

A man with long dreadlocks and a beard, wearing a dark grey hoodie, is carrying a large roll of red carpet over his shoulder. He is smiling slightly and looking towards the camera. The background is a warehouse filled with various rolls of carpet and materials. The text "ESG report" is overlaid in white, sans-serif font across the middle of the image.

ESG report

teknion

reporting index: ESG

The purpose of our Environment, Social and Governance (ESG) Reporting Program is to document and share our activities and progress across these three categories:

1. Environment:

What we are doing to reduce our environmental impact.

2. Social:

How our policies and actions impact our employees, customers, suppliers, and the surrounding communities in which we work and live.

3. Governance:

What we are doing to ensure our company's decision making is transparent and accountable.

Reporting Scope

This Report presents provides qualitative and quantitative information on our approach to managing our Environment, Social and Governance (ESG) opportunities and risks pertinent to Teknion Limited and Teknion LLP's operations. It covers the reporting period of December 1, 2021, to November 30, 2022, unless otherwise indicated.

We also share highlights from programs and initiatives that were launched before October 2022 or after October 2023 to provide greater context or to highlight programs that remain relevant to our latest reporting year.



**“There’s one thing we need more than hope, and it’s action.
But when we act, hope is all around us.”**

– Greta Thunberg, Environmental Activist

process

We began with a comprehensive ESG materiality analysis to identify our priority issues using the following methodology:

1. Benchmarking + Framework

We conducted research to identify what our employees, customers and industry consider the most relevant ESG topics. As part of this process, we benchmarked industry peers, reviewed customer RFP requests, and evaluated leading ESG frameworks, including the Sustainable Accounting Standards Board (SASB), Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (UNSDGs) and Global Compact (UNGC), the Task Force on Climate-related Financial Disclosures (TCFD), the Carbon Disclosure Project (CDP), and World Economic Forum (WEF). From this analysis, we developed a preliminary framework that covers a list of key ESG topics.



process

2. Engagement

To validate our list of key ESG issues, we undertook materiality surveys and interviews with a range of key constituent groups to understand what they feel is important or material. By determining the materiality of our constituent groups' wants, needs, and priorities, we can identify opportunities and risks from a list of defined topics. This process enables the greatest impact. The results guide our reporting framework and shape where we will focus our efforts as we move forward. The engagement process included the following:

- Surveys were sent out to all employees with email addresses across the organization. Those without email addresses were provided opportunities to engage with the survey using QR codes accessible on mobile devices. Additional interviews were set up to solicit input on ESG priorities.
- We received 481 responses in total from employees (in EN and FR) across the following areas:
 - World Markets/Sales
 - Architectural Interiors
 - Manufacturing
 - Design and Marketing
 - Finance
 - Information Technology
 - Human Resources
- One-on-one interviews were conducted with all Executive Committee members.
- Surveys and interviews were conducted with representatives from the following groups:
 - Customers
 - A+D Firms
 - Buying Groups
 - Dealers



process

3. Materiality + Prioritization

Analyzing the results of engagement, we developed a list of 24 ESG priority topics, which we have categorized into three levels of priority that will inform our future planning and reporting. The table (right) represents these levels. Topics within each category are listed in alphabetical order, not by priority. Based on this list, we then validated and finalized our framework, adding where needed to ensure reporting covered all priority topics. We will reassess these topics, priorities, and framework through ongoing engagement.

HIGHEST PRIORITY	HIGH PRIORITY	PRIORITY
<ul style="list-style-type: none"> • Climate Change • Customer Well-being • Data Protection + Privacy • DE+I • Employee Well-being • Greenhouse Gas Emissions • Health + Safety • Material Transparency + Reporting • Waste Management 	<ul style="list-style-type: none"> • Business Continuity • Chemical Management/ Toxicity • Community Relations • Employment Practices + Employee Relations • Human Rights • Material Sourcing + Responsible Procurement • Pay Equity • Product Lifecycle/ End of Life • Supplier Conduct • Sustainable Product Design • Risk Assessment • Water Stewardship 	<ul style="list-style-type: none"> • Accountability + Reporting • Business Ethics • Compliance • Transportation + Logistics

ESG reporting frameworks

CDP (Carbon Disclosure Project)

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

<https://www.cdp.net/en>

GRI (Global Reporting Index)

The world's most widely used sustainability reporting standards, covering topics that range from biodiversity to tax, waste to emissions, diversity and equality to health and safety. GRI reporting is the enabler for transparency and dialogue between companies and their stakeholders.

<https://www.globalreporting.org>

SASB (Sustainability Accounting Standards Board)

SASB Standards help companies disclose relevant sustainability information to their investors. Available for 77 industries, the SASB Standards identify the sustainability-related risks and opportunities most likely to affect an entity's cash flows, access to finance and cost of capital over the short, medium, or long term and the disclosure topics and metrics that are most likely to be useful to investors.

<https://sasb.org>

TCFD (Task Force on Climate-Related Financial Disclosures)

The TCFD was developed to provide recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks—risks related to climate change.

<https://www.fsb-tcf.org>

UNGC (United Nations Global Compact)

The world's largest corporate sustainability initiative, the United Nations Global Compact calls for companies to align strategies and operations with universal principles on human rights, labor, environment, and anti-corruption; and to take actions that advance societal goals.

<https://unglobalcompact.org>

UNSDG (United Nations Sustainable Development Goals)

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace, and justice.

<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

WEF (World Economic Forum)

The World Economic Forum is the International Organization for Public-Private Cooperation. The Forum engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas. Our activities are shaped by a unique institutional culture founded on the stakeholder theory, which asserts that an organization is accountable to all parts of society.

<https://www.weforum.org>

ESG metrics

environment

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- 14 Management of Chemicals in Products
- 15 Product Lifecycle Environmental Impacts
 - Wood Supply Chain Management



ESG metrics environment

METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<h2>GHG Emissions</h2> <p>Tracking the actual or estimated atmospheric emissions produced as a direct (or indirect) result of the company’s consumption of energy.</p>	<ol style="list-style-type: none"> Scope 1 Total amount, in CO2 equivalents. 11395 (TCO2e) Scope 2 Total amount, in CO2 equivalents. 2842.48 (TCO2e) Scope 3 Total amount, in CO2 equivalents. 118348 (TCO2e)* <small>*Includes a full Scope 3 inventory, 11 of 15 categories (everything that is relevant to Teknion)</small> <p>We engage the Carbon Disclosure Project (CDP) to provide third-party reporting that measures, discloses, manages, and shares environmental information, to further our accountability and transparency across Scope 1, 2 and 3 emissions. Further, we have submitted our commitment to establish a science-based target through the Science Based Targets initiative (SBTi). Science-based targets show organizations how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change.</p> <p>https://sciencebasedtargets.org/companies-taking-action</p>	<p>GRI: 305-1, 305-2, 305-3</p>
<h2>Energy Usage</h2> <p>Energy cost, source, availability, and resilience directly impacting a company’s ability to operate.</p>	<ol style="list-style-type: none"> Total amount of energy directly consumed. 267613.2 GJ Total amount of energy indirectly consumed. 123.16 GJ 	<p>GRI: 302-1, 302-2</p> <p>UNSDG: 12</p> <p>SASB: General Issue/ Energy Management (See also: SASB Industry Standards)</p>
<h2>Energy Management in Manufacturing</h2> <p>Measuring energy as purchased electricity represents the largest share of energy consumption for manufacturers.</p>	<ol style="list-style-type: none"> Total energy consumed, (GJ). 267736.36 GJ Percentage grid electricity. 100% Percentage renewable. 88.47% 	<p>SASB – Furniture Specific</p>

ESG metrics environment

METRIC

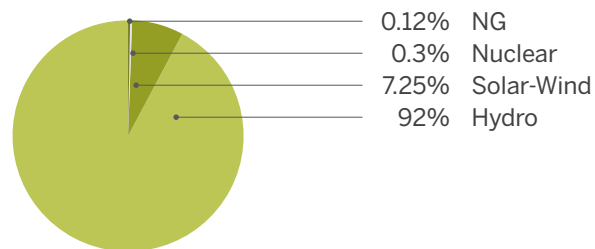
MEASUREMENTS & NOTES

CONNECTION TO FRAMEWORKS

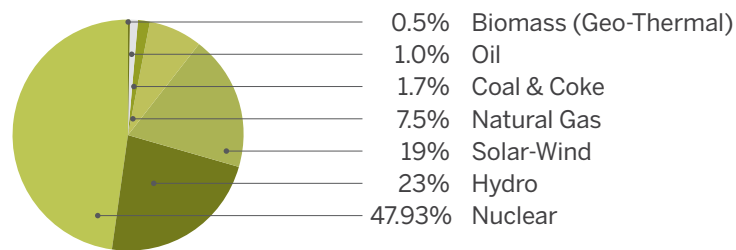
Energy Mix

Quantifying the specific energy sources most directly used by the company as percentage energy usage by generation type.

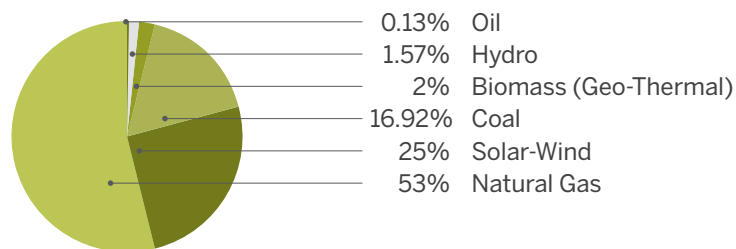
1. Percent energy mix.



QUEBEC



ONTARIO



ALBERTA

GRI: 302-1

UNSDG: 7

SASB: General Issue/
Energy Management

ESG metrics

environment

METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<p>Environmental Operations</p> <p>Comparing expectations against performance</p>	<p>1. Does your company follow a formal Environmental Policy?</p> <p>Yes. We have a safety, health, and environment policy and a detailed Environmental Charter which is updated each year.</p> <p>Link to policies: H&S Policy Environmental Charter</p> <p>2. Does your company follow specific waste, water, energy, and/or recycling polices?</p> <p>Yes. Teknion has policies, procedures and KPIs related to reduction of our waste, reduction of water usage, rate of recycling and reduction of energy usage. These procedures are managed through our integrated ISO 14001 Environmental Management system in place at all our facilities.</p> <p>3. Does your company use a recognized energy management system?</p> <p>No, however we manage energy usage goals, processes, and monitoring via ISO 14001.</p>	<p>GRI: 103-2</p> <p>SASB: General Issue/ Waste & Hazardous Materials Management; Water & Wastewater Management</p>
<p>Water Usage</p> <p>Water consumed, recycled, and reclaimed annually, in cubic meters (m3)</p>	<p>1. Total amount of water consumed annually.</p> <p>61591 m3</p> <p>2. Total amount of water reclaimed.</p> <p>N/A. We do reclaim process water in multiple locations and processes; however, it is not quantified.</p>	<p>GRI: 303-5</p> <p>UNSDG: 6</p> <p>SASB: General Issue/ Water & Wastewater Management</p>

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Climate Oversight/ Board

Companies that cover climate risk in board meetings (as part of the official agenda) or have a board committee dedicated to climate-related issues.

1. Does your Board of Directors oversee and/or manage climate-related risks?

Teknion is not a public company and therefore does not have board meetings. Senior Management, as part of the Executive Committee (EC) is the relevant governance body at Teknion in these matters.

The EC holds monthly meetings to address vital aspects of the organization, including product development innovation, risk assessment, major capital oversight, and annual budget guidance. By discussing innovation and risk, the EC ensures the company remains competitive and can proactively address challenges. Monitoring major capital investments and budget discussions guarantee efficient resource allocation. Specific program reviews, such as the Science Based Targets initiative (SBTi), enable the EC to assess sustainability initiatives' progress and align them with objectives.

Furthermore, the EC conducts an annual Safety, Health, and Environmental Assessment (SHEA) to evaluate the company's environmental and safety performance. This demonstrates the organization's commitment to responsible practices. The EC Annual Corporate Priority review sets objectives for the company in line with its long-term vision, ensuring strategic alignment for growth.

Teknion is currently assessing which scenario model should be used to assess a long-term target and our pathway to reduce emissions in line with the Paris Agreement. This will be achieved by integrating climate-related scenario analysis into our risk assessment and management processes, which will include: clear roles and responsibilities, integration with financial planning, determining internal organizations to engage, activities to prioritize, and new processes to be introduced.

GRI: 102-20, 102-29, 102-30, 102-31

SASB: General Issue/
Business Model Resilience,
Systemic Risk Management

TCFD: Governance
(Disclosure A)

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METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<h3>Climate Oversight/ Management</h3> <p>Companies that cover climate risk in senior management meetings (as part of the official agenda) or have a management committee dedicated to climate-related issues.</p>	<p>1. Does your Senior Management Team oversee and/or manage climate-related risks?</p> <p>Teknion has a senior management committee dedicated to environmental and climate related issues. The SHEA Committee meets formally on an annual basis to review environmental performance metrics, climate related risks and trends in the industry and beyond. Issues that arise over the course of the year are addressed in topic specific meetings or during monthly Executive Committee update meetings.</p>	<p>GRI: 102-20, 102-29, 102-30, 102-31</p> <p>SASB: General Issue/ Business Model Resilience, Systemic Risk Management</p> <p>TCFD: Governance (Disclosure B)</p>
<h3>Climate Risk Mitigation</h3> <p>Understanding, measuring, and managing exposure to climate-related risks and opportunities.</p>	<p>1. Measurement of the total dollar amount (USD) invested in climate-related issues, including R&D spend.</p> <p>Sustainability is embedded into all our practices. By continuously examining our entire product lifecycle from design (material selection and sourcing) through to end-of-life (recycling, re-using, or donating), we seek better ways to design, engineer and manufacturer products with minimal environmental impact while contributing to the well-being of our customers, employees, and the communities in which they are made. Teknion prioritizes investments in R&D contributing to the creation of products with lower embodied carbon. One area of research is focused on furniture textiles, including a recently launch recycled, biodegradable polyester textile.</p> <p>See Impact Report 3.0, pages 27-31.</p> <p>2. Total amount invested, annually, in climate-related infrastructure, resilience, and product development.</p> <p>We have invested in climate-related infrastructure projects in our facilities like LED light retrofits, installing variable frequency drives (VFDs) and upgrading controls on equipment. Additionally, initiatives like our Green Impact Program ensure that at least 10% of cost saving initiatives in our targeted manufacturing facilities are derived from “green” initiatives such as energy and resource usage, logistics, sustainable energy sources, recycling efforts and packaging. Cross-functional teams share ideas within and between plants to ensure new initiatives and improvements are made then extended across facilities.</p> <p>See Impact Report 3.0, pages 22-24.</p>	<p>UNGC: Principle 9</p> <p>SASB: General Issue/ Physical Impacts of Climate Change, Business Model Resilience</p> <p>TCFD: Strategy (Disclosure A)</p>

ESG metrics environment

METRIC

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Sustainable Product Design

Optimizing a product's life cycle for maximum environmental, economic, and social benefits, and reduced environmental and social costs.

1. Does your company have formal guidelines to direct sustainable product design?

Our Design for the Environment (DfE) principles are integral to our product development process. We have established 10 guidelines for ensuring that we carefully consider how our products are designed, manufactured, delivered, used, and disposed of, so that we conserve energy and resources, design out waste, and build in longevity. Integral to the product development process, our DfE includes steps early in the design phase to calculate and find ways to minimize the embodied carbon of our products over their lifecycle so we can reduce the resulting contributions to climate change. Our DfE guidelines establish a precedent for working closely and collaboratively with our suppliers to not only understand the chemical makeup of our product materials and avoid Red List/toxic chemicals, but also to introduce newer, more sustainable/renewable materials within our product offering.

Link to policies:
[DfE Guidelines](#)

UNSDG: 12
UNGC: Principle 9

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Management of Chemicals in Products

Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products.

1. Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards.

Percent meeting VOC standards = 100%

IAQ Certificates = 100%

Teknion takes responsibility not only for our impacts on our customers within the built environment, but also for our employees who are exposed to the materiality and hazards each day. As a protocol to understand and eliminate these known hazards we rely on the expertise of various third-party auditors and advisors to ensure the best environment for all.

Toxnot (now 3E) is a platform used to provide the environmental health and safety (EHS) support required to increase chemical and workplace safety, improve product safety and stewardship, strengthen supply chain stewardship, and optimize research through an evaluation of the chemicals of concern from raw materials and supply chain.

LBC Red List + Declare. We use Declare as a platform to transparently disclose our products' composition including potential harmful materials as noted on the LBC Red List.

EPDs. We create EPDs to report and communicate a product's environmental and human health impact throughout its life cycle.

BIFMA e3 LEVEL provides our customers with third party evaluation and certification that delivers an open and holistic means of evaluating and communicating the environmental and social impacts of furniture products in the built environment.

We certify products for low VOC emissions with SCS Indoor Advantage, a transparent indoor air quality (IAQ) standard for furniture and building materials. We chose this certification because it aligns with the greatest number of built environment sustainability standards.

For more details, see Impact 3.0, page 27.

SASB: Furniture Specific

ESG metrics

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METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<p>Product Lifecycle Environmental Impacts</p> <p>Description of efforts to manage product lifecycle impacts and meet demand for sustainable products.</p>	<p>1. Weight of end-of-life material recovered. 9,302 tonnes of material were diverted from landfill via 551 internal and external projects through July 2023. This represents 27,337 tonnes of CO2e avoided.</p> <p>2. Percentage of recovered materials recycled. 4,892 tonnes of material have been recycled through July 2023 via Divert projects.</p> <p>Divert was established to achieve a goal of zero waste for our clients and ourselves. Transparent and traceable, this program ensures our clients garner maximum financial and social benefit with minimum environmental impact to themselves and the communities in which they operate.</p> <p>See Impact Report 3.0, page 26.</p>	<p>SASB: Furniture Specific</p>
<p>Wood Supply Chain Management</p> <p>Sourcing raw materials and natural resources in a way that is socially equitable, environmentally sustainable, and economically beneficial.</p>	<p>1. % of total wood purchase that is FSC certified. 95%</p> <p>Teknion is a strong advocate for sustainable forestry practices. Using FSC certified wood assures our customers that forestry is managed in an environmentally responsible and socially beneficial manner.</p>	<p>SASB: Furniture Specific</p>

ESG metrics

social

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ESG metrics

social

METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<h3>Pay Scale Equity</h3> <p>Equitable compensation scale for all employees across all job classifications and pay-scale gradients.</p>	<p>1. Annual compensation ratio.</p> <p>Teknion scored a Level 4 on The Social Justice Label (Just Label) submission for Pay Scale Equity with a 1:13 differential from lowest to highest paid employees.</p> <p>Pay Scale Equity as defined by the Just Label: The program calls for organizations to commit to and demonstrate that they have an equitable compensation scale for all their employees across all job classifications and pay-scale gradients from the lowest job classification employee to the highest job classification employee. Organizations must ensure that compensation scales for their most senior executives are reasonable, justifiable, equitable, and in line with corporate compensation.</p> <p>Link to policies: Just Label</p>	<p>GRI: 102-38</p> <p>UNGC: Principle 6</p>
<h3>Gender Pay Ratio</h3> <p>As a ratio: the median total compensation for men compared to the median total compensation for women.</p>	<p>1. Ratio: Median male compensation to median female compensation.</p> <p>Average salary value ratio: 0.94: 1 (female to male) Median salary value ratio: 1.01: 1 (female to male)</p>	<p>GRI: 405-2</p> <p>UNGC: Principle 6</p> <p>SASB: General Issue/ Employee Engagement, Diversity & Inclusion</p>
<h3>Living Wage</h3> <p>Current wages against the living wage for employees and contractors in localities where the company is operating.</p>	<p>1. Current wages against the living wage for employees.</p> <p>Teknion scored a Level 2 on its Just Label submission for Living Wage.</p> <p>Link to policies: Just Label</p>	<p>WEF: Dignity and Equality</p> <p>UNSDG: 1</p>

ESG metrics social

METRIC

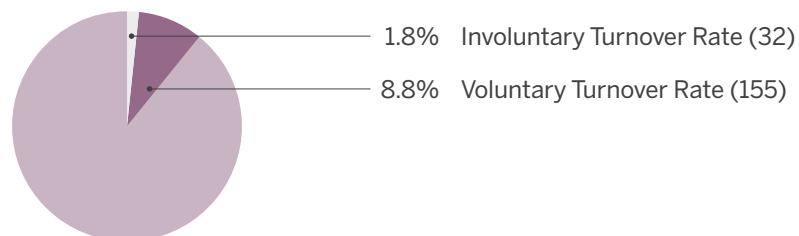
MEASUREMENTS & NOTES

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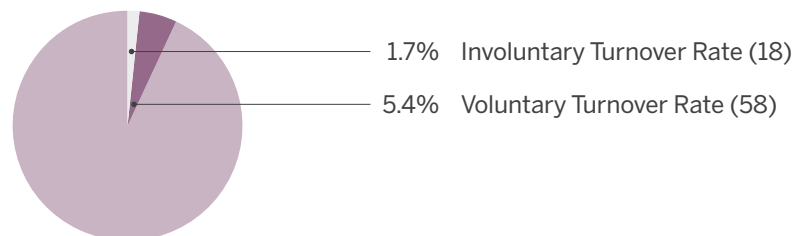
Employee Turnover

Percentage of total annual turnover, broken down by various employment types.

1. Percentage: Year-over-year change for full-time employees.



TEKNION HOURLY EMPLOYEES (1,759)



TEKNION SALARIED EMPLOYEES (1,072)

2. Percentage: Year-over-year change for part-time employees.

We do not have a statistically significant number of part time or temporary workers to track.

3. Percentage: Year-over-year change for contractors and/or consultants.

We do not have a statistically significant number of part time or temporary workers to track.

GRI: 401-1

UNGC: Principle 6

SASB: General Issue/
Labor Practices

ESG metrics social

METRIC

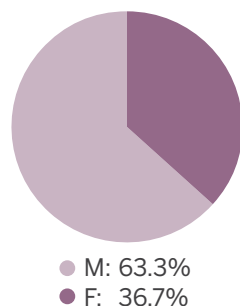
MEASUREMENTS & NOTES

CONNECTION TO FRAMEWORKS

Gender Diversity

Percentage of male-to-female metrics, broken down by various organizational levels.

1. Percentage: Total enterprise headcount held by men and women.



GRI: 102-8, 405-1

UNGC: Principle 6

SASB: General Issue/
Employee Engagement,
Diversity & Inclusion

ENTRY- & MID-LEVEL POSITIONS HELD BY WOMEN & MEN

Designation	Female	Male
Director	31.7%	68.3%
Managerial	30.1%	69.9%
Professional	54.5%	45.5%
Supervisor	19.7%	80.3%
Administrative	70.3%	29.7%
Technical	41.5%	58.5%
Hourly	31.2%	68.8%

SENIOR- & EXECUTIVE-LEVEL POSITIONS HELD BY WOMEN & MEN

Designation	Female	Male
Executive	40.0%	60.0%
VP	10.5%	89.5%

ESG metrics social

METRIC

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Diversity

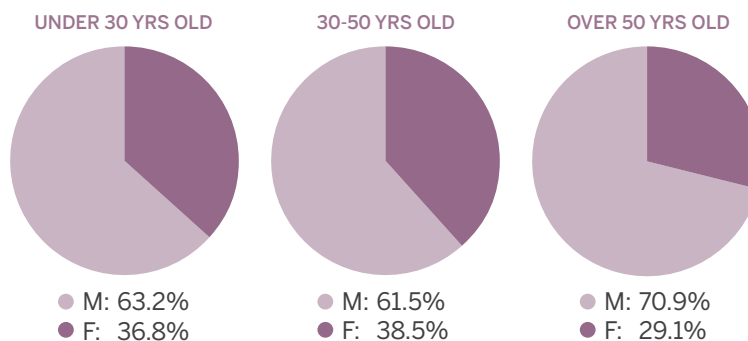
Diversity of governance bodies and employees.

1. Percentage of employees per diversity category:

GRI: 405-1

a. Gender

b. Age Group



c. Other indicators of diversity where relevant (such as minority or vulnerable groups)

Percent salaried employees that self-identify as a minority = 45%*

Percent hourly employees that self-identify as a minority = 70%*

*As a Federal Contractor, we report to the government on diversity as understood within the term Minority, Women, People with Disabilities and Aboriginals. Information is self-disclosed by employees on a voluntary basis. It is illegal in Canada to require employees to disclose should they choose not to, and it is illegal for employers to determine these designations for employees. Accordingly, the provided information is directional only.

ESG metrics

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Supplier Diversity

Diversity of supply chain.

1. How is your company supporting diversity across your supply chain?

Teknion is committed to identifying and fostering the growth of a diverse supplier base. Teknion wants suppliers from a wide variety of backgrounds, experiences, and talents. We are constantly searching for new ideas, products, and best practices. At Teknion, we support and encourage small, minority, disabled, Aboriginal, LGBTQ, veteran and women-owned businesses and enterprises located in the markets and communities in which we operate.

25% of our US dealer partners have at least one of the following designations: Minority-owned, Woman-owned, Disability-owned, Veteran-owned, Just Label.

We also have long-term, ongoing partnerships with organizations that help at-risk, racialized, and marginalized youth and people with physical and mental disabilities acquire the skills needed to attain and keep meaningful work in the communities in which they live.

Link to policies:

[Teknion Supplier Diversity Policy](#)

See Impact Report 2.0, pages 20-21.

See Impact Report 3.0, pages 7-8.

Videos:

[Travail Jeunesse](#)

[Formaca](#)

[Just Label](#)

Temporary Worker Ratio

Percentage of Full-Time (or FTE-equivalent) positions held by non-traditional workers in the value chain.

1. Percentage: Total enterprise headcount held by part-time employees.

We do not have a statistically significant number of part time or temporary workers to track.

GRI: 102-8

UNGC: Principle 6

2. Percentage: Total enterprise headcount held by contractors and/or consultants.

We do not have a statistically significant number of part time or temporary workers to track.

ESG metrics

social

METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<h3>Non-Discrimination</h3> <p>Companies that create, publish, and periodically update a policy document that covers this subject.</p>	<p>1. Does your company follow a sexual harassment and/or non-discrimination policy?</p> <p>Yes.</p> <p>Link to policies: Teknion Harassment and Violence Prevention</p>	<p>GRI: 103-2</p> <p>UNGC: Principle 6</p> <p>SASB: General Issue/ Employee Engagement, Diversity & Inclusion</p>
<h3>Global Health & Safety</h3> <p>Companies that create, publish, and periodically update a policy document that covers this subject.</p>	<p>1. Does your company follow an occupational health and/or global health & safety policy?</p> <p>Yes, in addition to our policy, each facility in Canada has its own Health and Safety committee. In our Quebec facilities we also have Health and Safety Committees representing both our offices and manufacturing sites.</p> <p>Link to policies: H&S Policy</p>	<p>GRI: 403-1</p> <p>UNSDG: 3</p> <p>SASB: General Issue/ Employee Health & Safety</p>
<h3>Injury Rate</h3> <p>Total number of injuries and fatalities, relative to the total workforce.</p>	<p>1. Frequency of injury events relative to total workforce time</p> <p>Fatalities = 0 Lost time injuries* = 0.47 (for every 100 employees 0.47 have lost time due to injury in the past year)</p> <p>*Lost time injuries refer to IFR (Injury Frequency Rate) or LTIR (Lost Time Incident Rate).</p>	<p>GRI: 403-9</p> <p>UNSDG: 3</p> <p>SASB: General Issue/ Employee Health & Safety</p>

ESG metrics social

METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
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Employee Well-being

Creating accountability and transparency around employee well-being.

1. Percentage of employees participating in “best practice” health and well-being programs.

While Teknion does not formally track employee participation, we have extended the WELL Building Standard’s principles beyond our showrooms via WELL at Scale. WELL at Scale enables us to scale our health and wellness strategies efforts across 3.2M sq. ft. or 297,000 m2 of multiple buildings and locations to foster well-being for every employee no matter if they are in an office or on the plant floor. Programs like tai chi in the plants and corporate recess in the office provide opportunities for employees to connect, refresh and recharge.

Teknion has established a DE+I Committee to identify measurable initiatives aimed at advancing DE+I and belonging across our global workforce. The Committee, along with regional task forces implement DE+I initiatives across our organization within the following three areas:

Workforce: Recruit, develop and retain high performing, talented employees with diverse backgrounds and perspectives.

Workplace: Develop, communicate, and design environments to foster an inclusive culture.

Marketplace: Contribute to community and build valued relationships with diverse customers, dealers, and suppliers.

See Impact Report 3.0, page 10,11.

Videos:

[WELL Portfolio](#)

[Blackhurst Cultural Centre](#)

WEF: Workplace Wellness

GRI: 403-6, 10

UNSDG: 3

2. Absentee rate (AR) of all employees.

Teknion does not track this.

ESG metrics social

METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
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Customer Well-being

Supporting customer well-being and creating accountability and transparency.

1. What programs does your company follow to ensure customer well-being?

We contribute to causes that strengthen the well-being of the communities in which we operate. We also find different ways to engage with our employees, customers, partners, and communities that go deeper, stretch wider and have a more meaningful impact on the world around us. While we have strategically aligned ourselves with LEED and WELL, we also support numerous international standards, including BREEAM, that foster health and well-being in our customers. This alignment results in product design that focuses on the reduction of carbon, waste, chemicals of concerns and VOC emissions, which is the priority of the green building industry. We also actively engage in programming to share knowledge that advances our customers, the industry, and ourselves. We do this across a variety of forums including workshops, continuing education forums, thought leadership webinars, WELL AP exam prep, study courses and coaching as well as teaching partnerships with higher education institutes.

See Impact 3.0, pages 13, 16.

UNSDG: 3

ESG metrics

social

METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<h3>Child & Forced Labor</h3> <p>Companies that create, publish, and periodically update a policy document that covers this subject.</p>	<ol style="list-style-type: none"> 1. Does your company follow a child and/or forced labor policy? Yes. 2. If yes, does your child and/or forced labor policy cover suppliers and vendors? Yes. Link to policies: Child Labor, Forced Labor and Human Trafficking Teknion Statement on Child Labor and Supplier Code of Conduct Teknion Supplier Quality Manual 	<p>GRI: 103-2, 408, 409, 414</p> <p>UNSDG: 8</p> <p>UNGC: Principle 4,5</p> <p>SASB: General Issue/ Labor Practices</p>
<h3>Human Rights</h3> <p>Companies that create, publish, and periodically update a policy document that covers this subject.</p>	<ol style="list-style-type: none"> 1. Does your company follow a human rights policy? Yes. 2. If yes, does your human rights policy cover suppliers and vendors? Yes. Link to policies: Child Labor, Forced Labor and Human Trafficking Teknion Statement on Child Labor and Supplier Code of Conduct Teknion Supplier Quality Manual 	<p>GRI: 103-2, 412, 414</p> <p>UNSDG: 4, 10, 16</p> <p>UNGC: Principle 1, 2</p> <p>SASB: General Issue/ Human Rights & Community Relations</p>

ESG metrics

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Community Relations

How you build connections with the local communities in which you operate.

1. How does your company strengthen the communities in which you operate?

We contribute to causes that strengthen the well-being of the communities in which we operate. We also find different ways to engage with our employees, customers, partners, and community that go deeper, stretch wider and have a more meaningful impact on the world around us.

Our DE+I Task Force is comprised of employee volunteers and aims to build lasting relationships within the communities within which we work and serve. The objective is to positively impact those with whom we interact by optimizing opportunities where we can drive change through focused and specific activities based on recognition of localized issues. Local task forces undertake initiatives and ensure ongoing community involvement.

The Objectives of the DE+I Task Force include:

- Be ambassadors of the DE+I committee and Just Label requirements
- Be impactful DE+I allies within Teknion and our local community through active participation
- Connect more holistically with the communities in which the company operates
- Create lasting impacts on specific groups
- Build relationships with our industry partners through joint efforts

In addition to providing deeply discounted furniture to deserving organizations Teknion also supports community with the following efforts:

- Design and space planning
- Account and project management
- Specification services
- Support for educational opportunities to increase more diverse representation in the industry
- One-time or ongoing sponsorship (i.e., scholarships) for local community programs
- Part-time opportunities for local community youth

See Impact Report, pages 8, 10, 11, 13, 14.

Video: [Blackhurst Cultural Centre](#)

UNSDG: 11

ESG metrics

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 - Board Independence
 - Incentivized Pay
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 - ESG Reporting
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METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<p>Board Diversity</p> <p>The percentage of female directors and committee chairs, relative to male colleagues in the same groups.</p>	<p>1. Percentage: Total board seats occupied by women (as compared to men).</p> <p>2. Percentage: Committee chairs occupied by women (as compared to men).</p> <p>As Teknion is a privately held company, there is no Board of Directors.</p>	<p>GRI: 405-1</p> <p>UNSDG: 10</p> <p>SASB: General Issue/ Employee Engagement, Diversity & Inclusion</p>
<p>Board Independence</p> <p>The presence of a high-functioning, semi-independent board is often a good indicator of other effective practices.</p>	<p>1. Does the company prohibit the CEO from serving as board chair?</p> <p>2. Percentage: Total board seats occupied by independents.</p> <p>As Teknion is a privately held company, there is no Board of Directors.</p>	<p>GRI: 102-22</p>
<p>Incentivized Pay</p> <p>Driving positive change in the organization for its stakeholders.</p>	<p>1. Are executives formally incentivized to perform on sustainability?</p> <p>Sustainability is identified in Teknion's Strategic Plan as one of its top seven priorities. It is a key performance indicator for our executives. It, along with the six other priorities, informs the Executive Team's compensation and bonus structure.</p>	<p>GRI: 102-35</p>

ESG metrics

governance

METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<h3>Collective Bargaining</h3> <p>To ensure constructive employee relations with support for the rights to freedom of association.</p>	<p>1. Percentage: Total enterprise headcount covered by collective bargaining agreement(s).</p> <p>There are 121 employees in our St. Valier Facility in Quebec that are covered by a collective bargaining agreement.</p> <p>Teknion promotes a responsible employment environment and ensures compliance with the provisions of the law. Teknion also respects and adheres to universal principles and norms that protect human rights in employment, as specified in the declarations of the International Labor Organization (ILO), including the right of workers and employers to exercise their own choice to form, join and freely associate with each other.</p>	<p>GRI: 102-41</p> <p>UNSDG: 8</p> <p>UNGC: Principle 3</p> <p>SASB: General Issue/ Labor Practices</p>
<h3>Supplier Code of Conduct</h3> <p>Expectations and accountability for suppliers' business conduct with respect to labor and human rights, health and safety, environmental protection, and laws and ethics.</p>	<p>1. Are your vendors or suppliers required to follow a Code of Conduct?</p> <p>Yes.</p> <p>2. If yes, what percentage of your suppliers have formally certified their compliance with the Code?</p> <p>100%</p> <p>Link to policies: Teknion Statement on Child Labor and Supplier Code of Conduct Teknion Supplier Quality Manual</p>	<p>GRI: 102-16, 103-2, 414</p> <p>UNSDG: 12</p> <p>UNGC: Principle 2, 3, 4, 8</p> <p>SASB: General Issue/ Supply Chain Management</p>

ESG metrics

governance

METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
Ethics & Anti-Corruption Reflecting the overall quality of a company's business practices and management.	<ol style="list-style-type: none"> Does your company follow an Ethics and/or Anti-Corruption policy? Yes. If yes, what percentage of your workforce has formally certified its compliance with the policy? 100% Link to policies: Code Of Business Conduct 2023 	GRI: 102-16, 103-2, 205 UNSDG: 16 UNGC: Principle 10
Data Protection & Privacy Responsible data management.	<ol style="list-style-type: none"> Does your company follow a Data Protection + Privacy policy? Yes. Has your company taken steps to comply with GDPR rules? Yes. Link to policies: Privacy Notice Teknion GRC Statement 	GRI: 418 SASB: General Issue/ Customer Privacy, Data Security
ESG Reporting Transparency and accountability in reporting.	<ol style="list-style-type: none"> Does your company publish a sustainability report? Yes – see Impact 3.0. Is sustainability data included in your regulatory filings? N/A as Teknion is a privately held company. 	UNGC: Principle 8

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METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<p>Disclosure Practices</p> <p>Transparency and accountability in sustainability reporting.</p>	<p>1. Does your company provide sustainability data to sustainability reporting frameworks?</p> <p>Yes, we provide data to the Carbon Disclosure Project (CDP).</p> <p>2. Does your company focus on specific United Nations Sustainable Development Goals (UNSDGs)?</p> <p>Yes, we use the UNSDGs as a guiding framework to achieve maximum impact on our employees, customers, communities, and the planet as we continue to grow our business. Our efforts align with the following Sustainable Development Goals:</p> <ol style="list-style-type: none"> 1. No Poverty 2. Zero Hunger 3. Good Health and Well-Being 4. Quality Education 5. Gender Equality 6. Clean Water and Sanitation 7. Affordable and Clean Energy 8. Decent Work and Economic Growth 9. Industry, Innovation and Infrastructure 10. Reduced Inequalities 11. Sustainable Cities and Communities 12. Responsible Consumption and Production 13. Climate Action 14. Life Below Water 15. Life on Land 16. Peace, Justice and Strong Institutions 17. Partnership for the Goals 	<p>CDP</p> <p>UNSDG</p> <p>UNGC</p>

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METRIC	MEASUREMENTS & NOTES	CONNECTION TO FRAMEWORKS
<h3>External Assurance</h3> <p>Transparency and accountability in sustainability reporting.</p>	<p>1. Are your sustainability disclosures assured or validated by a third party?</p> <p>Yes, we use a variety of third-party certifications to assess and validate our sustainability efforts across a range of measures. These include:</p> <p>Carbon Disclosure Project (CDP), Science Based Targets Initiative (SBTi), ISO 14001, JUST Social Justice Label, WELL, BIFMA e3 LEVEL, Declare, Forest Stewardship Council (FSC), SCS Indoor Advantage and Environmental Product Declarations (EPD).</p>	<p>GRI: 102-56</p> <p>UNGC: Principle 8</p>
<h3>Risk Assessment</h3> <p>Identifying, understanding, evaluating, and planning for potential threats and disruptions over the long term.</p>	<p>1. How does your company oversee risk assessment?</p> <p>The Executive Committee (EC) holds monthly meetings to address vital aspects of the organization, including product development innovation, risk assessment, major capital oversight, and annual budget guidance. By discussing innovation and risk, the EC ensures the company remains competitive and can proactively address challenges. Monitoring major capital investments and budget discussions guarantee efficient resource allocation. Specific program reviews, such as the Science Based Targets initiative (SBTi) review, enable the EC to assess the progress of our sustainability initiatives against our objectives.</p> <p>Furthermore, the EC conducts an annual Safety, Health, and Environmental Assessment (SHEA) to evaluate the company's environmental and safety performance. This demonstrates the organization's commitment to responsible practices. The EC Annual Corporate Priority review sets objectives for the company in line with its long-term vision, ensuring strategic alignment for growth.</p> <p>Teknion is currently assessing which scenario should be used to assess a long-term target and our pathway to reducing emissions in line with the Paris Agreement. This will be achieved by implementing climate-related scenario analysis into our risk assessment and management processes, including: identifying roles and responsibilities; integration with finance and strategy; understanding which internal organizations to engage and which activities to prioritize; and introducing new processes.</p> <p>Link to policies: Teknion CDP report Climate Change 2023 (2022 reporting year)</p>	<p>GRI: 102-15, 30</p>

ESG metrics

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Business Continuity

Readiness to react and maintain critical functions after an emergency or disruption.

1. Do you have a Business Continuity Plan?

Our Business Continuity Plan explains how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will be flexible in responding to actual events as they occur.

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the company records, and allowing our customers to transact business. In short, Teknion will resume operations as quickly as possible, given the scope and severity of the business disruption.

Our Plan addresses: data back-up and recovery; data networks; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and suppliers.

Our Plan anticipates two kinds of significant business disruptions—internal and external. Within either of the aforementioned, the severity of the disruption can vary. Internal significant business disruptions affect only our own ability to communicate and do business, such as a fire in one of our buildings. External significant business disruptions prevent the operation of a number of organizations, such as from a terrorist attack, a city flood, or a wide-scale, regional disruption. Our response to an external business disruption relies more heavily on other organizations and systems such as local, municipal, state, provincial and federal governments.

This Business Continuity Plan is the property of Teknion Corporation. It is an operational document which is constantly monitored and updated to reflect our ongoing business operations.

GRI: 102-15, 30

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Compliance

Adhering to all applicable laws, standards, codes, and policies.

1. What processes are in place to assure and monitor compliance with all applicable laws, standards, codes, and policies?

Trust is a Teknion value and maintaining a strong compliance program is vital to ensure trust with our current and prospective customers. We have numerous policies and processes in place to align our business goals while managing risks and meeting all industry and government regulations. As we continue to enhance our compliance, we are in the process of moving to an automated Governance, Risk and Compliance (GRC) program.

For more details on our policies and processes, please see our Governance, Risk, and Compliance (GRC) statement.

Link to policies:

[Teknion GRC Statement](#)

UNSDG: 16