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Competitiveness is key to sustainability

Dear Customers, Suppliers and Business partners

Dear Colleagues

Ensuring competitiveness is key to sustainable company management. Given this fact, and regardless of the economic obstacles, our group of companies undertook major efforts in the 2016 financial year to ensure that our products and services remain competitive in the long term.

The consolidated financial statements for 2016 show only a minimal decline in sales compared to the previous year. However, our operating result was also negative. Despite this unsatisfactory performance, we made significant future-oriented investments with particular emphasis on the following:

- Development and market launch of new model series for the Girsberger Office Seating and Dining & Essentials divisions, and for the Zoom by Mobimex brand
- Expansion of structures and headcount within the Girsberger Customized Furniture, Remanufacturing and Wood Trade divisions
- Restructuring of the production site in Switzerland with a view to cutting costs, and development of an additional production site in Serbia

Business performance of primary markets and subsidiaries:

Switzerland

Despite a slight recovery in the Swiss economy, demand in our industry continued to fall. Major commercial tenders were rare and therefore highly competitive. High-end household furniture showrooms again saw low visitor numbers. Foreign competitors continued to benefit from the CHF/EUR exchange rate, thus creating additional price pressure in the market. Girsberger and Zoom by Mobimex were exposed to these problems in equal measure. The Customized Furniture division, which had previously seen steady growth, suffered a drop in sales during the reporting year. In two major projects, we underestimated our competitors and therefore lost orders. However, the Remanufacturing division turned in a gratifyingly good performance. In the Wood Trade division, sales were up on the previous year but below expectations.

Our Swiss production site in Bützberg (Girsberger AG) ended the 2016 financial year with a loss – a poor result that was mainly attributable to high local production and wage costs as well as the inflated price of the Swiss franc against the euro. Close cooperation with our new parts manufacturer in Serbia (Boreal doo) is therefore necessary for Girsberger AG to

become profitable again. Manufacturing and logistics operations in Bützberg are to be restructured at the same time. We introduced measures to cut costs and increase productivity at the end of the reporting year, and will have completed these by the end of June 2017.

France

Girsberger France is a subsidiary of Girsberger AG, Bützberg (Switzerland). In France, we lost a number of major projects in 2016. Nevertheless, we managed to maintain overall sales year-on-year, posting a marginal increase in the process.

Germany, Benelux and Austria

Girsberger GmbH, including its foreign subsidiaries in Amsterdam and Vienna, further increased its sales and achieved a gratifyingly positive operating result. The continued good health of the economies of Germany and the neighbouring Benelux countries was a primary factor in this performance, while transfer of the sister's company's upholstery department from Bützberg (Switzerland) to Endingen (Germany) in 2015 also resulted in an increase in production volume. Furthermore, sales and earnings grew on account of our sales competitiveness, numerous measures to improve productivity, and cost savings in Austria.

Turkey and the Middle East

Political instability, the threat of terrorism, and the continued decline collapse of the Turkish lira against the euro paralysed the Turkish economy. With demand plummeting as a result, aggressive price wars broke out in both the domestic market and export segment. Tuna Girsberger Tic. AS consequently suffered a sharp decline in sales, ending the 2016 financial year with its first-ever loss.

Zoom by Mobimex

In 2016, we failed to reach our sales targets in the primary markets of Switzerland and Germany. However, sales figures were slightly up on the previous year, particularly in Germany. Exports to Asia were above target and better than in the previous year. However, other export markets saw an unexpectedly sharp year-on-year decline in sales. Despite this, the 2016 financial year yielded a gratifying operational result.

Ensuring competitive- ness is key to sustainable company management.

Michael Girsberger
CEO Girsberger Holding AG



Shareholdings and investments in new subsidiaries of Girsberger Holding AG during the reporting year:

Boreal doo, Kraljevac-Ruma (Serbia)

Since July 2016, Girsberger Holding AG has held a 75% stake in Serbian-based company Boreal doo. The aim of the shareholding and of investments during the reporting year in the expansion of Boreal's manufacturing capacity is to strengthen the competitiveness of Girsberger and Zoom by Mobimex and thereby ensure the profitability of Girsberger AG at its production site in Bützberg (Switzerland). In the last quarter of the reporting year, Boreal had already begun manufacturing high-quality components for Zoom by Mobimex and Girsberger AG, albeit on a relatively smaller scale, given that the significant increase in manufacturing capacity on account of larger production halls and an expanded range of machinery will not take effect until May 2017.

Bo-Real Estate doo, Kraljevac-Ruma (Serbia)

Before Girsberger Holding AG acquired a shareholding, Boreal doo had no premises of its own. Its rented production space was much too small. To increase manufacturing capacity, the company decided to purchase a number of buildings in need of renovation, which were situated on a 128,000-square-metre plot of land. To limit the investment risk in Serbia, Bo-Real Estate doo was established as a separate real estate company in July 2016. Bo-Real Estate doo acquired this industrial space during the reporting year. It also funded the complete refurbishment of two production halls as well as the construction of a new connecting structure and the preparation of covered space for storing wood.

Outlook:

Exchange rate (CHF/EUR) and industry-specific factors in our primary markets will not become any less challenging in the foreseeable future. We will continue to face strong price pressure owing to dwindling demand in the high-end quality and price range. However, our future-oriented investments and the cost-cutting measures that we introduced in 2016 mean that we are confident of generating good operational results again. The Customized Furniture and Remanufacturing divisions will also play a key role, offering considerable growth potential.

To improve our competitiveness and profitability in a sustainable manner, we will continue investing – particularly in the development of new model series and in measures to increase productivity at all production sites.

The expansion of our production and storage space in Germany will account for a significant share of planned future investments:

Due to rising production volumes and the transfer of the upholstery department from Bützberg (Switzerland) to Endingen (Germany) in 2015, Girsberger GmbH in Germany no longer has enough storage, production and logistics space. Building extensions are planned in Endingen to ensure a return to maximum productivity and to promote a modern corporate image. The construction project will comprise several phases so that operations continue uninterrupted. Overall planning is more or less finished, meaning that the building application can be submitted before the end of 2017.

Applies to certified companies						
Girsberger Holding AG Bützberg/Switzerland						
Boreal doo Kraljevac/Serbia	Girsberger AG Bützberg/Switzerland	Girsberger GmbH Endingen/Germany	Tuna Girsberger Tic. AS Silivri/Turkey	Girsberger Ind., Inc. Smithfield/USA	Mobimex AG Seon/Switzerland	
Bo-Real Estate doo Kraljevac/Serbia	Girsberger France Paris/France	Girsberger Benelux BV Amsterdam/Netherlands				
		Girsberger GmbH Vienna/Austria				

Our future strategy will continue to focus on five main objectives:

1) Focusing consistently on the six defined market niches:

- Office seating: Girsberger Office Seating
- Home dining furniture /cooking and dining accessories: Girsberger Dining and Girsberger Essentials
- Customized commercial furniture: Girsberger Customized Furniture
- Repair of commercial furniture: Girsberger Remanufacturing
- Exclusive furniture in the high-end commercial and residential market segment: Zoom by Mobimex
- Wood trade: Girsberger Solid Wood

2) Managing the company in a clearly sustainable manner in accordance with the GRI (Global Reporting Initiative) guidelines

3) Strengthening the Office Seating and Dining product ranges, as well as the Zoom by Mobimex collection

4) Intensively expanding the Customized Furniture, Remanufacturing and Wood Trade divisions

5) Strengthening and expanding sales and marketing in all six divisions.

With the five Girsberger divisions and Zoom by Mobimex, our group of companies focuses on market niches in which we can make the most of our innovation, short procurement channels and notable production versatility to provide great value to customers. This is what fundamentally sets us apart from many of our competitors. We not only specialize in manufacturing, but also offer an unusually high level of in-house production versatility at our sites in Switzerland, Germany, Serbia and Turkey. This guarantees durable, high-quality products produced in a socially responsible and environmentally sound way.

On behalf of our customers, suppliers and employees, we will do all we can to ensure that we can continue to deliver this value proposition with commitment and pride.

Michael Girsberger,
CEO Girsberger Holding AG

This 2016 Sustainability Report applies to Girsberger Holding AG, Bützberg/Switzerland, Girsberger AG, Bützberg/Switzerland and Girsberger GmbH, Endingen/Germany and their subsidiaries in France, Austria 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 Ind. Inc., Smithfield/USA, Mobimex AG, Seon/Switzerland, as well as the investment companies Boreal doo, Kraljevci/Serbia, Bo-Real Estate doo, Kraljevci/Serbia and Tuna Girsberger Tic. AS, Silivri/Turkey.

In light of the fact that Girsberger Ind., Inc./USA and Bo-Real Estate doo/Serbia are limited to the holding of real estate, we consider their inclusion unnecessary for the purposes of environmental certification.

Boreal doo has been a subsidiary of Girsberger Holding AG since July 2016. We will include this new subsidiary in the next Sustainability Report, provided it is practicable to do so.

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.

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.





Objectives and measures

The following list shows the extent to which the objectives set for the end of 2016 were achieved and sets out the measures/objectives for the period to 2018.

Colour codes

Objective achieved



Objective partly achieved



Objective not achieved



Objectives 2015/2016	Achievement	Main focus 2017/2018
Interest groups		
Customer survey in the four areas Office Seating, Dining, Customized Furniture and Remanufacturing in 2016	A customer survey has not been conducted	Systematic written customer satisfaction survey related to customer service and complaints
Employees		
Employee satisfaction	This objective is continuously monitored	Increase in average overall level of employee satisfaction from 8.1 to 8.3 (on a scale of 1 to 10); focus on information
Securing the long-term availability of skilled workers	This is a continuous objective	Training/securing the long-term availability of skilled workers
Initiation of individual development plans for managers	No individual development plans for managers have been implemented by the end of 2016	
Health promotion	This is a continuous objective	Health promotion according to detailed planning
		Corporate citizenship
		Review of equal pay
Products		
Development and production of durable, quality products	Objective achieved	Development and production of durable, quality products
Minimum use of materials	This is a continuous objective	Minimum use of materials
Product responsibility/customer safety (granting of conformity marks)	Objective achieved	Product responsibility/customer safety (granting of conformity marks)
Procurement and logistics		
Annual confirmation of environmental relevance	Objective achieved	Evaluation and confirmation of environmental relevance
Further monitoring and review of Asian suppliers	Objective achieved	Review of Asian suppliers
Supplier code of conduct	Objective achieved	Supplier code of conduct

Objectives 2015/2016	Achievement	Main focus 2017/2018
Resources and raw materials		
Monitor wood and metal yield/leather and fabric waste factors	Objective partly achieved	Monitor wood and metal yield/leather and fabric waste factors
Bützberg: Reduce waste effectively by 5% compared to previous year	Objective achieved	Bützberg: Continue to separate waste; additional separation of polystyrene waste
Endingen: Raise the proportion of recyclable waste to 75% of the total volume	Objective achieved	Endingen: Keep the proportion of recyclable waste at around 80%; additional separation of polystyrene waste
Environmental protection/energy/emissions		
Measures of operational ecology concept	Objective partly achieved	Measures of operational ecology concept as per page 46/47
Use of 100% green electricity in Bützberg and Endingen	Objective achieved	Use of 100% green electricity in Bützberg and Endingen
CO ₂ output which cannot be reduced with in-house measures is fully offset with climate-protection certificates from Fair Recycling	Objective achieved	CO ₂ output which cannot be reduced with in-house measures is fully offset with climate-protection certificates from Fair Recycling
Continuation of compensation process with tree-planting scheme	Objective not achieved; the project was terminated for financial reasons in 2016	
New vehicle purchases with efficiency rating A wherever possible	Objective partly achieved	New vehicle purchases with efficiency rating A wherever possible
CO ₂ -neutral production of printed matter	Objective achieved	CO ₂ -neutral production of printed matter
Further raising of employee awareness of environmental matters	This objective is continuously monitored	Further raising of employee awareness of environmental matters

Key figures at a glance

This overview does not include the figures for the non-certified companies (see explanation on page 7)

Indicator	Unit	2011	2012	2013	2014	2015	2016
Employees							
Number of management staff	Number	282	284	277	274	272	277
Managers – female	Number	10	11	10	10	9	9
Managers – male	Number	46	45	48	47	50	49
Composition of the workforce – age	Average	42.6	42.6	43.0	43.5	44.1	44.1
Fairness of pay – pay spread	Factor	7.3	7.1	7.1	7.1	6.6	6.5
Disciplined cases of discrimination	Number	0	0	0	0	0	0
Percentage of employee appraisals performed	Percent	100	100	100	100	100	100
Assessment of employee satisfaction (assessment scale 1-10)	Average	8.3	8.3	8.2	8.2	8.0	8.1
Employee turnover rate	Percent	7.5	5.6	7.7	9.2	11.3	8.3
Training per employee	Hours	6.3	13.9	13.1	11.7	10.4	6.2
Resources and raw materials							
Resources							
Wood	m ³	970	967	920	989	965	719
Metal	t	143	98	67	63	59	30
Leather	m ²	15,504	19,104	18,149	21,507	21,513	20,381
Fabric	m	102,269	83,225	69,480	55,049	52,683	41,134
Paper	kg	5,990	5,811	3,688	6,069	6,023	5,050
Operational waste							
Wood reused to generate heat	t	378.3	381.8	374.5	404.9	397.8	223.2
Waste for incineration	t	72.7	82.2	65.8	63.0	52.9	57.2
Recyclable waste	t	153.4	151.0	162.5	160.4	155.2	168.8
Hazardous waste	t	1.9	2.4	4.3	0.9	1.3	1.0
Water							
Water consumption	m ³	3,295	3,150	3,744	2,961	3,736	3,605
CO₂ emissions							
Electricity	t	200.6	198.2	52.2	49.5	49.3	47.7
Heating oil	t	30.8	39.1	52.8	36.3	32.0	40.9
Natural gas	t	100.6	116.6	118.6	92.4	110.6	122.6
Petrol/diesel	t	507.7	540.7	544.4	515.1	508.8	502.5
Flights	t	22.2	29.9	18.7	14.8	13.4	34.9
Other significant emissions							
VOC	t	6.1	6.0	5.4	6.1	6.3	7.2
SO _x	t	0.1	0.1	0.1	0.1	0.1	0.1
NO _x	t	1.4	1.5	1.5	1.4	1.5	1.5
Particulate matter (no measurements 2011, 2013 and 2016)	t	-	1.6	-	0.5	0.5	-
Adherence to the law							
Non-compliance	Number	0	0	0	0	0	0



Interest groups

Maintaining a continuous dialogue with our stakeholders is an important foundation of our work. We are conscious of our responsibility to understand the concerns, interests and needs of our customers, employees, investors, suppliers and social environment and that we need to factor these into the way in which we think and act sustainably. Our stakeholders have a significant impact on the business success of the Girsberger Group. Likewise, our business success affects our stakeholders.

Taking our stakeholders into account

The customer satisfaction survey that was planned for 2016 in the Office Seating, Dining, Customized Furniture and Remanufacturing divisions was postponed due to personnel changes in the sales management team. However, Girsberger GmbH in Germany was the subject of a performance survey by Markt Intern Verlag. In this biennial non-representative nationwide survey entitled “Büromöbel-/Bürostuhl-Hersteller 2016” (Office Furniture and Chair Manufacturer 2016), office retailers evaluated the services of their most important suppliers according to the following criteria: selling/turn-around time; trade margin; retail/sales policy; product quality; training; support in the commercial segment; goodwill in the event of complaints; delivery punctuality; value for money; sales support; recycling/environmental policy.

The latest survey saw our subsidiary move from 14th in the 2014 rankings to an excellent third place in 2016, its average score improving from 2.29 to 1.85. Judged on its retail/sales policy, Girsberger GmbH even managed to improve from 10th to first place. We believe that this result is recognition of the consistent, long-term, active approach to the retail trade and the support we have given it in recent years. In particular, the good score for our trade margin shows that Girsberger is regarded as a fair business partner.

Since January 2017, we have been writing to customers to ask them what they think of our customer services and the way in which we handle complaints and related order processing along the entire chain in all four divisions.

Since the Swiss National Bank abandoned its exchange rate floor against the euro in 2015, ongoing price reductions have been one of the most frequent wishes expressed by customers.

Girsberger continues to pursue its strategy of producing in Germany and Switzerland, both high-wage countries. However, restructuring will be necessary at Girsberger AG in Bützberg in 2017 – firstly to safeguard jobs, secondly to create new jobs if possible. Every two months, the managing directors and division heads inform our employees about business developments and other current topics. At the end of every quarter, line managers also receive a confidential report on the current business performance of the entire group of companies. We make our employees aware of environmental issues through climate-related information and the Smaragd (Emerald) (Natura 2000 in the EU) project, while leisure activities aid team bonding. Where practicable, employees who dedicate themselves to social causes are allowed to fulfil these commitments during their working hours.

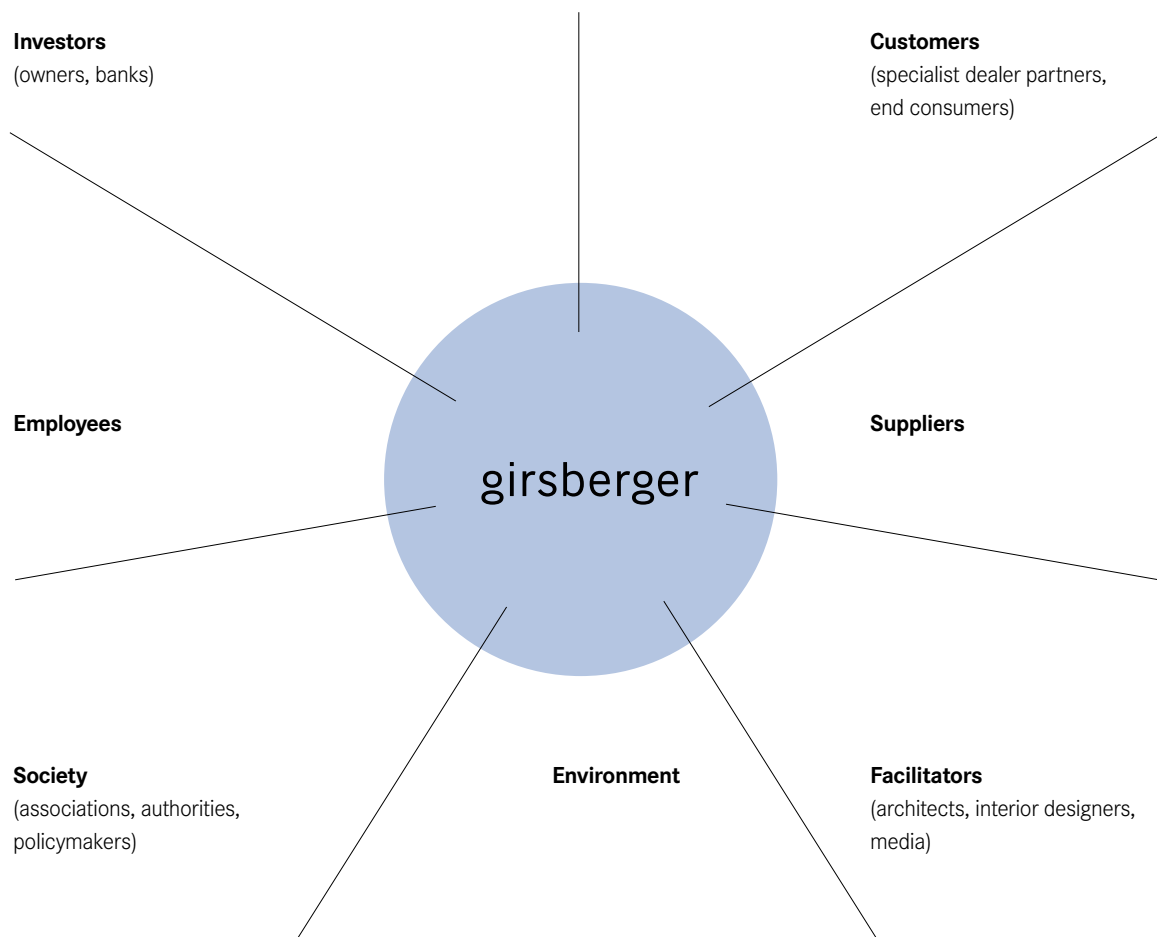
We maintain contact and hold regular discussions with our suppliers (including service providers). The focus here is on long-term partnerships.

We facilitate continued dialogue with our investors through monthly reviews, board of directors meetings, general meetings, annual reports, and annual financial statements.

As well as using other channels, Girsberger achieves publicity through active media work. For example, this takes the form of media releases regarding new products, projects and partnerships as well as direct dialogue with journalists and media representatives. All current information is also available on our website. Social media, on which Girsberger has an active presence, provide additional channels of information and dialogue. We also pursue proactive collaboration with the public and with the local communities of our subsidiaries. To this end, we support club activities through donations and are involved in environmental, sporting and cultural activities at the local level. We provide financial support to non-profit and charitable organizations at home and abroad.

Key sustainability themes

At the beginning of the reporting process, the key themes of this Sustainability Report had to be defined. General management and the division heads consequently identified the following key aspects on which we are focusing in this report.



Thematic areas in detail

Working practices	Human rights	Product responsibility	Environment	Society
Employee satisfaction	Assessment of suppliers with regard to respecting human rights	Customer safety	Materials	Compliance
Training/securing the long-term availability of skilled workers		Development/production of durable, quality products	Waste	
Review of equal pay		Minimum use of materials	Energy	
Health promotion		Granting of conformity marks	Emissions	
Corporate citizenship			Procurement/logistics	
			Products/services	
			Assessment of suppliers in terms of environmental awareness	

Our employees

Motivated, committed employees with a high degree of expertise are key to the future successful development of our group of companies. Our company principles form the basis of how we interact with each other. One of the things that they state is that we are always honest, fair and helpful in our dealings with other people irrespective of gender, gender identity, origin, culture or religion. We follow a culture of openness and tolerance. All employees should enjoy equal opportunities and equal treatment, and feel that they are part of a team.

Our HR policy in 2017/2018 will focus on the following key aspects:

- Employee satisfaction
- Review of equal pay
- Absences and health promotion
- Training (securing the long-term availability of skilled workers)
- Corporate citizenship

Number of employees and employee turnover rate

The certified parts of the company Girsberger Holding AG, Girsberger AG and Girsberger GmbH with its sales units, employ a total of 277 employees (including 22 trainees).

Compared to 2014, the workforce decreased by 15 employees at the Bützberg site and increased by 20 employees at the Endingen site in the reporting period. This was a result of the transfer of the cutting, sewing, gluing and upholstering department within the Dining and Customized Furniture divisions from Bützberg to Endingen in 2015. Accordingly, the fluctuation rate at Bützberg rose to 16.6% in 2015 and dropped in the following year to 10.25%. In Endingen, it had declined to an average of 5.2% as at the end of 2016.

Total number of employees and employee turnover rate		2011	2012	2013	2014	2015	2016
Total number of employees at certified companies	Number	282	284	277	274	272	277
Number of employees at Girsberger Holding AG Bützberg	Number	23	24	23	25	22	21
Number of employees at Girsberger AG Bützberg ¹	Number	141	137	134	131	116	118
Number of employees at Girsberger GmbH Endingen ²	Number	118	123	120	118	134	138
Total employee turnover	Percent	7.46	5.63	7.71	9.15	11.25	8.34

¹ up to 2013 incl. Paris and Vienna, from 2014 incl. Paris

² up to 2013 incl. Amsterdam and London, from 2014 incl. Amsterdam and Vienna

**It is of great importance
that our daily conduct and
decisions are characterized
by responsible, sustainable
thought and action.**

Taken from Girsberger's corporate policy

Employee satisfaction

The regular employee performance reviews are an important tool for appraising employee satisfaction. The average appraisal score in 2016 remained at a gratifying level of 8.1 out of a possible 10 points. We hold appraisal meetings with each employee at least once every twelve months. These meetings are systematically evaluated and analysed by general management. Particular attention is paid to ratings lower than 5 points. In such cases, suggestions for improvement are discussed with the employee and measures are defined together with him/her. Over the next reporting period, we particularly want to focus on our information policy and take an even more continuous and target-group-specific approach to our internal communications.

The first-ever results of our internal assessment of managers, which began in 2014, are also now available for the years 2014 to 2016, with employees rating their line managers on the basis of the example they set, the information they provide (necessary for fulfilling responsibilities), the feedback they give, their involvement in decision-making, and how well they communicate information about their deputies whenever they are absent from work. Overall, line managers attained good average scores of 8.71 out of 10 in 2014, 8.65 in 2015, and 8.93 in 2016.

Review of equal pay

Using Logib, the equal pay self-test tool of the Federal Office for Gender Equality (FOGE), we systematically analysed and evaluated salaries at the Bützberg site in 2016. Our findings showed us that women at the Bützberg site receive the same pay as their male colleagues in similar positions.

At Girsberger GmbH in Endingen, there is a difference in pay of up to 7% between men and women in a number of similar positions. Our aim is to bring all salaries gradually into line with each other by the end of 2018. Adjustments will be introduced with effect from January 2017.

Assessment of employee satisfaction (average)	2011	2012	2013	2014	2015	2016
Satisfaction index (assessment scale 1 to 10)	8.3	8.3	8.2	8.2	8.0	8.1
Collaboration	8.6	8.6	8.6	8.5	8.4	8.4
Information	8.1	8.1	8.1	8.1	7.8	7.6
Workplace/Surroundings	8.6	8.4	8.3	8.3	8.0	8.1
IT system	7.6	7.7	7.8	7.7	7.7	7.8
Environmental management system	8.3	8.7	8.7	8.5	8.3	8.5
Assessment scale 1 (very dissatisfied) to 10 (very satisfied)						



Absences and health promotion

Absences at the Bützberg site rose as at the end of 2016 to 7.7 days per employee per year. Long-term absences due to illness or accident (six occupational and 24 non-occupational accidents) resulted in this increase. Excluding these long-term absences, days lost through absence per employee amounted to 3.2 in 2015 and 3.9 in 2016.

Days lost through absences are still at a high level at Girsberger GmbH, amounting to 12.49 per employee by the end of 2016. This was also attributable to long-term absences due to illness, plus two workplace/commuting accidents that alone resulted in 63 days lost in 2016 – more than twice as many as in the previous year. Employees with long-term illnesses are able to return to work slowly. Staggered time scales allow employees to return to the workplace by gradually increasing the amount of time they work until they return to their normal working hours, subject to consultation with their doctor.

Awareness-raising and preventive measures in the area of health and safety have been ongoing at Girsberger for years. The team responsible for the Bützberg and Endingen production sites – comprising production managers, the respective heads of finance, HR managers, and safety officers – sets out objectives and measures together, allowing requirements to be identified and relevant training to be carried out.

A number of measures were implemented in 2015/2016. Bützberg: refresher course for in-house emergency response officers; defibrillator training; training in the use of counter-balance trucks, side loaders and pedestrian stackers; TCS EcoDrive training for truck drivers and frequent drivers; information via SUVA (Swiss National Accident Insurance Fund) posters and payslip attachments; informing the entire workforce on how to respond in the event of a fire. Endingen: training for first aiders; forklift safety training; evacuation exercise for the whole company; mandatory fire extinguisher drill for every employee; training for fire safety officers.

The focus for 2017/2018 in Bützberg will be on the use of SUVA posters and payslip attachments to provide continuous information, as well as refresher courses for in-house paramedics, defibrillator training, and systematic hazard detection by SUVA. Endingen will purchase a defibrillator and provide subsequent training to first aiders. The German-based production site will offer further training to safety experts and safety officers, forklift safety training, safety training for drivers and sales staff (CZV – Transport Driver Licensing Ordinance), annual instructions on wearing personal protective equipment, and risk assessments of the various workplaces related to production and administration. If necessary, Girsberger GmbH will share in the cost of employees purchasing spectacles for screen work. It will also leave hard-copy reports by the BG RCI (German Social Accident Insurance Institution for the raw materials and chemical industry) on open display within the premises.

Absence in days per employee and year	2011	2012	2013	2014	2015	2016
Girsberger AG and Girsberger Holding AG Bützberg ¹	5.26	5.61	6.36	5.29	7.44	7.70
Girsberger GmbH Endingen ²	9.60	13.17	16.19	16.86	10.33	12.49

¹ up to 2013 incl. Paris and Vienna, from 2014 incl. Paris

² up to 2013 incl. Amsterdam and London, from 2014 incl. Amsterdam and Vienna



Training

The initiation of individual funding programmes for line managers has been postponed for the time being, owing to the adverse economic climate and the transfer of divisions. From 2015, the Endingen production site saw increased demand for in-house training as a result of the transfer of the cutting, sewing, gluing and upholstering department from Girsberger AG in Bützberg, which was virtually completed by 2016. The continued training of several employees also had to be postponed in 2016 due to overcrowding and high demand at the BG RCI in Germany. This and the fact that members of staff with leadership responsibilities only attended minimal training resulted in fewer training hours completed by the end of 2016.

In the next reporting period, we will give priority to individual basic and advanced training. Talks with employees have highlighted where action needs to be taken. In 2017, we especially intend to offer education and training to line managers, as well as language and specialist courses, and various one-day seminars.

Securing the long-term availability of skilled workers will remain a key topic over the coming years. In certain areas such as the upholstery and sewing departments, we are creating in-house training opportunities owing to a lack of skilled people on the market. Collaboration with universities of applied sciences and participation at city job fairs remain just as important, while our in-house internships are another vehicle for getting to know prospective skilled workers at an early stage. For the purpose of dissertations, and depending on the project theme, we offer internships in Bützberg to students of the Architecture, Wood and Civil Engineering departments of the Bern University of Applied Sciences. In this way, we want to promote knowledge-sharing with universities and give students the opportunity to put their skills into practice.

In the next reporting period, our Endingen site will aim to enlarge its catchment area by attending the job fair in Freiburg as an exhibitor in addition to the one in Endingen.

Our German production site offers five to six internships each year (lasting about one week each). This policy has also helped us to recruit an intern for the sewing department.

Corporate citizenship

As part of our community commitment, we have been supporting socially beneficial organizations and projects for many years and employing people with disabilities as much as we reasonably can. We also look to place orders with organizations providing protected workplaces for people with disabilities, such as regional job centres, the VEBO Cooperative, the WBM Foundation, Schwarzwaldwerkstatt Dornstetten (Black Forest Workshop in Dornstetten), and the Caritas Workshops in Riegel.

We attach similar importance to being a member of associations/organizations that specialize in and raise awareness of environmental issues, sustainable business management, and social and economic matters. Examples include the think-tank Avenir Suisse; the largest network of sustainable business stakeholders in Europe, B.A.U.M. e.V. (German Environmental Management Association); and the Swiss network for sustainable business, öbu.

In 2014, a young man from the Caritas Workshops in Riegel did a long-term internship at Girsberger GmbH in Endingen. After settling into his role and the team, he was offered an employment contract in 2015. Girsberger GmbH also gives people with disabilities a chance to shine, having recruited 12 new staff with handicaps in 2015, followed by 10 in 2016. In 2016, the production site offered an internship to a refugee from Gambia. However, the new intern's knowledge of German was simply not yet good enough, while his command of English was also rather poor. Consequently, the project had to be terminated. However, Girsberger GmbH wishes to persevere and offer internships in similar cases in future. A young man from Afghanistan is set to do an internship in 2017. We eventually aim to offer him an apprenticeship.

Hans Zingg,
Head of Finance, Girsberger Holding AG

Training		2011	2012	2013	2014	2015	2016
Number of trainees as a percentage of all employees	Percent	6.8	7.9	7.6	7.3	7.0	7.9
Trainees at Girsberger Holding AG Bützberg	Number	2	2	2	2	1	2
Trainees at Girsberger AG Bützberg	Number	10	10	11	10	10	11
Trainees at Girsberger GmbH Endingen	Number	6	9	8	8	8	9
Total internal and external training days	Days	204	450	388	348	333	199
Number of hours of training per employee	Hours	6.3	13.9	13.1	11.7	10.4	6.2



The longevity of Girsberger products

In recent years, attentive visitors at furniture fairs such as Milan and Cologne would have been forgiven for thinking that furniture design is increasingly subject to cyclical trends. Intense competition among market players makes it more and more difficult for aesthetic innovation and individuality to shine through. Furniture in random, pretentious or illogical designs is often the result – furniture that will probably go out of fashion soon to make way for the “next big thing”. As such, product life cycles are compressed and furniture becomes outdated more quickly. Designers refer to it as “aesthetic ageing”. More and more cheap, inferior-quality products flooding the market add fuel to this fire. It is accepted that such furniture will be disposed of and replaced within a short space of time. A continuous cycle of phasing-out and replacement ensues – the opposite of sustainability and preserving natural resources.

This is why longevity is important to us in every respect – including in artistic form and design. Our Permessio bench – one of the most successful Girsberger products of the last 15 years – is a case in point. Permessio is a modern interpretation of the traditional dining table bench – a good idea that has stood the test of time and has also been a source of inspiration for many other furniture suppliers. However, none of our competitors has managed to make a bench that matches the remarkable minimalism and formal simplicity of Permessio. Our design – more or less regarded as the quintessence of the modern bench – is the one that has longevity.

Last year, the story continued when we made the admittedly minor conceptual step from bench to dining sofa. Increasingly, the dining table is becoming the focal point of the home. More of us now enjoy lingering at the table after eating – with family, friends and acquaintances. As a consequence, demand for comfortable seating at the dining table is also growing. It was with this in mind that we created the dining sofa Joline. Like Permessio, Joline is a minimalist, streamlined piece of furniture with a design that will probably outlive every fashion and trend and may even be regarded in 15 years’ time as the authentic original version of the modern dining sofa.

For another example of aesthetic longevity, look no further than Girsberger’s Modell 1600. Originally designed in 1961, these chairs have been gracing the German Federal Constitutional Court in Karlsruhe for decades and are now regarded as modern classics. In 2013, they were redesigned and became part of the Girsberger standard collection again. They have been popular among our customers ever since.

In future, we will continue to emphasize longevity with regard to design and quality. Anything that need not be thrown away or replaced uses no further resources, thereby reducing the impact on the environment. Moreover, Girsberger furniture is mainly produced at our manufacturing sites in Switzerland and Germany, which employ environmentally sound production methods and help to protect local jobs.

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



Product responsibility

Our product development, production, sales and customer service units are instrumental in ensuring that Girsberger products are produced, sourced and used as sustainably as possible. Durability, replacement parts warranties, safe designs and low-emission recyclable materials make purchasing our products an ecologically and economically sound decision.

From the draft phase on, all the products in our Office and Dining ranges go through a large number of tests and plausibility checks in accordance with the relevant furniture industry norms. In addition to Girsberger's own quality and environmental standards, we naturally also apply and enforce the general standards, norms, and health and safety rules required under EU and Swiss product safety legislation. The entire life cycle up to and including disposal is factored in even as early as the design and development stages.

We invest a lot of time and capital in doing everything possible to guarantee the safety of Girsberger products. Our office seating undergoes strength calculations and simulations already at the development stage. Before mass production starts, a number of dynamic and static load tests are carried out. Finally, the products are independently tested by the certification organization TÜV/LGA in Nuremberg, and then retested every five years.



Key product categories subjected to additional, independent testing to reduce risks and health impacts

Product range	Of which with GS mark ¹	Of which tested for harmful substances ²
Swivel chairs Office price list 2015	88.5%	87.9%
Swivel chairs Office price list 2016	90.0%	89.5%
Multi-purpose chair/visitor chairs Office price list 2015	82.2%	68.9%
Multi-purpose/visitor chairs Office price list 2016	87.4%	75.0%

¹ Limited 5-year period. Renewed after retesting

² Annual verification by follow-up testing

Good design solutions, long lifespans and low-emission reusable materials are the key to environmentally and economically responsible products.

Periodic development verification testing is obligatory when developing new products. Prototyping and pretesting ensure the continuous monitoring of product safety throughout all development phases. All standards tests and plausibility checks that are performed are documented and archived.

Certifications such as the German GS mark for tested safety on Girsberger Office products confirm that product quality, product safety and the use of non-harmful low-emission materials are part of the company's strategy.

By 2018, we aim to at least maintain our considerable efforts in the area of product and health safety verification for our Office product range – or improve on them where possible. We are striving to achieve product safety certification and harmful substance testing for all new products. The LGA mark

“tested for harmful substances” signals to customers and end consumers that our Office products are very low-emission. It is awarded on the basis of an emission test and diverse material tests in accordance with the certification criteria for ecological product testing at TÜV Rheinland LGA Products. The content of heavy metals and harmful softeners, dyes, solvents and preservatives, for instance, is strictly limited to ensure that the use of products does not pose a health hazard according to current scientific knowledge. Annual checks guarantee that our products are ecologically safe and harmless to health.

Thomas Gasser,
Head of Product Development, Girsberger Holding AG

The following life cycle phases of our products are systematically examined and analysed with regard to health impact, product safety and sustainability

Product life cycle phases	Examination	Who/What
Development of product concept	yes	Product development and distribution
Development and verification of conformity with norms	yes	Product development
Certifications	yes	Independent test body
Manufacturing and production	yes	Origin and process
Use and maintenance	yes	Product development/customer service
Disposal, reuse or recycling	yes	Sorting by type

Declaration of products and services

Declaration	Degree of achievement
Plastics: material designation directly on component	90%
Aluminium castings: material designation directly on component	90%
Other materials such as steel, textiles, leather: identification available, not possible to put designation on component	



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 life cycle. This begins with using

eco-friendly materials and resources and ends with incorporating the raw materials into new production processes.





Procurement

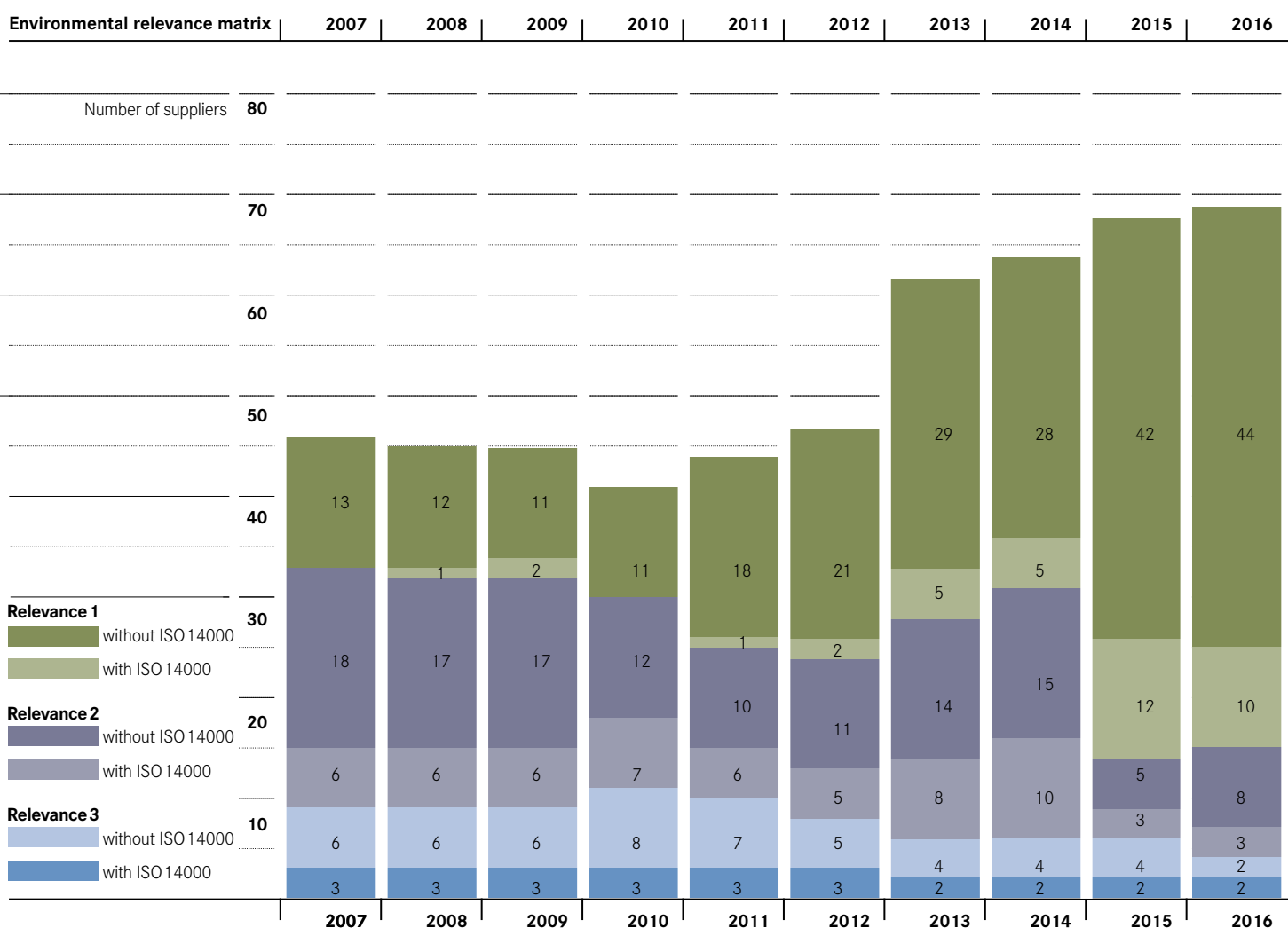
A key element of our procurement strategy is that we continually develop relationships with our supplier partners while taking changes on the procurement market into account. Our supplier evaluation system forms the basis for assessment. We not only assess measurable parameters such as quality and deadline reliability, but also factors such as flexibility, complaints management and communication, as evaluated by our purchasing officers. These soft factors are very important for successful day-to-day collaboration. Our supplier evaluation system therefore includes an assessment of ecological aspects. This is not a question of meeting specific targets, but of whether structures for systematic improvement and development are in place.

When selecting our partners, we not only attach importance to the commercial and technical aspects, but also to whether a future supplier respects values such as sustainability and social responsibility. As far as possible, we give preference to suppliers located close to our production sites. However, this is becoming more and more difficult in the face of strong upward pressure on costs and the trend in Swiss production

costs since the abandonment of exchange rate floor against the euro in January 2015. We have therefore had no choice but to increase our purchasing volumes in the eurozone to the detriment of Switzerland. In addition to transferring our upholstery department from Bützberg to Girsberger GmbH in Germany in 2015, we have also outsourced our metalwork department's volume production in Bützberg to suppliers in Germany and eastern Europe. Our purchasing volumes have continued to shift from Switzerland to Germany and eastern Europe, and we believe that this trend will become even more pronounced.

We aim to meet our responsibilities with regard to corporate social responsibility (CSR) and sustainability in regions such as Asia and eastern Europe too. Our code of conduct for Girsberger suppliers is a way for us to ensure that key fundamental criteria are satisfied, such as compliance with local laws as well as basic human and labour rights, and a ban on corruption. All key supplier partners who regularly supply Girsberger with parts originating in “risk areas” signed this code of conduct by the end of 2016.

Suppliers



Girsberger began CO₂-neutral production in January 2015.

Logistics (transport and packaging)

Since autumn 2016, we have been using our own trucks to deliver all products sold in Switzerland. This means that we can directly influence the services we offer our customers and the way in which our products are handled in transit. As a consequence, we are able to keep the packaging material that we use for our furniture to a minimum without the risk of damage. The fact we can minimize empty mileage on the return journey by loading purchased materials and collecting furniture for the Remanufacturing division helps to create further synergies.

Outside Switzerland, furniture removal specialists deliver our products. Compared to less-than-truckload deliveries, we can also minimize packaging for individual parts and furniture in the process. Nevertheless, the packaging we use is essential to prevent damage to goods during transportation/shipment or in the warehouse. We have an agreement with our largest suppliers to the effect that our trucks should always be fully loaded in order to make full use of freight capacity. This helps to keep mileage as low as possible.

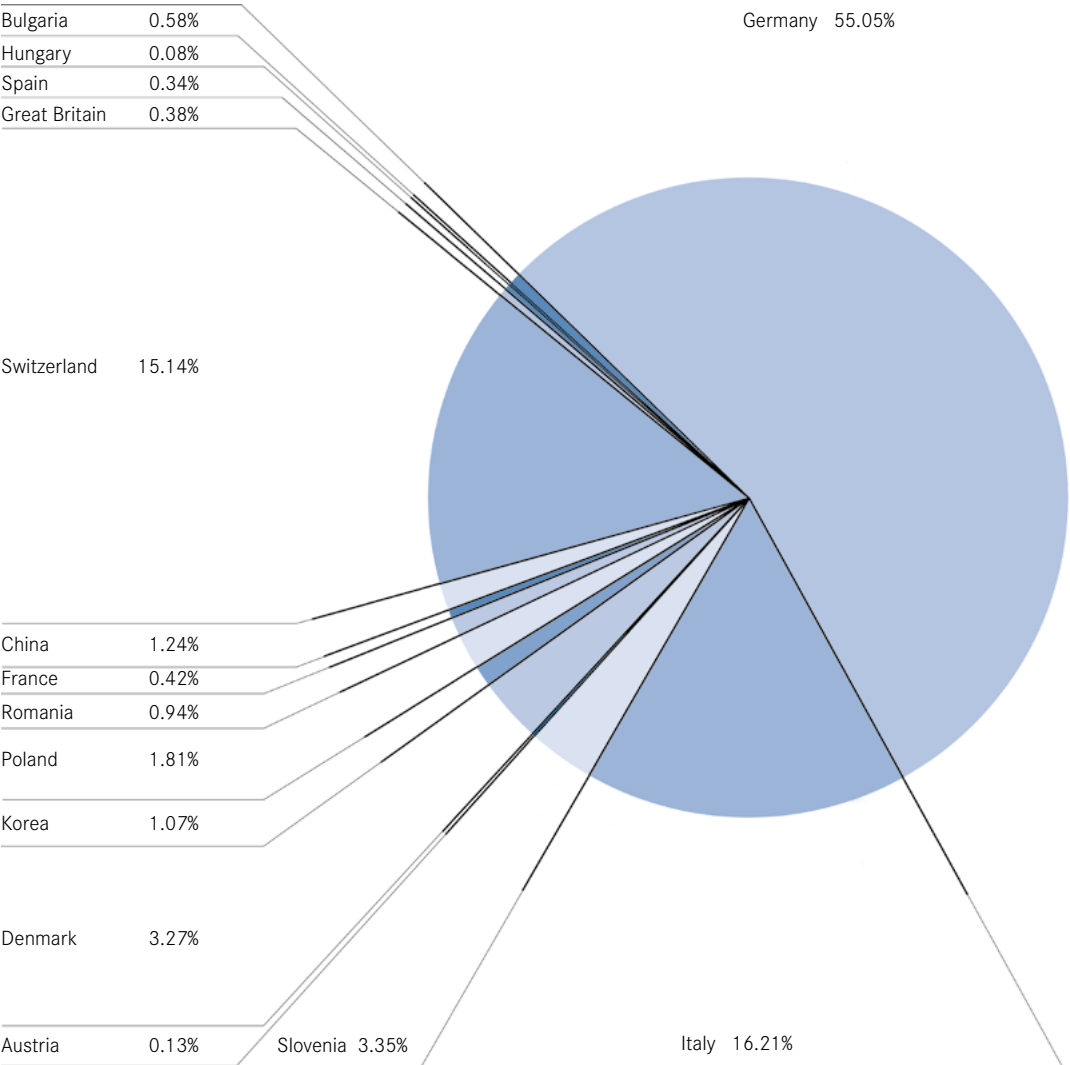
We ensure that all packaging has a high proportion of recycled content and can itself be sorted into material types and recycled.

Disposal/recycling

We recycle not only our own furniture, but other brands as well. Certified waste disposal companies ensure that items are correctly recycled in line with legal requirements. The materials from worn furniture that has been reupholstered, refurbished or refreshed as part of the remanufacturing process are sorted by type. We dispose of this waste in accordance with our waste management concept.

Peter von Känel,
Head of Procurement and Material Management, Girsberger Group

Procurement markets 2016 (without wood trade)





Environmental resources

Environmental and quality consciousness have been a living element of the Girsberger company philosophy for over 127 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 is ensured by continually monitoring key data, which is used as a basis for defining appropriate operational ecology measures.

Over and above environmentally compatible production, we also work in specific ways to protect the environment and preserve biodiversity. Since 2009, we have been supporting the Smaragd (Emerald) project as part of the EU's Natura 2000 network – Europe's biggest nature conservation programme which involves EU member states and Switzerland protecting and promoting endangered animals and plants and their natural cross-border habitats. Covering around 18% of EU territory and 6% of EU waters, Emerald is the world's biggest network of protected areas. We use this platform to raise awareness of environmental issues through staff events and the provision of regular information.

Girsberger began CO₂-neutral production on 1 January 2015. We employ energy-efficient production processes and handle resources carefully. Of course, we cannot completely avoid creating CO₂ emissions in our production process and distribution channels. We offset these remaining emissions – 676 tonnes in 2016 – with Fair Recycling.

In Brazil – where the Swiss climate protection foundation Fair Recycling is based – old CFC refrigerators are recycled with the help of a local partner. Responsible for recycling 600,000 refrigerators from September 2010 to spring 2016, the foundation has done much to promote an efficient recycling economy and preserve rare resources. To date, top-quality procedures have enabled some 30,000 tonnes of raw ma-

terial such as iron, aluminium, copper and plastic to be recycled, equating to an average of 50 kilograms per refrigerator. Fair Recycling combines climate and resource protection with social commitment. Staff training is one of its major priorities. In-house training facilities enable Fair Recycling to train employees on a continuous basis, providing them with long-term prospects.

Raw material recycling is one of the three cornerstones of the project, the other two being climate protection through the burning of CFCs, and staff education and training. For further information, visit www.fair-recycling.com.



Climate Protection by
fairrecycling

Environmental relevance matrix

The environmental relevance matrix is based on detailed relevance criteria that are annually updated at the Bützberg and Endingen sites to reflect operational changes. A high level of environmental relevance does not necessarily equate to there being much room for improvement. However, it does mean that we must always take this dimension into account, that statutory regulations also generally exist, and that the monitoring demands are considerable. For matters of high relevance, we set ourselves objectives which we review every year. However, we also seek to make improvements wherever possible with regard to matters of medium or low relevance.

In 2015 and 2016, our efforts focused mainly on renewable energy, waste disposal, and business ecology. Since 2013, both the Bützberg and Endingen sites have used energy exclusively from renewable sources, i.e. hydroelectricity. In 2017/2018, we will focus on business ecology.

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

Environmental relevance matrix 2016

(Excerpt for the locations Bützberg and Endingen)

High relevance

3

Medium relevance

2

Low relevance

1

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



The fascination of wood

The way in which we use and process top-quality solid wood is one of our core strengths. From tables and sideboards to customized furniture – Girsberger customers are able to experience and feel what this raw material has to offer in all its glory. We know the story of every piece of wood that leaves our premises.

From tree to log to the finished product – we follow the process step by step. Our wood comes directly from the forest or the log yard. Then it goes to the sawmill. Then to the steam chamber. Years of open-air storage can subsequently follow. Finally, the wood is kiln-dried. The entire process – from ageing the tree trunk to producing a piece of usable wood – is constantly under our supervision. We are attentive from the outset and can recognize the potential of untreated wood at the time of purchase. This influences our decision on how and in what thickness the wood is to be sawn.

Our many years of experience are key to mastering this natural material. We are therefore able to impart a sense of everything the wood we use has gone through to make the finished product. By carefully choosing the wood at our disposal and through the work that goes into turning it into a unique, living, individual product, we are bringing the tree back to spiritual life, so to speak. We also believe in tracking down the best trees at source.

Naturally, being able to offer a wide range of wood types means being able to source trees in more than one region and consequently transport the wood in different ways. When sourcing trees, we firstly have a clear idea of what we are looking for in terms of the tree’s colour, structure and how much it needs to have grown. Secondly, we know where the best trees are found. Some 95.3% of our wood originates in Europe, all within an 800-km radius of our site in Bützberg. The oak from France and the eastern black walnut from western Hungary are currently the most popular trees among our customers. Happily, this also explains why demand for trees from the USA and Canada is down. Our Hungarian source covers any demand there might be for American walnut wood.

However, we are not the only ones to use the wood once it has been purchased. Other woodworking manufacturers are able to benefit from our expertise and procure this top-quality material from our Wood Trade division. The following (translated) verse by the late German poet Eugen Roth aptly sums up our wood sustainability credentials: “It takes barely half an hour to fell a beautiful tree, but the time it needs to grow up tall is a whole century”. Put simply, trees are an essential part of our business, which is why we owe them the highest duty of care and responsibility.

Our work in support of the Swiss elm tree also typifies our commitment to sustainable wood procurement. From 2010 to 2014, we planted 1,410 young elm trees in Switzerland’s forests. Unfortunately, we were unable to plant any further elm trees. The planting we scheduled for autumn 2015 had to be postponed by a year due to a prolonged drought, at which point the project ended for financial reasons. Thankfully, the elm trees seem to have recovered well after previously suffering from Dutch elm disease.

Peter Reichen,
Head of Wood Trade, Girsberger AG

Country of origin (approximate percentages)	2010	2012	2014	2016
Europe (Switzerland, Germany, Austria, France, Italy, Belgium, Slovenia, Hungary, Croatia, Czech Republic, Bosnia-Herzegovina, Slovakia, Poland, Serbia, Romania)	93.0%	90.6%	93.0%	95.3%
Other (USA, Canada, Georgia, Russia)	7.0%	9.4%	7.0%	4.7%



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 for the least possible burden to be placed 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.

Wood

Some 95% of the prized solid wood that we have been crafting into tables and sideboards in Bützberg for many years comes from within a radius of 800 km. We are also making increasing use of prime Swiss solid wood for our seating furniture. In 2016, the volume of wood that we processed in Bützberg amounted to 719 m³ by the end of the year, compared to 965 m³ in 2014. We can attribute this decline to the changing needs of our customers. Instead of solid wood, the reporting period saw increased project demand for wood-based materials (e.g. MDF panels, chipboards, synthetic resin panels).

Steel

All semi-finished steel products that we use or process, such as tubes and steel sheet, 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. Only 30 tonnes of steel were processed in Bützberg in 2016. This is because we have outsourced chair frame manufacturing to the eurozone for financial reasons. 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 CFSs. We mark every synthetic component with its material designation so that at the time of disposal it can be separated into its 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.

Seat cover materials

Our seat cover fabrics satisfy Oeko-Tex Standard 100 or the EU Ecolabel criteria. We are able to give some worn-out 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. Our leather is processed exclusively in tanneries certified to ISO 14001. Waste volumes are continually monitored and optimized. Small leather offcuts are recycled by the shoe and handbag industries. The cutting department in Endingen monitors waste volumes continuously. We were able to reduce waste upholstery material by around 10% thanks to the commissioning and use of a new upholstery cutter as well as optimized nesting.



Operational waste, disposal

Around 70% of our operational waste is waste wood. The Bützberg site uses this waste wood for thermal heating, while the Endingen site began recycling and processing waste wood into chipboards in 2016. A CIP (continuous improvement process) project has been initiated in Endingen for the purpose of reducing wood waste. We are looking for a way to use the same wooden blocks more than once for the purposes of shipping leather.

In Endingen, our revised waste management concept allowed us to increase the proportion of recyclable waste (e.g. cardboard, paper, glass, electrical products, metal, foil, leather residue, and wood) to 82.9%. At present, fabric remnants still have to be incinerated, and we are looking for a recycling solution.

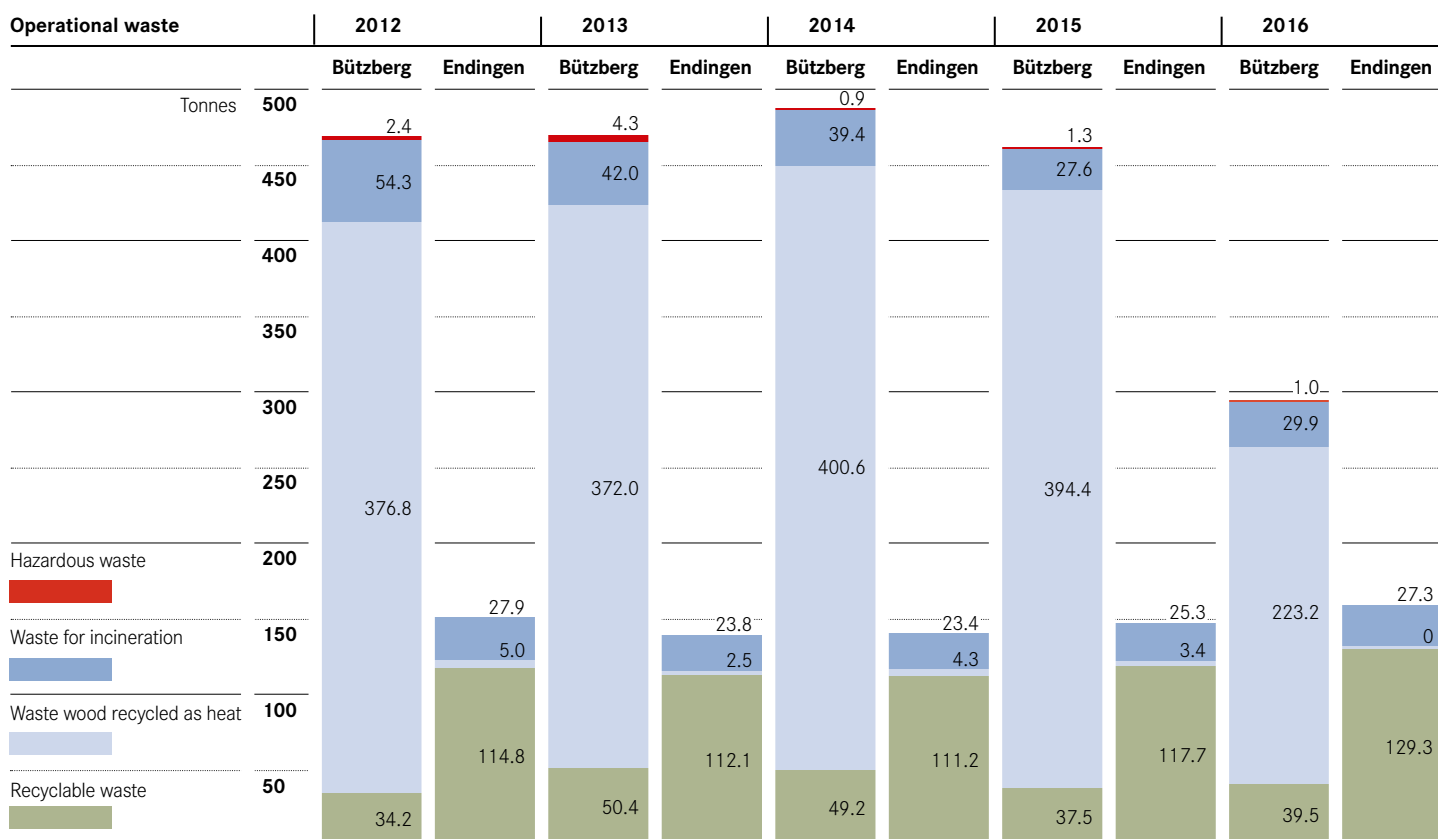
In Bützberg, we managed to cut in-house waste by 25% compared to 2014. The extent of this reduction is due to the restructuring and the outsourcing of divisions. We have noticed that waste volumes increase in years featuring major events (e.g. Designers' Saturday).

In Endingen, the proportion of in-house waste only rose very slightly despite the transfer of the upholstery department from Bützberg to Endingen in 2015 and the transfer of Customized Furniture and Remanufacturing operations to the German site.

The introduction of the practice of separating polystyrene waste means that in-house waste will decline further over the next two years.

At 0.99 tonnes or 0.21%, hazardous waste such as oils, varnishes and solvents makes up a very small proportion of the total waste volume. Endingen does not produce any hazardous waste.

A certified waste disposal company recycles office chairs that are returned by customers and disposed of by Girsberger.





Operational ecology concept

We continued to make systematic, quantifiable progress at the Bützberg and Endingen sites in the area of business ecology on the one hand and infrastructure on the other, by implementing our business ecology strategy at both plants. In Bützberg, the focus in 2015 and 2016 was on monitoring waste volumes, preparing to implement the new dedicated scheme for large-scale consumers in the canton of Berne in Switzerland, conducting preparations for the heating renovation, and taking measures related to mobility, waste disposal, and power supply.

The Endingen site focused on procuring an electric vehicle, refurbishing the windows and the main entrance of the administrative building, and switching to LED lighting within the production and administrative premises. We conducted the statutory energy audit in accordance with DIN EN 16247-1 and are consequently applying the findings as well as measures to our business ecology strategy. Furthermore, the purchase of our new upholstery cutter in 2015 is now enabling us to save on cover fabrics, with cost savings of 12% exceeding the original 8-to-10% projection. If we are to achieve our objectives, making employees aware of environmental issues in accordance with the Girsberger ethos is absolutely key.

Measures of operational ecology

Area	Implemented by 2016	Main focus 2017/2018
General measures	<ul style="list-style-type: none"> - Raise staff awareness of environmental issues - Support WWF Smaragd (Emerald) project - Climate tips 	<ul style="list-style-type: none"> - Raise staff awareness of environmental issues - Support WWF Smaragd (Emerald) project - Climate tips
Infrastructure	<p>Bützberg:</p> <ul style="list-style-type: none"> - Carry out exploratory preparations for the heating renovation <p>Endingen:</p> <ul style="list-style-type: none"> - No need to renovate roof of production and administration areas - Upgrade reception area with glass sliding door that is compliant with thermal insulation regulations - Opening function for glass roof: renovated to meet heat insulation guidelines - Thermal imaging scan of the building not implemented - Renew ring water main 	<p>Bützberg:</p> <ul style="list-style-type: none"> - Purchase a fine particulate air filter in 2018/continuously assess the condition of the heating system and heating controls <p>Endingen:</p> <ul style="list-style-type: none"> - Renovate roof of production and administration areas where necessary - Renovate windows - Renovate the lift in the administrative building from a technical and visual standpoint - Carry out a thermal imaging scan of the building in 2017 - Redesign the showroom and implement infrastructure-related measures
Electricity	<p>Bützberg:</p> <ul style="list-style-type: none"> - Sub-distribution boards, plant 1 – first of the three update stages completed - Lighting concept postponed <p>Endingen:</p> <ul style="list-style-type: none"> - Lighting concept partly implemented (50% of sewing lights) 	<p>Bützberg:</p> <ul style="list-style-type: none"> - Complete the second and third stages of updating the sub-distribution board in plant 1 - Continuously replace faulty light sources with LED lighting <p>Endingen:</p> <ul style="list-style-type: none"> - Implementation of lighting concept (50% of sewing lights)
Renewable energy	<p>Bützberg and Endingen:</p> <ul style="list-style-type: none"> - Cover entire electricity requirement with power from renewable sources - CO₂ offsets with Fair Recycling - Possibility of using of self-generated electricity in Endingen not yet explored 	<p>Bützberg und Endingen:</p> <ul style="list-style-type: none"> - Cover entire electricity requirement with power from renewable sources - CO₂ offsets with Fair Recycling - Explore possibility of using self-generated electricity in Endingen
Compressed air system	<p>Endingen:</p> <ul style="list-style-type: none"> - Procure new energy efficient compressors 	

Area	Implemented by 2016	Main focus 2017/2018
Mobility	<p>Bützberg:</p> <ul style="list-style-type: none"> - New procurement of category A vehicles, where possible - EcoDrive courses for truck drivers and frequent drivers (9 employees took a course) <p>Endingen:</p> <ul style="list-style-type: none"> - New procurement of category A vehicles, where possible - Purchase a replacement warehouse vehicle; purchase of an electric vehicle for internal services - EcoDrive courses for frequent drivers did not take place 	<p>Bützberg and Endingen:</p> <ul style="list-style-type: none"> - New procurement of category A vehicles or electric vehicle - EcoDrive courses for truck drivers and frequent drivers
Waste disposal	<p>Bützberg:</p> <ul style="list-style-type: none"> - Monitor waste volumes of wood, leather and fabric - Waste reduced by 5% in real terms, compared to previous year <p>Endingen:</p> <ul style="list-style-type: none"> - Monitor waste volumes of leather and fabric - Proportion of at least 75% recyclable waste reached - Use of fabric remnants and synthetic bands examined: no positive result; assigned to materials for the time being - 12% in fabric savings through the use of an upholstery cutter 	<p>Bützberg:</p> <ul style="list-style-type: none"> - Monitor waste volumes of wood and metal - Continue to separate waste; additional separation of polystyrene waste <p>Endingen:</p> <ul style="list-style-type: none"> - Monitor waste volumes of leather and fabric - Keep the share of recyclable waste at around 80%; additional separation of polystyrene waste - Find a solution for disposing of fabric waste

Energy consumption in MWh		2012		2013		2014		2015		2016	
		Bützberg	Endingen	Bützberg	Endingen	Bützberg	Endingen	Bützberg	Endingen	Bützberg	Endingen
	4000										
	3500										
	3000										
	2500										
Electricity	2000	1015		1002		958		931		915	
		160		216		149		131		167	
Heating oil	1500										
Gas	1000	1878	228	1764	202	1580	161	1590	183	1674	188
Wood	500		752		765		596		713		790



Emissions

Our annual CO₂ emissions have fallen to just under 700 tonnes within the last two years. We offset all of these emissions via the Fair Recycling project. Producing solar power in Endingen, using renewable energy to meet all our electrical power requirements, and purchasing category-A vehicles as well as an electric vehicle have helped us achieve this positive result. As part of our business ecology strategy, many lesser measures related to building technology and energy supply have also had a positive effect. 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 Procurement and Material Management,
Quality and Environmental Management, Girsberger Group

CO ₂ emissions in tonnes	2011	2012	2013	2014	2015	2016
Girsberger AG Bützberg						
Electricity (100% renewable as of 2013)	100.7	94.9	40.1	38.3	37.2	36.6
Heating oil	30.8	39.1	52.8	36.3	32.0	40.9
Petrol/diesel	335.9	365.6	362.4	347.7	328.2	328.2
Flights	12.9	15.7	10.5	3.9	5.3	21.3
Compensation flights	12.9	15.7	10.5	3.9	5.3	21.3
Compensation print works		30.6	36.1	29.7	32.9	36.5
Girsberger GmbH Endingen						
Electricity	99.9	103.3	12.4	11.2	12.2	11.1
Natural gas	100.6	116.6	118.6	92.4	110.6	122.6
Petrol/diesel	171.8	175.1	182.0	167.4	180.6	174.3
Flights	9.3	14.2	8.2	10.9	8.0	13.7
Compensation flights	9.3	14.2	8.2	10.9	8.0	13.7
Compensation feed-in photovoltaic system	0.1	73.2	4.3	4.7	4.9	3.5



Additional information

Reports

The following documents are available for downloading at www.girsberger.com:

2016

- 2016 Sustainability Report
- Supplementary 2016 Sustainability Report
- Certificate of climate neutrality

2014

- 2014 Sustainability Report
- Supplementary 2014 Sustainability Report
- Certificate of climate neutrality

2012

- 2012 Sustainability Report
- Supplementary 2012 Sustainability Report
- Statement GRI Application Level Check

2010

- 2010 Sustainability Report
- Supplementary 2010 Sustainability Report
- Statement GRI Application Level Check

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

Girsberger AG, Bützberg, CH
Girsberger AG, Wien, 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



