

DESCOR

Environmental Brief – 2013 Summary

Our Foundation and Vision

Descor Industries Inc. (Descor) is focused on sustainability and acknowledges the need for the industry to be environmentally responsible for the welfare of future generations as well as providing a work environment that is safe and healthy for all employees. We do this because it is not only the right thing to do from a moral perspective; it also makes good business sense.

Descor's Environmental Brief will expand organizational goals and objectives which support the reduction of impacts on the environment. As we grow our organizational culture with pro-active environmental responsibility, our commitment is reinforced through enhanced relationships with our customers and suppliers. The results of our continual improvement efforts develop the broader organizational understanding that is essential to the social, economic and environmental philosophy within our company.

This Environmental Brief will help guide us on our path towards sustainability. While our main focus is within our organization, we are working to expand our learning and influence suppliers, government, NGOs (non-governmental organizations) and customers. Our major initiatives (energy management, low emitting materials, certified wood, and design for the environment) commit to continual improvement, establish objectives and targets, and comply with relevant government and self-subscribed regulations. The framework and management of these initiatives will be incorporated and maintained through our ISO 14001 Management system.

Our Environmental Brief includes numerous programs and partnerships to achieve our ultimate goal of sustainability.

Third-Party Standards and Voluntary Programs

The use of third-party standards verifies and guides Descor's direction with environmental initiatives. These standards provide the foundation of our programs. The choice of standards is based on both the integrity of the standard and market demand and acceptance. Voluntary programs adopted by Descor include:

- ISO 14001:2004
- ISO 9001:2008
- OHSAS 18001
- BIFMA X7.1 Furniture Emissions Standard
- Forest Stewardship Council (FSC) Certification
- Level Certification to the ANSI/BIFMA e3 Sustainability Standard
- Habitat for Humanity

USGBC / CaGBC

The U.S. and Canadian Green Building Councils are leaders in defining the direction of environmental standards for the construction of built environments. The use of their standard, Leadership in Energy and Environmental Design, (LEED) has, and continues to guide Descor by developing and growing a knowledge base of sustainable practices by continuing to promote LEED AP accreditation for Descor employees, partners and customers.

BIFMA (Business and Institutional Furniture Manufacturers Association)

BIFMA serves businesses that are engaged in designing and manufacturing furniture products and by developing standards that support safe, healthy and sustainable environments. Descor supports committee-level initiatives that involve the environment and sustainability, including emissions testing, SAS (Sustainable Assessment Standard, e3) in conjunction with the USGBC, CaGBC, UL, Greenguard and other associated standards.

Corporate Social Responsibility

Descor Industries Inc. supports and promotes social accountability standards, such as SA 8000, Social Accountability and applies these guidelines and requirements to the organization to help achieve its sustainability goals and business aspirations, thereby improving social and environmental conditions. Employees will not accept gifts from 3rd parties that are deemed other than nominal in nature . Our social responsibility policy is a core part of our commitment to support and develop a sustainable future for the company, while balancing social dimensions in our local communities.

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Level Certification

Implementation to the ANSI/BIFMA's e3 standard for all of Descor's products will provide us with a holistic sustainability program with elements to challenge the organization. Elements over and above Descor's environmental foundation are being challenged with raw material selection, identifying product composition substances to 0.01%, elimination of toxic substances, end-of-life strategy and corporate social responsibility.

Design for Environment (DfE)

DfE is a proactive approach to incorporate environmental attributes in the design and development process. It is proven to be an effective way to have a positive environmental impact. Descor Industries Inc.'s DfE program consists of a guidelines and checklist approach that cover a holistic view of the design process. First implemented in 2009, it remains the driving foundation for product development, through material selections and manufacturing processes. The following are included in Descor Industries Inc.'s DfE program:

- Working with manufacturing and product engineering utilizing our integrated design process for the reduction of waste in all forms.
- Maximize use of materials with high recycled content and / or ability to be recycled.
- Maximize product design to enable rapid disassembly to base material recycling stream. Where plastics have been used provide appropriate label by material type for recycling.
- Maximize the use of renewable materials.
- Elimination of the use of toxic materials as listed by IARC (International Agency for Research on Cancer)
- Provide or incorporate bio-based alternatives within product structure or substrate.
- Provide sustainable wood-based alternatives as substrates or veneer finishing that meet FSC standards.
- Design product for extended life reuse, incorporating the ability to upgrade finishes and reconfigure or configure with modular component into a new useable form. Provide instructions for end of life management of products.
- Ensure product meets low-emission test standards as defined by government and third-party certification bodies.
- At product launch provide all relevant data such that product test data can be included in Environmental Data Sheets (EDS) for LEED letter template submission.
- PVC elimination by finding products with alternate materials for legacy products and ensuring that new product introductions to be PVC-free or have a PVC-free option.

Greenhouse Gas (GHG) Emissions

Descor's responsibility as a manufacturer is to understand how our energy use and industry processes contribute to GHG's. The gases are mainly created through the combustion of fossil fuels. We will do this by analyzing our greenhouse gas emissions and establishing a baseline and control measures for the organization. This includes creating an inventory of emissions as benchmark, while focusing on the legislative changes as they are brought into place by government.

Energy Management

The use of energy is potentially the most volatile issue in today's market. With the uncertainty of supply and concerns about environmental damage from burning fossil fuels, managing energy effectively is a high priority at Descor. The reduction of energy use is one of our main focuses (managed through ISO 14001). The second focus is finding alternative sources of energy (solar, wind, recapture....) and the third is to support green power offset programs. To protect Descor against commodity price fluctuation, history has shown that market price is typically the lowest and poses the least amount of risk compared to hedging programs.

Durability/Upgradeability

This integrated approach includes up-front consideration, ensuring the products are designed and manufactured to provide a long, useful life and allow for repeated service, repair and handling; and standardized parts and components are available to facilitate maintenance, servicing and reassembly. Products at the initial conceptual phase undergo R & D testing for safety, strength, robustness and reliability. Later in the design phase, these products are tested to meet stringent industry standards such as CGSB and ANSI/BIFMA. Products with high failure rate components are identified and a replacement or maintenance program is established in order to maximize repeated service.

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Forest Stewardship Council (FSC) – Certified Wood

FSC certifies forests that adhere to sustainable forestry practices and the supply chain of wood products to a Chain of Custody. Since wood is an integral component of Descor’s finished products, it is important to offer wood (particleboard, MDF, lumber and veneers) from certified suppliers. Descor is certified to Chain of Custody through a credit system. The certification process has helped define extraction of raw materials (origin), which is used to support LEED, CARB and the Lacey Act. Descor also uses Convention on International Trade in Endangered Species (CITES) listing to further support sustainable forestry by ensuring that we do not use any wood specified on the list.

Indoor Air Quality - Low-Emitting Products

Descor has our finished products third party certified to Greenguard low-emitting standards for indoor air quality. Available as optional.

End of Life Program

As part of our commitment to sustainable practices and environmental responsibilities, Descor’s End of Life Program offers a comprehensive assortment of services and programs. Our goal is to re-distribute, where possible, redundant product to national and international programs that will assess the most appropriate life cycle channel available as an alternative to sending furniture to landfill.

Strategies - Recovery Opportunities

Descor's integrated network of dealers will work with our customers to select, from various options, the program that fits their needs. The list is in order of highest value recovery:

Reuse - re-distribution of redundant product to resellers and/or national and international programs supporting schools, charities and environmental organizations. Options such as Descor’s third party programs offer the highest recovery value to our customer.

Refurbish - product is designed to be easily refurbished, rather than replacing existing furniture. From incorporating new product components, a range of options is available to suit budget and aesthetic requirements.

Recycle - product that cannot be reused or refurbished through our programs can be recycled using licensed recycling facilities.

All wood, metal and plastic components of the furniture can be recycled. Recycling facilities have been identified in each major region.

Contact	Contact Info	Location	Recycle Type
Global Dealers	Global Sales staff	North America	Re-purpose / recycle
Habitat for Humanity	http://www.habitatdurham.com/	Toronto Area	Re-purpose
csr eco solutions	www.csr-eco-solutions.com Dan Leal	Canada / USA	Re-purpose / recycle
Waste to Wonder	www.wastetowonder.com Michael Amos	Europe / Australia	Re-purpose / recycle
Local recyclers	Varies by BIFMA regions	North America	Recycle

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OHSAS 18001 – Health & Safety Management System

Descor is in the process of implementation to the OHSAS 18001 Occupational Health & Safety Management Standard, which is being integrated with our existing Environmental Management System, ISO 14001. This integrated Environmental Health & Safety (EHS) system allows us to take a holistic approach to occupational health & safety on a day-to-day basis through a “Plan-Do-Check-Act” model. The success of the system depends on commitment from all levels and functions of the organization, and especially top management. The overall aim of this system is to support and promote good health & safety practices, in balance with socio-economic needs.

Chemical Management

Descor takes a preventive and precautionary approach to deal with substances that enter the environment and could harm the environment or human health. Our approach consists of programs to reduce or eliminate the risks or potential risks associated with toxic and hazardous substances. These programs include assessment and evaluation of compliance with all applicable environmental and health & safety laws and regulations, including training programs for all employees on the risks associated with chemicals that affect human and ecosystem health. Descor’s key objective is the management of toxic and hazardous substances of concern, throughout their entire life cycle, and virtual elimination from the environment. Management strategies include prevention of pollution and hazard and risk assessment, taking into account a wide range of legal, economic and social factors. These factors will be taken into account when determining long-term environmental targets.

ISO 14001 – Environmental Management System

Various projects have been implemented over the past years, which have resulted in considerable environmental achievements from waste diversion to energy consumption. We continually expand our environmental parameters within our ISO 14001 management system including our suppliers. We target environmental aspects that will challenge us to do better environmentally year after year as well as in the long term.

Corporate Long Term Environmental Targets

Aspect Number	Environmental Aspect	Baseline - Amount and Year		Target – Amount, % and Year		
		Amount	Year	Amount	Target	Year
1	Maintain waste diversion from landfill - production	100%	2009	100%	100% diversion	2014
2	Electricity consumption	1,937,739 kWh	2009	1,743,965 kWh	10% reduction	2014
3	Greenhouse gas (GHG) emissions	970.1 tonnes CO ₂ e	2009	873.1 tonnes CO ₂ e	10% reduction	2014
4	Water consumption	7,742 m ³	2009	5,807 m ³	25% reduction	2014

Implementation and Reduction Plan

Aspect #1: Maintain 100% diversion of production waste from landfill:

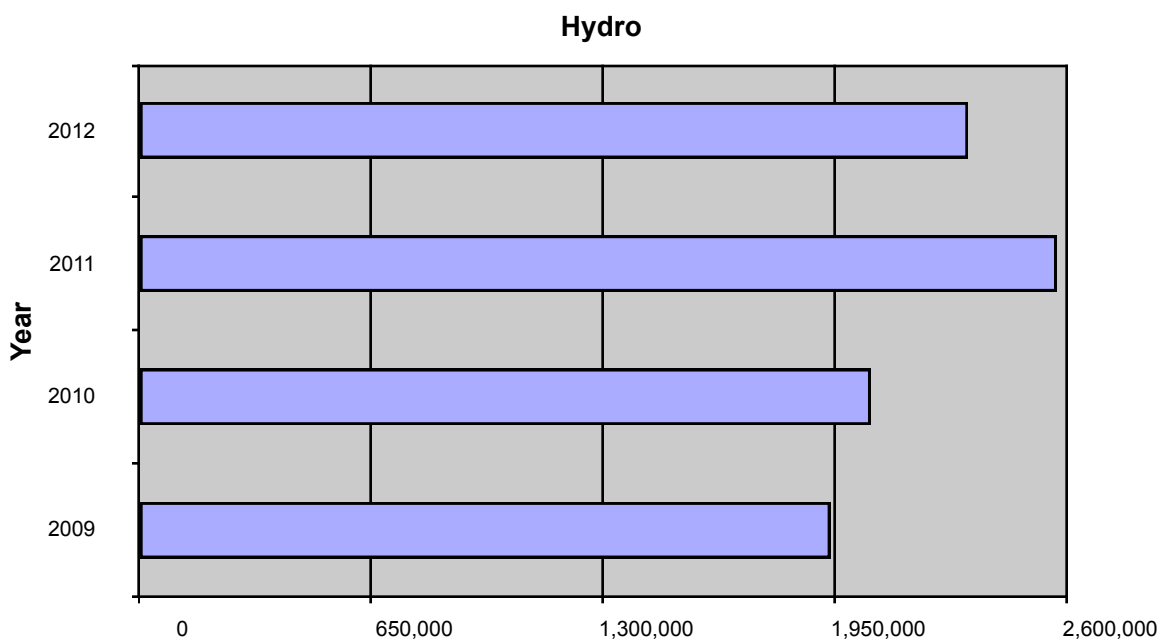
- Continue internal source separation programs
- Continue to provide employees with properly labeled containers to maintain source separation program
- Verify annually with waste hauler destination and recycling of waste

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Production waste diverted from Landfill				
Year				
2009				
2010				
2011				
2012				
%	85	90	95	100

Aspect #2 – Electricity consumption reduction:

- ❑ Research installation of motion detectors in infrequently used areas of the plant and office



Aspect #3 – GHG emission reductions:

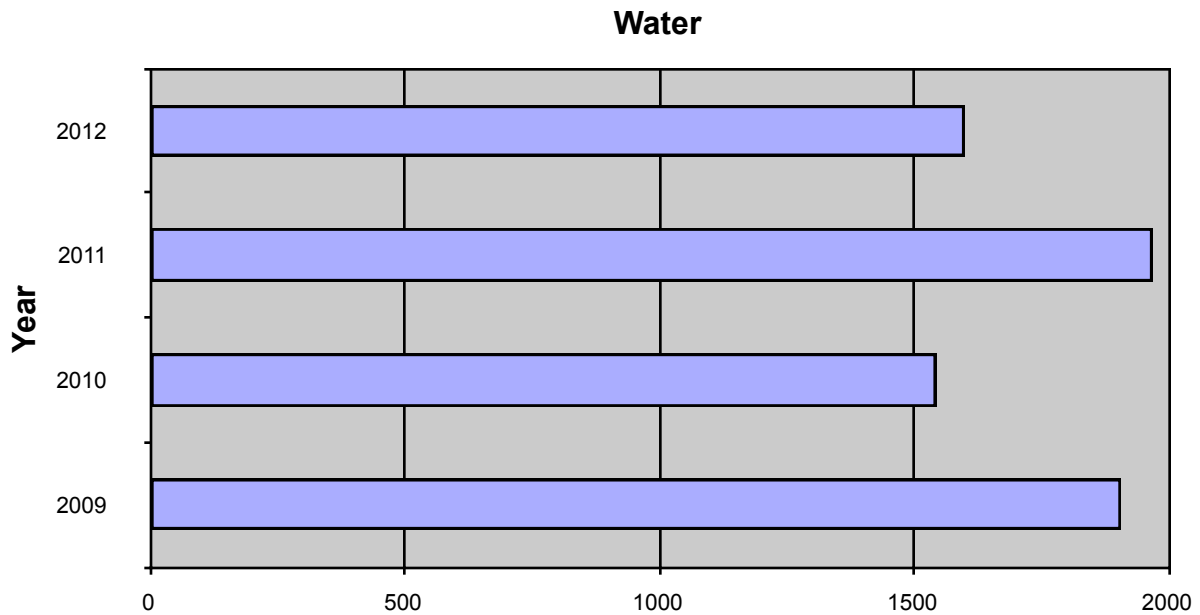
- ❑ The majority of GHG emissions at Descor’s facilities come from the use of natural gas, therefore, the majority of reductions are directly related to the reduction of natural gas
- ❑ Ensure that any service vehicles owned by Descor, including inbound and outbound transportation, use an alternate fuel source to gasoline
- ❑ Use of waterless print technology for our literature and price lists
- ❑ Research new technology for paints that require a lower cure temperature
- ❑ Research replacing solvent based paints with water based

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Annual amounts					
Year	Natural Gas (m ³)	Hydro (kWh)	Water (m ³)	Waste (MT) to landfill	GHG Emissions (tonnes CO ₂ e)
2005	678,700	3,627,423	8,953	254.75	1,282.75
2006	626,876	3,676,525	5,624	194.76	1,184.80
2007	670,398	3,632,624	5,486	117.00	1,300.04
2008	592,514	3,244,234	6,116	136.38	1,164.58
2009	500,714	1,937,739	7,742	56.68	970.09
2010	462,324	2,050,788	8,379	49.30	830.66
2011					
2012					

Aspect #4 – Water consumption reductions:

- Hot press wash water re-used for parking lot de-icing on Descor’s property.ⁱ
- Research installation of more efficient fixtures and toilets in washrooms/lunchrooms.



ⁱ 1