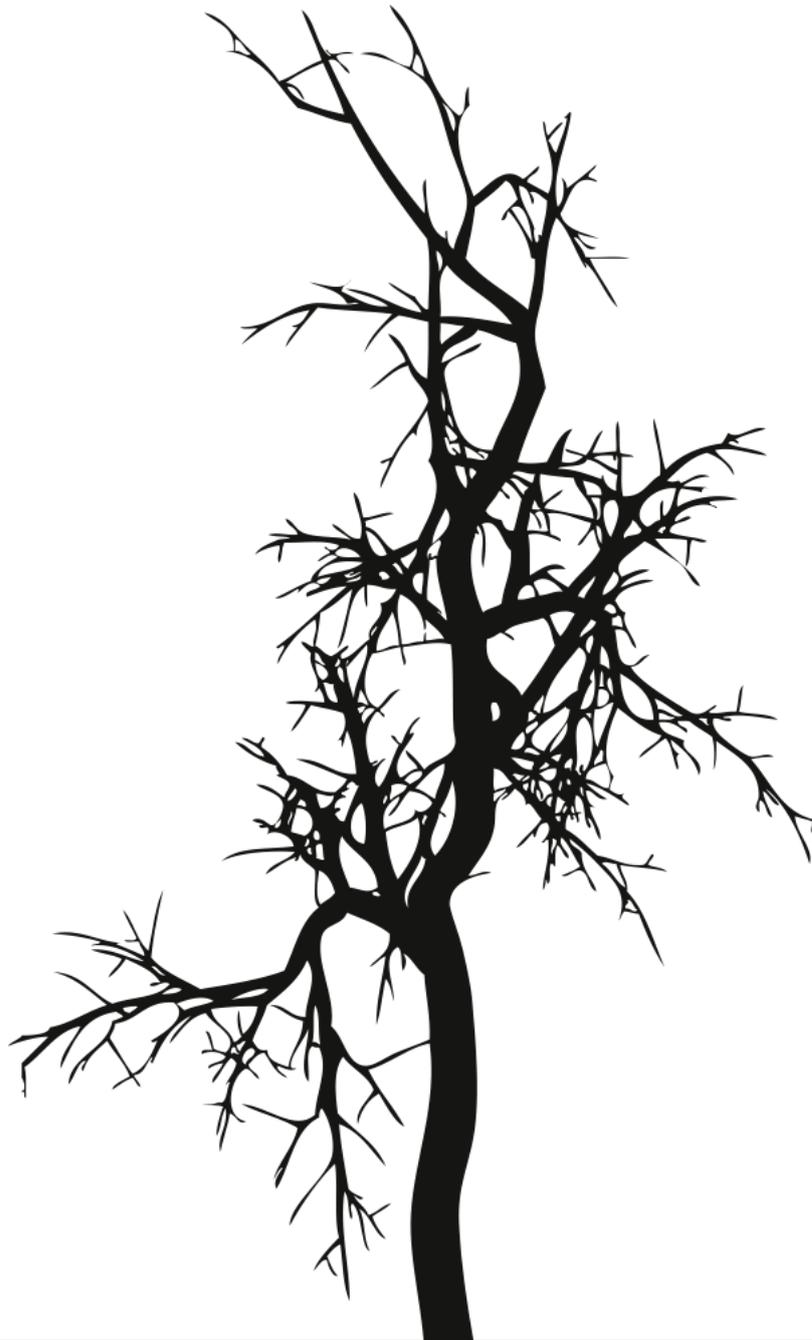


# Global Compact

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Communication on Progress

2017



**HORN**

# Hard work & heart-felt passion

Based on gumption and not least a heart-felt passion to succeed, Karl Nielsen and Ove Jørgensen founded **HORN** in 1992.

Through hard work, they managed to embed **HORN** as an unconventional manufacturer of some of the markets best countertops -With the widest range of design and creative solutions.

Celebrating **HORN**s 25th anniversary this year, their enthusiasm and strong technological investments have made the company grow steadily over the years.

To stay among the leading suppliers of quality countertops, Jakob Bressendorf joined the development as CEO in 2015, with a strong ambition to position the future **HORN** as *the* green solution, to a market known for being mostly cost-focused.

Today **HORN** is among the leading European countertops specialist.

Social responsibility, environmental friendly-, quality focused- and innovative solutions are the cornerstones of our future market offerings.

# Background

During the years, **HORN** has evolved from being a traditional Danish, family owned production company, to an international countertop-specialist, delivering some of the markets best solutions to leading European retailers.

With the growth comes increased responsibility in terms of production methods and employee welfare.

We know, that our success is based on well-qualified employees, their expertise and comprehensive material know-how -Ranging from solid wood, Corian®, GetaCore®, Silestone®, Dekton®, ceramic, granite, steel, laminate etc., and not least our GREEN COLLECTION.

It is therefore most important, to secure the rights of all workers along our value chain, and to enable continued personal development of our internal employees.

We have endeavoured to create the necessary structures and determination to create new opportunities -And not least made CSR an elemen-

tary part of our future vision and mission. However, while our internal focus on social-, environmental- and economical responsibility have increased, we find a need to invest further in business development to be prepared to address future challenges, and continuously evolve as a responsible business.

We perceive this Communication on Progress a valuable internal method to increase transparency on efforts taken to implement the ten principles. We intent to advance the principles within our influence, and engage further in collaborative projects, to ensure a comprehensive organisational understanding of the principles, at all organisational levels.

It is therefore with great pleasure that **HORN** with this, our second communication on progress, confirms its dedication and promotion of the UN Global Compact, which constitutes a good foundation for our future work and focus on responsible business practices.

# Statement from the CEO



Our commitment to act responsible and challenge our social, environmental and economical quality is becoming key elements of **HORN** as a brand and business partner.

We communicate actively and public that;  
*'Our vision is completely green'!*

This is an ambitious statement, and we are well aware that the process towards becoming completely green requires ongoing development, commitment and not least internal enthusiasm from everyone in the organisation. -Both board members, who actively supports our corporate sustainability strategy; The management team who communicate our incentives with internal and external stakeholders and not least throughout our organisational departments where engagement is found through all layers.

As I noted in last years Communication on Progress, and still believe, **HORN** have a world of opportunities, and not least ability to change the way the industry do business.

This year we have been increasingly involved in sustainable initiatives while simultaneously integrating sustainability into our products and production facilities.

Being a countertop manufacturer, the majority of our procurement is wood from all over the world; Africa, China, Brazil, most of the European countries etc.. It is therefore with great personal pride, that I have been elected as board member of FSC® Denmark, which I believe is the most credible system for ensuring of sustainable logging -Due to both their strict rules for Chain of Custody, but also the overall perspective of maintaining the community and the biological systems.

As member of the board, it is in my greatest interest to promote FSC® certified wood as best in class. At **HORN** we further wish to contribute to a wide anchoring of FSC® on our markets through knowledge sharing and -building, to support increased demand for certified wood from both customers and suppliers.

With our engagement in UN Global Compact, we

find it most promising that we have experienced local commitment with the establishment of the new Danish UN Global Compact network group. We hope that the establishment of this local group, will support us even further in integrating the Ten Principles with relevant and measurable methods for all areas within Human Rights, Labour Rights, Environment and Anti-corruption.

On behalf on **HORN**, I would like to thank you for the interest you are showing in this report and thereby our organisation.

*Enjoy reading  
-I wish you a most pleasant day!*

Jakob Bressendorf  
CEO - **HORN**



# GREEN COLLECTION

Within the industry, we find a growing interest in doing business based on environmental beneficial specification and standards. However, the development of products, actually fulfilling these specifications, have not had its break-through yet, with the consequence of standards not being met.

We wish to influence this development, and the speed of which environmental correct standards is being implemented –Both among suppliers, customer and at a political level.

To ensure market transparency, it is our objective, that all of our products is to be certified within applicable environmental- and health standards –So that any purchase decision can be done without risk of damaging the overall health of the end user, and make them confident that their purchase has went through a sustainable supply chain. We further believe that this will make a huge difference by requiring more of the industry, making the purchase decision transparent and not least help protect end-users from harmful substances.

In 2015 we got our first laminate collection emission-tested at the Danish accredited ‘Technological Institute’. However, to fulfil all of the markets statutory declared emission limits – We got the collection further tested with ‘bravour’ within all applicable European speci-

cations during the summer of 2016.

GREEN COLLECTION is tested and secured against emission of various harmful substances, to protect the general welfare amongst our customers, and actively make an effort to prevent e.g. cancer and lung diseases, which is greatly influenced by such emission.

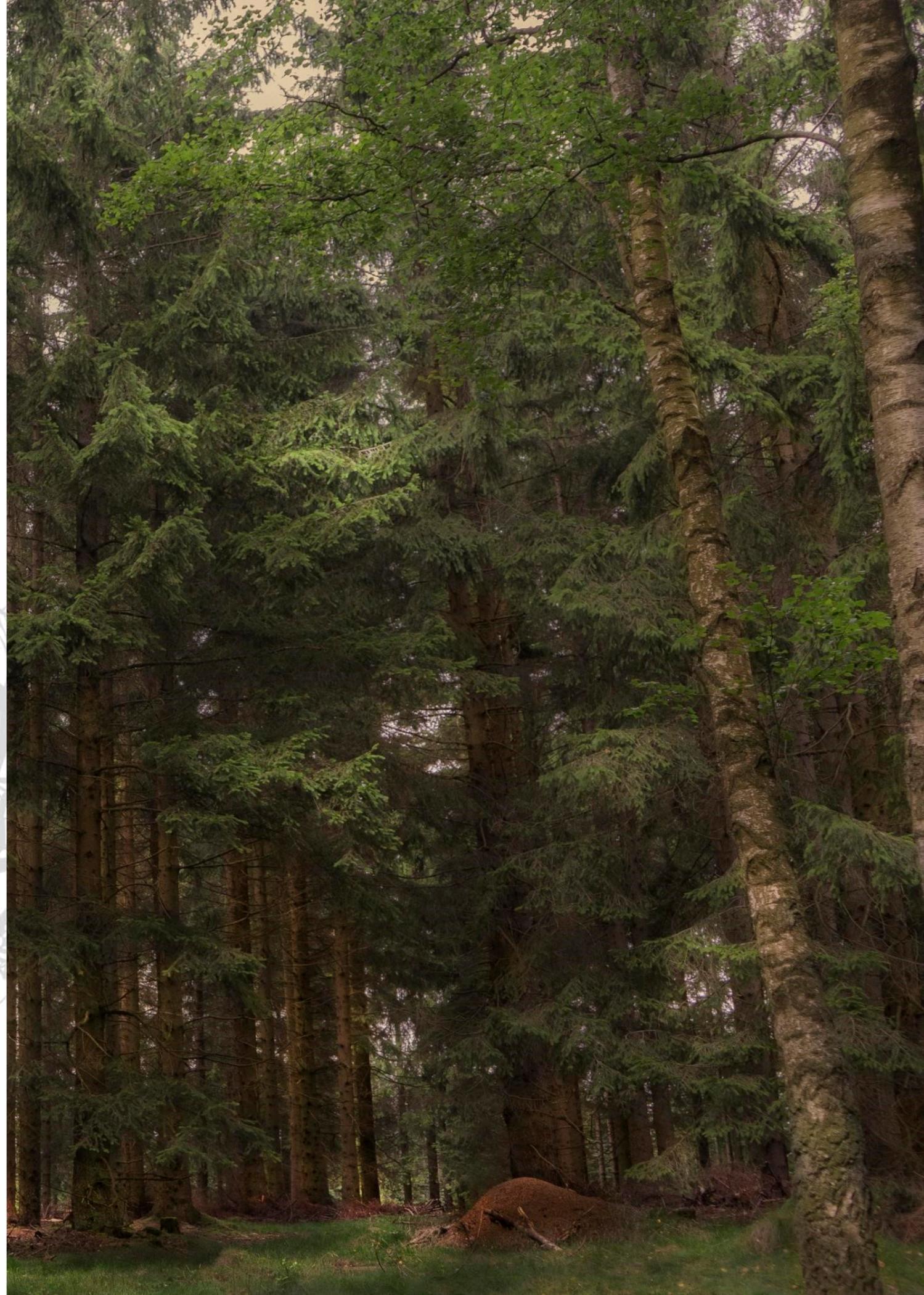
To further ensure the sustainable element the collection hold a FSC® certification and the Rainforest Alliance frog. This means, that no matter where your HORN countertop originate, you are guaranteed that the area of origin is working with sustainable development –E.g. improving the conditions for the workers and their communities, child labour is banished and the protection of biological systems and the preservation of wildlife is uphold.

As solid wood countertops is one of our best selling products, we naturally found, that this should be the next extension of GREEN COLLECTION. We are therefore more than proud, that we have extended the collection with GREEN COLLECTION - Wood, including 8 new products; Oak, Ash, Core Ash, Beech, Maple Tree, Cherry Tree, European Walnut & American Walnut. Last but not least we also extended the collection with GREEN COLLECTION - Bamboo.

In 2018 it is once more our goal to extend GREEN COLLECTION with further products.



Miljømærket for ansvarligt skovbrug



# Rethink Business



At the end of 2016 HORN were selected to join a Rethink Business Project. The project is an innovation process, aimed at developing sustainable and profitable business models for Danish SMEs, initiated by the following partners:

- ◆ European Social Fund (ESF)
- ◆ European Regional Development Fund (ERDF)
- ◆ Central Denmark Region
- ◆ Business Development Centre Central Denmark
- ◆ Lifestyle & Design Cluster.

HORN participated in the project with the Danish Cradle2Cradle department; 'Vugge til Vugge' and its CEO Annette Hastrup.

## Becoming a 'green' company

With the launch of GREEN COLLECTION, HORN were as an organisation already very much aware of their environmental profile and strategy, before joining the project.

However, throughout the process new ideas evolved for the future green HORN –Including

take-back solutions to ensure maximum sustainability based on the cornerstones of the paradigm of circular economy.

The multiple ideas were summarized into a 5 year roadmap, showing multiple broad-spectrum milestones to be reached.

## CEO, Jakob Bressendorf quote:

*'We have become much more aware of what it means, when we state we want to be a green company! I find that especially the planned roadmap will contribute to our future development, as it advance in being a systematic method, which guides and prioritizes our efforts. –Thereby it becomes much easier to implement changes. The upcoming task from the roadmap is equally figuring in our balanced scorecard with our other upcoming task, to ensure implementation.'*

## A future with certification & circular economy

While the results of the project serve as a strong foundation for organisational development, more product certifications will come to guide the consumers in a transparent way.

# Denwood



Denwood

## Join the circular economy revolution:

The main objective of the Rethink Business project were to design a future HORN business model with optimal resource utilisation –And prolong the lifetime of valuable resources.

In our 2016 Communication on Progress we briefly informed about the establishment of a new, local social enterprise; Denwood, in which we saw an opportunity to reuse and recycle all spare-elements from our countertop production.

As the business model design process were based on the principles of circular economy, we seized the opportunity to increase our cooperation with Denwood, to establish a minimum-waste approach in our wood collections. As a result we now send all spare-elements and defective solid wood items to Denwood, for them to remanufacture into new designer goods.

## A perfect match

Denwood is established on visions for a better future and driven by goals to make a difference. Great service and professional knowledge shar-

ing served in an unpretentious and flexible style, form the foundation of Denwood.

Their mantra is: Reduce - Reuse - Recycle! With the notion that; *There is way too much waste in this world!*

While the primary internal objective with this establishment is to ensure a better use of all of materials, we likewise find a desire to engage in socially beneficial purposes, in relation to the human right principle.

Besides being the recipient of HORNs residual wood, Denwood is furthermore, very much aware of their social responsibility. In cooperation with regional municipalities and jobcentres, they help people whom, for various reasons, have a reduced working capacity to get a daily working life back on track.

While it might be a small step for us, we wish to support Denwoods development, as we hope that it will be one in many, to ensure that we help protect the planet as well as helping people.

## Certificering og cirkulær økonomi bliver vejen frem for HORN Bordplader A/S

24. oktober 2017 Fokuseret Værdikædesamarbejde

HORN Bordplader A/S medvirkede i projekt *Fokuseret Værdikæde-samarbejde*. Nu er virksomheden klædt på til at beslutte, hvilke certificeringsordninger og cirkulære forretningsmodeller, de skal gå efter for at styrke virksomhedens grønne profil.

HORN Bordplader ønskede i projektet at videreudvikle den grønne profil med fuld dokumentation, men har desuden fået mere systematik ind i miljøarbejdet. Ved projektet med direktør Jakob Bressendorf og Anna Kathrine Ahler Nielsen, den grønne forretningsudvikling.

Read and download the full case description here:

<http://rethinkbusiness.dk/portfolio-item/certificering-cirkulaer-oekonomi-vejen-frem-horn-bordplader-as/>





## HORN - Product certifications

### FSC® - Certified wood

To ensure that none of our components is manufactured under conditions that disrespect internationally proclaimed human rights, the first step HORN made towards being more environmental friendly was the decision that all wood-procurement, and to the extent possible some of our chipboards and laminate surfaces, were exclusively FSC®-certified, to take responsibility for both the environment, animals and people along our supply chain.

FSC® is an international membership organisation that sets standards for responsible forest management, and is supported by a broad range of stakeholders. The certification help protect indigenous people, maintain community relation and enhance forest workers right.

As it is our ambition to be working holistic with sustainability we find FSC® to be the most credible system, as a result of the strict rules for chain of custody and overall perspective of maintaining both the community and biological systems. In other words, we find FSC® to be the best possible method to influence the industry, to consider the use of wood and the health and safety of forest workers, while looking after precious forest wildlife.

As an extension of our FSC® certification and HORN CEO, Jakob Bressendorf being elected as a FSC® board member, HORN furthermore became a FSC® membership organisation in 2017. To support the promotion of the mark, we wishes to contribute to a broad anchoring of sustainable wood procurement throughout our markets of influence.

### INDOOR AIR COMFORT - GOLD

The Indoor Air Comfort – Gold certificate ensures the end-user that our GREEN COLLECTION countertop solutions, deduce even less than the strict market specification requires.

As a further mark of quality for the Indoor Air Comfort certificate, we opted for the ‘Gold’ edition meaning that all GREEN COLLECTION solutions have went through a Factory Production Control, guaranteeing that the tabletops is produced from the highest internal standards.

The certification method is applicable to the European market as a total, which in other words, guarantee that the collection complies with all current standards, laws and requirements in the European market.

### Rainforest Alliance

Rainforest Alliance is an international non-profit organisation working to build strong forest and healthy communities through collaboration within a growing network of farmers, foresters, communities, scientists, governments, environmentalists and businesses dedicated to conserving biodiversity.

While FSC® is working actively to support general forestry, Rainforest Alliance is especially focused at ensuring sustainable livelihoods by transforming land-use practices and business practices in tropical areas. As we trade tropical wood it has therefore been important for us to support a healthy development in these areas.

# Global Compact Principles

In order to indicate our intents, and continuously make decisions that improve our social-, environmental and economical responsibility, we chose to take part in the UN Global Compact.

With the commitment, it is in our foremost interest to make the principles an active part of our overall strategy, organisational culture and general day-to-day operations.

A key element of our future CSR work, will be our Rethink Business roadmap based on the paradigm of circular economy. However, to ensure a measurable and consequent approach is being rooted throughout our organisational levels and our external communication, we have since august 2017 been a member of the Danish CSR organisation: Green Network.

As an initial method, we will be comparing our progress within the UN Global Compact with our self-assessment made in cooperation with Green Network.



The goal of Green Network is to support organisations with knowledge and tools to work with CSR as a method to integrate business ethical initiatives in their business.

We believe that the engagement in Green Network as an extension to UN Global Compact will help us develop a relevant capacity to perform self assessment, but also ensure our values and the UN Global Compact principles are being uphold throughout our value chain, by providing relevant and measurable methods for analysing our progress.

## E4 - Skyline

CSR Skyline is a self-assessment tool, which companies can make use of, to gain an initial

overview of CSR activities (baseline), and subsequently identify important focal points for their future work by setting relevant specific goals.



Green Networks CSR Skyline is built according to the following main categories: Economy, Ethics, Environment and Employment (E4). However, it is based on the 10 UN Global Compact principles, and recommend various focal points to ensure compliance with and future improvements within these principles.

For each category there is a number of different themes (69 themes in total), which should be given a score from 1-6 depending on the company assessment and current status within the various themes.

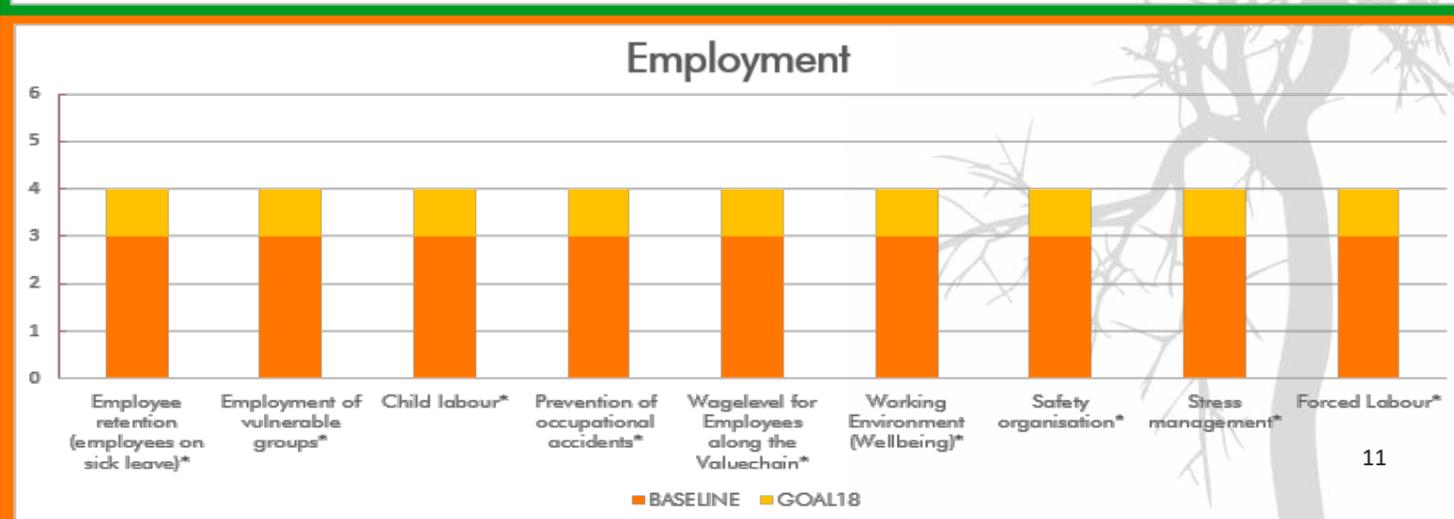
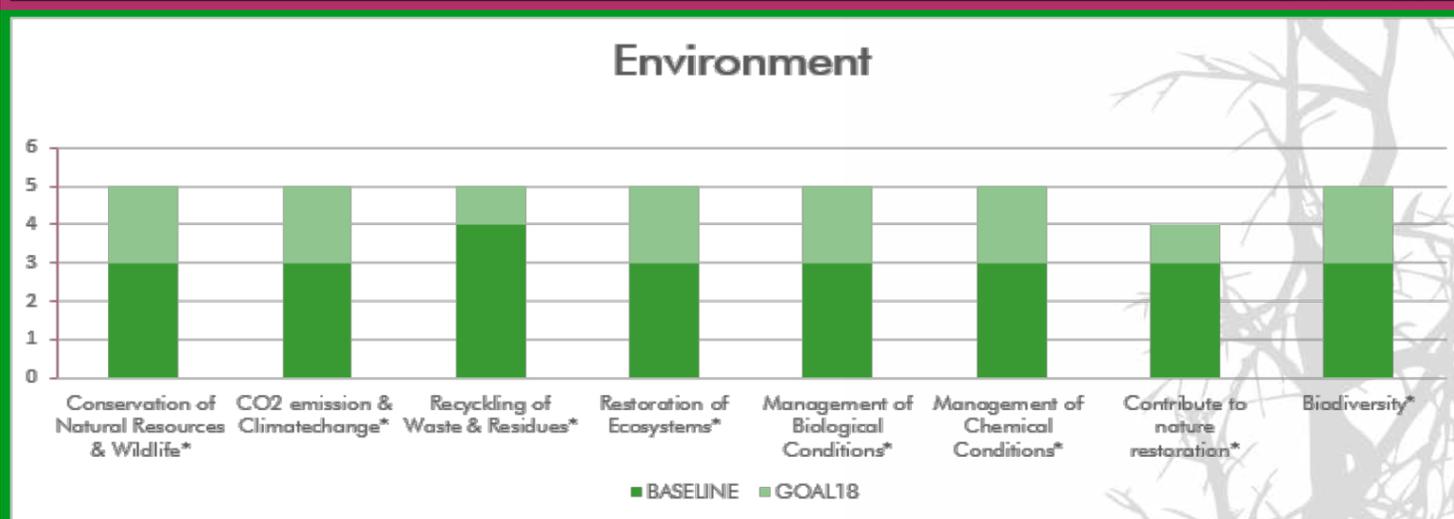
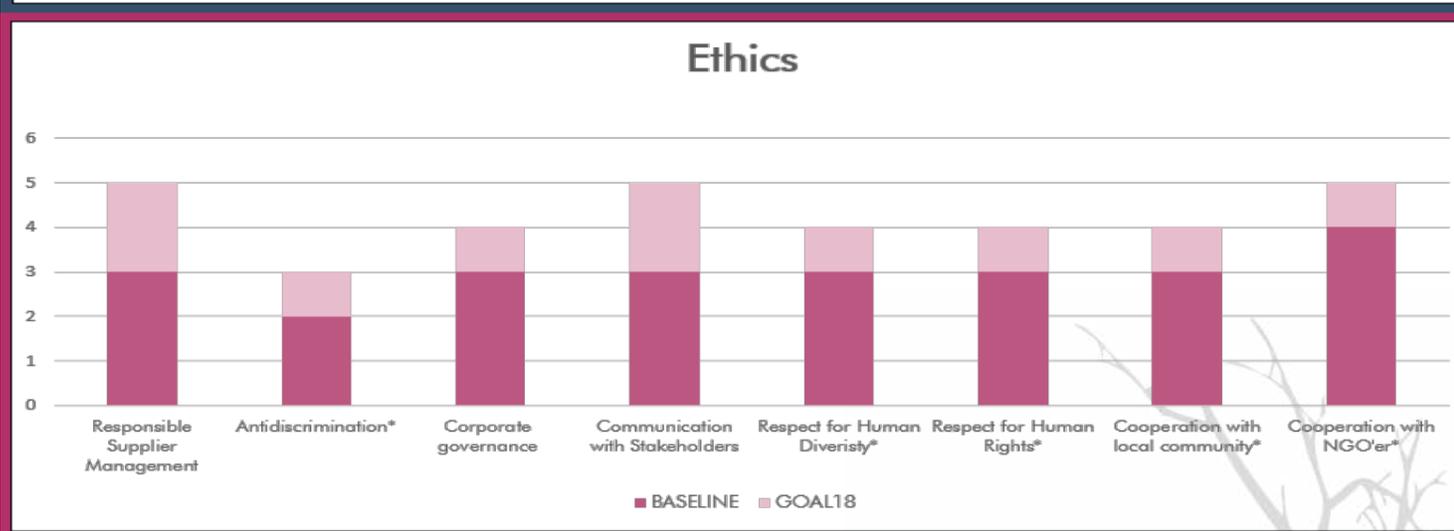
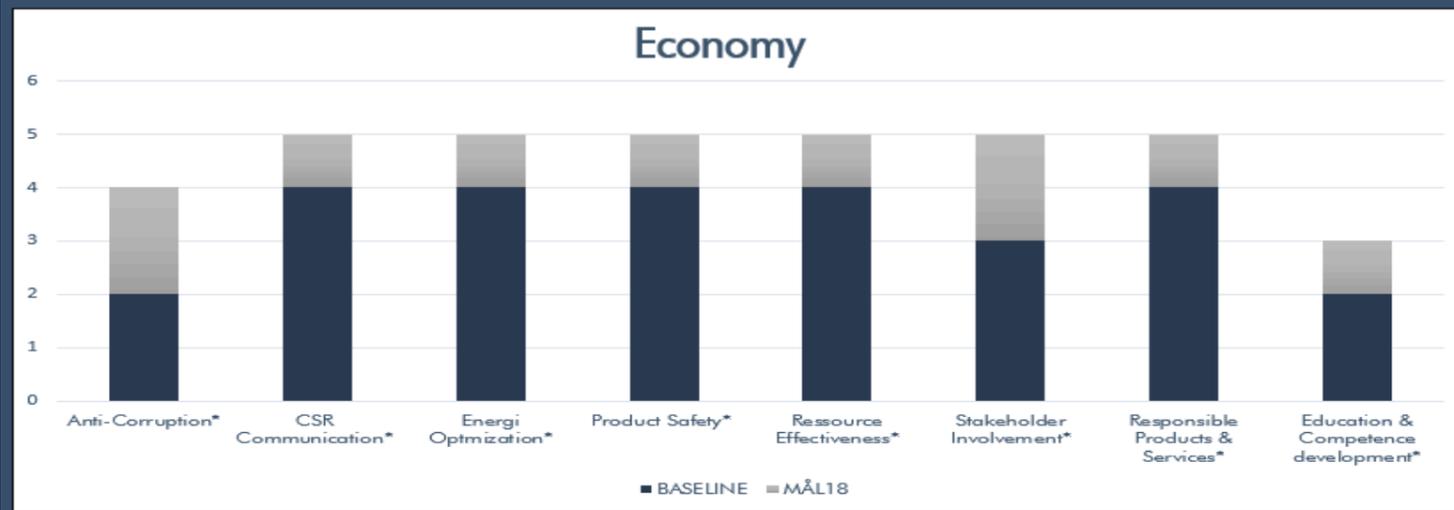
1. **Reactive**  
Following rules & regulations
2. **Normative**  
Following standards, business norms and compliance
3. **Active**  
Responsive to societal expectations
4. **Proactive**  
Managerial control, readiness to change
5. **Leadership**  
Trendsetting, conservative leadership
6. **Market Leadership**  
First-mover, may change market conditions, innovator

As an initial step, we have chosen to work with 8 themes, from each category, which we find relevant for our current situation.

These themes will be our focal points for improvement during 2018 and forward.

On the right side you will find our current baseline score and goals for improvement during 2018.

Further information on current initiatives to support the Global Compact principles, is found on the following pages.





**HORN** supports and respects the protection of internationally declared human rights.

To support local community activity, we have made an active choice to keep our business facilities in the small Danish village; Aulum. We therefore naturally comply with Danish legislation, which fulfils international conventions.

In relation to the principles regarding labour the Danish legislation makes us further subject to the Confederation of Danish Employers (DA). The confederation adds a comprehensive focus on employment policy, occupational health and labour law including a strong focus on wage and security. Cf. Labour policies we, however, strive to advance our employees terms of employment to ensure the best work environment.

# Human Right Principles

Progress:

**Active dialogue**

In our 2016 Communication on Progress we planned to inform our partners about the relevancy of among others certified and tested products and responsible business practices. The main objective of this, were initially to evoke a process of active dialogue and knowledge sharing. In 2017 we therefore made our internal sustainable initiatives and our knowledge regarding general industry development within this matter, our main focal point throughout our communication.

**Leadership on Code of Conduct**

As a method for securing that we do not complicit in human right abuses and that all our partners strive to act in responsible matters, we planned to set up a Code of Conduct. The relevance of this were emphasized during our Rethink Business project, but we also came to know, that for our Code of Conduct to be effective, we need to assure, that we have the right management systems to implement it throughout our value chain. Our objectives regarding our Code of Conduct, have therefore been adjusted, and are not yet completed. We nonetheless find this *slower* approach more meaningful, as the end-result will be, that we manage to take leadership regarding our proposed partner responsibilities.

Goals:

**Assessment, due diligence & risk management**

To guide our work within the Human Rights principle throughout our value chain, it is our objective to make use of tried and tested management systems. This includes an assessment of potential human rights impacts and the establishment of ongoing due diligence and risk management systems. In relation to this, we plan for our partners to sign our Code of Conduct during 2018.

Looking at our selected **E4-Ethics** focal points, our self-assessment acknowledge that we for most subjects regarding Human Rights have been too reliant on the Danish legislation. While this is not necessarily negative, it nonetheless means, that we are only compliant with standards and business norms, or at best reacting actively on social expectations. We both can and will do more than that –And aim to, at minimum, take on a proactive managerial control within all subjects. As seen in the **E4-Ethics**, we furthermore aim to take on a leadership approach within the subjects of responsible supplier management, communication with stakeholders and cooperation with NGOs. Our Code of Conduct, **HORN** Academy and FSC® membership will among others assist us in achieving this goal.

Managers of FSC® -certified forests must minimize disturbances associated with wood felling. Unlike conventional and non-FSC® certified forests, it help maintain habitats for larger populations of mammals and birds across the tropics.

# Labour principles

We are well aware that our success is based on our employees and their individual expertise and craftsmanship. However, we find that their wellbeing is, what makes all the difference –And we aim to hold on to those competent co-workers of ours, by improving their general joy in work.

## Progress:

### Employee retention

We are continuously working towards being an attractive workplace, where the wellbeing of our employees is a paramount. This year we have initiated an internal programme for ensuring employee retention during seasonal fluctuations in the production. This enables our employees to keep their jobs, and the opportunity to choose courses within their interest and expertise.

### Employment of vulnerable groups

Our establishment of Denwood give us, as mentioned, the opportunity to help people whom, for various reasons, have a reduced working capacity, to get a daily working life back on track.

## Goals:

### Increase employee welfare

We aim to continuously be offering the right education for both our customers and our internal co-workers. However, as seen in our self-assessment regarding **E4-Employment** we find, that we, to a large degree only comply with societal expecta-

tions, and need to be putting more focus towards how we can ensure effective management of our employees general well-being and safety.

During 2018 we aim to establish the right mechanisms to proactively improve our actions. However, our ambition is, during the next years, to take a more consequent leadership approach regarding these subjects.

### Promoting responsible business fare

To ensure that none of our components is manufactured under conditions that disrespect internationally proclaimed human rights, we have become more aware of our responsibility for employees along our value-chain, and how we can support and promote responsible business fare

Up-stream in our value chain we have made a consequent managerial decision, that all of our solid wood is exclusively FSC®-certified from certified sources, which meet strict standards that are environmental appropriate and socially beneficial – Meaning, that they protect indigenous people, maintain community relation and enhance forest workers right.

While the FSC® help us ensure the living and working conditions for workers in certified forest, we aim to establish the same focus for other product groups, and take proactive control during 2018 – Especially regarding our stone based materials, where we likewise should ensure that forced- and child labour are abandoned and that the workers get a decent wage level.

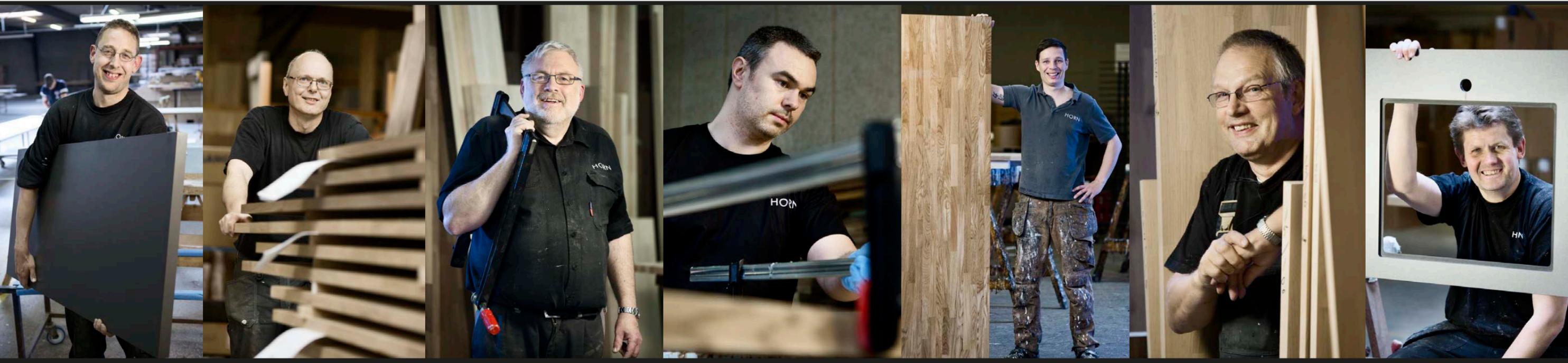
A study of FSC®-certified forests in the Congo-Basin has shown, that even in remote FSC®-forests, the workers have access to medical care. This is important as there are frequent injuries among forest workers.

(cf. FSC®)

The living and working conditions (such as health insurance and security procedures) are better for workers in FSC certified forests than in forests without certification in many countries in the Congo-Basin (The world's second largest rainforest).

(cf. FSC®)



# Environmental principles



Within recent years, environment has become a strategic focus at HORN.

We find that we can do the most impact regarding the UN Global Compact environmental principles, as our business, and industry in general, is able to influence and support a precautionary approach to environmental challenges.

Based on clear improvement, transparency and environmentally responsible management, we therefore aim to reduce environmental impacts throughout all of our operations.

## Progress:

### Sustainable energy management

In our 2016 Communication on Progress we informed about our focus on minimizing our energy consumption. By continuing our improvements in this regard, HORN is within 2 years able to reduce our energy consumption with 154 MWh and our CO2 emissions with 40 tonnes.

However, with the purpose of protecting the environment and promote the production of and investment in green energy, HORN converted our entire energy consumption to 100% wind energy medio 2017.

All of our 85 employees, working daily at our production and administration facilities in Aulum, are therefore now working with green energy and we are expecting to save the environment approximately 372 tonnes CO2 during 2018 (based on an expected consumption of 500 MWh).

### Knowledge sharing and –gaining

To ensure that our customers and partners are informed, we made our internal sustainable initiatives our main focal point throughout our communication to our customers, including our training programme.

A further benefit of our Rethink Business project were, that we got an overview of which data we needed from our suppliers, for which we had made the goal in our 2016 Communication on Progress that we wanted to start gathering documentation, as a method to trigger a greater comprehension of each individual component, and the value of obtaining the right certifications within the industry.

### Product certification

We furthermore succeeded with our objective of getting at least one more product certified within applicable standards.

As solid wood countertops is one of our top-sellers we found this selection to be a natural 'next choice'. GREEN COLLECTION were therefore extended with GREEN COLLECTION - Wood, including 8 of our bestselling wood varieties; Oak, Ash, Core Ash, Beech, Maple Tree, Cherry Tree, European- and American Walnut. Additionally we also got our Bamboo certified as a third sub-group to our GREEN COLLECTION.

## Goals:

### Partnerships & education

Cf. our E4-Environment assessment it is our ambition and goal to take leadership in this regard and as an example encourage a national development of environmental friendly building standards. This goal requires constant focus and ongoing involvement in relevant partnerships with stakeholders, to ensure that the information level, both internal and external, is aligned. Our Rethink Business project has opened our eyes towards multiple partnerships, that we will pursue during 2018, to increase our internal knowledge regarding the overall market development.

We further plan to initiate an educational programme; HORN Academy for which the primary focus will be our product solutions and educational lessons on various CSR initiatives, to educate and promote greater environmental responsibility among our customers.

### Resource effectiveness

As we strive to create transparency in everything we do, and are in the process of minimizing all waste -We believe in the idea, that one man's trash can become another man's treasure. We will therefore be working even further with our minimum-waste ambitions, and seek further partnerships that can ensure this goal.

We will continue the improvements within energy-efficiency, and initiate new tests to further reduce our consumption.

A study of forests in the north-western North America has shown that FSC® certified forests generally store 25-60% more CO2 than non-FSC® certified forests -In some even more than 80%.

(cf. FSC®)

# Anti-corruption

**HORN** is strongly opposed to, do not accept and have zero tolerance for corruption, extortion or bribery in any form. This is our current principle –And will be in the future as well.

## Progress:

### Leadership on Code of Conduct

In our 2016 Communication on Progress we planned to set up a Code of Conduct for all our partners, as the main method for supplier control, and an active reflection of our anti-corruption standpoint.

As already mentioned, we found that we need to take active leadership of our Code of Conduct, to ensure that the end-result includes the right management systems, which can implement relevant actions throughout the our value chain.

Anti-corruption is still secured upstream through the procurement of only FSC®-certified wood.

## Goals:

### Leadership on Code of Conduct

Looking at our selected **e4-Economy** focal points we are aware that we need to take more proactive actions to secure anti-corruption.

This includes managerial control, risk assessments and a robust commitment formulated in both internal and external policies.

We expect all of our employees and partners to embrace our anti-corruption standpoint, which will be included as a main focal point in our Code of Conduct to be signed during 2018.

Both internal and external the anti-corruption principle will become an active part of our **HORN** Academy, as a method to educate about our policies and guide our partners in their daily actions.

Internally the Code of Conduct is meant as a guideline for our employees to ensure, that we as an organisational group act according to high ethical standards and not least live up to our value system, which is governing the way we choose to present our self in all our actions.

# Ending note

Based on our 2016 Communication on Progress, we have summarized and defined some of our actions already taken towards the ten principles, including our goals for the coming year, to continually improve the integration of the UN Global Compact into our business, strategy, culture and daily operations.

As a final objective we aim to address our goals for contributing to the 17 sustainable Development Goals in our 2018 Communication on P

*We commit to share this information with our stakeholders, through our communication channels.*



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

We welcome feedback on its contents.

# HORN Value system

## **Respect**

We acknowledge all individuals and respect their difference –We trust this to be the approach for general work happiness.

## **Trustworthiness**

We are loyal, honest, engaged and dedicated -We believe this make us trustworthy in all of our relationships.

## **Development**

We are developing our business and products in relation to future market requirements –We are certain that these will be transparent responsibility.

## **Cooperation**

We have a mutual aim to make HORN the preferred countertop solution within the industry -We know that the method for this, is cooperation both internal and external with our partners.

## **Commitment**

We feel, live and own the HORN identity.

