



Gabriel Holding A/S

# Sustainability Report

2018-19

**Gabriel**<sup>®</sup>





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Reporting period: 01.10.2018 – 30.09.2019

For the sake of the environment, the Sustainability Report is only available online.

Please refer to the Annual Report 2018/2019 and [www.gabriel.dk](http://www.gabriel.dk) for further information about the Gabriel Group.

The Sustainability Report complies with the reporting requirements in §99a of the Danish Financial Statements Act.

### For further information

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From left:  
Director of CSR & Quality  
Kurt Nedergaard  
and CEO Anders  
Hedegaard Petersen

## Sustainability and growth

**For our customers, users, shareholders, employees, business partners, and others interested.**

It is a fact that growth not only promotes but also threatens a sustainable development. Most societies and businesses perceive growth as a prerequisite for the creation of better lives for people, but at the same time, global growth also poses a threat to the environment and to public health.

Gabriel has experienced significant growth for several years, while products and services concurrently have contributed positively to a sustainable development.

Since the company was founded in 1851, Gabriel has been committed to sustainability. Today, the company is a knowledge company that systematically promotes a sustainable development in all key areas, regardless of where we operate in the world. Our commitment to sustainability involves a strong focus on climate, health and circular economy. We use sustainable materials such as nature's own raw material wool, and increasingly use recycled polyester for our upholstery and screen fabrics.

From 2019/20 Gabriel has become carbon neutral and has thus reached an important milestone in relation to minimising our environmental impact. The carbon neutrality encompasses all Gabriel companies as well as our part-owned dye works ScanDye. Through close cooperation with a carefully selected energy partner, we ensure that all electricity used is generated by e.g. wind power, and we support projects that compensate for CO<sub>2</sub> emissions and the consumption of for example natural gas.

The Sustainability Report includes information on key sustainability activities and on our on-going effort to develop and manufacture new, healthy and eco-friendly products.

We hope you will enjoy reading the report.

Anders Hedegaard Petersen  
CEO

Kurt Nedergaard  
Director of CSR & Quality

# About the Gabriel Group

## Mission

Innovation and value-adding partnerships are fundamental values of Gabriel's mission statement.

Gabriel is a niche company which, in the entire value chain from concept to furniture user, develops, manufactures and sells upholstery fabrics, components, upholstered surfaces and related products and services. Gabriel develops its services to be used in fields of application where product features, design and logistics have to meet invariable requirements, and where quality and environmental management must be documented.

## Vision

Gabriel is to be the preferred development partner and supplier to selected leading international manufacturers and major users of upholstered furniture, seats and upholstered surfaces.

Gabriel will achieve Blue Ocean status through an innovative business concept, patents, licences, exclusivity agreements or similar rights.

Gabriel will have the status of an attractive workplace and partner company for competent employees and companies.

## Strategy

Gabriel is growing with the largest market participants. Gabriel's growth is based on close development partnerships and trading with approximately 70 selected major leading customers in a global strategy.

Gabriel strives to obtain the largest possible share of the selected strategic customers' purchase of furniture fabrics, other components and services in the value chain. The FurnMaster business unit realises the commercial potential of the links of the value chain deriving from furniture fabrics, e.g. cutting, sewing and upholstering of furniture components.

## Corporate model

Gabriel's corporate model requires a process-oriented approach which has been implemented in the organisation over the course of several years. The Group's core processes are carefully selected to ensure that our employees' skills are continually utilised to create the exact value that our customers request.

## Sustainability – risk evaluation

Through ISO 14001 environmental certification, ISO 9001 quality certification and consistent use of environmental product labelling, we ensure that there are no major environmental concerns or risks associated with Gabriel products and activities.

Furthermore, Gabriel's sustainability policy includes effective measures to prevent environmental accidents and aims to ensure that Gabriel products do not contain harmful substances.

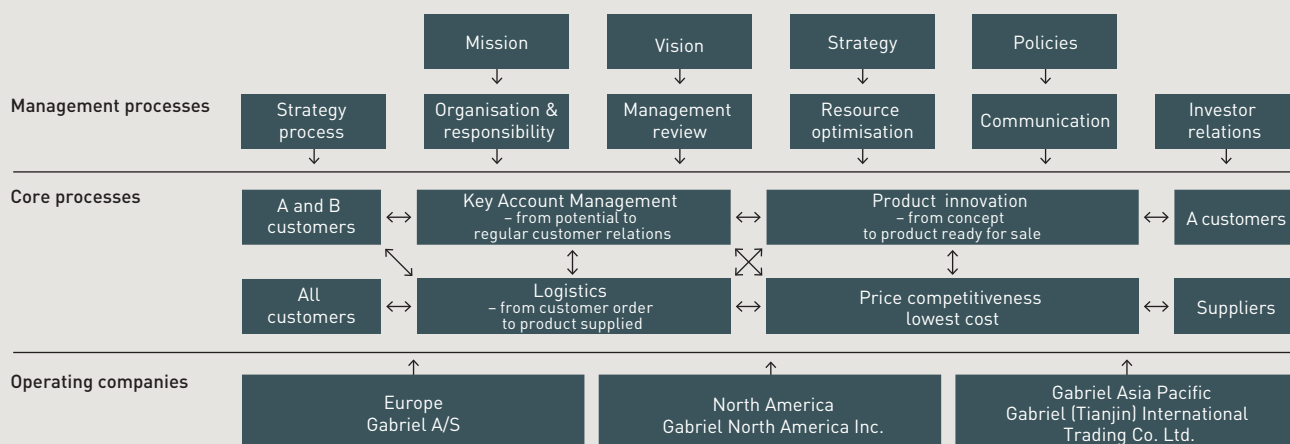
At Gabriel, health, safety and employee well-being have always been key priorities. In the years to come, our focus will be on risks in relation to occupational health and safety as the growing number of Gabriel Group employees entails an increased risk.

For several years, the Gabriel Group has worked to minimise risks in relation to human rights, anti-corruption and bribery. To continue this work, we focus on the new guidelines of Danish Fashion and Textile in our Code of Conduct as well as the requirements of ISO 37001 regarding anti-bribery. No breaches of our Code of Conduct have been registered.

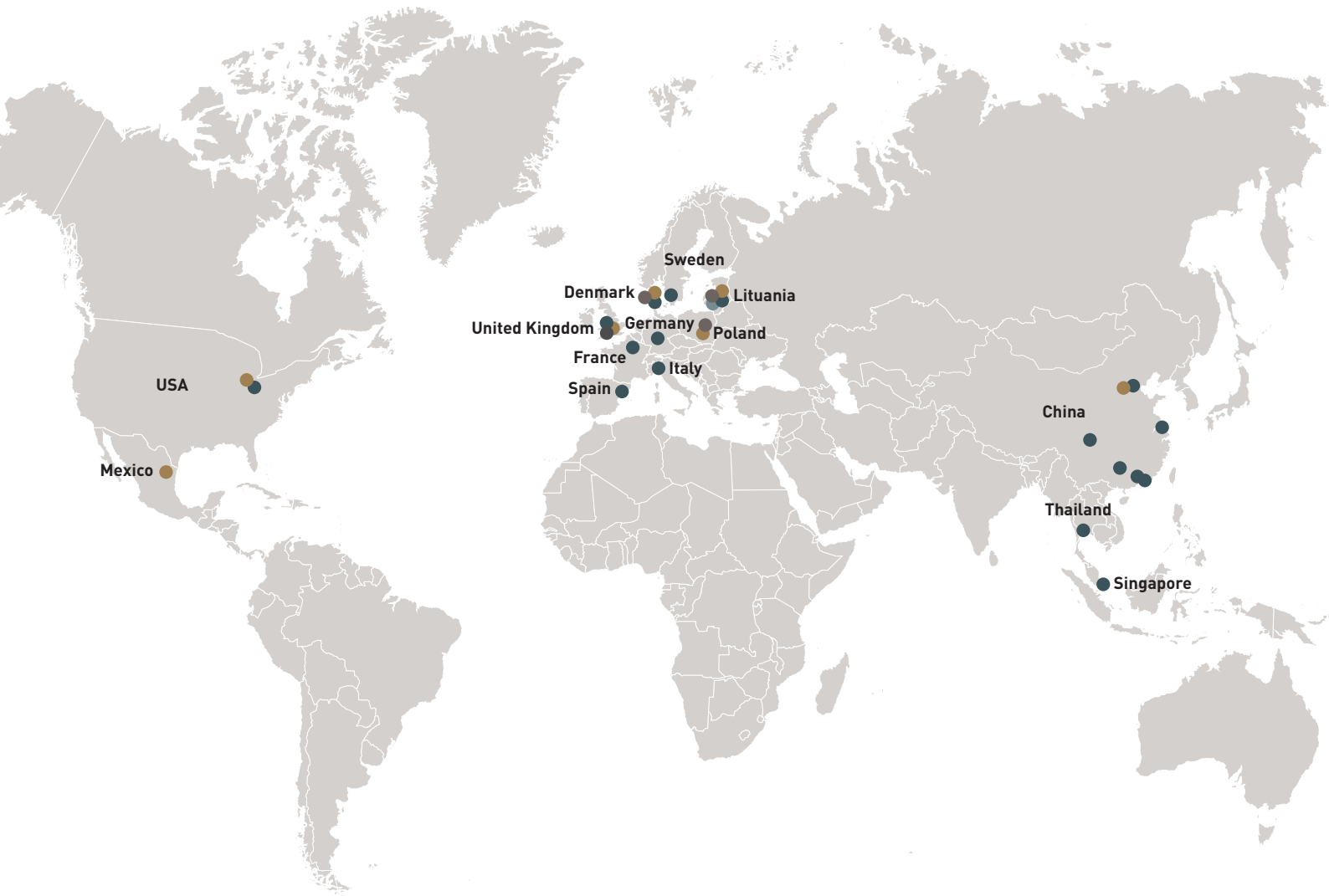
See pages 17-21 for further information on targets, results and environmental data related to sustainability.

For an analysis of all risk areas, please refer to the paragraph on "Special risks" in [Gabriel Group's Annual Report](#).

## Corporate model



## Gabriel's locations



### Gabriel A/S

#### Gabriel A/S

Aalborg, Denmark – Head office

#### Gabriel Sweden AB

Stockholm, Sweden

#### Gabriel GmbH

Bingen, Germany

#### Gabriel UK

London, United Kingdom

#### Gabriel France

Paris, France

#### Gabriel Ibérica S.L

Barcelona, Spain

#### Gabriel Italy

Milano, Italy

#### UAB Gabriel Baltics

Vilkaviškis, Lithuania

#### UAB Gabriel Textiles

Vilkaviškis, Lithuania

### Gabriel North America

Grand Rapids, USA

### Gabriel Asia Pacific

Beijing, China

Chengdu, China

Guangzhou, China

Shanghai, China

Shenzhen, China

Hong Kong, China

Bangkok, Thailand

Singapore

### SampleMaster

#### SampleMaster

Aalborg, Denmark – Head office

#### UAB SampleMaster

Marijampolė, Lithuania

### Dye works (Joint venture)

#### UAB Scandye

Telšiai, Lithuania

### FurnMaster

#### FurnMaster

Aalborg, Denmark – Head office

#### UAB FurnMaster

Marijampolė, Lithuania

#### FurnMaster Sp. z. o.o

Świebodzin, Poland

#### FurnMaster

Peaceheaven, United Kingdom

#### FurnMaster

Grand Rapids, USA

#### FurnMaster

Monterrey, Mexico

#### FurnMaster

Beijing, China

### Screen Solutions

#### Screen Solutions

Peaceheaven, United Kingdom



# Sustainability – it is our responsibility

At Gabriel sustainability is about ensuring good living conditions and healthy environments – not only today but also for future generations.

Gabriel Group is a sustainable company continuously taking new steps to strengthen our sustainable practices and become even better at what we do.

One of our absolute key priorities is to design and create sustainable products and services without endangering the environment and the well-being of future generations.

We design products that contribute to healthy indoor spaces and manufacture them with respect for user health and safety as well as for the environment.

## Sustainable business practices

At Gabriel sustainability is, however, not only about how we manufacture our products. It is also about how we do business in general. To us sustainability is also about ethical business conduct, and treating customers, suppliers, employees, communities, and animals with decency and integrity.

Decency and integrity are values ingrained in our company culture and are absolutely fundamental to the way we do business – today and in the future.

## We are stronger together

Only by joining forces across nations and businesses, it is possible to make a lasting impact that truly matters to the world and future generations. Consequently, Gabriel is committed to contributing to UN's Sustainable Development Goals. We continuously consider our impact on each of the 17 goals but work determinedly with the ones, where we believe that we can make the biggest difference.

## Risk factors

Gabriel is aware of various risk factors including the risk of work-related accidents, skills shortage and product health issues. To systematically reduce risks, Gabriel relies on its Code of Conduct, Sustainability policy and certified management systems.

## UN's Sustainable Development Goals



UN's 17 Sustainable Development Goals (SDGs) were defined in 2015 as a call-to-action to change our world to a better place by 2030. The SDG's deal with objectives such as for example ending poverty, promoting prosperity and protecting the planet. The goals are defined in the UN § 51 resolution no. A/RES/70/1.

# Sustainability strategy

The Gabriel Group will maintain current sustainability policies and focus areas and will, in addition, strengthen our efforts to implement a more circular business model.

We will work determinedly with circular economy and challenge the linear use-and-throw-away-model. We will continue to develop and manufacture quality products with a long service life that are easily maintained without the use of harmful chemicals. In addition, we will continue to develop and launch products that are either biodegradable or recyclable. We will develop systems for our circular efforts and document our progress in relation to products, services and production.

The implementation of circular economy depends to a great extent on the collaboration between companies, their customers, suppliers and other stakeholders and on their joined effort to create circular systems. Consequently, Gabriel aims to intensify the dialogue and cooperation with our customers and business partners on the development of circular solutions and systems.

## **Gabriel's Sustainability strategy includes the following focus areas:**

- Increasing the proportion of products made from recycled materials
- Increasing the proportion of products made from natural materials
- Increasing the proportion of recyclable and biodegradable products
- Increasing our use of renewable energy in Gabriel-owned companies and influencing/evaluating suppliers in relation to renewable energy usage
- Minimising and recycling waste, including waste from the production and packaging
- Intensifying our cooperation with customers on the development of circular products for circular systems
- Ensuring transparency on product sustainability through all life cycle phases

See the results of the year on pages 17-21.



We work determinedly with circular economy and challenge the linear use-and-throw-away-model. We continue to develop and launch products that are either biodegradable or recyclable.



# Sustainability – key focus areas

## Healthy and eco-friendly products

- In the 1980's, Gabriel was the first fabric manufacturer to introduce dyes without heavy metals. Since then, we have continually introduced new and even stricter requirements.
- Gabriel has adhered to the [EU Ecolabel](#) standards since 1996. EU Ecolabel is an EU initiative for implementing sustainable practices in accordance with UN Sustainable Development Goal 12 (Responsible consumption and production).
- Gabriel fabrics are [STANDARD 100 by Oeko-Tex®](#) certified. The certification offers end users a documented guarantee that Gabriel fabrics do not contain harmful substances and volatile organic compounds (VOC's).
- Today, the standards have been integrated into the Gabriel design criteria, and we offer the largest selection of [STANDARD 100 by Oeko-Tex®](#) certified products on the market.

## Nature's own material

- Gabriel only uses the best and most eco-friendly materials available. For our woollen upholstery fabrics we only use high-quality New Zealand wool.
- In the past year, we have launched three new wool products – made from nature's own material, inherently flame retardant and stain repellent.

## Reduce, Reuse, Recycle, Rethink!

- All new Gabriel fabric designs are evaluated in accordance with a range of criteria regarding design for circular systems. The evaluation criteria deal with for example reduction of material consumption, use of recycled materials and natural materials, lifespan, recycling options and environmental impact throughout the product life cycle.
- In the past year, Gabriel has launched one new product made of recycled polyester and is now able to offer a total of 14 fabric designs with recycled fibres.
- All Gabriel fabrics made of 100% polyester and/or recycled polyester are recyclable.
- A long product lifespan is fundamental to sustainability and Gabriel offers a ten-year guarantee on wear-through.
- Gabriel continually seek to minimise and recycle waste.

## Documented design, quality and environmental performance

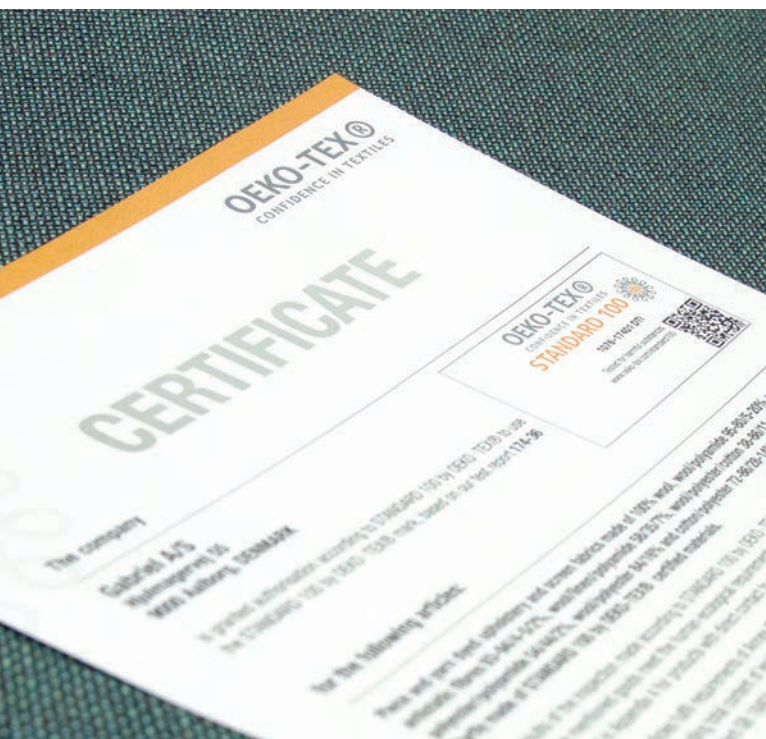
- Sustainability and quality go hand in hand. Consequently, Gabriel designs high-quality products with a long lifespan and lasting aesthetic, functional and environmental properties.
- Gabriel's website contains documented information on all fabrics including information on tests and certifications.
- Gabriel companies hold a range of [certifications](#) that document our high product, quality and environmental standards. Our certifications include ISO 9001, ISO 14001, FSC, ISO 50001, OHSAS 18001 and special certifications for our inhouse activities. For further information, go to [www.gabriel.dk](http://www.gabriel.dk).
- In the past year, we have completed energy mapping projects at all production facilities to identify where and how to reduce our energy consumption even further. In addition, Gabriel's subsidiary company Screen Solutions that manufactures screen walls and partitions has been certified in accordance with ISO 50001 for energy management.
- To comply with UN Sustainable Development Goal 7 (Affordable and clean energy), we are required to use more and more energy from renewable energy sources.
- Gabriel has chosen to contribute to this development by converting to renewable energy at our production facilities and offices. This means that all Gabriel companies and our part-owned dyeworks, ScanDye, have gone carbon neutral.

## Sustainability and growth

- At Gabriel, a strong focus on responsible consumption and production does not preclude economic growth. On the contrary, a strong focus on responsible consumption and production is considered a key business driver that ensures satisfied customers, users, employees, and suppliers.
- We work with quality and sustainability on a global scale to ensure that our customers do business with a sustainable company and are offered products with the same high standard – at anytime and anywhere.
- In the past year, Gabriel has created hundreds of jobs and economic growth in several countries, and it is our goal to continually offer meaningful jobs and decent working conditions to new employees around the world. In only ten years, the number of employees in the Gabriel Group has grown from 92 to 1,126.

## Cooperating with the best

- Sustainability requires cooperation and is not a goal that we can reach alone. Consequently, we have strengthened our cooperation with customers and suppliers concerning circular economy initiatives such as take-back programmes and circular production models.
- Our knowledge partners include universities, institutes and networks that inspire and guide us to become even more sustainable.



Gabriel fabrics are certified in accordance with STANDARD 100 by OEKO-TEX®, and we offer the largest selection of STANDARD 100 by OEKO-TEX® certified products on the market.



# Sustainability policy

- Gabriel endorses the principles embodied in the UN Global Compact.
- Gabriel are committed to meet and implement the UN Sustainable Development Goals.
- Gabriel develops and manufactures products and services with user health and safety in mind, reducing our impact on the environment and climate and with respect for animal welfare throughout the production process.
- We ensure good working environments throughout the supply chain in compliance with country specific laws and Gabriel's internal requirements. These requirements comprise detailed technical specifications and the content of Gabriel's Code of Conduct.
- Continuous employee development and skills upgrading are high priorities.
- Gabriel supports students by providing practical training. Gabriel participates in training projects, which benefit both the students and the company.
- We maintain our position as first mover within our industry by implementing new initiatives to improve our sustainable performance and strengthen our profile as a responsible company.
- Gabriel takes into account all product life cycle stages and focus on the areas, where we have the strongest influence and can make the biggest impact.
- Gabriel encourages sustainable consumption and user health by using product labels. Gabriel works with recognisable labelling schemes with a high level of consumer trust.
- Gabriel advises customers and users on significant environmental factors related to the use, recycling and disposal of the company's products. Company employees in customer contact positions must be able to provide correct information on the Group's environmental objectives and policies. This information is furthermore available at our company website.
- Gabriel selects suppliers on their ability to fulfil environmental requirements and willingness to enter into an open and detailed partnership to achieve environmental improvements. Gabriel expects partners throughout the supply chain to regularly introduce cleaner technology, environmental improvements and cleaner energy sources, paying due heed to the technical and financial implications. Gabriel does not use dyes with heavy metals or other harmful substances that pose a health risk.
- Gabriel applies internationally recognised standards such as ISO 9001 for Quality Management Systems, ISO 14001 for Environmental Management Systems, and meets the requirements of ISO 45001 for Occupational Health and Safety Management and ISO 50001 for Energy Management.
- Gabriel conducts an open and detailed dialogue with the authorities on sustainability and environmental requirements and consistently opposes unlawful acts.
- We communicate openly about our sustainability efforts and foster the spread of sustainability as a company-wide managerial activity.
- We renew our sustainability objectives annually and prepare action plans to ensure continuous improvements and an ongoing reduction of our environmental impact. The company's sustainability objectives must be integrated into the internal business plan and must be communicated to all employees. The annual Sustainability Report is required to supply an overview of the company's sustainability initiatives, results and completed objectives and is published with the annual financial statements.

# Sustainable materials

To ensure the use of sustainable materials in our production, Gabriel has implemented a material strategy. By raising the awareness of the materials we use, we reduce our environmental impact and ensure our customers a comprehensive selection of value-adding, sustainable fabrics.

At Gabriel, we continually research new and more sustainable materials and technologies. This means that all materials used in our production have undergone a thorough evaluation process, and that only materials that are certified sustainable get through the eye of the needle. The overall goal of the process is to reduce our environmental footprint even further and provide our customers with value-adding alternatives.

In addition to our material strategy, we have, furthermore, completed the guideline "Gabriel's General Requirements". The guideline defines material and product requirements and serves as a guide for material selection. The requirements defined in "Gabriel's General Requirements" are stricter than the law and include for example quality standards as well as guidelines for the chemical contents of materials. Gabriel has also formed a material council which continually evaluates new materials and market demands.

## Materials

Gabriel primarily uses wool and polyester for the production of fabrics.

## Natural materials

Wool is Gabriel's preferred natural fibre as it offers a range of unique aesthetic and functional properties that other natural fibres do not possess. Wool is for example heat and moisture regulating and offers superior seating comfort. It is, furthermore, an extremely durable material with a long lifespan retaining both its colour and beautiful expression over time.

It is of fundamental importance that the sheep providing the wool for Gabriel fabrics are well cared for. This is important not only from an animal welfare perspective, but also because the well-being of the sheep affects the quality of the wool. Consequently, all wool used in the production of Gabriel fabrics come from New Zealand, where the living conditions of the sheep are a top priority.

With its many unique aesthetic and functional properties, wool is Gabriel's preferred natural fibre.

## Synthetic fibres

Gabriel's preferred synthetic fibre is polyester. We prefer polyester to other synthetic fibres because it is a very functional and usable fibre with an extensive range of technical properties that make it highly suitable for upholstery.

For instance, polyester is a very durable and lightfast material that retains its colour, shape and beautiful expression over time regardless of wear and tear. It offers excellent stretch and upholstery properties, is easy to work with and suitable for a variety of designs, shapes and applications. In addition, polyester is a very versatile material with a multitude of expressions. It can imitate the texture and look of natural fibres such as wool, cotton or silk but it can also be given a more high-tech look.

## Recycled materials

Gabriel is increasingly using recycled polyester. The production of recycled polyester leaves a smaller carbon footprint and requires fewer resources than the production of virgin polyester. Recycled polyester offers the same excellent technical properties as virgin polyester and does not impair neither the aesthetic nor the functional qualities of the product.

## Sustainable wood

Several FurnMaster units offer FSC certified wood (wood from sustainable sources), and we continually sharpen our supplier requirements.

FSC is short for Forest Stewardship Council – an international certification system for wood and paper. FSC certified wood comes from sustainable forests managed with consideration for the environment, wildlife as well as for the forest workers.





# Labels for safe and eco-friendly products

With the largest selection of eco-labelled upholstery fabrics on the market, we make it easy for our customers to make sustainable choices.

The labels offer customers a documented guarantee that Gabriel fabrics meet stringent health and environmental requirements.

## Setting the bar high

96% of all Gabriel fabrics are STANDARD 100 by OEKO-TEX® certified, and 99.8% of the sold metres this fiscal year carried the STANDARD 100 by OEKO-TEX® label. 57% of all Gabriel fabrics are EU Ecolabel certified, and 65.8% of the sold metres this fiscal year carried the EU Ecolabel.

The STANDARD 100 by OEKO-TEX® and EU Ecolabel requirements are incorporated in Gabriel's minimum standards and help to ensure that we are able to provide our customers with sustainable, consumer-safe and eco-friendly upholstery fabrics.

## Life cycle-based labels

In addition to our STANDARD 100 by OEKO-TEX® and EU Ecolabel certified fabrics, Gabriel also offers a comprehensive selection of Cradle to Cradle Certified™ (C2C) upholstery fabrics.

Like the EU Ecolabel, Cradle to Cradle Certified™ (C2C) is an extensive life cycle-based standard. This means that in order to obtain a certification, products must meet a strict set of criteria covering all product life cycle phases – from the extraction of raw materials, to production, packaging, transport, disposal and recycling.

## Sustainable wood

FSC is a global forest certification system, and the FSC label guarantees that the wood we use comes from forests managed with consideration for people, wildlife, and the environment. By choosing FSC labelled products, you protect the world's forests and support responsible forestry

With the largest selection of eco-labelled upholstery fabrics on the market, we make it easy for our customers to make sustainable choices.

## Global standards

As a global supplier of fabrics to customers world-wide, we are aware that environmental requirements, standards and legislation vary significantly across different markets. Consequently, Gabriel is always available to answer questions regarding sustainability and environmental issues to help our customers meet market specific standards and various certification requirements.

## Did you know that...

- A Cradle to Cradle Certified™ upholstery fabric from Gabriel can help customers meet various certification requirements and standards such as for example LEED V4, Bifma Level Certification and BREEAM. Moreover, a Cradle to Cradle Certified™ fabric provides customers with an advantage in relation to public procurement standards such as for example US EPA Environmentally Preferable Purchasing Program (EPP).
- Environmental labelling is an advantage in relation to public procurement standards in the EU according to the EU directive of public procurement.
- FurnMaster achieved yet another FSC certificate in 2018/19 enabling us to increase our portfolio of sustainable solutions even further.

## Need to know more?

If you would like to know more about our labelling programs, and how our customers benefit from them, please feel free to contact us.

Complying with the standards of various certification and labelling programs, Gabriel mainly supports the following UN Sustainable Development Goals:





## Management systems: ISO 9001, ISO 14001

ISO 9001 and ISO 14001 are both standards for quality and environmental management. A company can choose to become certified to these standards. Both standards are based on the principle of making continuous improvements by implementing a fixed cycle: evaluate the current situation; set goals and formulate policies; implement the required actions; and, finally, measure the result. Based on the result, an assessment is made of whether actions and goals are adequate, or whether to make improvements and set new goals. ISO 9001 focuses on parameters of significance for a company's quality performance, while ISO 14001 concerns matters of significance for the company's environmental performance. An important tool in this is the audit, which assesses whether the systems are functioning as planned.

[www.iso.org](http://www.iso.org)

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## Oeko-Tex

Oeko-Tex is the world's leading health label for textiles. The label certifies that the item has been tested and approved according to the requirements set by the international Oeko-Tex Association. These requirements concern the content of chemicals which pose – or are suspected of posing – a health risk. The substances in question include, for example: formaldehyde, chemical residues with an acidic or basic action, pesticides, phenols, heavy metals, special dyes and phthalates. The requirements are divided into four classes, depending on the textile's use (the level of skin exposure). The label's requirements go further than the law.

[www.oeko-tex.com](http://www.oeko-tex.com)

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## EU Ecolabel

The EU Ecolabel (the Flower) is the European Union's environmental label. The label covers environmental issues throughout the product's life cycle with a focus on energy, water and chemicals, and accords a high priority to reducing the most significant environmental impacts of a given product. For textiles, this means focusing on the quantity of pesticide residues in the raw material, the scouring of the raw wool, the use and emissions of hazardous chemicals in production, and the quantity of toxic substances and heavy metals in the finished product. The EU Ecolabel also sets requirements concerning the product's quality ensuring that the product carrying the environmental label is at least as good as the non-labelled alternative.

[www.ec.europa.eu/environment/ecolabel/](http://www.ec.europa.eu/environment/ecolabel/)

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## Cradle to Cradle Certified™

Cradle to Cradle Certified™ challenges the way we use our resources as well as the linear use-and-throw-away-model. The philosophy behind the label is to eliminate waste and use it as a new resource, that continually creates value in a closed loop of either technical or biological nutrients. The Cradle to Cradle Certified™ concept was formulated by Michael Braungart and William McDonough in 2002, and since then its popularity and influence have continued to spread. A Cradle to Cradle Certified™ certification process involves an assessment of the product on five counts: renewable energy, water consumption, material health properties, social responsibility, and recycling. The result is a certification at one of five levels. The scheme is administered by The Cradle to Cradle Products Innovation Institute.

[www.epea.com](http://www.epea.com)    [www.c2ccertified.org](http://www.c2ccertified.org)    [www.mbdcc.com](http://www.mbdcc.com)

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## FSC

FSC is a global non-profit forest certification system promoting the responsible management of the world's forests – and protecting them for future generations. The organization works against deforestation, protects animals and plants and ensures that foresters receive decent wages, proper training and safety equipment. The FSC operates in more than 100 markets, and the label is respected around the world.

[www.ic.fsc.org](http://www.ic.fsc.org)

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## Gabriel: 10 års garanti

Gabriel provides a ten-year guarantee against wear-through on all furniture fabrics in the price list that have received normal office or home use, normal maintenance and appropriate upholstery. The label was designed by Gabriel. Gabriel also offers a comprehensive spot removal guide which provides detailed instructions on how to clean and maintain Gabriel fabrics.

[www.gabriel.dk/en/fabrics/product-standards/10-year-guarantee/](http://www.gabriel.dk/en/fabrics/product-standards/10-year-guarantee/)

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## Möbelfakta

Möbelfakta is a complete reference and labelling system for furniture, which covers both technical, environmental and production requirements.

[www.mobelfakta.se](http://www.mobelfakta.se)

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## Other standards

Gabriel helps customers meet various industry standards such as LEED, BIFMA Level, Well, Healthier Hospitals Initiative, Greenguard, BREEAM, Nordic Swan Ecolabel as well as local legal requirements.



# Ethical business conduct

Gabriel is committed to comply unequivocally with the highest standards of integrity and business ethics.

Sustainability is not only about products and services, but also about the way we do business. At Gabriel, we are committed to conduct our business with honesty and integrity, and we continuously work to build and maintain a strong ethical business culture throughout the entire Group.

## Code of Conduct

Unwavering ethical standards, honesty and integrity build trust and ensure that our customers, business partners and stakeholders see our company as a trustworthy and reliable supplier and partner.

Gabriel's Code of Conduct sets standards for the way we do business and incorporates the internationally accepted UN practices and standards. It covers our entire supply chain and includes topics such as animal welfare, anti-corruption, and anti-bribery.

The UN Global Compact defines labour standards that aim to achieve decent and humane working conditions. The Gabriel Group is committed to uphold UN's practices and standards – throughout the entire supply chain. Suppliers and others affiliated with the Gabriel Group are carefully selected and are expected to ensure respectful and ethical treatment of workers and to comply with all relevant and applicable laws.

We ensure compliance with our ethical guidelines through audits and by continuously encouraging best practice. In the past year, Gabriel has not registered any violations of our Code of Conduct or of local legal requirements by any of our supply chain partners.

## Employee development and well-being

Gabriel's uncompromising ethical standards of integrity and decency also apply to the way we treat our employees, and employee well-being and positive work climates are always top priorities.

We are fully aware that the future growth and development of the company depend on our employees and on the company's ability to effectively attract and retain highly skilled talent.

Consequently, we attach great importance to and make an effort to build safe, developing and positive workplaces, where every single employee is given the opportunity to use his or her strengths and to learn new skills.

Through communication, training and dialogue, we ensure that all employees work towards the same goals and know their areas of responsibility, obligations and development opportunities. We continuously implement initiatives that support employee well-being and job satisfaction including for example employee development interviews, training and education, development programmes, employee benefits as well as various health and welfare initiatives.

## Knowledge builds trust – and drives us forward

Along with high ethical standards, competence and knowledge are key factors in building trust. Gabriel is a knowledge-driven company, and we depend on the latest research, scientific discoveries and technological advances to remain at the absolute forefront. Consequently, Gabriel cooperates with a range of external partners such as international universities, authorities, certification and labelling organisations, and the industry association Danish Fashion and Textile.

We cooperate closely with customers and suppliers to get inside knowledge on market and consumer demands. Tapping into their knowhow and expertise ensures that our products and services continue to meet and reflect the requirements of an ever-changing marketplace.

With our commitment to ethical business conduct, Gabriel mainly supports the following UN Sustainable Development Goals:



Honesty and integrity are core values at Gabriel, and we continuously work to build and maintain a strong ethical business culture throughout the organisation.



## Animal welfare

To ensure the high quality of our woollen fabrics, Gabriel only uses wool from New Zealand, where the sheep are well cared for and wander freely in the great outdoors. Gabriel only uses suppliers who work determinedly to improve and maintain animal welfare and provide good working conditions for their employees.

As the living conditions affect the quality of the wool, the sheep has to be well provided and cared for with easy access to fresh water and fodder to meet Gabriel's strict quality standards. All the wool used for Gabriel fabrics comply with EU Ecolabel requirements, which for example entails that the wool is free of pesticides.

New Zealand has some of the highest animal welfare standards in the world. The Five Freedoms for animals are internationally accepted standards of care that affirm animals' right to humane treatment, and New Zealand was one of the first countries in the world to write the five freedoms into law and to acknowledge that animals can experience emotions. Today, New Zealand law recognises that animals are sentient beings that are able to experience physical and psychological pain.

The Five Freedoms for animals are:

- Freedom from hunger, thirst and malnutrition
- Freedom from discomfort
- Freedom from pain, injury, and disease
- Freedom from fear and distress
- Freedom to express normal behaviour

For further information on the Five Freedoms for animals and New Zealand animal welfare legislation please refer to the following laws, acts and regulations:

- Animal Welfare Act 1999
- Animal Welfare (Care and Procedures) Regulations 2018
- Animal Welfare (Sheep and Beef Cattle) Code of Welfare
- Animal Welfare (Transport within New Zealand) Code of Welfare

All farmers in New Zealand are required to comply with the animal welfare acts and regulations above. Failure or refusal to obey the law can lead to legal proceedings and/or pecuniary penalties.

To ensure that farmers observe the Five Freedoms for animals, specific requirements are in place covering the following areas:

- Livestock maintenance and breeding
- Shearing
- Animal health
- Fodder and water
- Comfort and shelter

Gabriel's main suppliers support the principles of IWTO's Guidelines for Wool Sheep Welfare. The suppliers focus on ethical production and breeding methods as well as on traceability.



To ensure the high quality of our woollen fabrics Gabriel only uses wool from New Zealand, where the sheep are well cared for and wander freely in the great outdoors.



# Circular economy – sustainability at its best

The main idea of the circular economy model is to reduce waste to a minimum, recycle materials and minimise the consumption of finite resources.

The model distinguishes between two different cycles: the biological cycle and the technical cycle. The biological cycle covers biodegradable materials, such as wool, which at the end of its service life can be safely returned to nature and reenter nature's own cycle.

The technical cycle encompasses non-compostable materials, such as for example polyester. These materials cannot safely be returned to nature, but can instead be recycled and used again and again – turning waste into a resource and creating new value. As an example, all Gabriel polyester upholstery fabrics are recyclable and can – at the end of their service life – be removed from the furniture and reused for new polyester products.

Circular thinking is not new to us at Gabriel but has been an integral part of our development and design processes for years.

The majority of Gabriel upholstery fabrics are either biodegradable or recyclable, and we constantly work to reduce the environmental impact of our products throughout all life cycle phases. Gabriel products are durable with a long lifespan, and we only use raw materials and components that are safe for humans and the environment.

Making a true transition to a circular economy is, however, not something that we at Gabriel can do alone. The goal can only be reached, if companies and governments come together on a global scale. In accordance with UN Sustainable Development Goal no. 17 (Partnerships for the goals), Gabriel works closely with customers and suppliers to promote circular thinking and to facilitate the development of circular products. With a strong focus on circular economy, Gabriel supports the following UN Sustainable Development Goals:



The majority of Gabriel upholstery fabrics are either biodegradable or recyclable, and we constantly work to reduce the environmental impact of our products throughout all product life cycle

## Sustainability throughout all product life cycles

It all begins with great design. Design is, however, not all about great looks but also about functional and environmental properties. In the very beginning of the design phase, crucial decisions are made that define the product's environmental profile and which product labels the fabric will be able to achieve.

We work hard to ensure that the raw materials and components used for Gabriel fabrics always meet our strict quality and environmental requirements. Gabriel's environmental requirements exceed applicable laws and regulations and comply with both international product label standards as well as market demands.

Since Gabriel first started using recycled materials in the beginning of the 90's, our selection of post-consumer recycled polyester fabrics as well as EU Ecolabel and Cradle Certified™ fabrics has grown significantly.

A key priority at Gabriel is responsible production, and we have taken significant steps to reduce our negative environmental impact throughout all life cycle phases. All Gabriel companies are certified in accordance with ISO 9001 and ISO 14001, and we continually strive to conserve energy, cut emissions of air pollutants, reduce waste water and minimise our use of virgin raw materials.

Before investing in new equipment and technology, we always carefully research and consider the potential impact on the environment, the work environment, and product properties.

Gabriel designs and manufactures quality fabrics and offers detailed care and maintenance recommendations that will extend the product's lifespan.

Our website contains comprehensive product specifications including information on fabric components and materials as well as on product recyclability.



# Gabriel companies are now carbon neutral

From 2019/20 the Gabriel Group has become carbon neutral and has thus reached an important milestone in relation to minimising our environmental impact. The carbon neutrality encompasses all Gabriel companies as well as our part-owned dye works ScanDye. Through close cooperation with a carefully selected energy partner, we ensure that all electricity used is generated by e.g. wind power, and we support projects that compensate for CO<sub>2</sub> emissions and the consumption of for example natural gas.

Gabriel complies with the GHG protocol, which is the world's most widely used greenhouse gas accounting standards providing a framework for businesses to measure, manage and report emissions.

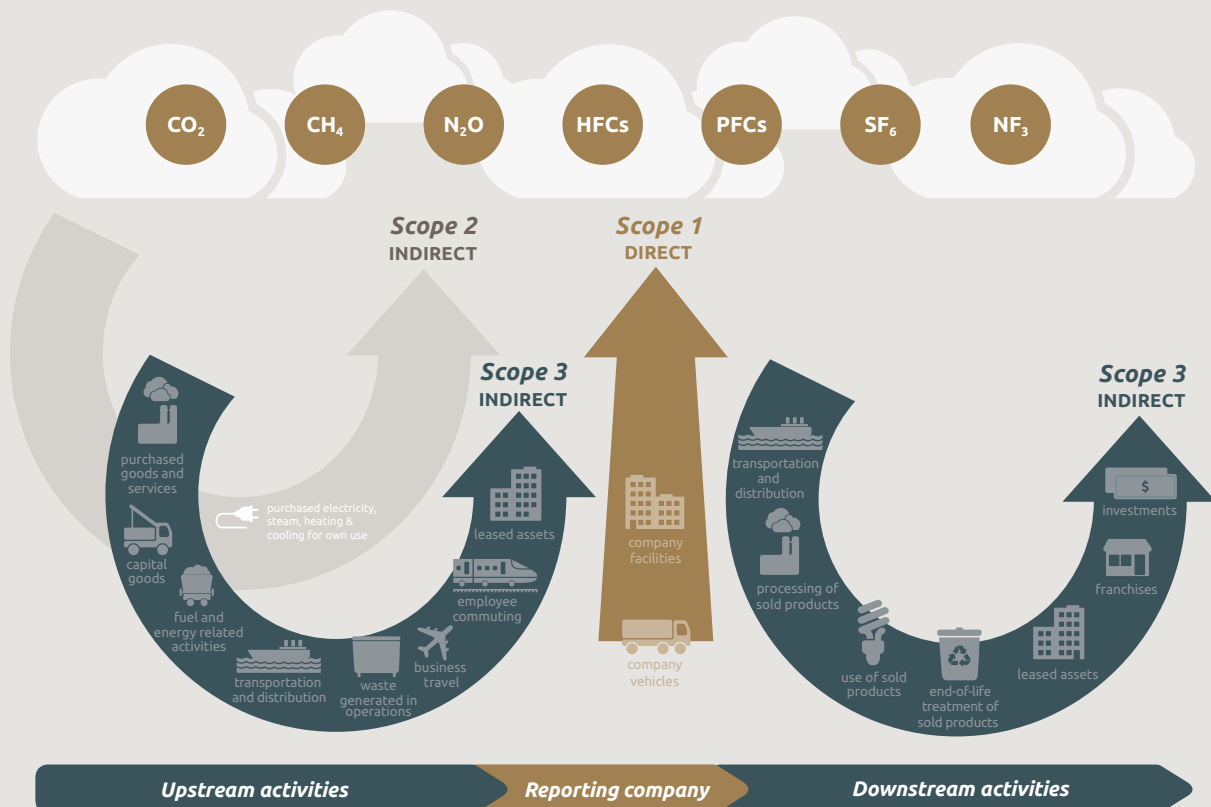
The GHG protocol defines three categories – or so-called scopes (scope 1, scope 2 and scope 3) – for GHG accounting and reporting purposes. Companies shall separately account for and report on scopes 1 and 2 at a minimum.

Scope 1 concerns direct GHG emissions that occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles or emissions from chemical production in owned or controlled process equipment.

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by a company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated. Gabriel has bought Guarantees of Origin as documentation for the electricity consumed allowing us to achieve zero carbon emissions under scope 2.

Scope 3 is an optional reporting category that concerns all other indirect emissions. Scope 3 emissions cover, for example, carbon emissions resulting from the production of purchased materials. Gabriel expects all suppliers to systematically implement measures to reduce carbon emissions.

A sustainable strategy for reducing carbon emissions in the most cost-effective way is a key priority at Gabriel. Carbon neutrality means that a net zero carbon dioxide emission is obtained by balancing carbon emissions with carbon removal, often through carbon offsetting. In practice, this means that Gabriel supports new projects that remove carbon dioxides from the atmosphere to make up for emissions from, for example, the natural gas-fired boilers at our dye works. Furthermore, we continue our efforts to reduce energy consumption through efficient energy management and by implementing new technology.



Overview of GHG Protocol scopes and emissions across the value chain. Source: Green House Gas Protocol – [www.ghgprotocol.org](http://www.ghgprotocol.org)



# Our progress in numbers

SUSTAINABILITY – RESULTS AND TARGETS				
Focus areas	Targets 2019/20	Results 2018/19	Results 2017/18	Results 2016/17
<b>Gabriel Group management systems</b>				
ISO 9001 (Number of certificates)	17	16	13	13
ISO 14001 (Number of certificates)	8	7	6	5
FSC (Number of certificates)	2	2	1	1
OHSAS 18001 or ISO 45001 (Number of certificates)	1	1	1	1
SA8000 (Number of certificates)	1	1	1	1
FISP (Number of certificates)	1	1	1	1
IIP (Number of certificates)	1	1	1	1
ISO 50001 (Number of certificates)	1	1		
<b>Gabriel Group – Fabric labels</b>				
Proportion STANDARD 100 by OEKO-TEX®(%)	96	96	95	95
Proportion EU Ecolabel (%)	61	57	61	52
Andel Cradle to Cradle Certified™ (%)	20	20	13	14
<b>Gabriel Group – Gender balance</b>				
Employees – annual average (number)	-	855	517	458
Employees – end of year (number)		1126		
Board of directors(% underrepresented gender)	See annual report	25	25	25
Top management (% underrepresented gender)	See annual report	0	0	0
Middle management (% underrepresented gender)	See annual report	32	36	30
All employees (% M/F)	-	50/50	40/60	42/58

## SUSTAINABILITY OBJECTIVES

Topic	Target 2018/19	Actions and results 2018/19	Status
Anti-corruption and bribery	The Gabriel management systems will be updated in order to meet the ISO 37001 standards regarding anti-bribery.	The implementation process has been initiated. The focus has been on updating the management systems internally and in the supply chain.	Update of Code of Conduct and internal systems is ongoing.
Environment/ climate	Gabriel will implement energy mapping in compliance with the standards of ISO 50001 Energy Management.	The project has been completed in selected Gabriel Group companies. The energy mapping process has resulted in the implementation of various local energy-saving projects.	Fully implemented
Environment/ climate	We will implement global reporting of the environmental impact of all Gabriel production companies.	As ISO 14001 standards are now fully implemented, environmental data from all Gabriel Group production companies is available for reporting purposes, and the information has been included in this year's Sustainability Report. Gabriel Group will continue to focus on reporting and increase reporting if relevant. Furthermore, CO <sub>2</sub> emissions will be a focus area.	Ongoing
Environment/ climate	Energy usage at our dye house will be optimised.	We purchase carbon offsets to make up for natural gas consumption, while we continue to focus on reducing heat loss and on finding alternative energy sources.	Ongoing
Human rights, anti corruption and bribery, environment/ climate	The Gabriel Code of Conduct will be revised in order to meet the standards of Danish Fashion and Textile's new Code of Conduct.	We will keep Code of Conduct and base it on the UN Global Compact and animal welfare requirements.	Fully implemented
Social and staff matters	ISO 45001 concerning occupational health and safety will be implemented.	This year, the implementation process will be launched starting out with our head quarter.	Ongoing



## ENVIRONMENTAL DATA – PRODUCTION

Note			
1	Focus area	2018/19	2017/18
		2016/17	
	<b>Gabriel Group – Fabrics production</b>		
	Consumption of raw materials (tons)	2.291	2.136
	Consumption of wool (tons)	723	826
	Consumption of polyester (tons)	1.432	1.205
	Consumption of post-consumer recycled polyester (tons)	99	72
	Consumption of other materials (tons)	37	33
2	Transport by sea (%)	98	97
	<b>UAB Scandye</b>		
	Electricity consumption (MWh), 100% renewable energy	2.280	2.347
	Electricity consumption (KWh/kg), 100% renewable energy	1,22	1,29
	Water consumption (m <sup>3</sup> )	231.908	232.972
	Water consumption (l/kg)	124	128
	Heat and processes, gas (MWh)	16.627	16.437
	Heat and processes, gas (KWh/kg)	8,90	9,02
	Fatal work injuries (number)	0	-
	Major work injuries, more than three weeks absence (number)	0	-
	Minor work injuries, less than three weeks absence (number)	0	-
	<b>UAB FurnMaster</b>		
	Electricity consumption (MWh)	291	226
	Electricity consumption (KWh/m <sup>2</sup> )	26	30
	Heat (MWh)	380	407
	Heat (KWh/m <sup>2</sup> )	35	54
	Use of glue, not water based (kg)	0	0
	Use of glue, water based (kg)	27.326	24.835
	Fatal work injuries (number)	0	0
	Major work injuries, more than three weeks absence (number)	5	0
	Minor work injuries, less than three weeks absence (number)	1	3
	<b>FurnMaster Sp. z o.o.</b>		
	Electricity consumption (MWh)	314	395
	Electricity consumption (KWh/m <sup>2</sup> )	22	49
	Heat (MWh)	911	1.132
	Heat (KWh/m <sup>2</sup> )	65	142
	Use of glue, not water based (kg)	1.065	1.450
	Use of glue, water based (kg)	5.100	5.500
	Fatal work injuries(number)	0	0
	Major work injuries, more than three weeks absence (number)	2	6
	Minor work injuries, less than three weeks absence (number)	4	5
	<b>FurnMaster, Gabriel North America Inc.</b>		
	Electricity consumption (MWh)	132	94
	Electricity consumption (KWh/m <sup>2</sup> )	45	34
	Heat (MWh)	223	308
	Heat (KWh/m <sup>2</sup> )	77	115
	Use of glue, not water based (kg)	27	32
	Use of glue, water based (kg)	600	1.140
	Fatal work injuries (number)	0	0
	Major work injuries, more than three weeks absence (number)	0	0
	Minor work injuries, less than three weeks absence (number)	5	3

## ENVIRONMENTAL DATA – PRODUCTION

Note			
1 Focus area	2018/19	2017/18	2016/17
<b>Screen Solutions Ltd.</b>			
Electricity consumption (MWh)	357	263	-
Electricity consumption (KWh/m <sup>2</sup> )	134	81	-
Heat and processes, gas (MWh)	607	768	-
Heat and processes, gas (KWh/m <sup>2</sup> )	228	236	-
Use of glue, not water based (kg)	1.411	999	-
Use of glue, water based (kg)	4.045	4804	-
Fatal work injuries (number)	0	0	-
Major work injuries, more than three weeks absence (number)	0	2	-
Minor work injuries, less than three weeks absence (number)	32	38	-
<b>3 UAB Gabriel Textiles</b>			
Electricity consumption (MWh)	1.038	-	-
Electricity consumption (KWh/kg)	0,97	-	-
Heat and processes, gas (MWh)	692	-	-
Heat and processes, gas (KWh/kg)	0,64	-	-
Fatal work injuries (number)	0	-	-
Major work injuries, more than three weeks absence (number)	1	-	-
Minor work injuries, less than three weeks absence (number)	0	-	-
<b>4 FurnMaster Mexico (Grupo RYL S.A. de C.V.)</b>			
Electricity consumption (MWh)	198	-	-
Electricity consumption (KWh/m <sup>2</sup> )	20	-	-
Use of melting glue (kg)	10.200	-	-
Use of glue, water based (kg)	400	-	-
Fatal work injuries (number)	0	-	-
Major work injuries, more than three weeks absence (number)	0	-	-
Minor work injuries, less than three weeks absence (number)	4	-	-
<b>Work injuries - consolidated</b>			
Fatal work injuries (number)	0	0	-
Major work injuries, more than three weeks absence (number)	8	7	-
Minor work injuries, less than three weeks absence (number)	46	50	-

The above covers all Gabriel owned production companies including the dye house Scandye.  
Reporting period: 01-10-2017 til 30-09-2018



# Notes

## Note

- 1 Data on raw material consumption cover the business area Fabrics and Gabriel's dye house, ScanDye. In addition, the data include information on significant consumption in Gabriel-owned production companies.
- 2 This does not include distribution of finished goods that are mainly distributed by truck.
- 3 In December 2018, Gabriel took over the company UAB Baltijos Tekstilė. Data cover the full business year 2018-2019.
- 4 In April 2019, Gabriel took over the company Grupo RYL, S. A. de C. V. Data cover the full business year 2018-2019.

# Gabriel®

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