

Communication on Progress, April 2015  
UN Global Compact



**kvadrat**

*'Since april 2013 we have been a member of the UN Global Compact.*

*During 2014 Kvadrat have continued with the high focus on CSR and as part of this the principles in the UN Global Compact, especially the environmental area.*

*We apply strict standards to our suppliers which are focused on demands, for high quality products, the environmental impact of their products and services and we also require that they offer a healthy work environment. On top of this they must commit to and sign our Company Social Responsibility.*

*As a member of UN Global Compact we believe that our business incorporate and support the 10 principles from the UN Global Compact, through our Company Social Responsibility and our work on environmental topics. Through our support to the UN Global Compact we aim to move the agenda forward on performance related to human rights, labour rights, the environment and the fight against corruption. In our annual report we have summarized the progress we have made in the areas of the 10 principles. We will continue our work in these areas and will report on the progress in our future reports.'*

Anders Byriel, CEO Kvadrat

# Policy

We aim to maintain a good balance between our strict quality standards, environmental concerns, social responsibility and our economy. We focus on ensuring that all our products and processes live up to these standards. In a number of areas, we go beyond existing legislation while respecting necessary functional requirements. We also ensure that a number of our products comply with the relevant EU Ecolabel criteria.

We apply strict standards to our suppliers, which are focused on our demands, for doing a high quality production of our exclusive products, the environmental impact of production and services and we also require that they offer a healthy working environment. All suppliers must commit to and sign our Company Social Responsibility. Furthermore, we expect them to regularly document how they are meeting our requirements.

The standards we adhere to provide us with a framework for continually reducing the environmental impact of our production and internal processes, minimising the unnecessary use of raw materials, and creating a secure and healthy environment for employees.

We aim, in all matters within our control, to support and respect the protection of internationally proclaimed human rights and labour rights.

We are strongly opposed to any kind of corruption, including extortion and bribery.

Finally, we ensure that our management systems are efficiently implemented and are capable of supporting our organisation.

# Introduction

Kvadrat was established in Denmark in 1968. Kvadrat A/S, the head quarter is located in Ebeltoft. The company is owned and managed by the Rasmussen and Byriel families. The second generation of both families took over in July 2000.

At Kvadrat we continuously seek to push the aesthetic, artistic and technological boundaries of textile design. We create high quality products that help architects to shape architectural spaces, designers and furniture manufacturers to produce and craft furniture, and consumers to bring tactility and colour in their private homes. This is our way to contribute to contemporary design culture.

The Kvadrat collection is comprised of upholstery, curtains, acoustic panels, rugs and textile tiles. It includes: Over 150 designs and 3,500 colours. Numerous materials, such as wool, silk, linen, Trevira CS and cotton. A very wide choice of styles and constructions. Our products reflect our commitment to colour, pioneering, technological innovation and experimentation in design.

Respect for both environment and people have been a key value for Kvadrat from the very beginning. Health certified since 2008. Environmentally certified ISO14001 since 1997, we evaluate the environmental impact of all our products. We use the latest technology to enhance the quality of our products and reduce their impact on the environment.

Many of our textiles are awarded according to the EU Ecolabel. Products are only awarded after the product's complete life cycle has been evaluated and confirmed to be among the best on the market in its category. EU Ecolabel is the European Eco-label system.

We work with the Greenguard certification for many of our textiles. Greenguard certification is focused on improving indoor air quality using products in the building with low emission to air.

We are working with the GaBi database for Life Cycle Assessment on our textiles. Both as an internal tool and also providing data for our customers.

Kvadrat uses specialised textile mills and print-works in Western Europe and Japan. Networking and specialisation ensure that Kvadrat helps to set standards for the industry.

Below, in table A, you find our focus areas in accordance with the 10 principles in the UN Global Compact and also the outcomes for the last two years:

	<b>Focus</b>	<b>Outcomes 2013</b>	<b>Outcomes 2014</b>
<b>People and health</b>	We must collect ideas and inspiration as to how to extend our health work to our subsidiaries	We visited both NOVO Nordic and Nordea Liv og Pension to learn from them and to be inspired with new ideas	Implemented in some of our health work in our subsidiaries
	Focus on health and food for our employees	We arranged an event for all employees about fish and food and how this will impact positively on your health	All employees in our head quarter was offered a health check. It is a voluntary offer, not all employees participated
	We will educate our employees in how to react if an incident occurs	First aid course for employees based in our headquarters	
<b>Environment and climate</b>	We require that our suppliers continuously focus on reducing their impact on the environment and delivering healthy working conditions	Our biggest supplier have installed solar cells to cover a small percentage of their energy consumption	Continue to challenge and support our suppliers in their effort to reduce their footprint. Mapping of substances in textiles to create transparency
	We aim to reduce our CO2 emissions	We have reduced our energy consumption with 6,3% in 2013 compared to 2011	We reduced our energy consumption with 6% compared to 2013
		We have reduced our heat consumption with 21% compared to 2011	We reduced our heat consumption with 11% compared to 2013
	We aim to increase the number of our textiles certified with the EU Ecolabel	3 wool textiles certified with the EU Ecolabel	Our supplier of Trevira CS textiles received EU Ecolabel certification – we now have applied for our own license based on their certification  Our most selling wool textiles are certified with the EU Ecolabel
	We shall implement life-cycle assessment (LCA) on our textiles in 2013	We now have, in corporation with FORCE, prepared a database on the platform GaBi, which gives us the opportunity to create LCA data for each textile design, if requested	LCA database has been updated with new data, such as new materials and new data for existing materials

Table A: Focus areas and achievements 2013 and 2014

# Human rights, labour and anti-corruption

We work actively with sustaining and improving our performance in relation to the seven principles for human rights, labour rights and anti-corruption:

## Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

## Principle 2

make sure that they are not complicit in human rights abuses.

## Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

## Principle 4

the elimination of all forms of forced and compulsory labour;

## Principle 5

the effective abolition of child labour; and

## Principle 6

the elimination of discrimination in respect of employment and occupation.

## Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

# Progress

The majority of our suppliers are located in Western Europe, with the largest supplier in England and one supplier located in Japan. We conclude that we do not operate in high risk countries and as a result, human rights, labour rights and the fight against corruption are covered by local laws and regulations.

To make sure that suppliers show responsibility and for intent to become action, we have developed a set of guidelines, our Company Social Responsibility including our attitude against corruption. Our Company Social Responsibility is based on internationally recognized principles. All suppliers must accept, comply and sign up to this. We always, as a minimum, fulfil Danish legislation concerning human and labour rights.

The guidelines in our Company Social Responsibility are not least about human rights. We oppose the violation of internationally proclaimed human rights and we will oblige both ourselves and our suppliers, to comply with local laws and standards. Furthermore the guidelines include numerous requirements for workers rights. Our Company Social Responsibility must also ensure that both we and our suppliers act responsibly in relation to the work environment.

Finally, the guidelines commit the suppliers to discourage all forms of corruption.

## Further actions

We always support our customers and share experiences concerning social responsibility, to ensure that we are looking into all the elements in the supply chain.

We work with students from different educational institutions and offer them the possibility to write their final projects using Kvadrat as the case.

We are supporting the initiative against cancer – ‘Stafet for livet’. Once a year in Denmark it is arranged that people support this initiative. ‘Stafet for Livet’ is a day (24 hours) where we focus on the fight against cancer, fight together and celebrating life. It is an occasion to remember those who lost the battle against cancer and give hope to those who are struggling. ‘Stafet for Livet’ is community awareness and fundraising in the fight against cancer.

We support, with our textiles, the socio-economic project – Place de Bleu. Place de Bleu is a social-economic enterprise that produces and sells exclusive design products. They offer employment to women with different ethnic backgrounds than Danish. The vision is to create jobs in alternative conditions of marginalized groups contribute to a more inclusive labour market and test business models for social economy enterprises.

Every day we serve lunch for our employees. As much as possible of our daily lunch are organic produce.

Our employees are offered free fruit every day.

Our employees are offered massage for a low fee given financial support of the arrangement by Kvadrat to reduce physical health problems.

Besides the national health insurance, Kvadrat are financing a private health insurance for our employees which cover further types of illness.

# Environment

We work actively to improve our environmental performance in relation to the 3 principles in the UN Global Compact.

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.

# Progress

We are focusing on different environmental topics. We have for many years been focusing on both internal projects, external projects involving our suppliers, and projects concerning reduction of the environmental impacts from our textiles.

Our suppliers are obliged to comply with local laws and standards related to environmental issues.

Our suppliers must commit to proactively take necessary precautions and take necessary initiatives to reduce the environmental impacts of their activities.

We are working with our suppliers to make our processes transparent to make it easier for customers to find product details.

## Prioritisation of effort

Working towards sustainability targets, a self-assessment was performed in 2013 according to the 10 principles in the UN Global Compact. All areas within the 'Human rights', 'Labour rights' and 'Anti-corruption' were assessed as 'good performance'. They are all covered by our Company Social Responsibility and by legislation. We work in 'low risk countries' and both we and our suppliers all have to fulfil the same laws for areas mentioned above, therefore we have not issued further targets for these areas.

Topic	Risk level	Comments
<b>Human rights</b>		
Health and safety	low	Covered by legislation and our Company Social Responsibility
Hours, wages and leave	low	
Fair treatment	low	
Community Impact	low	
Country risk	low	
Suppliers	low	
<b>Labour</b>		
Trade Unions	low	Covered by legislation and our Company Social Responsibility
Forced labour	low	
Child labour	low	
Non-discrimination	low	
Suppliers	low	
<b>Environment</b>		
Compliance and Management	medium	Focus through our Company Social Responsibility and our goals for this area
Precautions	medium	
Responsibility and Performance	medium	
Product stewardship	medium	
Suppliers	medium	
<b>Anti-corruption</b>		
Anti-corruption	low	Covered by legislation and our Company Social Responsibility
Policy and procedures	low	

Tabel B: Prioritisation of effort

## Further actions

In the following we will account for the actions taken in 2014 to achieve and sustain our environmental targets.

It is a natural part of our business to incorporate environmental topics in our daily life. Environmental concerns are part of all our processes from developing a new textile until it is not usable anymore. As a result we always set up environmental demands that our suppliers must fulfil.

We have, for many years now, been focusing on the EU Ecolabel certification for our textiles. Fulfilment of the demands in the EU Ecolabel is a natural part of our business and all our bestselling textiles are awarded with the EU Ecolabel.

We have now been working with Life Cycle Assessment (LCA) for 2-3 years and in 2014 we updated our LCA database with data for new materials and already existing materials were updated if new data was available.

Together with our suppliers we are working on mapping our textiles for all substances used for production. This will help to make the processes transparent for Kvadrat and our customers.

In 2014 we also visited farmers in Australia and New Zealand, where our wool comes from. This gave us valuable insight in the production of wool, and a possibility to trace our important raw material back to the starting point.

Scarcity of resources is and will be an important issue in the future. Kvadrat is in the process of finding possibilities to use waste materials from textile production for manufacturing of other products to be able to up-cycle this waste material.

LAUNCH Nordic is still part of our focus area. This initiative look into subjects both locally and globally and is an opportunity to collaborate with global partners on global topics also of importance for our organisation.

We are buying only 'green energy' for our house in Ebeltoft, electricity from new Danish windmills less than 2 yeas old. The heating comes from the local heating plant using wood bricks as fuel. Both sources considered as CO2 neutral. Our CTS system now helps us reducing our consumption of energy and heat.

# Summary

Our aim is to improve our work around the 10 principles in the UN Global Compact. We continue to set new targets for the focus areas and work closely with our partners. We have, in 2014 reached our goals and will continue to work with important focus areas.