

KEEP
CHANG
GING

KEEP

CHANGE

HOW WE

PART 1



HOW WE
THINK

WE ACHIEVED AN IMPORTANT INTERMEDIATE OBJECTIVE AT THE END OF 2016: TAKKT IS THE ROLE MODEL FOR SUSTAINABILITY IN THE INDUSTRY. WE ACHIEVED THIS BY MAKING SUSTAINABILITY AN INTEGRAL PART OF EVERY AREA OF OUR COMPANY AND MAKING PROGRESS IN ALL FOCUS AREAS. **OUR ASPIRATION IS TO CONTINUE THESE EFFORTS AND NOT TO REST ON WHAT WE ACHIEVED BUT TO EXPAND OUR POSITION AS A ROLE MODEL FOR SUSTAINABILITY IN OUR INDUSTRY.**



THIS IS AN
OFFICE CHAIR



**AND A PLACE
TO STOP
CLIMATE CHANGE**

Guided by the principles of sustainability, we actively support environmental and climate protection in our core business. Our largest sales company in Europe, KAISER+KRAFT Germany, took the next step in climate protection in early 2018 by making its entire company carbon-neutral. This makes KAISER+KRAFT Germany the first major B2B direct marketing company for business equipment to have a fully balanced climate record.

→ nachhaltigkeit.kaiserkraft.de/100-klimaneutral



THIS IS A PARCEL



AND ASSURANCE THAT CHILD LABOR HAD NO HAND IN IT

Child labor is completely out of the question – and definitely not part of how we do things at TAKKT. All suppliers are required to adhere to international labor and social standards, in particular the ban on child labor, in the manufacturing of the products sold by TAKKT. TAKKT has been an active supporter of the Global Compact Initiative of the United Nations since the beginning of 2012 and thus stands by the universal principles of sustainability, including the area of human rights. Since 2014, TAKKT has been one of a few German companies to achieve the Global Compact “Advanced Level” status.

→ www.unglobalcompact.org/what-is-gc/participants/16275#cop

THIS IS ALL THE BUSINESS
EQUIPMENT YOU NEED



**AND THE CERTAINTY THAT
YOU HAVE MADE YOUR
PURCHASE WITH FORESIGHT**

For TAKKT as a direct marketing specialist for business equipment, an important part of the value chain already lies in the procurement of goods. For this reason, TAKKT places a strong emphasis on sustainability in its supply chain. TAKKT does this by collaborating with the internationally recognized EcoVadis platform. The evaluation allows the relevant aspects of sustainable practices to be shown in a transparent manner in the business models of the suppliers while identifying where there is room for improvement.

→ nachhaltigkeit.kaiserkraft.de/oekonomie/einkauf/ecovadis

KEEP CHANGING 2017 | SUSTAINABILITY AT TAKKT

HOW WE THINK

THIS IS A WIDE SELECTION OF
SPECIALTY PRODUCTS FOR OUR
CUSTOMERS' BUSINESSES



**AND THE CERTAINTY
THAT ALL RESOURCES ARE BEING
USED CAREFULLY**

TAKKT aims to use resources as carefully as possible, in our warehouses as well as our office locations. Introducing and continually expanding certified environmental and energy management systems allow us to continuously improve the way resources are used in our business activity.

[-> blog.ratioform.de/iso-zertifizierung-bei-ratioform](https://blog.ratioform.de/iso-zertifizierung-bei-ratioform)

THIS IS THE LOGIN TO OUR
INTERNET PORTAL



**AND A PROMISE THAT YOUR
ORDER WILL BE SENT CARBON-
NEUTRAL AND WITH THE
SHORTEST DELIVERY TIME**

We view the possibilities opened up by digitalization as an opportunity to systematically expand our e-commerce business to enable our customers to place orders simply and directly via all digital channels and to have their orders sent carbon-neutrally with the shortest delivery time. In keeping with our goal of informing our customers about the best business equipment for them, we maintain communications via digital channels as well as catalogs printed carbon-neutrally and personal conversation.

[→ www.hubert.com/content/corporate-responsibility](http://www.hubert.com/content/corporate-responsibility)

KEEP CHANGING 2017 | SUSTAINABILITY AT TAKKT

HOW WE THINK

THIS IS THE LEADING B2B DIRECT
MARKETING SPECIALIST FOR BUSI-
NESS EQUIPMENT



AND A PLACE WHERE PEOPLE
TAKE SOCIAL RESPONSIBILITY

Social commitment is an important component in our understanding of responsible action. TAKKT sees itself as a driver of social involvement and supports local activities. TAKKT has been working for ecological and societal issues for many years. We do this on two levels: On the one hand, as a company we support institutions and organizations that rely on external assistance. On the other, we actively encourage our employees' volunteer work in social projects and organizations.

[-> www.nationalbusinessfurniture.com/blog/volunteering-at-nbf](http://www.nationalbusinessfurniture.com/blog/volunteering-at-nbf)

THIS IS THE MOST SUSTAINABLE
B2B DIRECT MARKETING
SPECIALIST IN THE INDUSTRY



**AND A PROMISE THAT IT
WILL BE IN THE FUTURE**

TAKKT is of the firm conviction that long-term business success is not possible without sustainable action. We will continue on our path to make sustainability an integral part of our company strategy. Our goal is to create a long-term balance between economic, ecological and social concerns in order to optimize the benefits for all stakeholders.

→ www.takkt.de/en/sustainability



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KEEP CHANGING

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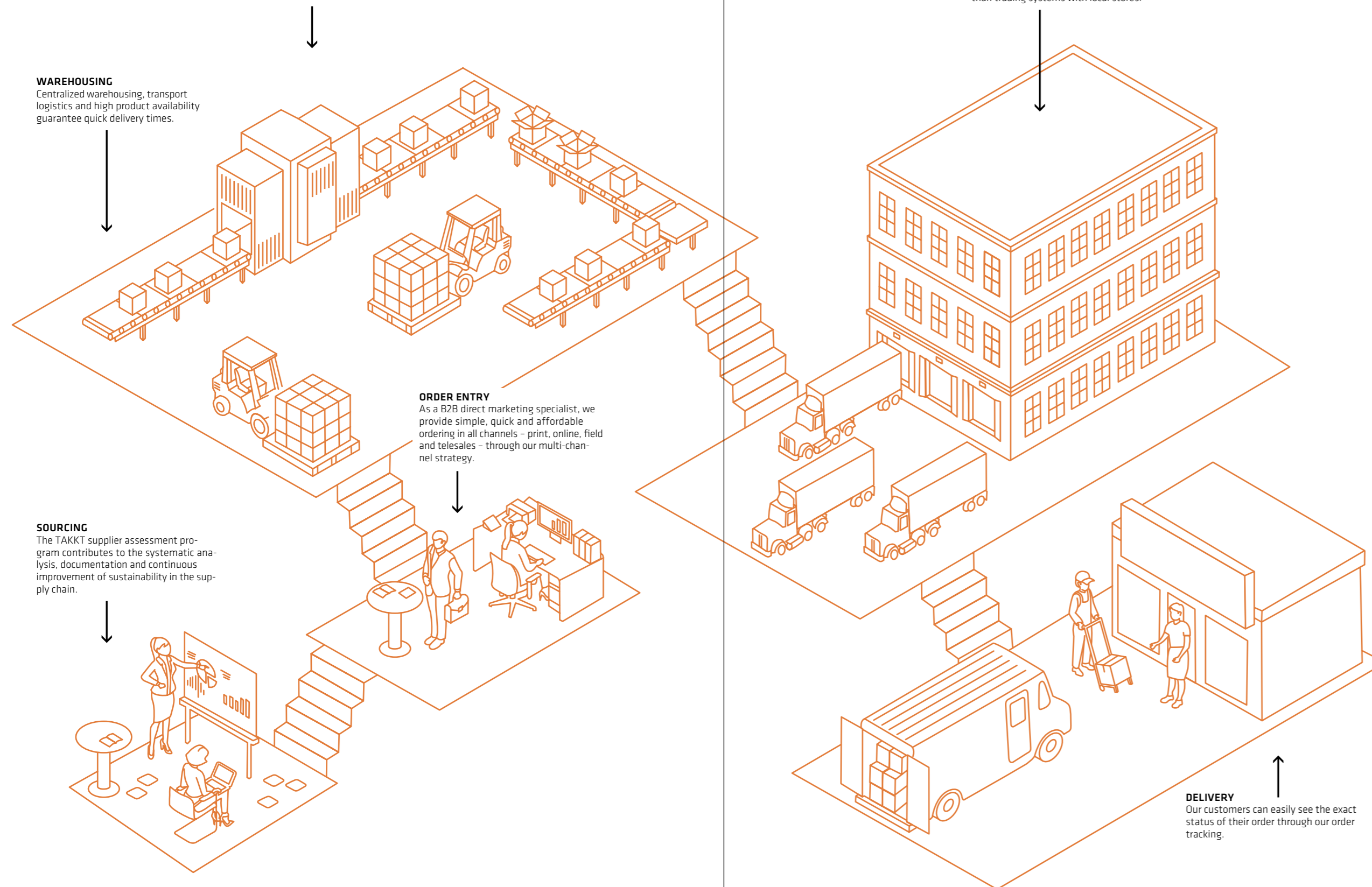
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TAKKT BUSINESS MODEL
↓

TAKKT HAS SET ITSELF THE GOAL OF EXPANDING ITS POSITION AS A ROLE MODEL FOR SUSTAINABILITY IN ITS INDUSTRY UNTIL THE END OF 2020. AS PART OF A COMPREHENSIVE STAKEHOLDER DIALOGUE, WE HAVE DEVELOPED CONCRETE PROJECTS AND MEASURES IN OUR IDENTIFIED FOCUS AREAS THAT ARE DESIGNED TO BE REACHED BY THE END OF 2020. WE MADE SIGNIFICANT PROGRESS AGAIN IN 2017.

TAKKT BUSINESS MODEL



TAKKT HAS SET ITSELF THE GOAL OF EXPANDING ITS POSITION AS A ROLE MODEL FOR SUSTAINABILITY IN ITS INDUSTRY UNTIL THE END OF 2020. AS PART OF A COMPREHENSIVE STAKEHOLDER DIALOGUE, WE HAVE DEVELOPED CONCRETE PROJECTS AND MEASURES IN OUR IDENTIFIED FOCUS AREAS THAT ARE DESIGNED TO BE REACHED BY THE END OF 2020. WE MADE SIGNIFICANT PROGRESS AGAIN IN 2017.

FELIX ZIMMERMANN, HEIKO HEGWEIN,
DIRK LESSING AND CLAUDE TOMASZEWSKI



**INTERVIEW ABOUT THE
SUSTAINABILITY STRATEGY 2020**

“WE ARE OF THE FIRM CONVICTION THAT
LONG-TERM BUSINESS SUCCESS IS
NOT POSSIBLE WITHOUT SUSTAINABLE
ACTION.”



TAKKT is now a leader in its industry in terms of sustainability. What were the main factors behind this success?

FELIX ZIMMERMANN: Based on our company tradition of using resources carefully, at TAKKT we are of the firm conviction that long-term business success is not possible without sustainable action. For this reason, we began in 2011 to establish sustainability as an integral part of our corporate strategy throughout the Group. With SCORE (Sustainable Corporate Responsibility), we have rooted a Group-wide organizational structure in the entire company that allows us to implement measures across all levels and divisions in day-to-day business and to steer these in a targeted manner.

DIRK LESSING: In my opinion, an important factor in this is that TAKKT, as an active supporter of the Global Compact Initiative of the United Nations, has been committed since early 2012 to responsible corporate management. As part of this, TAKKT has pledged to uphold the 10 universal principles of sustainability pertaining to human rights, work standards, environmental protection and fighting corruption, and to ensure their prevalence. With the last comprehensive Sustainability Report, TAKKT was one of a few German companies to achieve the Global Compact “Advanced Level” status again.

CLAUDE TOMASZEWSKI: Another component is creating transparency of the results and progress we have achieved. We developed clear parameters in 2011 as part of our sustainability strategy. That allowed us to steer our sustainability activities in a targeted manner over time. Our comprehensive sustainability reporting is certainly also an important indicator. Our TAKKT sustainability reports have been in accordance with the guidelines of the internationally recognized standards of the Global Reporting



FELIX ZIMMERMANN
CHAIRMAN OF THE
MANAGEMENT BOARD, CEO

"WE WILL CONTINUE RESOLUTELY ON OUR PATH TO MAKE SUSTAINABILITY AN INTEGRAL PART OF OUR COMPANY STRATEGY."

"TAKKT VIEWS THE POSSIBILITIES OPENED UP BY DIGITALIZATION AS AN OPPORTUNITY TO FOCUS MORE CLEARLY ON THE NEEDS OF ITS CUSTOMERS."

Initiative (GRI) since the beginning. With the 2017 sustainability report, we are applying the new GRI standards published in October 2016 for the first time. These new standards replace the previous GRI-G4 standard.

The new TAKKT sustainability strategy is aimed at achieving targets by the end of 2020. How did you develop the new strategy and the new goals?

FELIX ZIMMERMANN: In 2016, TAKKT developed its new sustainability strategy until the end of 2020 as part of a comprehensive dialogue with stakeholders. As part of that, the focus areas that had been defined until the end of 2016 – sourcing, marketing, logistics, resources & climate, employees and society – were confirmed once again by the stakeholders. Goals, concrete measures and projects to be achieved by the end of 2020 were then defined for the individual focus areas.

On which measure of the new sustainability strategy do you want to pay particular attention to?

CLAUDE TOMASZEWSKI: The level of social commitment among our employees, especially those in the US, which has impressed us for years, has led us to consider how we can better support and encourage our employees in this. As a result, we made it our goal to continue to expand the percentage of employees who have the option of taking paid leave to pursue social causes in the entire TAKKT Group in order to better live up to our local social responsibility. It is our sincere hope that a large number of our employees will utilize this opportunity.

DIRK LESSING: Even if this is not a defined goal as part of the TAKKT sustainability strategy, I am particularly proud of the fact that we were able to make our largest European sales company, KAISER+KRAFT Germany, carbon-neutral in early 2018. This

makes KAISER+KRAFT Germany the first major B2B direct marketing company for business equipment to have a fully balanced climate record. We intend to continue on the path we are on, to strengthen and maintain our position as a role model in the industry.



CLAUDE TOMASZEWSKI
MEMBER OF THE
MANAGEMENT BOARD, CFO

"WE BEGAN EARLY ON TO CREATE CARBON FOOTPRINTS IN ORDER TO HAVE THE GREATEST TRANSPARENCY OF OUR CARBON EMISSIONS."

"IN OUR FOCUS AREAS OF MARKETING AND LOGISTICS WE WILL OFFSET OUR CARBON EMISSIONS STEP-BY-STEP."



DIRK LESSING
MEMBER OF THE
MANAGEMENT BOARD

"TAKKT HAS BEEN AN ACTIVE SUPPORTER OF THE UN GLOBAL COMPACT INITIATIVE SINCE EARLY 2012."

"I AM PARTICULARLY PROUD THAT WE WERE ABLE TO MAKE KAISER+KRAFT GERMANY CARBON-NEUTRAL AT THE BEGINNING OF 2018."

HEIKO HEGWEIN: As the Board member responsible for the digital transformation, the topics of technology and innovation are particularly important to me. We are working hard at TAKKT to do so by successively expanding carbon-neutral web shops and also by retaining "digital talents" in the company. For example, the current Project Workspace at the Stuttgart facility is creating a new, modern and more attractive work environment to offer our employees the best-possible working conditions for the long term.

The topic of carbon emissions is big news right now. How is TAKKT positioned in regard to this?

CLAUDE TOMASZEWSKI: We began early on to create ISO 14064-1-certified carbon footprints for our major Group companies to ensure the greatest possible transparency for the carbon emissions along our value chain. We have implemented projects and measures based on these results in order to sustainably reduce the carbon emissions that result from this. This has been done by conversion to LED lighting at our warehouse locations, for example. Carbon emissions can only be reduced to a certain extent, however. This is why we intend to offset our carbon emissions in our focus areas of marketing and logistics, which cause the highest carbon emissions, step-by-step by supporting carefully selected and certified climate protection projects.

Which sustainability challenges is TAKKT currently facing?

FELIX ZIMMERMANN: TAKKT views the possibilities opened up by digitalization as an opportunity to focus more clearly on the needs of its customers and to provide exactly the products and services to fulfill them. We strive to meet our responsibility as a company here as well and are confident that our sustainability strategy is a true competitive advantage. We have increased the

effectiveness of customer-oriented marketing by systematically expanding e-commerce business, while also conserving resources by significantly decreasing the amount of paper used. In general, at TAKKT we are of the firm conviction that long-term business success is not possible without sustainable action. We will therefore continue resolutely on our path to make sustainability an integral part of our company strategy.

Thank you for this conversation.



HEIKO HEGWEIN
MEMBER OF THE
MANAGEMENT BOARD

"AS THE BOARD MEMBER RESPONSIBLE FOR THE DIGITAL TRANSFORMATION, THE TOPICS OF TECHNOLOGY AND INNOVATION ARE PARTICULARLY IMPORTANT TO ME."

"THE PROJECT WORKSPACE WILL OFFER OUR EMPLOYEES THE BEST POSSIBLE WORKING CONDITIONS THROUGH A MORE MODERN WORK ENVIRONMENT."

CODE OF VALUES



RESPECTING REALITY



At TAKKT, we ensure that corporate reality is immediately visible and perceptible to staff and management. This means that we communicate transparently and clearly, act in a direct and straightforward manner and managers and employees know how their performance is contributing to the success of the company.

PRACTISING PARTNERSHIP



At TAKKT, we strive to do everything we can to ensure that our customers and suppliers regard us as a partner for our mutual success and that they are highly motivated to work closely together with us. Consistent very high customer satisfaction, outstanding service quality and promoting our mutual benefit are all top priorities for us. We want to be better than the competition.

TAKING RESPONSIBILITY



At TAKKT, we actively accept our social responsibility and are committed to calling for and promoting ecological and human values. We take care to respect individual and cultural characteristics and consider sustainability an important element of our competitive advantage.

ACTING SYSTEMATICALLY



At TAKKT, we are constantly working on making our actions measurable, scalable and more efficient. The combination of judgement and consistency in the implementation of the TAKKT business model makes it possible to actively manage our profitability and value-creation for the benefit of all stakeholders.

ENSURING CONTINUITY



At TAKKT, we stand for continuity and reliability, especially in times of change. Our actions are always undertaken with medium- and long-term goals in mind. We are committed to growth with substance, continuous learning and consistent adaptation to changes and new conditions.

ACTING IN TRUST



At TAKKT, we are true to our word. With that in mind, reliability and transparent behaviour are the benchmark for our actions. Even in case of conflicts, we assume good intentions, provide support and search together for workable solutions. Trust, respect and meeting others on equal terms are essential values for us.

CODE OF CONDUCT



The United Nations Global Compact is the world's largest strategic initiative for socially committed companies and other interest groups. Like us, they are committed to aligning their strategies and business activities to the ten universally recognized principles from the areas of human rights, labor standards, environmental protection and the fight against corruption. We have developed the TAKKT Code of Conduct, which is the guiding principle for our daily collaboration, based on these principles.

PART 2

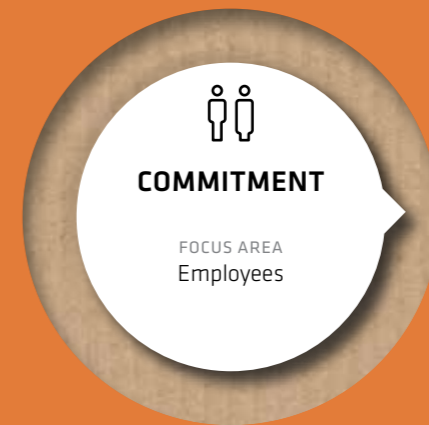


HOW WE ACT

OUR FOCUS AREAS



FOR SUSTAINABLE CORPORATE RESPONSIBILITY



We take responsibility for the entire life cycle of the products we sell – from sourcing to their use, including the disposal of materials and packaging. The excellent quality of our products ensures our customers that the products will have a long useful life.

In the course of our digital transformation, e-commerce is becoming our most important sales channel. In the traditional catalogue business, we make sure that resources are used efficiently at all steps of the process – from catalogue production to the sending of advertising materials.

Our single-tier direct sales business model to the end customer generates significant environmental advantages over multi-tier distribution systems. At the same time, it allows high product availability, short delivery times, adherence to delivery dates and optimized transport of goods.

In all business processes, we focus on those areas with the greatest savings or improvement potential. Modern environmental and energy management systems and respective certifications are a standard for us and our business partners along the entire value chain.

The basis of teamwork at TAKKT is mutual respect. We invest a great deal of time and resources in the targeted advancement and development of our staff because they are the pillar of our success.

As part of society, TAKKT sees itself as a driver of social involvement and supports local activities. Active involvement in social projects comes from our employees, who provide material and non-material support on site.

STATUS 2017



		KEY FIGURES		STATUS 2016	STATUS 2017*
CORE BUSINESS	SOURCING	Share of sourcing volume from certified suppliers	%	40.5	46.8
		Share of direct imports sourcing volume from certified suppliers	%	-	39.8
		Share of sales with sustainable ("green") products	%	9.8	9.3
	MARKETING	Share of carbon-neutral advertising materials per year	%	-	12.1
		Paper consumption print advertising materials per order	kg	-	5.4
		Carbon-neutral web shops for major companies		-	7
	LOGISTICS	Share of carbon-neutral shipments			
		- thereof parcel delivery	%	-	91.4
		- thereof general cargo delivery from distribution center	%	-	44.7
ENVIRONMENT	RESOURCES & CLIMATE	Carbon footprints for major companies		10	13
		Environmental management systems for major companies		3	6
		Energy management systems for major companies		-	4
		Energy consumption at GER / US locations per order	MJ	-	70.6
COMMITMENT	EMPLOYEES	New hires digital agenda: Share of retained "digital talents"	%	-	90.9
		Diversity: Share of women in top executive positions	%	-	10.5
	SOCIETY	Share of employees who have the option of taking paid leave for local volunteer involvement	%	41.2	65.7
		Share of employees who took part in local volunteer projects	%	-	15.1

- Previous year figures not provided as this was not part of the old sustainability strategy up to the end of 2016
 * Without Mydisplays and OfficeFurnitureOnline (Acquisition in January 2018)

GOALS 2020



		KEY FIGURES		GOALS FOR 2020
CORE BUSINESS	SOURCING	Share of sourcing volume from certified suppliers	%	50 - 60
		Share of direct imports sourcing volume from certified suppliers	%	30 - 40
		Share of sales with sustainable ("green") products	%	12 - 15
	MARKETING	Share of carbon-neutral advertising materials per year	%	100
		Paper consumption print advertising materials per order	kg	6.0 - 6.5
		Carbon-neutral web shops for major companies		15
	LOGISTICS	Share of carbon-neutral shipments		
		- thereof parcel delivery	%	100
		- thereof general cargo delivery from distribution center	%	90 - 100
ENVIRONMENT	RESOURCES & CLIMATE	Carbon footprints for major companies		15 - 18
		Environmental management systems for major companies		10 - 13
		Energy management systems for major companies		5 - 8
		Energy consumption at GER / US locations per order	MJ	50 - 55
COMMITMENT	EMPLOYEES	New hires digital agenda: Share of retained "digital talents"	%	> 50
		Diversity: Share of women in top executive positions	%	> 10
	SOCIETY	Share of employees who have the option of taking paid leave for local volunteer involvement	%	55 - 60
		Share of employees who took part in local volunteer projects	%	8 - 12

FOR US AS A COMMERCIAL ENTERPRISE, AN IMPORTANT PART OF THE VALUE CHAIN LIES IN THE PROCUREMENT OF GOODS.



FOR THIS REASON, WE PLACE A STRONG EMPHASIS ON SUSTAINABILITY IN THE SUPPLY CHAIN.

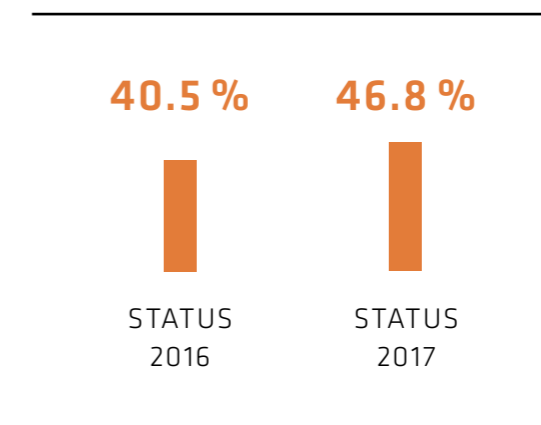


SHARE OF SOURCING VOLUME FROM CERTIFIED SUPPLIERS

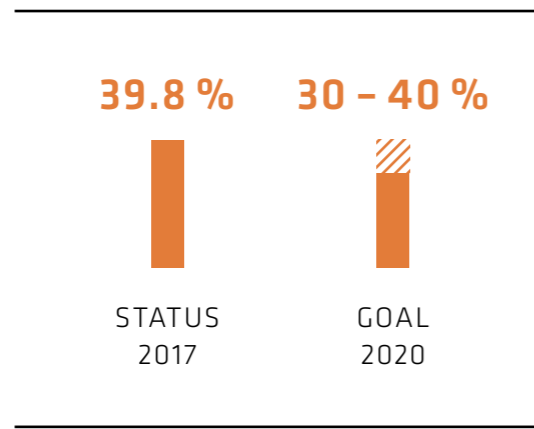


GOAL BY 2020

50 – 60 %



SHARE OF DIRECT IMPORTS SOURCING VOLUME FROM CERTIFIED SUPPLIERS



Sustainability is not confined to the company itself. Especially for us as a direct marketing specialist with diverse supplier relationships, it is important to consider the entire supply chain. With the integration of relevant criteria in the existing supplier evaluation program, we intend to systematically record, document and improve sustainability in our supply chain. That is why we successfully tested the supplier assessment program EcoVadis as early as 2013 and rolled it out in our Group in the following years. After having achieved a significant sourcing volume from certified suppliers by 2016, we also intend to achieve a significant share of certified direct imports. By the end of 2017, we have already reached our target range of 30 - 40 % direct imports sourcing volume from certified suppliers. In addition to supplier certification based on sustainability criteria, TAKKT is also focusing on expanding its

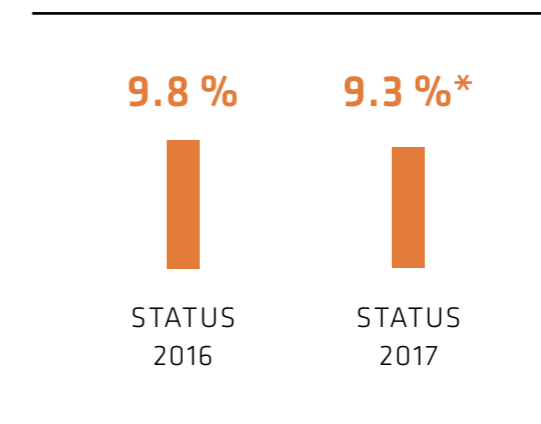
range of sustainable products that meet the highest standards in terms of environmental impact and sustainability. Wherever possible, we make use of externally certified products. A successful example is the range of EUROKRAFT Active Green products sold by KAISER+KRAFT, for which an environmental performance report certified by the German Association for Technical Inspection (TÜV) was created; the carbon emissions generated during production are completely offset. Ratioform offers a broad range of particularly environmentally friendly packaging solutions. In the US, NBF offers a range of sustainably produced office furniture in its web shop. Central and Hubert also sell certified products (for example EnergyStar) that account for a relevant portion of sales.

SHARE OF SALES WITH SUSTAINABLE PRODUCTS



GOAL BY 2020

12 - 15 %



* Decreasing share of sales with sustainable products due to adjustment in the definition of sustainable products at KAISER+KRAFT Group.

OUR MULTI-CHANNEL STRATEGY
ADDRESSES OUR CUSTOMERS VIA
CLASSICAL AND DIGITAL CHANNELS.



IN BOTH AREAS, WE ARE INCREASING
EFFICIENCY AND PURSUING OUR
GOAL OF BEING CARBON NEUTRAL.



SHARE OF CARBON-NEUTRAL
ADVERTISING MATERIALS
PER YEAR



GOAL BY 2020

100 %



12.1 %



STATUS
2017

IN COMPARISON TO MULTI-TIER DISTRIBUTION SYSTEMS, WE PRODUCE LESS EMISSIONS WITH OUR SINGLE-TIER DIRECT SALES BUSINESS MODEL.



EMISSIONS FROM SHIPPING CANNOT BE AVOIDED ENTIRELY, WHICH IS WHY WE OFFSET THESE.



SHARE OF CARBON-NEUTRAL PARCEL DELIVERY



GOAL BY 2020

100 %



91.4 %



STATUS
2017

SHARE OF CARBON-NEUTRAL GENERAL CARGO DELIVERY FROM DISTRIBUTION CENTER



GOAL BY 2020

90 - 100 %

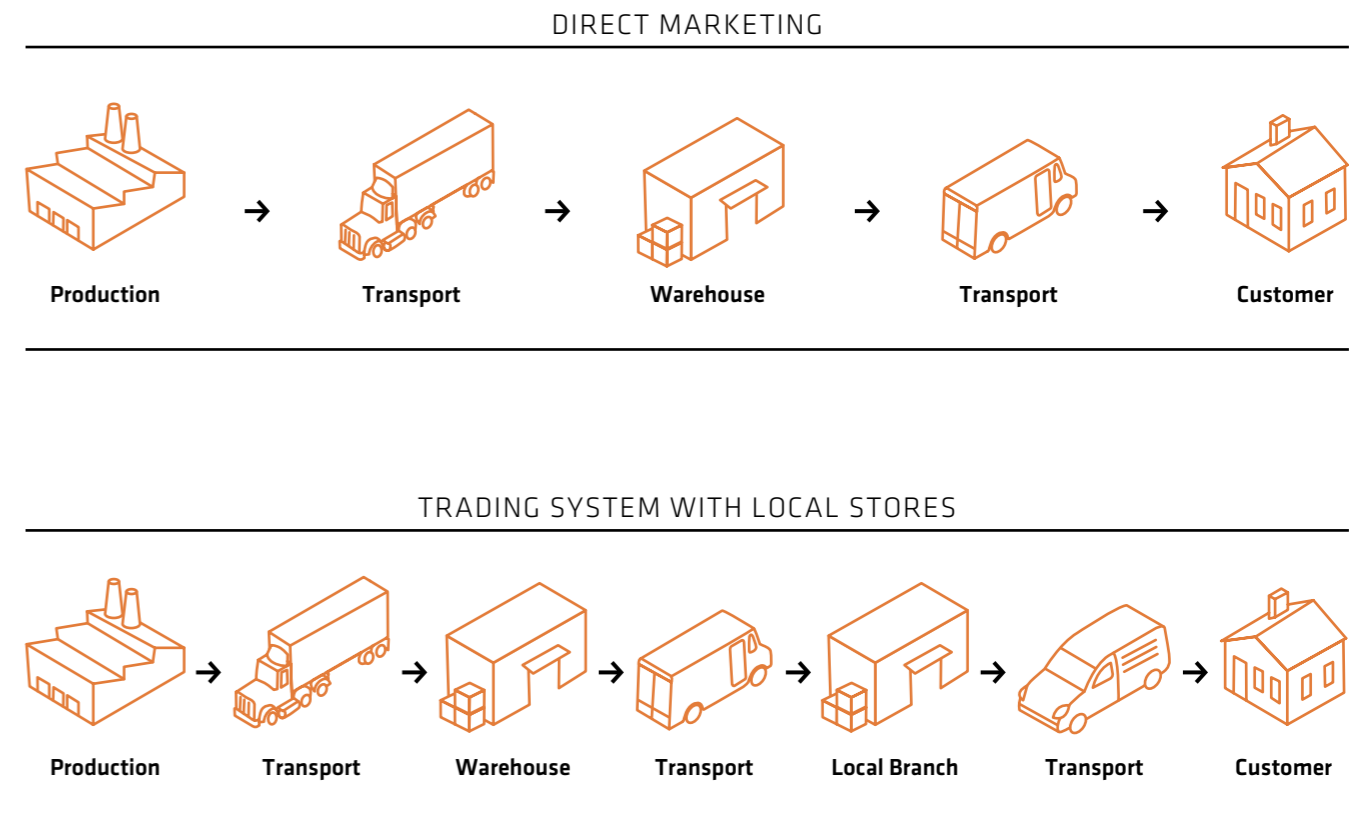


44.7 %



STATUS
2017

TAKKT DIRECT MARKETING BUSINESS MODEL IN COMPARISON



In comparison to multi-tier distribution systems, we avoid emissions with our single-tier direct sales business model because additional transportation steps are eliminated. Our customers benefit from high product availability and adherence to delivery dates. At the same time, we intend to continuously improve our business model and ship goods in the most environmentally friendly way

possible. We have been sending carbon-neutral parcels to 15 European countries since 2012. Parcel shipments in the US are now also being carbon offset. Our general cargo shipments across the Group are also being carbon offset gradually in cooperation with our logistics partners.

WE ACTIVELY SUPPORT THE CAREFUL HANDLING OF NATURAL RESOURCES AND CLIMATE PROTECTION.



WE ARE CONTINUALLY INCREASING THE NUMBER OF CARBON FOOTPRINTS AND CERTIFIED ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEMS.

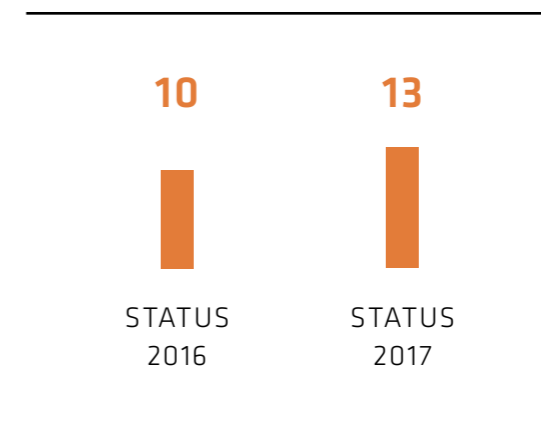


CARBON FOOTPRINTS FOR MAJOR COMPANIES



GOAL BY 2020

15 - 18

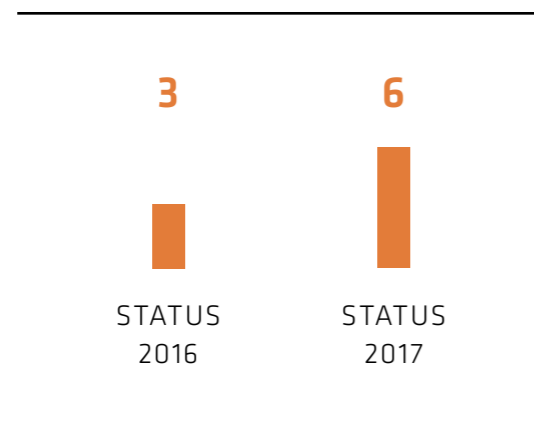


ENVIRONMENTAL MANAGEMENT SYSTEMS FOR MAJOR COMPANIES



GOAL BY 2020

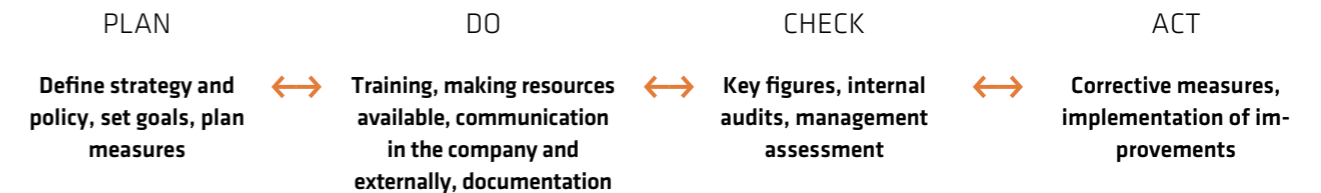
10 – 13



ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION PROCESS



OBJECTIVE: CONTINUAL IMPROVEMENT



We actively support the careful handling of natural resources and climate protection. We have successfully participated in the Carbon Disclosure Project (CDP) since 2008. It aims to make companies' climate strategies more comparable and to sustainably reduce their emissions. In 2017, TAKKT achieved a CDP Climate Score of "C", putting it among the top of the participating SDAX companies. We have been recording the carbon footprint of the entire responsible value chain for KAISER+KRAFT in Germany since 2011 and in six other European companies since 2013. In 2015, certified carbon footprints in accordance with ISO 14064-1 were created for Gerdmans in Sweden and for the two US companies Hubert and Central for the first time. In 2017, we recertified all of our carbon footprints and created carbon footprints for the first time for our

companies KAISER+KRAFT in Italy and Spain as well as National Business Furniture in the US. This has enabled us to identify important starting points to introduce targeted improvement measures. In addition to the existing quality management systems that are in accordance with ISO 9001, we intend to gradually introduce certified environmental management systems in accordance with ISO 14001 for at least 10 – 13 major companies by the end of 2020. A fundamental part of certification is the introduction of a continuous improvement process in environmental management. In addition to our Scandinavian company Gerdmans and Central in the US, four major KAISER+KRAFT companies are already certified according to ISO 14001.

ENERGY MANAGEMENT SYSTEMS FOR MAJOR COMPANIES



GOAL BY 2020

5 - 8



4



STATUS
2017

ENERGY CONSUMPTION AT GERMAN/US LOCATIONS PER ORDER



70.6 MJ

50 - 55 MJ



STATUS
2017

GOAL
2020

To further reduce energy consumption and limit harmful emissions, TAKKT is focusing on the areas that show the greatest potential for savings and improvement. These have been identified through the introduction of certified energy management systems, among other ways. An important part of these certifications is to establish a continuous improvement process. The introduction of certified energy management systems in accordance with ISO 50001, which was already carried out in 4 companies in 2017, will be pursued further until 2020 and implemented in 5 - 8 major companies. In doing so, TAKKT also intends to reduce energy consumption at German and US locations by 2020 to 50 - 55 MJ per order.

In 2017, this was at 70.6 MJ per order. For example, our American subsidiary HUBERT equipped the roof of its central warehouse with 46,000 square meters of solar panels. Its certification according to the stringent criteria of LEED (Leadership in Energy & Environmental Design) is another confirmation of this facility's powerful focus on sustainability. Furthermore, we reduce energy consumption by continuing to switch to LED lighting in the central warehouses. In 2017, the energy consumption at German/ US locations was at 70.6 MJ per order.

OUR EMPLOYEES ARE OUR
GREATEST ASSET.



WE GUARANTEE EQUAL OPPORTU-
NITIES FOR WOMEN AND MEN
IN THEIR CAREER DEVELOPMENT AND
AIM TO RETAIN “DIGITAL TALENTS”
IN THE COMPANY IN THE LONG TERM.



SHARE OF WOMEN IN TOP
EXECUTIVE POSITIONS



GOAL BY 2020

> 10 %



10.5 %



STATUS
2017

NEW HIRES DIGITAL AGENDA: SHARE OF RETAINED "DIGITAL TALENTS"



GOAL BY 2020

>50%



90.9%*



**STATUS
2017**

* Share of employees who were hired within the scope of the "digital agenda" and are still employed by the company. Indicator with supposedly declining development by the end of 2020.

FOCUS AREAS OF THE DIGITAL AGENDA



Strategy & Innovation

Process Automation

Technology

Customer Decision Journey

Data & Analytics

Organization, Management & Corporate Culture

TAKKT views the possibilities opened up by digitalization as an opportunity to focus more clearly on the needs of its customers and to provide exactly the products and services to fulfill them. To do so, TAKKT has defined a digital agenda in which the central focus area is "Organization, Management & Corporate Culture". Investments in creating new and modern workplaces are helping to develop the corporate culture in a way that benefits the digital transformation. The expertise of TAKKT's employees is fostered through targeted training. The aim is to find "digital talents" and to retain them in the company in the long term. TAKKT is convinced of the added value of having mixed management teams and considers it a company-wide duty to ensure the

same career development opportunities for women and men across countries and divisions. The aim of the activities is to increase equal opportunities through various measures. This includes even greater objectivity in the recruiting process with the objective of finding at least one female candidate, also for high-level management positions. Targets were set for the share of female participants in internal talent development programs. Women are also explicitly taken into consideration within the scope of succession planning. In addition, better compatibility of family and work based on individual needs, for example by expanding childcare options and the option to work from home, should foster an appropriate gender ratio.

WE PROMOTE SOCIAL
COMMITMENT.



WE TAKE RESPONSIBILITY ON-SITE.

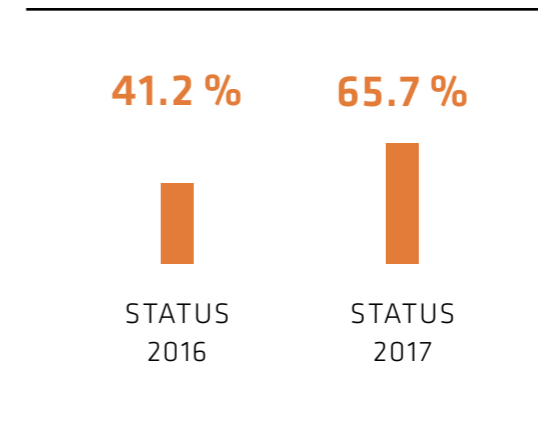


SHARE OF EMPLOYEES WHO HAVE
THE OPTION OF TAKING PAID LEAVE FOR
LOCAL VOLUNTEER INVOLVEMENT



GOAL BY 2020

55 – 60 %



SHARE OF EMPLOYEES WHO TOOK PART IN LOCAL VOLUNTEER PROJECTS



GOAL BY 2020

8 - 12 %



15.1 %



STATUS 2017

VOLUNTEER INITIATIVE "ENGAGE"



COMPRISES THE AREAS FOR LOCAL INVOLVEMENT:



Human



Animal



Environment

Hubert, our subsidiary in the US, has been running the very successful "Individual Volunteer Time" (IVT) program for several years now. In this program, each Hubert employee is encouraged to dedicate one day per year of paid work time to a social project of their choosing. The volunteers only have to show that the activity is supported by a government-approved institution. A seven-member "Volunteer Leadership Council" (VLC) is named every two years in order to coordinate other projects across the company. The existing council, which employees volunteer to serve on, decides which monthly project will be supported company wide and for which projects the donation budget will be used. In addition, the council records the expenses and time required for all the social activities. A similar program has also been gradually expanded at German locations since the summer of 2015. The idea

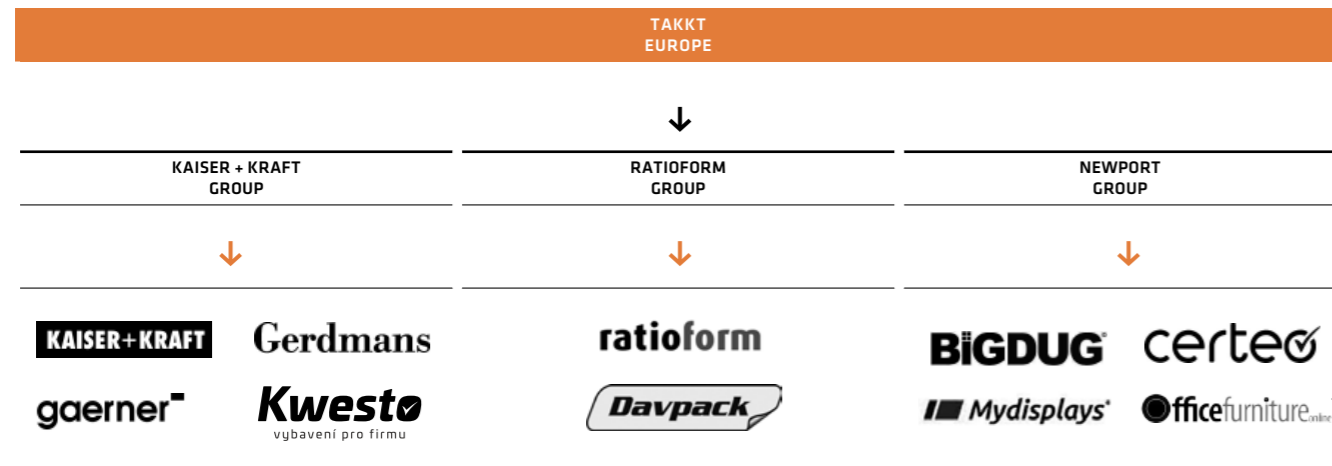
of the "Engage" program is to encourage employees to volunteer for a social cause. With it, TAKKT intends to provide incentives by granting special paid leave or time off of one day per person per year to make it possible for employees to participate in corporate citizenship activities. Employees have the option of undertaking self-initiated activities as well as taking advantage of those provided through recognized external partners. We have expanded the "Engage" initiative Germany-wide at KAISER+KRAFT and ratioform in 2017. As a result, we were significantly able to increase the share of employees who have the option of taking paid leave for local volunteer involvement. Especially the high level of social engagement at HUBERT in the US has contributed to the fact that a significant share of employees already took part in local volunteer projects.

PART 3

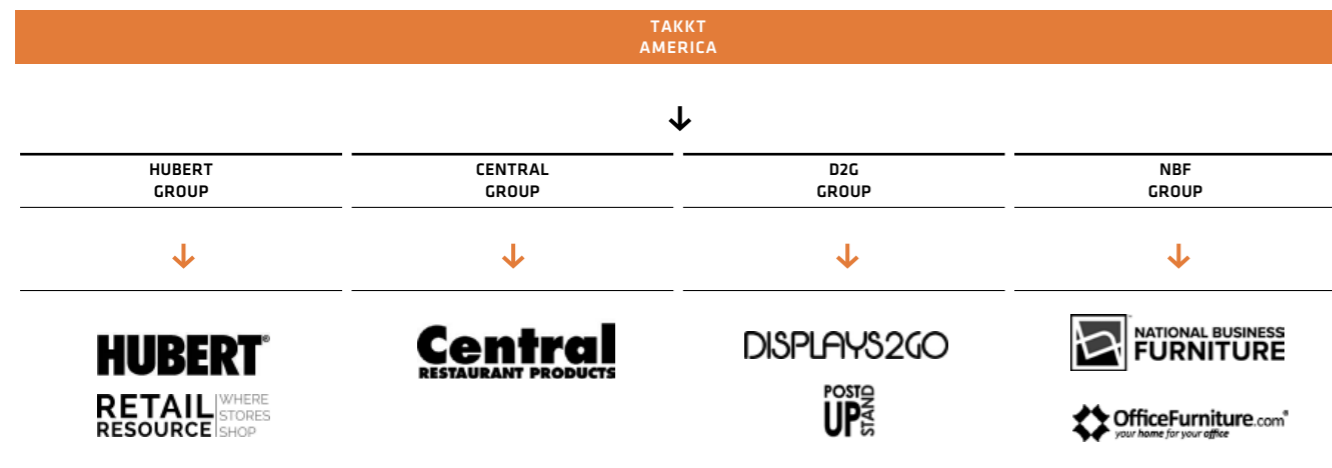


FACTS & FIGURES

COMPANY STRUCTURE



* OfficeFurnitureOnline acquired in January 2018



STANDARDS & MEMBERSHIPS



GLOBAL COMPACT



The Global Compact is a program under the auspices of the United Nations. Companies commit to implementing and supporting universal values. These guidelines comprise ten principles in four categories relating to human rights, labor, the environment and anti-corruption.

→ unglobalcompact.org

TAKKT CODE OF CONDUCT



The TAKKT Code of Conduct serves as the basis for dealing with each other properly as well as for making fair and ethically appropriate decisions and avoiding violations, thereby safeguarding the reputation and long-term success of the company. The Code is derived from our company values and the ten principles of the United Nations Global Compact.

→ see page 7 of the Sustainability Report

GLOBAL REPORTING INITIATIVE



The guidelines of the Global Reporting Initiative (GRI) define uniform, internationally recognized standards for sustainability reporting. The standards are being developed continually. TAKKT publishes comprehensive sustainability information in accordance with the current GRI standards.

→ globalreporting.org

CARBON DISCLOSURE PROJECT



The Carbon Disclosure Project (CDP) is a not-for-profit organization that aims to increase transparency for corporate environmental and climate protection worldwide. Greenhouse gas emissions in particular are to be used as a key performance indicator for companies in relation to environmental protection.

→ cdp.net

VALUE CREATION STATEMENT



VALUE CREATION FROM THE CONSOLIDATED INCOME STATEMENT (IN EUR MILLION)

	2016	2017
TURNOVER (PLUS CHANGES IN INVENTORIES AND OWN WORK CAPITALISED)	1,126.8	1,117.2
Other financial result	-1.1	0.3
Other income	16.6	7.4
BUSINESS PERFORMANCE	1,142.3	1,124.9
Cost of sales	-647.4	-643.3
Other operating expenses	-158.6	-164.3
BOUGHT-IN COSTS	-806.0	-807.6
Gross value added	336.3	317.3
Depreciation and impairment	-29.2	-27.1
Correction of deferred taxes (according to GRI)	-5.0	14.4
Net value added	302.1	304.5

USE OF NET VALUE ADDED ACCORDING TO GRI METHODOLOGY



USE OF VALUE ADDED	2016 EUR MILLION	2016 IN %	2017 EUR MILLION	2017 IN %
1 EMPLOYEES (PERSONNEL EXPENSES)	166.2	55.0	166.7	54.7
2 PROVIDERS OF FINANCE (FINANCE EXPENSES)	8.5	2.8	7.6	2.5
3 GOVERNMENT (INCOME TAX EXPENSE)	36.1	11.9	33.0	10.9
4 SHAREHOLDERS (DIVIDENDS PAID DURING THE FINANCIAL YEAR)	32.8	10.9	36.1	11.8
5 OTHER USES	58.5	19.4	61.1	20.1



The breakdown of net value creation shows how the amounts generated are returned to the stakeholders who participate in the value creation process, such as employees, creditors, the government, and shareholders. In 2017, the largest portion of net value creation, 54.7%, went to our employees in the form

of salaries and social security contributions. 10.9% accounted for tax expenses to the government. 2.5% went to creditors (only finance expenses), 11.8% was paid out to our shareholders. 20.1 percent remains in the company for investments and acquisitions or is used for loan repayments.

TAKKT AT A GLANCE



1,116

EUR MILLION TURNOVER IN 2017



> 1 M

PRODUCTS



~ 4,000

SUPPLIERS



2,600

EMPLOYEES

INDEPENDENT CERTIFICATION



Confirmation for the section "STATUS 2017" of the report "SUSTAINABILITY REPORT 2017" of TAKKT AG, Stuttgart, for the calendar year 2017

To the management board of TAKKT AG, Stuttgart

We have reviewed the section "STATUS 2017" of the report "SUSTAINABILITY REPORT 2017" of TAKKT AG, Stuttgart.

The report comprises the period from January 1st to December 31st, 2017. The report was prepared in accordance with the principles, stakeholder inclusiveness, sustainability context, materiality, completeness, accuracy, balance, clarity, comparability, reliability and timeliness specified in the GRI Standards of the Global Reporting Initiative (GRI 101 pages 7 - 16). It is the responsibility of the management board of TAKKT AG to prepare the report. Our task is to provide a confirmation for the section "STATUS 2017" of the report "SUSTAINABILITY REPORT 2017" on the basis of our audit review.

We conducted the audit review on the section "STATUS 2017" of the report "SUSTAINABILITY REPORT 2017" in accordance with the German standards for the audit review of sustainability reports established by the Institute of German Auditors (IDW).

Accordingly, it is required that the audit review is to be planned and performed in such a manner that we can preclude with limited assurance, through critical appraisal, that the report section has not in all material aspects been prepared in accordance with the underlying principles specified in the GRI Standards of the Global Reporting Initiative (GRI 101 pages 7 - 16). An audit review is limited primarily to interviews with personnel of the company and analytical assessments and thus do not provide the assurance that would be obtained on an audit.

Based on our audit review we did not become aware of any facts which lead us to assume that the section "STATUS 2017" of the report "SUSTAINABILITY REPORT 2017" has not been prepared in all material aspects in accordance with the underlying principles specified in the GRI Standards of the Global Reporting Initiative (GRI 101 pages 7 - 16).

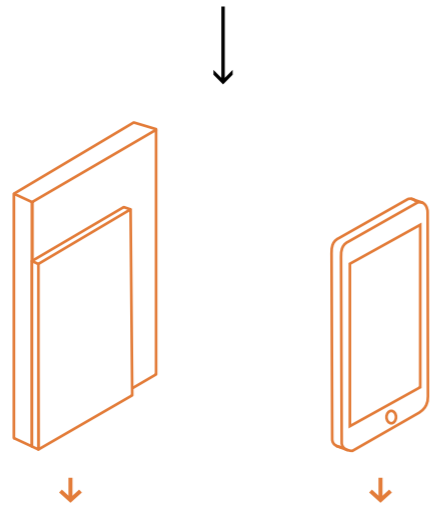
Stuttgart, 22 February 2018

Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Dr. Christoph Eppinger
Auditor

Carsten Bender
Auditor

TAKKT SUSTAINABILITY COMMUNICATION



The printed report

The online report

→ takkt.de/en/sustainability/status-2017

GRI STANDARDS ONLINE REPORT

Our sustainability reporting implements the guidelines and standards of the Global Reporting Initiative (GRI). The current GRI Standards of the GRI were used in the preparation of the report. This report has been prepared in accordance with the GRI Standards: "Comprehensive option". You will find all the information in accordance with the requirements of the current GRI Standards online at:

→ takkt.de/sr17/gri



GRI STANDARDS CONTENT INDEX

This Sustainability Report has been prepared in accordance with the GRI Standards: Comprehensive option. The following GRI Standards Content Index documents where disclosures related to each of the GRI requirements can be found within the 2017 TAKKT Sustainability Report.

The GRI Content Index also forms the basis for the Communication on Progress (COP) als part of the TAKKT's membership in the Global Compact Initiative of the United Nations. The corresponding references are found in the column "Global Compact Advanced Level Criteria" of the GRI Standards Content Index.

An independent audit of the 2017 TAKKT Sustainability Report was completed.

Table = partly = completely (nr) = not relevant

	GLOBAL COMPACT ADVANCED LEVEL CRITERIA	GRI-INDICATOR	LINK	REPORTED
GRI 101: FOUNDATION 2016		101 Foundation	→ takkt.de/sr17/gri	
GRI 102: GENERAL DISCLOSURES 2016 ORGANIZATIONAL PROFILE		102-1 Name of the organization	→ takkt.de/sr17/gri	
		102-2 Activities, brands, products, and services	→ takkt.de/sr17/gri	
		102-3 Location of headquarters	→ takkt.de/sr17/gri	
		102-4 Location of operations	→ takkt.de/sr17/gri	
		102-5 Ownership and legal form	→ takkt.de/sr17/gri	



IMPRINT

TAKKT AG

P.O. BOX 104862
70042 Stuttgart

Presselstraße 12
70191 Stuttgart
Germany

t: +49 711 3465-80
f: +49 711 3465-8100

cr@takkt.de

→ www.takkt.de

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Julian Rentzsch

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the content of the German version is
definitive.

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