



SUSTAINABILITY REPORT 2018
WITH INTEGRATED ENVIRONMENTAL STATEMENT FOR THE
DOGERN AND WALDSHUT SITES



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All passages which are relevant for the environmental statement are marked with this symbol.

OUR



PROFILE

A large, vibrant mosaic wall composed of numerous small, multi-colored rectangular tiles in shades of red, yellow, blue, green, and white. The wall is set against a clear blue sky with some wispy clouds. In the bottom right corner, a dark rectangular panel features the word "sedus" in white lowercase letters.

sedus

BOARD FOREWORD

Dear readers,

What does it mean to work and do business sustainably? For us, it means one thing above all: we want to protect the essential foundations of life in the future – today. We work towards a world which is intact in every respect – ecologically, socially and economically. This holistic approach defines our everyday working life at Sedus, and has done for a long time: it is almost a tradition. We have committed ourselves to do business sustainably as part of our company principles. We implement this obligation – consistently and daily. Unambiguous responsibilities and clear structures help us to do this.

We are pleased to see that global awareness for sustainability issues is on the rise – in society in general and among our customers in particular. Parameters such as durability, conservation of resources, environmentally friendly materials and the minimisation of impact on the environment beyond the product lifecycle are increasingly seen as important aspects of quality. Therefore, we currently produce ecological assessments for all our product groups so that we can provide data to our customers in the form of product information sheets.

We joined the UN Global Compact in May 2017. This was a decision which we are still highly satisfied with today. We are sincerely, expressly and happily committed to these ten principles in the fields of human rights, labour standards, environmental protection and combating corruption. The principles of Global Compact are



important guiding principles of our strategy, our corporate culture and our daily work. Only if we view sustainability holistically will we succeed in making improvements and continuing to act as a responsible company in the future.

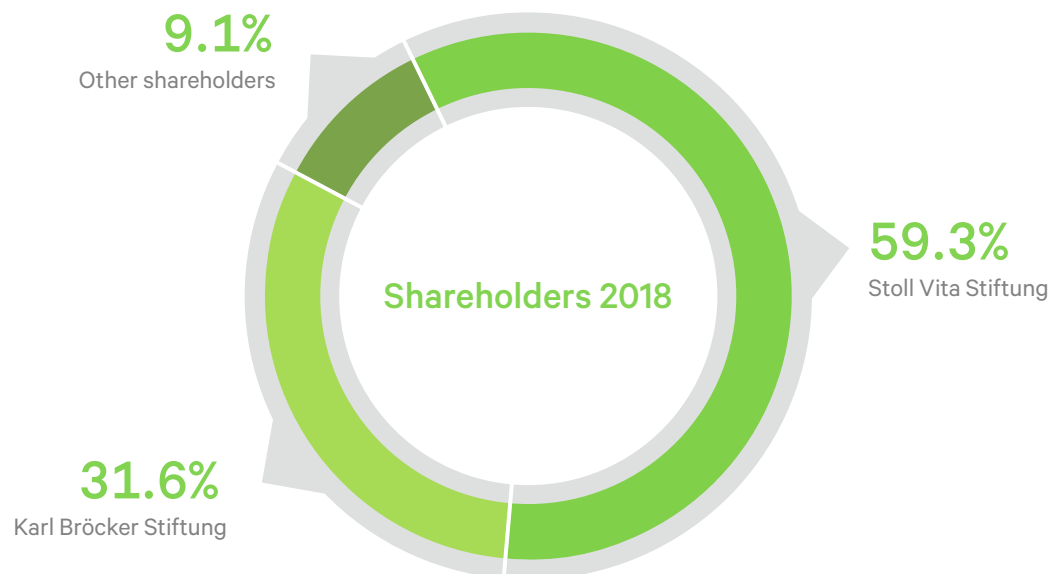
How do we want to proceed? Where will the future take us? We also want to answer these questions in this sustainability report and openly demonstrate our objectives and challenges.

Waldshut, April 2019

The Board

THE SEDUS STOLL GROUP

Sedus Stoll AG is a non-listed joint stock company under German law, with its registered office in Dogern, Germany – or, to be exact, Dogern in the district of Waldshut in Baden-Württemberg. The majority of the shares in the company (**59.3%**) are held by the Stoll VITA Stiftung in Waldshut, while the Karl Bröcker Stiftung in Lippstadt holds **31.6%** of the shares. **9.1%** of the shares are in free float and are held by former and current executives.



Sedus is a full-service supplier of office equipment and workplace concepts. It looks back on a long history – the company was established in 1871. Its production sites are located in Dogern and Geseke. The environmental statement which is integrated into the report relates solely to the registered office in Waldshut (marketing, distribution and showrooms) and Dogern (production sites and administrative headquarters). The Dogern premises are located in a business park while the office in Waldshut is in a mixed zone. You can find the relevant site map in the Appendix on page 70. At the time of writing this report, the previous registered office in Waldshut is being relocated to Dogern. You can find further information on this in the chapter “Sedus in transition”.

Office chairs, sofas and partitions are manufactured in Dogern, while the office and conference room furniture is manufactured at the subsidiary Sedus Systems GmbH in Geseke. The products are

distributed under the Sedus brand directly via specialist retailers in Germany and in 50 countries worldwide via direct export. Eight European subsidiaries perform distribution in the neighbouring countries. Some of these subsidiaries in the United Kingdom, Belgium, France, Spain, Italy, Austria, the Netherlands and Switzerland were established over thirty years ago. They act independently on their own respective markets. Customers in the Middle East are served by the subsidiary in Dubai. Sedus Stoll AG is therefore one of the most important international companies in the office furniture industry.

Klöber GmbH, with its registered office in Owingen am Bodensee, also belongs to the Sedus Stoll Group. This international manufacturer of high-quality office seating solutions is an independent actor on the market. Distribution is implemented under the Klöber brand via office furniture retailers across the whole of Europe.

Sedus Stoll Group



THE SEDUS SUB-GROUP

The Sedus Sub-Group is the Sedus Stoll Group excluding Klöber GmbH. The products and services sold under the Sedus brand are distributed all over the world via office furniture stores; Sedus also serves and supplies international wholesale customers directly. Customers also include banks, insurance companies, IT and communications companies and industrial enterprises. At the time of writing this report, the Sedus Sub-Group employs 888 people, of which 567 work in Dogern.

The total turnover of the Sedus brand was EUR 192.1 m in 2018; in 2017, it was EUR 170.9 m. Sales in Europe accounted for 96% of this. Almost 4% of turnover was realised in Asia as well as other continental regions. Broken down according to country, sales in Germany accounted for 50% of turnover. 50% was realised from exporting to over 50 countries.

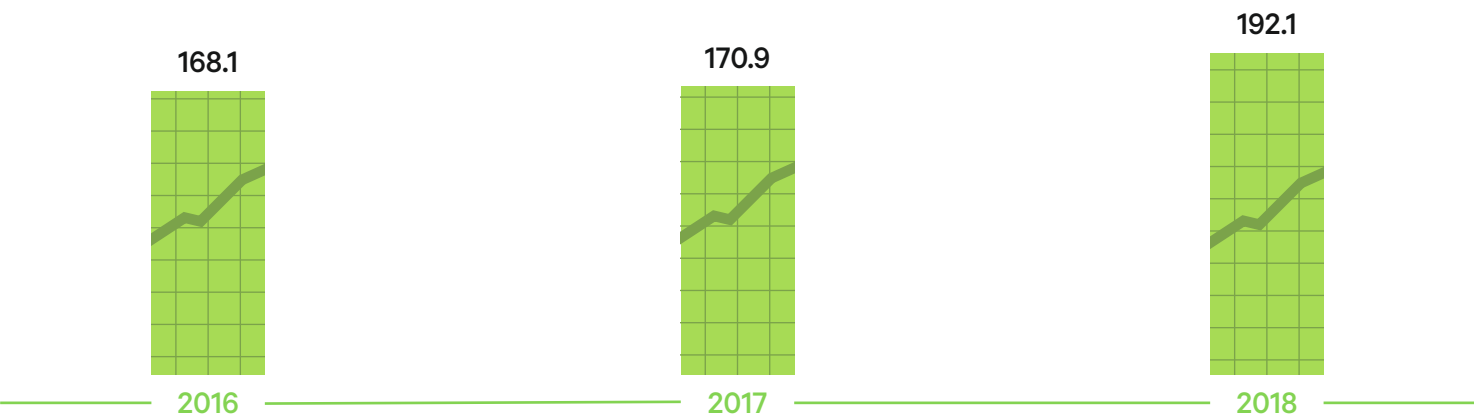


In financial year 2018, the Sedus Sub-Group – under the Sedus brand – spent a total of EUR 67.8 m on operating and production resources. EUR 65.7 m was spent in 2017. A total of 383 suppliers were used. Germany was the most important supplier country by far, with a share of 72%, followed by other European countries.

Further information on business during the reporting period is contained in the annual report and is publicly available.

Turnover of the Sedus Sub-Group

in EUR m



THE SEDUS BRAND

Constant investments in the most modern technology, the targeted expansion of the product range and strong, qualified distribution are the strategic building blocks for successfully distinguishing ourselves from the competition and for the strong positioning of the Sedus brand.

Established almost 150 years ago as a family business, Sedus Stoll AG is now one of the leading full-service suppliers of office equipment and workplace concepts in Europe. In the past years and decades, Sedus has always set standards – particularly in the fields of ergonomics, design and sustainability. Standards were developed which achieved global significance. The brand name Sedus has been synonymous with excellence in ergonomics and high quality for decades.

The companies Sedus Stoll AG and Sedus Systems GmbH develop, produce and distribute office furniture systems, office seating solutions, seminar/conference room furniture and commercial furniture. As a globally recognised brand, Sedus is a byword for aesthetic, ergonomic and high-performance office equipment. It is developed and produced in Dogern am Hochrhein as well as Geseke in Eastern Westphalia and bears the quality seal “Made in Germany”. From receptions to individual, combined, open-plan and manager’s offices, Sedus fits out entire organisations. According to all the modern standards of office design – and tailored to meet individual customer wishes.





Sedus office equipment is manufactured to order. This is supplemented by suitable additional services such as our extensive advisory services, individual planning services, mobile customer service and information and training programmes.

Constant investments in the most modern technology, the targeted expansion of the product range and strong, qualified distribution are the strategic building blocks for successfully distinguishing ourselves from the competition and for the strong positioning of the Sedus brand.

“Whatever bears the Sedus label is Sedus” – the products and services sold under the Sedus brand abide by this motto. Accordingly, the larger part of added value is created in Sedus’ own sites in Germany. This is also due to the high vertical range of manufacture. If possible, and as far as it is economically feasible, orders for the manufacture of individual components are given to businesses in our own region. Films of our manufacturing show the vertical range of manufacture and the quality of “Made in Germany”: [youtube.com/user/SedusStollAG/videos](https://www.youtube.com/user/SedusStollAG/videos).

A photograph of a modern office interior. Two women are seated at a long, light-colored wooden table. The woman on the left has red hair tied back and is wearing a dark blazer over a grey top and dark trousers. The woman on the right has dark curly hair and glasses, wearing a dark button-down shirt. They are both looking towards the right. The room features large glass windows on the left and right, offering a view of the outdoors. The walls are made of light-colored concrete. A colorful abstract painting is mounted on the wall above the women. In the foreground, there are several modern office chairs with green and blue upholstery and white bases. The overall atmosphere is bright and professional.

OUR



P O S I T I O N

SUSTAINABILITY AT SEDUS

Sedus takes a stance which, over the past 150 years or so, has crystallised into the foundation of the company: It is only when people feel at ease that productivity and performance are possible. Whatever is good for people is also good for the company. This conviction is the guiding principle for all that we do. And how we do it.

Our Philosophy

As a manufacturer of office furniture, we are also witnesses, partners and participants in global and digital competition. In spite of all disruptions and changes in office work which have occurred, each company must decide for itself how to proceed in the future. This independence is crucial to us. Any kind of dictate as regards conduct or preference has a counterproductive effect on people – particularly as the already high level of self-determination and identification with work is set to increase. We are all the more convinced that our values of quality, ergonomics, emotion and sustainability will decisively influence the “office of the future”.

Traditionally a trailblazer in sustainability

One's own conduct has consequences and one must keep these consequences in mind. This attitude towards entrepreneurial self-regulation is typical for Sedus – and it is easy to see from the establishment of Stoll Vita Stiftung and Karl Bröcker Stiftung. These foundations do not only preserve the entrepreneurial independence of Sedus Stoll AG, but also pursue non-profit, philanthropic purposes.

Because it had been working on this basis for a long time already, the discussion on the environment which began in the 1970s did not surprise Sedus; nor has the now omnipresent issue of sustainability. On the contrary: Sedus' role as trailblazer within the European furniture industry is evident from the chronology of the last 30 years. The number of relevant accolades ranges from the selection of Christof Stoll as Eco-Manager of the Year in 1993, to the eco-audit according to EU standards in 1995 – as the first German furniture manufacturer to do this – to the EMAS III validation, which Sedus was awarded in 2010 as one of the first office furniture manufacturers worldwide.



Business principles

Our business principles cover ten points which were last updated by the Management Board in January 2018. These also include our environmental policy. Our company strategy states that vision, mission and business principles are the guidelines for our day-to-day work. There is a detailed strategy paper which provides further orientation.

Besides this, there are other crucial documents, such as internal business agreements on social and financial aspects, e.g. the employee profit participation scheme. Then there are the environmental objectives, as set out in the environmental statements (see the Appendix, page 69) as well as detailed supplier guidelines. Suppliers share our commitment to acting sustainably in all dimensions – economically, socially and environmentally.

Various internal and external experts, and especially our employees and our customers, monitor to what extent Sedus achieves the values and objectives it has set for itself.

BUSINESS PRINCIPLES (include environmental policy)

1. The will to move

The world of work is changing – as is the responsibility of office furniture manufacturers. Sedus will move into the future together with its customers and its partners by not only recognising changes but also actively shaping them – with both large and small innovations. Therefore, Sedus does not just promote physical and mental movement in the office each day; Sedus also becomes movement.

2. Creating proximity to the customer

Sedus is a brand which also moves people emotionally. By giving customers the feeling that they are understood and respected, and because our employees make customer wishes and needs their own personal objectives, Sedus products and services create tangible benefits.

3. Innovation by motivation

In an environment where knowledge is shared and multiplied in a targeted way, there is an inspiring interaction between motivation and innovation. This also gives rise to the necessary competences to be able to offer “productive wellbeing” in new configurations, both inside and outside of the company. It also involves the continuing participation of employees in the success of the business.

4. Offering quality right down to the details

Our products are used millions of times each day. We fulfil the responsibility resulting from this with premium performance – on every level. Our process-oriented management system enables us to combine quality and efficiency in an effective way and inspire our customers in many ways.

5. Placing emphasis on acting sustainably

A lot of people talk about it – we actually do it. Certifications prove it: sustainability is a part of our corporate culture. We consider both direct and indirect environmental requirements which go beyond the limits of our business. Among other things, we prove this with the durability of our products, ecologically sound materials and the reduction of emissions to a minimum.

6. Networking successfully

An idea can only grow to this size if it enjoys wide support. In the Sedus relationship network, this includes the employees, marketing agents and the suppliers. We therefore select them carefully. Together, we can realise our vision of innovative office furniture and our idea of sustainability.

7. Playing our role in society

Sedus acts fairly and responsibly at all times. We work towards individual self-realisation and the overall functioning of society. Achieving success in global business requires adherence to the respective laws and binding obligations. We identify with the UN Global Compact principles and support the basic values relating to human rights, labour standards, protection of the environment and combating corruption.

8. Be reliable and predictable

We do what we say and say what we do. We always act with foresight and with an objective in mind, take opportunities and avoid risks for customers, employees, the company and the environment. This results in trust and loyalty – the hardest currency of all time.

9. Social responsibility

Sedus meets its social responsibility, both internally and externally. An extensive occupational health management scheme and cultural events are also part of this. The main shareholders and two non-profit foundations support this through their own projects in Germany and abroad.

10. Be independent

Our forward-looking action and our financial basis secure our existence and growth, our entrepreneurial flexibility and our independence over the long term.

SEDUS IN TRANSITION

With extensive modernisation and construction measures, Sedus has created the conditions for the future of both its production sites in Germany, which are being expanded into new competence centres.

Sedus Stoll AG is due to take another big step next year by relocating to the new building in Dogern. This is also reflected in the name of the project: “we move”. The name makes it clear that this is not simply a relocation from one place to another; above all, it concerns joint development in the future. The goal is also to implement a new way of working in the new premises. This new way should be characterised by better communication and more cooperation. However: the positive aspects of the present corporate culture and way of working will be preserved and continued. New things are only good if they are better than what existed previously.

The new premises open up the possibility of shaping our own “state of the art” ways of working. For example, the fit-out can be adjusted to suit individual ways of working much better than it could before. Therefore “we move” also stands for joint action – regarding the physical world of work and on both cultural and organisational levels. Of course, all participants were involved in making “we move” a success.

The College for Applied Psychology, a part of the Fachhochschule Nordwestschweiz in Olten (the University of Applied Sciences in Northwest Switzerland, which we were able to recruit for this project) made a significant contribution to this development.



sedusmartoffice

“Cooperation in the new world of work” is an established point of focus at their Institute for Cooperation Research and Development. Multi-space office landscapes, mobile and flexible working and other forms of “working in the future” have already been researched there as part of numerous applied research projects. Sedus Stoll AG will profit from the concentrated knowledge and the experience collected.

With the project “we move”, the Fachhochschule Nordwestschweiz has not only conducted research: it has also influenced the project by means of advisory work. It got the relevant employees involved



so that their needs could be taken into account when structuring the new office premises and in questions relating to future cooperation. Another task was to develop a suitable concept for Sedus Stoll AG specifying how work will be done in the new premises in the future on both the physical and the organisational-cultural level. The foundations were built during workshops held with various teams.

With these measures and the extensive modernisation and construction plans, Sedus has secured the future of its production sites in Germany, which will be expanded into new competence centres. The volume of investment came to more than EUR 20 m for new construction and renovations in the field of administration as well as investments in new manufacturing layouts at the Dogern and Geseke sites.

OUR APPROACH

We are committed to the vision of motivating people in their work and helping them to realise their full potential. We know that office space plays a significant role in the wellbeing of the company and its employees. And: our solutions live up to this important role in a sustainable way.

The knowledgeable and sensitive handling of the environment and resources has been part of the philosophy of our company for over 60 years. We aim to leave future generations an environment which is intact and which can sustain life. The holistic view of the company means that, for us, people are always placed at the heart of things. This starts with our own employees: they have been able to participate in the joint success of the company since 1952.

Even if one should be careful when making statements about the future: under the auspices of sustainability, we are looking to the next decades with full conviction and optimism. Whoever knows us will not be surprised: the path which we chose decades ago has made Sedus into one of the leading manufacturers in the European office furniture industry. Market trends show that, in the future, even more customers will look to see whether their office furniture is manufactured in line with environmental and social standards. We see this as an opportunity, not as a risk.

The focus on high quality, durable, environmentally friendly products is as sustainable as our corporate culture. Because the products are manufactured in Germany, internal working conditions also comply with the highest standards. You can find an overview

of our most important sustainability issues on page 24; the assessment of environmental issues as part of our environmental statement is in the Appendix on page 71 et. seqq.

Company strategy 2020

We focus on our customers

Customer relationship management and knowledge of purchasing decisions form the basis of our distribution activities. Sedus mainly sells its products via local specialist retailers.

We are visible

The visibility of the Sedus brand is achieved primarily via free communication channels.

We make dealing with our customers as easy as possible.

Cooperating with Sedus is fun for our customers and they recommend us to others.

We count on sustainability

We take economic, environmental and social aspects into consideration as part of all our decisions.

We develop innovative products

We satisfy our customers with innovations and competitive products. The combination of design, ergonomics and sustainability creates unique added value.

We continually improve our quality and our service.

The best quality and supply service make the difference. All relevant products are “Made in Germany” in Dogern and Geseke.

We are flexible

Speed and agility in all internal processes mean short supply times and simple, customer-oriented solutions.

We work efficiently

Focus on adding value through processes, competence centres and structures stretching across multiple locations allow maximum synergies to be achieved.

We provide our employees and executives with training on an ongoing basis

Through targeted personal development, we raise our employees' qualifications and strengthen their bond to our company.

We work profitably

In order to secure the future of the company in a sustainable way, we realise appropriate returns.

Sustainability strategy 2025

“Ecology and economy are not contradictions, but indispensable parts of a whole.” These words of our long-time CEO, Christof Stoll, and appropriate, holistic action already characterise our business principles. In order to develop individual issues in a targeted way, we have been working on a supplementary sustainability strategy since 2018:

- We know our supply chain and its effects.
- We maintain transparency about our products and their effects on the environment.
- Sedus stands for innovative and sustainable products.
- We maintain a dialogue with our stakeholders and communicate important issues.
- We have happy and healthy employees to whom we provide regular training.
- We set ourselves ambitious but realistic sustainability objectives, orienting ourselves towards the UN Global Compact and reporting on this in a transparent way.

SUSTAINABILITY PROGRAMME

As a globally active manufacturing company and a part of society, we shoulder our responsibility to contribute towards an environmentally, socially and economically worthwhile world – yesterday, today and tomorrow.



Clear standards for suppliers

Along with Sedus Stoll Group's general supplier guidelines, a separate supplier guideline on sustainability was revised in 2018. This is set to be signed in 2019 by all suppliers with an order volume of more than EUR 5,000 and expressly refers not only to Global Compact, but also to the standards of the International Labour Organisation and the "Guidelines for Multinational Enterprises" from the Organisation for Economic Cooperation and Development (see page 34).



Environmentally sound offices

Sedus has been certified under the international quality standard ISO 9001 since 1994 and, in 1995, was the first furniture manufacturer in Germany to be validated under the "Eco-Audit Regulation" of the European Union. Since then, there have been annual monitoring audits and recertifications in three-year intervals. Then, since 2001, there have been the certifications under the international standard for environment management systems ISO 14001. Furthermore, our energy management system has been certified according to the standard ISO 50001 since 2012. Presently, we are preparing for certification according to ISO 45001 (see page 39 et. seqq.)



Excellent employer

We strive to be a responsible and attractive employer which fosters and encourages its employees. We aim to build up the next generation of employees ourselves and systematically invest in education and training. The health and safety of our employees is an important concern of ours. This includes regular inspections and training on the issue of occupational safety as well as various offers to promote health (see page 59 et. seqq.).



Highest product standards

The certification of office furniture under "Greenguard" and "Toxproof" – i.e. tested for toxins – reflect Sedus' efforts to ensure that office air is clean and construction is sustainable. The Greenguard certification is part of the requirements of many sustainability-related construction standards. This includes, for example, the LEED system of the US Green Building Council. Many products are also certified under PEFC™ and FSC® (FSC C 128940). Recently, ten product families of Sedus have been given the right to carry the "Blaue Engel" (Blue Angel) environment label (see page 29 et. seqq.). See also the environmental program for the Dogern/Waldshut sites on page 69.

SUSTAINABLE GOVERNANCE

Sustainability requires binding rules, clear structures – and that each individual has a feeling of responsibility. Here at Sedus, these demands shape our thinking and action and we are motivated to deliver on them every day.

Management

As a non-listed joint stock company, Sedus Stoll AG has a dual management system. The management is the responsibility of the Management Board, and the Supervisory Board monitors it.

The Supervisory Board appoints and monitors the Management Board of the company, which comprises three members. The Management Board manages business and reports to the Supervisory Board on the company's situation on an ongoing basis. The Management Board is responsible for sustainability management at the company. The basis for this is documented in the "business principles" (among other places).

An environmental officer is appointed at each of our sites, who ensures compliance with the applicable environmental laws, monitors and optimises environmental processes and trains the employees on environmental issues. In addition, a "sustainability committee" has been appointed, whose members include the heads of various company divisions. The environmental officer and the sustainability committee define and coordinate the relevant works and report directly to the Management Board.

Forward-looking risk management

Following our business principles, our most important concerns are customer satisfaction and the avoidance of risks for our partners, the company, our employees and the regions in which we are active. Therefore, we manage risks in a forward-looking manner to protect the health of our employees, the business, the local public and the environment as well as to secure supply to our customers. We involve our suppliers in this without exception. To guarantee this at all times in day-to-day business, the Sedus Sub-Group has implemented a risk management system which systematically records and assesses risks and implements the resulting measures. You can find details of this in our annual report.

Stakeholder involvement

We maintain a regular dialogue with our stakeholders to identify instructions and requirements as well as changes in attitudes at an early stage and proceed proactively. The following groups count among the most important stakeholders:

- Specialist retailers
- End customers
- Intermediaries such as architects or occupational health professionals
- Shareholders
- Staff (including their families)
- Suppliers
- Public sector entities, such as administrative bodies or local councils where the sites are located
- Inhabitants and local media at the location of the sites
- Associations and institutions of which Sedus is a member
- Specialist sectors of the public, such as media or organisations devoted to questions of responsible, sustainable corporate management
- Supervisory bodies such as auditors, representatives of authorities, environmental verifiers and certification bodies
- Competitors
- Legislators

Also, various media outlets and formats are used which are oriented towards stakeholders:

Shareholders: meetings of the Supervisory Board, Management Board report, annual general meeting and quarterly shareholder reports.

Staff: communications as part of daily work processes, intranet, information on the noticeboard, training, exchanges between the works committee and the Management Board, semi-annual staff meetings and the employee magazine Sedus dialog.

Suppliers: direct personal or written exchange, on-site inspections by Sedus employees, supplier days, supplier visits to Sedus.

Intermediaries/customers/specialist retailers: “PartnerNET” – our specialist retail partners can find all relevant information about Sedus on the online platform – from the text of tenders, to data sheets on ecology to means of advertising – and can also address their questions to the company online. With ArchitektenNET, we offer the target group comprising architects, interior designers and planners special services and condensed information. Furthermore, specialist roadshows, showrooms, national and international specialist retail events and responses as part of “Sedus satisfaction management” should be mentioned.

Public sector: direct personal or written exchange.

Inhabitants and local media at the location of the sites: Direct personal or written exchange and factory visits.



Associations and institutions: meetings and assemblies of the Chamber of Industry and Commerce and associations of which Sedus is a member.

Specialist public: direct personal or written exchanges, including by regular press and PR work.

Supervisory bodies: communications as part of on-site inspections.

During our exchanges with our stakeholders over the past few years, we have noticed a significantly stronger interest in information about our environmental, social and societal engagement. This is evident, for example, in the increased demand by specialist retailers for our data sheets on environment-related information. We are also pleased to note that aspects of sustainability in manufacturing and management are gaining in significance as part of tenders.

In surveys, our customers have stated that the issue of sustainability is becoming more important despite the dominant concerns of price and performance. Sustainability in purchasing is of particular importance to wholesale customers. This also shows that the issue of a recycling economy is gaining in importance and that the corresponding commitment should be expanded and made more visible. Sedus has already taken up these stakeholder expectations and initiated a programme for comprehensive lifecycle analyses. You can find further information about this on page 29 et. seqq. In the future, we want to communicate our efforts in the field of sustainable production and business even more powerfully in order to give our customers more good reasons to buy from Sedus.

Materiality analysis

In order to verify Sedus' strategic orientation, a first workshop was held in 2016 with employees from various divisions of the company to determine which sustainability issues were relevant; these issues were then approved by the Management Board.

As part of an internal audit, new and material issues were taken up by the executives during the reporting period, which resulted from the legal, societal or market-relevant circumstances. In addition to this, important issues were ascertained by means of

stakeholder surveys. In 2018, our surveys focused on specialist retailers, distribution and the subsidiaries. The issues that came up were collected and then their opportunities and risks assessed in a second step.

The complete list of issues was then presented to the Management Board as part of management assessment. It was then decided which issues – or which opportunities and risks – would be pursued further. The following material issues were determined for this report

- occupational safety
- demographic change
- greenhouse gas emissions
- good working conditions
- legal compliance
- doing business sustainably
- use of resources

MEMBERSHIPS

We participate actively in the exchange of knowledge within our industry. Based on dialogue, discussion and a broad, open view, we develop joint solutions and smooth the way into the future.

In May 2017, Sedus Stoll AG signed the accession declaration to join the United Nations Global Compact. The United Nations Global Compact is the most important initiative in the world for responsible corporate management. Until now, the management boards of over 13,000 companies and organisations from 170 countries have committed themselves to the ten principles it sets out.

Our business principles of course take these values to heart: “We identify with the UN Global Compact principles and support the basic values relating to human rights, labour standards, protection of the environment and combating corruption.” As proof of their ongoing commitment, all signatories – including Sedus Stoll AG – submit an annual progress report. This is available separately on the UN Global Compact website.

In 2012 – or, to be precise, on 15 September – Sedus signed the Heilbronn Declaration on Corporate Social Responsibility among Medium-Sized Enterprises. By doing this, we have voluntarily undertaken to pursue the vision set out in the Heilbronn Declaration and to adhere to the approaches described in it. That means making corporate social responsibility a part of everyday life at the

company by observing our social and societal responsibility, and significantly surpassing the standards set by the law.

Sedus Stoll AG is a member of the Chamber of Industry and Commerce of Hochrhein-Bodensee and is represented there in the plenary assembly as well as in the committees for energy and the environment, foreign trade, industry, finance and taxes.

Furthermore, Sedus is a member of the Bundesdeutschen Arbeitskreis für Umweltbewusstes Management e. V. (Federal German Working Group for Environmentally Conscious Management e. V.) (B.A.U.M.). With around 550 members, the environmental initiative B.A.U.M. is the largest of its kind in Europe’s economy. As a member, Sedus accepts its Code of Environmentally Aware Corporate Management. B.A.U.M.’s objective is to make companies, municipalities and organisations aware of concerns relating to forward-looking protection of the environment as well as the vision of doing business sustainably and to assist them in the environmentally effective, economically sensible and socially just realisation of such concerns.



OUR

A modern, white office chair with blue mesh upholstery is positioned on a balcony. The chair has a high back with horizontal mesh sections and a curved armrest. It is set against a backdrop of a vast, blue ocean under a clear sky. The balcony railing, featuring a hexagonal mesh pattern, is visible in the foreground. The word "RESPONSIBILITY" is overlaid in white, uppercase letters across the center of the image.

RESPONSIBILITY



SUSTAINABLE PRODUCT DESIGN

We develop products which, on a high level, unmistakably combine quality, design, ergonomics, durability, the environment and economy in a balanced way – just what our customers want. We make high demands at each individual stage in the lifecycle of the respective product.

Furthermore, in all construction groups, we pay attention to durability and can therefore rely on our products lasting between 15 and 20 years – depending on the user's conduct. The respective requirements for stability and fatigue strength always comply with the Sedus standard. This is defined in the test requirements and goes further than the requirements of national and European standards. In addition to this, we conduct regular product audits with reliability tests as part of serial manufacturing, analyses of causes of errors and effects as well as finite elements calculations to save resources and also optimise product strength. We have our own test laboratory which is accredited under DIN EN ISO 17025.

According to our understanding of sustainability, we take all office furniture and chairs back after they have been used and recycle them professionally – if the customer so desires. However, due to the durability of our products, this offer is seldom taken advantage of. We also guarantee the delivery of spare parts for another ten years after the product has been discontinued. Even at the design stage, we think of how to replace worn out parts: Therefore, seat and back pads must be easy to replace, pad covers should not be glued down, all pneumatic springs should be easy to replace and rollers and sliders should have plug attachments.

Safety for humans and nature

All current Sedus products are tested according to the criteria for “TÜV Rheinland Schadstoffgeprüft” and “GREENGUARD Indoor Air Quality Certified” and are subject to regular product monitoring. These certifications guarantee that only materials which are free of toxins and emissions are used.

No less than ten product families have been certified under the environmental seal “Blaue Engel” since 2018. This is a label awarded by the Federal Ministry for Environment, Nature Conservation and Nuclear Safety. The purpose of the label is to promote ecological product innovations by means of targeted demand for environmentally friendly products, thus reducing the strain on the environment. The “Blauer Engel” label is awarded by an independent, unbiased committee made up of volunteers, the “Environmental Label Jury”. Criteria such as environmentally friendly production, quality of air inside, toxins and fitness for use of the products are inspected and evaluated. It is planned to have further products certified in 2019. You can find out more about the “Blauer Engel” label and Sedus online at: <https://www.blauer-engel.de/de/produktwelt/marken/sedus>



Lifecycle analyses for our products

We use materials which have been inspected and evaluated as regards their possible detrimental effect on health and the environment. And: we guarantee that the products can be assessed and optimised – even beyond their lifecycle. In 2018, we began to produce ecological assessments for our products so that we can provide them to our customers in the form of product information sheets. Currently, product information sheets are available for 40 product groups. They should be available for all relevant product groups by 2020.

We have informed our suppliers that all materials and products which are distributed within the European Union and which are used in our products, have to comply with the REACH Regulation – Registration, Evaluation, Authorisation and Restriction of Chemicals. Should the appropriate information not be available from the suppliers, we test the products ourselves in order to guarantee that they meet the relevant requirements.





Our products and their materials

Aluminium

On the one hand, the extraction of aluminium consumes a lot of energy; on the other hand, aluminium can be recycled again and again without suffering any reduction in quality. This so-called secondary aluminium requires up to 95% less energy to manufacture. Our die-cast aluminium suppliers use secondary aluminium for environmental and cost reasons – and providing that it is available.



Oils

We only use non-chlorinated processing oils in production. They have the clear advantage that – unlike halogenated, organic hydrocarbons – they are biodegradable.



Wood

The majority of the wood processed for our Sedus products comes from Germany, Switzerland and France. Our site in Geseke is certified as part of the product chain certification “Chain of Custody” according to FSC® (FSC C 128940)- and PEFC™ regulations. In this way, we make a very important contribution towards conserving forests and nature.

Apart from a few exceptions, we only use PEFC™-certified wood such as chipboard. We are therefore able to confirm to our customers that almost all of our products conform to PEFC™. If a customer approaches us with a requirement for FSC® (FSC C 128940)-compliant products, we can also fulfil this requirement.

The wood is not treated with wood protection agents as part of further processing; our chipboard also complies with emission class E1. In other words, they are low in emissions (formaldehyde < 0.1 ppm).



Plastics

In terms of plastics, we mainly use polypropylene, polyamide and polyethylene, because they are 100% recyclable. Due to material labelling, the different types of plastics can be cleanly separated. Production waste is returned to the plastics suppliers for recycling. Unlike aluminium, recycling reduces the quality of the plastics, meaning that the output from recycling is not used in our chairs for reasons of safety and quality. However, it is suitable for use in other products.

Leather

We source leather exclusively from suppliers in Germany and Austria. Tanning is done with chromium (III) salt agents, because they can be recovered in a chrome recycling facility and reused. We do not use any azo dyes or chromium (VI) agents.



Foam

The foams we use are made from polyurethane and are water-based. For obvious reasons, we do not use any CFCs. We collect foam waste separately and return it to the manufacturer for reuse. These waste materials are then used as fillers, among other things.



Textiles

Our textile suppliers comply with either the OEKO-TEX Standard 100 or the requirements of the EU Ecolabel. The larger part of our textiles are supplied by an EMAS-validated company which is also certified under ISO 14001. Therefore, compliance with the provisions of environmental law is verified regularly by independent environmental verifiers.

Suppliers as the foundation of responsible procurement

Good and close cooperation with our suppliers is crucial in order to produce the best products according to high ecological and social standards. We only take on new suppliers if they have made all the required disclosures and they are able to prove the necessary quality, or compliance with the applicable standards in the relevant fields. A supplier only gets a good assessment grade if they can demonstrate good revenue figures and a solid financial basis. Disclosures made by the suppliers are supplemented by research in the Federal Gazette (Bundesanzeiger) as well as information obtained from business information services and banks. In a second step, we integrate the experience gained from joint projects, day-to-day cooperation, on-site visits and audits. We look for answers to important questions such as: Do stable processes exist? How is the necessary quality ensured? Do we have a backup supplier or could we quickly switch suppliers (if necessary)? If we ascertain significant risks, we define targeted measures to minimise them. It is the job of our purchasing department to ensure that every partner is able to deliver. Risk management is an important tool in this respect. All suppliers of the Sedus Group which are strategically important are subject to an assessment of opportunities and risks at least once a year. This covers around 70% of the purchasing volume.

Origin of the most important materials

Primarily, Sedus purchases steel, aluminium, plastic parts and wood for production. In financial year 2018, the Sedus Sub-Group spent a total of EUR 67.8 m on operating- and production materials. In 2017 this figure was EUR 65.7 m. These came from 386 suppliers: 30 more than in the previous year.

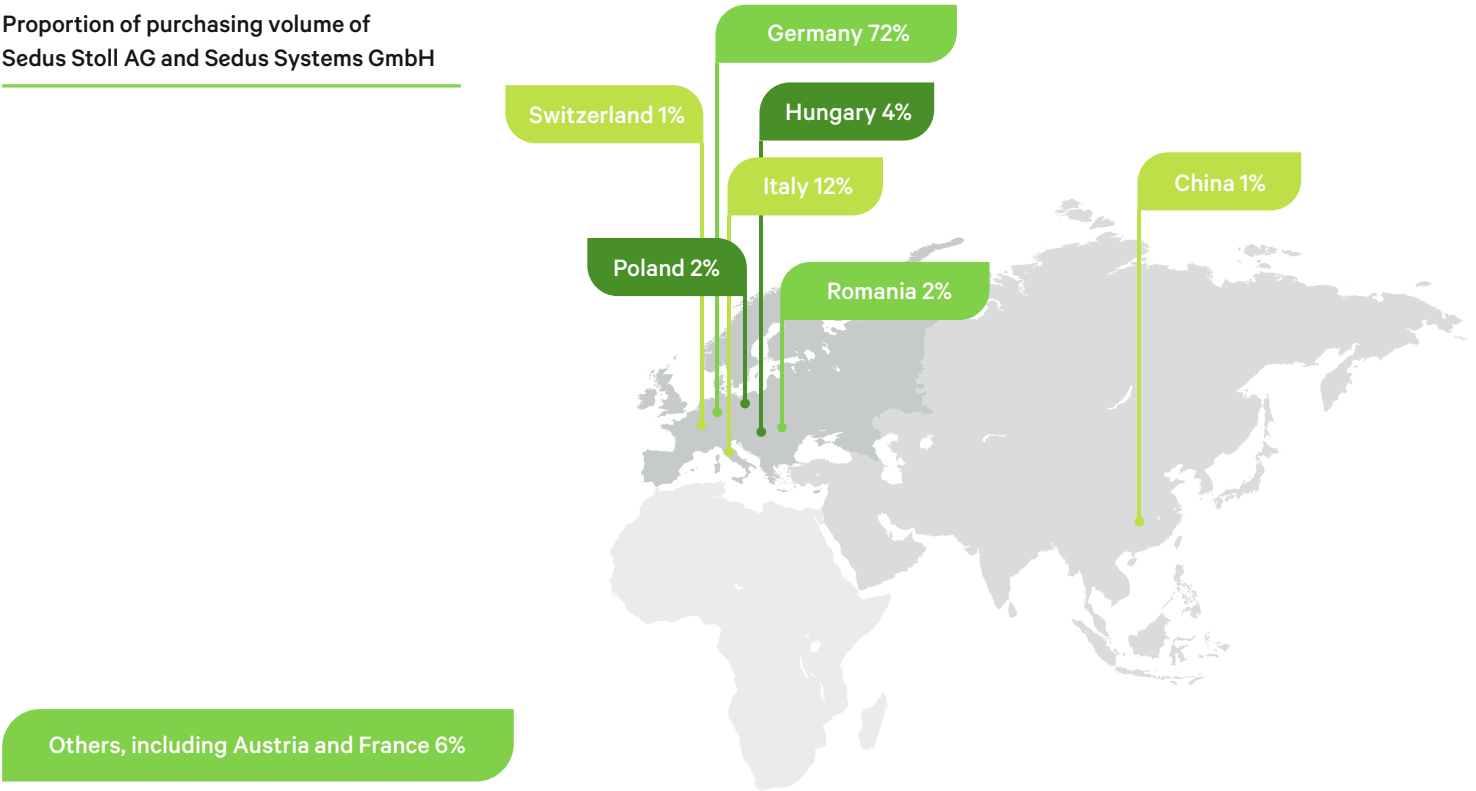
Although they are only used to a small extent in electronic parts, we have undertaken not to use any products, parts or raw materials which contain so-called “conflict minerals” from the Democratic Republic of Congo (DRC). For example, this includes coltan, cassiterite, gold, wolframite or the derivatives of these materials.

It is in our interest to buy operating and production resources from regional partners whenever it is economical to do so: communications are easier, customs and currency risks are eliminated and the shorter transport routes do not place such a strain on the environment. However, availability must be guaranteed. Furthermore, the geographical proximity is also beneficial for the relationship to the supplier. It is therefore easier to comply with our standards and for us to conduct our regular on-site inspections.

In 2018, the most important supplier country by far was Germany, accounting for 72% of purchases, followed by other European countries. The percentage of purchases from non-European countries was less than 3%. Regional “on-site” suppliers – i.e. at the Dogern and Geseke sites – accounted for 28%, whereby 12% of the overall purchasing volume came from Baden-Württemberg;

16% came from North-Rhine Westphalia. For us “on-site” means the Dogern, Geseke and Waldshut sites; “our regions” in the narrower sense means the province of Baden-Württemberg including the Dogern production site and the province of North-Rhine Westphalia including the Geseke site and, in the broader sense, Germany.

**Proportion of purchasing volume of
Sedus Stoll AG and Sedus Systems GmbH**



Environmentally friendly shipping and packaging

From the perspective of sustainability, our “quarterback” swivel chair is something special: It is based on an intelligent modular construction system and only takes up half the space during shipment. The recipient can simply put the various modules together; no tools are required. Because the pack volume is reduced by 50%, the chair can be sent as a package. An aspect which is highly advantageous, especially when sending individual pieces, making express deliveries and when making deliveries abroad: it is environmentally friendly, quick and saves money.

Besides “quarterback”, “se:joy”, “se:motion”, “se:fit” and “se:spot” also use this shipping system; these products also only take up maximum 50% of the pack volume. Packaging has also become

more compact in general so that standard girth measures can now be complied with. They can therefore be sent by courier service and “one-man-handling”.

We consciously forgo packaging which is whitewashed in a complicated procedure and then subject to four-colour printing. We keep our business environmentally friendly. Standard cartons are marked with a simple black print. In Geseke, packaging materials are prepared and reused. To conserve resources further, the Sedus “black dot” is one example of a product that can be dismantled in a matter of minutes and its constituent parts cleanly separated and disposed of.



Starting online retail as an additional distribution channel

Digitisation as well as the online visibility and availability of a brand play an increasingly important role and are taken for granted by customers. With our online activities, we also support our fixed retail partners and keep them involved. In this way, we can combine several benefits: Independence from opening hours and an overview of the entire product range, including filter options and variants – all on one website. On the other hand, we can refer interested parties and potential customers to specialist retailers and shops where they can experience the products first hand. Specialist retailers also offer additional products and services in cooperation with Sedus.

Today, Sedus offers its products in its own online shops in cooperation with fixed specialist retailers as well as via online distribution using partners who operate solely online and online marketplaces. Since the beginning of 2019, Sedus products have also been available through an outlet online shop.



SUSTAINABLE MANUFACTURING

The careful use of natural resources and the reduction of detrimental effects on the environment as far as possible has been a part of our company philosophy for decades. We aim to leave an environment behind for future generations which can sustain life and is pleasant to live in.

We plan, analyse and steer our processes in such a way as to avoid negative effects on the environment and only use environmentally friendly materials and technologies. In doing this, we take direct and indirect environmental requirements into consideration. We also aim to achieve a high level of material and energy efficiency, for example by minimising emissions and waste.

Sedus is characterised by its high real net output ratio, which covers an average of half of the added value. This means that many processes which are relevant to the environment take place at our sites and can be monitored by us. We placed a premium on environmentally sound production very early on. Even in 1979, we replaced wet varnishing of metals and solvent-based varnishes with solvent-free and environmentally friendly powder coating.

Sedus has been having its environmental management validated by external environmental verifiers under the Eco-Management and Audit Scheme of the European Union (EMAS) since 1995, making it one of the pioneers in this field. It was the first office furniture manufacturer in Germany to have an EMAS-compliant environmental management system. Since 2001, it has also gained certifications under the international standard ISO 14001. Sedus Stoll AG's Management Board defines the objectives and principles of environmental protection, sets out competences, decides on the required measures and also inspects them. The chairman of the Management Board also oversees the internal environmental protection organisation. An environmental officer from within the Group coordinates the day-to-day work in the company and reports to the Management Board. This officer is supported by the officers who have been appointed within the specialist departments and at the various sites.

In summary, production in Dogern is divided into four manufacturing segments: 

Metal production

Here, the metal components – i.e. pipes and sheet metal – are processed into blanks by means of cutting, filing, honing, joining and moulding. These steps in processing are done with mechanical presses, lathes, milling, bending, laser, filing and drilling machines as well as welding robots. These are partially organised into manufacturing islands.

Coating

Most semi-finished products have their surfaces treated or coated, either to protect them against corrosion or for cosmetic reasons. The parts can be galvanised with nickel or chrome or given a powder coating. The final products from metal manufacture and coating are chair and table frames as well as various small parts made of metal. At the end of 2018, the electroplating plant was converted from chrome VI to chrome III.

Upholstery and stitching

Here, the foam, textiles and leather are cut to size, padding foam is stuck to seat and back panels with solvent-free adhesive and the pads are covered in either textile or leather. The more expensive covers are produced in the stitching workshop. Due to the use of a CNC-controlled textile cutting table, the amount of waste is kept down and helps to save resources and avoid waste.

Final assembly

At this stage of manufacturing, the components made of metal and wood as well as the upholstery and stitched parts are assembled into finished products such as office swivel chairs, partner chairs, sofas or partition screens. Then the products are packaged and made ready for shipping.

Production in Geseke spans three core areas:

Wood manufacturing

Wooden parts such as arm rests, back rests, seat pans or table surfaces are manufactured in this core area from raw materials such as panels, layered materials and veneer. Depending on the intended use, the raw material is given a veneer, layer-glued, sawn to size or milled. All visible parts are varnished and perhaps stained before being finally assembled. Conference tables and writing desks as well as media furniture go straight to shipping after being given a final check. The semi-finished products go for upholstering or directly to final assembly.

Manufacturing of parts

Parts manufacturing produces almost all wooden components for the assembly of office tables and cupboards. Machines which are completely linked, highly flexible and fully automatic manufacture and provide the components for the commission in a batch size of one.

In general, we use HPL melamine-faced chipboard with low emissions (goods class E1). The majority of the chipboard we process is PEFC™-certified. The components are sawn to size from half-size panels. Then, using the most modern laser techniques, the edge-banding material is applied, which is made solely from polypropylene (PP) to protect the environment and reduce waste. Without using any additional adhesive, a strong, water-resistant

and heat-resistant bond is created between the edgeband and the board, which appears to be absolutely seamless, is extremely attractive and has the best physical properties.

The drilling station is where all drilling, milling and fitting works are done and is also where the wooden dowels are automatically fitted and glued.

Assembly

To avoid transport routes which are unduly long or which overlap, special attention was paid to the flow of materials when planning and implementing the manufacturing layout.

Container and cupboard components are assembled by hand on an assembly line. The wooden components provided are put together to form the body of the item and are then glued in a press. Then, various elements such as intermediate shelves, skirting boards or locks are added. Upon completion, each piece of furniture is subject to a quality check, packaged and sent for shipping. The packaging material has been made in such a way as to prevent damage or soiling during transit as far as possible.

Desks are also assembled by hand on an assembly line. The table surfaces are fitted with cross-beams or cable flaps, electronic switches and other features and then packaged. Because of their manageability and value, conference tables are assembled at individual workstations.

Direct environmental and energy issues

The direct environmental and energy issues are assessed using an assessment matrix. The following were considered to be the most significant environmental issues:

- emissions into the air,
- discharge into water,
- potential soil contamination,
- the use of raw materials or resources, including energy
- as well as the production of waste and noise.

The individual issues are assessed for individual processes, procedures or activities. According to their significance, the environmental or energy issues are assessed using a fixed scoring system and then multiplied (see Appendix page 71). A comprehensive and detailed context analysis was conducted and updated in 2018; there were no changes in comparison to the previous year.

The trend towards certification according to the industry sustainability standard FEMB may be included in the context of the organisation. All material issues were addressed as part of a stakeholder analysis. The demands of external and internal stakeholders were systematically and completely analysed in 2018.

In 2018, to cope with the workload, certain stakeholders were selected and asked by Sedus about sustainability performance and the relevant effects by means of a questionnaire. The individual answers were then consolidated and evaluated. Stakeholder expectations were then integrated into various decisions within the company. As a consequence of this, we have chosen to take the recommendation to pay more attention to the idea of cycles; this is why we are increasingly evaluating our products using lifecycle analyses.

The environmental issues were reassessed according to the version of ISO 14001:2015 so that preceding and subsequent processes could be integrated in the table. Apart from this, opportunities and risks associated with individual steps along the value chain as well as the environmental impact of a certain step on further processes was also added to the table as a new column. You can find the summary in the Appendix on page 72. The opportunities are also reflected in the environmental objectives.

Indirect environmental and energy issues

In spite of the high real net output ratio of 50% (on average) of the added value of Sedus Stoll AG, there are various processes relevant for the environment which do not take place on our own sites, but at direct suppliers or suppliers further upstream.

The ABC analysis showed that the indirect impact on the environment lay mostly in the production of raw materials and processing materials. Primarily, this includes:

- the extraction/production and processing of iron, aluminium and plastics: The indirect impact on the environment mostly consists of energy consumption and the associated CO₂ emissions as part of manufacturing and processing.
- Forestry: the wood we use mostly comes from sustainable forestry within Europe. Without taking transport and processing into account, it is CO₂-neutral.
- Textiles and leather: impact on the environment in this context mostly results from emissions of pollutants during refinement by tanning and dyeing.
- Delivery process: the main impact on the environment here also comes from pollutant-emissions, because the goods are delivered by lorry as well as by sea and air.

To minimise this impact on the environment, the most important thing is to use resources economically. Key suppliers are therefore monitored as part of an environmental audit. In addition, we hold regular discussions with them about environment-related issues, such as energy and resource efficiency, and environmental properties of the materials supplied agreed in the form of technical supply terms. Suppliers who are certified according to an environmental standard are given preferential treatment, over others – even if they make identical offers.

Sedus has enacted supplier guidelines which also contain requirements for environmental conservation. These supplier guidelines were issued to key suppliers for the first time in 2007. These supplier guidelines are now an integral part of the contract and were supplemented by the issue of sustainability in 2011. The supplier guidelines were revised in 2018. In addition, a document named “The Sustainability Duty” has recently been published. As of 2019, our suppliers must sign this document if they want to work with us. The supplier day in spring 2019 was used as a “kick off”. Furthermore, in 2018, we conducted a risk assessment of our suppliers, which – among other things – addressed issues such as environment, occupational safety, corruption and child labour. The identification of potential weak spots and the development of appropriate measures was placed at the heart of this process.

Organisation and management

In order to continually improve our environmental performance, we undertake consistent environment management, which is certified according to EMAS and ISO 14001 at the Dogern/Waldshut site and according to ISO 14001 in Geseke. Sedus Stoll AG's Management Board has defined appropriate principles for action on environmental protection in its business policy. Objectives were defined for each individual site; the objectives for Dogern are presented in detail in the environmental programme on page 69. The Management Board decides which measures are required to realise the objectives set, sets out competences for implementation and provides the necessary resources. It inspects the results of the measures and assesses their impact. The Management Board is also the competent contact partner for the environmental protection organisation which was established to achieve the objectives.

The environmental officer at the Dogern site reports directly to the Management Board; the environmental officer in Geseke reports directly to the managing directors. They perform the following tasks:

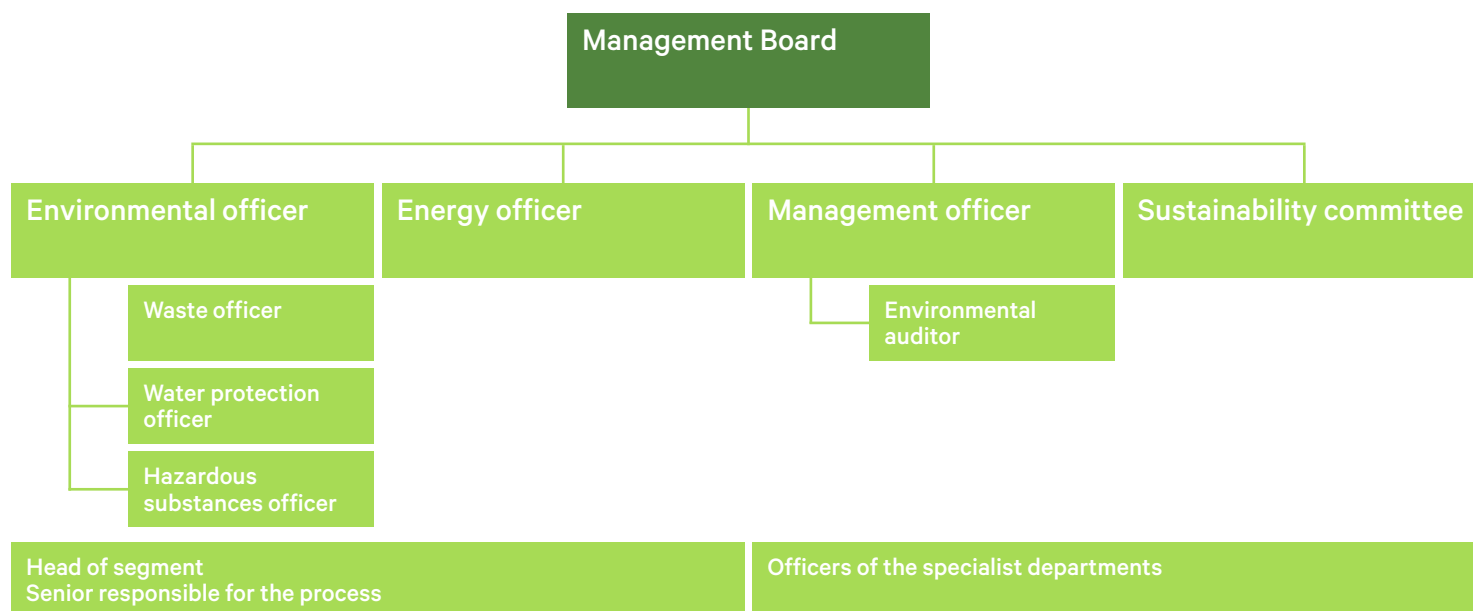
- waste and hazardous substance management
- water protection
- expert management when using and storing hazardous substances
- communication with authorities
- coordination of measures to conserve the environment and projects relating to the environment
- information about and training on current legislative changes and their practical implementation

- monitoring processes relevant to the environment
- assessment of direct and indirect environmental issues of Sedus Stoll AG's work with the objective of keeping impact on the environment to a minimum
- agreeing on the environmental programme with the Management Board and executives
- balancing input and output streams at Sedus Stoll AG
- monitoring the success of environmental protection work, including reporting to the Management Board
- cooperation with other environmental officers within the Group

The energy officer supports the environmental officer and performs the following tasks:

- assistance in planning energy saving objectives and drafting the energy programme
- analyses and support work for the managerial review of the status quo in the energy and environmental programme and the strategic and operative objectives relating to energy and the environment
- analysis of recorded consumption data, identifying opportunities to save energy and initiating appropriate measures
- cooperation with the energy officer for the extended group as well as with the environmental officer and the management officer of Sedus Stoll AG

Organisation of environmental protection



The management officer of Sedus Stoll AG is the management representative as defined by EMAS and performs the function of an internal environmental auditor and that of the environment management officer. He/she only acts as an auditor with respect to processes for which he/she is not responsible. Furthermore, he/she is responsible for structuring the ongoing monitoring of the environment management system under ISO 14001 and the energy management system under ISO 50001.

Officers of the specialist departments will be appointed for processes relevant to the environment and are responsible for on-site implementation of provisions relating to the protection of the

environment. They are responsible for the environment-related tasks expressly assigned to them. If needed, they will be involved in the meetings of the environmental committee. The environmental officer and line managers ensure that officers are chosen correctly and that they are qualified. At the present time, officers and their deputies have been appointed for the following units:

- waste water treatment facility for galvanisation
- the hazardous substance storage facility
- internal waste disposal

Energy

Fossil fuels are primarily used at the Waldshut and Dogern sites. The natural gas supplied is used to produce heat – process heat and thermal heat – as well as electricity (co-generation unit). Furthermore, a small amount of heating oil is used. The company needs process heat to do the powder coating and galvanisation. Thermal energy is created in Geseke by burning waste wood. A small portion is produced by diesel and heating oil.

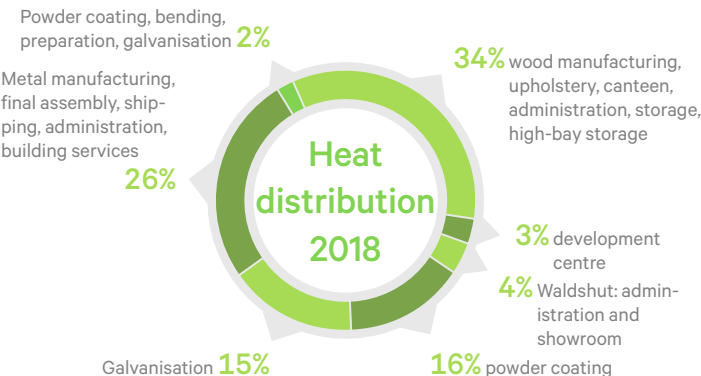
In 2018, Sedus covered 72% of its energy needs with thermal energy and 28% with electricity (some of which it bought from external suppliers, some of which it produced itself). Since 2012, only electricity from renewable energy sources – wind, solar, water – has been used. The total energy consumption in 2018 was 22,288 megawatt hours (MWh), which was 2.1% higher than in 2017 (21,827 MWh). In particular, the increase is due to the Group’s further growth, the great need for cooling due to the hot dry summer and, finally, the numerous construction projects at both sites – although these should lead to better energy efficiency in the future.

| Total consumption per energy type in MWh | 2016 | 2017 | 2018 |
|--|---------------|---------------|---------------|
| Electricity | 5,973 | 6,074 | 6,142 |
| Natural gas ¹ | 8,285 | 8,184 | 7,845 |
| Wood combustion ² | 5,900 | 5,562 | 6,209 |
| Heating oil | 105 | 245 | 188 |
| Diesel ² | 1,522 | 1,762 | 1,904 |
| Total | 21,785 | 21,827 | 22,288 |

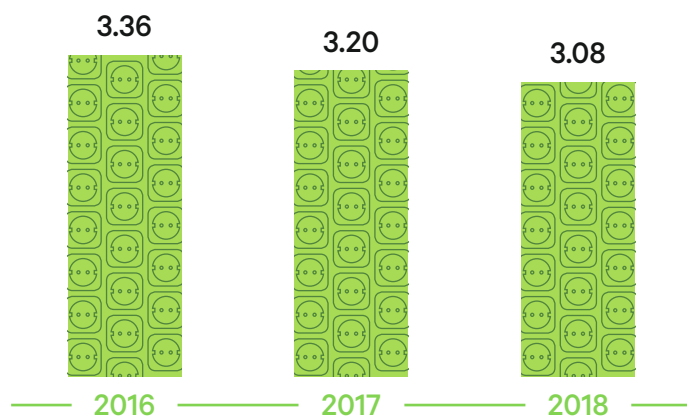
1 Natural gas is not used at the Geseke site
2 Wood combustion and diesel are only used at the Geseke site

You can find a breakdown of energy consumption at Dogern/ Waldshut in the Appendix on page 74.

Due to the higher number of units manufactured in 2018 as compared to 2017, the relative energy consumption dropped from 3.20 kWh/manufactured unit to 3.08 kWh/manufactured unit.



Specific energy consumption in kWh/manufactured unit



Sedus operates a cogeneration unit at the Dogern site, which is run on natural gas. According to the principle of combined heat and power generation, the cogeneration unit simultaneously produces process heat and electricity. Due to downtime in the cogeneration unit to allow repair works to be carried out in 2018, 48 MWh less power was produced than in the previous year, so that about 90 MWh of electricity had to be sourced from third parties. The cogeneration unit was used to 89% of its capacity.

The process heat is needed at the Geseke site as part of real wood manufacturing for the veneer presses and the drying channel; this constitutes 2.4% of the overall heat consumption at the site. In Dogern, process heat is needed for galvanisation and powder coating. These two processes combined constitute 28.3% of energy required. The proportion of process heat has decreased significantly over the last few years. Most of the thermal energy is needed in buildings 1 and 2 because of the renovation works.



As part of ongoing energy management, and with the help of numerous multi-function meters, the recording of consumption data has been greatly improved. The energy figures are evaluated during monthly meetings and appropriate action taken. Current data can be read at any time at almost 150 measuring points. The tables with the current meter readings and consumption figures are then circulated internally.

Sedus has been training “energy scouts” since 2013. In the first year, trainees are assigned the task of identifying opportunities to improve environmental protection and energy efficiency during their time in quality assurance (and afterwards) and pass these ideas on to the environmental officer.

Furthermore, on free days, inspections of base loads were conducted to identify the biggest unnecessary consumers of energy and calculate potential for savings in Dogern.

Emissions

It is part of Sedus' self-image to constantly increase resource and energy efficiency in order to keep detrimental effects on the environment and the climate as low as possible. This is why we rolled out an energy management system according to ISO 50001 in 2012 and only use CO₂-neutral electricity from renewable energy sources. We have reduced noise emissions to the extent necessary to comply with statutory noise thresholds and ensure that neighbouring buildings are disturbed as little as possible.

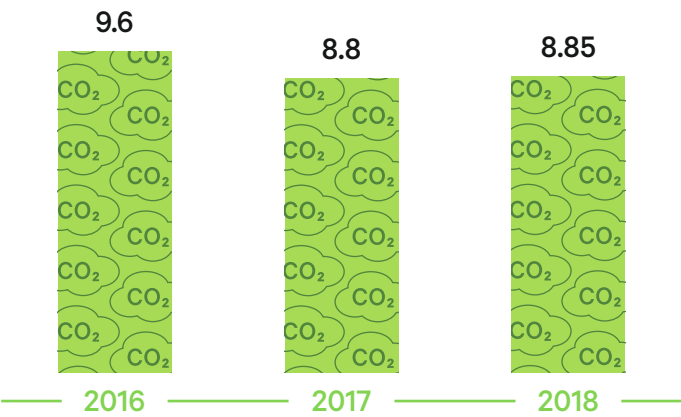
To better reduce emissions, we have been systematically compensating for the "carbon footprint" of products and processes since 2018. We have not previously recorded indirect emissions which arise in the supply chain - by extracting raw materials, processing them and then delivering goods - due to the high expenses involved and do not have plans to start doing so. However, with our guidelines, we impose the obligation on our suppliers to guarantee the protection of the environment "at all stages of executing the order".

Each year, Sedus calculates the carbon dioxide emissions which result from the consumption of energy and electricity. Currently, no other emissions are calculated because they are not material in comparison to CO₂ emissions or do not occur at all. In the financial year 2018, the Sedus Sub-Group produced 6,893 tons of CO₂ - 7% (or 452 tons) more than in the previous year (6,441 t). Neither site has been able to make any improvements for a long time. This development was in line with the consumption of energy, due to the construction measures. We expect a significant reduction in emissions when the construction projects are completed in 2019.

While the calculation of the CO₂ emissions in Dogern comprises heating oil and gas (1 l heating oil corresponds to 2.65 kg CO₂, 1 kWh natural gas corresponds to 0.2 kg CO₂), the total value for Geseke comprises the summands heating oil, diesel for the vehicle fleet and wood combustion (1 l heating oil corresponds to 2.65 kg CO₂, 1 l diesel corresponds to 2.61 kg CO₂, 1 t wood corresponds to 3.67 t CO₂).

| CO ₂ emissions in tons | 2016 | 2017 | 2018 |
|-----------------------------------|-------|-------|-------|
| Heating oil | 37 | 69 | 54 |
| Natural gas | 1,667 | 1,642 | 1,569 |
| Wood combustion | 4,541 | 4,281 | 4,779 |
| Total | 6,245 | 5,992 | 6,402 |

Specific CO₂ emissions in tons/1000 manufactured units



You can find a separate breakdown of emissions for Dogern/Waldshut in the appendix on page 74

Even though gas consumption has increased, by reducing the heating oil consumption and due to the increase in production, the specific CO₂ emissions in 2018 were kept at the same level as in the previous year (8.8 t per 1,000 manufactured units). By purchasing green electricity, about 2,770 t CO₂ was saved during the reporting year as compared to the federal mix.

| CO ₂ emissions of the Sedus Sub-Group by source in per cent | 2016 | 2017 | 2018 |
|--|-------|-------|-------|
| Natural gas | 25 | 25.41 | 22.76 |
| Vehicle fleet | 5.93 | 7.06 | 7.12 |
| Wood combustion | 68.51 | 66.46 | 69.33 |
| Heating oil | 0.56 | 1.07 | 0.78 |

Varnishing

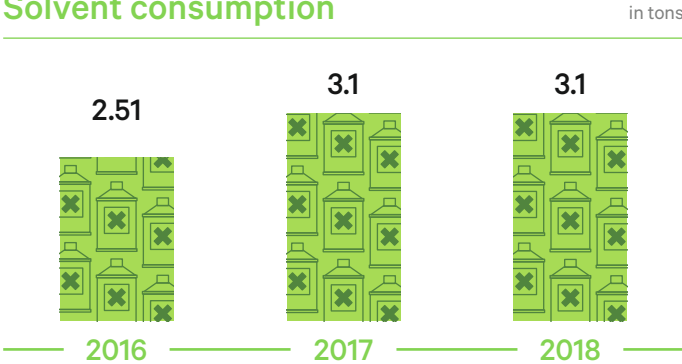
Solvents used in varnishes as part of wood manufacturing also count as emissions into the air. Although their use has been greatly reduced over the past few years by switching to water-based varnishes, they are still necessary for manufacture. The powder coating facility also uses solvent-free varnishes. Our upholstery unit in Dogern stopped using solvent-based adhesives in 2009 and now uses water-based adhesives.

In 2018, modernisation works commenced on real wood manufacturing in Geseke, or, to be precise, Assembly Hall 1. A part of the future machine park consists of machines which were relocated

from Dogern; the remainder consists of new machines. A spraying cabin with a drying channel has already been built and the smoke-heat extractor installed. In addition, since the last report, a complete new wood chip vacuum, a new single-sided edge-banding machine, a new adhesive application machine and various smaller machines have been built in the real wood hall. The reason for the modernisation and relocation is also a large order for 360 new cupboard fronts.

The relocation of wood manufacturing means that almost no solvents are used now at the Dogern and Waldshut sites, which is why we have not reported on solvents. Almost no solvents are used for varnishing. However, it is not yet possible to clean products (especially at the Geseke site) in any other way. As in 2017, 3.1 tons of solvent were used in 2018.

Solvent consumption



Water

Two types of water are used at the Dogern site; well water and drinking water. We obtain the well water from our own deep wells pursuant to our permit under water law. The volume of water we use is not significant in terms of the overall amount of ground water. Although the supply does not come from conservation areas, the level is monitored on an ongoing basis. We obtain drinking water from the local supply network in the municipality.

Where possible, we use well water for business operations in order to keep our use of drinking water to a minimum. It is used in production, to water the gardens, to air-condition the offices in the administrative wing and the development centre and to cool the servers. Because the ceiling is cooled using well water, no traditional air conditioning is needed in these areas. The well water which is used to cool the ceiling and to water the garden then seeps directly back into the ground or is poured into the surface water and does not produce any waste water which needs to be sent to the water treatment plant.

Otherwise, Sedus tries to reuse waste water at its sites repeatedly: for cooling the premises during the summer months by means of heat exchangers and then in manufacturing processes at the Dogern site. It is impossible to make any quantitative statements about water recycling, because we have not recorded such data to date.

The water supply in Geseke comes from our own deep well. No industrial water is needed for manufacturing processes; only a small amount is used in office- and security facilities. The regular drinking water quality control by a hygiene body did not result in any objections.

Overall water requirements for 2018 increased by 19% from the previous year. To save energy, the new backup data centre in Dogern stopped using conventional electrical air conditioning units in mid-2013 and switched to well water. The consumption of drinking water increased slightly by 3.7% in 2018; the consumption of well water increased by almost 22%. This was mainly due to the hot and dry summer of 2018, but also the new construction and filling of a pond at the Dogern site to increase biodiversity. The number of employees at the sites also increased. In Geseke, a large leak in the heating pipe network was found and fixed.

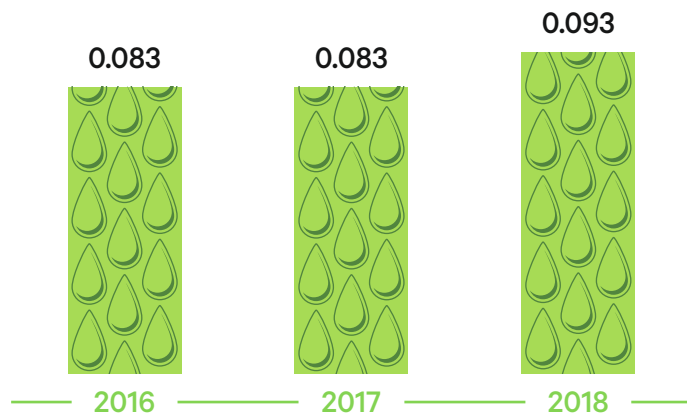
The maximum permitted volume of ground water which may be extracted at Dogern (72,000 m³) was not used up, even though consumption increased.

| Water consumption in m³ | 2016 | 2017 | 2018 |
|----------------------------------|--------|--------|--------|
| Well water | 45,932 | 47,761 | 58,280 |
| Drinking water (municipal water) | 7,869 | 8,595 | 8,915 |
| Total | 53,801 | 56,356 | 67,195 |

Waste water and waste

Specific water consumption

in m³/manufactured unit



Sedus uses the amount of water consumed per manufactured unit as a benchmark to monitor water consumption. This increased by 0.01m³ per manufactured unit (graphic “Water consumption”).

With regard to waste water and waste, Sedus has also been prioritising avoidance over reuse and recycling for many years. However, if waste and waste water should accrue, we take care to ensure that they affect the environment as little as possible.

So, for example, water which has been used to cool the servers and some buildings, can be piped back into a power station canal on the Rhine within the scope of a permit under water law. It is warmed up by less than one degree Celsius and is not used as such, because it is returned to the natural water cycle in an unaltered chemical state. In this way, over 39,000 m³ of clean water was piped in 2018. All waste water pipes on the Dogern site are subject to regular checks.

Galvanisation

Chair and table frames are nickel- and chrome-plated by galvanisation. Furthermore, the goods are dipped and coated in various industrial baths. Between the individual galvanisation baths, there are rinsing baths which are used to clean the goods and reduce the amount of materials carried over from the previous baths. Used solutions from the manufacturing process and dirty rinsing water are channeled into the water treatment facility. The process of metal hydroxide precipitation is used to extract the heavy metals (chromium and nickel) from the rinsing water in several stages. The byproducts of this are galvanic sludge and waste water.

The galvanising facility with an integrated waste water treatment facility was put into operation in 2010. In November 2018, the galvanising facility switched from chromium (IV) to chromium (III) because the chromium trioxide used for chrome plating (chromium VI) will be subject to stricter regulation in the future.

Sedus had to decide whether to obtain a permit for its continued use or to replace the chemical “chromium VI” by the less critical “chromium III” compound. We decided to take the environmentally friendly as well as occupationally safer option and switched our galvanisation procedures to the use of “chromium III”. In addition, significant changes have been made to our facilities, the controlling software, the air extractors and the chemicals use. All necessary renovation works were completed, the old chemicals disposed of and the new processes put into operation within ten working days. We extend our warmest thanks to the employees in galvanisation as well as the employees from the locksmith and electronics departments for their efforts.

The new “chromium III” process has been in operation without disruptions since the middle of December. There were no difficulties in putting the facility back into operation over the new year period. By switching to “chromium III”, Sedus was among the first companies to make this conversion and therefore complies with its own objective of “placing emphasis on acting sustainably”.

The volume of galvanisation sludge disposed of decreased by approx. 47% (or 4.88 tons) compared to the previous year. The volume of galvanisation sludge per hour of facility operation sank by approx. 41% compared to 2017. This significant reduction results from the fact that the sludge is disposed of once every eight months and there was one disposal in 2018 once again as opposed to two in the reporting year 2017.

| Galvanisation sludge at the Dogern site | 2016 | 2017 | 2018 |
|---|------|-------|------|
| in tons | 5.50 | 10.29 | 5.41 |
| kg/h | 3.8 | 8.0 | 4.7 |

Rinsing water

To minimise the amount of rinsing water used, we use cascade rinsing and water-saving rinsing technology, which has already enabled us to reduce the absolute volume of fresh water and waste water used. Furthermore, where nickel and chrome are concerned, Sedus relies on the standing rinse technique rather than running rinse. With this process, the use of chemicals, the volume of waste water and therefore the amount of galvanisation sludge is reduced. The overall volume of waste water from galvanisation in 2018 was down 4% compared to 2017. The threshold values for chromium (overall) (0.5 mg/l), chromium VI (0.1 mg/l) and nickel (0.5 mg/l) were always complied with in the regular internal and external inspections.

Powder coating

Powder coating of metals is an environmentally-friendly alternative to wet varnishing with solvent-based agents.

A powder-coating facility was put into operation in the year 2000, which was equipped with water-saving cascading rinse technology and conductivity monitoring as well as an energy-saving heat-recovery system. In this way, the energy consumption - the biggest impact on the environment - could be significantly reduced. As part of a heat exchange system, gas and heat emissions from the curing furnace as well as the dryer are used to heat the industrial baths and the production hall. By minimising the amount of materials carried over, preliminary cleaning (de-greasing) hardly produces any waste water.

The powder coating not adhering to the products (overspray) is extracted by suction in the automated cabin, recovered by means of a cyclone extractor and reused. Waste powder arises from the varnish becoming increasingly fine due to wear during the cycle and tends to form clumps. In addition, waste is produced when the colour is changed and because of overspraying in the hand cabin. The proportion of overspray is generally high, because the surfaces of the parts to be coated are small in relation to the volume of the powder window. A second powder cabin was installed in 2017, so that colour does not have to be changed so often within the facility. In spite of this, waste from powder varnishes in 2018 increased by 1.6 tons compared to the previous year – however, this may be due to the timing of disposal.

Since 2011, powder coating has been linked up to the co-generator for galvanisation. Besides increasing the degree to which this co-generation facility is used (i.e. improving its utilisation rate), the amount of electricity which has to be sourced from third parties can also be reduced.

The volume of waste water in 2018 was 7,714 m³, which was 5.6% more than in the previous year (2017: 7,299 m³). Slightly less than a fifth of waste water comes from the galvanisation process; most of the rest comes from the sanitary facilities.

Sedus treats waste water from galvanisation and powder coating in its own water treatment facility and, after subjecting it to analysis, empties it out into the municipal water system. The galvanisation sludge can be reused in the metal industry. Furthermore, the water does not have to be subject to any further treatment and is primarily emptied into the municipal water system. In 2018, the threshold values for chrome and nickel were regularly monitored by internal checks and also by external institutions appointed by the Regional Council of Freiburg and were found to be compliant.

| Waste water in m³ | 2016 | 2017 | 2018 |
|--|-------|-------|-------|
| Volume of waste water from galvanisation | 1,529 | 1,610 | 1,543 |
| Volume of waste water excl. galvanisation | 5,400 | 5,689 | 6,171 |
| Volume of waste water in m³/h (per hour of facility operation) galvanisation | 1.07 | 1.26 | 1.34 |
| Total | 6,929 | 7,299 | 7,714 |

Waste

The volume of waste in 2018 was down from 1,938 tons in 2017 to 1,663 tons - a reduction of 16.5%. This was primarily due to the reduction of wood waste in Geseke by 31.7%. The raised demand for chips to produce heat and a slightly lower level of off-cuts from part manufacturing contributed to the reduction in wood waste. Waste paper (+26.5%), metal (+58.3%), foil (+60.9%) and leftover plastic, as pure recyclable materials, saw significant increases in Geseke in the remuneration division. The increase resulted from the increased production volume in terms of manufactured units. However, because the volume of other waste (-7%) was able to be reduced in the same period, the increase in these types of waste can be apportioned to better (and higher rates of) waste separation.

Colour and varnish waste produced by surface coating in the real wood division were reduced by 18.7% by improving the composition of manufacturing batches. This is a positive development which can be improved on again in 2019 because of a new spraying facility. This reduction in hazardous waste and solvents makes sense in terms of the environment and expenses. The proportion of hazardous waste went up to 6.6%, because a traction battery could not be returned and therefore had to be disposed of.

In Dogern, the volume of waste (not including construction waste from renovation works) stayed roughly the same as in the previous year in spite of the higher number of manufactured units. The top five types of waste at the Dogern site in 2018 were paper and cardboard (127.5 t), mixed residential waste (125.6 t), old wood (87.6 t), mixed scrap metal (56.6 t) and pipe offcuts and untreated chair frames (55.4 t).

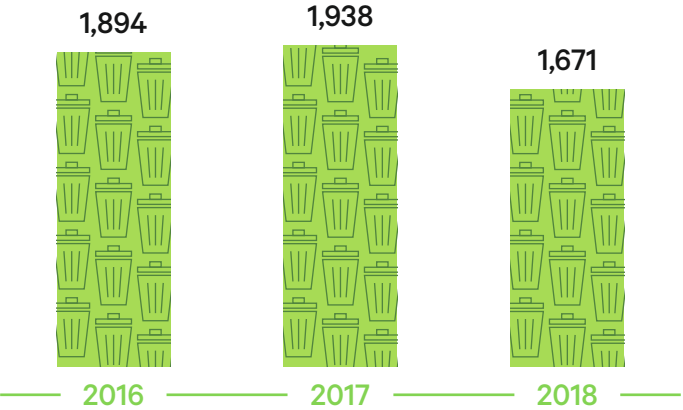
The 1,676 tons of total waste comprise 1,618 tons of non-hazardous waste and 58 tons of hazardous waste. The proportion of hazardous waste to the overall volume of waste is now 3.4% and mainly comes from metal processing in the galvanisation facility in Dogern. Of this waste, 1,671 tons were able to be recycled in 2018; only 5 tons had to be disposed of as waste. The recycling rate in 2018 was 99.7%.

Sedus only uses waste disposal services which have a specialist company certificate. We have been cooperating closely with an all-round waste disposal company since 2013. We separate paper, cardboard, foil, glass, wood and metals at all of our sites. To avoid waste, the reject rate in production is continually improved. The volume of waste in the reporting year was reduced by approx. 14% compared to the previous year.

| Volume of waste in t | 2016 | 2017 | 2018 |
|------------------------------|--------------|--------------|--------------|
| Recyclable waste | 1,748 | 1,929 | 1,671 |
| Waste for disposal | 146 | 9 | 5 |
| of which hazardous waste | 146* | 27 | 58 |
| of which non-hazardous waste | 1,702 | 1,902 | 1,618 |
| Total | 1,894 | 1,938 | 1,671 |

*In 2016, the volume of waste to be disposed of was above average due to clearing out the hazardous waste storage unit
 You can find a separate breakdown of the volume of waste at Dogern/Waldshut in the appendix on page 74.

Volume of waste in t



Material efficiency

Material efficiency in 2018, at 91.8%, was down on the previous year (95.1%) because the material output in tons fell more than the material input. Material efficiency at the Geseke site is not currently measured; the material offcuts from textiles and leather were reduced by almost 9% and 15% respectively as compared to 2017.

| Material efficiency at the Dogern site | 2016 | 2017 | 2018 | Change on previous year | |
|--|-------|-------|-------|-------------------------|--------|
| | | | | absolute | % |
| Material input in tons | 6,157 | 6,689 | 6,241 | -448 | -6.7 |
| Product output in tons | 5,229 | 6,360 | 5,730 | -630 | -9.9 |
| Material efficiency in % | 84.9 | 95.1 | 91.8 | 0.7 | +0.007 |

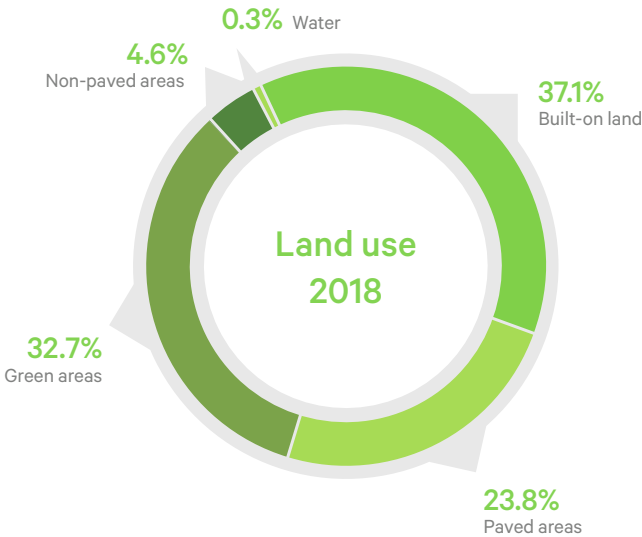


Biodiversity

There are not many ways in which we can influence biodiversity. However, this issue is very important to us. Therefore, for example, we have tried to keep the proportion of sealed surfaces to a minimum to guarantee that enough water can soak back into the ground and top up the ground water supply. Avoiding sealing is a way of restoring nature and increasing the quality of living space - and not just for the flora and fauna. This is why the Stoll VITA Stiftung has enabled the former Sedus premises in Waldshut to be reclaimed by nature and has created a garden and a meeting centre which is open to the general public. Furthermore, a kindergarten run by the city of Waldshut was set up on these premises. A pond was built on the Dogern site in 2018.

The Sedus plant in Dogern covers a total area of approx. 93,000 m². The proportion of paved ground, including built-on land, increased slightly in the last year and is now about 60%. The plant premises in Waldshut were sold to the Stoll VITA Stiftung. Until the beginning of 2019, Sedus rented an office where approx. 50 employees worked.

| Land use at the Dogern site in percent | 2017 | 2018 |
|--|------|------|
| Built-on land | 33.2 | 37.1 |
| Paved areas | 22.2 | 23.8 |
| Green areas | 40.1 | 32.7 |
| Non-paved areas | 4.6 | 6 |
| Water | 0 | 0.3 |





SOCIAL RESPONSIBILITY

“We do what we say and say what we do” - is stated in point eight of the Sedus business principles. For good reason, because each individual in the company will only work actively and successfully if working conditions, qualifications and management are optimal. We create conditions in which our employees can work towards our company objectives with motivation, expertise and a sense of responsibility.

We also place focus on protecting and promoting health, lifelong learning, attractive remuneration packages and absolute equality between the sexes. In our business principles - and due to our obligations under the UN Global Compact - we are engaged in the promotion and protection of human rights.

Accordingly, we reject discrimination just as emphatically as any forced- or child labour. The principles of equal opportunities and equal treatment apply to our employees. Responsible cooperation with labour representatives is also a matter of course at Sedus.

Sedus' HR department is closely involved in sustainability management. Besides the works councils, at Sedus there is also a designated person of trust for the severely disabled and representatives for young employees and trainees. Beyond this, Sedus has also made it possible for employees to use the services of a social worker anonymously. This external advisory service (which is free of charge) covers problems in both the professional and private sphere and may be used even at an early stage.

An overview of our employees

The Sedus Sub-Group had 888 employees as at 31 December 2018; a year before, the figure was 828. Employee turnover within the sub-group excluding the foreign distribution companies was 2.8% in 2018 (2017: 2.5%)

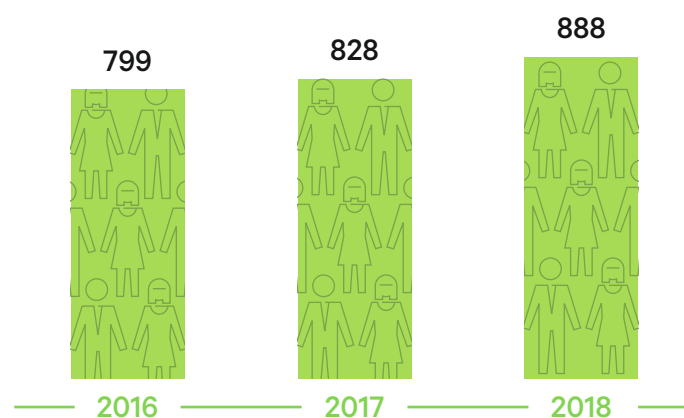
| Sedus Sub-Group (incl. trainees) | 2016 | 2017 | 2018 |
|-------------------------------------|------------|------------|------------|
| Women (full time) | 151 | 148 | 154 |
| Men (full time) | 552 | 574 | 620 |
| Total (full time) | 703 | 722 | 774 |
| Women (part time) | 71 | 80 | 88 |
| Men (part time) | 25 | 26 | 26 |
| Total (part time) | 96 | 106 | 114 |
| Total | 799 | 828 | 888 |

| Sedus Sub-Group | 2016 | 2017 | 2018 |
|---|------------|------------|------------|
| Women (unlimited term contracts) | 214 | 224 | 235 |
| Men (unlimited term contracts) | 521 | 539 | 575 |
| Total (unlimited term contracts) | 735 | 763 | 810 |
| Women (limited term contracts) | 8 | 4 | 7 |
| Men (limited term contracts) | 56 | 61 | 71 |
| Total (limited term contracts) | 64 | 65 | 78 |
| Total | 799 | 828 | 888 |

| Sedus Sub-Group by region* | 2018 |
|----------------------------|-------------|
| < 20 km | 668 |
| > 20 km | 146 |
| Total | 814* |

* Excluding foreign distribution companies

Number of employees



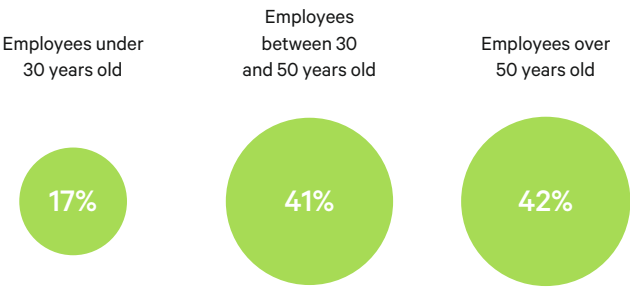
| Sedus Sub-Group by age | 2016 | 2017 | 2018 |
|------------------------|------------|------------|------------|
| <30 | 137 | 147 | 152 |
| 30-50 | 351 | 314 | 363 |
| >50 | 311 | 367 | 373 |
| Total | 799 | 828 | 888 |

| Sedus Sub-Group new appointments | 2016 | 2017 | 2018 |
|-------------------------------------|------------|-----------|------------|
| Number of women | 23 | 30 | 34 |
| Number of men | 86 | 69 | 106 |
| Total | 109 | 99 | 140 |

Education and lifelong learning

We are convinced that success is only possible with a well-educated workforce. Therefore, at Sedus, we value education and training highly. We were training and building up the next generation of the workforce even before there was a shortage of skilled labour in Germany. Accordingly, we systematically invest in their development and offer vocational training to young people in various apprenticeships. The training opportunities we provide enable our employees to fully realise their individual strengths – without regard to their sex or origin, but according to their potential and the challenges within the company.

Employees by age 2018





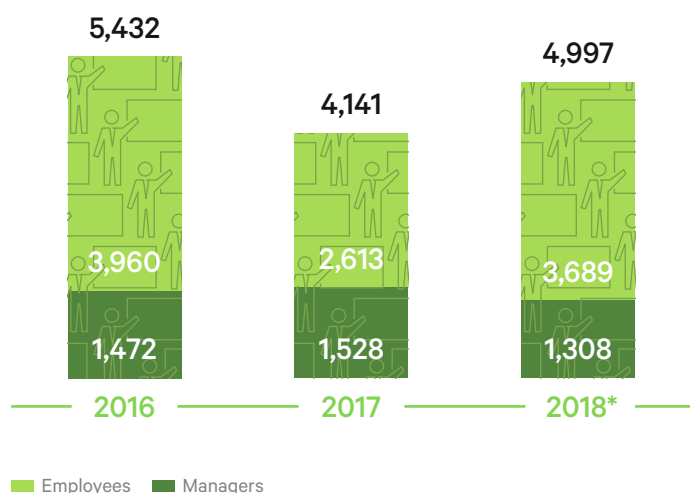
During the reporting year, a total of 46 trainees (2017: 49) and 4 students (2017:4) from the Cooperative State University have received vocational training in 17 different courses of training/study. We also enable our trainees to participate in the “Go.for. Europe” scheme. Within this framework, trainees can undertake internships of several weeks’ duration in other EU member states. In 2018, eight Sedus trainees took part in the scheme.

Our “Company Agreement on Training” has been in effect for 20 years. The last revision took place in 2009. Employees agree on necessary training measures with their line managers. The fixed offer includes IT training, communications training and English lessons. Regular internal and external training for managers, team leaders and trainees are held on the issues of occupational safety,

sustainability and environmental management. As promoters, they help to keep issues such as occupational safety, sustainability and environmental management alive in the day-to-day work of the company. In 2018, training was provided to trainees in Dogern on the issue of environmental protection. In addition, since 2018, German lessons have been offered to employees with a migrant background, because we also employ people in our plants who have sought refuge in Germany.

We are in the process of building up detailed training statistics. Within this framework, hours spent on education and training have also been recorded for the Geseke site since 2018. In 2018, 4,997 hours were spent on training in the Sub-Group.

Hours spent on education and training



*Figures include the Geseke site for the first time

Family-friendly environment

Our employees are all given the same opportunities for development. This also applies to salaries and wages: We count on uniform assessments and classification of core work tasks - regardless of sex.

In the Sedus Sub-Group, there are no binding tariffs and no internal tariffs. For some industrial employees in manufacturing, the "Group Pay" company agreement provides for uniform pay groups. These are generally subject to uniform raises as part of annual wage adjustments. This rule affects about 350 employees. Collective bargaining agreements affect all salaried employees. Exceptions may apply to temporary workers on short-term contracts.

Sedus' principles also include letting employees participate in the company's success: Not just the shareholders of Sedus Stoll AG, but also the staff get a share of the company's profits. Furthermore, Sedus also offers its employees the following additional services or benefits:

- occupational pension (if they have been at the company continuously for a period of three years)
- direct insurance in the form of endowment insurance
- deferred compensation
- variable bonus payments - depending on results
- profit participation (starting when the employee has been with the company for one year)
- subsidised offers in the staff restaurant
- travel costs allowance of EUR 2 per month per kilometre
- allowance for annual travel cards for local public transport of up to EUR 90 per year
- monthly allowance of EUR 10 net when buying a JOBTicket
- birth allowance of EUR 300 per child
- marriage allowance of EUR 150
- benefits in kind for 10th, 20th and 30th company anniversaries
- anniversary payments equal to average gross monthly pay between the 25th and 40th company anniversaries

Collective bargaining agreements affect all salaried employees.

Working safely

To guarantee the safety of our employees at all times, workstations and the working environment are checked annually as part of inspections and in close, proactive cooperation with the Regional Council and the relevant professional associations.

In addition, managers from departments at both sites are given advice by their own specialists on occupational safety so that possible risks are recognised in a timely manner and eliminated. An additional occupational safety tool is the occupational safety committee. In this body, current issues from the field of occupational safety are discussed and optimised on a quarterly basis. The Group comprises specialists for occupational safety, the safety officer, the works council, the company doctor, the environmental officer and a representative from management.

To quickly identify sources of risk and eliminate them, we count on the help of our employees. Within this framework, it is very important to report accidents which were narrowly avoided. Only then can real accidents be avoided in the future. Our employees are sensitised to various aspects of occupational safety and given appropriate further training in regular internal instructions and training or in seminars at the professional associations.

The number of workplace accidents in the Sedus Sub-Group fell from 18 in 2017 to 17 in 2018. The number of accidents in the workplace which must be reported, i.e. accidents resulting in incapacity to work for more than three days after the day of the accident, fell from 14 to nine in this reporting year. This included one accident

which happened on the way to/from work. The rate of accidents - i.e. the number of accidents subject to reporting obligations per 1,000 full-time employees - was ten in 2018. In 2017, it was 18.

| Sedus Sub-Group | 2016 | 2017 | 2018 |
|---|-------|-------|-------|
| Accidents in the workplace subject to reporting obligations (incl. accidents on the way to/from work) | 13 | 14 | 9 |
| Absences in hours | 1,622 | 1,909 | 1,956 |
| Deaths | 0 | 0 | 0 |

To sensitise employees to issues surrounding occupational safety, identify weak spots and avoid accidents, the following occupational safety measures were taken in 2018:

- to support occupational safety in the local departments, additional safety officers were trained and appointed.
- there are regular occupational safety checks in the individual manufacturing areas, which are carried out with the Management Board member responsible for technical matters.
- preparation and roll-out of the occupational safety management standard ISO 45001 in 2019.

In 2018, together with an external partner, whole-day workshops were held in Geseke and Waldshut with all managers on various issues relating to occupational safety and the protection of health. These workshops were held in Dogern in spring 2019.

Apart from this, four work instructions were issued and drills for fire protection assistants conducted in 2018. This included training on procedures in the event of an alarm and on alarm systems. The same applies to handling fire extinguishers, exit plans and the sprinkler system. A drill was also held on what to do in the event of container spillage and there was an inspection of the hazardous substances storage unit and the gas storage unit. Because of the relocation from Waldshut to Dogern in March 2019 (see page 16), two evacuation drills were postponed to 2019.



Promoting health

“Fit in your free time - fit at work” - this motto characterises “Occupational Health Management” at Sedus, which is managed by a working group and a steering group. Within this framework, health management has also been expanded during the reporting year. The fields where action has been taken include sport and exercise, healthy eating, medicine and prevention. The actual offers include (for example) influenza vaccinations, spinal health training, Pilates, colon cancer screening, corrective exercises as a Healthy Work Break, health days and - specially for trainees - driving safety classes and a trainee fitness day. With this comprehensive approach, the health rate, at over 94%, was once again very high in 2018. In cooperation with the health insurance scheme AOK, we receive an annual health report. Using the comparisons and the resulting findings, appropriate measures are defined to help us to continuously improve in this area also.

Furthermore, workstations are systematically checked to see whether they could have a detrimental impact on the health of our employees. If this turns out to be the case, appropriate technical/organisational action is taken. Of course, our employees use office workstations which we make ourselves and which comply with the principles of ergonomics and occupational health and also promote wellbeing.



The diversity of the offers made as part of our occupational health management should encourage employees to participate in the scheme. The programme is not static, but is continually developed, taking the wishes of our employees into account. An example to illustrate: because there have been initiatives in all Group companies for many years to go jogging together and the participants also take part in races, organising a running event was a logical next step. The event was integrated into HR marketing and health management.

Traditionally, employees and guests of the company are provided with healthy food. Wholefood nutrition has been part of life at Sedus Stoll AG for decades. As early as 1966, Christof and Emma Stoll established a company canteen based on their anthroposophical beliefs, in which knowledge of modern nutrition is taken into account. This tradition is continued today in the company restaurant, "Oase".

Improving quality of life lies at the heart of this work, as does encouraging awareness of health and the environment and making suggestions for changes to living- and eating habits.

The menu is geared towards different seasonal offers and the perishability of domestic fruit and vegetables. As far as possible, ecologically produced food grown locally is used as raw materials and ingredients (including meat).

The former company garden was leased to the long-term gardeners in June 2006. They continue to care for the garden according to the principles of ecological farming. Ecological farming also means completely foregoing synthetic fertilisers and chemical plant protection agents. Throughout the year, the garden provides Oase with fresh ingredients from several greenhouses or from the fields.

Societal engagement

As part of its social engagement, the Sedus Stoll Group works with the Caritas workshops in Hochrhein, the rehabilitation centre CHRISTIANI and another rehabilitation workshop. Within the scope of this cooperation, the Group obtained goods worth around EUR 100,000 in 2018. And: Dogern gained two temporary workers as a result of the cooperation with a total of four workshops for disabled people. Another worker will go to Geseke in 2019.

A fundamental part of our social engagement is through the Karl Bröcker Stiftung and the Stoll VITA Stiftung, which was established in 1985 by the married couple Emma and Christof Stoll. According to the wishes of the founders, the purpose of the foundation is to promote the following:

- academic research,
- public healthcare and
- education, especially in the fields of:
- environmental and nature conservation,
- landscape conservation and
- breeding animals and plants.

The focus of the foundation's work is

- to promote healthy ways of living and eating,
- to promote ecological agriculture and gardening,
- to preserve a healthy environment and living conditions

as well as

- to promote holistic medicine.




The realisation of the foundation's objectives is primarily focused on the district of Waldshut and the surrounding areas. The foundation's assets almost exclusively comprise its majority shareholding in Sedus Stoll AG. The dividends paid out are used to finance the foundation's ongoing work and its subsidies.

The Karl Bröcker Stiftung supports projects in kindergartens, schools and medical and therapeutic facilities, both in Germany and abroad. It focuses on projects relating to education and therapy. The Karl Bröcker Stiftung is there when children and young people need it: it gives children and young people with disabilities self-confidence, opportunities and experiences which make them happy, carefree moments during exciting activities and fantasy-filled parties. Apart from this, the foundation promotes academic research into illnesses which children suffer from - including in Germany. It is also the case with this foundation that the larger part of its assets consist of its shareholding in Sedus Stoll AG.

APPENDIX

About this report

The last sustainability report was published in July 2017. Sedus has been regularly publishing Eco-Management and Audit Scheme (EMAS) reports since 1995. This is our fifth sustainability report to comply with the criteria set out in the Global Reporting Initiative (GRI). It was prepared in accordance with the Core option of the GRI Standards (2016). The statements and figures included in this report refer to Sedus Stoll AG, which includes both Sedus Systems GmbH and the activities of overseas subsidiaries. Klöber GmbH (Owingen), which belongs to the Sedus Stoll Group, is not included, because it operates independently in the market. This report provides information on the sustainability activities in financial year 2018 (1 January 2018 to 31 December 2018). The editorial deadline was 25 April 2019.

The EU Eco-Management and Audit Scheme (EMAS) environmental statements for the Waldshut and Dogern sites were included in this report for the first time this year. The relevant sections are marked with the  symbol. An independent environmental expert's audit took place for the integrated environmental statement. The whole report was also checked to ensure the statements were comprehensible and the criteria of the GRI standards were complete (see p. 80 et seqq.).

We plan to publish our sustainability report every two years.

Detailed information on the environmental statement

Overview of the Core indicators for the Dogern/Waldshut site

| | Inputs/ effects | Unit | Organisation output | | Input/output ratio | | | |
|------------------------------|--------------------|------|---------------------|------------|--------------------|--------|--------|-------|
| | | | Revenue (kEUR) | Volume (t) | Revenue | Unit | Volume | Unit |
| Energy efficiency | 10,651.71 | MWh | 98,473 | 5,730.16 | 0.11 | MWh/k€ | 1.86 | MWh/t |
| Material efficiency | 6,240.89 | t | | | 0.06 | t/T€ | 1.09 | t/t |
| Water | 64,831.78 | m³ | | | 0.66 | m³/k€ | 11.31 | m³/t |
| Waste | 598.57 | t | | | 0.01 | t/T€ | 0.10 | t/t |
| of which hazardous Waste | 49.08 | t | | | 0.00 | t/T€ | 0.01 | t/t |
| Biodiversity (built-up area) | 34,484 | m² | | | 0.35 | m²/k€ | 6.02 | m²/t |
| Total emissions | 1,575.34 | t | | | 0.02 | t/T€ | 0.27 | t/t |
| CO ₂ | 1,575.34 | t | | | 0.02 | t/T€ | 0.27 | t/t |
| Solvents | 0 | t | | | <0.01 | t/T€ | 0 | t/t |
| SO ₂ | 0.011 | t | | | <0.01 | t/T€ | <0.01 | t/t |
| NO _x | 1.58 | t | | | <0.01 | t/T€ | <0.01 | t/t |
| Dust | 0.004 | t | | | <0.01 | t/T€ | <0.01 | t/t |

Energy and environmental goals for the Dogern/Waldshut site

The environmental goals are set out in a detailed table with quantified individual goals, associated measures and methods. They are regularly reviewed and refined.

| Goal | Deadline | Processing status | Goal achievement |
|---|----------|-------------------|------------------|
| Conserve resources | | 23% | 12% |
| Reduce energy consumption | | 30% | 24% |
| Reduce specific power consumption by 10% by 2019 | 12/2019 | 25% | 25% |
| Reduce specific gas consumption by 10% by 2019 | 12/2019 | 35% | 23% |
| Consumption of raw materials | | 15% | 0% |
| Reduce hazardous materials | 01/2019 | 30% | 0% |
| Reduce paper and cardboard | 12/2021 | 0% | 0% |
| Reduce waste | | 10% | 5% |
| Reduce total volume of waste by 10% in three years | 12/2019 | 10% | 5% |
| Reduce emissions | | 50% | 38% |
| Reduce CO ₂ emissions | 12/2019 | 25% | 0% |
| Reduce noise exposure for employees | 12/2019 | 75% | 75% |
| Water protection | | - | - |
| Stakeholders | | 30% | 28% |
| Improve external communication regarding sustainability and the environment | 12/2019 | 18% | 18% |
| Improve awareness among employees of the topic of sustainability | 12/2019 | 67% | 61% |
| Product certification and development process | 12/2019 | 6% | 6% |
| Occupational health and safety | | 2% | 1% |
| Occupational safety | 06/2020 | 4% | 2% |
| Health and safety | 12/2019 | 0% | 0% |

Dogern site map

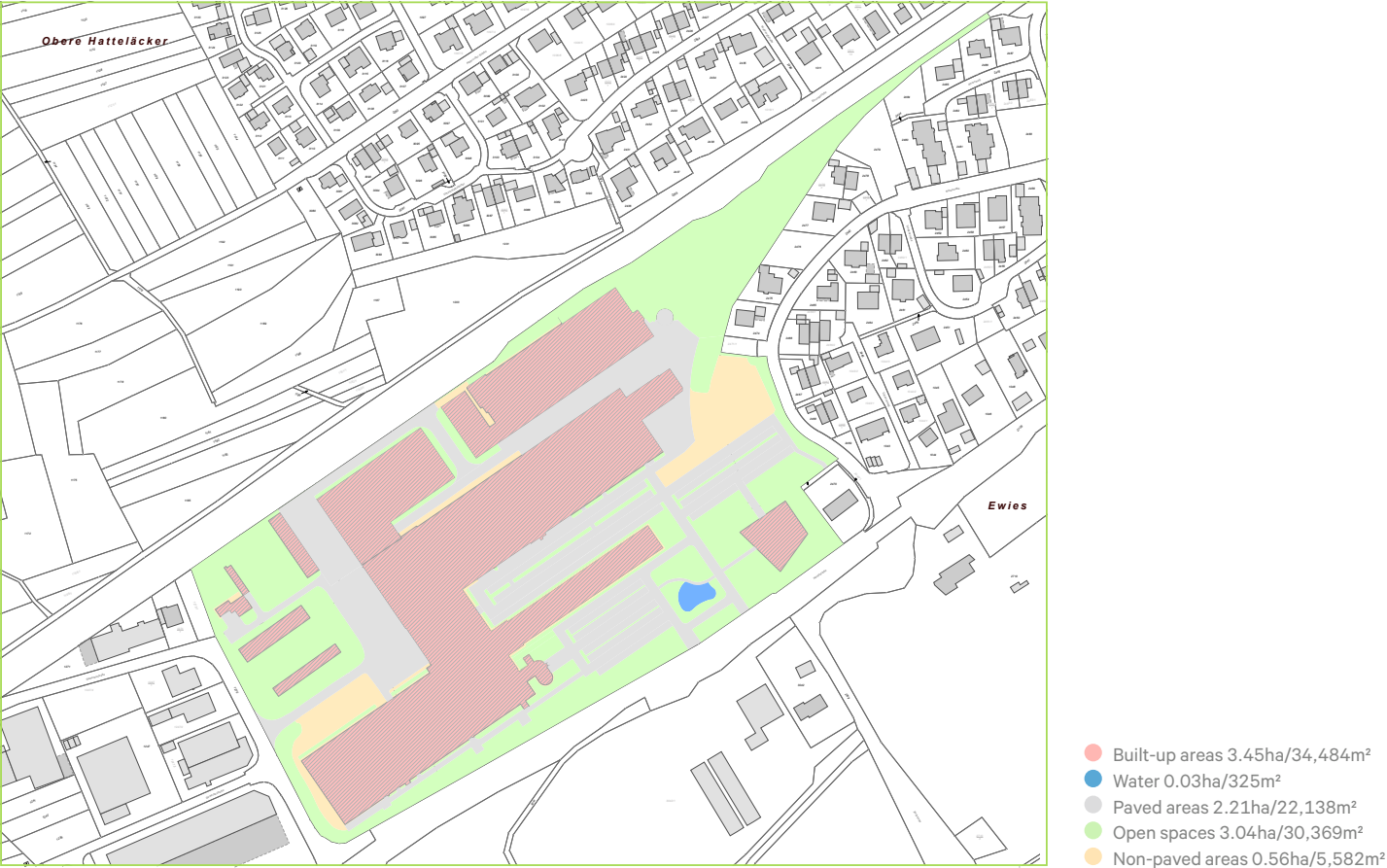


Table showing the assessment of environmental issues for the Dogern/Waldshut site

| | | Description | Remarks |
|--|---|----------------------------|---|
| Assessment of environmental issues | 0 | Not available | The assessment of environmental issues is given a weighting with production volumes. The maximum possible weighting is 99 points. |
| | 1 | Low | |
| | 2 | Medium | |
| | 3 | High | |
| Production volumes | 0 | Not available | |
| | 1 | ml/g | |
| | 2 | l/kg | |
| | 3 | m³/t | |
| Energy consumption | 0 | < 1% of total consumption | |
| | 1 | 1–5% of total consumption | |
| | 2 | 5–10% of total consumption | |
| | 3 | > 10% of total consumption | |
| Assessment of environmental issues accidents/emergencies | 0 | No additional impact | These are points for additional hazards/impacts in the case of an accident/emergency. |
| | 1 | Low | |
| | 2 | Medium | |
| | 3 | High | |
| Legal relevance | 0 | Not applicable | A maximum of 4 points is possible per regulation scope. |
| | 1 | Applicable | |
| Environmental impact further along the process chain | 0 | Not available | This assesses the relevance in terms of the environmental issues |
| | 1 | Low | |
| | 2 | Medium | |
| | 3 | High | |
| Risks/opportunities | 0 | Not available | This assesses the relevance of the risks and opportunities to the environmental goals |
| | 1 | Low | |
| | 2 | Medium | |
| | 3 | High | |

Assessment of environmental and energy issues, overview of sub-processes for the Dogern/Waldshut site

| | Effects on ground, water and air | | | Consumption of raw materials/resources | | | | |
|---|----------------------------------|----------------------|--------------------|--|--------------------------|-----------------------------|------|--|
| Sub-process, action, procedure | Emissions into the air | Discharge into water | Soil contamination | Raw materials | Consumables and supplies | Energy | | |
| | | | | | | Electricity, compressed air | Heat | |
| Development | | | | | | | | |
| Product design | 0 | 0 | 0 | 2 | 1 | 1 | 1 | |
| Purchasing | | | | | | | | |
| Procurement | 3 | 2 | 1 | 3 | 3 | 3 | 2 | |
| Upholstery production | | | | | | | | |
| Cutting (foam, textile, leather, membranes, wood), preliminary work | 1 | 0 | 0 | 6 | 1 | 2 | 1 | |
| Stitching, gluing and upholstery | 1 | 0 | 2 | 6 | 3 | 2 | 1 | |
| Metal production | | | | | | | | |
| Punching, sawing, bending, lasing, welding | 4 | 0 | 0 | 6 | 4 | 2 | 1 | |
| Metal surface | | | | | | | | |
| Galvanising | 4 | 2 | 0 | 6 | 9 | 6 | 6 | |
| Powder coating | 4 | 4 | 0 | 6 | 6 | 2 | 6 | |
| Seating production | | | | | | | | |
| Assembling components and bought-in parts | 0 | 0 | 0 | 0 | 2 | 1 | 1 | |
| Internal logistics | | | | | | | | |
| Goods receipt, storage and distribution | 0 | 0 | 0 | 3 | 0 | 2 | 2 | |
| External logistics | | | | | | | | |
| Packing finished products | 0 | 0 | 0 | 3 | 0 | 1 | 1 | |
| Shipping finished products | 6 | 1 | 1 | 1 | 0 | 1 | 0 | |
| Outsourced processes | | | | | | | | |
| Outsourced processes | 0 | 0 | 0 | 0 | 2 | 1 | 1 | |
| Facility Management | | | | | | | | |
| Building maintenance | 6 | 3 | 0 | 0 | 2 | 2 | 3 | |
| Use | | | | | | | | |
| Use | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Disposal | | | | | | | | |
| Recycling and disposal | 0 | 0 | 0 | 0 | 0 | 1 | 0 | |
| | 29 | 12 | 4 | 42 | 33 | 27 | 26 | |

■ Key environmental and energy issues

| | Production of waste and byproducts | | | Environmental impact further along process chain | Noise | Risks | Opportunities | Other environ- mental issues | Total | Relevance |
|--|------------------------------------|---------------------------|--------------------|--|-------|-------|---------------|---------------------------------|-------|-----------|
| | Recyclable materials | Waste heat utilisation | Hazardous Waste | | | | | | | |
| | 0 | 1 | 1 | 3 | 0 | 3 | 3 | 0 | 16 | C |
| | 2 | 1 | 0 | 3 | 1 | 3 | 3 | 0 | 30 | B |
| | 1 | 2 | 1 | 1 | 2 | 0 | 0 | 0 | 18 | C |
| | 0 | 2 | 0 | 1 | 6 | 1 | 2 | 0 | 27 | C |
| | 3 | 0 | 2 | 0 | 2 | 3 | 3 | 0 | 30 | B |
| | 2 | 2 | 3 | 2 | 4 | 3 | 3 | 0 | 52 | B |
| | 2 | 4 | 4 | 2 | 4 | 2 | 2 | 3 | 51 | B |
| | 3 | 3 | 2 | 0 | 1 | 1 | 1 | 0 | 15 | C |
| | 3 | 2 | 0 | 0 | 0 | 2 | 2 | 1 | 17 | C |
| | 2 | 2 | 0 | 1 | 0 | 1 | 1 | 0 | 12 | C |
| | 0 | 1 | 0 | 1 | 0 | 2 | 2 | 1 | 17 | C |
| | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 0 | 13 | C |
| | 0 | 1 | 2 | 0 | 1 | 4 | 3 | 0 | 27 | B |
| | 0 | 0 | 0 | 1 | 0 | 2 | 2 | 0 | 5 | C |
| | 1 | 1 | 0 | 3 | 2 | 1 | 2 | 0 | 11 | C |
| | 21 | 24 | 16 | 19 | 24 | 29 | 30 | 5 | 341 | |

Consumption per energy type for the Dogern/Waldshut site

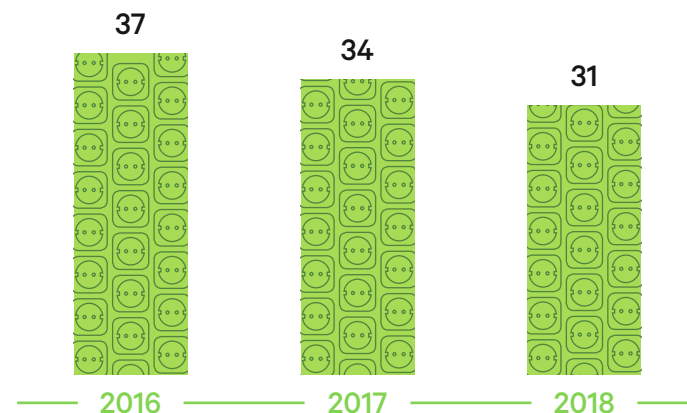
| Total consumption per energy type in MWh | 2016 | 2017 | 2018 | Energy use in MWh/t output of the organisation |
|--|---------------|---------------|---------------|--|
| Electricity | 2,774 | 2,740 | 2,782 | 0.49 |
| Natural gas | 8,285 | 8,184 | 7,845 | 1.37 |
| Wood combustion | 0 | 0 | 0 | 0 |
| Heating oil | 37 | 22 | 24 | < 0.01 |
| Diesel | 0 | 0 | 0 | 0 |
| Total | 11,096 | 10,946 | 10,651 | 1.86 |

CO₂ emissions for the Dogern/Waldshut site

| CO ₂ emissions in tons | 2016 | 2017 | 2018 |
|-----------------------------------|--------------|--------------|--------------|
| Heating oil | 10 | 6 | 6 |
| Natural gas | 1,657 | 1,637 | 1,569 |
| Wood combustion | 0 | 0 | 0 |
| Total | 1,667 | 1,642 | 1,575 |

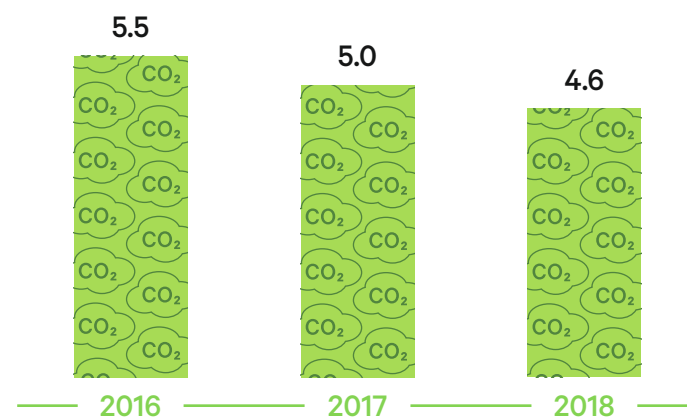
Specific energy consumption for the Dogern/Waldshut site

in kWh/manufactured unit



Specific CO₂ emissions for the Dogern/Waldshut site

in tons/1000 manufactured units



Waste per waste type for Dogern/Waldshut site

| | Waste Classification Ordinance (AVV) no. | Unit | Absolute annual values | | Change on previous year | |
|--|---|-------|------------------------|---------------|-------------------------|----------|
| | | | Whole year | Previous year | absolute | % |
| Manufactured units (FE) | | FE | 328,969 | 305,857 | 23,112 | 7.56 |
| Total waste volume | | t | 601 | 784 | -183 | -23.39 |
| rel. waste accumulation | | kg/FE | 1.83 | 2.56 | -1 | -28.77 |
| Waste volume non-metal waste | | t | 442 | 610 | -168 | -27.57 |
| Waste volume metal waste | | t | 156.95 | 159 | | |
| Leather waste | 040109 | t | 3.59 | 2.28 | 1.31 | 57.61 |
| Sludge buildup from the removal of colour and varnish, varnish waste | 080111*, 080113* | t | 0.03 | 1.27 | -1.25 | -97.88 |
| Coating powder | 080201 | t | 5.13 | 4.90 | 0.23 | 4.69 |
| Used toner | 080318 | t | - | 0.01 | -0.01 | -100.00 |
| Glue and adhesive | 080409* | t | 0.66 | 1.56 | -0.89 | -57.43 |
| Galvanic sludge | 110109* | t | 5.41 | 5.50 | -0.09 | -1.64 |
| Halogen-free emulsions | 120109* | t | 2.19 | 0.98 | 1.21 | 123.37 |
| Grinding sludge | 120118* | t | - | 0.94 | -0.94 | -100.00 |
| Non-chlorinated waste oil | 130205* | t | 0.85 | 0.85 | 0.00 | 0.00 |
| Plastic (PE film) | 150102 | t | 12.57 | 7.88 | 4.69 | 59.52 |
| Mixed glass | 150107 | t | 1.54 | 2.70 | -1.17 | -43.15 |
| Absorption and filter materials (oil reservoir) | 150202* | t | 1.91 | 1.83 | 0.08 | 4.37 |
| Used chemicals | 1605...* | t | - | - | 0.00 | 0.00 |
| Aerosols | 160504* | t | 0.82 | 0.07 | 0.75 | 1,023.29 |
| Glass, plastic, wood with hazardous substances | 170204* | t | 3.65 | - | 3.65 | 100.00 |
| Construction waste | 170904 | t | 0.88 | 19.91 | -19.03 | -95.58 |
| Paper and cardboard | 200101 | t | 127.58 | 120.46 | 7.12 | 5.91 |
| Folders and file paper | 200101 | t | - | 2.16 | -2.16 | -100.00 |
| Canteen waste | 200108 | t | - | - | 0.00 | 0.00 |
| Textiles | 200111 | t | 22.56 | 15.49 | 7.07 | 45.64 |
| Fluorescent tubes | 200121* | t | - | - | 0.00 | 100.00 |
| Grease separator residue | 200125 | t | 5.50 | 6.00 | -0.50 | -8.33 |
| Electronic scrap | 200135* | t | 2.78 | 4.03 | -1.25 | -31.09 |
| Matured timber Al-AIII | 200138 | t | 87.56 | 161.82 | -74.26 | -45.89 |
| Mixed municipal waste | 200301 | t | 125.64 | 121.32 | 4.32 | 3.56 |
| Foam material waste | | t | - | - | 0.00 | 0.00 |
| Other | Other | t | 30.79 | 127.74 | -96.96 | -75.90 |
| Waste for disposal | | t | 0.88 | 145.93 | -145.05 | |
| Recyclable waste | | t | 599.79 | 638.12 | -38.33 | |
| Recycling rate | | % | 99.85 | 81.39 | 18.47 | |
| Hazardous waste | | t | 49.08 | 17.03 | 32.05 | |
| Non-hazardous waste | | t | 551.59 | 639.11 | -87.52 | |

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| GRI 103 | Management approach 2016 disclosures (including 103-1, 103-2, 103-3) | 12 – 15, 21 | |
| GRI 419-1 | Non-compliance with laws and regulations in the social and economic area | 81 | No instances of non-compliance with laws and/or regulations |

AUDITOR'S STATEMENT

Environmental verifier's declaration on verification and validation activities at Sedus Stoll AG (according to Annex VII to EMAS III)

The signatories, Dr Ralf Utermöhlen and Dipl.-Ing. Matthias Precht, EMAS environmental verifiers with the registration numbers DE-V-0080/DE-V-0255, accredited for the field (NACE Code WZ 2008: 31.01), confirm that they have examined whether the sites Brückenstraße 15, 79761 Waldshut and Gewerbestraße 2, 79804 Dogern meet all the requirements of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 in the version amended by Regulation (EU) 2017/1505 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) as stated in the Environmental Statement 2018 of Sedus Stoll AG, registration number D-143-00001.

By signing this declaration we confirm that

- the verification and validation were conducted in full compliance with the requirements of Regulation (EC) No 1221/2009 in the version amended by Regulation (EU) 2017/1505,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- the data and information of the environmental statement of the sites reflect a reliable, credible and correct image of all the activities at the site, within the scope mentioned in the environmental statement.

This document is not equivalent to EMAS registration.

EMAS registration can only be granted by a competent body under Regulation (EC) No 1221/2009.

This document may not be used as a stand-alone piece of public communication.

Braunschweig, 30 June 2019



Dr. Ralf Utermöhlen
Umweltgutachter



Matthias Precht
Umweltgutachter

Certificate of independent audit by an independent environmental verifier

Sedus Stoll AG commissioned AGIMUS GmbH Umweltgutachter-organisation und Beratungsgesellschaft to audit its Sustainability Report 2018 and integrated environmental statement for the Dogern site with regard to its materiality, transparency and comparability. The propriety of the determination and presentation of key figures regarding its performance in terms of sustainability in conformity with the reporting criteria, including the identification of material topics, is the responsibility of the Management Board. Our task is to audit the statements in the sustainability report for comprehensibility and to assess the completeness of the criteria of the GRI Standards.

Independence and quality assurance of the environmental verification organisation

We complied with the requirement of independence as an environmental verification organisation and further requirements regarding professional conduct for third-party audits. We conducted our audit of the sustainability report in a joint process with the certification of the environmental management system according to EMAS and ISO 14001.

Audit task

Our task is to issue an assessment, based on the activities carried out, about whether we have become aware of circumstances that justify the assumption that the information in Sedus Stoll AG's sustainability report for financial year 2018 was not prepared in material conformity with the criteria of the GRI Standards.

We conducted our audit taking into account the professional requirements for environmental verifiers. We thereby planned and conducted the engagement, taking into account the principle of materiality, such that we can issue an opinion with limited assurance.

An audit by an environmental verifier to obtain limited assurance involves carrying out less comprehensive audit activities than in an audit to obtain reasonable assurance, resulting in a lower level of assurance. The environmental verifier uses their professional judgement when selecting the audit activities, which were aligned with the audit activities for the certification according to ISO 14001 in terms of their technical implementation and content.

In the scope of our environmental audit, we carried out the following activities, among others:

- Interviews with the employees in the departments responsible for preparing the report regarding the process of preparing the report and the internal control system relating to that process;
- Inspection of documents regarding the sustainability strategy and achieving an understanding of the organisational structure relating to the environment and sustainability, stakeholder dialogue and the process for the development of the company's environmental and sustainability program;
- Interviews with employees in the specialist departments responsible for the individual chapters of the report;
- Inclusion of the processes and inspection of the documentation regarding the systems and processes for the collection, analysis,
- verification and aggregation of sustainability data, and random checks on that data;
- Execution of an audit and on-site inspections of the Dogern, Waldshut, Owingen (2019) and Geseke (2018) sites;
- Aggregation of selected statements; Analytical assessment of the statements in the report;
- Obtaining further proof regarding selected statements in the report through inspection of internal documents and reports and records of external service providers.

Opinion

Based on our audit to obtain limited assurance, we are not aware of any circumstances that justify the assumption that the information in the sustainability report for financial year 2018 was not prepared in material conformity with the criteria of the Core option of the GRI Standards.

In preparing the report, relevant topics were weighted by materiality, and up- and downstream organisational units were taken into account. The report includes all information that should be seen as relevant, taking into account the principle of materiality, the sustainability context and stakeholder engagement. According to the results of our audit, the report did not omit any information that could have influenced the judgements or decisions of stakeholders, or that would reflect important economic, environmental and societal/social impacts, while presenting positive and – where applicable – negative events.

The use of the GRI Indicators increases the comparability of the report. The sustainability report meets the requirements “in accordance” with the Core option. The scope of the Sustainability Report 2018 thereby shows that Sedus Stoll does not avoid comparing its sustainability performance with that of its competitors, and reports on it using quantified statements.

Additional notes and recommendations

Sedus Stoll's commitment to maintain social capital and increase resource efficiency at its main locations and with regard to a large number of its products is highly commendable, as is its signing of the UN Global Compact.

It is also noted positively that Sedus Stoll does not pursue an isolated sustainability strategy, and instead aims to achieve sustainability throughout its entire value chain, and thereby sees the topic as an integral element of its business model. In order to implement that strategy, it would be expedient to increase the focus of future reporting on the entire supply chain. The formulation of more appropriate goals can be helpful in this regard. Without qualifying our audit opinion above, we recommend the following further development of the sustainability reporting system:

Formulation of a strategy for climate neutrality: The implementation of the sustainable energy concept at the Dogern site, including a comprehensive combined heating concept with increased cogeneration and greater use of renewable energies, would represent a further step towards the avoidance of greenhouse gas emissions.

Transfer of a greater proportion of the value chain to the after-sales segment (repair, refurbishment) to achieve a recycling economy.

Formulation of an implementation strategy for the topic of environment/sustainability in combination with other topics, such as marketing, design and sales.

Further steps in supply chain management for the implementation of the Global Compact principles throughout the entire value chain.

PUBLICATION DETAILS

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Sedus Stoll Aktiengesellschaft

For more information, visit www.sedus.com



“Ecology and economy are not contradictions, but indispensable parts of a whole.”

*Christof Stoll (*1912 – *2003), Sedus CEO*

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