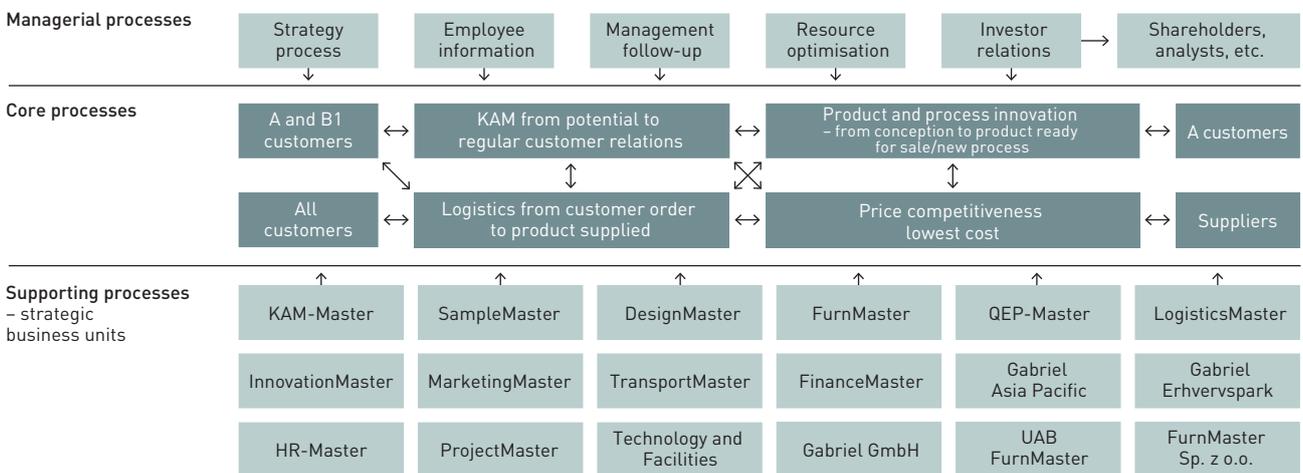
Since then, the environmental labels have appeared, and they also govern the limit values for heavy metals. The label is also still used as a symbol of our tradition of taking the lead in the sector.

QUALITY AND ENVIRONMENTAL MANAGEMENT SYSTEMS

Gabriel is certified under ISO 9001, ISO 14001 and EMAS. This ensures systematic control of all parameters in product development and production, and ongoing performance improvements. Gabriel's quality and environmental management system is designed in accordance with the standards and is based on

the company's core processes. To support core processes, the system covers the company's management processes and support processes for all business units (Masters). The processes are documented in the system and continuously updated.

Gabriel's quality and environmental management system



DEVELOPMENT AND INNOVATION

Innovation and value-adding partnerships are the foundation of Gabriel's mission, and this is also reflected in the way we work with environmental impacts. Gabriel wants to be the primary customers' preferred development partner so that the customer sees it as natural to turn to Gabriel for advice on new challenges. Gabriel is able to solve environmental tasks throughout the product's life cycle through close cooperation with partners, and knowledge sharing in the supplier chain is an important strength. Gabriel also wants to inspire customers to take new pathways by offering new solutions which can benefit their business. Gabriel's policies are determined on the basis that Gabriel wants to be a leader in the area and wants the policies to go further than the limits required by law. This protects Gabriel's products against more stringent requirements under the law because the company is already at the forefront when new requirements are made mandatory.

There is a close working relationship between the Masters in Gabriel on development of new products. Gabriel's QEP-Master (Quality, Environment and Production) is involved at an early stage in the course of development, ensuring that requirements and new possibilities are elucidated and integrated into the product

development processes. In the product development process, high priority is also given to Cradle to Cradle and recycling of materials as important drivers of development. To increase knowledge of the possibilities within this area, Gabriel is for example participating in a PhD research project on circular business models.

Gabriel has a long-standing partnership with various knowledge partners, including Dansk Mode & Textil, Network for Sustainable Business Development in Northern Denmark, EPEA Hamburg and Aalborg University as some of the more important partners. On more than one occasion, Gabriel's active participation in networks has resulted in Gabriel gaining influence on the future agenda and legislation, e.g. during the recent revision of the EU Ecolabel. Gabriel is also a member of the industry organisation Dansk Mode og Tekstil's CSR committee for the promotion of CSR in the industry.

In recent years, QEP-Master has used its expertise to guide external partners who are not involved in Gabriel's traditional value chains. This helps to develop the work on quality and the environment for these partners while also extending QEP-Master's area of business

Development and innovation: Goals and results

Goals 2013/14

Extend customer portfolio for external consultancy.

Ensure consolidation of methods and extend the description of services in the quality and environmental management system.

Continue the work on further developing the LCA (life-cycle assessment) models and results with a view to publishing the key conclusions, and incorporate them in Gabriel's environmental management system.

Results 2013/14

Through the Network for Sustainable Business Development in Northern Denmark, QEP provided advice to 11 businesses on e.g. strategic planning of sustainable business development.

Gabriel's management system was updated to include service descriptions concerning external consultancy.

LCA was carried out in a partnership with one of Gabriel's top customers, confirming Gabriel's own conclusions.

Environmental considerations are handled via the environmental management system.

Goals 2014/15

Developments within the area of offering external consultancy continue, and new possibilities and partners are considered. Participation in external networks as a mean to create new contacts and partnerships is constantly investigated.

Form a partnership with Aalborg University for the purpose of investigating environmental conditions and incorporating the most important results into Gabriel's environmental management system. In the 2014/15 financial year, Gabriel will form a partnership on projects involving a circular economy and on a life cycle analysis of the new upholstery material, Zenxit.

WORKING ENVIRONMENT

Gabriel must be able to attract and retain employees with the right skills and knowledge required for the continued creation of innovation and growth as an international company. Gabriel gives priority to everyone using, developing and sharing knowledge and skills. All employees are familiarised with Gabriel’s vision, strategy, targets and activity plans and are regularly updated on their work situation as part of employee development dialogues and employee meetings. This ensures that all employees work in accordance with clear goals and areas of responsibility, and that their professional and personal development is stimulated.

Job satisfaction is a continuous focus area for Gabriel, and even higher priority has been accorded to this theme through the initiation of the process “From stress to job satisfaction”. All Masters have identified areas of initiatives for the purpose of

maintaining and improving job satisfaction and avoiding stress, and they are working with the area as an ongoing process. In addition, a large number of Gabriel’s employees have been trained in first aid and in the use of defibrillators.

Gabriel aims to be an attractive workplace for all employees and assumes a social responsibility in the local community. Gabriel acts as a socially committed workplace by providing flex jobs, training places and trial jobs. Gabriel is also active in health promotion, including focus on healthy food in the canteen. Employees are among others offered free fruit, there is an annual subsidy for sports activities, and participation is arranged in the annual DHL relay race in Aalborg. In addition, a health insurance scheme is offered to all employees.

Working environment: Goals and results

Goals 2013/14

Hold all mandatory employee appraisal and half-yearly follow-up interviews.

Registration and analysis of absences due to sickness and initiation of actions based on the result.

Results 2013/14

All mandatory interviews were held.

Registration of absences due to sickness was initiated.

Goals 2014/15

Hold all mandatory employee appraisal interviews and half-yearly follow-up interviews.

The results of these registrations have been analysed and are used actively.

Objectives 2013/14

Carry out a job satisfaction investigation and analyse the result.

Give the working environment area higher priority and implement it as part of the roll-out of Gabriel’s updated quality and environmental management system.

Increased focus on transport and transport safety, since they represent an important aspect of the global working environment.

Results 2013/14

Instead of carrying out a job satisfaction measurement, the project “From stress to job satisfaction” was carried out, and new guidelines were implemented in the company’s management system.

Initiatives to improve the working environment were taken as part of Gabriel’s job satisfaction project and implemented in Gabriel’s quality and environmental management system.

The work to improve transport safety resulted in an update of policies for safe transport in Gabriel’s emergency plan.

Objectives 2014/15

The workplace assessment, which is a continuous activity, will focus this year on areas of initiative from the project “From stress to job satisfaction”.

The goal has been achieved, and the implemented initiatives will be maintained in the future.

GABRIEL ERHVERVSPARK

Gabriel's head office is situated at the location where it all started in 1851. The old buildings have been converted into bright offices with a sound and interesting working environment. The buildings are owned by Gabriel Ejendomme A/S that is responsible for operation of the buildings.

The buildings now functions as Gabriel's modern head office and the workplace for a large number of other tenants. As of 30 September 2014, Gabriel Ejendomme A/S has rented out about 6,200 m², corresponding to almost full occupation of the renovated building area.

Gabriel Ejendomme A/S is currently converting its head office into a large business park, which in due course will accommodate up to 700 workplaces. At the end of the 2013/14 financial year, the demolition of older, worn-out buildings had been started, to be replaced by new, more sustainable premises which take the electricity and heating consumption into account. The demolition

is the first part of a project which in due course aims at increasing the business park from 6,000 m² to 19,000 m², accommodating a further 500 workplaces in addition to the current 200.

The most important direct environmental impacts related to Gabriel's activities arise in connection with the company's activities at the business park address. These are energy, heat and water consumption and generation of waste. An allocation scheme has been developed for environmental impacts from the various tenants in Gabriel Erhvervspark: at the end of the financial year, Gabriel's share amounted to 54% of the total property area. This statement details the business park's total consumption, as many of the facilities are shared.

Gabriel no longer needs special environmental permits to emit waste water etc. because there is no longer any production in Aalborg. The requirements regarding noise specified by the City of Aalborg are complied with. The terms are given under Notes.

Gabriel Erhvervspark: Goals and results

Goals 2013/14

Maintain consumption of heat at 251 MWh.

Results 2013/14

The heat consumption was reduced to an annual consumption of 144 MWh. The significant decrease was caused primarily by the demolition of worn-out buildings.

Goals 2014/15

Due to the conversion of the business park, no goals have been set for the future heating consumption in this financial year. This aspect will be considered in the new buildings. Gabriel is testing an energy management system for continuous monitoring of consumption.



CONSOLIDATED DATA

The statement covers the period 1 October 2013 to 30 September 2014.

| | 2013/14 | 2012/13 | 2011/12 | 2010/11 | 2009/10 |
|----------------------------------------------|------------------------------|---------|---------|---------|---------|
| ENVIRONMENTAL DATA AALBORG | | | | | |
| <i>Key indicators and environmental data</i> | | | | | |
| District heating (m³) | 13,333 ⁽¹⁾ | 23,192 | 23,205 | 31,655 | 35,587 |
| District heating (MWh) | 144 | 250 | 251 | 342 | 384 |
| Calculated CO ₂ emissions (tons) | 53 | 92 | 86 | 117 | 131 |
| Calculated SO ₂ emissions (tons) | <1 | <1 | <1 | <1 | <1 |
| Electricity (MWh) | 555 | 548 | 532 | 435 | 405 |
| Calculated CO ₂ emissions (tons) | 209 | 166 | 201 | 194 | 181 |
| Calculated SO ₂ emissions (tons) | <1 | <1 | <1 | <1 | <1 |
| Proportion renewable electricity (%) | 35 ⁽²⁾ | 24 | 26 | | |
| Total energy (MWh) | 699 | 799 | 782 | 777 | 790 |
| Calculated CO ₂ emissions (tons) | 262 | 258 | 287 | 311 | 312 |
| Waste water (m³) | 1,178 | 1,053 | 1,029 | 860 | 1,421 |
| Waste | | | | | |
| Industrial waste (tons) | 28.5 ⁽³⁾ | 15.3 | 14.5 | 16.4 | 22.0 |
| Cardboard for recycling (tons) | 22 | 2 | 4.3 | 5.1 | 5.5 |
| Plastic for recycling (tons) | 0.5 | 0 | 1.2 | 0 | 1.2 |
| Site use | | | | | |
| Total lot size (m ²) | 31,760 | 31,860 | 31,860 | 31,860 | 31,860 |
| Developed area (m ²) | 4,314 ⁽⁴⁾ | 9,530 | 9,530 | 9,530 | 9,530 |
| Roads and car park (m ²) | 3,715 | 3,715 | 3,715 | 3,715 | 3,715 |
| CONSUMPTION OF RAW MATERIALS | | | | | |
| Wool goods (tons) | 792 | 758 | 727 | 947 | 664 |
| Polyester goods (tons) | 798 | 670 | 531 | 346 | 341 |
| TRANSPORT | | | | | |
| Proportion of transport by sea (%) | 91.2 | 98.5 | 99.1 | 75.4 | 68.6 |
| PRODUCT LABELLING | | | | | |
| Proportion Oeko-Tex (%) | 71 | 80 | | | |
| Proportion EU Ecolabel (%) | 43 | 40 | | | |

ENVIRONMENTAL DATA UAB SCANDYE

Data regarding UAB Scandye's environmental impacts are found on page 13 of this report.

⁽¹⁾ The significant decrease was caused primarily by the demolition of worn-out buildings.

⁽²⁾ The fuel composition of one kWh average current in Denmark consisted in 2013 of 38% coal, 10% natural gas, 35% wind, water and solar energy, 14% waste, biomass and biogas, 1% oil and 2% nuclear power (www.energinet.dk).

⁽³⁾ The significant increase was caused primarily by the emptying of worn-out buildings in connection with demolition.

⁽⁴⁾ The significant decrease was caused by the demolition of worn-out buildings.

NOTES: MEASURING METHODS AND BASIS OF CALCULATIONS

Accounting policies

This CSR and environmental report was prepared in compliance with the requirements of the EMAS regulation. Information in the report is based on data from ongoing internal and external readings and reports under the environmental management system. The environmental report includes both absolute quantities and key figures.

Key indicators

The reporting of key data follows EMAS-III recommendations to express the value A (the total annual input/impacts in the area in question), the value B (the total annual output) and the value R (the ratio between A and B).

Energy

When converting m³ of district heating to kWh, a cooling of 35°C is used. The calculation of CO₂ emissions for Aalborg is based on the environmental declaration from Aalborg District Heating. The district heating used is primarily waste heat from the production of electricity. The proportion of electricity from renewable sources is based on information in Energinet.dk's General Declaration on Electricity. Emissions related to the production of electricity are based on Energinet.dk's Environment Declaration on Electricity for Green Accounts. Emissions of NO_x and CH₄ are not included as the quantities emitted are judged to be insignificant.

Waste water

Waste water emissions in Aalborg equal the purchased quantity of public potable water.

Waste

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

Site use

Data for site use derive from the Ministry of Housing, Urban and Rural Affairs' register. The undeveloped area consists of a park area bordering the stream, which was a premise for the chosen location in 1851.

Consumption of raw materials

The stated consumption of raw materials includes waste during production, which was approximately 5%. Commodities are also included.

Transport

The transport breakdown into sea and air for goods produced in China is calculated on the basis of invoices for carriage. The breakdown is calculated on the basis of the transports' total weight in kg. Transport is computed by calendar year and does not follow the financial year. This means that the figure computed for 2012/13 indicates data from 2013. The figure computed for 2013/14 is thus not the final result for the year, and it could still change.

Product labelling

The proportion of labelled products is calculated by computing the total number of products in Gabriel's standard range on 1.10.2014 relative to the total number of products labelled with either the EU Ecolabel or Oeko-Tex.

| | | H1 | H1 | Allotment gardens | B1 | R1 |
|-----------------------------------------|-------------|------------------------|--------------------|-------------------|-------|-----------|
| | | Kærby – light industry | Kærby – residences | K.P.till.2.33 | Kærby | Frydendal |
| Day | | | | | | |
| Monday-Friday | 06.00-18.00 | 60 | 55 | 50 | 45 | 50 |
| Saturday | 07.00-14.00 | 60 | 55 | 50 | 45 | 50 |
| Saturday | 14.00-18.00 | 60 | 45 | 45 | 40 | 45 |
| Sunday and public holidays | 07.00-18.00 | 60 | 45 | 45 | 40 | 45 |
| Evening | | | | | | |
| All days | 18.00-22.00 | 60 | 45 | 45 | 40 | 45 |
| Night | | | | | | |
| Monday-Friday | 22.00-06.00 | 60 | 40 | 40 | 35 | 45 |
| Saturday, Sunday and public holidays | 22.00-07.00 | 60 | 40 | 40 | 35 | 45 |
| Maximum noise level at night | | 55 | 55 | 50 | 55 | |

The specified limit values for noise are based on the assumption that they will be observed within the following periods:

The limit values for the day period 07.00-18.00 (06.00-18.00 Monday-Friday) must be observed within the noisiest eight-hour period.

In the evening from 18.00-22.00, the limit values must be observed within the hour with the highest noise level.

For the night period 22.00-07.00 (22.00-06.00 Monday-Friday), the limit values must be observed within the noisiest half hour.



DNV BUSINESS ASSURANCE

Statement of performed verification and validation acc. EMAS III

Verification No. 157367-2014-AE-DEN-DANAK

for

Gabriel A/S

Registration number: DK-000048

Hjulgagervej 55, 9000 Aalborg, Denmark

This verification and validation is valid for the following activity, product and service areas:

Development, manufacturing and sale of upholstery fabrics, components, upholstered surfaces and related products and services

NACE rev. 2: 13.92

It is hereby confirmed that:

- DNV has verified that the on-site-area or the entire organisation as specified in the environmental statement / the updated environmental statement from the organisation meets all the requirements of European Parliament and Council Regulation (EC) No 1221/2009 of 25 November 2009 allowing voluntary participation in a Community eco-management and audit scheme (EMAS III).
- the verification and validation is performed in full compliance with the requirements of Regulation (EC) No 1221/2009
- the outcome of the verification and validation confirms that there are no signs of non-compliance with applicable environmental legislation
- data and information in the organisation / the site's environmental statement / the updated gives a reliable, credible and accurate picture of all organisational/on-site-area operations within the scope specified in the statement.
- data and information are reliable and satisfactorily cover all issues in the original edition of the Danish version of The Environmental Statement: Miljøredegørelse, dated 6th November 2014

Place and date:

Hellerup, 2014-11-14

DET NORSKE VERITAS,
BUSINESS ASSURANCE, DANMARK A/S

Anders Lindgren
Managing Director

Verification is valid until:

2016-02-16

*The verification and validation
is performed by:*

Tommy Lund
Lead Auditor

Verifier does not vouch for translation into other languages. This Paper can not be equated with the EMAS registration. EMAS registration can only be made by the competent body of under Regulation (EC) No 1221/2009.

This document may not in itself be used as a communication to the public

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