

UN Global Compact
Communication on Progress, April 2016



kvadrat

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

During 2015 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, minimizing 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, one in Japan and one in China.

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:

	Focus	Outcomes 2013	Outcomes 2014	Outcomes 2015
People and health	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	Implementation continued during 2015 and will also continue in 2016
	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 continue our work and serve as much organic food as possible. Reduce the amount of served meat
	We will educate our employees in how to react if an incident occurs	First aid course for employees based in our headquarters		
Environment and climate	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	Our largest supplier have made a building extension to existing factory and have made this extension as environmental correct as possible with known technology
	We aim to reduce our CO2 emissions	We have reduced our energy consumption with 6,3% compared to 2011 We have reduced our heat consumption with 21% compared to 2011	We reduced our energy consumption with 6% compared to 2013 We reduced our heat consumption with 11% compared to 2013	We reduced our energy consumption with 3% compared to 2014 We reduced our heat consumption with 27% compared to 2014 We reduced our water consumption with 8% compared to 2014
	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	Our supplier of Trevira CS textiles expects that our textiles will have the EU Ecolabel certification fulfilling the new criteria before July 2016 Our most selling wool textiles now fulfil the new criteria of 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	LCA are being used by our customers – architects. To calculate environmental impact when they work on building projects
	Recycling of textiles			We are part in a project using production waste textiles to manufacture other products. We expect to be able to launch products end of 2016
	Substances in textiles			Mapping of the substances used in our textiles, to be more knowledgeable in the substitution process

Table A: Focus areas and achievements 2013 to 2015

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, one in Japan and one supplier located in China. We conclude that we in majority operate in low risk countries and as a result, human rights, labour rights and the fight against corruption are covered by local laws and regulations. We follow our supplier in China very closely and have a close relationship with this supplier to make sure that they fulfil all the demands we have for quality, environment and CSR.

To make sure that all 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, while offers continuing and employs women with different ethnic background 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.

Our employees and their families are free to use our well-equipped fitness facilities whenever they feel like.

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.

1. Our suppliers are obliged to comply with local laws and standards related to environmental issues
2. Our suppliers must commit to proactively take necessary precautions and take necessary initiatives to reduce the environmental impacts of their activities.
3. We are working with our suppliers to make our processes transparent to make it easier for customers to find product details.
4. We aim for more textiles to be certified according to demands in the EU Ecolabel.
5. We have established a project working to Close the Loop for textile manufacturing. We are developing products using textile production waste from suppliers and customers. We expect to launch these products by the end of 2016.

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
Human rights		
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	
Labour		
Trade Unions	low	Covered by legislation and our Company Social Responsibility
Forced labour	low	
Child labour	low	
Non-discrimination	low	
Suppliers	low	
Environment		
Compliance and Management	medium	Focus through our Company Social Responsibility and our goals for this area
Precautions	medium	
Responsibility and Performance	medium	
Product stewardship Suppliers	medium	
Anti-corruption		
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 2015 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 always aim to have more textiles certified. In 2015 the new set of EU Ecolabel criterias were implemented and our already certified textiles now fulfil the new criterias. New developed textiles have also been certified.

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. Our customers use our LCA for further calculation of environmental impact f.x. when they work with building projects.

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. It will also help us to substitute .

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. At the same time we have reduced our consumption.

Summary

We continue working to improve our work around the 10 principles in the UN Global Compact. We set new targets every year for the focus areas and work closely with our partners to reach our goals. We have, in 2015 reached our goals and will continue to work on important focus areas.