

CORT

CORT – A MORE SUSTAINABLE ALTERNATIVE

CORT is the world's leading furniture rental company. To understand some of the environmental impacts and benefits of our rental model, we have conducted a supply chain greenhouse gas analysis with the help of ClearCarbon Consulting. The results revealed that when compared to a traditional furniture retail model, CORT's furniture rental model produces less greenhouse gases. Now who wouldn't want that?









WHY MEASURE GREENHOUSE GASES?

Greenhouse gases (GHGs) exist in the atmosphere and come from both natural and man-made sources. The U.S. Environmental Protection Agency has concluded that GHGs are endangering people's health and must be regulated. Man-made GHG emissions result from daily activities such as the combustion of fuels for the generation of energy and transportation and emissions from industrial processes. An excess of emissions can disrupt the balance needed to maintain a livable climate and can lead to global climate change – one of the most important issues facing businesses today. That's why CORT considers measuring and managing carbon a part of doing business – not because it's easy, but because it just makes good business sense.

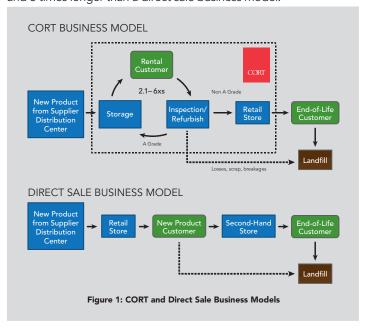
THE LIFE OF A PIECE OF FURNITURE AT CORT

CORT prides themselves in the quality of their goods and of their customer service. CORT furniture may have up to six "uses" before it is either sent to a discounted retail center or sent for scrap. This reuse of prime quality furniture not only saves the customer money, but it also provides some obvious environmental benefits by reducing resource use and waste.

CORT's furniture may be used, refurbished and reused several times as detailed in Figure 1. In a direct sale business model that other furniture companies have, furniture is manufactured, distributed to a retailer and sold to a customer. Once the customer has no use for the furniture, the piece is resold, donated or discarded.

In comparison, CORT's rental business model ensures several uses.

After a piece of furniture is returned from a customer, it undergoes a thorough inspection and refurbishment, if necessary. If the piece is considered "A Grade," it will be rented to other customers until it no longer meets CORT's high-quality standards. After its rental life, almost all of CORT's furniture (97%) is discounted and sold to a customer. The average CORT product can be reused between 2.1 and 6 times longer than a direct sale business model.



HOW DOES CORT'S MODEL BENEFIT THE ENVIRONMENT?

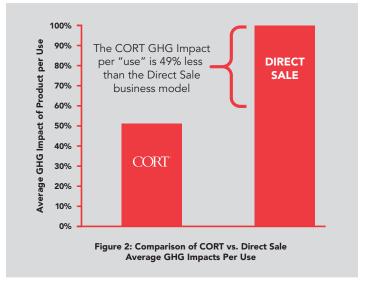
We all know, "Reduce, Reuse, Recycle." The supply chain GHG analysis, mentioned earlier, revealed the environmental benefits of reuse – from furniture in its raw material state to manufacturing, shipping, usage and end-of-life.

There isn't currently an internationally accepted standardized methodology for performing a GHG supply chain analysis (though many opportunities for improvement. Currently, we are working to several are being drafted1), but CORT used a methodology that was as find efficiencies in our showrooms and warehouses to further benefit transparent, complete and as accurate as possible. We based it on both customers and the environment. typical life cycle assessment methodology and included all GHGs relevant to the process.² Over 30 products were evaluated using this method. When compared side-by-side to a retail option, CORT's business model offers significant benefits across all 30product categories. In fact, on average, CORT's business model results in 49% less greenhouse gases from customer reuse over a direct sale business model as shown in Figure 2. The reuse of the piece of furniture means that additional resources in the form of raw materials and manufacturing, as well as end-of-life disposal, are avoided because new furniture is not constructed for each additional customer use.

From the supply chain analysis, CORT also learned where we had room to improve. The most significant sources of GHG emissions for furniture come from three parts of the supply chain: the transportation of products from the initial manufacturer (typically in Asia) to the distributor (in the US); the transportation of the product from the distributor to CORT; and the materials used for manufacturing. While CORT already works to source furniture that is manufactured responsibly, this information allows us to better educate suppliers on the GHG burden in our products and work to discover innovative ways to reduce the GHG impacts of the supply chain.

CORT'S COMMITMENT

The supply chain analysis provides evidence that a rental model such as CORT's produces less GHGs when compared to the retail market. Although we are proud of the environmental benefits that multiowner models such as ours offer, we recognize that there are still



CORT MAKES RENTING "GREEN" EASY

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- 1. World Resources Institute / World Business Council for Sustainable Development protocol due in January 2011 and ISO 14067, release TBD.
- 2. GHGs included in the analysis were Carbon Dioxide (CO2), Methane (CH4), and Nitrous Oxide (N2O). Hydro fluorocarbon (HFC) emissions resulting from suppliers' HVAC leakage and consumer refrigeration were considered to be a de minimis (< 1%) contributor to the product supply chain emissions. The other primary GHG emissions (per fluorocarbons and sulfur hexafluoride) were not emitted within the furniture supply chain.





OUR BUSINESS MODEL SUPPORTS THE CONSERVATION OF OUR PLANET'S RESOURCES.

THE LIFE OF A PIECE OF FURNITURE AT CORT

Our reuse of prime quality furniture not only saves money, it also provides environmental benefits by reducing resource use and waste. Our furniture may be rented, reconditioned and rented again many times. After its rental life is complete, almost all of our furniture (97%) is discounted and sold to the public. This makes our reuse rate between 2.1 and 6 times longer than traditional procurement models.

HOW DOES CORT'S MODEL BENEFIT THE ENVIRONMENT?

We all know, "reduce, reuse, recycle." According to a greenhouse gas analysis, CORT's furniture rental model produces 49% less greenhouse gases. This study reveals the environmental benefits of reuse–from furniture in its raw material state to manufacturing, shipping and use in a commercial environment.

An excess of greenhouse gasses (GHGs) can lead to a global climate change. That's why we consider measuring and managing carbon a part of doing business–not because it's easy, but because it makes good business sense.



Comparison Of CORT Versus Direct Sale Average GHG Impacts Per Use

OUR COMMITMENT

CORT is proud to offer several furniture lines that have received GREENGUARD, CRADLE TO CRADLE (CM) and SCS certification. These third-party programs are designed to recognize furniture that adheres to a high level of environmental standards that support sustainability.

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