



Sustainability Report | 2016

**OFS BRANDS**



“WHAT YOU MAKE PEOPLE FEEL IS AS  
IMPORTANT AS WHAT YOU MAKE.”

- HANK MENKE

## LETTER FROM OUR CEO

OFS Brands' long term sustainability originates from its people. We exist by serving those people well. We strive to satisfy our customers, challenge our employees and support our communities. Our family-owned business has operated for 79 years using common sense and respect for the land and our people with a mission:

“To make every customer feel like our only customer. To show how integrity and ingenuity can solve problems. To prove that dedication and loyalty are still the best ways to build relationships. To find ways of increasing productivity, while decreasing our environmental footprint and to continually evolve our family of brands to meet today's furniture needs and anticipate tomorrow's.”

Over the past several years “sustainability, resiliency and responsibility” have become ubiquitous terms to describe a way of conducting business that focuses on including factors other than profits to exhibit the success and value of a company. Our company has always considered this just “going to work.” Taking care of the environment and helping to enrich the lives of those around us are responsibilities with the same level of significance as on-the-job performance and putting in a hard day's work. This premise was ingrained in our values at inception many years ago, and I feel where we are today is proof of the importance we place in serving our people.

The following report is a detailed compilation of key topics regarding our sustainability strategies, challenges and impact areas. We hope it illustrates our extended efforts to positively impact the areas in which we work and live. Thank you for interest and taking the time to review this report.



## COMPANY OVERVIEW

OFS Brands is a privately held, family owned company celebrating over 80 years of manufacturing exceptional furniture and wood products. We have emerged as a leader in the contract furniture industry by driving the re-engineering of the modern workplace, hospital, classroom and public space with exciting new product platforms that are designed to address today's institutional environments across the globe.

We design and manufacture furniture solutions that help our clients to be agile and responsive to the changing needs of their associates, patients, students and visitors. Our expertise includes, but is not limited to the following:

- Office furniture for individual and group work spaces
- Conferencing furniture for formal and informal meeting spaces
- Patient centric products to assist in the healing process from admitting spaces to treatment rooms
- Hospitality solutions for cafes, lobbies and private rooms
- Lounge furniture for informal or casual group spaces
- Technology support furniture for individual focused work and group meeting spaces
- Conventional furniture including task seating, desks, side chairs, filing and storage units and accessories

OFS Brands employs approximately 1650 people and is headquartered in Huntingburg, IN with facilities in Archdale, NC, Leitchfield, KY, and Huntington Beach, CA. We are comprised of five distinct furniture brands; OFS, FirstOffice, Carolina, Loewenstein and Highmark. We also operate Styline Logistics, the largest logistics fleet in the contract furniture industry. We are dedicated to our mission with a culture that supports our core values of Empathy, Simplicity, Teamwork, Accountability, Appreciation and Stewardship.



## COMMON GROUND

## COMMON GROUND

For four generations, our family business has thrived by aligning ourselves with talented and passionate people. Those who inspire innovation, celebrate achievement, and strengthen our communities. Finding common ground between our customers, our colleagues and the communities we serve helps us make responsible decisions that benefit everyone. With everyone pulling together, we can positively impact the areas in which we work and live. At OFS Brands, people make up the common ground upon which we have built nearly a century of success, and they will continue to be the foundation for our sustainable growth.

### CUSTOMERS

- Quality & Craftsmanship
- Conservation of Resources
- Product Stewardship
- Transportation

### COLLEAGUES

- Health & Wellness
- Safety
- Education

### COMMUNITY

- Charity & Volunteerism
- Supply Partners
- Acanthus Row
- Economic Development



# CUSTOMERS

OFS Brands treats each customer as our only customer, delivering solutions designed to meet today's needs and anticipate tomorrow's. Our ability to craft quality products and services is what attracts customers to us. Our commitment to crafting sustainable relationships makes them feel good about coming back.



## QUALITY & CRAFTSMANSHIP

The people of OFS Brands have an inherent sense of pride in our ability to craft quality products, quality relationships and quality service. Anything built with the intention of having the highest quality is ultimately built to be lasting and sustainable.

## PRODUCT DESIGN & DEVELOPMENT

OFS Brands collaborates with interior and industrial designers to develop innovative furniture that exceeds the functionality requirements of the user while minimizing the amount of materials required for production. This Design for the Environment approach greatly reduces the amount of material required to produce our furniture products, while also incorporating some of the core principles of green building design.

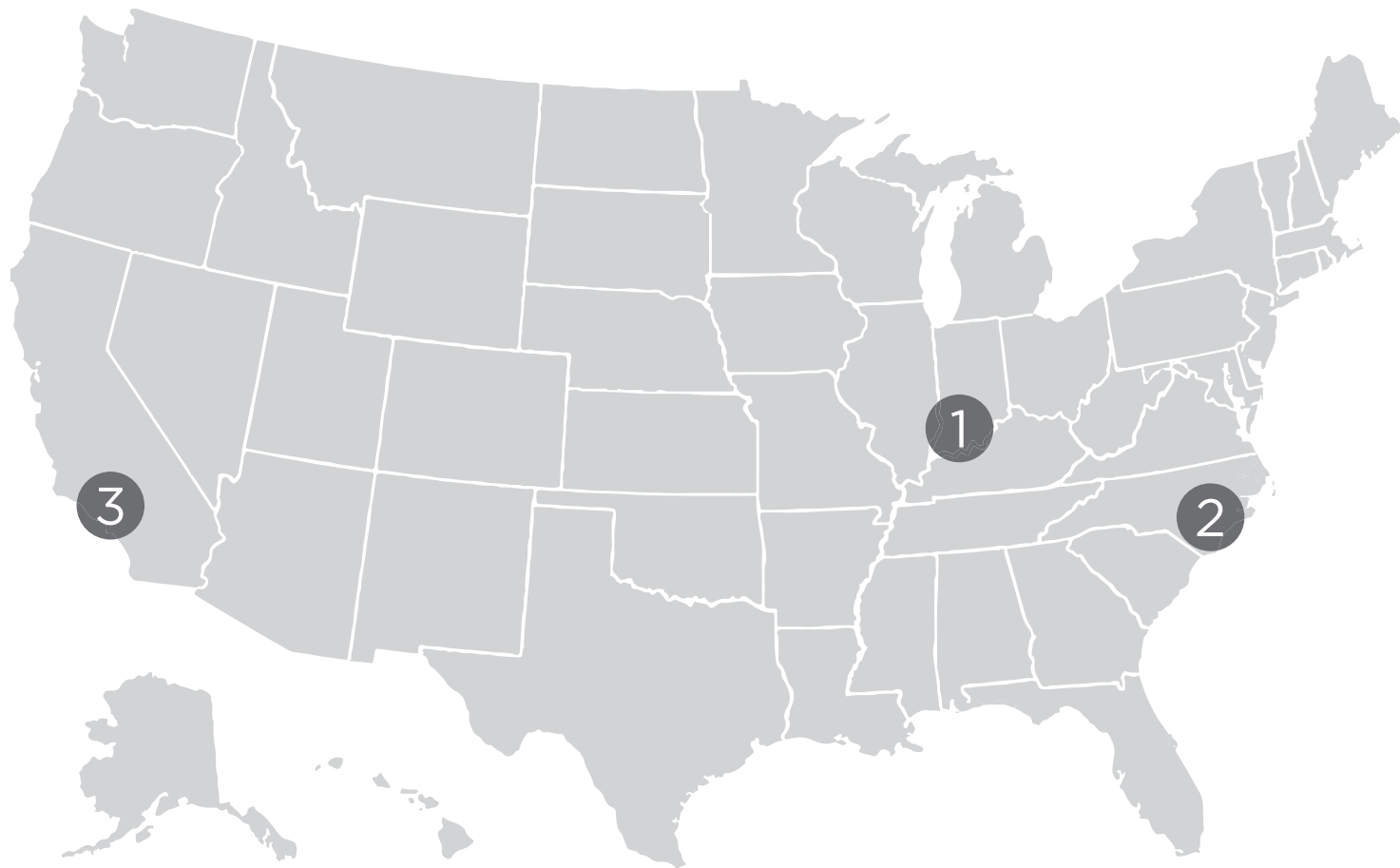
Considering functionality, aesthetics and environmental performance into each product design we are able to satisfy customer demand while offering products that meet strict 3rd party environmental certifications.

OFS Brands has also initiated research into Chemicals of Concern avoidance within our furniture products. Following both Government and Non-Government Organizations' determinations of hazardous substances, along with the BIFMA e3 Sustainability Standard's Chemicals of Concern listing, we have initiated work with our supply chain partners to identify potential hazards within the composition of our products. It is the intention of OFS Brands to identify these chemicals, report on any inclusion into our products, and work to replace potential hazards with safer alternatives.

## PRODUCT DURABILITY

Test Lab Operations

In 2011 OFS Brands' in-house testing lab was established. This test lab is A2LA accredited (Test Certificate No. 3337.01). The accreditation assures our customers that our test equipment is accurate and we are following all required procedures. Having an in house testing lab has many benefits including the ability to quickly test new product developments or different aspects of a given furniture unit. This ensures us that a unit will meet specific requirements before the product design is completely finished. This ability alone can potentially save hundreds of hours of design and engineering time and facilitates new product introductions.



- 1 HUNTINGBURG, IN
- 2 HIGH POINT, NC
- 3 HUNTINGTON BEACH, CA

## MANUFACTURING ABILITIES

In 2016 OFS Brands operated under approximately 1,948,132 sq. ft. of manufacturing space within 17 different manufacturing, warehousing, and transportation facilities. Out of those 17 facilities, 13 are manufacturing facilities. We currently operate 4 as raw materials or supply factories. These 4 plants provide the cut veneer, dimensional lumber and cut core material used in the production of our products. One facility is an intermediate supply plant that receives multiple raw materials from our other supply plants and vendors, conducts veneer/laminate layup and edgebanding operations, machines components and ultimately supplies ready to assemble components to our finished goods facilities. The 9 remaining manufacturing facilities currently operating are finished product plants. Generally, these plants specialize in specific product types or categories due to different requirements for consolidation, material types, machine capabilities, capacity, employee expertise, etc.

While each of our finished goods facilities produces their primary products, they also have the unique ability to produce another plant's primary product when required. This occurs when over capacity of a single plant becomes an issue, expedited lead times are necessary for a customer, maintenance issues arise, we are exploring potential efficiency gains, or a number of other scenarios that would require this action. This flexibility in manufacturing attests to the deep understanding and crafting skills that our employees have for our each of our products. It is also evidence of the innovative management of our operations and the willingness and ability of all associates to adapt in the face of change. This cultivates an atmosphere open to innovation and promotes an entrepreneurial spirit, new ideas and increases the job satisfaction of our hard working employees.

## AWARDS

### PRODUCTS

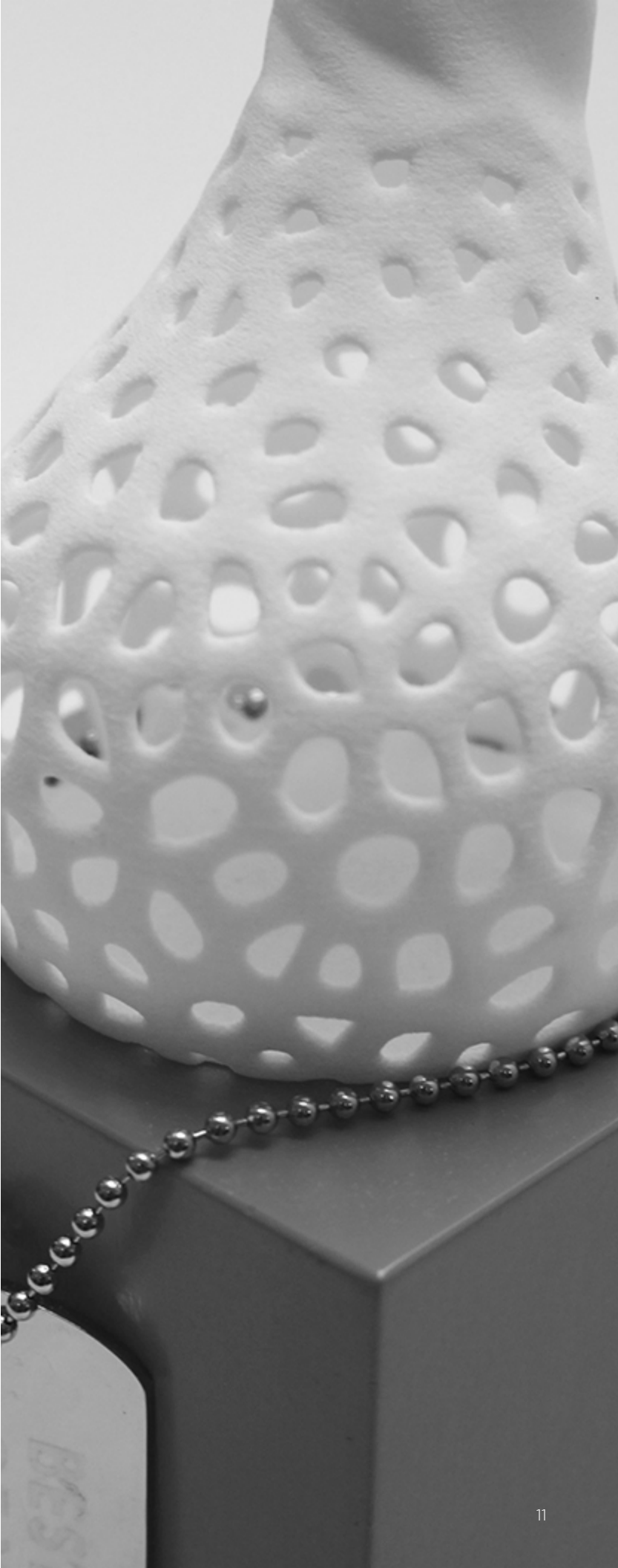
- Qove*  
2016 Interior Design Best of Year Award
- Whisper*  
2016 Interior Design Best of Year Award
- Aptos*  
2016 Interior Design Best of Year Honoree
- Preview*  
2016 Interior Design Best of Year Honoree
- Genus*  
2016 Interior Design Best of Year Honoree

### FACILITIES

- Corporate Office*  
American Heart Association Platinum Level Fit Friendly Recognition

### STYLINE LOGISTICS

- 2016 Indiana Motor Truck Associations's (IMTA) Indiana Fleet Safety Grand Champion
- 2016 IMTA Indiana Fleet Award  
For no Department of Transportation Recordable Accidents Over-The-Road Fleet
- Indiana Voluntary Protection Program (VPP)  
Recertification of Plant 5 Facility
- Indiana Department of Labor INSHARP  
Recertification of Plant 6 Facility





## CONSERVATION OF RESOURCES

At OFS Brands, we are all part of a culture with a deep respect for the natural world. We understand that our prosperity depends on the health and availability of our resources. Protecting our natural places, facilitating biodiversity and reducing energy, water and material use are essential factors to our continuous growth and sustainability.

## FORESTRY PRACTICES & HABITAT RESTORATION

OFS Brands founder, Bob Menke, created a culture of environmental consciousness dating back to the 50's, years before most people were concerned about protecting our natural resources. He and his wife Phyllis—inspired by their love for Audubon Camps, moved by the writings and lectures of Rachel Carson—are widely recognized for their contributions to preserving natural areas and encouraging multi-purpose forestry. Bob was intrinsic in establishing Indiana University's School of Public and Environmental Affairs, and lectured on campus at the first Earth Day in 1970.

Throughout Bob's life his writings on forestry management and wildlife preservation were widely published. He believed we must preserve and learn from natural systems, minimize the impact of chemicals, and consider the potential for human activity to disrupt ecosystems, all at a time when most were scared to speak these thoughts.

Bob and Phyllis' views on land stewardship and restoration continued into the next generations. From stories of Hank recruiting college friends to plant trees on worn out agricultural lands, to donated time and resources for community and industry education on the importance of ecosystem health, we continue to see the fruits of this labor.

OFS Brands has forest management certifications through the American Tree Farm Program and Forest Stewardship Council of well over 7,000 acres of family owned forestland. Specific parcels have additionally been enrolled in the Indiana Classified Forest and Wildlands Program.

In 2010, OFS Brands granted two plots of land to the Hardwood Tree Improvement and Regeneration Center [HTIRC], a collaborative regional research, development and technology transfer effort between industry, university, private, state and federal entities to advance the science of hardwood tree improvement, genomics, physiology, protection and utilization.

At OFS Brands Educational Campus, Cool Springs, we continually host local and regional educational activities for groups ranging from grade school field trips, and community groups to industry and government organizations.

## LEAN MANUFACTURING & MATERIAL EFFICIENCIES

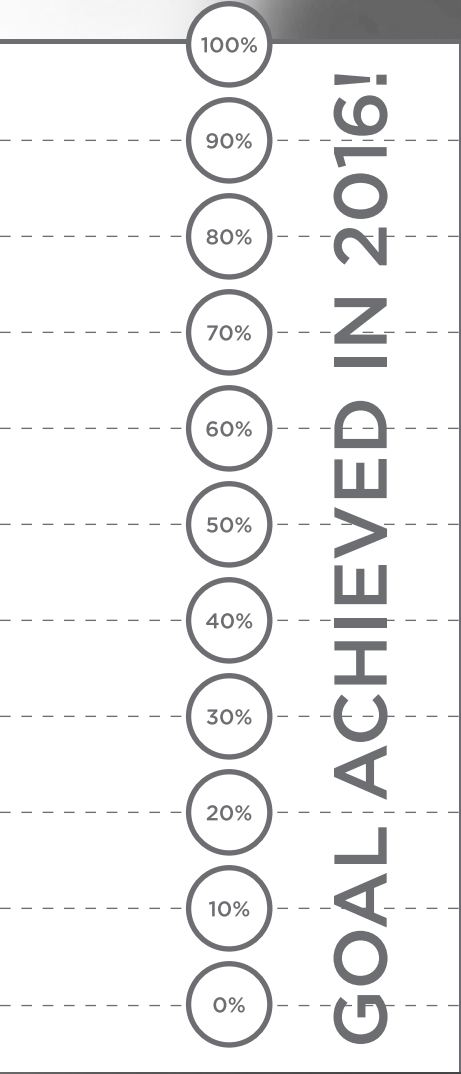
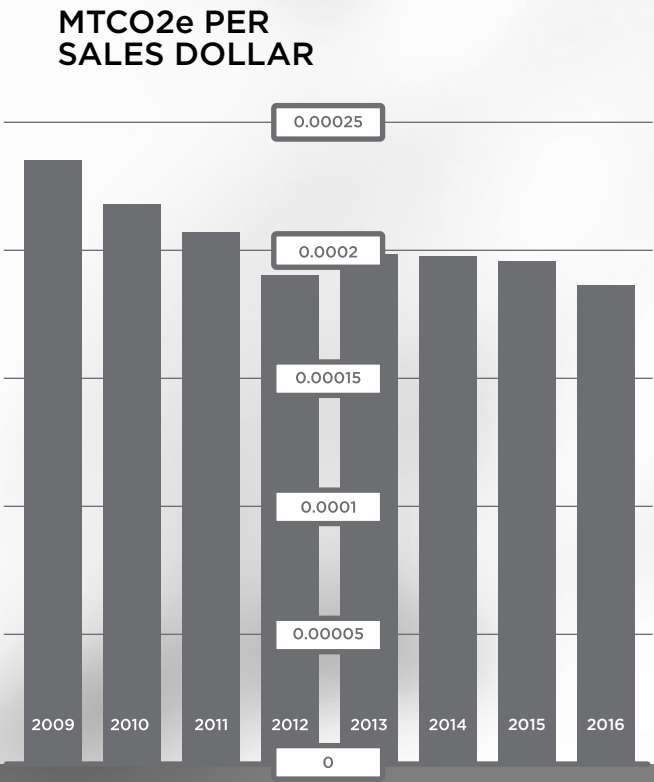
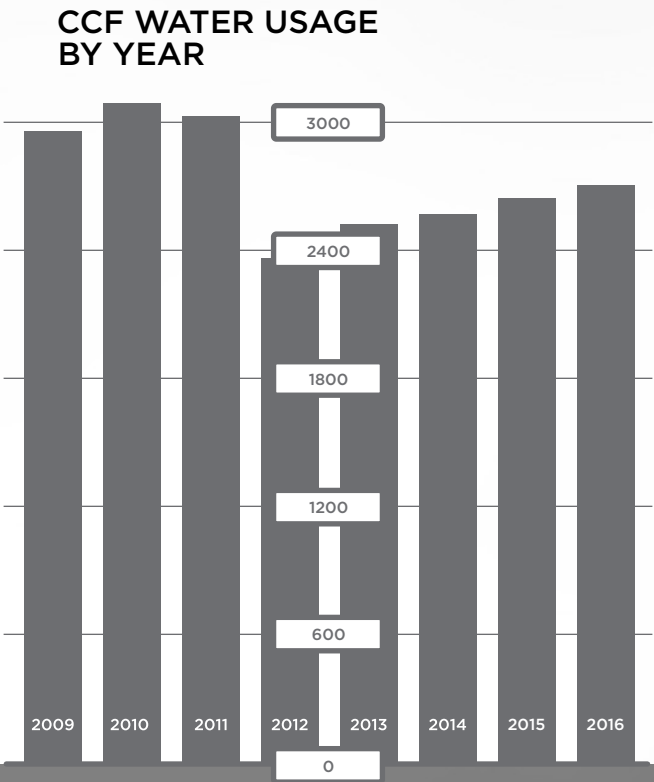
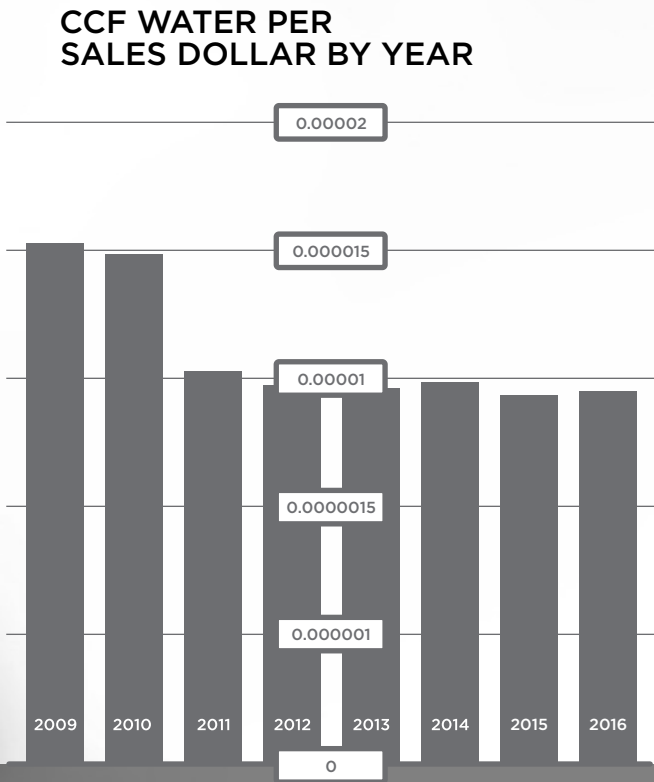
Lean manufacturing projects focus on reducing wastes and non-value added activities. Non-value added activities are defined as anything the customer is not willing to pay for. Lean Manufacturing activities can range from improvements to the shop floor flow to promotion of multi-functional associates who support flexibility and can quickly adapt to changing customer demands.

Reductions in waste are quickly realized during our manufacturing processes. Through the use of our optimizing software, we are able to create the best possible yields on a job-to-job basis, while cutting our raw board material. This initial process in the manufacturing of our furniture creates yields of approximately 74% for all cut board material. We also utilize off-fall from our board cutting processes to produce minor parts/components as well as pallets used to transport materials throughout our multiple manufacturing facilities. This DfE approach to our processes creates gained efficiencies and promotes a culture that enables all employees to participate in continuous improvement and waste reduction innovations.

## ENERGY, WATER & WATER MANAGEMENT

OFS Brands has an established recycling and reuse program. This program was created to divert as much solid waste from landfill disposal as possible, with an ultimate goal of 100% solid waste diversion. Additionally, we track all Water and Energy usage.

25% MTCO2e  
REDUCTION GOAL BY  
2019 FROM 2009 LEVELS



ENERGY

OFS Brands reports electricity, natural gas, bio-fuel, diesel fuel and gasoline usage to the Carbon Disclosure project. These are our main sources of energy and all are tracked continuously through the shared measurement of MTCO2e emissions.

VOLUNTARY CARBON REPORTING

OFS Brands voluntarily reports its Greenhouse Gas emissions through the Carbon Disclosure Project. Annually, we inventory our GHG emissions and report to the CDP. This practice increases transparency to our customers, colleagues and communities, and helps us to identify risks, opportunities and areas where we can improve in terms of climate change mitigation. (<https://www.cdp.net/en-US/Results/Pages/responses.aspx>)

WORKFORCE DEVELOPMENT

Conservation is not just about material resources. At OFS Brands we understand the importance of conserving human resources as well. Continuing education, investments towards vocational training, internships and on the job training are just a few examples of our commitment to our colleagues and their professional development. If our colleagues are advancing they bring the company and the community with them.

# At OFS Brands, we are all part of a culture with a deep respect for the natural world.



## PRODUCT STEWARDSHIP

We have learned a lot about our products through multiple studies and supplier conversations regarding all aspects of developmental processes and material components. This constant research has enabled OFS Brands to achieve various environmental certifications and recognition for our stewardship. Continuous and consistent research into our products will give us the ability to produce the most sustainable and healthy products now and well into the future.

## MATERIAL & OPERATIONAL TRANSPARENCY

OFS Brands is committed to the development of product Life Cycle Assessments. Using LCA studies as input into product development, or possible re-development, has given us insight into the best and worst aspects of our furniture products and their impacts on the environment. While we have learned a lot, we realize we have much more to learn. It is the intention of OFS Brands to compile the information we have and create Environmental Product Declarations that we can share with our customers.

We have also initiated conversations with our supply chain to begin researching and compiling information on chemical composition of the materials we source. This data, along with data from our LCA studies will help to develop Health Product Declarations and identify possible opportunities to replace harmful chemicals with safer alternatives. This work has allowed OFS Brands to

offer all of its upholstered seating products as Flame Retardant free, and has allowed our products to meet the strict requirements for LEED credit contribution, the Healthier Hospitals Initiative, and many other procurement standards.

## REGULATORY COMPLIANCE & INTERNATIONAL TRADE

It is imperative to the long term sustainability of OFS Brands that we closely monitor and communicate with each other the ever changing regulations that can affect our ability to conduct business. To properly comply with the many environmental and international trade laws we must have an acute understanding of the composition and origins of the materials that go into our products as well as the processes we use to produce them. Close communication with our suppliers and tools such as LCA are essential to OFS Brands reducing risks of non-compliance and preparing for future regulatory impacts.



## INDOOR AIR QUALITY

It has been shown that Americans spend approximately 90% of our time indoors and that our indoor air is 2 to 5 times more polluted than the air outside. These statistics alone are enough for OFS Brands to commit to providing the lowest emitting interior furniture products possible.

All of OFS Brands furniture products have achieved SCS Indoor Advantage and SCS Indoor Advantage Gold Certifications (use TM version). Indoor Advantage Gold certification is SCS Global Services' highest level of indoor air quality performance for furniture. The certification assures that furniture products support a healthy indoor environment by meeting strict chemical emission limits for volatile organic compounds (VOCs). To be certified, products must be tested by independent labs for compliance with the ANSI/BIFMA X7.1, and either ANSI/BIFMA e.3 or CDPH/EHLB Standard Method V1-1 for VOC emissions of concerns. A complete list of certified products and our product certificates can be found on SCS Global Services website: <http://www.scsglobalservices.com/certified-green-products-guide>



## BIFMA level CERTIFICATION

The BIFMA e3 Sustainability Standard, which provides the foundation for the level certification, is the multi-attribute, sustainability standard and third party certification program for the furniture industry. For more information on the level certification program and to view our certifications please visit [levelcertified.org](http://levelcertified.org).



## FSC® COC CERTIFICATION

To promote and support our commitment to responsible forest management OFS Brands offers all casegoods and tables as FSC® COC Certified (Forest Stewardship Council®). The FSC Standards represent the world's strongest system for guiding forest management toward sustainable outcomes. [fscus.org](http://fscus.org)

FSC certified products are manufactured with material that comes from managed forests that are traceable from the time the logs are cut to the time the final project is installed and are recorded by way of COC or chain of custody claim on all invoices.

The demand for certified forest products has grown significantly in recent years. OFS Brands' goal to act as a responsible steward of the environment encouraged us to pursue our FSC Chain of Custody (COC) certification back in 2007. This enabled us to procure and process wood fiber based materials that are certified under the most recognized global certification standard for responsibly harvested and/or recovered wood material. This provides our customer (Dealer, A&D community and end-users) the added reassurance that they have purchased furniture that meets the strict requirements of the FSC COC Standard

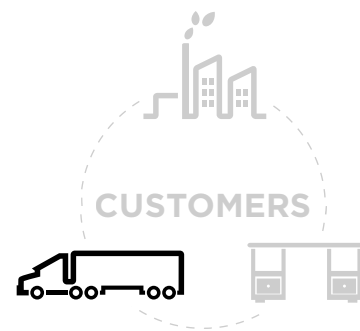
FSC certification is optional on many, but not all, OFS Brands' product lines. Please contact OFS Brands Customer Service for information in regards to which of our product lines are available as FSC certified, and what the necessary procedures are for ordering FSC certified products from OFS Brands. OFS Brands' FSC license code is FSC-C004808.



## USGBC & LEED

OFS Brands is an active member of the U.S. Green Building Council. The USGBC is the nation's foremost coalition of leaders working to transform the way buildings and communities are designed, built and operated, enabling an environmentally and socially responsible, healthy, and prosperous environment that improves the quality of life.

As a member of the USGBC, OFS Brands promotes the development of the LEED green building certification program. We offer products that contribute to LEED Certified projects and have committed to LEED certification of multiple OFS Brands locations throughout the country.



## TRANSPORTATION

Successfully operating a global business requires an incredible amount of logistics. The sheer number of inbound and outbound deliveries that affect our ability to conduct business requires intense planning and a streamlined management system. The orchestration of a high-performance, and well-tuned logistical system is essential to sustaining satisfied customers, operational optimization and access to new and emerging markets.

### EPA SMARTWAY PARTNERSHIP

In 2004, Styline Logistics became the first company in Indiana to join the U.S. Environmental Protection Agency's SmartWay Transport Partnership. The partnership is a voluntary program with the U.S. EPA that shows how shippers and carriers can gain economic benefits while mitigating their environmental impact.

*"As a responsible organization, we are always looking for new opportunities to give back to our employees, our community and our environment. Our partnership with SmartWay allows us to reduce emissions, increase earnings and continue to invest in our employees' futures."*

Ryan Menke, Senior Vice President, Sales and Marketing

To meet the SmartWay challenge to eliminate unnecessary truck engine idling, Styline Logistics employed many different policies, procedures and technologies that included auxiliary power units (APUs), reduced maximum speeds, automatic engine shutdown, automatic tire inflation systems, bio- and low-sulfur diesel fuels and new incentive programs. Since our partnership began in 2004 we have reduced our Carbon Dioxide

[CO<sub>2</sub>] emissions by nearly 18,000 metric tons (32%), our particulate matter emissions by 3,000 metric tons (58%) and NO<sub>x</sub> gases by 113 tons (82%).

This is yet another story in the long line of success the Partners have achieved to live and prosper in a clean environment, while enjoying and preserving our natural resources.

### ON-TIME & DAMAGE FREE

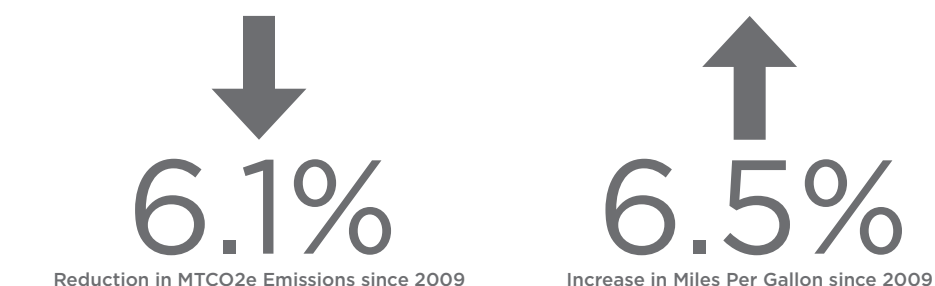
Styline Logistics has always provided quality transportation and logistical services for all the furniture manufacturing divisions of our parent company plus many other furniture shippers. We have years of experience in providing specialized handling for various types of furniture, from high-end office products to delicate home furnishings. This attention to quality and care is available to meet all your furniture delivery needs. To ensure damage-free handling we have well-trained loading teams utilizing hand trucks and special furniture handling equipment plus a fleet of air-ride trailers and experienced company delivery drivers to provide damage-free delivery services to your customers. All of our efforts are reflected in an industry leading 99.987% damage-free delivery performance for our customers.

## ACCIDENT FREE PERFORMANCE

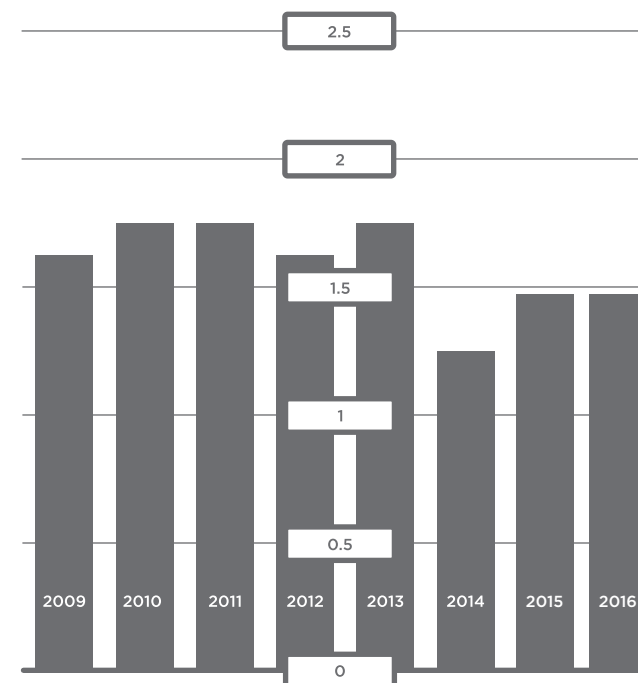
For operations during 2016 Styline Logistics received the Indiana Motor Truck Association's (IMTA) Indiana Local and Over the Road Fleet Award. This was attained by our local and OTR fleet driving over 1 million miles with zero accidents. In addition, Styline Logistics was named the 2016 Indiana Fleet Safety Grand Champion for the 3rd consecutive year and for the 5th time in the last 6 years. This award was achieved through a combined effort of our local and over the road fleet for driving the entire year with zero accidents in the State of Indiana.

## FUEL CONSUMPTION & CO<sub>2</sub> EQUIVALENT EMISSIONS

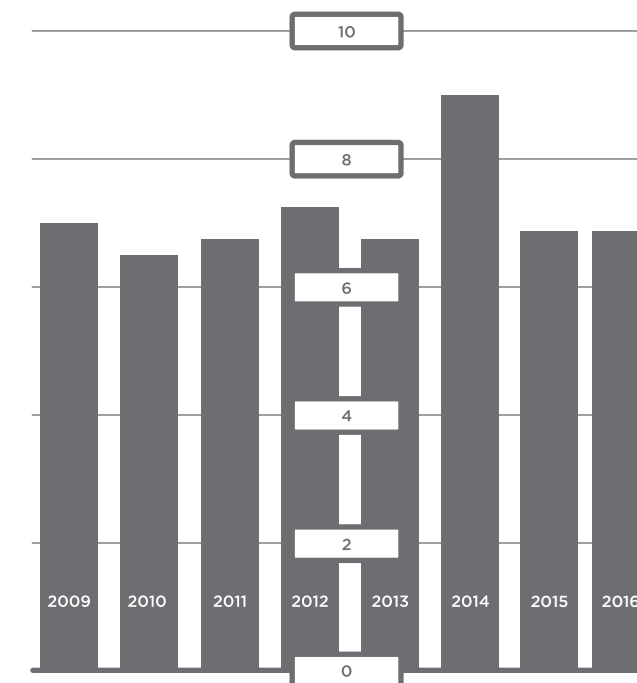
In 2016 Styline Logistics continued its reductions in CO<sub>2</sub> emissions. Styline observed a 6.1% reduction in MTCO<sub>2</sub>e per 1000 transportation miles from 2009 level. We continued to improve our fuel economy as well, realizing a 6.5% increase from our 2009 levels. This was accomplished by the continuation a number of initiatives. The most prominent being the replacement of older, less efficient, vehicles with newer modes and the implementation of a driver performance bonus program that incentivizes our drivers to operate as efficiently as possible. Through our transportation operations we emitted 25,024 MTCO<sub>2</sub>e in 17,743,644 miles in 2016 and used 2,462,968 gallons of fuel.



### MTCO<sub>2</sub>e PER 1000 MILES



### MILES PER GALLON





# COLLEAGUES

OFS Brands is passionate about serving our colleagues. We are committed to maintaining a safe working environment for our family of employees. We offer wellness initiatives designed to promote healthy lifestyles along with continuing education and training programs designed to maximize talent and foster personal development.



## HEALTH & WELLNESS

Offering a state of the art Corporate Fitness Center, personal trainer, multiple fitness programs and healthy lifestyle education to all OFS Brands employees exemplifies the company's commitment to the well-being of its people. Offering these options is an opportunity for the company to help create sustainable, healthy habits for its most valuable resources.

### 2016 CHALLENGE RESULTS

#### 2016 LEAN 16 - 8 WEEK CHALLENGE

- 44 participants
- 251.8 total pounds lost
- 47.2 pounds lost by top 3 females
- 44.1 pounds lost by top 3 males

#### 2016 SHIFT CHALLENGE THROUGH LIVE HEALTHY INDIANA PROGRAM

- 8 week program
- 55 participants
- 7 teams
- 3201 hours and 24 minutes of recorded activity including: walking, running or active work at home
- Out of 76 total teams in the state of Indiana OFS Brands achieved: 5th, 6th, 14th, 22nd, 29th, 31st, & 45th

#### 2016 PLANT 6 - 6 WEEK CHALLENGE

- 7 participants
- 62.8 total pounds lost
- 5.2% reduction in body fat
- 9.83 reduction in BMI
- 9 inch reduction in combined waist measurements

#### 2016 BACK ON TRACK CHALLENGE

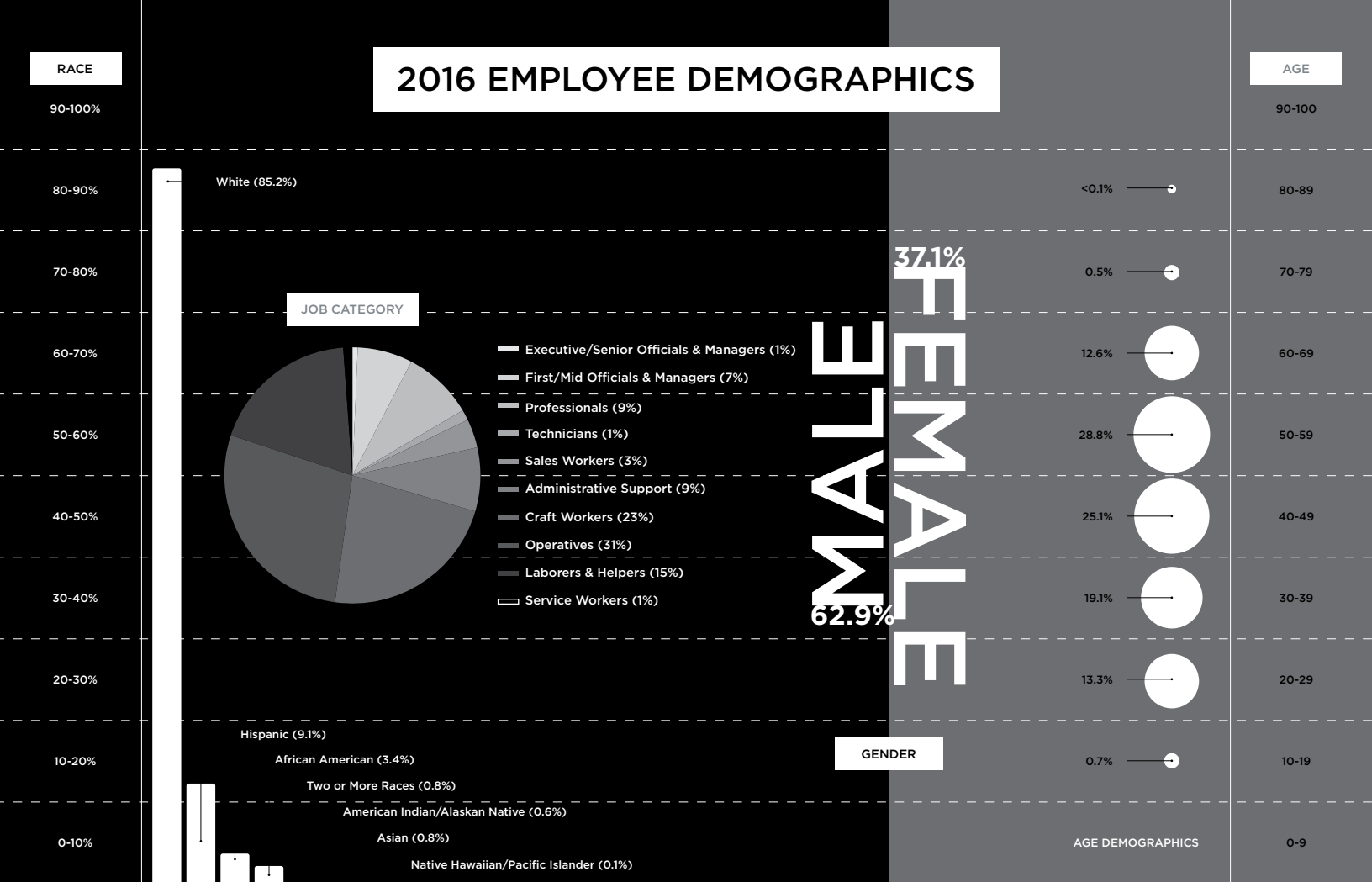
- 70 participants
- 292.6 total pounds lost from group of 70
- 32.5 reduction in combined waist measurements from group of 45
- 50.4% reduction in body fat from group of 45

In addition to the challenges listed above our Personal Trainer offers a number of regularly scheduled classes including, but not limited to: Zumba, High Intensity Interval Training (HIIT), Upper Body Sculpt, Lower Body Sculpt, Yoga and various other circuit workouts.

In 2016 we had a 12.7% increase in Wellness Screening Participation from the previous year. This is an impressive increase and can be attributed to our promotion of health and wellness in the workplace.

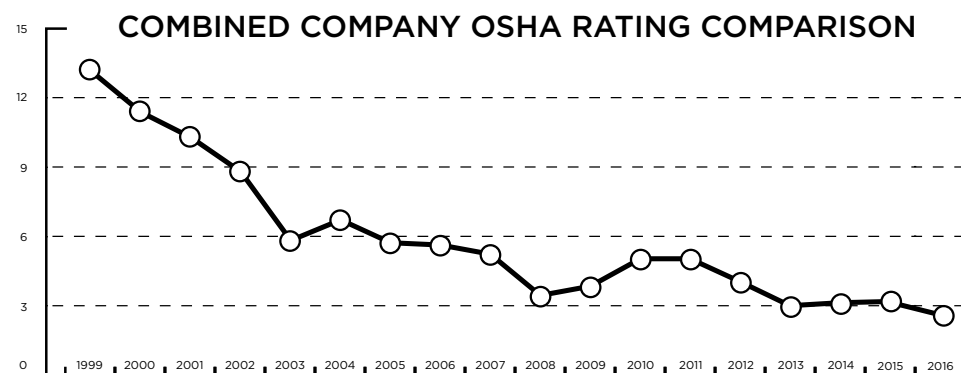


W E L L N E S S  
OFS BRANDS



## SAFETY

Our commitment to keeping our people safe in the workplace is an ongoing investment that helps to secure sustainable and trusting relationships. This is vital to the quality of life of our people and their peace of mind on the job. We believe that safety is necessary for the implementation of sound business principles and business sustainability. Our goal is always to completely eliminate workplace injuries.



## EDUCATION

Education is essential to personal and organizational growth. It is a necessity in creating clear understanding and communication between colleagues. Aspects that affect the way we conduct business can change rapidly and OFS Brands believes that continuing education for our employees, partners and customers will help to sustain our relationships and our future growth. We promote life-long learning.

## EXPERIENCE

At OFS Brands Educational Campus, Cool Springs, we continuously host local and regional educational activities for groups ranging from grade school field trips, and community groups to industry and government organizations.

We feel the best way to educate people about our values, how we operate and the attention to quality that we put into our products is by inviting them to personally experience. We have invested a lot into the “customer” experience. This experience incorporates many different aspects including, informative nature hikes with our forester where he discusses forest management and timber harvesting, manufacturing facility tours that reveal the amount of human touch received by our products in an ever more automated world, and an always intriguing stop at our Veneer Studio where our experts give a crash course on how to present the beauty hidden within our hardwood trees. Even our corporate office is a learning center; acting as a showroom displaying our latest products and their many applications.

This experience is not just limited to our customers. The corporate “tour” process is also incorporated into on-going training for our employees and interaction with our communities and local schools.



# COMMUNITY

OFS Brands views community stewardship as both an opportunity and responsibility. We believe deeply in supporting our communities with our time, talents and dollars. We seek partnerships with like-minded suppliers, and advocate for the economic development of our local communities.



## CHARITABLE CONTRIBUTIONS

OFS Brands, its employees and its founders have given countless charitable contribution dollars to help support local, regional and global community development. Giving back to the communities that support and have given so much to us creates opportunities for better quality of life, optimism and sense of togetherness.

## MAKE-A-WISH

Every year OFS Brands' employees band together to raise money for Make-A-Wish. This effort has become an organization-wide commitment with multiple fundraising events held throughout the year and is one of our largest group exercises in giving. Since 2003, OFS Brands employees have raised more than \$239,500 for the Make-A-Wish Foundation and granted more than 40 wishes to children, mostly in our local area. For more information on our Make-A-Wish chapter please visit their website at [oki.wish.org](http://oki.wish.org).

## MENKE CHARITABLE FOUNDATION

Bob and Phyllis Menke established the Menke Charitable Foundation in 1961 to pool family resources as a source of philanthropy focused on economic development and community outreach programs. Over the past five decades the impact of this organization has been felt by generations of community members.

## UNIVERSITY OF EVANSVILLE SCHOLARSHIP

In 2014, the creation of two University of Evansville scholarships benefiting Dubois County, Indiana, residents were established. The Phyllis and Robert H. Menke, Sr., Dubois County Endowed Scholarship and the OFS Brands Endowed Scholarship were made possible by a gift of \$2.1 million from the Menke family.

## THE MCMURTIE PRESERVE

Bob and Phyllis Menke donated the McMurtrie Preserve to the Star Prairie Land Preservation Trust. The 63 acre property is located on the southeast shore of Cedar Lake near Star Prairie, WI. The property contains a diversity of wildlife habitat including wetlands, hardwoods, oak savannah and pine plantations.

Preserving tracts of undeveloped land along rivers and lakes is one way to protect water quality and habitat and the Menke family donated the land with these concerns in mind. With the donation they ensure that the property will remain in this natural state forever.

The McMurtrie Preserve is available for education programs such as nature walks, photo workshops, science classes and scouting programs. The outdoor activities available are limited only by your imagination. For more information on The McMurtrie Preserve please visit [www.starprairielandtrust.org](http://www.starprairielandtrust.org).

## HUNTINGBURG EVENT CENTER

In 2008 the city of Huntingburg completed construction of the Huntingburg Event Center, a 24,000 square foot facility created for the current and future needs of the community.

The Event center is utilized for functions including corporate events, trade shows, proms, weddings and any activities that may require a large space in a banquet hall setting. This community center was built through funds raised in and around the community.

The fund raising efforts were initiated with donations of over \$1 Million from Bob and Phyllis Menke and OFS Brands. Further donations of time, money and furniture from the Menke family and OFS Brands helped to create the Event Center and an invaluable service to the community. For more information on the Huntingburg Event Center please visit [www.huntingburgeventcenter.com](http://www.huntingburgeventcenter.com).

## HUNTINGBURG OLD TOWN HALL ENDOWMENT

In 1992, Phyllis Menke and her mother Marian McMurtrie established the Huntingburg Old Town Endowment. Different from other endowments, this fund didn't focus on awarding scholarships or aiding nonprofits, but recognized the irreplaceable history that was embedded in the building that was Huntingburg's first town hall.

Restoring the building using materials from the Old Huntingburg High School, Phyllis and others went to work, refurbishing the building and reinstating the beautiful history it represents.

Now, with the annual support of this endowment, the "Old Town Hall" will remain a historical landmark, forever preserving the memories it holds for its community.

## A KID'S PLACE

Along with annual monetary donations, OFS Brands donates time and furniture to support A Kid's Place. A Kid's Place is a not for profit organization that exists to provide a safe, developmentally appropriate environment for infant through school age children. Their focus is to provide a stimulating early care and educational experience which promotes each child's social/emotional, physical and cognitive development. Their goal is to support children's desires to be life-long learners. [www.akidsplace-huntingburg.org](http://www.akidsplace-huntingburg.org)

## FURNITURE DONATIONS

As a furniture manufacturer we find ourselves with many opportunities to donate furniture products to assist certain organizations. Some notable donations have been given to Furniture for Kids, Designs for Dignity and A Kid's Place.

In 2016, OFS Brands donated over \$142,000 worth of furniture to various organizations both locally and across the nation.



## VOLUNTEERISM

One of the most respected ways to serve the community is by sharing time and non-monetary resources. OFS Brands, and its dedicated employees, commit hundreds of hours to the service of their communities. In so doing, loyal relationships are created, goals are exceeded, and appreciation thrives.

## JUNIOR ACHIEVEMENT

OFS Brands believes in the mission of Junior Achievement. Our employees have partners with Junior Achievement and our local schools for many years and have helped to enrich the minds of our youth.

Junior Achievement is the world's largest organization dedicated to educating students in grades K-12 about entrepreneurship, work readiness and financial literacy through experiential, hands-on programs.

Junior Achievement programs help prepare young people for the real world by showing them how to generate wealth and effectively manage it, how to create jobs which make their communities more robust, and how to apply entrepreneurial thinking to the workplace. Students put these lessons into action and learn the value of contributing to their communities.

## ADOPT-A-HIGHWAY

OFS Brands partnered with Indiana Department of Transportation [INDOT] to clean up a portion of State Highway 64 in Southern Indiana.

Our landscape is littered with trash that people throw from their vehicles and this is hiding Indiana's scenic beauty. In joining forces with INDOT, we can significantly help reduce the roadside trash problem. This not only improves the look of our community, but also uncovers some of Indiana's natural heritage.

## JAKE'S DAY

In September of 2016 OFS Brands hosted the 3rd annual Wild Turkey Federation Jakes (Juniors Acquiring Knowledge, Ethics and Sportsmanship) Day at the Cool Springs facility. Over 300 kids participated in the event that teaches about shooting, archery, trapping, safety in the field, a number of other outdoor skills, ethics and sportsmanship. The event is organized by the Patoka Valley Limbangers, a local National Wild Turkey Federation Group, with the support of OFS Brands, the Cool Springs property and facility personnel.

CURRENT BLEND

Current Blend, Inc., a nonprofit organization dedicated to creating new business and attracting talent to the region, will be opening the county’s first co-working collaborative workspace in May.

Collaborative workspaces are designed to bring entrepreneurs with different skill sets under one roof to promote interaction and business development. Current Blend will feature a beautifully designed space plan with modern, open-concept furniture through a partnership with OFS Brands and the Menke family in Huntingburg, Indiana.

This co-working space is the first step by local business-owners and community leaders to ignite local entrepreneurship and support established businesses. As this group began to formulate their goals and action plans, the historic Parker House building in Huntingburg, purchased by the Menke family for preservation, became available. Cory Menke enthusiastically supported the endeavor by providing access to the Parker House.

AMERICAN RED CROSS

Every year OFS Brands partners with the American Red Cross and hosts two Blood Drives. The lifesaving contributions given during these drives is a meaningful experience for many of our colleagues and benefits accident victims, cancer patients, surgical candidates, children with blood disorders and many others.

During the blood drive in 2016, OFS Brands employees exceeded our donation goal by 28%. In total, we had over 64 generous donations in 2016. Considering each pint of blood has the potential to save 3 lives we were able to potentially give a second chance to as many as 192 people.

TEACHER BOOTCAMP

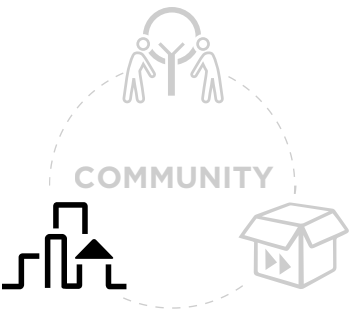
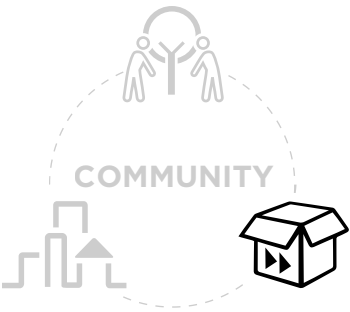
In June of 2016, OFS Brands teamed up with local manufacturers and the Grow Southwest Indiana Workforce Investment Board, Inc. to host the first ever Dubois County Teachers’ Manufacturing Boot camp. This workshop is designed to train educators in manufacturing skills and processes. This year 15 educators from Dubois, Pike and Perry counties participated in the training. The goal was to equip educators with knowledge about the local manufacturing industry so they may guide students with applicable skills towards available careers.

Increasing Indiana’s manufacturing interest would indeed seem like a win-win situation for this industry, which currently earns more than all other industries in the state by at least 20 percent and makes up 35 percent of Dubois County’s earnings. The five sponsors of this workshop together employ approximately 20,000 people and still have demand for more workers. However, despite the size of the industry, some companies are currently experiencing lower recruitment numbers than they desire.

Throughout the training, the educators are taken on tours of the manufacturing facilities so that they may observe and interact with modern manufacturing processes. They get to witness first-hand the upward mobility opportunities these companies and the industry itself offer to young workers, and are strongly encouraged to utilize those experiences and methods in their classrooms and guidance offices.

The benefits local manufacturers acquired from this workshop are great, but the benefits enjoyed by the community will be even greater. OFS Brands and the other sponsors have found a way to both combat unemployment and enhance their own businesses by making an effort

to recruit younger generations of workers. The teachers and guidance counselors who attended this workshop will now have experience as manufacturers as well as educators, broadening their own knowledge and diversifying their future methods of teaching and advising. Armed with these new experiences, educators will have the tools to guide their students into stable, growing careers that are available just a few miles down the road.



SUPPLY PARTNERS

At OFS Brands we associate with supply partners that share our values. We view our supply partners as extensions of our organization and it is important that our visions of sustainable growth are well aligned. Our largest supply partners each have their own commitments to their communities and social sustainability

OFS Brands, along with many of our supply partners, give to a number of national not-for-profit groups devoted to the betterment of society. These include Habitat for Humanity, United Way, The American Cancer Society, Juvenile Diabetes Research Foundation, Alzheimer’s Association, Boy Scouts of America, The Common Thread For the Cure and many more.

ECONOMIC DEVELOPMENT

Being an advocate for continued economic growth within our communities is a practice that supports the sustainable development of OFS Brands. The growth of our economies and improvements to commerce result in added benefits and improved quality of life for our people and their families.

COMMUNITY PARTNERSHIPS

OFS Brands is involved with several economic development organizations in our local community. These include the Dubois County Community Foundation, Dubois Strong and the Huntingburg Chamber of Commerce.

These organizations are committed to the success of, and provide investment dollars and support to, small startup companies, not-for-profits and expanding businesses. For more information please visit their websites at:

[www.dccommunityfoundation.org](http://www.dccommunityfoundation.org),  
[www.duboisstrong.com](http://www.duboisstrong.com) and  
[www.huntingburgchamberofcommerce.org](http://www.huntingburgchamberofcommerce.org).

STELLAR GRANT

In 2014, with help from many volunteers, public figures and community leaders, Huntingburg, IN was designated as a Stellar Community by the State of Indiana. Along with this honor comes a \$10 Million grant to be used for development projects within the city. OFS Brands agreed to donate \$150,000 over the next 5 years to help facilitate project developments.

The Menke family and OFS Brands are proud to be part of this successful effort and extremely pleased in knowing that these funds will be available for future infrastructure projects that promote business and community in Huntingburg, IN. [www.stellarindiana.org](http://www.stellarindiana.org)

2016 SUSTAINABILITY SNAPSHOT

74%	yield for all cut board material
755,433	pounds of recycled metal, plastic, paper, cardboard, thin film and banding
8164	wooden pallets recycled
1345	tons of wood waste used as bio-fuel
\$68,703	avoided landfill costs due to recycling efforts
8730	pounds of E-waste recycled in 2016
3432	gallons of dirty solvent and finish material recycled into usable cleaning solvent
1071	metric Tonnes of CO2e reduction based on recycling efforts (excluding wood materials)
\$3,497,040	value of FSC Certified wood products sold
7100	number of FSC and America Tree Farm Program certified acres of company owned forestland
384,910	metric tonnes of CO2 held within company owned forestland
7698	metric tonnes of CO2 sequestered annually within company owned forestland
26,189	metric tonnes of CO2 emitted by all OFS Brands facility operations in 2016 through electricity and natural gas usage.
29.4%	percentage of electricity and natural gas usage that is offset by annual sequestration
6%	percentage of total mBtu produced through all facility operations created from renewables
49.9%	percentage reduction in gallons of water used per sales dollar from 2008 levels
26%	percentage reduction in MTCO2e per sales dollar from 2009 levels. Met 10 year goal of 25% reduction in only 4 years. (goal set in 2013)
\$248,000	amount of cash donations given to local, regional and national non-profit organizations
\$142,000	value of furniture donations in 2016
\$20,000	additional materials and labor donations for special non-profit fund raising events
64	units of blood donated by employees through Red Cross blood drives
213	level 1 certified seating products
99	level 2 certified casegoods, systems and tables products
312	products SCS Indoor Advantage Gold Certified
890	participants in employee health screenings
12.7%	increase in employee health screenings since 2014
643	pounds lost through recorded employee weight loss challenges
6.1%	reduction in MTCO2e per 1000 Transportation Miles from 2009 levels
17,743,644	transportation miles driven in 2016 (Highest ever)
6.5%	increase in Miles per Gallon from 2009 levels . This equates to 161,119 less gallons of fuel and 1,089,460 more miles travelled.
316	MTCO2e reduced annually through 2016 re-lamping efforts to LEDs.
80.4%	reduction in our combined company OSHA Rating from 1999 levels.
16.2%	reduction in our combined company OSHA Rating from the previous year (2015).

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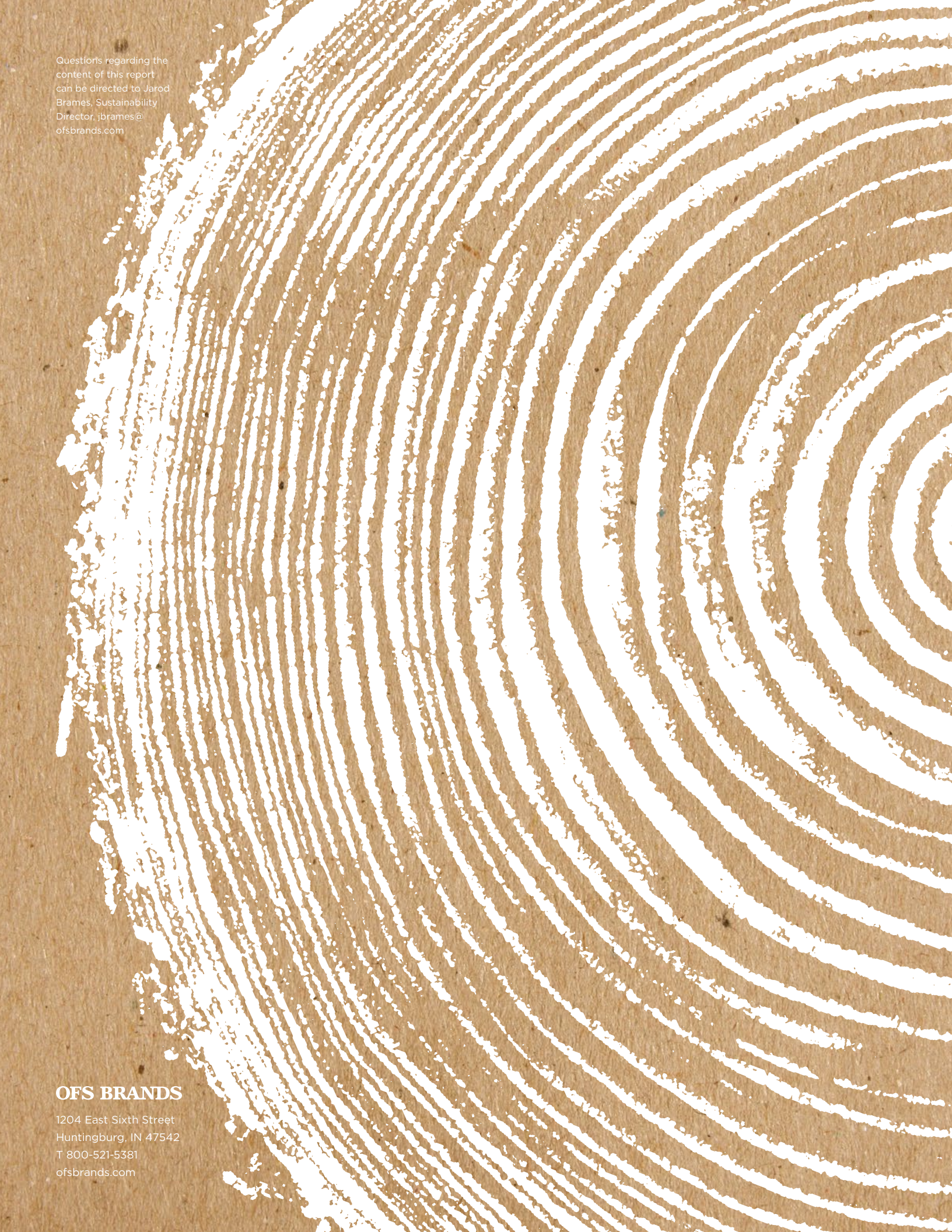
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OFS Brands creates an annual Sustainability report with consideration given to the core requirements of the Global Reporting Initiative [GRI] Sustainability Reporting Guidelines version G4. This report includes data from fiscal year Jan. 1, 2016—Dec. 31, 2016. Additional organization information, not found within this report, can be located at [www.ofsbrands.com](http://www.ofsbrands.com).



Questions regarding the  
content of this report  
can be directed to Jarod  
Brames, Sustainability  
Director, [jbrames@](mailto:jbrames@ofsbrands.com)  
[ofsbrands.com](http://ofsbrands.com)

## **OFS BRANDS**

1204 East Sixth Street  
Huntingburg, IN 47542  
T 800-521-5381  
[ofsbrands.com](http://ofsbrands.com)