







# COMMUNICATION ON PROGRESS

## PROGRESS REPORT



Business years 2020 + 2021

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# STATEMENT OF SUPPORT FROM THE CEO OF KÖNIG + NEURATH AG



Dear reader,

I'm taking the opportunity provided by this report to address you at a personal level. I have been CEO of this company since June 2021, and in this capacity I'm also responsible for the company's strategic focus. My primary concern for the next few years is to work as a team with the other directors and the workforce as a whole to lead this family company – which has been established since 1925 – into the future on a strong footing. To achieve this, we will be placing emphasis on our company values and the questions "How are we behaving towards one another?" and "Which values do we share?". The focus is on people here. I'm convinced that a shared understanding of values strengthens the teamwork both within the company and with our stakeholders, and that this constitutes a crucial foundation stone for the future of König + Neurath.

We're looking back at a critical period. The 2020 and 2021 business years were a challenge in many respects. Supply shortages, significant price increases, cancelled orders, high levels of absence through sickness, work limitations on a day-to-day basis and with regard to our stakeholders were regular events – and we are still facing some of these issues today. The COVID-19 pandemic has had a significant impact, not just on us but across the whole industry and on a national scale. One of the noticeable consequences for König + Neurath was that we had to lay off staff. This step was unavoidable to future-proof the company. We have worked with the works council and the union to come up with a social plan that maps out a perspective on the future for the benefit of any employees affected by this.

Office-based work has changed radically as a result of the COVID-19 pandemic. As one of the leading brands of office equipment and room solutions, these changes have a direct influence on us. Working from home more frequently, hygiene concepts for the office setting and the increasing use of digital media for communication are changing what our customers need. We see ourselves as a service partner, addressing these changes together with our partners and coming up with individual solutions.



Particularly in challenging times we think it's important to uphold and develop our commitment to the environment and climate protection. For this reason we have implemented numerous projects with which we have been able to improve process efficiency and reduce avoidable impact on the environment. This includes for instance increasing our use of collaborative robots, upgrading our production systems and introducing driverless transport.

A milestone in this strategy was the commissioning of our new high-bay warehouse in October 2021. The new high-bay warehouse was one of the last projects initiated by Egon König, and his wife Gerti König continued to support it enthusiastically after his death. Standardised and digitalised processes such as storage and retrieval are fully automated here: Absolutely no energy is used to heat the building because the concept is designed as a cold storage facility. There is also a greened roof, which serves to offset the carbon from the buildings on the site.

As well as this, we started our showroom rebuild project at our company headquarters in Karben in 2021. Our goal was and is to present the company and products in a modern format that reflects our high quality standards. We also developed and implemented an internal app, "K+N YouKNow", which is used to communicate the same König + Neurath-related information to all employees of the company simultaneously.

On the product side, we put three new certificates in place during 2021. This means that the majority of König + Neurath's product range now carries the "Blue Angel" eco label. We also have the top award, "LEVEL 3", for all products certified in the European LEVEL sustainability scheme. Focusing further on our sole production site in Karben, the "Möbel Made in Germany" also went ahead. With our initiatives and the independent certifications, we are demonstrating how aware we are of the relevance of environmental protection, and our high expectations with regard to achieving these goals.

With this progress report we are making a clear statement on the sustainability of our company. By this we mean conducting business in a manner that prioritises people, resource conservation and economic stability.

König + Neurath AG has been a UN Global Compact participant since 2016 and explicitly supports the ten principles in the fields of human rights, labour, environment and anti-corruption. We integrate this with our commercial activities and expect all our business partners to adhere to the ten principles of the UN Global Compact as well.



HARTMUT HAGEMANN  
**CEO –**  
**Director of Strategy, Finance and IT**  
**Sales and Marketing**



UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

# ABOUT KÖNIG + NEURATH COMPANY AND SUSTAINABILITY HISTORY



- 1925:** The company is founded by Heinrich Neurath.
- 1930:** Heinrich König, the son-in-law of Heinrich Neurath, joins the company.  
The company name König + Neurath is created, it is still used today.
- 1947:** Egon König, the son of Heinrich König, joins his father's company.
- 1978:** Pioneer Heinrich König stands down and his son Egon König becomes sole company owner.
- 1984:** All chipboard switched to low formaldehyde E1 grade chipboard.
- 1988:** Installation of electronic particle filter for stack gases.
- 1989:** Installation of a wastewater purification system for paint line effluent  
Installation of a paint line for UV-curing lacquers.
- 1990:** Modernisation of existing compressed air system.
- 1992:** All edge banding switched from polyvinyl chloride (PVC) to acrylonitrile butadiene styrene (ABS),  
and externally supplied parts switched to alternative plastics.
- 1993:** Furniture blankets for protection during transport replace cardboard and bubble wrap.
- 1994:** Implementation, as far as feasible, of plastic components labelling to facilitate recycling.
- 1995:** König + Neurath pushes new quality standards and achieves certification in accordance with  
DIN EN ISO 9001, in addition modernisation of UV paint line.
- 1996:** König + Neurath commits to environmental management in line with the requirements of  
EEC Regulation No. 1836/93.
- 1998:** Introduction of an Environmental Management System in line with ISO 14001.
- 2000:** Founder member of the "Hesse Environmental Alliance". Construction of a modern production facility  
with the largest photovoltaic system in the state of Hesse. Redevelopment and modernisation of the  
compressed air system.
- 2002:** Introduction of biological wastewater treatment for the vehicle washing plant.
- 2007:** Conversion of all HGVs to AdBlue technology to reduce NO<sub>x</sub> emissions.
- 2008:** Introduction of environmental certificates for all König + Neurath products.
- 2012:** Further energy savings in ICT (flatscreen monitors, optimised printing etc.).
- 2015:** König + Neurath commits to energy management in line with the requirements of DIN EN ISO 50001.
- 2016:** König + Neurath joins the UN Global Compact. In addition, investment in a modern fabric cutting machine  
for resource-saving material use. 100 % of the vehicle fleet fulfils the EURO 6 norm.
- Since 2016:** Three of Egon König's grandchildren have joined the family company.
- 2017:** König + Neurath obtains certification for almost the entire product portfolio in line with SCS Indoor  
Advantage Gold.
- 2018:** The majority of the product range is awarded the BIFMA- LEVEL® certificate.
- 2019:** Egon König, long-standing company owner and chairman of the supervisory board of König + Neurath AG  
passed away on 15th May 2019.
- 2019:** Installation of four charging stations to promote electric mobility.
- 2021:** König + Neurath receives the EcoVadis Gold Status for the third time. The Blue Angel is introduced for  
the categories desking, storage and room systems (DE-UZ 38) and upholstered furniture (DE-UZ 117).  
The majority of the König + Neurath product range achieves LEVEL 3, the highest level in the European  
sustainability grading scheme. Almost the whole product portfolio carries the "Möbel Made in Germany"  
designation.

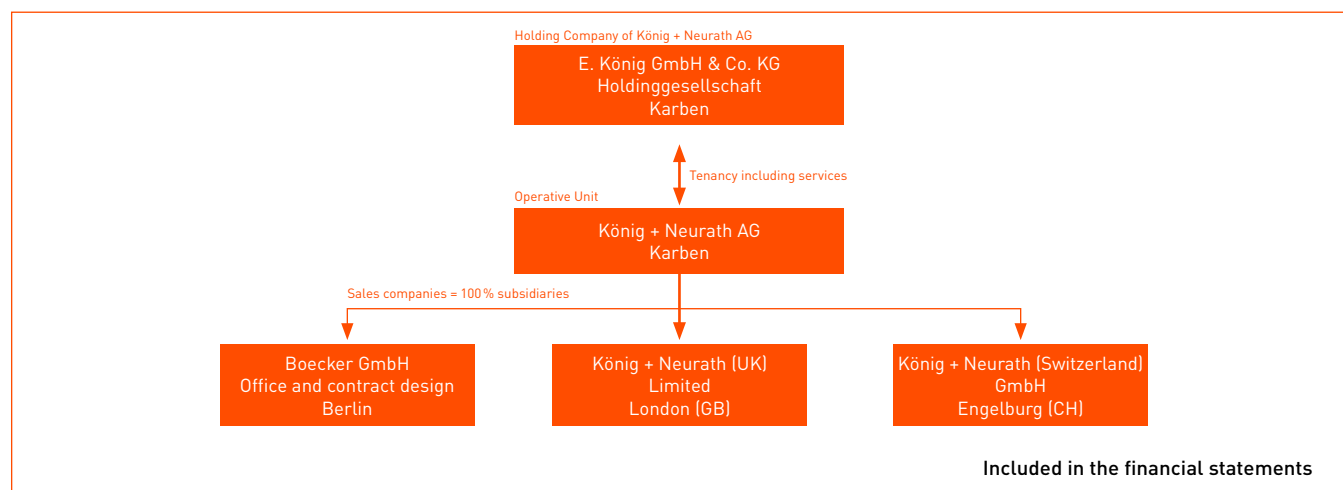
# CORPORATE STRUCTURE

The holding company E. König GmbH & Co. KG with head office in Karben is registered at the district court of Frankfurt am Main under number HRA 41589. It is the holding company of König + Neurath AG, Karben, and in this capacity responsible for preparation of the consolidated financial statements. The object of the E. König GmbH & Co. KG holding company is the letting of property, as well as the provision of services for König + Neurath AG.

The financial statements include the four subsidiaries, each with 100% shares:

- + König + Neurath AG, Karben,
- + Boecker GmbH Büro- und Objektgestaltung, Berlin,
- + König + Neurath (UK) Limited, London, GB,
- + König + Neurath (Schweiz) GmbH, Engelburg, Switzerland.

## Presentation of the König + Neurath Group AG



## The Board of Directors of König + Neurath AG in the business years 2020 and 2021

The Board of Directors at König + Neurath AG consisted of three or four members for the 2020 and 2021 reporting period:

- + Mr Dirk Fischer, Director of Technology, responsible for production, facilities engineering, vehicle fleet, purchasing and SAP master data
- + Mr Dirk Offermanns: Sales Director, responsible for the international sales department (until 25.06.2020)
- + Mr Jürgen Neubert, Finance Director, responsible for the areas of finance, digitalisation, information technology and human resources
- + Mr Michael Cappello, Sales Director and Board Spokesman, responsible for corporate strategy, sales, marketing and product development (15.04.2020 – 31.07.2021)
- + On the departure of Mr Michael Cappello, Mr Hartmut Hagemann took over the role of CEO and director of the following areas: Corporate strategy, sales, marketing and product development. Furthermore Mr Hagemann became responsible for human resources.

Responsibility for SAP master data was also transferred to Mr Jürgen Neubert with effect from 01.08.2021.

## The Supervisory Board of König + Neurath AG in the business years 2020 and 2021

As the highest supervisory body, the Supervisory Board oversees and advises the Management Board in managing the company. Mr Egon König was Chairman of the Supervisory Board until his death on 15.05.2019. After his death Mr Otmar Stein took over the role of Chairman of the Board. Mrs Gertrud König was appointed as a new member of the Supervisory Board as of 07.06.2019. The members of the Supervisory Board for the reporting period are\*:

- + Otmar Stein, retired, former board member, Chairman, Karben (until 31.12.2020)
- + Gertrud König, senior business associate, Karben (07.06.2019 – 11.05.2021)
- + **Frank Henn, Chairman of the Management Board, Hungen (since 2014)**
- + **Karsten Helber, economics graduate, Chairman, Stuttgart (since 01.01.2021)**
- + **Viktoria König (since 12.05.2021)**

\*current members are in bold type

# COMPANY DESCRIPTION

König + Neurath AG is an internationally-active provider of office furniture and room solutions. They support companies through a transformative process – with differentiated style collections, a diverse product portfolio and digital products. The company is not listed on the stock exchange.

In the consolidated financial statement, E. König GmbH & Co. KG Holdinggesellschaft as well as König + Neurath AG and all subsidiaries are included in full in the consolidated accounts.

Turnover for the group for the 2020 business year was 138.8 m euros, which was around 30.1% down on the previous year 2019 (198.7 m euros). The group turnover is considerably influenced by the turnover development of König + Neurath AG. The reason for this significant drop in turnover is the consequences of the Covid-19 pandemic. Due to the drop in orders during 2020, some employees were put on short time. As a result there was a considerable drop in units produced, in office furniture and seating as well as room systems.

The consolidated financial statement for the 2021 business year was not available at the date of publication of this report.

	2018	2019	2020
Group revenue according to consolidated statement [m €]	182.3	198.7	138.8
Difference to previous year [%]	+12.2	+9.0	-30.1
Total group capital [m €]	85.6	89.9	83.6
Of which group equity capital [m €]	55.8	61.1	53.0
Of which group loan capital [m €]	29.8	28.8	30.6





König + Neurath AG offers customers a comprehensive portfolio of office furniture and room solutions. As well as standard products, the company also manufactures custom solutions tailored to customer needs. The production site has its own metal and wood processing facility, and there is an in-house assembly line at the company headquarters in Karben near Frankfurt am Main. This is where around 850 of their employees develop, plan, produce and market office furniture, seating and room systems for the national and international office furniture market on a production site covering approx. 77,000 m<sup>2</sup>.

Throughout Germany, in addition to the headquarters with showroom in Karben, there are a further five showrooms in Hamburg, Berlin, Düsseldorf, Böblingen and Munich. The company is also represented internationally with sites in France, the United Kingdom, Switzerland and the Netherlands.

König + Neurath AG's main export markets are Switzerland, France, Great Britain and the Benelux countries. In all, the company also exports to countries worldwide, spanning western and eastern Europe, the Middle East and Asia. 80.6% of turnover was generated in Germany in 2020 however. The sectors supplied include specifically industry, retail, service, banks and insurance companies. The main customers are dealers and trade partners.

Group revenue Germany/ Abroad as per consolidated financial statement [%]	2018	2019	2020
Germany	81.6	80.8	80.6
Abroad	18.4	19.2	19.4



# CORPORATE POLICY

Our corporate policy is in the tradition of a family-owned company and the values that it incorporates: partnership, reliability, innovation, authenticity, quality and a dynamic approach.

We shall continue to focus on both the quality of our products and also the quality of our approach to the environment, to society, consumers, business partners and our own employees.

Every employee is responsible for the quality of our products and processes. Quality awareness is a fixed component of our corporate culture. This quality awareness is actively practised by all management, with the aim of achieving targets in cooperation with employees.

For us, being conscious of the environment and implementing robust recycling policies in everything we do is a natural and essential part of our corporate responsibility. We implement environmental protection and improvement of energy efficiency as well as emission reduction in this context with conviction. We measure key energy sources to ensure that our energy consumption is transparent, as well as making sure that the strategies implemented are effective.

Through on-the-job training and targeted courses, we support our employees and foster awareness for quality, environmental protection and energy efficiency. We give a clear priority to error prevention rather than correction and we consider improvement of operating methods to be an ongoing process.

We are committed to observing the applicable legal obligations and to the continued improvement of environmental protection as well as energy efficiency. We set measurable goals. Our environmental objectives can only be met by engaging all our staff and colleagues. We achieve this through targeted training and information programmes as well as by allocating clearly defined roles and responsibilities for all processes and activities that have an impact on the environment and energy efficiency. We provide the resources and information necessary to achieve goals.

Our environmental responsibilities start at product development level, where efficient use of resources is taken into account alongside customer requirements. König + Neurath are committed to considering environmental, energy efficiency and health and safety requirements in all its production processes and activities and ensuring the most efficient use of resources in the development of new products and production methods.

In our view it is obligatory to create a working environment that exposes employees to the minimum risk possible whilst supporting high employee motivation. The long-term health of our employees is very important to us and our corporate health management strategy endorses this.

Clearly regulated processes ensure that, in the event of any environmental irregularity, the potential damage is kept to a minimum. Analysis and evaluation of key environmental and energy aspects facilitate permanent improvement and the deciding step forward towards an ecological future.

Our König + Neurath Code of Conduct regulates and communicates the practice of care in terms of human rights, avoidance of discrimination and corruption of any kind, as well as the general compliance of directors, supervisory board and employees at König + Neurath AG with all rules.

Open communication with official bodies, customers and the public is for us a matter of course.

Karben, 01 April 2022

**Board of Directors, König + Neurath AG**



HARTMUT HAGEMANN  
CEO - Strategy, Finance, IT  
Sales and Marketing



DIRK FISCHER  
Director of Production,  
Technology and Purchasing

# ASSOCIATIONS AND INITIATIVES

König + Neurath AG is a member of several associations, enabling the company to play an active role in workplace development and influence discourse relating to the office furniture industry. This allows a prompt reaction to new requirements imposed by legislation, customers and business partners – but also to social trends. Furthermore, industry associations represent the interests of their members when dealing with political decision-makers, which gives companies a voice in such situations. Associations are also points of contact for industry-specific questions, because they are able to provide expertise and resources from one source. Joining together in associations also makes it easier to introduce universal industry standards and set up collective agreements across the whole sector.

## **König + Neurath is a member of the following associations:**

- + Verband Holzindustrie und Kunststoffverarbeitung Hessen-Thüringen e.V.  
(association for the wood and plastics industry)
- + Chamber of commerce and industry
- + Industrieverband Büro und Arbeitswelt (IBA) e. V. (Interior business association)
- + German Design Council
- + Handelsverband Wohnen und Büro e. V. (Residential and office trade association)
- + Bundesverband der Energie-Abnehmer e.V.  
(German association of energy consumers)
- + Bundesverband Wirtschaft, Verkehr und Logistik (BWVL) e.V.  
(German business, transport and logistics association)
- + Bundesverband Materialwirtschaft, Einkauf und Logistik (BME) e.V.  
(German materials management, purchasing and logistics association)





### **Collective wage agreement**

König + Neurath AG is governed both geographically (federal state of Hesse) and in terms of specialism (timber and plastics processing industry) by the provisions of the collective wage agreement for the timber and plastics processing industry in Hesse. This agreement was concluded between the Verband Holzindustrie und Kunststoffverarbeitung Hessen-Thüringen e. V. and IG Metall's regional union office in Frankfurt. The collective wage agreement applies to all employees of König + Neurath AG. There is no difference between the basic salary and pay levels for male and female employees.

All key issues relating to employment law are regulated in the collective wage agreement. This includes for instance:

- + appropriate wages and salaries
- + a 35-hour week
- + 30 days holiday a year (from the 4th year of employment).

Additional special benefits, such as the provision of an occupational health management strategy, are regulated in supplementary collective agreements.

## UN Global Compact supporter

König + Neurath AG has been a participant in the UN Global Compact since March 2016 (UNGC). The UNGC is the largest and most important initiative in the world for sustainable and responsible business management. It offers companies numerous types of assistance relating to human rights, labour standards, environment and climate protection and corruption prevention. This progress report is published as a record of business development in these subject areas. König + Neurath is also providing the information from the progress report for 2020 and 2021 on a dedicated website for the first time.

## WE SUPPORT



By signing the UN Global Compact we agree to follow the ten principles to render globalisation a more social and ecological process.

### The ten principles are:

- 1 Businesses should support and respect the protection of internationally proclaimed human rights.
2. Businesses should make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4 Businesses should advocate the elimination of all forms of forced and compulsory labour.
- 5 Businesses should advocate the effective abolition of child labour.
- 6 Businesses should advocate the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should accelerate the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.



### Goals for sustainable development (Sustainable Development Goals, SDG)



The United Nations General Assembly approved the goals for sustainable development in 2015. They are intended to serve as a global assurance of sustainable development at an economic, social and ecological level.

The overview in [Annex 1](#) includes all 17 goals for sustainable development and the activities performed by König + Neurath AG to ensure that these goals are achieved.

In addition to the 17 main goals there are a further 169 sub-goals that add detail to the main goals.

### EcoVadis CSR rating



EcoVadis provides companies with overall ratings in the field of Corporate Social Responsibility, or CSR. This rating covers a number of non-financial management systems. Performance in the themed areas of Environment, Labour Practices & Human Rights, Fair Business Practices and Sustainable Procurement are taken into consideration for this. The ratings are shown on easy-to-read scorecards with points from zero to 100 and medals (bronze, silver, gold and platinum). They also show strengths and improvement areas so that they can be used to create action plans for improvement of CSR performance.

König + Neurath has CSR performance rated annually by EcoVadis, to evidence the company's high standards in corporate social responsibility. This was last evaluated in January 2021. König + Neurath achieves EcoVadis Gold Status for the third time.

### Member of the Umweltallianz Hessen



Umweltallianz Hessen (Hesse Environmental Alliance) is a project headed by the state government. Its goal is to assure compliance with high environmental standards in Hesse and at the same time set out the parameters for eco-friendly business development in the state. König + Neurath is a founder member of the initiative, which was established in May 2000.



# INTEGRATED MANAGEMENT SYSTEMS



König + Neurath AG is certified in accordance with the international management norms for energy, environment and quality. They introduced an environmental management system in line with the requirements of EEC Regulation No. 1836/93 (EMAS-I). The environmental management system implemented in 1998 in accordance with DIN EN ISO 14001 and applied ever since is based on this regulation.



In 2015 we certified the König + Neurath energy management system in accordance with DIN EN ISO 50001. The energy consumption is analysed in relation to the goals and an action plan for energy savings is set out in response.

We monitor and evaluate our processes with environmental and energy-relevant impact all the time. For areas in which change is needed we take appropriate action to minimise the environmental impact in line with the precautionary principle.



We have quality certification in accordance with DIN EN ISO 9001. Consistently high product quality is the basis of the company's success and therefore a top priority for our company.

Since the management systems are similar to each other in some areas, they have been merged together to form an integrated management system (IMS). This allows us to take advantage of synergies and avoid duplication.

The management systems result in ongoing improvement in the company, because they facilitate regular checking of the key parameters. External auditors ensure that self-imposed goals are achieved and standards are observed on an annual basis.

# KEY ASPECTS OF SUSTAINABILITY

In order to clearly identify the key aspects of sustainability, an overview has been drawn up of the sustainability topics on which König + Neurath is working. It has been established which stakeholders are addressed by these topics and what interests are involved.

We consider the following to be the most important groups of people who are influenced by our business methods, goals and successes:

## **Internal:**

- + K+N colleagues
- + Board of Management
- + Supervisory Board
- + Works Council.

## **External:**

- + Dealers and partners
- + Customers, planners and consultants
- + Legislative bodies and local authorities
- + Neighbouring communities
- + Service providers
- + Strategic network partners and suppliers
- + Trade unions
- + Banks and insurance companies, as well as
- + Publicity and media.

Our stakeholders were defined in terms of the general context König + Neurath AG is currently experiencing.





The key themes are derived from the expectations and obligations held by each group with respect to the company. Their own value concepts and priorities play a role too.

**Internal themes include:**

- + Values and culture
- + Economic efficiency
- + Company development
- + Staff development and
- + Sustainability.

**External themes include:**

- + Market, competition and service portfolio
- + Laws and standards
- + Cultural/social responsibility.

**From these, the following demands and expectations can be derived:**

- + Customer satisfaction
- + Innovation
- + Climate and environmental protection
- + Sustainable business development
- + Certifications
- + Compliance
- + Occupational health and safety
- + Human rights
- + Corporate policy and
- + Personnel development.





# STAKEHOLDER ENGAGEMENT

The company organises various activities in which we involve a range of internal and external stakeholders. These include König + Neurath Academy events, which are in some cases open to the public and therefore accessible to anyone who might be interested. The target groups for these events are dealers, customers, occupational health specialists, facility managers, architects. Selected events are run by the State Chamber of Architects as a recognised training / professional development measure.

The K+N Academy also cooperates with the Industrieverband Büro und Arbeitswelt e.V. (IBA), for instance by preparing candidates for the advanced course as a Quality Office Consultant. There are also interdisciplinary open workshops on topical themes within the König + Neurath Academy portfolio – for example bar camps on the subject of “work culture” with psychologists, architects, consultants, business people and facility managers.

Finally König+ Neurath is in constant dialogue with various higher education establishments, including Kassel University of Fine Arts and the Möbelfachschule in Cologne, as well as regional schools.

We put on regular workshops for companies undergoing transformation based on our “WORK.CULTURE.MAP” tool, which was developed by König + Neurath for analysis purposes. One of the first steps in these workshops is to identify the precise work culture in an organisation, which is considered and evaluated in seven key dimensions: Employees, Work/life, Technology, Creativity, Management style, Agility and Performance. We use our findings from this analysis and apply a two-way approach to come up with inspiration, deductions and concepts for motivating office scenarios in a modern format.

We generally conclude all events with feedback sessions. This is a direct way of revealing improvement potential. This type of open communication allows us to take direct note of any interests and concerns expressed by participants and integrate them in the future.

## **STYLE CHECK**

As well as the WORK.CULTURE.MAP, there's another analysis tool that complements the König + Neurath products and serves as an interface to them. It's called STYLE CHECK and works in a similar way to the work culture analysis: We use a kind of card game with pictures from themed areas such as landscape, architecture, workplace, leisure activities, fashion, materials, colours and König + Neurath products to find out about people's personal preferences. It's a spontaneous, intuitive approach. We then take the results of the culture study using the WORK.CULTURE.MAP tool, the outcome of the style analysis and individual requirements and work through an iterative process to create a physical representation as an interior design. This process can produce functional areas for hybrid working approaches, as well as highlighting potential to incorporate existing corporate identity or corporate design of that company into the design of the office.

## **Involving employees**

Involvement of König + Neurath colleagues plays a key role for the company. A happy workforce is essential for a sustainable business model here. That's why we conducted an in-house survey on working atmosphere in 2021. 42.5% of employees at König + Neurath took part, returning an informative and representative response. The idea is to create a new way of working together and promote a new corporate culture on the basis of these results. The directors of König + Neurath AG consider development of strategy and culture to be the most important task. The first step in implementing this was a kick-off event involving all König + Neurath AG management in October 2021. In November 2021 they ran management workshops to work out what the shared corporate values were. The idea was for these values to form the basis of the conduct and decision-making of all employees. In 2022 there will be a strong focus on communicating and emphasising these corporate values to all employees and integrating them into the daily work routine.

## **Involving dealers**

A survey of König + Neurath dealers and their employees was also conducted in 2021. Our goal was to obtain an even clearer picture of how happy our national dealers in Germany are with König + Neurath. We then compared the results with our self-image, in other words the in-house analysis. The results help König + Neurath to identify existing strengths and weaknesses, and take action to optimise at the appropriate points.

# CUSTOMER SATISFACTION



Customer satisfaction is of central importance to König + Neurath and its business success. To ensure that they are able to offer first-class quality, König + Neurath is a single-source supplier: from development of office furniture, seating and room systems to production, assembly and delivery of the finished products. An important tool for improving customer satisfaction is reducing customer complaints.

For this reason we record all feedback from dealers and customers, and address it in a process-oriented approach. We derive specific proposals for improvement from the information gained in this way, in accordance with DIN EN ISO 9001 certification standards. The measures implemented are subsequently monitored.

König + Neurath has started a quality campaign to further underpin the company's commitment to quality without compromise. Their goal is to optimise all areas of the company detailed above from a customer perspective. As well as product quality, this also involves measuring and improving service and process quality.

## Customer survey 2021

We conducted a customer survey from November to December 2021, with the aid of which we were able to gain a specific picture of how satisfied our dealers and partners in Germany are with König + Neurath. We also asked our own employees what they thought. The results provided König + Neurath with some key insights regarding the ongoing development of the company – with the goal of guaranteeing maximum customer satisfaction.

Furthermore end-of-line checks for office furniture and seating have already been ramped up. The dedicated test stations are meant to ensure even better quality for our customers thanks to spot checks.

## Complaints management

The reorganisation of our complaints management is part of our commitment to improving customer satisfaction. To achieve this, we are using the results of the 2021 customer survey. One thing the feedback showed us is that our customers expect the complaints process to be handled quickly.

### Pooling skills offers them the following benefits:

- + faster complaint handling
- + optimised processed
- + a named contact.

# INNOVATION



## **Innovation process**

At König + Neurath, the first step in a development process is in-depth discussion with various stakeholders. An extensive network of customers, suppliers, universities and institutes provides us with diverse inspiration for our portfolio development. Ongoing research on a global scale to find innovative materials, solutions, trends in interior architecture and design, as well as a perspective on conditions, allows König + Neurath to maintain a good awareness of current trends and situations – including changes to society, working and living approaches, consumer, communication and social behaviour, or in the field of technology and digitalisation. This provides König + Neurath with crucial information about the workplace that can be used for developments now and in the future. The portfolio team at König + Neurath makes use of diverse input from the market – originating from various departments within the company. The result is a targeted portfolio strategy with a clear goal – it's known as Portfoliovision.

## **Innovative power**

The world of work is changing - and with it the requirements placed on working cultures: spatial, technical, organisational. The classic office workstation is becoming less important, while creative teamwork and agile working are increasingly relevant. Digitisation has also made it possible to work independently of geographical boundaries. This development means that companies are faced with new challenges. To address these, König + Neurath develops pioneering, integral furnishing solutions and tools which enable companies to react flexibly to different modes of working and requirements - inspired by current trends from living, fashion, architecture and lifestyle, but also specific customers' needs. Through its selection of innovative materials with special properties and the integration of cutting-edge technology, the company broadens the classic functionality of its furniture.



König + Neurath has recourse to state-of-the-art production processes and the necessary vertical range of manufacture to translate specific customer requirements into customised work environments designed to develop employees' potential.

Numerous national and international design awards and currently 90 active patents are evidence of the company's independence and innovative power. For instance in 2021 we received the German Design Award for the modular chair K+N NOOK, as well as the TALO.YOU variable desking system.

#### **Innovation in the design process of working environments in the open space**

Thanks to our end-to-end support and structured approach using the WORK.STYLE. CULTURE workshops, we are able to gain key impulses for the innovation process and our product development. From our dialogue with dealers, network partners and customers on topics such as megatrends and their effects on highly diverse sectors, we are able to gain central knowledge resources that are complemented by market analysis and can then be channelled into the development process of König + Neurath products exactly where the information is most useful. König + Neurath's digital monitoring instrument, known as SMART.OFFICE, also helps companies highlight their current development status in an organisation trying to achieve a balance between classic or traditional office formats and New Work / Hybrid Work. Digital tools for space management and equipment are becoming increasingly relevant in future-oriented facilities management, in fact you could even describe it as an elementary aspect of sustainable action and responsible business practice within the broader context of facilities management.

#### **Innovation relating to knowledge transfer within and outside the organisation**

Exchanging knowledge and the new working approaches that have emerged as a consequence will become core factors in the company's success in future. All means and methods that underpin these changing processes and constitute part of the agile network-type structures are likely to be superior to linear and hierarchical structures in terms of speed and value creation. This is why König + Neurath creates spatial environments and outfitting solutions for customers that allow full potential to be developed and support knowledge growth.

# GOALS AND ACTION IN THE CONTEXT OF SUSTAINABILITY

König + Neurath AG sets ambitious goals in order to improve their own sustainability performance on an ongoing basis. The table below provides an overview of these goals, planned action and the year in which implementation is scheduled.

No.	Target	Planned measure	Year
1	Improvement of health and safety at work	Certification in accordance with workplace health and safety management norm DIN ISO 45001	2022
2	Improvement of data basis	Development of a Scope 3 emissions accounting system (upstream and downstream)	2022 – 2023
3		Installation of water meters for precise analysis of water consumption	2022
4		Introduction and development of leak management strategy for compressed air	2022
5	Energy savings and promotion of renewable energies	Switch to LED lighting for half of metal production facility (approx. 8,000 m <sup>2</sup> )	2022
6		Replacement of ventilation and cooling system in admin building	2022
7		100% reliance on solar power generated in-house	2022
8		Development of driverless transport systems. Energy savings thanks to fixed-route transport to pre-determined destinations	2022
9		Switch from static to frequency-regulated compressor (Works 3)	2022
10		Development of charging infrastructure for electric cars	2022
11	Awareness measures	Development of a system to deal with the issues of “Energy wasting” and “Increasing employee awareness”	2022
12		Common definition of corporate values and improvement of employee awareness regarding corporate values and culture	2022
13	Environmental protection	Replacement of adhesives containing VOC with water-based adhesives in the glue shop	2022
14		Implementation of sustainability policy in company restaurant	2022 – 2023



# COMPLIANCE

König + Neurath complies with laws, guidelines and regulations as a matter of course. There have been no cases of anti-competitive practice or non-compliance with laws or regulations within the reporting period. There have also been no complaints about negative environmental or social impact, work practices resulting in this or breaches of customer privacy. Compliance with laws and regulations is monitored and assured by the responsible authorities and regular external audits. In the event of violation we will immediately initiate measures to eliminate breaches permanently.

## **Anti-corruption policy**

Corruption is a violation of criminal law in terms of the German Penal Code. The König + Neurath Code of Conduct regulates in detail how to avoid bribery and corruption, money-laundering and anti-trust agreements. There are detailed König + Neurath compliance guidelines for avoiding corruption in a business context, as well as König + Neurath money laundering guidelines. Since introduction of the Code of Conduct in 2016, no violations have come to light. We have not seen any breaches of law resulting in legal consequences, either recently or in the past.

## **Explanation of Compliance and Code of Conduct**

The two most important documents for regulating compliance at König + Neurath, the Statement of Compliance and the Code of Conduct are provided in [Annex 2](#) and [3](#).

# SOCIAL ENGAGEMENT AND AWARDS

The Covid-19 pandemic characterised 2020 and 2021 at König + Neurath. Because of face covering supply difficulties on an international scale at the start of the pandemic, the company decided to manufacture community masks in-house for employees. Community masks have not been tested for effectiveness, however they are an effective way of preventing virus spread. Since the local fire service also had supply issues with masks, K+N offered their community masks to the Karben fire brigade as well.

In 2020 and 2021 we offered flu and Covid vaccinations in the company. Since the end of November 2021, König + Neurath has operated its own Covid test centre, giving unvaccinated employees an opportunity to take a rapid-result test on site.

In autumn 2021, König + Neurath supported a tree-planting campaign in the Taunus with a contribution of 3,000 euros. This campaign was started by the Rotary Club Main-Taunus and supported by the local Rotary Clubs. They selected robust native deciduous trees for reforestation in the Königstein-Kronberg district, which König + Neurath CEO Hartmut Hagemann actively helped to plant.

König + Neurath supports the UN Global Compact with an annual payment of 2,500 \$.

König + Neurath was ranked in 5th place in 2020 in the Deutschlandtest "Sustainability" in the office furniture category, achieving 68.1 points out of a maximum of 100. A wide range of internet sources were evaluated for the study.





# PEOPLE



## PERSONNEL STRUCTURE

As at 31.12.2020, there were 917 employees at König + Neurath. That was 11.7% fewer employees compared with the previous year. The staffing cut is a direct consequence of the impact of the Covid-19 pandemic. We also had to take action in terms of staffing cuts to save money because of the reduced revenue in 2020.

As at 31.12.2021, there were 846 employees at König + Neurath. This is equivalent to a further staffing reduction by 7.7% compared with the previous year. It was necessary to continue the 2020 strategy of reducing staff into 2021 as well due to the enduring impact of the Covid pandemic. This was negotiated together with IG Metall and the works council so that all those affected were able to find an acceptable solution.

As of 31.12.2020, 98.0% of all employees had an open-ended employment contract, and as of 31.12.2021 this figure stood at 93.7%.

The percentage of women in the company was 13.5% in 2020 and 13.2% in 2021. Around 98% of employees work in Germany. The remaining two percent are spread across the sites in the UK, France, the Netherlands and Switzerland.

König + Neurath is required by law to fill five percent of jobs with employees who have a severe disability. We have always exceeded that significantly.

Temporary employees are additionally taken on to offset fluctuations in capacity. They are mainly employed in production.

### Full or part-time

As at 31.12. of the year concerned

Category	2019 Number of employees	2020 Number of employees	2021 Number of employees
Women (full-time)	107	93	89
Men (full-time)	899	785	730
Total full-time	1006	878	819
Women (part-time)	26	31	23
Men (part-time)	7	8	4
Total part-time	33	39	27
Total full- and part-time	1039	917	846
Development [% compared with previous year]		-11.7	-7.7
Percentage of women %	12.8	13.5	13.2
Percentage of men %	87.2	86.5	86.8

### Fixed-term employment contracts

as at 31.12. of the year concerned

Category	2019 Number of employees	2020 Number of employees	2021 Number of employees
Women (open-ended)	127	121	85
Men (open-ended)	821	778	708
Total open-ended	948	899	793
Women (fixed term)	6	3	27
Men (fixed term)	85	15	26
Total fixed term	91	18	53
Total (open-ended + fixed term)	1039	917	846
Percentage open-ended	91.2	98.0	93.7
Percentage fixed term	8.8	2.0	6.3

### Employees by country

as at 31.12. of the year concerned

	2019	2020	2021
Germany [%]	98	98	98
GB, France, Netherlands, Switzerland [%]	2	2	2



# OCCUPATIONAL

To ensure optimum workplace safety, König + Neurath has a committee for workplace safety, which follows the principles of the Occupational Health and Safety Act. It meets four times a year and looks at themes relating to workplace health and safety within a committee structure. To ensure high standard, workspaces are risk-assessed and regularly inspected, and any necessary measures are implemented. Close cooperation with external specialists from the employer's liability insurance association and the company medical officer plays a crucial role. All employees are offered benefits to support their health within the capacity of the company health management policy.

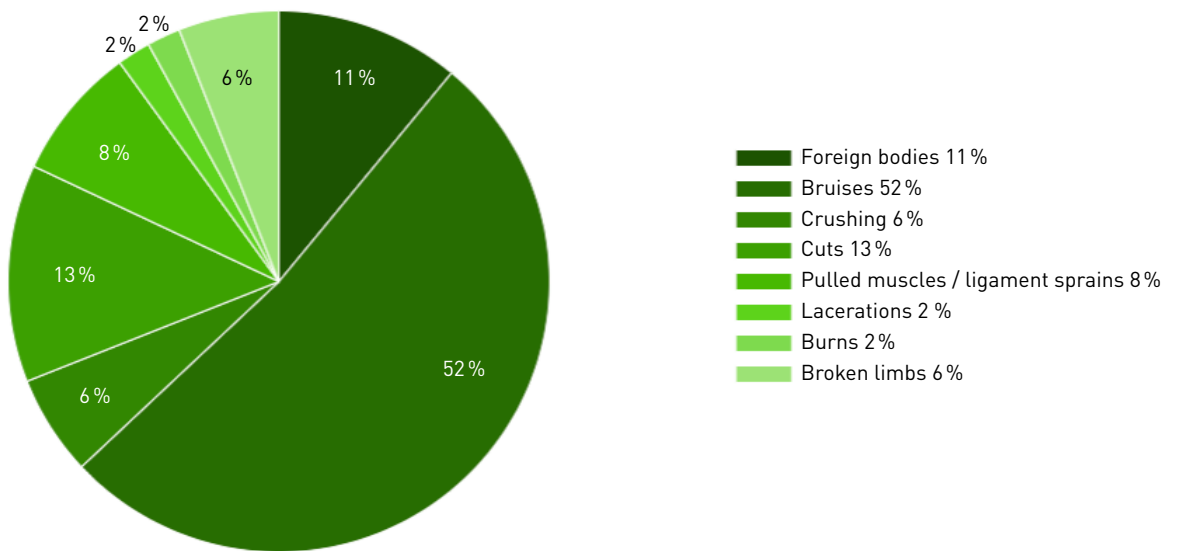
Providing a workplace that not only complies with legal specifications but also minimises risks to our workforce and promotes a high level of employee motivation is an integral part of König + Neurath's corporate policy

Around two percent of jobs at König + Neurath involve activities which pose increased levels of danger for example by maintenance activities or exposure to heat. In general the most recent knowledge from the field of occupational safety is taken into account right from the process planning and equipment purchasing stages. We carry out risk assessments for all workspaces, and we establish which workplace safety measures are needed on this basis and implement them. In 2020 and 2021 we trained all employees for whom workplace safety is a relevant theme. The training sessions take place twice a year after extended breaks such as the summer and winter holidays, as a refresher for workplace safety themes after longer absences. In addition, twelve employees received an average of eight hours each of training as safety officers and on specific themes relating to occupational safety. In 2020 and 2021 as of 31.12., over twelve per cent of employees throughout the facility were trained first aiders.

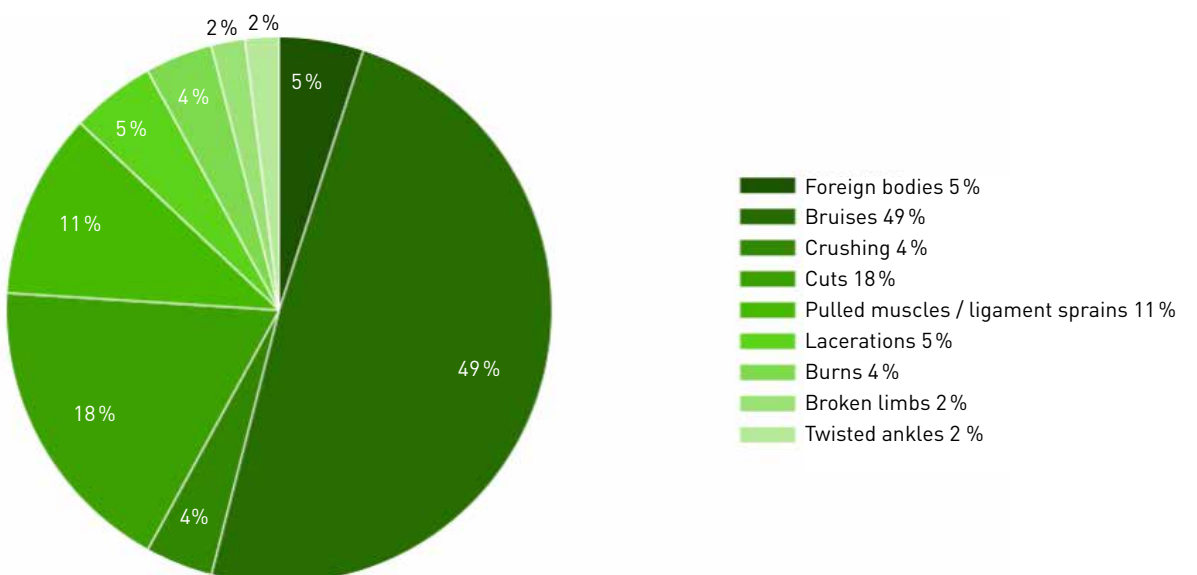
In 2020 we had 34 notifiable workplace accidents, in 2021 this figure dropped to 27. The accident severity in 2020 was on average 14 days of absence per workplace accident, in 2021 this figure stood at 17 days of absence per workplace accident. The period of absence from work as a result of accidents comprises the first day after the accident concerned and every subsequent calendar day. No fatalities occurred at the workplace. The following diagram presents the types of injury:



**Types of injury in business year 2020**



**Types of injury in business year 2021**





### Figures for health and safety at work

As at 31.12. of the year concerned

	2019	2020	2021
Percentage trained first aiders of total shop floor employees [%]	10	12	12
Number of notifiable workplace accidents	52	34	27
Average severity of each accident [days of absence]	17	14	17
Work-related deaths	0	0	0
Number of workspaces with elevated risk [%]	2	2	2
Percentage of shop floor workers who have undergone workplace safety training [%]	100	100	100
Number of employees who are taking workplace safety courses	60	0	12
Average training hours for employees who have undergone training [hours/empl.]	8	0	8
Number of accidents per 1 million working hours – König+Neurath AG	31	36	21
Number of accidents per 1 million working hours – industry average	21	21	*

\*no data available yet for 2021 from the insurance association for the wood and metal industry

# TRAINING AND EDUCATION

As one of the largest employers in the region, König + Neurath is aware of its social responsibility and has been successfully training wood mechanics, industrial mechanics, mechatronics engineers, machine and plant operators, industrial clerks and IT specialists for decades. With the dual course of study Bachelor of Engineering Wood Technology (DHBW Mosbach), König + Neurath allows young people to combine theoretical studies at the DHBW college with qualified in-plant training.

As at 31.12.2020, 39 young people were serving apprenticeships at König + Neurath and four were on annual placements. The following year, 2021, as at 31.12.2021, there were 40 employees in apprenticeships, four employees were on work placement.

Knowledge is the key to successful practice. Accordingly all employees attend training on relevant topics at regular intervals. Specifically there were 120 employees in 2020 who underwent a total of 2,298 advanced training hours. The following year, 2021, we gave 125 employees the opportunity to benefit from 2,245 hours of advanced training.

In the König + Neurath Academy we offer training for employees, business partners and anyone who might be interested, as well as influencers and customers, in the following subject areas:

- + König + Neurath products: This covers the fundamental themes, but also more in-depth information relating to all aspects of the König + Neurath product portfolio.
- + Brands, work culture, modern working environments, ergonomics, acoustics and light
- + Tools and software, for instance Microsoft Office, pCon-Planner, pCon-Basket, SAP programs, Order-To-Cash
- + Soft skills like rhetoric, conflict management, project management, agile methods, presentation and moderation, teamwork, team leadership and project management
- + Public procurement law, customs and international trades, foreign languages
- + Workstation and process optimisation: Lean Management, waste-free workspace design and Makigami





### **Lean Management**

*Lean Management is an approach involving ongoing process optimisation. The principle is to eliminate loss and wastage.*



### **Makigami**

*In Makigami the individual process steps are questioned. The central question is: Is the customer happy to pay for this process step, in other words does this step add value? Once the current status has been identified, the process is redesigned based on the question: What could the ideal process look like?*

We offer all employees external professional development opportunities as well as in-house training. The management decides, which skills are necessary in the short, medium and long term, and plan measures accordingly. A diverse range of training opportunities is available, with which we aim to meet every employee need, and offer them training for the skills they would like to develop. The König + Neurath Academy is constantly evolving to meet the demand for professional development and be in a position to provide new courses.

#### **Number of apprentices and work placements**

as at 31.12. of the year concerned

	2019	2020	2021
Number of apprentices	46	39	40
Number of work placements	4	4	4

The following table provides an overview of the number of employees who received training and the number of hours spent on training.

**Training and professional development by employment status and gender**

Employment status	Gender	2019		2020		2021	
		Number employed	Hours	Number employed	Hours	Number employed	Hours
Shop floor employees	m	64	1568	71	1288	89	1127
	f	6	280	2	140	4	427
Office-based employees	m	22	261	13	184	9	169
	f	36	247	17	240	12	177
Engineering employees	m	108	1054	16	344	8	231
	f	19	176	1	102	3	114
Total number		255	3586	120	2298	125	2245

Additional qualifications for employees are of special importance at König + Neurath. That's why the company stipulates that every employee undergoes an annual review of their performance and professional development.



# DIVERSITY AND EQUALITY

At König + Neurath, we employ people of diverse ethnic origins, skin colour, nationality, gender identity, religion and ideology. We offer everyone the same working conditions, don't put anyone at an advantage or disadvantage, and we value everyone equally. As at 31.12.2021, when we collected the data, we employed colleagues from 28 nations.

**The attitude of König + Neurath is clear – and it is described in the Code of Conduct:**



*“The directors, supervisory board and employees are loyal to the company and its goals. They are the central success factors of the company and every employee is respected. All employees should treat each other with high regard, mutual understanding, openness and fairness.*

*Discrimination and harassment are not tolerated and no one may be treated favourably or unfavourably or harassed because of their ethnic origins, skin colour, nationality, gender, religion or philosophy, or other characteristics protected by law.”*

The works council ensures compliance with the Code of Conduct. They ensure compliance with employees' rights and mediate in the event of disputes. The purpose of this strategy is to maintain fairness between the employer and employee, and also across the workforce as a peer group.

Section 80 of the Works Constitution Act describes the general responsibilities of the works council. These include implementation of equal treatment of men and women, integration of people with disabilities and other vulnerabilities, employment of older people in the workplace, integration of foreign workers, and supporting communication between these employees and the German workforce. Taking action against racism and xenophobia are also part of the works council remit.



König + Neurath has developed a complaints system that allows employees to pass information to the works council anonymously. There are post boxes, known as “Black Boxes” located around the company, which can be used to communicate grievances. The post boxes are emptied regularly by the works council.

**Furthermore the Code of Conduct provides for reporting compliance breaches. The following provisions are included:**

➔ *“König + Neurath expects employees and business partners to inform the board of directors, supervisory board, immediate superior or compliance officer of any compliance breaches that come to their attention. [...]*

*There will be no retaliation or discrimination against anyone who reports an incident within these terms.”*



# EMPLOYEE SATISFACTION AND HEALTH PROMOTION

Employee satisfaction is a top priority at König + Neurath. One benchmark for a good workplace climate and positive relationships within the team is the average duration of employment at the company: In this company it's 15 years. We also aim to enhance the workforce satisfaction further with the works health management policy.

We conducted an in-house survey on working atmosphere in 2021. 42.5% of employees at König + Neurath took part, returning an informative and representative response. The idea is to create a new way of working together and promote a new corporate culture on the basis of these results. The directors of König + Neurath AG consider development of strategy and culture to be the most important task. The first step in implementing this was a kick-off event involving all König + Neurath AG management in October 2021. In November 2021 we ran management workshops to define the shared corporate values together. The idea was for these values to form the basis of the code of conduct and decision-making of all employees. In 2022 there will be a strong focus on communicating and emphasising these corporate values to all employees and integrating them into the daily work routine.

In March 2016 the "Demography" collective wage agreement was concluded with IG Metall, in which the issues of an ageing workforce and health are actively addressed. The Demography collective wage agreement outlines a commitment on the part of the employers to pay a fixed sum each year for this (2022: 450 € per employee) into a works health management fund. König + Neurath uses these investments by agreement with the works council to fund measures that promote health.

All employees have access to a variety of benefits and perks, such as:

- + subsidised preventative massages
- + subsidised gym sessions
- + subsidised corrective eyewear, hearing aids and dentures
- + participation in seminars on health topics, such as dietary advice
- + sports activities such as running clubs, yoga or back exercises, and free use of the local swimming baths.

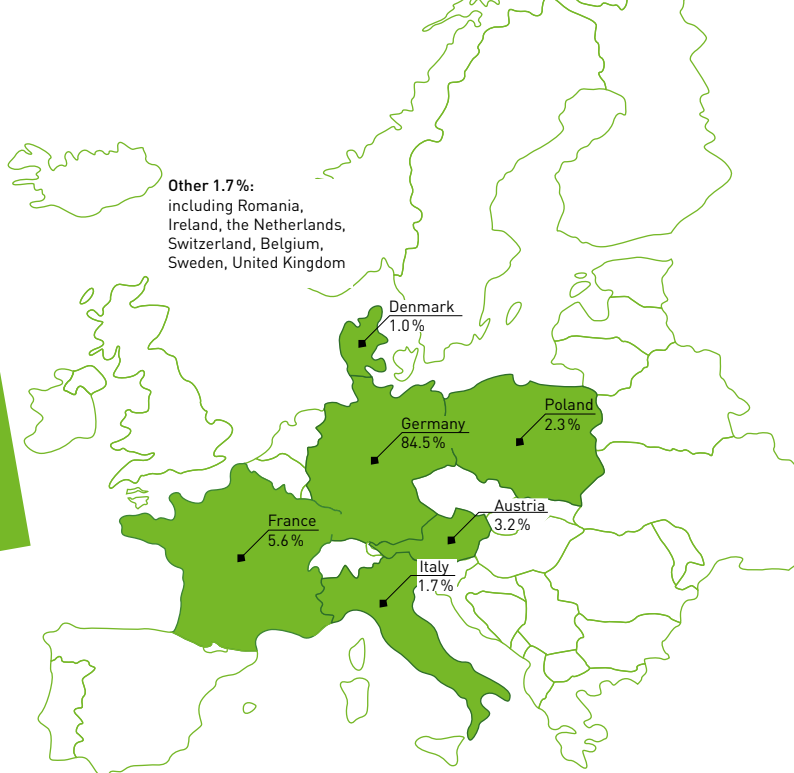
We had to temporarily stop activities with an infection risk during the Covid-19 pandemic to prevent the spread of disease. Subsidisation of health-promoting activities was stopped as well. Instead the remaining balance in the health management fund at year end 2021 was paid out to all employees, to help compensate for the financial consequences of the Covid pandemic.

A supplementary collective wage agreement was concluded between the works council and IG Metall, to lessen the financial impact of the Covid pandemic. At the request of the works council, these payments for 2022 were made directly to employees rather than going into the health management fund.

König + Neurath prioritises the health of the workforce. For this reason we'd like to reinstate and increase activities as soon as this becomes appropriate in terms of infection and finances.



# PEOPLE IN THE SUPPLY CHAIN



Supplier location by country base on purchasing volume by König + Neurath AG, 2021

König + Neurath works in close partnership with all suppliers and there is a strong customer focus. Our supplier relations are characterised by their long standing, competitive nature, quality and reliability. König + Neurath has a systematic and consistent system for supplier evaluation and risk management. To achieve this, we also consider aspects of environmental protection and occupational safety, as well as human rights.

As soon as we become aware of breaches or false statements, we stop using that company as a supplier, or we insist that they meet our requirements. König + Neurath reserves the right to pass on information to third parties - in particular to non-government organisations that support compliance with fundamental social and environmental standards.

We review our regular suppliers on the basis of a supplier self-declaration on a two-year rotation. In this self-declaration, our suppliers have to provide information on all relevant themes complete with evidence. As of 01.01.2022 we introduced new supplier guidelines ([see Annex 4 Supplier guidelines – a Code of Conduct for suppliers](#)).

König + Neurath also applies the ten principles of the UN Global Compact directly to their own suppliers. The company is committed to observing the ten principles and also assuring compliance by sub-suppliers.

We received self-declarations from around 95% of suppliers (in terms of purchasing volume) for the business years 2020 and 2021. We are not aware of any breaches of the

König + Neurath requirements, or any false declarations.

In 2020 the number of suppliers stood at 645, in 2021 this figure dropped to 584.

82.4% of the purchasing volume was accounted for by suppliers within Germany in 2020. The percentage of suppliers within Germany was 84.5% based on purchasing volume in 2021. This means that the high environmental and social standards in Germany also apply to the majority of our direct suppliers. The rest of the suppliers are based in Europe, from countries that include France, Poland and Austria.

	2019	2020	2021
Number of suppliers	668	645	584



# ENVIRONMENT

## WATER AND WASTE WATER

The main water consumers at König + Neurath are the powder and wet paint coating systems. Water consumption by the heating system is also relevant when the heating system is refilled. Further water is consumed by the sanitation facilities and company restaurant. The water needed for washing vehicles is mostly obtained from our water recovery.

The waste water is discharged into the municipal sewers. Before discharging into the public sewer, the wastewater from the powder coating plant is cleaned and regularly checked. There were no issues with the wastewater analysis in 2020 and 2021.

We recirculate the wastewater from the wet paint plants and periodically dispose of it.

We use water meters to record our water consumption from the public water supply. We do not source any water from springs, water butts or similar measures.

In 2020 8.940 megalitres of fresh water (equivalent to 8,940 m<sup>3</sup>) was drawn from the public water supply, which was -29.5% compared with 2019

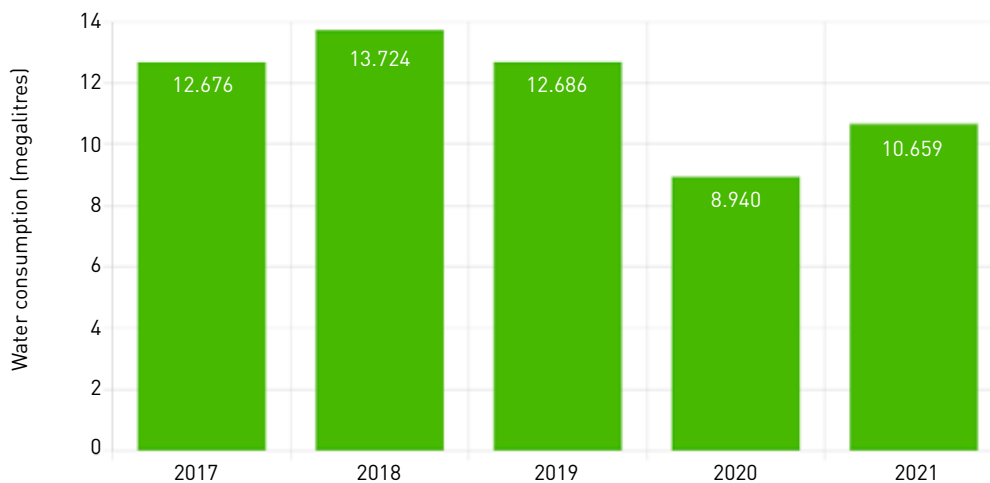
[12.686 ML = 12,686 m<sup>3</sup>]. The reason for this reduction is the significantly lower production output because of the Covid pandemic in 2020.

Water consumption rose again in 2021 (+19.2% to 10.659 ML = 10,659 m<sup>3</sup>), however it is still significantly lower than the 2019 level.

To monitor the water use at the production facility more accurately in future, we plan to install more water meters in 2022. This will automatically feed the water consumption data into a management program.

### Water use at König + Neurath AG, Karben

1 megalitre = 1,000,000 litres



# WASTE

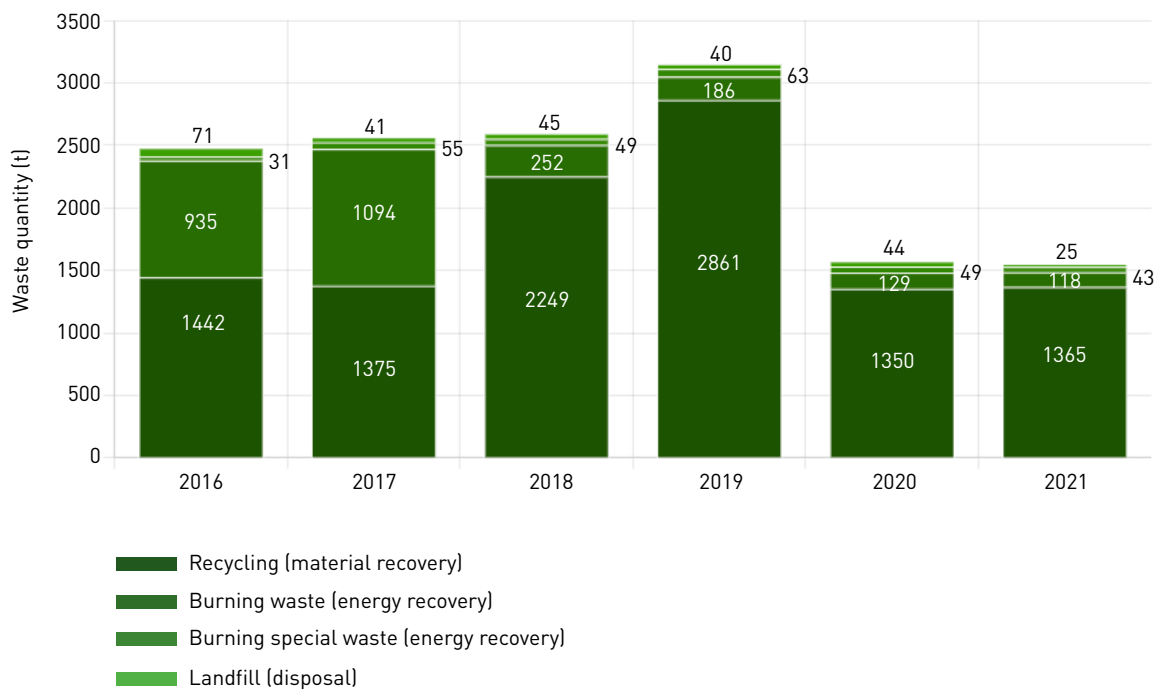
König + Neurath aspires to keep waste levels as low as possible. Unavoidable waste materials undergo a material recycling process wherever possible. As a result the percentage of waste material that is recycled has risen by over 80% since 2018. The reason for this improvement is the option of recycling waste sawmill scraps. They are pretreated and depending on quality they can be used as recyclate in wood composite materials or processed for energy. The percentage of waste material recycling compared with the total waste quantity at König + Neurath was 84.2% in 2020 and 86.0% in 2021.

In 2020 the total waste quantity has halved compared with the previous year (1,572 t, -50%). In 2019 the waste quantity was 3,150 t. The order volume was reduced in 2020 because of the pandemic, which had a direct effect on the volume of waste.

By far the largest percentage of waste here is waste metal, which includes offcuts, scrap machinery and other scrap (59%). The second largest percentage is waste paper (14%).

In 2021 the total waste quantity remained the same as the previous year (1,551 t, -1%). A further reason for the lower waste quantities compared with 2019 is the fact that since 2020 we have had the potential to use all wood scraps from production for heating. In 2019 we generated a further 1,173 t of wood scraps, which were recycled or used for thermal recovery. In 2021 metal waste constituted most of our waste (61%), and the second largest percentage is made up of waste paper (14%).

**Pattern of waste quantity including recycling details (t)**



The information on waste disposal methods is provided to König + Neurath by the waste disposal company.



Year	Waste quantity [t]	Non-hazardous waste [%]	Hazardous waste [%]	Recycled (material recovery) [%]	Burning waste (energy recovery) [%]	Burning special waste (energy recovery) [%]	Landfill (disposal)
2017	2575	98	2	53.4	42.5	2.1	1.6
2018	2604	98	2	86.4	9.7	1.9	1.7
2019	3193	98	2	89.6	5.8	2.0	1.3
2020	1604	95	5	84.2	8.0	3.1	2.7
2021	1588	95	5	86.0	7.4	2.7	1.6





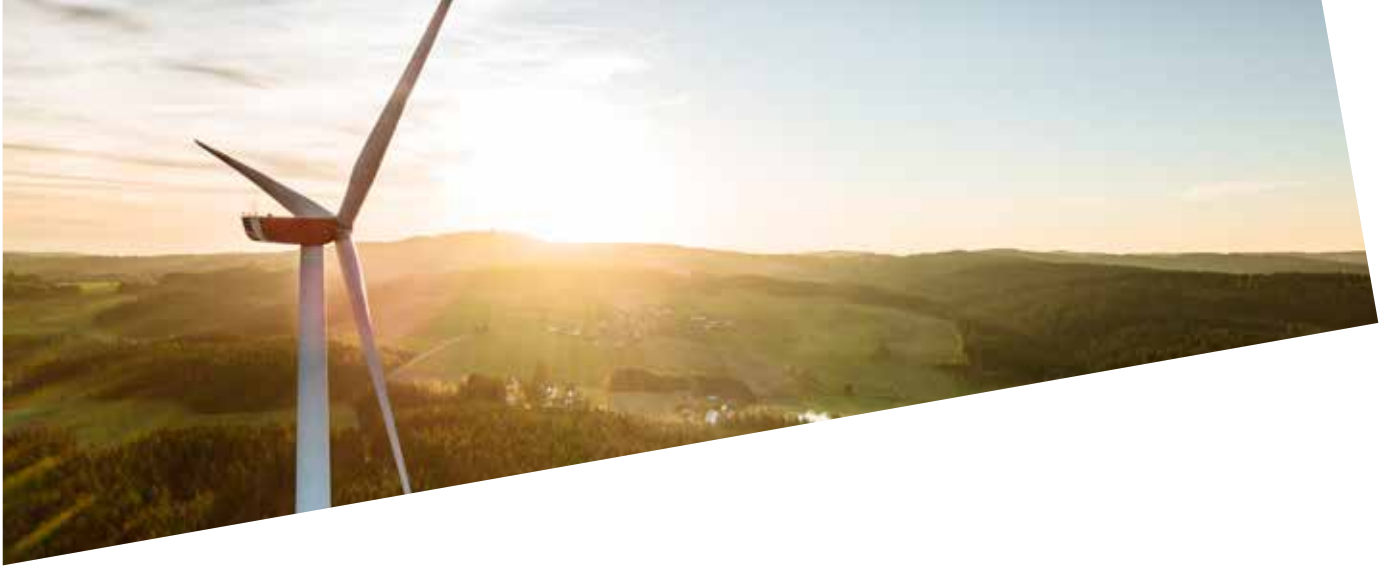
# BIODIVERSITY

The term biodiversity refers to diversity of ecosystems, species and genetic diversity. The biological diversity and the benefits provided by the ecosystems, such as provision of food, clean water and medicine, are essential for the survival of humanity. Nevertheless the state of the ecosystems is deteriorating dramatically. The “Living Planet Report 2020” conducted by the WWF comes to the conclusion that around 21,000 observed populations of mammals, birds, fish, amphibians and reptiles have reduced by 68% between 1970 and 2016. The main cause of the loss of biodiversity is changing land use (e.g. deforestation, intensive monocultures, urbanisation), direct exploitation of resources, for instance hunting and over-fishing, climate change, environmental pollution and invasive non-native species.

König + Neurath processes large quantities of timber and wood derivatives. To preserve the forests and support sustainable forestry, we have set up agreements with our chipboard supplier to ensure that we only accept chipboard in which the wood originates from sustainable forestry. This ensures that we are obtaining around three-quarters of our total purchased timber volume from sustainable sources. In 2022 we will expand our timber sourcing from sustainably managed forests.

We are constantly implementing measures to limit climate change, by saving energy, which enables us to reduce our CO<sub>2</sub> emissions. With this strategy we were able to reduce our annual CO<sub>2</sub> emissions by around 32.4% from 2015 to 2019, despite increased revenue for the same period. The ongoing improvement in energy performance is regulated by our energy management policy in accordance with DIN EN ISO 50001, a certification held by König + Neurath AG since 2015.

To minimise the impact of our work on the environment as much as we can, we have enforced a certified environmental policy in accordance with DIN EN ISO 14001 since 1998. All environmentally relevant equipment, such as the works fuel station, vehicle wash, wastewater processing plant or smoke particulate removal, are regularly monitored and kept in good technical order.



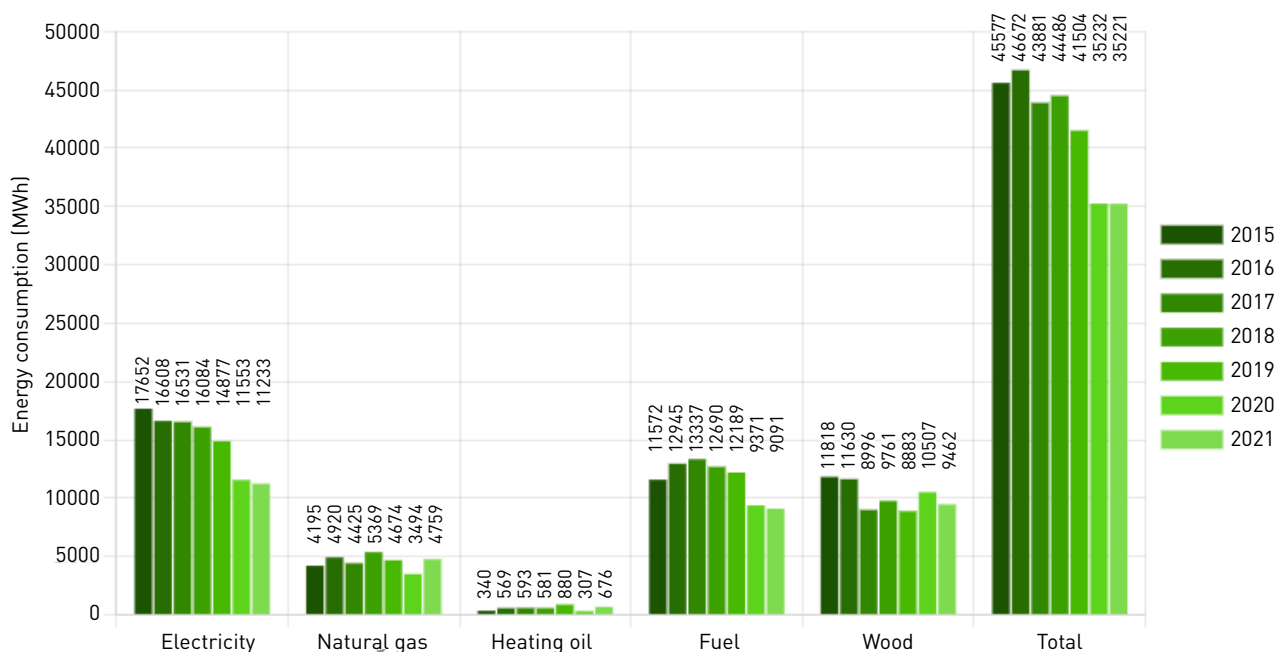
# ENERGY AND EMISSIONS

We monitor our energy consumption constantly at the Karben site, using software designed for the purpose. This enables us to classify energy consumption according to consumer. It is only by analysing consumption data accurately that we can identify savings potential and review effective implementation of measures.

Our energy management system is certified in accordance with the international standard DIN EN ISO 50001 and undergoes external auditing annually. This allows us to ensure continuous improvement.

The following graphic shows an overview of energy consumption patterns for 2015 to 2021.

**Annual energy consumption – in reference to energy source used**



The main energy sources in 2021 were electricity (32%), wood (27%) and fuel (26%) for the company-owned vehicle fleet (HGV and cars). The wood comes from production offcuts and constitutes a carbon-neutral energy source. So electricity and vehicle fuels were our main generators of carbon emissions.

Consumption of all energy sources – except wood – has dropped by a total of 15.1% in 2020 (2019: 41,504 MWh, 2020: 35,232 MWh). This saving is not just a result of investments in more efficient technology, as in past years. The main reason for the reduction is the reduced production output because of the pandemic.

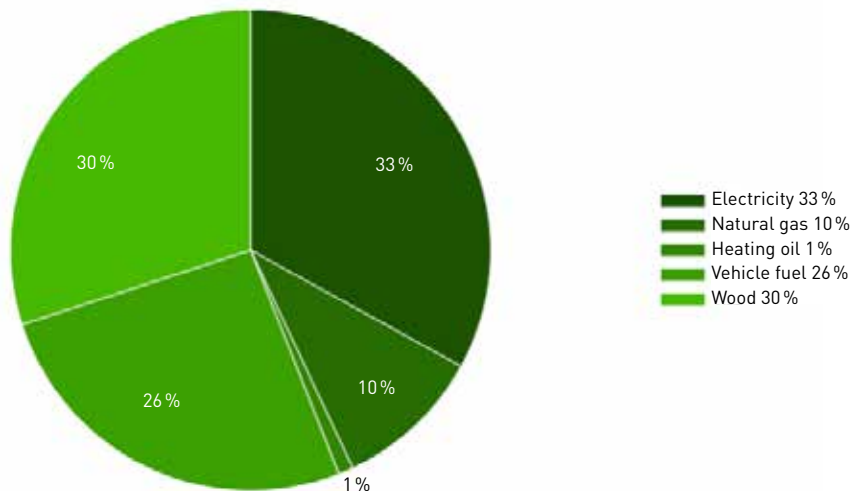
Our wood is used to heat all indoor spaces including production buildings. Wood consumption depends very much on weather conditions.

The total energy consumption for 2021 was comparable to the previous year 2020 (2021: 35,221 MWh, -0.3%). In 2021 the reduced production output because of the pandemic continued, however at the same time we continued to invest in process optimisation and more efficient technology.

The higher consumption of natural gas and heating oil in 2021 compared with the previous year was balanced out by the reduced consumption of wood to generate heat. The reason for this is that we carried out extensive repairs to the wood furnace so that it could not be used all of the time.

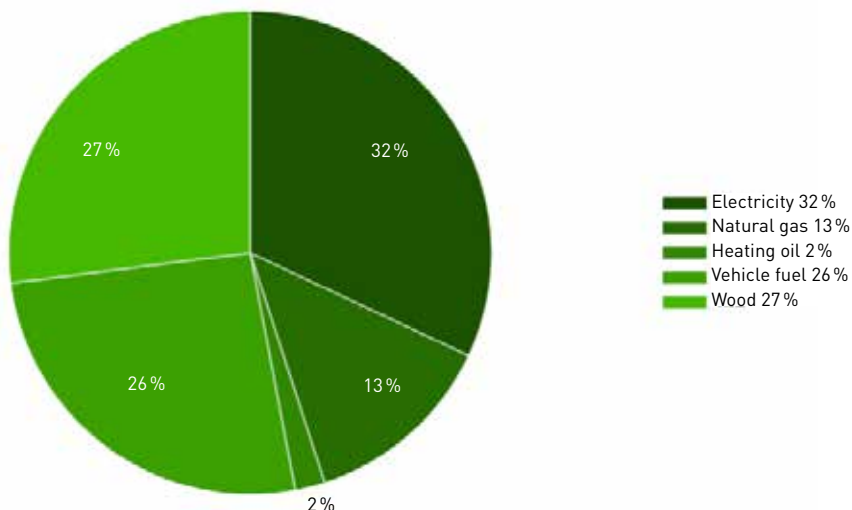
**Distribution of energy consumption by energy source**

2020, distribution in %



**Distribution of energy consumption by energy source**

2021, distribution in %

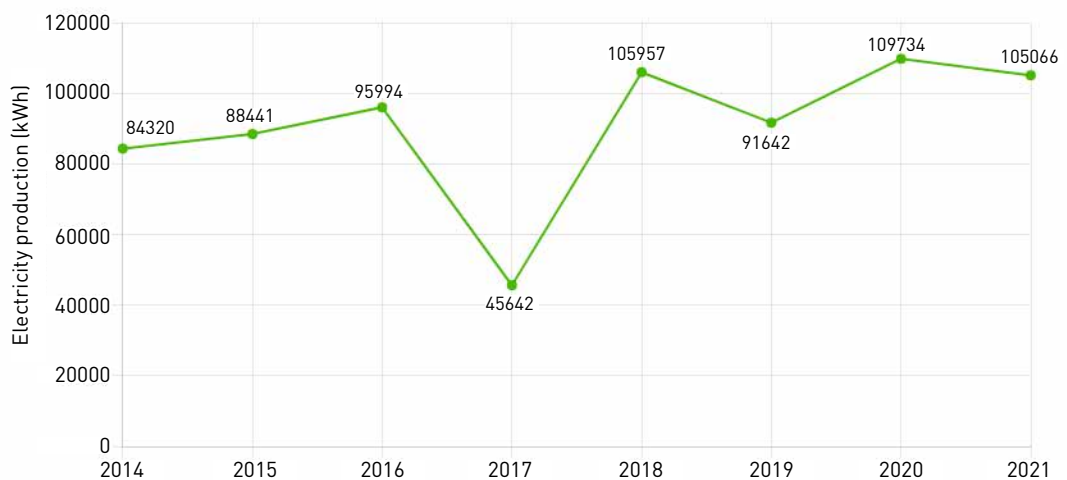




### Electricity generation from solar power installation

König + Neurath has its own solar power installation. The electricity it produces is fed back into the municipal electricity network. The following graphic shows the pattern of annual electricity generation. It is essentially dependent on how much sunshine there is. The significantly lower amount of electricity produced in 2017 is due to an equipment fault.

### Electricity generation from solar power



### Carbon emissions from energy consumption

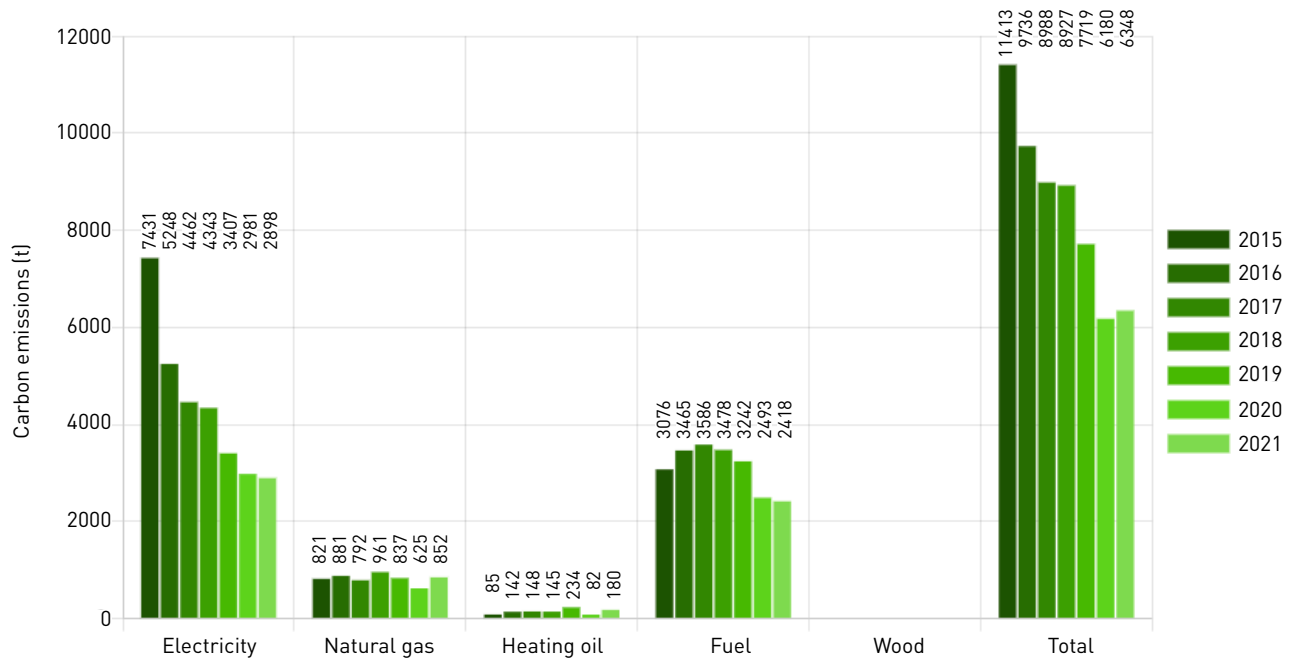
The carbon emissions resulting from energy consumption are calculated on the basis of the relevant emissions factors. The following graphic provides information about the carbon emissions from the different energy sources.

Due to a retrospective change in carbon emission factors for bought-in electricity during 2019, there is a variation compared with the last report.

The lower total energy consumption for 2020 is also reflected in significantly reduced carbon emissions. The carbon emissions sank compared with 2019 (7,719 t CO<sub>2</sub>) by -19.9% to 6,180 t CO<sub>2</sub>.

Carbon emissions stayed at a similar level in 2021 (+ 2.7%, 6,348 t CO<sub>2</sub>). The reason for the slight increase is a higher consumption of natural gas and heating oil because of extensive repairs to our wood furnace.

## Development carbon emissions



## Carbon emissions in Scope 1 and Scope 2

The Greenhouse Gas Protocol (GHG Protocol) guidelines represent the established de facto standard for the categorisation of greenhouse gas emissions.



### Greenhouse Gas Protocol

*The GHG Protocol is an international standard series for greenhouse gas emissions accounting. It is considered the most important and widespread standard for recording greenhouse gas emissions at corporate level.*

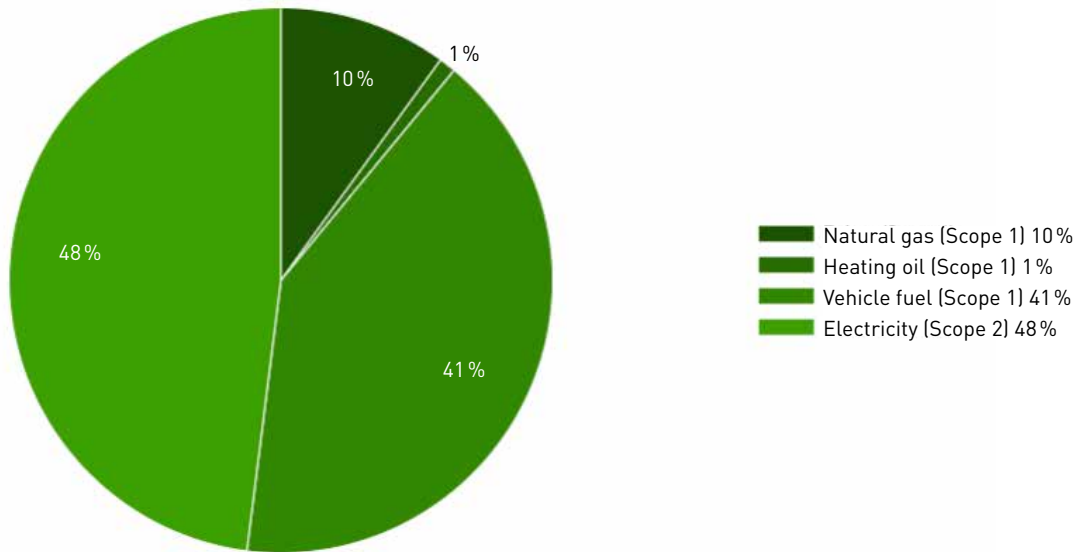
### Greenhouse gas reporting distinguishes between three scopes:

Scope 1 covers direct emissions that are generated in processes within the company, while Scope 2 includes indirect emissions caused by energy bought in externally (at König + Neurath this means electricity). These two scopes are clearly defined, so that there is no overlap between Scope 1 emissions that are counted for two companies. Emissions in Scope 3 on the other hand always represent the Scope 1 and Scope 2 emissions in the greenhouse gas accounts of external companies and individuals. The Scope 3 emissions include for instance goods and services, waste generated on site, business travel or commuting generated by employees.

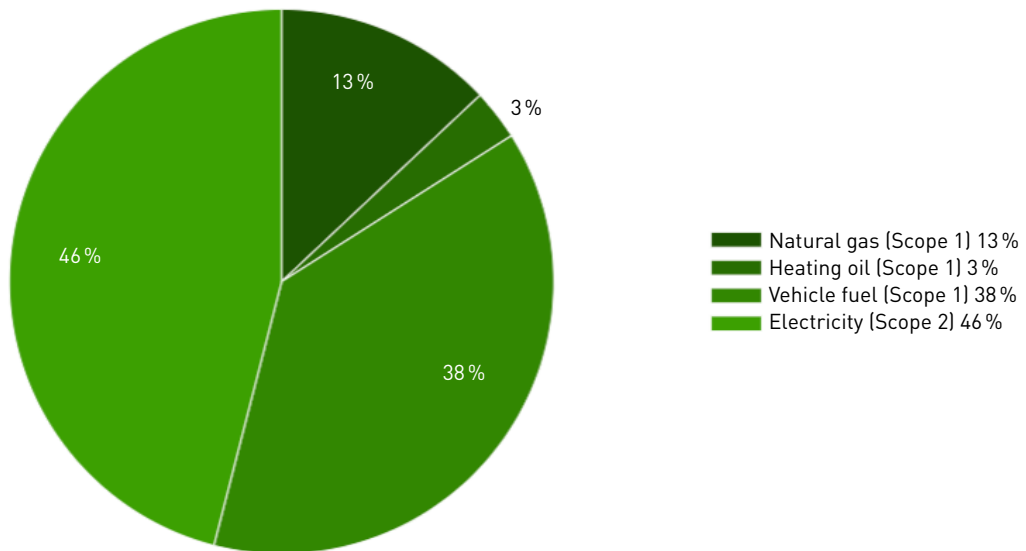
Electricity and vehicle fuel account for 89 % (2020) and 84 % (2021) of carbon emissions at the König + Neurath production facility in Scope 1 and Scope 2.

In comparison with 2015 we reduced carbon emissions in Scope 1 and Scope 2 by 32.4 % (2019), 45.8 % (2020) and 44.4 % (2021). In 2020 and 2021 the further reduction of carbon emissions can be primarily attributed to a lower production output because of the pandemic.

**Distribution of carbon emissions in Scope 1 + 2**  
2020, distribution in %



**Distribution of carbon emissions in Scope 1 + 2**  
2021, distribution in %



Scope 1 emissions (t)	2015	2016	2017	2018	2019	2020	2021
Natural gas	821	881	792	961	837	625	852
Heating oil	85	142	148	145	234	82	180
Fuel	3076	3465	3586	3478	3242	2493	2418
Scope 2 emissions (t)							
Electricity	7431	5248	4462	4343	3407	2981	2898
Scope 3 emissions	Scope 3 emissions should be calculated for 2022 essentially.						
Total of Scope 1 + 2	11413	9736	8988	8927	7720	6181	6348
Development compared with previous year (%)		-14.7	-7.7	-0.7	-13.5	-19.9	+2.7
Development compared with 2015 (%)		-14.7	-21.2	-21.8	-32.4	-45.8	-44.4



# TRANSPORT

König + Neurath AG operates its own vehicle fleet of HGVs and cars. The HGV fleet delivers produced goods to their intended place of use. With a distance of approx. 3.5 million kilometres travelled (as at 2019), the resulting consumption of vehicle fuel accounts for a significant percentage of the company's carbon emissions (Scope 1). The car fleet is primarily for use by the external sales team. Taking into account all energy sources used at the Karben site, the vehicle fuels accounted for 41% of the company's carbon emissions, in 2021 the figure was 38% (percentage of Scope 1 + Scope 2 emissions).

The significant drop in carbon emissions from 2019 (3,242 t) to 2020 (2,493 t, -23%), which was caused by the vehicles, is the result of the lower production volume in 2020 because of reduced orders. The number of transports reduced as a consequence, and the kilometres travelled by external sales representatives were fewer as well.

The carbon emissions from the vehicle fleet for 2021 stayed at the same level as the previous year (2,418 t, -3%). Because of the ongoing drop in production output the transport figures were also similar to the previous year in 2021.

**We are implementing the following measures in order to improve transport efficiency and save fuel:**

- + The warehouse management team plans delivery routes to incorporate pick-ups from our main suppliers. This allows us to reduce empty journeys as well as saving our suppliers from travelling to the König + Neurath site.
- + To save resources, we have concluded a shipping agreement with a logistics company. Almost all of our suppliers are committed to notifying and instructing our partner when they have freight to transport. This allows the logistics company to combine shipments into one route, which saves multiple journeys and saves resources.



- + All goods transport in the production buildings at König + Neurath is electric and therefore the site is emission-free in that respect.
- + König + Neurath uses route planning software. It supports our warehouse management team in planning the most efficient routes.
- + We aim to use HGV load capacity efficiently to conserve resources and be environmentally friendly. The warehouse team uses software for this as well.
- + Our HGV fleet is 100% compliant with the EURO-6 norm. This allows us to reduce pollution and cut back on fuel consumption.
- + Furthermore we train our drivers to use a fuel-saving driving technique and make them aware of where there are potential savings.
- + All diesel vehicles (HGV and cars) are equipped with AdBlue technology to reduce nitrous oxide emissions.

#### Carbon emissions caused by the König + Neurath vehicle fleet

	2019	2020	2021
Carbon emissions caused by combustion of vehicle fuels [t]	3242	2493	2418
Percentage of carbon emissions from the vehicle fleet of all energy sources used [%]	42	41	38





# ENVIRONMENTAL PROTECTION IN THE SUPPLY CHAIN

König + Neurath is conscious of its responsibility for environmental protection throughout the supply chain. In 2020 we bought 82.4% of our purchased goods volume from Germany. In 2021 the percentage of suppliers based in Germany stood at 84.5% – measured by purchasing volume. This means that the high national environmental and social standards also apply to most of our direct suppliers. Furthermore our proximity to our suppliers means short transport distances. The other suppliers are based in Europe, in countries such as France, Poland and Austria.

A long-term cooperative partnership significantly minimises CSR risks (Corporate Social Responsibility), because we know our suppliers well and visit their premises.

In the 2020 business year, 53% of suppliers (measured by purchasing volume) had installed a certified environmental management system in accordance with ISO 14001 or EMAS.

## **Close cooperation with suppliers**

König + Neurath AG works closely with suppliers, and one reason for this is to achieve ongoing improvements in environmental performance. For instance innovative ecological materials are tested for their production development feasibility.

## **Further examples of testing and implementation of environmental measures with our suppliers:**

- + In regard to seating packaging, we were able to reduce the thickness of LDPE plastic film by one third in 2021.
- + In terms of purchasing extruded aluminium profile, we switched our production over to aluminium with reduced carbon emissions in 2021. The aluminium brand is Hydro REDUXA.
- + For all seating and office furniture programmes we check with our suppliers whether it is possible to use recyclates.



# PRODUCT

## PRODUCT DEVELOPMENT

### **Requirement analysis, portfolio vision & portfolio strategy**

We are collaborating with the König + Neurath customers and dealers to work out what is required of our product portfolio in terms of current market and user criteria. We take every detail into consideration for this. A clear portfolio vision helps

König + Neurath to think ahead and formulate a long-term plan for all development projects. We will then put it into action, supported by our clearly defined portfolio strategy and on the basis of economic and sustainable criteria.

### **A single-source company**

Thanks to a strong vertical integration strategy, König + Neurath keeps all key processes needed to manufacture a product under one roof:

product design, product concept, product construction, series production and quality control – everything happens at the production facility in Karben.

Our product design is key for a circular economy. It is essential for products to be designed and constructed using a cradle-to-cradle approach if a circular economy is to be achieved for materials. “Cradle to Cradle” means that the materials used to manufacture a product circulate around closed material cycles. A product that is no longer needed is no longer disposed of as waste, instead it serves as the source of materials from which to make new products.

In order to integrate this fundamental idea into product development, König + Neurath has defined a clear specification under the heading “Design for Environment”.



# OUR SPECIFICATIONS FOR “DESIGN FOR ENVIRONMENT”

**The following criteria are taken into consideration in the development and construction of König + Neurath products:**

## **in our product design**

- + we consistently use a modular approach (kit principle). All products have to be upgradable, convertible and retrofittable during their life cycle.
- + minimal materials must be used and resource consumption must be reduced to a minimum.
- + the product design must be timeless and not follow short-term trends. The design ensures a long aesthetic lifespan, which extends the products' lifecycle.

## **Our material selection takes into account**

- + the use of renewable resources.
- + the use of recyclable and/or biodegradable raw materials.
- + always using recyclates for non-visible plastic parts.  
With visible plastic parts the use of recyclates should be reviewed.
- + use of recyclable materials is preferred.
- + use of widely-used, common plastics that do not have a negative impact on health.
- + use of long-lasting materials (durability).
- + only environmentally friendly materials without negative impact on health should be used.
- + minimisation of product emissions (pollutants, VOCs etc.).
- + avoidance of materials that are not suitable for recycling.
- + minimisation of material diversity.

**Components are to be arranged in such a way that**

- + they can be assembled or reconfigured using standard tools including on site within a reasonable time (repair-friendly).
- + the highest possible percentage of components manufactured in-house can be achieved. This increases transport and packaging efficiency. Eco-efficiency (economic viability of the process in relation to the impact on the environment) should always be considered.
- + non-soluble adhesives should be avoided if possible.
- + energy, water and operating materials should be used sparingly.
- + waste that cannot be recycled should be avoided 100%.
- + it should be possible to recover or recycle all waste.

**In terms of delivery and maintenance, particular care should be taken that the products**

- + use as little packaging material as possible; reusable packaging is preferred (furniture covers).
- + can be maintained and repaired by own service engineers, but also by other specialists. To ensure this, assembly and dismantling instructions are put together, and in-house training are provided on this subject.

**To ensure that reuse and future use of the furniture is possible, the following conditions must be met**

- + it must be possible to dismantle all components using standard tools within a reasonable time and
- + all plastic parts weighing more than 20 grams must be labelled (in accordance with DIN EN ISO 11469).

**At the end of the product lifecycle, when only the recycling phase remains,**

- + we can recycle our furniture by material type, separating into steel, aluminium, plastics, wood composites, recoverable electronics and other materials.
- + we help customers extend the use of their products by offering a take-back concept, offering support with repairs, and feeding materials back into the circular economy.
- + non-recyclable waste is 100% avoided.

We are constantly reviewing economic viability, market availability, and technical/static suitability using all of the above points.

In individual situations it can prove practical to deviate from the Design for Environment focuses.



# EUROPEAN LEVEL

There are many different eco labels for the office and contract furniture market. However most certifications only cover a small proportion of the relevant sustainability criteria. The result: Even experts find it difficult to judge which combination of individual labels makes the most sense. For this reason the FEMB (Fédération Européenne de Mobilier du Bureau, Europäischer Büromöbelverband) created a universal sustainability standard and the European LEVEL certificate, which is based on this standard. This sustainability standard provides product developers, manufacturers or furniture buyers with a detailed view of all relevant sustainability aspects.

## The benefits at a glance:

- + LEVEL is the only accredited standard for the Green Economy.
- + LEVEL is the most comprehensive sustainability standard for furniture.
- + Content covered by other labels is incorporated in LEVEL.
- + Systems with a legal basis or accreditation are recognised.
- + Benchmarks and limits from other labels have been integrated.
- + LEVEL fulfils market requirements for the Circular Economy.
- + LEVEL is highly credible and internationally recognised.

## Rating requirements

European LEVEL encompasses four impact areas: material, energy and atmosphere, human and environmental health, social responsibility:

### Material:

This impact area encompasses the materials and resources in the product development process: Selection of materials, efficient utilisation of resources, use of recycled materials, water and waste management, and packaging/product lifecycle:

- + wood and wood derivatives
- + Plastic parts
- + surface coatings / finishes
- + glues and adhesive materials
- + textiles, leather and upholstery materials
- + flame retardants and phthalates
- + packaging materials
- + eco balances
- + efficient use of resources
- + recycling materials
- + extended product responsibility
- + water and waste management.



### **Energy and atmosphere:**

This impact area encompasses points including the development of a company-specific energy policy, audits of energy and greenhouse gases, generation and use of renewable energies, grey energy contained within the product, and reports on greenhouse gas emissions:

- + company energy policy
- + recording energy consumption
- + evaluation of total energy efficiency
- + recognition for building certification
- + energy management system
- + grey energy
- + energy consumption of the finished product
- + Transport
- + renewable energies at the site and externally
- + greenhouse gases.

### **Human and environmental health:**

This impact area takes into account for instance the effect of chemical substances on humans and the natural environment. Products, production processes and measures to maintain and repair the production facilities are taken into consideration:

- + evidence of compliance with specifications
- + corporate guidelines for handling chemicals, risks and environmental management
- + EMAS, ISO 14001 or equivalent
- + chemical management in the production facility
- + effects of chemicals used in product, process and repair
- + avoidance of harmful chemicals.

### **Social responsibility:**

This impact area covers management techniques to recognise and avoid hazards to employees and the environment. The criteria include for example inclusion, community and social involvement by the company, and anchoring social responsibility across the supply chain:

- + health and safety of employees
- + employment rights and human rights
- + policy of social responsibility
- + external standards for health and safety management
- + inclusion programmes
- + community involvement
- + social responsibility reporting
- + promotion of social responsibility in the supply chain.

### **Certification levels**

LEVEL has three certification levels. Products can be labelled LEVEL 1, LEVEL 2 or LEVEL 3. The rating depends on the points achieved. The highest possible rank is LEVEL 3.

Almost all König + Neurath products in the desking, cupboard, partition and seating categories are certified. All certified products have achieved the highest possible certification level, LEVEL 3.



# FURNITURE MADE IN GERMANY



The term “Made in Germany” is not legally protected and not associated with a clear specification. This means there is no clear definition as to when a product may be described as “Made in Germany”. For this reason the German furniture industry association (Verband der Deutschen Möbelindustrie e.V.; VDM) has introduced the concept of “Möbel Made in Germany” for furniture, which as a definition along with a set of specified criteria serves as an identifier with requirements that regularly undergo external auditing at the production facility.

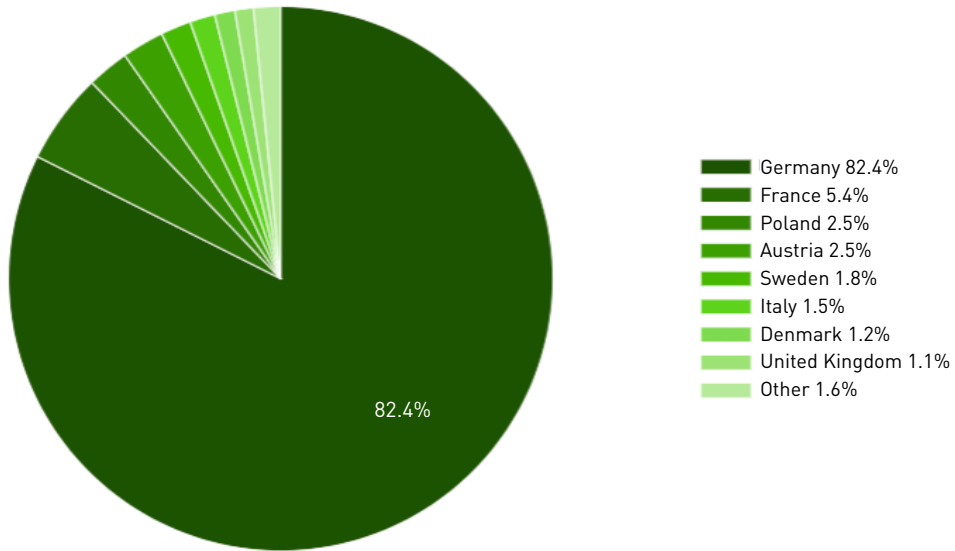
The criteria are extremely stringent and represent a high quality standard: All construction, assembly and quality checks must be carried out in Germany. Furthermore, the manufacturing process to which the quality checks are relevant must primarily be carried out in Germany.

König + Neurath has certified almost the complete portfolio of office and seating. Room systems and room dividers do not fall under the terms of these criteria, and are therefore not certifiable.

Suppliers to König + Neurath AG are a key factor for high product quality. Short distances to our suppliers support close cooperation and optimise transport distances and time taken. All our suppliers have to undergo an approval procedure. The majority of suppliers are regularly reviewed on the basis of supplier self-certification to ensure that they are compliant with the König + Neurath standards. Most of our suppliers are based in Germany. The geographical distribution by federal state is shown in the following graphics.

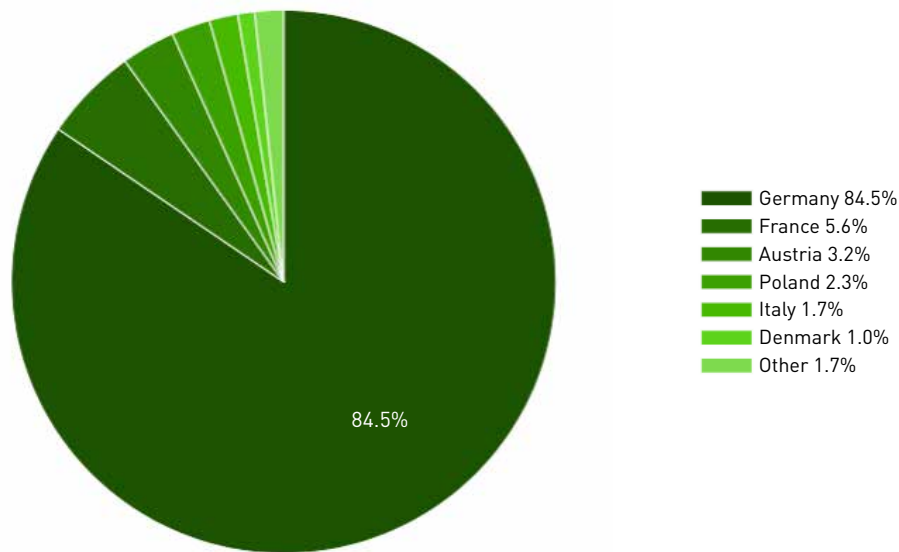
**State in which supplier is located**

Percentage of purchasing volume at König + Neurath AG, 2020 (%)



**State in which supplier is located**

Percentage of purchasing volume at König + Neurath AG, 2021 (%)



	2020	2021
Percentage of suppliers located in Europe [%]	100	100
Percentage of suppliers located outside Europe [%]	0	0



# ERGONOMICS

Ergonomics is the science of applying a regulative system to the human working environment. Almost all activities in daily life can be viewed in terms of ergonomics these days. At König + Neurath this includes screen-based working, as well as sitting in meetings. When we talk about ergonomics, we are usually referring to the area of “physical ergonomics”. One thing addressed here is workspace design in the office. One of its goals is avoiding physical damage caused by sitting and moving to people as they work. Since König + Neurath has set a goal of designing healthy workspaces, we draw on the instruments and findings of ergonomics for our product development. One example of this is the anatomically shaped backrest of a chair, or the option of adjusting a chair to fit the dimensions of the sitter, in other words changing seat height, depth or armrest position. We also integrate functions like these into our desks, especially height adjustable desks with electric motors or gas lift.

## **Ergonomics for desks**

The minimum ergonomic requirement of a desk is the option of adjusting its height to the user’s needs, a work surface that’s suitable in terms of reflective properties and warmth, as well as operating controls that are easy to access and ergonomically shaped. One factor that really adds value in terms of a dynamic working approach is to provide desks that allow the user to switch between sitting and standing. Switching between sitting and standing positions is more beneficial to users than just sitting in different positions. As well as improving physical wellbeing in a way that is immediately noticeable, changing posture at will has the effect of extending employees’ mental performance and radius of creative activity. Mental and physical agility influence each other. So the subject of sitting/standing plays a key role in our development of desk systems. As well as desks with motorised height adjustment we design desks with systems that do not require a hook-up.

## Seating ergonomics

Since people are different, it should be possible to adapt a chair precisely to the user's physical dimensions. This is the functional basis for the development of König + Neurath seating. As well as the actual functions, König + Neurath chairs all have ergonomically designed controls. Adapting the chair to the anthropometric parameters of the sitter is our basis for the concept of dynamic sitting: What is important here is that the pelvis is properly aligned and supported by the ischial bones. The spine is brought into an upright position, which supports its double-S form.

With the torso upright, the arms have better reach, there is more room in the abdomen for the internal organs and to allow deeper breathing. The upper body inclines forwards or backwards from the hip joints and not by bending the spine. Sitting up straight, leaning back, leaning forwards:

The best sitting position is always the next one! König + Neurath office chairs facilitate a variety of postures whilst offering support to sitters. As we see it, another key element in the concept of dynamic sitting is a good synchro mechanism. That's why König + Neurath has spent years developing mechanisms with outstanding ergonomic properties in-house. These include for instance a front seat edge that drops when the sitter leans back. König + Neurath uses the requirements of the TÜV Rheinland Ergonomics Certificate as a yardstick, and some of the König + Neurath office swivel chairs are certified according to this.



## Ergonomics in room systems

Creating good acoustic conditions is an important aspect of modern ergonomic office outfitting. Noise – caused by equipment or colleagues – significantly impairs concentration and decision time for employees, and therefore compromises their performance. Day-to-day noise like loud voices and ringing phones is already close to the upper limits of noise that is tolerated in the office. So for efficient and stress-free work in a shared office, a strategy to improve overall acoustics is urgently recommended.

Intelligent office outfitting solutions are able to reduce noise across the entire frequency range of sources that might be found in the office. Innovative, acoustically effective materials are used in the development of König + Neurath products. We use them to create intelligent space structuring systems and desk screens, so that as well as a screening effect they are also efficient absorbers of reverb and noise.



# MATERIALS

The main material groups at König + Neurath are steel, wood and wood derivatives, plastics and aluminium.

## Steel

Steel is used for instance in desk and cupboard frames, chair mechanisms and metal shelves. Visible steel parts are protected by solvent-free powder-based lacquers. This also enables a wide colour choice.

## Aluminium

Aluminium is significantly lighter than steel and can be formed easily. Because of its properties it is often used for instance for profiles in free-standing dividers and desktop screens. We also use it in the construction of room systems and in the form of cast aluminium in starbases for chairs.

In our cast aluminium parts, 100% of the aluminium comes from secondary sources. This means it is 100% recycled material. When recycled aluminium is used, the energy requirement is up to 95% lower than with the standard light metal extraction method from ore.

For extruded aluminium profiles, König + Neurath has opted for Hydro REDUXA. This is an aluminium with considerably lower carbon emissions compared with the European average, specifically a maximum of 4.0 kg CO<sub>2</sub>/kg aluminium. An externally verified EPD - Environmental Product Declaration confirms the correctness of this statistic).





### **Wood and wood-based materials**

König + Neurath has a high throughput of wood and wood-based materials. It is used for instance in work surfaces, cupboard, pedestal and sidefiler carcasses, and as wooden bases for visitor chairs. We have agreed with our wood derivatives suppliers that we will only accept chipboard containing wood from sustainable forestry. In doing so we ensure that around three quarters of all wood we buy originates from sustainable sources.

### **Upholstery fabrics**

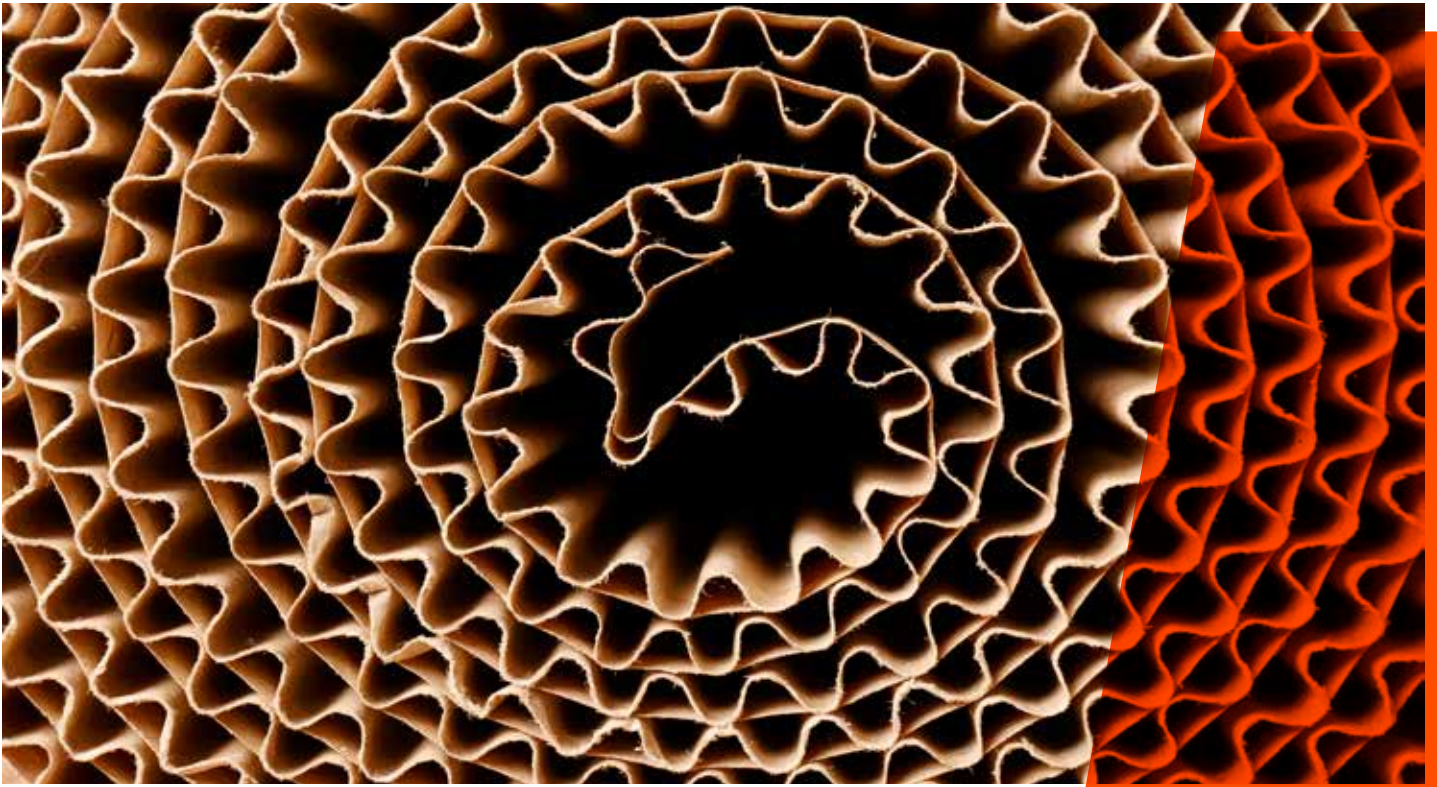
We set high standards for textiles before approving them for inclusion in the König + Neurath fabric – collection. Our collection only features fabrics that are certified in accordance with OEKO-TEX® STANDARD 100, EU Ecolabel, GREENGUARD Gold, Cradle to Cradle® and Indoor Advantage™ Gold. The leather in fabric group 50 carries the Blue Angel certification.

### **The use of recyclate and recycling potential at the end of the product life cycle**

Our product developers constantly evaluate whether it is possible to use recyclates. Recyclates are materials that have been used before and have become waste from either the industry process or the consumer. Whether recyclates can be used is decided on the basis of the static and aesthetic requirements of the product, as well as its assured availability on the market long-term. We aim to use as high a proportion of recyclates as possible in our products,

as long as we can do so without compromising product quality. Information about the proportion of recyclates in the products can be found in the K+N environment certificates, which are available from the media database.

At the end of the product lifecycle, when recycling is the only option left, our products are easy to dismantle and therefore mostly recyclable. To make dismantling easier, König + Neurath provides dismantling instructions for its main products. The idea is to make it easier to separate according to material type and recycle the individual materials.



# PACKAGING

Packaging fulfils an important function: It protects the products during transport and ensures that all products arrive at our customers undamaged. König + Neurath aims to minimise the packaging used. We apply the following measures to ensure we use as much packaging as necessary and as little as possible:

- + We use reusable furniture covers. (These furniture covers were introduced back in 1993)
- + With desks we only use cardboard packaging to protect the edges and legs, the desktops are unprotected.
- + We use LDPE (Low Density Polyethylene) wraps to protect the seating during transport, and in 2021 we reduced the thickness of these from 90 µm to 60 µm. This represents a material saving of 33%.
- + The cardboard used is 80-90% recycled material.
- + As we operate our own vehicle fleet, packaging can be transported back and reused.

# SERVICE AND PRODUCT QUALITY



## **Quality at König + Neurath**

The recipe for success of a company is frequently the quality of its products and services. By product quality we mean that every single product is safe, durable, not harmful to health, aesthetically pleasing, functional, sustainable and produced to a high standard. Service quality is just as important, and König + Neurath provides service for our own products. Our service colleagues are easy to contact, have a friendly attitude towards partners, customers and potential customers, and respond promptly to queries – in all, they provide excellent service. If there is a reason for complaint, we ensure that this is handled quickly, and that customers are kept happy.

All complaints we receive are reviewed, and this information is used to improve our products, production processes and service on an ongoing basis. This means we learn from every mistake.

To ensure that our own high quality expectations are constantly met, we have introduced a quality management system that is certified in line with DIN EN ISO 9001.

## **Quality begins in the supply chain**

König + Neurath products are made up of many individual components. 61 individual parts are needed just for the JET.III chair mechanism, some of which we produce ourselves or buy in from our suppliers. For the product to work as a whole, each individual part must have specific defined properties. We monitor this with spot checks as goods are received.

In this way the awareness of quality at König + Neurath impacts the entire supply chain. We work with our long-term suppliers to define the König + Neurath quality standards and develop products and services as a team.



## Internal product qualification and the GS mark

Before a product is ready for the market, it undergoes extensive testing in our in-house test lab at König + Neurath. These tests are based on the usual safety testing standards and reflect customer expectations. Only when all tests are completed with positive results are the products approved for the market.

To ensure a consistently high product quality and guarantee a high level of safety, we also have our products safety-tested by external test labs. As a result the König + Neurath products are awarded the GS mark, which stands for "Geprüfte Sicherheit" – tested safety of the products.



www.tuv.com  
ID 111223668  
The logo shown here is an example

## Quality Office certificate

The Quality Office product certification was established to label products that meet these high quality standards. The guidelines according to which the products are certified include the following criteria:



### Requirements of the fundamental product design:

- + The product must bear the GS mark.
- + All products with parts adjusted by electric motor must bear the CE mark.
- + The manufacturer must have installed a structured quality management system, for instance in line with DIN EN ISO 9001.

### Requirements for product-related services:

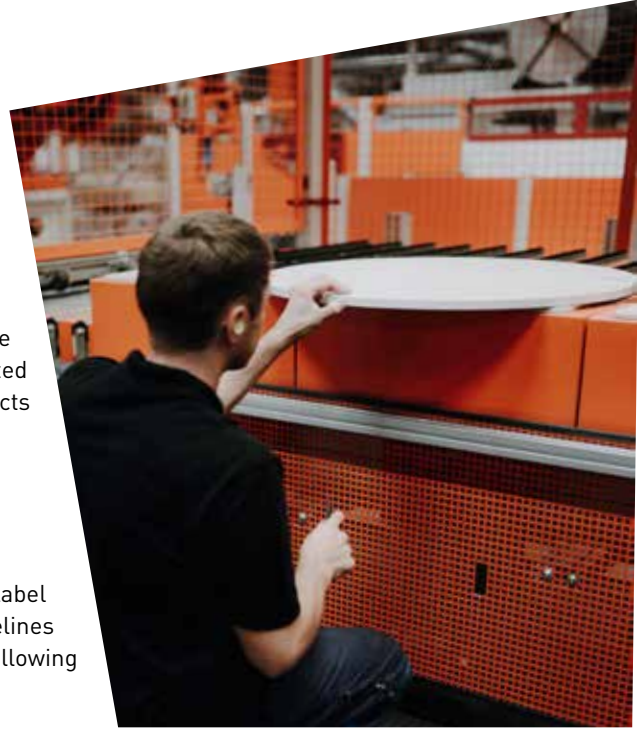
- + The sales organisation should have trained personnel in all sales regions for sales and advisory services.
- + All sales regions must have the opportunity of viewing and testing the core products and services in appropriate showrooms.
- + The sales organisation should have trained technical customer service personnel in all sales regions.

### Requirements for the environmental focus of products and services:

- + The manufacturer must have installed a structured environmental management system, for instance in line with ISO 14001 or EMAS II.
- + The materials used must be sortable by type for recycling.
- + The ecological properties of the materials used must reflect state-of-the-art technology. This should be documented with the relevant test labels or other independent evidence.
- + Upholstery and other foams must be low in hazardous substances and recyclable.

### Quality requirements of office chairs and furniture:

- + Applicable standards must be observed.
- + The dimensional requirements must be observed.
- + Examples of requirements for an office swivel chair:
  - office swivel chairs must be available with height-adjustable armrests.
  - to enable dynamic sitting, the seat and backrest must move synchronously, in other words in relation to each other.
  - the seat height must be adjustable.



# OVERVIEW PRODUCT CERTIFICATIONS

König + Neurath products go through numerous certification processes in order to prove that they meet all legal, normative, ecological and customer-specific requirements.

Each test institute operates its own platform on which the certified products are shown. The website links for these platforms are shown below.

All certificate documentation at company and product level can be downloaded from the [media database](#).

An overview of which certificates relate to the individual König + Neurath products is available from our individual product websites, and this information can also be found on the K+N environment certificates.

## GS mark

The GS certification guarantees that our products fulfil the quality and safety standards set down in the German Product Safety Act.



*The logo shown here is an example*

## Tested ergonomics

Ergonomic testing ensures that products are straightforward and efficient in use, keeping health effects and physical strain to a minimum even after long periods of use.



*The logo shown here is an example*

## Quality Office

Quality Office is a quality mark that combines many criteria for high-quality products, competent advice and tailored service, and it represents good office furniture.



## Blue Angel

The Blue Angel – the German government ecolabel – has been setting independent and highly respected standards for environmentally friendly products and services with a long lifespan since 1978. The Blue Angel is Germany's best-known ecolabel, and takes account of the whole product life cycle.



[www.blauer-engel.de/uz38](http://www.blauer-engel.de/uz38)



[www.blauer-engel.de/uz117](http://www.blauer-engel.de/uz117)



**European LEVEL**

Evaluates the four categories Materials, Energy and atmosphere, Health of people and ecosystem, and Social responsibility across three performance tiers. This makes it a highly comprehensive sustainability standard.



**SCS Indoor Advantage Gold**

Risk-based product emissions testing. Ensures compliance with strict emission limits. Recognised by numerous building certification systems such as LEED v4, BREEAM UK, BREEAM International and the WELL Building Standard.



INDOOR ADVANTAGE GOLD  
FURNITURE

**Furniture made in Germany**

With the designation “Möbel Made in Germany” as a geographical assurance of origin, consumers can be certain that they are buying products from German manufacturers. The label denotes the high quality of German furniture manufacturers, and for innovation, durability and healthy living.



# GRI CONTENT INDEX

This document refers to the following GRI Standards:

GRI disclosure	Designations	Page	Explanations
<b>GRI 102: General disclosures 2016</b>			
<b>1. Organisational profile</b>			
102 - 1	Name of organisation	7	
102 - 2	Activities, brands, products, and services	7	
102 - 3	Headquarters of organisation	8	
102 - 4	Location of operations	8	
102 - 5	Nature of ownership and legal form	6, 7	
102 - 6	Markets served	8	
102 - 7	Scale of organisation	7, 25, 26	
102 - 8	Information on employees and other workers	25, 26	
102 - 9	Supply chain	37, 50, 57, 58	
102 - 10	Significant changes to the organization and its supply chain	6, 25, 26	Changes to the Board of Directors and Supervisory Board. Changes in staffing levels.
102 - 11	Precautionary Principle or approach	14	
102 - 12	External initiatives	10 - 13	
102 - 13	Membership of associations	10	
<b>2. Strategy</b>			
102 - 14	Statement from senior decision-maker	3, 4	
<b>3. Ethics and integrity</b>			
102 - 16	Values, principles, standards, and norms of behaviour	9	
<b>4. Governance</b>			
102 - 18	Governance structure	6	
<b>5. Stakeholder engagement</b>			
102 - 40	List of stakeholder groups	15	
102 - 41	Collective bargaining agreements	11	
102 - 42	Identifying and selecting stakeholders	15	
102 - 43	Approach to stakeholder engagement	17, 18	
102 - 44	Key topics and concerns raised	16	

GRI disclosure	Designations	Page	Explanations
<b>6 Reporting practice</b>			
102 - 45	Entities included in the consolidated financial statements	6	
102 - 46	Defining report content and topic boundaries	16	
102 - 47	List of material topics	16	
102 - 48	Restatement of information		none
102 - 49	Changes in reporting		In addition to the PDF report document the content is displayed on a dedicated website. This is the first time that the report has covered two business years. The background of this is the postponement of the reporting periods because of the COVID-19 pandemic. New topics have been added to the report.
102 - 50	Reporting period		1 January 2020 – 31 December 2021 (two business years)
102 - 51	Date of last report		02/02/2021
102 - 52	Reporting cycle		Annual
102 - 53	Contact on questions regarding report		König + Neurath AG Büromöbel Systeme Industriestraße 1-3 61184 Karben T +496039 483-0 nachhaltigkeit@koenig-neurath.de koenig-neurath.com
102 - 54	Declaration on reporting in accordance with the GRI Standards	68	The GRI Standards are partially observed (applied selectively)
102 - 55	GRI content index	68 - 70	
102 - 56	External checks		Not performed
<b>GRI 103: Management Approach 2016</b>			
103 - 1	Explanation of the material topic and its boundaries	15, 16	
103 - 2	The management approach and its components	15, 16	
103 - 3	Evaluation of the management approach	15, 16	

GRI disclosure	Designations	Page	Explanations
<b>GRI 300: Ecology</b>			
<b>GRI 302: Energy 2016</b>			
302 - 1	Energy consumption within the organisation	43, 44	
302 - 4	Reduction of energy consumption	43, 44	
<b>GRI 303: Water and waste water 2018</b>			
303 - 3	Water use	38	
<b>GRI 305: Emissions 2016</b>			
305 - 1	Direct (Scope 1) GHG emissions	46, 47	
305 - 2	Energy indirect (Scope 2) GHG emissions	46, 47	
305 - 5	Reduction of GHG emissions	46, 47	
<b>GRI 306: Effluents and waste 2016</b>			
306 - 2	Waste by type and disposal method	40, 41	
<b>GRI 400: Social disclosures</b>			
<b>GRI 403: Occupational health and safety 2018</b>			
403 - 4	Employee involvement, consultation and communication regarding occupational health and safety	27	
403 - 5	Worker training on occupational health and safety	27 - 30	
403 - 6	Promotion of worker health	35	
403 - 9	Work-related injuries	27 - 30	
<b>GRI 404: Training and education 2016</b>			
404 - 1	Average hours of training per year per employee	32	
<b>GRI 405: Diversity and equal opportunity 2016</b>			
405 - 2	Ratio of basic salary and remuneration of women to men	11	
<b>GRI 416: Customer Health and Safety 2016</b>			
416 - 1	Assessment of the health and safety impacts of product and service categories	65	
<b>GRI 419: Socioeconomic Compliance</b>			
419 - 1	Non-compliance with laws and regulations in the social and economic area	23	

# LIST OF APPENDICES



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The 17 goals for sustainable development and services provided by König + Neurath AG



## APPENDIX 2

Declaration on compliance



## APPENDIX 3

Code of Conduct



## APPENDIX 4





















Supplier guidelines – Code of Conduct for suppliers

# APPENDIX 1

THE 17 GOALS FOR  
SUSTAINABLE  
DEVELOPMENT AND  
SERVICES PROVIDED BY  
KÖNIG + NEURATH AG



# THE 17 GOALS FOR SUSTAINABLE DEVELOPMENT AND SERVICES PROVIDED BY KÖNIG + NEURATH AG

		Management systems 	Compliance Management	Hazardous substances management	Occupational health management	K+N Excellence 	level 	Explanations
 <b>1 NO POVERTY</b>								All König + Neurath AG production is at the company headquarters in Karben. Salary and wages are specified in collective agreements. Most of the direct suppliers to König + Neurath AG are based in Germany. The rest are in Europe. This minimises the risk of in-work poverty at these companies. To ensure fair pay throughout the supply chain, König + Neurath has set out a Code of Conduct for suppliers.
 <b>2 ZERO HUNGER</b>								König + Neurath AG operates an in-house staff restaurant. This ensures that all employees have access to a balanced breakfast and lunch on site. The restaurant is not profit-driven, making it possible to offer a competitively priced meal selection. At the moment no organically produced foods are available. To help food production become more sustainable, in future the menu will be oriented to the following criteria: Regional origin, eco-friendly production, reduction of meat and milk products.
 <b>3 GOOD HEALTH AND WELL-BEING</b>								To promote employee health, a company health management policy was implemented in 2016. This ensures that diverse opportunities are open to all employees. However the programme had to be limited drastically due to the Covid pandemic. A flu and Covid 19 vaccination campaign was offered to employees at the Karben facility during this reporting period. König + Neurath set up a workplace safety committee to manage employee health and safety and introduce improvements. A company doctor offers all employees regular occupational medical examinations.
 <b>4 QUALITY EDUCATION</b>								König + Neurath has been successfully training wood mechanics, industrial mechanics, mechatronics engineers, machine and plant operators, industrial clerks and IT specialists for decades. König + Neurath AG offers the degree apprenticeship course Bachelor of Engineering in Wood Manufacturing (DHBW Mosbach), which allows a combination of theoretical learning phases at university with an apprenticeship qualification. As regards in-house training, there is an academy operating in line with the "K+N Excellence" principles that's primarily concerned with LEAN principles but also teaches a range of soft skills. "K+N Excellence" is an overarching system that constantly analyses, investigates and improves processes throughout the value chain.
 <b>5 GENDER EQUALITY</b>								At König + Neurath AG, all employees are treated with respect and dignity. Everyone is treated equally. The following definition is set down in the König + Neurath Code of Conduct: "The directors, supervisory board and employees are loyal to the company and its goals. They are the central success factors of the company and every employee is respected. All employees should treat each other with high regard, mutual understanding, openness and fairness. Discrimination and harassment are not tolerated and no one may be treated favourably or unfavourably or harassed because of their ethnic origins, skin colour, nationality, gender, religion or philosophy, or other characteristics protected by law."
 <b>6 CLEAN WATER AND SANITATION</b>								A wastewater treatment system is in operation at the production site, which cleans the wastewater from the powder coating facilities before it enters the municipal sewage system. The wastewater is monitored on a regular basis. The wastewater from the water filters in the liquid paint systems are recirculated and periodically disposed of. Drinking water dispensers have been installed throughout the company through the occupational health management scheme to allow all employees access to free drinking water at the production facility.
 <b>7 AFFORDABLE AND CLEAN ENERGY</b>								A significant amount of the heat needed at the production facility is generated by the combustion of sawmill scraps from production waste. In 2020 this accounted for 30% of energy consumption at König + Neurath AG and in 2021 this figure stood at 27%. An on-site solar power installation has been operating on the metal processing hall since 2000. The power generated was fed into the municipal electricity network until the end of 2021. As of 2022 they have been using this energy to power the facility. The power consumed at the site consists of around 65% renewable energy (the statistics used to identify this energy mix are based on 2020 supplier data). König + Neurath AG aspires to increase the proportion of renewable energy at point of consumption, and at the same time reduce this consumption significantly.
 <b>8 DECENT WORK AND ECONOMIC GROWTH</b>								A works council has been set up, which is available on a walk-in basis for all employees who require legal representation in employment-related issues and acts on behalf of all employees in any negotiations with the employer. Furthermore the works council ensures compliance with the conditions of the collective wage agreement. This ensures that the employment relationship is on fair terms.
 <b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>								König+Neurath AG promotes sustainable industrialisation. This means that the economic, environmental and social impact is a key factor in all investment decisions. One example of this is construction of the new warehouse in 2021 at the Karben production site. It was designed as a cold storage depot so that no energy at all would be required to heat it. All material storage and retrieval is automated. They have achieved this using cutting-edge automation technology. There is a greened roof to offset the soil sealing.
 <b>10 REDUCED INEQUALITIES</b>								At König + Neurath AG, all employees are treated with respect and dignity. Everyone is treated equally. The following definition is set down in the König + Neurath Code of Conduct: "The directors, supervisory board and employees are loyal to the company and its goals. They are the central success factors of the company and every employee is respected. All employees should treat each other with high regard, mutual understanding, openness and fairness. Discrimination and harassment are not tolerated and no one may be treated favourably or unfavourably or harassed because of their ethnic origins, skin colour, nationality, gender, religion or philosophy, or other characteristics protected by law."
 <b>11 SUSTAINABLE CITIES AND COMMUNITIES</b>								König + Neurath AG has a strong regional identity. Egon König, the company's sole owner until his death in 2019, was from Karben. Karben not only profits from the tax revenue generated by König + Neurath's head office in the town, but also from the company's hands-on commitment to the community. For instance, in 2020 they donated community masks sewn in-house to the town fire brigade to protect them from Covid. They also try to use any industrial waste heat to provide heating for local residential areas.
 <b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>								Products made by König + Neurath AG meet very high sustainability standards. We observe all the current sustainability requirements for relevant product certification, such as Blue Angel and the European LEVEL sustainability standard. These independent product certifications are evidence of the high quality you can expect from König + Neurath products with respect to sustainability aspects. Continuous improvement strategies are implemented in production, making it possible to achieve higher efficiency with reduced consumption of resources and energy. Chemical handling is carried out in line with strictly defined regulations, which are set out in a process specification. König + Neurath AG follows the precautionary principle, so that potential risks are identified in advance and minimised using appropriate measures.
 <b>13 CLIMATE ACTION</b>								König + Neurath AG is very aware of the risks associated with the global rise in temperature. For this reason it is essential to act quickly and decisively. Both direct and indirect action is taken to record and reduce greenhouse gas emissions at the production site. This refers both to the supply chain and to all related activities within the company. Reduction of GHG emissions is prioritised over compensation. The measures are implemented and monitored through the management systems, as well as the "K+N Excellence" scheme, and backed up with certification.
 <b>14 LIFE BELOW WATER</b>								König + Neurath AG takes responsibility for clean water as well. For this reason they only discharge wastewater into the public sewage system if it is suitable for treatment in the municipal water treatment works. Any heavily contaminated wastewater from the liquid paint system filters is disposed of using a method that eliminates possible risk to aquatic life. The staff restaurant menu is of relevance to the fishing industry. What varieties of fish are available? Are they from overfished stocks? Are sustainable fishing methods used? In future there will be more focus on menu sustainability.
 <b>15 LIFE ON LAND</b>								Alongside climate protection, which is very much in the public spotlight, it is equally important to protect ecosystems and maintain biodiversity. Global deforestation and species extinction is ongoing. König + Neurath takes responsibility in this context as well and can help support SDG 15 with the following measures: - By buying more timber from sustainable forestry - Upgrading buildings with green space / roof greening / unsealing of surfaces where possible - Encouraging sustainable farming by offering regional and organic menus in the employee restaurant in future.
 <b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b>								König + Neurath AG takes a clear stance against bribery and corruption. The Code of Conduct says: No employee may make available or offer undue advantages to business partners, their employees or other third parties within the scope of business activities of any kind. This applies in particular if this advantage is likely to influence the recipient's actions and decisions. This should be observed in particular with regard to public office holders and civil servants, for example when awarding a contract." König + Neurath AG and all business partners are committed to observing the core standards of ILO (International Labor Organisation).
 <b>17 PARTNERSHIPS FOR THE GOALS</b>								The corporate policy of König + Neurath AG is characterised by the values of partnership, reliability, innovation, authenticity, high quality and a dynamic approach. This includes cooperation with suppliers on a partnership level. Long-term business relationships and fair buying conditions are important features of the procurement policy at König + Neurath. Supplier guidelines have been drawn up to guarantee that the values of König + Neurath AG are reflected throughout the supply chain as well. For a good business relationship and mutually trusting partnership it is essential for both parties to respect the same values.

# APPENDIX 2

## DECLARATION ON COMPLIANCE

## Erklärung zur Compliance

Liebe Mitarbeiterinnen und Mitarbeiter,

der Vorstand der König + Neurath AG hat mit Unterstützung des Aufsichtsrates schon im Februar 2017 beschlossen, die wichtigsten Grundsätze für ein verantwortungsvolles und rechtmäßiges unternehmerisches Handeln in einem Code of Conduct zusammenzufassen. Dieser Code of Conduct ist das Regelwerk, an das sich alle Mitarbeiterinnen und Mitarbeiter des Hauses zu halten haben und das nach Fachbereichen getrennt detailliert geregelt wurde. Es folgt einer freiwilligen Selbstverpflichtung des Unternehmens.

Der Code of Conduct ist das wesentliche Element für die Erfüllung der rechtlichen Verpflichtung zur Compliance, nämlich zum Handeln entsprechend den Regeln und Gesetzen auf nationaler und internationaler Ebene. Er soll auch gegenüber den Geschäftspartnern durchgesetzt werden.

Die König + Neurath AG besteht seit 1925 und ist seit dieser Zeit stetig gewachsen, nicht nur auf dem nationalen Markt. Die Produkte der König + Neurath AG werden europa- und weltweit vertrieben. Die internationale Verknüpfung macht es nötig, die Bedeutung von Compliance und deren Einhaltung zu unterstreichen. Die Vielzahl und Komplexität der rechtlichen Vorschriften erhöht die Gefahr von Rechtsverstößen.

Der allen Mitarbeiterinnen und Mitarbeitern zugängliche Code of Conduct gilt für das Unternehmen nicht nur am nationalen Standort Karben, sondern auch für die Tochtergesellschaften und die Fachhandelspartner. Vorstand und Aufsichtsrat erwarten von jeder Mitarbeiterin und jedem Mitarbeiter, dass der Code of Conduct zur Kenntnis genommen und beachtet wird.

Karben, den 13.07.2021



**Hartmut Hagemann**  
Vorstandsvorsitzender, Vorstand  
Unternehmensstrategie, Marketing  
und Vertrieb



**Dirk Fischer**  
Vorstand Produktion, Technik und  
Einkauf



**Jürgen Neubert**  
Vorstand Finanz- und  
Rechnungswesen, Controlling, IT,  
Digitalisierung und Personal

# APPENDIX 3

## CODE OF CONDUCT

## Code of Conduct

### Vorbemerkung

Dieser Code of Conduct beruht auf der Erklärung des Vorstands zur Compliance vom 08.02.2017 in der Fassung vom 01.03.2021 in Abstimmung mit dem Betriebsrat und mit Zustimmung des Aufsichtsrats.

Die folgenden Regeln gelten für das gesamte Unternehmen König + Neurath AG und auch für seine Geschäftspartner in Vertrieb und Einkauf. Über die folgenden Regeln hinaus gibt es besondere detaillierte Regelungen, die nur bestimmte Bereiche betreffen, wie beispielsweise die Geldwäscherichtlinie für den Finanzbereich oder die Einkaufsrichtlinie für den Einkauf.

### 1. Verpflichtung zur Einhaltung von Gesetzen

Vorstand, Aufsichtsrat und Mitarbeiterinnen sowie Mitarbeiter der König + Neurath AG sowie die Geschäftspartner in Einkauf und Vertrieb sind verpflichtet, im Rahmen ihrer Tätigkeit für das Unternehmen bestehende Gesetze, Verordnungen und sonstige Normen zu beachten. Dies gilt besonders im internationalen Geschäft und beinhaltet die Pflicht, sich über die Rechtslage in Exportländern zu informieren.

Insbesondere ist hier auf die von der ILO (International Labor Organisation) erarbeiteten Kernarbeitsnormen hinzuweisen, zu deren Erfüllung die König + Neurath AG verpflichtet ist. Dazu gehören

- Vereinigungsfreiheit und Schutz des Vereinigungsrechts ([ILO Nr. 87](#))
- Vereinigungsrecht und Recht zu Kollektivverhandlungen ([ILO Nr. 98](#))
- Verhinderung jedweder Form von Zwangsarbeit und moderner Sklaverei ([ILO Nr. 29 + 105](#))
- Verhinderung von Kinderarbeit ([ILO Nr. 138 + 182](#))
- Verbot jedweder Diskriminierung ([ILO Nr. 111 + 100](#))

### 2. Mitarbeiterinnen und Mitarbeiter

Vorstand, Aufsichtsrat und die Mitarbeiterinnen sowie Mitarbeiter sind loyal eingestellt gegenüber dem Unternehmen und seinen Zielen. Sie sind die zentralen Erfolgsfaktoren des

Unternehmens und jede Mitarbeiterin und jeder Mitarbeiter wird respektiert. Der Umgang aller Mitarbeiterinnen und Mitarbeiter miteinander soll von Wertschätzung, gegenseitigem Verständnis, Offenheit und Fairness geprägt sein.

Diskriminierung und Belästigung werden nicht geduldet und niemand darf wegen seiner ethnischen Herkunft, seiner Hautfarbe, seiner Nationalität, seinem Geschlecht, seiner Religion oder Weltanschauung oder sonstiger gesetzlich geschützter Merkmale benachteiligt, begünstigt oder belästigt werden.

### **3. Bestechung und Korruption; Vertrieb, Export und Einkauf**

Im Zusammenhang mit Geschäftstätigkeiten jedweder Art darf keine Mitarbeiterin und kein Mitarbeiter einem Geschäftspartner, dessen Mitarbeiterinnen sowie Mitarbeitern oder sonstigen Dritten unzulässige Vorteile verschaffen, anbieten oder von diesen entgegennehmen. Dies gilt insbesondere dann, wenn dieser Vorteil dazu geeignet wäre, Handlungen und Entscheidungen des Empfängers zu beeinflussen. Besonders zu beachten ist dies gegenüber Amtsträgern und öffentlichen Angestellten, beispielsweise bei der Vergabe.

Näheres regelt die **Richtlinie zur Vermeidung von Korruption im Geschäftsverkehr**, die über das Vorstandssekretariat (Frau Freitag) von der relevanten Personengruppe angefordert werden kann. In Zweifelsfällen ist grundsätzlich der unmittelbare Vorgesetzte oder der Compliancebeauftragte anzusprechen.

Diese Regeln zur Vermeidung von Korruption gelten uneingeschränkt auch für die Geschäftspartner der König + Neurath AG in Einkauf und Verkauf.

### **4. Einhaltung kartellrechtlicher Regeln**

Die König + Neurath AG ist zu fairem Wettbewerb auf nationaler und internationaler Ebene verpflichtet. Weder die Vertriebspartner, noch die Mitarbeiterinnen und Mitarbeiter dürfen sich auf rechtswidrige Praktiken einlassen, wie beispielsweise Angebotsabsprachen, die dazu dienen, den Wettbewerb auszuschließen, zu verzerren oder einzuschränken.

## 5. Umweltschutz

Der Umweltschutz ist durch zahlreiche Gesetze und Verordnungen geregelt und deren Beachtung führt zu nachhaltiger und schonender Produktion. Die Mitarbeiterinnen und Mitarbeiter werden durch den Umweltmanagementbeauftragten unterstützt, dessen **Umweltschutzrichtlinie** über das Vorstandssekretariat angefordert werden kann.

## 6. Datenschutz

Alle Angehörigen des Unternehmens sind verpflichtet, die geltenden Grundsätze zum Datenschutz (DSGVO) von Kundinnen und Kunden, Beschäftigten und sonstigen Geschäftspartnern zu beachten.

Näheres regeln die **Datenschutzrichtlinien Teil 1 - 3**, welche über das Vorstandssekretariat angefordert werden können.

## 7. Vermeidung von Geldwäsche

Die König + Neurath AG ist als Produzent und Vertreiber von Gütern gesetzlich verpflichtet, Maßnahmen zur Vermeidung von Geldwäsche zu ergreifen.

Als Verpflichteter im Sinne des Geldwäschegesetzes hat König + Neurath AG eine **Geldwäscherichtlinie** insbesondere für den Vertrieb und die Finanzbuchhaltung erarbeitet, die von der relevanten Personengruppe im Vorstandssekretariat angefordert werden kann.

## 8. Meldung von Complianceverstößen

Die König + Neurath AG erwartet von seinen Mitarbeiterinnen sowie Mitarbeitern und Geschäftspartnern, dass Complianceverstöße, von denen diese Kenntnis erhalten, dem Vorstand oder dem Aufsichtsrat, dem unmittelbaren Vorgesetzten oder dem Compliancebeauftragten zur Kenntnis gebracht werden.

Compliancebeauftragte der König + Neurath AG sind Herr Johannes Andreas Brenning und Herr Thomas Fehr.

Demjenigen, der eine entsprechende Meldung macht, wird daraus keinerlei Vergeltungsmaßnahme oder Benachteiligung erwachsen.

## 9. Folgen von Verstößen gegen den Code of Conduct

Zum gesetzmäßigen Handeln sind alle Mitarbeiterinnen und Mitarbeiter des Unternehmens verpflichtet. Kommt es zu Verstößen gegen das Regelwerk, kann das Unternehmen zu den üblichen arbeitsrechtlichen Maßnahmen wie Ermahnung, Abmahnung oder Kündigung greifen.

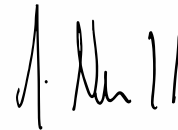
Fassung vom 13.07.2021

Handwritten signature of Hartmut Hagemann in black ink.

Hartmut Hagemann  
**Vorstandsvorsitzender, Vorstand  
Unternehmensstrategie, Marketing  
und Vertrieb**

Handwritten signature of Dirk Fischer in black ink.

Dirk Fischer  
**Vorstand Produktion, Technik und  
Einkauf**

Handwritten signature of Jürgen Neubert in black ink.

Jürgen Neubert  
**Vorstand Finanz- und  
Rechnungswesen, Controlling, IT,  
Digitalisierung und Personal**



# APPENDIX 4

## SUPPLIER GUIDELINES – CODE OF CONDUCT, SUPPLIERS

# **Lieferantenrichtlinie – Code of Conduct, Lieferanten**

## **1 Präambel**

Die König + Neurath AG bekennt sich zu einer ökologischen und sozial verantwortungsvollen Unternehmensführung. Dies wird auch von allen Lieferanten unseres Hauses erwartet. Wir setzen diese Grundsätze auch bei unseren Mitarbeiter\*innen voraus und sie sind Bestandteil unserer Unternehmenskultur. Wir sind bestrebt, laufend unser unternehmerisches Handeln und unsere Produkte im Sinne der Nachhaltigkeit zu optimieren, und fordern unsere Lieferanten auf, entsprechend dazu beizutragen.

Die Partner dieser Vereinbarung, Lieferanten und die König + Neurath AG, beschließen für ihre zukünftige Zusammenarbeit die Regelungen, die sich aus diesem Code of Conduct ergeben. Die Lieferanten verpflichten sich, diese Grundsätze und Anforderungen zu erfüllen, und sie bemühen sich darum, ihre Unterauftragnehmer vertraglich zur Einhaltung eben dieser im folgenden aufgeführten Standards und Regelungen zu verpflichten. Diese Vereinbarung tritt in Kraft mit Unterzeichnung der Lieferantenselbstauskunft, die Voraussetzung für die Belieferung der König + Neurath AG ist. Ein Verstoß gegen diesen Code of Conduct kann für die König + Neurath AG Grund sein, die Geschäftsbeziehung einschließlich aller zugehörigen Lieferverträge zu diesem Lieferanten zu beenden.

Dieser Code of Conduct ergibt sich aus nationalen und internationalen Gesetzen, Vorschriften und Übereinkommen, wie beispielsweise dem Global Compact der Vereinten Nationen, der im Jahr 2016 von der König + Neurath AG unterzeichnet wurde.

## **2 Anforderungen an Lieferanten**

### **2.1 Soziale Verantwortung**

#### **2.1.1 Ausschluss von Zwangsarbeit**

Es darf in der Lieferkette keine Zwangsarbeit, Sklavenarbeit oder derartig vergleichbare Arbeit eingesetzt werden. Die Arbeit muss freiwillig sein und die Mitarbeiter\*innen müssen jederzeit in der gesetzlich geregelten Weise das Arbeits- oder Beschäftigungsverhältnis beenden können. Übergriffe wie psychische Härte, sexuelle oder persönliche Belästigung dürfen nicht stattfinden. Die einschlägigen ILO-Konventionen (Internationale Arbeitsorganisation der UN) sind zu befolgen.

### **2.1.2 Verbot der Kinderarbeit**

Kinderarbeit ist ausgeschlossen. Die Lieferanten sind aufgefordert, sich an die Empfehlungen der ILO-Konventionen zu halten, wobei das reguläre Mindestalter 15 Jahre beträgt. Der Lieferant hat alles zu unternehmen, um Kinderarbeit zu verhindern, wenn er von ihr Kenntnis erhält.

### **2.1.3 Faire Entlohnung**

Die Entlohnung für reguläre Arbeitsstunden und Überstunden hat dem jeweiligen nationalen gesetzlichen Mindestlohn oder den tariflich vereinbarten Mindeststandards zu entsprechen. Der Lieferant hat sicherzustellen, dass die Arbeitnehmer klare, detaillierte und regelmäßige schriftliche Informationen über die Zusammensetzung ihrer Entlohnung erhalten.

### **2.1.4 Faire Arbeitszeiten**

Arbeits- und Erholungszeiten müssen mindestens den nationalen Gesetzen beziehungsweise den tariflichen Vereinbarungen entsprechen. Bei Überstunden und der Dauer der Arbeitszeiten sind die ILO-Konventionen zu beachten.

### **2.1.5 Vereinigungsfreiheit**

Die Lieferanten haben dafür Sorge zu tragen, dass die Rechte der Mitarbeiter\*innen, eine Arbeitnehmervertretung zu bilden und kollektiv Verhandlungen zu führen, im Rahmen der nationalen Gesetzgebung beachtet werden. Arbeitnehmervertreter sind vor Diskriminierung zu schützen und es muss sichergestellt sein, dass sie ihre Rechte in gesetzmäßiger und friedlicher Weise wahrnehmen können.

### **2.1.6 Integration von Behinderten**

Menschen mit Behinderung sollen in besonderem Maße vom Unternehmen unterstützt werden. Die Neueinstellung und Ausbildung von Menschen mit Behinderung soll gefördert werden.

### **2.1.7 Diskriminierungsverbot**

Die Diskriminierung von Mitarbeiter\*innen ist unzulässig. Dies gilt für Benachteiligungen in jeder Form aufgrund des Geschlechts, des Alters, der Hautfarbe, der Kultur, einer Behinderung, der ethnischen Herkunft, der Religionszugehörigkeit oder sexueller

Orientierung, ohne dass diese Aufzählung abschließend ist. Die persönliche Würde jedes Einzelnen wird respektiert.

### **2.1.8 Sicherheit am Arbeitsplatz**

Der Lieferant hat für ein gesundes und sicheres Arbeitsumfeld Sorge zu tragen. Er informiert die Beschäftigten regelmäßig über geltende Gesundheitsschutz- und Sicherheitsnormen im Betrieb. Sicherheitskleidung wird erforderlichenfalls gestellt und zur Verfügung gestellte Unterkünfte müssen menschenwürdigen Bedingungen entsprechen.

### **2.1.9 Umgang mit Konfliktmineralien**

Für Konfliktmineralien (Zinn, Wolfram, Tantal, Gold) sowie Rohstoffe wie Kobalt entwickeln der Lieferant beziehungsweise die Vorgänger in der Lieferkette Prozesse, die in Übereinstimmung mit den Leitsätzen der Organisation für wirtschaftliche Zusammenarbeit und Entwicklung (OECD) für die Erfüllung der Sorgfaltspflicht zur Förderung verantwortungsvoller Lieferketten für Mineralien aus Konflikt- und Hochrisikogebieten sind.

## **2.2 Umwelt- und Energiestandards**

### **2.2.1 Vorsorgeprinzip**

Der Lieferant soll im Umgang mit Umweltrisiken dem Vorsorgeprinzip folgen. Das bedeutet, dass die denkbaren Belastungen für die Umwelt bzw. für die menschliche Gesundheit im Voraus vermieden oder weitestgehend verringert werden.

### **2.2.2 Umweltbewusstsein fördern**

Das Umweltbewusstsein soll vom Lieferanten in seinem Wirkungsbereich gefördert werden.

### **2.2.3 Behandlung von industriellem Abwasser**

Abwasser aus den Betriebsabläufen ist vor Einleitung beziehungsweise Entsorgung zu typisieren, zu überwachen, zu überprüfen und bei Bedarf zu behandeln. Maßnahmen müssen ergriffen werden, um die Erzeugung von Abwasser ständig zu reduzieren.

#### **2.2.4 Emissionen**

Luft- und Lärmemissionen sind vor der Freisetzung zu typisieren, zu überwachen, zu überprüfen und bei Bedarf zu behandeln. Abgasreinigungssysteme sind regelmäßig vom Lieferanten zu prüfen und es sollte sich ständig bemühen, Emissionen zu minimieren.

Treibhausgasemissionen sind weitestgehend, nach aktuellem Stand der Technik, zu minimieren.

#### **2.2.5 Abfall und gefährliche Stoffe**

Abfall und gefährliche Stoffe sind auf ein Minimum zu reduzieren und verantwortungsvoll zu entsorgen, vorzugsweise zu recyceln. Bei Chemikalien oder sonstigen Materialien, deren Freisetzung in die Umwelt eine Gefahr darstellen, ist höchste Sorgfalt bei Beförderung, Lagerung, Nutzung oder beim Recyceln geboten. Für Gefahrstoffe ist der verantwortungsvolle Umgang zur Gefahrenabwehr zu regeln.

#### **2.2.6 Verbrauch von Rohstoffen**

Der Einsatz und Verbrauch von Rohstoffen und natürlichen Ressourcen während der Produktion sowie die Erzeugung von Abfall jeglicher Art sind zu reduzieren und zu vermeiden. Dabei sind Wiederaufbereitungsprozesse einzubinden.

#### **2.2.7 Energieverbrauch/-effizienz**

Besonderes Augenmerk ist auf den Energieverbrauch zu richten: Dieser ist zu überwachen und zu dokumentieren und es muss ständig nach wirtschaftlichen Lösungen gesucht werden, um die Energieeffizienz zu verbessern und den Energieverbrauch zu minimieren.

Der Einsatz von erneuerbaren Energien ist zu fördern.

#### **2.2.8 Holz und Holzwerkstoffe**

Der Lieferant stellt sicher, dass Holz ausschließlich aus legalen, nachhaltigen Quellen stammt. Die an die König + Neurath AG gelieferten Teile aus Holz und Holzwerkstoffen enthalten ausschließlich Holz, das den Bestimmungen der Verordnung (EU) Nr. 995/2010 (Holzhandelsverordnung, EUTR) entspricht.

### **2.2.9 Verantwortungsvolle Rohstoffbeschaffung**

Bei der Beschaffung aller Rohstoffe ist auf deren nachhaltige Herkunft zu achten. Das bedeutet, dass stets alle anwendbaren nationalen Gesetze und Verordnungen eingehalten und Umweltauswirkungen so gering wie möglich gehalten werden müssen.

### **2.2.10 Verpackungen**

Die Ware ist gegen Beschädigung ausreichend zu schützen, unnötige Verpackung ist zu vermeiden. Ebenso sollte Verpackungsmaterial verwendet werden, welches recyclingfähig ist und schon aus recycelten Stoffen hergestellt wurde. Soweit möglich, sollten Mehrwegverpackungen bevorzugt eingesetzt werden.

### **2.2.11 Schädliche Inhaltsstoffe**

Inhaltsstoffe, die eine Gefahr für Mensch und Umwelt darstellen, sind zu vermeiden bzw. zu reduzieren. Lieferanten sind dazu aufgefordert die König + Neurath AG zu informieren, sollten Gefahrstoffe substituiert werden können.

Stoffe, die auf der SVHC-Kandidatenliste der ECHA stehen, müssen die maximal zulässigen Grenzwerte einhalten und unterliegen der Informationspflicht nach Artikel 33 der REACH-Verordnung. Der König + Neurath AG ist unaufgefordert mitzuteilen, sollten Stoffe der SVHC-Kandidatenliste über 0,1 Gew.-% in der Ware enthalten sein.

Stoffe, die im Anhang XIV der REACH-Verordnung (Liste der zulassungspflichtigen Stoffe) aufgeführt sind, müssen registriert sein.

Erzeugnisse oder Komponenten mit elektronischen Bauteilen müssen konform zur RoHS-Richtlinie sein.

Zusätzlich sind die Anforderungen der Chemikalien-Verbotsverordnung und sonstiger gesetzlicher Verordnungen zu berücksichtigen.

## **2.3 Verantwortung für ethisches Geschäftsverhalten**

### **2.3.1 Fairer Wettbewerb**

Der Lieferant hat die Regeln der fairen Geschäftstätigkeit, der fairen Werbung und des fairen Wettbewerbs zu beachten. Gleiches gilt für die Anwendung der Kartellgesetze und das Unterlassen von wettbewerbsbeschränkenden Absprachen. Absprachen von Preisen und Konditionen sind unzulässig, ebenso Abreden, die Kunden in ihrer Freiheit beschränken, ihre Preise und sonstigen Konditionen bei Wiederverkauf autonom zu bestimmen.

### **2.3.2 Vertraulichkeit und Datenschutz**

Der Lieferant hat bei der Erfassung, Speicherung, Verarbeitung und Weitergabe von persönlichen Daten die Gesetze zu Datenschutz und Informationssicherheit und die behördlichen Vorschriften dazu zu beachten. Dies gilt insbesondere für die Einhaltung der Datenschutz-Grundverordnung.

### **2.3.3 Geldwäsche**

Die König + Neurath AG erwartet, dass ihre Lieferanten die einschlägigen gesetzlichen Verpflichtungen zur Geldwäscheprävention einhalten und sich nicht an Finanztransaktionen beteiligen, die direkt oder indirekt Geldwäsche unterstützen.

### **2.3.4 Korruptionsbekämpfung**

Der Lieferant hat bei allen Geschäftsaktivitäten höchste Integritätsstandards zugrunde zu legen. Er muss zur Vermeidung aller Formen von Bestechung, Korruption, Erpressung und Unterschlagung eine Null-Toleranz-Politik verfolgen, die auch die König + Neurath AG verfolgt. Der Lieferant hat Verfahren zur Überwachung und Durchsetzung dieser Normen zu gewährleisten, um Korruption zu verhindern.

### **2.3.5 Interessenkonflikte**

Lieferanten müssen jeden Interessenkonflikt vermeiden oder aktiv regeln (u.a. durch Heraushalten aus jeglicher Entscheidungsfindung) und jeden Interessenkonflikt, der durch die Verbindung zur König + Neurath AG entsteht, offenlegen.

### **2.3.6 Whistleblowing und Schutz vor Vergeltung**

Von den Lieferanten wird erwartet, dass sie Prozesse (Whistleblowing-System) etablieren, die es ermöglichen, dass Bedenken anonym und vertraulich und ohne Vergeltungsmaßnahmen geäußert werden können.

### **3 Überwachung der Einhaltung des Code of Conduct**

Die König + Neurath AG erwartet von ihren Lieferanten in Bezug auf Lieferketten, dass sie die Risiken innerhalb der Lieferketten identifizieren und angemessene Maßnahmen dagegen ergreifen. Bei Verdacht auf einen Verstoß gegen diese Regelungen wird der Lieferant die König + Neurath AG zeitnah darüber und über die dagegen ergriffenen Maßnahmen informieren.

Die König + Neurath AG kann die Einhaltung des Code of Conduct in geeigneter Weise in Absprache mit dem Lieferanten von Zeit zu Zeit überprüfen. Vom Grundsatz her ist der Lieferant mit entsprechenden Audits nach angemessener Vorankündigung einverstanden.

Stellt die König + Neurath AG einen Verstoß gegen die Regelung dieses Code of Conduct fest, so wird sie dem Lieferanten dies innerhalb von einem Monat schriftlich mitteilen und ihm eine angemessene Frist setzen, um den Verstoß abzustellen. Erfolgt der Verstoß schuldhaft und macht er die Fortsetzung des Vertrages für die König + Neurath AG unmöglich, so ist diese zur außerordentlichen Kündigung berechtigt. Daneben besteht ein Recht auf Schadenersatz.

### **4 Einverständnis des Lieferanten**

Der Lieferant nimmt diesen Code of Conduct zusammen mit der Selbstauskunft zur Kenntnis und erkennt diese mit seiner Unterschrift unter die Lieferantenselbstauskunft ausdrücklich als verbindlich an.



