

Swiss Association
for Quality and Management
Systems (SQS)

Validation of Sustainability Reports

Validation by SQS

The 2012 Sustainability Report of Girsberger Holding Ltd. was audited by SQS. The non-financial information in the report was examined by means of evidence and a sample-based audit was performed on site. In particular, SQS checked whether

- the report addresses all essential aspects relevant to reporting about sustainability;
- the data collection is appropriate and reliable;
- the statements in the report are understandable and accurate and agree with the collected data; and
- the report is prepared in accordance with GRI requirements*).

On the basis of the audited data and information, we confirm that the content of the 2012 Sustainability Report was carefully prepared and the published information and quantified statements present an accurate and realistic picture.

Zollikofen, June 20, 2013

The auditors

Peter Mollet

Oliver Stankiewicz

*) Validation of the report was performed by qualified and impartial auditors of SQS, applying a systematic, documented and evidence-based approach, and checking the balance and veracity of the report's contents as well as adherence to the framework and principles of GRI; the self-declared application level may optionally be confirmed through GRI. Except for its role as validator and certifier, SQS has no business relationship with the company.

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Values and success

For a long time, it appeared that price was the most important criterion when it came to selecting furniture. Today, however, we are seeing a return to quality and durability. Many customers again prefer high-quality, locally manufactured products to low-cost imports.

While medium-sized companies don't exactly own the world, they do have extensive creative freedom of design and a surprising level of influence because they provide a significant number of jobs. As a result, mid-scale entrepreneurs have the ability to shape the values of several hundred employees and their families. This places them in an influential position.

The challenge is to use this position in a creative and responsible way; both with a view to the success of the business which will, in turn, generate further potential, but also in relation to living values. Girsberger has always used this position with great awareness. High levels of value creation, short supply chains and strong innovation are some of the values for which we can and wish to set standards. As a family-owned company we have the decisive advantage of being able to plan for the long term and are not subject to short-term profit maximization strategies.

Depth of added value and innovative strength

These days, the production of a solid wood table may begin with the selection of an oak in a forest in the Champagne region. In the sawmill our aim is not to get the maximum yield out of a tree trunk but the most beautiful markings on the boards. We allow the boards to dry in our yard for up to three years. Finally, when a customer decides to purchase an oak table, we will invite him or her to assemble the table top at our premises together with the carpenter. Our value-added chain therefore could be said to reach from the forest to the living room.

We try to keep the supply chains as short as possible for every single product. If the costs are manageable we will always choose the local specialist over the anonymous supplier from the Far East. Sometimes we have to be willing to compromise – in the interests of the customers as well, who want high quality but still affordable furniture.

Our innovative strength is mainly the result of our company culture. Our goal of continuously developing new things – in the form of unique models and sophisticated manufacturing methods – is one of the fundamental aspirations of Girsberger and, at a personal level, our employees in particular. We believe that each new piece of furniture should be based on a great new idea. If we are interested in an idea,



we will pursue it. As a matter of course this involves an interdisciplinary process in which drawings, models and prototypes are developed. This does not always produce a quantum leap, but a glance at our product range clearly shows our commitment to innovation.

More than just a product

It is often due to their strong ideals that the business strategies and products of mid-sized companies are successful and persuasive. Their aim is not just to reduce the manufacturing and product costs. They are more interested in imbuing their goods with their values. Living values constitute the identity of a company and it is this identity that they wish to express in their products. This adds further value to the products which is recognized and appreciated by discerning customers. And the product embodies these values throughout its life cycle. Anyone who buys a Girsberger table, for example, chooses a product that stands out thanks to the quality of its materials and finishes, and will outlast any fashion trend.

Changing consumer values

It is very fortunate for mid-size companies that quality products are again gaining importance. Switzerland and Germany are not only Girsberger's production locations but also our

main markets; it is here that consumers are increasingly adopting a responsible approach. They have become tired of the throwaway society and no longer wish to surround themselves with things that will soon need to be replaced. They see that genuine sustainability is not compatible with cheap products – a view that is put into practice by mid-size companies. This is where we come full circle: If mid-size companies stand for the right values in a responsible and credible way, this also promotes business success.

Values and success

We will never know how much our passion for sustainable business management actually contributes to the company's success. But almost every day we find that even the smallest successes are all the more rewarding when we use our creative freedom and influence in a responsible way.

Michael Girsberger,
CEO Girsberger Holding AG

Michael Girsberger,
CEO Girsberger Holding AG





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



The sustainability of our business practices

Competitive pressure in the office furniture industry is increasing steadily. Pressure on prices is mounting, and more and more manufacturers are outsourcing their products or parts of them to low-wage countries. Given these circumstances, how will the Girsberger Group hold its ground on the international market in future?

Office seating remains our core business and the **Office** division is our greatest source of revenue. Accordingly, we will continue to strive to be a leading supplier in this area. At the same time we have to buffer the financial risks involved (high development and tool costs) by gradually establishing ourselves in other niche markets. These are specialist areas which our large competitors in particular are unable to cover as well.

This is why our former Home division was condensed into Girsberger **Dining**, which focuses on dining furniture. However, it caters not only for high-class requirements in the home but will also be increasingly aimed at the commercial design sector in the future.

Our **Customized Furniture** division implements entire seating and table configurations to the individual visions and designs of architects and their clients, producing customized furniture and fittings for reception areas, lounges, conference rooms, restaurants and canteens.

With our **Service & Remanufacturing** division, we ensure that used furniture does not need to be thrown away but can remain in use for longer. By fully restoring seating furniture of almost any brand and repairing even large numbers of items by industrial means, we restore their former beauty, ensuring their longevity and sustainability.

This 2012 Sustainability Report applies to Girsberger Holding AG, Bützberg/Switzerland, Girsberger AG, Bützberg/Switzerland and Girsberger GmbH, Endingen/Germany and their subsidiaries in France, Austria, Spain, the United Kingdom and the Netherlands. All the information and figures in this report therefore refer to the Girsberger Group companies mentioned above.

This report does not include the subsidiaries Girsberger Industries, Inc., Smithfield, NC/USA, Mobimex AG, Seon/Switzerland and the investment company Tuna Girsberger Tic. AS, Silivri/Turkey.

Production at Girsberger Industries, Inc. in the USA was discontinued with effect from 29 February 2012. All employees and managers were transferred to Teknion Corporation in Canada at the same conditions of employment but will continue working at the Smithfield site. Since then, the business activities of our US subsidiary are limited to the rental of production halls, manufacturing equipment and office space. In view of these circumstances we consider the inclusion of Girsberger Industries, Inc. to be unnecessary for environmental certification.

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

In 2007 Girsberger opened a sales company, Girsberger España, with its own showroom in Madrid/Spain. It is well known that Spain was particularly badly hit by the financial crisis. Girsberger España suffered losses each year due to the difficult market conditions. Unfortunately, we had to give up our sales presence in Spain for economic reasons, and Girsberger España was closed on 31 January 2013.

The Girsberger office chairs produced by Tuna Girsberger Tic. AS in Turkey are exclusively for sale in Turkey and export to the Middle East. Girsberger Holding AG's shareholding in Tuna Girsberger Tic. AS is 50%. To date, the Turkish shareholders have resisted environmental certification for cost reasons.



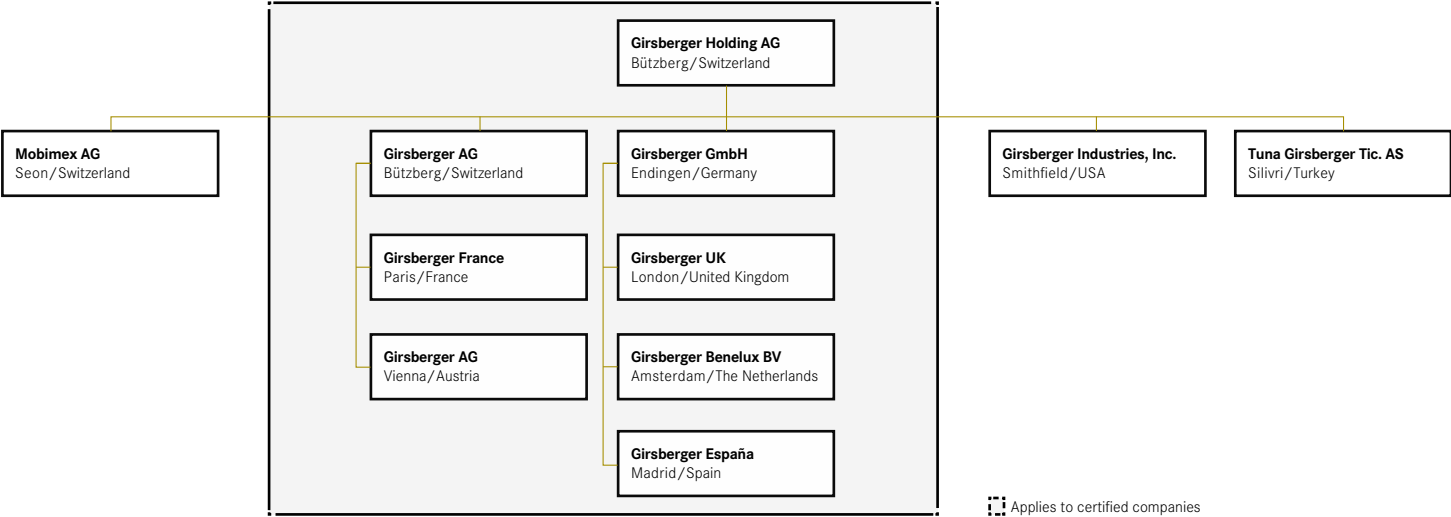
Our **wood trade** supplies carpentry businesses and other manufacturers with high-quality timber. The advantage for our customers is the rapid delivery of the desired quality of timber which is ready for processing. They do not need to worry about storing and drying the timber, which ties up capital.

With **Zoom by Mobimex** we reach the most discerning customers at the apex of our top market segment in the home and commercial areas. This is only possible with a completely independent brand. If it were to lose its independence, much of its aura of exclusive luxury would inevitably be lost.

With these business units, the Girsberger Group focuses on individual market niches in which we can make the most of our innovativeness, short procurement channels and production versatility to provide great value to the customer. This results in durable, high-quality products produced in a socially responsible and environmentally sound way.

Compared to the largest furniture manufacturers in the world, Girsberger remains relatively small. We are, however, the specialists in meeting individual requirements with durable high-quality solutions. We will do all we can to be able to say this with conviction and even a little pride, now and in the future.

Michael Girsberger,
CEO Girsberger Holding AG



Objectives and measures

The following list shows the extent to which the objectives set for the end of 2012 were achieved and sets out the measures/objectives for the period to 2014.

● Objective achieved / ● Objective partly achieved / ● Objective not achieved

Objective by 2012	Achievement and explanation of objective	New objective by 2014
Company		
Cash flow of 5.3%	● Achieved, cash flow of 7.9% in 2012	Cash flow of 8%
Turnover growth of 9%	● Not achieved, turnover growth of 1.1% in 2012	Turnover growth of 3% per annum
Interest groups		
Annual survey among our key stakeholder groups	● The survey was conducted in autumn 2012	- Structured customer survey in writing - Follow up on employees' concerns (Survey 2012)
Employees		
Percentage of employee appraisals 100% performed	● Objective achieved	This objective still applies
Every employee with line management responsibilities to attend at least one leadership seminar for their level	● Objective not achieved Training per employee (in hours) was doubled through more intensive training in the implementation of improvement processes	Individual training for managers and specialists based on annual employee appraisals
Reduction of days lost by 5%	● The objective was achieved in Bützberg but not in Endingen due to a higher instance of long-term illnesses	Reduce short-term absences by 5% per annum
Products		
Development of a new chair concept that makes a large contribution towards sustainability. The seats should feature minimal use of materials, exclusive utilization of green electricity in the production process, high use of recycled materials and short transport distances in the procurement process. CO ₂ emissions produced in the manufacture of a chair should be declared. Creation of a life cycle assessment system to evaluate our products	● Due to high costs, we had to abandon the objective of declaring the CO ₂ emissions in the production of a new chair model and developing an environmental balance sheet for our products. The main reason for this is the continuing trend towards outsourced production by the supply industries to the Far East and the resulting pressure on prices	Minimum use of materials, use of 100% green electricity in production, high use of recycled materials and short transportation distances in procurement
Procurement and transportation		
Annual confirmation of environmental relevance	● Objective achieved	This objective still applies
Consideration of a standard of working conditions and workers' rights (ILO regulations) for production and service provision companies	● Objective achieved, however it will not be pursued further because this is already the case in our main procurement markets in Europe, and because we cannot conclusively check, with the resources available to us, whether the social standards are observed	Periodic visits to the A and B suppliers remains an objective
Further monitoring and review of Asian suppliers	● We regard this objective as partly achieved because we cannot guarantee the accuracy of checks performed in a personal capacity	This objective still applies
		Evaluation of the customs origin of parts purchased by Girsberger AG Bützberg

Objective by 2012	Achievement and explanation of objective	New objective by 2014
Resources and raw materials		
Optimum utilization of wood, leather and fabric through monitoring the volume of waste	● Objective partially achieved	This objective still applies
Increase the proportion of reusable waste by 10% at both Bützberg and Endingen	● Objective achieved	Reduce domestic waste in Bützberg by 50% through waste separation Raise the proportion of recyclable waste to 75% of the total volume in Endingen
Environmental protection/Energy and emissions		
Keep consumption at 2010 level with the same output	● Objective achieved Direct energy consumption was reduced by 4.11%. The amount of non-renewable energy was reduced from 16,487.45 GJ to 12,684.6 GJ	
Keep proportion of renewable energy in Bützberg and Endingen at 10% and 28.9% respectively	● Objective achieved A photovoltaic system was installed in Endingen in December 2011	Use of 100% green electricity in Bützberg and Endingen
Look into fitting solar panels on the production building in Bützberg	● Objective achieved An inspection was performed. The installation of a photovoltaic system was, however, deferred in favour of the operational ecology concept	
Produce a business ecology concept for quantifying areas of energy efficiency potential in Bützberg and Endingen	● Objective achieved	Objectives of operational ecology concept as per page 40/41
Determine main consumption of energy in Endingen and formulate measures	● Objective achieved	Objectives of operational ecology concept as per page 40/41
Continuation of compensation process with tree-planting scheme	● Objective achieved	This objective still applies
Efficiency class A company vehicles	● Objective partially achieved	New vehicle purchases with efficiency rating A wherever possible
	● All air travel to be offset via myclimate	This objective still applies
	● CO ₂ -neutral production of printed matter	This objective still applies
Further raising of employee awareness of environmental matters	● We consider this objective as partially achieved because awareness has been raised with many employees, albeit certainly not all	This objective still applies

Key figures at a glance

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

Indicator	Unit	2009	2010	2011	2012
Company *					
Total turnover net	CHF million	72.80	68.02	69.56	69.94
Wages of all employees (excl. social security contributions)	CHF million	20.38	19.18	17.99	18.26
Of which in Switzerland (incl. Paris, Vienna)	CHF million	13.84	13.64	12.61	12.60
Of which in Germany (incl. London, Amsterdam, Madrid)	CHF million	6.55	5.54	5.38	5.66
Incoming goods – Swiss production site	CHF million	21.43	19.73	18.96	19.11
Incoming goods – German production site	CHF million	18.01	15.69	15.61	15.63
Capital expenditure (without product development)	CHF million	2.89	1.21	1.27	1.91
Tax and donations – Switzerland	CHF million	0.11	0.17	0.27	0.11
Tax and donations – Germany	CHF million	-0.06	0.01	0.12	0.68
Total social security contributions	CHF million	3.10	3.02	2.76	2.75
Of which in Switzerland (incl. Paris, Vienna)	CHF million	2.16	2.22	1.97	1.94
Of which in Germany (incl. London, Amsterdam, Madrid)	CHF million	0.94	0.80	0.80	0.81
Employees					
Number of management staff	Number	293	288	282	284
Managers - female	Number	9	10	10	11
Managers - male	Number	47	52	46	45
Composition of the workforce – age	Average	42.5	42.9	42.6	42.6
Fairness of pay – pay spread	Factor	8.2	8.1	7.3	7.1
Disciplined cases of discrimination	Number	0	0	0	0
Percentage of employee appraisals performed	Percent	82.4	83	100	100
Assessment of employee satisfaction (assessment scale 1-10)	Average	8.3	8.2	8.3	8.3
Employee turnover rate	Percent	7.02	9.93	7.46	5.63
Training per employee	Hours	9.1	7.1	6.3	13.9
Resources and raw materials					
Resources					
Wood	m³	985	930	970	967
Metal	t	232	203	143	98
Leather	m²	24,571	21,770	15,504	19,104
Fabric	lm	75,985	79,729	102,269	83,225
Paper	kg	8,205	5,931	5,990	5,811
Operational waste					
Wood reused to generate heat	t	367.1	351.6	378.3	381.8
Waste for incineration	t	88.9	96.4	88.9	98.4
Recyclable waste	t	151	163.5	153.4	151
Hazardous waste	t	3.5	3.2	1.9	2.4
Energy and emissions					
Energy					
Water consumption	m³	3,255	3,283	3,295	3,150
CO ₂ emissions					
Electricity	t	300.7	210.6	200.6	198.2
Heating oil	t	39.1	74.4	30.8	39.1
Natural gas	t	110.6	126.8	100.6	116.6
Petrol/diesel	t	547.3	516.1	507.7	540.7
Flights	t	37.3	37.5	22.2	29.9
Other significant emissions					
VOC	t	6.64	7.73	6.05	6.01
SO _x	t	0.1	0.1	0.1	0.1
NO _x	t	1.5	1.5	1.5	1.5
Particulate matter (no measurements 2009 and 2011)	t	–	1.23	–	1.55
Adherence to the law					
Non-compliance	Number	0	0	0	0

* The financial ratios are based on the revised annual balance sheet under commercial law (PricewaterhouseCoopers)

We continuously strive to develop, manufacture and sell products that are impeccable in terms of quality and ecological and ethical aspects with high long-term value to the customer in a way that is responsible and yet profitable.

Taken from Girsberger's corporate policy

Business development

According to Chief Economist Klaus Wellershoff, Switzerland's industry has been in a recession for the last six quarters. The Girsberger Group has managed to successfully withstand this downward trend. While revenues for the entire Girsberger Group grew by 4.4% in 2011 compared to the previous year, the Group still achieved year-on-year growth of 1.5% in 2012. One of the causes of the current economic situation is still the exchange rate between the Swiss franc and the Euro. This resulted in a drop in turnover in the consolidation but had a positive effect on expenses. The economy, which has been

struggling for some years now, also resulted in noticeably lower demand.

Specifically, the results are as follows: In Germany, our main market, the Office unit achieved a minimal increase in revenues of 0.6%. Revenues of Girsberger Holding AG, Girsberger AG and Girsberger GmbH rose by 1.1% compared to 2011. In the Dining market, sales remained almost exactly the same as in 2011. The proportion of material costs remained stable, and we succeeded in reducing operational costs.

The new business units Service & Remanufacturing and Customized Furniture, which to date have only been active in Switzerland, saw very positive development and together



achieved a revenue increase of 36% over the previous year. In the German market, a specialist sales representative will help to further expand the Customized Furniture division with immediate effect.

The cash flow from operating activities by the certified companies was 6.7% in 2011 and rose to 7.9% in 2012. It is therefore clearly above the objective of 5.3%. This helped to further strengthen our liquidity and thus also our independence. In the 2013 and 2014 financial years we aim to achieve 3% increases in revenue each year and a cash flow of 8%.

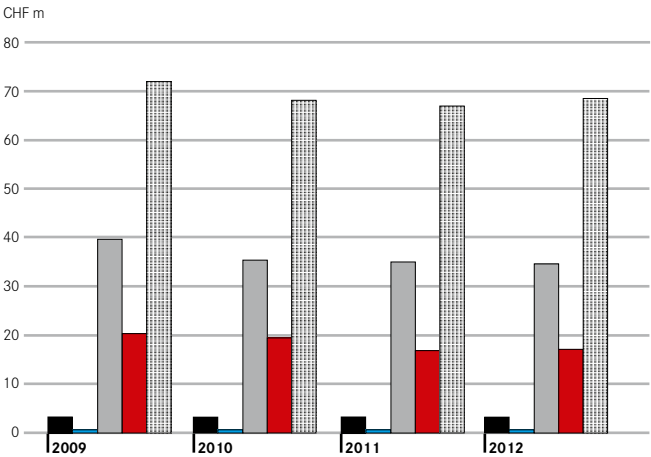
We fulfilled all of our financial obligations to suppliers, relevant authorities and the state in full and on time.

We complied with the legal regulations at all times. Further key figures such as social contributions, taxes, donations and salaries are summarized in the diagram.

Hans Zingg,
Head of Finance, Girsberger Holding AG

- Total social security contributions
- Total tax and donations
- Total incoming goods
- Total salary payments
- Total turnover

Turnover (split-up in salary payments, purchase of goods, tax and social security contributions)



Interest groups

A mid-sized company like Girsberger, with a few hundred employees, must remain in continuous dialogue with a number of very different interest groups. In the 2010 Sustainability Report, a representative of the authorities, a customer and a supplier were each given the opportunity to express their views. We have consistently followed up on the issues they raised with us. At the time, the mayor of Endingen, Hans-Joachim Schwarz, expressed the expectation that a company like Girsberger should be energy-conscious. We did indeed put a large photovoltaic system into operation at our production facility in Endingen in December 2011.

In 2012 it was decided that Girsberger Holding AG would join the Öbu network (www.oebu.ch) in 2013. This think tank for environmental, social and management issues advocates political conditions that encourage businesses to become sustainable and promotes an exchange of experiences between its 400 or so members. In 2013, Girsberger GmbH will become a member of the German Association of Environmental Management (Bundesdeutscher Arbeitskreis für Umweltbewusstes Management e.V. – B.A.U.M.). The aim of B.A.U.M. is to create awareness among companies and organizations of the issues of environmental protection and sustainable business, and to help them implement appropriate measures in an ecologically effective, economically sensible and socially fair manner.

Girsberger produces quality products while pursuing an environmentally sound business policy. The interest groups that we address include employees, suppliers, authorities, shareholders and the public. However, it is the customers who should be named first, for it is to them that every business

owes its existence. In monthly meetings and comprehensive talks at the beginning of each year, we make sure that we know and meet our customers' requirements in terms of the performance and quality of our products as well as their eco-friendliness. In addition, we will determine and evaluate customer satisfaction by means of a written questionnaire in 2013. We will present the results of this survey and the resulting objectives and measures in our next Sustainability Report.

Girsberger reaches the public through a continuous flow of media releases on topics relating to the industry and product innovations. All the current information is also available on our website. Girsberger also pursues proactive collaboration with the public and with the local communities of our branches. To this end, we support associations with donations and promote specific projects in the local region. We provide financial support to non-profit and charitable institutions in Switzerland and abroad.

Girsberger continues to pursue its strategy of producing in Germany and Switzerland, both high-wage countries, and strives to protect existing jobs and create new ones. The employees are one of our most important interest groups altogether. We raise their awareness of environmental issues by communicating ecological tips six times a year and holding "notice board" meetings every two months. At these meetings, the managing director and unit heads provide information on the subject of business development and current issues. We support employees who are socially active by permitting them to perform some of the relevant duties during their working hours.

In autumn 2012 we carried out a survey among our employees on the subject of sustainability. The results of the 91 responses (almost 40%) can be summarized as follows:



How do our employees perceive Girsberger within their environment (work and home)?

Many employees recognize Girsberger's commitment to sustainable business, especially in the areas of ecology and resources. We are perceived as a responsible company with durable, high-quality products. Many employees believe that their behaviour outside work has changed as a result of awareness raised at work. There is, however, definitely still the potential to do more, for example with regard to separating waste and saving electricity. There were mixed reactions to the realization that we have to consider suppliers from further afield for new product models, particularly in the Office unit. Many employees feel that Girsberger's Service & Remanufacturing unit is not yet well enough known in the regions of our branches.

What do our employees expect from the company as regards sustainability?

The majority of employees who took part in the survey expect the company to advocate environment-friendly production. This starts with procurement from environmentally friendly suppliers, continues with frugal and careful use of resources to the production of high-quality, durable products. Sustainability should be a practice, not as a wish but as an imperative. Apart from the ecological aspects, employees place importance on seeing Girsberger as a reliable partner which assumes its social responsibility and continues to do everything in its power to protect jobs in Switzerland and Germany.

Employees' concerns about the company

On the subject of resources, many employees still see potential for optimization, particularly with regard to saving electricity. Suggestions were made to reduce lighting in the production facilities at night and to use individually controlled lights at workstations. The existing fluorescent tubes could be replaced by energy-saving lamps and be temporarily switched off by motion sensors. These issues and others in the areas of waste disposal and paper consumption were incorporated into the operational ecology concept so that their implementation can be considered.

We wish to provide even greater detail about our efforts to do business sustainably in our future internal communications. The measures implemented, improvements achieved and projects that will not be pursued further will be communicated proactively. The bi-monthly "notice board" meetings are an ideal forum for this as they reach the entire workforce.

Some employees believe that Girsberger and its commitment to sustainability are not well known in our region. Together with our marketing division we will develop measures to address this. We will report on the implementation status and targets achieved in the next Sustainability Report.



Our employees

At Girsberger, a sustainable personnel policy means that all the employees in our company are treated equally and feel comfortable, and that their personal rights and privacy are respected. People who feel appreciated are happy to contribute more to the success of the company.

The members of our workforce belong to 15 different nationalities. This cultural diversity requires that the company's values are actively put into practice as a unifying element. The code of conduct defined in our corporate principles provides the basis for this. It states, among other things, that we are always honest, fair and helpful in our dealings with other people irrespective of gender, origin, culture or religion.

All our personnel measures are also designed to reflect these corporate values. This includes, for example, staff performance appraisal meetings, education and training, health, safety and environmental measures, and lastly, joint leisure activities as well.

The certified companies Girsberger Holding AG, Girsberger AG and Girsberger GmbH employ a total of 284 people (including 21 trainees). The proportion of women in management has risen by almost 4% since 2010 and is now at 20%, with a total of 11 women, which we still consider unsatisfactorily low.

The Girsberger companies do, however, consist mainly of craftsmanship-oriented departments in which female managers are rare. Furthermore, the gratifyingly low



fluctuation rate does not give much leeway to change this ratio through new recruitments. However, we remain committed to raising the proportion of women in management.

When selecting managers, craftsmanship is no longer an issue. Here, qualifications and personality are the main criteria, so there is essentially nothing to prevent us increasing the proportion of women.

Girsberger does not pay premium salaries for management positions. Through salary decreases for upper management in Switzerland and an adjustment of the minimum salaries at Girsberger GmbH, the pay spread was reduced from 1:8.0 in 2011 to 1:7.1 in 2012.

Number of employees and employee turnover rate

Compared to 2010, only the Girsberger GmbH workforce increased in the reporting year. We are pleased to report that the employee turnover rate dropped from almost 10% to 5.6% during this time period. Because the furniture industry does not publish turnover rates, it is not possible to compare this figure with that of the competition.

Total number of employees and employee turnover rate

		2009	2010	2011	2012
Total number of employees at certified companies	Number	293	288	282	284
Number of employees at Girsberger Holding AG Bützberg	Number	21	24	23	24
Number of employees at Girsberger AG Bützberg (incl. Paris, Vienna)	Number	150	150	141	137
Number of employees at Girsberger GmbH Edingen (incl. London, Amsterdam, Madrid)	Number	122	114	118	123
Total employee turnover	Percent	7.02	9.93	7.46	5.63



Our employees (continued)

Employee satisfaction

We are pleased that, with 8.3 out of a possible 10 points, employee satisfaction is at a consistently high level. We hold appraisal meetings with each employee at least once every twelve months. These meetings are systematically evaluated and analysed by general management and the respective line managers. Particular attention is paid to ratings lower than 5 points. In these cases, suggestions for improvement and measures are defined together with the employee.

Both in 2012 and the year before, we held the annual appraisals including the written questionnaire with the entire workforce (100% of employees).

Assessment of employee satisfaction (average)

	2009	2010	2011	2012
Overall (assessment scale 1-10)	8.3	8.2	8.3	8.3
Collaboration	8.7	8.7	8.6	8.6
Information	8.3	8.3	8.1	8.1
Workplace/Surroundings	8.4	8.4	8.6	8.4
IT system	7.7	7.7	7.6	7.7
Environmental management system	8.6	8.6	8.3	8.7

Satisfaction index

2009: **8.3**

2010: **8.2**

2011: **8.3**

2012: **8.3**

Assessment scale

1 (very dissatisfied) to

10 (very satisfied)

Percentage of employee appraisals performed

	2009	2010	2011	2012
Employees at Girsberger AG ¹ and Holding AG Bützberg	86.3	79.4	100	100
Employees at Girsberger GmbH Edingen ²	78.4	86.5	100	100

¹ incl. Paris, Vienna ² incl. London, Amsterdam, Madrid



Training

The number of training days in 2012 more than doubled compared to the previous year – from 204 to 450. This increase is the result of more intensive training in the implementation of improvement processes. Amid growing competition, we consider optimum methodological competence to be a key criterion for success. Today's employees are being challenged more and more, both technically and personally. To enable them to fulfil their duties, internal and external training is essential. In our view, training is even one of the most important aspects of a sustainable personnel policy. In the next two

years, our managers and specialists will undergo individual internal and external training in a variety of areas. The topics will naturally vary and are based in particular on the annual employee appraisals.

In Switzerland and Germany a total of 21 trainees are completing an apprenticeship with Girsberger, three more than in the previous year. We are in regular contact with various technical colleges, offering, among other things, internships with exciting challenges in our company. To us this is also a welcome opportunity to meet potential employees at an early stage.

Training		2009	2010	2011	2012
Number of trainees as a percentage of all employees	Percent	6.8	6.6	6.8	7.9
Trainees at Girsberger Holding AG Bützberg	Number	2	2	2	2
Trainees at Girsberger AG Bützberg	Number	10	10	10	10
Trainees at Girsberger GmbH Endingen	Number	8	7	6	9
Total internal and external training days	Days	297	227	204	450
Number of hours of training per employee	Hours	9.1	9.1	6.3	13.9



Our employees (continued)

Time with the company

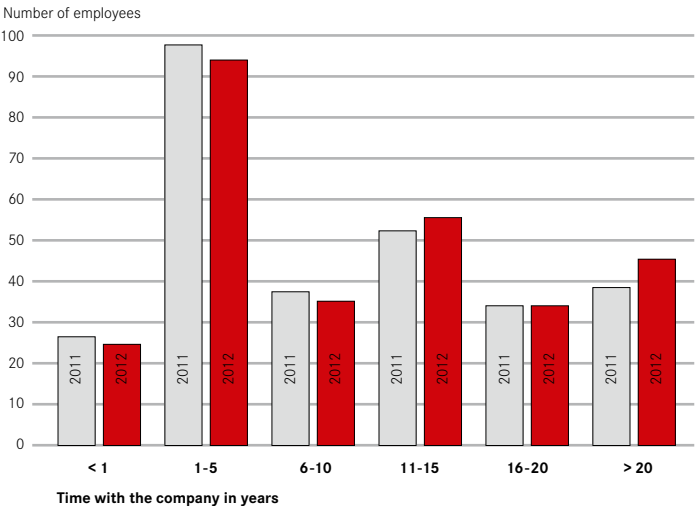
At 42.6 years, the average age of our workforce has remained almost unchanged compared to the previous year. Almost 16% of our employees have been working for the Girsberger group of companies for over twenty years; 20% have been with us between eleven and fifteen years and around 33% for one to five years. This well-balanced age structure and length of service is important for expansion and knowledge transfer within the company. All employees can benefit from an exchange of experiences and knowledge.

Collective bargaining agreements

Girsberger Holding AG and Girsberger AG (including Vienna and Paris) are subject to the collective bargaining agreement (GAV Switzerland). The general conditions of employment are negotiated by employee representatives and company management on the basis of the various country-specific regulations (e.g. labour law). These include working hours, holidays, notice periods, minimum levels of pay, levels of compensation for overtime, and pay in the event of illness or accidents. The GAV helps to ensure that agreements are adhered to and furthers the improvement of social conditions. We believe that good partnerships across all hierarchical levels of the company are essential for smooth cooperation.

33.3% of employees at Girsberger Holding AG and 63.5% of employees at Girsberger AG each pay CHF 120 annually towards the GAV enforcement costs to facilitate training and for social purposes. The remaining employees

Time with the company



Collective bargaining agreements in %	2009	2010	2011	2012
Number of employees at Girsberger AG Bützberg ¹	66.0	64.0	63.7	63.5
Number of employees at Girsberger Holding AG Bützberg	23.8	20.8	30.4	33.3

Composition of the workforce (Average age)	2009	2010	2011	2012
Employees at Girsberger AG Bützberg ¹	41.5	42.2	42.2	42.0
Employees at Girsberger Holding AG Bützberg	42.2	42.1	41.5	41.7
Employees at Girsberger GmbH Endingen ²	43.9	44.4	44.2	44.3

¹ incl. Paris, Vienna ² incl. London, Amsterdam, Madrid



are excluded as per articles 6 and 36 of the GAV. The managing directors are also excluded from the GAV as per Art. 462 of the Swiss Code of Obligations.

With the exception of the Amsterdam sales office, Girsberger GmbH, which is headquartered in Endingen (including London and Madrid), is not linked to any collective agreement. The existing employment contracts honour the relevant laws, ordinances and guidelines of Germany.

Absences

According to the Swiss Federal Statistical Office, the Swiss average for absences in 2011 was 7.9 working days per employee. At Girsberger AG this figure was only 5.6 days in 2012, not including the employees at the branches in Paris and Vienna. As a result of long-term absences at Girsberger GmbH (excluding London, Amsterdam and Madrid) the average absence was 13.2 days per employee. According to

the 2012 Health Report by the Techniker Krankenkasse in Germany, the benchmark average absence figure in Baden-Württemberg is 10.5 days.

With the help of external experts, Girsberger wishes to proactively reduce the number of absence days in future, whereby the focus will lie on short-term absences in particular. We define these as illness- or accident-related absences of up to three working days. It will primarily be up to the line managers to have confidential conversations with their employees to determine the reasons for the short-term absences. Our aim is to reduce short-term absences by 5% each year.

Hans Zingg,
Head of Finance, Girsberger Holding AG

Absence in days per employee and year	2009	2010	2011	2012
Girsberger AG and Holding AG Bützberg ¹	7.06	6.59	5.26	5.61
Girsberger GmbH Endingen ²	11.97	12.96	9.60	13.17

¹ without Paris, Vienna ² without London, Amsterdam, Madrid



Product responsibility

After years of domination by cheap products, the furniture market is seeing a return to lasting values by many customers. Quality and durability have become attractive again and people are willing to pay more for good furniture.

This demand is met by Girsberger's products. Girsberger makes high-quality furniture that lasts for many years thanks to its timeless design and essential practical value – and has a history that goes back over 100 years. Girsberger solid wood tables, for example, are made exclusively from carefully selected tree trunks. Before it is crafted, the timber is stored and treated for several years.

Girsberger furniture is not cheap. However, in contrast to the products of low-cost suppliers, it is also not replaced after only a few years due to a lack of appreciation or quality. It is often even passed on to the next generation. Our office chairs are also designed to last and buck the trend of lower prices for lower quality.

Because durable products are sustainable. Anything that is not thrown away or replaced does not cause further resources to be used up, thereby reducing the impact on the environment. Girsberger furniture is also produced mainly at our manufacturing sites in Switzerland and Germany which employ environmentally sound production methods and help to protect jobs in the region.



To ensure that good furniture is not disposed of prematurely, a few years ago we launched the Service & Remanufacturing unit which professionally refurbishes and repairs existing furniture. Depending on the amount of work involved, it is either done at our plant or at the customer's premises in our mobile workshop. The service is in no way restricted to Girsberger furniture – in the historic Theater Basel, for example, we removed a total of 458 seats, recovered them with new full-grain leather and refurbished all the metal frames, all within just eight weeks.

The sales figures indicate that Girsberger is addressing a real need in the market with this service. Service & Remanufacturing is currently the fastest-growing Girsberger business unit – a good example to show that sustainability can be financially rewarding.

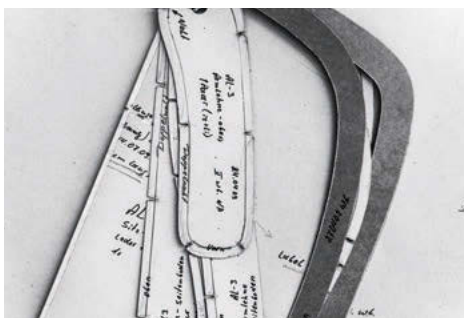
Mathias Seiler,
Head of Design and Marketing, Girsberger Holding AG



Product responsibility (continued)

The product development process bears a high level of responsibility for the sustainability of Girsberger furniture, as the sustainability of a piece of furniture is largely dictated at the development stage. The choice and frugal use of materials, the construction and the production methods used are critical in this regard.

At Girsberger, we look at the full life cycle of a piece of furniture – from the procurement of the materials all the way to its disposal. The aim is to place the least possible burden on humans and the environment at every stage. We therefore choose materials that are produced in an eco-friendly way and can be disposed of in their pure form, and we avoid those with poor ecological properties, such as PVC, heavy metals and azo dyes. We also refrain from using any additives or coatings that could harm the environment in any way at any stage of the product life cycle.

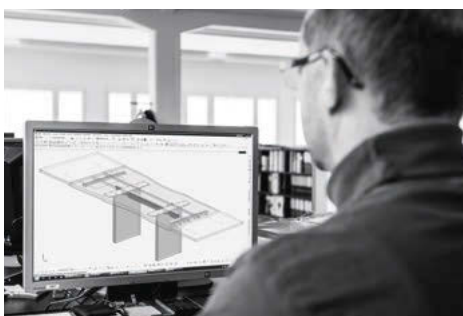


When constructing our furniture, we take great care not to waste any materials. We design the products in such a way that the desired design features and functions can be achieved using as little material as possible. By using modern software tools (FEM - finite element method) we not only make sure of the stability of key elements but can also use the materials only where necessary. As they are simple to dismantle into their constituent parts, our products can also be easily repaired or recycled via the appropriate processes.

In 2013/2014 we will continue to pursue our long-term goals: minimum use of materials, 100% green electricity use at our own production facilities, high use of recycled materials and short transportation distances in procurement. In view of the ongoing trend in the supplier industry to outsource production to the Far East, this requires an ever increasing amount of effort.

However, we are not going to issue a product-specific CO₂ balance sheet or perform an environmental performance evaluation.

Thomas Gasser,
Head of Product Development, Girsberger Holding AG



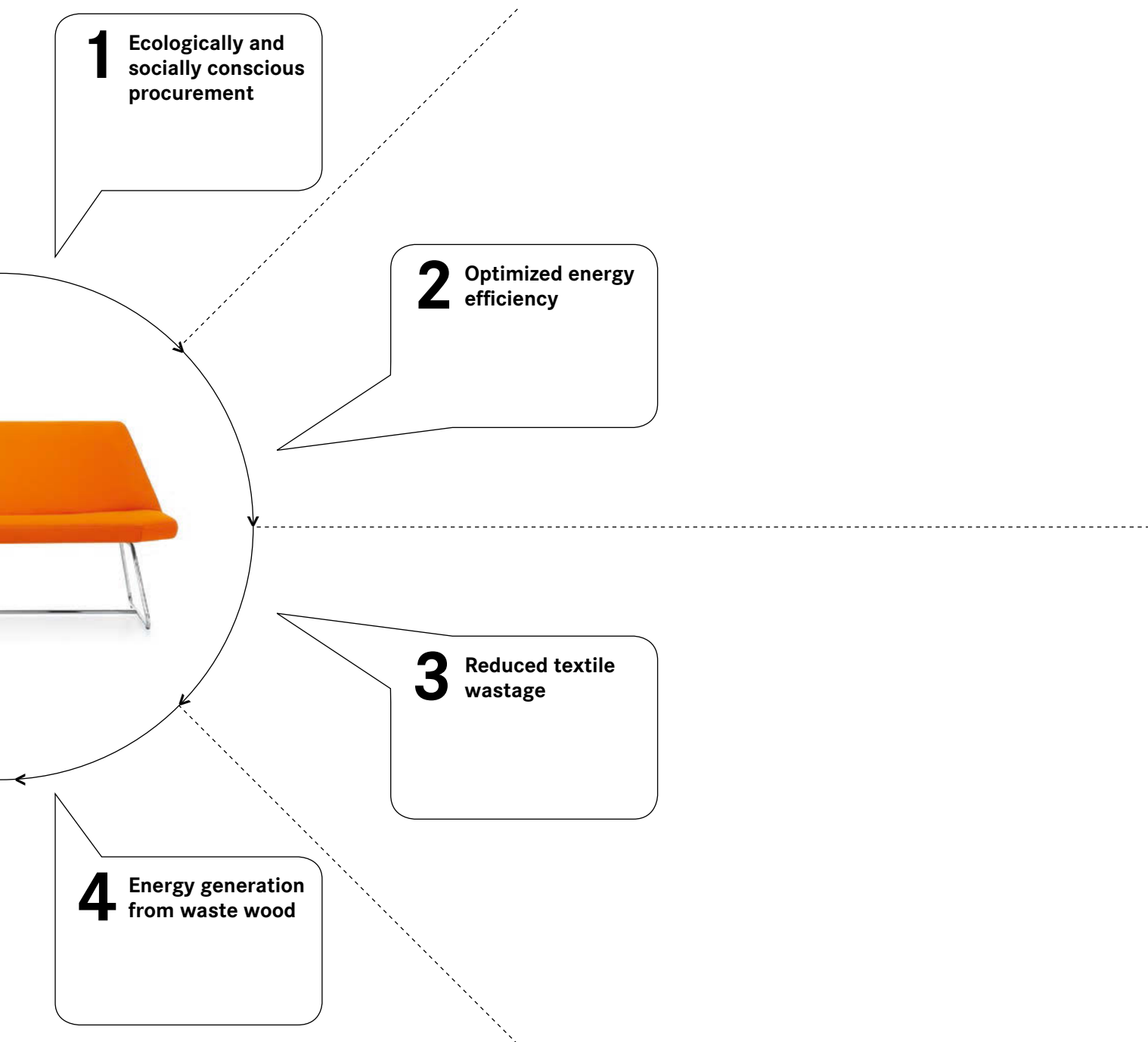
Product life cycle

The sustainability of a piece of Girsberger furniture results from the sum of all the measures taken during the individual stages of the product's life cycle.

This begins with using eco-friendly materials and resources and ends with the return of the raw materials into new production processes.



1	2	3	4
In the procurement of raw and other materials, apart from commercial and technical aspects, we place importance on selecting suppliers who work in a socially and environmentally sound way. We pay periodic visits to our A and B suppliers. Environmental relevance is investigated and evaluated annually. Hazardous materials for production and cleaning are subject to strict internal guidelines.	We continuously check and optimize the energy efficiency levels of our facilities (electricity and heating). By monitoring waste volumes, we aim for optimum utilization of raw materials and resources.	At the end of 2012 a modern upholstery cutter was installed and put into operation. It helps to reduce wastage of covering fabrics by an average of 10%. The level of waste reduction depends on the mix of products to be manufactured. If there is a good mix of models, a greater reduction of waste can be achieved, while for large quantities of the same model, less waste reduction is possible (nesting process).	All waste wood in the Bützberg facility is used to produce heating energy. If the same amount of heat were produced using fossil fuels, it would produce 500 tons of CO ₂ a year. We intend to reduce our energy consumption in the Bützberg facility by 2014 by continuing to refurbish the building shell and through other operational ecology measures.



5

From 2013 onwards, 100% of our electricity requirements at our sites in Bützberg and Endingen will be covered by green electricity generated through hydro- and solar power.

6

When placing orders, we give preference to suppliers who are situated as close as possible to the manufacturing facility. In 2010 we stated that 93% of our suppliers are based within a 600 km radius, in 2011 this was still the case for 91% of suppliers and in 2012 for 90.2%.

7

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

8

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



With the Service & Remanufacturing division, Girsberger has specialized in the refurbishment and restoration of used seating furniture.



Procurement and transportation

Our procurement strategy has not changed significantly since our 2010 Sustainability Report. Apart from the commercial and technical aspects, we place importance on selecting suppliers who operate in a socially and environmentally compatible way and are closely situated to our manufacturing plant to keep transport emissions to a minimum.

Due to the pressure on prices caused by the strong Swiss franc, however, some of our added value creation has shifted to the European region. Especially in the case of labour-intensive parts and large product runs we could not oppose this development without putting our competitiveness at risk.

We have also discovered that certain products, e.g. gas springs, are no longer even produced in Central Europe and that labour-intensive manufacturing processes such as aluminium polishing and the manufacture of small and mid-sized quantities of welded modules are increasingly being outsourced to Eastern Europe.

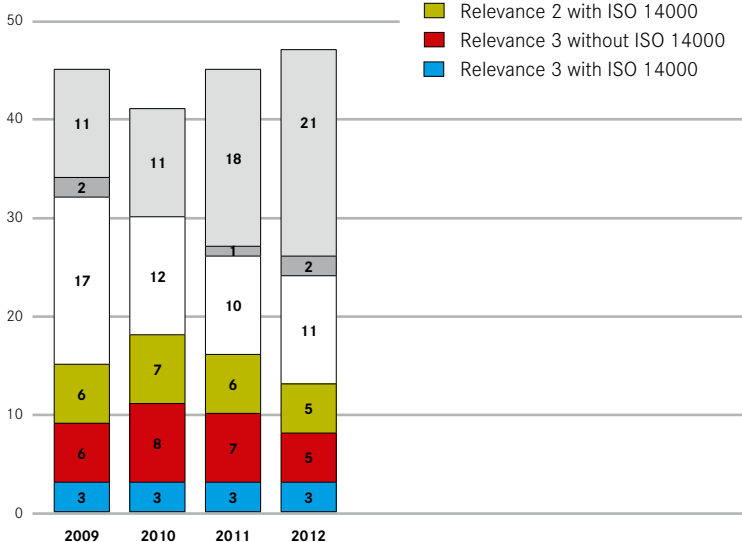
These developments affect us directly on the one hand, in that we found a new supplier of stainless steel parts in Asia in 2012, but also indirectly, because our European suppliers are setting up their own manufacturing plants and procurement sources in Eastern Europe and Asia and are increasingly using them for the European market.

As a result of this, we not only want to evaluate the geographical spread of our procurement volumes but also the value of our procurements by customs country of origin in %. At Girsberger GmbH this is already possible (see diagram), and at Girsberger AG we will produce the necessary data basis in 2013.

In our annual evaluation of the ecological relevance of our A and B suppliers, a shift from relevance level 2 to relevance level 1 can be seen, while the number of suppliers with a high ecological relevance remains constant (relevance level 3). This change is caused by the additional purchasing volumes in the timber trade. Here, several timber traders and sawmills have been promoted to level B suppliers.

Environmental relevance analysis of suppliers

Number of suppliers/year



Reusability and correct disposal of packaging materials (%)

Girsberger AG Bützberg

	2009	2010	2011	2012
Wood (partially reused to generate heat)	100	100	100	100
Cardboard	100	100	100	100
Plastic sheeting (partially reused to generate heat)	*	*	*	*
Other plastics (partially reused to generate heat)	*	*	*	*

Girsberger GmbH Eendingen

	2009	2010	2011	2012
Wood (partially reused to generate heat)	100	100	100	100
Cardboard	100	100	100	100
Plastic sheeting	100	100	100	100
Other plastics	100	100	100	100

* There is currently no appropriate means of recycling the small volumes of packaging plastic that accrue at Girsberger AG

Because ISO 14000 is not common in this industry, we have also seen an increase in uncertified suppliers. The number of suppliers with ISO 14000 certification has remained stable. We have continued our critical observation of our three Asian suppliers and will do so in future as well. An annual CSR risk assessment is conducted for one of the three Asian suppliers. We receive this report once a year or – if urgent measures need to be taken – at shorter intervals. Before we established our business relationship with them, we visited the production facility of the stainless steel parts supplier set up by Girsberger as well as the third supplier and assessed them, among other things, with regard to their awareness and standards of environmental and social responsibility.

We checked to make the adherence to the ILO guidelines part of our General Terms and Conditions of Purchase, but will not pursue this further. In our main procurement markets in Europe it is a matter of course and ensured by local legislation that, for example, no forced or child labour may be used. In more critical areas such as Asia, it is not feasible with the resources available to us to check if a

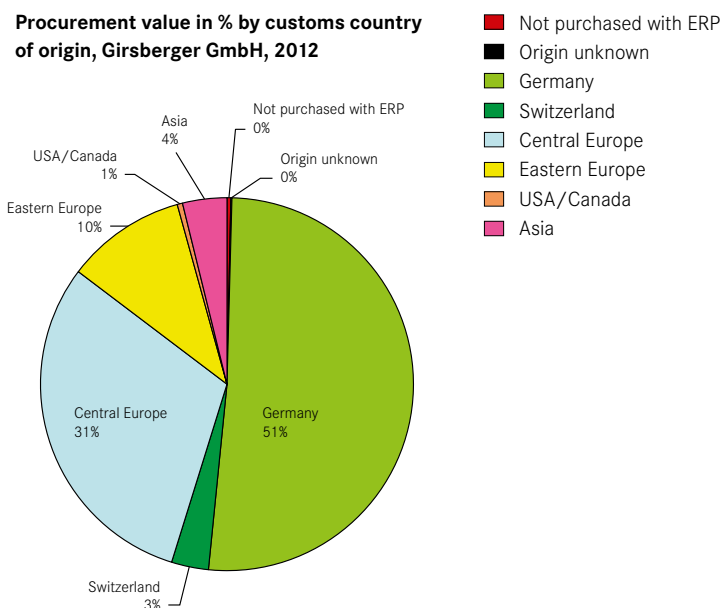
supplier is contravening the principle of non-discrimination, for example. The checks that we conducted personally gave a generally good impression but do not provide any conclusive guarantees.

Transport and packaging

When we use our own trucks for a delivery, we pick up raw materials and half-finished goods from our suppliers on the return trip. We have an agreement with those suppliers who regularly deliver large volumes to us that the trucks or containers should be filled to capacity even if this results in short or excess deliveries. In this way the kilometres driven can be put to optimum use and, compared to deliveries of piece goods, we can reduce the packaging to a minimum. To protect our bought-in parts during transport and storage, packaging sometimes cannot be avoided. Where feasible, we try to make sure that it can be reused multiple times. All packaging can be sorted into material types and recycled. When sourcing new consumables such as paper, cardboard or packaging, we make sure that they have a high recycled content.

Roland Ammann,
Head of Central Procurement Management, Girsberger Holding AG

Procurement value in % by customs country of origin, Girsberger GmbH, 2012



Purchase volumes* by value in %	2010	2012		2010	2012
Girsberger AG Bützberg			Girsberger GmbH Endingen		
Switzerland	66.5	56.7	Germany	44.4	57.4
Germany	18.3	24.1	Switzerland	7.2	4.3
Central Europe ¹	15.1	18.7	Central Europe ¹	42.1	30.5
Eastern Europe ²	0.1	0.5	Eastern Europe ²	3.5	3.8
			USA and Canada	0.7	1.2
			Asia (China, Korea)	0.9	2.8

* As a result of rounding differences, the total may not add up to exactly 100%

¹ Italy, United Kingdom, Denmark, Austria, France, Netherlands

² Romania, Slovakia, Poland, Hungary, Bulgaria, Turkey

Environmental resources

Environmental and quality consciousness have been a living element of the Girsberger company philosophy for over 100 years. Since 1995, the Girsberger companies have had a quality management system certified to EN ISO 9001 for assuring quality in design and development, production, assembly, sales and customer service. Our office chairs also carry the seal of proven product safety issued by the Bavarian Trading Standards Department. This was supplemented in 2007 by the EN ISO 14001 environmental certificate for a comprehensive environmental management system. We have thus committed ourselves to adhering to the standard's regulations, continually improving our environmental performance, systematically pursuing key environmental aspects and adhering to the relevant legislation.

An environmental relevance analysis, a programme of measurements and checks and a detailed list of the statutory requirements form the basis for everything we do. Our adherence to the regulations is regularly checked in an audit carried out by an external certified body.

The continued sustainable development of the company was ensured by addressing the energy efficiency potential and exploring the use of solar power. This resulted in focal points for measures and activities in the areas of operational ecology, infrastructure and photovoltaics.

To further promote sustainability in awareness and action, Girsberger Holding AG will join the Öbu network (www.oebu.ch) in 2013 to gain insights into ecology in business development.

Öbu aims to develop the Swiss economy in accordance with the principles of sustainability.

Girsberger GmbH will join the B.A.U.M. organization in 2013. B.A.U.M. stands for Bundesdeutscher Arbeitskreis für Umweltbewusstes Management e.V. (German Association of Environmental Management), an organization which has been successfully correlating economic, ecological and social issues, i.e. the principles of sustainability in a future-oriented way since 1984. Today B.A.U.M. is the largest environmental business initiative in Europe, with around 550 members. The aim of B.A.U.M. is to create awareness among companies, communities and organizations of environmental protection issues and the vision of sustainable business, and to support them in implementing this in an ecologically effective, economically sensible and socially fair way.

Over and above environmentally compatible production, we also work in specific ways to protect the environment and preserve biodiversity. To this end, we have been supporting the "Smaragd (Emerald)" project since 2009. This is a European network for the protection of endangered animals and plants and their habitats which gained international recognition by the competent committee of the Council of Europe on 29 November 2012. We use this platform to create awareness of environmental issues through staff events and regular information.



The Oberaargau Smaragd (Emerald) region comprises 18 municipalities in cantons Berne, Lucerne, Aargau and Solothurn. Seen here: River Aare with Aarwangen Castle.
Photo: Werner Stirnimann

Environmental relevance matrix

By defining annual environmental targets we aim to improve our environmental performance continuously. In 2011 and 2012 we were examined by the external certification body SQS (Swiss Association for Quality and Management Systems) for progress in our efforts for the environment. The auditors noted that our company places great value on the topic of sustainability. They paid special attention to our energy management which involves potential savings as well as the production of solar power, and continuous improvement of processes and performance.

In addition, we also conduct a continuous internal review of the methodologies of our management systems and implement measures for improvement.

The environmental relevance matrix shows the main focal areas of our efforts to protect the environment and indicates where special legal requirements exist. The matrix is based on detailed relevance criteria which are periodically updated to reflect the latest state of scientific and technical knowledge. A high level of environmental relevance does not necessarily mean that we have a lot of catching up to do. It does, however, mean that this aspect is to be constantly pursued, that statutory regulations usually exist and that there is a need for increased monitoring. In the case of aspects with high relevance, we set ourselves medium-term objectives which we review every year. Wherever possible, however, we also seek to make improvements in aspects with medium or low relevance. The relevance evaluation in the area of energy consumption and emissions was adjusted in 2013. The consumption of raw material resources in procurement was downgraded from 3 to 2 because the definition of the components in development (materials, geometry) and procurement have only a limited effect on materials consumption.

71% of the CO₂ emissions in Bützberg and 42% of CO₂ emissions in Endingen are caused by petrol and diesel consumption. Because of this, we have assigned a greater relevance rating to energy consumption and the associated emissions.

Peter von Känel,
Head of Quality and Environmental Management, Girsberger Group

2012 Environmental relevance matrix (excerpt)

	Product development	Sales/Customer service	Procurement	Production/Infrastructure	Personnel	
Indirectly through product during use and disposal	2	2	1	2	1	
Indirectly through transportation and employee travel	2	3	2	2	2	
Indirectly at suppliers	2	2	3	2	1	
Raw material resource consumption	3	1	2	3	1	
Energy resource consumption (electricity and heat) ¹	2	3	1	3	2	
Air emissions incl. greenhouse gases ¹	2	3	1	3	1	
Effluent ¹	1	1	1	3	1	
Noise ¹	2	1	1	2	1	
Waste ¹	2	1	3	3	2	
Risk (transportation, storage, fire, safety at work, etc.) ¹	2	2	1	2	1	

¹ At both the Bützberg and Endingen sites

3 High relevance 2 Medium relevance 1 Low relevance

Environmental resources (continued)

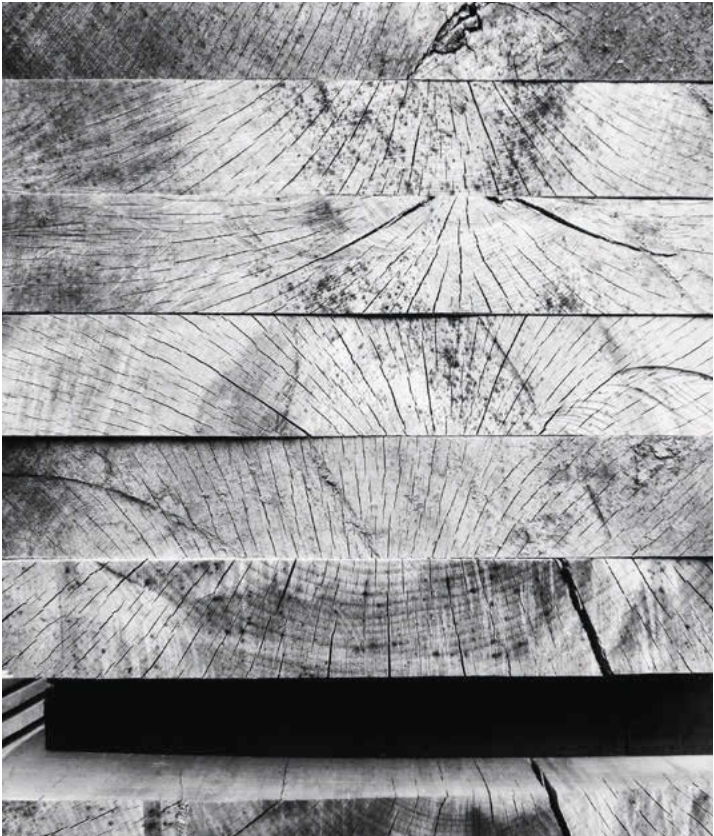
Wood – a key natural resource

Girsberger has been manufacturing tables and sideboards from prized solid wood in Bützberg for many years. We buy our timber as log wood from forests and log yards or from sawmills as round or sawn timber. We often visit the forests directly in order to be able to correctly assess the tree trunks not only based on their external appearance but also their location.

We are thus close to the source and can monitor that the timber is correctly produced. This is also the most effective way of excluding illegally harvested timber as far as possible.

Due to varying demands in terms of colour, structure and form, the wood types used come from many different regions. In winter we travel to Hungary, Austria, Slovenia and East Croatia every month. We also go to Poland and Serbia. We find oaks in the Champagne and Burgundy regions, in the Spessart and Steigerwald forests and in Slavonia, while cherry trees come mainly from Romania and Croatia. Due to the increase in demand for American walnut, the proportion of European wood dropped slightly in 2011 because we source this wood from a timber trader in Germany who imports it from North America. Nevertheless, the amount sourced in Europe exceeds 90%. The following table shows the origins of our timber.

Country of origin	2010	2011	2012
Europe (Switzerland, Austria, Germany, France, Croatia, Poland, Romania, Serbia, Slovakia, Slovenia, Hungary)	approx. 93%	approx. 90.9%	approx. 90.6%
Other (USA, Canada, Georgia, Russia)	approx. 7%	approx. 9.1%	approx. 9.4%

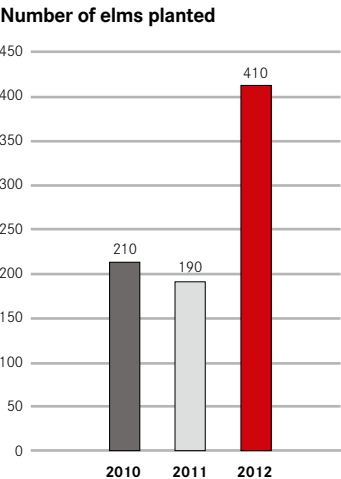


We have noted a consumer trend toward oak, particularly knotty oak, which we are very pleased about. As the second-most common deciduous tree with a 9% share, oaks are considered to be indigenous. They are found mainly in France, Germany, Croatia and Switzerland. By contrast, there is unfortunately little demand at present for beech which, at 16%, is the most common European deciduous tree.

Our commitment to sustainable wood procurement is also demonstrated by our work in support of the Swiss elm tree. We reported extensively on the effects of Dutch elm disease in our last Sustainability Report. We will continue with the project we initiated in 2010 to support the growth of young elm trees. For every elm table made in Bützberg, Girsberger restocks the forest with an elm seedling.

The website www.schweizerulme.ch provides information about the elm reforestation project.

Jakob Röthlisberger,
Head of Timber Procurement, Girsberger AG



The first elm planting under the auspices of schweizerulme.ch took place in November 2010 in the forests on the Bucheggberg (Switzerland). The forestry operation in charge takes a layered approach to forest management which means that the elms are initially grown under the canopies of mature trees. They are randomly planted in groups of 10 to 20 per site.



Environmental resources (continued)

Materials

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

Steel

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

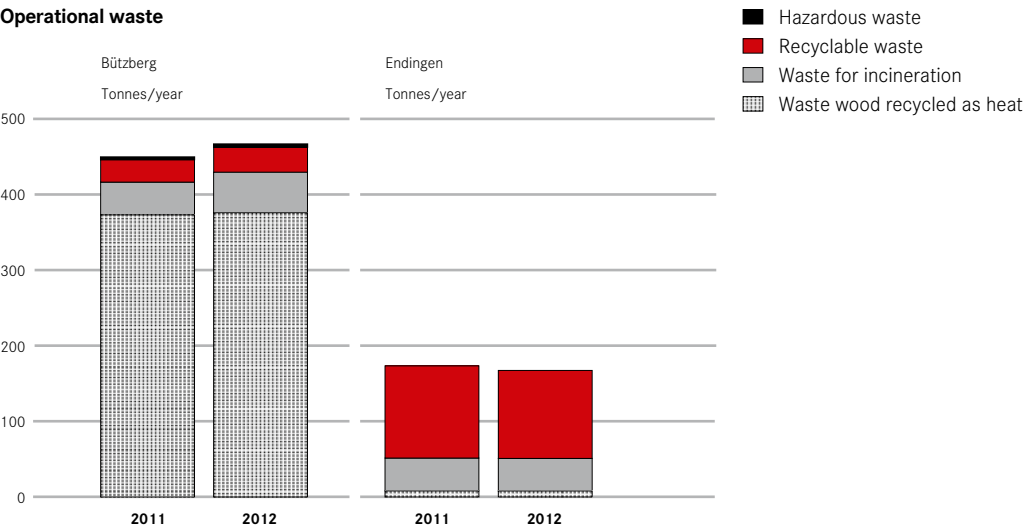
Aluminium

Aluminium is very strong, easy to shape and can be finished in many different ways. It is also a material that can be recycled practically ad infinitum. A large proportion of the aluminium used in manufacturing today has been in circulation for decades.

Thermoplastics

Our synthetic components are made primarily from polypropylene, polyamide, polyethylene and ABS (acrylonitrile-butadiene-styrene). As a foam material, we use polyurethane foam expanded without the use of CFCs. We mark every synthetic component with its material designation so that at the time of disposal it can be separated into pure form. A certain proportion of recycled material is also always used in suitable components. For quality and safety reasons, however, unlimited recycling of plastics is not possible.

Operational waste



Seat cover materials

Our seat cover fabrics adhere to Oeko-Tex Standard 100. We are able to give some pure-grade fabrics made of natural fibres back to the suppliers, where they are torn apart and the fibres used to make new covers. Seat covers made of synthetic materials can be recycled after use.

Disposal

We recycle not only our own office chairs but other brands as well. The materials from worn furniture that is reupholstered, refurbished and freshened up are sorted by type. 95% of the materials are put back into circulation and 5% are reused to generate heat. Certified waste disposal companies take care of correct waste disposal and recycling of items in large numbers, in line with legal requirements.

Operational waste

Around 80% of operational waste at the Bützberg site is waste wood which is reused to generate heat. Currently making up 7.6% of total waste, the portion of reusable waste, such as cardboard, paper, glass, electronic waste, metal, foil, leather offcuts, fabric offcuts, documents, etc., is to be increased further in Bützberg by revising the waste management concept. Waste in Bützberg is to be reduced by 50% by the end of 2014 through better waste separation.

In Endingen around 27% of waste is reused to generate heat. 70% of waste is recycled. We wish to increase this proportion to 75% of the total quantity by 2014.

The main items of hazardous waste are solvents, which at 0.52% make up a very small percentage of the total amount. Endingen does not produce any hazardous waste.

Operational waste in tonnes	2009	2010	2011	2012
Girsberger AG Bützberg				
Wood reused to generate heat	**365.8	**349	373.4	376.8
Waste for incineration	**46.8	**49.8	44.2	54.3
Recyclable waste	*43.7	*48.8	30.6	34.2
Hazardous waste	3.5	3.2	1.9	2.4
Girsberger GmbH Endingen				
Wood reused to generate heat	1.3	2.6	4.9	5.0
Waste for incineration	*42.1	*46.6	44.7	44.1
Recyclable waste	*107.3	*114.7	122.8	116.8

* Calculation basis updated ** Error of formula corrected



Environmental resources (continued)

Operational ecology concept

In October 2011 an analysis was performed to determine the next steps in the development of operational ecology and infrastructure at the Bützberg and Endingen sites.

Investigations were performed in the following areas:

- Energy efficiency in the office, workshop and IT areas
- Raising awareness of sustainability among staff
- Potential for production of our own power with photovoltaics

Operational ecology measures

Implemented in 2012

General measures

Raise staff awareness

- Signs at locations where power/water are used
- Support WWF Smaragd (Emerald) project

Heating and building shell

Bützberg

- Optimized flow temperature (wood drying in winter, summer)
- Insulation of heating pipes and thermal bridges
- Mounted additional blinds
- Determined current thermographics

Endingen

- Install heating controller
- Renovated roof

Electricity

Bützberg

- Analysed night-time consumption and derived measures
- Analysed main power consumers
- Optimized CNC-Homag extraction with frequency converter
- Coordinated main electricity consumers with peak loads

Endingen

- Server room air-conditioning at 23 °C
- Changed lighting from T8 to T5 in cutting/sewing department

Renewable energy

Bützberg

- Investigated photovoltaic options
- At least 10% of total consumption to be renewable energy

Endingen

- 100 kWp photovoltaic system set up in December 2011

Compressed air system

Bützberg

- Decommissioned unused lines, detach old compressors
- Checked and optimized compressor software

Endingen

- Checked network for air losses

Filtering system and ventilation

Bützberg

- Instructed staff and raised their awareness

Mobility

Bützberg

- EcoDrive courses for truck drivers and frequent drivers
- Consumption accounting with petrol card

Endingen

- EcoDrive course for customer services
- Consumption accounting with petrol card

Waste disposal

Bützberg

- Monitored waste volumes of wood, leather, fabric, metal

Endingen

- Monitored waste volumes of leather, fabric

The following procedure was selected:

- 1. EcoCheck** > What is our current position? Evaluate key figures to supplement environmental management
- 2. EcoScan** > Quantify and identify optimization potential
- 3. EcoRoadmap** > Develop a roadmap including staggered short, medium and long-term measures
- 4. EcoImprove** > Identify specific implementation activities and measures

The following table shows the operational ecology measures in Bützberg and Endingen.

Targets for 2013		Targets for 2014	
Raise staff awareness of environmental issues, climate tips <ul style="list-style-type: none"> • Offset all flights • Further carbon offsetting through tree-planting scheme • Join Öbu/B.A.U.M. 		Continue to raise staff awareness of various topical subject areas	
Bützberg	<ul style="list-style-type: none"> • Renovate building shell of Plant I 	Bützberg	<ul style="list-style-type: none"> • Renovate Plant II roof, windows, façade
Endingen	<ul style="list-style-type: none"> • Regulate room temperatures • Check seals of windows and doors 	Endingen	<ul style="list-style-type: none"> • Renovate windbreak in the goods acceptance and dispatch areas • Renovate roof of production and administration areas
Bützberg	<ul style="list-style-type: none"> • Renew the transformer station • Develop a lighting concept • Analyse extraction in wood processing area 	Bützberg	<ul style="list-style-type: none"> • Coordinate peak loads of manufacturing plants • Implement lighting concept
Endingen	<ul style="list-style-type: none"> • Check energy efficiency of cutter • Change lighting from T8 to T5 or LED in warehouse dept. • Create lighting concept for administration 	Endingen	<ul style="list-style-type: none"> • LED outdoor and sewing lighting
Bützberg	<ul style="list-style-type: none"> • Cover entire electricity requirement with power from renewable sources 		
Endingen	<ul style="list-style-type: none"> • Cover entire electricity requirement with power from renewable sources • Explore expansion of the photovoltaic system 	Endingen	<ul style="list-style-type: none"> • Expand photovoltaic system
Bützberg	<ul style="list-style-type: none"> • Replace old instruments 	Bützberg	<ul style="list-style-type: none"> • Start optimization project and adjust pressure, operating times and performance to current requirements • Explore heat recovery in the compressor room
Endingen	<ul style="list-style-type: none"> • Check compressor controls for efficiency • Measure network losses 	Endingen	<ul style="list-style-type: none"> • Analyse main consumers
Bützberg	<ul style="list-style-type: none"> • Create user awareness, only switch on if necessary • Explore optimization measures for extraction in wood processing area • Configure ventilator performance as required • Develop extraction, ventilation and filtering concept, including silo ventilation 	Bützberg	<ul style="list-style-type: none"> • Automate valve • Implement ventilation concept • Check heat recovery on the roof
Bützberg	<ul style="list-style-type: none"> • New procurements of category A vehicles • Offset air travel CO₂ 	Bützberg	<ul style="list-style-type: none"> • Use train for trade fair visits
Endingen	<ul style="list-style-type: none"> • New procurements of category A vehicles • Replace warehouse vehicle • Electric vehicle for Bützberg trips/courier • EcoDrive courses 	Endingen	<ul style="list-style-type: none"> • Use train for trade fair visits
Bützberg	<ul style="list-style-type: none"> • Revise waste concept • Optimum use of wood, leather, fabric, metal by monitoring waste volumes 	Bützberg	<ul style="list-style-type: none"> • Reduce waste by 50% through waste separation
Endingen	<ul style="list-style-type: none"> • 10% fabric savings through use of upholstery cutter 	Endingen	<ul style="list-style-type: none"> • Raise proportion of recyclable waste to 75% of total volume

Environmental resources (continued)

Energy consumption

The overall energy consumption at Bützberg is falling. Considering that consumption is linked to production requirements, it is clear that the efforts and measures in the area of infrastructure and operational ecology are having a positive effect. This development is due in particular to targeted operational ecology measures. In addition, heat losses were eliminated based on a thermographical analysis of the production facilities. A refurbishment of the building shell of Plant I is planned in 2013. This will have a further positive effect on our energy consumption.

The photovoltaic system at the Endingen production plant was brought into operation in December 2011, with a planned annual production of 92,000 kWh. By the end of 2012, it had produced 121,946 kWh of electricity. This corresponds to 53% of power consumption in Endingen.

Energy consumption in MWh	2009	2010	2011	2012
Girsberger AG Bützberg				
Heating oil	160	305	126	160
Wood	2,061	1,933	1,888	1,878
Electricity	1,120	1,121	1,073	1,015
Girsberger GmbH Endingen				
Gas	713	818	649	752
Electricity	236	243	231	228

Water consumption in m³	2009	2010	2011	2012
Girsberger AG Bützberg	2,629	2,679	2,647	2,502
Waste water fed into public water treatment plants	2,629	2,679	2,647	2,502
Girsberger GmbH Endingen	626	*604	648	648
Waste water fed into public water treatment plants	626	631	648	648

* Misprint



Photovoltaic system at production facility of Girsberger GmbH, Endingen

Emissions

In Bützberg, petrol and diesel consumption has increased by 8.5%. This relates to production and two additional vehicles. In Endingen, consumption rose by 1.9% as a result of more travel. Through measures that include carbon offsetting, we were able to reduce our CO₂ emissions by 19.9% since 2008, despite a higher petrol and diesel consumption. Air travel offsetting, the production of solar power in Endingen and various measures such as the procurement of category A vehicles, EcoDrive courses, the use of renewable electricity sources and raising staff awareness also contributed to this gratifying result.

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

Peter von Känel,
Head of Quality and Environmental Management, Girsberger Group

CO ₂ emissions in tonnes	2009	2010	2011	2012
Girsberger AG Bützberg				
Electricity	*159.1	*105.5	100.7	94.9
Heating oil	*39.1	*74.4	30.8	39.1
Petrol/diesel	*367.1	*339.4	335.9	365.6
Flights	*23.3	*29.5	12.9	15.7
Compensation flights			12.9	15.7
Compensation print works				30.6
Girsberger GmbH Endingen				
Electricity	*141.6	*105.1	99.9	103.3
Natural gas	110.6	126.8	100.6	116.6
Petrol/diesel	180.2	176.7	171.8	175.1
Flights	*14.0	*8.0	9.3	14.2
Compensation flights			9.3	14.2
Compensation feed-in photovoltaic system			0.1	73.2

Other significant emissions in tonnes	2009	2010	2011	2012
Girsberger AG Bützberg				
VOC	*6.64	*7.73	6.05	6.01
SO _x	*0.10	0.12	0.10	0.10
NO _x	**1.35	**1.35	1.33	1.36
Particulate matter	– ²	**1.23	– ²	1.55
Girsberger GmbH Endingen				
VOC, SO _x , particulate matter	– ¹	– ¹	– ¹	– ¹
NO _x	**0.15	**0.16	0.15	0.15

* Conversion factor corrected ** Calculation basis changed

¹ Not measurable, traces

² No measurement





This 2012 Sustainability Report (reporting period 2011/2012) is based on the specifications and guidelines of the Global Reporting Initiative (GRI, standard 3.0) at application level B+. The guidelines of the GRI define the internationally accepted requirements for sustainability reports. The guidelines can be viewed online at www.globalreporting.org

The following list shows where performance indicators pursuant to the GRI are to be found in the report. The full content index can be found online in the Supplementary 2012 Sustainability Report on our website www.girsberger.com

		Page
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	10, 12, 14, 15
EC3	Coverage of the organization's defined benefit plan obligations.	12, 15
EC6	Policy, practices and proportions of spending on locally based suppliers at significant locations of operation.	10, 29, 32, 33
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	16, 17
EN1	Materials used by weight or volume.	12, 32, 38, 39
EN3	Direct energy consumption by primary energy source.	12, 42, 43
EN5	Energy saved due to conservation and efficiency improvements.	11, 40, 41, 42
EN8	Total water withdrawal by source.	12, 42
EN13	Habitats protected or restored.	34, 37
EN16	Total direct and indirect greenhouse gas emissions by weight.	12, 39, 42, 43
EN20	NO _x , SO _x and other significant air emissions by type and weight.	12, 43
EN21	Total water discharge by quality and destinations.	42
EN22	Total weight of waste by type and disposal method.	12, 38, 39
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.	12, 38, 39
LA1	Total workforce by employment type, employment contract, and region.	12, 18, 19
LA2	Total number and rate of employee turnover by age group, gender, and region.	12, 19
LA4	Percentage of employees covered by collective bargaining agreements.	22, 23
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.	23
LA10	Average hours of training per year, per employee by employee category.	12, 21
LA12	Percentage of employees receiving regular performance and career development reviews.	12, 20
HR2	Percentage of significant suppliers and contractors that have undergone human rights screening, and actions taken.	10, 32, 33
HR4	Total number of incidents of discrimination and actions taken.	12
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	12, 15
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	28, 29
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	34

Girsberger AG, Bützberg, CH
Girsberger AG, Vienna, A
Girsberger France, Paris, F
Girsberger GmbH, Endingen, D
Girsberger Benelux BV, Amsterdam, NL
Tuna Girsberger Tic. AS, Silivri, TR

mail@girsberger.com
www.girsberger.com



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For further questions regarding the Sustainability Report, please contact Brigitte Cina, Girsberger Holding AG (brigitte.cina@girsberger.com)

