



KEILHAUER

2024

Corporate Sustainability Report



THIS CSR IS A CARBON-NEUTRAL REPORT. IT IS BEING MINIMALLY AND RESPONSIBLY PRINTED IN NORTH AMERICA USING 100% RECYCLED, FOREST STEWARDSHIP COUNCIL® (FSC) CERTIFIED PAPER AND RECYCLABLE BINDING AND IS MINDFULLY SIZED TO MINIMIZE PAPER WASTE.

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Design That

Good design lives on.
Well-made products last.
Solid connections hold.
Strong performances endure.
Sustainability helps preserve us and the earth.
Keilhauer is here for the long haul.
In more ways than one.

Sustains

Contents

We are proud of the work we do to uphold our commitment to sustainability and advance eco-mindfulness on the world stage. This Corporate Sustainability Report highlights our biggest achievements in sustainability — from operations to community support — this past year.

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President's Welcome



Meghan Sherwin
President

For over 40 years, Keilhauer has prioritized **Design That Sustains**, acting as a design activist and pioneer when it comes to manufacturing sustainable products that make work more comfortable for all. Keilhauer has always believed that beautiful design and intelligent sustainability go hand-in-hand, which remains a guiding light in everything we do, from the materials used to construct our show-stopping furniture to our eco-conscious manufacturing facilities and beyond.

Keilhauer's dedication to sustainable practices is just one of the many reasons why I was honoured to become the new President of Keilhauer, following Mike Keilhauer's transition to CEO in the summer of 2023. I am consistently proud of the progress we have made as an organization when it comes to all of our sustainability initiatives that contribute to Planet Keilhauer. From our continuous development of cutting-edge carbon-neutral furniture to supporting future sustainability leaders through our involvement with organizations like Sandow and IIDA, our company remains dedicated to becoming a closed-loop manufacturer and pushing the envelope when it comes to innovative, sustainable design. This year's expansive Corporate Sustainability Report details all of the incredible milestones we achieved in 2023, including the introduction of Vagabond and Dally, the world's first-ever carbon-neutral ottomans, to the market. Additionally, our product team added Nova to the Keilhauer upholstery library. It is a zero-waste textile made from 33% recycled yarn and the highest quality of certified materials. We also supported local organizations through various donations, including leather rolls to the Indigenous Arts Collective of Canada and essential non-perishable food items to local communities. We were even invited to the United Nations, alongside 29 other representatives from the design and fashion industries, to provide insight and exchange ideas about how to improve our industries' overall carbon footprints. Our participation in the UN Partnership Council was a true highlight of the year, and Keilhauer was beyond honoured to be the sole commercial furniture manufacturer present at this wonderful roundtable.

These are just a few of the many milestones we achieved in the past year. As always, we hope that this annual Corporate Sustainability Report inspires others in our industry to join us in creating a more sustainable future, from the products we put out into the world to the way our people treat one another and this wondrous planet of ours.

Thank you,



We believe that
good business
is measured
by the triple
bottom line.

Since our start in 1981, we have believed that trustworthy businesses must prioritize environmental sustainability. From responsible material selection and procurement to reducing the embodied carbon within our products and supporting tomorrow's sustainability leaders, we remain as committed as ever to being design activists who make work more comfortable for all.

100%	OF ELECTRICITY USAGE OFFSET WITH RENEWABLE ENERGY CREDITS
84.5%	OF WASTE DIVERTED ACROSS ALL OUR FACILITIES
10x	RECIPIENT OF CANADA'S GREENEST EMPLOYER AWARD
32.14	CUBIC METERS OF LANDFILL SPACE SAVED
20	CARBON-NEUTRAL PRODUCT FAMILIES IN-MARKET
11	100% RECYCLABLE PRODUCTS

History & Milestones

In 1981 Keilhauer was born, and we started out with one focus: to manufacture quality, sustainable seating. Over the years, this pursuit of quality and sustainability evolved into our philosophy of making work more comfortable for all. It touches everything we do and everyone we encounter on our path from a great design idea to each product's end of life, adding to a more sustainable today and tomorrow for our planet and communities.

For nearly two decades, we have taken great strides in reducing our carbon footprint and contribution to global climate change by offsetting 100% of our facilities' electricity use with Green-e® certified renewable energy credits. We are committed to the ongoing measurement and management of natural resources and energy used within our facilities and manufacturing process, including energy efficiency as a consideration when launching building retrofit projects and capital investments.

2020

- We pledged allegiance and signed the American Institute of Architecture (AIA) 2030 commitment. We are now amongst a group of industry-leading brands publicly committed to achieving net-zero emissions and reducing the carbon footprint of the built environment.
- In mid-2020, we launched the first certified carbon-neutral task chair, Swurve. Its success and the industry's overwhelmingly positive response encouraged the subsequent launch of 17 additional collections over the next three years across Keilhauer and Division Twelve.

2021

- We announced the launch of two new leather collections, Aria and Valda. Both are produced in a clean-water leather facility that is 100% CO₂ neutral and meets the benchmark in its water purification process. The production of Aria and Valda follows a best-in-class animal welfare mandate, including product-to-farm traceability and a supplier code of conduct.

2022

- We created the Keilhauer Sustainable Design Education Fund, a grant that supports ten IIDA members per year who complete the LEED exam and seek to practise sustainable design strategies.
- We launched Velvety, a zero-waste fabric that carries the OEKO-TEX® Standard 100 certificate, one of the world's best-known labels verifying the safety of textiles for human health.
- All Division Twelve products are certified carbon neutral.

2023

- We added three more certified carbon-neutral product families to our offering: the Vagabond and Dally ottomans, an industry first, and the Melete chair.
- We launched Nova, which is made from 33% recycled yarn and the highest-quality certified materials. All textile waste produced from manufacturing Nova is converted into new yarn that is reused for the backings of other textiles, making it a zero-waste product.
- Division Twelve's Twigz outdoor chair wins a Metropolis Planet Positive award.

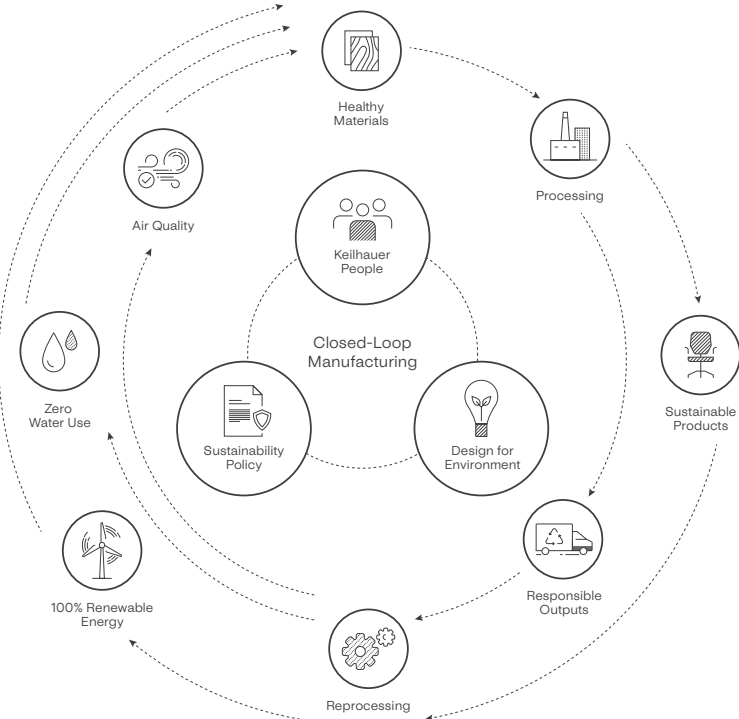
Today

- Today we have over 200 models certified carbon neutral from four Keilhauer product families and all of Division Twelve. In addition, we have 38 product families that meet the Healthier Hospitals Initiative for Healthier Interiors standard for eliminating chemicals of concern.



Welcome to Planet Keilhauer

Planet Keilhauer has been part of our company culture since the 90s and is at the forefront of everything we do. It guides us towards our goals of 100% closed-loop manufacturing, reducing carbon emissions, and improving the well-being of our people and communities. Initiatives are reviewed annually to ensure we align our practices with the latest trends and scientific advancements while maintaining the interests of our stakeholders. All our achievements are verified by established third-party awards and certifications.



DUE TO OUR STEADFAST COMMITMENT, WE'VE PROUDLY RECEIVED CANADA'S GREENEST EMPLOYERS AWARD TEN TIMES OVERALL AND CONSISTENTLY EACH YEAR SINCE 2015.

Designing for the Environment & the Future

We proactively design our products to be as sustainable as possible through our Design for Environment (DFE) program. This ensures the decisions made from the onset of any project are aligned with our Planet Keilhauer commitment.

We design products

- 01 for disassembly, reuse, and recycling
- 02 for durability, repair, and retrofit
- 03 using closed-loop manufacturing principles and design, circularity, and zero-waste operations

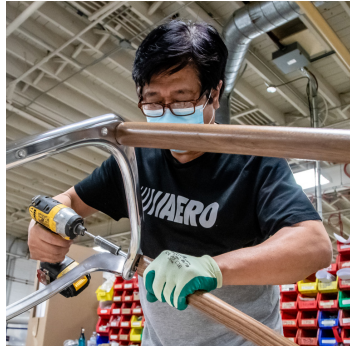
We prioritize

- 01 recycled and rapidly renewable materials
- 02 raw materials that minimize health impacts on people and the environment
- 03 bio-based foam products and other materials
- 04 sustainable, quality wood components

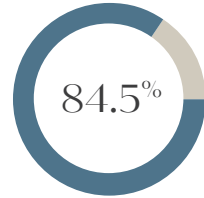
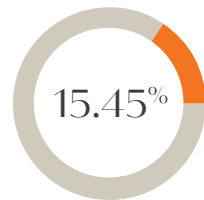
We continue to eliminate

- 01 products that contain chemicals of concern
- 02 single-use plastics in packaging materials

Leading Sustainability: Operations



A lot goes into making a chair. It takes energy resources and human power. It takes materials such as steel, aluminum, and wood. We evaluate each aspect of our manufacturing process to make sure we are offsetting our energy consumption, sourcing sustainable materials, maximizing material usage and recycling, and preventing needless waste at each step.



■ WASTE CONVERTED TO ENERGY
■ DIVERSION TO RECYCLING

Energy Efficiency

We are committed to annual energy efficiency and carbon reduction initiatives to eliminate carbon emissions from Keilhauer's direct operations. We purchase Green-e® certified renewable energy credits (RECs) to match 100% of our electricity consumption for our direct operations.

Waste Reduction

We have a rigorous waste reduction plan that includes 17 independent waste diversion streams, resulting in an 84.5% waste diversion rate. In 2023, we produced over one kilogram less waste per item shipped and produced 20% less waste than in 2022 at one of our manufacturing facilities and 30% less waste at the other. 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 32 cubic meters of landfill space saved and a reduction in emissions of over 105 metric tons of CO₂e.

Water Usage

We have completely eliminated the use of water in production.



By the Numbers

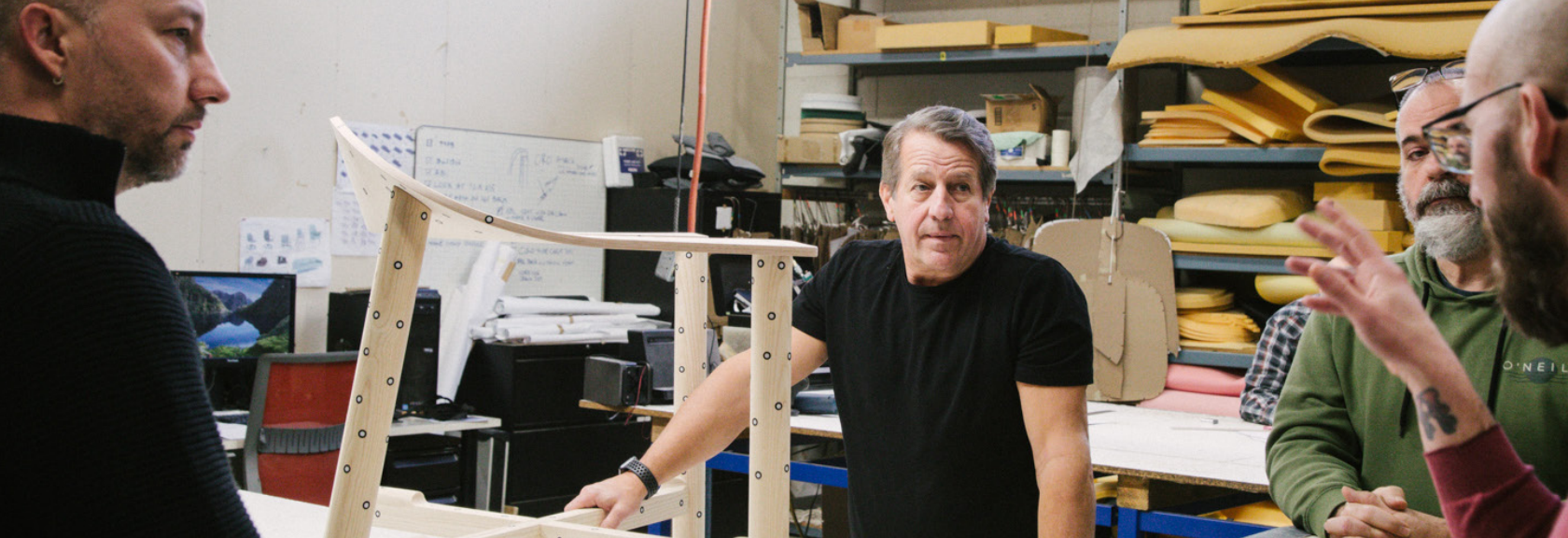
0 WATER USED

Energy & Gases Reduced From 2022 to 2023

↓ 12.5% NATURAL GAS USAGE
 ↓ 8.66% OVERALL ENERGY USAGE
 ↓ 5.62% GREENHOUSE GASES

Waste Diverted

84.5% DIVERSION RATE
 32.14m³ LANDFILL SPACE SAVED
 40.17MT WASTE TO ENERGY
 261.84KG PPE RECYCLED
 9.06KG SNACK AND CANDY WRAPPERS RECYCLED
 22.68KG OFFICE SUPPLIES RECYCLED
 41.72KG IT WASTE RECYCLED
 342.66KG LIGHT BULBS RECYCLED
 44KG BATTERIES RECYCLED



Leading Sustainability: Production

When it comes to sustainable materials, we take great pride in staying ahead of the curve on the latest research, science, and material innovations, bringing the latest and greatest eco-conscious materials into our designs for the future, as well as constantly looking to improve legacy designs. We have proven that sustainable designs can strengthen design principles and the focus on quality. Pushing the standards on beautiful, sustainable, high-quality seating without compromise.

Responsible Materials

In 2022, we launched Velvety, a product of ingenuity and a love for our planet. Soft, durable, zero-waste fabric, Velvety is manufactured using recycled textile content. The waste from manufacturing Velvety is then reused for other textiles, so no waste is created.

More recently, in August 2023, we launched a new textile, Nova, made from 33% recycled yarn and the highest quality of certified materials. Similarly to Velvety, all textile waste produced from manufacturing Nova is converted into new yarn that is reused for the backings of other textiles, which makes it a zero-waste product.

Velvety and Nova, along with Hatch (launched in 2020), have been subject to a Life Cycle Assessment and are certified after Standard 100 of OEKOTEX, one of the world's best-known labels that verifies the safety of textiles for human health.

We also announced a new partnership with Camira for four wool options made

of all-natural fibres 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 that create each textile component to exact measurements.

Wood Sourcing

Since 2013, our facilities have been certified to sell FSC® certified products. We have actively aligned our internal processes and worked on cultivating our partnership with Forests Ontario to expand this program to include more FSC® certified products.

Material Chemistry

Since January 2017, we have been assessing and working to eliminate chemicals of concern from our products, parts, processes, and supply chain. The objective is to manufacture safe and sustainable products and to encourage our competitors and supply chain to follow suit.

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

Our list of “banned” chemicals of concern is steered by over ten Canadian, US, and European regulatory banned lists and industry best practices.

We have successfully identified and eliminated any flagged and red-listed chemicals where they exist in most of our products, and continue to do so, with the goal of having all of our products labeled as Red List free in the future. Since 2020, we've been redesigning existing flagged products using safe alternatives. Products like the Buncha table were redesigned with non-PVC edge bands, called ABS edge bands.



ELLABY 71061 IN VELVETY



2023 METROPOLIS PLANET POSITIVE AWARDS WINNER: FURNITURE OUTDOOR TWIGZ, DIVISION TWELVE.

Planet Positive Awards recognize the most creative projects and products from around the world that benefit people and the planet, as well as firms and professionals leading the way to a better-built environment. Learn more at <https://metropolismag.com/awards/planet-positive/>

Leading Sustainability: Logistics

At Keilhauer, we are committed to doing our part to secure a greener future. From how we ship our products to how they are recycled, we make sustainability part of our story.

Packaging

Packaging is a necessity, and with forward thinking it can be done sustainably. We prioritize reusable materials, reduce the amount of packaging with every delivery, and, where disposable packaging is required, ensure it's easily recyclable by regional facilities. We also work with our suppliers to ensure packing materials contain as much recycled content as possible, reducing demand for virgin material and ultimately reducing the CO₂ input per product shipped.

Any inbound packaging we receive is recycled to provincial standards. We use an on-site baler for clear LDPE (plastic) and a cardboard compactor to prepare used packaging for processing through one of our waste diversion partners, Fine Recycling.

Our outbound packaging comes from Packsize, a best-in-class sustainability-focused provider of corrugated fiberboard and custom-sized box-making

machines. Boxes that fit our products to a tee mean less excess cardboard and more efficient transportation.

Blanket Wrapping

Over 70% of our products are wrapped in protective, reusable blankets, rather than single-use cardboard boxes during transportation. 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. This one process adjustment saves us thousands of cardboard boxes each year while further reducing the amount of waste and embodied carbon within our supply chain.

Supply Chain

We require our suppliers to adhere to our core values, which include ethical behaviour and environmental stewardship. Alongside meeting our requirements of ethical standards, proximity to our facility, elimination of harmful chemicals, and adoption of sustainable packaging

and Science Based Targets initiative (SBTi) goals, some of our suppliers also set their own environmental objectives and uphold various sustainability standards. 100% of our direct vendors use readily recyclable, returnable, or reusable packaging material.

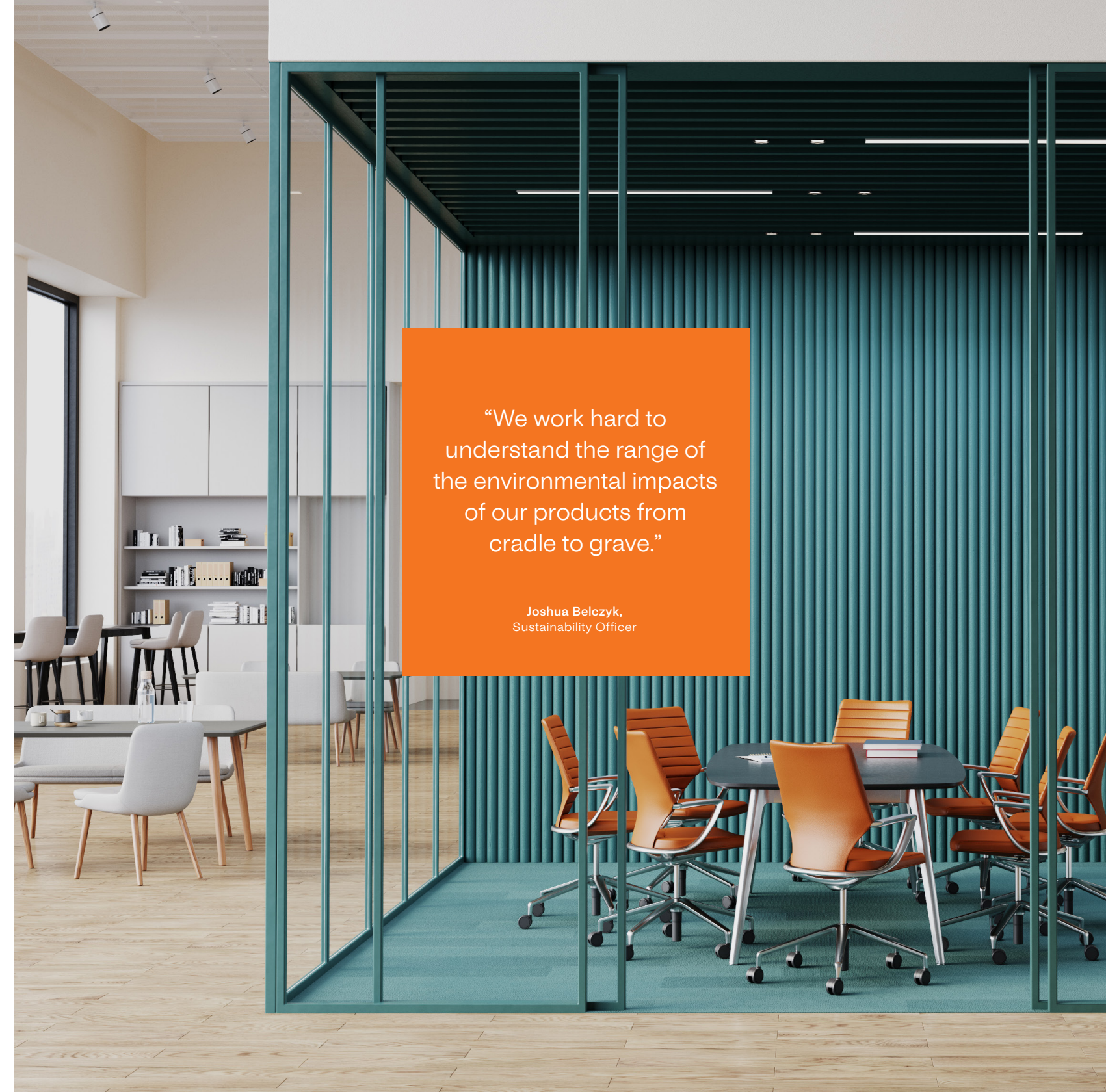
End-of-Life and Recycling Programs

As a producer, we take responsibility for the waste our products can create at their end of life. Generating minimal waste, recycling, and take-back programs are all considerations of ours. Each product is designed with repairable or replaceable components to prolong their longevity. At the end of life, our products can be easily disassembled into components, each consisting of a single material, for proper recycling.

For products like the Tom chair that need industrial recycling machinery, we offer a take-back program. Send the chair back to us, and we will fully disassemble and recycle it at Keilhauer.

“We work hard to understand the range of the environmental impacts of our products from cradle to grave.”

Joshua Belczyk,
Sustainability Officer



Operation Carbon Neutral



We consider the carbon impact of every product from design to end of life. From the materials to the certification, we take a thorough and rigorous approach so we can stand behind our products with confidence.

Our Carbon-Neutral Collection

In 2020, we launched the Swurve task chair, our first-ever carbon-neutral certified product. Throughout the process, we gained critical knowledge about the embodied carbon that is produced in the end-to-end manufacturing of a single product. Since then, and with every new carbon-neutral launch, we strengthen our capability to design for the environment.

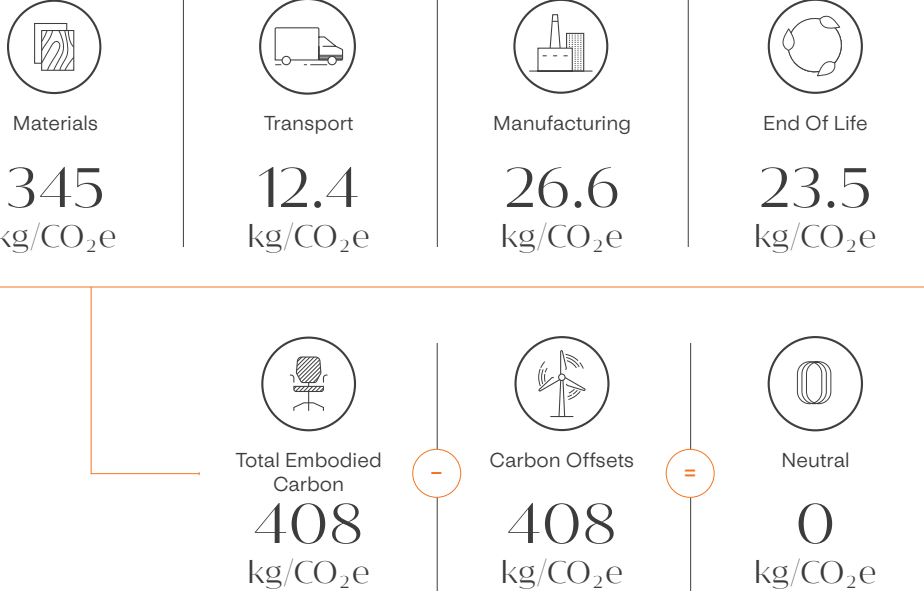
In 2023, we launched the Melete chair, a versatile side or stacking chair, as well as counter or bar stool. It was followed by the Vagabond and Dally, the industry's first carbon-neutral ottomans.

Acquiring Division Twelve

In 2021, we acquired a colourful and vibrant bent metal furniture brand, Division Twelve. By August 2022, we proudly announced that all of the brand's products are going to be carbon neutral going forward. From the beginning, Division Twelve has been passionate about working with the best eco-friendly materials to create sustainable furniture, so becoming carbon neutral was the natural next step in our forward-thinking journey together.

Between Keilhauer and Division Twelve, we now have 20 product collections certified carbon neutral.

The Melete Chair – Model 83658



How we do it

- 01 When developing a new product, we start with Design for Environment principles, meaning low carbon impact is part of the planning from the beginning.
- 02 Once the design is complete, we partner with ScS Global Services to conduct a Life Cycle Assessment (LCA), which uses all the material and manufacturing inputs to calculate the product's lifetime carbon footprint.
- 03 Using this data from the LCA, we offset all emissions that can't be eliminated using verified carbon-reducing projects, such as the Bluesource: Francis Beidler Improved Forest Management Project, in partnership with ClimeCo.
- 04 The product can then be certified as carbon neutral when we have offset 100% of embodied carbon.

As part of our commitment to transparency, all environmental product documents, including LCAs and carbon offset investments, are available at [Keilhauer.com](https://www.keilhauer.com).

Keilhauer Culture

It takes a dedicated, empowered team to produce innovative designs that exceed environmental standards. That’s why Keilhauer is committed to maintaining a best-in-class work environment. We are pleased to offer our teams continuous education and ongoing training opportunities, company-wide profit sharing, and a robust health and wellness program for all team members. We are endlessly devoted to our people.

Diversity, equality, and inclusion
 We are committed to maintaining and upholding a diverse workplace and provide a supportive, barrier-free work environment for all. We not only support diversity in our values (and our products), but also actively work to promote inclusion within our teams. We hear it every day in 39 languages that are spoken by our team members.



“Our positive culture is the cornerstone of our success, driving collaboration, creativity, and our commitment to excellence in everything we do.”

Mike Keilhauer
 CEO

2023 Stats

2	SUMMER STUDENTS
6	RECENT GRADUATES
15.5%	FULL-TIME EMPLOYEES UNDER 30
45.7%	VISIBLE MINORITIES
2.9%	INDIGENOUS PEOPLES
6%	PERSONS WITH DISABILITIES
55.6%	FEMALE MANAGERS
90%	COMFORT INDEX ANNUAL ASSESSMENT SURVEY



A workplace for the people
 Here, the principles of fairness and mutual respect are achieved through communication, education, and commitment. We have a zero-tolerance policy for workplace violence and harassment, discrimination, and violations of human rights. All applicable health and safety legislative requirements are met and, in many cases, exceeded.



Our commitment to fairness extends to our hiring and recruitment practices, ensuring equal opportunities for all candidates. Embracing inclusivity is at the core of our culture, fostering a sense of belonging among our diverse workforce. We invest in the professional growth of our employees through ongoing training, accreditation, and certification opportunities and celebrate employee achievements through milestone recognition programs.

Regular quarterly company-wide meetings remind us of our vision and unite us in a shared understanding of our values and goals. By developing our team members’ sustainability and environmental awareness, we are empowering them to become agents of positive change in the world around them.

Furthermore, the well-being of our employees always comes first, and that’s why we offer a robust employee assistance program and WorkPerks discount program, available to all team members.

Committed to Community

Our success is intimately tied to the well-being of the places where we operate, so our team proudly supports efforts that build up healthy, sustainable, and resilient communities and environments. From textiles and leather donations to employee food drives, we strive to build better communities.



540 pounds of leather and fabric rolls donated to the IACC

Pass the Feather — Indigenous Arts Collective of Canada
The Indigenous Arts Collective of Canada (IACC) is a women-led not-for-profit organization dedicated to preserving and revitalizing endangered Indigenous art forms and enriching lives through Indigenous arts and culture. This year we donated 540 pounds of leather and fabric rolls to IACC for reuse, growing our partnership sixfold since 2022.

Forests Ontario
Forests Ontario is the leading environmental charity. They are focused on the management and operation of high-quality tree-planting programs and awareness-driven community initiatives, and the delivery of interactive forest education resources, dedicated to making our forests greener. This year we provided a monetary donation that Forests Ontario used across all programming.

Charitable Auctions
Throughout the year, we donate products to several local charities. Our 6C at Home chairs were donated to Melanoma Canada, Make-A-Wish Canada, Squash Dementia Charity Tournament, Lymphoma Canada, Squash Ontario Charity Golf Classic, the Children's Aid Foundation Charity Teddy Bear Gala, and others.

Holiday Food Drive
As part of our annual holiday food drive, in December 2023, we collected and donated essential non-perishable food items that provided over 100 meals to the Scarborough Centre for Healthy Communities, a nearby food bank.

Dedicated To a Healthier Planet for All - Including the Bees

Ecosystems are a shared resource for all inhabitants of our planet, bees included. As passionate advocates for environmental stewardship, we are committed to backing initiatives that promote a blooming world for everyone. This year, in our efforts to safeguard and foster the vital bee population, we've joined forces with Toronto Bee Rescue, a locally owned enterprise specializing in the humane relocation of honeybee colonies, swarm collection, and apiary management. Through this collaboration, we proudly sponsor a full hive share in our community.



Advancing Sustainability Knowledge

At Keilhauer, we believe sustainable development is everyone’s responsibility — and we want to engage others by transparently sharing more than just our progress and achievements.

Keilhauer Metropolis Sustainability Lab at NeoCon

(June 12-14, 2023)

In partnership with Metropolis Magazine, we provided Division Twelve’s Catty and Goldi chairs to the SANDOW showroom space at NeoCon in Chicago. These carbon-neutral chairs were part of an educational display about sustainability and design.

Keilhauer IIDA Sustainable Design Education Fund

(ongoing)

Launched in the summer of 2022, the Keilhauer IIDA Sustainable Design Education Fund supports ten IIDA members per year who complete the LEED exam and seek to practise sustainable design strategies. Interior designers who are LEED accredited demonstrate to clients and employers alike that they’re dedicated to incorporating environmental sustainability, and being mindful of the health and safety of occupants, into their practice — a key tenet of both IIDA’s and Keilhauer’s operations.

Metropolis Magazine — Future100 Program

(ongoing)

Empowering the next generation of architects and designers is paramount to ensuring a sustainable future. With this in mind, we have signed on as a key sponsor for Metropolis Magazine’s Future100 program for the third year in a row. This education-focused program 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.

United Nations Partnership Council

(November 2023)

Meghan Sherwin, Keilhauer’s President, was among 30 people in the design and fashion industries who spoke at the United Nations Partnership Council – Circularity and Sustainability in Interiors — in New York City. Participants exchanged information about their industries’ impact on carbon footprint. They asked each other how they could “hold hands” to innovate their industries and brainstormed ideas to move forward.

Measuring Performance

Our 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.



LEVEL® BY BIFMA

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. We utilize the worst-case sample selection product grouping methodology when evaluating compliance with BIFMA LEVEL® point criteria.



FOREST STEWARDSHIP COUNCIL

We launched our 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).



SCS INDOOR AIR QUALITY CERTIFICATION: INDOOR ADVANTAGE™ GOLD

All our products are tested for volatile organic compound (VOC) emissions, using the most transparent indoor air quality standard for furniture and building materials. Many of our products are certified by ScS Global Services to meet rigorous and comprehensive air quality standards.



CARBONFREE® CERTIFICATION

Our carbon-neutral products are certified carbon neutral by ClimeCo. These include over 200 models from four product families: the Swurve chair, Vagabond, Dally and Melete and our full portfolio of Division Twelve products.



As new eco-friendly technologies and human-friendly initiatives emerge around the globe through UN and other think-tanks, we are determined to continually lead the office furniture industry in implementing them. From our staff to our customers, we are grateful to all our partners who made our 2023 progress possible and who keep us striving for even more.

If you have any comments or questions, or wish to join us on our sustainability journey, we'd love to hear from you.

Please contact sustainability@keilhauer.com for more information.