

THE BETTER EFFECT

Kinnarps AB Group's Sustainability Report 2019

Kinnarps / Drabert / MartinStoll / Materia / NC Nordic Care / Skandiform



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THE SIMPLER IT IS, THE BIGGER THE EFFECT

The Kinnarps AB Group is one of Europe's leading suppliers of interior design solutions for offices, schools and health-care facilities. Together, we are six different brands – Kinnarps, Materia, Skandiform, NC Nordic Care, Drabert and MartinStoll – cooperating in a common value chain. We have also developed our own sustainability index, The Better Effect Index, which makes it easier for our customers to make sustainable choices.

In this sustainability report, we focus on six important areas in which we, the Group, together with our customers and suppliers, can create a better effect.

ABOUT THE REPORT This sustainability report relates to the Kinnarps AB Group for the financial year 2019 (01/09/2018 - 31/08/2019). The previous report was published in January 2019. We follow an annual reporting cycle



ROBERT PETERSSON
CEO KINNARPS AB

SUSTAINABLE DEVELOPMENT IN KINNARPS AB

OUR SUSTAINABILITY WORK 'THE BETTER EFFECT' IS AT THE LEADING EDGE OF OUR INDUSTRY AND OFFERS CONCRETE, SUSTAINABLE SOLUTIONS "FOR REAL", WHICH ARE INCREASINGLY IN DEMAND IN OUR SOCIETY AND AMONG OUR CUSTOMERS.

VALUES THAT CHARACTERISE US

Resource management has been a self-evident topic for Kinnarps ever since the business was founded by Jarl and Evy Andersson in 1942. For two young people who had grown up with the common sense-based values of the farming community, wastefulness was out of the question. These are values that have put their stamp on our business and will continue to do so. At Kinnarps, we manage our own and our customers' resources, we care about one another and we have decent business methods.

KINNARPS STRENGTHENS ITS POSITION

In order to understand the strategically important connection between our sustainability work and our business plan, we have to extend the concept of sustainability to cover more than classic environment-related areas linked to production, materials, transportation and social responsibility. At Kinnarps, we offer the customers interior design solutions that create value by making economical use of their human and material resources.

With our three interior design concepts, Next Office, Next Education and Next Care, we have strengthened our position as a one-stop supplier and interior design partner for our customers. Our sustainability work 'The Better Effect' is at the leading edge of our industry and offers concrete, sustainable solutions "for real", which are increasingly in demand in our society and among our customers. For the customer, the result is a working environment that is ergonomically sustainable, both physically and mentally, and reduces the risk of work-related injury and stress and, instead, stimulates the employees' well-being and creativity.

AN EFFICIENT LOGISTICS SYSTEM

Kinnarps' logistics system was developed in-house and is distinguished by efficiency and environmental consideration. The products are loaded in the order in which they are to be delivered and transported loosely wrapped in blankets and sheets of cardboard, which are then taken back to Kinnarps to be reused. Thanks to our loading concept, we can load up to 50 per cent more furniture than the industry average, calculated on the basis of the same container size. For example; when others need up to three trucks, we manage with two.

Since 2019, we have continued to drive the development in a way that may in the long term be of benefit to society at large. Together with Volvo, we have gained authorisation from the Swedish Transport Agency to run the High Capacity Transport project, which allows for vehicles up to 27.35 metres long. The project aims to increase load volume with a vehicle combination of a truck and two trailers, together carrying three transport containers.

CONCRETE BUSINESS BENEFIT

Kinnarps' mission is to understand the needs of companies and organisations for interior solutions with associated services and to obtain the best possible business benefit. With a sustainable and resource-effective approach, we take responsibility for the whole process from needs analysis to a working interior design.

We strive to create a responsible and value-creating balance between our customers' and stakeholders' needs, to care for our environment and the people we affect, and to achieve a balanced economy.

In order for customers to really be convinced that sustainable choices are both simple and economically smart, we have to be able to offer a concrete business benefit. One of the most important strategic sustainability issues for Kinnarps in the short term is therefore the development of circular business models.

When we design furniture, they have a built-in circularity that follows a use-reuse-remake-recycle model. To make it clear what the offer entails, we are taking part in a development project led by RISE (Research Institutes of Sweden). We are now at stage three and ready to develop and implement circular business models.

A CHALLENGE FOR THE INDUSTRY

At the moment, our greatest challenge is to encourage customers to focus on, and prioritise, high quality when they choose interior design solutions. Interior design solutions and furniture that can be used for a long period of time have less of an impact on the environment. Having full control over our own production processes in Sweden and our own logistics solution and striving for resource optimisation and a low environmental impact gives us a clear advantage. When customers choose products from the Kinnarps AB Group, they choose pure materials and an inclusive design that promotes circularity.



THE FINANCIAL YEAR IN BRIEF

KINNARPS HAS SIGNED UP TO THE FOREST FABRIC PROJECT

The Forest Fabric project aims to manufacture fabric from forestry products. The purpose is to manufacture a pilot sample of soft, pliable textiles from paper yarn using methods specially customised to the special properties of paper yarn. Forest Fabric will also develop the technology and bring insight into the areas of use for which paper yarn is best suited. A consortium of the following parties are participating in the project: Smart Textiles, Rise Processum, Mid Sweden University, the Swedish School of Textiles, Ahlstrom-Munksjö Paper, House of Dagmar, Ekelund Linneväveriet in Horred, Fiber-X, GA Lindberg, Mondi Paper, Nordic Paper, Sjuhäradbygdens Färgeri, Svenskt Konstsilke, Fjällräven and Kinnarps.



Photo: Anna Sigge



NEW PRODUCT MADE ENTIRELY OF FSC®-LABELLED WOOD

NC Nordic Care's stool, Orkester, is made entirely of wood and bears the FSC 100% label. The inspiration for Orkester comes from piano stools with height-adjustable seats but also from traditional wooden furniture that is entirely joined without screws and metal fittings.



RESEARCH PROJECT ON THE BETTER EFFECT INDEX

During the year, Kinnarps joined a research project led by the Blekinge Institute of Technology that aims to investigate product-related sustainabilityinformation and how it can increase transparency in terms of sustainability information of products and help customers make sustainable choices. As a case study, the project will centre on The Better Effect Index.

The title of the project, PROSIT, is "Sustainability information: supporting communication between customers and product developers".

KINNARPS COMES OUT ON TOP IN TENDERS FOR REUSE

Kinnarps have been awarded a contract by the City of Malmö for "Recycled furniture and related services", for which Kinnarps is the only furniture producer. The procurement entails the reuse of furniture as well as services such as restoration, upholstering, painting and varnishing. Kinnarps has also been awarded a contract by Jönköping municipality for "Recycled furniture and fittings". Here too, Kinnarps is the only furniture supplier to respond to the invitation to tender. The procurement entails the purchase of recycled furniture, such as classic office furniture and lounge furniture, for several of the municipality's public businesses. The contract also includes services such as restoration, upholstering, painting and varnishing.

KINNARPS IS AWARDED THE ECOVADIS GOLD MEDAL

Kinnarps was awarded the gold medal in the sustainability assessment system EcoVadis*, which evaluates how companies perform in terms of sustainability. That puts Kinnarps in the top 5% of suppliers in the furniture manufacturing category. The evaluation awarded Kinnarps high points in the four areas of environment, fair labour and human rights, ethics and sustainable procurement.

**EcoVadis is an internationally recognised supplier of sustainability assessments for companies.*



Orkester, NC Nordic Care

RESULTS

CERTIFIED OR THIRD-PARTY INSPECTED RAW WOOD

96%

PROCUREMENTS WITH LOW RISK OR AUDIT

99%

SOLVENT CONSUMPTION

-46%

EMISSIONS OF CARBON DIOXIDE

-27%

NUMBER OF ECO-LABELLED PRODUCTS

MÖBELFAKTA CERTIFICATE

237

SERIES WITH FSC®-LABELLED PRODUCTS

113

NF ENVIRONNEMENT

11

NF OFFICE EXCELLENCE CERTIFÉ

12

GS

20

QUALITY OFFICE

11

NC NORDIC CARE RESTORATION PROJECT

Place: Healthcare facilities in Stockholm.

Furniture sold in: 2002

Number of products:
8 Ellinor sofas, 16 Cello armchairs, approx. 40 Mågerö chairs and 2 Ruter serving trolleys.

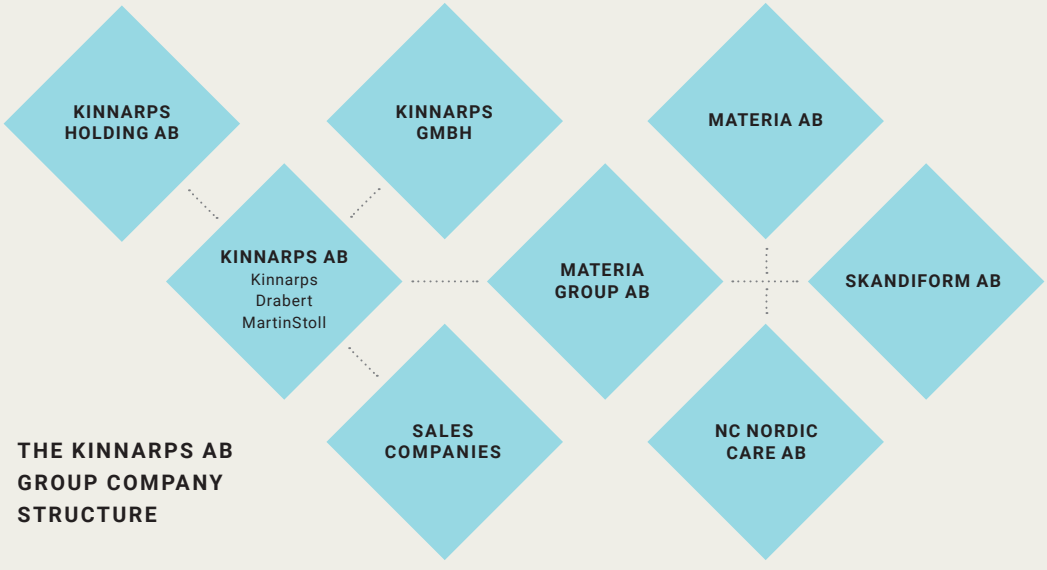
The furniture has stood for close to 20 years in a public space. Despite this, most of the furniture was in good shape, though some needed reinforcing, some screws to be tightened and new cushions. Basically, all that was needed to bring them back as good as new was a bit of sanding, repainting and new fabric. Two of the products, Cello and Mågerö, were no longer in NC's range of products but thanks to preserved sewing instructions, they too could be restored.



TOTAL SOLUTIONS FOR THE WORKPLACE

The Kinnarps AB Group comprises six different brands with a common customer offer – complete total solutions for the workplace. Kinnarps, Drabert, MartinStoll, Materia, NC Nordic Care and Skandiform.

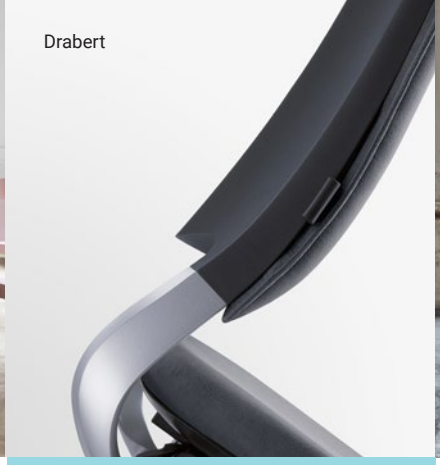
Together, we want to be the best at sustainable design. Combining products from our various brands makes it easy to create total interior design solutions with a focus on sustainability, function and aesthetics. Where and how the products are manufactured and delivered varies among the brands, but we take a shared responsibility for the value chain and work towards the same long-term targets with the aim of creating a better effect. Each brand is also expected to follow the Group's core values, owner directives, business strategy and sustainability strategy.



THE KINNARPS AB GROUP COMPANY STRUCTURE



Skandiform



Drabert

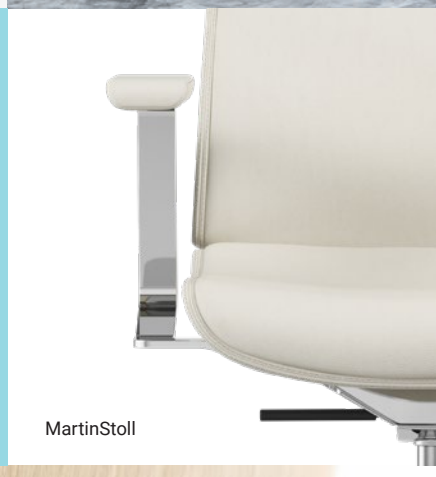


Materia

NC Nordic Care



SIX BRANDS WITH A SHARED VALUE CHAIN

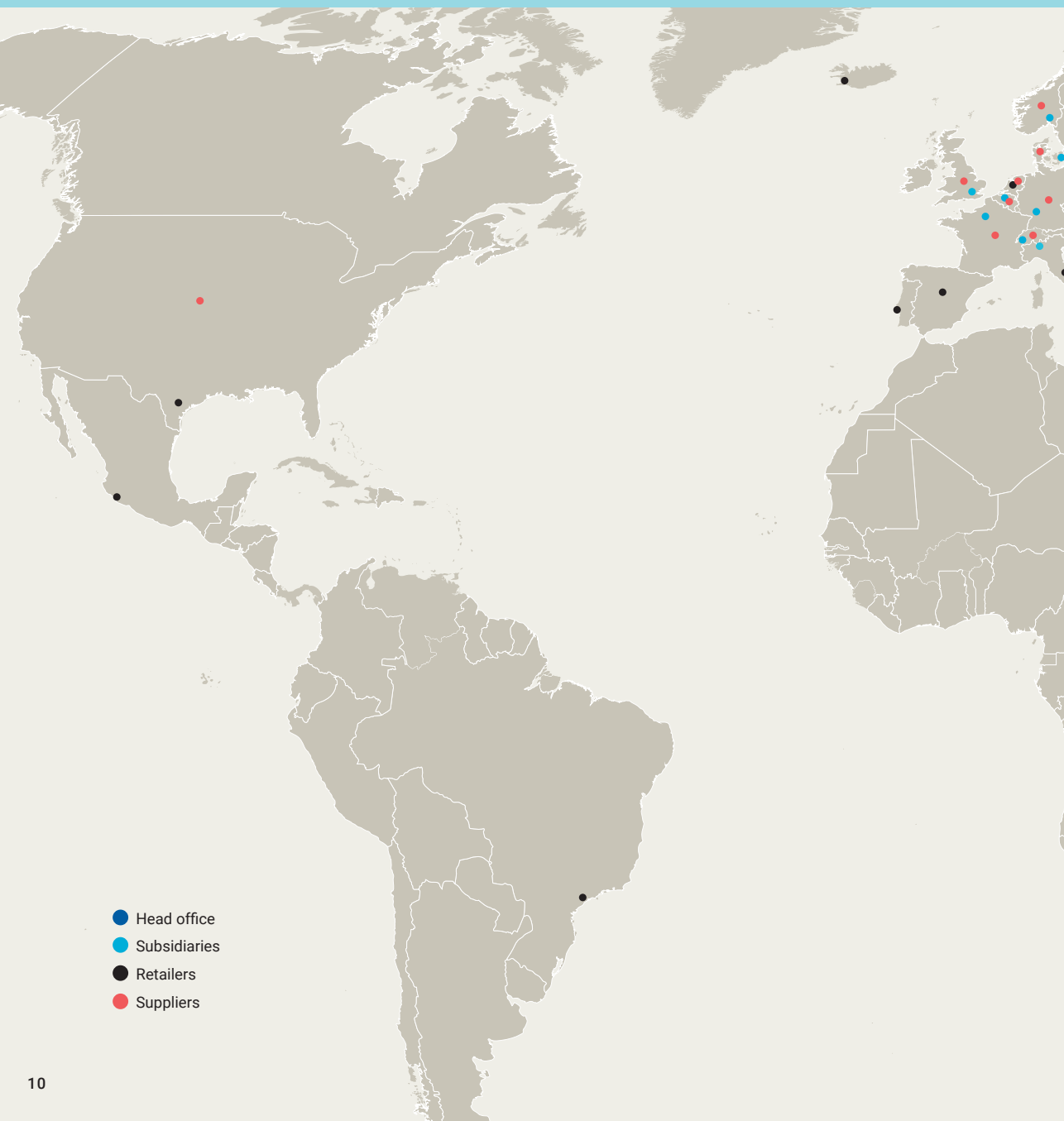


MartinStoll

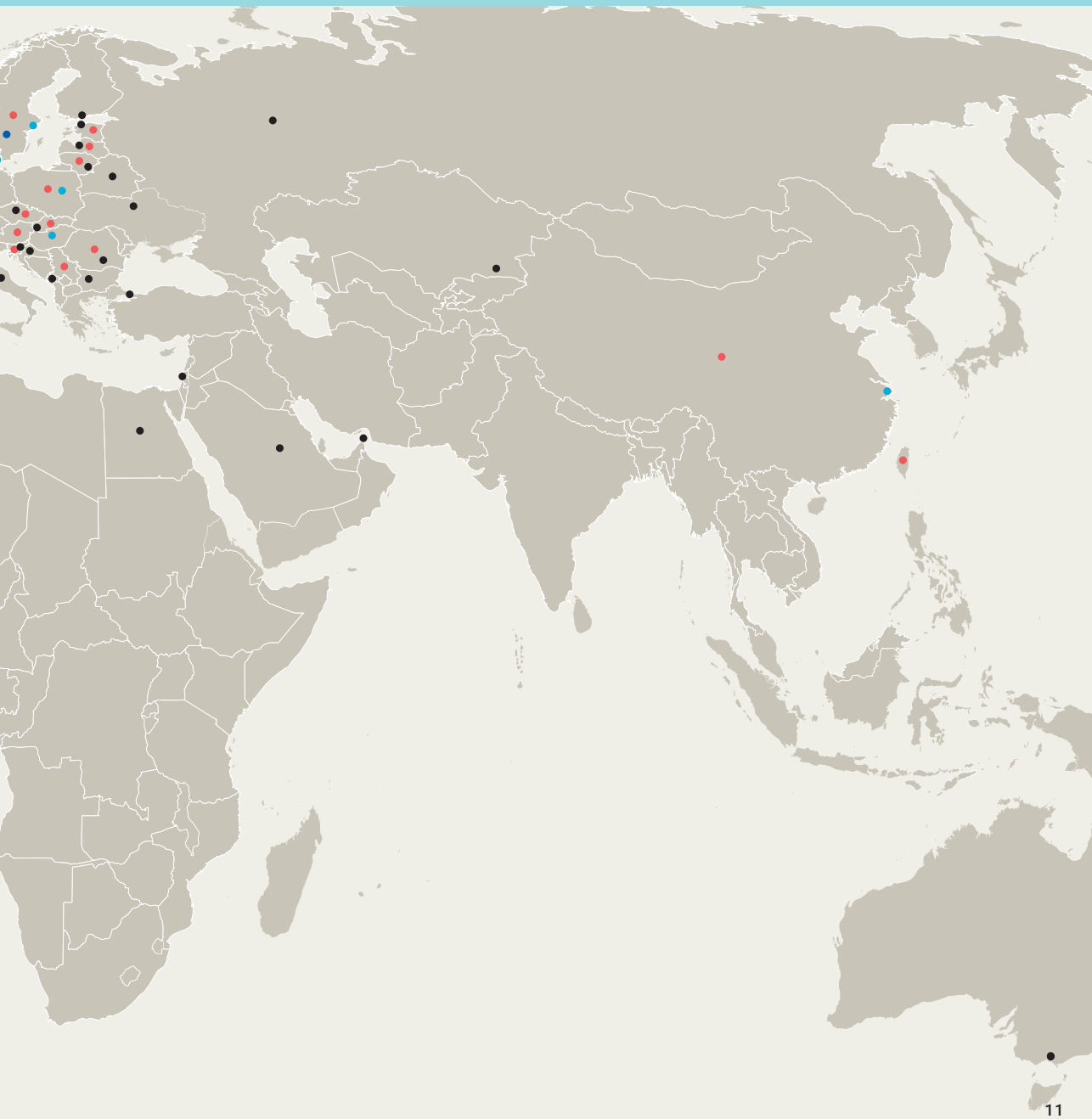


Kinnarps

KINNARPS WORLDWIDE



The Kinnarps AB Group headquarters are in Kinnarp. We have six manufacturing units in Sweden. We have sales subsidiaries in 10 countries and we are also represented by retailers in a further 31 countries. Our sub-suppliers are located in 23 different countries.





Kinnarps

SUCCESSFUL INTERIOR SOLUTIONS

Kinnarps offers innovative, ergonomic and functional interior solutions for offices, schools and healthcare facilities. The company is one of Europe's leading players in this field and has a long tradition of good design, quality, sustainability and ergonomics.

FOUNDED. 1942.

PRODUCTION. Products for the Kinnarps brand are manufactured at our own factories in Kinnarp, Jönköping and Skillingaryd.

PRODUCT LABELS. Möbelfakta, FSC®, NF Environnement and GS.



MARTINSTOLL

EXCLUSIVE CRAFTSMANSHIP FOR EXECUTIVE ENVIRONMENTS

MartinStoll manufactures timeless, elegant executive and conference furniture with skilful workmanship and a great feeling for detail. The interior designs are tailored to reflect the customer's brand and values. They can be found in imposing office environments, conference and board rooms, and they are manufactured to be used for decades. In Europe, MartinStoll has long been one of the obvious choices for these types of environments; the brand is strong on the German, UK, French and Italian markets.

FOUNDED. 1870, part of the Kinnarps AB Group since 2010.

PRODUCTION. Production is handled by selected artisanal sub-suppliers in Germany. Production of chairs takes place mainly at Kinnarp's factory in Skillingaryd.

PRODUCT LABELS. GS

drabert

SPECIALISTS IN INNOVATIVE TASK CHAIRS

Drabert specialises in innovative task chairs, visitor chairs and conference chairs with outstanding ergonomic design. Drabert started manufacturing task chairs as long ago as 1915, and has become known on the European market for its concept based on four points for ergonomic sitting. The fundamental idea is that variation is a prerequisite for good ergonomics: "the next position is the best position". Drabert's unique contribution to the Group is their innovative, intuitive, easy-to-use mechanisms, developed in-house.

FOUNDED. 1889, part of the Kinnarps AB Group since 2010.

PRODUCTION. Production takes place at Kinnarps' factories in Kinnarp, Skillingaryd and Jönköping.

PRODUCT LABELS. GS



JOINT MANAGEMENT AND PRODUCTION

The Kinnarps, Drabert and MartinStoll brands have joint management and production. Development and production take place in Kinnarp, Skillingaryd and Jönköping.

HEADQUARTERS. Kinnarp

NO. OF EMPLOYEES 976
(Employees in Kinnarps AB.)

CERTIFICATIONS
Kinnarp ISO 9001, ISO 14001, FSC® Chain of Custody, PEFC Chain of Custody
Skillingaryd ISO 9001, ISO 14001, FSC® Chain of Custody
Jönköping ISO 9001, ISO 14001

MATERIA®

CONCEPTUAL DESIGN FOR SOPHISTICATED COMPANIES

Materia stands for experimentation and creativity. Unpredictable conceptual design promotes active, value-creating meetings. An advanced upholstery workshop and skilled craftsmanship among the employees has made it possible to combine new methods of material working with innovative material selection and good resource management.

LOCATION. Tranås

FOUNDED. 1992. Part of the Kinnarps AB Group since 2004.

NO. OF EMPLOYEES 81

PRODUCTION. Head office, cutting, sewing, upholstering and assembly in Tranås. Materia does not manufacture components itself. All parts are manufactured by sub-suppliers, many of them in the surrounding area.

PRODUCT LABELS. FSC® and Möbelfakta.

CERTIFICATIONS ISO 9001, ISO 14001, ISO 45001, FSC® Chain of Custody.





NC
INCLUSIVE DESIGN

LEADING SUPPLIER IN HEALTHCARE AND NURSING

NC Nordic Care develops furniture for all types of public environments and is one of the leaders in the areas of healthcare and nursing, cafés and restaurants. The furniture represents a playful and modern design with attention to people, environment and aesthetics. Our ambition is to offer furniture concepts which create accessibility and inclusiveness. The core values, based on participation and responsibility, should be reflected clearly in the products.

LOCATION. Tranås

FOUNDED. 1950, part of the Kinnarps AB Group since 2009.

NO. OF EMPLOYEES 17

PRODUCTION. NC has no in-house manufacturing. All products are commissioned from carefully selected suppliers.

PRODUCT LABELS. FSC® and Möbelfakta.

CERTIFICATIONS ISO 9001, ISO 14001, ISO 45001, FSC® Chain of Custody.

skandiform

DESIGN AS A COUNTERWEIGHT TO 'WEAR IT OUT AND THROW IT AWAY'

Skandiform is one of Scandinavia's leading suppliers of furniture for offices and inspiring public environments. The company has its roots in the Scandinavian design tradition and gets its inspiration from nature's organic blueprint and multifaceted shades. Long-term cooperation with experienced designers who know the material well and sustainability integrated in the design process are the Skandiform hallmarks. Through durability in aesthetics and quality, the products are able to counteract a 'wear it out and throw it away' mentality. Our ambition is to offer timeless product ranges which find their new place easily when environments are modified.

LOCATION. Vinslöv

FOUNDED. 1962, part of the Kinnarps AB Group since 2004.

NO. OF EMPLOYEES 26

PRODUCTION. Assembly and quality control in Vinslöv. All parts are manufactured by sub-suppliers, most of them in the surrounding area.

PRODUCT LABELS. Möbelfakta, FSC®.

CERTIFICATIONS. ISO 9001, ISO 14001, ISO 45001, FSC® Chain of Custody.



NC Nordic Care



Materia



Skandiform

WHICH QUESTIONS ARE IMPORTANT?

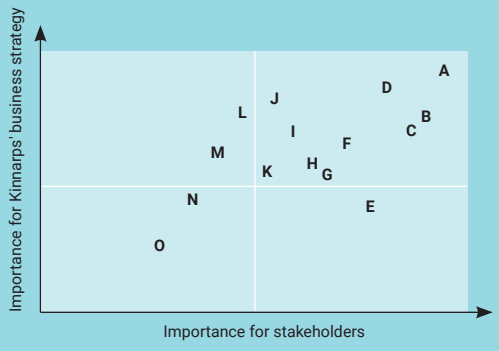
STAKEHOLDER DIALOGUE Which questions are important for those who influence or who are influenced by our operations? The knowledge is necessary to enable us to pursue our sustainability work effectively, and we therefore maintain a regular dialogue with our stakeholders. This is done by methods including interviews, focus groups, surveys and ongoing meetings in our daily operations.

Key stakeholders we have identified:

CUSTOMERS / REGULATORS / OWNERS / EMPLOYEES / SUPPLIERS / AUTHORITIES / LENDERS / SOCIETY / RETAILERS

MATERIALITY ANALYSIS Which sustainability issues are most relevant for our operations? On the basis of the stakeholder dialogue we carry out a materiality analysis, which is revised annually. The analysis identifies the areas where Kinnarps' stakeholders have the highest expectations and which have the greatest importance for our business strategy. These are the areas we prioritise in our sustainability work and report on. We have gathered the key issues into six areas in the sustainability report:

RAW MATERIALS AND RESOURCES / CLIMATE / PURE MATERIALS / SOCIAL RESPONSIBILITY / REUSE / ERGONOMICS



A. Product and service quality
B. Pure materials and chemicals
C. Social responsibility
D. Transportation and resource efficiency
E. Product labelling
F. Reuse
G. Climate
H. Waste and emissions
I. Transparency
J. Ergonomics and health
K. Responsible raw wood
L. Working environment
M. Long-term and responsible business
N. Skills and development opportunities
O. Local involvement



RISK ANALYSIS Risk management is integrated into the internal processes of the management and the Group by means of guidelines and work procedures. Continuity planning is carried out at Group level, and risks are also identified and managed on an ongoing basis in the Group's various units by means of the procedures and systematic risk assessments done in the various areas of risk. Measures are taken in each area to minimise the likelihood and consequences of an incident.

IN OUR OPERATIONS, WE HAVE IDENTIFIED THE FOLLOWING RISKS LINKED TO SUSTAINABILITY:

RISK	DESCRIPTION	MANAGEMENT
Environmental accident risks	Environmental accidents in the event of leakage, waste or process errors.	Procedures for handling chemicals and waste management Contingency plans for waste and leaks. Training of employees.
Working environment risks	Shortcomings in safety or the working environment can result in injuries or illness in the workplace.	Systematic working environment improvement, for example by means of training, regular inspection rounds, work instructions. Protective equipment and ergonomic aids.
Sustainability risks in the supplier chain	Environmental risks linked to production of materials and components. Infringements of the supplier code of conduct.	Environmental requirements for materials and components. Social requirements and follow-up through supplier audits.
Product safety risks	Safe use of products. Ergonomic risks linked to good working posture. Risk of the spread of fire.	Product tests in compliance with EN standards. Tests are conducted by an accredited laboratory: Kinnarps Test & Verification Centre. Product certifications by third parties. Requirements for material to meet quality and fire requirements.

INDUSTRY AND SOCIAL INVOLVEMENT As one of Europe's biggest suppliers of interior design solutions for working environments, it is our responsibility to drive development in sustainability issues. The Kinnarps AB Group is represented on the board of the 100 Group – an association that works for a more sustainable interior design industry in Sweden. Our involvement also includes membership of the international Forest Stewardship Council FSC® and we are represented on the Swedish FSC board.

We are active in Möbelfakta's technical committee and working group for the further development of the Möbelfakta labelling system. The Kinnarps AB Group is a member of the Swedish trade association and employers' organisation the Swedish Federation of Wood and Furniture Industry (Trä- och Möbelföretagen, TMF) and the European trade organisation European Federation of Office Furniture (FEMB). We work actively to develop furniture quality standards in Sweden and internationally through the Swedish Standards Institute (SIS), Comité Européen de Normalisation (CEN) and International Organisation for Standardisation (ISO).

OUR INVOLVEMENT INCLUDES MEMBERSHIP OF THE INTERNATIONAL FOREST STEWARDSHIP COUNCIL FSC AND WE ARE REPRESENTED ON THE SWEDISH FSC BOARD.

MANAGEMENT AND RESPONSIBILITY Management of our sustainability work is based on our sustainability policy and code of conduct. These apply to the operations of the whole Group and are based on Kinnarps' core values. The code of conduct is based on the UN's Global Compact and is also made clear to suppliers in a code of conduct for suppliers.

The sustainability work is firmly anchored in the board and management and forms an integral component of the Group's strategy. "Let the star shine". The direction of sustainability work is further defined in the sustainability strategy. The Group management decide on the direction and goals of the work, and the sustainability manager is responsible for the development and coordination of sustainability work in the Group. Locally, each manager is responsible for compliance in their area, and in larger units the work is led and coordinated by local quality and environmental functions.

Audits of the operations take place in units that are ISO 14001 and ISO 9001 certified, and monitoring of compliance with the code of conduct is done by means of supplier audits. Management and follow-up of the sustainability work has proceeded according to plan during the year and is judged to be working well.

SUSTAINABILITY STRATEGY

Running our business in a sustainable way is important for the short-term and long-term success of the Kinnarps AB Group. The sustainability strategy is based on our overall strategy and vision. By adopting a holistic perspective, we aim to create inspiring and efficient working environments which contribute to success.

The sustainability strategy has been designed to build current and future values in relation to risks, costs and earnings. In this way, our sustainability work is an effective tool for promoting both short-term improvement in profitability and long-term competitiveness.

PROMOTING EARNINGS AND GROWTH

Development of circular services and business models is a priority area, with the purpose of creating more circular flows of products and materials. We focus on ensuring our products meet environmental requirements and that they are labelled with competitive eco-labels. We also actively market our products' sustainability performance externally and internally, for example by means of our own sustainability index, The Better Effect Index.

REDUCING COSTS

With a focus on efficiency throughout the entire value chain, we are reducing our environmental impact and becoming more cost-effective. Kinnarps 'blue truck' transportation concept gives us unique opportunities for resource management and thereby also for reduction of carbon dioxide emissions. Increased efficiency in the use of energy and materials in our production gives good cost control, and at the same time has a positive climate impact. Replacement of chemicals contributes to a better working environment both in our operations and beyond.

PROTECTING AND STRENGTHENING THE BRAND

Innovative product development is based on sustainable and circular design, aiming for reuse and recycling of materials. This contributes to improving the sustainability performance of our products and strengthening the Kinnarps brand. We aim for transparent communication about our sustainability work. This takes place via the internet and social media, as well as in face-to-face communication with our customers and stakeholders.

REDUCING RISKS

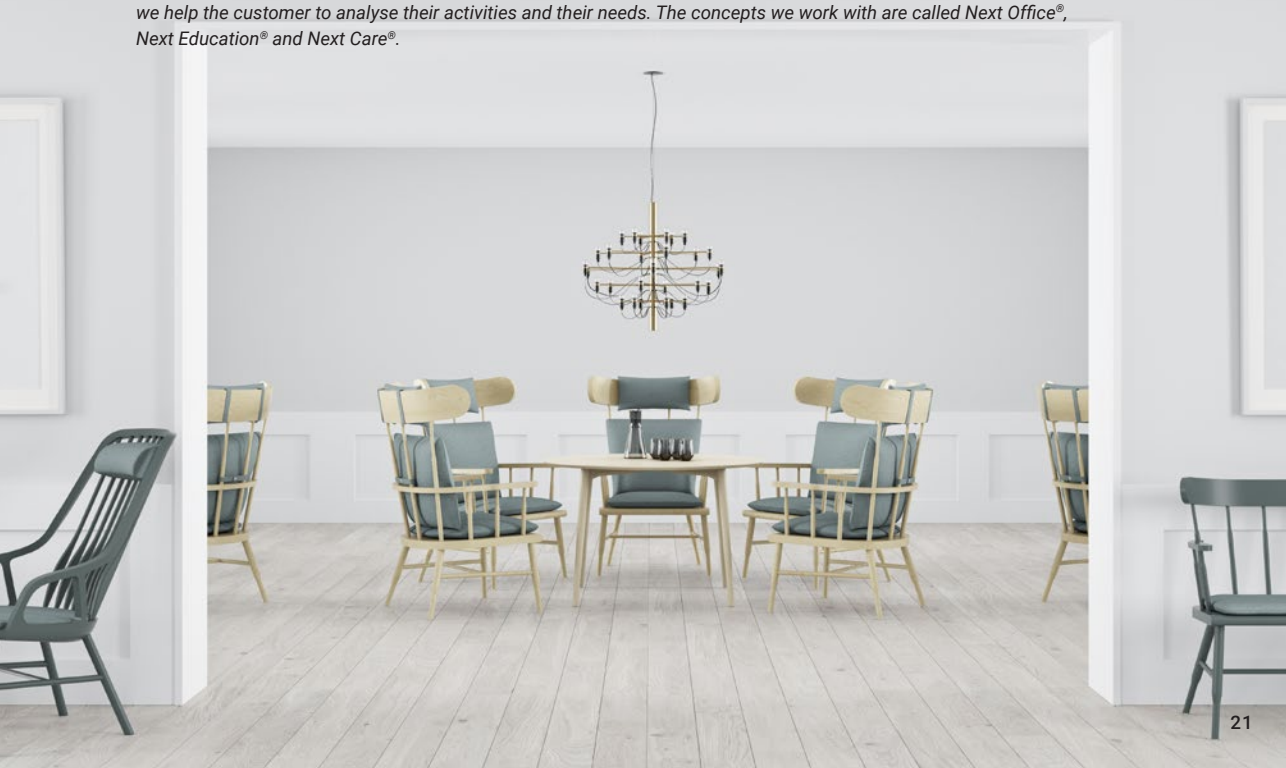
It is important to take responsibility for our operations and their effects. We therefore work with social responsibility in the supplier chain by means of risk assessments and audits. Another way of taking responsibility is to encourage sustainability requirements to be applied to furniture. We encourage decision-makers to include requirements in procurements, and we take part in the designing of industry standards such as Möbelfakta.

IMPLEMENTATION

The sustainability strategy forms the framework of the Group's sustainability work and should pervade all our operations. The different parts of the operations contribute to continuous improvements, as goals and activities are pursued in line with the strategy. Together, we take responsibility and create value for society and the environment – at the same time as we build competitive advantages.



The sustainability strategy is based on the overall Group strategy and vision: to create inspiring and effective working environments that contribute to success. With our interior design concepts for offices, schools and healthcare/nursing, we help the customer to analyse their activities and their needs. The concepts we work with are called Next Office®, Next Education® and Next Care®.



LONG-TERM SUSTAINABILITY TARGETS

We are aiming to achieve the long-term targets in our six priority effect areas by 2030.

1

RAW MATERIALS & RESOURCES

Our target is for all raw materials in our products to be traceable and from responsible sources. All raw wood should be FSC® certified or recycled. Materials should be used in an even more resource-efficient manner.

2

CLIMATE

Our target is to be climate-neutral. We are working continuously to improve energy efficiency in all our operations and using more energy from renewable sources.

3

PURE MATERIALS

Our target is to create more healthy working environments, with fewer chemicals and without materials classified as hazardous to health or the environment.

4

SOCIAL RESPONSIBILITY

Our target is to have good, monitored working conditions throughout our entire value chain, contributing to social development on sites where we operate and have our cooperation partners.

5

REUSE

Our target is for all our products to be designed for a long service life and for our interior design solutions to be part of a circular flow that prolongs the life of products and materials. We are using more recycled materials in our products and finding innovative ways of using the waste material resulting from our operations.

6

ERGONOMICS

Our target is to create working environments that promote health and well-being for everyone in them. Holistic ergonomics is central to our interior solutions, and the products are inclusive and suited to human needs.

HOW WE CONTRIBUTE TO THE UN'S GLOBAL GOALS

The UN's global goals were presented in autumn 2015 and constitute a common target for the world to achieve by 2030. In order for them to be achieved, we all need to contribute. We have assessed our operations against the 17 goals and identified the ones where we have the greatest direct or indirect impact.



HEALTH AND WELL-BEING

We contribute by creating working environments with good ergonomics and without unnecessary chemicals.



SUSTAINABLE ENERGY FOR EVERYONE

We contribute by using energy more efficiently and increasing the proportion of renewable energy we use.



DECENT WORK AND ECONOMIC GROWTH

We contribute by working for good working environments and working conditions in our operations and in our supplier chain.



SUSTAINABLE INDUSTRY, INNOVATIONS AND INFRASTRUCTURE

We contribute by developing more efficient industrial processes that make optimal use of materials.



REDUCED INEQUALITIES

We contribute by working for diversity and against discrimination in our operations and by setting requirements for social responsibility in our supplier chain.



SUSTAINABLE CONSUMPTION AND PRODUCTION

We contribute by reducing the environmental impact of our production, setting requirements for our suppliers, working with pure materials and without unnecessary chemicals and creating more circular flows of products and materials.



COMBATING CLIMATE CHANGE

We contribute by reducing the climate impact of our production, our premises and our transportation.



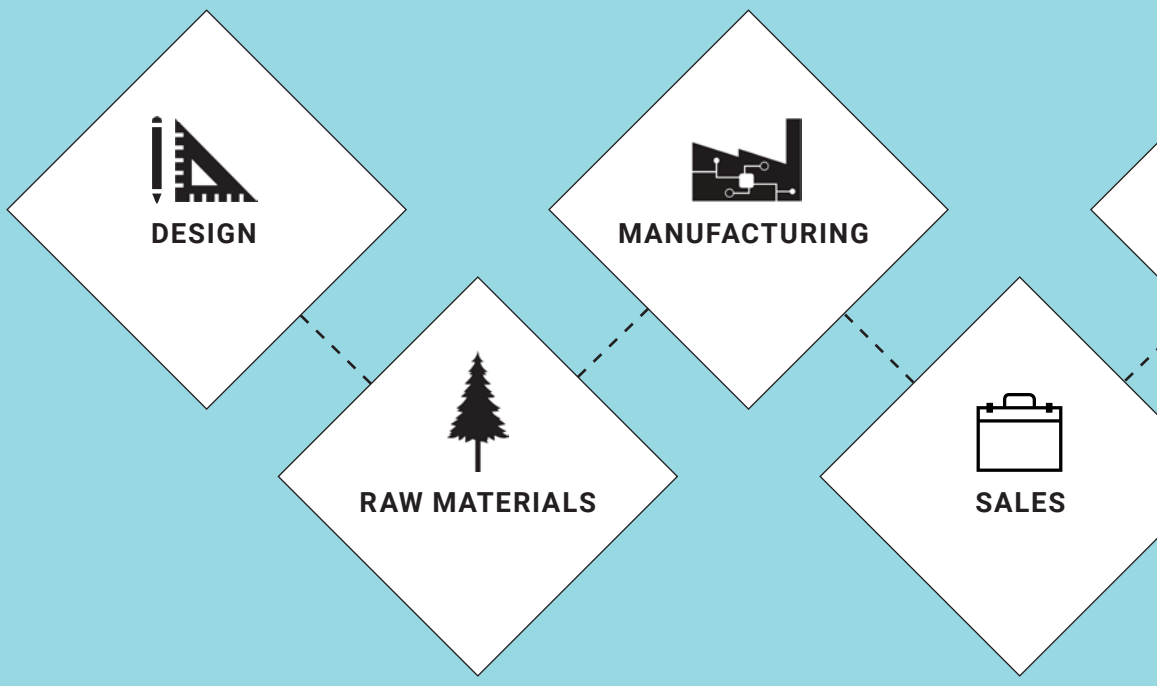
ECOSYSTEMS AND BIODIVERSITY

We contribute by using certified wood from responsible forestry.

A VALUE CHAIN WHICH IS UNIQUE IN THE INDUSTRY

THE KINNARPS AB GROUP'S BUSINESS MODEL AND VALUE CHAIN AIM TO UNDERSTAND AND FULFIL COMPANIES' AND ORGANISATIONS' NEEDS FOR INTERIOR SOLUTIONS WITH ASSOCIATED SERVICES.

The brands in the Kinnarps AB Group have a shared value chain. A cooperation which is unique in our industry and which makes it easy for our customers to make sustainable choices. Because we have different production conditions, individual solutions are required. We see this as an advantage, since each brand can optimise sustainability work to take account of its own circumstances.

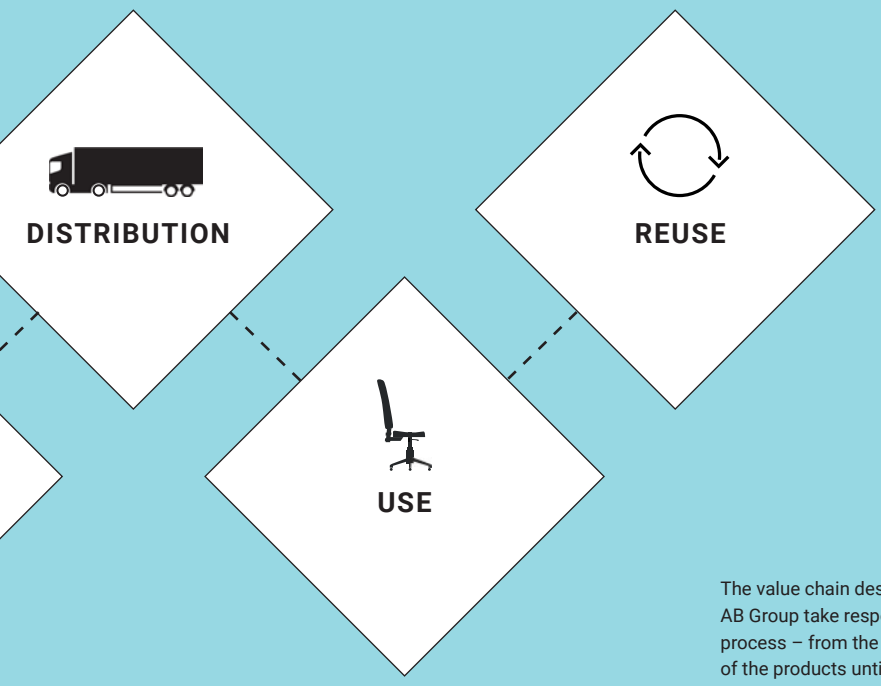


DESIGN

We develop products that are ergonomic and adaptable. To ensure a low environmental impact, we set high requirements for quality and choice of materials. All components should be easy to separate and recycle. With innovative design we have also created new products from old waste material. Which labels our products are to comply with is clarified in our Group-wide eco-labelling policy. The requirements of these labels are integrated into the design process.

RAW MATERIALS

We procure raw materials, components and finished products, and set strict requirements for both the suppliers and what they supply. The requirements specified in our environmental labelling policy apply to all our products. For example, we choose certified wood from a verified and risk-assessed source. Many fabrics are eco-labelled, and recycled metal is used as much as possible. We also set requirements for social responsibility in the supplier chain through our Group code of conduct, and we also follow up with risk assessments and on-site supplier audits.



The value chain describes how we in the Kinnarps AB Group take responsibility throughout the entire process – from the design, production and delivery of the products until it is time for them to be reused.

INSTEAD OF SINGLE-USE PACKAGING, WE USE BLANKETS. THIS SAVES 270 KG OF PACKAGING PER TRUCK AND MAKES IT POSSIBLE TO LOAD MORE PRODUCTS.

KINNARPS' OWN LOGISTICS SYSTEM MAKES IT POSSIBLE TO LOAD UP TO 50% MORE IN A TRUCK. WHEN OTHERS NEED UP TO THREE TRUCKS, WE MANAGE WITH TWO.

MANUFACTURING



In our manufacturing units in Sweden, we work systematically on the working environment. We avoid environmentally hazardous and unhealthy substances in all production processes. We optimise use of resources and make use of waste material. Wood waste is used for heating and textile waste is used for new products. Our manufacturing units are in Kinnarp, Skillingaryd, Jönköping, Tranås and Vinslöv. Component wood processing and final assembly are done in Kinnarp for the Kinnarps, Drabert and MartinStoll brands. The manufacturing unit in Skillingaryd specialises in sewing and upholstery. At Materia's unit in Tranås, sewing and assembly take place. At the Skandiform unit in Vinslöv, assembly takes place. At the NC unit in Tranås, only transshipment of finished products takes place.

SALES



The Kinnarps AB Group's sales organisation consists of subsidiaries in ten countries and independent retailers. In total, we are represented in about 40 markets. The customer offer covers total solutions for workplaces, which means that we supplement products from Group brands with products from other suppliers, such as carpets and lighting. A Kinnarps Next Office® analysis makes it possible to design a solution to suit the company's needs. A number of the Group's sales companies are ISO certified and are working for better quality and lower environmental impact. For example, we have switched to energy-efficient lighting in many of our showrooms.

DISTRIBUTION



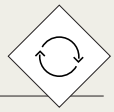
Products from Kinnarps, Drabert and MartinStoll are delivered in the framework of our own logistics system, 'the blue trucks', from the manufacturing unit in Kinnarp. Instead of single-use packaging, we use blankets. This saves 270 kg of packaging per truck and makes it possible to load more products. Load efficiency is very high – over 90 per cent. The blankets are then returned and reused. On the way back, we fill our trucks with materials from suppliers or third party goods. Kinnarps' trucks run on diesel with an admixture of biodiesel, which reduces climate impact. Products from Materia, NC Nordic Care and Skandiform are delivered to our local warehouses or direct to the customer by external logistics partners.

USE



The Kinnarps AB Group's wide range makes it possible to create healthy, productive working environments that put people at the centre and can reduce stress and increase well-being. This is done, for example, by means of Kinnarps Next Office® analyses and ergonomics briefings in conjunction with delivery. By setting high requirements for materials and avoiding unnecessary chemicals, we contribute to healthy indoor air when our products are used. We also offer to clean and refresh of furniture.

REUSE



Well-designed products of a high quality can be reused several times. Certain products can be easily upgraded or restored – for example by replacing tabletops, chair seats or removable upholstery. Many of the products from NC Nordic Care, for example, are designed for healthcare and nursing environments and have removable upholstery, so that they are easy to clean and fit with new upholstery. We also offer a recycling service where we take care of the customers' used furniture.

THE BETTER EFFECT: AREAS

A new generation is putting new demands on companies' sustainability work. "More and more people want to make sustainable choices, so we have to make it easier to choose. We make our sustainability work clear in six different areas that we know produce a better effect," says Kinnarps' Sustainability Manager Johanna Ljunggren.

WHY EXACTLY THESE AREAS?

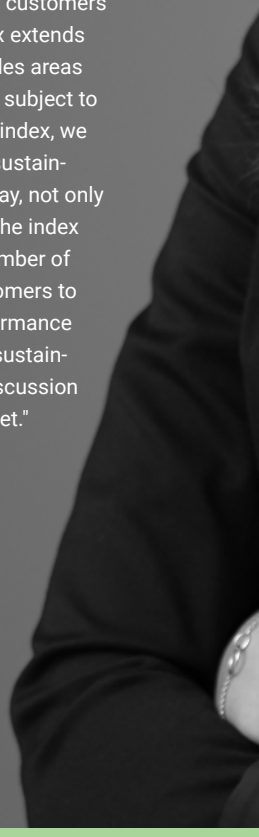
"The most direct effect of our products is the function, in other words that they meet people's need for healthy, creative working environments. If we apply a holistic view of sustainability, our furniture can have an even bigger effect. It can influence the size of the world's waste mountain, the state of our forests and the working conditions of the people who work in the various production chains. The six areas were identified in our stakeholder dialogue and give a comprehensive picture of the sustainability effect our products have."

WHICH IS THE LIVELIEST AREA?

"Reuse is currently the hot topic in the industry. 80% of furniture's climate impact is in the material, and if we want to create a long-term effect, we have to find new solutions for raw materials and materials. We are seeing an increased demand for circular services and business models, and we are therefore focusing on developing solutions that contribute to making them easier to implement from a purely practical point of view. Our products have good potential in the form of good quality and service life. Studies show that there is great potential in reusing office furnishings, both environmentally and economically. This is where we can make a contribution!"

WHAT IS THE BETTER EFFECT INDEX?

"The Better Effect Index is the concrete application of our sustainability work in the six areas. It is a web-based tool that makes it easier for customers to make sustainable choices. The index extends the concept of sustainability and includes areas such as climate and reuse, areas rarely subject to requirements in eco-labelling. With the index, we want to make it simpler to assess the sustainability of products in a more detailed way, not only against the basic requirements. Since the index was launched in 2017, we've seen a number of positive effects. It has helped our customers to see and assess the sustainability performance of the products. It stimulates our own sustainability work and it drives the general discussion of which requirements are relevant to set."





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RAW MATERIALS AND RESOURCES

USING THE RIGHT RAW MATERIALS AND MANAGING RESOURCES IS SOUND COMMON SENSE. THIS IS ESSENTIAL FOR A SUSTAINABLE BUSINESS AND AN IMPORTANT PART OF OUR CORPORATE CULTURE. WE TAKE RESPONSIBILITY FOR OUR MATERIALS AND DO NOT CHOOSE RAW MATERIALS OR MANUFACTURING METHODS THAT ARE AN UNNECESSARY BURDEN ON THE ENVIRONMENT.

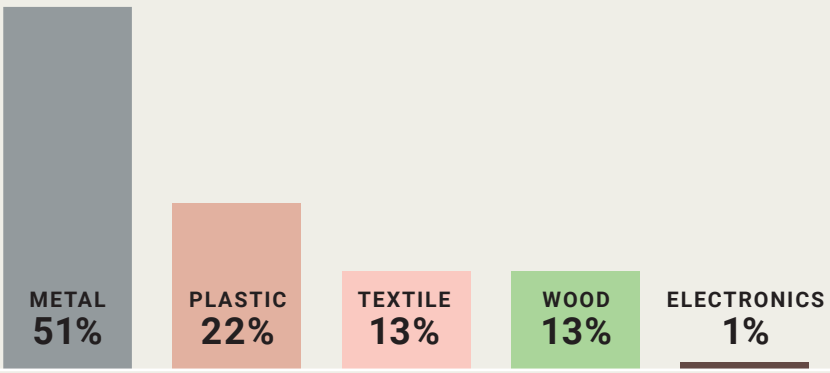
EFFECT ▸ BETTER RESOURCE MANAGEMENT / BETTER CLIMATE / BETTER FINANCES

DEFINITION

Which materials we use in our products, and how they are manufactured, is of great significance for our environmental impact. It is also important that we use these materials efficiently and minimise waste in order to reduce the consumption of natural resources.



**THESE MATERIALS ARE USED IN OUR PRODUCTION.
THE DIAGRAM SHOWS THE PROPORTION OF MATERIAL PROCURED
ON THE BASIS OF ITS PROCUREMENT VALUE.**



CHALLENGE

LONG AND COMPLICATED SUPPLIER CHAINS

The extraction of raw materials and the manufacturing of materials are part of a complicated global context. For us as an individual player it is a big challenge to trace the origin of raw materials such as oil, plastic, ore and metal, and under what conditions they were produced. It is easiest for us to influence our direct suppliers. Longer supply chains are more complicated to trace, since we do not have the financial relationship with the suppliers, which also means we have less ability to influence them. For the same reason, it is a challenge for us to influence the efficiency of material use in the supplier chain. Wood is unique in that there are good traceability certifications, and for this reason we have set particularly high targets in this area. But the availability of certified wood is far from adequate.

STRATEGY

REQUIREMENTS FOR MATERIALS AND BETTER RESOURCE MANAGEMENT

REQUIREMENTS FOR MATERIALS

We set requirements for all articles we purchase. The supplier must accept and follow the requirements in our code of conduct concerning social conditions and consideration for the environment in the production process. The requirements for materials are based on the requirements in current eco-labels and also include certain requirements for production. We also gather information about the country of manufacture.

We have procedures for monitoring the origin of all raw wood. We do not accept wood from forests with high conservation values, areas which have been modified from natural forest into plantations or forests where social conflicts occur. Our units in Kinnarp, Skillingaryd, Tranås and Vinslöv are traceability-certified by the FSC® Chain of Custody, which makes it possible to trace wood at every stage in the supplier chain. FSC labelling is a guarantee that the raw material comes from environmentally-adapted, socially responsible and economically sound forestry. We also encourage the industry to raise interest and demand for FSC certified wood among consumers and producers, with the aim of increasing availability.

We are involved in the development of new materials through the research project "Skogens Tyg" (Forest Fabric), where the goal is to manufacture textiles made of raw materials from forests and to further develop textiles made from paper yarn.

BETTER RESOURCE MANAGEMENT

We also work continuously to make more efficient use of resources and to reduce waste by means of developed processes and investments in machinery.

THE MATERIALS WE USE MOST

WOOD

We use only certified wood or wood whose origin we have monitored with regard to tree species and source country. Our range includes 80 different series with FSC® labelled products. The resource use of veneer is optimised by planking the material.

TEXTILES

We offer durable, natural material from e.g. New Zealand, but also work with artificial materials such as Xtreme, made of recycled polyester. 77% of our range of fabrics are certified by Oeko-Tex® or EU Ecolabel and made with consideration to the environment and health. For fabric cutting, we use an automated program that optimises use and reduces waste.

METAL

We use recycled metal as far as possible, taking into account availability and quality requirements – including cast aluminium, which enables a higher proportion of recycled material, and recycled magnesium. Chrome-plated elements are produced with trivalent chrome, which has better environmental and health properties than hexavalent chrome.

PLASTIC

We have our own die-casting facility for padding at our factory in Skillingaryd. It gives us full control over the material, and we can use the isocyanate MDI instead of the usual TDI, which is hazardous to health. Recycled plastic does not always work in furniture production, since it is not so strong and availability is limited. The plastic granulate we purchase comes mainly from Europe.

ELECTRONICS

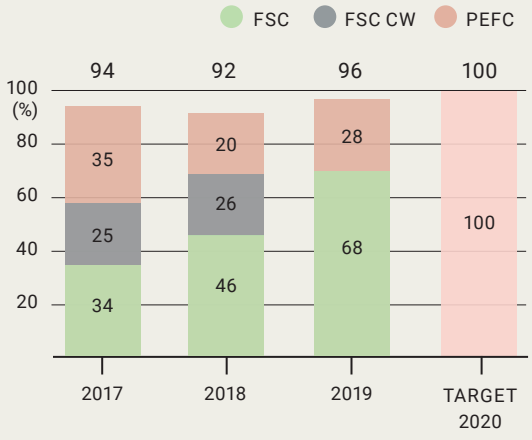
We have made it a requirement that 'conflict minerals' must not be included in electronics. By taking this measure we want to ensure that we do not use electronics containing tin, tantalum, tungsten or gold which have been extracted illegally, or whose extraction contributes to supporting conflicts.



LONG-TERM TARGET 2030. Our target is for all raw materials in our products to be traceable and from responsible sources. All raw wood is FSC® certified or recycled. Materials are used in an even more resource-efficient manner. The target is linked to the UN's sustainability goals 9 and 15, 'sustainable industry, innovations and infrastructure' and 'ecosystems and biodiversity'.

PROPORTION OF CERTIFIED RAW WOOD IN TOTAL RAW WOOD PROCURED*

* Procurement of raw wood for our own products in Kinnarp, Skillingaryd, Tranås and Vinslöv.

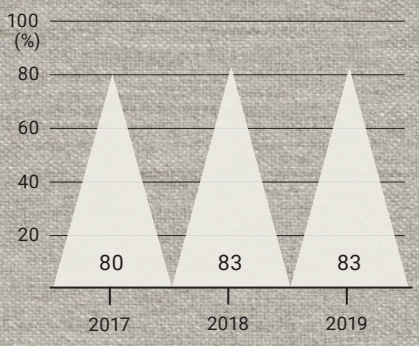


ANALYSIS AND FOLLOW-UP

Of all the wood we procure, 96% is either FSC, FSC Controlled Wood or PEFC, i.e. certified or monitored by a third party. This is an increase of 4 percentage points compared to previous years. The amount of FSC has increased significantly from 46% to 68%, much due to moving all manufacturing from the factory in Worms to our factories in Sweden. The amount of FSC CW has reduced as most of the volume has been shifted to PEFC labelled materials. The FSC certified volumes are also driven up by product launches as a great deal of our new products for the year contain certified material. In order to achieve our target we are encouraging our suppliers to become traceability certified.

TARGET

By 2020, all raw wood will come from FSC certified or third-party monitored sources.



RESOURCE UTILISATION OF TEXTILES*

* Production in Skillingaryd

ANALYSIS AND FOLLOW-UP

During the year we have invested in two new machines for cutting fabrics at our manufacturing unit in Skillingaryd. Due to their very high precision, our material utilisation has improved, also reaching 83% this year. There are primarily two other factors other than machine precision that affect the degree of utilisation: the fabric patterns to be cut out and the day's mix, i.e. how many products of the same type are to be manufactured, in accordance with our system governed by customer orders. Left-over waste material is reused in our stuffing material Re:fill or sent for recycling.

TARGET

Our target is to reach a utilisation rate of 85% by 2020.



RAW MATERIAL GUIDE

▸ CHOOSE ECO-LABELLED PRODUCTS

With eco-labelled products, you know that the materials have complied with requirements.

▸ CHOOSE FSC® LABELLED PRODUCTS

This means that the wood is traceable through the entire value chain, all the way back to the forest. You can be sure that the wood in the product comes from responsibly managed forests.

▸ CHOOSE RENEWABLE MATERIALS

Wood and wool are examples of natural materials which come from renewable sources.



CLIMATE

OUR OWN 'BLUE TRUCKS' GIVE US A UNIQUE OPPORTUNITY TO REDUCE CO_2 EMISSIONS. OUR SMART LOADING CONCEPT ALLOWS US TO PACK MUCH MORE INTO OUR TRUCKS. WHEN OTHERS NEED UP TO THREE TRAILERS, WE MANAGE WITH TWO. FURTHERMORE, WE CAN CHOOSE WHICH FUELS WE USE FOR TRANSPORTATION. WE ARE NOW AIMING TO BECOME CLIMATE-NEUTRAL.

EFFECT ▸ BETTER CLIMATE / BETTER TRANSPORTATION / BETTER USE OF ENERGY

DEFINITION

The global climate goal means that global warming should be limited to less than 2 degrees, and preferably stop at 1.5 degrees. Achieving the climate goal requires joint measures, in all sectors of society. Our biggest opportunities to contribute are in the transport sector and in our own operations. Transportation accounts for a large part of our climate impact, as do electricity and energy consumption in our production and our sales offices.

THE GROUP'S CLIMATE-IMPACTING EMISSIONS, USING THE GREEN HOUSE GAS PROTOCOL

Unit, Tonne CO_2e	
SCOPE 1 – DIRECT EMISSIONS	
Oil	105
LPG	377
Gas	126
Our own freight transportation	3930
Passenger transportation	1458
SCOPE 2 –INDIRECT EMISSIONS	
Electricity	1859
District heating	224
SCOPE 3 – OTHER INDIRECT EMISSIONS	
Procured freight transportation	703
Business trips in private cars	87
TOTAL	**8869**



CHALLENGE

LIMITED AVAILABILITY OF FOSSIL-FREE FUELS

The fact that many of the existing processes are fossil-dependent is the biggest challenge we face in the work of reducing our climate impact. Fuels for freight and passenger transport are today primarily fossil-based, and our efforts to use fossil-free alternatives are hindered by limited availability of renewable fuels. But we also see the need for longer-term political rules of play that contribute towards making renewable fuels more competitive with fossil fuels. We also face challenges in finding profitable and competitive energy efficiency measures in our own production and operations. There is potential for further improving energy efficiency, but once the more straightforward measures have been taken, considerable investments are often needed. We also see great challenges concerning climate-improving measures in our supplier chain, where we have much less opportunity to influence.



STRATEGY

CLIMATE-OPTIMISED TRANSPORTATION AND ENERGY AUDITING

TRANSPORTATION

Kinnarps is the manufacturer on the market that can offer its own logistics system, the so-called 'blue trucks'. This means that we ourselves can optimise our transportation – design and routes – to take account of climate impact. The products are loaded like a jigsaw puzzle, without boxes, which means that we have room for much more freight in our trucks. This, along with careful delivery planning and packing on the basis of order of delivery, gives us a consistently high load efficiency of 90%. When others need up to three trucks, we manage with two, and we can transport up to 50% more per truck than our competitors. Instead of traditional packaging, we use our own blankets to protect our furniture while it is being transported, and the blankets are then taken back and reused. This saves us and our customers about 270 kg of packaging per journey. After deliveries, we fill the trucks with material from suppliers, which means that we make use of the transportation capacity in both directions.

Our trucks primarily run on diesel with an admixture of renewable pine oil. At the moment, blue truck transportation covers the products from Kinnarps and Drabert, but we are working to extend the concept to include our other brands too.

We have started to measure our blue trucks' CO_2 per tonne kilometre, and we intend to follow and set targets for this measurement to focus on the climate efficiency of our transportation. The result for 2019 was 37.95 g CO_2 per tonne km.

In order to further enhance the energy efficiency of the blue truck concept, we have also started a research cooperation project with Volvo and the Swedish Transport Agency. We have been granted a dispensation to operate with longer trailers, enabling an increase in load volume of 50% per truck formation and a reduction in CO_2 emissions of about 20%. These transports are being tested and are planned to increase.

We are also evaluating electric transport, and we have invested in an electric vehicle to replace a diesel-operated service vehicle at the factory in Jönköping. We have also invested in several electric vehicles for our operations in Norway.

PRODUCTION AND PREMISES

Our energy consumption is greatest at the production plants in Kinnarp, Jönköping and Skillingaryd. We have therefore carried out energy audits to identify potential for energy efficiency measures. We are aiming to use more energy from renewable sources or energy sources with lower climate impact. During the year, we have replaced a large part of the LPG used in production at our factory in Jönköping with district heating, which has a considerably lower climate impact. This change of energy source saves about 500 tonnes of CO_2 per year.

At our production units in Kinnarp and Skillingaryd, a great deal of wood processing takes place. The wood waste is reused in the form of briquettes, so that the factories are heated with entirely renewable energy. In conjunction with rebuilding or restoring, we have switched to LED lighting at several of our units.

LONG-TERM TARGET 2030. Our target is to be climate-neutral. We are working continuously to improve energy efficiency in all our operations, and using more energy from renewable sources. This target is linked to the UN's sustainability goals 7 'sustainable energy for all' and 13 'combating climate change'.

ENERGY USE IN THE ORGANISATION*

* Production in Kinnarp, Jönköping, Skillingaryd, Tranås, Vinslöv and sales subsidiaries.

Unit, TJ	2016	2017	2018	2019
Electricity	115	111	112	102
Briquette heating	93	87	92	72
District heating	9	6	11	13
Natural gas	1	0	4	5
Fuel oil	4	3	3	1
LPG	14	15	10	6
Biodiesel	8	13	13	4
Diesel	65	45	55	73
Petrol	1	0	7	1
TOTAL	**310**	**279**	**307**	**277**

ANALYSIS

We have successfully reduced our energy consumption by 11% which means that we have reached our goal for 2019 to reduce our energy consumption to 10% in comparison to the base year. A substantial contributing factor to this is that manufacturing in Worms, Germany was closed and moved to our manufacturing units in Sweden.

During the year, several other energy efficiency measures have been taken. For example, LED lighting was installed in a number of premises, efficiency measures have been taken in production lines and management has been implemented in a number of areas. To maintain our energy consumption level and meet the target, a number of energy efficiency measures have been identified and planned.

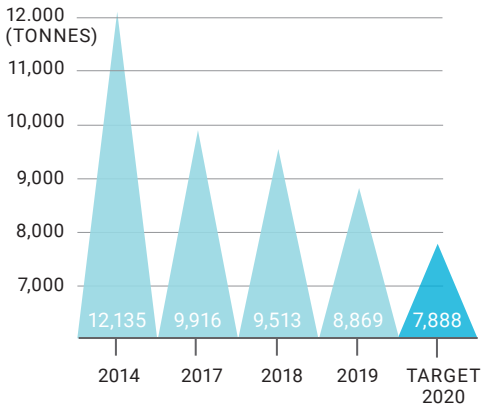
As we have replaced LPG with district heating in several of our factory processes in Jönköping, we have managed to reduce the amount of LPG by approximately 60%. The amount of district heating has naturally risen as a result, but the shift greatly reduces our climate impact.

GOALS

Our target is to reduce our energy consumption by 10% between now and 2020, compared with the base year 2016.

EMISSIONS OF CARBON DIOXIDE EQUIVALENTS (TONNES)*

* Production in Kinnarp, Jönköping, Skillingaryd, Tranås, Vinslöv and sales subsidiaries. According to Greenhouse Gas Protocol.



ANALYSIS

During the year, we have managed to further reduce our climate impact and are now reaching a 27% reduction compared to the base year. A substantial contributing factor to this is that manufacturing in Worms, Germany was closed and moved to our manufacturing units in Sweden. The climate impact caused by transportation has increased on the whole due to lower admixtures of renewable fuel. During the year, we have invested in a number of electrical cars with more in the pipeline. Next year, we will also start operating a truck that runs on gas.

In collaboration with Volvo and the Swedish Transport Agencywe have, through the High Capacity Transport project, test-driven extra long truck formations making it possible to drive with three trailers rather than two, and thereby transport 50% more furniture with a 20% lower climate impact. We will continue to use this type of transportation and plan to increase it during the coming years.

TARGET

By 2020 we will reduce emissions by 35% in comparison with 2014.



CLIMATE GUIDE

These three areas have the greatest significance for the product's climate impact.

CHOICE OF MATERIALS

Choose wood, which is a renewable material with low climate impact through the entire value chain.

PRODUCTION

Check which types of energy the producer uses for electricity, heating and processes, and how energy-efficient the production is. Energy types should be fossil-free and renewable.

TRANSPORT

Short transportation routes for materials and components for production mean lower climate impact. Transportation with renewable fuels and fuel-efficient vehicles, plus high load capacity, is also an effective way of reducing CO_2 emissions.



PURE MATERIALS

OUR FURNITURE IS TO BE FOUND IN ENVIRONMENTS WHERE CHILDREN AND ADULTS SPEND LARGE PARTS OF THEIR LIVES. IT IS SELF-EVIDENT FOR US THAT OUR PRODUCTS SHOULD NOT CONTAIN HARMFUL SUBSTANCES THAT IMPAIR PEOPLE'S HEALTH AND ABILITY TO DO A GOOD JOB.

EFFECT ▸ BETTER WORKING ENVIRONMENT / BETTER HEALTH / BETTER ABILITY TO CONCENTRATE

DEFINITION

Furniture may contain substances which have a negative effect on the environment and people's health. These substances may be present in the raw material from the start, or may be added when the furniture is manufactured. The substances may have an effect either through direct contact or through dispersal in the air.

In the furniture industry, the following chemicals may occur in different materials:

WOOD. Formaldehyde. Surface treatments may contain aromatic solvents, VOCs, CMRs, SVHCs and allergenic substances.

TEXTILES. Flame retardants, phthalates and plasticisers, formaldehyde, dirt- and grease-repellent substances, toxic dyes, heavy metals and SVHCs.

ELECTRONICS. Flame retardants.

PLASTIC AND PADDING. Flame retardants, phthalates and plasticisers, PVC, heavy metals, chlorinated paraffins and SVHCs.

METAL. Surface treatments containing hexavalent chrome, aromatic solvents, VOCs, CMRs, SVHCs and allergenic substances.



CHALLENGE

SURFACE TREATMENTS THAT MEET BOTH ENVIRONMENTAL AND QUALITY REQUIREMENTS

Chemicals are used in lacquer, glue and paint to create surfaces which withstand liquids and detergents. These characteristics are important in environments where cleaning and disinfection takes place, such as hospitals, schools and restaurants. But this type of resistant surface treatment does not meet the requirements of the leading eco-labels. More environmentally-friendly lacquers have poorer properties for use in challenging environments. Our greatest challenge is therefore to develop surface treatments which meet strict requirements regarding both environment and quality.



STRATEGY

SETTING STRICTER REQUIREMENTS BY PRODUCT LABELLING

We are participating in a collaborative project with the industry organisation TMF and lacquer suppliers to improve water-based lacquers with regard to resistance, cleaning and disinfection of the surfaces. In order to ensure that our products do not contain unnecessary chemicals, we set requirements for all materials and components included. The requirements are based on the labels included in our eco-labelling policy: EU Ecolabel, Möbelfakta, GS, Quality office, NF Environnement, NF Office Excellence Certifié and FSC® and cover all substances mentioned in the definition in the foregoing section. For certain products we have also made emission measurements against the requirements in M1 and ANSI/BIFMA. The measurements show good results with very low emissions.

OUR OWN PRODUCTION

The chemical products we use in manufacturing are paint, glue, oil and detergents. Their use is monitored by means of a chemical management system at all our production units. This includes safety data sheets and updates by reference to the REACH candidate list. Risk assessment is also carried out in the framework of our working environment work.

PLASTIC AND PADDING

Padding is moulded in-house and we have eliminated the hazardous isocyanate TDI. The foam is also free from flame retardants. All plastics in the Group's furniture are free from bisphenol A and phthalates.

WOOD

Glue containing formaldehyde is used in the manufacturing of chipboard. All our chipboard fulfils E1 requirements, which means a very low emission of formaldehyde. Most of our chipboard has half the E1 values or lower. For surface treatments we use primarily water-based lacquers with zero or low solvent contents. At the factory in Kinnarp, tables and storage units are surface-treated with water-based UV lacquer, which ensures very low VOC emissions.

METAL

Hexavalent chrome is allergenic and carcinogenic. We therefore use only trivalent chrome. For surface treatment of metals we use powder lacquer, which gives very low VOC emissions and fulfils eco-labelling requirements.

TEXTILES

The fabrics in the Kinnarps Colour Studio range are free from flame retardants and toxic dyes. Instead, we use wool, which is naturally flame-retardant, or polyester fabrics with a flame-retardant fibre construction. 77% of our fabrics are certified by either EU Ecolabel or Oeko-Tex. Our leather is vegetable-tanned without heavy metals.

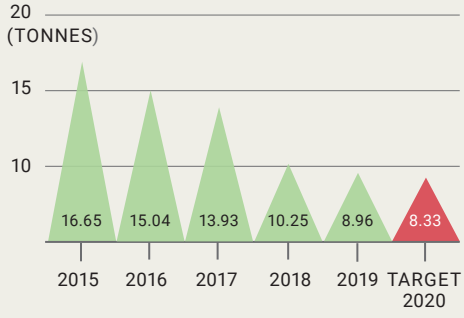
ELECTRONICS

Electronics contain metals and chemicals which can cause environmental and health problems. We require our suppliers to follow the RoHS directive, which restricts or prohibits the use of certain heavy metals and flame retardants in electronics. Lead, mercury, cadmium and hexavalent chrome, as well as the flame retardants PDD and PBDE, are prohibited.

LONG-TERM TARGET 2030. Our target is to create healthier working environments, with fewer chemicals and without materials classified as hazardous to health or the environment. This target is linked to the UN's Sustainable Development Goal no. 12, 'Responsible consumption and production'.

USE OF SOLVENTS (VOCS) (TONNES)*

* The key figure refers to our own production in Kinnarp, Skillingaryd.



ANALYSIS AND FOLLOW-UP

Last year, we reached our 2020 goal early to reduce our solvent consumption by 20% and set up a new ambitious goal to reduce it by 50%. This year's results show that we have made great strides toward reaching this as we managed to reduce consumption in 2019 by 46% compared to the base year. We reduced our consumption by moving production from Worms and concentrating it to the factory in Kinnarp.

At our plant in Kinnarp we use UV lacquer on smooth, veneered surfaces, which gives a resistant result and very small quantities of VOCs.

The largest quantity of VOCs is used in cleaning rollers. We have managed to reduce the amount of VOCs through efforts to improve routines for the use of thinners in cleaning.

TARGET

By 2020, emissions of VOCs in our own production units will have fallen by 50% compared with the base year 2015.







MATERIALS GUIDE

AVOID!

PHTHALATES. Used as softeners in plastic and rubber. Also used in paint and glue. Suspected of being endocrine disruptors.

FLAME RETARDANTS. Used in textiles and plastic. Some are hormone disruptors.

BISFENOL A. Used in plastic, lacquer and glue. Hormone disruptor.

FORMALDEHYDE. May be present in the glue in chipboard, in textiles and leather. Allergenic in contact with skin, and carcinogenic.

VOLATILE ORGANIC SOLVENTS (VOCs). Present in paint, lacquer, glue and detergents. Can cause headaches, poor concentration and poor air quality.

CHEMICALS ON THE REACH CANDIDATE LIST. Ask the producer, who is legally obliged to inform you.

CHOOSE!

ECO-LABELLED PRODUCTS. Möbelfakta and NF Environnement are good alternatives.

WATER-BASED LACQUER. Gives zero or very low VOC emissions.

LAMINATED TOP. If there are strict requirements for cleaning with liquid and disinfectant, you can replace lacquered surfaces with high-pressure laminate.

ECO-LABELLED FABRICS. EU Ecolabel and Oeko-tex guarantee that the fabrics are free from hazardous chemicals.



SOCIAL RESPONSIBILITY

THE WORLD IS UNJUST. BUT WE HAVE THE OPPORTUNITY OF ENSURING THAT THE PEOPLE WHO HELP TO MANUFACTURE OUR PRODUCTS ARE ABLE TO DO SO UNDER GOOD WORKING CONDITIONS. THIS APPLIES BOTH TO OURSELVES AND TO OUR SUPPLIERS.

EFFECT ▸ BETTER WORKING CONDITIONS / BETTER WORKING ENVIRONMENT / BETTER CONSCIENCE

DEFINITION

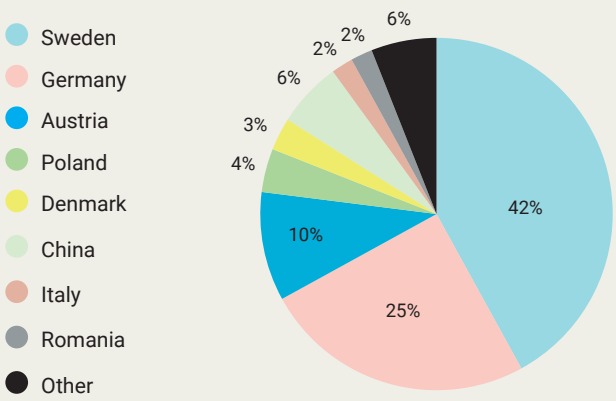
Social responsibility means that the employer should offer a good working environment, good working conditions and good wages. Our social responsibility covers not only the employees in our own operations, but also the people who work for the suppliers in our supplier chain.

KINNARPS AB GROUP'S OWN OPERATIONS

Employees	MEN	WOMEN
Sweden	874	515
Germany	64	40
Norway	70	72
France	61	52
Poland	41	45
UK	29	24
Denmark	25	34
Belgium	14	25
Switzerland	13	9
Hungary	8	15
China	3	0
TOTAL	**1202**	**831**

Manager	MEN	WOMEN
Under 30	2	0
30-50	56	33
Over 50	56	20
TOTAL	**114**	**53**

THE KINNARPS AB GROUP SUPPLIERS (BASED ON PURCHASED VOLUMES)



CHALLENGE

TO ENSURE THAT REQUIREMENTS ARE COMPLIED WITH

We know from experience that it is not sufficient to set requirements. We also have to monitor and ensure that our suppliers are actually complying with our requirements. It is easiest for us to influence our direct suppliers, while longer supplier chains are difficult to follow up, since we do not have the necessary financial relationship. In order to monitor further down the chain, we need to have an agreement with the direct supplier. A challenge for our organisation is to create a strong, diverse staff and make full use of the skills in the organisation and in society.



STRATEGY

FOLLOW-UP OF OUR OWN AND OUR SUPPLIERS' OPERATIONS

OUR OWN OPERATIONS

Our code of conduct describes our principles in the areas of human rights, labour rights, environmental practice and anti-corruption. The code is based on the company's core values and the UN's Global Compact. All units and employees in the Group are obliged to respect and follow the code of conduct. We have a whistle-blower system which enables employees to anonymously report breaches of the code without fear of reprisals. During 2019, no whistle blowing occurred. Our rules of conduct concerning gifts and benefits are made clear in our representation policy and in procedures.

The Kinnarps AB Group has a shared diversity policy. For example, we work with skills-based recruiting, for a more even gender balance and to give employees the opportunity to develop their skills.

We work systematically with the working environment in our units. The working environments at Materia, NC Nordic Care and Skandiform also conform to ISO 45001.

We record and manage accidents and incidents. Incidents occur primarily in our production units where relatively large amounts of material are handled manually. All incidents are investigated to ensure they will not be repeated.

WORKING ENVIRONMENT ACCIDENTS IN OUR OWN OPERATIONS	2016	2017	2018	2019
Accidents causing absence	**14**	**15**	**14**	**17**
Accidents not causing absence	**14**	**47**	**14**	**47**

THE SUPPLIER CHAIN

We set requirements for all our suppliers through our Supplier Code of Conduct. In it, we make clear what expectations and requirements we have in connection with social responsibility. The Code is based on the UN's Global Compact. In addition to these basic requirements we also set material-specific requirements, based on eco-labelling, for the material supplied. To a large extent, we purchase materials and components which are then processed and/or assembled in our own production facilities, but we also purchase ready-made products. However, the requirements are the same. Then we carry out a risk assessment of the suppliers. This is based on the manufacturing process, industry knowledge and the country where the production is located.

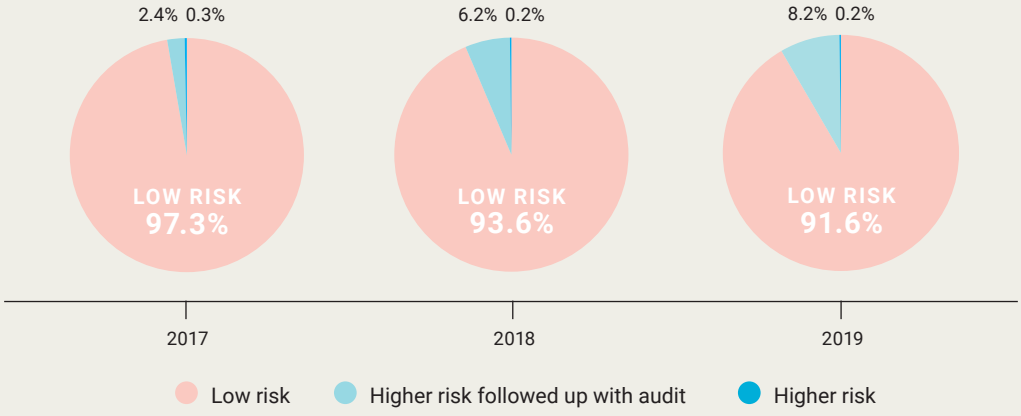
In cases where we judge that there is a greater risk of the requirements in our code not being fulfilled, we carry out an audit on site at the supplier's premises. Audits are also carried out for all new suppliers. We have also carried out a number of audits of sub-suppliers to our direct suppliers. If the supplier does not rectify any issues noted, we terminate our relations with them.

A small proportion of our suppliers are located in China. In order to be able to work directly with these suppliers, we have established a purchasing office in Shanghai. This gives us local support with an understanding of language and culture, which facilitates development work in collaboration with the suppliers.

LONG-TERM TARGET 2030. Our target is to have good, monitored working conditions throughout our entire value chain, contributing to social development on sites where we operate and have our cooperation partners. This target is linked to the UN's Sustainable Development Goals 8 and 10, 'Decent work and economic growth' and 'Reduced inequalities'.

PROPORTION OF PROCUREMENT VOLUME (IN SEK) CLASSIFIED AS LOW RISK OR HIGHER RISK FOLLOWED UP BY AN AUDIT

* Procurement of the products in our own range



ANALYSIS AND FOLLOW-UP

During the year, we have focussed on materials and component suppliers and on concentrating our business to the suppliers who best meet our requirements. We have also worked to bring the production of some items and components in-house.

Of the purchases that are classed as higher risk, 98% have been followed up with an on-site audit. All higher-risk suppliers we intend to do business with in the future have undergone an audit, or have an audit planned. During the year, new suppliers have been added. These have either been classified as low risk or undergone an on-site audit.

The audits show that the conditions on our supplier sites are generally good. The most common shortcomings are minor ones connected to fire prevention and there are cases of protective gear not being used, despite being available. In Asia there may also be shortcomings related to working hours, as this is common with migrant workers. When we conduct follow-ups of measures taken by the suppliers, we see that there have been improvements and our work has been effective.

TARGET

By 2020, 100% of the procurement volume classified as high-risk will have been checked by means of an audit.

EMPLOYEE INDEX

* All units in the Kinnarps AB Group

2015	2016	2018
67	68	67

ANALYSIS AND FOLLOW-UP

It is Kinnarps' intention to do an employee survey every other year. In 2019, no new survey was done.

The Kinnarps employee index for 2018 shows an index of 67 (compared with 68 on the last measurement in 2016). An index between 60 and 100 is considered to represent high job satisfaction, which means that our employees are happy in their jobs. The response rate was 87%, which is a very high figure. This indicates a high level of motivation - the proportion of employees who say they feel motivated has also increased.

The areas showing the greatest improvement are the employees' vision of the future and their feeling that they have time to carry out their work tasks. In our further work we will prioritise employees' experience of meaningfulness, pride and opportunity for development, as these are areas that influence motivation.

TARGET

By 2020 we aim for our employee index to reach 70.



RESPONSIBILITY GUIDE

In these situations, you need to be particularly attentive. Ask if a system has been worked out to ensure that the various requirements are being met.

RISK COUNTRIES

Is the product manufactured in, or contains components from, a country listed among BSCI's risk countries?
(Business Social Compliance Initiative is a European business-driven collaboration initiative for companies who strive to improve working conditions in the global supplier chain.)

WAY OF WORKING

Is the production labour-intensive? Is there a lot of manual or unqualified work, which can mean a risk of child labour? Is there seasonal work and are there migrant workers on the market?

CHEMICALS

Does the production involve a lot of chemicals, or is it in any other way linked with considerable health and environmental risks?



REUSE

THAT YOU CAN REUPHOLSTER A SOFA OR REPLACE A WORN-OUT TABLETOP SHOULD BE SELF-EVIDENT. BUT THIS HAS NOT BEEN THE CASE IN THE FURNITURE INDUSTRY. BY OFFERING CIRCULAR SERVICES AND DEVELOPING NEW CIRCULAR BUSINESS MODELS, WE ARE HELPING OUR CUSTOMERS TO MANAGE RESOURCES.

EFFECT ▸ BETTER LIFE SPAN / BETTER FINANCES / BETTER RESOURCE MANAGEMENT

DEFINITION

Office furnishings can be reused to a much greater extent than is the case today. Prolonging the service life of existing furniture, which can be done by offering various circular business models, can reduce climate impact by 30% compared with new production.

The circular business model includes services that enable the customer to use and restore part of the existing furniture so that it fits into the new interior design solution, to resell it or, if it is worn out, to recycle it. This means that we have to develop new procedures for information-sharing, sales, design and manufacturing. Reuse can also be linked to our own ability to use recycled materials in products, in relation to availability and compliance with quality and environmental requirements.



CURRENT USE OF RECYCLED MATERIAL IN OUR MANUFACTURING

MAGNESIUM	CHIPBOARD	STEEL	CAST ALUMINIUM
100%	20%	20%	50-100%

CHALLENGE

INCREASED CIRCULARITY

The best way to reduce the environmental impact of a product is to prolong its service life. Our industry has worked for a long time with linear flows and business models. The great challenge is in changing these flows to make them more circular. Above all, it is a matter of developing cost-effective solutions. Reuse is labour-intensive, and we therefore have to find models in which the savings are not eaten up by increased labour costs. When products are to be reused and restored, it can also be a challenge to ensure that they fulfil current requirements for environmental consideration and pure materials – recycled plastic is an example of a material that is hard to trace. Our ambition is to increase the use of recycled material in our products, but we are often hindered by the fact that the recycled materials do not fulfil quality requirements, for example those concerning durability or the colour-fastness of fabrics.

STRATEGY

CIRCULAR PRODUCT DESIGN AND NEW BUSINESS MODELS

PRODUCT DESIGN

When we develop new products, we build in circularity. We focus on creating products of high quality and with a long service life. The products are also tested in our accredited test laboratory to ensure that they fulfil strict quality requirements and standards.

We also try to reuse materials in our products. The possibility of reusing metal is relatively good, while recycled plastic rarely meets our quality and environmental requirements, and is therefore only used to a limited extent, for example in covers. The service life of the products can also be extended by using new parts, such as removable upholstery for sofas, replaceable tabletops or new seats and backs for task chairs. By developing product series with modular platforms, we make it possible for the customer to make changes or additions over time, instead of buying new items. In designing products, we make it a requirement that it should be possible to separate the different types of materials, in order to facilitate recycling.

SERVICES AND BUSINESS MODELS

Within the framework of the “Better Loop” concept, we offer a line of services on three overall themes: re:use, re:fresh and re:cycle (read more in The Reuse Guide on the next page). For customers who do not want to own their interior fittings, we also offer the opportunity of leasing or renting, which means that we can optimise the use and service life of the furniture by restoring it and re-renting it to other customers. We are also evaluating new circular business models as part of the research project 'Business model innovation for circular furniture flows stage 3'. The project is run by Research Institutes of Sweden (RISE) and aims to investigate how the furniture industry can adapt to a circular economy. At the moment we are testing the new business models in our operations.

EXAMPLES OF CIRCULARITY AND REUSE IN OUR DESIGN

VIBE
The screen has a removable fabric, making it easy to restore and renew the product.

BE A PART OF
This inclusive sofa has removable upholstery and loose padding, making it easy to replace the material when it is worn out.

CAPELLA TASK CHAIR
100% recycled magnesium in the mechanism.

PATCH STOOL is fully upholstered with waste fabric from Materia's upholstery workshop.

RE:FILL is an innovative material, developed in-house, used as a filling in our sound absorbers – including the Prim room divider. Half of Prim is made up of recycled material. 25% is waste fabric from the Kinnarps factory in Skillingaryd and 25% is recycled PET plastic.

FIELDS is a modular system that makes it possible to construct rooms in the room, and can thus be adapted to new needs in the workplace – instead of buying new items.

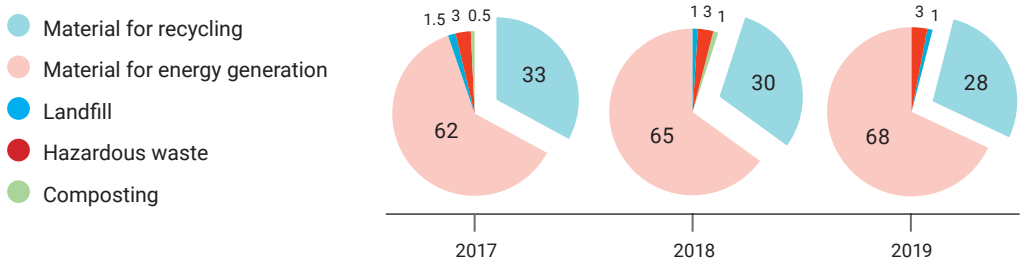


Vibe, Kinnarps.

LONG-TERM TARGET 2030. Our target is for all our products to be designed for a long service life and for our interior solutions to be part of a circular flow that prolongs the life of products and materials. We are using more recycled materials in our products and finding innovative ways of using the waste material resulting from our operations. This target is linked to the UN's Sustainable Development Goal no. 12 'Responsible consumption and production'.

PROPORTION OF RECYCLED WASTE FROM OUR OWN OPERATIONS

* Production in Kinnarp, Jönköping, Skillingaryd, Tranås, Vinslöv and sales subsidiaries.



ANALYSIS

The amount of waste produced in our own operations and that is sent for recycling has declined compared to previous years. This is because of a greater quantity of wood waste being used for briquettes in our production in Kinnarp and Skillingaryd. The amount of waste going to recycling is, in tonnes, on par with previous years. During the year, we have invested in a new construction laser for our production unit in Jönköping, allowing us to reduce the amount of sheet metal waste by about 15 percentage points. The quantity of waste sent to landfill has decreased. Material sent to landfill consists mainly of ash from our wood briquette boilers. Work is in progress to reduce waste through material efficiency measures and by sorting correctly.

We are reducing the quantity of waste from packaging materials by transporting products from the Kinnarps and Drabert brands in blankets which we reuse after delivery to the customer.

TARGET

By 2020, 35% of waste from our operations will be recycled. In the long term, no waste will be sent to landfill.

REUSE GUIDE 'THE BETTER LOOP'

- **RE:USE** We offer an inventory, in which we go through which products can be reused in the new interior design or sold to new users.

- **RE:FRESH** Certain products can be easily upgraded or restored, for example by using replaceable parts, cleaning or reupholstering. An old table can be given a new tabletop or new control equipment. A chair can be given a new seat and back.

- **RE:CYCLE** When all other possibilities of reuse or remanufacturing have been exhausted, there is only one option left: recycling. With the aid of qualified partners, we ensure that the products are separated and recycled in a responsible manner.





ERGONOMICS

STRESS-RELATED ILLNESSES AND STRAIN INJURIES IN THE OFFICE ARE A GROWING PROBLEM FOR SOCIETY. SEDENTARY WORK ALSO INCREASES THE RISK OF HEART AND VASCULAR DISEASES AND STROKES. NEVERTHELESS, 21% OF THE CUSTOMERS WE ASKED REPORTED THAT THEY SIT AND WORK ALL DAY LONG. WE WANT TO CHANGE THAT.

EFFECT ▸ BETTER HEALTH / BETTER EMPLOYER BRAND / BETTER SATISFACTION

DEFINITION

Ergonomics is the study of the interaction between human beings and the working environment. An ergonomically correct working environment reduces the risk of accidents and strain injuries, and means healthier and more productive employees. Sedentary office work can, among other things, increase the risk of heart and vascular disease, obesity, diabetes, strokes and depression.* Kinnarps' interior design solutions and products can contribute to long-term sustainable working environments.

HOW DO YOU WORK?

In the framework of Kinnarps Next Office®, which is the analysis service we offer customers before an office project, we have summarised survey responses from 5,300 employees among 60 customers around Europe. The surveys were conducted in 2017-18.

SIT THE WHOLE DAY LONG

21%

SIT *ALMOST* ALL THE TIME

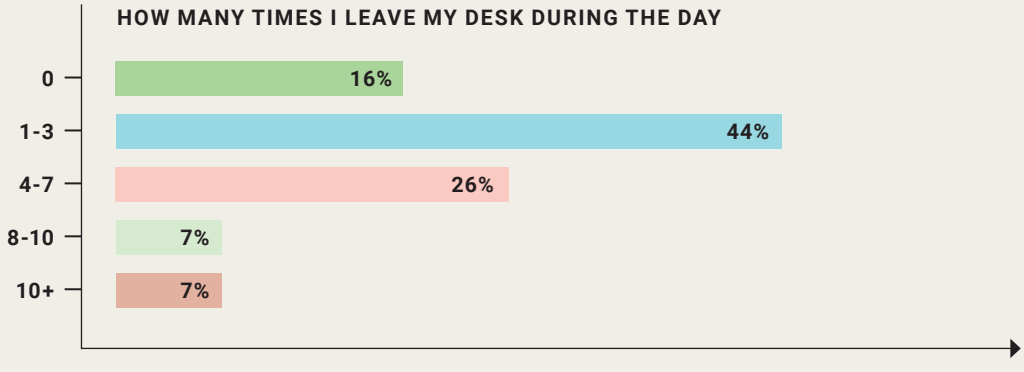
38%

STAND ALL THE TIME

2%

STAND *ALMOST* ALL THE TIME

6%



* Source: Kinnarps Agile working report

CHALLENGE

THE OPPORTUNITIES ARE NOT USED

Kinnarps' interior designs for offices can be optimally designed for function, ergonomics and opportunities for movement. Our challenge is to persuade organisations and individuals to make use of these opportunities. One of the reasons for the prevalence of sedentary work is that employees do not understand how they can use and adjust the products, such as height-adjustable desks and task chairs. The positive effects are then lost, and the investment in good workplace ergonomics is useless.

Many businesses are choosing to make the transition to activity-based offices, where employees themselves decide where they want to work. If the office environment is designed to meet the needs of organisations and individuals, but the employees do not understand how the various spaces in the office should be used, there is an increased risk of stress and various distractions in the form of high noise levels and unwanted interruptions. One of our biggest challenges in connection with activity-based offices is to contribute to behavioural changes. The users must learn to choose the right workplace for different types of work.

STRATEGY

INCREASING KNOWLEDGE AND DEVELOPING PRODUCTS

INTERIOR DESIGN SOLUTIONS

Kinnarps Next Office® is our method of helping customers to design an office, taking into account the needs of the particular organisation and individuals. The method comprises five stages, in which we map degrees of utilisation, working methods and needs. The analysis then forms the basis for the new interior design solution. The interior design is designed to encourage movement during the working day, put individuals in control of their situation and reduce the risk of stress. The process is based on participation in the form of workshops and surveys. Involving everyone is important if the new solution is to fulfil its potential. We also offer an introduction to the new office.

PRODUCTS

In our product development we always adopt a holistic ergonomic perspective - the development takes place in collaboration with professional ergonomists. This means that we do not only base our decisions on the body, but take into account all human needs – including psychological ones. Height-adjustable desks and ergonomic task chairs that enable active sitting contribute to greater movement for employees during the working day. Products with good acoustic properties give better acoustic environments and reduce stress. We also offer our customers an ergonomics review, in which we visit the office and show the employees how the products work and how they can be adjusted.

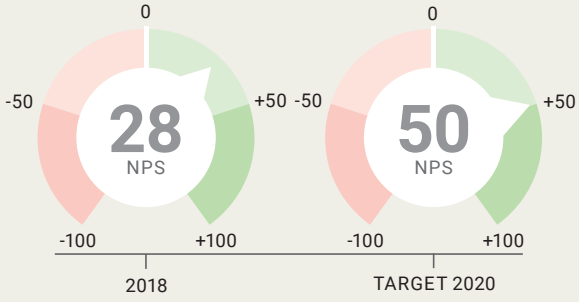


THE ACOUSTIC ENVIRONMENT IS IMPORTANT FOR A STRESS-FREE WORKING ENVIRONMENT. WE MEASURE THE SOUND-ABSORBING CAPACITY OF OUR PRODUCTS, AND ENABLE COMPARISONS WITH THE INDEPENDENT PARTNER ACOUSTIC FACTS. PRIM ROOM DIVIDERS AND SCREENS ARE AMONG BEST SOUND-ABSORPTION PERFORMERS ON THE MARKET.

LONG-TERM TARGET 2030. Our target is to create working environments that promote health and well-being for everyone in them. Holistic ergonomics is central to our interior design solutions, and our products are inclusive and suited to human needs. This target is linked to UN Sustainable Development Goal no. 3, 'Health and well-being'.

CUSTOMER SURVEY: NET PROMOTER SCORE*

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



ANALYSIS AND FOLLOW-UP

Better ergonomics in the working environment is part of Kinnarps' promise to customers. We measure how well we succeed by means of our customer satisfaction survey, Net Promoter Score (NPS). The latest customer survey was done in 2018.
The customers have answered the question: How likely is it that you would recommend us to a colleague or friend?

The Kinnarps AB Group's 2018 customer satisfaction survey (based on 1,704 responses) shows that our customers are satisfied and loyal. The survey gave us an NPS of 28, which is a slight drop from the previous year (30). This result can be regarded as very good.
By way of comparison, an NPS above 0 is regarded as good, and a result between 0 and 10 is normal. Very high-performing companies have an NPS over 50. We also measure our Customer Satisfaction Index (CSI) which this year was 8.1 (on a scale from 0 to 10). This can also be regarded as a very good result.

During 2018 we focused on raising customer satisfaction in three areas.
1. Follow-up of deliveries to ensure the customer is satisfied.
2. Dealing with complaints to reduce answer times and remedy deficiencies more quickly.
3. Improving the customer's knowledge of our comprehensive environmental work and its advantages.

For each of these areas, we have drawn up local action plans to work on improvements on the basis of the feedback we receive.

TARGET

Our target is to reach the level of high-performing companies, i.e. an NPS of 50, by 2020.

ERGONOMICS GUIDE

ENCOURAGE MOVEMENT

The body is made for movement, exertion and variation. A study by Texas A&M Health shows that productivity can increase by 46% if we have the opportunity to alternate between standing and sitting. Electrically height-adjustable desks reduce the risk of problems with heart and vascular disorders, and are good for the back, shoulders and neck.

INTUITIVE FURNITURE

The furniture, for example tables and task chairs, should be easy to handle and adjust – otherwise there is a risk that the functions are not used and the positive effect is lost.

ADJUSTABLE TASK CHAIRS

Everyone has a variety of sitting positions, and frequent changes of position are good for the body. Choose a task chair which can follow the body and which the user can adjust for an individual fit.
It should be possible to set the height, the seat depth and angle, the backrest, headrest and the level of resistance of the tilt.

CHECK THE NOISE LEVEL!

Plan for acoustic solutions and 'quiet rooms'. According to the survey company Leesman, 70% of office workers who were asked thought that the noise level was the most annoying thing about their jobs.

THE RIGHT LIGHT IN THE RIGHT PLACE

Lighting which makes things easy for the faculty of vision and does not dazzle is important to enable us to work. The right kind of light, in the right quantity, can also make employees more alert by stimulating cortisol production. Choose user-adjustable light fittings.

A STUDY BY TEXAS A&M HEALTH SHOWS THAT PRODUCTIVITY CAN INCREASE BY 46% IF WE HAVE THE OPPORTUNITY TO ALTERNATE BETWEEN STANDING AND SITTING.

THE BETTER EFFECT INDEX

THE BETTER EFFECT INDEX IS THE KINNARPS GROUP'S OWN SUSTAINABILITY INDEX AND THE MARKET'S FIRST COMPREHENSIVE TOOL FOR SUSTAINABLE INTERIOR DESIGN CHOICES.

The Better Effect Index is based on customers' wishes concerning sustainability. In the index we grade our products in six specific sustainability areas: Raw materials and resources, Climate, Pure materials, Social responsibility, Reuse and Ergonomics. Together, these give a comprehensive picture of the product's sustainability. The Better Effect Index is available on our website as an 'Open Source', which allows everyone to compare their products with ours. The index is designed as an online tool and is continuously updated with new products. It currently includes about 200 products from Kinnarps, Drabert, Materia, Skandiform and NC Nordic Care.



The **Better Effect Index**

Sustainability grade



RAW MATERIALS & RESOURCES 2.7

CLIMATE 1.4

PURE MATERIALS 2.7

SOCIAL RESPONSIBILITY 3.0

REUSE 2.0

ERGONOMICS 2.7

All products are graded in six different areas. Each area consists of a number of indicators the product must fulfil. The highest grade in each area is 3 points. Read more about The Better Effect Index, the six areas and the various indicators for grading at kinnarps.com

GLOSSARY

CERTIFICATES

FSC® CHAIN OF CUSTODY Traceability certification for FSC with requirements for traceability of wood in the supplier chain.

ISO 9001 Standard for quality management systems. A structured way of working for continuous improvement of customer satisfaction and internal procedures.

ISO 14001 Standard for environmental management systems. A structured way of working to follow up the operations' environmental impact and systematic environmental work.

ISO 45001 Standard for Occupational Health and Safety management systems. A structured way of working for systematically improving the working environment.

PEFC CHAIN OF CUSTODY Traceability certification for PEFC with requirements for traceability of wood in the supplier chain.

ECO-LABELS AND PRODUCT LABELS

ACOUSTIC FACTS Independent assessment of the product's acoustic data which makes it possible to compare products. Based on a Swedish standard.

CE LABELLING A label which shows that the product fulfils the EU's standards for safety, health and environmental protection.

EU ECOLABEL The EU's official environmental label for services and products. Imposes requirements for quality and environment.

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

FSC CW (FSC CONTROLLED WOOD) Timber from monitored and acceptable sources.

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.

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 requirements for quality and environment, and producer requirements for the environment.

NF OFFICE EXCELLENCE CERTIFIÉ A French eco-label based on NF Environnement and also including social responsibility.

OEKO-TEX A global label for textiles. Imposes requirements that the products may not contain any substances which are hazardous to health.

PEFC A label for wood products from responsible forestry.

QUALITY OFFICE A German furniture label based on GS with additional requirements for safety and sustainability.

OTHER

BIODIVERSITY Diversity among species and between species, and diversity of ecosystems.

BISPHENOL A A suspected endocrine disruptor which may be present in plastic, lacquer and glue.

BSCI'S RISK COUNTRY LIST Business Social Compliance Initiative's risk classification of countries with regard to social responsibility.

CEN Comité Européen de Normalisation. A European standardisation organisation.

CMR Carcinogenic, Mutagenic or toxic to Reproduction – substances that can cause cancer, genetic defects or affect fertility.

CO_2 The chemical composition of carbon dioxide.

CODE OF CONDUCT Guidelines for how an organisation should run its operations in an ethical, social and environmentally friendly manner.

ECOSYSTEM An ecological system which includes all living organisms and the environment in a natural area.

FEMB A European federation comprising trade associations for office furniture and their members. Promotes standardisation and harmonisation between European countries.

UN SUSTAINABLE DEVELOPMENT GOALS The UN's 17 goals for sustainable development in order to transform the world by 2030.

UN GLOBAL COMPACT The UN's global initiative to encourage companies to act in accordance with principles of human rights, labour rights, environment and anti-corruption.

FORMALDEHYDE A substance which may be present in the glue in chipboard, in textiles and leather. Allergenic in contact with skin, and carcinogenic.

PHTHALATES Used as softeners in plastic and rubber. Also used in paint and glue. Suspected of being endocrine disruptors.

MDI Isocyanate used in the manufacture of padding. A more healthy alternative to TDI.

PVC Polyvinyl chloride – plastic that may be carcinogenic and contain plasticisers in the form of phthalates.

REACH CANDIDATE LIST A list of substances classified as particularly hazardous according to the EU's chemical authority.

RE:FILL Kinnarps' material which contains waste fabric, recycled PET plastic and melted fibres.

ROHS DIRECTIVE An EU directive which prohibits or restricts the use of hazardous substances in electrical and electronic products.

SIS Swedish Standards Institute. A Swedish organisation which, together with its members, draws up standards in a large number of areas.

SVHC Substances of Very High Concern – substances included in the REACH candidate list as carcinogenic, mutagenic or toxic to reproduction.

SWEDAC Sweden's national accreditation organ.

TANTALUM A metallic element, and one of the four conflict minerals whose extraction risks the financing of ongoing conflicts.

TDI An isocyanate which may be used in the manufacture of padding. Can cause asthma and allergy.

TMF The Swedish industry and employer organisation for the wood-processing industry and furniture industry in Sweden.

VOLATILE ORGANIC COMPOUNDS A group of organic compounds which easily evaporate into the air.

TUNGSTEN A metallic element, and one of the four conflict minerals whose extraction risks the financing of ongoing conflicts.

AUDITOR'S STATEMENT CONCERNING THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Kinnarps AB,
Corporate ID number 556256-6736

Assignments and division of responsibilities
The Board of Directors is responsible for the sustainability report for the financial year of 1 September 2018 to 31 August 2019 and for ensuring that it is drawn up in conformity with the annual report.

Focus and scope of the audit
Our audit has been carried out in accordance with RevR 12 *Auditor's statement concerning the statutory sustainability report*. This means that our audit of the sustainability report has a different focus and a considerably narrower scope than the focus and scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this audit gives us a sufficient basis for our statement.

Statement
A sustainability report has been drawn up.

Malmö 25 November 2019
Öhrlings PricewaterhouseCoopers AB



Mattias Lamme
Chartered Accountant



KINNARPS GLOBAL RANGE & COMMUNICATIONS/1911 | ALL INFORMATION IS SUBJECT TO CHANGE

Kinnarps®

KINNARPS.COM