



Girsberger Sustainability Report

2020

– certified parts of company

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In the interests of easier legibility, the generic masculine form is used in this report. This is explicitly intended to include female and other gender identities where necessary for the avoidance of misunderstanding.

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The pandemic will not go away by itself – and nor will social injustice and environmental damage

**Dear customers, suppliers and business partners,
Dear colleagues,**

This Sustainability Report covers the financial years 2019 and 2020 – two years which turned out to be fundamentally different for the entire world.

At the end of December 2019, I gave a short speech at an in-house event. Looking back on that year, this is what I said:

If we are to remain competitive by constantly coming up with new and desirable products, it will require continuous investment. In order to be able to finance that investment, our focus must always be on maintaining our profitability. To do anything else would be irresponsible. However, it would also be irresponsible if, in striving so hard for commercial success, we simply blanked out things of huge significance that are going on around us.

Wars, breaches of human rights on an unimaginable scale, millions of young people in developing countries with no prospects, not to mention globalisation, have led to multi-cultural societies around the world, including here in Switzerland. We live and work with people who have different backgrounds, cultures, religions and languages. It is impossible to ignore the resulting social conflict and this is also having a far-reaching impact on political voting patterns.

Climate change, which has itself been further accelerated by globalisation, but which we humans have been causing since the start of the industrial age, threatens to become a worldwide catastrophe. The arguments about how this immense global threat can be averted in an economically acceptable way are becoming increasingly heated. That debate is also fundamentally changing people's political thinking.

And there's no shortage of other social problems with a high potential for causing conflict: the ever-widening gulf between rich and poor, gender inequality and increasingly worrying racism are just three examples. They, too, show that, even though it's essential for us to focus on profitability and returns, we must never lose sight of the issue of sustainability. Only by consistently keeping that in mind are we truly living up to our social responsibilities.

Confirmation that we as a company are performing very well when it comes to sustainability and that we demonstrably intend to do even better has come in the form of a very special award: the international EcoVadis ratings platform has assessed over 75,000 companies around the world, including Girsberger. The EcoVadis assessment criteria cover a wide range of objectives and measures, focusing on doing business in a socially and ecologically responsible way. By winning a gold medal, the Girsberger Group is in the top 5% for the overall assessment of corporate responsibility, in the top 4% for its environmental measures and the top 3% for sustainable procurement, out of all the companies in the furniture-making sector all over the world that have been certified by EcoVadis.



EcoVadis SAS (Paris, France)
<https://ecovadis.com/en/>

We regard this award, and our remarkable achievement in being one of the few industrial companies to have made their production climate-neutral ever since 2015, as an incentive to continue our sustainability endeavours with even greater resolution....

This extract from the text of my speech at that time shows just how unsuspecting we still were at the end of 2019. Then, no-one had any idea that in the course of the following year, 2020, the overwhelming impact of the Covid-19 pandemic would change the whole world.

“At Girsberger, we see ourselves as being under an ongoing obligation to ensure that the continuing threat to the environment and the need to do business sustainably are permanently rooted in our consciousness.”

The second, highly important difference is that the pandemic is an immediate danger to us now, whereas the destruction of the environment will mainly pose an existential threat to the generations which come after us.

At Girsberger, we see ourselves as being under an ongoing obligation to ensure that the continuing threat to the environment and the need to do business sustainably are permanently rooted in our consciousness. That's because our planet continues to face economic, social and environmental challenges which can only be overcome with immense effort.

In an attempt to address the acute global deficiencies more effectively, in 2015 the United Nations set out a political blueprint for the period up to 2030 in the form of its Sustainable Development Goals, or SDGs for short. Agenda 2030 represents a commitment that over 190 countries have signed up to, including Switzerland and Germany. The 17 goals set out guidelines for a more sustainable world. The aim is to establish a basis for making global economic progress while ensuring social justice and not overstepping the Earth's environmental limits. The 17 SDGs cover a wide range of aspects of sustainability such as poverty, health, climate change and environmental damage which are particularly relevant to businesses, enabling them to align their strategies with the global objectives.

The private sector has a crucially important role to play in making sure that the sustainability goals of Agenda 2030 are met. That's because, in a free market economy, the main responsibility for all matters of sustainability falls to companies – businesses. Every single company is called upon to make a real and effective contribution within its core business – as part of the progress on sustainability that absolutely must be made.

In the light of that, our sustainability strategy that I outlined in our last report remains as pressing as ever: protecting the environment as effectively as possible should be a

firm priority for every company. In order to make judgments and decisions and manage our business in a way which takes account of both economic and ecological factors at all times, we need to go beyond the requirements of an environmental management system. That is why setting environmental goals and monitoring whether we are fulfilling them must be integral parts of our business planning and also of our internal reporting and control systems. This applies to all our production sites in Switzerland, Germany, Serbia and Turkey, and our branches in other countries, as well as to Mobimex AG based in Seon, Switzerland. We are constantly setting ourselves new and binding goals and we work consistently to achieve them. After all, we are very aware that, unless businesses take the initiative voluntarily, climate change cannot be stopped. The real challenge is how to ensure that thinking and acting in the right way, for the good of both the economy and the environment, is firmly rooted in people's minds.

On the following pages of this report, we show which goals of Agenda 2030 we can help achieve, and how we can contribute.

Of course, we cannot know to what extent we will actually succeed in accomplishing these many undertakings. What is certain is that we will continue to double down on our efforts to protect the environment and continuously improve our sustainable approach to doing business.

We thank you for your attention and your loyalty to Girsberger.

Michael Girsberger



Michael Girsberger
CEO Girsberger Holding AG



Integrating the United Nations Sustainable Development Goals for 2030

In 2015, the United Nations set out a political blueprint for action by 2030 in the form of its Sustainable Development Goals (SDGs). The 17 SDGs establish a basis for making global economic progress while ensuring social justice and not overstepping the Earth's environmental limits.

Every company can make its own contribution to the SDGs within its capacity and capabilities.



For more information:
<https://www.un.org/sustainable-development/>

Out of the 17 United Nations goals, in this report we will address the following six as our core goals and show what contribution we, as a medium-sized company, can make to achieving the goals set out by the United Nations.

"What we do today determines what the world will look like tomorrow."

Marie von Ebner-Eschenbach

_3. Health and Well-being

Ensure healthy lives and promote well-being for all, at all ages.

Our contribution: Expand our health management system. Offer recreational activities to do with exercise and diet. Support a good work-life balance (part-time work, working from home). Reject suppliers who do not have sufficiently progressive working conditions.

_4. Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Our contribution: Offer training places and internships. Encourage the next generation of specialists from an early age. Provide training and continuing education for all employees. Train recycling experts in developing countries through the Fair Recycling project.

_5. Gender Equality

Achieve gender equality and empower all women and girls.

Our contribution: Equal pay. Support a good work-life balance (part-time work, working from home). Train recycling experts in developing countries through the Fair Recycling project.

_7. Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

Our contribution: Obtain 100% of our energy from renewable sources. Use a photovoltaic system. Encourage e-mobility. New warehouse in Endingen in compliance with the latest sustainability standards.

_12. Responsible Consumption and Production

Ensure sustainable patterns of consumption and production.

Our contribution: Use manufacturers and raw materials suppliers based within 600 km of our production sites. Implement a Code of Conduct for suppliers. Ensure products have a long service life, offer guarantees on the availability of spare parts, find safe design solutions, use low-emission and reusable materials. Product certification.

_13. Climate Action

Take urgent action to combat climate change and its impacts.

Our contribution: Climate-neutral production. Obtain 100% of our energy from renewable sources.

Use eco-friendly materials and sort waste for disposal. Use no PVC, heavy metals or azo dyes. Use upholstery materials that comply with OekoTex Standard 100 or the EU Ecolabel. Only use leather processed in ISO 14001-certified tanneries. Use solid wood sourced 99.8% from European and sustainably managed forests.

Business performance of the Girsberger Group

Until the start of the 2020 financial year, we continued to see the impact of the numerous measures we have taken in recent years to cut costs, boost productivity and competitiveness on price, expand our manufacturing in Serbia, construct new buildings at the production site in Germany and keep enhancing our product range: at the end of the 1st quarter of 2020, the number of incoming orders, our turnover and orders awaiting processing were all well up on the previous year.

However, due to the ensuing coronavirus pandemic, this pleasing trend did not continue and most of our subsidiary companies were unable to achieve their sales targets for 2020. Achieving those targets was made even more difficult by the continuing downward pressure on the price of office chairs and changes in the exchange rate between foreign currencies and the Swiss franc. Consequently, the consolidated total turnover for the group in the 2020 financial year was down by 3.6% compared with the previous year.

The negative effects of the coronavirus pandemic on the whole economy meant that our production sites were working alternately at more than full capacity and well below capacity. Without making partial use of the state-supported short-time working compensation system, we would not have been able to make up adequately for the reduced productivity and, above all, the additional costs arising from this problematic fluctuation in capacity utilisation.

Thanks to introducing some short-time working and taking cost-cutting measures at an early stage in all areas of business and at our subsidiaries, the group was able to avoid a negative result. The consolidated result for the 2020 financial year showed an annual profit of CHF 1.4 million.

In addition to the turbulence throughout the economy, the coronavirus pandemic also led to some fundamental changes in our sector. Even before the pandemic, especially in the big cities, office space was tending to become more like living space. Now, in a process hugely accelerated by the coronavirus crisis, living space at home has increasingly become working space.

There will still be offices in future, albeit considerably reduced in number and size, and the “office space is living space” trend is likely to continue. At the same time it is to be expected that working from home will also be more common in future and will be encouraged, especially by big companies. As a result of this trend, personal workspaces will be further reduced in number, and shared workspaces will be smaller. Consequently, companies’ need for office furniture will be less. On the other hand, the potential of the “home office” market will continue to grow.

“We regard entrepreneurial independence primarily as a responsibility to show creativity, courage and perseverance in maintaining a balance between commercial success, social justice and care for the environment.”

In the light of this, our biggest challenge since the outbreak of the coronavirus pandemic has been to act even faster and more creatively to adapt our product range and services to suit the rapidly changing market conditions. This means that over the next few years we will continue to follow our five existing primary objectives, adjusted or expanded as follows:

- 1.** Increase market penetration by focusing consistently on the following areas of business

Office furniture: Girsberger Office

Home furniture: Girsberger Home

Project specific furnishings: Girsberger Customized Furniture

Refurbishing of commercial furniture: Girsberger Remanufacturing

Exclusive furniture in the high-end commercial and residential market segment:

Zoom by Mobimex and Studio by Mobimex

Timber trade: Girsberger Solid Wood

- 2.** Expand the Girsberger Office and Home product ranges to include complete furnishing solutions for working from home

- 3.** Enhance the Zoom by Mobimex and Studio by Mobimex collections

- 4.** Further develop the Girsberger Customized Furniture, Remanufacturing and wood trade areas of business

- 5.** Continue to manage the company in a measurably sustainable manner in accordance with the GRI (Global Reporting Initiative) guidelines and the United Nations Sustainable Development Goals (SDG)

Above all, we want to continue to develop our company dynamically, emphasising both profitability and our values, to safeguard our entrepreneurial freedom in the future. We regard entrepreneurial independence primarily as a responsibility – a responsibility to show creativity, courage and perseverance in maintaining a balance between commercial success, social justice and care for the environment.

Michael Girsberger

On behalf of 365 colleagues of 18 different nationalities



Organisation chart/scope

This 2018 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 Benelux. 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/USA, Mobimex AG, Seon/Switzerland, Boreal doo, Kraljevci/Serbia, Bo-Real Estate doo, Kraljevci/Serbia, as well as the joint-venture production company Tuna Girsberger Tic. AS, Silivri/Turkey.

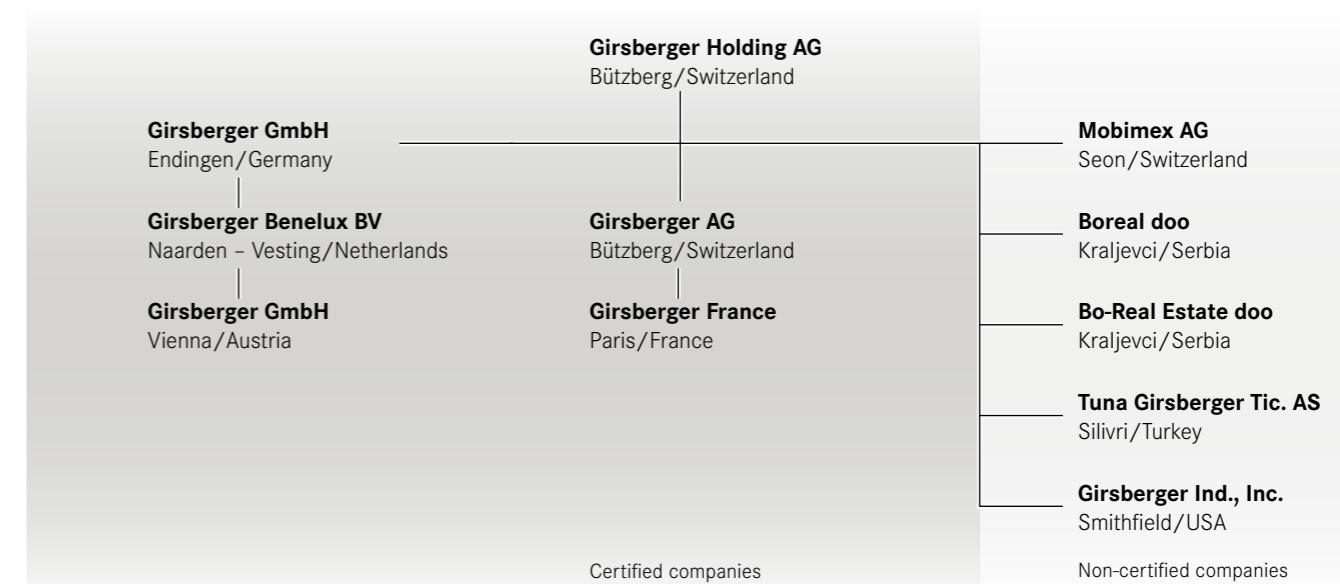
In light of the fact that Girsberger Ind., Inc./USA and Bo-Real Estate doo/Serbia are limited to the holding of real estate, we consider their inclusion unnecessary for the purpose of environmental certification.

Boreal doo has been a subsidiary of Girsberger Holding AG since July 2016. Environmental targets also form an integral part of our economic planning as well as our internal reporting and controlling systems at this production site too. It is our objective to certify Boreal doo to ISO 9001 and ISO 14001 by the end of 2022, in order to include this new subsidiary in our Sustainability Report from 2023.

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 Near and Middle East. Girsberger Holding AG's shareholding in Tuna Girsberger Tic. AS is 50%. The economic crisis that has been going on for years, exacerbated by the Corona pandemic, makes it difficult for Girsberger Tic. AS to generate positive operating results. For cost reasons, therefore, environmental certification has been put on hold for the time being. Nevertheless, environmental targets also form an integral part of our economic planning as well as our internal reporting and controlling systems at this production site too.

Organisation chart/scope of the certified companies



Objectives and priorities

The following list shows the extent to which the objectives set for the end of 2020 were achieved and sets out the objectives/priorities to 2022.

Area	Objectives/priorities 2019/2020	Achievement	Objectives/priorities 2021/2022
Stakeholders	Customer Service survey about satisfaction with the service provided by back office and sales force staff	Objective achieved	Focus in the area of employees (see pages 61-71)
Economy	Give preference to suppliers/producers within a radius of 600 km (wherever practicable and economically viable)	Continuing objective	Give preference to suppliers/producers within a radius of 600 km (wherever practicable and economically viable)
Ecology	Development and production of durable, quality products, minimum use of materials	Continuing objective	Development and production of durable, quality products, minimum use of materials
		New objective	Certification of Boreal doo, Serbia to ISO 9001 and ISO 14001 by the end of 2022
Resources and raw materials	Evaluate solution for fabric offcuts	Objective not achieved	An economically and ecologically sensible solution for recycling is still being sought
		New objective	Changeover to recycled paper in the administration is being examined
		New objective	Further attempt to switch from solvent-based lacquers to water-based lacquers
Operational waste, disposal	Bützberg: maintain a share of recyclable waste of at least 88.5%	Objective partly achieved	Bützberg: maintain a share of recyclable waste of at least 88%
	Endingen: maintain a share of recyclable waste of at least 84%	Objective partly achieved	Endingen: maintain a share of recyclable waste of at least 84%
Energy consumption, emissions	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
	EcoDrive courses for truck drivers and frequent drivers, EcoDrive training as dealer Workshop	Objective not achieved	
		New objective	Examination of another photovoltaic system on the new warehouse of Girsberger GmbH in Endingen
		New objective	Expansion of e-mobility through 5-6 charging stations in Bützberg, as well as at least 2 charging stations at Girsberger GmbH, Endingen
	CO ₂ -neutral production of printed matter	Objective achieved	CO ₂ -neutral production of printed matter
Operational ecology concept	Measures of operational ecology concept	Objective partly achieved	Measures of operational ecology concept as per pages 48-49
Supplier assessment	Annual update of supplier assessments with reference to ecological criteria and take any action necessary	Objective partly achieved	Annual evaluation of supplier ratings with regard to ecological criteria and their monitoring
Logistics (road traffic, transport and packaging)	Continue optimizing transport miles	Continuing objective	Optimise transport miles even further

Area	Objectives/priorities 2019/2020	Achievement	Objectives/priorities 2021/2022
Ecology	Employees	Raising employees' awareness of environmental issues/focus on waste reduction	Continuing objective
			New objective
Social affairs	Employees	Employee satisfaction; focus on internal information	Continuing objective
			New objective
		Gradually adjust pay at Girsberger GmbH, Endingen by the end of 2020	Objective almost achieved
		Individual education and training especially for managers with leadership responsibilities	Continuing objective
		Safeguard training places and internships	
		Absences and health protection	Continuing objective
		Continue to expand corporate citizenship where we can	Continuing objective
		Evaluate new working time models, draw up guidelines for decision-making process	Objective achieved
		Promote diversity and equal opportunities	Continuing objective
	Ethics, employment rights and human rights		New objective
	Evaluation of suppliers according to social criteria	Annual verification of suppliers' environmental relevance, code of conduct signed by all A suppliers	Objective almost achieved
	Customer health and safety	Further increase the 86% positive health and safety rating for our Office ranges if possible	Continuing objective
			If possible, further increase the already high verification rate for our product safety (swivel chairs 99.4% and multi-purpose/visitor chairs 89.7%) and health safety of the Office range products (swivel chairs 99.4% and multi-purpose/visitor chairs 64.4%)

Key figures at a glance

This overview does not include the figures for the non-certified companies
(see explanations on page 14)

Indicator	Unit	2016	2017	2018	2019	2020
Employees						
Number of management staff	Number	277	269	256	253	257
Managers – female	Number	9	11	12	12	13
Managers – male	Number	49	42	44	47	46
Composition of the workforce - age	Average	44.1	45.7	45.4	45.7	45.8
Fairness of pay – pay spread	Factor	6.5	6.5	7.2	6.7	7.4
Disciplined cases of discrimination	Number	0	0	0	0	0
Percentage of employee appraisals performed	Percent	100	100	100	100	100
Assessment of employee satisfaction (scale 1-10)	Average	8.1	8.1	8.2	8.2	8.3
Employee turnover rate	Percent	8.3	10.0	9.0	6.3	4.2
Training per employee	Hours	6.2	6.8	8.1	9.1	4.9
Resources and raw materials						
Resources						
Wood	m³	719	648	741	710	789
Metal	t	30	39	32	19	13
Leather	m²	20,381	15,090	20,675	14,436	14,551
Fabric	m	41,134	56,557	50,850	39,034	38,645
Paper	kg	5,050	4,250	5,430	4,200	4,190
Operational waste						
Wood reused to generate heat	t	223.2	255.8	268.6	262.0	257.6
Waste for incineration	t	57.2	62.9	62.9	69.8	56.2
Recyclable waste	t	168.8	170.7	159.5	158.8	135.8
Hazardous waste	t	1.0	2.0	0	2.1	0
Water						
Water consumption	m³	3,605	4,670	6,337	5,793	3,986
CO₂ emissions						
Electricity	t	47.7	45.1	44.9	44.5	42.4
Heating oil	t	40.9	32.3	29.2	37.1	25.0
Natural gas	t	122.6	127.3	114.3	121.5	126.6
Petrol/diesel	t	502.5	525.8	531.8	502.1	440.7
Flights	t	34.9	23.5	22.6	24.5	3.7
Other significant emissions						
VOC	t	7.2	4.0	3.5	4.6	4.4
SO₂	t	0.1	0.1	0.1	0.1	0.1
NOx	t	1.5	1.4	1.4	1.4	1.4
Adherence to the law						
Non-compliance	Number	0	0	0	0	0



Picture above, office sales staff Girsberger AG, Bützberg
Picture left, collection point for operational waste and returns
Picture below, wet cleaning of a swivel chair



Our stakeholders

Dialogue with our stakeholders is very important to us, because it indicates to us the direction in which we need to steer our sustainability strategy. Dialogue is therefore a continuous process that we integrate into our day-to-day work and engage in regularly.

Investors

Because we are a family owned company, investors are, on the one hand, kept informed on an individual basis and, on the other, are sent monthly reports from the individual companies in the group. Meetings of the Board of Directors are convened four to six times a year. A General Meeting takes place once a year. We engage in dialogue directly with our investors and communicate with them regularly, through monthly reporting, annual reports and end-of-year financial statements.

Customers

These can be divided into specialist retailers and direct clients. Talks are held with both customer groups at the start of each year. In the course of the meeting, we reach agreement with the specialist retail partners on how we will work together (and this applies from March until February of the following year). We visit our specialist retailers regularly, approximately once a month, particularly to discuss products, training courses and so on. Direct clients are visited on an irregular basis, anything from twice a week to once every two months, as required, to talk about current issues, training courses and so on. Training courses are generally held at the Bützberg site or in Endingen.

“Dialogue with our stakeholders is a continuous process that we integrate into our day-to-day work and engage in regularly.”

In 2019, our Customer Service department conducted a survey to measure how satisfied our customers are with the Girsberger sales force, both the internal and external teams. We particularly focused on comparing the service provided in-house and externally, to assess whether there was scope for improvement, and if so, where. Our service technicians questioned our customers and noted down their assessments. 655 customers (66 specialist retailers and 589 end users) from Switzerland, Germany, Austria and Benelux expressed their opinions about the way our in-house customer service team dealt with their order and how it was then handled by our service technicians. 94.7% of the customers asked said that

they were very satisfied with the in-house service department, and 5.3% said they were satisfied. In response to the second question about their level of satisfaction with the way their order was handled by our service technicians, 96.9% of the customers in the survey said they were very satisfied. 3.1% were satisfied. It was pleasing to see that there were no dissatisfied responses. Consequently, the survey did not give rise to any immediate or urgent need for action. This survey is repeated on a two-year cycle, so the next customer survey will take place in 2021.

Facilitators (architects, designers and planners)

Facilitators have come to play a very important role in our business. The Customized Furniture and Remanufacturing business units have now specialised in producing bespoke furniture for commercial use, based on designs by architects and interior designers, and also in refurbishing existing furniture according to their own ideas and taking account of environmental, economic and design aspects. Their ideas are then made a reality at our workshops in Bützberg, Endingen and Serbia. We are in continuous dialogue with these facilitators to develop and manufacture furniture of all kinds – from unique one-off items to series production. Often these projects have to be accomplished at high speed and require great flexibility, while maintaining the highest quality standards. Those are precisely the reasons why we also give the facilitators the opportunity to work with us in the workshop on the designs and prototypes. That is essential if such joint projects are to be completed successfully.

Employees

All employees at Girsberger companies are kept informed about current business trends at a “notice board” meeting roughly every two months. For employees working from home, an online “notice board” was set up so that everyone could be kept equally well informed. Managers also receive quarterly reports giving detailed information about turnover and the number of orders received by the whole group. We raise awareness among our employees about environmental issues by offering tips on helping the environment and telling them about activities in the Smaragd (Emerald) project (part of the EU’s Natura 2000 network). During this reporting period, we focused particularly on reducing waste and litter in general, especially cigarette ends. Newsletters and signs are backed up by appropriate giveaways (such as pocket ashtrays and veggie bags (net bags) from Ocean Care). We organise recreational activities to foster team spirit. Unfortunately during 2020 our planned activities (a skiing weekend, bowling, a barbecue party, monthly meetings for Friday night drinks and finally the end-of-year dinner for the whole workforce) all had to be cancelled because of the coronavirus pandemic. Employees who are politically active are allowed to fulfil those obligations during working time wherever possible.

During the coming two years we will support and encourage employees who take on voluntary commitments. We also intend to continue to develop our health management system, our social involvement and e-mobility.

Suppliers

Suppliers are divided into categories A, B and C, depending on their importance. The criteria for their classification include social responsibility and environmental considerations. A- and B-suppliers are reassessed every year. The suppliers are told about these assessments. We are in regular contact with A-suppliers. Suppliers in Category A (which includes in particular all suppliers from high-risk regions) have to sign the “Girsberger Group Code of Conduct”. This sets out the main principles and values of the Girsberger Group in terms of complying with current legislation as well as fundamental internationally recognised standards on human rights, employment rights, the environment and corruption.

Society (clubs, local authorities, political groups)

One of the ways in which Girsberger is in contact with the general public is by active media work, for example regularly sending out media briefings on new products, projects and partnerships, and talking directly to journalists and media representatives. Documents of interest to the general public such as our corporate mission and reports on sustainability, with supplementary reports, are made available on our website www.girsberger.com. Other channels for sharing information and ideas include social media, where Girsberger has an active presence (Facebook, LinkedIn, Instagram and Pinterest). We also maintain active partnerships with the local population and community groups in the places where our branches are located. For example, we support clubs by making donations and get involved in environmental, sporting and cultural activities in the local area. We provide financial support for charitable and not-for-profit organisations in Switzerland and elsewhere.

“The most important objective of our work: having customers who are thrilled with what we do.”

From the Girsberger quality commitment



Key sustainability themes

Every reporting process begins with determining the key sustainability issues. Our division heads kick off the process by identifying the most important issues and their scope by means of materiality assessments. The subsequent procedure was broken down into several meetings due to the Corona pandemic. First, the Executive Management defined the direction of the sustainability strategy and the overarching objectives for the next two years. In a next step, these objectives were discussed and approved with the division heads. The following are the topics on which we focus in this report.

Economy

- Procurement practices
- Procurement markets

Ecology

- Product stewardship, environmental compliance
- Remanufacturing and the circular economy
- Resources and raw materials
- Energy consumption and emissions
- Logistics (road traffic, transport and packaging)
- Supplier assessment according to environmental criteria
- Raising employees' awareness of environmental issues

Social affairs

- Equal treatment, equal opportunities and equal pay
- Employee satisfaction
- Health management
- Training
- Corporate citizenship
- Ethics, employment rights and human rights
- Supplier assessment according to social criteria
- Customer health and safety

“Supply chains have become complex and global, which makes it a big challenge to ensure that the environment and people are protected right along the chain.”

Procurement practices

It has always been very important to us that the materials and products we procure are manufactured in conditions where both people and nature are treated with respect. Whenever it is possible and financially viable to do so, we prefer to choose manufacturers and raw materials suppliers who are based within a radius of 600 km of our production sites. By doing this, we can be confident that we are buying products that are right for us in terms of quality and all commercial and technical aspects, at the best price. It also gives us the security of knowing that, in addition to the matters of price and quality, the risks relating to environmental and social issues are limited thanks to the legal framework, as are any indirect environmental costs, while the risk of injury at work and breaches of human rights is kept to a minimum.

In 2017, the European Union made it a legal requirement under the CSR Directive 2014/95/EU for companies to meet their social obligations and make a positive contribution to society. This includes environmental, employment and social matters, measures to ensure that human rights are respected and measures to combat corruption at businesses and their suppliers.

Exercising environmental and social responsibility is an integral part of our corporate culture. We fully acknowledge the obligation on companies to do business sustainably and demonstrate social responsibility (CSR – Corporate Social Responsibility).

Supply chains have become complex and global, which makes it a big challenge to ensure that the environment and people are protected right along the chain. For a company of our size, with limited numbers of staff, it is a particular challenge to cope with the changes in the procurement market. Not only have the raw materials supply chains been largely reduced to a few key sources around the world, but the manufacturers of certain important supplied components have also become concentrated in the Far East in recent years.

In 2020, nearly 82% of the goods we procured came from the European Union, over 15% from Switzerland, nearly 2% from North America and the UK where the CSR conditions are similar to the EU, and the remaining small proportion of 1.6% from Asia. This means that we can largely be confident that the materials we buy in comply with our requirements in terms of human rights and environmental standards. This is of great importance to us, because we do not have the capacity to carry out regular checks on sustainability and compliance at all our suppliers' sites.

In addition, and regardless of their geographical location, the Girsberger Code of Conduct for Suppliers ensures that they meet the criteria for dealing responsibly with people and nature, complying with the legislation and preventing corruption. Apart from two still outstanding exceptions in Canada and Germany, the Girsberger Code of Conduct has been signed by all our A-suppliers and numerous B-suppliers.

We carry out an environmental analysis of our suppliers to ensure that structures are in place that provide for systematic improvement and continuous development.

For Girsberger, it is a matter of course that we continue to optimise our procurement for resource- and energy-efficiency, avoid exchange rate risks and, above all, do less damage to the environment by making transport routes shorter. The unexpected global pandemic of 2020 and all its implications have brought home to us just how right and relevant our procurement goals are. Inevitably, like everyone else, at the start of 2020 and during the rest of the year we had to cope with some issues relating to the availability of materials.



Supplier assessment according to social and environmental criteria



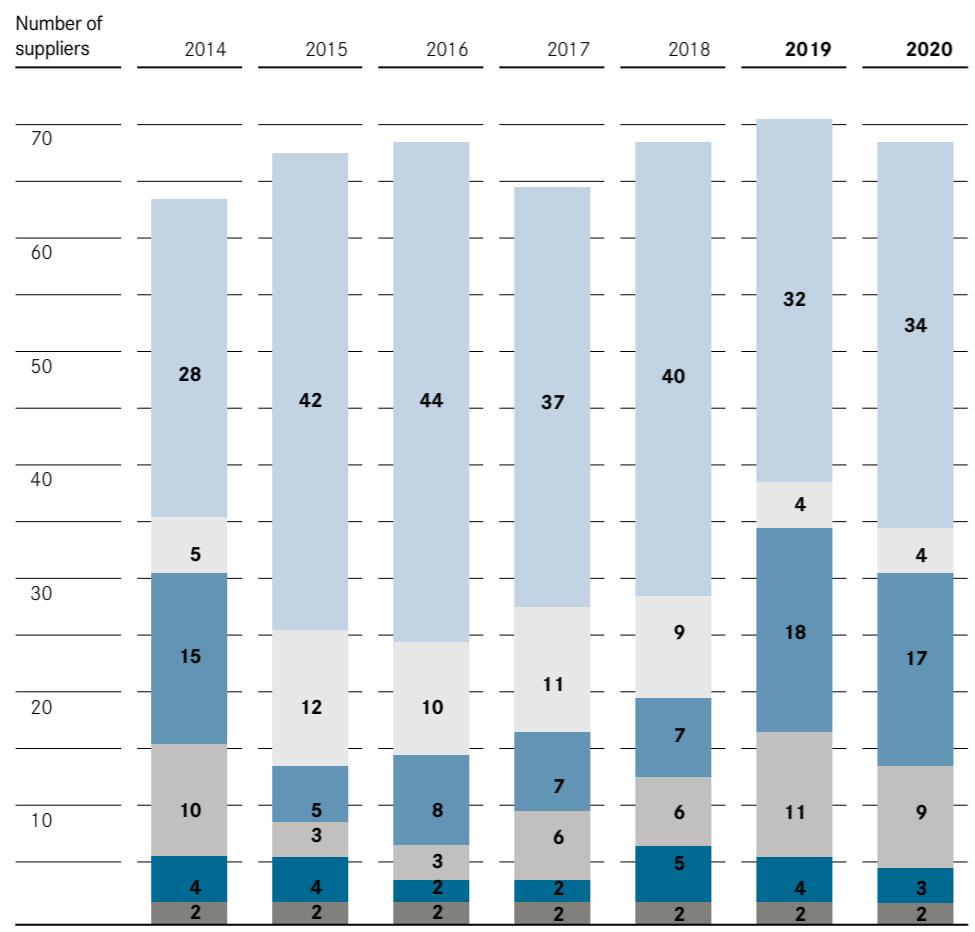
Thomas Gasser
Executive Director
Product & Brand Development,
Girsberger Holding AG

Supplier Environmental relevance matrix

Relevance 1
without ISO 14000
with ISO 14000
No particular risks
(wood, metal, plastic processing
and other services)

Relevance 2
without ISO 14000
with ISO 14000
Increased emissions risk
(water, air, soil, legacy issues) from
textiles/upholstery materials,
coatings, varnishes, PUR foams

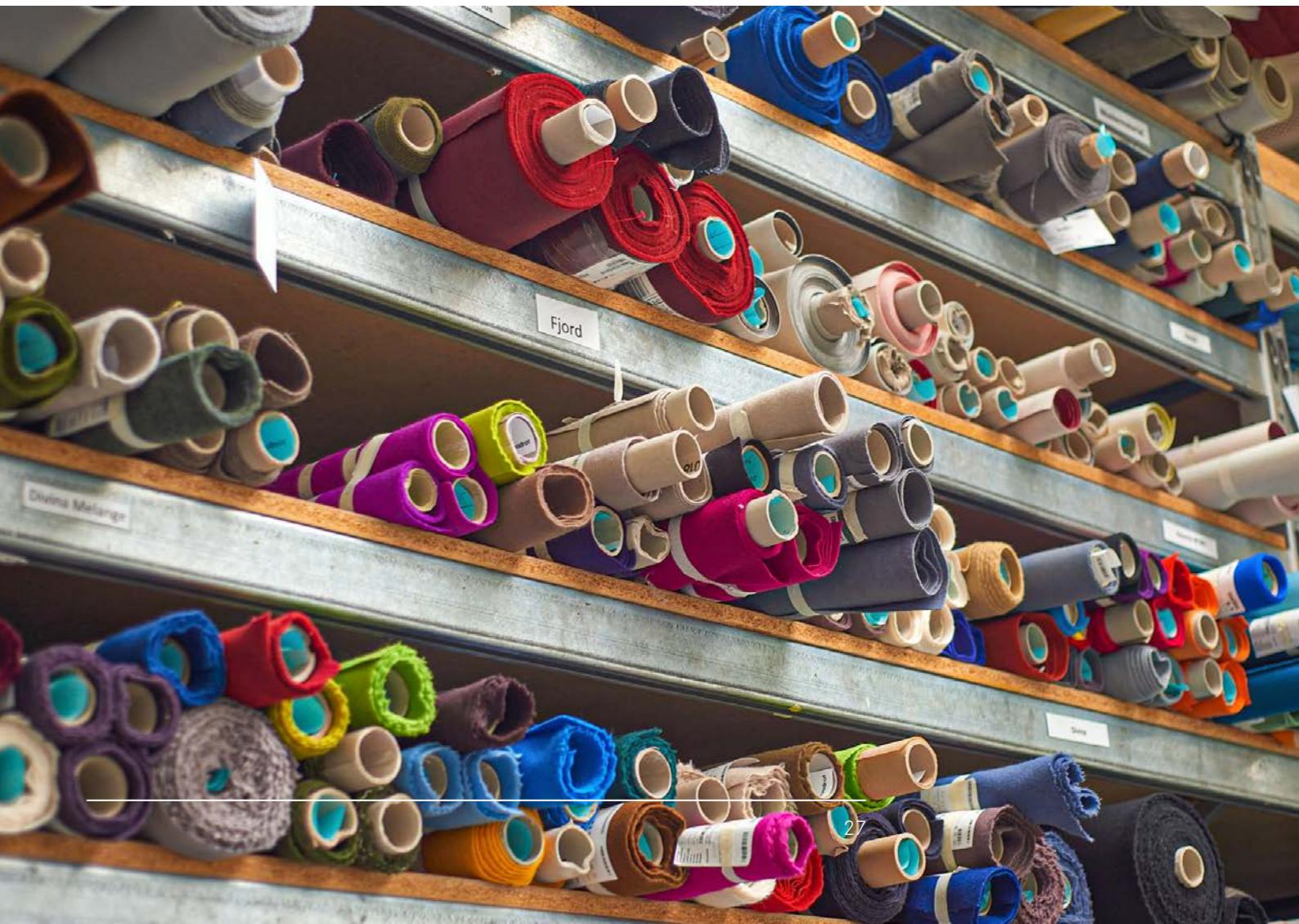
Relevance 3
without ISO 14000
with ISO 14000
High emissions risk
(water, air, soil, legacy issues)
from leather tanning, galvanising,
aluminium die casting, hazardous
materials in products



The exacerbating circumstances affecting raw materials, supply and logistics chains continue to play a huge role in our endeavours to safeguard both the availability of supplies and our own economic efficiency.

It was already clear during the last quarter of 2020 that global raw materials markets, prices for raw materials, logistics chains and therefore indirectly also the supply situation for Girsberger could continue to come under pressure in 2021. Prices for raw materials are extremely volatile at the top end. Some of our suppliers' sources of raw materials are also threatening to dry up. Price rises and possible shortages can therefore be expected if there is no lasting improvement in the situation during the third and fourth quarters of 2021.

Thomas Gasser



Procurement markets

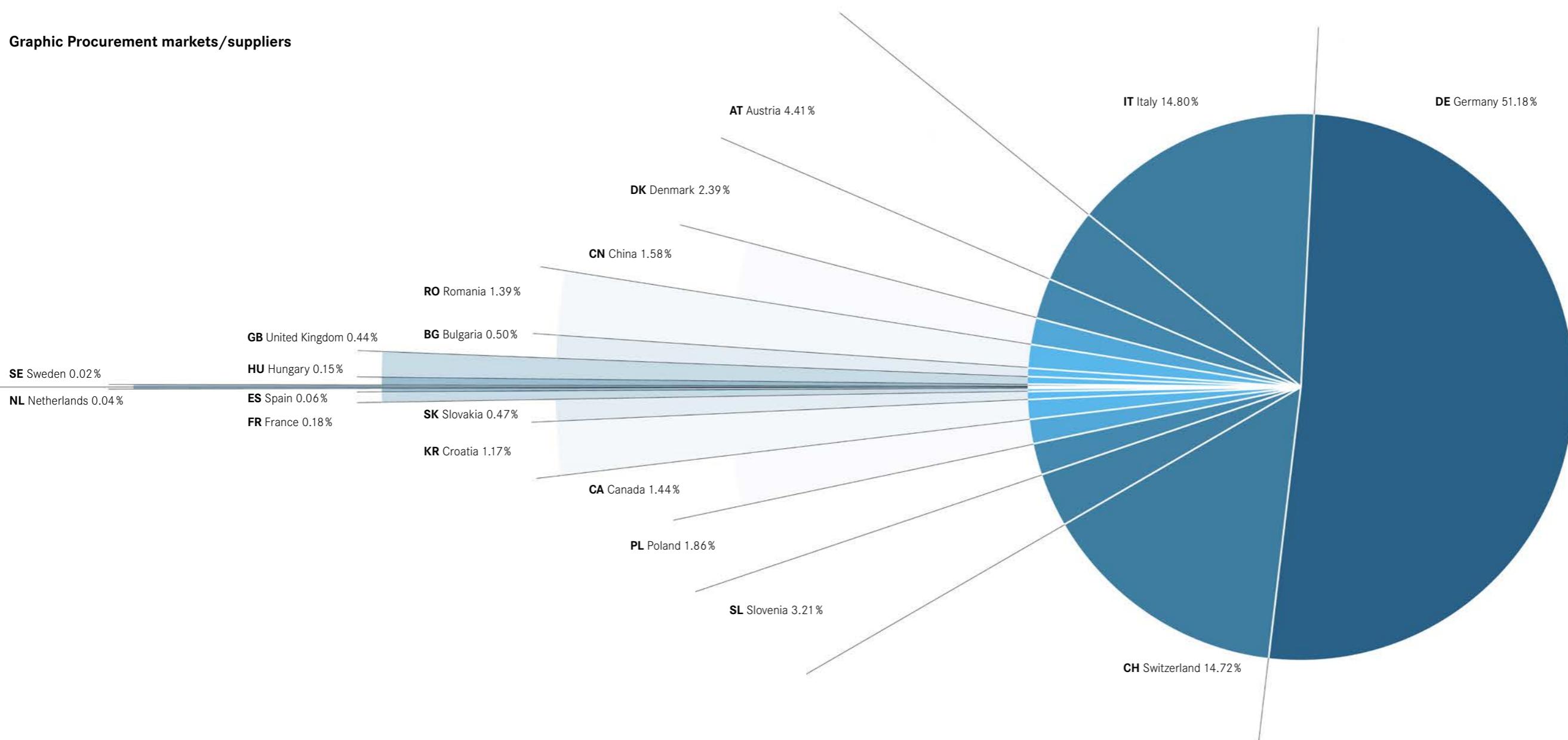
“Wherever practicable and economically viable, we give preference to suppliers or producers near our production sites, i.e. within a radius of 600 km from our respective plants.”

Ranking 2020

1.	Germany	51.18%	11.	Croatia	1.17%
2.	Italy	14.80%	12.	Bulgaria	0.50%
3.	Switzerland	14.72%	13.	Slovakia	0.47%
4.	Austria	4.41%	14.	United Kingdom	0.44%
5.	Slovenia	3.21%	15.	France	0.18%
6.	Denmark	2.39%	16.	Hungary	0.15%
7.	Poland	1.86%	17.	Spain	0.06%
8.	China	1.58%	18.	Netherlands	0.04%
9.	Canada	1.44%	19.	Sweden	0.02%
10.	Romania	1.39%	20.	USA	< 0.01%



Graphic Procurement markets/suppliers



“We manufacture our products in an environmentally friendly way, climate neutral since 2015.”

Product stewardship/environmental compliance

Our products are part of people's working and home lives for many years. That's what drives us on every day to create functional furniture of outstanding quality in timeless designs. Our Product Development, Production, Sales and Customer Service units are instrumental in ensuring that Girsberger products are developed and produced as sustainably as possible and can be purchased and used for many years. For Girsberger, this product philosophy means acting responsibly in relation to people, society and the environment. We ensure that a long service life, replacement parts warranties, safe designs and the use of low-emission, recyclable materials make purchasing our products an ecologically and economically sound decision.

Our production methods are environmentally-friendly and have been climate-neutral since 2015. For every Girsberger product, we check the environmental impact of the materials it will use, right from the design stage. Even though we, too, are increasingly exposed to the pressure to cut manufacturing costs, we consistently manufacture long-lasting products using materials chosen with the environment in mind, and we separate and sort materials as much as possible so that they can subsequently be returned to the recycling loop.

There is a continuing need for office workspace to be made more homely and comfortable, and so there has been a requirement for new products. This is at least partly due to the fact that people's working and home lives are coming closer together and in some cases merging, not only in an organisational sense but also in terms of furnishing solutions. The use of textiles in furniture, and the natural raw material of wood are gaining in popularity for office furniture of all kinds. That gives us an opportunity to use more solid wood, one of the most sustainable of all materials. Not only is working with wood how Girsberger actually began as a company, but we also see it as our mission to keep developing the use of this renewable raw material as one of our core competences in the future.

We invest a great deal of time and money in doing everything possible to guarantee that Girsberger products are safe. All our products are subjected to multiple test procedures and plausibility checks, from the design phase through to market launch, and even during development these are based on strength calculations and simulations. This means they are checked for compliance with the product-specific norms required by the PrSG (product safety legislation that applies in the EU and Switzerland), including health and safety requirements.

Every product goes through extensive dynamic and static stress testing before the start of series production. All of these standardised tests and plausibility checks are documented and archived. Then the products are independently quality tested by the TÜV/LGA certification organisation in Nuremberg, with the results verified again every five years.

Girsberger Office products are certified, for example with the German GS quality mark, thereby demonstrating that product quality, product safety and the use of non-harmful, low-emission materials are an integral part of the company's strategy. The proportion of office swivel chairs certified with the GS mark has risen steadily from 96.0% in 2018, to 99.1% in 2019 and 99.4% in 2020, while the proportion tested for harmful substances increased from 95.9% in 2018 to 99.1% in 2019 and 99.4% in 2020.

However, by contrast, in the case of our multipurpose/visitor chairs we have seen a reduction in the proportion awarded the GS mark, from 85.1% in 2018 and 73.9% in 2019 down to 89.7% in 2020 while the proportion of those tested for harmful substances fell from 66.0% in 2018 to 65.5% in 2019 and 64.4% in 2020.



Customer health and safety

Because some of the older models of office swivel chairs that no longer had GS certification or proof of being tested for harmful substances were dropped from the product range, between 2018 and 2019 the proportion of certified office swivel chairs reached nearly a hundred per cent, with the trend continuing in 2020.

The reason for the percentage drop in GS-certified multipurpose/visitor chairs between 2018 and 2019 was the smaller overall number of items in this category, combined with a smaller reduction in the numbers of non-certified classic models. Thanks to streamlining of the product range and the certification of the Nava model in the course of 2020, the proportion of GS-certified multipurpose/visitor chairs increased again in 2020.

Over the course of the next reporting period, we aim to maintain and if possible increase the percentage of products in our Office collection that are certified safe and non-harmful.

Thomas Gasser

Executive Director Product & Brand Development,
Girsberger Holding AG

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

Tests for the GS mark are valid for a period of 5 years.

After this time, the product must be retested to cover any modifications that may have been made. Testing for harmful substances is repeated every year.

Product range	Of which with GS mark	Of which tested for harmful substances
Swivel chairs Office Price list 2019	99.1%	99.1%
Swivel chairs Office Price list 2020	99.4%	99.4%
Multi-purpose chairs/visitor chairs Office price list 2019	73.9%	65.5%
Multi-purpose chairs/visitor chairs Office price list 2020	89.7%	64.4%

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

Product development process

Product life cycle phases	Examination	Who/What	Life cycles
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	

Type of material	Degree of achievement	Material 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		



The material designation directly on the component enables the material to be identified and thus separated by type for recycling.

Remanufacturing and the circular economy



Sometimes when we are advising customers, we recommend that they do not buy new furniture but have their existing furniture renovated. That sounds contradictory, because one would think that a furniture manufacturer like Girsberger earns its living by customers investing in new furniture. However, it is happening increasingly frequently, in fact whenever we believe that the existing furniture is good and worth preserving, so a renovation is worthwhile. This may apply, for example, in the case of concert hall seating, office or restaurant furniture, stackable hall chairs or generally any furniture that is of historical value, or has a classic status.

It makes no difference to us who manufactured the furniture originally. What is critical is whether it will retain its value and whether upgrading or restoring it is worthwhile. That is more frequently the case than you might think. It's simply a question of recognising those cases for which it is worth the effort. For example, we are currently working on an order for a worldwide leading Swiss company which we were able to persuade not simply to dispose of its existing, worn-out office desks, but instead to turn them into compact, easily transportable desks for their employees to use when working from home.

It is a project where everyone wins. The employer can supply their staff with sensible desks for the increased time they are spending working from home. The employees gain a desk at an affordable price, because the cost is greatly reduced by reusing existing materials. What's more, resources are saved by giving the old desk a second life, in the spirit of the circular economy. Of course, we could have simply offered the customer suitable new desks for the home office, but that would have been less sustainable. Since we have

a business unit specialising in remanufacturing for years, converting the existing desks was a project that made economic sense – both for the customer and for Girsberger.

We have all become far too accustomed to simply throwing away old furniture. This is partly because furniture has become relatively cheap, compared with the average purchasing power of people in Germany and Switzerland. We can afford to throw furniture away after a few years. This is an undesirable trend, as we all know. The planet can no longer support the resulting emissions and waste of resources. It's a good thing that we are becoming increasingly aware that in future there will be no alternative but to have a genuine circular economy. It's also a good thing that this is going hand in hand with a certain change in people's values, so that we appreciate the authenticity and value of old things more. Indeed, for many people the fascination of always buying new things seems to be losing its appeal.

For architects, it has long gone without saying that "building on what's there", i.e. preserving the existing buildings and repurposing them, is an important objective and can often result in particularly impressive architecture. So why shouldn't this aim of preserving and reusing also apply to furniture, products and consumer goods? In our Remanufacturing business unit, we have taken this approach to furniture for years, and for some time now we have been seeing significant and steady growth there. It is quite clear that the time has come to look at furniture in the light of the circular economy.

Mathias Seiler



Mathias Seiler

Head of Design and Marketing,
Girsberger Holding AG

1. Raw materials
Sustainably produced raw materials are precious. There is a long-term benefit in valuing quality over quantity.



2. Design
Good design takes account of how raw materials can be used efficiently and sensibly so that no resources are wasted.



4. Use
Furniture is used and serves its purpose. However, over time it wears out and becomes less attractive.



3. Production
High-quality manufacturing extends the life-cycle of a product, which generally makes it more sustainable. Investing in solid quality is investment with a long-term impact.

6. New cycle of use

Hardly any waste materials

Disposal!
Throwing furniture away is a waste of resources and not sustainable, and furthermore disposing of it and buying new items costs money.



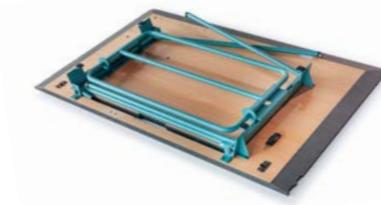
5. Remanufacturing
Instead of throwing furniture away and buying new, existing items can be reprocessed, which saves resources and avoids emissions.



Furniture can be given not just a new look (e.g. a new colour, new upholstery) but also new added value or features (e.g. made more comfortable, given additional functions).



The “home office” Remanufacturing project – worn-out desks were turned into compact and easily transportable home office desks for the employees of a worldwide operating company.



The desk can be assembled without tools and, when not in use, can be stowed away to save space.



Product life cycle

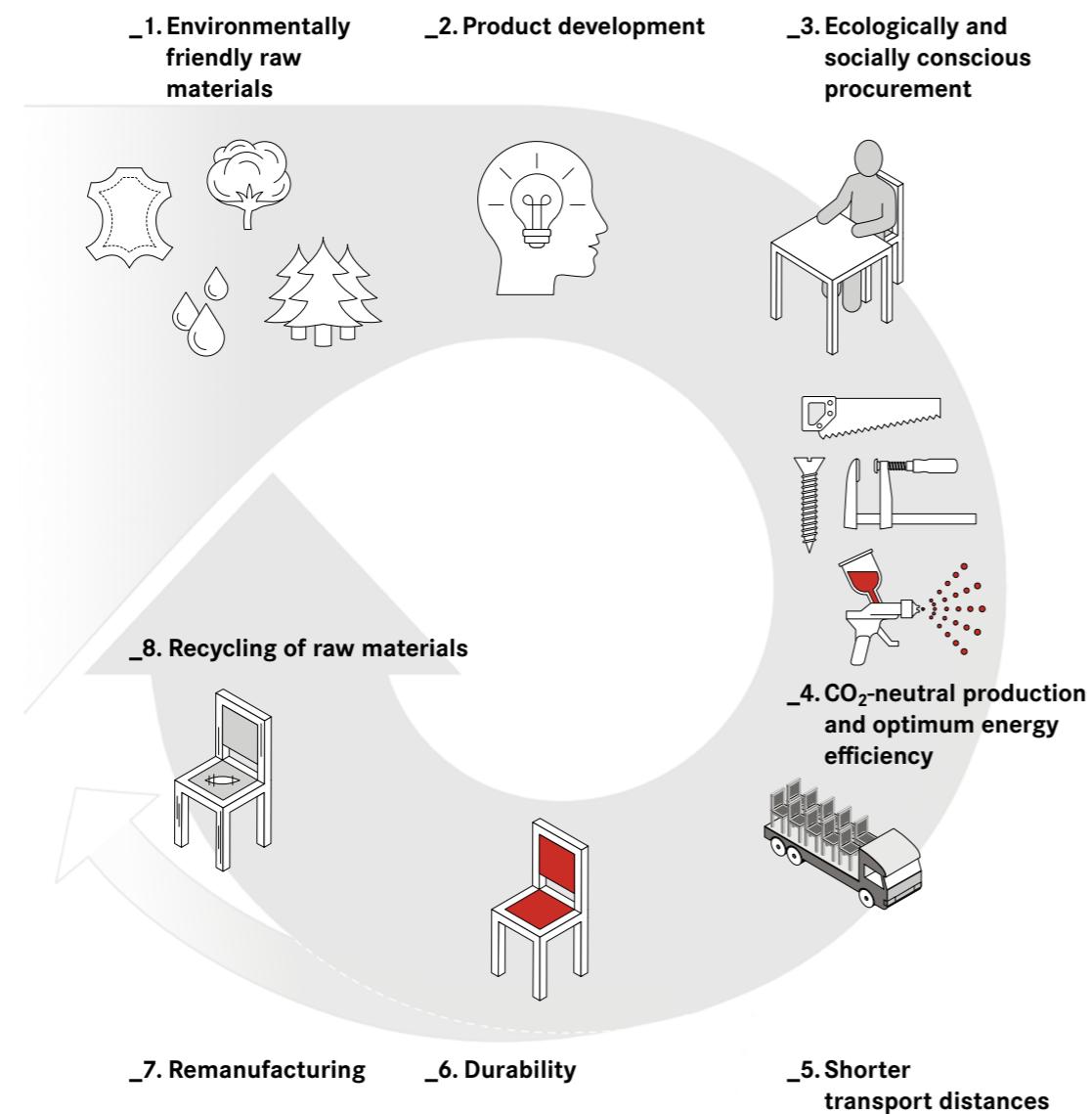
As a manufacturer of high-quality products, we strive to achieve the longest possible product life cycles with the help of the following control factors:

_1. Environmentally friendly raw materials

To minimise the impact on people and the environment at every stage of the life cycle, we 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.

_2. Product development

Our aim is to develop products that have a sustainable high utility value and timeless design. The technical design and the choice of production processes are based on ecological criteria wherever possible. 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.

_3. Ecologically and socially conscious procurement

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. In addition, a supplier assessment is carried out annually.

_4. CO₂-neutral production and optimum energy efficiency

We employ energy-efficient production processes and handle resources carefully. However, we cannot completely avoid creating CO₂ emissions in our production process and distribution channels. We offset these remaining emissions – 639 tonnes in 2020 – 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. 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. The photovoltaic system at the Endingen production plant produced 56.1 % in 2019 and 62% in 2020 of the site's electricity needs.

_5. Shorter transport distances

Whenever it is possible and financially viable to do so, we prefer to choose manufacturers and raw materials suppliers who are based within a radius of 600 km of the relevant production site. It gives us the security of knowing that, in addition to the matters of price and quality, the risks relating to environmental and social issues are limited thanks to the legal framework, as are any indirect environmental costs, while the risk of injury at work and breaches of human rights is kept to a minimum.

_6. Durability

Durable products are an important prerequisite for the sustainable use of resources. That is why we pursue the highest quality standards as well as a durable and timeless design. Furthermore, we pay attention to good repairability and support this with our own service and repair service.

_7. Remanufacturing

With our Remanufacturing service, we are committed to ensuring that office chairs and other 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. Recycling of raw materials

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

Mathias Seiler

Head of Design and Marketing,
Girsberger Holding AG

“For every Girsberger product, we check the environmental impact of the materials it will use, right from the design stage.”

With the Barra table range and the Biala chair family, products have been created in 2019 that can be used in both the home and office areas.



Girsberger Home

Barra, rectangular and oval table

Design: Atelier I+N Studer

**Biala, chair family**

Design: Mathias Seiler



Girsberger Office

Barra, Work

Design: Atelier I+N Studer

**Biala, swivel chair**

Design: Mathias Seiler



In 2020, the very successful Barra, Akio and Nava model ranges were expanded. The Barra table range was complemented by a matching bench, a pull-out system and a frame variant. With Akio Steel, the Akio table programme was expanded to include versions with a steel frame. And the Nava chair family was complemented by a version with skid-frame and armrests.

**Girsberger Home****Carim, bench**

Design: Atelier I+N Studer

**Girsberger Home + Office****Akio Steel, rectangular and oval table**

Design: Mathias Seiler

**Girsberger Home + Office****Nava, skid-frame chair with armrests**

Design: Tom Deacon

**Barra, extendable table**

Design: Atelier I+N Studer

**Linar, rectangular table**

Design: Mathias Seiler



Environmental resources



An awareness of the environment and high quality have been vital elements in the Girsberger corporate philosophy for over 130 years. The Girsberger companies in Bützberg/Switzerland and Endingen/Germany have had an EN ISO 9001-certified quality management system for quality control in place since 1995 and since 2007 have also been EN ISO 14001-certified for their comprehensive environmental management system. This means that, in addition to complying with the legislation, we are also committed to adhering to regulatory norms, systematically taking account of all key environmental aspects and continuously improving our environmental performance. An external certified body audits our compliance with these regulations every year. It is our aim to have Boreal d.o.o. in Serbia, a subsidiary of Girsberger Holding AG since 2016, also certified under ISO 9001 and ISO 14001 by the end of 2022.

"An awareness of the environment and high quality have been vital elements in the Girsberger corporate philosophy for over 130 years."

In addition to our environmentally-friendly production methods, we also take specific action to protect the environment and preserve species diversity. We have been supporting the Smaragd (Emerald) project (part of the EU's "Natura 2000" network) since 2009. As well as providing financial support, we also use this platform in-house to raise awareness of environmental issues. We do this as part of special information campaigns and at employee events. In our last report, we set out our intention to do more to encourage species diversity in our immediate local area, but we were only partly able to achieve this. At the Bützberg site, the project had to be deferred for financial reasons.

However, at the company site in Endingen, the grounds have been redesigned for a more natural appearance and a new, insect-friendly wildflower area has been created.

All production at Girsberger has been carbon-neutral since 1 January 2015. We use energy-efficient production methods and handle resources carefully. Nevertheless, it is not possible to avoid CO₂ emissions completely in our production and distribution processes. We offset those remaining emissions – in 2020 they amounted to 639 tons – by supporting the Fair Recycling foundation.

The Fair Recycling Foundation



In Brazil, where this Swiss foundation's pioneering project is based, it has been working with a local partner for over 12 years to recycle old fridges containing HCFCs, thereby making an important contribution to climate protection. The appliances are dismantled, the valuable raw materials are recovered and the HCFCs incinerated. For every fridge that is recycled in Brazil in an environmentally-friendly way, the equivalent of a ton of CO₂ is saved and 50 kg of raw materials are recovered. The destruction of greenhouse gases is verified by external certification bodies.

By the end of 2020, about 850,000 appliances had been sent for environmentally-friendly recycling. That prevented greenhouse gases equivalent to 850,000 tons of CO₂ from escaping into the atmosphere. 42,500 tons of materials such as copper, steel and aluminium were processed into valuable raw materials.

Fair Recycling bases all its work on the Paris Agreement and the sustainability goals (SDGs) of Agenda 2030. By recycling electronic waste, Fair Recycling is preventing toxic waste from entering the environment. The organisation is also socially engaged and works to set up training programmes for waste recyclers in developing countries. The demand for trained personnel in this field is particularly high because many places do not have professional waste management systems in place. These training courses give people who have previously had no access to the education system a chance to receive training. It is mainly women who work in Brazil's cooperatives, so training them as waste recyclers, on the same terms as their male working colleagues, with a qualification at the end, gives them a way of bettering their situation in life and their future prospects. By the end of October 2019, 20 people had completed the recycling training. Unfortunately, the recycling programme

came to a standstill in 2020 because of the coronavirus pandemic. The next course is planned for April 2021.

A new addition to this Swiss foundation's portfolio is a small recycling enterprise in Liberia focusing on collecting plastic. Fair Recycling is supporting the business in developing a sustainable business model and training its workers.

The sustainability of our operations was also endorsed in 2019 by the rating organisation EcoVadis, which awarded us an international gold medal. It awarded us 65 out of a possible 100 points for our corporate responsibility. That puts the Girsberger Group in the top 5% for the overall assessment of Corporate Social Responsibility, in the top 4% for its environmental measures and the top 3% for sustainable procurement, out of all the companies in the furniture-making sector all over the world that have been certified by EcoVadis.



The Fair Recycling Foundation
Obstgartenstrasse 28
8006 Zurich
<https://fair-recycling.com>



Environmental relevance matrix

Environmental relevance matrix and operational ecology concept

An environmental relevance analysis, a measurement and control plan and a detailed catalogue of legal requirements serve as the basis for our actions. We ensure the sustainable further development of the company by continuously reviewing and analysing the key figures and deriving further objectives and measures from them.

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 medium-term objectives which we review every year. However, we also seek to make improvements wherever possible with regard to matters of medium or low relevance.

Excerpt environmental relevance matrix 2020 with high relevance

Location Bützberg

Process	Activity	Relevance	Measures
Administration	Business travel	CO ₂ emission	CO ₂ compensation 100% since 2015 Provide preconditions for e-mobility
Woodworking	Cutting	Resource consumption	Offcuts are continuously monitored
Surface	Suction/sandblasting	Emissions	Where possible, blasting is used to avoid waste lye
Logistics	Transport	CO ₂ emissions	Three 3.5 tonne vehicles and one truck will be replaced in 2021
Infrastructure	Lighting	Energy consumption	Faulty light sources are replaced by LEDs

Location Endingen

Administration	Business travel	CO ₂ emission	CO ₂ compensation 100% since 2015 Provide preconditions for e-mobility
Cutting	Cutting, manual cutting/cutter	Resource consumption	Volume of waste is continuously monitored
Logistics	Transport	CO ₂ emission	Externally by forwarder, internally electric vehicles and e-charging stations
Infrastructure	Power consumption	Energy consumption	Examination of the expansion of the photovoltaic system for self-consumption



Operational ecology concept

The annual evaluation of the environmental relevance matrix determines the objectives and focal points for the company 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.

Measures Operational ecology concept

Area	Objectives/priorities 2019/2020	Implementation	Objectives/priorities 2021/2022
Infrastructure			
Bützberg			
Complete projects on fine particulate filters for heating and sign up to large-scale consumer model	Completed	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	
Draw up plans for renovating the roof of plant 2	Deferred	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	
Endingen			
Continue roof renovation as necessary	Ongoing	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	Continue roof renovation as necessary
Refurbish windows as necessary	Ongoing	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	Refurbish windows as necessary
Modernize the staircase in the administration building	Completed	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	
Bützberg and Endingen			
Cover total electricity energy demand through production from renewable energy	Completed	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	Cover total electricity energy demand through production from renewable energy
CO ₂ compensation through Fair Recycling	Completed	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	CO ₂ compensation through Fair Recycling
Bützberg			
Complete the upgrade of the sub-distribution board in plant 1	Completed	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	
Ongoing replacement of faulty lights with LED lighting	Ongoing	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	Ongoing replacement of faulty lights with LED lighting
Complete the air gun replacement project	Completed	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	
Endingen			
Replace LED lighting in the reception, complete the whole lighting concept	Completed	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	
Track down and eliminate leaks in the compressed air supply	Deferred	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	Track down and eliminate leaks in the compressed air supply
Clarify own use of the generated electricity	Completed	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	Start of project to examine the expansion of the photovoltaic system on the new warehouse, including own use of the electricity generated

Area	Objectives/priorities 2019/2020	Implementation	Objectives/priorities 2021/2022
Mobility	Bützberg and Endingen		
New vehicle purchases in accordance with the new Euro 6d-TEMP emissions standard	Ongoing	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	CO ₂ emissions are checked for every vehicle purchased and, where appropriate, e-mobility is used
EcoDrive courses for truck drivers and frequent drivers, EcoDrive training as dealer workshop	Deferred	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	
		<div style="width: 100%;"><div style="width: 10%;"> </div></div>	New objective Clarify and install charging stations for electric vehicles
Operational waste, disposal	Bützberg and Endingen		
Consistently continue waste separation	Ongoing	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	Bützberg: Maintain a share of recyclable waste of at least 88 % Endingen: Maintain a share of recyclable waste of at least 84 %
Reduction of share of waste for incineration through reduction in packaging material (reusable)	Completed	<div style="width: 100%;"><div style="width: 100%;"> </div></div>	
Resources and raw materials	Endingen		
Complete switchover of the cutting process to the upholstery cutter	Not completed	<div style="width: 100%;"><div style="width: 10%;"> </div></div>	Complete switchover of the cutting process to the upholstery cutter
Emissions			
		<div style="width: 100%;"><div style="width: 10%;"> </div></div>	New objective Examine water-based lacquers to reduce VOC emissions



Resources and raw 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.

Metal

All steel products that we use or process, such as tubes and steel sheet, contain a high proportion of recycled metal. At the end of its product lifespan, steel is fully reused as steel scrap for new alloys. Wherever possible, surfaces are finished without chromium 6. We use aluminium almost exclusively in the form of die-cast aluminium parts which, if the component size permits, are marked with the relevant material identification code. Aluminium alloys are very strong, have good casting properties 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

Wherever possible we use in our plastic parts only a single type of polymer such as polypropylene, polyamide or ABS (acrylonitrile butadiene styrene). Depending on the particular application, we also use fibre-reinforced plastics for some components. We use CFC-free steam-foamed polyurethane foam for foam padding. We mark every plastic part with an identification code so that parts can be identified and sorted into the different types of material at the time of disposal in order to facilitate recycling. A certain proportion of recycled material is always used in suitable components. However, for quality and safety reasons it is not always possible to use recycled plastics.

Seat cover materials

Our seat cover fabrics satisfy Oeko-Tex Standard 100 or the EU Ecolabel criteria. Together with the whole product, they are checked against the EU's list of banned emissions and chemicals as part of annual compliance audits for the "Tested for harmful substances – TÜV Rheinland Certified" certification. The durable high-quality cover materials we offer may be made of wool, synthetic fibres, or a mix of natural and synthetic fibres. Seat covers made of synthetic materials can be recycled after use. The cutting department in Endingen monitors waste volumes continuously. The textile cutting on our modern upholstery cutter is optimised and nested via the control station (nesting of the cut parts) and thus enables us to minimise waste upholstery material by just under 10%. In 2019, a 90% conversion to the upholstery cutter has taken place. This measure will enable us to further reduce waste volumes in the coming reporting period.

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.

Paper

Our total paper consumption has been reduced by over 20% in the latest reporting period. Measures such as switching to duplex printing as the standard setting and digitising certain processes such as archiving, using a document management system (DMS), have all contributed to reducing the use of paper. During the next reporting period we aim to try switching to using recycled paper in our administration department. We will also continue to raise awareness among our staff of the need to reduce paper consumption, by internal information campaigns and talking to them about it directly at our bi-monthly "notice board" meetings.

Water

Over 80% of our water consumption is at the Bützberg site. This is due partly to the company Galtec AG, which has been renting plant 3 since 2017, and partly to wood-drying processes and irrigation systems, use of which varies depending on our operations and the weather respectively. Our reduced use of the wood-drying equipment due to the coronavirus pandemic resulted in a fall of 36.6% in our water consumption in 2020 compared with 2019. At Girsberger GmbH in Endingen, despite the construction of the new warehouse, the increased consumption was an acceptable 9.2% in 2020.

Thomas Gasser

Executive Director Product Range & Brand Development,
Girsberger Holding AG



Use of wood as a raw material



Thanks to the pleasing growth in the Home, Office and Customized Furniture areas of business, we once again used more solid wood (+3%) in Bützberg during this reporting period than in 2017/2018. In 2019 we used a total of 710 m³ of sawn timber, and 788 m³ in the following year.

In 2020, 99.8% of the wood came from European, sustainably managed forests. This high figure is due to the fact that Girsberger does not offer or process any exotic timbers, and the so-called American black walnut (*Juglans nigra*) comes exclusively from European forests. This wood should really be called European black walnut, but the term is not yet widely used on the market.

“99.8 % of our solid wood comes from European and sustainably managed forests.”

The growing trend for using oak of all kinds continued in 2020 and by the end of the year it accounted for a record 59.8% of the wood we used (471 m³ of a total 788 m³). Black walnut also continues to be very important, accounting for 17.8% (135 m³). It is followed by elm at 7.5% (59 m³) and European walnut at 5.5% (43 m³). These four woods alone represent 90.6% of our total usage.

The market continues to demand characterful, preferably dark woods with a strong grain pattern (ring-porous). So it is no wonder that practically all the ring-porous woods such as oak, black walnut, elm and European walnut have been widely used and very popular for some time. Another ring-porous wood is fifth in our list of most popular timbers: ash heartwood. We are, therefore, making good use of our local ring-porous timbers.

Sustainable forest management is a high priority for us. In that respect, the various eco-certificates and labels currently in use do not offer us enough security. Although they are awarded by several different institutions, associations and independent test institutes, there is often inadequate regular monitoring once the certificate has been issued. That's why it is all the more important for us to know exactly where our solid wood comes from. In order to guarantee that our solid wood comes from sustainable forests, our specialist experts at Girsberger inspect it at sites across Europe before buying. This local assessment and procurement does bring with it a regular high cost because of the need to travel to often very remote woodland areas of Europe. However, that expense is worth it, because it means we can follow the trees on their journey right through from the log to the finished end product: from the very start, be that actually in the forest or in the clearings where the tree trunks are collected up, through the work at the sawmill, processing in the steam chamber and storage in the open air, sometimes for years – followed by kiln drying. Consequently, we are in control at all times of where the tree trunks have come from and how they are matured, right through to becoming a usable raw product.

As we have built up our wood trading business, which since 2014 has been a separate business unit, our own need for solid wood has come to be of secondary importance. We currently have stocks of about 3500 cubic metres of air- and kiln-dried wood available at our storage sites in Switzerland, Germany, France and Austria, ready for our wood-processing customers to make their choice.

The challenge over the coming years will continue to be how to accurately estimate our requirement for timbers of all kinds. Oak in particular has to be stored for a very long time before it can be processed in a way that meets our high quality standards. The period between cutting the logs and processing is never less than three to five years – depending on the thickness of the boards. We have to consider now what quality, thickness and finish might be required for oak in three to five years' time. When buying timber, making the right, well-planned and forward-looking decisions today has an impact not only on commercial success and optimum availability but also on our ecological footprint. The more finely tuned our stocks, the more prudent we can be in our use of the valuable raw material



Peter Reichen
Head of Wood Trading,
Girsberger AG

that is wood. It also enables us to avoid procurement processes that may have damaging environmental consequences.

Our very special business depends on three cornerstones:

- **the fascination of wood and our maxim:**
“Beautiful solid wood from sustainable forests”
- **our specialist expertise and**
- **our close connections with our trusted wood suppliers in Europe.**

We intend to continue to nurture and consolidate these vitally important values – for the good of our customers.

Peter Reichen
Head of Wood Trading,
Girsberger AG

Country of origin (approximate percentages)	2012	2014	2016	2018	2020
Europe (Switzerland, Germany, Austria, France, Italy, Belgium, Slovenia, Hungary, Croatia, Czech Republic, Bosnia-Herzegovina, Slovakia, Poland, Serbia, Romania)	90.6%	93.0%	95.3%	96.4%	99.8%
Other (USA, Canada, Georgia, Russia)	9.4%	7.0%	4.7%	3.6%	0.2%

Overview of wood sources





Operational waste, disposal

Bützberg site

Wood waste remained stable during the reporting period, accounting for 77% of total waste. This wood waste meets more than 90% of the heating energy requirement for the entire Bützberg site.

Non-reusable waste reached a peak in 2019 due to a remanufacturing project. We refurbished the theatre seats for one of our customers and fitted them with new seat pads. We disposed of the resulting old seat pads (approximately 10 tons) correctly via an authorised recycling partner. We had no similar projects in 2020 and the volume of non-recyclable waste fell back to the level of earlier years.

In terms of recyclable waste, we were able to put a stop to the steady increase in cardboard waste by optimising packaging, in partnership with our subsidiary Boreal. The volume of waste in 2020 was more or less the same as before deliveries from Boreal began. There was also a peak in metal waste in 2019 because of the disposal of old wood-processing machinery. During this reporting period, the ban on importing plastic waste that was imposed by a number of Asian countries, primarily China, meant that the market for this kind of waste collapsed. Although our specialist disposal company is continuing to accept plastic film that we have collected separately, and processes it separately, it charges for the film as non-recyclable waste and no longer categorises it separately. Consequently, for 2019 and 2020 almost all our plastic film waste is not included in the reusable waste but in non-recyclable waste. We are in talks with our disposal company about going back to categorising plastic film as a separate item. We aim to keep the proportion of reusable waste up to at least 88% over the course of the next reporting period.

Endingen site

Waste wood, primarily in the form of one-way pallets and transport fixings, has been recycled into chipboard since 2016. Single-use wooden trestles have been replaced by steel trestles for transporting leather. These now shuttle between Endingen and our leather suppliers. Our waste management concept has enabled us to stabilise the proportion of recyclable waste such as cardboard, paper, glass, electrical items, metal, film, leather offcuts, wood, and polystyrene waste at over 84%. We intend to maintain at least this level in the next reporting period. Fabric remnants still have to be incinerated as there appears to be no economically viable and eco-friendly recycling solution at present.

Overview of operational waste

Types of waste		2016	2017	2018	2019	2020
Girsberger AG Bützberg						
Waste wood recycled as heat	Tonnes	223.2	255.8	268.6	262.0	257.6
Waste for incineration	Tonnes	29.9	38.9	39.3	48.7	34.6
Recyclable waste	Tonnes	39.5	54.3	35.4	44.4	24.6
Hazardous waste	Tonnes	1.0	2.0	0	2.1	0
Girsberger GmbH Endingen						
Recyclable wood	Tonnes	8.2	4.6	7.8	5.9	6.9
Waste for incineration	Tonnes	27.3	24.0	23.6	21.1	21.6
Recyclable waste	Tonnes	129.3	116.4	124.1	114.5	111.2
Share recyclable Bützberg		89.5%	88.4%	88.5%	86.3%	89.1%
Share recyclable Endingen		82.6%	82.9%	84.0%	84.4%	83.7%

Recyclable waste

Logistics (Road traffic, transport and packaging)

Road traffic and transport in Switzerland

During 2021 we will be replacing our oldest lorries (still Euro 5). Then all our lorries will comply with the current Euro 6 emissions regulations. We anticipate that this will also enable us to reduce our fuel consumption per kilometre a little more. For this reporting period, we had set ourselves the goal of reducing the number of kilometres driven when delivering our products to a minimum. Naturally, we try to plan our routes even more efficiently, but it has become apparent that no further big improvements can be made. It's a question of finding a compromise between meeting customer expectations and planning the best route. Lorries account for about 30% of fuel consumption at the Bützberg site (29% in 2019, 31% in 2020). That is to say, over two-thirds of the fuel consumption is due to the cars used by our sales force, senior managers and service and installation technicians. We want to try to reduce that proportion and in future switch to electric vehicles where it makes sense and is feasible.

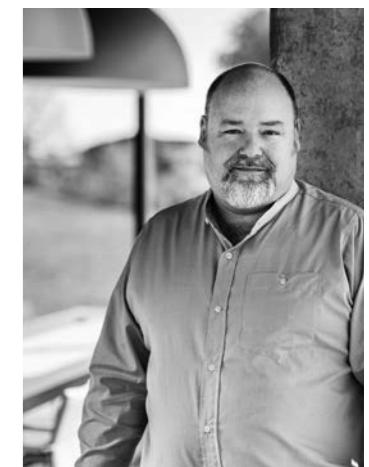
Transport in other markets

Outside Switzerland, our products are delivered by specialist furniture removal companies. We intend to retain this system for the time being.

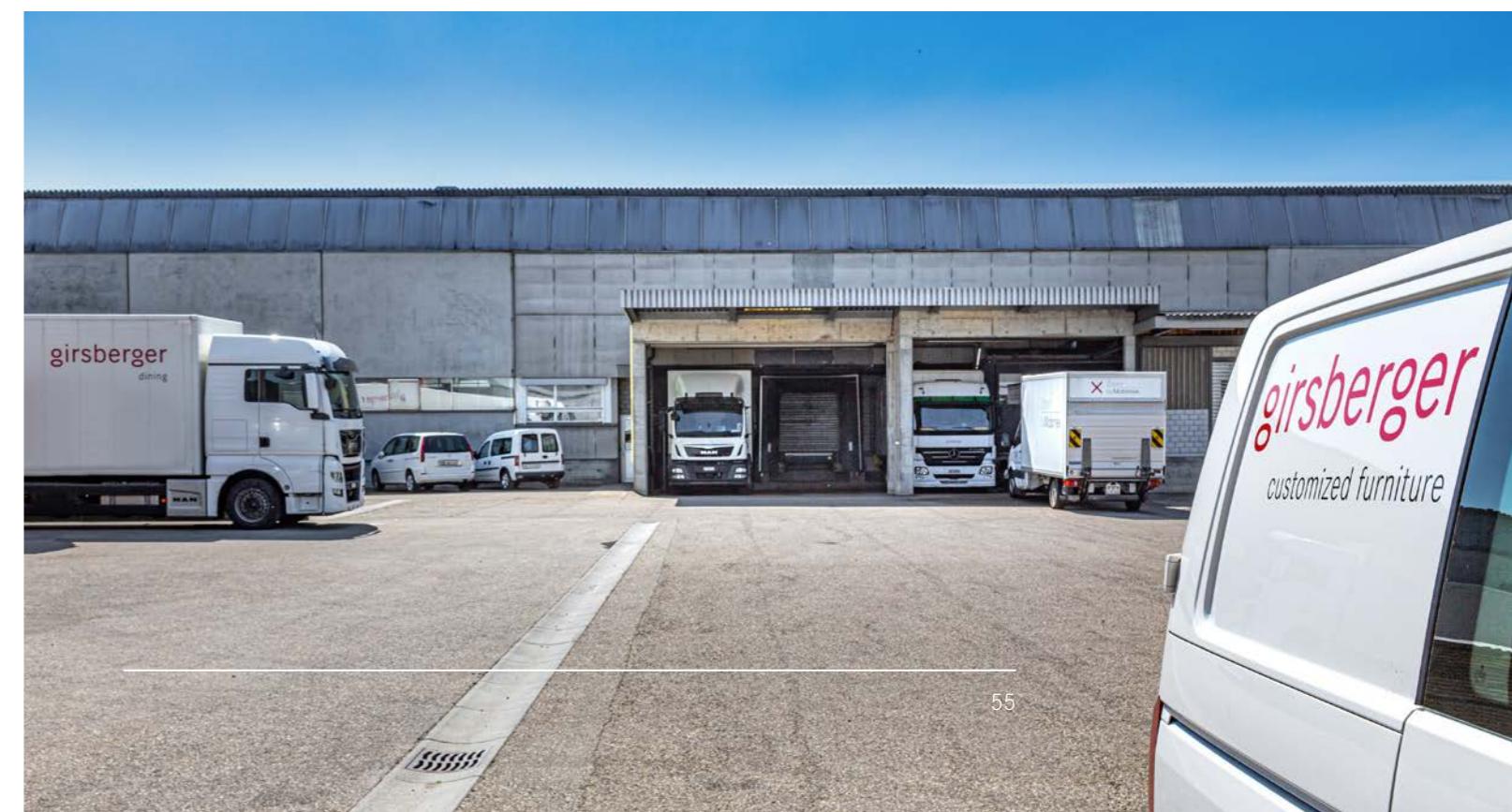
Packaging

During this reporting period we have revised the packaging system at our subsidiary company, Boreal. Our aim was to use less packaging material and to avoid plastic. To a certain extent we have been able to improve the situation by using environmentally-friendly and single-type materials such as cardboard packaging. However, we have also found that as soon as the packaging is reduced, the damage during transportation starts to increase. And when it came to the choice of materials, we soon hit the buffers. Often, sustainable packaging materials are not suitable for our purposes, too expensive or simply not available to Boreal in Serbia. There is currently only scope for minor improvements in this area.

Roland Ammann



Roland Ammann
Head of Production and Logistics,
Girsberger AG



Energy consumption



Bützberg site

In 2020 we successfully completed the “large-scale consumer model” introduced by canton Bern to reduce energy consumption. We comfortably exceeded the goal that was set of verifiably reducing energy consumption by 4.4% between 2017 and 2019, with a figure of 7.4%.

Energy consumption at the Bützberg site is divided into three main areas: approximately 50% heating, 30% fuel and 20% electricity for the factory. Looking at the trends in the different areas, it is noticeable that electricity consumption is falling steadily. In fact, in relation to the number of hours worked, consumption has remained stable. So the reduction is primarily due to the reduced number of employees, or rather of their working hours, in Bützberg.

In terms of fuel, there was a reduction of 7400 litres in 2019 compared with the previous year. The consumption by our lorries is almost unchanged compared with the previous reporting period, so the lower figure is due to a reduction in consumption by company cars and to having newer vehicles in the fleet. This trend accelerated in 2020, when consumption was a further 11,300 litres down compared with 2019. In this case, however, the reason lay in the coronavirus pandemic, which greatly restricted our ability to travel. We can assume that, once the coronavirus crisis is over, business travel will increase again. However, we must try to continue to use the new communication tools that we introduced during the crisis and so permanently reduce our need to travel and therefore our fuel consumption.

During the reporting period, 6% of our heating energy came from oil, and the rest from wood. Consumption per heating degree day remained stable, even though of course actual consumption varies depending on the weather conditions.

Overview energy consumption

Energy source in MWh	2016	2017	2018	2019	2020
Girsberger AG Bützberg					
Heating Oil	167	132	119	152	103
Wood	1,674	1,919	2,015	1,965	1,761
Electricity	915	850	812	795	755
Petrol	1,150	1,224	1,209	1,146	1,047
Diesel	76	65	92	84	74
Girsberger GmbH Endingen					
Gas	790	821	737	784	817
Electricity	188	181	196	204	189
Petrol/diesel	638	662	671	633	515

Endingen site

The photovoltaic array at the production facility in Endingen enabled us to generate some of the electricity required there ourselves, 56.1% in 2019 and 62% in 2020. That electricity was fed into the German electricity network. We investigated using the power we generated directly ourselves and this was found to be feasible. However, using it ourselves would only be economically viable with a new PV system. Further steps relating to this will be taken in 2021, along with a project to look at extending the photovoltaic array. The roof space for it is available on the new warehouse that was completed at the end of 2020 and was constructed in accordance with the latest sustainability standards. For example, a heating system based on gas-powered infrared radiant heaters was installed. These work by using radiant heat. The principle is the same as how solar radiation works, i.e. the rays heat the space, ideally in those areas where staff are working. Further energy savings are possible by having two temperature zones. For example, the non-temperature-sensitive containers for separated waste are kept in the unheated cold room which measures 474 m². The heated part of the warehouse covers a further 1183 m². Because it is so big, all our existing external warehouse capacity, covering a total area of around 800 m², could be moved to the Endingen site. This saves not only on rent but also on journeys that are bad for the environment.

Emissions

Bützberg site

During this reporting period, the wood heating system at the Bützberg site was fitted with a fine particulate filter. The filter uses a textile material and is available almost 100% of the time. With the electrostatic filters that are often used, availability is reduced during heating up and cleaning phases so the flue gases are diverted through a bypass, unfiltered. The filter also includes an additional heat exchanger which increases the effectiveness of the heating by using the residual heat in the flue gas.

If we look at the origins of our energy sources, with 47% from wood and 20% CO₂-neutral electricity, two-thirds of our energy requirement is met from CO₂-neutral sources. One third (heating oil and fuel) comes from fossil resources, but we offset their CO₂ emissions by working with the Fair Recycling Foundation. Like our fuel consumption, our CO₂ emissions from road transport have also fallen during the reporting period. However, at 81% these still constitute by far the majority of our CO₂ emissions. We would like to take action here and promote the use of electric vehicles. For lorries, there is still no technology available that is affordable and practical. However, for vehicles under 3.5 tons the situation is now different. There are various vehicles available on the market today that could meet many of our mobility needs. As a first step towards electric mobility, we need the infrastructure for charging the vehicles. We are sure that, once this infrastructure is in place, some of our staff would also switch to e-mobility for their own vehicles. So, during the next reporting period, we aim to install 5-6 charging points for electric vehicles to create a situation where the consumption of fossil fuels can be reduced by supporting e-mobility, both directly by our company vehicles and also indirectly in the way that our employees travel to work.



“100 % of our CO₂ emissions are offset via the Fair Recycling project.”

Emissions

In recent years, our VOC emissions have stabilised at about 4.5 tons per year. These emissions arise almost exclusively from the finishing treatments on our products, which for quality reasons still consist of solvent-based lacquers. Earlier attempts to switch to water-based lacquers failed because they lacked chemical and mechanical stability. Nor have we been able to meet our high standards for the visual appearance of the product surfaces using water-soluble lacquers. During the next reporting period, we intend to work with the Bern University of Applied Sciences to look again at the current state of the technology for water-based lacquers, regarding resilience, optical appearance and application methods, and see whether it is possible for us to switch to them. If that were successful, we could reduce our VOC emissions by a substantial amount.

Endingen site

The proportion of CO₂ emissions due to fossil fuels was about 50% in Endingen in 2020. As in Bützberg, we will be promoting e-mobility in Endingen in order not only to make business travel more environmentally friendly but also to raise awareness among the employees about using it for their private driving. The existing charging station will be joined by at least two more.

The emissions from business flights, electricity and natural gas were kept low and in some cases reduced. Regarding electricity, the lighting concept was successfully implemented as planned. Despite its total surface area of 1657 m², the new warehouse will emit relatively little heat energy and therefore also CO₂. This is because of the economical gas-powered infrared heaters and the division into heated and entirely unheated areas (cold room).

100% of the unavoidable CO₂ emissions are offset via the Fair Recycling Foundation.

Roland Ammann

Head of Production and Logistics,
Girsberger AG

Overview CO₂ emissions

CO₂ emissions in tonnes	2016	2017	2018	2019	2020
Girsberger AG Bützberg					
Electricity (100 % renewable as of 2013)	36.6	34.0	32.5	31.8	30.1
Heating oil	40.9	32.3	29.2	37.1	25.0
Petrol/diesel	328.2	345.0	348.4	329.3	300.0
Flights	21.3	13.5	14.3	18.6	1.5
Compensation via Fair Recycling	427.0	424.8	424.4	416.8	356.6
Compensation print works	36.5	25.6	26.0	10.1	8.0

Girsberger GmbH Endingen

Electricity (100 % renewable as of 2013)	11.1	11.1	12.4	12.7	12.3
Natural gas	122.6	127.3	114.3	121.5	126.6
Petrol/diesel	174.3	180.9	183.3	172.9	140.7
Flights	13.7	9.9	8.3	5.9	2.2
Compensation via Fair Recycling	321.7	329.2	318.3	313.0	281.8
Compensation feed-in photovoltaic system	3.5	3.8	4.6	4.6	4.7



“Commitment that is personally guaranteed remains at the core of our corporate and management philosophy. All employees see themselves primarily as part of a greater whole. They are fully committed to Girsberger’s quality standards and to the total satisfaction of our customers.”

From the Girsberger mission statement

Our employees and corporate citizenship

Equal treatment, equal opportunities and equal pay

Only if our employees are committed and motivated can we bring competitive products to market and have satisfied customers. That's why ensuring that our employees are motivated and identify themselves with the company is always our most important priority.

The 2019 and 2020 reporting years brought very different challenges. Whereas in 2019 the focus in Bützberg was on consolidating the new structures following the reorganisation that was required for economic reasons in 2017/2018, in 2020 both sites were hit by a global medical emergency – the Covid-19 pandemic.

Despite the working conditions being made considerably more difficult, Girsberger was able to rely on its employees, who proved themselves to be very loyal and highly committed. They accepted unconditionally the targeted measures that we had to take, such as the safety protocol that we introduced immediately and kept adapting and extending, as well as the introduction of short-time working in some cases. This meant that we did not have to cope with either an above-average number of absences or with increased turbulence or production stoppages. We intend to maintain and strengthen this stable, safe environment for our employees in the future. We also want to reinforce Girsberger's image as an attractive employer and share it with the outside world through our corporate citizenship programme. Our main objectives and activities in this regard fall into various categories as described below.

We strengthened the sense of togetherness during the pandemic by being open in our communication and introducing a safety protocol that worked very well. Being attentive and caring towards other people, showing mutual respect and flexibility and offering opportunities for personal development have proven to be key factors in boosting employees' feeling of identification with the company.

We attach particular importance in our daily work and dealings with other people to tolerance, flexibility, an open-minded attitude and mutual respect. We regard diversity as an opportunity and a valuable resource that brings us a wealth of new ideas and innovation. Our corporate culture is characterised by our shared passion for what we do and by cooperative teamwork: the basis for a high degree of identification with the company. Girsberger has people of 18 different nationalities in its workforce. This diversity enriches us all and promotes cultural exchange.

Safeguarding and supporting equal opportunities and equal treatment are firmly rooted in our quality commitment. Employees are always appointed, promoted, assessed, paid and laid off exclusively on the basis of their work and performance. Their ethnicity, religion, skin colour, country of origin, age, gender and sexual orientation are never considered in our decision-making.

At the Bützberg site, we assess the state of pay equality regularly, at least once a year, using the online tool “Logib” provided by the Swiss Federal Office for Gender Equality (FOGE). By making gradual changes to pay scales, equality has also been largely achieved at the Endingen site and the process will be completed in 2021. We will continue to carry out checks at least once a year at both sites to ensure that equality between men and women is maintained, including on pay.

**Nadine von Burg,
Manuela Kurbjuhn**



Nadine von Burg
Head of Human Resources,
Girsberger AG and Girsberger
Holding AG

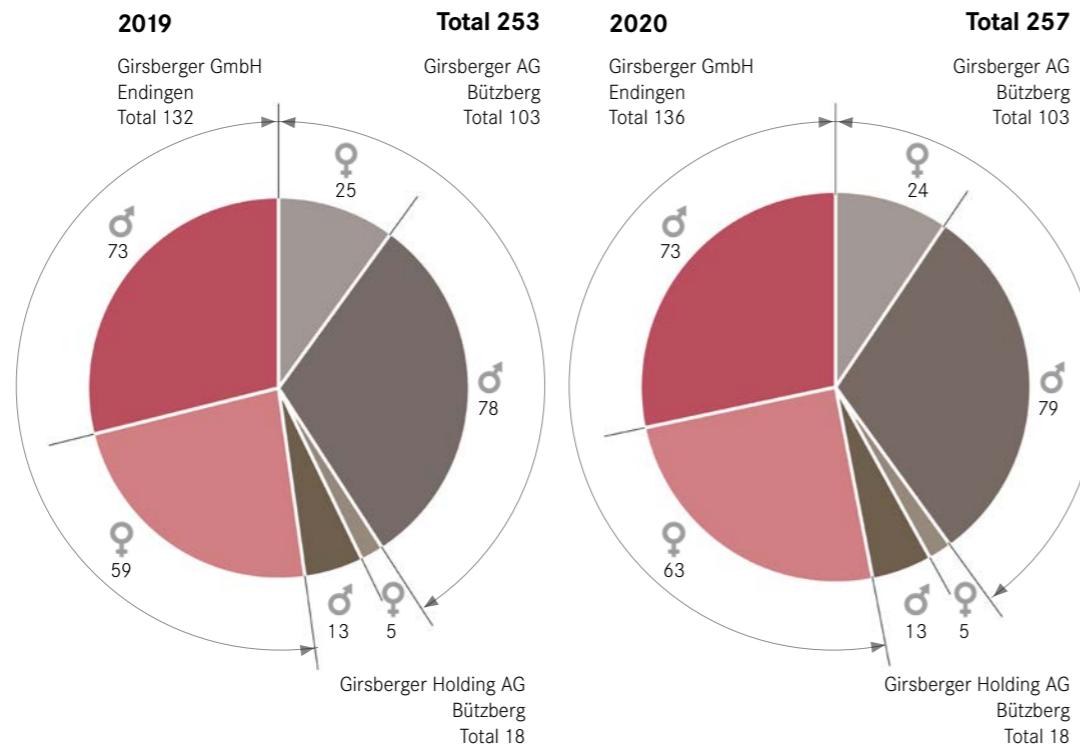


Manuela Kurbjuhn
Head of Human Resources,
Girsberger GmbH

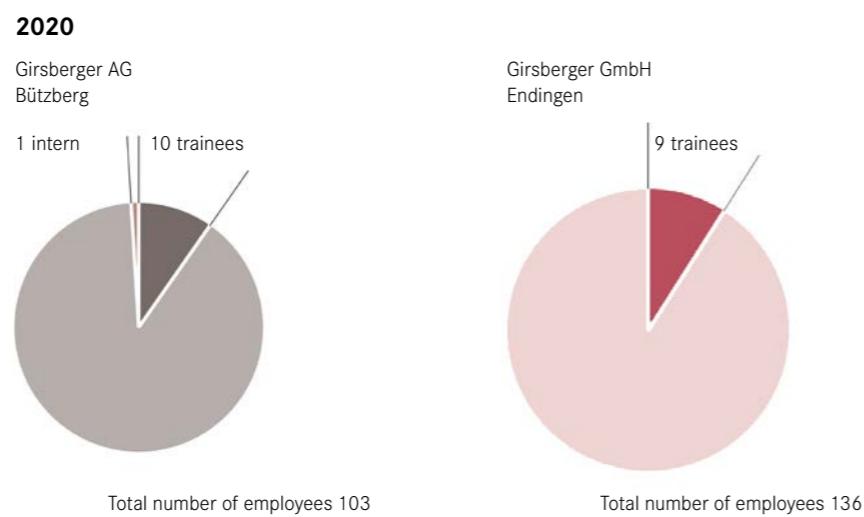
Employees in numbers

The certified companies Girsberger AG, Girsberger Holding AG and Girsberger GmbH with its sales units, employ a total of 257 employees (including 19 trainees) from 18 nations. In the reporting years 2019 and 2020, the workforce remained stable; the turnover rate decreased significantly to 6.3% (2019) and 4.2% (2020).

Number of employees



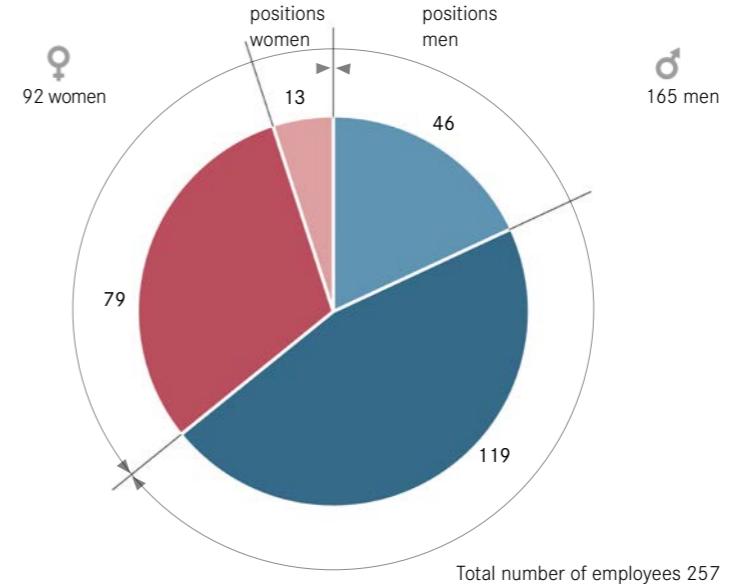
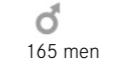
Apprenticeships



Nationalities



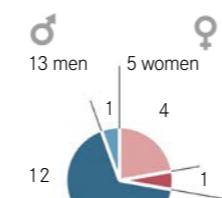
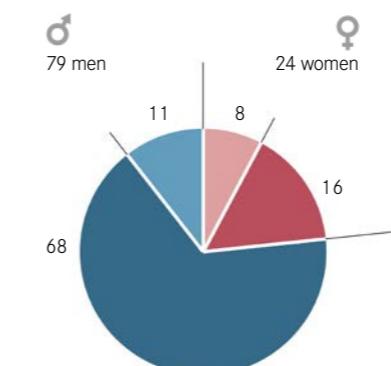
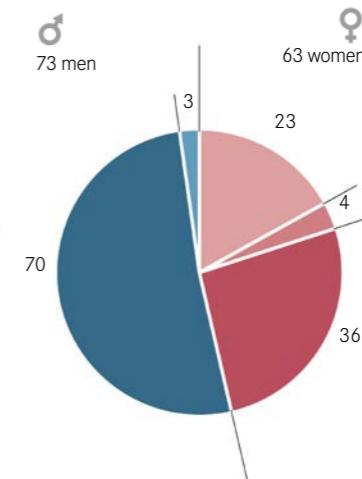
2020

Women**Management positions****Men**

165 men

Working time models
Part-time/full-time

2020

Girsberger Holding AG**Girsberger AG****Girsberger GmbH**

Total 18 employees
4 of them women part-time
1 of them men part-time

Total 103 employees
8 of them women part-time
11 of them men part-time

Total 136 employees
23 of them women part-time
4 of them small part-time
3 of them men part-time

Employee satisfaction



Having a culture of open discussion and feedback, and holding annual reviews where employees can assess their satisfaction, their performance and their line manager, are important components in helping us to understand the needs of our staff. In the annual reviews, satisfaction is measured on the basis of five factors, on a scale from 1 (minimum) to 10 (maximum). With an average assessment of 8.3, the outcome in 2020 was even better than in previous years. Our internal communication, in particular, received much better ratings.

In 2019 the notice boards at both sites were reviewed and redesigned. Now all the documents which are displayed there in hard copy are also available to employees digitally at any time. During the review of the notice boards, the emphasis was on making our communication transparent, meaningful and appropriate to the relevant target groups. The notices covering the three main areas of quality/HSE (health, safety, environment), staff and business trends were revised in terms of both their content and their presentation. We also took care to ensure that our internal communications are always regular and up-to-date.

All employees at Girsberger companies are kept informed about current business trends at a "notice board" meeting roughly every two months. During the year of the pandemic in 2020, because the situation was changing almost every week, these information events took place far more frequently, for small groups, organised by managers who were working from home, and taking place by phone or email or as online meetings. The main focus was on the pandemic - information about it and the precautions we were taking.

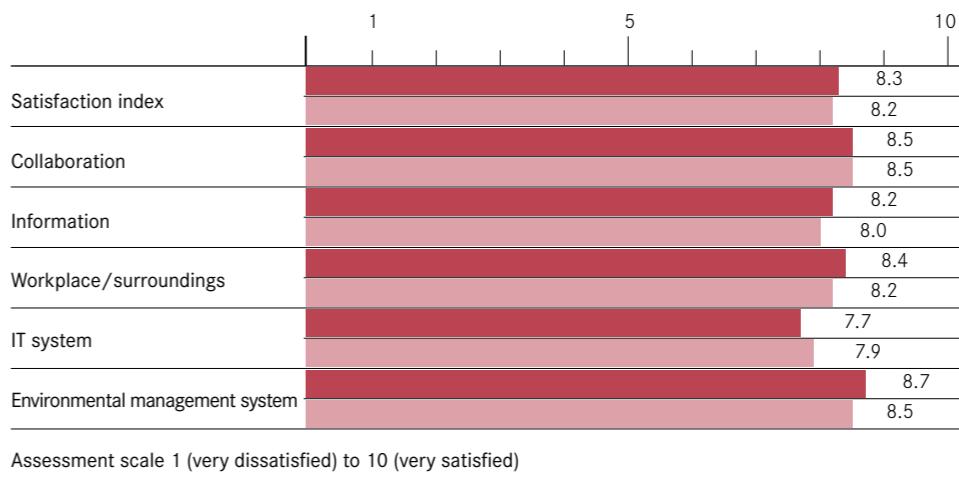
One of the priorities during these two reporting years was to establish the general principles for reaching a decision on new and more flexible working time models, taking account of local legislation and collective bargaining agreements. Based on these general principles, new working time regulations will be drawn up by the middle of 2021 and introduced at the start of 2022.

"To allow our employees to develop their full potential, we give them sufficient freedom to make decisions and act as independently as possible."

Girsberger also works continuously to improve its IT and EDP systems. If we are to meet the needs of our employees and the modern world of work, it is essential for us to invest in flexible, mobile work tools and up-to-date software. During the pandemic, working from home and holding meetings online have come to play a more important role, accelerated by the official safety measures. Our evaluation of staff satisfaction shows that this is also a matter of great importance to our employees, and so we need to pay close attention to it. Steps in this direction have already been introduced or implemented in Bützberg and Endingen, with employees who did not previously work from home being equipped to do so. The option of working from home will remain

in future. Whether and to what extent it is feasible will be looked at in each individual case and will depend on the nature of the employee's work. During the next reporting period we intend to make mobility a higher priority. Office 365 should enable us to work using any device that supports the software, regardless of where we are.

The forms that will be used for staff reviews in 2021 are currently being revised. The section for assessing line managers will be adapted so that the questions are clearer and employees find it easier to express themselves precisely. We have found that some people have had difficulty in distinguishing between assessing the company, their department and specifically their line manager.



Health management



For us, health management is about more than avoiding accidents at work. Prevention, ergonomics and well-being in the workplace are all just as relevant. By involving our employees in our policies, we also aim to boost their health outside the workplace.

At both our production sites, there is a special committee (comprising, depending on the site, production managers, heads of finance, safety managers, heads of HR and one employee from either production or administration) which sets targets and decides on any action required in relation to health and safety. However, the main priority is to avoid occupational accidents. That is why we attach great importance to in-house training courses on safety at work and to the use of personal protective equipment by people working in production.

At the Bützberg site, a total of 207 hours were invested in training about occupational health and safety matters in 2019, and in 2020 this figure was 126. In Endingen, 225 hours were spent on training in 2019 and 87 hours in the following year, when unfortunately most of the courses run by the trade unions were cancelled.

As well as diligently investigating any workplace accidents that do occur, we encourage employees to report any near-accidents at work so that we can take preventive measures to eliminate potential risks.

The Covid-19 pandemic presented new challenges in terms of safety at work. Thanks to our internal safety policies, there were no production stoppages in the 2020 reporting year and no above-average absences due to illness. The higher figures at the Endingen site were due to some long-term absences. Despite all the measures introduced by the company, some long-term absences due to illness or accidents cannot be avoided. The employees in question are supported during their absence by the HR department and their line managers, making it easier for them to return to the workplace once they have fully recovered.

In terms of the well-being of our employees, we have set ourselves the goal for the next reporting period of helping people to strike a balance between their working and private lives. As far as is operationally possible, we want to offer more part-time working and opportunities to work from home. We have also introduced a credit of up to two days a year for voluntary work, giving our employees more scope for engaging in this. Further measures are still being evaluated as part of the new working time models and should come into force by 1 January 2022 at the latest. At the Bützberg site, employees who need to look after family members living in the same household who are ill are entitled to three paid days off work on each occasion, if they are unable to make other arrangements because of an emergency.

At the Endingen site, we are looking into whether an in-house rule on continued pay is permissible alongside the legal regulations on this according to the German Social Code (SGB) and the Nursing Care Leave Act (PflegeZG) (Section 2 PflegeZG, Section 44a SGB XI).

Overview absences

Absences in days per employee and year	2016	2017	2018	2019	2020
Girsberger AG and Girsberger Holding AG, Bützberg	7.7	7.7	6.5	6.0	6.8
Girsberger GmbH, Endingen	12.5	12.0	15.9	19.3	19.2

Targeted activities to do with diet and exercise should be firmly embedded in our annual planning and designed to improve employees' general health. At both sites, e-bikes are available to employees, who can also use them for private purposes. In Bützberg there are three e-bikes, while in Endingen ten employees are taking advantage of the system to lease a company bike. An inter-site "Bike to Work" challenge will be organised in the second half of 2021.

Both sites are considering the option of making an annual financial contribution to health check-ups and preventive check-ups.



Training



A vitally important element in our role as managers is to identify our employees' talents and potential for development and deliberately encourage these. The options need to be discussed together, especially during the annual staff review, and that forms the basis for the employee's objectives and any measures that need to be taken. Ideally, this would lead to employees and managers taking on additional responsibilities or being promoted into more demanding roles.

In Bützberg there are currently two employees being trained as production managers in carpentry, one spending several years on a course to qualify as an expert in finance and accounting and one training as a manufacturing specialist and then a Project Manager. Five employees are continuing to attend French lessons, as they have done for some time already. In Endingen, one employee successfully completed a course to become an accountant between 2018 and 2020 and is now in charge of finance and budget management at Girsberger GmbH. In the light of the continuing move towards a lean method of production in Endingen, one employee has successfully qualified as a Master in Lean Production.

"A vitally important element in our role as managers is to identify our employees' talents and potential for development and deliberately encourage these."

During this reporting period, the main focus was on individual training for managers with staff responsibilities, and on supporting apprenticeships and internships. In Bützberg, managers completed a total of 37.5 days of training in 2019. This consisted largely of specialist training courses and one-day seminars. One employee who had taken on a new leadership role attended a seminar on leadership. In 2020 the figure was 35.5 days of training, again consisting mostly of specialist seminars. One manager is training to become a Swiss federal certified production manager in carpentry.

The managers in Endingen completed 60 days of training in 2019 and 26 in 2020. Unfortunately in 2020 because of the Covid-19 pandemic several courses which could not be held online were cancelled or postponed by the organisers. This resulted in a lower number of training days, and not only for the managers. We are assuming that more of these courses which have to take place externally will be held again in the future.

Offering apprenticeships in various trades remains firmly embedded in the culture at both sites and internships will also continue to be offered where possible. In future, the subject of sustainability will also form part of the vocational training at Girsberger. During the next reporting period we will investigate whether products such as "ClimateLabs" could be incorporated in our company training plan. Workshops of that kind teach important background knowledge about climate protection and project management.

In 2021/2022 we intend to focus on specifically supporting young specialists, i.e. trainees and employees in their first or second job after completing their vocational training. By encouraging the next generation in this way, we also hope to prevent company-specific expertise being lost when older employees retire.

In order to have more control over equality of opportunity in staff development, we aim to plan our training so that it is more evenly targeted at workers, managers and the Executive Management.

Training	2016	2017	2018	2019	2020
Number of trainees	Percent	7.9	6.9	7.8	7.1
Trainees at Girsberger AG, Bützberg	Number	11	10	10	9
Trainees at Girsberger Holding AG, Bützberg	Number	2	0	0	0
Trainees at Girsberger GmbH, Endingen	Number	9	8	10	9
Total internal and external training days	Days	199	192	225	244
Number of hours of training per employee	Hours	6.2	6.8	8.1	9.1
					4.9

Overview of training





Corporate citizenship

We regard it as our duty to make a contribution to society. Where feasible, we employ people with disabilities or those who have had to flee from their own country. Asylum seekers, who are sometimes traumatised by their tragic experiences and usually have language difficulties at first, often stand no chance when they first enter the jobs market. So we try even harder to give these people, disadvantaged through no fault of their own, an offer of employment.

Such opportunities have so far mainly been available at the Endingen site. We work there with 48° Süd GmbH. 48° Süd is a not-for-profit organisation that offers routes to qualifications and employment, sponsored by the Caritas foundation and local authorities in the district of Emmendingen. 48° Süd helps people who have difficulty accessing the jobs market to gain qualifications and find employment. This includes the long-term unemployed, the disabled and migrants. Thanks to this partnership, in 2019 and 2020 we were able to offer permanent employment to four individuals who successfully completed internships with us.

In addition, in 2020 a young man from Somalia successfully completed his training as a warehouseman. We were happy to offer him a permanent job. Another trainee from Afghanistan will probably finish his training as an industrial upholsterer in 2021. If necessary we can also offer assistance with attending vocational college. The cost is borne by the company. In Endingen there is also the option of so-called retrospective qualification. This means that an employee is taken on but works for us without having completed any vocational training. The employee continues to be paid but can catch up on the training afterwards. We as their employer receive a salary subsidy in compensation.

Girsberger works to encourage social interaction in society by entering into partnerships with organisations that work for the good of the community. We want to live up to our social responsibilities and make an active contribution to bringing about lasting social change in the places where we are based. We support organisations offering protected jobs for people with a disability, such as regional job centres (RAZ), the WBM Foundation Madiswil, the Black Forest Workshop in Dornstetten and the Caritas workshop in Riegel.

Since 2017, Girsberger GmbH has been involved in the FAIR Ways scheme run by the Freiburg Sports Club, an association of 15 partners committed to supporting initiatives on education, exercise, the environment and solidarity. We attach similar importance to our membership of associations and organisations that are committed to environmental issues, sustainable business management, and social and economic matters. Examples include the think tank Avenir Suisse; B.A.U.M. (German Environmental Management Association) and öbu, a Swiss network for sustainable business.

In future we plan to make it easier for our employees to combine voluntary work with their family life and their job. They can fill in a form to report their voluntary work and, once this has been checked, will receive a time credit, i.e. special leave of up to two days a year.

Ethics, employment rights and human rights

During the next reporting period, we aim to review our approach to ethics, employment rights and human rights and draw up guidelines for our company. In this way we aim to demonstrate internally, and also to outside interest groups, how Girsberger is conscious of its ethical responsibilities regarding employment and human rights and how we are constantly striving to live up to those responsibilities and do even better.

Nadine von Burg

Head of Human Resources,
Girsberger AG and Girsberger Holding AG

Manuela Kurjuhn

Head of Human Resources,
Girsberger GmbH



Additional information

Reports

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

2020

- 2020 Sustainability Report
- Supplementary 2020 Sustainability Report
- Certificate of climate neutrality

Girsberger AG, Bützberg/Switzerland
Girsberger France, Paris/France
Girsberger GmbH, Endingen/Germany
Girsberger GmbH, Vienna/Austria
Girsberger Benelux BV, Naarden – Vesting/Netherlands

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www.girsberger.com



2018

- 2018 Sustainability Report
- Supplementary 2018 Sustainability Report
- Certificate of climate neutrality

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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