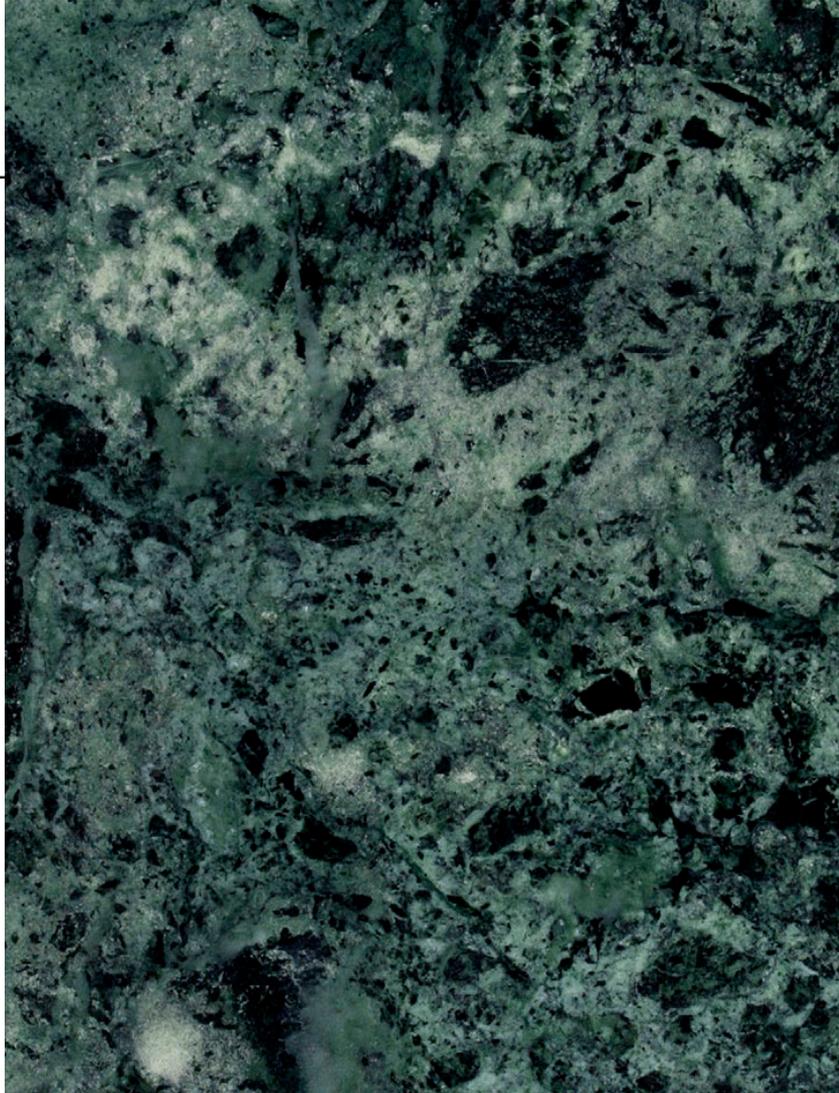


2022

UN GLOBAL COMPACT  
COMMUNICATION ON PROGRESS

HORN 



This report covers our financial year 1. July 2021 to 31. June 2022, and is introduced in a format covering the entire HORN Business Group ApS (HORN Bordplader A/S (including Ejendomsselskabet Farvervej 40) and Denwood by HORN ApS).

Going forward we aim to include a more data driven approach to sustainable reporting, but have faced some challenges

verifying internal data, as we have been introducing a new ERP system, with the consequence of a delayed automation of data collection. Some calculation are therefore based on estimations, and may be subject to a degree of uncertainty.

In the long term, we would like third party verified data in accordance with our overall certification and verification plan.

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2021 - 2022

# 1. PERFORMANCE HIGHLIGHTS

21/22

20/21

## Greenhouse gas emissions

(1.000 tonnes CO2 eq.)

○ **Direct emissions**

Scope 1

ATPC\*

343

○ **Indirect emissions**

Scope 2

ATPC\*

43

○ **Value chain emissions**

Scope 3

ATPC\*

15.302

## Energy consumption

Fuels (Gas)

44.979 Nm<sup>3</sup>

55.274 Nm<sup>3</sup>

Fuels (Diesel)

120.791 L

85.000 L

Electricity

1.137 MWh

1.830 MWh

## Diversity

Flex workers

11,6%

N.A.

Women in management

10%

N.A.

## Employee satisfaction

HORN

98,6%

Denwood by HORN

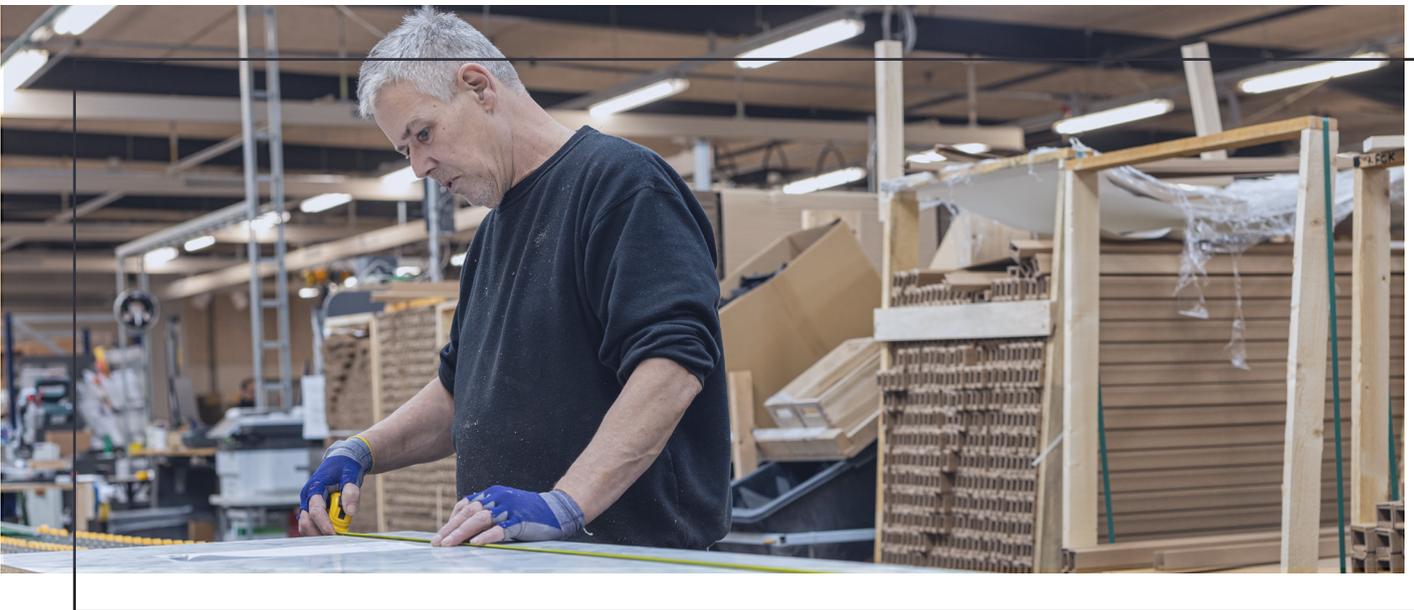
83,3%

\*ATPC = Awaiting third party calculations

# WE CAN CONTROL WHAT WE CAN MEASURE

*“But sustainable and responsible development should be led by a conscious touch of sense making, that aren't necessarily quantifiable, but to create development you must also have trust, and time to listen to qualitative data.”*

Jakob Bressendorf, CEO of HORN



Implementing a data driven approach to our sustainable agenda have been a key focus this year, but we know that working with the social element of our sustainable and responsible development, we also need to start listening to what people are actually saying. What makes sense to them, what do they find valuable, how do we ensure they leave work happy, and not least wake up happy to have a job at HORN.

With limited set rules for reporting for our company size, our approach to sustainability reporting have primarily been driven by the index tables of UN Global Compact. This year we introduce a format inspired by double materiality principles encompassing both the social and environmental impact of and on our business and ensuring consideration of context, completeness and balance.

Our data preparation is inspired and guided by eg. the reporting principles set out in the GRI 101: Foundation Standard to determine the report content and quality in terms of materiality, stakeholder inclusiveness, sustainability context, completeness, balance, comparability, accuracy timeliness, clarity and reliability.

This report also represents our statutory statement on social responsibility, underrepresented gender and diversity in accordance with section 99a. As a supplement to the Annual Sustainability Report, we prepare an ESG data overview of key performance indicators.

Previous years' reports are available [here](#)



# 2. STATEMENT FROM OUR CEO

Our take is that we want to be a firstmover in all areas that deal with sustainable and responsible development. That may seem ambitious, maybe even unattainable for a company our size, but we know, that if we are capable of making a difference, not necessarily because we can, but because we have to, and show an example, we hope to lead the way for more companies joining our development.

## A development process

We are often asked, if we have a good advice on initiating a responsible and sustainable development as a company. With a risk of plagiarism, our standard answer is:

*Just do it.*

It is about making a decision, that you want to take responsibility. And then it may well be, that you have to start small, but believe me, it develops. Because once you have activated other people, in that you want to make a change, you will get both input and support and not least retention, from an entire organization, and then it grows.

We are very aware, that our efforts should be seen as a learning and development process. Because what we thought were sustainable just 5 years ago, is nowhere near what will be thought of as sustainable, just 5 years ahead.

We need to be more aspirational, and we need to start working as a unite. The construction industry accounts for approximately 40% of the total CO2 emission in Denmark. Our efforts are drops in the ocean, if we do not manage to establish a clear industry focus, on the necessity of taking action on the agenda. Now.

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, and not least, we need to stop our throw-out culture, and ensure that leftover material, can be turned into new valuable material.

## Taking the lead

Instead of following 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.

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.

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

Jakob Bressendorf  
CEO - HORN

# 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 fifth 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.

COMMUNICATION  
ON PROGRESS



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

We welcome feedback on its contents.



# STRONG VALUES

OUR VALUES ARE AN IMPORTANT PART OF OUR DNA AND GUIDELINES FOR OUR BEHAVIOR

It is our goal, that our overall set of values should be an incorporated part of the way we think and act, to maintain a great corporate culture.

## RESPECT

We recognize and acknowledge all individuals and respect their differences.

## COOPERATION

We are cooperating on reaching our mutual goal of being standard setting in the market.

## COMMITMENT

We are dedicated and rethink the definition of quality every day.

## DEVELOPMENT

We work actively with sustainable and responsible development as well as increased transparency in the market.

## TRUST-WORTHINESS

We are honest, loyal, data driven and stand up for what we believe in.

# 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 re-define 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.



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.

### **What we also do**

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.

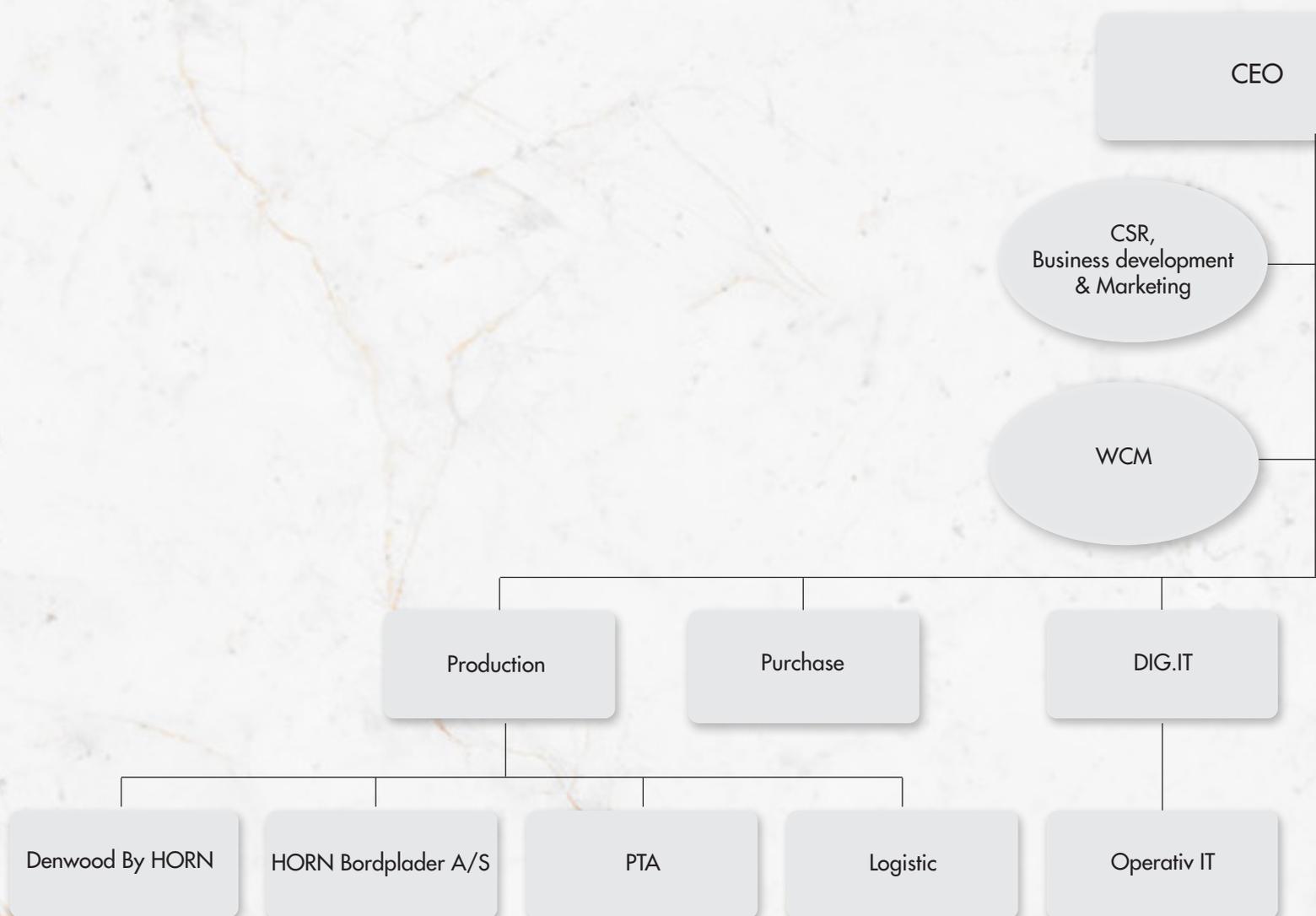
To be honest, Denwood by HORN is quite good at what they do - Why today, they actually design products from various materials and sources, including recycled material from other companies than HORN, to ensure sufficient supply, but also help others minimize their waste.

### **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.



# HORN BUSINESS GROUP



CFO

QHSE

CCO

KAM

Project sales

External sales

Internal sales

# 4. REPORTING ON SUSTAINABLE DEVELOPMENT ACTIVITIES

## **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.



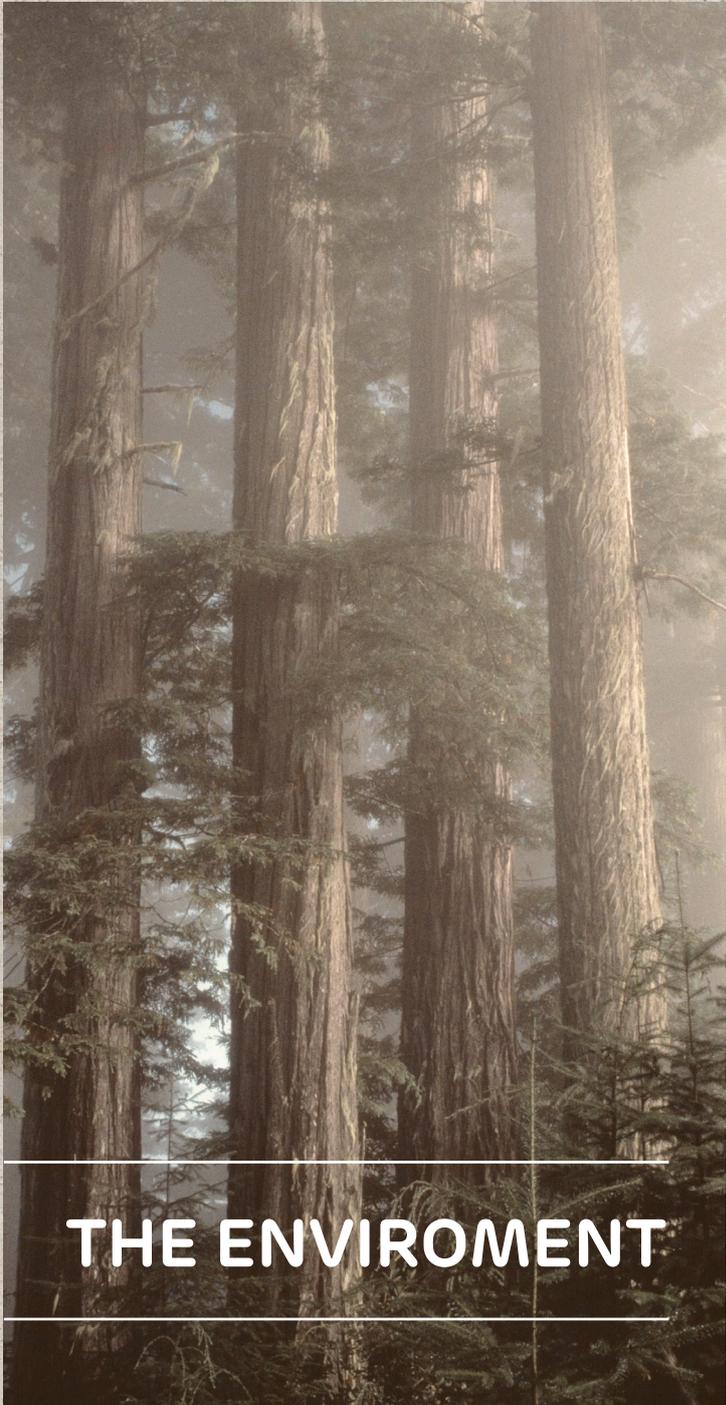
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**COSTUMER**

---



**THE EMPLOYEE**



**THE ENVIROMENT**

4.1

# QUALITY FOR OUR CUSTOMER

## 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 last

Lasting power is not our concern, trend based consumption is. We want to highlight the total cost of ownership to our customers.



### A sustainable option for everyone

Ranging from low-price til high-end, consumers should be able to find a product that match their budget.



### Tried & Tested

Third part tested products to ensure the relevancy of our sustainability claims.



### Sustainability is personal

Your home, your style - The important aspect is our ability to incorporate sustainability into the final product.

### 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. The short version is, that 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 breakthrough 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.

# GOALS FOR 2025

2024

Introduction  
countertop  
take-back solution

Implementing  
transparent  
quality process

Introducing  
upcycled  
countertop

2023

Nordic Swan  
Ecolabel  
extension  
(Stone)

Introducing  
direct customer  
service offering

Nordic Swan  
Ecolabel  
recertification

2022

Nordic Swan  
Ecolabel  
extension  
(all thicknesses)

Commercial  
introduction of  
new countertop  
design solution

Introducing  
new design  
cooperation

2021

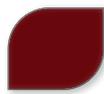
Introducing  
'MÅLBAR'  
product impact  
screening

Nordic Swan  
Ecolabel extension  
(all laminate  
colours)

Quality  
improvement  
analysis & prove  
of concept

FSC® certification  
Denwood by  
HORN

Goal  
**99%**  
External quality assurance



## QUALITY ASSURANCE

Our ambition is to ensure happy customers, and know the main challenge in this regard is quality failures. Our goal is an external quality assurance of 99%. Going from an external quality rate of 97,56 % in 2021 to 97,84% medio 2022, we have already managed to improve the assurance. However, we are approaching a quality rate that is difficult to improve a lot more, therefore our primary objective is to ensure continuous quality improvements, by implementing digital quality control systems, to ensure full transparency of our efforts.

Furthermore we know our products are produced to last. Therefore we are increasing our warranty obligation from 5 years to 30 years, as a clear statement that we take full responsibility for our products, but also, that we are willing to challenge what is expected in an industry, with a current lifecycle of 11 years applicable for kitchens.

**75%**  
Laminate



## CERTIFIED PRODUCTS

Our third part accredited certifications is most important to us, as sustainable statements must be documented and held a jour to avoid misleading information. We therefore aim to increase our number of relevant certifications, to ensure that you as a consumer may benefit from multiple certified product options and not least an assurance that what we say is what we do.

**76%**  
Solid wood

**100%**  
Linoleum

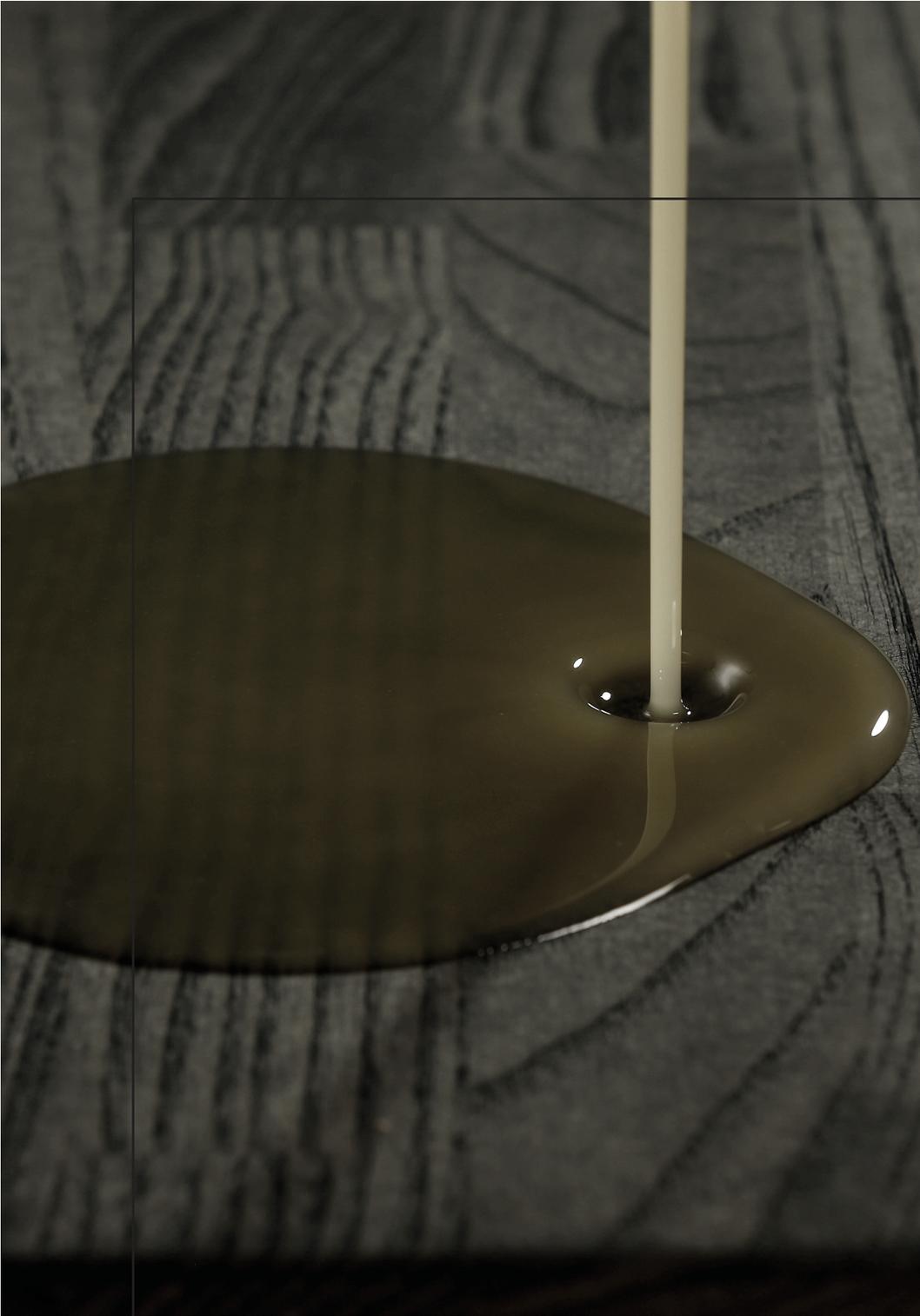


## KNOWLEDGE SHARING & DESIGN DEVELOPMENT

As the definition of what is regarded sustainable is constantly developing, we introduce a data-driven screening tool, which will play a central role in our product development process towards implementing product solutions with the highest potential of being sustainable. We are cooperating with leading influencers to the sustainable transition, 'Målbar', as a fact-based tool to help you decide and differentiate your consumption.

  
Assure longer product lifetime

The product impact data will also serve as a method to evaluate, how we can assure longer product lifetime by introducing new service solutions for maintenance and repair, and ultimately take-back and upcycling.



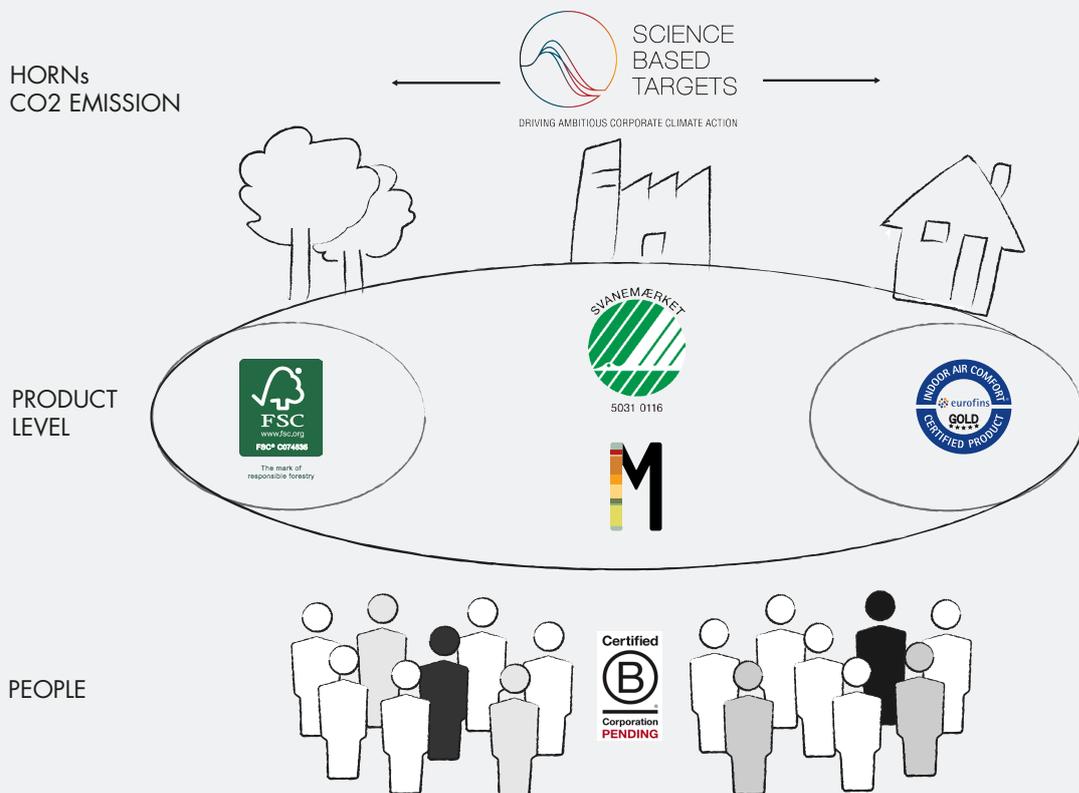
# CERTIFICATIONS

## ENSURING THE ENTIRE VALUE CHAIN

We work with different certifications, as they serve different aspects in ensuring our value chain. The FSC® certification ensures that our wood based raw materials come from responsible managed forests. The Nordic Swan Ecolabel indicates that our products are among the least environmentally damaging of its kind, by controlling our production methods and choice of raw materials and chemicals. The Indoor Air certification ensures our products deduce even less than strict market requirements, when they are put to use by our end consumers.

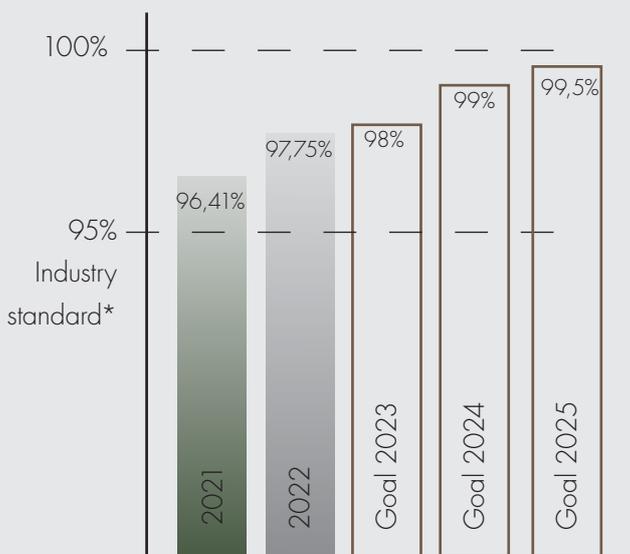
The Målbar screening serve as a valuable method to examine the CO2 emissions from our products, and not least extend our knowledge of our products as it functions as a Life Cycle Analysis.

We hope to extend our product certifications with the company certification; B-Corp, to ensure we among others are establishing the right working conditions for our employees.



# QUALITY

## EXTERNAL QUALITY



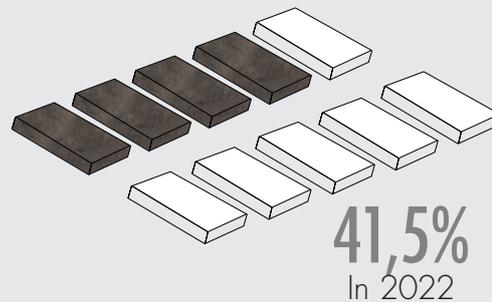
Our goal is to reach a 99,5% quality assurance. At the moment we are well above the industry standard, but is also reaching a level where improvements become harder to achieve because we are down to marginals.

With an industry standard around 95%, it may seem too ambitious to reach for a quality assurance level above 99%. However, to us it is extremely important to improve our current rate for two reasons.

First of all approximately 60% of our complaints leads to a scrapped product equalling an increased use of raw material. This do not fit our focus of being socially responsible,

\*cf. MÅLBAR screening tool

## REPAIRS

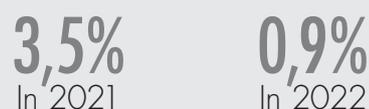


Our complaint percentage is year to date 2,25%. Out of these we are able to repair the products approximately 4 out of 10 times (repairs include e.g. surface treatment, repairs in edges, removal of adhesive leftovers).

## CLAIMS WITH SCRAPS



## OTHERS / UNDECLARED



trying to minimize waste, why we always inspect the faulty products, to detect whether or not a replacement is needed, or we might be able to repair the product on side (if we find a repair equals a results as good as a replacement). Last but not least, a faulty product equals two disappointed customers - Our direct B2B customers who advocate for our products, and the end user, who will experience product delays.

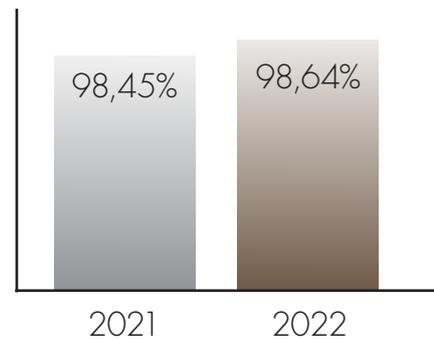
# DELIVERY



## ON TIME DELIVERY (OTD)



## SUBTRACTION SUPPLIER CAUSED DELAYS



### On time delivery

For our B2B customers our vision is, that they spend time on the end user, not us as their supplier, therefore we are looking into creating new Partner Excellence agreements, related to our handling of product service. Among others the partner agreements should enable us to work closer together as a team towards the customers, but also align our expectations on good customer service. HORN has succeeded with a relatively high OTD, with only a minor prolongation in delivery time during Covid-19.

Our goal of a 99% delivery assurance, has been challenged by first and foremost the pandemic, and the derived increase in demand for products, which have led to a shortage in raw materials. Furthermore, the current situation between Ukraine

and Russia have led to challenges in our sourcing of solid wood, as Ukraine is one of the main areas for sourcing oak.

### Subtract supplier

We expect some delays in achieving our goal of 99% delivery assurance, due to the aftermath of the increased demand during the pandemic and not least the current situation. However, if we subtract supplier-caused delays, we find that we are relatively close to reaching our goal, as we reach 98.64% in 2022. Therefore, we will work with our suppliers, to strengthen both our mutual OTD and not least the quality of incoming materials.



# FSC® CERTIFIED

TO DAY

100% Solid wood at HORN

GOAL ✓

Denwood by HORN  
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 selected 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 landuse 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.



# NORDIC SWAN ECOLABEL

## TO DAY

Laminate:	75%
Solid wood:	76%
Linoleum:	100%

## GOAL

Laminate:	100%
Solid wood:	100%
Linoleum:	100%
<b>NEW</b> - Natural stone	100%
<b>NEW</b> - Compact laminate	100%



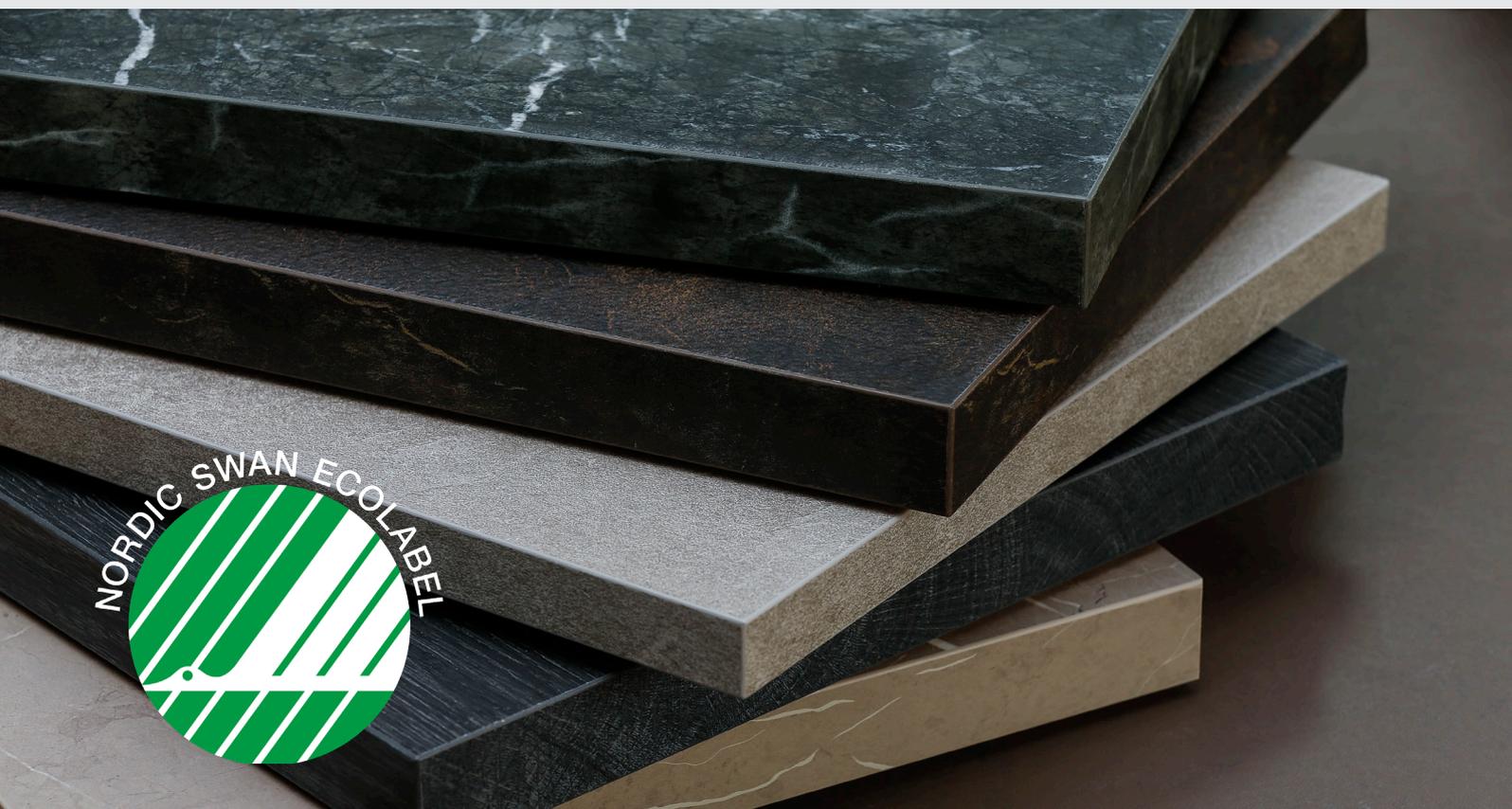
The Nordic Swan Ecolabel certification ensures that

- Wood complies with strict environmental requirements, is produced using a limited energy consumption
- Quality and properties are documented
- The products come from sustainable forestry
- 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 'home-market', 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 HORN's 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

## TO DAY

Laminate:	100%
Compact Laminate:	100%
Solid wood:	100%
Linoleum:	100%
Quartz:	0%
Solid surface:	0%
Natural stone:	N.A
Ceramics and steel	N.A



## GOAL

Laminate:	100%	✓✓
Compact Laminate:	100%	✓✓
Solid wood: 2024	100%	✓✓
Linoleum:	100%	✓✓
Quartz: 2022	100%	✓✓
Solid surface: 2024	100%	
Natural stone:	N.A	
Ceramics and steel	N.A	

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, MI 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.



# 4.2/

# QUALITY FOR THE PEOPLE INVOLVED

## Made in Denmark

We have a strong craftsmanship 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.

## UN GLOBAL COMPACT

### HUMAN RIGHTS PRINCIPLE

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

#### ○ 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

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.

## 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.

## 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.

## The after effect from the pandemic

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 we 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. we 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.

# HUMAN GOALS FOR 2025

2024

Value chain improvement initiatives

Implementing strategy for diversity & inclusion

2023

Innovation with the danish working environment authoriy

Implementation value chain control strategy

Finalizing value chain risk analysis

2022

2025 Values & strategy implementation & anchoring

Introducing sustainable stone program

Finalizing 360° company certification

Responsible stone production

2021

Working environment revitalisation

Initialization 360° company certification

WCM inilalization (HORN, World class manufacturing)



Achieve the Danish Working Environment Authority's Elite Smiley

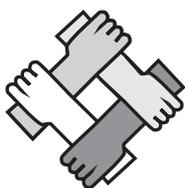
## HEALTH, SAFETY & SATISFACTION

We have initiated a Zero injury policy and monitor security observations closely in relation to sickness-related absence. Furthermore we aim to initiate an active collaboration with the Danish Working Environment Authority, to ensure a proactive approach to our initiatives. Our goal is to achieve the Danish Working Environment Authority's Elite Smiley by 2024.

## VALUE CHAIN CONTROL

Based on a risk analysis we find a current need, to react on how we can assure sustainable sourcing practices, and thereby secure workers throughout our value chain. This requires a strategic decision to out-phase some materials immediately, while others may undergo continuous risk analysis.

Moreover we plan to insource the production of some materials, to increase the control and effectiveness of our initiatives.



Diversity and inclusion

## CERTIFICATION & STRATEGY

In 2021 we identified B-Corp as our 360° degree company certification and started implementing improved actions, to be able to classify ourselves in their evaluation scheme. We hope to obtain the certification during medio/late 2022, as the certification, among others, have high requirements to our employee strategy, and thereby may help us identify an effective strategy for diversity and inclusion.

Today we have, on a yearly basis, approximately 10% §56 (chronically and/or long-term illness) and/or flex workers. From 2021-22 we had in total 11,64% (6,3% at HORN and 45% at Denwood by HORN). While we need a more systematic approach to our inclusion policy, we are in general open to co-workers working under various employment conditions, but find a need to secure that a potential inclusion policy can assure the right candidate regardless of gender, nationality, age and capabilities.

# SAFETY REPORT

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.

## SAFETY OBSERVATIONS

Safety observations are observations of concern or with a probability of developing into an incident. We aim to have as many safety observations as possible since this is the main tool to avoiding accidents.

HORN	10	54
	2020/2021	2021/2022

## INCIDENTS WITH ABSENCE

Incidents with absence is the most serious category.

HORN	4	2
	2020/2021	2021/2022
DENWOOD BY HORN	0	1
	2020/2021	2021/2022

## FIRST AID CASES

First aid cases are incidents where first aid is needed, and the incident do not result in absence.

HORN	11	7
	2020/2021	2021/2022



## GOAL

Our goal is to ensure zero cases of incidents with absence. In this light our numbers are too high, however we see an improvement compared to last fiscal year.

Days of absence related to these incidents have been reduced which indicates that the severity has been less that previous year.

We aim to avoid these accidents in 2022-23 and we have been working towards this with both external consultants and the Danish Working Environment Authority.

# SATISFACTION

OUR GOAL IS TO MAINTAIN AN AVERAGE SATISFACTION SCORE ABOVE 5,00 ON A 6 POINT SCALE, AND AIM TO HAVE A SCORE OF 95 % OF MORE OF ALL EMPLOYEES TO BE SATISFIED OR VERY SATISFIED WITH THEIR EMPLOYMENT.

## HORN

Employee satisfaction has been measured in 2019 and 2021. We will measure again in 2022 and every year going forth.



### EMPLOYEE SATISFACTION SCORE

2019

**92,0%**

were satisfied or very satisfied

2021

**98,6%**

were satisfied or very satisfied

### THE AVERAGE SCORE

The average satisfaction score in 2021

**5,62**

6 point scale

HORN 

## DENWOOD BY HORN

Employee satisfaction has been measured in 2019 and 2021. We will measure again in 2022 and every year going forth.



### EMPLOYEE SATISFACTION SCORE

2020

**67,0%**

were satisfied or very satisfied

2021

**83,3%**

were satisfied or very satisfied

### THE AVERAGE SCORE

The average satisfaction score in 2020

**4,02**

6 point scale

The average satisfaction score in 2021

**4,80**

6 point scale

Denwood by

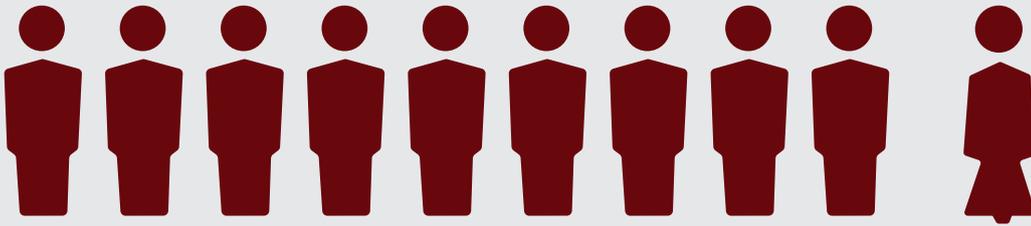
HORN 

# PEOPLE & ORGANISATION

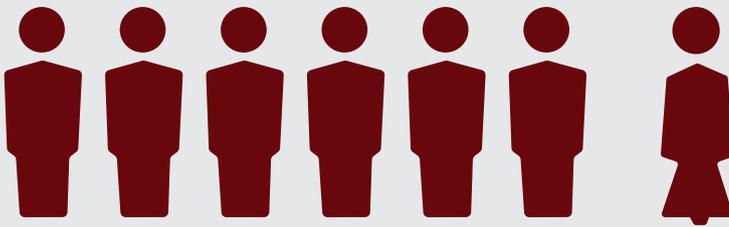
## GENDER DIVISION

In general we have seen no changes in the composition of neither our managerial team nor board members through the years. We are very much aware that this calls for an evaluation of our ability to attract women to leadership positions, which we will be doing in cooperation with our executive search partner, Sensu.

### Members of HORN management:

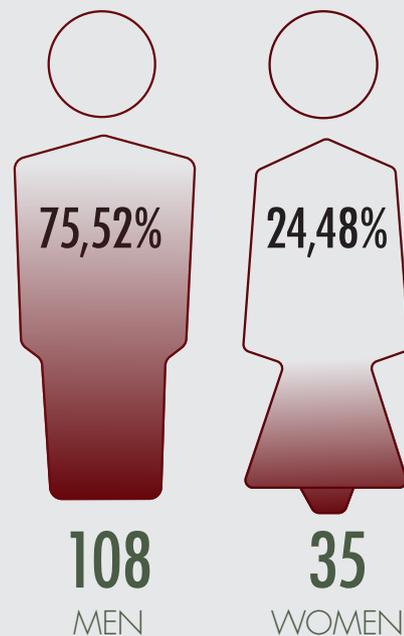


### Members of HORN board:



## EMPLOYEES AT HORN BUSINESS GROUP

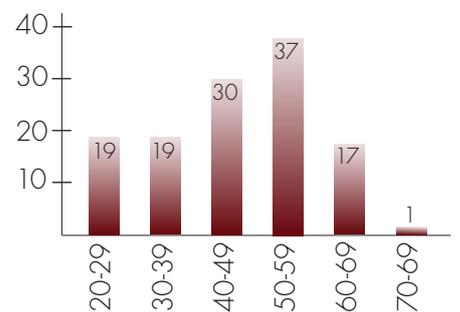
Our industry is characterized by being very male-dominated. However, we find that a diverse group performs better in terms of both general performance indicators, but also culture, why our current gender composition leaves room for improvement, as the distribution is as follows:



## JOB CATEGORI

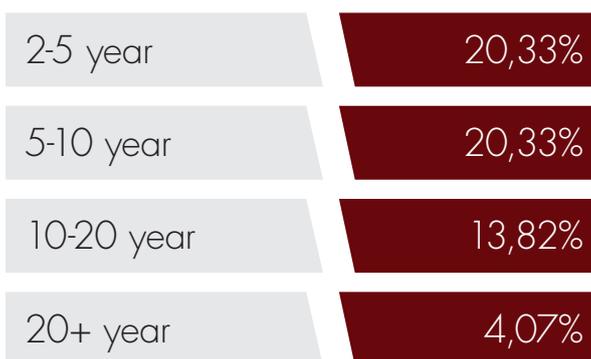


## AGE PROPORTION AT HORN



## SENIORITY AT HORN

HORN is 30 years old

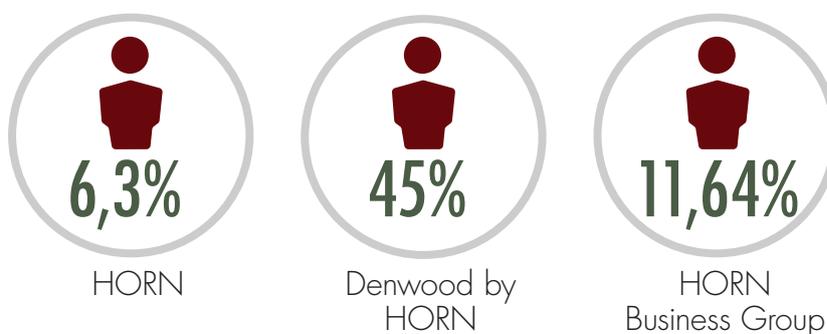


## SENIORITY AT DENWOOD BYHORN

Denwood by HORN is 5 years old



## EMPLOYEES EMPLOYED ON SPECIAL CONTRACT



We aim to drive the development towards being a significantly more diverse organisation, as we believe in the necessity of diversity to be able to reach of goal of being a growing organisation. We wish to establish an organisational reputation as a workplace comitted to ensuring fair and equal treatment, and where opportunities for all regardless of age, gender, nationality, religion, sexuality etc., exists, are respected and valued.

# CASE I

## WINNER OF CABI CSR PEOPLE PRIZE 2022

This year we won the CSR People Prize 2022 at the Cabi - plads til flere i arbejdsdeceremony - In the category: Green and socially responsible workplace.

Among others the jury notes, that we have the courage to rethink our value chain, to ensure a more sustainable production, but also that we have managed to get 360 view on sustainability and responsibility:

"They are aware of what their social responsibility means for the commercial profile and are able to work with an economic, social and environmental bottom line. They are a really good example of a

company, that convincingly inspires other production companies to do the same".

We are so happy and thankful to have received this award, especially among other strong nominated companies.

Thanks to all our employees, who are making our journey possible, and the Municipality of Herning have initiated our nomination.

*We will continue our focus on upcycling and social responsibility.*



# SOON TO BE?

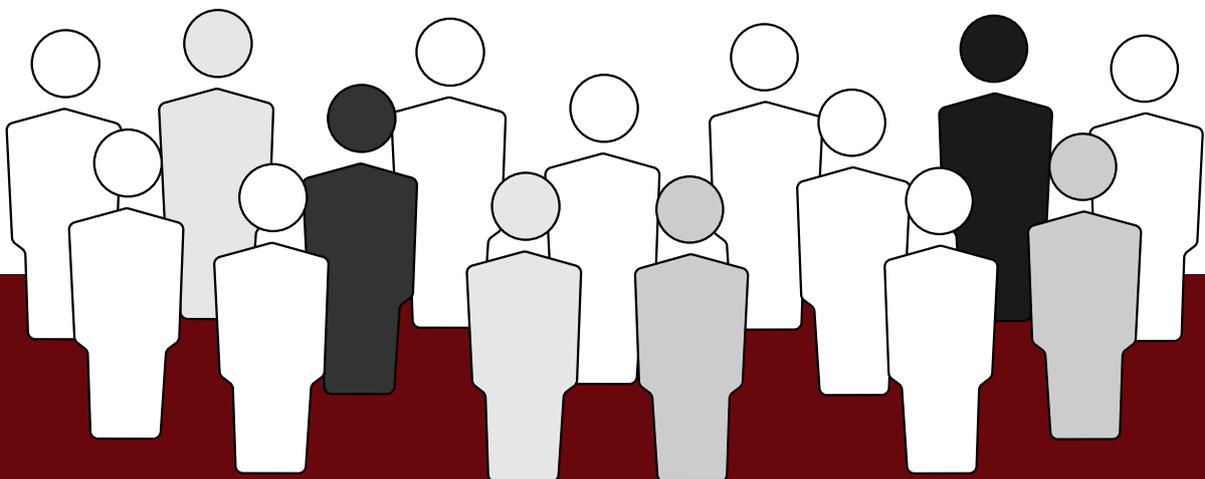
WE ARE HAPPY TO ANNOUNCE THAT OF NOVEMBER 5TH 2021, WE HAVE OFFICIALLY APPLIED TO BECOME A B-CORP CERTIFIED COMPANY!

The B-Corp movement is a holistic company certification, not exclusively focused on a single social or environmental issue, but more holistic designed to ensuring that companies meet high standards of verified performance, accountability and transparency on factors ranging from employee benefits to supply chain management and environmental focus.

The process to achieve and maintain certification is rigorous and requires engagement across the company. In order to achieve certification a company must demonstrate high social and environmental performance, make a legal commitment by changing their corporate governance structure to be accountable to all stakeholders and exhibit transparency. We chose to apply for the B-Corp certification because we believe it build trust among both our customers, suppliers, investors and not least employees, that we mean what we say, when we state we want to be a completely sustainable company working with transparent and responsible business practices.



Currently, our application are pending the final certification, but we will be working hard to ensure a successful final audit. Note that B-Corps are recertified every 3 years to confirm that standards continuously being met and developed to demonstrate continuous improvement.



# HIGHLIGHTING OUR POTENTIAL FOR FURTHER DEVELOPMENT

## **Governance:**

Our primary development focus will be an increased focus on ethics and transparency which is very much aligned with our strategic awareness.

## **Workers:**

To ensure a continuous development of ensuring high a high satisfaction and engagement among our employees our self assessment, show that we increasingly should be looking into ensuring career development initiatives, but also financial security where we are currently following industry standards.

## **Community:**

The assessment show that our primary concern for ensuring future recertification should be an increased community engagement, being our current lowest scoring focus.

Especially our Supply Chain focus should be increased, where a further elaboration can be found on the following page.

When choosing to work with sustainable initiatives we find it important to choose factors that are of relevant for the specific business model.

Therefore we choose to place great focus towards our Diversity, Equity and Inclusion policies and practices as we know we lack impact in this regard but also have a rather big potential of succeeding even more with our work at Denwood by HORN if we were a more diverse and inclusive organisation.

## **Environment:**

Regarding our score at the Environmental assessment we were missing some elements in our CO2 emission calculations and development of related CO2 minimization policy, therefore we hope to improve the assessment within the auditing process. In regards to our score in the Water management category, we believe it will be a much more prominent focus of ours, by insourcing our stone production which requires an extensive water reusing system.

## **Customers:**

To improve our Customer management focus our primary initiatives will be a continued focus on education at our HORN Academy system, while improving our ability to perform customer satisfaction surveys to stay on track on our performance.

**IMPACT**

## GOVERNANCE



## WORKER



## COMMUNITY



## ENVIRONMENT



## CUSTOMERS



## DISCLOSURE QUESTIONNAIRE



# ASSESSMENT

# SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT IS BECOMING INCREASINGLY IMPORTANT TO US FOR SEVERAL REASONS.

First of all we have a great internal focus on origin of material, particularly non-European stone, caused by an awareness of the associated risk in labour and human rights and corruption.

Secondly our CO2 calculations show that 97,5% of our emissions comes from our value chain, with 78% of the scope 3 emissions can be directly linked to the acquisition of raw materials. Meaning, that by far our largest share of environmental impact is occurring before the raw material arrive at our production site.

Last but not least, we have a situation characterized by both raw material scarcity, caused by the epidemic, and critical awareness towards the origin of raw material, caused by the war between Ukraine and Russia.

In sum, we are quite challenged in finding the right materials, in the right amount, cost and quality.

We are therefore implementing a group supply chain management system, requiring an updated and comprehensive Code of Conduct, with strict focus on human rights, working conditions, Co2 emission, anti corruption, product sustainability and potential of circularity.

We require that suppliers comply with national and international legislation and conventions and encourage them to contribute actively to the UN Global Compact focus and development goals.

We are planning to set up an improved self-assessment scheme for each supplier, to enable us a more solid foundation for supplier assessments in the future.

Our expectations is to have a fully implemented Supply Chain Management system by the end of 2023.



# CASE II

## BUILDING A RESPONSIBLE STONE FACTORY

WE KNOW THAT OUR STONE ASSORTMENT CAN BE A CHALLENGE TO OUR AMBITION OF BEING A RESPONSIBLE COMPANY.

No well-established certification systems, like FSC® for wood based materials, exist, to ensure traceability, proper working conditions, safety equipment and development of the area of origin. In addition, stone production is a resource-heavy process, with high waste percentages and not least long, heavy transportation distances.

To sum up. Stone production is far from sustainable. However, we have a vision of establishing a more responsible stone production, and we know the potential is great.

With a long list of improvement projects, our initial step were the decision, that all HORNs natural stone suppliers will be assessed in 2022/23 in order to ensure the most responsible product range possible.

*“There are huge challenges when it comes to responsible stone production. It is extremely resource intensive including transportation of heavy materials, and there is a great challenge in terms of ensuring that the raw material have been produced under responsible conditions.”*

Jakob Bressendorf, CEO of HORN

Secondly, we finalized a decision which had been several years in the making, that we have to expand our production site to insource our stone production, to enable more control of both inquiry



as we are very aware of our sourcing, but also the fact that stone production have extremely high waste percentages that calls for a need to combine

our efforts and find potentials for upcycling with Denwood by HORN. Early may we therefore, finally, turned the first sod to a 4500 sqm new production site. We will be looking into solutions that enable collection, purification and recycling

of rainwater and have received expert help to decide on the most CO2 neutral heating options, through our Climate strategy made in cooperation with Viegand Maagøe.

# 4.3/

# QUALITY FOR THE ENVIROMENT

## Start taking action

As catchy as the phrase may be, we need to take it seriously.

*'There is no planet B'*

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.

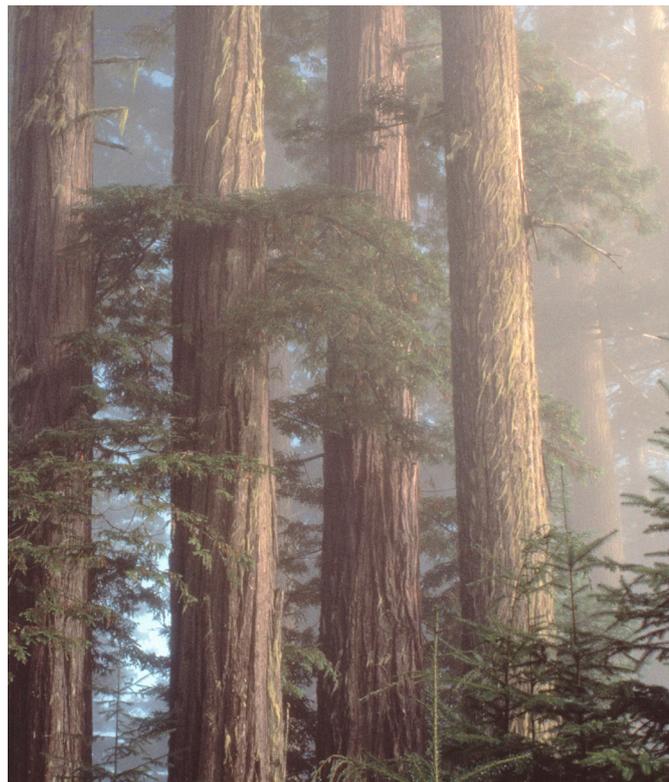
Our initial aspiration is therefore to get a clear overview of what it takes, to enable data-driven decision making processes that enable us to make the right moves.

## 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 PRINCIPLE

## 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.



# GOALS FOR 2025

2024

Introducing  
countertop  
take-back solution

Introducing  
climate neutral  
strategy

Material flow is 100%  
recycled / reused  
-  
Denwood by HORN

2023

CO<sup>2</sup> impact  
measurement  
-  
Order level

Introducing  
dynamic  
EPD

2022

Initiation energy  
management  
analysis

Introducing  
new core  
material

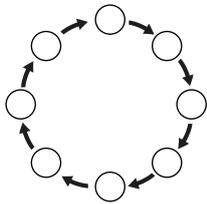
Extending service  
solutions to  
prolong product  
lifetime

CO<sup>2</sup> impact  
measurement  
-  
Company ✓

2021

Initiation product  
redesign to minimize  
CO<sup>2</sup> & enable  
take-back solution

CO<sup>2</sup> impact  
measurement  
-  
Material level ✓



## DATA DRIVEN DECISION MAKING PROCESSES

We are action oriented people at HORN, and are always impatiently wanting to just do something.

But to avoid guesswork, our timeline includes primarily milestones that gives us a needed overview of our current impact, such as Co2 impact measurements and Environmental Product Declarations.

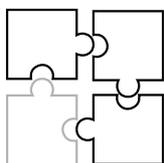
When we have the verified data we will start implementing measurable Key Performance Indicators that shows which of our products, packaging, transport, chemicals and processes we have to act on at first.



## IMPROVED SOURCING PRACTICES

Based on a risk analysis we find a current need to react on how we can assure sustainable sourcing practices and thereby secure workers throughout our value chain. This requires a strategic decision to out-phase some materials immediately, while others may undergo continuous risk analysis.

Moreover we plan to insource the production of stone based materials to increase the control and effectiveness of our initiatives.



## UPCYCLED WASTE AT DENWOOD BY HORN

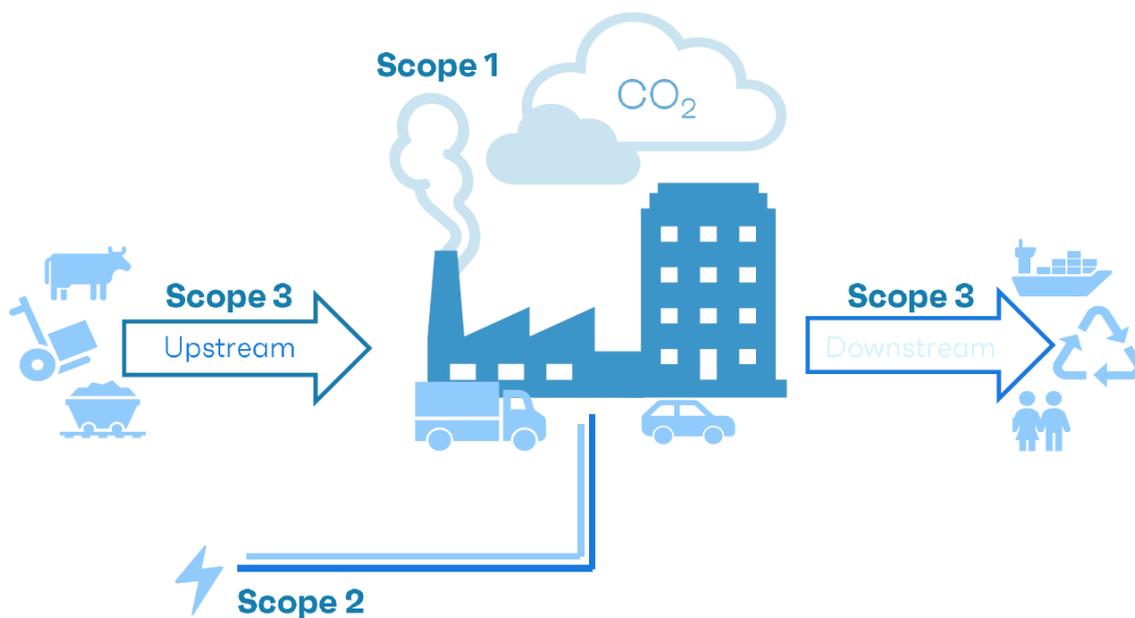
When we initiated our work with Denwood by HORN, our primary focus was to test, whether or not our efforts could succeed. As we are competing with similar products from Eastern Europa and/or Asia, that are much more cost oriented than our Danish designed and not least produced products, Denwood by HORN definitely had a tough start-up. But now things are improving, as we are continuously solving the puzzle of combining social responsibility, circular economy and a Danish production.

Therefore we now dare to set the bare higher, and aim for a much larger degree of upcycled waste from our entire product assortment – Other than just solid wood based materials.

# CO<sup>2</sup> EMISSION

GHGP\* DIVIDES THE INTERNAL AND EXTERNAL EMISSION IN SCOPES. AS A SME OUR PRIMARY PURPOSE IS TO REDUCE OUR EMISSIONS IN SCOPE 1 & 2, BUT CHOOSE TO KEEP SCOPE 3 IN FOCUS, AS IT STANDS FOR 97,5% OF OUR TOTAL CO<sub>2</sub> EMISSION.

## ILLUSTRATIONS OF SCOPE 1-3 MEASURE IN GHGP



### 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; CO<sub>2</sub>, 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 CO<sub>2</sub>.

We also went through the various chemicals included in the manufacturing process - Found out the minimum amount that could be used, and out-phased chemicals that did not live up to the requirements when we certified products. Thereby we minimized toxins.

\*GHGP - Greenhouse Gas Protocol

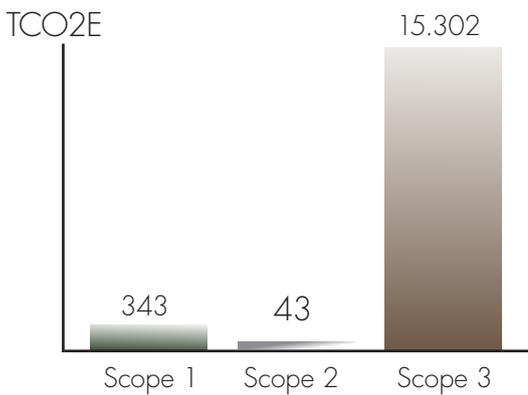
We furthermore managed to use more of our raw materials and establish a social economic business unit, that makes new products from a lot of our residual materials - And so, we minimized waste.

We sure did a lot of minimizations of things that were not good. But while we may have improved and become better than our starting point - Being less bad, is not being good.

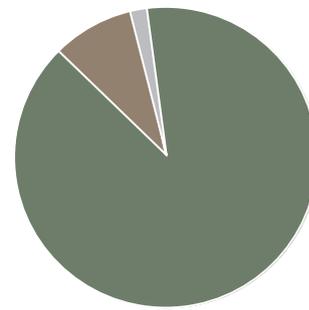
We aim to be standard setting and show an example of what can be done, even tough we are just a minor sized enterprise. Therefore our goal is to minimize our total scope 1 and 2 emissions with 100% by 2030 to become completely CO<sub>2</sub> neutral in our primary scopes of actions.

# 2020 CO<sup>2</sup> ACCOUNTS

HORN BUSINESS GROUP APS CO<sub>2</sub> BASELINE (2020-21) DIVIDED INTO SCOPES AND CATEGORIES:



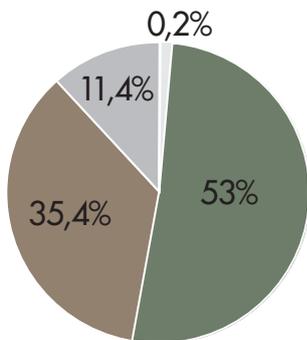
## SCOPE 3 MAINLY EMISSION FROM OUR PURCHASE OF RAW MATERIALS



Scope 1 - 2%,  
Scope 2 - 0,5%,  
Scope 3 - 97,5%

- Purchase 14.815 tCO<sub>2</sub>e
- Transport 466 tCO<sub>2</sub>e
- Energy and process 91 tCO<sub>2</sub>e
- Waste and recycle 0,82 tCO<sub>2</sub>e

## SCOPE 1 - MAINLY EMISSION FROM TRUCKS AND VANS



-  Trucks & vans: 53% (182 tCO<sub>2</sub>e)
-  Gas: 35,4% (122 tCO<sub>2</sub>e)
-  Company cars: 11,4% (39 tCO<sub>2</sub>e)
-  Other (Eg. heating Denwood by HORN): 0,2% (1 tCO<sub>2</sub>e)

# SCOPE 1

## SCIENCE BASED TARGET INITIATIVE

HORN's CO2 minimization strategy is in line with Science Based Target Initiative (SBTI) if they are considered to help meet the Paris Agreement's objectives: to limit global warming to below 2°C above pre-industrial levels and to pursue efforts to limit global warming to 1, 5°C.

Cf. Science Based Targets, HORN, as an SME, must minimize baseline emissions by 42% by 2030, in order to help curb global warming. However, we aim to minimize our total scope 1 and 2 emissions with 100% by 2030 to lead the example of showing that it is possible even for a small and medium sized company. To achieve our goal, the expected annual minimization is showed in the following:

### STRATEGY - COMPANY HEATING



#### Total emissions

35,4% of our baseline scope 1 emissions come from our company heating, corresponding to: 122 tCO2e and 55,275 Nm3 of natural gas distributed between 4 out of the current 5 production facilities at HORN, as well as the administration building, which is supplemented by a genvex ventilation system.

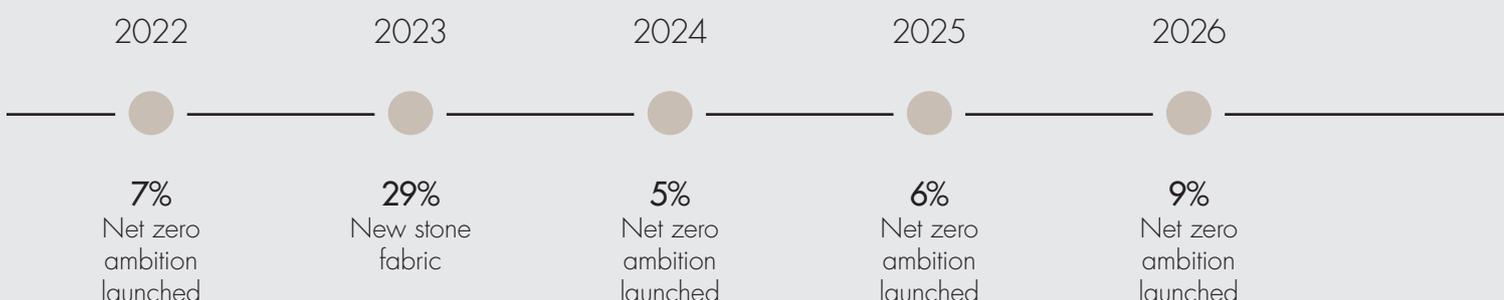
#### Out phasing strategy

Goal: All gas must be out phased and replaced by CO2 neutral replacement by 2024 with an expected replacement in 2023. The primary reason is a desire for both responsible and sustainable development - Including a desire for exclusion of Russian-produced gas and CO2 minimization by electrically powered heating.

#### New procurement strategy / expansion of HORN

All new construction is established with heat pumps (Eg. air2air) per. 2020.

### TIMELINE OVER THE TOTAL CO2 MINIMIZATION PLAN UNTIL 2030



## 2030: INDUSTRY-LEADING IN CO2 NEUTRAL CUSTOMER OFFERINGS:

- \*Aligned with the Net Zero criteria of the Science Based Targets initiative in 2030 in scope 1 & 2
- \*100% of our total assortment is screened through Målbar, to standardizing our Scope 3 emission minimization pathway

### STRATEGY - COMPANY CARS



#### Total emissions

11,4% of our baseline scope 1 emissions come from our company cars, corresponding to: 39 tCO<sub>2</sub>e.

#### Out phasing strategy

Goal: All passenger cars is to be switched to electricity by 2025, with a clear expectation that both driving needs, infrastructure and battery technology will match.

Due to many new purchases in 2021 with a minimum leasing period of 3 years, the transition to electric cars will start in 2023-24.

The sales group is expected to switch to electric cars in 2025-26.

#### New procurement strategy

- **Management team:** No new leasing agreements will be created for diesel-powered cars per. 2023
- **Sales group:** In accordance with the overall goal of switching to electricity in 2025, 2022 is the last year for the establishment of leasing agreements on diesel-powered cars (cf. current agreement on leasing period of 3 years).

2027



11%  
Net zero  
ambition  
launched

2028



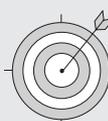
11%  
Net zero  
ambition  
launched

2029



11%  
Net zero  
ambition  
launched

2030



11%  
Net zero  
ambition  
launched

# SCOPE 1

## SCIENCE BASED TARGET INITIATIVE

### STRATEGY - TRANSPORTATION OF GOODS



#### Total emissions:

53% of our baseline scope 1 emissions come from our transportation of goods (transported by own trucks & vans), corresponding to: 182 tCO<sub>2</sub>e.

#### Out phasing strategy:

The EU has decided that the main road network must be ready for electrified freight transport by 2025. While there is still uncertainty about the final solution for this, a step-by-step phasing out is chosen that follows existing leasing contracts, but nevertheless sets requirements for transition by 2025 and subject to new purchases.

- **Vans:** It is expected that the driving needs, infrastructure and battery technology of vans will follow the possibilities for passenger cars with only a limited delay. Therefore, the strategy is for own vans / assembly vehicles to switch to electricity in the period 2026-27.
- **Trucks:** A delay in the final preparation for electrified freight transport is expected, which may have an impact on HORN's competitiveness as a transport partner with a 2025 target for the transition to electricity. The goal is therefore to outsource the transport to larger cooperation agreements, where requirements are set for targets for full electrification in 2025.

#### New procurement strategy:

- **Vans:** Growth requires the possibility of HORN safety packages, all other things being equal, this will mean a need for more fitter cars. However, it is expected that the current fleet can cover Danish growth. Foreign growth in security packages will primarily be handled by external partners whose emissions are located in Scope 3, and thus do not have a direct impact on HORN's fulfillment of the Paris Agreement. However, requirements are set for future partners to present a plan for minimizing emissions by 2030.

NOTE: See the corrected emission target, which allows a limited increase in current emissions on goods and truck transportation. In order to meet the objective of a final transition to electric vans, no new leasing contracts will be created for diesel-powered vans per. 2024 (with leasing contracts of 3 years).

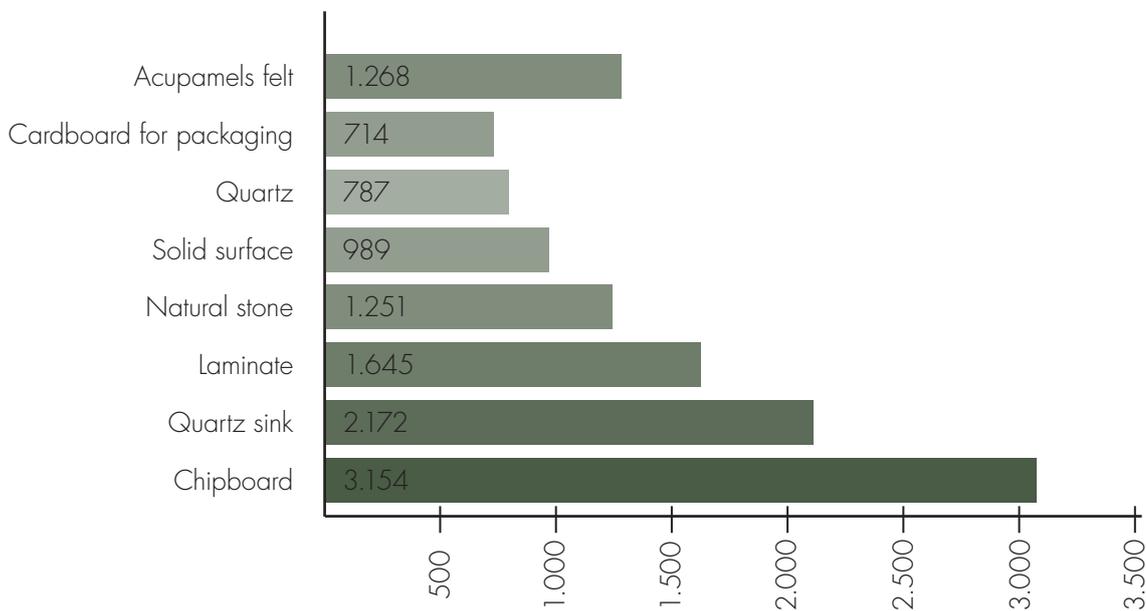
- **Trucks:** In order to meet the objective of a final transition to electric vans, no new leasing contracts will be created for diesel-powered trucks per. 2025 (with leases of 5 years)



# SCOPE 3

## PURCHASE DIVIDED IN GOODS

78% OF OUR EMISSION IN SCOPE 3 COME FROM OUR PURCHASE OF MATERIALS FOR MANUFACTURING OF COUNTERTOPS.



### Total emissions:

97,5 % of our CO2 emissions comes from scope 3, of which 78% come from our purchase of materials for manufacturing. While we know our primary focus should be to minimize our scope 1 and 2 emissions, we cannot ignore the numbers in scope 3.

To increase our understanding and overview of what can be done to minimize our scope 3 emissions, the Målbar screening tool will help us divide the various factors further into data that is easily translated into action points.



# CO<sup>2</sup> PRODUCT LEVEL

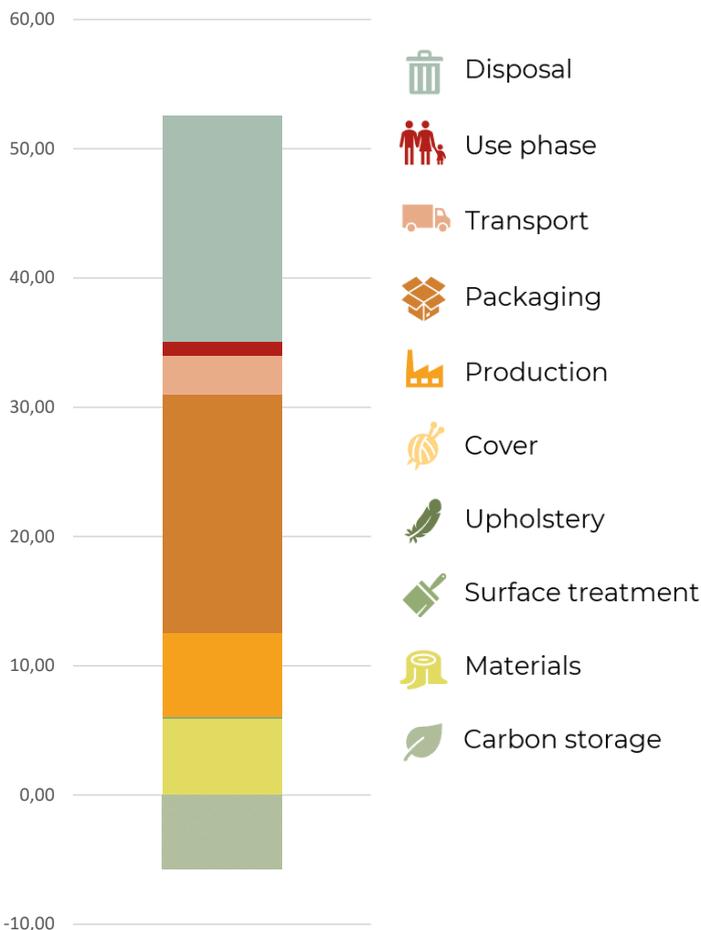
## WE CAN CONTROL, WHAT WE CAN MEASURE!

Målbar is a complex lifecycle screening tool, that enable us to get a comprehensive overview of our the total climate impact of our products, that live up to the standards and laws within the area of lifecycle analysis, but with a much more flexible approach that encourage ongoing improvements activities, which can be directly calculated into the total emission of the product, to detect the actual impact. During 2022 we will be finalizing our initial Målbar screening on all product groups, while getting them verified by Målbar to enable us to start com-

municating the data on a order level to all customers.

By using the Målbar screening tool to actively start looking into how we can minimize the CO<sub>2</sub> amount for each product category, we believe that we first and foremost will get an improved ability to decide on relevant actions for our scope 3 minimization strategy, but also enable us to start educating the consumer on the consequence of their consumption choices.

# MÅLBAR



## EXAMPLE SOLID WOOD

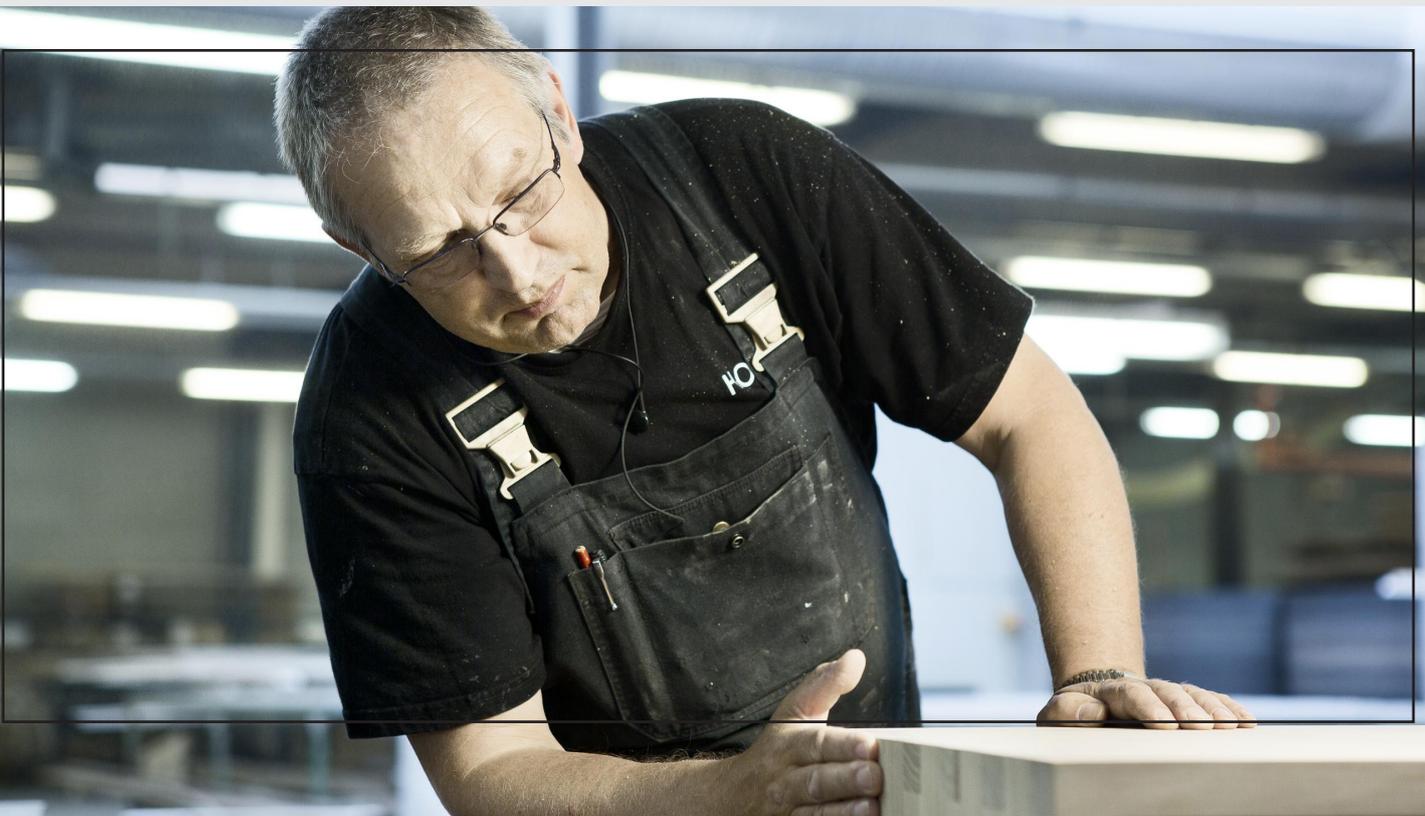
One sqm Oak countertop has a climate footprint of 47 kilos of CO<sub>2</sub>e in a level 1 screening.

This result is Målbar's guesstimate on the final outcome within the boundaries of 39,5 to 63,3 kilos of CO<sub>2</sub>e.



# 5. GLOBAL GOALS FOR DEVELOPMENT

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 7 targets, and will throughout the following pages indicate where they have their relevancy.



# OUR FOCAL DEVELOPMENT GOALS

## 3. GOOD HEALTH AND WELL-BEING



### 3.4 PROMOTE MENTAL HEALTH

#### Actions taken:

- From 2020 and onwards we have initiated an yearly monitoring of our employees job satisfaction.
- To challenge ourselves to constantly initiate new actions to improve HORN as a workplace, we are applying for a B-Corp certification, as we believe B-Corps are standard setting in being a great place to work.



### 3.9: REDUCE THE NUMBER OF DEATHS AND ILLNESSES FROM HAZARDOUS CHEMICALS AND AIR, WATER AND SOIL POLLUTION

#### Actions taken:

- We have been working with the Indoor Air Comfort certification since 2016, to ensure that our products deduce even less than strict environmental requirements from various building certifications methods. Our Indoor Air certified products enable our customers to choose products with a minimum of hazardous chemicals which is further justified by our Nordic Swan Eco-label certification, which have further requirements to ensure that neither our employees are being impacted by such chemicals.
- In early 2023 we hope to open the doors to new production facilities for which we are working actively to come up with solutions to implement water recycling systems.

# UN17

## SUSTAINABLE DEVELOPMENT GOALS

### 7. AFFORDABLE AND CLEAN ENERGY



#### 7.2 INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY

##### Actions taken:

- By 2030 the goal is to increase the share of renewable energy and promote an increased insight into companies CO2 impact on Scope 1 and 2. In 2021 HORN prepared 2020 as our baseline for future insights into our progress. We will continue to measure our yearly impact in both Scope 1, 2 and 3, and our goal is to be CO2 neutral in 2030, while having reduced our impact in Scope 1 and 2 by 70% before 2025. We will do this by taken the following initiatives:
  - Power Purchase Agreements
  - From gas heating to renewable energy
  - Ongoing transition to electric cars.
- We will be measuring our impact up against the Science Based Targets.

### 8. DECENT WORK AND ECONOMIC GROWTH



#### 8.2 DIVERSIFY, INNOVATE AND UPGRADE FOR ECONOMIC PRODUCTIVITY

##### Actions taken:

- It is our goal to stay a Danish manufacturer, we know our Danish employees is more expensive, but we also know they are the primary source of our success. We neither can nor will compromise that. Therefore we are looking into various technological upgrades in our production facilities, and are simultaneously developing competence descriptions on all our employees to ensure they have the right knowledge and training to handle our new technologies.



## 8.4 IMPROVE RESOURCE EFFICIENCY IN CONSUMPTION AND PRODUCTION

### Actions taken:

- By 2030, global resource efficiency in consumption and production must be continuously improved and efforts must be made to decouple economic growth from environmental degradation. To ensure that our growth plans doesn't equal a increasing impact in Co2 we have made a 2020 Co2 baseline, which serve as our guideline for Co2 minimization and goal to improve within the Science Based Targets.
- The share of renewable energy must be increased. Therefore HORN is looking into stepwise plan of being self-sufficient when it comes to our energy consumption. Our first step is to ensure we transform our gas heating into renewable source.



## 8.5 FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY

### Actions taken:

- Our focus is to ensure that all, also persons with mental and/or physical handicaps receive a fair pay for their work and to push the agenda that ensures work to people with either a handicap or challenge in some way.



## 8.6 PROMOTE YOUTH EMPLOYMENT, EDUCATION AND TRAINING

### Actions taken:

- For many years it weren't the most popular as a young person to go into the craftsmanship profession. But we need good, engaged young craftsmans in our production. Therefore we are cooperating with the educational institutes, to secure our future work capacity and to increase the interest for the craftsmanship profession.

# UN17

## SUSTAINABLE DEVELOPMENT GOALS

### 8. DECENT WORK AND ECONOMIC GROWTH



#### 8.7 END MODERN SLAVERY, TRAFFICKING AND CHILD LABOUR

##### Actions taken:

- As of April 1st 2022 our assortment of natural stones such as granite and marble only consist of stone with a European origin. This is a consequence of our struggle to receive documentation on fair and safe working environments in non-European stone quarries.
- Our FSC® certification and 100% policy supports the eradication of forced- and child labour for our wood procurement.



#### 8.8 PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS

##### Actions taken:

- All employees at HORN have equal rights and receive contractual salary, as well as a safe and stable working environment. We believe in and already experience the value of giving chances to employees who have had a difficult time due to mental and/or physical challenges, why our work at Denwood by HORN and the cooperation with jobcentres and municipalities is of utmost importance to us.
- Being a Danish manufacturer, our employees is to a high degree well protected by national laws, to ensure that we develop our business practices even further than national regulations we are applying for a B-Corp certification.
- We are monitoring our work-related incidents to stay updated on potential risks in the production facilities and be able to prevent those.

## 12. RESPONSIBLE CONSUMPTION AND GOOD HEALTH AND WELL-BEING



### 12.2 SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES

#### Actions taken:

- Our FSC® certification and 100% policy regarding procurement of wood based boards is a tool to promote sustainable management and use of natural resources as the FSC® certification system offers an opportunity for businesses to source from well-managed forests.
- We are looking into more sustainable buying practices regarding our procurement of stone based materials. As per Q2 2022 we have been purchasing natural stones that originate only from Europe, as a consequence of our struggle to locate well managed quarries outside of Europe.
- We are looking into how we can substitute our current core material with a lighter, more resource effective material.



### 12.4 RESPONSIBLE MANAGEMENT OF CHEMICALS AND WASTE

#### Actions taken:

- Our work with the Nordic Swan Ecolabel ensures that we keep a more responsible approach to working with both chemicals and waste. We will continue to expand our assortment of certified products.
- We are increasingly merging Denwood by HORN into our HORN structures, as we see a great potential for both companies in cooperating on multiple managerial decisions.



### 12.5 SUBSTANTIALLY REDUCE WASTE GENERATION THROUGH PREVENTION, REDUCTION, RECYCLING AND REUSE

#### Actions taken:

- Since 2016 we have proactively been trying to educate ourselves within up-cycling of our waste materials and develop solutions to minimize our waste through our work at Denwood by HORN.
- Recycling: We are working with partners on materials that we cannot upcycle at Denwood by HORN, including as an example our waste of laminate with a chipboard core.
- Reuse: We are reusing and upcycling 20,000 tons of waste materials at Denwood by HORN.

# UN17

## SUSTAINABLE DEVELOPMENT GOALS

### 12. RESPONSIBLE CONSUMPTION AND GOOD HEALTH AND WELL-BEING



#### 12.6 ENCOURAGE COMPANIES TO ADOPT SUSTAINABLE PRACTICES AND INTEGRATE SUSTAINABLE INFORMATION INTO THEIR REPORTING CYCLE.

**Actions taken:**

- Since 2016 we have reported our own progress within sustainable progress through the UN Global Compact Communication on Progress. We continue this practice to ensure transparency.
- Through our work with certifications such as The Nordic Swan Ecolabel and FSC® we have had to make some adjustments to our products, in this process it has been important for us to hold on to good partnerships with our suppliers rather than changing partners for a more rapid process. For many of our partners we have therefore entered a dialogue on improvement processes for both raw materials and business practices to ensure we grow stronger together.



#### 12.7 PROMOTE PUBLIC PROCUREMENT PRACTICES THAT ARE SUSTAINABLE, IN ACCORDANCE WITH NATIONAL POLICIES AND PRIORITIES.

**Actions taken:**

- We have chosen to work with the Nordic Swan Ecolabel as it is the standard setting certification in Scandinavian building certification systems – Both public and private. Furthermore our Indoor Air Comfort certification ensures that our products meets the requirements from both national, Scandinavian and international systems such as DGNB, BREEAM, LEED, M1 etc.



#### 12.8 PROMOTE UNIVERSAL UNDERSTANDING OF SUSTAINABLE LIFESTYLES

**Actions taken:**

- We are incorporating our sustainable initiatives into our standard HORN Academy material, to ensure that our external sales consultants have the right knowledge to inform endconsumers about more sustainable alternatives.

## 15. LIFE ON LAND



### 15.2 END DEFORESTATION AND RESTORE DEGRADED FORESTS

#### Actions taken:

- Our FSC certification contributes to goal 15 by providing a system for responsible forest management of forests worldwide and aims to combat the loss of biodiversity through a balanced extraction of forest products. The FSC system ensures the protection of valuable natural forest areas and species, fights illegal logging, and supports the implementation of integrated landscape management policies – including reforestation and forest restoration programs.
- We therefore believe that our 100% FSC policy at HORN is a great start to ensure we are promoting the implementation of sustainable management of forests, halt deforestation and restore degraded forest. To increase afforestation and reforestation we will be looking into how we can ensure a longer lifetime for our wood based materials through improved maintenance guidance and service solutions including take-back options. In addition the FSC management standards require forest managers to prevent deforestation, avoid forest degradation and maintain biodiversity to obtain their FSC certification.



### 15.B MOBILIZE FINANCE AND INCENTIVE SUSTAINABILITY FOREST MANAGEMENT

#### Actions taken:

- To ensure the adequate incentives to ensure sustainable forest management the FSC certification aims to encourage and enhance the economic potential of certificate holders, by encouraging the creation of multi-functional forests – In the industry, we aim to educate within the benefits of FSC® and have in 2022 been granted the FSC certification at Denwood by HORN, to apply the chain of custody standards to their upcycled waste products as well.

# UN17

## SUSTAINABLE DEVELOPMENT GOALS

### 16. PEACE JUSTICE AND STRONG INSTITUTIONS



#### 16.5 SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY

##### Actions taken:

- Our goal is to be a responsibility company. Therefore we cannot rely solely on being a Danish/European based company guided by strict governmental rules, we want to do more and are aware that we have to initiate a more structured approach to ensuring that our partners are guided by the same moral compass. In 2021 we therefore revisited our Code of Conduct and divided it into a version for our business partners and our internal employees to ensure an improved understanding of our guidelines.
- During 2022-23 we will be implementing the structured approach to our business partners. In addition we have proactively initiated a whistleblower system to encourage our employees and partners to report on any experience of attempts on corruption or bribery, and ensure that there is handled anonymous and documented safely.



#### 16.7 ENSURE RESPONSIVE, INCLUSIVE AND REPRESENTATIVE DECISION-MAKING

##### Actions taken:

- The goal is to ensure responsive, inclusive, participatory, and representative decision making at all levels. We are aware that we historically have been challenged to be inclusive enough in both our management positions and in our production facilities as well. This may previously have been excused by difficulties in attracting a diverse employee composition, but we have a responsibility to change this tendency and are challenging ourself to do more by applying for the B-Corp certification.

## 17. PARTNERSHIPS FOR THE GOALS

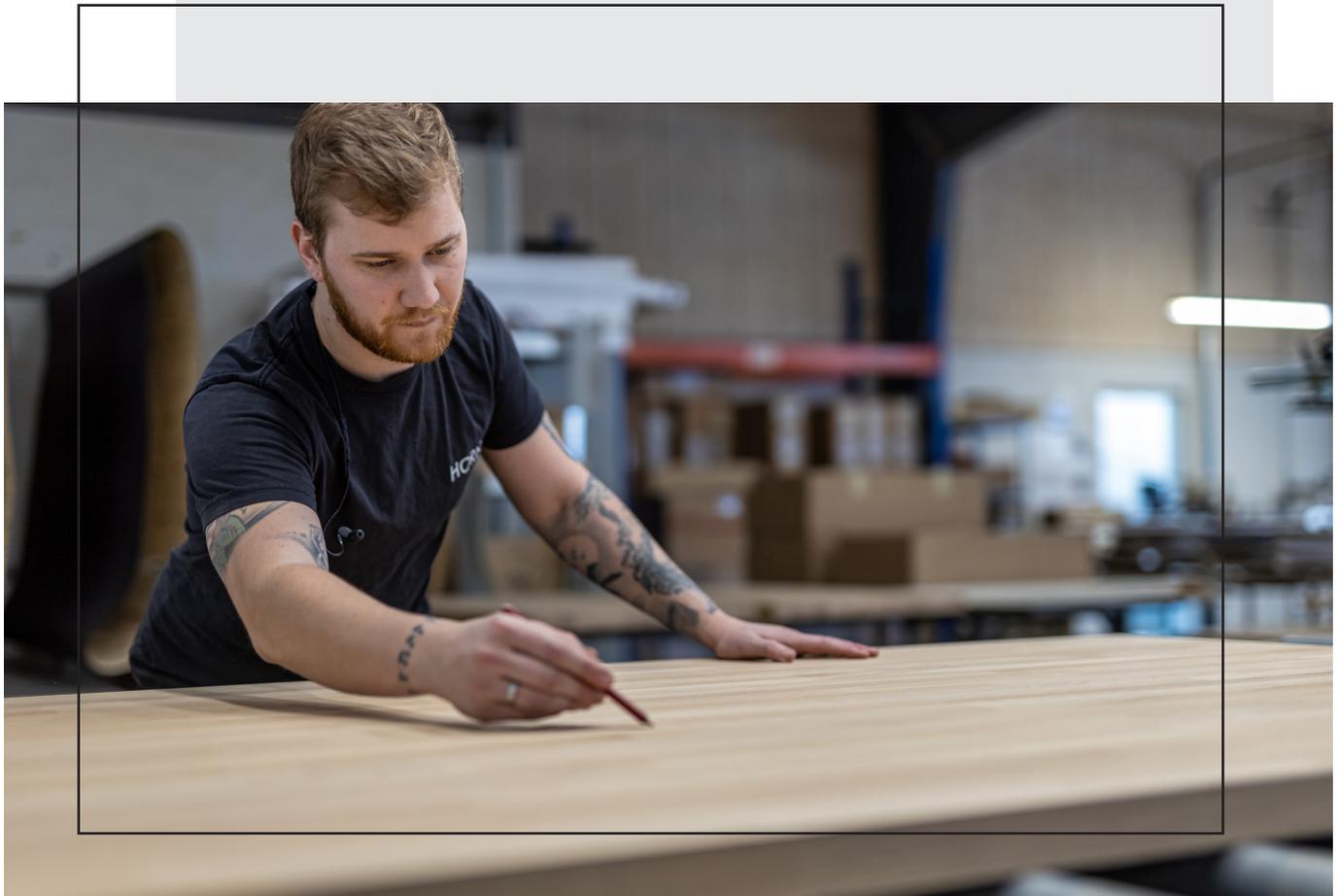


17.16 ENHANCE THE GLOBAL PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

17.17 ENCOURAGE EFFECTIVE PARTNERSHIPS

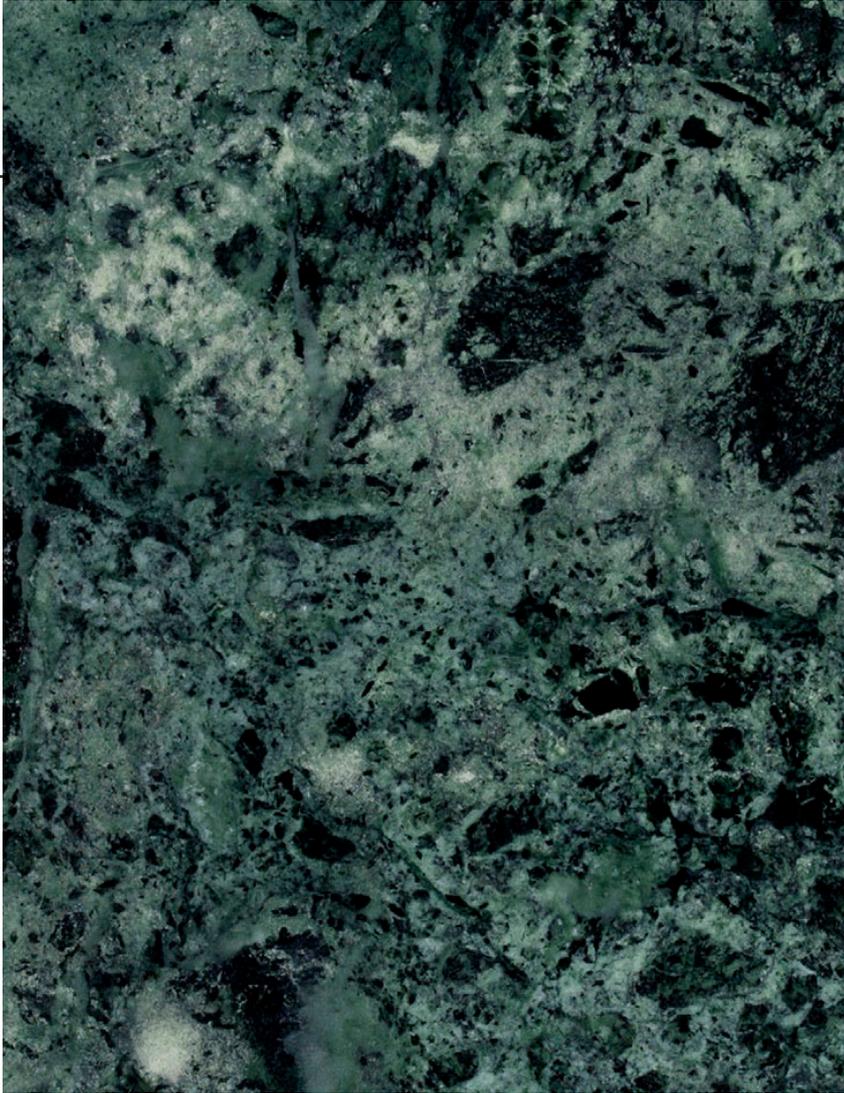
### Actions taken:

- We are dependent on multi-stakeholder partnerships that share knowledge, expertise, technology and financial resources. Our list of knowledge and cooperative partners both within and outside of our industries is therefore growing, to ensure that we stay informed and in front of the development.



# PERFORMANCE DATA

	2021/22	2020/21
1.0 Social performance		
1.1 Number of Employees	143	134
1.2 Social employed:	11,64% - 45%	
1.3 Female (% based on headcount)	24,48%	
1.4 Women in management:	10%	10%
1.5 Women in board positions:	14,5%	14,5%
1.6 Safety observations:	10	54
1.7 First Aid Cases:	11	7
1.8 Incidents with absence	4	3
2.0 Environmental performance		
<b>Greenhouse gas (GHG) emissions</b>		
2.1 Direct GHG emissions (scope 1)	Awaiting third party calculations	2 % (343 tCO <sub>2</sub> e)
2.2 Indirect GHG emissions (scope 2) – market based	Awaiting third party calculations	0,5 % (43 tCO <sub>2</sub> e)
2.2 Indirect GHG emissions (scope 2) – location based	Awaiting third party calculations	(229 tCO <sub>2</sub> e)
2.3 Value chain emission (scope 3)	Awaiting third party calculations	97,5 % (15.302tCO <sub>2</sub> e)
<b>Energy consumption</b>		
2.4 Fuels (Gas)	44.979 Nm <sup>3</sup>	55.274 Nm <sup>3</sup>
2.4 Fuels (Diesel)	120.791 L	85.000 L
2.5 Electricity	1.137 MWh	1830 MWh



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BECAUSE WE CARE  
ABOUT YOU, OUR  
EMPLOYEES AND  
THE ENVIRONMENT

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