



Sauder Woodworking Co.

2022

SUSTAINABILITY
REPORT

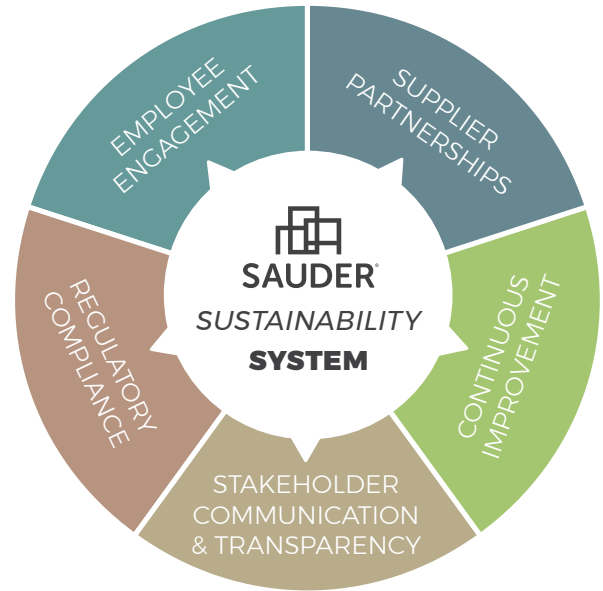


SAUDER[®]

Corporate sustainability starts with a commitment to stewardship supported by deep-seated values. But good intentions are not enough. Actually making a difference involves creating an intentional process to **engage** the organization, **explore** better ways, **partner** with suppliers, **ensure** compliance, and **communicate** results transparently. At **Sauder Woodworking Co.**, we call that the Sauder Sustainability System. Sauder's core value of Stewardship – acting today for a better tomorrow – is perfectly aligned to this challenge.

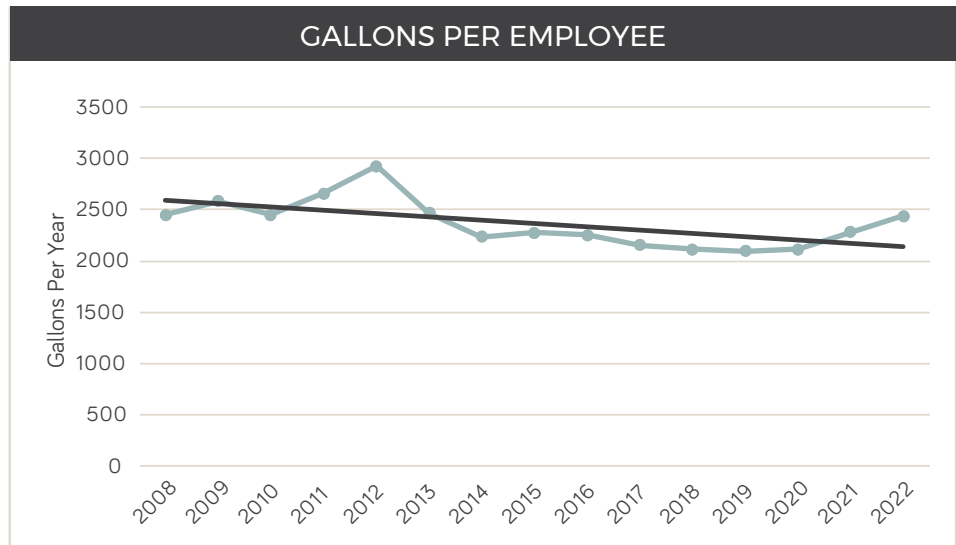
We hope this 2022 report helps give you some insight into the progress that Sauder has made and our ongoing commitment to be a responsible environmental steward.

Working within the construct of the Sauder Sustainability System, Sauder has chosen to focus in the areas of energy management, water conservation, and waste minimization. When these systemic improvement efforts 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.

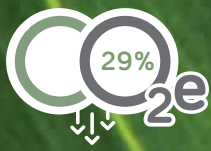


WATER CONSERVATION

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 to make electricity. Fortunately, no impurities are introduced into the water during this process, but ongoing water management is part of daily operations for the co-generation team.

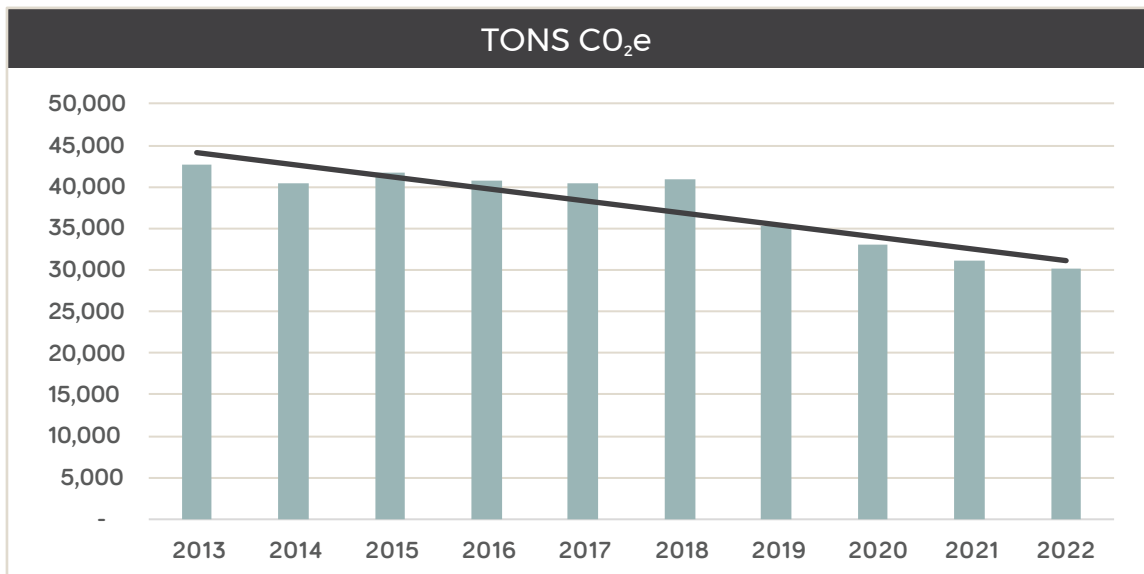


The remaining 10% of water is consumed for sanitary purposes. Other than minor clean-up requirements, water is not used in Sauder's production processes. Although sanitary usage was up slightly during 2022, the overall trend since 2008 remains favorable.



CARBON FOOTPRINT

Looking back over the last ten years, Sauder has reduced its total carbon footprint (CO₂e) by 29% from 42,665 tons to 30,169 tons. This improvement wasn't the result of any single action. Rather, it was the cumulative impact of hundreds of initiatives, both big and small, that contributed to reducing our carbon footprint.



One noteworthy area of improvement is in the energy efficiency of Sauder's dust collection system. Furniture manufacturing generates a significant amount of wood dust. For safety and operational reasons, wood dust must continuously be removed from saws, drills, sanders, and other equipment. Dust extraction is accomplished by large fan motors creating suction to draw the dust away from the equipment, through a network of pipes, and to filter equipment where the wood dust is separated from the air.

Sauder has installed a system called EcoGate which automatically controls the airflow in the dust collection piping by opening and closing vent gates and by controlling the speed (and resulting energy usage) of the large horsepower fan motors that move air through the system. Ecogate has reduced the energy required by the dust collection system by approximately 50%. And since the dust collection system consumes more power than the collective energy used by all of the woodworking equipment, reductions in dust collection power usage meaningfully impacts Sauder's carbon footprint.

In addition to dust collection, Sauder is focused on reducing the energy required by the compressed air system, another heavy energy user. During 2022, Sauder combined a new, variable speed air compressor with upgraded controls to more accurately align the compressed air system to the real-time requirements of the production operations. The preliminary results are encouraging, and Sauder expects to build on these learnings going forward.



SOLID WASTE AND RECYCLING:

Sauder utilizes over 4.5 million square feet of space spread across 15 buildings. That’s an area equal to roughly 78 football fields. As you might imagine, managing recycling systems across that much space and that many buildings is not easy. However, over time, Sauder has developed collection and consolidation centers to facilitate effective recycling efforts. Although hundreds of unique products are recycled, these materials generally fall into the following twelve categories:

- Wood & Wood Dust
- Paper
- Glass
- Ferrous Metals
- Non-ferrous Metals
- Corrugated
- Plastics
- Rubber
- Misc. Oil & Lubricants
- Batteries
- Pallets
- Electronics

Including wood and wood dust, Sauder recycled over 97% of the total solid waste generated during 2022. Excluding wood, Sauder recycled over 64% of waste during 2022. What started as natural frugality in 1934 has evolved into an intentional and effective focus on reducing, re-using, and recycling solid waste.



CONCLUSION:

Kevin Sauder, the third generation President and CEO of Sauder Woodworking Co., summarized Sauder’s commitment to Environmental Sustainability in his introduction to Sauder’s Environmental Sustainability Policy. As Kevin noted, “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.” He goes on to conclude that, “By conducting our business in this manner, we align our long-term success with the earth’s ecological well-being and create enduring benefits for our shareholders, customers, suppliers, employees, and the communities in which we live and work.”