

environment[®]
Organic Contemporary Furniture



**Designing
with Nature**
Our Pathway to Sustainability

Designing with Nature: Executive Summary

Our Pathway to Sustainability

Our Mission: Create beauty. Respect the planet.

At Environment Furniture, environmental stewardship is our responsibility and our privilege. In creating unique furniture collections from reclaimed, recycled, and sustainably harvested wood, we show our respect for nature's bounty and reaffirm our deep commitment to sustainability. This attention to the provenance of our raw materials differentiates us from other furniture-makers, and positions us to meet growing demand for environmentally sound products.

This year we made important progress in identifying and addressing our environmental impacts in three key areas: (1) Furniture-making; including the materials that we use and the ways we source them; (2) Operations; the impacts associated with our factory, office, and retail locations; and (3) Awareness-raising; through outreach to our customers, retailers, and other stakeholders.

Our furniture-making process

The Tropical Forest Trust. We are pleased to be working with Tropical Forest Trust (TFT), a non-profit organization that works to conserve threatened tropical forests through sustainable management. Our participation helps to ensure that none of the tropical wood used in our furniture is obtained via unsustainable forestry practices.

Sustainable wood sourcing. We continue to search for new supplies of sustainably sourced wood certified by third party programs, including but not limited to Tropical Forrest Trust, Forest Stewardship Council, and Sustainable Forestry Initiative. In addition, we are introducing new reclaimed hardwoods from industrial sectors to establish new collections.

Production materials. We have eliminated all volatile organic carbon (VOC) emitting stains from our production process and only use low VOC paint that is lead-free and non-toxic. We use water-based finishes from Sayerlack's

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HydroPlus line of products, which has been awarded the European Union's Ecolabel certification.

Shipping materials. We are establishing recycling programs within our delivery operations and with our warehouse partners for the variety of packaging materials we use to ship our products.

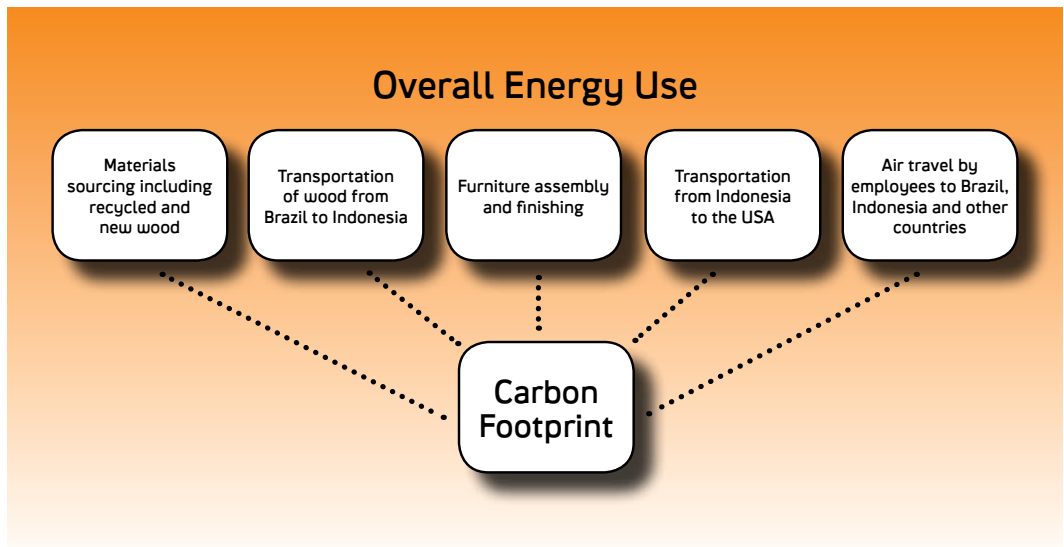
Addressing Our Operational Impacts

Accounting for our carbonfootprint

Global climate change is an issue that no responsible company can ignore. At Environment Furniture, we are committed to reducing our carbon footprint aggressively and quickly. We conducted our initial greenhouse gas (GHG) inventory in 2006 and have now collected three years of data. By analyzing this information, we can see the effects that changes in our business activities have had on our carbon footprint.

As seen in the graphic below, we track our carbon footprint created by operations across our entire supply chain, from forest and recycled wood all the way to the consumer.

[Caption: This diagram describes the processes measured in our carbon footprint, including how we transform recycled and new materials into furniture.]



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Our GHG inventory includes emissions from all of these processes, specifically:

- **Materials**

- Wood, finishing and packaging materials (embedded carbon and emissions resulting from resource extraction, milling, manufacturing, processing, and shipping)

- **Transportation**

- Truck transport of Peroba wood in Brazil
 - Container ship transportation of Peroba wood from Brazil to our Indonesian factory
 - Container ship transportation of finished products from our Indonesian factory to our warehouses and showrooms and to small retailers in the United States
 - Air travel by Environment Furniture employees from the United States to Brazil, Indonesia, and other countries
- **Solid waste:** Disposal from our Indonesian factory (emissions resulting from landfill decomposition)
 - **Energy:** Electricity use in our factory, offices, warehouses and retail locations, plus diesel fuel use in a generator at our Indonesian factory

What is CO₂ equivalent pollution?

There are six major kinds of gases that cause global warming, of which carbon dioxide is the most common. Some of the other gases have an impact on the climate many times as large as carbon dioxide – for example, the release of one ton of methane is ‘equivalent’ to the release of about 23 tons of carbon dioxide. So for ease of understanding, measured amounts of each gas are converted to “carbon dioxide equivalent units,” commonly abbreviated to “CO₂-Eq.”

We estimate our 2008 GHG emissions to be 1,765 metric tons of CO₂-Eq, a decrease from both 2007 and 2006, which was the year we started measurement. One reason behind our decline in emissions is because the Environment Furniture

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supply chain recovers and reuses Peroba wood from derelict buildings in Brazil. If we didn't recover this wood, it would normally end up in a landfill where it would generate (primarily) methane - a greenhouse gas approximately 23 times as powerful as carbon dioxide – as it decomposed. Environment Furniture thus receives a 'credit' for averting these emissions. The size of the credit is calculated using data on landfill emissions from the U.S. Environment Protection Agency's Wastewise Program. Other reasons behind this decline include a reduction in airline passenger miles that took out 64 metric tons of CO₂-Eq, and a drop in purchased materials at our factory.


In 2008, Environment Furniture reclaimed and recycled 545,932 linear feet (166,400 linear meters) or 552 short (U.S.) tons of Peroba Rosa wood. Over a lifetime of landfill decomposition, this much wood would have produced approximately 1,490 metric tons of CO₂-Eq emissions. This figure is subtracted from Environment Furniture's overall (gross) carbon footprint, resulting in the net emission of 1,795 metric tons. The following table describes our emissions calculations over the last three years:

Calendar Year	Reclaimed Peroba Rosa (Short Tons)	Carbon Emissions Credit from Reclaimed Peroba Rosa (Metric Tons, CO ₂ - Eq.)	Environment Furniture's Total (Gross) Greenhouse Gas Emissions (Metric Tons, CO ₂ - Eq.)	Environment Furniture's Net (after Peroba Rosa Credit) Greenhouse Gas Emissions (Metric Tons, CO ₂ - Eq.)
2006	482	1,301	3,245	1,944
2007	743	2,006	3,817	1,811
2008	552	1,490	3,285	1,795

The scope and method of measurement was the same for all three years: we collected data related to our own operations and applied calculations developed by the U.S. Energy Information Administration and the U.S. Environmental Protection Agency.

We also studied the impacts of the finishing materials like glue, wax, and varnish. These materials represent a small portion of the footprint. It would be

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quite cost and time prohibitive to gather actual data from manufacturers, so we estimated these emissions using an industry-average life cycle assessment model developed by the Green Design Institute at Carnegie Mellon University. In all years, where our own data were incomplete or unavailable (such as data regarding the actual fuel efficiency of trucks used to transport Peroba wood in Brazil), we estimated our emissions based on likely circumstances.

Minimizing our carbon footprint

While we are pleased to report a declining carbon footprint over the years we have measured it, we still have more work to do! We do see, however, that certain activities consistently remain a proportionally large part of our footprint. Making reductions to emissions related to these activities will help us to more effectively mitigate our environmental impact. The two activities with the greatest ongoing impact in our footprint are the sourcing of plantation harvested hardwoods and manufactured woods, and solid waste disposal to landfill.

Solid waste data is known only for our Indonesian factory, which landfilled approximately 550 cubic meters of waste in 2008, creating 905 metric tons of CO₂-Eq. emissions. We are currently conducting a full review of potential wood waste recycling options. We are committed this year to conduct a solid waste audit at our manufacturing facility to optimize waste minimization and recycling strategies there.

Our use of reclaimed Peroba Rosa in our products represents a large reduction over the emissions that we would produce if we used solely new wood, so our inherent business model helps us to avoid almost as many emissions as we actually produce. In our latest designs we are continually seeking to increase the use of recycled materials.

We will examine these two activities, as well as others, to gain insight into how we can continue to operate efficiently and also reduce our carbon footprint. By focusing on reductions, we hope to maintain or even reduce our overall carbon footprint even as we grow and expand into new retail outlets.

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Our approach to emissions offsets

We recognize that emissions reductions are the most effective way to reduce our impact on climate change, but we cannot avoid producing some emissions as we conduct our business. As part of our reduction strategy, we purchase verified carbon credits to offset 100 percent of emissions that we cannot avoid – in effect, becoming carbon neutral. We participate in offsetting programs conducted by Native Energy and the U.S. Forest Service. Native Energy invests in building and supporting renewable energy projects, while the U.S. Forest Service's Carbon Capital Fund focuses on planting trees as part of larger habitat restoration projects.

Executive Summary Text

Addressing our operational impacts

Carbon footprint. We have now completed our third greenhouse gas inventory, which examines our 2008 carbon emissions that resulted from sourcing, processing, transportation, solid waste, and energy use. Our net carbon footprint has decreased by almost 180 metric tons over the period 2006-2008.

Carbon neutrality. As part of our greenhouse gas emissions reduction strategy we purchase verified carbon credits through Native Energy and the U.S. Forest Service to offset 100% of emissions that we cannot avoid – in effect becoming carbon neutral.

Solid waste. We are committed this year to conduct a solid waste audit at our Indonesian manufacturing facility to optimize waste minimization and recycling strategies there.

Office and retail greening. We follow a green operations guide at our corporate office and all of our retail facilities and have implemented a company-wide recycling and paper policy.

Corporate purchasing. We aim to purchase the most sustainable inputs we can for our energy supply, paper products, office furnishings, and cleaning supplies. We also screen our vendors against a list of environmental performance criteria.

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Reaching out to our customers and retailers

Raising awareness. Our store displays provide information about the environmental attributes of our products, and we will be phasing in the use of TFT tags where appropriate. We connect with customers and retail partners face-to-face at sales conferences, and we also use our website, brochures, newsletters, and email messages to communicate our environmental performance.

Seeking your feedback. Despite our progress, we realize there is more work to do. We're asking all of our stakeholders—our customers, employees, retailers, and suppliers—to share with us your questions, concerns, thoughts, and ideas.

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