

■ KEILHAUER

2022

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Corporate  
Sustainability  
Report





Ellaby Lounge Chair  
in Velvety Siesta.  
Designed by E00S.  
Made by Keilhauer.

## A Message from the President



At Keilhauer, we consider ourselves to be design activists and pioneers in creating sustainable products that are made to support all the different ways we work.

We have always believed that responsible business must prioritize sustainability, and that healthy environments require efficient practices. From responsible material selection and procurement, to reducing the embodied carbon within our products, to supporting tomorrow's sustainability leaders, our team remains committed to the principles of closed-loop manufacturing and doing well by doing good.

I am proud of the achievements made by our team throughout the past year. Despite the continued hardships and uncertainty brought forth by COVID-19, Keilhauer built partnerships with Indigenous community members to repurpose unused materials, launched the sustainability-minded Epix collection of products, and produced our first Environmental Product Declaration to reflect our commitment to transparency and responsible material selection.

Our hope is that through these advancements, we inspire others to join us on this journey towards a more sustainable future.

Sustainability is, and will continue to be, a fundamental priority for us at Keilhauer. We're working hard to influence sustainable design practices, and look forward to sharing our accomplishments and future commitments with you in the coming pages.

Thank you,

**Mike Keilhauer,**

President

# Planet Keilhauer

Guided by the Triple Bottom Line, we believe that our economic success is directly related to the health of our environment and communities.

Our sustainability program, Planet Keilhauer, ensures that this belief remains at the forefront of everything we do, and guides us towards our primary goal: Closed-Loop Manufacturing.

Closed-Loop Manufacturing is more than just a fancy buzzword; it speaks to our entire operation. From material selection and procurement to the manufacturing process, our team is dedicated to manufacturing in an environmentally conscious manner in which there is no waste, and any materials used are cycled back into the system at the end of their useful life. This belief guides our decisions and empowers our people to be part of the solution.

## Our Commitment

Our Corporate Sustainability Policy guides the Planet Keilhauer program, and further outlines our commitments to a more sustainable future. With Planet Keilhauer, we are committed to:

- Conducting our business with honesty and integrity, and in an ethical manner
- Complying with all relevant regulations and industry standards
- Developing and empowering sustainability champions within our teams
- Continuing to improve our environmental performance and prevent pollution through:
  - o The inclusion of environmental considerations in our policies, planning, processes, purchasing, and product design
  - o The ongoing measurement and management of our energy and natural resource use
  - o The ongoing assessment of our waste streams and elimination or diversion of waste from our facilities
- Communicating our commitments, goals, progress, and challenges to all stakeholders in the spirit of advancing sustainable development

The Planet Keilhauer program is reviewed annually to secure alignment with trends, advancements, and the interests of our stakeholders, and is verified by established third-party awards and certifications.

## Canada's Greenest Employers

One of Canada's Greenest Employers in 2013, 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

In recognition of our culture of environmental awareness and our myriad achievements in workplace sustainability, Keilhauer has been recognized as one of Canada's Greenest Employers for 2021 — the 8th time we've been recognized over the past 9 years.



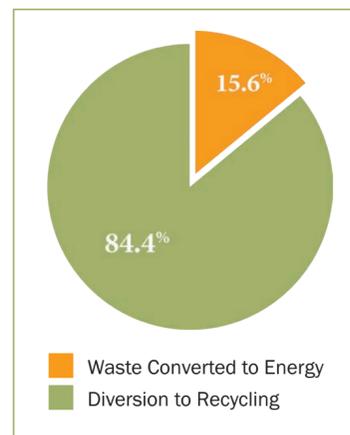
# Closed-Loop Manufacturing

## Waste Diversion Programs

Targeted and meaningful waste reduction practices are critical to achieving closed-loop manufacturing. Keilhauer has implemented innovative programs to reduce waste in our offices, on our production floors, and even in our team members' homes.

## Zero Waste-to-Landfill

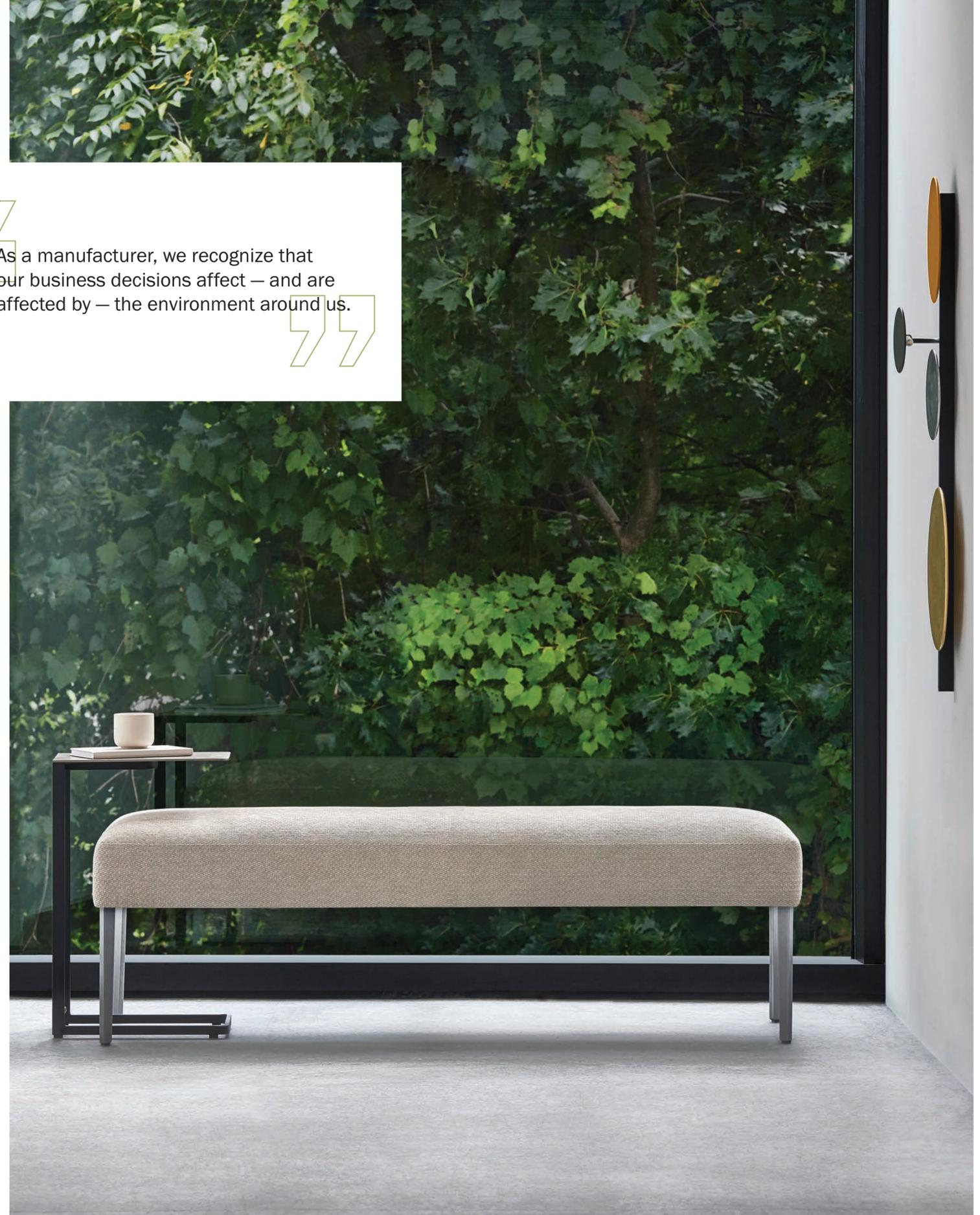
In 2021, Keilhauer successfully eliminated all waste headed towards landfills thanks to our comprehensive waste management program, along with the help of our industry-leading partners. All the waste we could not reduce, reuse, or recycle was sent to a specialized energy-from-waste facility throughout the year — resulting in over 35 cubic meters of landfill space saved, and a reduction in emissions of over 110 metric tons of CO<sub>2</sub>e.

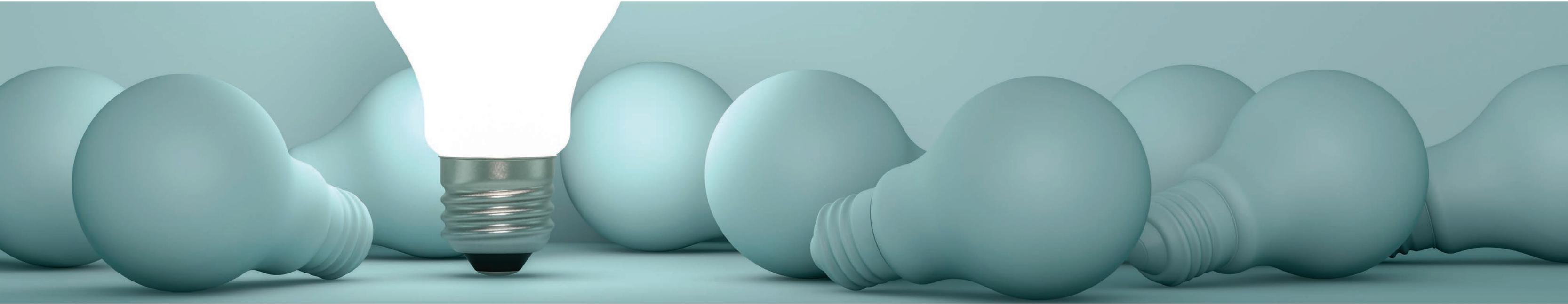


## Annual Third-Party Waste Audits

To assess our waste management practices, we complete an annual waste audit with a verified third-party auditor at each of our production facilities. These audits provide meaningful data that helps us better understand waste-generation points and the overall effectiveness of our programs. This data also helps us make meaningful improvements that position us closer to our goal of Closed-Loop Manufacturing.

“As a manufacturer, we recognize that our business decisions affect — and are affected by — the environment around us.”





## TerraCycle's Zero Waste Box™ Program

Our innovative recycling programs are designed to reduce our environmental footprint and mitigate the waste associated with manufacturing. In 2021, our programs diverted a wide range of materials from landfills — including personal protective equipment and candy wrappers — with the help of TerraCycle's Zero Waste Box™ program.

**Personal Protective Equipment (PPE):** We collect PPE such as masks, gloves, and Tyvek suits for recycling from our Finishing and Gluing departments, as well as the production floor. In 2021, we recycled over 300 lb of these materials.

**Snack and Candy Wrappers:** Wrappers collected in lunchrooms are used to divert additional plastic materials from waste streams. Throughout 2021, we collected over 15 lb of these wrappers for recycling.

**Electronics, Lightbulbs, and Batteries:** Keilhauer has programs in place to appropriately sort and recycle electronics, lightbulbs, and batteries.

We also encourage our team members to take advantage of these unique recycling streams by bringing their own electronic items from home — reducing the amount of harmful materials in our community landfills.

### Our Commitment

In 2021, Keilhauer recycled:

- 2242 lb of batteries
- 2960 lb of electronics
- 40 lb of IT waste
- 364 lamps or lightbulbs



## Sustainable Operations

Providing a safe and sustainable place of work is a significant component of the Planet Keilhauer program. Leading by example, it also shows the depth of our commitment to sustainability.

**Chemical Management:** Keilhauer maintains an extensive Chemical Management Plan (CMP) to help us reach our eventual goal of eliminating harmful ingredients in our products and facilities. The CMP ensures that every chemical entering Keilhauer facilities is documented, managed, and stored in the appropriate manner.

**Energy Reduction:** With Keilhauer's growing focus on carbon neutrality and embodied carbon, we've established an Energy Management Plan (EMP) to include operational carbon. The EMP will guide our energy decisions with clear goals and reduction targets, as well as document our energy inventory processes.

Keilhauer purchases Renewable Energy Certificates (RECs) each year to match 100% of our electricity usage — tradeable energy commodities that support renewable energy projects and allow us to offset emissions associated with energy consumption.

Keilhauer purchases Green-e® certified renewable energy, which meets the most stringent environmental and consumer protection standards in North America. Green-e® energy is the trusted global leader in voluntary clean energy certification for renewable energy.

### From 2019 to 2021, Keilhauer reduced:

- Electricity usage by 8%
- Natural gas usage by 11%
- Overall energy usage by 11%
- Greenhouse gases by 14%



Design activists from the very start, Keilhauer has always integrated environmental responsibility into our design process. From material procurement and manufacturing to packaging, we are always designing for the environment.



On average, our products are over 70% recyclable at end-of-life – containing an average of over 25% post-consumer related content.



## Designing for the Environment and the Future

### Responsible Materials

In 2021, Keilhauer launched two new leather collections: Aria and Valda. Each offers a wide range of durable yet vibrant leather options produced in a 100% carbon neutral, zero-waste-to-landfill facility – which also meets the benchmark in its water purification process. Production of the Aria and Valda collections also follows a best-in-class animal welfare mandate, including product-to-farm traceability and a supplier code of conduct.

Keilhauer announced a new partnership with **Camira** in November 2021, launching four wool options made of all-natural fibers that can easily adapt to any design environment. All four textiles are rapidly renewable and compostable, and contain antibacterial and antimicrobial properties. Camira further ensures a waste-free production method by using state-of-the-art knitting machines which create each textile component to exact measurements.

### Blanket Wrapping

When our products are ready to be shipped, they are wrapped in a protective, reusable blanket rather than a single-use cardboard box. Upon delivery, these blankets are recovered by our shipping teams and brought back to our facilities so that they may be used over and over again. Over 80% of Keilhauer products are blanket-wrapped during shipping, saving thousands of cardboard boxes each year while further reducing the amount of waste and embodied carbon within our supply chain.



### Measuring Our Performance

Our awards and certifications are more than just decorations; they're a constant reminder that we hold ourselves to the highest standards in the industry – and often beyond. We work with leading industry associations, suppliers, and partners to assess and benchmark our products and operations as we work towards our goal of Closed-Loop Manufacturing.

### BIFMA LEVEL®

Keilhauer products have been certified by SCS Global Services for LEVEL®, the Business + Institutional Furniture Manufacturers Association (BIFMA) sustainability program. This is the leading sustainability standard within the furniture industry.

### Forest Stewardship Council® (FSC®)

Keilhauer launched its first FSC® product in August 2014, and we continue to actively expand this program through the ongoing maintenance of our FSC Chain of Custody certificate (License code FSC® - C117042).

### Carbonfree®

Keilhauer's Swurve task chair is certified carbon neutral by Carbonfund.org.

### SCS Indoor Air Quality Certification: Indoor Advantage™ Gold

All Keilhauer products are tested for Volatile Organic Compound (VOC) emissions using the most transparent indoor air quality standard for furniture and building materials. Many Keilhauer products are certified by SCS Global Services to meet rigorous and comprehensive air quality standards.



## Our Carbon Neutral Commitment

### Committed to a Carbon-Free Environment

As a manufacturer, we have a responsibility to address the climate impacts of our products and processes, without ever sacrificing exceptional functionality and design. First launched in the spring of 2020, Swurve — our first carbon neutral chair — continues to provide us with insights into future designs and production methods as we shift towards net-zero emissions.

Backed by a critically reviewed, ISO 14040- and ISO 14044-compliant Life Cycle Assessment with a cradle-to-grave scope, Swurve supports a number of green building certifications while providing our customers with the peace of mind of a net-zero emissions purchase.

In May 2021, Swurve was recognized by NYCxDesign and Interior Design Magazine with the NYCxDesign Award in the Environmental Impact category.

### Supporting Carbon-Reduction Projects Worldwide

As part of our carbon neutral commitment, we offset all emissions that can't be eliminated from the value chain using verified carbon-reducing projects. In partnership with **Carbonfund.org**, Keilhauer supported three carbon-reduction projects throughout 2021.

#### 1. US Truck Stop Electrification Project

Long-haul trucks that transport our consumer goods often idle for long periods during government-mandated rest periods to power on-board electronics. We felt a responsibility to help mitigate this issue.

The US Truck Stop Electrification Project provides advanced infrastructure for truck drivers that allows them to turn their engines off while resting. This project can help reduce diesel requirements of long-haul trucks by approximately one gallon per hour, reducing carbon emissions associated with transport.

#### 2. Minnesota Forestry Improvement Project

This northern Minnesota project provides critical habitats for rare species of birds and animals such as the northern long-eared bat and the golden winged warbler. Initiated to mitigate the impacts of climate change, this project will also see improved forest management practices implemented on 187,000 acres of forest.

#### 3. Aqua Clara Water Filtration Program, Kenya

This program provides a flagship zero-energy water purifier to families in need in rural and peri-urban Kenya. Mitigating emissions by displacing the use of firewood to boil water for domestic consumption, it provides access to safe drinking water and employment, and supports the development of new, innovative climate technologies.

### Our Priority: A More Sustainable Future

Since the launch of Swurve, we've doubled down on our commitment to eradicating the embodied carbon within our products by setting ambitious carbon neutral targets. And we continue to reduce emissions through every stage of our processes — from designing out harmful materials with large carbon footprints, to increasing the recyclability of our products.

### Our Carbon Neutral Commitments:

- Launch at least five more additional carbon neutral products by 2023.
- Make all product offerings within our Division 12 Brand carbon neutral by 2025.
- Maintain Renewable Energy Certificates (RECs) for 100% of the electricity used within our facilities.

### Transparency

Environmental Product Declarations, or EPDs, are transparent, objective reports that communicate what a product is made of and how it impacts the environment across its entire life cycle. To further increase transparency around product materials, processes, and embodied carbon, we proudly released our first EPD for Swurve in 2021.

For more information, see the Swurve EPD [here](#).



“The Epix collection was designed for the future workplace; one in which sustainability, collaboration, and empowerment take center stage. The entire product line — the tables, seating, and even the shelving — is adaptable yet highly functional, allowing the freedom to design spaces that have the capacity to change with time...”

“What truly sets this line apart is the way our team has leveraged sustainable materials — specifically, materials that have significant recycled content yet do not sacrifice product longevity. The materials used within the Epix line can easily be 100% recycled, due to the conscious efforts made by our team to eliminate mixed-material components that render recycling difficult. We were meticulous in our design to ensure these products support both the circular economy and our goal of Closed-Loop Manufacturing.”

— Steve Keilhauer, VP Product Development

### Epix in the Making

In April 2021, Keilhauer launched the Epix collection, our first collaboration with Swedish design studio Form Us With Love. Our mutual passion for sustainability and modern design, and a shared commitment to design activism, informed the collection’s aesthetic — balancing rational, industrial design with elegance and warmth.

Epix was designed to support the versatile, ever-changing nature of the modern workplace. This innovative, sustainable collection of tables, seating, and storage provides limitless possibilities for customizing ideal gathering spaces in the office, promoting both creativity and collaboration.

As design activists, Keilhauer and FUWL were able to bring this design vision to life through meticulous material planning, selection, and long-term lifecycle considerations.

Every piece in the collection is crafted solely from the highest quality pure materials such as aluminum, PET felt and polypropylene plastic — all 100% recyclable and designed for easy disassembly and the use of replacement parts.

These pure materials don’t just divert waste from landfill; they also easily accommodate sanitization practices, ensuring that spaces where multiple employees need to gather remain clean and safe.

#### AWARD WINS

- Good Design Award 2021
- Interior Design Magazine: Best of Year Award — Environmental Impact category
- HiP Award — Workplace Furniture Collection category

# Social Impact

## Our Team

Our people are the driving force behind everything that we do. Because it takes a dedicated, empowered team to provide our customers with innovative designs that outperform environmental standards.

That's why Keilhauer is committed to maintaining a best-in-class work environment. With continuous education and ongoing training opportunities, company-wide profit sharing, and a robust health and wellness program for all team members, we are devoted to our people.

## Diversity, Equity, and Inclusion

Keilhauer is committed to diversity within the workplace and provides a supportive, barrier-free work environment for all. We not only believe in the power of diversity; we support it in our values and actively work to promote awareness within our teams. With 39 languages spoken by our team members, we are a team as diverse as the products we develop.

## Our Commitment

Keilhauer provides employees with a safe and healthy workplace where:

- The principles of fairness and mutual respect are achieved through communication, education, and commitment
- A zero-tolerance policy for workplace violence, harassment, discrimination, and violations of human rights is upheld at all times
- All applicable health and safety legislative requirements are met and, in many cases, exceeded
- We support local charities and organizations that impact our community
- We educate all team members on sustainability and environmental awareness, so that they too are empowered to lead change
- We maintain fair hiring and recruitment practices
- Inclusiveness is embraced
- Employee growth is supported with ongoing training, accreditation, and certifications



## Invested in Our Community

Throughout 2021, Keilhauer engaged in several initiatives to provide philanthropic assistance to local organizations, increase our industry's investment in sustainability, and support the development of tomorrow's sustainability leaders.

### Worth a Second Look

In January 2021, Keilhauer's goal of Closed-Loop Manufacturing was front and center as we partnered with Worth a Second Look, which provides the community with low-cost furniture and housewares while keeping reusable goods out of landfills and creating employment opportunities. Through this partnership, Keilhauer was able to divert over 800 lb of textiles and other materials away from landfills.

### Ryerson University School of Interior Design

To support tomorrow's interior designers in their growth and development while also highlighting the capabilities of the circular economy, Keilhauer donated over 20 rolls of fabric material to Ryerson's School of Interior Design in August 2021.

### Indigenous Arts Collective of Canada

In November 2021, Keilhauer partnered with the Indigenous Arts Collective of Canada, a not-for-profit organization devoted to the preservation of endangered Indigenous art forms. Keilhauer provided over 600 lb of leather and fabric material to be used in workshops and other capacity-development activities.

### Daily Bread Food Bank

In December 2021, Keilhauer partnered with the Daily Bread Food Bank to help ensure our local community's most vulnerable families didn't go hungry over the holiday season. Together, our team donated over 460 lb of non-perishable food items.

### Product Donations

Throughout 2021, Keilhauer donated products to advance the fundraising efforts of charities, including:

- Auction for Wishes, in support of Make-A-Wish Canada®
- Children's Aid Foundation of Canada
- True Patriot Love Foundation



“At Keilhauer, investing in the community is part of who we are. Our success is intimately tied to the health and well-being of the places where we operate, so our team proudly supports every effort to ensure healthy, sustainable, and resilient communities and environments.”



## Advancing Sustainability Knowledge

At Keilhauer, we believe sustainable development is everyone's responsibility — and we want to engage others in a transparent manner by sharing more than just our progress and achievements. That's why we're constantly looking for ways to spread our sustainability knowledge and encourage others to follow a similar path.

### American Society of Interior Designers (ASID) Virtual Design Fair 2021

In May 2021, the American Society of Interior Designers held a virtual design fair highlighting sustainable products and design practices. Our president, Mike Keilhauer, discussed the importance of selecting sustainable materials — walking the audience through our entire process when designing sustainable furniture collections such as Swurve and Epix.

### Net Zero Conference 2021

Held in-person in L.A., as well as online, this international conference is dedicated to carbon reduction practices, decarbonization, and climate resilience. Keilhauer maintained a virtual booth featuring a transparent overview of how we developed our first carbon neutral chair, Swurve. Sharing as much of our carbon reduction process as possible, our team engaged a wide variety of interested participants and share valuable knowledge around the carbon-neutral process.

### Metropolis Magazine Partnership

Throughout 2021, Keilhauer partnered with [Metropolis Magazine](#) to advance knowledge around carbon neutrality and net-zero programs. This partnership resulted in the purchase of carbon offsets to mitigate emissions produced from printing and distributing copies of the November/December 2021 issue.





## Committed to Tomorrow

A more sustainable tomorrow starts today. So throughout 2021, we began researching and investing in events and initiatives targeting the development of future designers, sustainability professionals, and business leaders.

### Metropolis Magazine – Metropolis Future100 Program

Empowering the next generation is paramount to ensuring sustainability remains a design focal point. That's why Keilhauer signed on as a key sponsor for Metropolis Magazine's Future100 program. This program recognizes the top 100 graduating students from architecture and interior design programs throughout the United States and Canada, and connects these high achievers with architecture and design firms across North America to help launch their careers.





The Indigenous Arts Collective of Canada engages, connects, and empowers Indigenous women by promoting the transfer and conservation of cultural knowledge.

### The Indigenous Arts Collective of Canada

With a focus on closed-loop manufacturing and the circular economy, we are committed to discovering innovative new ways to upcycle leftover materials. Our textile donation program has been developed to support local organizations within our surrounding communities, while simultaneously reducing production waste.

In 2021, we made our largest textile donation to the Indigenous Arts Collective of Canada (IACC), a not-for-profit corporation dedicated to preserving and revitalizing endangered Indigenous art forms and enriching lives through Indigenous arts and culture. The IACC provides assistance to Indigenous artists through employment, access to material resources, community networking, free marketing and advertising, workshops, conferences, and exhibitions.

Keilhauer contributed 67 rolls of textile and 40 leather hides to the IACC – equivalent to over 600 lb of material in total. These materials were then divided between the Native North American Travelling College and Indigenous artist Frankie Pasapa of Minwaashin Lodge, to be used in both virtual and in-person moccasin- and mitten-making workshops.

Each workshop provides Indigenous women with valuable learning and skill development opportunities, while also building a sense of community and cultural pride.

To learn more about the **Indigenous Arts Collective of Canada** and its partner organization, **Pass the Feather**, visit [passthefeather.ca](https://passthefeather.ca).

# The Global Goals

The United Nations Sustainable Development Goals (SDGs) are the foundation of the 2030 Agenda for Sustainable Development, adopted by all members of the United Nations in 2015. **The Global Goals** recognize that strategies aimed at ending poverty, reducing inequality, and improving health and education must go hand in hand with strategies focused on climate change and the preservation of our natural environments. For more information, visit [globalgoals.org](https://www.globalgoals.org).



## THE GLOBAL GOALS



### 2 | Zero Hunger

We engage in food drives to reduce hunger in our communities. In December 2021, we provided over 460 lb of non-perishable food to the Daily Bread Food Bank in Toronto.



### 6 | Clean Water and Sanitation

We support the Aqua Clara Water Filtration Program in Kenya through our carbon offsets program.



### 7 | Affordable and Clean Energy

We support the US Truck Stop Electrification Project through our carbon offsets program.



### 8 | Decent Work and Economic Growth

We provide our teams with a safe, sustainable work environment and are committed to the principle of fair pay. Anyone who deals with Keilhauer — whether within our supply chain or a customer, team member, or industry partner — is always treated fairly and with respect.



### 12 | Responsible Consumption and Production

We are committed to the goal of Closed-Loop Manufacturing, and build quality products with a long useful life, yet designed with recyclability top of mind.



### 13 | Climate Action

We encourage our team members to build their knowledge about climate change, and are committed to improving education and awareness around social and environmental issues. As a manufacturer, we actively seek out ways to integrate climate change measures into our strategic planning and continue to advance our knowledge on the subject.



### 15 | Life on Land

We support the Minnesota Forestry Improvement Project through our carbon offsets program, which provides critical habitat space for rare species of birds and animals.



### 17 | Global Partnerships for the Goals

We know sustainable development can't happen without partnerships and knowledge sharing, so we engage in knowledge-sharing events and initiatives on an ongoing basis. In 2021, our Sustainability Officer participated in multiple events to discuss social impact and sustainability with post-secondary students, while our President spoke at multiple conferences to share how we've integrated sustainability into our business model.



## Leading by Example

**Disruptions like the COVID-19 pandemic have clearly shown that healthy environments, communities, and businesses are intimately interconnected.**

As the world continues to recover from COVID-19, Keilhauer will continue to strive for sustainable innovation – within our facilities, our products, and our processes.

From our staff to our customers, we are eternally grateful to all our partners within the value chain who made the progress we achieved this past year possible.

We are always open to new, innovative ideas and solutions. If you have questions or comments, or wish to join us on our journey towards a more sustainable future, we'd love to hear from you. Please contact [sustainability@keilhauer.com](mailto:sustainability@keilhauer.com) for more information.

