



OBJECTIVES AND VALUES

for the Ekornes group

EKORNES®



Jens, in the boat "Risko", carrying springs to furniture factories in Sykkylven and neighbouring municipalities.

OUR HISTORY

Ekornes' history goes back to 1934 when J.E. Ekornes Fjærfabrikk was established. The first product was steel springs for mattresses. The company's founder was Jens Ekornes, who headed the company from its foundation until 1976.

In the course of time, Ekornes developed its technology and brand and became an industrial company of great importance to a number of local communities, and with a global presence.

We who are working in the company today have every reason to be proud of the heritage we take care of together. It is our ambition that also the part of Ekornes' history that we have a hand in shaping will give future employees reason to feel the same pride.

The document you are now holding will be instrumental in ensuring that everyone working in Ekornes, in Norway and abroad, will be able to understand and further develop the joint set of values forged by our history and the strategies that are to create future growth and progress.



Comfort is... giving a present that will last

VISION

Ekornes shall be the leading furniture manufacturer in Europe and be reputed to deliver quality at every stage.

Ekornes shall make Stressless® the world's best-known furniture brand, and the brand shall be famous for quality and comfort.

Ekornes shall make Svane® the best-known brand in the Nordic countries for mattresses and the brand shall be famous for quality and comfort.

Ekornes shall take a leading position in Scandinavia as a supplier of furniture, mattresses and furnishing for ships and hotels.

Most of the production shall take place in Norway, where technological development and innovation shall form the basis for our competitive power.

BUSINESS CONCEPT

Through a purposeful and consistent effort, Ekornes shall continually increase the value of the branded products we handle. This also means that all parts of the company need to give their support to this brand image.

We must live according to our values.

In order to make sure of this, we have made the following choices:

We sell our products globally through selected business partners who we believe to have the correct market position, and we want our products to be the most profitable in these selected partners' portfolio. This means that we have to cooperate closely and openly, and that both parties must actively contribute with their resources and competence.

Normally, our marketing and sales effort is organised through our own sales companies in order to secure consistency and coordination, and to provide the best possible support to our distributors.



EKORNES®



In order to ensure a high quality of our products and high productivity to ensure profitability, we manufacture by means of modern facilities and equipment. To achieve this, we have to look after our employees and help them remain the best workforce in the world.

We develop quality products that are in keeping with the desired brand image and can be manufactured efficiently.

There shall be close cooperation between all links in the company's value chain.

ECONOMIC DEVELOPMENT TARGETS

Ekornes shall be one of the most profitable and sound enterprises within our line of business. We therefore aim at the following targets:

1. *Annual return on total assets of at least 25%*
2. *Net profit ratio of at least 15%*
3. *Equity-to-asset ratio of at least 50%*
4. *Annual turnover growth of at least 5%*

MARKETING STRATEGY

Ekornes shall distribute its branded goods through solvent and carefully selected distribution channels in all markets. These may be chains, individual distributors or other relevant distribution channels. This shall be optimised to ensure that priority with the distributors is maintained, at the same time as we have sufficient availability for the consumers.



Comfort is ... to have done a thorough preparation

Selectivity and clearly defined marketing and product concepts shall provide the basis for establishing business relations that commit both the distributor and Ekornes. The intention is to provide each individual business partner with the motivation and self-interest to invest in the Ekornes brand-building and marketing concept. Our concept includes the following:

1. The use of a studio solution to ensure the most effective display and sales of the products that is possible.
2. Marketing based on close cooperation and cost sharing between Ekornes and the distributor.
3. Thorough training and follow-up of individual sales representatives.
4. Focusing on making the Ekornes brands known to the consumers.
5. Base communications on differentiating product advantages.
6. An analytical approach to the choice of media for communication based on a clear understanding of the target groups and how to reach them most effectively.

It is an important objective for Ekornes that our products are the most profitable our distributors have in their shops. This creates the best foundation for our cooperation and continued development and growth to the advantage of both parties.

PRODUCT DEVELOPMENT STRATEGY

Ekornes shall continuously develop new products and product concepts to strengthen the brands' market position. This endeavour takes place according to the following main principles:

- Entire concepts and product families are developed, not just individual products.
- Real product differentiating advantages are developed, and consideration shall be given to protecting these through patents and similar.
- The products are developed with a view to being sold in all relevant markets rather than in individual markets.
- It shall be possible to manufacture the products rationally, with high productivity and consistent quality. Among other things, this leads to a considerable standardising of components.

MANUFACTURING STRATEGY

Production shall be conducted in a way that attends to the brand image and secures correct quality and delivery precision. The delivery date shall balance between consideration of the production planning horizon and market requirements.

Our competitive power shall develop on a continual basis, through using modern technology and by developing competent employees.

Our production facilities shall be specialised so that processes requiring similar competencies and identical equipment shall, as far as possible, be gathered in one place. Along with standardised components, this forms the basis for a high degree of automation.

There shall be a link between the employee's effort and productivity and their pay, where this is considered appropriate and is practical.

Ekornes endeavours to reach world-class in production and productivity.



Comfort is... supporting your creativity



Comfort is ... to always have a plan

INVESTMENT STRATEGY

Ekornes shall make purposeful investments in order to:

- Continually develop its competitive power through utilising modern and efficient technology in streamlined production processes.
- Ensure that the enterprise maintains a high environmental standard.
- Attend to the employees' working environment and wellbeing in order to be an attractive employer.
- Develop and utilise new technology that supports the development of new products.
- Develop our production capacity in line with market demands for our products.

Over time, Ekornes shall invest at the level of the company's depreciations. During periods with requirements for major individual investments, the investments will exceed depreciations.

STRATEGY FOR DEVELOPMENT OF THE ORGANISATION AND OUR EMPLOYEES

Ekornes shall conduct its organisation in a way that supports a continual development of our competitive power. The following fundamental principles shall form the basis for our method of organisation:

- It shall be clear, to both our own employees and external stakeholders, who is responsible for what in Ekornes.
- Our employees shall be given the opportunity to take part in decision-making processes and influence their own work situation wherever possible. This shall be ensured inter alia through active departmental committees and other cooperative bodies.
- The principle of personnel management and conflict solving shall be that solutions shall be found as close to the employee as possible, normally through the supervisor.
- There shall be a frequent and open dialogue between the management and employee representatives based on mutual respect.
- Managers in Ekornes shall be cooperative and involving in their management style and have a fundamental respect for each other and for our employees.
- A continuous skill building shall be emphasised in all parts of the organisation. This may be either increased expert knowledge or the development of skills within several tasks with a view to achieve flexibility.

- Particular emphasis shall be placed on giving new employees a thorough introduction to Ekornes to ensure wellbeing, efficiency, quality and safety at the workplace.
- Good procedures shall be established to support the quality of processes and products.
- It shall be endeavoured to create a culture with a strong ability to undertake change and renewal.
- Ekornes shall be a workplace marked by inclusion and diversity, where everyone can be given development opportunities regardless of background.

Comfort is... being there 100% for your team



INFORMATION STRATEGY

Ekornes shall be transparent, honest and credible with respect to communication.

Within the framework of the rules governing information for companies listed on the stock exchange, Ekornes shall provide information both internally and externally that contributes to a sound foundation for evaluating the company's position.

Emphasis shall be placed on keeping our own employees continuously informed of important issues to ensure involvement, engagement and motivation.



Comfort is ... always being up to date

THE ENVIRONMENT

The objective of Ekornes is to accept environmental responsibility related to manufacturing, distribution and use of the company's products.

We will continue to implement initiatives in our factories that improve the internal and external environment, at the same time as we continue to select environmentally-friendly raw materials.

A sustainable manufacture of durable products will also in future be an objective in the development of our company.

The following core items shall be complied with in all parts of our activity:

- Ekornes shall appear as an environmentally-friendly enterprise. Our products shall cause the least possible impact on the environment.
- Ekornes has as its objective to keep the health risk at the workplaces at a minimum.
- Ekornes invests to avoid damage to the environment and injuries to health.
- Environmental information shall be generally available, for example through Environmental Product Declarations (EPD).
- Ekornes shall give objective and open information about how the company handles its environmental responsibility.

Ekornes has as its long-term objective to develop environmental issues to a competitive advantage through being ahead of our competitors also in this field.

CORPORATE CITIZENSHIP

Ekornes shall act as a responsible enterprise and operate within all relevant laws, regulations and to strict ethical standards. We subscribe to and endeavour to comply with UN's Global Compact. This means that in all parts of our business activity we shall maintain high standards of:

1. Respecting and complying with UN's human rights.
2. Respecting the rights and needs of our employees.
3. Environmental responsibility.
4. Combating corruption in Norway and abroad.

Ekornes depends on the availability of labour. Through financial contributions to voluntary clubs and various local arrangements, we therefore help to create good communities in areas where we have factories.



Comfort is... being ready for the next swing



VALUES

In Ekornes, the following values shall be emphasised:

*Honesty and sincerity
towards everyone we relate to*

*Transparency and reliability, both internally
and with respect to our surroundings*

*Innovation to enable us to stay
a step ahead of our competitors*