

KEILHAUER

2023

Corporate
Sustainability
Report

Sustainable Furniture for a Sustainable Future

At Keilhauer, we do more than aspire to sustainability. We proudly work towards it through extensive programs and procedures that decrease our carbon footprint while increasing customer satisfaction.

As demonstrated by our awards, certifications, and continued long-term success, our entire team is committed to manufacturing eco-friendly products that meet the most stringent requirements, from the beginning of their life cycle until the very end.



A Message from the President

At Keilhauer, we consider ourselves design activists and pioneers in creating sustainable products that are designed to make work more comfortable for all. From our inception, the principles of reduce, reuse, recycle, and renew have been incorporated into the fabric of our brand and remain integral in all that we do.

I am deeply proud of the progress we have made as a company when it comes to Planet Keilhauer and our sustainability initiatives. From responsible material selection, leading in the carbon neutral space, and supporting the sustainability leaders within our industry, our company remains dedicated to becoming a Closed-Loop Manufacturer and doing well by doing good.

Within these pages, you will learn about all the ways Keilhauer cared for our people and our planet throughout 2022. We donated recycled materials to our friends at the Indigenous Arts Collective of Canada, and 80 pounds of non-perishable food items to the Scarborough Centre for Healthy Communities. The product team introduced Velvety to the Keilhauer upholstery library, a true zero-waste textile made from partially recycled content and the highest quality of certified materials. Additionally, it was a landmark year for Division Twelve, our subsidiary brand of bent metal furniture. As of August 2022, all Division Twelve products are completely carbon neutral.

These items are just an overview of all that was achieved in the past year. Our hope is that through the exciting advancements and initiatives outlined in the following pages, we inspire others in our industry to join us in building a more sustainable future.

Thank you,

A handwritten signature in black ink, reading "Mike Keilhauer".

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 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.

Canada's Greenest Employers

One of Canada's Greenest Employers in 2013, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

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 2022 — the ninth time we've been recognized over the past 10 years.



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:
 - The inclusion of environmental considerations in our policies, planning, processes, purchasing, and product design
 - The ongoing measurement and management of our energy and natural resource use
 - 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.

2023 & BEYOND

Our future goals for the engineering team include:

- Avoiding use of red-list chemicals in future products, and remaining red-list free
- Continuing to design products that are easy to disassemble and recycle
- Using post-consumer recyclable content when we can

Our future goals in sustainability include:

- Launching several new certified carbon neutral products in 2023
- Continued collaboration and efforts to find a sustainably sourced wood product supply chain
- Promoting end-of-life material recovery through initiatives such as the Tom-take-back recycling program
- Promoting awareness of the impact of embodied carbon in the built environment and opportunities for sustainable design

Closed-Loop Manufacturing

WASTE DIVERSION PROGRAMS

Targeted and meaningful waste reduction practices are critical to achieving Closed-Loop Manufacturing. Keilhauer has implemented innovative waste programs to reduce waste in our offices, on our production floors, and even in the homes of our team members.

ZERO WASTE-TO-LANDFILL

Keilhauer uses the “Energy from Waste” program, which involves a thermal treatment facility capable of processing non-hazardous materials. In 2022, Keilhauer converted 43.896 MT of material to energy, resulting in:

- ∞ Saving 35,116 cubic metres of landfill space
- ∞ 114,127 tonnes of greenhouse gas reductions
- ∞ 6,496.46 Kw of electricity sold to the grid

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. With this data, we can make meaningful improvements that help position us closer to our goal of Closed-Loop Manufacturing.





TerraCycle’s Zero Waste Box™ Program

Our innovative recycling programs are designed to reduce our environmental footprint and mitigate the waste associated with the manufacturing process. In 2022, our unique diversion 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 2022, we recycled over 120 kg of these materials.

ELECTRONICS, LIGHT BULBS, AND BATTERIES

Keilhauer has programs in place to appropriately sort and recycle electronics, light bulbs, and batteries. To better support our community, we also encourage our team members to take advantage of these unique recycling streams by bringing their own electronic items from home — further reducing the amount of harmful materials in our municipal landfills.

SNACK AND CANDY WRAPPERS

Wrappers collected in lunchrooms are used to divert additional plastic materials from waste streams. In 2022, we collected 6 lbs of such wrappers for recycling.

In 2022, Keilhauer recycled 630 lbs of IT waste, 304.24 lbs of lamps and light bulbs, and 398 lbs of batteries.



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 has established a Chemical Management Plan (CMP) to help us manage chemicals in products and processes. We've developed and implemented a system for inventory tracking and control of process, product, and facility management chemicals that includes acquisition, use, storage, transportation, and final disposal.

We are committed to:

- Adhering to strict healthy materials guidelines, eliminating harmful ingredients in our products and facilities
- Ongoing elimination of per- and poly-fluorinated chemicals
- Ongoing elimination of PVC
- Ongoing elimination of formaldehyde
- Ongoing elimination of all red-list chemicals

We have successfully identified and eliminated any flagged and red-listed chemicals from new products, and designed using safe alternatives since 2020.

ENERGY REDUCTION

With Keilhauer's growing focus on carbon neutrality and embodied carbon, we have 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 documenting our energy inventory processes.

Keilhauer purchases Renewable Energy Certificates (RECs) each year to match 100% of our electricity usage. RECs are tradeable energy commodities that support renewable energy projects and allow us to offset emissions associated with our 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 2022, Keilhauer reduced:

- Electricity usage by 5.28%
- Natural gas usage by 9.43%
- Overall energy usage by 9.2%
- Greenhouse gases by 10.8%



Designing for the Environment and the Future



RESPONSIBLE MATERIALS

Keilhauer is committed to continuously providing innovative, sustainable design options, including the textiles we select for our upholstery library. In February 2022, Keilhauer launched Velvety, an ultra-soft, durable fabric with a unique sustainability story of its own.

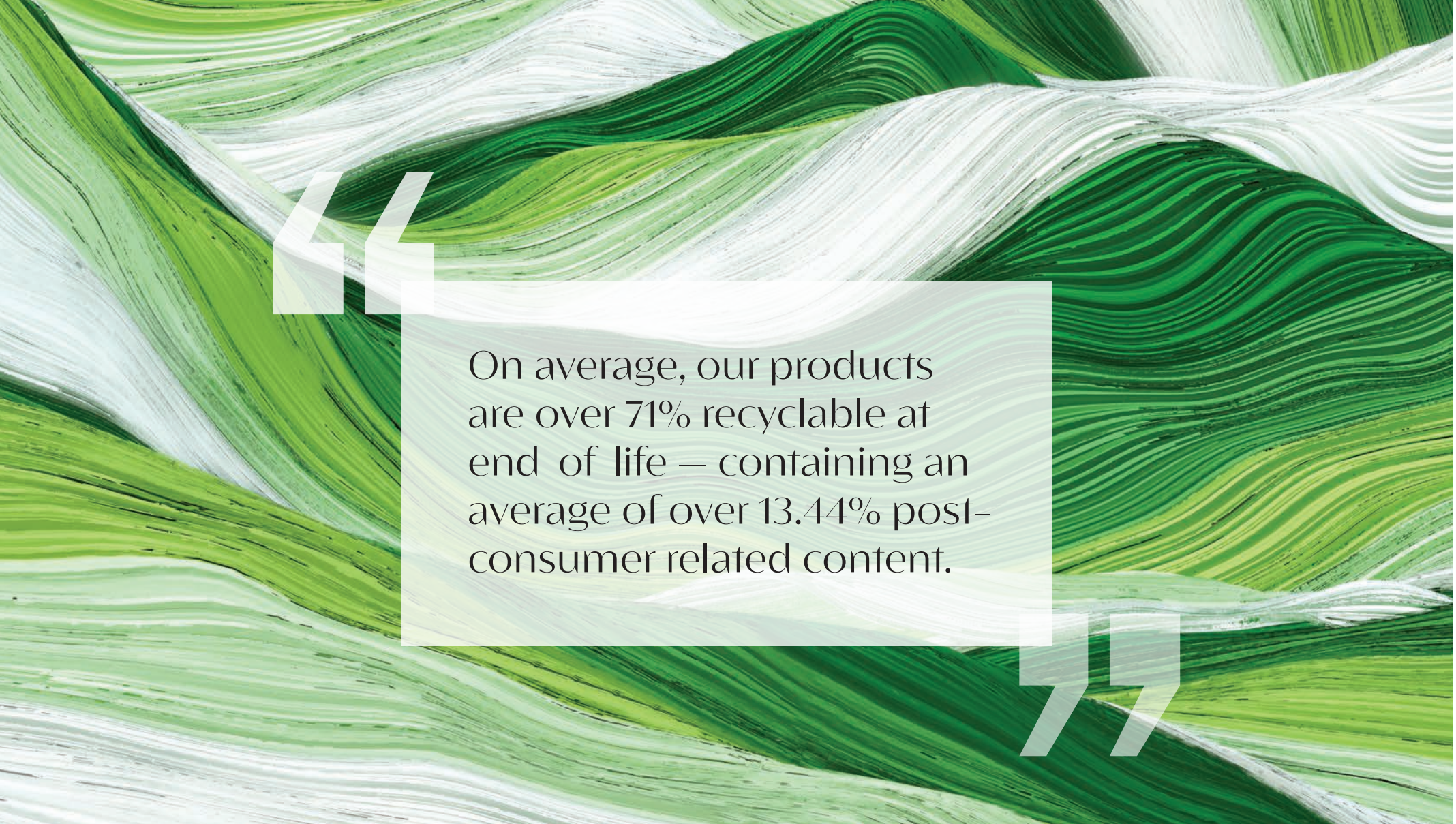
Manufactured by Crevin, Velvety is made from partially recycled content and the highest quality certified materials. All textile waste produced from manufacturing Velvety is converted into new yarn reused for the backing of other textiles, making it a true zero-waste product. Velvety is also certified after Standard 100 of OEKOTEX, one of the world’s best-known labels verifying the safety of textiles for human health.

A Grade D fabric, Velvety is constructed from 80% polyester, 11% post-consumer recycled polyester, 5% post-consumer recycled cotton, and 4% cotton.

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.

Through this initiative, 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 quite often, far beyond them. 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. Keilhauer utilizes the worst-case sample selection product grouping methodology when evaluating compliance with BIFMA LEVEL point criteria.

FOREST STEWARDSHIP COUNCIL®


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 carbon neutral products are certified carbon neutral by ClimeCo.

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

“Sustainability has been engrained in the Division Twelve ethos from the start, and we’re proud to reach this carbon neutral product milestone.”

MEGHAN SHERWIN,
Chief Marketing Officer

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, Keilhauer’s first carbon neutral task chair, Swurve, 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.

Swurve’s success, along with the industry’s overwhelmingly positive response, has inspired us to continue to design and launch more carbon neutral products.

SUPPORTING CARBON-REDUCTION PROJECTS WORLDWIDE

As part of our carbon neutral commitment, we offset all emissions which can’t be eliminated from the value chain using verified carbon-reducing projects. In partnership with **ClimeCo.com**, Keilhauer supported the Bluesource: Francis Beidler Improved Forest Management Project in 2022.

FRANCIS BEIDLER IMPROVED FOREST MANAGEMENT PROJECT

Located in South Carolina, this site is the world’s largest virgin cypress-tupelo swamp forest — a pristine ecosystem of thousand-year-old trees. In recent years, the Audubon Society placed a permanent conservation easement on the property, initiating a forest carbon project to generate funds for its maintenance and protection.

In 2013, Bluesource registered the project with California’s Climate Action Reserve — aiding in emission reductions through enhanced sequestration relative to baseline forest management. It’s a prime example of how carbon revenues can help preserve old-growth forests for future generations, and aid in the fight against climate change.

DIVISION TWELVE: A CARBON NEUTRAL STORY

Acquired by Keilhauer in 2020, Division Twelve is a vibrant bent metal furniture brand that is the product of durable materials, modernist design, and oh-so-careful craftsmanship. Versatile and timeless, Division Twelve has a bold personality and an even bolder colour palette. With product names like “Brat,” “Catty,” and “Funk,” this is a furniture brand that’s sure to stand out in any space.

In August 2022, we proudly announced that all Division Twelve products are now carbon neutral. From the beginning, Division Twelve has been passionate about working with the best Earth-approved materials to create

OUR PRIORITY: A MORE SUSTAINABLE FUTURE

Since the launch of the Swurve line, we’ve doubled down on our commitment to eradicating the embodied carbon within our products by setting ambitious carbon neutral targets. That includes everything from designing out harmful materials with large carbon footprints, to increased recyclability, throughout every stage of our processes.

OUR CARBON NEUTRAL COMMITMENTS:

- Continue to launch carbon neutral products, with at least three additional carbon neutral products by December 2023.
- Maintain carbon neutral product offerings within Division Twelve, ensuring all new product launches receive a carbon neutral designation at launch or within the first six months.
- Maintain Renewable Energy Certificates (RECs) for 100% of the electricity used within our facilities.

sustainable furniture, so becoming carbon neutral was the natural next step in this forward-thinking journey.

To achieve this carbon neutral status, Division Twelve reduced carbon emissions at every stage of the process — from the designs to the materials used in production, distribution, and end-of-life. Of course, throughout the life cycle of each product, there’s inevitable carbon that cannot be eliminated. Division Twelve completely offsets this carbon with investments in third party–verified carbon offset projects through **ClimeCo.com**.

43.895
METRIC TONNES

EQUALS
100%
OF OUR WASTE
DIVERTED INTO
ENERGY

SAVING
35.11
CUBIC METRES
OF LANDFILL
SPACE

MATERIALLY SELECTIVE

Use of recycled materials including 20% recycled aluminum, 80% recycled steel, and 60% recycled nylon components.

RENEWABLE ENERGY

Facilities and equipment are all energy-efficient — with Renewable Energy Certificates covering 100% of our electricity.

THE END IS ONLY THE BEGINNING

Products are easily disassembled and recycled at the end of their life

- Durability backed by a 10-year warranty
- Designed with repairable and replaceable components to further extend their life and avoid landfilling
- Any scrap material left after manufacturing is donated or recycled
- Efficient transportation of materials reduces upstream and downstream emissions

CARBON NEUTRAL BY DESIGN

Melete, Goldi, and Spinni — Keilhauer’s new product launches — are carbon neutral.

CUTTING CARBON WITH KEILHAUER

September 2022: Epix, our 100% recyclable collection, launched new sustainable seating pads for its chairs.

FACILITATING CHANGE

Lighting in our finishing warehouse and webbing was changed from 400 W high-bay lighting to 150 W high-bay lighting — resulting in savings of up to 70%. All electricity is generated from renewable sources.

DIVERTING WASTE

100% of our waste (43.895 metric tonnes) was diverted into energy — saving 35.116 cubic metres of landfill space. We added TerraCycle boxes for PPE and office supplies to ensure these materials are fully recycled. We recycled a total of 104,380 kg of materials in 2022.



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 also 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

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.

Committed to Community

Sustainability is about deeds, not words. That's why Keilhauer strives to ensure our products or materials never end up in landfills. We are proud to provide annual donations of textiles, leather, and even food during holiday events, to help build a better community.

2022 DONATIONS

Pass the Feather — Indigenous Arts Collective of Canada

90 lbs of extra leather and fabric rolls were donated to the Indigenous Arts Collective of Canada for reuse.

Equity, Diversity, Indigenous Education & Community Relations: TDCSB

37 lbs of unused textiles were donated to the Equity, Diversity, Indigenous Education & Community Relations department of the Toronto District Catholic School Board, to be used in their art classes.

Holiday Food Drive

As part of an annual holiday event, in December 2022 Keilhauer collected and donated 80 lbs of non-perishable foods to the Scarborough Centre for Healthy Communities, a nearby food bank.

Charitable Auctions

Throughout the year, Keilhauer donates products to a number of local charities. Our 6C at Home Chairs were donated to groups including Auction for Wishes, the Toronto Cricket & Skating Club, Auction for a Cure, the Squash Dementia Charity Tournament, and the Children's Aid Foundation Charity Teddy Bear Gala.

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 our achievements. That's why we're constantly looking for ways to spread our sustainability knowledge, and we encourage others to follow a similar path.

Keilhauer Metropolis Sustainability Lab at NeoCon (June 13-15, 2022)

In partnership with Metropolis Magazine, Keilhauer provided Swurve and Epix chairs to the SANDOW showroom space at NeoCon in Chicago. The carbon neutral Swurve chairs were part of an educational display about sustainability and design, and the 100% recyclable Epix chairs were provided for audience members and speakers during live panel discussions. Carbon neutral Division Twelve products were also donated to SANDOW's Live Auction in the same space.





AWARDS

GREEN GOOD DESIGN AWARDS
Swurve and Epix won
(announced June 2022)

BEST OF NEOCON
Melete won a Best of NeoCon
Sustainability Award in the
Guest Seating category
(June 2022)

RED DOT AWARDS
Epix PET felt chair won
(March 2022)

2022 DONATIONS CONTINUED

Net Zero Conference – Los Angeles (Sept. 14-15, 2022)
Held in person in Los Angeles, this inclusive Keilhauer-sponsored event was an international conference dedicated to carbon-reduction practices, decarbonization, and climate resilience. With the aim of sharing as much of our carbon-reduction process as possible, our team engaged a wide variety of interested participants and shared valuable knowledge around Swurve’s carbon neutral process, and the 100% recyclability of the Epix collection.

Keilhauer IIDA Sustainable Design Education Fund (ongoing)
Launched in summer 2022, the Keilhauer IIDA Sustainable Design Education Fund supports 10 IIDA members per year who successfully complete the LEED exam and seek to practice sustainable design strategies.

Interior designers who are LEED certified demonstrate to clients and employers alike that they’re dedicated to incorporating environmental sustainability, and the health and safety of occupants, into their practice — a key tenet of both IIDA’s and Keilhauer’s operations.

Keilhauer’s annual sponsorship funds 100% of the LEED exam costs for 10 IIDA Student, Associate, or Professional members who have passed the LEED Green Associate (or LEED AP) exam. Offered twice annually, in the winter and summer, the award is given to five IIDA members per season.

Metropolis Magazine — Future100 Program
Empowering the next generation is paramount to ensuring sustainability in the future.

So, for the second year in a row, Keilhauer signed on as a key sponsor for Metropolis Magazine’s Future100 program. It recognizes the top 100 graduating students from architecture and interior design programs throughout the United States and Canada, and connects these high-achieving students with architecture and design firms across North America to help launch their careers.



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.

Zero Hunger

We engage in food drives to reduce hunger in our communities. In December 2022, we provided over 80 lbs of non-perishable food to the Scarborough Centre for Healthy Communities.

Affordable and Clean Energy

We purchase Green-e® certified renewable energy, which meets the most stringent environmental and consumer protection standards in North America.

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.

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.

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.

Life on Land

We support the Bluesource Francis Beidler Improved Forest Management Project through our carbon offsets program, which provides essential habitat for plants and animals, and helps protect this old-growth forest.

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 2022, these included the Keilhauer Metropolis Sustainability Lab at NeoCon, sponsorship of the Net Zero Conference, the Keilhauer IIDA Sustainable Design Education Fund, and sponsorship of the Metropolis Magazine Future100 program.

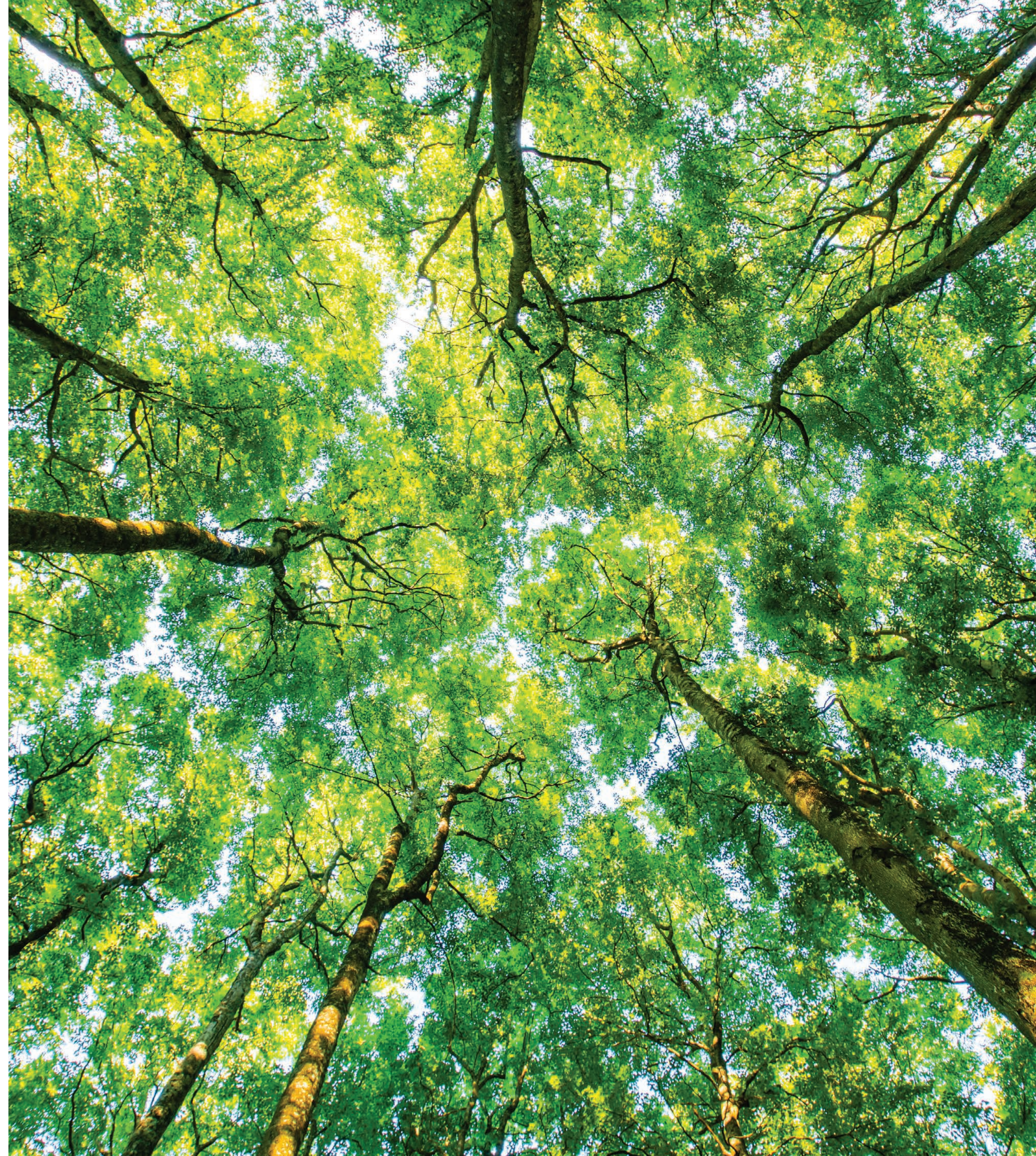
Leading by Example

At Keilhauer, sustainability has always been a guiding principle, and we 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 who made the progress we achieved in this past year possible.

We are always open to new and innovative ideas, solutions, and partnerships. If you have any comments or questions, 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 for more information.





KEILHAUER

DESIGN THAT SUSTAINS