UN Global Compact
Communication on Progress
2020-21

HORN

Rethink Quality

This is our initial presentation of our ambitions to improve the sustainable behaviour within the industry.

Goals & actions plans will follow.

WHAT WE DO?

Countertops

What a nice simple answer, you may think?

Well, we do not live in a simple world. Quite the contrary.
We all have expectations - To our self, to others, to our workplace and colleagues, to the things we do and the things we buy, not least we have high expectations to the world we live in, and the world we want to pass on to future generations.

High expectations can be a curse and a blessing. Going from being a traditional manufacturer of, what we would like to think of as; *'High quality countertops'*, produced using traditional methods with 'traditional' materials, is not going to live up to neither ours nor our customers and end-users expectations.
In that way expectations may challenge us, to redefine the term and expectation for *'high quality products'*.

Rethink quality

Quality – All the way, has always been a main focal point for HORN.
But, what do we define as "HORN quality" and what do we mean when we say "all the way"?

Within the industry, quality were usually defined as: Price, delivery time and having a wide product range.
These are still important factors, but we ask ourselves: Can't we do more than that?

We both can, will and have to, to ensure our products live up to a 'high quality' definition in the future.
And choose to look at it as a great blessing, that we, as a manufacturer, have the opportunity, right now, to redefine and rethink our self and our market offer.

Extending our market offer

Countertops – Surfaces is our core product.
But one gets shaky with just one leg to rest upon.

Our vision is to be a completely sustainable company.
The innovation challenges in this regard therefore stems in the need to find solutions to methods of producing, maintaining and not least recycle. We solve the challenges by increasingly incorporating digital solutions, to keep track of both our products, processes and customers, and not least by developing various sustainable solutions around the core products, such as service, supplementary products from spare material and not least by offering knowledge sharing regarding sustainability and general product education.

Therefore we exist because we can make high quality countertops – But it is just one of our future market offering.
Delivering digital- and sustainable solutions are the two pillars that justifies our basis of existence.
And honestly, one could no longer be without the other.

BACKGROUND

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.

Their enthusiasm and strong technological investments made the company grow steadily over the years, and HORN 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.

Development

With growth comes increased responsibility in terms of production methods and employee welfare. 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 the commitment to act responsible and challenge our social, environmental and economical quality is therefore key elements of HORN as a brand and business partner.

We have endeavoured to create the necessary structures and determination to create new opportunities –And not least made CSR an elementary 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 sustainable business.

Developing and incorporating various digital solutions will help us stay among the top quality countertop suppliers and implementing corporate social responsibility through all business layers.

Transparency

We know, that our success is based on well-qualified employees, their expertise and comprehensive material know-how –Ranging from solid wood, granite, quartz, ceramic, solid surface, steel, laminate incl. compact laminate and linoleum. So when we communicate actively and public that;

'Our vision is completely green!'

We are well aware, that it is an ambitious statement, and that the process towards becoming *'completely green'* requires ongoing commitment and 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.

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 third 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 OUR CEO

2020.
The first year of a new decade that holds extensive plans and ambitious goals to improve our ecosystems, biodiversity and human welfare.

Then came the Covid pandemic.

What I were expecting to state is so very different from what I am about to.
Because, what can be expected in this changeable world right now?

The pandemic changed a lot for all of us. And while the only expectable is that nothing can be expected. This situation pulled the rug away from our feet, in a way that no one could have foreseen.

Many business owners have been forced to shut down their lives work. The situation is though on all of us, because we all know someone who have been affected negatively.

But then we find ourself in a situation, where we are doing better than we did before the pandemic. And while I cannot pin point exactly what is the derived effect from Covid, equalling people spending more time at home and thereby also having more resources to spend on their homes or simply our ability to bring in new customers. I do know we have a responsibility, bigger than before, to ensure that at least **our** plans and ambitions to improve the environment and human welfare are implemented.

So while my original intent were to state, that we all had to do more, to ensure the incorporation of the overall 2020 plans and goals.
I speak for HORN. –And we find ourself so privileged, that we still have the resources to actually do more regarding the sustainable development.

A change has happened

On a positive note, we have seen a step change in the commitment across society to sustainability. We are no longer presenting our sustainable initiatives as a supplement at business meetings. Our sustainable initiatives are the ones that bring meetings together. And in general both governmental institutions, investors and consumers are requesting sustainable solutions.

This makes our commitment even more important. Because we know we can do more, and even though the current situation makes it hard for us, we need to unite to solve the pressing issues that are impacting our world.

Being less bad, is not being good

When solutions to the issues is discussed in various forums, there is a lot of talk about 'minimizing' all kinds of negatives; Co2, toxins and not least waste.

From 2015-2020 we did a lot of actions in our production facilities that minimized our energy consumption and thereby our Co2.
We also went through the various chemicals included in the manufacturing process - Found out the minimum amount that could be used, and outphased chemicals that did not live up to the requirements when we certified products. Thereby we minimized toxins.
We furthermore managed to use more of our raw materials and establish a social economic business unit, that makes new products from a lot of our residual materials - And so, we minimized waste.

We need to be more aspirational.

Instead of just continuing the process of minimize negatives, we want to create positive products right from the beginning and set the standard for sustainability within the industry.

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

Keep safe & enjoy reading!

Jakob Bressendorf
CEO - **HORN**

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.

UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

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

We welcome feedback on its contents.

Denwood by HORN

When life give you lemons

Our current consumption is unsustainable and we produce far too much waste.
For many years we saw this negative trend clearly in our countertop production facilities, as we would send our employees home with nice 'fireplace wood'.
While that may have been a cosy arrangement, it definitely weren't sustainable in the long run, as most of our 'waste' is genuine, high quality material of high value.
So to change our focus and start encouraging a positive attitude towards our waste, we started looking into how we would be able to turn waste into something desirable.

Our interior line were founded in 2016 as a Social Enterprise called 'Denwood' to start upcycling all waste material from our countertop production facilities and design new home accessories from materials that used to be thrown out.
In 2020 we made Denwood an integrated part HORN and our daily work and changed the name to 'Denwood by HORN' to ensure a clear market focus, but also to improve our material flow, which in time will enable us to ensure a closed, circular loop and a potential take-back system.

To be honest, Denwood by HORN is quite good at what they do - Why today, they actually design products from various materials and sources, including recycled material from other companies than HORN to ensure sufficient supply, but also help others minimize their waste.

Stronger together

Besides recycling residual products and waste, we are very much aware of the social responsible potential that lies at Denwood by HORN. Right from the beginning we therefore started hiring people who, for various reasons, have a reduced working capacity, to get their daily working life back on track. We do this in cooperation with municipalities and jobcentres, and find that the solution is not only valuable for the people of concern, but actually to our company as a whole, as the action unite our mutual values and interests of showing respect and commitment.

TALK

HORN - SUSTAINABILITY

Sustainability.

What does that word mean to you - how do you define it?
You may end up even more confused, if you try googling it.

Sustainability is personal and dependent on expectations and beliefs. But we do know it is something about not meeting our current needs on behalf of future needs.
-To sustain an ability.

For HORN it gets personal the moment we risk having a negative impact on something valuable to us. We value the environment for serving us with natural resources, raw materials, to our products.
We value all people involved in the manufacturing process as they enable us to make beautiful products from these raw materials. And we value you, our customer, for having an interest in our products and therefore enable us to keep doing what we do.

We want to sustain the ability to serve what is valuable to us with quality. Sustainability for HORN is thereby defined and developed within the frame of what is quality to the environment – quality to the people involved and quality to you, our customer.

SETTING QUALITY STANDARDS

We work hard on our visions for a better future and are driven by goals to make a difference. We already have a lot of good, valuable and not least certified materials in our product assortment - But we have to prioritize durability and recyclability and design these qualities into our products to a larger degree, than what we are able to do within current standards.

Taking the lead

Instead of following the existing standards we need to reach higher and set our own. Afterall sustainability is to a large extent dependent on expectations and beliefs - And we believe we have a momentum right now to define future quality standards within the industry, and help raise consumers that expect nothing less than a product that have made no harm to neither the environment, the people involved in the manufacturing process nor to them and their families.

In the following section we have defined what we believe is sustainable quality to our valued focal points:
-You, the customer
-The people involved in the manufacturing process
-The environment

By setting standards close to these focal points, our ambition is to proactively stay on track of what is actually able to drive a sustainable development that is interesting, attractive and of course needed for all stakeholders.

QUALITY FOR YOU & YOUR FAMILY

QUALITY FOR THE

Our focal development goals

We are aware of the massive effort required from both countries, companies and citizens to reach the 17 Sustainable Development Goals, and choose to incorporate relevant targets in our quality standards and goals, to show our active support. We have chosen to focus on 4 goals and 7 targets, and will throughout the following pages indicate where they have their relevancy.

Goal 3: Good health & well-being

3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

Goal 12: Responsible consumption & production

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities

Goal 15: Life on Land

15.B Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation

Goal 17: Partnerships for the goals

17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships data, monitoring and accountability

PEOPLE INVOLVED

QUALITY FOR THE ENVIRONMENT

QUALITY FOR YOU

Sustainability is personal.
HORN deliver countertops to multiple kitchen– and furniture manufacturers - Ranging from high end, cost focused, trendy and traditional. To us your choice of style and cost does not matter, as we aim to have a sustainable option for everyone. The important aspect is therefore the choices we choose to incorporate into the final product - Whether it being high end, cost focused or in between.

A sustainable option for everyone

In 2015 HORN started the development of the markets first certified countertop collection, which were to be known as GREEN Collection.

GREEN Collection included selected low-price and high-end products, and were certified to ensure a healthier indoor climate and an improved production method along the value chain. The collection were also tested against harmful substances, complied with strict environmental requirements and were produced using a limited energy consumption.

It still is.
But today GREEN Collection is HORN Collection.

As our product assortment is extensive, GREEN Collection were our method to increasingly incorporate sustainability into our total assortment of end products. We have come so far, that today we can assure you will find improved aspects no matter which product line you look into - And most importantly we have a plan, to continuously be increasing the overall sustainability of each product.

Tried & tested

What defined our initial GREEN Collection were our choice to ensure you, that the sustainable elements were not just something we had made up. We therefore began an extensive process of third part testing our products within relevant certification bodies.
Today all our laminate surfaces, linoleum, solid wood and many of our stone materials is tested and secured against emission of various substances with the risk of being endocrine disrupters, to protect the general welfare amongst our customers - You and your family, and actively make an effort to prevent e.g. cancer and lung diseases, which is greatly influenced by such emission.

Quality that lasts

Our objective is to prolong the lifetime of our good, valuable, certified products while promoting optimum resource utilisation and improved consumption patterns.
Okay, you may think - *What's in it for me?*

The full explanation includes a long story of total cost of ownership. We make products that are made to last - Our stone and solid wood assortment can last more than 100 years, our core based products, such as laminate and linoleum, more than 50 years.
Lasting power is not our concern, trend based consumption is.

We always wanted to give you the immediate benefit of higher quality products in general, but we furthermore aim to find solutions, that will ensure your choice of end-product have the ability to stay up-to-date in both design and lasting power.
With Denwood by HORN we even have the possibility to ensure upcycling of waste, to make the best use of the world's resources and help you, as a consumer change consumption patterns and make a more sustainable choice.

Changing the way we do business

We find a growing interest within the industry 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, customers and at a political level. We 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.

We will continue certifying and third part testing our own products, but more importantly we will use our voice and educate within our knowledge in relevant business networks that have the ability to transform the current market offer.

FSC® certified

Being a countertop manufacturer, the majority of our procurement is wood. To ensure that none of our wood-based materials is manufactured under conditions, that may disrespect internationally proclaimed human rights, all our solid wood and chipboard procurement, and to the extent possible laminate surfaces, are FSC®-certified, to take responsibility for both the environment, animals and people along our supply chain.

FSC® is an international organisation that sets standards for responsible forest management, supported by a broad range of stakeholders. The certification help protect indigenous people, maintain community relation and enhance forest workers rights, through strict rules for chain of custody and an overall perspective of maintaining both the community and biological systems.
As an extension of our FSC® certification, HORN is furthermore a membership organisation with CEO, Jakob Bressendorf being elected as a FSC® board member, as we wish to work holistic with sustainability, support the promotion of the mark, and contribute to a broad anchoring of sustainable wood procurement throughout our markets of influence.

Rainforest Alliance

The living and working conditions (such as health insurance, access to medical care and security procedures) are better for workers in certified forests than in forests without certification.
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 wood from all over the world - Including tropical areas, it has been important for us to support a healthy development in these areas. 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.
We find our two forest certifications to be the best possible method to influence the industry, to support increased demand for certified wood, and consider the health and safety of forest workers, while looking after precious forest wildlife.

FSC
www.fsc.org
FSC® C074535

RAINFOREST ALLIANCE
CERTIFIED

Nordic Swan Ecolabel

The Nordic Swan Ecolabel certification ensures that GREEN COLLECTION - Wood complies with strict environmental requirements, is produced using a limited energy consumption, that quality and properties are documented, that the products come from sustainable forestry and not least that the products fulfil chemical and emission requirements that contribute to a healthier indoor climate.

The certification was established in 1989 by the Nordic Council of Ministers as a voluntary ecolabelling scheme for the Nordic countries; Denmark, Finland, Iceland, Norway and Sweden. As we perceive the Scandinavian countries to be our 'homemarket', we find this official ecolabel of the Nordic Countries to be the most effective tool to improve our sustainable solutions – and thereby enable consumers and professional buyers to choose the environmentally best goods and services. Working with the Nordic Swan Ecolabel have been an important part of HORNs development towards becoming more sustainable and implementing a holistic agenda, as it certifies the entire product's life cycle and the environmental problems that may arise along the way.

Indoor Air Comfort - Gold

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

As a further mark of quality to the Indoor Air Comfort certificate, we opted for the 'Gold' edition, meaning that all certified solutions have went through a Factory Production Control, guaranteeing that the countertops is produced from the highest internal standards.
Thereby our Indoor Air Comfort - Gold certified products comply with requirements to VOC emission from among others; BREEAM, BREEAM-NOR, LEED, M1 including criterias from private certification labels, such as the European Ecolabel; "The flower" and the international, German; "Blaue Engel".
It is our ambition to ensure that all our products hold an indoor air certification to protect our end-users from any potential harmful chemicals.

QUALITY FOR THE PEOPLE INVOLVED

Made in Denmark

We have a strong craftmanship and design heritage. 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. Furthermore our certified products in general set high standards to the entire value chain regarding both environment, labour- & human rights.

Revitalized working environment

Our starting point is alright, but we are very much aware of our social responsibility and know that our success is based on our employees and their individual expertise and craftsmanship and therefore strive to advance their employment terms.
Therefore, we need to revitalize our working environment and implement new objectives, that ensures internal job satisfaction, health, security and not least enable continued personal development.

Sustainable sourcing practices

As we source materials from most of the world, we know that we need to start finding solutions, that secures basic rights of all workers along our value chain, and hope, that nomatter our size and resources, we will be able to influence more sustainable sourcing practices, by making the right material choices.

Documented effects

With growth comes increased responsibility.
We are initiating an upcoming Value- & Strategy anchoring process, as we have been so fortunate to welcome many new co-workers to our organisation, and know we will need a mutual foundation and understanding of the potential of our projects and initiatives.
The process is also leading towards a possible company certification process, which requires collective efforts to ensure implementation.

UN GLOBAL COMPACT HUMAN RIGHTS PRINCIPLE

Progress:

Support, respect and initiatives for human rights
HORN supports and respects the protection of internationally declared human rights, and have adopted it as a committed element in our Business Partner Code of Conduct.
It is our ambition to incorporate risk management and increased value chain control to ensure continuous improvements in the area.

LABOUR RIGHTS PRINCIPLES

Progress:

Recognition of freedom of association and the right to collective bargaining
The Danish legislation makes us 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.
We aim to set new standards to improve our employees working conditions even further.

Elimination of forced, compulsory, child and discriminative labour
As a method for continuous supplier assessment, we need to develop improved monitoring processes, to ensure that in the event, that certain conditions do not comply, we have the ability to detect the severity and perform active risk management.

ANTI-CORRUPTION PRINCIPLE

Progress:

Zero tolerance to bribery
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.
When it comes to application of our Code of Conduct in general we find that education and cooperation is the key to success. We know the focus will be increasingly important as our customer and supplier groups expands, therefore we continue our work to stay up to date on movements within sustainable development.

QUALITY FOR THE ENVIRONMENT

Start taking action
'There is no planet B'

As catchy as the phrase may be, we need to take it seriously.
When establishing *quality for the environment*, we simply need to start taking action. There is no time for discussion on best practice, but there is steep learning curve, and we constantly need to readjust and improve our actions. We know that, because what we thought and were taught, were the right solution just five years ago, is no longer enough, when we say *our vision is completely green*.
The following are our current thoughts on what is quality for the environment.

Climate positive production
Forget about minimizing negatives and having a goal of being Co2 neutral. We have a vision of becoming a climate positive manufacturer.

Honestly, the main thing we know in this regard, is that we have several milestones on the road, to ever make it possible.
Our initial aspiration is therefore to get a clear overview of what it takes, to enable data-driven decision making processes that enable us to make the right moves.

No waste policy
While we can optimize sizes and cuts to avoid a lot of spare-elements, and teach the end user how to ensure that their product will last ages, requiring a challenge to current consumption patterns, service and our schooling of maintenance processes. We cannot avoid waste at some point, but we can transform trash to treasure. We therefore believe our work at Denwood by HORN makes the biggest difference, why we increasingly will be looking into how we can design upcycled products from our countertop waste material and potentially establish take-back solutions.

Simultaneously we will start implementing more upcycled material in our countertops, a process which as an example include our laminate products, which is of high relevancy cause to a high demand and low possibility for upcycling. Therefore we have started to look into how we can lower the amount of core material and potentially how we may produce our own 100% upcycled core.

UN GLOBAL COMPACT ENVIRONMENTAL PRINCIPLES

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

Progress:

Precautionary approach to environmental challenges:
In our Business Partner Code of Conduct we ask our partners to, at a minimum, comply with applicable laws and regulations for environmental protection. When choosing future partners we will further be looking into their overall environmental focus and whether they in general promote responsible environmental management, -policies and –procedures, such as developing sustainable product and process alternatives.
However, we find that transparent knowledge sharing with educational institutes and business network is what makes HORN and the industry in general act stronger towards environmental challenges.

Initiatives to promote environmental responsibility:
HORN has initiated several product development processes to increase product and process sustainability. We work with both designers and industrial technicians to improve and/or exchange input material, and engage deeply in network focused in establishing on how we can prolong product lifetime. In similar matters, we will continue to seek implementation of our sustainable solutions, through relevant projects that have a focus on communicating the specific benefits of living more sustainable - Both in private homes and in various industrial buildings.

Development and diffusion of environmental friendly technologies:
We have initiated a comprehensive measurement of our impact throughout the value chain. We are using a measurement tool which we deem as 'best available technology' within the industry, based on the following selection parameters: Measurement accuracy and relevance for the industry, to ensure a comparable and relevant development.

BECAUSE WE CARE ABOUT YOU, OUR EMPLOYEES AND THE ENVIRONMENT