

Communication on Progress 2012

General

Period covered by our Communication on Progress (COP)

From: 1. January 2011 to 31. December 2011

Statement of continued support by the Chief Executive Officer (CEO)

To Whom It May Concern:

N-6222 Ikornnes, 22.6.2012

Declaration of continued support to the UN's Global Compact

Since Ekornes was established in 1934, it has been of the utmost importance for the company to operate responsibly. The main focus has primarily been to create a stable place of work for our employees, through growth and profitability in our operations. This has gradually been expanded to comprise more dimensions - the respect of the environment has had a considerable focus for some time.

In 2009, Ekornes joined the UN's Global Compact. We consider Global Compact to be a credible and reputable framework for structuring our efforts within the four areas it addresses. By joining Global Compact, Ekornes commits to align its operations and strategies with valuable principles in the areas of human rights, labour, environment and anti-corruption. Ekornes will continue to support Global Compact in the years to come and ensure that we have sufficient focus on the mentioned principles.

Best regards
EKORNES ASA


Øyvind Tørlen
CEO

EKORNES ASA

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Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses (For more information on the principles, [click here](#))

Assessment, Policy and Goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

According to the Group's policy, Ekornes shall act as a responsible enterprise and operate within all relevant laws, regulations and to strict ethical standards. Ekornes clearly states, both internally and externally, that the company endeavor to comply with the UN's Global Compact's ten principles. This policy is presented in the "[Objectives and Values for the Ekornes Group](#)", which is available for all stakeholders.

All Ekornes' production facilities are located in Norway, but the company's operations rely on suppliers of raw material and distributors all over the world. This means that the company has to face different cultures and legislations for business operations in different regions, which can be challenging. Towards internal and external business partners, Ekornes makes clear that the company expects and requires compliance with local legislations and the UN Global Compact's ten principles.

Increased purchasing activities in Far East markets may have increased the risk associated with suppliers that do not follow the principles on Human Rights.

Implementation

Description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.

Ekornes continuously focus on Human Rights policies through leadership training programs, new employee training, language courses, annual distribution of information in the personnel handbook and requirements to suppliers. Ekornes endeavors to continuously maintain and further develop an open corporate culture. Employees are encouraged to alert about critical issues on all levels. Ekornes collaborates with Ebbesvik Personalomsorg as an external partner for employee's welfare. All suppliers to Ekornes have to confirm compliance to the UN Global Compact's ten principles through signing the "Suppliers declarations on Social and Environmental Performance" (Attachment #1). Starting 2012, Ekornes collaborates with DNV as a partner for CR advisory and assessments. DNV will start to perform third party audits on selected suppliers in China during 2012. Based on risk analysis, Ekornes will continue to perform third party audits in different markets and collaborate with suppliers on improvement programs.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Ekornes has no specific measurements of outcomes with regards to Human Rights Principles in the reporting period. Ekornes experiences that the suppliers have an increasing understanding of why Ekornes needs to ensure suppliers compliance to the UN Global Compact's ten principles and provide declarations on social and environmental performance. It also seems like the policy of more and more suppliers is already to comply accordingly.

Improvement programs will be developed together with suppliers after CR audits. These improvement programs will give Ekornes valuable KPIs to monitor and evaluate CR performance.

For further information about Ekornes' assessment, policy and goals, implementation and measurement of outcomes with regards to Human Rights, we refer to the following documents:

[Ekornes – Objectives and Values](#)

[Ekornes Ethical Standard](#)

[Ekornes Annual Report 2011 \(p. 46 – 51\)](#)

Attachment #1: "Suppliers declarations on Social and Environmental Performance"

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Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities).

Description of written policies, public commitments and company goals on labour rights.

The majority of Ekornes employees live in Norway where labour rights are strongly regulated by law. There is a long tradition in Ekornes to maintain good dialogue between management and labour unions.

Ekornes strongly believe that respecting labour rights is an important factor in the work to reduce sickness absence, and increase effectiveness and profitability.

The majority of Ekornes' employees are organized in various labour unions. The Ekornes management team has over years experienced constructive cooperation with all of the unions through continuous dialogue and regular meetings. Negotiation committees are established to represent the employees in yearly local wage negotiations. Employees are represented in the board of all Ekornes' production companies and also in the parent company. These representatives hold the same rights as members chosen by the shareholders.

The Ekornes personnel handbook includes policies that clearly state the employee rights, responsibilities, compensations and benefits. For external partners, Ekornes requires that they respect the UN Global Compact's 10 principles.

Implementation

Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations.

Labour policies are available through the personnel handbook. A revised edition of this handbook is distributed to all employees once a year. All new employees must during the first two years in the company participate in new employee training where labour rights are one of the main topics. All employees have a detailed job description and contract which clearly states the employee's duties and rights.

A significant part of the yearly investments (about 100 million NOK) is allocated to activities which improve health and safety of the employees. Ekornes has appointed a HSE coordinator in a permanent position.

All suppliers must sign and return the "Supplier declaration on Social and Environmental Performance" to confirm that they adhere to the labour principles.

Ekornes experiences a negative trend on sickness absence rate. To turn this negative trend Ekornes has entered into a cooperation agreement regarding a more inclusive working life (IA enterprise). The agreement is based on protocol between the employer/employee organizations and the authorities for a joint effort to prevent and reduce sickness absence, encourage return to work, improve working environment and promote inclusion.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

One of the indicators which evaluate performance on labour rights is the company's sickness absence rate. The Group had a sickness absence rate of 7.7 per cent in 2011. This is an increase of 0.9 percentage points compared with 2010. Approx. 5.3 per cent of the total number of hours worked in the Group was lost due to long-term sickness absence. This is an increase of 0.6 percentage points. Short-term sickness absence (less than 14 days) came to around 2.4 per cent, an increase of 0.3 percentage points. The management at each plant is working actively to reduce the level of sickness absence through individual follow-up and other measures.

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For further information about Ekornes' assessment, policy and goals, implementation and measurement of outcomes with regards to Labour Principles, we refer to the following documents:

[Ekornes – Objectives and Values](#)
[Ekornes Annual Report 2011 \(pp. 50-51\)](#)

Attachments:

#1: "Suppliers declarations on Social and Environmental Performance"

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection

The environmental policy is presented in [Ekornes – Objectives and Values](#) and available for all stakeholders. Environmental practice is a part of the Ekornes culture which is built on a strong Scandinavian heritage and tradition to protect the beautiful nature that surrounds us. Ekornes encourage "More with less" through the whole value chain: Create more value with less use of resources.

Ekornes has implemented a lot of green practices at the company's manufacturing facilities. One of the most important is reduction of the company's carbon footprint by continuously investing in eco-friendly technology.

Ekornes considers that extraction and transportation of raw materials for production of components and transportation of chairs to customers represent the largest impact on the environment. Since Ekornes only has indirect influence on these processes, we take responsibility by continuously improving the efficiency in our processes without an increase in use of raw materials and other resources.

One example is that Ekornes develops new products using platform components. Use of platform components gives Ekornes the opportunity to use advanced technology and robots for mass production – which again leads to a rational use of raw materials and a minimization of waste. This gives better profitability both for the environment and the company, and will be the main focus also in the future. Use of platform components gives Ekornes the advantage of good and stable quality by focusing on fewer components. This contributes to the long lifespan of our products.

Another example is the wide use of bio-energy and heat pump technology that Ekornes has implemented at its manufacturing facilities over the last twenty years. Ekornes continuously strives to sort out further potential to increase the use of bio-energy.

Risks and opportunities assessment is enclosed in the Carbon Disclosure Report for 2011.

Ekornes requires that all suppliers must sign and return the "Supplier declaration on Social and Environmental Performance" to confirm that they adhere to the UN Global Compact's Environmental principles.

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents

Ekornes established an Environmental Steering Group in 2008, reporting directly to CEO. The group consists of people with different backgrounds and from different departments. Product development, marketing, chemistry, purchasing, Health and safety are represented today. The Environmental Steering Group co-ordinates the input

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The logo for Ekornes, featuring the word "EKORNES" in white capital letters on a dark blue rectangular background.

from the whole organization on a daily basis, and all employees are welcome to ask questions and suggest improvements. Newsletters, information about changes in regulations and questions from consumers are collected to keep up to date on potential upcoming changes. In short, the Environmental Steering Group works to bridge the gaps between the different markets and departments, and function as a central hub for environmental issues and expertise. The group presents an annual report to the top management team, which gives useful information for the company-wide risk management process.

In 2010 the Steering Group appointed a Green Ambassador at each sales office, who reports environmental issues directly to the group.

Eventually hazardous chemicals are continuously monitored and evaluated by the internal Ekornes Chemical Committee.

In 2010 Ekornes established a regular green feature in "[Ekornes Inside](#)", internal newsletter distributed to all employees and families, to build green awareness and competencies to internal resources.

The environmental strategy is presented in the [Ekornes – Objectives and Values](#) which is available in Norwegian and English and distributed to all employees. This document is also available for all stakeholders. "Objectives and Values for the Ekornes Group" has been developed with involvement from the whole organization, and is central in new employee training and leadership development programs. Our business and investment strategies include focus on shared value projects, representing social, environmental and financial profitability.

Specific progress during the reporting period:

Ekornes has launched new products, developed with mainly use of platform components.

Optimization of heat management system for incinerator for wood pellets and wood waste from own production. Ekornes stores wood waste during summer for use in colder periods.

Installation of exhaust gas filters at the heat-incinerator for wood pellets and wood waste at Ikornnes has reduced the emission of ashes to the environment to next to nothing. This will be considered installed also at the incinerators at the others facilities.

The last of three water based painting facilities was put into operation in 2011. This investment has given a significant reduction in use of dangerous chemicals, water and energy.

Production unit for Ekornes Stressless sofas was established in US during 2011, and put into operation January 2012. Ekornes Stressless sofas cannot be shipped part assembled, are bulky and give a non-efficient transport volume. By shipping components for assembly locally we reduce the carbon footprint significantly for the sofas.

Ekornes has through internal activities and information increased the general understanding of the importance of reduction of waste and use of energy in all parts of the production process.

Ekornes also raises awareness among suppliers by requiring that all suppliers must respect our Ethical and Environmental standard. All suppliers must confirm compliance according to the UN Global Compact's ten principles through signing "Suppliers declarations on Social and Environmental Performance".

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance

Ekornes reported according to Carbon Disclosure Project (CDP) for this reporting period. Ekornes reported a reduction of 14% on absolute CO₂ emissions (scope 1 and 2 combined) for the reporting year compared to the previous year.

The most important reasons for decreased CO₂ emissions:

- Increased focus and better measurement on energy and waste management have given positive effects on scope 1 and 2 emissions.

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The Ekornes logo consists of the word "EKORNES" in a bold, white, sans-serif font, set against a dark blue rectangular background.

- Improved efficiency and use of wood and pellets incinerators at Ikornnes. Installation of new heating pump with better efficiency at Hareid and Vestlandske. Optimization of ventilation management system at Fetsund.
- Significant warmer climate during fall 2011 than 2010.
- Decreased production activity (- 8.8% seating unit produced and - 4.7% mattress unit produced).

To document the products' impact on the environment, Ekornes has developed environmental product declarations (EPD) for the entire Stressless collection. EPDs assess the products environmental impact from a life cycle perspective, from extraction of raw materials to final disposal. Using this information in product development will make Ekornes able to put effort where it counts and develop even greener products.

Ekornes reports development of HSE in the Annual Report, including emissions, waste handling, energy use and health and security issues.

For further information about Ekornes' assessment, policy and goals, implementation and measurement of outcomes with regards to Environment Principles, we refer to the following documents:

[Ekornes – Objectives and Values](#)

[Ekornes Annual Report 2011](#) (p. 46 – 51)

Attachments:

#1: "Suppliers declarations on Social and Environmental Performance"

#2: Ekornes Carbon Disclosure Report for 2011

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Assessment, Policy and Goals

Description of the relevance of anti - corruption for the company (i.e. anti - corruption risk - assessment).

Description of policies, public commitments and company goals on anti - corruption.

Ekornes has zero-tolerance for corruption, bribery and extortion. This policy is clearly stated in [Ekornes Ethical Standards](#) and made known to all employees and business partners.

Ekornes' main operations (manufacturing, head office, purchasing) are all located in Norway. The transparency in daily operations and the Norwegian business culture both contribute to a relatively low exposure to risk of corruption. However, Ekornes does business through sales channels in parts of the world where corruption and bribery are a larger part of the business traditions. The top management team has continuous focus on risk of corruption.

Implementation

Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

The Ekornes Ethical Standard is provided to all employees all over the world and available in the personnel handbook for the Scandinavian employees. The Ekornes Ethical Standard contains an overview of ethical rules related to corruption. Other documents like "Ekornes Objectives and Values", company regulations, employment contracts and job descriptions also contain ethical rules.

Suppliers are made aware of Ekornes Ethical Standards through "Supplier declaration on Social and Environmental Performance"

A duty of confidentiality contained in the company regulations, employment contracts or job descriptions does not prevent employees from informing about breaches of regulations, legislation or rules laid down by the authorities.

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This also applies to internal guidelines, provisions or issues that might harm Ekornes' reputation or other parties' trust in Ekornes.

The top management team is responsible for anti-corruption.

Measurement of outcomes

Description of how the company monitors and evaluates anti - corruption performance.

At the time, Ekornes does not perform external audits of anti-corruption. However, all suppliers have already been made aware of the contents of the Ekornes Ethical Standard and also been informed that an attempt to contravene these ethical rules could result in exclusion. As notified under section "Human Rights Principles", Ekornes collaborates with DNV as a partner for CR advisory and assessments. Anti-corruption will also be subject when third-party audits are performed and included in the improvement plan if identified. For further information about Ekornes' assessment, policy and goals, implementation and measurement of outcomes with regards to Anti-Corruption Policies, we refer to the following documents:

[Ekornes – Objectives and Values](#)

[Ekornes Ethical Standard](#)

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Attachment #1:

“Supplier declaration on Social and Environmental Performance”

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To our suppliers and business partners

Ekornes believes in social responsible business. Promoting decent working and environmental conditions in our supply chains is part of our company's strategy and efforts to act responsible. In pursuit of this aim we wish to cooperate closely with our suppliers and business partners.

The board of Ekornes has adopted the UN's Global Compact ten principles to clarify what we expect and require of ourselves and our business partners. Ekornes expects its suppliers and business partners to make systematic, targeted efforts to ensure compliance. We will support our suppliers and partners in this regard.

Focusing on working conditions and the environment has financial benefits and strengthens competitiveness. Various studies have shown that improving occupational health and safety, regulating working hours and paying decent wages improves productivity and quality, and reduces the number of occupational injuries.

We seek to form long term relationship with business partners who share our values and focus on promoting decent working and environmental conditions in the supply chain.

We will contact you by **<email/telephone/meeting>** within **<date/week>** to check that the enclosed "Supplier Declaration on Social and Environmental Performance" have been received and will be returned by latest within **<date/week>**.

Please feel free to contact Ekornes with any questions you may have.

Best regards
EKORNES ASA
XXXX XXXX
Senior Purchaser

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Phones Off: +47 702XXXX Mob: +47 XXXXXXXX Fax: +47 70255300
<http://www.ekornes.com/>

Attachment #2:

Ekornes Carbon Disclosure Report for 2011

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Module: Introduction**Page: Introduction****0.1****Introduction**

Please give a general description and introduction to your organization

Ekornes ASA is the largest furniture manufacturer in the Nordic region and owns such brand names as Ekornes, Stressless and Svane. Stressless is one of the world's most famous furniture brands, and Ekornes and Svane are the best known brands in the Norwegian furniture market. Products are manufactured in Norway and marketed all over the world by a network of national and regional sales companies. Ekornes' vision is to be one of the world's most attractive suppliers of ergonomically designed furniture for the home. Ekornes' business concept is to offer products that, in terms of both price and design appeal to a broad audience. In addition, the group aims to develop and manufacture products offering excellent comfort and functionality. Ekornes ASA is the parent company of the Ekornes Group. The group's production facilities are organized according to its product areas: Stressless (recliners, sofas, loveseats and accessories), Ekornes Collection (sofas) and Svane (mattresses). Ekornes ASA provides all shared services, including group management, marketing, purchasing, accounting and finance, as well as product development for the Stressless and Ekornes Collections.

0.2**Reporting Year**

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Sat 01 Jan 2011 - Sat 31 Dec 2011

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Norway

0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

NOK

0.5

Please select if you wish to complete a shorter information request

0.6

Modules

As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire. If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will be marked as default options to your information request. If you want to query your classification, please email respond@cdproject.net. If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Module: Management [Investor]

Page: 1. Governance

1.1

Where is the highest level of direct responsibility for climate change within your company?

Senior Manager/Officer

1.1a

Please identify the position of the individual or name of the committee with this responsibility

CEO is the highest level of direct responsibility for climate change.

1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

No

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator

Page: 2. Strategy

2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary companywide risk management processes

2.1a

Please provide further details (see guidance)

- i/ii) Ekornes established an Environmental Steering Group in 2008, reporting directly to CEO. The group consists of people with different backgrounds and from different departments. Product development, marketing, chemistry, purchasing, Health and safety are represented today.
- iii) Production facilities and sales offices have appointed a Green Ambassador who reports environmental issues to the Environmental steering group through the Environment and Quality Manager.
- iv) The Environmental Steering Group co-ordinates the input from the whole organization on a daily basis, and all employees are welcome to ask questions and suggest improvements. Newsletters, information about changes in regulations and questions from consumers are collected to keep up to date on potential upcoming changes.
- v) In short, the Environmental Steering Group works to bridge the gaps between the different markets and departments, and function as a central hub for environmental issues and expertise.
- vi) The group presents an annual report to the top management team, which gives useful information for the company-wide risk management process.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes (see guidance)

- (i) The environmental strategy is presented in the "Objectives and Values for the Ekornes Group" which is available in Norwegian and English and distributed to all employees, and available for all stakeholders including investors. Objectives and Values for the Ekornes Group has been developed with involvement from the whole organization. Objectives and Values is also central in new-hire training and leadership development programs. Our business and investment strategies include focus on shared value projects, representing both social, environmental and economic profitability.
- (ii) Energy used for heating the manufacturing facilities represents the largest part of our scope 1 and 2 emissions, making this our top priority for our climate change mitigation efforts.
- (iii) Short term: After Ekornes decided to report to CDP in 2011, the awareness has even further increased. In the near future Ekornes will be fully capable to measure, define and follow up improvement programs. Ekornes considers that extraction and transportation of raw materials for production of components and transportation of furniture to customers represent the largest amount of emissions. These emissions are classified as "scope 3" and not mandatory in the Greenhouse Gas Protocol (GHG) reporting standard. However, Ekornes takes responsibility and has developed Environmental Product Declarations (EPD) for the Stressless collection to understand the environmental impact of our products. The EPDs calculate the products carbon footprint from extraction of raw materials to factory gate. As Ekornes mainly uses components manufactured at own facilities, Ekornes has an energy efficient transportation of materials in the upstream processes of the value chain. Ekornes also strives to reduce the company's carbon footprint related to the transportation of chairs. For the main overseas markets we ship components to own stock for local assembly. For all other markets we ship mainly part-assembled chairs for minimizing transport volume.
- (iv) Long term strategy: Ekornes invests to continuously strengthen competencies in sustainable product development, supplier development and manufacturing. Ekornes has as its long-term objective to develop environmental issues to a competitive advantage through being ahead of our competitors also in this field. Since the late eighties Ekornes has regularly invested in more eco-friendly heating systems to reduce the need of oil and electricity. Today incinerators for wood and pellets from own production represent the main source of energy for heating, supplemented with large systems of heat pumps (both air to air and seawater to air) and heat recovery systems. Oil is only regarded as a secondary source through cold periods and as a back-up system. Continuous investments in eco-friendly technology to obtain shared value between increased efficiency, lower costs, less impact on environment and minimization of health risk for the employees have resulted in a competitive and sustainable value chain. Most of our in-house manufacturing processes are today relatively energy efficient. Ekornes has a long tradition to continuously strive to reduce the use of energy.
- (v) Continuing to develop Ekornes by investing in sustainable shared value projects will strengthen our profitability and flexibility by allowing more efficient use of resources. Continuous dialogue with our stakeholders will enable us to meet stronger requirements in legislations and regulations, be in the forefront of customer demands and contribute to develop sustainable business throughout the value chain. Our environmental strategy ensures that we maintain our position as the preferred choice for both our customers, suppliers and employees.
- (vi) **1) Business decision:** Ekornes established a production unit for Ekornes Stressless Sofas in US during 2011. **Aspect of Climate Change:** Ekornes Stressless Sofas cannot be shipped partly assembled to our customers, are bulky and give a non-efficient transport volume. Shipping components for local assembly will reduce the carbon footprint for the sofas.
- 2) Business decision:** All Ekornes painting facilities to be waterbased. **Aspect of Climate Change:** Reduction of needed energy. Significant reduction in use of chemicals. Reduction in use of water. Improved health performance at workplace and no harmful evaporation to humans and environment
- 3) Business decision:** Develop product solutions which require less use of materials e.g. introduction of Comfort Zones™ in the seat and back of the Stressless chairs and sofas. **Aspect of Climate Change:** Increased comfort, quality and lifespan of the products with less use of raw materials.

2.2b

Please explain why not

2.3

Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

2.3a

Please explain (i) the engagement process and (ii) actions you are advocating

(i) Ekornes is continuously in dialogue with and has a board member in the federation of Norwegian Industries for furniture. The federation is a part of the overall NHO (Confederation of Norwegian Enterprise) and ensures that society and policy makers understand how important a viable and sustainable industry is for our future welfare. NHO forum for Corporate Social Responsibility supports the members of the confederation and facilitates dialogue between businesses on CSR related issues. Ekornes takes active part in this forum, lobbying for a common best practice approach regarding CSR-related topics, including climate change mitigation and adaption.

(ii) The R&D director in Ekornes is the chairman in one of the federation's initiatives, "Møbelfakta", which encourages the furniture industry to more transparency towards its stakeholders by implementing environmental management systems and quality- and environmental certifications. The Environment and Quality Manager in Ekornes is member of the technical committee in the Norwegian EPD (Environmental Product Declaration) foundation established by the Confederation of Norwegian Enterprises (NHO). The reason for its establishment was an expressed desire from the Norwegian corporate sector related to the development of credible, standardized and internationally valid EPDs for products and services.

Page: 3. Targets and Initiatives

3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

No

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment

3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments

3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
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3.1e

Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years

i.: Despite that Ekornes has focused on minimizing use of energy and raw materials over years, Ekornes is still not ready to set specific targets related to reduction of CO2 emissions. This is the second year Ekornes reports to CDP, and consciousness regarding CO2 emissions is growing. Hopefully during 2012 Ekornes is able to set emission related targets to a few specific processes.

ii.: The positive trend, showing an reduction in CO2e per seating unit and CO2 per mattress unit produced from 2010 to 2011 should be expected for the next five years, though not with the same intensity

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a

Please provide details (see guidance)

i, ii, iii) Our Environmental Product Declarations (EPD) provide quantitative information about GHG emissions per product, from extraction of raw materials, through production and estimated use for 15 years. The EPDs make third party able to compare our products with competing products and ensure GHG transparency for our customers.

iv) The potential emission reduction by selecting a product generating lower CO2 emissions is not eligible for generating carbon credits such as CERs or ERUs within the existing frameworks.

3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	1	250
Not to be implemented		

3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Product design	Ekornes develops new products with mainly use of platform components. Use of platform components gives us the opportunity to use advanced technology and robots for mass production – which again leads to a rational use of raw materials and a minimization of waste. Use of platform components gives us the advantage of good and stable quality by focusing on fewer different components. This gives our products a long lifespan, which is an important value for greener products. Scope 1,				

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
	2 and 3, voluntary activity and continuous lifetime of the activity.				
Energy efficiency: processes	Increased use of the incinerator for wood and pellets from own production. Storing of woodchips during summer for use during winter. Scope 1 and 2, voluntary activity and continuous lifetime of the activity.	250	2000000	0	<1 year
Process emissions reductions	The last of three water based painting facilities was put into operation during 2011. Significant reduction in use of dangerous chemicals, significant reduction in use of water and energy. Scope 2, voluntary activity.				
Transportation: use	Production unit for Ekornes Stressless Sofas established in US during 2011, and put into operation January 2012. Ekornes Stressless Sofas cannot be shipped part assembled to customers, are bulky and give a non-efficient transport volume. By shipping components for local assembly we reduce the carbon footprint significantly for the sofas. Scope 3, voluntary activity. Annual monetary savings: \$ 355.000		2100000		
Behavioral change	Activities to increase the general understanding of the importance of reducing waste and use of energy in all part of the production process. Scope 1, 2 and 3, voluntary activity and continuous lifetime of the activity.		0		<1 year
Fugitive emissions reductions	Installation of exhaust gas filters at the heat-incinerator for wood pellets and wood waste at Ikornnes has reduced the emission of ashes to the environment to next to nothing. This will be considered installed also at the incinerators at the others facilities.				<1 year

3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Other	Ekornes invests in emission reduction activities which give a shared value and profitability for both the society, environment and the company. Important drivers for sustainable investments in Ekornes: - More with Less: Increase efficiency with less use of energy and raw materials and minimization of waste. - Improve health and reduce risk at work: Minimize exposure to dangerous chemicals and reduce sick leave and invest in happy and healthy employees. - Focus on the right product quality - In forefront of future laws and legislation - Three year pay back on all investments

3.3d

If you do not have any emissions reduction initiatives, please explain why not

Page: 4. Communication

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in other places than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section Reference	Identify the attachment
In annual reports (complete)	46-49	AnnualReport 2011..pdf
In voluntary communications (underway) – previous year attached		COP 2011 - Ekornes ASA.pdf

Attachments

[https://www.cdproject.net/Sites/2012/50/5350/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/COP 2011 - Ekornes ASA.pdf](https://www.cdproject.net/Sites/2012/50/5350/Investor%20CDP%202012/Shared%20Documents/Attachments/InvestorCDP2012/4.Communication/COP%202011%20-%20Ekornes%20ASA.pdf)
[https://www.cdproject.net/Sites/2012/50/5350/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/Annual report 2011.pdf](https://www.cdproject.net/Sites/2012/50/5350/Investor%20CDP%202012/Shared%20Documents/Attachments/InvestorCDP2012/4.Communication/Annual%20report%202011.pdf)

Module: Risks and Opportunities [Investor]

Page: 2012-Investor-Risks&Opps-ClimateChangeRisks

5.1

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
 Risks driven by changes in physical climate parameters
 Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Product labeling regulations and standards	Ekornes operates worldwide, climate change may lead to new regulations in specific markets. Lack of information about new regulations and lack of time to adapt products and manufacturing processes according to the new regulations represent a risk. Potential impact: Loss of sales and decreased revenue in specific markets. Increased operational and capital cost to adapt products and manufacturing processes to new regulations – (new equipment, research and development of new technology, new materials etc.)	Increased operational cost	Current	Direct	More likely than not	Medium
2	Other regulatory drivers	Ekornes operates worldwide, climate change may lead to a demand for specific environmental labeling in some markets. There is today a huge jungle of environmental labels around the world, most of them charge a fee and cover only specific markets and target groups. The risk involves navigating through the different labels and choosing the right one which covers the majority of our customers and stakeholders. Potential impact: Loss of sales and decreased revenue in specific markets. Increased operational and capital cost to adapt products and	Reduced demand for goods/services	Current	Direct	More likely than not	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		manufacturing processes to comply with eco-labels criteria. Increased cost and resources to third party audits					
3	Lack of regulation	Ekornes operates worldwide and meets competitors who have manufacturing in other parts of the world and operate under different regulation and legislation than Ekornes. If development of new, climate change related regulations and legislation progress at different pace in different parts of the world it will represent a risk for an unbalanced market for business to operate in. Potential impact: Loss of sales and decreased revenue in specific markets. Less competitive against low cost products. Inability to do business	Inability to do business	6-10 years	Direct	Likely	Low

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

(i) Risk ID1, ID2, ID3: The financial implications of all three risks are evaluated continuously. Typical investment to mitigate risk is made if pay back is earlier than three years.

(ii)

a) Risk ID1, ID2: Ekornes has appointed environmental ambassadors with responsibility for environmental awareness in their specific markets. These ambassadors shall identify trends regarding customer demands, regulations and standards related to climate change and environment in the markets. There is a clear communication channel towards the Environment and Quality Manager and the Environmental Steering Group at head office. The Environmental Steering Group, with multidisciplinary competencies included chemistry, co-ordinate needs and information through the value chain.

b) Risk ID3 Ekornes knows that to be able to maintain a sustainable production in Norway and to be competitive worldwide, the company must continuously focus to strengthen its efficiency in production and develop innovative and smarter products. Ekornes invests every year in new technology and product development. In addition, we believe that in a long term perspective this challenge will turn into opportunities when increased consciousness about climate change reaches out to governments and consumers worldwide.

(iii) Risk ID1, ID2, ID3: No cost analysis is performed specifically related to climate risks

5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
4	Induced changes in natural resources	Global rise of commodity prices, because a combination of climate change, natural disasters, increased middle class worldwide and increased demand for consumer products. Potential impact: Increased operational cost, reduction/ disruption in production capacity	Increased operational cost	1-5 years	Direct	About as likely as not	Medium

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

(i) Risk ID4: To be evaluated continuously. Typical risk mitigation investment made if pay back is earlier than three years.

(ii) Risk ID4: "More with less"-strategy, focusing on more efficient use of resources and still maintain the strongest requirements to product and process quality. Strengthen R&D competencies and focus on new product development towards eco-friendly and sustainable choice of materials and manufacturing processes. Strengthen our purchasing competencies with regards to sustainable sourcing and to identify both short and long term trends of available resources.

(iii) Risk ID4: No cost analysis is performed specifically related to climate risks.

5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
5	Reputation	Ekornes is the largest furniture manufacturer in Norway and operates in large parts of the world. Both Ekornes and all our stakeholders expect that Ekornes acts as a responsible enterprise	Reduced demand for goods/services	Current	Direct	Very unlikely	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		and operates within all relevant laws, regulations and to strict ethical standards. A failure to this represents a risk for loss in reputation. Potential impact: Reduced demand for goods/services, reduced stock price (Market valuation)					
6	Changing consumer behaviour	Ekornes sells furniture in large parts of the world. Climate changes have not yet induced a significant change in customer preferences in our product segment. We see more and more industries experience that sustainable products become preferred choice and that knowledge about the topic increases. We must ensure that our products are among the greenest alternatives in our industry. We must ensure transparency on any hazardous components/chemicals used, and about the general environmental impact our products and processes cause.	Reduced demand for goods/services	6-10 years	Direct	Likely	Low-medium

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

(i) Risk ID5 and ID6 To be evaluated continuously. Typical risk mitigation investment made if pay back is earlier than three years.

(ii)

a) Risk ID5 Ekornes has developed a strong corporate culture with high ethical standard. Through new hire training and leadership programs this is continuously developed. Ekornes joined the UN Global Compact in 2009. Ekornes has started to develop updated routines and procedures throughout the whole value chain according to UN Global Compact's ten principles. This involves dialogue with stakeholders and contributing to improvement also in the supply chain. Ekornes will annually report on progress to UN Global Compact.

b) Risk ID6 Strengthen R&D competencies and focus new product development towards eco-friendly and sustainable choice of materials and manufacturing processes. Certify our products according to the most influential environmental certifications and labels in the most important markets. For our Svane mattress collection, primary sold in the Scandinavian market, we have already certified the whole collection according to the Nordic Swan label. We collect all safety data sheets in eco-online archive system for easy navigation in our substance database.

(iii) Risk ID5 and ID6: No cost analysis is performed specifically related to climate risks

5.1g

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1h

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1i

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Page: 2012-Investor-Risks&Opps-ClimateChangeOpp

6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
7	Product labeling regulations and standards	Ekornes has invested in technologies that are assumed to be at the forefront of future regulations and standards. We consider that Ekornes is well positioned for future regulation in comparison to selected competitors, especially from Asia.	Increased demand for existing products/services	6-10 years	Direct	About as likely as not	Medium

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

- (i) ID7: To be evaluated continuously, however Ekornes invests annually to ensure that the enterprise maintains a high environmental standard.
- (ii) ID7: Ekornes continuously surveys the development of regulation and standards worldwide. If new regulations and standards are scheduled to be implemented, we will prioritize to ensure compliance as soon as possible and communicate to the markets. We already have a well functioning system in place to handle these issues together with a financial strength to implement changes.
- (iii) ID7: No cost analysis is performed specifically related to climate opportunities

6.1c

Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
8	Induced changes in natural resources	Manufacturing in Norway is today associated with high salary costs compared to manufacturing in low cost regions. Lack of resources in the future will lead to increased commodity prices, and salary costs will have	Increased demand for existing products/services	6-10 years	Direct	About as likely as not	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		less impact on the total manufacturing costs					

6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

(i) ID8: To be evaluated continuously. However Ekornes has over the years invested in technology which has increased efficiency related to both use of raw materials and need of man hours.

(ii) ID8: Ekornes continuously invests and ensures to be updated on the latest manufacturing technologies and continuously increase efficiency to be competitive.

(iii) ID8: No cost analysis is performed specifically related to climate opportunities.

6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
9	Changing consumer behaviour	There is today a low, but increasing environmental awareness by customers in the furniture market. We strongly believe that our focus on environment will be a competitive advantage in the future.	Increased demand for existing products/services	6-10 years	Indirect (Client)	About as likely as not	Medium

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

- (i) ID9: To be evaluated continuously
- (ii) ID9: Ekornes gives objective and transparent information about how the company handles its environmental responsibility.
- (iii) ID9: No cost analysis is performed specifically related to climate opportunities

6.1g

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1h

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1i

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

Page: 7. Emissions Methodology

7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Fri 01 Jan 2010 - Fri 31 Dec 2010	1793	2638

7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

7.2a

If you have selected "Other", please provide details below

7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)

7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
Motor gasoline	2.32	kg CO2e per litre	The Norwegian Climate Pollution Agency
Diesel/Gas oil	2.66	kg CO2e per litre	The Norwegian Climate Pollution Agency
Wood or wood waste	0	metric tonnes CO2e per metric tonne	The Norwegian Climate Pollution Agency
Electricity	0.01	metric tonnes CO2e per MWh	Nordic grid average emissions factor from 2004-2008 (ENTSO-E)
Other: Polyurethane foam production block molding	0.05	metric tonnes CO2e per metric tonne	Ekornes Technical Department
Other: Polyurethane foam production shape molding	0.07	metric tonnes CO2e per metric tonne	Ekornes Technical Department
Other: Energy recovery from general waste (incineration)	0.27	metric tonnes CO2e per metric tonne	Waste Management Norway
Other: Aggregate waste material to landfill	0.02	metric tonnes CO2e per metric tonne	Defra / DECC's GHG conversion factors for company reporting- Annex 9-9d

Page: 8. Emissions Data - (1 Jan 2011 - 31 Dec 2011)

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

8.2a

Please provide your gross global Scope 1 emissions figure in metric tonnes CO2e

1332

8.2b

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 1 breakdown

Boundary	Gross global Scope 1 emissions (metric tonnes CO2e)	Comment

8.2c

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 1 Total

Gross global Scope 1 emissions (metric tonnes CO2e) – Part 1 Total	Comment

8.2d

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 2

Boundary	Gross global Scope 1 emissions (metric tonnes CO2e)	Comment

8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO2e

2320

8.3b

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 breakdown

Boundary	Gross global Scope 2 emissions (metric tonnes CO2e)	Comment

8.3c

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 Total

Gross global Scope 2 emissions (metric tonnes CO2e) - Total Part 1	Comment

8.3d

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 2

Boundary	Gross global Scope 2 emissions (metric tonnes CO2e) - Other operationally controlled entities, activities or facilities	Comment

8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

8.4a

Please complete the table

Reporting Entity	Source	Scope	Explain why the source is excluded
------------------	--------	-------	------------------------------------

8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

Yes

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
Stay AS, JE Ekornes APS, Denmark Ekornes K.K, Japan OY Ekornes AB, Finland Ekornes Inc., USA Ekornes Ltd, England Ekornes Möbelvertriebs GmbH, Germany Ekornes S.A.R.L, France Ekornes Ibericia SL, Spain Ekornes Sp.z.o.o, Poland Ekornes Asia Ltd, Singapore Ekornes Pty. Ltd, Australia Ekornes Latin Amercia Ltda, Brazil	Scope 1 and 2	Incomplete information for the period in question; These subsidiaries are sales offices with between 1 to 69 FTE. Emissions are mainly related to waste and travelling (scope 3) and are considered relatively small compared to the manufacturing sites.

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 10% but less than or equal to 20%	Assumptions Metering/ Measurement Constraints Data Management	Since Ekornes started to report to CDP in 2010, Ekornes has improved on reporting accuracy. Until today Ekornes has reported oil consumption based on time for procurement and not by actual consumption. In other words, oil purchased and registered one year can be used the next year. For 2011 there has been a more accurate estimate than previous years. For 2012 and ahead, Ekornes will continuously improve on managing oil consumption in real-time.	More than 2% but less than or equal to 5%	Other: Published emissions factors	Amount of uncertainties connected to the average Nordic grid factor based on electricity production in Norway, Sweden, Denmark and Finland 2004-2008.

8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Verification or assurance complete

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.6b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ISO14064-3	Verification Statement Ekornes ASA 2011

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Verification or assurance complete

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ISO14064-3	Verification Statement_Ekornes ASA_2011.pdf

8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

Yes

8.8a

Please provide the emissions in metric tonnes CO₂e

343

Attachments

[https://www.cdproject.net/Sites/2012/50/5350/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/8.EmissionsData\(1Jan2011-31Dec2011\)/Carbon Footprint report_Ekornes_2011.pdf](https://www.cdproject.net/Sites/2012/50/5350/Investor%20CDP%202012/Shared%20Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Jan2011-31Dec2011)/Carbon%20Footprint%20report_Ekornes_2011.pdf)
[https://www.cdproject.net/Sites/2012/50/5350/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/8.EmissionsData\(1Jan2011-31Dec2011\)/Verification statement_Ekornes ASA_2011.pdf](https://www.cdproject.net/Sites/2012/50/5350/Investor%20CDP%202012/Shared%20Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Jan2011-31Dec2011)/Verification%20statement_Ekornes%20ASA_2011.pdf)

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2011 - 31 Dec 2011)

9.1

Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

No

9.1a

Please complete the table below

Country	Scope 1 metric tonnes CO2e

9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division

By facility

By GHG type

By activity

9.2a

Please break down your total gross global Scope 1 emissions by business division

Business Division	Scope 1 metric tonnes CO2e
Chairs & Sofas	362.3
Mattresses	915.8
Sales & Administration	53.9

9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 metric tonnes CO2e
Fetsund	915.8
Grodås	5.0
Hareid	3.2

Facility	Scope 1 metric tonnes CO2e
Ikornnes	303.8
Stranda	40.6
Tynes	4.7
Vestlandske	4.9
Ekornes ASA (adm)	16
Skandinavia (sales)	38.0

9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 metric tonnes CO2e
CO2	1332

9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 metric tonnes CO2e
Production	1278.2
Sales & Administration	53.8

10.1

Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

No

10.1a

Please complete the table below

Country	Scope 2 metric tonnes CO2e

10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

By facility

By activity

10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 metric tonnes CO2e
Chairs & Sofas	2102
Mattresses	218
Sales & Administration	0

10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 metric tonnes CO2e
Fetsund	217.9
Grodås	211.9
Hareid	99.0
Ikorntes	1384.4
Stranda	27.8
Tynes	269.5
Vestlandske	109.5
Ekorntes ASA (adm)	0
Skandinavia (sales)	0

10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 metric tonnes CO2e
Production	2320
Sales & Administration	0

Page: 11. Emissions Scope 2 Contractual

11.1

Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

Yes

11.1a

You may report a total contractual Scope 2 figure in response to this question. Please provide your total global contractual Scope 2 GHG emissions figure in metric tonnes CO₂e

11.1b

Explain the basis of the alternative figure (see guidance)

11.2

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

11.2a

Please provide details including the number and type of certificates

Type of certificate	Number of certificates	Comments

Page: 12. Energy

12.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

12.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

Energy type	MWh
Fuel	4165
Electricity	23433
Heat	17935
Steam	
Cooling	

12.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Motor gasoline	219
Diesel/Gas oil	393
Distillate fuel oil No 2	3553

Page: 13. Emissions Performance

13.1

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	3	Decrease	The emissions value in percentage is a best guess based on the following: Improved efficiency and use of wood and pellets incinerators at Ikornnes. Installation of new heating pump with better efficiency at Hareid and Vestlandske. Optimization of ventilation management system at Fetsund
Change in physical operating conditions	8	Decrease	The emissions value in percentage is a best guess based on the following: Significant warmer climate during fall 2011 than 2010.
Other: Production activity	3	Decrease	The emissions value in percentage is a best guess based on the following: Decreased production activity. (- 8.8% seating unit produced and - 4.7% mattress unit produced)

13.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
1.3	metric tonnes CO2e	unit total revenue	14.3	Decrease	Increased focus and better measurement on energy and waste management have given positive effects on scope 1 and 2 emissions. The most important reasons for change: Improved efficiency and use of wood and pellets incinerators at Ikornnes. Installation of new heating pump with better efficiency at Hareid and Vestlandske. Optimization of ventilation management system at Fetsund. Significant warmer climate during fall 2011 than 2010. Decreased production activity. (- 8.8% seating unit produced and - 4.7% mattress unit produced)

13.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
2.3	metric tonnes CO2e	FTE Employee	15.4	Decrease	Increased focus and better measurement on energy and waste management have given positive effects on scope 1 and 2 emissions. The most important reasons for change: Improved efficiency and use of wood and pellets incinerators at Ikorntes. Installation of new heating pump with better efficiency at Hareid and Vestlandske. Optimization of ventilation management system at Fetsund. Significant warmer climate during fall 2011 than 2010. Decreased production activity. (- 8.8% seating unit produced and - 4.7% mattress unit produced)

13.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
6.1	metric tonnes CO2e	Other: mtCO2e per seating unit produced	11.4	Decrease	Increased focus and better measurement on energy and waste management have given positive effects on scope 1 and 2 emissions. The most important reasons for change: Improved efficiency and use of wood and pellets incinerators at Ikorntes. Installation of new heating pump with better efficiency at Hareid and Vestlandske. Optimization of ventilation management system at Fetsund. Significant warmer climate during fall 2011 than 2010. Decreased production activity: - 8.8% seating unit produced.
11.1		Other: mtCO2e per mattress unit produced	10.8	Decrease	Increased focus and better measurement on energy and waste management have given positive effects on scope 1 and 2 emissions. The most important reasons for change: Improved efficiency and use of wood and pellets incinerators at Ikorntes. Installation of new heating pump with better efficiency at Hareid and Vestlandske. Optimization of ventilation management system at Fetsund. Significant warmer

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
					climate during fall 2011 than 2010. Decreased production activity: - 4.7% mattress unit produced)

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

No, and we do not currently anticipate doing so in the next two years

14.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

14.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

14.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

14.2a

Please complete the following table

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose e.g. compliance

Page: 2012-Investor-Scope 3 Emissions

15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Business travel	452	GHG Protocol	
Waste generated in operations	199	GHG Protocol	
Downstream transportation and distribution			Transportation of finished products to customer. Ekornes strives to ship as much as possible by sea. Ekornes has invested in its own ISPS port to accommodate ships with cargo containers
Upstream transportation & distribution			Transportation of raw materials and finished components to own facilities. Ekornes manufactures almost every component at own facilities, that gives an CO2 efficient transport for upstream processes. Ekornes estimates that 80% to 90% of the emissions from the value chain are related to extraction and transportation of raw materials for production of components

15.2

Please indicate the verification/assurance status that applies to your Scope 3 emissions

Verification or assurance complete

15.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

More than 90% but less than or equal to 100%

15.2b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ISO14064-3	Verification Statement_Ekornes ASA_2011.pdf

15.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

15.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Other:	31	Increase	Increased operations in Far East markets and the establishment of a production unit in the USA
Waste generated in operations	Other: Production activity and continuous focus on minimization of waste	22	Decrease	Minimization of waste, reduced activity.

Attachments

[https://www.cdproject.net/Sites/2012/50/5350/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/Verification statement_Ekornes ASA_2011.pdf](https://www.cdproject.net/Sites/2012/50/5350/Investor%20CDP%202012/Shared%20Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/Verification%20statement_Ekornes%20ASA_2011.pdf)

[https://www.cdproject.net/Sites/2012/50/5350/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/Carbon Footprint report_Ekornes_2011.pdf](https://www.cdproject.net/Sites/2012/50/5350/Investor%20CDP%202012/Shared%20Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/Carbon%20Footprint%20report_Ekornes_2011.pdf)

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Øyvind Tørlen, CEO

CDP 2012 Investor CDP 2012 Information Request