

# SAUDER<sup>®</sup> MANUFACTURING CO.

WIELAND

SAUDER | Education<sup>®</sup>

SAUDER  
WORSHIP SEATING<sup>®</sup>

*Butler*  
Human Services<sup>®</sup>  
Furniture

SAUDER<sup>®</sup>  
COURTROOM  
FURNITURE

## Social Responsibility Report - 2017

This report covers Sauder<sup>®</sup> Manufacturing Company's Social Responsibility efforts for the year 2017. SMC's goals, measurements and achievements that are captured in this document relate to:

1. Employee Health and Safety Management
2. Labor and Human Rights Management
3. Inclusiveness
4. Community Outreach and Involvement
5. Environmental Initiatives
6. Global Impact

### 1. Employee Health and Safety Management

SMC is dedicated to achieving and maintaining a safe and healthy work environment for all of our employees. Sauder is committed to the prevention of occupational illness and injury. A comprehensive safety system is established, supported, maintained and integrated in our company core values. Safety is an essential and integral part of Sauder's normal operating practices each day. The safety of all our employees is the responsibility of every employee at SMC.

SMC conforms to the standards for employee safety set forth by OSHA (Occupational Health and Safety Act) as well as requirements set forth by the EPA (Environmental Protection Agency) and our Title V air permits. SMC complies with the National Emission Standards for Hazardous Air Pollution (NESHAP) for Wood Furniture Manufacturing Operations.

SMC has an employee-led safety system, with 22 employee-led safety teams currently in operation. These safety teams drive safety efforts at each plant location through awareness activities, behavior-based safety, audits and policy reviews. It is the expectation that all employees will be actively involved in the safety system and be their brother's keeper.

#### Measuring Health and Safety

SMC measures and investigates the following types of safety incidents to find the root cause:

- Property damage Incidents
- Near Miss Incidents

- First Aid Incidents
- OSHA Recordable Incidents
- Lost Time Incidents

SMC is on a “Journey to Zero”. Sauder’s goal is to have every employee return home to their loved ones, injury free, at the end of each day.

#### **2017 results:**

Sauder encourages the reporting of even the most minor incident. A near miss is seen as a positive. We are able to investigate a close call and prevent an injury before it occurs. In 2017 SMC had **235 near miss incidents** reported and corrected.

Even the most minor injury such as a scratch should be reported. In 2017 **103 first aid incidents** occurred. These, also, are often minor such as a splinter or a scrape, but each incident is investigated and prevention measures are put into place.

Sauder takes OSHA recordable incidents and lost time incidents to heart. When any one of our employees goes home injured we have all failed. In 2017 Sauder had **14 OSHA recordable incidents** and **one lost time**.

## **2. Labor and Human Rights Management**

It is the policy of Sauder Manufacturing Co. to provide equal employment opportunities without regard to race, religion, color, age, gender (including pregnancy), marital status, national origin, genetic information, disability and veteran or military status. This policy relates to all phases of employment, including, but not limited to, recruiting, employment, placement, upgrading, demotion or transfer, reduction of work force and termination, rates of pay or other form of compensation, selection for training, the use of all facilities, and participation in all Company-sponsored employee activities. Provisions in applicable laws providing for bona fide occupational qualifications, business necessity, or age limitations are adhered to by the Company where appropriate.

As part of the Company’s equal employment opportunity policy, the Company also takes affirmative action as called for by applicable laws and Executive Orders to ensure that minority group individuals, females, veterans, disabled veterans, and qualified disabled persons are introduced into our work force and considered as promotional opportunities arise.

Employees and applicants are not subjected to harassment or intimidation because they have: (1) filed a complaint; (2) assisted or participated in an investigation, compliance review, hearing or any other activity related to the administration of any federal, state, or local law requiring equal employment opportunity; (3) opposed any act or practice made unlawful by any federal, state, or local law requiring equal opportunity; or (4) exercised any other legal right protected by federal, state, or local law requiring equal opportunity.

The above-mentioned policies are periodically brought to the attention of supervisors and are administered with a positive attitude. It is the responsibility of each supervisor of the Company to ensure affirmative implementation of these policies to avoid any discrimination in employment. All employees are expected to recognize these policies and cooperate with their implementation. Violation of these policies is a disciplinary offense.

For the year 2017 SMC had zero Human Rights violations.

### 3. Inclusiveness

SMC affirms the importance of inclusiveness – that all individuals have the right to be treated with respect in the workplace. SMC is committed to providing a work environment in which all individuals are treated with respect and dignity, and in a manner that supports productivity, personal goals and self-esteem.

SMC does not tolerate or condone discrimination in the workplace on the basis of race, religion, color, age, gender (including pregnancy), marital status, national origin, genetic information, disability and veteran or military status or any other characteristic protected by law.

SMC's cultural composition — encompassing facilities in Archbold, OH; Stryker OH; New Haven, IN; Richmond, VA; and Chase City, VA — as of June 30, 2018 is as follows.

Male Black	Male Hispanic	Male Indian	Male Asian	Male White	Female Black	Female Hispanic	Female Indian	Female Asian	Female White
4.1%	3.5%	0.2%	0.9%	49.4%	1.9%	2.6%	0.0%	1.9%	35.6%

### 4. Community Outreach

Sauder MFG believes that being a contributing member of one's community is an important part of social responsibility. The efforts listed below are just a few of a great many small ways that Sauder attempts to positively impact our local neighborhoods.

#### A. Archbold American Legion

1. Archbold American Legion Fundraiser
2. December 2, 2017
3. Archbold Knights of Columbus Hall  
204 North Defiance St, P.O. Box 311  
Archbold, OH 43502
4. Brenda Tolles, HR Director, orchestrated the donation.
5. Money raised supports a full range of programs and services for veterans, their families and the Archbold community. For this auction Sauder donated two pieces of new furniture totaling in value \$387.00.

**B. Black Swamp Art Council and Sauder Village**

1. Black Swamp Art Symphony
2. March 9, 2017
3. Sauder Village  
Founder's Hall  
Archbold, OH
4. Brenda Tolles arranged for eleven area youth to experience this cultural event.
5. \$480 for eleven tickets was expended to bring the Toledo Symphony to Archbold, OH.

**C. Fulton County Christmas Cheer**

1. Fulton County Christmas Cheer
2. December 4, 2017
3. Fulton County Christmas Cheer  
PO Box 53237  
Pettisville, OH 43553
4. Corporate donation made on behalf of all Sauder MFG employees.
5. \$500 donated for food and gifts for needy families during Christmas.

**D. Junior Achievement**

1. The Archbold Junior Achievement Chapter
2. November 29, 2017
3. PO Box 102  
Archbold, OH 43502
4. Corporate donation made on behalf of all Sauder employees.
5. The \$500 donated sponsored materials and two classes for 50 students teaching them the principles of free enterprise.

**E. College Scholarship**

1. Mercy College of Ohio 2017 SCRAMBLE for Scholarships
2. September 15, 2017
3. 2221 Madison Avenue  
Toledo, OH 43604
4. Corporate donation, authorized by Luther Gautsche, VP of HR, made on behalf of all Sauder employees.
5. The \$500 donated went toward numerous \$1,000 scholarships awarded to deserving students.

## 5. Environmental Initiatives

- Sauder MFG anticipates achieving BIFMA Level 1® status for the vast majority of its products by the end of the year 2018. Level® is not merely a means by which indoor air quality is assured, but a measure of the degree to which products are manufactured utilizing sustainable practices including energy usage, material selection, renewable strategies and recycling initiatives. BIFMA International is the recognized leader in developing standards for the North American office and institutional furniture industry.
- Sauder MFG employs a customized Environmental Management System to minimize the impact our manufacturing efforts have on the environment. This system includes:
  - The establishment and regular review of Sauder’s Sustainability Policy, which is available on the [Sauder Website](#).
  - The annual assessment of critical environmental aspects:
    - Energy Usage
    - Water Usage
    - Solid Waste Disposal
    - Use, Reduction and Disposal of Hazardous Chemicals
  - A review of conformance to all Local, State and National Environmental requirements and regulations.
  - An annual review of goals to reduce Sauder’s environmental impact, coupled with the implementation of action items to accomplish those objectives.

## 6. Global Impact

Sauder MFG has made it a priority not only to have a positive impact on a local, state and national level, but to positively contribute as a member of the global community. Toward that end:

- Sauder purchases raw materials and finished products from Second and Third World sources paying for those items fair prices representing livable wages.
- Sauder requires of those global sources the same commitment to sound ethical practices as it does from any local source. These commitments to social responsibility, taking into consideration unique local norms and customs, include criteria for the following categories:
  - Child Labor
  - Forced Labor
  - Health and Safety
  - Discrimination
  - Discipline / Harassment
  - Working Hours
  - Compensation