Kfistudios

SUSTAINABILITY REPORT

The evolution of KFI Studios from a foam fabrication factory to a furniture manufacturing and design company has been a rewarding journey. For 30 years we've been driven to provide furniture that supports the ever-changing needs of our customers and just as importantly reflect our values as a company.

The following document illustrates our commitment to continue to positively impact the areas where we work and live.

We strive to produce high-quality products with a minimum impact on the environment. We commit to supporting our neighbors in our Historically Underutilized Business zone, and to maintain and improve upon leading a company where employees of all backgrounds are valued, supported and promoted.



OUR EVOLUTION

Previously known as Kentuckiana Foam, Inc., KFI Studios is proudly located in the historic Portland neighborhood of Louisville, Kentucky, at 1533 Bank Street.

Originally situated in Louisville's South End, KFI Studios moved to the Portland neighborhood in 1993 as part of the neighborhood's revitalization efforts.

20 years later, KFI Studios employs more than 50 people in this historic place.

The Portland neighborhood of Louisville has a rich local heritage and enjoys a legacy born of its past as an independent river port town.

KFI Studios reflects that independence of spirit as a long standing independent furniture business and manufacturer, hiring a diverse workforce, striving to soften our environmental footprint and participating with local charitable organizations to support the needs of our community.

The mission of KFI Studios is to create high-quality, beautifully designed furniture products that inspire and support living and working spaces, no matter where they are found. We are committed to delivering an excellent consumer experience and to adhere to the core values of operational excellence, including: Mutual respect, honesty and integrity in all interactions Opportunities for leadership and personal growth Environmental stewardship and community engagement Innovative products and processes Continuing education in marketplace Partnership with category innovators





1900s

Cola Distributing Center kept busy on Bank Street. We can still see the faint reminder on the building facade.

1960s



These old tin toys were just one item leaving the doors of the Toy Factory and Distribution Center.



1986

Kentuckiana Foam, Inc. becomes the new owner on Bank Street.

With a new vision for the future, KFI Seating became KFI Studios... and the evolution

continues.



kfi studios



1930s

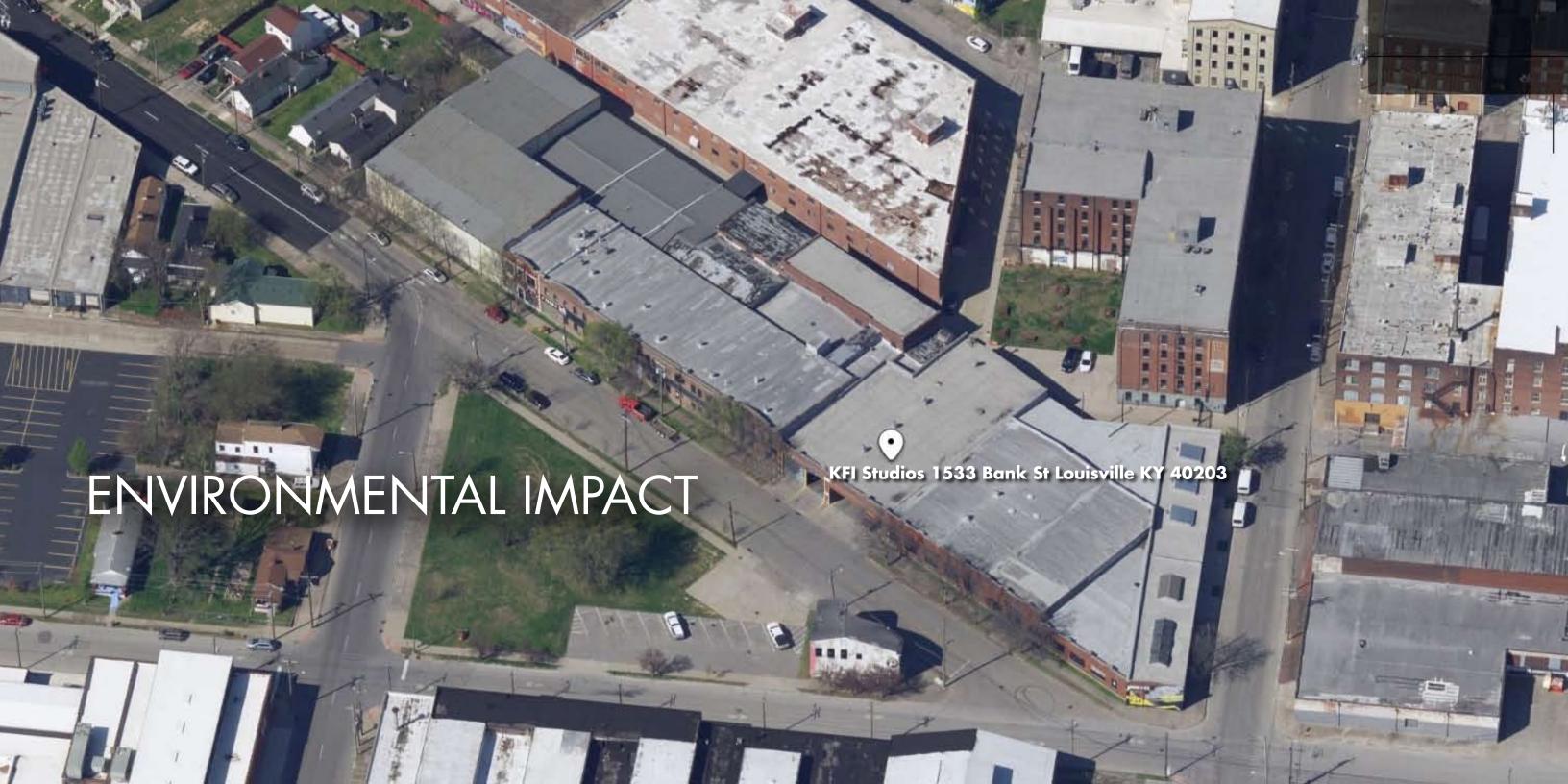
Motorola Factory was busy with production of Walking Talking for WWII. We became known as
KFI, and became a strong
presence in stackable
seating, hence the logo.













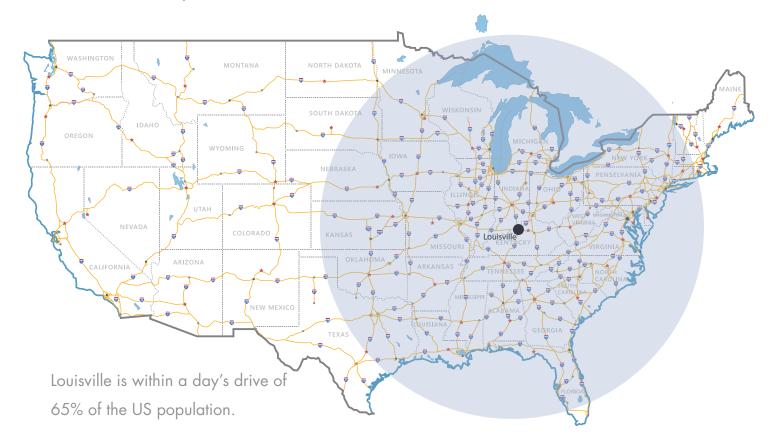
OUR PROGRESS

Conservation is not just about material resources. KFI Studios' commitment to the environment includes trade certifications, continuing education about our suppliers, as well as continued monitoring and measurement of our internal process.

We take environmental impact into account when selecting raw materials. We ensure that our production process makes the smallest environmental impact possible, and we appropriately recycle waste. We continually review the packaging of our product, using only the amount of cardboard, plastic or foam necessary to avoid the product being damaged during transport. The goal? To improve our conservation efforts across all aspects of our manufacturing.

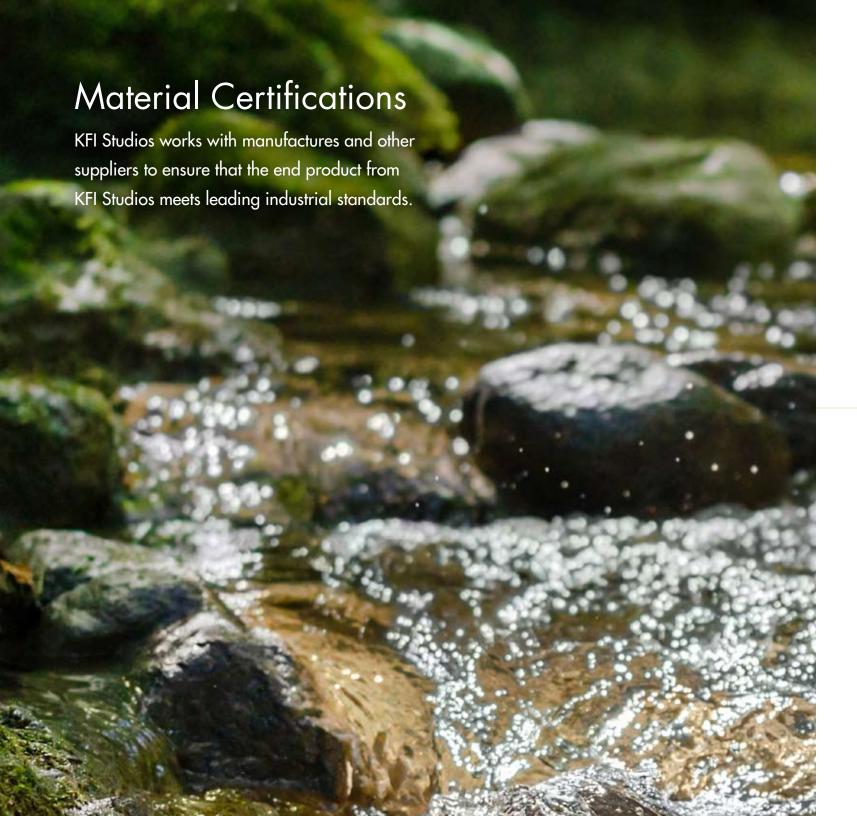
Transportation/Logistics

Our manufacturing facilities, located in Louisville, Kentucky is considered one of the best locations for logistics and distribution in the US due to its geographic location and infrastructure. It's within a day's drive of 65 percent of the U.S. population. It's centrally located on the I-75 corridor connecting Michigan to Florida. Louisville has major ground and air-shipping hubs (including UPS's World Hub), 20 interstates, major rail networks, and barge traffic on the Ohio and Mississippi rivers. All of this helps not only get your products delivered quickly, it can greatly reduce the amount of pollutants and carbon emission from transportation.



Energy Consumption

At this reporting, KFI Studios has been able to improve upon energy usage in ways large and small. From the replacement of all conventional lighting to LED lighting to a 30% increase in recycled material, to participation in IIDA's Zero Landfill program, the KFI Studios team is always looking for ways to improve.





Intertek Total County Assurance expertise, delivered consistently with precision, pace and passion, enabling customers to power ahead safely – as they firmly position Intertek as the trusted partner for end-to-end Total Quality. Assured.

See our results



Greenguard Certification is an internationally recognized product emissions certification labeling program for manufacturers oflow-emitting indoor products, furnishings, and materials.



KFI Studios works with manufacturing partners who certify their products through this membership-led organization.

Membership consists of three equally weighted chambers - environmental, economic, and social - to ensure the balance and the highest level of integrity Visit site



Certi-pur certification - developed by the foam industry in close collaboration with leading environmentalists, chemists, accredited laboratory research scientists, and furniture industry leaders. CertiPUR-US emissions and analysis methods are compatible with other standards such as Eco-label, LGA, Greenlabel and BIFMA criteria.

See details

Learn more

Making a Difference

The global effort to consciously care for our planet has led companies to consider zero-waste efforts not just out of concern for landfill waste, but also because of potentially huge cost savings.

When KFI Studios was asked to support a large local refurbishment project, we jumped at the chance to flex our upholstery skills and, most importantly, to keep nearly 3 tons of material out of the landfill.



Our Partner - Umage Copenhagen

For more than 3 years, we have worked with the design minds at Umage Copenhagen to bring their unique Scandinavian perspective to the KFI Studios product line. Umage fuses aesthetics, simplicity, and functionality with thoughtful craftsmanship and environmental care. The result? Exquisite design with sustainability at its heart.

In 2020 Umage committed to planting a tree for every wood design furniture piece sold. Over 5800 trees were planted in 2020 with resulting in the absorption of over 117K kg of CO2.

Many Umage products are flat-packed to optimize global logistics, reduce storage and transportation costs while making their designs more accessible and affordable. With this process, they minimize their carbon footprint and maximize their commitment to environmental responsibility.

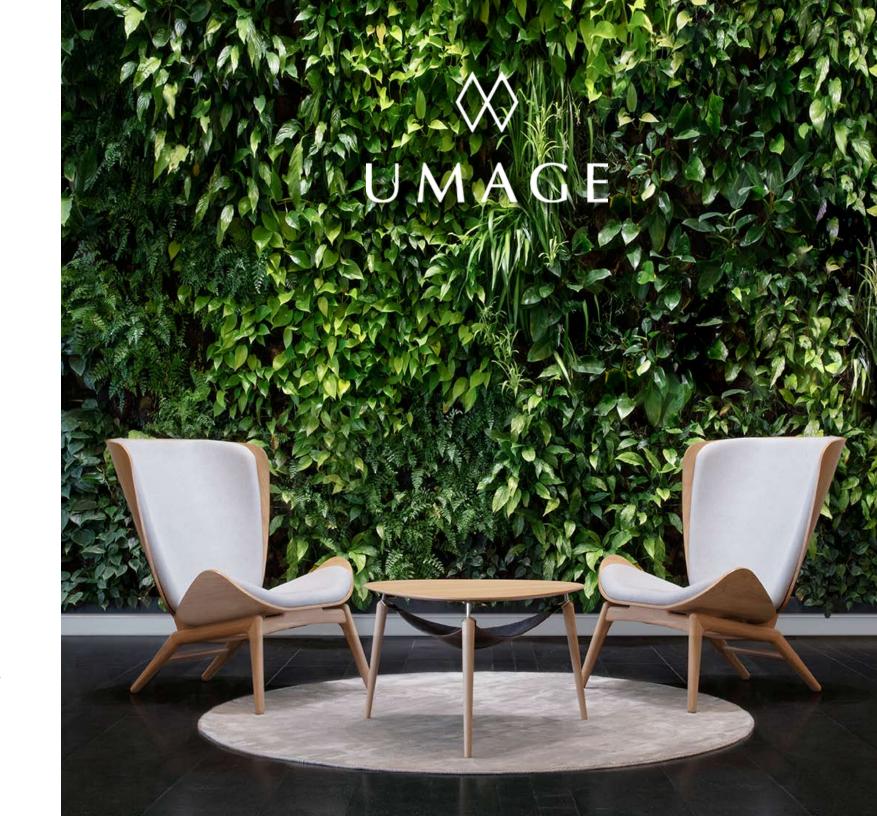
Furthering their commitment, all Umage furniture products can be separated into individual elements for recycling.

Reducing Plastic Waste



Umage is a dedicated partner of the organization Plastic Change – Copenhagen.

Plastic Change is a global leader in the fight against plastic waste. They work to reduce increased plastic production by, among other things, eliminating unnecessary disposable plastic and setting a better framework for more recyclable packaging.





IIDA CHIO KENTUCKY Chapter ZEROLANDFILL

Zero Landfill is an award-winning upcycling program held seasonally that supports the supply needs of local artist and art educators while reducing pressure on local landfill capacity.

KFI Studios' participation in 2019 invited architecture and design firms, dealerships and manufactures to voluntarily bring in discontinued materials for secondary use by the art and artist community of Louisville and Southern Indiana.

Through these efforts we were able to divert nearly 1500 lbs of discontinued material samples, which can hold value for other audiences.



Textiles

KFI Studios carries a wide array of textiles from manufactures across the country and our graded-in programs feature products that have a sustainability story to tell.

Just as important to the process we employ when selecting and designing new products, we take care to consider the partners we work with. We take an interest in their background and sourcing processes before incorporating their products with our own.

Cortina Leather

Our partner, Cortina Leather, has been recognized time and again be leading environmental agencies. Leather is a natural and sustainabile by-product of the food industry and is biodegradble as well as long-lasting.

Timeless and Enduring, leather's appeal lies not only in its beauty, but in its sustainability as well.

Maharam

Through ISO 14001, Maharam is committed to minimizing the environmental impacts of it's business practices, including reduction of energy consumption, water consumption, paper consumption, and a reduction of waste through recycling efforts in offices and plants.

Natural fibers sourced from animals or plants which can be replenished in less than 10 years are considered rapidly renewable and reduce dependance on non-renewable resources.















Mayer Fabrics

Mayer Fabrics is committed to support the American Textile industry and strive to deliver quality-driven designs. From their sustainability statement, "Environmetal regard is given to all aspects of our product beginning with material origins and ending with possible post-life impacts. As the benefits of sustainability become more apparent, so do the prospects."

Natural fibers sourced from animals or plants which can be replenished in less than 10 years are considered rapidly renewable and reduce dependance on non-renewable resources.

Ultrafabrics offers environmentally conscious materials concerned with the long-term impact on our present and future lifestyle. As harmony with human and environmental interaction is important to Ultrafabrics, PVC free, and low VOC (volatile organic compound) attributes ensure a sustainable presence within your inner and outer environment.

> Ultrafabrics utilizes efficient manufacturing processes that are based on conservation of raw materials, toxic-free solutions, and minimal dependency on natural resources.

> Ultrafabrics' standards have been regimented to meet emissions and environmental criteria mandated.





UltraFabrics







As a leader in the contract textile market, Momentum Group seeks to continuously improve practices in order to manage and minimize environmental impacts. We strive to continually find innovative ways to reduce our overall environmental impact and carbon emissions by utilizing solar energy at headquarters, initiating the memo sample return program and fabric tube recycling which cannot be gained through reduction and conservation.









OUR COMMUNITY

Portland Neighborhood

KFI Studios is committed to the stewardship of our community. We participate and partner with many of our community members and businesses to support local community development.

Connecting with our community creates opportunities for a better quality of life and supports a sense of togetherness. As a responsible organization and good corporate citizen we are often looking for new ways to support our neighbors.



Neighborhood House -

Established in 1896 as the first ever Settlement house in Kentucky, the Neighborhood House mission is to provide individuals with opportunities to enhance the quality of their lives, and their vision is to break the cycle of poverty for Portland neighbors and families. Over the last several years, KFI Studios has donated up to \$25,000 to support their annual holiday party, adopt families during the holidays and provide chairs and tables for their facilities.

Love City -

The Love City core values are perfectly aligned with those of KFI Studios – Love Everyone, Honor Everyone, and Build Up Everyone. Being a neighbor is living in community with those around you. Community can be found in parks, schools, and community events. Love City has partnered with local schools, community events, and parks to offer programs, support, and community-wide events. KFI Studios has donated \$20,000 in chairs, stools, and tables to support their technology center, as well as beam seating for their basketball gym and bike drive support for underprivileged kids.





Habitat for Humanity -

Over the last 2 years, KFI Studios has donated \$10,000 in furniture products to Habitat for Humanity's Portland neighborhood location. Habitat for Humanity is an international, non-governmental, and nonprofit organization, which was founded in 1976. Nearly 90% of the Portland neighborhood branch's funding goes to support affordable housing programs.



Free 2 Hope -

KFI Studios support of Free 2 Hope included the provision of 100 lunches every Monday during the Covid-19 Pandemic. Free 2 Hope's facilities are located at 2539 Main street in the Portland neighborhood and their services support victims of domestic violence and sex trafficking. Our total commitment YTD to Free 2 Hope is \$6,000



Portland BBQ -

Lack of access to healthier eating options has plagued the Portland neighborhood for years and KFI Studios was able to support the opening of Porkland BBQ (as part of the Love City Inc. non-profit) though a product donation totaling \$5000. All proceeds from the restaurant go back into the community. Neighbors from near and far are invited to come share some BBQ and some love!



University of Louisville Masters of Fine Arts and Archeology – When the University of Louisville broke ground on the refurbishment of one of Portland neighborhood's ubiquitous 1800's warehouses, KFI Studios was able to support the University's commitment to the artistic and commercial revitalization to the neighborhood. Our donation of \$5000 in product supported multiple areas of the MFA building.

When we decided to add a mural to a portion of our building an idea was presented to us that was absolutely perfect. Not only does it embrace our community, it reflects our values as best stated by Abraham Lincoln, "Whatever you are, be a good one."

Local artist, Jeremy Lewis came to us with an idea. "We had a friend and fellow artist who passed away last year in a pretty tragic accident. He is from Louisville, born and raised."

Johnathon Brown, he wrote the word "2BUCK". John was a prolific graffiti writer across the whole nation, and really wanted to make the graffiti culture stronger in Louisville. He got hit by a car while painting in Puerto Rico a year ago." stated, Jeremy. "I would love to have your permission to include John, and incorporate him into this mural... it would be very special to us to be able to do something in honor of him."



OUR CULTURE

Our culture of respect, curiosity, and integrity is ingrained in the everyday actions we take at KFI Studios. We pledge to respect our co-workers, team members and team leaders and we take seriously the idea that respect is a 2-way street.

When we ask ourselves, "How can we improve on this process?", "What are the impacts of our actions when we make this decision?", "Why is it done this way?" we are exercising a form of daily curiosity that is encouraged among all teams at KFI Studios. Our associates are encouraged to look at processes and procedures to improve upon daily life in the office and in our manufacturing facilities.

Integrity is essential to the evolution of a company. When we promise to complete a job, we maintain timelines and schedules that will deliver outcomes on time and as promised. Our expectation is that all associates of KFI Studios communicate honestly and that all treat each other with the same values they would expect for themselves.

GOVERNANCE



OUR CULTURE

KFI Studios is proud to increase manufacturing efficiencies through cross training for separate sections in our plant. This flexibility helps us support our employees though changes in sales and economies and helps us provide lower costs on the highest quality products in our line-up.

The dedication to increasing the skill sets of our plant employees is an indication of our commitment to our employees and increasing their value not only for the position they currently inhabit, but positioning those employees for greater opportunities within the KFI Studios family.

The diverse and varied backgrounds of our employees is a source of great pride to KFI Studios and our proficient, tenured and leadership team would not be possible without the dedication of those employees to contribute to the positive culture and nature of KFI Studios.

Health and Safety on the Job

KFI Studios is committed to the safety and security of our employees and workforce. With over 140,000 hours worked since 2018, we've had less than 30 on-site injuries reported. Workplace injuries have decreased by 10% each year since collection of reports.

COVID-19 - Taking Action

In March 2020, COVID-19 hit the United States and created an unprecedented impact on the United States economy, giving small businesses such as KFI Studios an opportunity to review workplace and factory practices with a new view. KFI Studios followed the following internal protocols to manage the business while protecting employees' health and their livelihood:

- 1. Process the crisis by understanding the situation, listening to employees thoughts and concerns, and ensuring business continuity through leadership.
- 2. Manage people and business activity by providing technological support that provided work flexibility and by the reworking of existing business practices to ensure health and safety on the job.
- 3. Restart activities plant and office wide by re-evaluating business objectives and pledging employee support.









Workforce Makeup

Our employees make us who we are, and we are better for the diverse and varied backgrounds of our plant and office workforce. KFI Studios is a proud EOE and we focus hiring and recruitment for manufacturing staff from within our HUB zone. These efforts reinforce KFI Studios sense of place in community while supporting the neighborhood population.

While we have more work to do, KFI Studios is above average in key areas such as women in the workplace, with women making up 38% of our total workforce.

Keeping it Local

KFI Studios works with agencies in and around Louisville, Kentucky to diversify and expand the skill set of our work force. In the past, our associates have been hired through non-profits such as:



Kentucky Refugee Ministries

Kentucky Refugee Ministries, Inc. (KRM), a non-profit organization, is dedicated to providing resettlement services to refugees through faith- and agency-based co-sponsorship in order to promote self-sufficiency and successful integration into our community. KRM is committed to offering access to community resources and opportunities and to promoting awareness of diversity for the benefit of the whole community. https://kyrm.org/about



Catholic Charities of Louisville

Catholic Charities of Louisville serves people in need, advocates for justice in social structures, and calls the entire church and others of goodwill to do the same. We welcome, strengthen, and empower families and individuals to change the world for good, one relationship at a time. https://cclou.org



Goodwill of Kentucky

Goodwill Industries of Kentucky is a 501(c)(3) nonprofit organization, headquartered in Louisville since 1923. We serve 103 Kentucky counties and employ 1,300 people. Our employees have placed thousands in jobs outside of Goodwill by developing relationships with hundreds of employers throughout the Commonwealth.



Louisville Urban League

The Louisville Urban League's Center for Workforce Development helps families to become economically stable. Individuals looking for a job or a better career opportunity are provided these services through the Center:

- Employment search assistance
- Career counseling
- Job skills training
- Job placement referrals
- Post-placement support

Guests can utilize software to practice and build keyboarding/data entry skills, and receive assistance with setting-up email accounts, completing on-line job applications and posting resumes. https://lul.org/

Committed to Improving Our World Over time we have made continual progress as responsible stewards of resources and, via small and larger decisions, to lesson our impact on the environment. We are committed to improving our world in the following ways: A holistic approach to sustainability. Our plant and our manufacturing partners are committed to finding ways to improve our environmental impacts. We maintain sustainability certificates that include Green Guard and Intertek Gold certifications. We focus our sustainability statements around our certifications wherever possible so that it's not just "green" rhetoric but rather claims that are backed up by third party audits against open and credible standards. We are committed to not only meeting current environmental and social standards, but also setting new ones. Our employees, customers, and communities have shaped our culture, and we believe that together we can create a better world.