



Sauder Woodworking Co.

2023

SUSTAINABILITY REPORT




SAUDER[®]

INTRODUCTION

Sauder's core value of stewardship – Acting today for a better tomorrow – has effectively guided Sauder's environmental sustainability efforts for many years. During 2023, Sauder took our commitment to sustainable business practices up a notch by joining the Science-Based Targets initiative (SBTi).

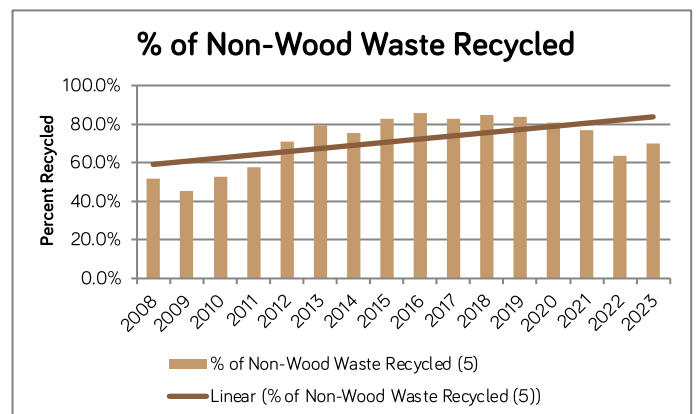
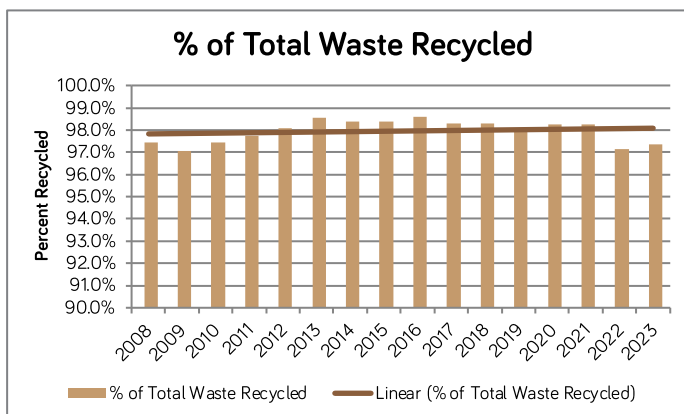
The Science-Based Targets initiative sets scientifically determined targets to help businesses understand how much and how fast they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change. SBTi defines and promotes best practices in reducing carbon emissions and supports improvement goals that are aligned with the 2015 Paris Agreement on Climate Change.

Sauder is pleased to do our share to curb global temperature increases and help avoid the catastrophic impacts of climate change.

SOLID WASTE AND RECYCLING

Thirty years ago, Sauder invested in a co-generation plant that could generate electricity from the wood scraps and sawdust generated from manufacturing furniture. This co-generation plant generates power from renewable biomass and helps Sauder ensure that wood waste is used for beneficial purposes. In fact, during 2023, Sauder celebrated 30 consecutive years in which no wood waste was sent to a landfill. In addition to ensuring that we fully recycle wood biomass, Sauder has developed an extensive recycling network for non-wood materials. Although outlets for these materials come and go, Sauder continues to recycle materials ranging from paper and cardboard to electronics and batteries.

Including wood and wood dust, Sauder recycled over 97% of the total solid waste generated during 2023. Excluding wood, Sauder recycled over 70% of solid waste during 2023. What started as natural frugality in 1934 has evolved into an intentional and effective focus on reducing, re-using, and recycling solid waste.



CARBON FOOTPRINT



During the 10 years prior to joining SBTi, Sauder was able to reduce its total carbon footprint (CO₂e) by 29%. This improvement was not the result of any single initiative. Rather, it was the cumulative impact of hundreds of actions, both big and small, that contributed to reducing our carbon footprint. While Sauder is proud of our historical accomplishments, the SBTi targets for reducing total carbon emissions are even more aggressive.

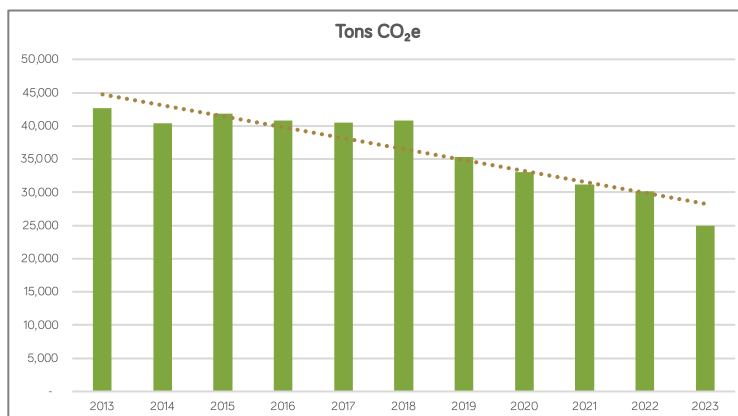


SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Sauder joined the SBTi in 2023 and aligned our greenhouse gas emissions goals to SBTi-approved standards.

During 2023, Sauder's total carbon emissions went down by 17.1%; more than twice the annual reduction target that SBTi called for. This remarkable outcome was the result of several factors. First, Sauder revised its shift schedule to create a "dark" period with no production activity during the peak energy afternoon hours. In addition to reducing peak load on the power grid, this dark period eliminated shared utilities such as dust collection, compressed air, lighting, and heating for a significant portion of each day. Sauder also reconfigured a number of dust collection systems with the goal of reducing the total number of dust systems needed to support production. These efforts, together with market and product mix forces, combined to generate a substantial reduction in carbon emissions.

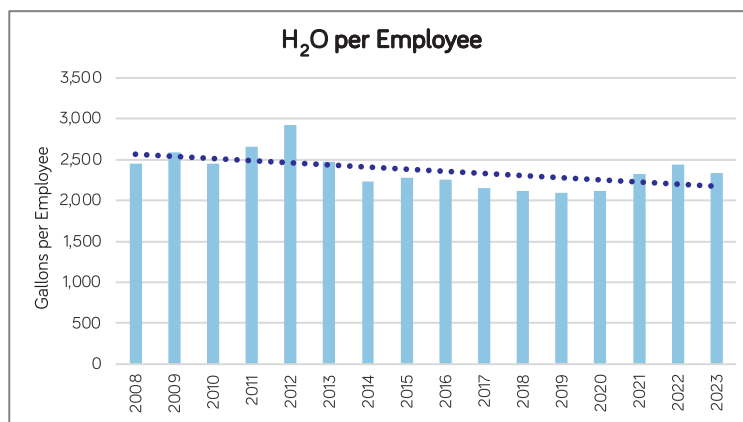


Sauder's 2023 carbon emissions actually put Sauder ahead of the pace that participation in the SBTi program requires. However, guided by our values, Sauder will continue to actively seek carbon emissions reduction opportunities to preserve and protect our environment. Future improvement opportunities include operational efficiency investments to reduce the number of machine hours needed to serve our customers. In addition, ongoing optimization of compressed air, a heavy power user, will contribute to future reductions.

WATER CONSERVATION

Roughly 90% of the water used by Sauder evaporates into the atmosphere during the cooling cycle of power co-generation. The water helps to cool and re-condense steam so that the boiler water can be re-circulated as part of the power generation process. Although the evaporating water has no added impurities, ongoing water management is part of daily operations for the co-generation team. During 2023, the total water consumed at the co-generation plant was down by over 7.5 million gallons (26%) and was in line with the reduction in total generation for the year.

The remaining 10% of water is consumed for sanitary purposes. Other than minor clean-up requirements, water is not used in Sauder's production processes. Sanitary usage was down slightly during 2023, and the overall trend since 2008 remains favorable.



CONCLUSION

Sauder has focused its environmental sustainability efforts in the areas of energy management, water conservation, and waste minimization. When systemic improvements in these areas are combined with a product that inherently utilizes low carbon footprint raw materials such as composite panels and freight-efficient packaging in a ready-to-assemble format; the result is outstanding environmental stewardship.

Sauder's Environmental Sustainability policy notes that, "Sauder Woodworking was founded in 1934 on the principles of stewardship and servanthood. Today, three generations later, Sauder continues to honor those principles by producing environmentally responsible products in ways that conserve our world today and preserve it for future generations." Our commitment to Science-Based Targets and continuous improvement in carbon emissions; reduction, re-use, and recycling of solid waste; and minimizing water usage is aligned with the earth's ecological well-being and creates enduring benefits for our shareholders, customers, suppliers, employees, and the communities in which we live and work.

