

# PRO FILE RE PORT

CORPORATE  
**PROFILE**

+

SUSTAINABLE  
DEVELOPMENT  
**REPORT**

2011  
2014

artopex®

the art and the purpose

# ART IS AT THE HEART OF THE CREATION PROCESS

## The Art and the Purpose

Art is at the heart of the process of designing and manufacturing all Artopex products. The methods and technologies we use are inseparable from the way we tap into our employees' talents. And art is also inseparable from how we turn raw materials into high-quality durable products. The Art and the Purpose.

Artopex always strives to contribute to the quality of life of our community, so we are enthusiastic about the decision to showcase the work of local artists in our corporate social responsibility reports, now and in the future. For each future report, an artist will be invited to create a painting inspired by the theme of sustainability and social responsibility.

*Thanks to art, instead  
of seeing one world  
only, our own, we  
make that world  
multiply itself.*

— Marcel Proust



Painting  
2011-2014 Report:  
*Lavender*

Artist:  
Josiane Trottier  
Lacoursière

Oil on canvas,  
18" x 24"





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***Daniel Pelletier***  
President and CEO

Artopex has been contributing to the economic development and well-being of our community since 1980. We continually strive to do more and do better; and our evolution as a leading Canadian company has been widely recognized.

In 2014, Artopex achieved Platinum Club member status with the Canada's Best Managed Companies program. By retaining our Best Managed designation for more than six consecutive years, Artopex became the first office furniture manufacturer to be awarded this title.

Over the years, we have grown from a small production plant with just one employee to a large manufacturing business with more than 400 employees in several plants. The company's development has been punctuated by numerous acquisitions, enabling our successful expansion throughout the North American market.

Driven by our passion and desire to offer a complete range of office furniture, my brothers, André and Maurice, and I dedicated

ourselves to this wonderful adventure, carried ever onward by the commitment and ideas of our employees and business partners. And today, in keeping with the values that have always been at the heart of our business philosophy, I am very proud that my two sons, Martin and Francis, are actively involved in the management of the company.

Although technology, communications, social relations and the economy have all evolved in recent decades, the nature and accelerated pace of the changes we are presently experiencing are unprecedented. These changes are the catalyst that has led us to refine our business model. They are also reflected in the expectations of our clients and the solutions we provide through our ever-evolving product offering.

We continue to work tirelessly to innovate, which is essential for any company that wishes to last and thrive in the future. Whether it concerns our manufacturing operations, product design or environmental and social responsibility, innovation is

part of our corporate culture, as evidenced by our new ZERO 2X goal. From 2010 to 2025, we intend to double our production volume without increasing our energy consumption. This new target will be an exceptional opportunity to tap into the immense creativity of our entire team in order to reach our sustainable growth objectives – together.

I am proud of how far our company has come since its founding in 1980, and I am equally proud of all those who have been at my side all these years. Above all, I remain very optimistic about the future we are building together.



From left to right: Francis Pelletier, Daniel Pelletier and Martin Pelletier

# THE EVOLUTION OF ARTOPEX SINCE 1980

- 1980** Daniel Pelletier founds Pro-Meubles Inc  
– *a laminate furniture manufacturer.*
- 1986** Acquisition of a new factory in Granby and installation of operations  
– *current company headquarters on Vadnais Street.*
- 1987** Acquisition of Chaisier Inc  
– *addition of seating to the product line.*
- 1991** Acquisition of Industries Saro Inc  
– *addition of metal filing cabinets to the product line.*
- 1993** Acquisition of Artopex Inc  
– *becoming a complete line office furniture manufacturer  
with access to the US market through an established distribution network.*
- 1994** Opening of showroom in Laval, Quebec
- 2000** Founding of Pro-Systemes APX Inc  
– *acoustic panels production plant.*  
Opening of showroom in Toronto
- 2003** Acquisition of TEC Innovation Inc  
– *addition of new seating and leather models to the product line.*
- 2005** Artopex celebrates 25 years in business  
Acquisition of Standard Desk Inc  
– *addition of wood furniture to the product line.*
- 2008** Opening of showroom in Calgary
- 2010** Artopex celebrates 30 years in business
- 2013** Acquisition of a new plant in Sherbrooke  
– *consolidation of seating production.*  
Founding of Cloisons Euro-Pro Inc – *architectural walls production unit.*
- 2014** Opening of showroom in Montreal
- 2015** Artopex celebrates 35 years in business.



# ARTOPEX'S AWARDS SINCE 1984

- 1984** Gold medals in the Employment and Export categories  
– *Mérite-Action Awards, Granby Chamber of Commerce.*
- 1994** First prize in the Entrepreneurship category – *Canada Awards for Excellence.*  
Daniel Pelletier receives Medal of the National Assembly
- 2002** Certificate of Excellence in the Office Furniture category – *SIDIM.*  
The Institute of Design Montréal award in the Corporate Office Furnishings category  
– *for the Elasto chair.*  
Grand prizes in the Business of the Year and Outside Markets categories  
– *Awards Gala, Chamber of Commerce of the Granby-Bromont district.*
- 2003** Best of Canada prize in the Products category for the Elasto chair  
– *Canadian Interiors Magazine, Annual Design Competition.*  
Winner in the New Investment Project, Large Company category  
– *Mercuriades Awards, Federation of the Chambers of Commerce of Quebec.*
- 2004** Manufacturing Company of the Year and performance prize for Distribution/Sales  
– *Dunamis Awards, Laval Chamber of Commerce and Industry.*  
Bronze award in the Furniture category for the Time collection – *IIDEX/NeoCon Canada.*
- 2007** Certificate of Excellence in the category Outstanding Integration of Best Business Practices  
– *Mérites Awards, STIQ.*
- 2008** Named one of Canada's Best Managed Companies for 2007
- 2009** Mercuriades awards – *Large Company division, winner of the Company of the Year, Increased Productivity and Market Development categories – Federation of the Chambers of Commerce of Quebec.*  
Named one of Canada's Best Managed Companies for 2008  
Distinction in Industrial Design – *Quebec's Ministry of Economic Development, Innovation and Export Trade.*
- 2010** Named one of Canada's Best Managed Companies for 2009
- 2011** Designated Gold Standard winner after being named, for the fourth time,  
one of Canada's Best Managed Companies  
Daniel Pelletier receives the Business Personality of 2011 award – *Distinction awards, Chamber of Commerce of Haute-Yamaska and Region.*
- 2012** Designated Gold Standard winner, Canada's Best Managed Companies  
Bronze award in the Furniture category for the Time collection – *IIDEX/NeoCon Canada.*
- 2013** Designated Gold Standard winner, Canada's Best Managed Companies  
Daniel Pelletier receives Queen Elizabeth II Diamond Jubilee Medal  
Daniel Pelletier named Lauréat de la Réussite by Entreprendre magazine, in recognition of his business success
- 2014** First office furniture manufacturer admitted to the Platinum Club, Canada's Best Managed Companies
- 2015** Designated Platinum Club member, Canada's Best Managed Companies



## 01 — THE ART AND THE PURPOSE

Designing, manufacturing, advising, planning and supporting: that's the art that distinguishes our purpose at Artopex. Our products, our approach and our expertise make the Artopex team veritable artisans of well-being in the workplace.

## 02 — ROOTS

Deeply rooted in Canada and the United States, Artopex continues to grow and flourish with the support of our extensive network of loyal partners.

## 03 — TERRITORY

Artopex is a homegrown success story of world-class quality and expertise, proudly serving satisfied clients all across North America.

## 04 — TOGETHER

The Artopex team brings together the best designers and idea people with the most skilled workers and talented artisans in the industry. Everyone works together to share ideas, confer and cooperate with two goals in mind: innovation and more innovation. Artopex: so much more than the sum of its parts.

## 05 — HISTORY

We're particularly proud of how far we've come since the company was founded. From its origins as a typical family business in 1980 – housed in simple facilities in Granby, Quebec – Artopex has undergone constant growth to become a manufacturer renowned throughout North America.

## 06 — RECOGNITION

The vision of forward-thinking, dynamic leaders combined with the commitment and dedication of outstanding employees: that's the Artopex formula for success. Together, we have achieved the record of excellence in quality and performance that has so often been recognized with prestigious awards.

## 07 — FOOTPRINT

In tandem with our goals for continued growth, we're committed to reducing our energy consumption by half from 2010 to 2025. In other words, we're committed to doubling production without increasing our energy consumption. No matter how you put it, our goal is clear: doing more with less.

## 08 — INVOLVEMENT

A leader in the industry, and a model of corporate citizenship and environmentally responsible management, Artopex is an important engine of social, industrial and economic development in Quebec.

## 09 — LATITUDE

Artopex has the flexibility to respond to each client's needs and expectations. In addition to our standard furniture that meets the highest criteria for quality in the industry, we offer custom-designed furniture to respond to requests for special and unique products.

## 10 — ALTITUDE

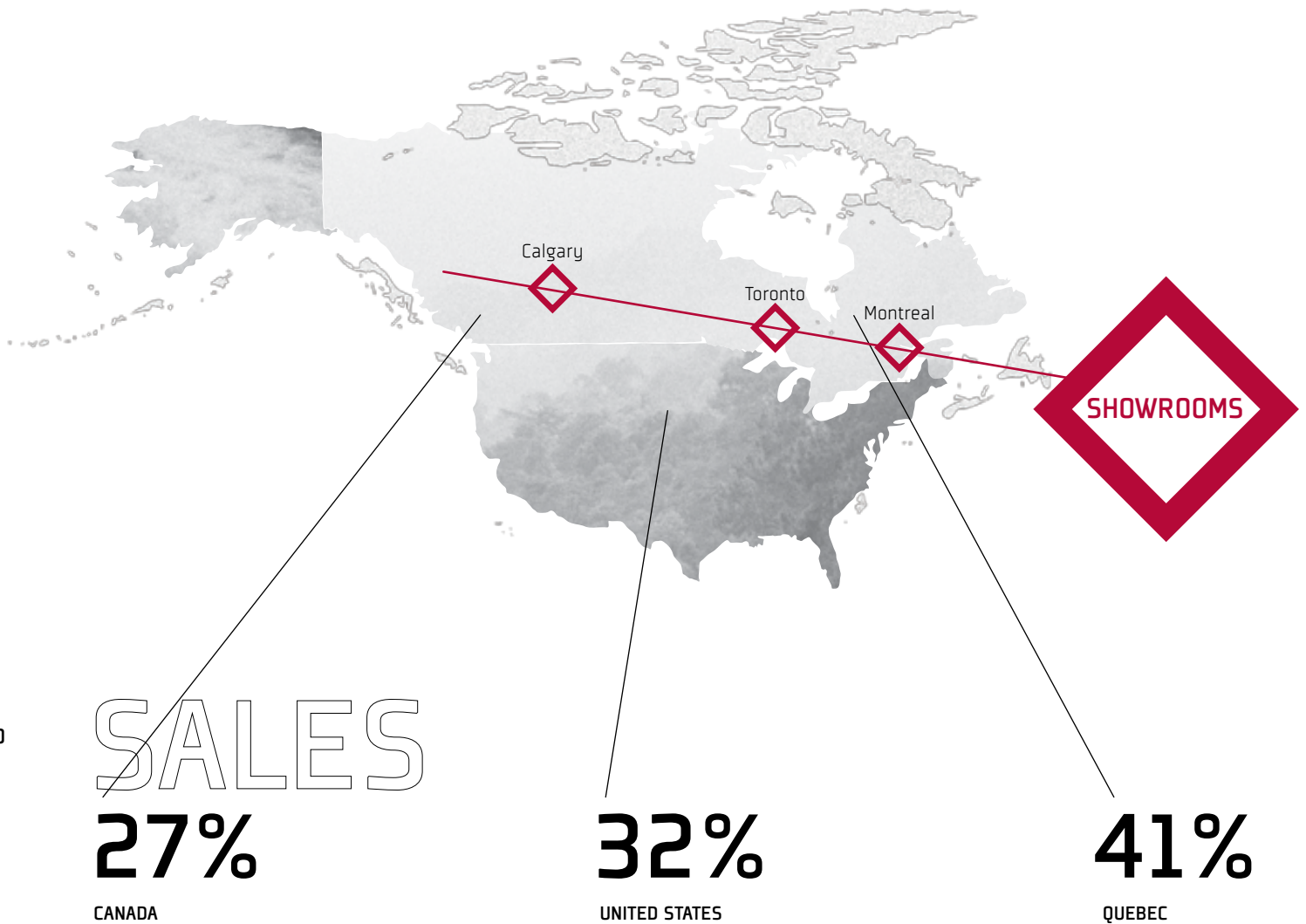
As a forward-looking company, Artopex is constantly investing, innovating, developing and growing. Our team works in synergy to find smart and efficient new solutions that brilliantly blend beauty and practicality.

## 11 — ESSENCE

A fully integrated manufacturer, Artopex is the one-stop solution par excellence for all your needs. We offer a full range of office furniture and accessories, with the distinctive signature style you deserve.

# MARKET CANADA - US

Artopex has 3 corporate showrooms in Canada located in Montreal, Toronto and Calgary.  
Artopex serves the North American market with the support of a network of 465 dealers.







↑  
**465**  
DISTRIBUTORS





OUR  
PRODUCTS

OFFICE  
FURNITURE



ARTOPEX IS A LEADING MANUFACTURER OF OFFICE FURNITURE OFFERING EVERYTHING UNDER ONE ROOF.

## Wood Furniture

Essentia  
Phase  
Accent / Passport  
Essentia Conference  
Classic Conference



## Seating

Executive  
Task  
Visitor  
Lounge



## Freestanding Furniture

Take Off  
Time  
Air Line  
Receptions  
Take Off Conference  
Genius



## Systems Furniture

Uni-t  
Take Off  
Nano



## Metal Storage

File cabinets  
Cabinets  
Combination storage  
Pedestals



## Architectural Walls

Sky 700  
Sky 900



## Collaborative Furniture

Downtown




Through innovation in the manufacturing and design of high quality products, Artopex ensure the satisfaction of its clients from all spheres of activity across North America. Family-owned and privately held, Artopex is headquartered in Quebec and serves its market through an extensive network of dealers.









A grayscale photograph of a woman in a factory or workshop. She is wearing a dark jacket and is focused on working with a large roll of material, possibly fabric or paper, on a table. The background is filled with shelves and racks holding various rolls of material, some labeled with numbers like '8' and '#7'. The lighting is soft, and the overall atmosphere is one of industriousness.

**ARTOPEX IS A COMPANY  
ON A HUMAN SCALE THAT  
HAS BECOME AN IMPORTANT  
LEVER FOR SOCIAL,  
INDUSTRIAL AND ECONOMIC  
DEVELOPMENT IN QUEBEC.  
WE ARE PROUD OF THE  
COMPANY'S GROWTH  
AND PROGRESS.**





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Artopex has 5 production units distributed in  
4 plants all located in Quebec.

# FIVE PRODUCTION UNITS





» PRODUCTION  
UNIT

# #1

LAMINATE  
FURNITURE AND  
COMPONENTS

*Granby, Quebec*

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» PRODUCTION  
UNIT

# #2

WOOD  
FURNITURE  
AND PANEL  
SYSTEMS

*Granby, Quebec*

---







» PRODUCTION  
UNIT

# #3

## METAL FURNITURE AND COMPONENTS

*Laval, Quebec*

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» PRODUCTION  
UNIT

# #4

## ARCHITECTURAL WALLS

*Granby, Quebec*

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» PRODUCTION  
UNIT

# #5



## SEATING

Sherbrooke, Quebec

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024

FROM 2010 TO 2025

**NO  
INCREASE**  
IN ENERGY CONSUMPTION  
FOR 2X THE PRODUCTION.

## Jean Barbeau

Sustainability  
Coordinator



We are very pleased to present our second sustainability report, covering the three-year period from June 1, 2011, to May 31, 2014.

The publication of our first report in the fall of 2011 gave new impetus to our dedication to corporate social responsibility. Today, Artopex is building on that momentum as we continue on the path of improvement, commitment and involvement. We have participated in many events focusing on sustainability and highlighting our commitment to our community and social causes. Our achievements thus far have also allowed us to hone our sustainability plan, concentrating our efforts on six key issues rather than eleven.

By working toward ever more responsible management and manufacturing practices, we are offering solutions that stand out from the crowd more than ever and building an enviable reputation for excellence in sustainability throughout our expanding markets. Our results for the past three years have confirmed the financial, environmental and social benefits of this responsible approach.

This report presents what we have achieved to date through our sustainability efforts in each of our six focus areas. For the most part, the information in this report covers all five of our production units; however, complete data is not yet available for production units 4 and 5 (architectural walls and seating respectively) as the facilities are both recent additions. We intend to include more data from these units in the next report.

For the coming years, we also decided to simplify our message and rally our stakeholders around a single shared objective. The objective is our ZERO 2X goal, targeting a two-fold increase in production volume between 2010 and 2025 – without increasing our energy consumption.

Moving towards 2025, progress toward our ZERO 2X goal will be measured in kilowatt hours of electricity, cubic metres of natural gas and reduction of greenhouse gas emissions. But beyond the numbers and statistics, the real meaning of this goal will be felt in its impact on what we achieve in each of the six focus areas that form the foundation of our sustainability plan.

The information in the following pages offers clear evidence of our determination to manage all aspects of our business responsibly in order to ensure the current and future sustainability of our company, as well as to foster an excellent quality of life for our employees, our clients, our end-users and our community. It also illustrates our high expectations for our supply chain and our initiatives for continuous improvement regarding both environmental performance and product quality. Finally, this report reflects the pride we take in fostering the development of our employees' talents and remaining a cutting-edge manufacturer by using the cleanest and most efficient production technologies.

## Governance

*Our expanded management committee oversees implementation of the sustainability plan. The eleven members of the committee represent the company's various sectors.*

*Projects related to the sustainability action plan are handled by different members, depending on their interests and expertise. All decisions are approved and endorsed by the committee during meetings.*

*Sustainability has been well integrated into our business strategy since 2007. At our annual strategic planning meetings, the sustainability coordinator reviews our achievements and progress as well as the goals of the sustainability plan so that the next steps can be approved and any needed adjustments made.*



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## OUR COMMITMENT

# SIX FOCUS AREAS

Our commitment to corporate social responsibility is centered on our ZERO 2X goal and the six focus areas of our sustainability plan. In the following pages, we present the results of our sustainability initiatives.

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**1** *Responsible Business  
Management*

**2** *Quality  
of Life*

**3** *Supply Chain  
Responsibility*

**4** *Environmental  
Performance*

**5** *Responsible  
Products*

**6** *Responsible  
Manufacturing*

FROM 2010  
TO 2025

# ZERO

# 2X

**NO**  
INCREASE  
in energy  
consumption  
for

**2X** the  
production

# OBJECTIVE





# RESPONSIBLE BUSINESS MANAGEMENT

# QUALITY PRODUCTS

## **EVERYTHING AND EVERYONE UNDER ONE ROOF**

With international competition and the difficult global economic situation putting pressure on the market in recent years, we believe that maintaining our commitment to sustainability will contribute to the future success of our business.

Our strategy is to offer all our products under one roof to create strong relationships with our customers by providing fully integrated solutions suited to their needs and designed for the new ways of working. To accomplish this, in addition to developing new products, Artopex is expanding its product portfolio

by adding a production unit for architectural walls with strong environmental features. "Everything and everyone under one roof" refers to both the concept of one-stop service for our clients and that of a shared awareness of our social responsibility.

Through responsible corporate management, we will pursue our business development plan while working towards our ZERO 2X goal of doubling production over a 15-year period without increasing our energy use.

To get there, we will continue our business development plan to increase our market share for large-scale contracts. We will also continue to focus on the talents of our

employees, the quality of our products and on new technology to improve our processes. As a family business with the next generation already actively involved in the company, Artopex is managed with support and input from our board of directors. The management has also created a Partners Council made up of dealer-owners in Quebec and Artopex representatives in Canada and the United States. ■

# SOCIAL RESPONSIBILITY

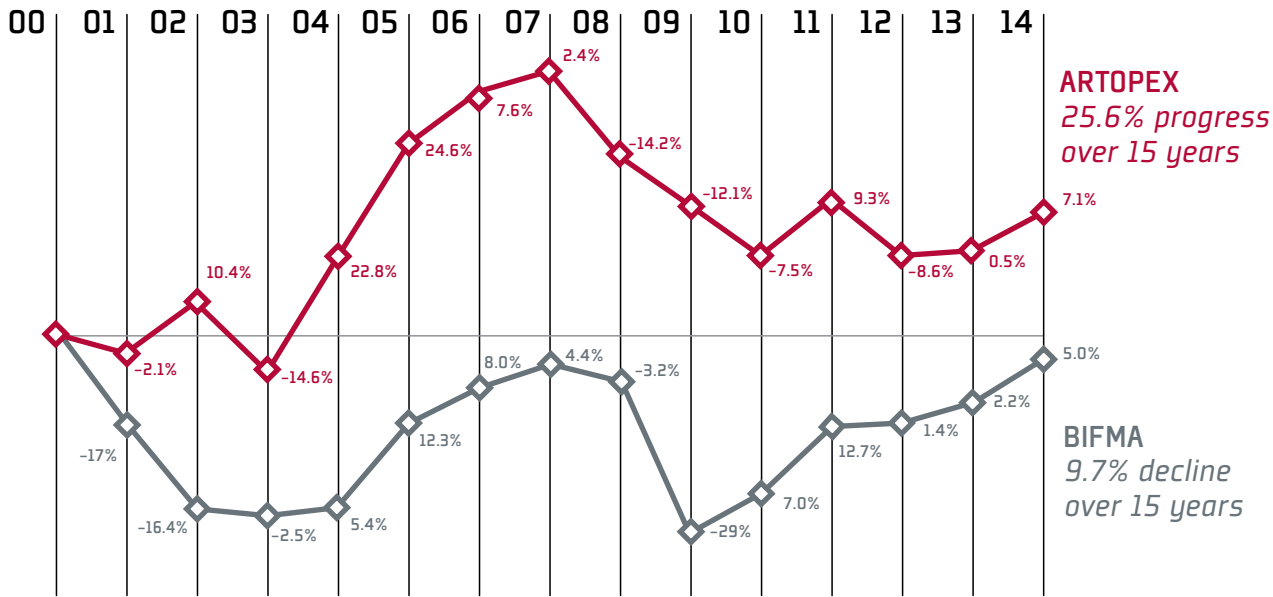
## DEVELOPMENT PLAN

## FOCUS ON THE TALENTS OF OUR EMPLOYEES



# ARTOPEX VS BIFMA SALES

## VARIATION IN PERCENTAGE FROM 2000 TO 2014



### \*BIFMA

Business and Institutional Furniture Manufacturer Association

BIFMA statistics are based on data from many manufacturers representing a large percentage of office furniture sales in North America.

This graph shows the correlation between Artopex sales and those of the industry as a whole (data from BIFMA\*) over the last 15 years in our geographic market.

Representing the percentage changes in sales, the two curves are largely comparable, having similar values that vary with the fluctuations in the economy. Significant declines reflect the market downturns resulting from the collapse of the technology bubble in the early 2000s and the economic slowdown in 2008.

Over the entire 15-year period, Artopex has seen its sales increase by 25.5% while the industry has suffered a decline of 9.8%.



**BUSINESS RECOGNITION IN 2014:**  
ARTOPEX WAS NAMED A MEMBER OF THE PLATINUM CLUB, HAVING MAINTAINED ITS TITLE AS ONE OF CANADA'S BEST MANAGED COMPANIES FOR MORE THAN SIX CONSECUTIVE YEARS. ARTOPEX IS THE FIRST OFFICE FURNITURE MANUFACTURER TO RECEIVE THIS HONOUR.

#### COMMITMENT TO AND PARTICIPATION IN THE BUSINESS COMMUNITY

In keeping with his long-standing focus on community involvement, company president Daniel Pelletier accepted a new role as entrepreneur-coach at the École d'entrepreneurship de Beauce (EEB, a corporate leadership training centre), where he teaches the "Recognize and seize opportunities" module. As representatives of the next generation of leadership for Artopex, Martin and Francis Pelletier have both been awarded the title of Entrepreneur-Élite by the EEB, having successfully completed the entire training program.

The firm Vézina Nadeau Labre has been guiding senior management on the implementation of the succession plan over the coming years. The primary goal of this approach is to ensure the future of the company during this period of transition to the next generation of leaders.

To help spread the word about sustainability and share its knowledge with the business community, Artopex joined the sustainability committee of the network of experts at the Manufacturiers Exportateurs du Québec (the Quebec branch of the Canadian Manufacturers & Exporters association).

In 2012 and 2013, Artopex took part in research conducted by the SME Council of the Network for Business Sustainability (NBS), whose mission is to identify the sustainability needs of SMEs and the challenges they face.

*"A leading office furniture manufacturer, Artopex was named a member of the Platinum Club, having kept its title as one of Canada's 50 Best Managed Companies for more than six consecutive years. Throughout the comprehensive and independent selection process evaluating the company's management skills and practices, Artopex has demonstrated good governance from every point of view – economic, environmental and social. That is what makes this manufacturing company really stand out from the competition."*

— Glenn Ives  
Chair, Deloitte



#### ADDITIONAL INVOLVEMENT

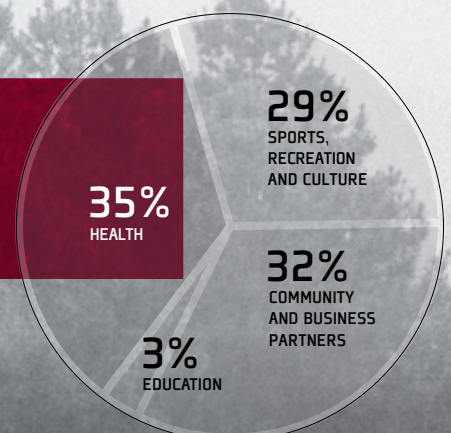
- Fédération des Chambres de Commerce du Québec (FCCQ) – Executive committee and board of directors since 2012, member since 2004.
- Quebec Furniture Manufacturers' Association (QFMA) – Board of directors since 1993, board chair from 2012 to 2014, member since 1985.
- InnoMeuble (QFMA industry advisory committee) – Since 2005.
- Government Office Furniture Advisory Committee (GOFAC) – Since 2006.
- Council of partners of Quebec entrepreneurship – Since 2005.
- FIER Montestrie Capital inc.  
– Member of the board of directors since 2006.
- Gestion Nouveau Départ inc.  
– Member of the board of directors since 2006.
- Complexe sportif Artopex inc.  
– Member of the board of directors since its inception in 2010.
- Entrepreneurship Foundation  
– Governing member since 2005.



# QUALITY OF LIFE

## DONATIONS AND SPONSORSHIPS BY SECTOR

AVERAGE OF DONATIONS AND SPONSORSHIPS  
2011-2014



We devote between 1 and 3% of our profits to supporting various causes. Over the last few years, with the opening of the Complexe sportif Artopex, we have allocated large sums to community sports and recreation. More recently, most of our donations have been focused on community health, particularly the Granby Hospital Foundation, to support the acquisition of equipment and improve health care for area residents.

# SPORTS RECREATION CULTURE

*"Daniel Pelletier, the president of Artopex, has agreed to chair the most ambitious fundraising campaign ever (2013-2017) on behalf of the Granby Hospital Foundation (Fondation du Centre hospitalier de Granby), with a goal of raising \$10 million. The foundation's board is delighted to have Mr. Pelletier and his company involved in reaching this goal. A business leader in Granby and Quebec, a man with a big heart and a philanthropist, he is the ideal person to take on this bold challenge."*

— Pierrette Grenier

*President of the Fondation du Centre hospitalier de Granby*

Since its very beginnings in 1980 and through numerous acquisitions and expansions, Artopex has always been committed to remaining a company that values (our) people – our employees, our customers and our neighbors.

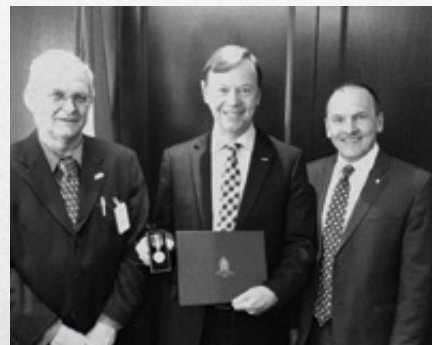
This orientation is reflected in our involvement in the community, where Artopex plays a prominent role as a responsible corporate

citizen. Our contributions toward the economic and social development of the regions where our plants are located are widely recognized and appreciated.

Our community involvement takes many forms, including donations and sponsorships given to various foundations and organizations, as well as our participation in numerous local activities.

Our primary focus is on causes related to health and well-being. ■

# QUALITY OF LIFE HEALTH & WELL-BEING COMMUNITY



From left to right: Réjean Genest, Daniel Pelletier and Serge Laflamme.

*The management's commitment to the community was highlighted in 2013 when our president, Daniel Pelletier, was awarded the Queen Elizabeth II Diamond Jubilee Medal, given to exemplary citizens as part of the celebration of the 60<sup>th</sup> anniversary of Her Majesty's accession to the throne.*



# TRAINING

## OUR PLANT EMPLOYEES

The ultimate goal of all our in-house training — from the leadership development program for our plant personnel to the task-based training for our machine operators, welders and customer service agents — is to recognize and enhance the role of each employee and optimize our processes and procedures.



### *2011-12 Training*

- Total training time: 7,642 hours
- Total supervisor training time: 1,400 hours
- Training investment equivalent to 1.7% of total payroll (includes production units 1, 2, 3, 4)

### *2012-13 Training*

- Total training time: 7,859 hours
- Training investment equivalent to 1.55% of total payroll (includes production units 1, 2, 3, 4)

### *2013-14 Training*

- Total training time: 8,261 hours
- Training investment equivalent to 2.10 % of total payroll (includes all production units)

## OUR CUSTOMER SERVICE EMPLOYEES

We have set up a training program to ensure the versatility and flexibility of our customer service team. The program helps improve our ability to manage changes in job responsibilities throughout the year to adjust to varied workloads or the absence of a co-worker.

## OUR SALES REPRESENTATIVES

We believe that a careful analysis of the needs of each of our clients is the key to providing a comfortable and productive work environment for the users of our furniture.

Backed by our vast range of products and made-to-measure solutions, our representatives and layout designers can envision the best solutions suited to each client's space and their specific needs. To support our staff in this process, the Artopex Academy was created in 2010 and continues to offer a training program to help them hone their skills.

From June 2012 to May 2014, our product specialists trained 330 representatives and designers, bringing the total number of graduates to 392 since the Academy was established.

**AGE DISTRIBUTION OF EMPLOYEES** The workforce at Artopex has become significantly younger in the past three years, as shown by a 10% decrease in the groups 40 and over, and a corresponding increase in the groups under 40. This trend reflects our efforts to ensure the future success of the company by providing for succession at all levels.

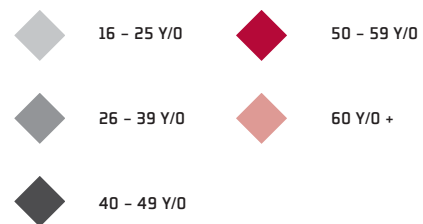
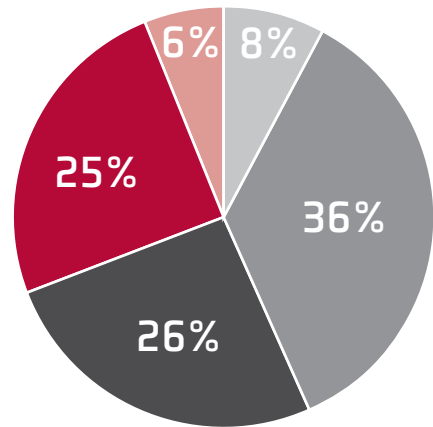
# HUMAN RESOURCES AT ARTOPEX

Artopex is committed to providing its employees with excellent working conditions in an enviable work environment. The low turnover rate of just 5.3% for the last year, down from 9.2% four years ago, is strong evidence that our sustainability plan is bearing fruit. The statistics in the following tables – on length of service, workforce age distribution, and health and safety data – are testimony to the quality of life in the workplace that Artopex provides its employees.

**LENGTH OF SERVICE** Over the last three years, the number of employees who have been with Artopex for more than ten years has increased by 10%. This confirms the success of the company's efforts to increase employee engagement by providing a quality work environment.

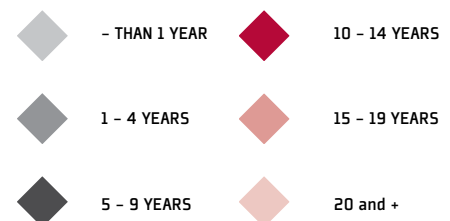
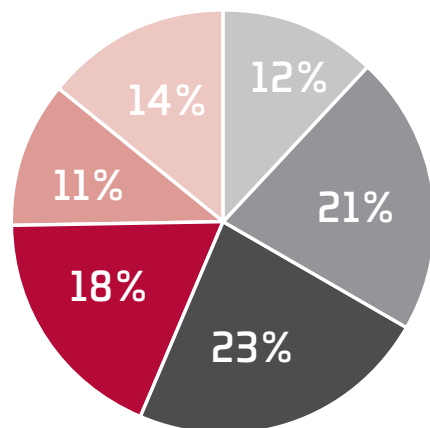
## AGE OF EMPLOYEES

THIS TABLE CONCERNS PRODUCTION UNITS 1, 2, 3  
AVERAGE 2011 – 2014



## SENIORITY

THIS TABLE CONCERNS PRODUCTION UNITS 1, 2, 3  
AVERAGE 2011 – 2014







**WORKPLACE HEALTH AND SAFETY**  
 Every year we hold a Prevention Week in all our production units to strengthen everyone's awareness of the key importance of workplace health and safety.

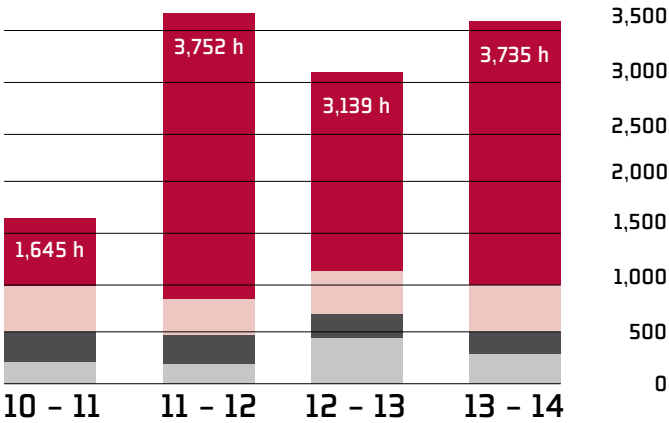
In 2012, for the 10<sup>th</sup> edition, workplace wellness was highlighted. Nutrition at work, lifting postures, hand injuries and physical fitness were the topics addressed during the week.

In 2013, the risk analysis activity helped employees learn how to recognize and analyse risks at their workstations to be able to deal with each risk in order of priority.

The theme for 2014 was "Take action to avoid the worst." Employees had the opportunity to attend a powerful presentation given by the victim of a workplace accident and participate in an awareness-raising activity on the importance of speaking out when they witness unsafe behavior.

# HEALTH AND SAFETY, TIME INVESTED

THIS TABLE CONCERNS PRODUCTION UNITS 1, 2, 3

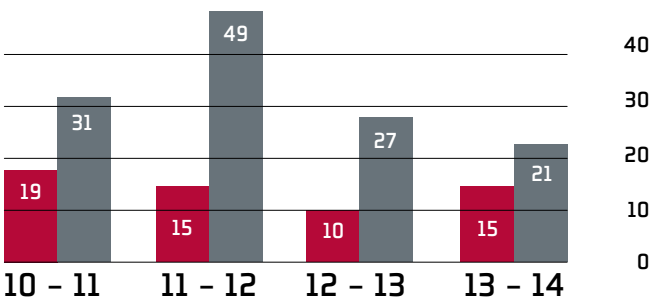


Every hour invested in our health and safety program is clearly worth it, as evidenced by the reduction in the number of accidents and the increasing involvement and engagement of our employees (as shown by data on age & years of service). The increase in working hours invested in health and safety has reduced the severity of accidents and helped improve the overall quality of life in the workplace.



# NUMBER OF ACCIDENTS AND WORKDAYS LOST

THIS TABLE CONCERNS PRODUCTION UNITS 1, 2, 3



Devoting more time to our health and safety program has had the desired effect of reducing the severity of accidents, as shown by the decrease in the number of workdays lost due to accidents and other causes.







# SUPPLY CHAIN RESPONSIBILITY





# SOURCE OF MATERIALS

Supply chain responsibility includes all the upstream activities of our suppliers and subcontractors and all the downstream activities of our distributors and the architects and designers who specify our products.

Our suppliers and subcontractors play a vital role not only in manufacturing our products but also in the product design process. When we evaluate potential business partners, their performance in terms of corporate social responsibility is a key consideration. Our buyers use a questionnaire to rate our suppliers and subcontractors, an approach that also

allows us to open up the dialogue and encourage them to seek responsible solutions.

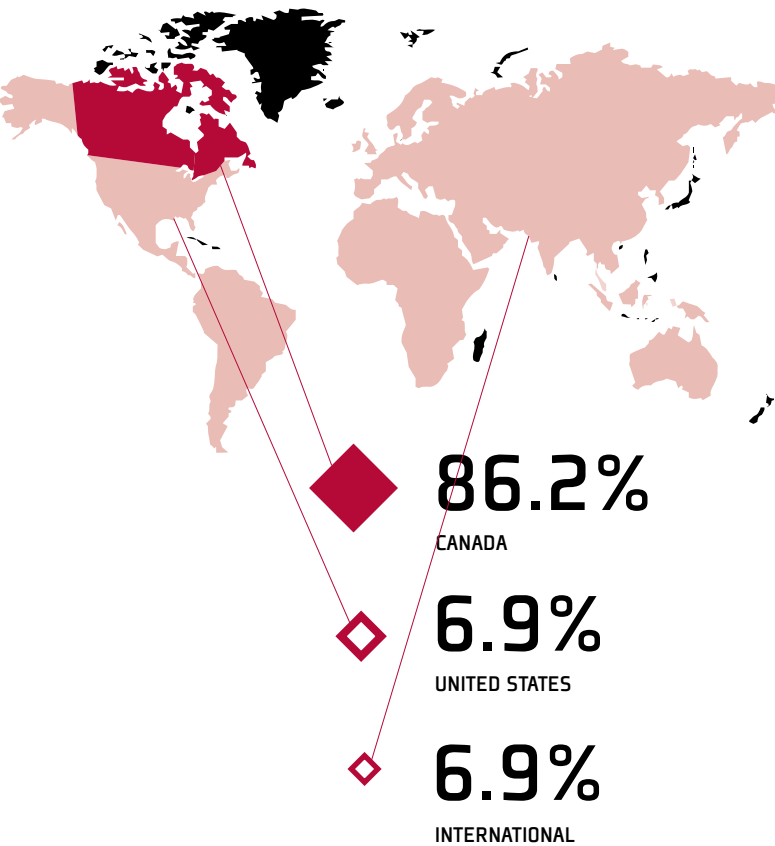
To minimize environmental impacts, our procurement strategy encourages buying from sources as close to our facilities as possible, while also taking into account other criteria such as cost, reliability and the quality of the materials or components.

The result: Our commitment and achievements here at Artopex allow our distributors to position themselves very advantageously for projects that put a premium on sustainability.

Architects and interior designers are keenly aware of sustainability issues and can have a great influence on the decision-making process for major projects. They now consider Artopex a serious and responsible partner able to offer products that meet ever-higher environmental requirements and provide furniture solutions for work environments that foster collaborative work. ■

LOCAL  
PURCHASES  
VALUES  
SOCIAL  
RESPONSIBILITY  
ENVIRONMENTAL  
IMPACT

DISTRIBUTION OF  
**PURCHASES**  
BY GEOGRAPHIC TERRITORIES



**RESULT**

*Our commitment and accomplishments here at Artopex give our distributors a competitive advantage for projects that put a premium on sustainability.*





*"From our point of view here at Uniboard, Artopex is much more than just a client: it is a true business partner. Artopex motivates us to improve, to understand their needs, to find innovative solutions for developing effective products, to understand their market and help them stay competitive. In short, working with Artopex makes us a better company!"*

— Gilles Lépine

Senior Vice President, Sales and Marketing, Uniboard





# A

ENVIRONMENTAL  
PERFORMANCE



# CLEAN ENERGY

*"We have implemented the ISO 14001:2004 environmental management system in several of our plants to help us align our practices with the environmental standards of our industry."*

*"Whether by improving our processes to reduce energy consumption or decreasing waste to reduce our consumption of materials, the Artopex team is making every effort to reduce our environmental footprint."*

— Alain Tétreault  
Certifications Coordinator, Artopex

At the onset of a new century, Artopex embarked on a continuous improvement process for environmental performance.

We are using the ISO 14001:2004 standard to implement an environmental management program for all our production units. Two of our five facilities have been certified to this standard since 2006. The gains made through the certification process have enabled us to improve our overall environmental performance throughout all our production units.

Implementation of the ISO 14001:2004 standard requires a policy commitment from the company management. The standard does not demand absolute requirements for environmental performance, but rather ongoing improvement which we must demonstrate during annual third-party audits. The standard also requires our operations to remain in compliance with all applicable environmental laws and regulations.

We will be devoting particular attention to our energy consumption in the coming years. We have established our ZERO 2X goal to not increase our energy consumption while doubling our production over a 15-year period (2010 to 2025). To achieve this, our efforts will be increased at all levels of the organization.

Improvements in our energy performance will stem mainly from increasing the efficiency of our manufacturing equipment, but will also include all other forms of energy consumption within our operations. Having made significant investments in environmental technology since 2010, we

anticipate considerable gains in energy efficiency in the coming years. When we reach full production capacity, these improvements are even more remarkable. The effects of this reduction in operating costs for energy are then clearly apparent.

The following tables show our energy consumption (in MWh and cubic metres) for 2010, the reference year, and for the three years covered by this report. Our performance indicators for energy consumption are based on the amount of energy required to convert one unit of raw material into product. This method provides an accurate and consistent basis for comparison, rather than relying on sales figures, which are subject to many variables from year to year.

## CLEAN AND RENEWABLE ENERGY

One of the benefits of our location in Quebec is ready access to sources of clean, renewable energy. All Artopex plants are supplied with electricity by Hydro-Québec, a government corporation that produces 100% of its electricity from hydropower and wind turbines. We use natural gas to heat air and water because it is highly efficient for this purpose. For the same reasons of energy efficiency, natural gas is also used in the furnace on the metal powder-coating line. Natural gas is the cleanest fossil fuel and is readily available through a well-established local distribution system. ■

# CONTINUOUS IMPROVEMENT

# PERFORMANCE OF THE PRODUCTION UNITS

**ELECTRICITY:** Over a four-year period, we reduced electricity consumption by 9.0% at production units 1, 2, 3, 4 (combined data). Over the same period, our sales volume decreased by 6.4%. This slight improvement is expected to increase in the coming years in as we implement further measures as part of our ZERO 2X goal.

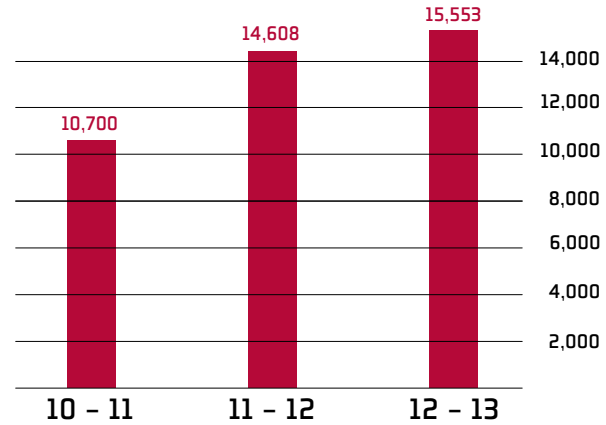
**NATURAL GAS:** By investing in the replacement of two paint lines with a single line for both metal components and furniture, we were able to reduce our natural gas consumption by a very appreciable 35.1% over the last four years. The curing ovens on our state-of-the-art powder-coating line also use natural gas.

**WATER:** Although water is not directly used in our manufacturing processes, we consider it important to monitor our use of this precious natural resource.

**GREENHOUSE GASES:** This table shows the greenhouse gases generated by energy use (electricity and gas) in three of our four plants. It does not include transportation or other activities outside our facilities. The significant decrease in greenhouse gas emissions is attributable to the decrease in natural gas consumption at our metal products plant. Because natural gas generates more greenhouse gases than some alternative energy sources, we continue to seek out other ways of reducing its use.

## WATER CONSUMPTION (m³)

THIS TABLE CONCERNS PRODUCTION UNITS 1, 2, 3



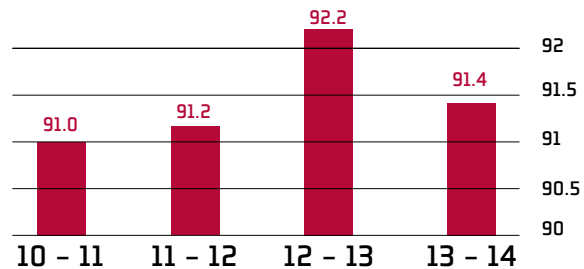
**WATER CONSUMPTION:** Our water consumption has increased significantly in recent years for several reasons:

- A new air conditioning system was installed for the comfort of the office workers at Production Unit 1 Laminate furniture and components.
- A water-cooled compressor was installed at Production Unit 1 Laminate furniture and components to improve our manufacturing processes.
- A water tower for water-cooled equipment in Production Unit 3 Metal furniture and components was purged to prevent possible contamination of the tank.
- The manufacturing processes used by a tenant occupying commercial space in Production Unit 3 Metal furniture and components involve high water consumption.

We are keeping a watchful eye on our water consumption, making sure that any project involving water use is justified, a practice we have followed for the last few years.

## WASTE RECYCLING (%)

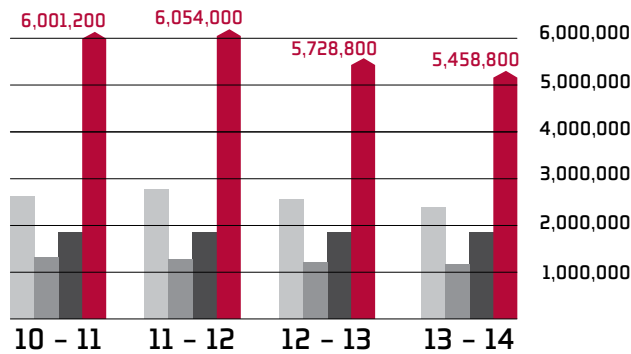
THIS TABLE CONCERNS PRODUCTION UNITS 1, 2, 3



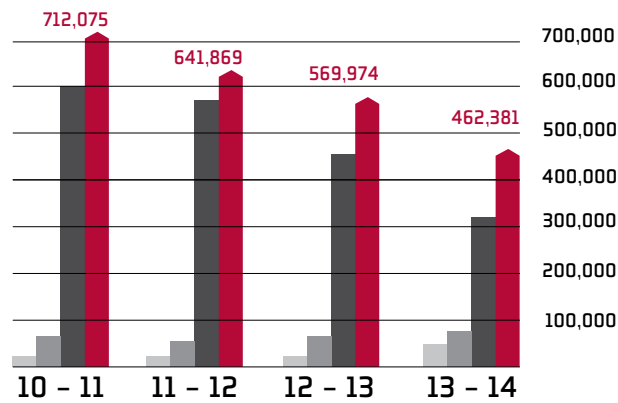
**WASTE RECYCLING:** The percentage of waste we recycle has remained relatively stable in recent years, varying by no more than 1.2%. Our challenge for the next few years is to find partners to recycle some materials that currently have no outlet on the recycling and reuse market.



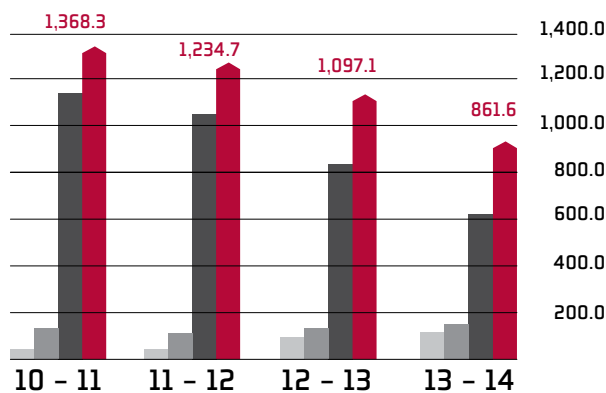
## ELECTRICITY CONSUMPTION (kW/h)



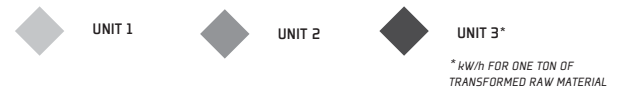
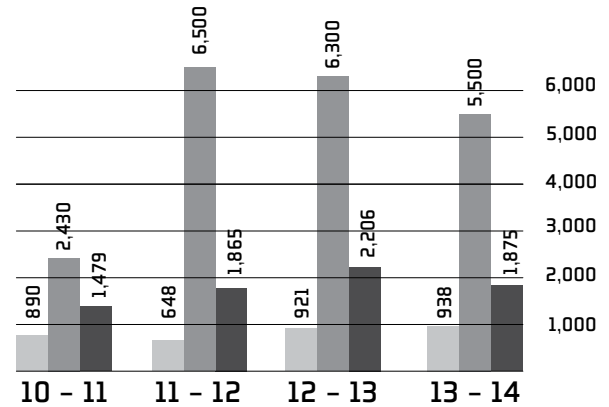
## NATURAL GAS CONSUMPTION (m³)



## GREENHOUSE GAS EMISSIONS (ton)



## ENERGY EFFICIENCY KW/H FOR ONE THOUSAND SQUARE- FEET OF TRANSFORMED RAW MATERIAL



**PRODUCTION UNIT 1 LAMINATE FURNITURE AND COMPONENTS:** While the production volume was almost 10% higher in 2011–2012 compared to the three other reporting years, energy efficiency improved by almost 30%. This shows that as we approach full production capacity, our energy performance improves exponentially. By spreading the cost of powering the equipment over a larger volume of parts, we can optimise our electricity use per square foot of raw material processed.

**PRODUCTION UNIT 2 WOOD FURNITURE AND PANEL SYSTEMS:** Of the last four years, our production volume was highest in 2010–2011. That year, we processed 514,000 square feet of particleboard, whereas the average for the other three years was 248,000 square feet. At this production unit, energy efficiency was directly proportional to production volume. When production doubled in 2010–2011, the energy efficiency also doubled. The capacity of this plant is well above the current production levels. To increase energy efficiency, our challenge for the coming years will be to reduce the gap between production capacity and actual production volume.

- In 2010–11, much of the raw material used in the calculation was actually processed by subcontractors, representing increased production volume with no added energy consumption at our facility, explaining the very high apparent energy efficiency for that period.
- Note that efficiency was improved between 2012–13 and 2013–14 by managing the dust collector system more effectively. During periods when less power was needed, three motors were used instead of four, improving overall energy performance. While production volume increased by 5% over this period, energy efficiency increased by 13%.

### UNIT 1 VS. UNIT 2

The nature of the work is different in Production Units 1 and 2, with Unit 1 producing laminate furniture and Unit 2 producing natural wood furniture. Manufacturing real wood furniture is more laborious, which increases the amount of energy used to convert raw materials into finished products. It is therefore entirely normal that Unit 2 is less energy efficient than Unit 1 (as measured by energy used per square foot of particleboard processed).

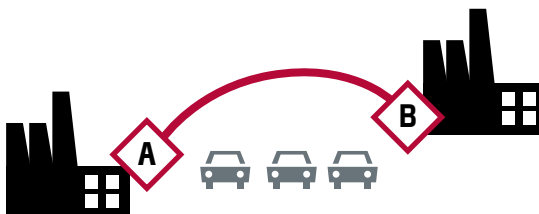
**PRODUCTION UNIT 3 METAL FURNITURE AND COMPONENTS:** Energy efficiency at our metal products plant is also tied to production volume. The higher the volume, the better the energy efficiency, particularly as we approach full production capacity.





## CARPOOLING

To optimize travel between plants



The reduction of greenhouse gas emissions  
by 57 tons / year

## OTHER RESPONSIBLE INITIATIVES

### CUSTOM SUSTAINABLE PACKAGING

To minimize packaging for furniture and components supplied to Hydro-Québec throughout the 7 to 10 years of this major contract, we have developed reusable carts for smaller parts and a reusable pallet system for larger parts. Both innovations result in huge time savings for packing and unpacking as well as an immense reduction in packaging materials and consequently in our environmental footprint.

### CARPOOLING

We have established a carpooling system to optimize travel between our plants and thereby reduce greenhouse gas emissions.

We now have three vehicles: a seven-passenger van and two hybrid cars that use half the fuel of a conventional subcompact.

Based on the average consumption of gasoline for each vehicle and an average of three passengers per vehicle, we have reduced our greenhouse gas emissions by approximately 57 tons per year for our three-car fleet. For the last three years of operation, this translates to a reduction in greenhouse gas emissions of over 150 tons.

### EARTH HOUR

By once again turning off all outdoor lighting at Production Unit 3 Metal furniture and components, we continued our support for the Earth Hour movement in its mission to fight climate change.

### SAVING PAPER

More and more Artopex customers receive their invoices via email. In addition, we encourage our team members to print their documents on both sides of the paper and most of our printers are equipped for duplex printing. Our price lists and brochures are readily available in PDF format on our website ([www.artopex.com](http://www.artopex.com)) to encourage our customers to use the electronic versions rather than hard copies.



# RESPONSIBLE PRODUCTS

*"Thirty years of friendship, good business relationships and prosperity – that's sustainability! Artopex has been a superb partner in obtaining LEED Gold certification for our new headquarters, the Carrefour de la coopération!"*

– Serge Laflamme  
General Manager of the Caisse Desjardins de Granby-Haute-Yamaska



# SUSTAINABLE PRODUCTS

In designing our products, we are always guided by our vision for ensuring the continued growth of the company by offering a complete and varied line of high quality office furniture that meet the needs of our customers and does so at a competitive price.

As part of this focus on quality, we have made the durability of our products a top priority, rejecting the notions of planned obsolescence and excessive consumption. ■

## RESPONSIBLE PRODUCT INITIATIVES

- Lifetime warranty on all standard products.
- Development of office furniture to help create workplace interiors that meet today's increasingly stringent environmental requirements.
- Minimizing the use of materials during the furniture design phase.
- Use of eco-friendly, recycled and recyclable materials.
- Analysis of the life cycle of furniture components.
- Use of manufacturing processes and methods with low environmental impact.
- Design concepts that allow for easy disassembly and reassembly.
- Use of 3D modeling to minimize the number of prototypes produced.
- Use of 3D modeling to create product brochures and catalogs.
- Establishing formal ecodesign procedures.

RECYCLED AND  
RECYCLABLE  
MANUFACTURING  
WITH REDUCED IMPACT  
ECODESIGN  
ENVIRONMENTAL  
REQUIREMENTS  
ECO-FRIENDLY  
MATERIALS

# CERTIFICATIONS

*Our goal is that 100% of our products\* be compliant with GREENGUARD and BIFMA 7.1 standards for indoor air quality. Our certification plan strives to add new products to the list of certified products as rapidly as possible.*



## LEVEL™ CERTIFICATION

We aim to achieve BIFMA E3 level™ certification for all of our products. The initial phase of our plan envisages certification of all products manufactured at Production Unit 1 Laminate furniture and components by the end of 2015, with subsequent phases extending certification to all our other plants.



*\*Check our website for the up-to-date listing of certifications/certified products.*



*The use of engineered wood veneer on the Essentia collection of wood furniture is a good example of our extensive efforts to develop more responsible products.*

*The advantages:*

- *Rapidly renewable wood species*
- *Rotary cutting process optimizes use of natural resources, i.e., the trees*
- *FSC-certified wood from responsibly managed forests*
- *Use of water-based glue with no added formaldehyde*
- *Finished with low-VOC water-based stains and varnishes*
- *Less waste in the furniture manufacturing process [± 2% vs ± 25% when using natural wood].*

# **TECHNICAL**

CASE  
STUDY

## **Wood veneer furniture**

*Granby*

### **Veneer technique**

### **Production Unit #2**

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# RESPONSIBLE MANUFACTURING

# OPERATIONAL EXCELLENCE

*"Our mission is to create an environment where everyone takes part in keeping the work running smoothly and in continuously improving our processes. It is inspired by the philosophy espoused by Taiichi Ohno, co-founder of Toyota production system: "Building products begins with developing your people!"*

— Denis Bergeron

Vice President – Production Units 1, 2, 3, Artopex

Of the six focus areas in our sustainability plan, responsible manufacturing is the one that most characterizes the DNA of Artopex.

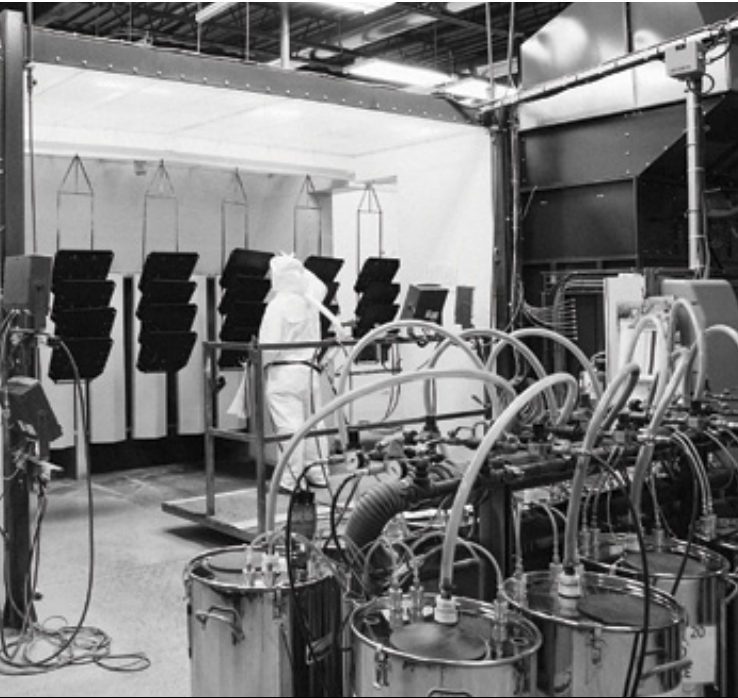
Over the years, we have re-examined our processes and procedures on a regular basis so that Artopex can consistently provide quality products that meet the evolving needs of the market. We have set ourselves the goal of continuing to invest in productivity and operational excellence as part of our sustainability strategy.

In addition to our ongoing use of the ISO 14001:2004 standard as our environmental management system, our commitment to responsible manufacturing is demonstrated in several ways. ■

# ENVIRONMENTAL TECHNOLOGY HUMAN POTENTIAL



# ENVIRONMENTAL TECHNOLOGY



## PAINT SHOP (LAVAL)

Our sustainability strategy includes significant investments in environmental technology. This state-of-the-art equipment is more efficient, cleaner and uses less energy. In addition, our employees benefit from a healthy and stimulating workplace that enhances their working experience.

## OUR LEAN MANUFACTURING APPROACH

By adopting the Lean Manufacturing approach to systematically eliminate waste, we have been able to reconcile industrial and environmental performance. Centered on responding appropriately to customer expectations and simplifying the value chain, this dynamic approach allows us to produce more and better while using less energy, less material and less motion.

As part of this approach, pooled procurement allows Artopex to achieve economies of scale, optimize processes, standardise procedures and reduce impacts related to the supply chain.

Avoiding the waste of human potential is also addressed by the Lean approach. Opportunities for advancement and training are key elements in fostering the development of our employees' professional and interpersonal skills.

## CONTINUOUS IMPROVEMENT AND ENVIRONMENTAL TECHNOLOGY

Over the last three years, Artopex has invested some \$6.3 million in facilities, buildings, manufacturing equipment and training at all five of our production units.

We continue to focus on productivity and innovation to ensure the company's future success. Purchasing new state-of-the-art equipment that is more productive, cleaner and more energy-efficient has helped improve our environmental and financial performance over the last three years.

In addition, investments in environmental technology have brought a whole new dimension to our employees' working lives, improving their experience in the workplace.

## PROFESSIONAL DEVELOPMENT

A four-year training program was set up at each of our production units, extending from 2010 to 2014. The goal is to empower supervisors and team leaders, making them the cornerstones of our improvement process.

This training program has instilled new behaviors and new attitudes toward change, giving our employees the power to act and modify how things are done while keeping the focus on generating results. This positive reinforcement helps create a sense of belonging and accountability for everyone.





# PROJECT

CASE  
STUDY

*Our architectural walls production unit was established in 2013, housed in the same plant as Production Unit 2 / Wood furniture and panel systems. For the R&D needed to tailor this product to the North American market, we collaborated with a European manufacturer with 34 years of experience in the field. Artopex architectural walls are 100% Quebec-made with 100% of the materials from Canadian suppliers.*

*By expanding the range of Artopex products for the creation of office spaces, the addition of this clearly eco-friendly product line is a perfect fit with our guiding vision of "Everything and everyone under one roof."*

## Architectural Walls

Granby

R&D

Production  
Unit #4

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# EXPANSION

CASE  
STUDY

## Seating

Sherbrooke

42 000 ft<sup>2</sup>

Production  
Unit #5

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*In 2012, we acquired a 42,000-square-foot building in Sherbrooke, Quebec, in which to relocate and consolidate all operations for Production Unit 5 (Seating). This plant conversion not only helped improve the work environment for our employees, it also allowed us to support the development and marketing of a variety of new products and respond to an explosion of orders for seating products.*





*We have implemented a number of changes at each of our production units that have enabled us to improve our responsible manufacturing performance.*

**PRODUCTION UNIT #1  
LAMINATED FURNITURE AND COMPONENTS**

- 1.5% reduction in laminate waste through better use of cutting optimization software.
- Optimization of space usage in the order-consolidation area, increasing the storage capacity by 21% with no additional space.
- 29% reduction in laminated components rejected during production through implementation of various quality-improvement projects.
- 50% reduction in the average level of exposure to methyl alcohol when cleaning manufactured products, thanks to use of a new product and better-adjusted equipment.

**PRODUCTION UNIT #2  
WOOD FURNITURE AND PANEL SYSTEMS**

- 20% reduction in lacquer consumption.
- 12-ton reduction in VOC production related to cleaning equipment on the wood finishing line.
- 10% reduction in electricity use for the wood finishing line.

**PRODUCTION UNIT #3  
METAL FURNITURE AND COMPONENTS**

- New state-of-the-art powder-coating line that makes it possible to change paint colors very quickly. Cleaner, more energy-efficient system.
- Process optimization reducing the total production space by 65,000 square feet.
- 240,000-cubic-meter reduction in natural gas consumption.
- 20,000-litre reduction in waste solvents.
- 21-ton reduction in VOCs.

**PRODUCTION UNIT #4  
ARCHITECTURAL WALLS**

The architectural walls production unit has only been in operation for a few months. It is set up in a plant that also houses the Unit 2, the wood furniture and panel systems production unit. The team's broad experience helped to minimize the environmental impact of the new installations. The same rigour will be applied to the production operations, and the ongoing improvements will be presented in a future sustainability report.

**PRODUCTION UNIT #5  
SEATING**

- Optimization of the storage system for raw materials, resulting in more efficient use of space.
- Acquisition of an application system for low-VOC water-based glues with a light-weight wand, improving workplace wellness.
- Installation of an upholstering system for chair seats, reducing the physical effects on workers.
- Acquisition of an automated cutting system, minimizing waste and physical effects on workers while increasing product quality.

*As illustrated by the projects and accomplishments described here, Artopex's strategy for meeting our responsible manufacturing goals is based on bringing together the environmental, industrial and human factors, which are all closely interconnected.*



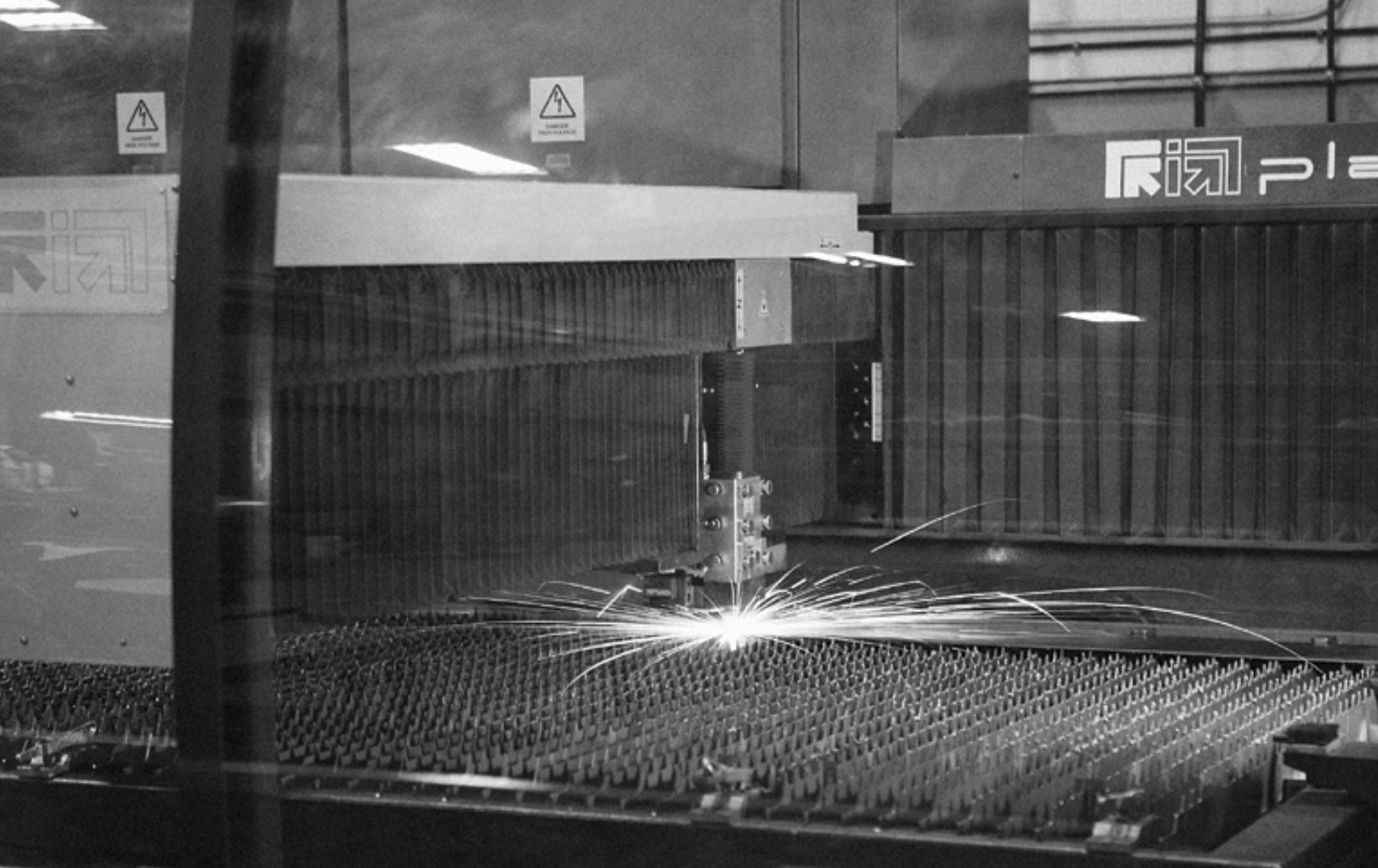




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# CLOSING THOUGHTS

Artopex has now reached an undeniable level of business excellence. The achievements described in this report remind us that success is the sum of all the small efforts made by each of us every day.

The results presented here are very encouraging for our ongoing efforts, as laid out in our sustainable development plan. This review gives us an opportunity to take stock of what we have accomplished thus far and reaffirm our commitment to everyone who has contributed to the company's success since it was founded in 1980.

As ever, we are focusing on the future. We want to continue on this journey – as we always have – with the greatest respect for people and for the environment that is home to us all. Today, our years of experience in developing, manufacturing and marketing office furniture are reflected in the quality of the solutions we offer our customers.

From now until 2025, our ZERO 2X goal will help guide our actions and reinforce our desire to do more and do better every day. And above all, the future success of this company will be the fruit of our ability to help our employees grow and develop.

## ARTOPEX PERSONNEL

*For questions regarding this report or about sustainability in general here at Artopex, please contact one of the following individuals:*

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