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Keeney's Sustainability Statement

Sustainability may be the buzzword of late, but at its core is a fundamental belief in a better world. Those of us at Keeney's believe that a better world will come as a result of our careful consideration of how we can improve social conditions, create economic opportunity for others and ourselves and live and work within our environment's capacity to regenerate.

As a small business, we make choices each and every day that have impact on the people and places around us. We pay special attention to these choices and we try our best to reduce our environmental footprint and add value to the lives we touch with consideration of future generations. As a company that distributes products that are largely consumable, we recognize that our largest impact on the earth is through helping our customers reduce waste, secure appropriate business tools and by directing our customers to tools that have a long utility cycle while being reusable, repairable or recyclable. Ironically, the best way for our company to reduce our impact footprint is to consume less and encourage our customer's to creatively purchase less.

Having this long term view is not only ethically correct it just makes good business sense as well; consume less and you spend less. Repair in place of buying new to get a longer return on your asset investment. Cut consumption and you cut costs.

While we occasionally hit upon a big idea with big results we at Keeney's believe that meeting these long-term goals will be the summation of thousands of small actions that add up to making a big difference. We pay attention to details in both running our own company and in nurturing strong interactive relationships with our customers. We create a powerful loop of innovation and solution with our customers; letting them influence us and us in turn influencing their cultures to result in lower environmental impact for all.

It is a matter of culture; treat the customer right, treat the employee right, treat the manufacturer right and doing right for the environment right will flow naturally and seamlessly. Thankfully, as an independent company we enjoy the freedom to set long term priorities that publicly traded companies, that have often been slaves to quarterly profits, will never enjoy. We have nurtured a conscious culture that is nimble and creative. By focusing on the long-term good of the customer we are getting results that create a better world and a better environment for all to enjoy.

A couple of examples of how a sustainable ethic plays out in the real world:

Our easy return policy reduces waste; if you don't need a product return it for credit. Once back on our shelf, the item will then be available (without further manufacturing impact) for us to send to another user that needs and can use the product. This simple action will reduce the product's footprint by 1/2; this simple return policy is as good for the earth as it is good for your company's

bottom line. In another real life example, if you are looking for a paper punch we would encourage you to take a look at a higher quality punch with this same long term perspective in mind. Both a good and poor quality punch will have the same environmental impact during the manufacturing process but their long term impacts are quite different. A higher quality punch lasts longer, is repairable and probably more enjoyable to use. By choosing a good punch that lasts 3 times longer than a budget punch the customer will have reduced the environmental footprint by 2/3. Reducing waste yields long term benefits.

We have been living the sustainability ethic for decades. Keeney's long ago realized that it needed to be a strong role model in addressing the sustainability issue to make both our business and our customer's business's more efficient. These early actions have given us a strong foundation on which to build. In the early '90's we were given numerous awards by King County's Green Works program for our efforts to recycle and encourage consumption of recycled content products. We were so successful in this area that we were invited to be a special consulting partner to the King County Commission For Recycled Materials. The momentum found from our Commission involvement resulted in one Keeney's manager becoming a board member of the Washington Citizens For Recycling. In an early attempt to reduce high-tech waste we became one of the first companies nationally to offer ink jet cartridge recycling and offering recycled magnetic media. We are currently one of the largest distributors of recycled laser cartridges in the state.

Ways Keeney's contributes to a more sustainable world

Keeney's supports our local economy. When Keeney's seeks products and services we use our purchasing power to buy locally and to promote other locally owned businesses. We know that by buying local products we're not only supporting our local economy, but we're also purchasing products that has not traveled far to get to our warehouse. An example of this ethic in action is in a recent decision we made in procuring our cut sheet copy paper from Grays Harbor Paper in Hoquiam, WA. Previously we purchased our paper mill direct from Domtar, located in Arkansas. Every 3 weeks a fully loaded 53 foot truck would travel across the country to our warehouse, burning over 600 gallons of diesel fuel. This decision to buy local cut delivery emissions by 90%; from 600 gallons of diesel burned to 60 gallons (540 gallons saved Equals 12,085 pounds of CO2 saved (22.38 pounds of CO2/gallon of diesel burned). By making this purchasing decision we are supporting a local mill and its workers by keeping our dollars in Washington.

For other services such as, vehicle servicing, computer support, legal services, banking, web design, warehouse materials, delivery services, printing, surveying, architectural consulting, real estate services and dozens more services needed to run a business we use strictly local vendors whenever possible. It is very gratifying to have these community based services provided by people who are deeply proud of their work and care about our community.

Simple Steps To Sustainability: In order to reduce our own environmental footprint we take a number of different actions.

1. **We Re-use**

Example, shipping cartons. Simply by re-using cardboard shipping boxes we eliminate the need to purchase 200 cartons a day. That adds up to 52,000 cardboard boxes a year! This simple move saves countless trees, countless gallons of water, kilowatts of power, transportation emissions all the while cutting our overhead. This move yields a staggering reduction of our global footprint.

2. **We Recycle**

Example, warehouse supplies. Keeney's recycles all of our cardboard, shipping pallets and other related warehouse materials. We collect Styrofoam packing peanuts and donate them to a green minded customer so they will in turn not have to purchase packing material from us. This step saves 196 cubic feet of packaging foam peanuts from being produced every 6 weeks. Reusing is better than recycling.

3. **We Burn Less Fuel & Electricity.**

Example, we changed to high efficiency catalytic heaters in our warehouse to get more heat from each unit of fuel burned. Realizing that is better not to burn it in the first place, we keep the temperature in the furniture zone of our warehouse set at 52 degrees. These steps have dramatically reduced our greenhouse emissions. We also use highly efficient electric forklifts and special highly efficient fluorescent lighting in our warehouse.

4. **We Reuse & Repair Whenever Possible.**

Example, we carefully maintain our delivery fleet to extend their useful life. And when confronted with the need to buy or replace we tend toward repairing. A recent example is when the engine and transmission gave out at the same time on one of our delivery trucks. We could purchase a new truck for 140% of the cost to repair the truck. When we considered all the non-sustainable acts involved to produce a new truck we ethically elected to repair the old truck even though it did not make immediate bottom line sense. We buy used whenever possible using something that has already been produced, is readily available and is serviceable is always a better sustainable choice. We carry out this ethic in offering recycled and refurbished Gen2 Steelcase furniture to our Systems Furniture customers.

5. **We Reduce Our Carbon Emissions.**

Example, flexible truck scheduling. One of the areas where we have made great advancements in reducing our emission of greenhouse gasses in our implantation of Flexible Delivery Manifest System. The routes we must take to deliver to our customer's changes daily depending on who ordered, where they are located and how much they ordered. To respond to this constantly changing delivery requirement we use flexible daily routing of our

delivery fleet to maximize route efficiency and truck running time. Each day we alter our delivery routes to shorten the time Keeney's trucks are on the road. These efforts have enabled us to grow as a business, with more deliveries, and to do them with fewer trucks. Having no engine running is better than an efficient engine running. When appropriate, we also utilize the services of a local delivery company to reach far-flung outlying areas. Their trucks are in these non-core areas already and we are not wasting resources driving from centralized delivery areas to marginal areas.

Our commitment to sustainability recognizes that all business activities are derived from or take place in the natural environment. With both a long term perspective and a realization that we are in a closed system it is easy to see that what is good for the environment is also good for our customers. And being interconnected, what is good for the environment and customers is also good for our employees and good for our own business as well. We also realize that there are no quick fixes. By paying attention to detail and by being a consciously engaged participant we can all reduce the negative impacts of normal business activities and enjoy the resulting efficiencies.