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<b>4</b>	Lasting values and identity
<b>8</b>	The sustainability of our business practices
<b>12</b>	Objectives and measures
<b>14</b>	Key figures at a glance
<b>16</b>	Interest groups
<b>18</b>	Our employees
<b>24</b>	Products
<b>26</b>	Product responsibility
<b>28</b>	Product life cycle
<b>30</b>	Procurement and transport
<b>32</b>	Environmental resources
<b>44</b>	Additional information
	Publishing details

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## **Lasting values and identity**

The design of a room sometimes says more about its occupant than a lot of words. Spending ten minutes in the room of a person you don't know often reveals more about them than a ten-minute conversation. Living environments and office spaces communicate their intrinsic values non-verbally, but the message is all the more unambiguous and enduring. This may well explain why people today often visit one another before entering into an important business relationship.

Particularly companies and institutions with a strong focus on their customers and employees are again beginning to understand how important room design is in terms of conveying their identity. Nowadays, many of them call in interior designers to give their representational rooms a unique and distinguishing touch. Girsberger is currently witnessing its strongest ever growth in the Customized Furniture division, where our joiners, fitters and upholsterers work hand in hand to turn the architects' individualized concepts into a reality. Distinctive furnishings are created which, throughout their lifetime, project the customer's values out into the vicinity, embodying what their company stands for.

The non-individualized models in our Office and Dining collections are also conduits for communicating values. This

is just as true for the materials used as it is for the entire production process at our plants. For some time now, we have noticed that more and more customers are asking us about the sustainability of our furniture manufacturing methods. This is a good thing, because the time has come for us all to pull together in order to better protect our planet's natural resources as the lifeline of our existence. Unfortunately, this awareness does not automatically come with a willingness to pay more for sustainably produced furniture. As has become repeatedly apparent, price is often the ultimate deciding factor.

Slowly but surely, though, this attitude is changing. For instance, more and more procurement tenders not only require bidders to provide data on their environmental and social impacts, this data is also graded on a points system used in the selection process: production sites, emission levels, energy consumption, renewable energy share, fair pay and numerous other criteria are factored into a project owner's final purchase decision. We want to see these criteria given an even stronger weighting in the decision-making process in future. Because these are areas in which we can and wish to set standards. In accordance with the specifications of the Global Reporting Initiative (GRI), we have been recording and publishing our company's environmental and social impacts over the last four years and setting targets for

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Michael Girsberger,  
CEO Girsberger Holding AG

the future. We have, however, decided no longer to apply for GRI certification for our current and future sustainability reports. One of the main reasons behind this decision is that we do not wish to publish the purely financial data stipulated by the GRI. While we no longer seek certification, we will continue to follow the specifications of the Global Reporting Initiative in compliance with its binding sustainability reporting rules. Accordingly, in addition to the 2014 Sustainability Report, a detailed supplementary report is also available for download on our website at [www.girsberger.com](http://www.girsberger.com).

Efforts to achieve high standards of sustainability and social responsibility naturally incur costs. We accept this fact and willingly leave the market for low-price products to other suppliers. We focus on people who want quality products and who are prepared to pay the price. We appreciate the enthusiasm shown by our customers when they visit our premises to put together a design for their future dining table top or select seat cover materials. For us what counts is our responsibility towards subsequent generations, a responsibility we as manufacturers wish to fulfil.

I am convinced that, with these values and convictions, Girsberger is well positioned to remain successful in future, beyond the fourth generation.

Michael Girsberger,  
CEO Girsberger Holding AG



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





### The sustainability of our business practices

Office seating was and is Girsberger's core business. Our company has always been an inventor and pioneer of advanced office seating solutions. And things will stay this way. That being said, the office furniture industry has been facing fierce competition for a number of years now. With pressure on prices continually mounting, more and more manufacturers are outsourcing production to low-wage countries. Low-price products are dominating today's market, and it is becoming increasingly difficult to earn a profit on high-quality office seating.

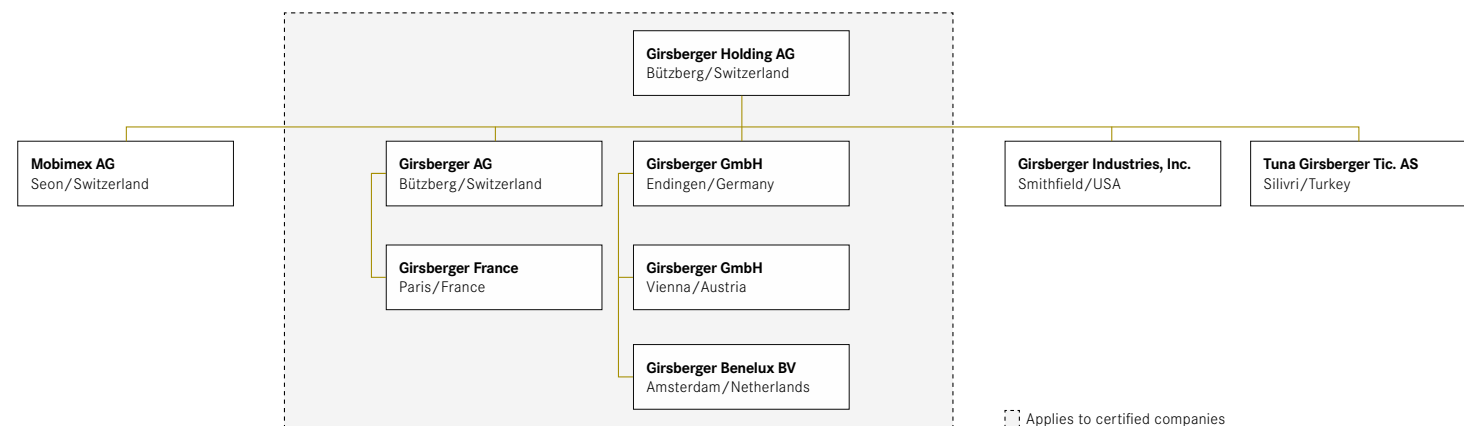
This prompted us several years ago to take the company in a new strategic direction. We began a process of transformation from a pure manufacturer of office seating to a specialized provider in several, clearly defined market niches. In addition to Girsberger Office Seating, the divisions Dining, Customized Furniture, Remanufacturing and Wood Trade were established. In all business areas, Girsberger

focuses exclusively on the high-quality segment. This is where our strengths lie, and only there can we live up to our high standards of sustainability and social responsibility.

### Office Seating

With the Office Seating division still our primary source of revenues, we need to constantly strive in future to be among the segment's leading suppliers in terms of design and technology capability, while concentrating on the quality sector with its demand for durable products. Anything that does not have to be thrown away or replaced does not waste further resources and so reduces the impact on the environment.

What is more, all the products in the Office Seating collection are manufactured at our plant in Germany, which employs environmentally sound production methods. For instance, in the period from the end of 2011 to the end of 2014, the plant generated 42.62% of its electricity requirements using a photovoltaic system.





## Dining

In the homes segment, the Girsberger Dining division focuses on the centrepiece of every house or apartment: the dining table. For this focal point of every home, Girsberger Dining offers a range of solid wood tables, sideboards, chairs and benches that combines superior design, functionality and craftsmanship. We place the utmost importance on quality materials. Solid wood tables, for example, are made exclusively from carefully selected tree trunks. In the sawmills our aim is not to get the maximum yield out of a tree trunk but the most beautiful markings on the boards. The boards are then stored and conditioned for several years in our timber depots before they are ultimately crafted at our Bützberg plant into items of truly high-end furniture which are not destined to be replaced soon due to a lack of appreciation or quality.

Ideally, a Girsberger solid wood table is passed on to the next generation. An added advantage is that solid wood is relatively easy to recondition at any age.

This 2014 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 Industries, Inc., Smithfield, NC/USA, Mobimex AG, Seon/Switzerland and the investment company Tuna Girsberger Tic. AS, Silivri/Turkey.

In light of the fact that the operations of our US subsidiary Girsberger Industries, Inc. have been limited to the holding of real estate since July 2013, we consider its inclusion unnecessary for the purposes of 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 1990, Girsberger established a sales company plus showroom in London under the name of Girsberger UK. Unfortunately, we had to give up our sales presence in the UK and Ireland for cost reasons. Girsberger UK ceased operations at the end of January 2014.

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.



## The sustainability of our business practices

### Customized Furniture

Our Customized Furniture division targets another market niche in which we implement entire seating and table configurations in line with the individual visions and designs of architects and their clients.

Working from a design idea frequently only in the form of a sketch, we see ourselves as implementation partners. Depending on the project, we take this idea through the modelling and prototyping phases, then through the manufacturing stage and up to actual placement of the furniture at the customer's premises. The result is customized furniture that enhances the corporate branding for reception areas, lounges, conference and training rooms or restaurants and canteens. Whether for a small or large number of pieces, custom furnishing projects are completed at our plant to an extremely high level of craftsmanship.

Girsberger's Customized Furniture division is enjoying continuing growth. Since demand for special furniture is rising, we can expect to see even stronger sales growth. As companies aspire to position themselves as unique, furnishing frequently offers an excellent opportunity for brand individualization. It is not only architects and interior designers

whose clients confront them with requests for individualized furnishings. The same also applies to branding agencies. Thanks to our wide range of craftsmanship skills and the fact that we carry out a high percentage of the production work ourselves, we are particularly well placed to accommodate customer wishes, are less dependent on suppliers and, ultimately, can produce flexibly and cost-effectively.

### Remanufacturing

Our Remanufacturing division ensures 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, we bring it back to its former beauty and ensure its lasting value.

As specialists for chairs and tables, we combine the necessary craftsmanship and industrial manufacturing skills in one company. Using eco-friendly processes such as sand-blasting to treat wood and metal surfaces or by automating seat cover cutting, we can recondition all the seats in an auditorium within a short space of time and to consistently high quality.

Remanufacturing is another Girsberger specialization with growth potential, and we are convinced that this business area will continue gaining ground. This is especially





welcome from a sustainability viewpoint, because the longer a product is in use, the better its environmental balance sheet. We fully embrace this, even if it means that we occasionally lose out on selling a new piece of Girsberger furniture.

### **Solid wood**

Solid wood, or trading in choice timber, is Girsberger's newest business area. Originally, we only engaged in wood trading to meet our own requirements. In the meantime, Girsberger's own wood consumption has assumed secondary significance compared with the substantial volumes of high-grade wood that we now supply to carpentry businesses and furniture manufacturers.

The advantage to our customers is the rapid delivery of the desired quality of dry timber which is ready for processing. They do not need to worry about drying and storing the timber, which ties up capital. In Koblenz, close to Switzerland's border with Germany, Girsberger has warehouses and drying facilities as well as a stock of more than 3,500 cubic metres of air-dried and kiln-dried wood. We also limit our wood trading activities to the high-grade segment. Our particular speciality is tall deciduous woods such as Burgundy oak and French walnut trees with a pronounced colouration.

We go to sawmills all over Europe to seek out the very best trunks, and often we visit wood cutting sites in the forests in order to be able to reliably assess the trees based on their growth ring structure and colour. With our range of European timbers we are not only promoting the processing of wood as a renewable resource, we are also supporting the sustainable management of native forests. This is vital because in many places today only plastics are used, or tropical trees are cut down with no thought of reforestation.

Compared to the world's largest furniture producers and global manufacturers of office furnishings, Girsberger is relatively small, but across all our business segments we are strongly committed to durable, high-quality products produced in a socially responsible and environmentally sound way. When it comes to meeting individual requirements, we are the specialists. We will do all we can to be able to say this with conviction and pride, both 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 2014 were achieved and sets out the measures/objectives for the period to 2016.

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

Objective by 2014	Achievement and explanation of objective	Main focus 2015/2016
<b>Interest groups</b>		
- Structured customer survey in writing	● The Office Seating survey was conducted in September 2013	Customer survey in the four areas Office Seating, Dining, Customized Furniture and Remanufacturing in 2016
- Follow up on employees' concerns (Survey 2012)	● Our employees' concerns were registered and the measures/activities implemented where possible	Implementation of measures/activities
<b>Employees</b>		
Percentage of employee appraisals performed 100%	● Objective achieved	Employee satisfaction
Individual training for managers and specialists based on annual employee appraisals	● This objective is being continually monitored	Securing the long-term availability of skilled workers  Initiation of individual development plans for managers with responsibility for employees
Reduce short-term absences by 5% per annum	● The objective was achieved in Bützberg but not in Endingen	Health promotion
<b>Products</b>		
Minimum use of materials, use of 100% green electricity in production, high use of recycled materials and short transportation distances in procurement	● This objective is continuously monitored The use of 100% green electricity in production was achieved	Development and production of durable, quality products Minimum use of materials Product responsibility/customer safety (granting of conformity marks)
<b>Procurement and transport</b>		
Annual confirmation of environmental relevance	● Objective achieved	Annual confirmation of environmental relevance
Evaluation of the customs origin of parts purchased by Girsberger AG Bützberg	● Objective achieved	
Further monitoring and review of Asian suppliers	● Objective achieved	Further monitoring and review of Asian suppliers
		Supplier code of conduct
<b>Resources and raw materials</b>		
Optimum utilization of wood, leather and fabric through monitoring the volume of waste	● Objective partly achieved	Monitor wood and metal yield/leather and fabric waste factors
Reduce domestic waste in Bützberg by 50% through waste separation Raise the proportion of recyclable waste to 75% of the total volume in Endingen	● Objective partly achieved Bützberg: Waste effectively reduced by 48% Endingen: Proportion of recyclable waste raised to 71.7%	Bützberg: Reduce waste effectively by 5% compared to previous year Endingen: Raise the proportion of recyclable waste to 75% of the total volume

Objective by 2014	Achievement and explanation of objective	Main focus 2015/2016
<b>Environmental protection/Energy and emissions</b>		
Measures of operational ecology concept as per page 40/41	● Objective partly achieved	Measures of operational ecology concept as per page 40/41
Use of 100% green electricity in Bützberg and Endingen	● Objective achieved	Use of 100% green electricity in Bützberg and Endingen
		CO <sub>2</sub> 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 achieved	Continuation of compensation process with tree-planting scheme
Efficiency class A company vehicles	● Objective partly achieved	New vehicle purchases with efficiency rating A wherever possible
All air travel to be offset via myclimate	● Objective achieved	
CO <sub>2</sub> -neutral production of printed matter	● Objective achieved	CO <sub>2</sub> -neutral production of printed matter
Further raising of employee awareness of environmental matters	● Objective only partly achieved, cannot be definitively rated as met	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 8/9)

Indicator	Unit	2009	2010	2011	2012	2013	2014
<b>Employees</b>							
Number of management staff	Number	293	288	282	284	277	274
Managers - female	Number	9	10	10	11	10	10
Managers - male	Number	47	52	46	45	48	47
Composition of the workforce - age	Average	42.5	42.9	42.6	42.6	43.0	43.5
Fairness of pay – pay spread	Factor	8.2	8.1	7.3	7.1	7.1	7.1
Disciplined cases of discrimination	Number	0	0	0	0	0	0
Percentage of employee appraisals performed	Percent	82.4	83	100	100	100	100
Assessment of employee satisfaction (assessment scale 1–10)	Average	8.3	8.2	8.3	8.3	8.2	8.2
Employee turnover rate	Percent	7.02	9.93	7.46	5.63	7.71	9.15
Training per employee	Hours	9.1	7.1	6.3	13.9	13.1	11.7
<b>Resources and raw materials</b>							
Resources							
Wood	m³	985	930	970	967	920	989
Metal	t	232	203	143	98	67	63
Leather	m²	24,571	21,770	15,504	19,104	18,149	21,507
Fabric	m	75,985	79,729	102,269	83,225	69,480	55,049
Paper	kg	8,205	5,931	5,990	5,811	3,688	6,069
Operational waste							
Wood reused to generate heat	t	367.1	351.6	378.3	381.8	374.5	404.9
Waste for incineration	t	88.9	96.4	88.9	98.4	82.0	79.2
Recyclable waste	t	151	163.5	153.4	151	162.5	160.4
Hazardous waste	t	3.5	3.2	1.9	2.4	4.3	0.9
<b>Water</b>							
Water consumption	m³	3,255	3,283	3,295	3,150	3,744	2,961
<b>CO<sub>2</sub> emissions</b>							
Electricity	t	300.7	210.6	200.6	198.2	52.2	49.5
Heating oil	t	39.1	74.4	30.8	39.1	52.77	36.27
Natural gas	t	110.6	126.8	100.6	116.6	118.6	92.44
Petrol/diesel	t	547.3	516.1	507.7	540.7	544.4	515.1
Flights	t	37.3	37.5	22.2	29.9	18.7	14.8
<b>Other significant emissions</b>							
VOC	t	6.64	7.73	6.05	6.01	5.35	6.05
SO <sub>x</sub>	t	0.1	0.1	0.1	0.1	0.1	0.1
NO <sub>x</sub>	t	1.4	1.4	1.4	1.5	1.5	1.4
Particulate matter (no measurements 2009, 2011, 2013)	t	–	1.23	–	1.55	–	0.54
<b>Adherence to the law</b>							
Non-compliance	Number	0	0	0	0	0	0

**Skilled employees ensure our future. That is why we offer apprenticeships in a variety of professions and cultivate our cooperation with technical colleges. We strive to nurture the ongoing professional development of our employees through training courses, international assignments and specific advancement training programmes.**

**Taken from Girsberger's corporate policy**



## Interest groups

Remaining in continuous dialogue with our stakeholder groups is one of the key elements of our business strategy. It is our responsibility to be aware of the viewpoints of those impacted by us. We wish to understand the concerns, interests and needs of our customers, employees, investors, suppliers and social environment, and to factor them into our sustainable thinking and conduct.

## Factoring in stakeholders

In 2013, we carried out a satisfaction survey among 160 customers (specialist dealer partners and 5 direct customers of the Office division) of Girsberger AG and Girsberger GmbH. 146 questionnaires (91.25% of the total sent out) were evaluated. The following table provides an overview of the results.

### Customer survey 2013

Importance of sustainability	Unit in %		1	2	3	4	5
Procurement	1 = very important 5 = unimportant		51.4	39.7	7.5	1.4	-
Production	1 = very important 5 = unimportant		49.3	41.1	8.2	1.4	-
Distribution	1 = very important 5 = unimportant		50.0	37.7	10.3	1.4	0.6

Office products	Unit in %	Importance **	1	2	3	4
Cost-effectiveness	1 = very satisfied 4 = unsatisfied	90%	21.2	73.3	4.8	-
Product/service quality	1 = very satisfied 4 = unsatisfied	90%	42.5	54.8	2.1	-
Product benefit	1 = very satisfied 4 = unsatisfied	89%	26.7	57.5	8.2	-
Product handling/user-friendliness	1 = very satisfied 4 = unsatisfied	90%	24.7	71.2	1.4	-
Service friendliness	1 = very satisfied 4 = unsatisfied	86%	32.2	49.3	1.4	-

Girsberger employees	Unit in %		1	2	3	4
Expertise of sales force	1 = excellent 4 = not satisfactory		75.3	24.0	-	-
Expertise of back office	1 = excellent 4 = not satisfactory		59.6	37.7	1.4	-
Expertise of customer service	1 = excellent 4 = not satisfactory		54.1	23.3	3.4	-
Efficiency in order processing	1 = excellent 4 = not satisfactory		43.8	48.6	5.5	0.7
Quality of order processing	1 = excellent 4 = not satisfactory		52.1	43.2	2.7	-
Response time of customer service	1 = excellent 4 = not satisfactory		44.5	39.7	5.5	1.4
Quality of customer service	1 = excellent 4 = not satisfactory		47.9	34.2	4.8	-
Compliance with delivery dates	1 = excellent 4 = not satisfactory		30.1	51.4	13.0	4.1
Delivery service in general	1 = excellent 4 = not satisfactory		26.0	48.6	17.1	4.1

\* As a result of rounding differences the total may not add up to exactly 100%, and in some cases individual questions were not answered

\*\* The proportion of specialist dealer partners among respondents assessing the importance of the respective criterion



All ratings of 'unsatisfactory' were analysed and discussed during individual meetings with the respective customers. We conducted an internal review of order processing times, but came to the conclusion that adjustments were currently not possible for reasons of personnel and system resources. The rule at Customer Service is to respond within 24 hours and we will continue to apply that. The degree to which delivery times can be met depends on the sometimes complex interplay between in-house capacity, on-time delivery by our suppliers and the quality of the parts supplied. This will remain a challenge in future, and one that we give top priority to.

To ensure a high-quality delivery service, any complaints we receive are discussed immediately with our carrier, who is required to take any necessary measures for improvement.

During our annual review, we re-examine all the complaints received and assess the measures taken. In addition to the above points, the customer survey was also intended to give us an insight into how our company's image is perceived. One key finding was that 16% of respondents felt that our ads were not striking enough. This criticism has been passed on to our Marketing division. We plan to carry out a new customer satisfaction survey in 2016 which will focus on specific questions concerning cooperation between the four divisions Office Seating, Dining, Customized Furniture and Remanufacturing. In the meantime, we will continue to hold monthly meetings as well as comprehensive talks at the beginning of each year to make sure that we know and, as far as possible, meet our customers' requirements and wishes.

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 where viable. Employees are one of our most important stakeholder groups. Every two months, the managing directors and division heads inform all our employees about business developments and other current topics.

We raise their awareness of environmental issues by giving climate tips and through the Smaragd (Emerald) project. Where practicable, employees who are socially

active are allowed to perform some of the relevant duties during their working hours.

Employee concerns expressed in the 2010 survey have been addressed as far as possible. Various proposals regarding lighting, waste disposal and paper consumption have been incorporated into the operational ecology concept. Measures in the area of communication (sustainability profile) have not yet been implemented.

We maintain contact and hold regular discussions with our suppliers (including service providers).

We facilitate a continuing dialogue with our investors via monthly reviews, board of directors meetings, general meetings, annual reports and yearly financial statements.

As well as using other channels, Girsberger reaches the public through a continuous flow of media releases on new products and projects that we were involved in. 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.



## Our employees

Our employees belong to eighteen different nationalities. Such cultural diversity can only thrive in a climate of openness and diversity. Our HR policy is designed to ensure that employees are satisfied and healthy, as this is the only kind of workforce that can produce maximum results. The basis for achieving this is the Girsberger company values. They state, 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 the employees in our company are to be treated equally and feel comfortable. Their personal rights and privacy are respected at all times.

The focus of our HR policy in 2015 and 2016 is to be on the following key aspects:

- Employee satisfaction
- Securing the long-term availability of skilled workers
- Health promotion
- Initiation of individual development plans for managers with responsibility for employees

The certified companies Girsberger Holding AG, Girsberger AG and Girsberger GmbH employ a total of 274 people (including 20 trainees). The proportion of female managers decreased from just under 20% in 2012 to 17.5%.



Translating into a total of ten women in management positions, this figure remains disappointingly low in our view. However, since management selection is based first and foremost on qualifications and personality, there is essentially nothing standing in the way of an increase in the proportion of women managers.

Girsberger does not pay premium salaries for management positions. The pay spread remains unchanged at 1:7.

### Number of employees and employee turnover rate

Compared to 2012, the workforce decreased by five employees at each of the Bützberg and Eendingen sites to a total

of 274 in the reporting period. Correspondingly, the turnover rate rose from 5.63 to 9.15% in this space of time. According to a 2007 study by the University of St. Gallen (published on the Swiss government's SME portal), the benchmark in Switzerland is 9.7% across all sectors. While no figures are published for the furniture industry, the turnover rate for the engineering, metalworking and electronic industries is put at 8.9%.

According to the German Engineering Federation (VDA), the benchmark is at 6.5% in Baden-Württemberg. These figures are from 2010.

Total number of employees and employee turnover rate		2009	2010	2011	2012	2013	2014
Total number of employees at certified companies	Number	293	288	282	284	277	274
Number of employees at Girsberger Holding AG Bützberg	Number	21	24	23	24	23	25
Number of employees at Girsberger AG Bützberg <sup>1</sup>	Number	150	150	141	137	134	131
Number of employees at Girsberger GmbH Eendingen <sup>2</sup>	Number	122	114	118	123	120	118
Total employee turnover	Percent	7.02	9.93	7.46	5.63	7.71	9.15

<sup>1</sup> up to 2013 incl. Paris and Vienna, from 2014 incl. Paris    <sup>2</sup> up to 2013 incl. Amsterdam and London, from 2014 incl. Amsterdam and Vienna



## Our employees (continued)

### Time with the company

At 43.5 years, the average age of our workforce at the end of 2014 is a good one year more than in 2012.

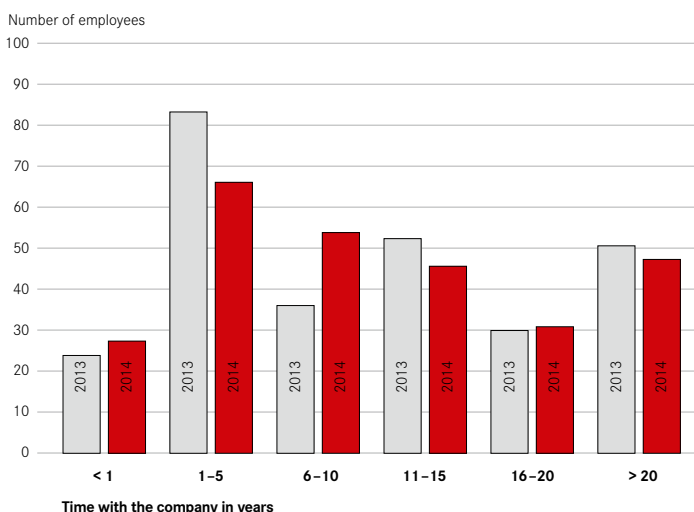
17.5% of our employees have been working for the Girsberger group of companies for over twenty years; a good 28% have been with us between eleven and twenty years, and around 24.5% for one to five years. This well-balanced age structure and length of service is important for the mutual exchange and transfer of knowledge within the company.

### Absences

Our target of reducing short-term absences (i.e. illness- or accident-related absences of up to three working days) by 5% per year was reached in Bützberg, but not in Endingen. Health care insurance specialists were called in to sensitize managers to this issue. Cases of frequent absenteeism are analysed and discussed with the respective employees. In some cases, a doctor's certificate is now required from the first day of absence.

Since short-term absences are at a reassuringly low level at both sites, the targeted reduction will again be included in the overall total number of absences for the next few years.

### Time with the company





Statistics for September 2014 produced by the Swiss National Accident Insurance Fund (SUVA) show that the average total annual absence per employee owing to accident or illness is 6.5 days. Reporting a mean figure of 5.29 days, Girsberger AG and Holding AG are at an encouragingly low level.

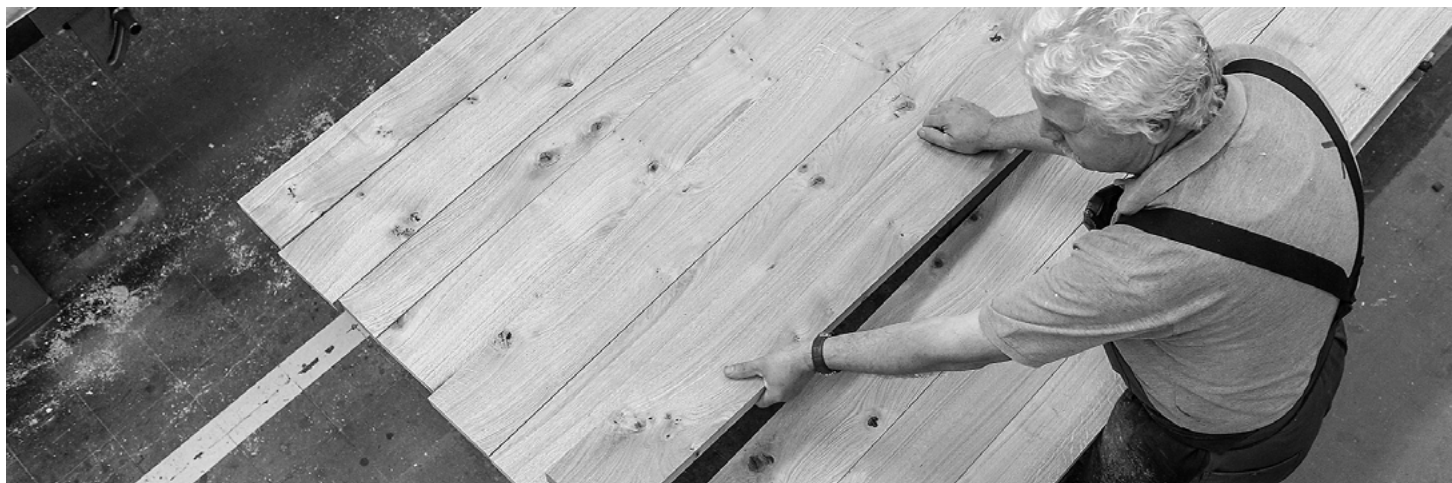
In Baden-Württemberg, the German Engineering Federation put the average sickness absence rate for 2010 at 3.9%. In Eendingen, this figure can presently not be achieved on account of long-term absences.

The key aspects of our absence management programme strategy remain:

- Managing and supporting absent employees
- Careful reintegration
- Motivating discussions
- Return to work discussions between line managers and employees
- Health promotion (awareness raising and prevention)

<b>Composition of the workforce (Average age)</b>		<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Employees at Girsberger AG Bützberg <sup>1</sup>		41.5	42.2	42.2	42.0	42.1	42.8
Employees at Girsberger Holding AG Bützberg		42.2	42.1	41.5	41.7	41.1	42.7
Employees at Girsberger GmbH Eendingen <sup>2</sup>		43,9	44,4	44,2	44,3	45,6	45,1
<b>Absence in days per employee and year</b>		<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Girsberger AG and Holding AG Bützberg <sup>1</sup>		7.06	6.59	5.26	5.61	6.36	5.29
Girsberger GmbH Eendingen <sup>2</sup>		11.97	12.96	9.60	13.17	16.19	16.86
<b>Short-term absences of up to 3 days per employee and year</b>					<b>2012</b>	<b>2013</b>	<b>2014</b>
Bützberg site (Girsberger AG and Holding AG) <sup>1</sup>	Days				1.163	1.447	1.014
Change	Percent					+ 24	- 30
Eendingen site (Girsberger GmbH) <sup>2</sup>	Days				0.379	0.398	0.422
Change	Percent					+ 5	+ 6

<sup>1</sup> up to 2013 incl. Paris and Vienna, from 2014 incl. Paris    <sup>2</sup> up to 2013 incl. Amsterdam and London, from 2014 incl. Amsterdam and Vienna



## Our employees (continued)

### Employee satisfaction

The regular employee performance reviews are still an important tool for appraising employee satisfaction. 2014 marked the first year that employees had an opportunity to assess their line managers. We will report on the evaluations and measures in the next Sustainability Report.

We are pleased that, with 8.2 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. 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.

### Securing the long-term availability of skilled workers

Securing the long-term availability of skilled workers will be a major challenge over the coming years. We have already identified bottlenecks in certain areas such as the upholstery

and sewing departments. If we are to meet this challenge head on, we need to specifically develop and train individual employees. Where possible, we create training opportunities in-house. We will be stepping up our collaboration with training colleges and participation in city job fairs. Internships are another vehicle for getting to know prospective skilled workers early. We are making every effort to position Girsberger as an employer of choice.

### Collective bargaining agreements

Girsberger Holding AG and Girsberger AG are subject to the collective bargaining agreement in force in the Swiss furniture industry. The sales offices in Amsterdam, Paris and Vienna have their own collective agreements. 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.

Assessment of employee satisfaction (average)	2009	2010	2011	2012	2013	2014
Overall (assessment scale 1-10)	8.3	8.2	8.3	8.3	8.2	8.2
Collaboration	8.7	8.7	8.6	8.6	8.6	8.5
Information	8.3	8.3	8.1	8.1	8.1	8.1
Workplace/Surroundings	8.4	8.4	8.6	8.4	8.3	8.3
IT system	7.7	7.7	7.6	7.7	7.8	7.7
Environmental management system	8.6	8.6	8.3	8.7	8.7	8.5

Percentage of employee appraisals	2009	2010	2011	2012	2013	2014
Employees at Girsberger AG <sup>1</sup> and Holding AG Bützberg	86.3	79.4	100	100	100	100
Employees at Girsberger GmbH Endingen <sup>2</sup>	78.4	86.5	100	100	100	100

### Satisfaction index

2009: **8.3**

2010: **8.2**

2011: **8.3**

2012: **8.3**

2013: **8.2**

2014: **8.2**

Assessment scale  
1 (very dissatisfied)  
to 10 (very satisfied)

<sup>1</sup> up to 2013 incl. Paris and Vienna, from 2014 incl. Paris

<sup>2</sup> up to 2013 incl. Amsterdam and London, from 2014 incl. Amsterdam and Vienna



Girsberger GmbH, which is headquartered in Endingen, is not tied to any collective agreement. The existing employment contracts honour the relevant laws, ordinances and guidelines of Germany.

### Health promotion

Awareness raising and preventive measures in the areas of health, safety and the environment have been a continuing process over a period of years. Safety specialists at the Bützberg and Endingen production sites ensure that areas where action is needed are identified and appropriate training provided.

For us, health promotion also means integrating people with disabilities where possible. Girsberger GmbH in Endingen presently numbers eleven severely handicapped employees on its workforce. We also look to place orders with organizations providing protected workplaces for persons with disabilities, such as regional job centres, the VEBO Co-operative, the WBM Foundation, Schwarzwaldwerkstatt (Black Forest Workshop) and Caritas.

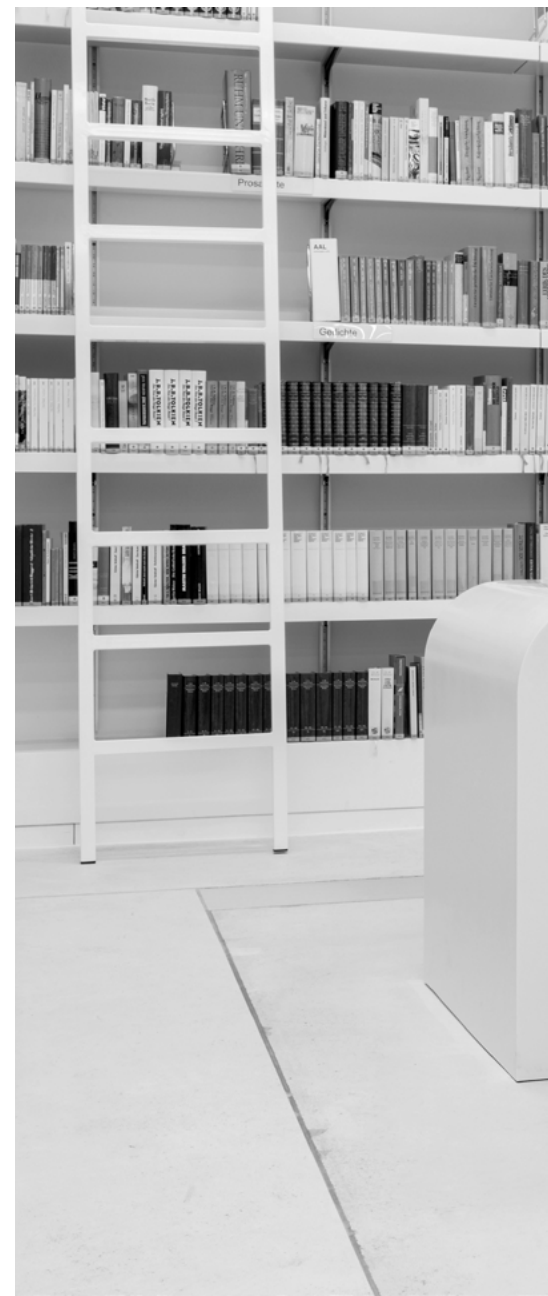
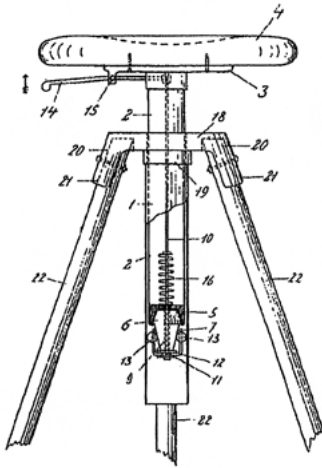
### Initiation of individual development plans for managers with responsibility for employees

There has been a slight decrease in the number of training days since 2012. This is due to a decline in the number of training days under Girsberger's continual improvement process. The results of these intensive training events staged in 2012 and 2013 have now fed through into our day-to-day processes.

Over the coming years, training will focus on the individual development of managers with responsibility for employees. The managing directors and plant managers will form an "association of promoters" tasked with identifying training needs and initiating the necessary measures.

Hans Zingg,  
Head of Finance, Girsberger Holding AG

Training		2009	2010	2011	2012	2013	2014
Number of trainees as a percentage of all employees	Percent	6.8	6.6	6.8	7.9	7.6	7.3
Trainees at Girsberger Holding AG Bützberg	Number	2	2	2	2	2	2
Trainees at Girsberger AG Bützberg	Number	10	10	10	10	11	10
Trainees at Girsberger GmbH Endingen	Number	8	7	6	9	8	8
Total internal and external training days	Days	297	227	204	450	388	348
Number of hours of training per employee	Hours	9.1	9.1	6.3	13.9	13.1	11.7



## Products

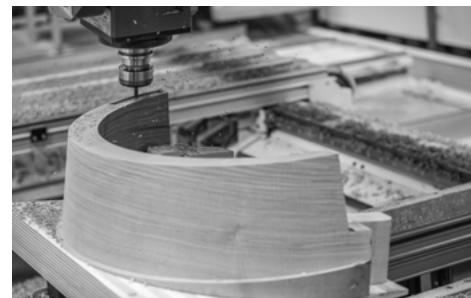
Girsberger celebrated its 125th anniversary in 2014. Two years earlier, we began giving thought to how we could celebrate this landmark by developing a special chair that reflects the history of our company.

No single product says Girsberger more than the wooden swivel chair. As early as 1910, Heinrich Girsberger filed for a patent for one such chair with a novel infinite height adjustment mechanism. This established Girsberger as a chair specialist. Further office swivel chairs made of solid wood soon followed, and Girsberger was a major pioneer of this type of seat up until the 1950s. This was when wooden swivel chairs started to fade in significance, until they disappeared from the market altogether. Girsberger's 125th anniversary prompted us to ask why there are no more swivel chairs made of solid wood, and what would a modern Girsberger wooden swivel chair need to look like today?

The question as to why was quickly answered. Most office swivel chairs today fall within a price band that would not be realistic if they were made of solid wood. This has less to do with wood as a commodity and more to do with the extremely high amount of labour necessary to craft solid wood. And labour is expensive, especially in Switzerland.

This was why we chose not to set any price targets for our modern wooden swivel chair. The model was to cost whatever is necessary to produce it at our Bützberg plant. We were under no illusion that it would be a top seller. For the chair to even have a chance on the market, it needed to be unique, attractive and desirable. What was more important for us than achieving high revenues was to develop a materials and production concept suited to showcasing quality sustainable materials and promoting Switzerland as a manufacturing location.

The concept worked. The G 125 has attracted a great deal of attention and is selling well despite its compara-



tively high price. For one thing, customers like the fact that the G 125 is quite different from all other swivel chairs. For another, they respect and appreciate the craftsmanship that goes into making it. More and more people today are seeking distinctive, high-quality products with a traceable manufacturing history, and they are prepared to pay accordingly.

This is only right and proper because the sustainability of a product correlates closely with its durability. Timeless solid wood tables of outstanding quality are frequently passed down and used over generations. By contrast, buying low-price furniture often triggers a perpetual exchange of goods since it breaks easily and a new cheap replacement doesn't stretch the wallet. But this kind of consumer behaviour is alarming not only in terms of the resources that are wasted, but also with regard to the working conditions under which the majority of these products are made in low-wage countries.

Girsberger furniture is different. It lasts for many years thanks to its superior quality, timeless design and es-

sential practical value. At Girsberger, the process of manufacturing a solid wood table begins with the selection of the trunk in the sawmill or the forest: We want to know where the wood comes from and to be in complete control of its conditioning. The wood trade business that we now operate not only covers our own requirements, it also supplies other discerning wood processing companies.

Furnishings of lasting quality are the result, which in turn plays a critical role in conserving resources. Over and above that, the environmentally and socially just conditions in place at our manufacturing sites in Switzerland and Germany help to protect jobs in the region.

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

Product responsibility

Our 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.

Periodic development verification testing is obligatory when developing new products. Prototyping and pre-testing 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.

Up to 2016, we aim to continually step up efforts in the area of product and health safety verification for our Office collection. We are striving to achieve product safety certification and harmful substance testing for 100 % of 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

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

Product range	Of which with GS mark <sup>1</sup>	Of which tested for harmful substances <sup>2</sup>
Swivel chairs price list Office 2013	80.2%	76.1%
Swivel chairs price list Office 2014	84.5%	82.5%
Multi-purpose chair/visitor chairs price list Office 2013	83.2%	64.9%
Multi-purpose/visitor chairs price list Office 2014	81.7%	67.0%

<sup>1</sup> Limited 5-year period. Renewed after retesting.    <sup>2</sup> Annual verification by follow-up testing



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.

When it comes to the safety of our products and their impact on users' health, we have consistently complied with legislation and our own voluntary in-house standards. Regrettably, despite our taking every precaution, two people fell off a Sway standing stool in 2014, one at the end of March and one in early April. Fortunately, neither person was seriously injured. We took immediate steps to prevent further occurrences.

Both incidents happened at different locations in Germany and were caused by the seat detaching itself from the leg. On the basis of the information available to us, we could not with certainty rule out other stools being affected by the same problem, even if used properly. For this reason, we decided to replace all sold Sway standing stools with new, modified models free of charge.

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**

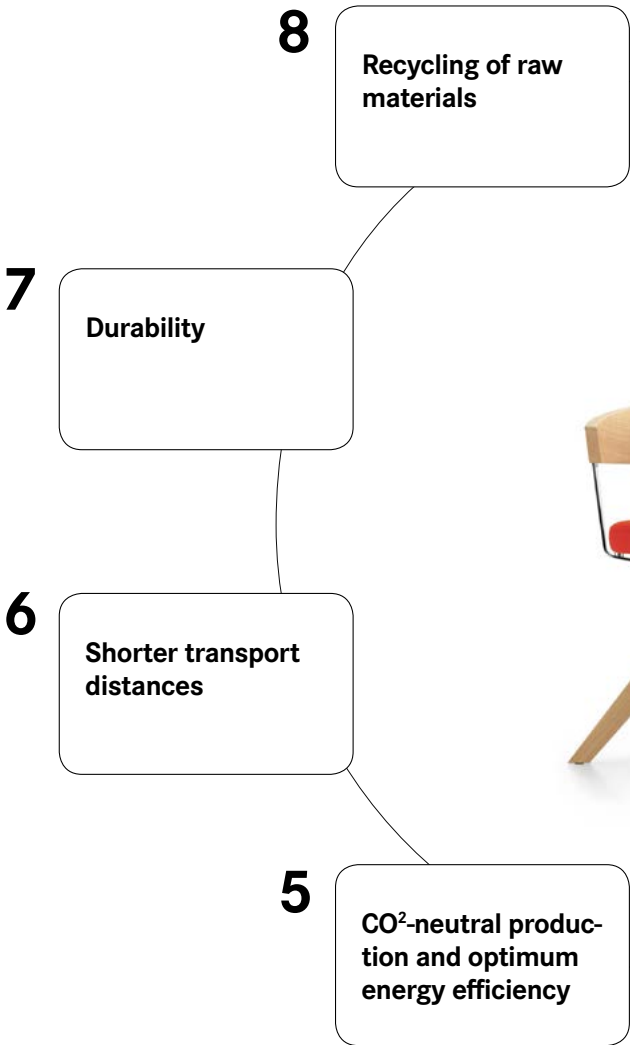
Declaration	
Wood type (trade name) for products with characteristic wood constituents	100%
Plastics: material designation directly on component	90%
Aluminium castings: material designation directly on component	90%

Other materials such as steel, textiles, leather: identification available, not possible to put designation on component

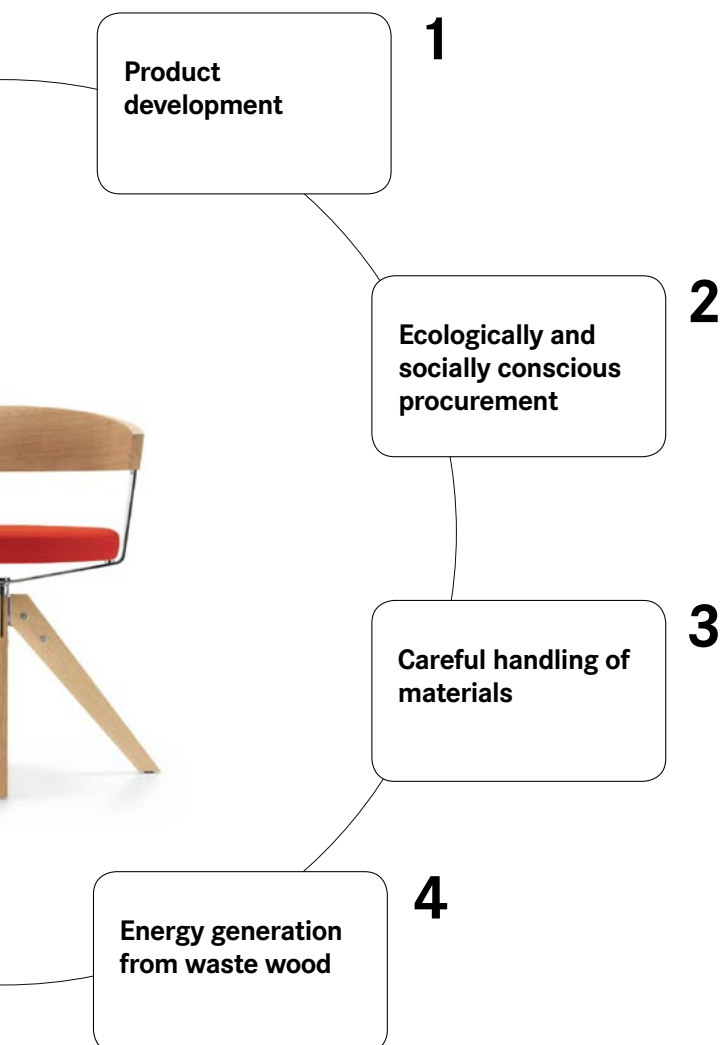
Product life cycle

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.



1	2	3	4
Our goal is to integrate ecological criteria into daily product design procedures. This means factoring ecological aspects into the creative and technical designs, material selection, and the choice of production processes. The entire life cycle of a product must be taken into consideration in order to make it as resource-efficient, low-pollutant, low-waste, recyclable, durable and repairable as possible, from the manufacturing stage through to the end of its useful life.	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. For this reason, Girsberger has drawn up a supplier code of conduct. This code contains the key fundamental criteria that a Girsberger supplier needs to satisfy, including, for example, compliance with local laws and basic human and labour rights, and a ban on corruption.	A modern upholstery cutter was put into operation at the end of 2014. It helps to reduce wastage of covering fabrics by an average of 10%. The wood and metal yield as well as leather and fabric waste factors are continually monitored.	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 approximately 400 tonnes of CO <sub>2</sub> . Energy consumption was reduced further in Bützberg in 2014 thanks to refurbishment of the building shell of Plant I and other operational ecology measures.



**5**

We employ energy-efficient production processes and handle resources carefully. However, we cannot completely avoid creating CO<sub>2</sub> emissions in our production process and distribution channels. We offset these remaining emissions – 670 tonnes in 2014 – with Fair Recycling. This Swiss climate protection foundation is contributing to climate protection around the world by recycling old CFC refrigerators in developing countries in a fair manner. Fair Recycling combines climate and resource protection with social commitment. Since 2013, 100% of electricity requirements at our sites in Bützberg and Endingen have been covered by green electricity generated with hydro- and solar power. Between 2011 and 2014, the photovoltaic system at the Endingen production plant produced 42.62% of the site's electricity needs.

**6**

When placing orders, we endeavour where possible to give preference to suppliers who are situated close to our manufacturing facilities. Due to strong upward pressure on costs, however, this is becoming increasingly difficult. The shift in purchasing volumes towards the east has continued. While 90.2% of our suppliers were based within a 600 km radius in 2012, the figure was only 87.8% in 2014.

**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.

Procurement and transport

A key element of our procurement strategy is to enter into and continually develop long-term relationships with supplier partners. Accordingly, we have completely revised our supplier evaluation system. Now we assess not only 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 revised supplier evaluation system therefore includes an assessment of ecological aspects for the first time. 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 are not only concerned with the commercial and technical aspects, but also 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 pro-

duction sites, but this is becoming more and more difficult in the face of strong upward pressure on costs. The shift in purchasing volumes in the direction of the east has continued. This development is mainly benefiting countries in the east of the EU, while direct suppliers operating out of Asia and Switzerland are among the losers. The discontinuation of the currency floor on the Swiss franc will only serve to speed up this trend in Switzerland going forward.

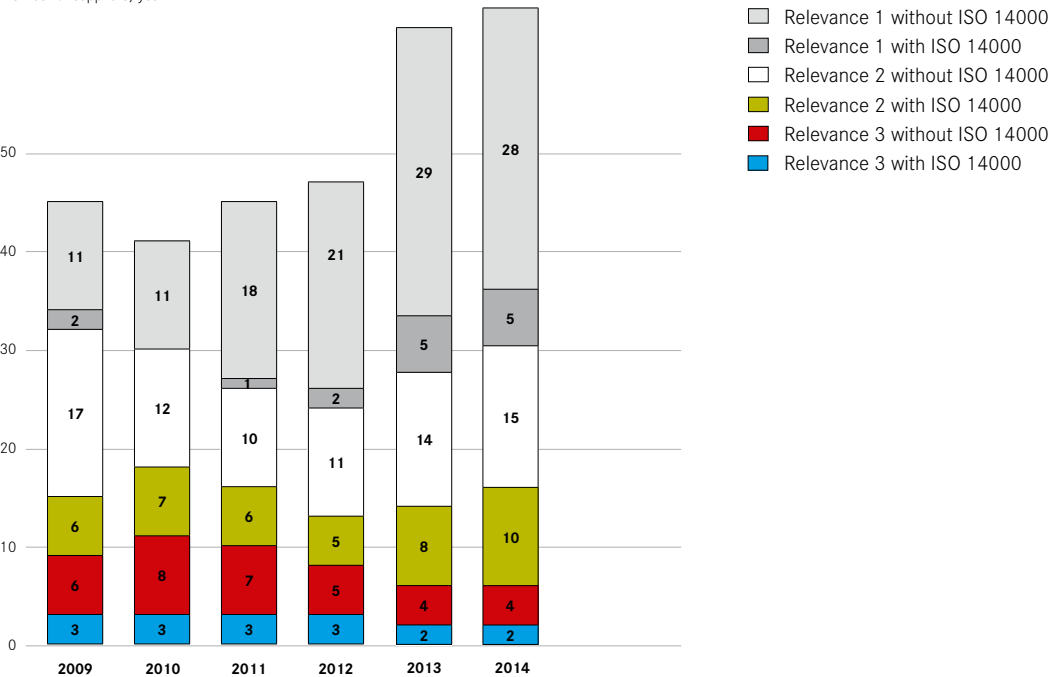
Whereas the share of direct business with suppliers in Asia is tending to dwindle, an evaluation of our German subsidiary’s procurements by customs country of origin shows that the proportion of material purchased indirectly in Asia is growing. Several of our suppliers have built supply chains with Asia, from which we also profit (lower prices).

The quality of customs country of origin data in the period under review allowed us to conduct our first ever evaluation for the Swiss subsidiary. As expected, the volume of parts originating in Asia was barely significant.

We are also doing our utmost to meet our CSR and sustainability commitments in respect of parts sourced

Environmental relevance analysis of suppliers

Number of suppliers/year



Reusability and correct disposal of packaging materials (%)	2009	2010	2011	2012	2013	2014
Girsberger AG Bützberg						
Wood (partially reused to generate heat)	100	100	100	100	100	100
Cardboard	100	100	100	100	100	100
Plastic sheeting	*	*	*	*	*	*
Other plastics	*	*	*	*	*	*
Girsberger GmbH Endingen						
Wood (partially reused to generate heat)	100	100	100	100	100	100
Cardboard	100	100	100	100	100	100
Plastic sheeting	100	100	100	100	100	100
Other plastics	100	100	100	100	100	100

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

indirectly in risk areas – in our case, Asia. This is why we decided to draw up a code of conduct for Girsberger suppliers. This code will contain the key fundamental criteria that a Girsberger supplier needs to satisfy, including, for example, compliance with local laws and basic human and labour rights, and a ban on corruption.

All key supplier partners who regularly supply Girsberger with parts originating in risk areas will be required to sign this code of conduct by the end of 2015.

## Transport and packaging

We sometimes use our own trucks to make deliveries in Switzerland. On the trip back, we call in on suppliers to pick up materials that we have purchased. To optimize the use of transport capacity, we have an agreement with the larger suppliers that the trucks should always be filled up. Subject to consultation with the respective purchasing unit, any available space is filled with parts for future orders.

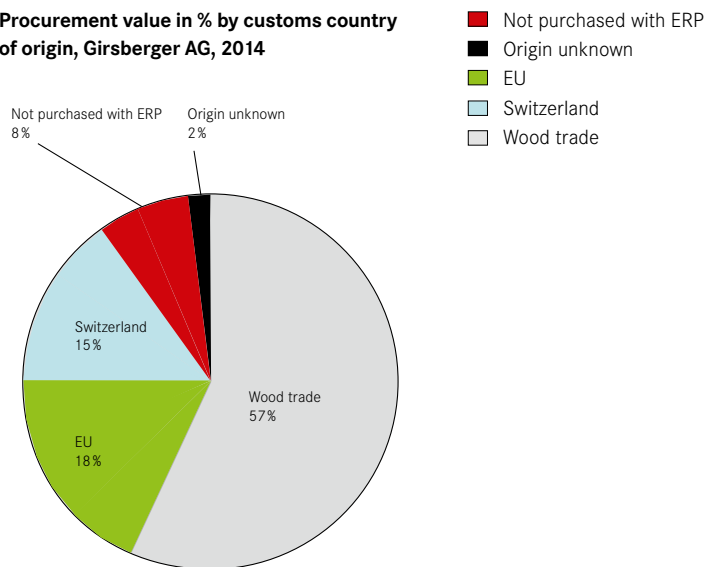
This helps us to keep the kilometres driven as low as possible. At the same time, compared to deliveries of

piece goods, we can reduce the packaging of parts to a minimum.

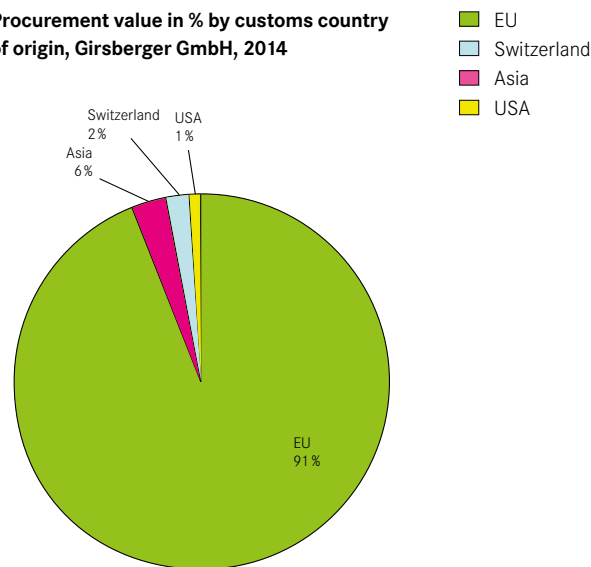
Packaging is essential to prevent damage to purchased parts in transit or in the warehouse. We ensure that all packaging has a high proportion of recycled content and can itself be sorted into material types and recycled.

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

**Procurement value in % by customs country of origin, Girsberger AG, 2014**



**Procurement value in % by customs country of origin, Girsberger GmbH, 2014**



Purchase volumes* by value in %	2010	2012	2014		2010	2012	2014
Girsberger AG Bützberg				Girsberger GmbH Endingen			
Switzerland	66.5	56.7	39.9	Germany	44.4	57.4	55.4
Germany	18.3	24.1	23.0	Switzerland	7.2	4.3	2.7
Central Europe <sup>1</sup>	15.1	18.7	35.8	Central Europe <sup>1</sup>	42.1	30.5	27.2
Eastern Europe <sup>2</sup>	0.1	0.5	1.4	Eastern Europe <sup>2</sup>	3.5	3.8	11.8
				USA and Canada	0.7	1.2	0.7
				Asia (China, Korea)	0.9	2.8	2.1

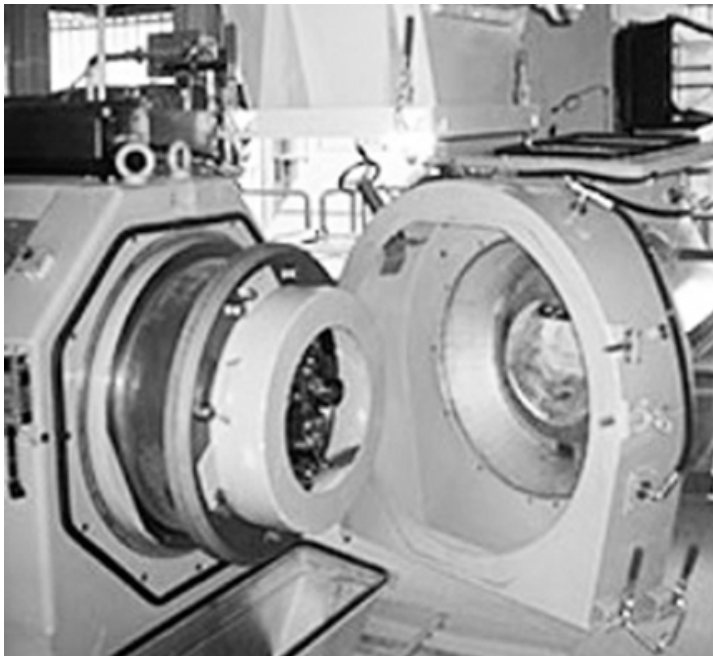
\* As a result of rounding differences, the total may not add up to exactly 100%

<sup>1</sup> Italy, United Kingdom, Denmark, Austria, France, Netherlands

<sup>2</sup> Romania, Slovakia, Slovenia, Poland, Hungary, Bulgaria, Turkey

**We began CO<sub>2</sub>-neutral production on 1 January 2015.**

**We employ energy-efficient production processes and handle resources carefully. However, we cannot completely avoid creating CO<sub>2</sub> emissions in our production process and distribution channels. We offset these remaining emissions – 670 tonnes in 2014 – with Fair Recycling. This Swiss climate protection foundation is contributing to climate protection around the world by recycling old CFC refrigerators in developing countries in a fair manner. Fair Recycling combines climate and resource protection with social commitment.**



Fair Recycling shreds old CFC refrigerators in a fully encapsulated high-tech shredder. High-quality fractions are recovered using a complex sorting process. The CFCs in the appliance's insulation material are then extracted under pressure and burned in a high-temperature incinerator.  
Photo: Werner Stirnimann

## Environmental resources

Environmental and quality consciousness have been a living element of the Girsberger company philosophy for over 125 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.

To further promote sustainability in awareness and action, Girsberger Holding AG joined the Öbu network ([www.oebu.ch](http://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 joined the B.A.U.M. organization in the same year. 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 way over 550 members.

Over and above environmentally compatible production, we also work in specific ways to protect the environment and preserve biodiversity. To this end, since 2009 we have been supporting the Smaragd (Emerald) project under the mantle of the EU's Natura 2000 network, the biggest nature conservation programme in Europe. Under this programme, EU member states and Switzerland protect and foster endangered animals and plants and their natural habitats across national borders. Currently covering around 20 percent of the area of the EU, Emerald is the largest network of nature protection areas in the world. We use this platform to create awareness of environmental issues through staff events and regular information.

Girsberger began CO<sub>2</sub>-neutral production on 1 January 2015. We employ energy-efficient production processes and handle resources carefully. Of course, we cannot completely avoid creating CO<sub>2</sub> emissions in our production process and distribution channels. We offset these remaining emissions – 670 tonnes in 2014 – with Fair Recycling. Respecting principles of fairness, this Swiss climate protection foundation is contributing to climate protection around the world by recycling old CFC refrigerators in developing countries. Fair Recycling combines climate and resource protection with social commitment. Together with its project partner, Indústria Fox, Fair Recycling has built South America's first environmentally compatible recycling facility for refrigerators in Brazil. A total of 137,400 refrigerators have been recycled – reducing the volume of CO<sub>2</sub> equivalents by 137,400 tonnes in just one year and recovering almost 7,000 tonnes of raw materials for reuse. With its high-performance shredder, Indústria Fox achieves a recycling rate of over 95% with the refrigerators. In addition to high-grade aluminium, copper and iron fractions, the refrigerators also yield other valuable recyclable materials. For instance, Indústria Fox found a buyer for all the insulating material from the refrigerator doors who uses it to insulate cold storage buildings.

## Environmental resources (continued)

### Environmental relevance matrix

By defining annual environmental targets, we aim to improve our environmental performance continuously.

In 2013 and 2014 we were examined by the external certification body SQS (Swiss Association for Quality and Management Systems) for progress in our efforts for the environment. 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 is based on detailed relevance criteria, which are periodically updated to reflect operational changes. A high level of environmental relevance is not necessarily equated with there being a lot of catching up to do. It does, however, mean that this aspect has

to be constantly pursued, that statutory regulations also generally 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 terms of those aspects with medium or low relevance.

For 2013 and 2014, the main focus of our efforts was in the areas of renewable energies and operational ecology. From 2013 on, 100% of energy requirements at the Bützberg and Endingen sites is being obtained from renewable sources, i.e. hydroelectricity.

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

### Environmental relevance matrix 2014

(Excerpt for the locations Bützberg and Endingen)

	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	

3 High relevance 2 Medium relevance 1 Low relevance



### 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. Whenever feasible, we visit the forests directly in order to be able to correctly assess the tree trunks based not only on their external appearance, but also on 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 individual types of wood used come from a variety of regions. Since trees in the northern hemisphere contain no sap in winter and so are exposed to minimal fungal and insect infestation, we seek out trunks especially during this period.

The continuing high demand for American walnut is striking. We endeavour to cover additional requirements by sourcing from smaller habitats in Europe (Hungary, Croatia). This decreased the share of non-European countries of origin from 9.4 % in 2012 to a low 7 % at the end of 2014.

The following table shows the origins of our timber.

Country of origin (approximate percentages)	2010	2012	2014
Europe (Switzerland, Austria, Germany, France, Italy, Belgium, Croatia, Bosnia-Herzegovina, Poland, Romania, Serbia, Slovakia, Slovenia, Czech Republic, Hungary)	93%	90.6%	93%
Other (USA, Canada)	7%	9.4%	7%

**93 % 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 600 km.**

**For every elm table made in Bützberg, Girsberger restocks the forest with an elm seedling. In the period from 2010 to 2014, a total of 1,410 elms were planted.**

**The website [www.schweizerulme.ch](http://www.schweizerulme.ch) provides information about the elm reforestation project.**

Environmental resources (continued)

Wood – a key natural resource

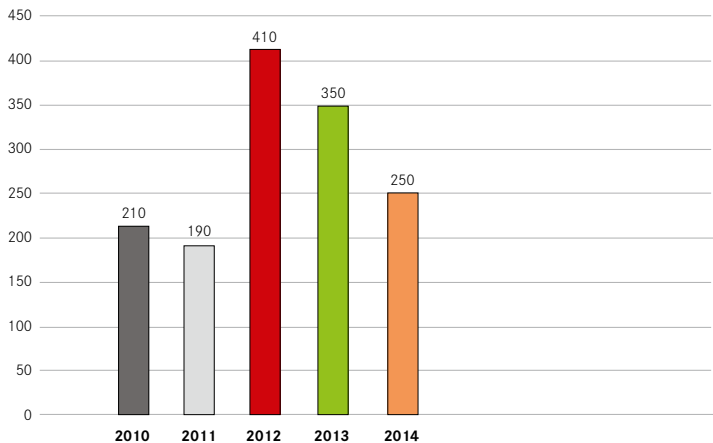
We are very pleased to see that the consumer trend toward oak, particularly knotty oak, is continuing. Oaks are considered to be indigenous. Accounting for a 9% share, they are the second-most common deciduous tree in our forests. They are found mainly in France, Germany, Croatia and Switzerland.

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 but one Sustainability Report. We will continue with the project we initiated in 2010 to support the growth of young elm trees.

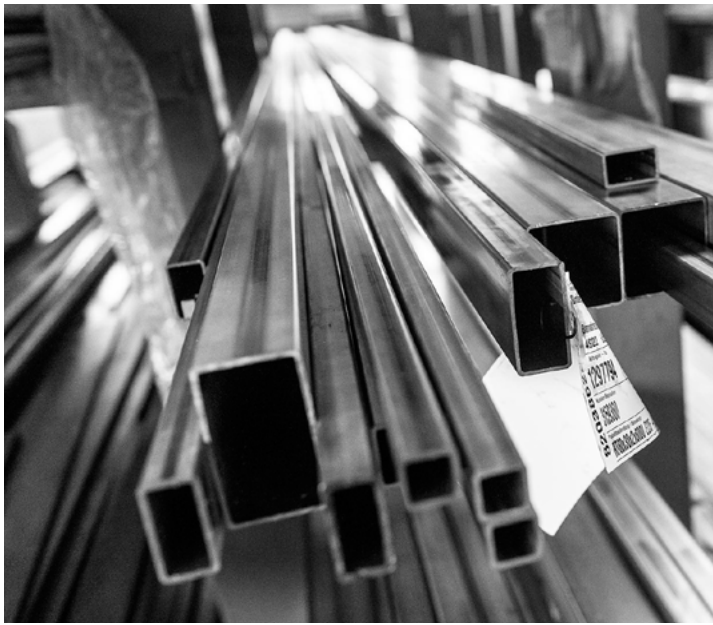
Jakob Röthlisberger,  
Head of Timber Procurement, Girsberger AG

Number of elms planted



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 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.

### 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.

### Aluminium

Aluminium is very strong, easy to shape and can be finished in many different ways. It is also a material that can

practically be recycled ad infinitum. A large proportion of the aluminium used in manufacturing today has been in circulation for decades.

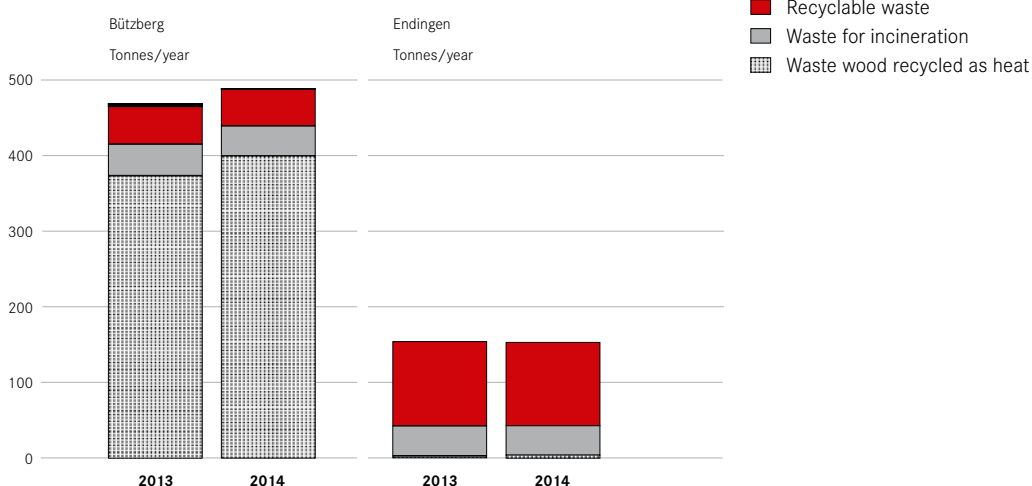
### Thermoplastics

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 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.

### Operational waste





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.

### 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 70% of operational waste at the Bützberg site is waste wood which is reused to generate heat. 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 by revising the waste management concept. The collection of paper and foil makes the greatest impact. Waste in Bützberg was

reduced by 48% by the end of 2014 compared with 2012 through better waste separation.

In Endingen around 27% of waste is reused to generate heat. We succeeded in increasing the proportion of recycled waste from 70% in 2013 to 71.7% at the end of 2014.

Comprising mainly oils, emulsions, solvents and paints from operational maintenance and production, the percentage of hazardous waste in Bützberg was reduced from 0.52% in 2012 to 0.18% in 2014 by optimizing work methods and the selection of materials. Endingen does not produce any hazardous waste.

Operational waste in tonnes	2009	2010	2011	2012	2013	2014
Girsberger AG Bützberg						
Wood reused to generate heat	**365.8	**349	373.4	376.8	372.0	400.6
Waste for incineration	**46.8	**49.8	44.2	54.3	42.0	39.6
Recyclable waste	*43.7	*48.8	30.6	34.2	50.4	49.2
Hazardous waste	3.5	3.2	1.9	2.4	4.3	0.9
Girsberger GmbH Endingen						
Wood reused to generate heat	1.3	2.6	4.9	5.0	2.5	4.3
Waste for incineration	*42.1	*46.6	44.7	44.1	40.0	39.6
Recyclable waste	*107.3	*114.7	122.8	116.8	112.1	111.2

\* Calculation basis updated    \*\* Error of formula corrected

## Environmental resources (continued)

### Operational ecology concept

The next steps in the development of operational ecology and infrastructure at the Bützberg and Endingen sites comprised driving ahead with systematic measures in the following areas: heating and building shell, electricity, renewable energy, compressed air system, filtering system and ventilation, mobility, and waste disposal.

The list below provides an overview of the measures implemented in 2014 and our objectives up to 2016.

Refurbishment of the building shell of Plant I in Bützberg could not be carried out in 2013 as planned, but in 2014. Renovation of the Plant II roof, windows and façade had to be deferred for cost reasons.

In Endingen, the cutter did not go on stream as planned in 2013, but at the end of 2014, since the machine delivered in 2013 had to be taken back by the

#### Operational ecology measures

#### Implemented in 2014

General measures	<div>Raising staff awareness<ul style="list-style-type: none"><li>Supported WWF Smaragd (Emerald) project</li><li>Carbon offsetting through tree-planting scheme</li><li>Climate tips</li></ul></div>
Heating and building shell	<div><div>Bützberg<ul style="list-style-type: none"><li>Drew up refurbishment concept for buildings and shell</li><li>Refurbished Plant I building shell</li></ul></div><div>Endingen<ul style="list-style-type: none"><li>Completed renovation of the windbreak in the goods acceptance and dispatch areas, deploying a press instead of containers</li></ul></div></div>
Electricity	<div><div>Bützberg<ul style="list-style-type: none"><li>Partly implemented lighting concept</li><li>Coordinated plant peak loads</li></ul></div><div>Endingen<ul style="list-style-type: none"><li>Implemented lighting concept for the warehouse, final manufacturing, dispatch and goods acceptance areas</li><li>Partly installed LED outdoor and sewing lighting</li></ul></div></div>
Renewable energy	<div><div>Bützberg<ul style="list-style-type: none"><li>Covered entire electricity requirement with power from renewable sources</li></ul></div><div>Endingen<ul style="list-style-type: none"><li>Covered entire electricity requirement with power from renewable sources</li><li>Explored expansion of the photovoltaic system</li></ul></div></div>
Compressed air system	<div><div>Bützberg<ul style="list-style-type: none"><li>Started optimization project and adjusted pressure, operating times and performance to current requirements</li><li>Clarified heat recovery in the compressor room</li><li>Checked network for air losses</li></ul></div><div>Endingen<ul style="list-style-type: none"><li>Analysed main consumers</li><li>Investigated optimization of compressor controls</li></ul></div></div>
Filtering system and ventilation	<div><div>Bützberg<ul style="list-style-type: none"><li>Optimized ventilation and filtering concept, including silo ventilation</li><li>Checked heat recovery on the roof</li></ul></div></div>
Mobility	<div><div>Bützberg<ul style="list-style-type: none"><li>Offset air travel CO<sub>2</sub></li><li>Truck replacement to comply with Euro6</li><li>New procurement of category A vehicles</li><li>Used train for trade fair visits</li></ul></div><div>Endingen<ul style="list-style-type: none"><li>Offset air travel CO<sub>2</sub></li><li>EcoDrive course for frequent drivers</li><li>New procurement of category A vehicles</li><li>Used train for trade fair visits</li></ul></div></div>
Waste disposal	<div><div>Bützberg<ul style="list-style-type: none"><li>Monitored waste volumes of wood, leather, fabric, metal</li><li>Waste reduced by 48 % in real terms</li></ul></div><div>Endingen<ul style="list-style-type: none"><li>Monitored waste volumes of leather and fabric</li><li>Raised recyclable waste to 71.7%</li></ul></div></div>

supplier owing to technical problems. Initial reductions in covering fabric wastage are therefore expected in 2015.

For reasons of cost, the warehouse vehicle will probably not be replaced before 2016.

The electric vehicle project has been put on hold since the necessary infrastructure could not be sufficiently expanded.

Objectives 2015		Objectives 2016	
Raise staff awareness of environmental issues		Continue to raise staff awareness of various topical subject areas	
• Support WWF Smaragd (Emerald) project		• Support WWF Smaragd (Emerald) project	
• Carbon offsetting through tree-planting scheme		• Carbon offsetting through tree-planting scheme	
• Climate tips			
		Bützberg	• Refurbish heating 2016/17
Endingen	• Upgrade reception area with glass sliding door that is compliant with thermal insulation regulations • Thermal imaging scan of the building • Renew ring water main	Endingen	• Renovate roof of production and administration areas
Bützberg	• Upgrade electricity distribution in Plant I • Implement lighting concept	Bützberg	• Upgrade electricity distribution in Plant I • Implement lighting concept
Endingen	• Implement lighting concept	Endingen	• Implement lighting concept
Bützberg	• Cover entire electricity requirement with power from renewable sources • CO <sub>2</sub> offsets with Fair Recycling	Bützberg	• Cover entire electricity requirement with power from renewable sources • CO <sub>2</sub> offsets with Fair Recycling
Endingen	• Cover entire electricity requirement with power from renewable sources • CO <sub>2</sub> offsets with Fair Recycling • Explore use of self-generated electricity	Endingen	• Cover entire electricity requirement with power from renewable sources • CO <sub>2</sub> offsets with Fair Recycling
Bützberg	• Check network for air losses	Bützberg	• Check network for air losses
Endingen	• Check network for air losses • Procure new energy efficient compressors	Endingen	• Check network for air losses
Bützberg	• Instruct employees to shut off extraction valve	Bützberg	• Instruct employees to shut off extraction valve
Bützberg	• New procurement of category A vehicles • EcoDrive courses for truck drivers and frequent drivers	Bützberg	• New procurement of category A vehicles • EcoDrive courses for truck drivers and frequent drivers
Endingen	• New procurement of category A vehicles	Endingen	• New procurement of category A vehicles • Replace warehouse vehicle • EcoDrive courses for frequent drivers
Bützberg	• Monitor waste volumes of wood, leather and fabric • Reduce waste by 5% compared to previous year	Bützberg	• Monitor waste volumes of wood, leather and fabric
Endingen	• Monitor waste volumes of leather and fabric • Increase recyclable waste from 71.7% to 75% • Look into recycling of fabric offcuts/plastic strapping • 10% fabric savings through use of upholstery cutter	Endingen	• Monitor waste volumes of leather and fabric • Recyclable waste rate of at least 75%

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.

The photovoltaic system in Endingen, which was brought into operation in December 2011 with a planned annual production of 92,000 kWh, had produced 350,549 kWh of electricity by the end of 2014. This corresponds to 42.62 % of power consumption at the Endingen site in this period.



Photovoltaic system at production facility of Girsberger GmbH, Endingen

Energy consumption in MWh	2009	2010	2011	2012	2013	2014
Girsberger AG Bützberg						
Heating oil	160	305	126	160	216	149
Wood	2,061	1,933	1,888	1,878	1,764	1,580
Electricity	1,120	1,121	1,073	1,015	1,002	958
Girsberger GmbH Endingen						
Gas	713	818	649	752	765	596
Electricity	236	243	231	228	202	161

## Emissions

CO<sub>2</sub> emissions were reduced by 33.5% in the five-year period from 2009 to 2014. The production of solar power in Endingen, the coverage of total electricity requirements with energy from renewable sources, CO<sub>2</sub> offsets for air travel, various measures including procurement of category A vehicles and EcoDrive courses, as well as raising staff awareness all contributed to this encouraging 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 <sub>2</sub> emissions in tonnes	2009	2010	2011	2012	2013	2014
Girsberger AG Bützberg						
Electricity (100% renewable as of 2013)	*159.1	*105.5	100.7	94.9	40.1	38.3
Heating oil	*39.1	*74.4	30.8	39.1	52.77	36.27
Petrol/diesel	*367.1	*339.4	335.9	365.6	362.4	347.7
Flights	*23.3	*29.5	12.9	15.7	10.5	3.9
Compensation flights			12.9	15.7	10.5	3.9
Compensation print works				30.6	36.1	29.7
Girsberger GmbH Endingen						
Electricity	*141.6	*105.1	99.9	103.3	12.4	11.2
Natural gas	110.6	126.8	100.6	116.6	118.6	92.4
Petrol/diesel	180.2	176.7	171.8	175.1	182.0	167.4
Flights	*14.0	*8.0	9.3	14.2	8.2	10.9
Compensation flights			9.3	14.2	8.2	10.9
Compensation feed-in photovoltaic system			0.1	73.2	4.3	4.7

Other significant emissions in tonnes	2009	2010	2011	2012	2013	2014
Girsberger AG Bützberg						
VOC	*6.64	*7.73	6.05	6.01	5.35	6.05
SO <sub>x</sub>	*0.10	0.12	0.10	0.10	0.10	0.10
NO <sub>x</sub>	**1.35	**1.35	1.33	1.36	1.36	1.35
Particulate matter	- <sup>2</sup>	**1.23	- <sup>2</sup>	1.55	- <sup>2</sup>	0.54
Girsberger GmbH Endingen						
VOC, SO <sub>x</sub> , particulate matter	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
NO <sub>x</sub>	**0.09	**0.09	0.09	0.09	0.09	0.08

\* Conversion factor corrected    \*\* Calculation basis changed

<sup>1</sup> Not measurable, traces

<sup>2</sup> No measurement

## **Additional information**

### **Reports**

The following documents are available for download at [www.girsberger.com](http://www.girsberger.com):

#### **2013 - 2014**

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

#### **2011 - 2012**

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

#### **2009 - 2010**

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

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