THE BETTER REPORT+



CASE STUDY
ENVIRONMENTAL FOUNDATION ZERO SWITCHED OVER TO PURE MATERIALS

For more effective procurement

"We make comfortable, not complicated, furniture."

Embrace – Award-winning, sustainable design!

Making life better at work Kinnarps



FRESHER AIR

How can we tell that something is dangerous if we cannot see it? By minimising the quantity of solvents (VOCs), we contribute to making the environment and the air you breathe in your workplace healthier.

A STRONGER BRAND

An inspiring, ergonomic and healthy workplace strengthens the customer's brand. It makes it easier to keep and attract new talent.

WE HELP PEOPLE STAY HEALTHIER FOR LONGER +

"When our customers see that we take responsibility and stand by what we do, we build long-term relationships and long-term business. "This is how CEO Per-Arne Andersson summarises a year with the focus on people and the environment.

What is the effect of Kinnarps' sustainability work?
"Making life better at work is our promise to customers. With inclusive design and pure materials, we create ergonomic, functional and creative working environments. The customer gets engaged, productive employees who contribute to building a successful business. Many companies say that their employees are their most important resource. With our help they can capitalise on this resource – and achieve positive effects.

In order to fulfil this promise, we have to begin with ourselves. We have to ensure that our own employees feel good at work. When we installed our new production line in Kinnarp, it was obvious that we would invest in a good working environment with materials which are kind to the body. Our new lorries have the latest in driver ergonomics, refrigerators, heating cabinets and other facilities which one would expect to find in an office. If our drivers and fitters arrive cheerful and alert and do a good job for their customers, it starts a chain reaction.

This is why our employee index is so important. It rose again in 2015 and has now reached 67 out of 100. This is close to our strategic objective, and evidence that we are taking the right approach. We help people stay healthier for longer. This is the best sustainability work you can do."

What is the significance of Kinnarps' corporate culture?
"Economising with resources – not in the sense of being miserly, but by being aware of the value of things – has always been typical of Kinnarps. What matters is not running faster, but doing things more smartly, for example with new technology and new materials. Problems should be solved at the source, where they arise. Instead of working round a problem or solving it with a counter-measure, we start again and get it right. This way of thinking has a big effect on our sustainability work – it adds new energy. The launch of THE BETTER EFFECT has also had a significance internally. It has helped us to put into words what the 'spirit of Kinnarps' actually is, and why we do what we do."

What do the customers demand?
"More and more customers are setting sustainability objectives, and have also become better at formalising their goals. FSC®, for example, is mentioned more and more often in procurements. During the year, it became clear that one of Europe's biggest transport companies will require FSC labelling in its procurements. When such a major player takes such a stand, it causes ripples... We are also asked more and more often if we can help to catalogue, upgrade and refurbish components of existing furniture. These are services which we think will take on a great importance in the future, and which we have continued to develop during the year."

Is there something which has made an additional impact?
"We are continuing to reduce our CO2 emissions. This year we have reduced them by no less than 7%. The reduction has been brought about mainly by making our transportation more efficient. We have also invested in around 20 new lorries which run on diesel with Tall oil. We have also been successful in reducing the amount of travelling we do – instead of driving or flying to meetings, we use video and web conferencing more. This is not only beneficial for the environment; our employees save precious time and can hopefully organise their lives a little better."



Per-Arne Andersson, CEO Kinnarps

+

"WE MAKE LIFE BETTER AT WORK. FOR THE CUSTOMER, FOR OUR EMPLOYEES AND FOR OUR SUPPLIERS."



ACTIVITY-BASED WORKING

Next Office™ is our concept for the activity-based office. Flexible furniture and environments which enable the personalisation of the temporary workplace. The result is more energy and cooperation at work, and at the same time you save office space.

A BETTER DAY AT WORK IS THE START OF A CHAIN REACTION+



SMOOTHER PROCUREMENT
By complying with leading certification standards such as FSC®, Möbelfakta, NF Environnement and GS ourselves, we make our customers' procurements and sustainability work easier.

Making life better at work is a matter of seeing the inherent potential in everything – in yourself, your organisation and the world around you. This is the start of a chain reaction.

We create working environments that promote health, well-being and productivity. Pure materials and inclusive Scandinavian quality design are a good start.

When we help you and your organisation to do a good job, we also give society, the forests and the atmosphere a better opportunity to do the same.

We take responsibility for the entire chain. From raw materials and relationships to the way we design and manufacture our products. Together, we find solutions that create the greatest possible effect.

When you choose Kinnarps, you become an essential part of the chain reaction. Choosing quality solutions characterised by craftsmanship, cooperation and ergonomics means choosing a healthier, happier and more productive team. It also means a more successful and more sustainable business. Everything comes back to THE BETTER EFFECT.

CONTENTS

3 KINNARPS CEO
About THE BETTER EFFECT 2015

4 MAKING LIFE BETTER AT WORK
The driving force behind our sustainability work

6 SHARING HAS AN EFFECT
Tomas Ekström and Johanna Ljunggren sum up the year's work

9 INCLUSIVE DESIGN AND PURE MATERIALS
This is how we build THE BETTER EFFECT

10 WE MAKE COMFORTABLE, NOT COMPLICATED, FURNITURE.
Product developer Arne Ekbom on inclusive design

12 EVERYTHING BEGINS WITH THE RAW MATERIAL
Pure materials, key figures

14 THE WORLD EMBRACES SUSTAINABLE DESIGN
Embrace. Award-winning design in pure materials

16 A VALUE CHAIN WHICH IS UNIQUE IN THE INDUSTRY
Our value chain, key figures

20 A BETTER EFFECT IN PROCUREMENT
Tips for those who want to set requirements

22 CASE STUDY: ZERO
The Norwegian environmental foundation chose Kinnarps

25 REUSE
Our work in reuse, upgrading and circular material flows

26 MILESTONES
Our sustainability history

27 SUSTAINABILITY REPORT 2015
Development and key figures

Kinnarps 2016

If you would like to know more about Kinnarps and our sustainability work, please visit us at www.kinnarps.com/THEBETTEREFFECT

SHARING HAS AN EFFECT+



AN EVEN GREATER EFFECT!

THE BETTER EFFECT can be found at **www.kinnarps.com**

Here you can also watch the film 'THE BETTER EFFECT' and read more about our sustainability work and our Code of Conduct.

Tomas Ekström, Director Corporate Sustainability and Johanna Ljunggren, Sustainability Manager, are in charge of our sustainability work.

The jungle drums are beating! 2015 saw a flying start to our sustainability work and THE BETTER EFFECT. Communicating the message, internally and externally, was the top priority, according to Ljunggren and Ekström.

What had the greatest effect during the year?

Johanna: 2015 was the year when we really started to communicate THE BETTER EFFECT! Internally and externally. We visited many of our offices and showrooms and talked to employees and customers about Kinnarps' sustainability work. This included telling enthusiastic contract customers in the public and private sectors about THE BETTER EFFECT. We organised another very successful customer event in collaboration with the designer Inga Sempé, in which we linked design and sustainability in a way that was natural and easy to grasp. We were also invited to FSC® in Finland to talk about our extensive experience in the area – among the audience there were companies considering certification and companies which want to boost their sustainability work.

We published our sustainability report, The Better Report, for the first time, and we also talked about our sustainability work on the web, in social media and in a new film. The Better Report is an important strategic tool in our sustainability work. We regard it as evidence that we can use both for our employees and for our customers. The report helps us to work with improvements in a structured way, and shows what we have actually achieved. But also what we can do better. This means a lot for our credibility. Something new for this year is that we've decided not to print The Better Report, but only to publish it digitally. For the sake of the environment.

Tomas: We're really proud that awareness of THE BETTER EFFECT has increased so much among the employees. It's noticeable that the message is being well received. The other day I met one of our delivery fitters who commented that "at Kinnarps, we're so good at environmental work". I think the fact that so much is happening at the moment is due to long-term work – for example, we've had the blankets that we reuse as packaging and protection in our lorries for a long time – but also to the fact that we've really worked hard during the year to inform and motivate people. To create better understanding of our sustainability work, we launched a training course on the topic of THE BETTER EFFECT. It takes the form of e-learning and is intended for all the company's employees. Feedback on the training has been very positive, and so far just over 1,500 of the Group's 2,700 employees have completed it.

Is Kinnarps a good workplace?

Johanna: Yes! One example is the audit which one of our own customers did of our CSR work and our supplier chain. The audit was carried out in accordance with SMETA (Sedex Members Ethical Trade Audit), which is a demanding audit – and we were awarded a pass with credit. During the year we also got involved in cooperation with unions in the company through the European Works Council, with the purpose of improving information and consultation for employees.

There has been a focus on the suppliers, hasn't there?

Tomas: In 2015 we introduced our new Code of Conduct and developed an action plan for the assessment of suppliers – with regard, for example, to environmental impact, pure materials and working conditions. We've put a lot of effort into following up our suppliers.

Johanna: An important part of the follow-up is risk assessment. We carry out risk assessments on our suppliers, and we've extended the risk assessment to include materials, processes and countries too. Where we judge that there's a greater risk that our requirements are not being met, we carry out on-site audits of the supplier. This may consist in asking for further information, for example in the form of routines or certificates, or it may mean that we visit the site. It's important for us not to exclude a good supplier simply because they operate in a certain branch or in a certain region. All suppliers who can contribute with added value to THE BETTER EFFECT should have the chance to supply to us.

Where is there room for improvement at Kinnarps?

Johanna: Supplier assessment, social responsibility and the working environment in the supplier chain, risk assessment and regular audits are things we will be working with intensively in the future. We will also be continuing to work on our projects concerning circular material flows – in other words, reducing the proportion of new raw materials in the production cycle, for example by recycling old materials – and solutions for reusing furniture.

Tomas: We will continue to reduce our carbon dioxide emissions. The new Capella task chair is an excellent example of how we can reduce emissions both in production and in transport, by using less materials. We will also be carrying out an energy survey in which we go through possible energy savings in our facilities. An energy survey can help us to find energy savings which contribute to our goal of reduced carbon dioxide emissions. The idea is to reduce them by 20 per cent between now and 2020. Everything is in order – we just need to get started. >

"2015 WAS THE YEAR WHEN WE REALLY STARTED TO COMMUNICATE THE BETTER EFFECT!"

"WE SHARE. ALWAYS. THIS IS ONE OF KINNARPS' CORE VALUES. WE SHARE OUR KNOWLEDGE AND OUR OWN SUCCESSES. THE MOST IMPORTANT CUMULATIVE EFFECT IS THAT, THROUGH OUR SUSTAINABILITY WORK, WE CONTRIBUTE TO A BETTER WORKING ENVIRONMENT FOR OUR CUSTOMERS AND THEIR EMPLOYEES."

What external collaborations has Kinnarps taken part in during the year?

Tomas: We've continued our involvement in FSC®, and also decided to prolong our participation in GFTN (Global Forest & Trade Network), which is the WWF's company network for responsible forestry. We consider it important to support sustainable forestry, and our membership is a way of making our position clear. Alongside our own projects concerning circular flows and reuse, we've continued to participate in the collaboration 'Circular business innovation for regional furniture flows'. During the year I was appointed chair of the FEMB, the European Federation of Office Furniture, which has among other things developed a new sustainability standard for office furniture. This will come into international use in 2016, and it's pleasing to see that there's a particular focus on pure materials.

What is the effect for the customer?

Tomas: We share. Always. This is one of Kinnarps' core values. We share our knowledge and our own successes. The most important cumulative effect is that, through our sustainability work, we contribute to a better working environment for our customers and their employees. By offering furniture with inclusive and ergonomic design which everyone can use. But also by choosing pure materials and avoiding the use of hazardous substances. This results in better health, more energy and increased creativity in the workplace. We are convinced that THE BETTER EFFECT results in increased productivity for the customer.



Johanna: Through THE BETTER EFFECT, we can help customers to pursue their own sustainability work more easily and more effectively. The Better Report – with straight and honest facts – will be an important basis for decision-making in conjunction with procurements. The work we do with our own supplier follow-ups is also important for the customer's value chain and sustainability initiatives. Our internal know-how and the tools we have are of great importance in the dialogue with customers and in connection with sales. Together with the customer, with the help of our analysis tool and the Kinnarps Next Office™ concept, we can determine which functions are needed in an activity-based environment. Interior design solutions are also worked out on the basis of the customer's specific needs and sustainability requirements. Developing and manufacturing furniture which lasts a long, long time and can be refurbished and reused is also a way of offering the customer new values. Of course, THE BETTER EFFECT also means that our own employees feel better and perform better, and can offer our customers an even better service.

INCLUSIVE DESIGN AND PURE MATERIALS

"Garbage in. Garbage out." You've heard it so often. From your mother, from your doctor, from your personal trainer... What we stuff into us affects our health, our mood and our energy levels. The same applies at work. If your employees are given the right conditions from the start, the positive effect will be so much bigger!

We are market leaders in the working environment and interior design solutions for public environments. It is our responsibility to develop new, smart solutions which charge the customers' workplace with positive energy. This is why we are building THE BETTER EFFECT around two factors which increase efficiency: inclusive design and pure materials.

INCLUSIVE DESIGN

Inclusive design is the insight that everyone is different. This is why we create flexible holistic solutions which are easy to customise to your way of being. Instead of starting out from a standard, we start out from extremes. This is especially important in a working scenario where organisations are in a constant state of flux. In the new activity-based offices, employees frequently change workplaces. Many components in desks and task chairs need to be customised, quickly and simply.

PURE MATERIALS

Pure materials are the foundation of our value chain, and include all parts of a product's life cycle. From raw materials and relationships to the way we design and manufacture our furniture and solutions. We always use responsibly produced materials when we can! The raw materials should be produced under socially acceptable conditions, with good working conditions, salaries and insurance. Our own Code of Conduct is based on the UN Global Compact's ten principles for human rights, working conditions, environment and corruption.

Pure materials are a necessity for healthy and productive working environments. More and more property developers are choosing to obtain sustainability certification for their buildings, for example from LEED & BREEAM. Here, requirements are set concerning the quality of the air inside the building and the quantity of chemicals emitted by the interior fittings – and the furniture plays an important role in this. According to a study carried out by the American NIEHS (National Institute of Environmental Health Sciences), employees' ability to think and make decisions increases in environmentally classified buildings, since the emission of solvents (VOCs) is less and the carbon dioxide content is lower.



We have gained support for a more inclusive standard for desks. For a long time, there was no requirement that it should be possible to lower desks to below 67 cm, which excluded 50 per cent of Europe's female population.

WE MAKE COMFORTABLE, NOT COMPLICATED FURNITURE+

"Inclusive design means that the workplace should adapt to the person, and not the other way round. We don't make complicated furnishings. We make comfortable furniture – for people," says product developer Arne Ekbom. With over 30 years' experience in our development department, he knows everything about human diversity.

"People sit differently in different cultures. The local differences can also be substantial. Take the Dutch, for example. They are actually the tallest in Europe – but also the shortest. Many generations of immigration have contributed to the extremes. That's the kind of thing you need to know when you develop a task chair," says Ekbom, who specialises in seating furniture.

The fundamental principle is that all task chairs must be flexible, with adjustments that take account of variations in weight, height, gender and so on. Apart from that, height is distributed unevenly across our lower legs, thighs and back. The centre of gravity is also distributed differently between the lower and upper body. That's why the height of the chair must be adjustable, as well as the depth and inclination of the seat and the height of the backrest and headrest. And, perhaps most important of all: the level of resistance of the tilting function must be adjustable according to the user in order for the chair to give optimal support.

A task chair is one of the most complex products you can set out to develop.

"Compare this with the car industry. Regardless of the make of car, the fundamental principles are the same. But in the case of task chairs, there can be really big differences between solutions. For the user, every chair is a new experience. It's not just a case of sitting down and "driving off". That's why it's so important that we get it right. And that it becomes simple. A decisive factor for us has been that we've had the resources to develop our own platform," Ekbom explains.



+

"WITH OUR TASK CHAIRS, THE BODY IS STIMULATED THE WHOLE TIME, IN A NATURAL WAY."

TWO COMFORTABLE WAYS FOR ACTIVE SITTING

The platform was designed by Kinnarps' own development team in the early 1990s. We started work by gathering lots of information from ergonomists, physiotherapists and users. In close cooperation with the industrial designer Björn Alge, the classic Kinnarps chairs 6000 and 8000 were created. They were basically the same chair, but what differentiated them was the actual mechanism or tilting function.

The 6000 was equipped with FreeFloat™, a mechanism which creates a very active way of sitting.

"Ergonomists like to say that your best position is your next position. The seat and the back follow the body's movements completely independently of each other. The body is stimulated the whole time, in a natural way. That was a big innovation at the time, but today it's an industry standard."

The 8000 was equipped with Synchrone™, a mechanism customised for users who did not feel comfortable with "floating around" but who nevertheless wanted to sit actively.

"It was our own variation on what's called 'synchron tilt', where the chair's seat and back follow each others' movements. There were already synchron tilts on the market, but many people had the impression that they were 'tipping over', that it felt as if they were lying down in a dentist's chair. Our version was designed with smaller movements. The user hardly notices the opening of the hip joint that the tilting movement causes, but nevertheless gets a safe and healthy variation in the way they sit."

When they were launched in 1993 there were already 52 versions of the 6000 and 8000, with two mechanisms, two seats and four backrests, headrests and a number of different armrests. So that everyone could find the perfect combination.

THE SEATING PLATFORM WAS A SUCCESS

"Today we have sold almost 4 million task chairs with this platform and we are the biggest in Europe. The principle is still the same."

"The customers should feel confident that they have made a long-term and sustainable investment. If the chair needs to be repaired or freshened up after being used for a long time, it's easy to get hold of spare parts and replace them. We help the customers to economise with resources and avoid throwing things away."

At the same time, Ekbom and his colleagues are continuing to develop task chairs to keep pace with working life. The internet has brought about many changes. Suddenly we can work wherever we like, whenever we like. The need for traditional individual workplaces is declining. Instead, employees share a number of desks between them, and many of them also change their workplace several times a day.

"In the activity-based office, intuitive design is especially important. A chair should be easy to adjust and customise to the individual. So this year we launched an entirely new chair, developed for the activity-based office. Capella, which was designed by Johan Larsvall and Nils Löventorn at Idesign, has a new mechanism which we call FreeMotion®. Here, as well, the idea is to have active sitting with as few adjustments as possible. Among other features, the seat has an inbuilt function with micro-movements which counteracts the tendency to sit still."

The only question is, where will it all end? Will we become so mobile that we no longer need task chairs? "Oh, no!" Ekbom laughs.

"We'll always want to have a chair to sit on. People are lazy by nature."



FORGET THE USER INSTRUCTIONS!
Capella has levers for intuitive positioning and handling. The design was developed in collaboration with Professor Anna-Lisa Osvalder at Chalmers University of Technology in Gothenburg.

"Sooner or later, everyone puts their feet up on the star base. So we've designed zones which encourage varied sitting – without causing any scratches."

EVERYTHING BEGINS WITH THE RAW MATERIAL





Wood, metal, plastic, textiles, electronics and chemicals are the raw materials which are most used in our furniture components. They affect – in various ways – the three environmental areas we prioritise: climate, biological diversity and chemicals. We therefore want to improve the production and use of these raw materials. As far as possible, we choose recycled materials. We also ensure that our own products can be recycled effectively.

92%

RESPONSIBLE OR VERIFIED WOODEN RAW MATERIAL (FSC®, FSC CW, PEFC)

WOOD

The wood in our products is always certified in accordance with the forestry norm FSC® or is from a source verified by us. Our aim is for all the wood we use to be FSC-certified by 2020. Access to certified wood has increased, but remains insufficient to fulfil our needs.

In 2015 we drew up an action plan together with GFTN (Global Forest and Trade Network), which is WWF's company network for responsible forestry, www.panda.org/gftn. The action plan includes goals for the purchase of FSC-certified raw materials up to 2018, communication of FSC and risk assessment of the source of wooden raw materials. *Read more about FSC-certified furniture on page 15.*

EFFECT Reduced deforestation and responsible forestry are essential for slowing down global warming. By offering our customers FSC-labelled products, we contribute to the responsible use of the world's forests and to the achievement of the global climate goal.

60–90%

PROPORTION OF RECYCLED CAST ALUMINIUM.

METAL

We like to use cast aluminium, as this method permits a higher proportion of recycled material. For surface treatment, we prefer powder coating, since this method has a low environmental impact and is carried out in a self-contained process. For screws, hardware and fittings which require high durability, the use of chrome is justified, since it prolongs lifespan. In such cases we use trivalent chrome, which is less damaging to health and the environment than hexavalent chrome.

In 2015 we introduced recycled magnesium, which is used in our task chair Capella. This material is 100% recyclable. Magnesium is lighter than aluminium and has a good strength rating.

EFFECT With recycled materials, we reduce the use of virgin raw materials. By using approved lacquers, we reduce our environmental impact and contribute to healthier workplaces.







2 out of 3

TEXTILES IN OUR RANGE ARE CERTIFIED WITH THE EU ECOLABEL OR THE OEKO-TEX® LABEL.

TEXTILES

We offer durable and natural materials such as hemp, recycled jute and wool.

We also work with recycled artificial materials; Xtreme Plus is made entirely of recycled polyester. Two out of three fabrics are currently certified with the Oeko-Tex® label or the EU ecolabel. All leathers are vegetable tanned.

In 2015 we took part in the innovation project 'Establishing locally-cultivated textiles in Sweden' with the aim of creating sustainable production of textile fibres from raw timber or recycled bio-based textiles. During the current updating of our fabric range, we are also investigating the possibility of extending our range of recycled textiles. *Read more about this on page 31.*

EFFECT We are actively working to develop the requirements we set. By doing this we contribute to phasing out unsuitable chemicals in the textile industry, at the same time as the quantity of chemicals is reduced in our products and in our customers' workplaces. Through the requirements we set we have, for example, contributed to more efficient treatment plants in the textile industry.

2008

WE STARTED TO MANUFACTURE OUR OWN PADDING.

PLASTIC

Plastic is a component of the padding in almost all our seating furniture. We have therefore invested in our own die-casting facility at our factory in Skillingaryd. Here we can control the process: we have eliminated the hazardous isocyanate TDI and replaced it with the "kinder" chemical MDI.

Recycled plastic does not always feature in production, since it is not so strong and availability is limited. But we do use recycled plastic in certain components, for example in covers. We have, however, found other innovative ways of using recycled plastic in the form of our material Re:fill, developed in-house, which contains recycled PET plastic. *Read more about Re:fill on page 31.* All our plastic components are type-marked to facilitate recycling.

EFFECT In 2015 we introduced the requirement that all plastic components should be free from bisphenol A. This substance is an endocrine disruptor, and commonly occurs in blood samples. In this way, we contribute to reducing exposure to the substance in society.

2008

WE STARTED TO IMPOSE COMPREHENSIVE PROCUREMENT REQUIREMENTS.

ELECTRONICS

Electronics contain metals and chemicals that can cause environmental and health problems associated with extraction, production, use and final processing. Extraction of metals often has a major environmental impact, and there is a risk that the chemicals evaporate during use.

We require the products to be CE-labelled, and the suppliers to follow the EU's RoHS directive. This prohibits the use of lead, mercury, cadmium and hexavalent chrome, as well as the flame retardants PDD and PBDE, in electronic products.

EFFECT During 2015 we introduced the requirement that conflict minerals must not be included in electronics. By taking this measure we want to ensure that we do not use electronics containing tin, tantalum, tungsten or gold which have been extracted illegally, or whose extraction contributes to supporting conflicts.

41%

REDUCED CONSUMPTION OF SOLVENTS SINCE 2012.

CHEMICALS

Our products do not contain any substances on the REACH candidate list.

We avoid flame retardants, and never use flame retardants which are bromated or contain polybromates. Instead, we use materials with natural flame protection, such as wool, or polyester fabric with a flame-retardant fibre construction.

Formaldehyde occurs in a large number of different products in society, and is a component of the glue used in chipboard. All our boards fulfil E1 requirements, which means a very low emission. Many of our boards, including veneered ones, have half the E1 values or lower. For the same reason, we are also constantly working to limit the quantity of solvents (VOCs) in our products.

EFFECT During the year we reduced the use of solvents (VOCs) by no less than 30%. This means that we are contributing to better indoor air in which people feel better and perform better.

Embrace is an example of how we work with product families as a sustainable way of furnishing working environments.



THE JURY'S JUSTIFICATION

"...The combination of recyclable material and plywood makes the sustainability evident."

iF Design Award

"The shape of this chair inspires with its organic flow, simple appearance and the material aesthetic arising from the combination of natural materials."

Red Dot Award

THE WORLD EMBRACES SUSTAINABLE DESIGN

Embrace is the chair that lives up to its name. A warm and welcoming embrace. Kind to people and kind to the environment – in an award-winning design. Together with Brodbeck Design, we have created a family of chairs with sustainability as its very backbone.

Embrace is designed for activity-based offices where employees cooperate in many different types of meetings but also work alone. For this reason, we wanted to create a chair which was not only a meeting chair or a task chair – but something in between. Something that works just as well in the meeting room and conference as in the canteen.

With its soft lines, warm wood and fabric elements, Embrace is both inviting and embracing.

"The design is intended to promote a balance between active desk work and replenishment of energy in a relaxing position," explains designer Stefan Brodbeck.

Essentially the customer gets a chair with many applications. Less furniture with more functions makes for more effective investment and reduced environmental impact.

FSC®-LABELLED

The Embrace family is FSC-labelled. The labelling includes chairs and bar stools in all materials – walnut, oak, beech and birch. The only exception is models with upholstered backs. This is because the upholstered back is fitted with a stabilising core made of recycled cardboard – an environmentally-friendly material which is, however, not FSC-labelled.

FSC is a global initiative which engages with the economic, social and environmental aspects of forestry. Since wood is one of our principal raw materials, we consider it especially important to take part in driving the development of responsible forestry, with increased biological diversity and reduced use of chemicals. For this reason we also played an active part in the development of the Swedish forestry standard for FSC.

FSC also covers the social conditions of the people who live in the forest or whose livelihood depends on it. Studies have shown that the working environment in FSC-certified forests is better than in conventionally cultivated forests. According to an investigation by the WWF, FSC is also the forest certification system with the highest credibility.

Whenever possible, we choose FSC-certified wood for our products. Where this is not possible, because of limited availability, we verify the origin of the material.

Upholstery can be selected from our comprehensive standard range of fabrics. Today, two out of three standard fabrics are certified either with the Oeko-Tex® label or with the EU ecolabel, which gives a great deal of scope for making a thoroughly sustainable choice.

A FAMILY YOU CAN LIVE WITH

Embrace is an example of how we work with product families as a sustainable way of furnishing working environments. By offering entire furniture ranges with different functions and a common design, we give the customer the chance to create a functional and uniform working environment, where opportunities for many different combinations open up for variation and creative expression. With a design expressing simplicity and sustainability, the customer gets a chair which expresses its values aesthetically.

The purity of the idea is evidenced by the many design awards Embrace has won during the year, including some of the world's most prestigious – the IF Award, the Red Dot Award, the Green Good Design Award and the Deutscher Designer Club's bronze medal.



The armrest is available as an add-on option, and is easy to replace. All materials are easy to segregate for recycling.

A VALUE CHAIN WHICH IS UNIQUE IN THE INDUSTRY

DESIGN

INITIATIVE From the drawing board stage onwards, we design the product to be ergonomic, with a design which takes into account – and includes – everyone. We create products which are flexible and can be adjusted to suit the people using them. We design furniture that lasts but also make it possible to add components later on, to upgrade and customise the product over time. We make sure our products' component materials can be segregated for easy recycling. We set high standards for the materials used in the manufacture of the product, to ensure a low environmental impact.

50%
RECYCLED MATERIAL (WASTE FABRIC AND PET PLASTIC) IN OUR RE:FILL MATERIAL

EFFECT With ergonomically optimised products which can be customised for different individuals and different work situations, we create inclusive working environments where all people feel good. Products which have a long lifespan and can be used for a long time have a lower environmental impact.

RAW MATERIALS

INITIATIVE We have created a tool, the Kinnarps Evaluation System, for systematically requesting and handling information concerning the environmental performance of the materials we purchase. This gives us even better control over the contents of our products. We use either certified wood or wood which we have risk-assessed and whose source we have verified. Many of our fabrics are certified for their environmental credentials. We use recycled metal as far as possible, taking into account availability and quality requirements. We also mould our own padding at the production unit in Skillingaryd, which gives us full control over the material.

92%
RESPONSIBLE RAW WOOD

EFFECT Products made of pure materials contribute to healthier indoor air quality, sustainable forests and better use of the earth's resources. We thereby become part of the customer's sustainable supplier chain. Our customers can be confident that their furniture consists of pure materials which fulfil tough standards.

Where others see a chair or a desk, we see hundreds of ways of making a change. This point of view has helped us to create a value chain which is unique in the industry. A value chain where sustainability and customer benefit are the self-evident driving force behind the whole process. Step by step, we create a positive chain reaction.

PRODUCTION

INITIATIVE We avoid environmentally hazardous and unhealthy substances in all our production processes, and choose alternative solutions as far as possible. We have been inspected through an ethical audit, the so-called SMETA, with very good results. This shows that we live up to high social requirements. We have introduced a whistle-blowing system so that employees can communicate any problems. We also require our suppliers to fulfil our Code of Conduct. We ensure that this actually happens by means of on-site follow-ups with high-risk suppliers.

98%
OF HIGH RISK SUPPLIERS HAVE BEEN INSPECTED WITH AN AUDIT

EFFECT We take responsibility for ensuring that our products have been manufactured in an equitable and responsible manner through the whole chain. We thereby also become part of the customer's sustainable supplier chain. By avoiding unnecessary chemicals in the manufacturing of our products, we create a healthier working environment not only for the employees in our own factories, but also for our customers.

SALES

INITIATIVE We have lengthy experience and great know-how when it comes to what creates a good working environment. Together with the customer, with the aid of the Kinnarps Next Office™ analysis tool, we can find an activity-based solution which matches every customer's specific needs. Several of our retailers are ISO-certified and are working systematically to improve quality and reduce environmental impact. An example being the switch to energy-efficient lighting in many of our showrooms.

34%
OF CUSTOMERS BELIEVE THAT KINNARPS IS A LEADER IN THE FIELD OF SUSTAINABLE DEVELOPMENT

EFFECT Every workplace is unique. With the needs of the organisation and the employees as our starting point, we can create the ideal solution for your workplace. With our know-how, we can contribute to an inspiring and flexible working environment where the employees feel at home and become more creative and productive.

DISTRIBUTION

INITIATIVE We have our own optimised transportation system. The products are loaded like a jigsaw puzzle, which means that we have a very high load efficiency – over 90%. Instead of one-time packaging, we use blankets to wrap our products – blankets which we take back home with us and reuse. This saves us and the customers 6.5 tonnes of packaging every day. On the way back to the factories, we fill our transporters with materials from our suppliers. We have invested in new, cleaner vehicles and we drive mainly on diesel with the addition of Tall oil, in order to reduce our impact on the climate. We have conducted a test with biodiesel (RME) which, unfortunately, did not produce the results we were hoping for. Instead, we are looking into the possibility of using a different type of biodiesel.

EFFECT We give you climate-efficient transportation and good knowledgeable service, and you avoid having to deal with waste packaging.

18%
REDUCED EMISSION OF CARBON DIOXIDE SINCE 2013



REUSE



USE

INITIATIVE We create inclusive interior design solutions based on people's real needs. With the Kinnarps Next Office™ concept, the employees are given the chance to move between a number of ergonomically correct environments which are inspiring and effective for different work tasks. By using sound absorbers, we can create good acoustic environments which contribute to lower stress and increased well-being in the workplace. With acoustic facts, we can compare the acoustic characteristics of different products. We set high requirements for our materials and avoid unnecessary chemicals, to create a healthy indoor air quality.

89%
SATISFIED AND RETURNING CUSTOMERS. 78% WOULD RECOMMEND US TO A FRIEND

EFFECT Employees who feel good do a better job. We create flexible solutions for many different needs, so that everyone has the necessary conditions to be productive and creative. With pure materials and good ergonomics, we create a good, healthy day at work. Our goal is to fill offices with well-being rather than with furniture.

INITIATIVE Ten years ago, when we established a recycling service for customers' old furniture, the market was not ready. Today the situation is different, and demand is increasing. As part of a contract with customers, we can offer to make an inventory of the their existing furniture, in which we identify which products can be reused in the new interior design. Certain products can be easily upgraded or refurbished – for example by replacing tabletops, chair seats or sofa upholstery. For products which can no longer be reused or renovated, we provide responsible material segregation and recycling.

EFFECT Good furniture should not end up on the rubbish tip. By reusing, refurbishing or renovating a product, we prolong its lifespan. This saves resources, both for the customers and for nature.

96%
OF OUR RESIDUAL MATERIALS GO EITHER TO MATERIAL RECYCLING OR ENERGY PRODUCTION

FIVE TIPS FOR A BETTER EFFECT IN YOUR PROCUREMENT

Make demands! This benefits both you and the environment. With a well formulated procurement process, your organisation contributes to a more sustainable society. Your employees get a good working environment and the positive chain reaction also influences other people – and the environment. You make demands on yourself and your organisation. You make demands on us. We make demands on ourselves and our suppliers. Together we create an effect!



1

WHAT ARE YOUR MOST IMPORTANT QUESTIONS?

Begin by identifying the questions which are important in your own sustainability work. Which changes would have the greatest effect? It's hard to go from zero to a hundred. It's easier to achieve results if you choose to focus on a few key questions. Better to ask a few specific questions that you really understand, make sure that you ask for documented evidence and follow up.

2

CHOOSE FSC®

Forests have a decisive role to play if we are to achieve the global objective in the climate agreement and the UN's sustainable development goals. So set requirements for responsibly sourced raw wood. The FSC® label is a third-party certification which guarantees that raw wood has been inspected by an independent third party. Require the supplier to have FSC Chain of Custody traceability certification, which means having a system for handling and separating labelled raw materials. Traceability certification does not mean, however, that all wood is FSC-labelled. We therefore want to encourage the active choice of FSC-labelled products. Then you can be entirely sure that all wood is from responsibly cultivated forests.

3

DEMAND SOCIAL RESPONSIBILITY IN THE SUPPLIER CHAIN

Require the supplier to set social requirements on their own supplier chain. And that the supplier has a Code of Conduct for suppliers. Make sure the code is based on international principles such as the UN's Global Compact, and that requirements concerning the working environment are included. Only having a Code of Conduct is not enough – also require the supplier to have a system for regular assessments of their supplier chain and conducting a risk assessment on it. Ask questions and request information on working methods, risk assessment or the results of audits. We always welcome on-site follow-ups of audits. The Swedish Möbelfakta labelling sets requirements for standard setting, risk assessment and follow-up of social responsibility in the supplier chain. It is therefore evidence that the supplier works actively with social responsibility.

4

DEMAND PURE MATERIALS!

We are surrounded by masses of hazardous chemicals emitted by various products – but how do we know that something is dangerous if it's invisible? History shows that we cannot be careful enough. Make it clear that products must not contain materials or substances which can have a negative effect on your employees' health. By excluding flame retardants, formaldehydes and solvents, you will have a big effect. Set requirements for environmental standards which include requirements for chemical content (Möbelfakta and NF Environnement).

5

FOLLOW EU RECOMMENDATIONS

The EU has developed a new tool for the public procurement of office furniture. The proposal will come into effect during 2016 and is a good starting point when you want to set requirements for your suppliers. What's interesting is that the proposal now also gives guidance for the refurbishment and reuse of existing furniture as well as the purchase of new furniture. This is so clear, in fact, that the user of the tool, in other words the procuring authority, is encouraged to consider the reuse of old furniture before making new purchases. So require the supplier to offer a system for handling reuse and refurbishment.

LABELS

In order to stay a step ahead of legislation, we ensure that our new products satisfy the requirements of the following environmental labels: FSC®, Möbelfakta, NF Environnement and GS.

FSC® A responsible forestry management label. It means environmentally-adapted, socially responsible and economically sound use of the world's forests. *FSC®-C010544, www.fsc.org*

MÖBELFAKTA A Swedish furniture label with a clear focus on sustainability. It covers product standards within the areas of quality and environment, plus supplier standards of social responsibility.

NF ENVIRONNEMENT The only official environmental label for furniture in France. It covers product standards within the areas of quality and environment, plus supplier standards of social responsibility.

GS (GEPRÜFTE SICHERHEIT) A German quality label for furniture that covers European legal requirements in respect of safety and, in certain cases, imposes more stringent requirements than those dictated by law.

ZERO SWITCHED TO PURE MATERIALS+

The employees at the environmental foundation ZERO (Zero Emission Resource Organisation) practise what they preach. When operations moved to new offices in Oslo, functional, sustainable interior design was high on their list of priorities. And they also took the opportunity to throw out the oil boiler...

"ZERO is an independent non-profit environmental foundation which regards the climate as the most important environmental issue. We work for the development of zero-emission solutions and against investments which contribute to increased emissions," explains ZERO's marketing director Hege Horsberg.

"Our goal is to ensure a quick and practical transition from climate-damaging operations to emission-free solutions – in other words, a green switchover. For example, it's entirely possible to imagine an emission-free transport sector. With such a switchover, we would be able to halt global warming."

INTENSIVE WORKING DAYS

This aspiration also finds its expression in ZERO's own operations. The issue of sustainability was high on the agenda when the organisation fitted out its new offices. The new premises needed renovating, and the property owner had produced an interior design solution before the move. But ZERO decided to ask Kinnarps for a second opinion.

"At that stage, we hadn't formulated any requirements for an activity-based solution," says Hege Horsberg.

"We just wanted to have an office that was as functional as possible and suited to our particular methods of working, which consist to a large extent of project work and meetings."

Kinnarps therefore carried out a thorough workplace analysis, in which the employees' working days and needs were mapped out in detail. All employees were asked to answer questions concerning their work tasks and the needs they had.

"It then became extremely clear that we need a flexible workplace which can meet the needs which arise during intensive working days characterised by a lot of collaboration with many internal and external meetings."

INCREASED ENERGY

On the basis of the analysis, Kinnarps designed a new, activity-based solution. A partially open office divided into two large zones. One of these is an active zone which is also the pulsing heart of operations. Employees choose to sit here if their work tasks require lower concentration, or if they want to collaborate with >

+

LOW-EMITTING PRODUCTS ARE GOOD FOR HEALTH. BUT THEY ALSO HELP TO REDUCE THE NEED FOR VENTILATION – WHICH IN TURN REDUCES ENERGY USE.





ZERO's offices are divided into two different zones. The active zone is designed for meetings and communication. Employees choose to work here if their tasks require lower concentration or collaboration with colleagues. The interior has been designed with materials and colours which reflect the organisation's identity.







Smart sound-absorbing solutions in the form of telephone booths make it easy to take a phone call without disturbing colleagues. The other zone of the office is fitted for concentrated work, and is also equipped with flexible storage.

colleagues. The other zone is calmer, and has been furnished for concentrated work.

"The activity-based office has freed up space for more meeting rooms than the original plan. We find that we make better use of the space. Kinnarps' research shows that, on average, only 50 per cent of the workplaces in an office are used at any one time – and in our case that was quite true. By removing the fixed workplaces that stood unused half the time, we've gained space both for extra meeting rooms and for two cube offices which can be used as required. Because the solution also encourages employees to choose a new workplace in different activity zones on a daily or hourly basis, we have also started to work more cross-functionally. We cooperate and communicate better, at the same time as well-being has increased," according to Horsberg.

"It was of absolute importance to us to get an office solution that contributes to better health, creativity and energy among our employees. That was also why, at an early stage, we set aside the resources that were needed to involve all employees in the process."

LOW-EMITTING MATERIALS

ZERO's high expectations of course also included Kinnarps furniture.

"We are an environmental organisation, so it's naturally important for us that the furniture fulfils high standards in all areas related to sustainability. This is important for our credibility. We obviously need to live up to the expectations we have of others."

On the basis of ZERO's focus areas, we prioritised materials which are to a large extent certified and renewable. The products should consist of a high proportion of recycled materials and should be light – to reduce emissions in conjunction with transportation. We also wanted them to be of high quality – not only physically, but also from a purely aesthetic point of view.

"Low-emitting products are important from a number of points of view. Products which are low-emitting are better for health, but they also help to reduce the need for ventilation – which in turn reduces energy use."

But they did not stop at the interior design – they also took the opportunity to put a little extra pressure on their new landlord.

"We aimed in on our biggest source of emissions, and saw to it that the oil boiler in the building was replaced by a renewable solution."

MAKE DEMANDS!

So how would ZERO like to see Kinnarps develop its sustainability offer in the future?

"Look for fossil-free solutions at every stage! Our impression is that Kinnarps has done a lot with its own production units and that you are good at monitoring the environmental consequences linked to the life cycles of your products. In this situation, the next step is to see what you can contribute to the larger context, to contribute to the development of better energy and climate solutions by being a demanding customer in your dealings with your suppliers. This might, for example, be a case of requesting fossil-free bioplastic for furniture components. You can also encourage the suppliers to make their production more energy-efficient, or to generate their own energy with the aid of solar cells."

"As far as transport is concerned, Kinnarps already has a high load efficiency and is planning for optimal transport solutions. So we have a little challenge for you: Aim for 100 per cent fossil-free transport! Either in the form of biodiesel, and here I know that you've already made a start, or with the aid of electrically powered lorries. Then you'll be part of building the market for the new solutions we at ZERO are aiming for. This is something bigger than pursuing your own goals."

CAN WE USE ANY OF THIS?

This is a question we are asked more and more often. Our customers simply want to make more economical use of their resources. For this reason, we have intensified our work in the fields of reuse and circular material flows.

This initiative will also be driven by the EU's presentation, in 2016, of new criteria for the procurement of office furniture. The criteria, which will be a guide for green public procurement standards, take the following fundamental question as their starting point: Does your organisation really need to buy new furniture? Or can you refurbish or reuse?

As one of Europe's largest suppliers of interior design solutions, we would like to be able to offer a business model which meets the customers' demands for cataloguing, refurbishment and upgrading in a cost-effective manner. We must also be in a position to take on the recycling of redundant furniture.

Today we already offer the replacement of seats, backs and spare parts on our task chairs. Re-upholstering and re-lacquering are other measures which make a big difference. We also increasingly suggest new tabletops for existing height-adjustable desks. In activity-based offices, the traditional large tabletops take up too much space. With new, smaller tabletops, the customer can make the new activity-based office a reality without investing in new motor-driven frames – and at the same time benefit from fresh new materials in the interior design.

"SUSTAINABLE INDUSTRIAL DEVELOPMENT"

2015 saw the end of the project 'Sustainable industrial development', which was carried out in collaboration with the Environmental Secretariat of the Västra Götaland region and the Industrial Development Center. The project consisted of a pilot study concerning the reuse of furniture. Among other things, in collaboration with customers, we identified which quality level is acceptable for furniture to be re-usable; does a table, for example, have to be free from damage, or are scratches OK? This has given us an understanding of how, and to what extent, we can reuse products.

CIRCULAR MATERIAL FLOWS

Since an earlier date, we have also been participating in the project 'Circular business innovation for regional furniture flows', together with Victoria Swedish ICT AB.

In this project, we are investigating how companies can create jobs, profitability and competitive production by substantially reducing resource use. During 2015, the project entered a second phase in which we are collaborating with our customers to map out possible business models and offers based on reuse, upgrading and refurbish.



The wooden chair Chip, a faithful servant in the Kinnarps range, which has been given a new look by painting it in different colours.

MILESTONES

Ever since the outset, our focus has been to find solutions with the best possible effect – and with the least possible impact on the environment.

1942 An old motorbike is converted to both a trailer and a machine in the factory. Right from the outset, it has been necessary to use the resources that were available.

1952 Collaboration with customers' ergonomists begins in certain projects. Since then, this collaboration has developed, and ergonomics is now a natural part of production development.

1959 A dedicated transportation system is introduced – today, it maintains a high load efficiency in both directions; blankets are used instead of single-use packaging.

1977 The manufacture of briquettes from waste is introduced. Since 1982, these briquettes have also been used to heat premises in parts of the town of Kinnarp.

1980 UV painting replaces solvents.

1989 Production of height-adjustable desks begins.

1997 The first environmental report is published.

1997 Kinnarps is environmentally certified in accordance with ISO 14001.

1997 Kinnarps offers customers a recycling service for their old furniture.

2002 Kinnarps becomes FSC®-certified, and the first FSC-labelled product reaches the market in 2004. 2013 sees the first products labelled as standard.

2007 A cutting program optimises utilisation of textile resources.

2008 In-house manufacture of padding and Re:fill introduced in our products.

2009 Code of Conduct introduced for suppliers, updated in 2014.

2011 We offer activity-based offices through Kinnarps Next Office™.

2014 Remake of old products into new ones.

2015 Publication of our first sustainability report, The Better Report.

KEY FIGURES

Unless indicated otherwise, the report covers the whole Group, including our production units in Sweden and Germany and our sales subsidiaries.

RESOURCE OPTIMISATION THROUGH LOAD EFFICIENCY IN OUR OWN VEHICLES*

** Kinnarps-owned transport.*

ANALYSIS AND FOLLOW-UP

Careful delivery planning and packing based on order of delivery enables us to maintain a consistently high load efficiency. Since we use blankets and cardboard as packaging materials and have a well thought-out packing technique, we can also load products very tightly and fit in more volume per vehicle. We also use our own transportation to bring back materials from our suppliers to our production plants. This transportation increased during the year.

To a certain extent, we also carry out external dispatch commissions for other industries in the local area – by cooperating, we contribute jointly to reducing emissions.

We regard the load efficiency of outward transportation as optimal. We are therefore focusing on further increasing the load efficiency of inward transportation. Among other things, we will be introducing a system which facilitates planning and efficiency.

90%

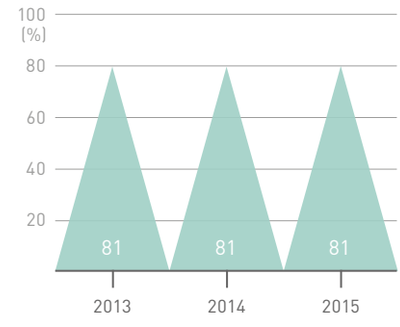
LOAD EFFICIENCY, 2015

RESOURCE OPTIMISATION THROUGH TEXTILE USE*

** Production in Skillingaryd.*

ANALYSIS AND FOLLOW-UP

We have a high degree of material utilisation in fabric cutting – around 80% during the last few years. This is made possible by a fully automatic optimisation program. The factors which most affect the degree of utilisation are the shape of the products, i.e. the patterns to be cut out, and the day's mix of different products. Machines and programs for material optimisation are in constant development, and we keep an eye on the market to ensure that we have the most effective equipment. The major potential for improvement lies in how we deal with the waste which nevertheless arises. Today, the waste is sent for recycling or reused in our in-house developed material Re:fill. Re:fill is used today in sound absorbers, and we are constantly working to develop new products in which waste can be included.



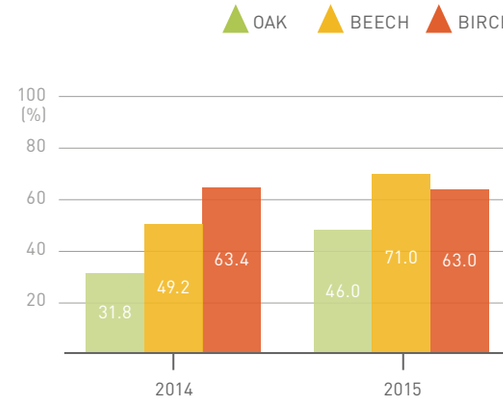
RESOURCE OPTIMISATION THROUGH VENEER UTILISATION*

** Production in Kinnarp.*

ANALYSIS AND FOLLOW-UP

Applying veneer is a craft which demands great know-how and competence. During the year we have carried out a project to increase the degree of utilisation of veneer, and thereby reduce waste, at our production facility in Kinnarp. A new machine has been installed and we have changed the method of veneering we use, from so-called book matching to slip matching.

Thanks to this good work, the degree of utilisation of beech and oak has increased significantly. The previous system required a great deal of time and work to maintain a good degree of utilisation. The new system has made the work easier, and leaves us with time and energy to focus on further measures. The efforts we are planning for 2016 aim above all to increase the degree of utilisation of oak veneer.

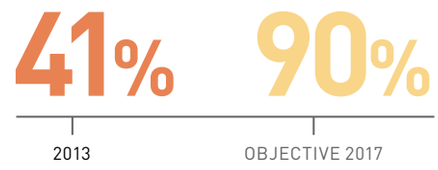


KNOWLEDGE OF KINNARPS' ENVIRONMENTAL WORK*

** 2,267 interviews conducted in Belgium, Denmark, France, Germany, Hungary, Norway, Poland, Sweden, Switzerland and the United Kingdom.*

ANALYSIS AND FOLLOW-UP
The investigation shows that many of our customers regard Kinnarps as one of the leading companies in offering environmentally friendly solutions. However, half the respondents say that they have no knowledge of Kinnarps' sustainability work, which shows that we need to become more effective in getting our message across. 2015 was the first year we seriously started to communicate our sustainability work and to tell in greater detail what effects it has. During the year we have spread the message both externally and internally, for example by taking part in various events where we have shared our knowledge. We have also communicated the message internally in the form of training and information. Our employees' knowledge of, and engagement in, these issues is essential for us to be able to pursue successful sustainability work. We will therefore be continuing to report on our sustainability journey and highlight the effects of our work.

OBJECTIVE By 2017, 90% of our existing and potential customers will be aware of our sustainability work.



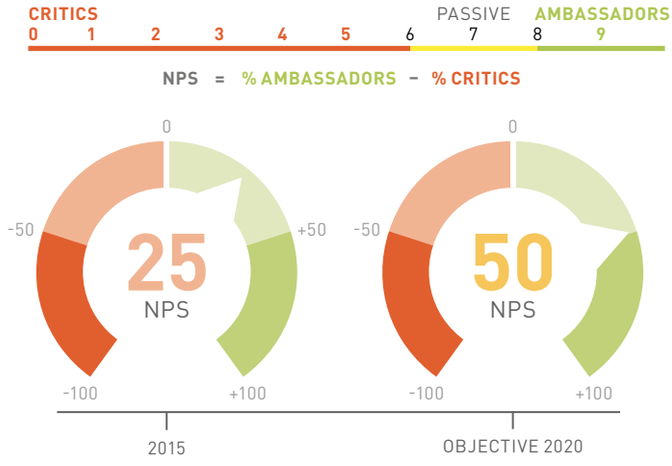
CUSTOMER SURVEY: NET PROMOTER SCORE*

** Markets in Belgium, Denmark, France, Germany, Norway, Poland, Sweden, Switzerland and the United Kingdom.*

ANALYSIS AND FOLLOW-UP
Kinnarps' customer satisfaction survey (based on 1,179 responses) shows that our customers are both satisfied and loyal. The year's survey gives us a Net Promoter Score of 25. This can be regarded as a very good result. By way of comparison, an NPS above 0 is regarded as good, and an NPS of between 0 and 10 is normal. Very high-performing companies have an NPS of over 50, and this is also Kinnarps' long-term objective.

In order to achieve this objective, we have drawn up local action plans in which we work on improvements on the basis of the feedback we receive. The result is followed up by means of a centrally balanced scorecard. We also conduct deeper analyses of the customer survey to find out more about how we can further improve customer satisfaction.

OBJECTIVE By 2020, our NPS will be 50.



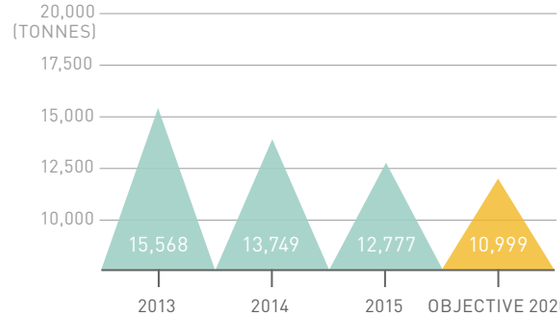
EMISSIONS OF CARBON DIOXIDE EQUIVALENTS (TONNES)*

** Production in Kinnarp, Jönköping, Skillingaryd and Worms. From 2014, also ISO-certified sales offices in Sweden, Norway, the United Kingdom and France. According to Greenhouse Gas Protocol scope 1 and 2. www.ghgprotocol.org*

ANALYSIS AND FOLLOW-UP
By making our transportation more efficient and by investing in new Euro 6 lorries with lower fuel consumption, we have managed to reduce our emissions by 7% since 2014. The new vehicles also have an advanced driver support system which predicts optimal speed with the aid of GPS. Energy efficiency meetings are held regularly at the production units. One result of these meetings has been new investments in energy-efficient technology at our facility in Kinnarp.

Smart control systems and fewer UV tubes for UV lacquering have brought energy savings. We have also switched to energy-efficient LED lighting in production and at our sales units. We will also be carrying out an energy survey of our factories to identify and prioritise opportunities for energy savings. During 2016 more new lorries will also be put into operation.

OBJECTIVE By 2020, emissions will have been reduced by 20% in comparison with 2014.



PROPORTION OF CERTIFIED RAW WOOD IN TOTAL RAW WOOD PROCURED*

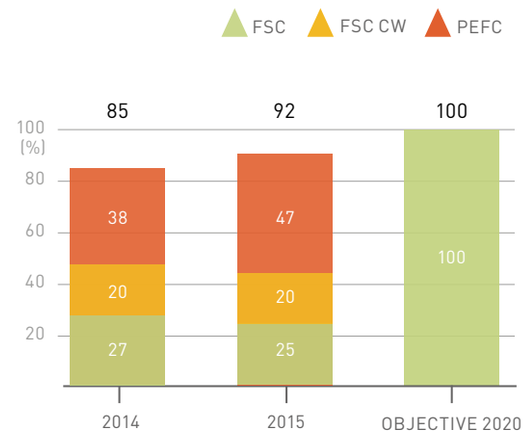
** Raw wood in Kinnarp, Skillingaryd and Worms.*

ANALYSIS AND FOLLOW-UP

The manufacturing unit in Kinnarp has been certified since 2002. During 2015, the manufacturing unit in Skillingaryd was also certified in accordance with FSC®'s traceability standard. The statistics for the proportion of certified raw wood now include the three factories in Kinnarp, Skillingaryd and Worms. Germany has the highest availability of PEFC-certified raw materials, while in the Swedish production we have greater availability of FSC-certified raw materials. In total, we have a high proportion of responsible or controlled raw materials, with no less than 92% being FSC®, FSC CW or PEFC.

In the case of raw materials which are not certified, we check the source ourselves, and conduct a risk assessment. During the year we have created a system for the systematic collection and updating of information concerning source and tree species as the basis for our risk assessment. We are seeing increased awareness of responsible forestry in the industry, and we believe that we will be able to increase the proportion of wood sourced from FSC-certified forests as availability increases.

OBJECTIVE By 2020, all raw wood bought and sold under the Kinnarps brand will be sourced from FSC certified forests.



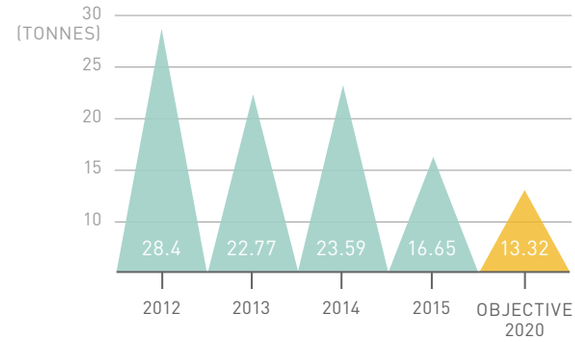
CONSUMPTION OF SOLVENTS (VOCS) (TONNES)*

**Production in Kinnarp, Skillingaryd and Worms (Minden for 2012).*

ANALYSIS AND FOLLOW-UP

Our objective for 2020 has already been achieved and exceeded. The use of solvents has decreased by just over 40% since the base year 2012, and by no less than 30% in 2014-2015. Technical modifications at the manufacturing unit in Worms have enabled us to reduce the use of solvents in the unit by two-thirds. A detergent consisting of 100% solvents has been replaced by an agent containing only 19% solvents. Work is also under way to phase out a solvent-based adhesive at the manufacturing unit in Skillingaryd and replace it with a water-based adhesive without solvents. As we use different types of paints for lacquering in Kinnarp, the machines need cleaning more often. Here we have brought about an improvement by reducing the quantity of thinner used in each cleaning procedure. The aim of the improvements is to reduce use by 30%. Although we have achieved a low level of VOC use, we believe we can make further improvements and are therefore setting a new objective.

OBJECTIVE By 2020, emissions of VOCs will have reduced by 20% in comparison with the base year 2015.



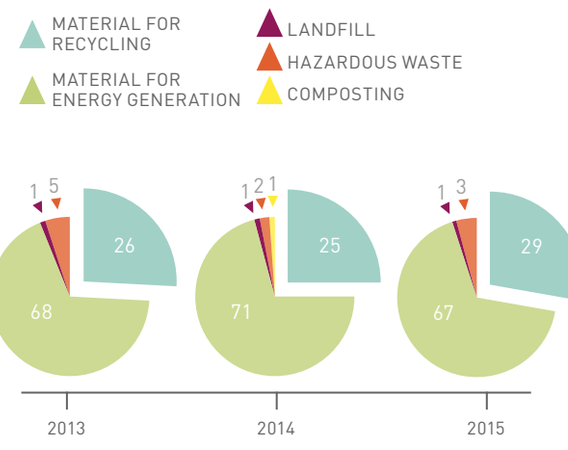
PROPORTION OF TOTAL WASTE SENT TO RECYCLING*

** Production in Kinnarp, Jönköping, Skillingaryd and Worms. From 2014, also ISO-certified sales offices in Sweden, Norway, the United Kingdom and France.*

ANALYSIS AND FOLLOW-UP

The proportion of waste which goes to material recycling has increased since last year, and we are close to achieving our objective. Both the total quantity of waste and the quantity of waste to energyextraction decreased during the year. This is due primarily to our reduced use of briquettes made of wood-based waste in the heating of our manufacturing units. Landfill consists primarily of ash produced by briquette combustion. By reusing our own packaging material, blankets and cardboard sheets, we reduce the quantity of waste. We maintain a high level of segregation, but we are convinced that we can do even better. The best way to reduce waste is to prevent it from arising. Because of this we have, among other things, dispensed with a packaging which was previously used for a component from one of our suppliers. A good example of how a small measure can have a big effect.

OBJECTIVE By 2020, 30% of all the waste we produce will be recycled. In the long term, no waste will be sent to landfill.



RECYCLED MATERIALS IN PRODUCTION*

**Procurement of raw materials for production units*

ANALYSIS AND FOLLOW-UP
The recycling of materials is an obvious way of economising with the earth's resources, and therefore has a high priority in our operations. However, the opportunities for using recycled materials are limited by their availability. Nor is it always the case that the recycled materials meet our high quality requirements. The proportion of recycled steel is on average around 20%. Cast aluminium varies between 60% and 90% recycled, depending on the supplier and component. During the year we have introduced an entirely new material, 100% recycled magnesium.

Two of the 32 fabrics in our range contain recycled materials, one 14% and the other 100%. Recycled fabrics are available, but they often do not fulfil our high quality requirements, as they have deficiencies in colour fastness and colour scheme continuity. These quality aspects are an important sustainability factor for us, since the fabrics need to last and look good for a long time. As technology develops, we expect to have access to more recycled and recyclable textiles which fulfil our quality requirements. We are also taking part in research projects which aim to create recyclable bio-based textiles.

20%
STEEL,2015

60–90%
CAST ALUMINIUM, 2015

6%
FABRIC, 2015

20%
CHIPBOARDS, 2015

PROPORTION OF TOTAL PROCUREMENT (IN SEK) WHERE THE CODE OF CONDUCT HAS BEEN FOLLOWED UP BY AT LEAST ONE AUDIT*

**Entire Kinnarps own-produced range.*

ANALYSIS AND FOLLOW-UP
Kinnarps' risk assessment is based on internal key figures together with manufacturing process and geographical location. On-site audits have several purposes, among them risk clarification and the creation of a basis for risk reduction. The starting point is to give the suppliers the opportunity to develop and then fulfil all Kinnarps' requirements. We will continue to audit new suppliers, suppliers who do not fulfil their obligations and suppliers identified in the risk assessment.

We focus our work on suppliers of materials which form part of our own-manufactured products. Where we judge that there is a high risk, compliance is checked by conducting on-site audits at the supplier's premises. All suppliers outside the EU are provisionally classified as high-risk. In addition, the manufacturing process and procurement volume are contributory factors to the order of priority of such audits. Only a small proportion of the total procurement volume is from suppliers outside the EU.

45%
PROPORTION OF TOTAL PROCUREMENT (SEK) WHERE THE CODE OF CONDUCT HAS BEEN FOLLOWED UP BY AT LEAST ONE AUDIT, 2015.

98%
PROPORTION OF TOTAL PROCUREMENT IN HIGH-RISK COUNTRIES (SEK) WHERE THE CODE OF CONDUCT HAS BEEN FOLLOWED UP BY AT LEAST ONE AUDIT, 2015.

EMPLOYEE INDEX (EI)*

** Employee survey for Kinnarps AB (production units and head office) and sales subsidiaries in 10 countries.*

ANALYSIS AND FOLLOW-UP
The positive development of Kinnarps' employee index continues. The 2015 employee survey shows an index of 67, an increase from the previous year's 64, which was in itself a very good result. This year's survey identified two strengths: leadership and working climate The employees testify to a good atmosphere and a strong belief in our core values. Next will come follow-up actions and interpretation of results for each department, for further update and action plans. There is naturally a spread of results between different work groups, and it is therefore important that managers get support in analysing the results from the different companies and countries.

OBJECTIVE All work groups will have as positive an EI as possible over 60 on the scale 0 – 100. The strategic goal is to have an EI of 68.

67
2015

68
STRATEGIC GOAL

TEXTILE EFFECT +

Two out of three fabrics in Kinnarps' standard range are certified with the Oeko-Tex® label or the EU ecolabel. But we want more than just that. In a number of projects, we are investigating possible ways of increasing the proportion of recycled textiles in our production.

In 2015 we embarked on updating Kinnarps' fabric range. As part of this project we are working to include even more recycled textiles. Today we already use recycled textiles from industrial waste. Being able, in addition, to use recycled textiles from the consumer chain would bring great progress in our sustainability work, but is also a challenge because of mixed quality, as well as our high technical and environmental requirements. Our hope is that we will find new routines and processes to make this possible.

RE:FILL AND XTREME PLUS

Re:fill is a recycled textile material based on textile waste from Kinnarps. The material consists of 25% recycled textile fibre from our facility in Skillingaryd, 50% polyester melt fibre (Oeko-Tex-labelled) and 25% recycled PET plastic.

Re:fill also has excellent acoustic properties and is included in a number of our solutions for the activity-based office. Disturbing noise is one of the major causes of stress in today's workplaces. Offering good acoustic solutions which contribute to harmonious and efficient working environments is an important part of our value chain. The sound absorber and room divider Prim is an example of this. We have also developed "silent" storage boxes made of Re:fill for our Series[e] storage units. Another recycled material is our fabric Xtreme Plus, which is made entirely of recycled polyester.

ESTABLISHING LOCALLY-CULTIVATED TEXTILES IN SWEDEN

In 2015 we joined the innovation project 'Establishing locally-cultivated textiles in Sweden', which is led by Swerea IVF. The work is being carried out as part of the strategic innovation programme BioInnovation, which is a joint initiative of VINNOVA, Formas and the Swedish Energy Agency. The aim is to create sustainable production of new textile fibres from raw timber or recycled bio-based textiles. Kinnarps is taking part in the work with a focus on product development which permits recycling and reuse. Our hope is that we will find new ways of using renewable textiles, with low environmental impact, in our products.

+

THE ACOUSTIC SCREEN PRIM IS MANUFACTURED FROM OUR MATERIAL RE:FILL, DEVELOPED IN-HOUSE, WHICH CONTAINS 25% RECYCLED TEXTILES."





EFFICIENT TRANSPORTATION
With optimised routes, efficient packing and new lorries with low fuel consumption, we have reduced our carbon dioxide emissions considerably – something we all benefit from.

REPAIR AND UPGRADE
We help you to make use of what you have by upgrading, renovating and reupholstering the furniture you want to continue using. In this way, you can economise with your own resources, with society and with the environment.

PURE MATERIALS
The result is never better than the raw material. Pure materials are a necessity for productive and healthy working environments. We only use responsibly produced materials which are free from unnecessary chemicals and which can be easily recycled.

RECYCLE
When furniture can no longer be repaired and upgraded, we help you to recycle the core materials responsibly.

KINNARPS MARKETING & COMMUNICATIONS/1603 | ALL INFORMATION IS SUBJECT TO CHANGE