



RELIABLE THIRD-PARTY COMPLIANCE VERIFICATION SINCE 2008

ANSI/BIFMA e3-2014
Furniture Sustainability Standard
Compliance Analysis
FOR



CONTRACT SEATING

**CONFIDENTIAL REPORT -- DUPLICATION ONLY WITH
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This report has been compiled by AmeriGreen Strategies, based upon written information and other tangible documentation provided by BORG Contract Seating, Toronto, Ontario, Canada



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OVERVIEW

This voluntary standard was developed by the Joint Committee on BIFMA e3 Furniture Sustainability using the consensus process described by the American National Standards Institute (NSI) in order to provide the marketplace with a meaningful and measurable standard for the creation of more sustainable furniture by establishing performance criteria that address environmental and social aspects throughout the supply chain, harmonize sustainability standards for the office furniture industry and help to distinguish environmentally preferable business and institutional furniture.

The e3 Standard is applicable to all business and institutional furniture, including desk systems, case goods, tables, seating, and accessories. The Standard is also applicable to materials and components manufactured by suppliers to furniture manufacturers. It is applicable to business and institutional furniture manufactured in one facility or multiple facilities, addressing product-based characteristics in the general areas of materials, use of energy, human and ecosystem health, and social responsibility impacts.

This report was compiled as an update to a prior report based upon ANSI/BIFMA 2010 standards after Borgo Contract Seating and its key suppliers completed a series of questionnaires and other data verification requests developed by AmeriGreen Standards. These requests for data were specifically tailored to meet the criteria required to meet certain specific 2014 e3 Sustainability Standards.

During the period between the original 2010 report and the current revision, Borgo engaged the services of The Registrar Company to conduct a Certification Audit verifying Borgo's compliance with ISO 14001:2004 sustainability standards. A certificate of compliance (#TRC00975) was issued in October, 2015. Some data verified by TRC in its compliance audit was used in the generation of this report.

Borgo also provided all requested documentation to justify the accuracy of the responses in this conformity assessment. This documentation data typically includes supplier invoices, bills of lading, internal memos and directives, maps, graphs, inventory and usage reports and similar information. Much of this data is proprietary in nature, therefore duplication and distribution of this report is being exclusively controlled by the client, Borgo Contract Seating.

AmeriGreen Strategies is functioning as a third-party verification conduit between the manufacturer/ distributor and the customer seeking e3 compliance verification. The data generated in the development of this report was obtained directly from the manufacturer or respective supplier with no prior amendments or alteration. Non-proprietary questions concerning the protocols for the development of this report may be directed via email to: info@AmeriGreenStrategies.com.

SCOPE AND METHODOLOGY

The scope of this assessment is gate-to-gate unless otherwise specified. The intent of the e3 Standard is to encourage reduction in environmental impact and credits are not awarded for operations that are within the gate-to-gate boundaries or within the individual credit language boundaries, but are excluded from the applicants' scope of assessment. Nor are credits awarded for the lack of an environmental impact where one had not previously existed. The scope of conformance can also be defined based on product options or characteristics. For example, solid wood surface options could be included while laminate/non-wood options are excluded, or vice versa.

According to the published criteria, the e3 Standard is divided into four basic elements consisting of various prerequisites and credits that are potentially available to organizations seeking product conformance to the standard. The four basic elements are:

1. materials
2. energy and atmosphere
3. human and ecosystem health
4. social responsibility

Each element has one or more prerequisites that are required as the minimum performance against the standard and applicants/products shall meet all prerequisites in each element in order to proceed. Once the prerequisite(s) are met, products may achieve additional credits toward multiple levels of achievement in each element by meeting the specified performance requirements. Beyond the prerequisites, there is no minimum number of credits from any of the four elements listed above required to demonstrate conformance to this Standard. The required credits can come from any of the identified elements.

Each credit has one or more points that accumulate toward a level of conformance. In addition to a minimum number to total points required for each conformance level, there is also a minimum number of product related points for each level. Based on point accumulations, the manufacturer is awarded an overall designation as follows:

- Silver 32 to 44 total points at least 5 of which are product related points
- Gold 45 to 62 total points at least 11 of which are product related points
- Platinum 63 to 100 total points at least 18 of which are product related points

The reporting process allows the company to achieve credits on three different levels: Organization, which is representative of the company as an all-inclusive single entity; Facility, which would be the specific plant or plants where products are manufactured and/or assembled; and Product, which, as the name implies, involves the end product(s) offered by the company.



Borgo manufactures more than 100 products. These products are divided into groupings, based on the environment in which the products are most used. Further delineation will be noted later in this report; however the groupings are identified by the following names: Fixed, Corporate, Hospitality and Healthcare. Approximately 85 percent of the criteria required in this report are relevant to any and all of these four general groupings. Any deviation from the norm will be appropriately noted.

In generating this report, the baseline values are derived from calendar year 2008 records.

REPORT ELEMENT 1 -- MATERIALS

Within the context of this analysis, materials are defined as component parts used in the assembly of various products. Although this report has examined the overall environmental policies of most suppliers of these component parts, it is impossible, because of proprietary formulations, to factor in the environmental impacts of any specific raw materials used in the manufacturing of these component parts.

PREREQUISITE (5.1) – DESIGN FOR ENVIRONMENT (DFE) PROGRAM

The DFE program at Borgo Contract Seating has been in place since 2008. In compliance with e3 Standards, the company's DFE program focus includes the following elements: renewable materials; recycled materials; recyclable and biodegradable materials; end of life management; water management and energy efficiency. The company solicited third-party verification of their DFE efforts in 2009, and again as part of the ISO 14000 audit in 2015, and progress was documented in all areas.

LIFE CYCLE ASSESSMENT (5.2) THREE POINTS

Borgo completed an initial LCA on its facility and products in 2009, based on the criteria provided in ISO 14030, ISO 14040, ISO 19011 and ASTM E-2129-05. The LCA was revised in 2015, based upon a re-evaluation of the company's performance since the initial report. There are three points available in this category. The company has further undergone full certification for ISO14001:2004 – Design, Manufacture and Servicing of Commercial Seating, conducted by The Registrar Company (TRC).

The company can show evidence that the company has incorporated the life cycle assessment frame work into product design by applying the first two of the four LCA components in ISO 14040 and ISO 14044 (Goal & Scope Definition and Life Cycle Inventory). In its 2009 Life Cycle Analysis, Borgo's goal was to derive a tangible roadmap of the progress the company had achieved to that point in terms of sustainability and environmental impact and



to plot a course for continued improvement. The scope of the study was to evaluate individual component suppliers in terms of their own specific LCA performance as well as evaluate present performance standards in place at Borgo's Toronto manufacturing facility. The 1015 report included documented evidence that the company has met or exceeded the goals set in 2009.

In the four product groups identified earlier, a total of seven different raw materials are used and these were evaluated. These include wood, metal, foam, acrylic (plastic), fabric, leather, and other.

In this phase, the company also analyzed its manufacturing/assembly processes. Specific attention was given to waste containment, noise control, interior air quality, energy savings, packaging materials, and recycled content.

The third phase of the LCI examined transportation and distribution activity. The Borgo component suppliers are, on average, located approximately 15.4 miles from the plant, with no single supplier located more than 70 miles away. Outbound shipments are predominantly handled by common carrier directly to the customer with no mid-point warehousing.

Product performance was analyzed as the fourth component of the LCI. This included a survey of average product usage duration, which varied by product group. The overall average was between 8 and 12 years, based on location and usage. This duration can be attributed to the company's product warranties, which in some cases are lifetime.

Finally, product recyclability and disposal were analyzed. Borgo maintains a policy accepting used product returns from original customers in order to divert them from the landfill. Typical returned products are then disassembled and returned to respective suppliers for use as post-consumer recycled material in new product production.

Based on this evaluation, three points are being claimed.

CLIMATE NEUTRAL MATERIALS (5.3) ONE POINT

The criteria for this credit include a focus on boundary elements related to the following three areas: acquisition of raw material, inputs and outputs in the main manufacturing/process sequence and distribution/transportation.

Management at Borgo has been active in minimizing its carbon footprint for the past 4 years. By utilizing the Gold Standard CER methodology for Micro-Scale Scheme Projects (CO₂ emissions less than 10,000 metric tons/year), Borgo's carbon footprint has decreased by more than 15 percent since 2008.



Based on documentation provided for the revised LCA and data generated by TRC in its ISO 14001 certification, Borgo has demonstrated that, on average, at least 30% of the final product weight is comprised of climate neutral materials.

EFFICIENT USE OF MATERIALS (5.4) TWO POINTS

These points are based on the company ability to reduce the quantity (mass) of raw materials used in the manufacture of its products. Material efficiency is calculated for the materials comprising 80 percent of the weight of the products to be assessed. This credit is based on the formula: Material Efficiency = [(Input Mass – Waste Mass)/ (Input Mass)] X 100%.

Borgo maintains a policy for efficient use of materials that includes returning plant waste back to the respective suppliers for reuse and accepting used furniture from customers for potential reprocessing by suppliers.

Based on the e3 formula, the following is the efficiency rating of the four Borgo product groups:

FIXED	72%
CORPORATE	73%
HEALTHCARE	80%
HOSPITALITY	70%

Based on the material efficiency ratings of each product group, the average of all four groups is 73.75%, therefore Borgo qualifies for both points in this category.

BIO-BASED NON-WOOD RENEWABLE MATERIALS (5.5) TWO POINTS

All four of the Borgo product groupings, on average, contain more than 1% of bio-based non-wood materials, which includes leather, cotton, bamboo and 100% recycled polyester fabric choices. Some bio-based foam and acrylic materials are also used.

Borgo purchases the vast majority of these products from specialized component suppliers therefore there is zero waste at the Borgo facility. Suppliers report that any production waste is redirected into the manufacturing process. Borgo qualifies for both points in this category.



BIO-BASED RENEWABLE MATERIALS - WOOD (5.6) TWO POINTS

Wood stock is shipped to three Borgo suppliers who custom cut, drill, plane and sand the wood to Borgo specifications. More than 90 percent of the wood used to manufacture Borgo products is grown in Canada under Canada’s National Sustainable Forest Management Standard (CSA). The CSA standard is the world’s largest sustainable forestry management program and similar to popular international initiatives managed by the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). All wood used in Borgo products comes from sources that are located 35 miles or less from the company’s Toronto manufacturing facility. Wood grown in the Canadian province of Ontario is also subject to the Crown Forest Sustainability Act, an even more comprehensive set of standards for forest management. Wood utilized in the Borgo facility is rapidly renewable and the environmental impact of wood harvesting is negligible. Also, over 95% of wood waste in the Borgo plant is recycled.

Since well over 30 percent of the wood used in the manufacture of Borgo products falls under the jurisdiction of Canada’s National Sustainable Forest Management Standard, an accredited third-party source, the company qualifies for both points in this category.

RECYCLED CONTENT (5.7) TWO POINTS

Because of the wide variety of customer driven choices available within each of the four Borgo product groupings, it is impossible within the scope of this report to determine specific recycled content amounts for each individual product. As an alternative, we have computed averages for each specific group with the understanding that actual amount of recycled content may be higher or lower after upholstery options and other choices are selected. Based on documented information provided by Borgo, the following are the average amounts of post-industrial (pre-consumer) and post-consumer recycled content contained in each respective product grouping:

	Post Industrial	Post Consumer	CONSUMER + ½ INDUSTRIAL
FIXED	10%	27%	32%
HOSPITALITY	11%	26%	31.5%
CORPORATE	32%	37%	53%
HEALTHCARE	12%	28%	34%

Based on the e3 Standard’s formula (sum of post-consumer recycled content plus one-half of the post-industrial content), Three of the four lines qualify for one point, while Corporate



qualified for 2 points. Sales of these five lines comprise the majority of company sales, and it is hereby assumed that in the case of multiple product lines, a typical standard in the furniture industry, the 5.7.1 credit can be claimed.

In the case of packaging, Borgo has encouraged its customers to accept blanket wrapped product shipments in an effort to significantly reduce the amount of cardboard packaging material by a minimum of 30%. Only recycled cardboard and similar materials are used for packaging where blanket wrapping is not possible. The corrugated cardboard used by the company, where such packaging is necessary, meets or exceeds the e3 Standard of 25 percent post-consumer and 40 percent overall recycled material content, so Borgo qualifies for the 5.7.3 packaging credit.

RECYCLABLE AND BIODEGRADABLE MATERIAL (5.8) ONE POINT

Borgo has adopted an aggressive pro-active approach to recycling and the use of biodegradable materials in the production process. Based on the prior calculations used to determine Post Industrial and Post-Consumer Recycled Content together with both purchase documentation for the use of steel, aluminum and fiberboard (non-composite wood), an across the board average of 27% usage of qualifying materials can be substantiated and this credit can be claimed

EXTENDED PRODUCT RESPONSIBILITY (5.9) THREE POINTS

All Borgo products are designed and manufactured to have a long useful life; can withstand repeated service, repair, and handling; and has standardized product parts and components available to facilitate maintenance, servicing, and reassembly. The company's designs allow for the replacement of design components and reuse of functional components and ensure that they can be remanufactured.

Borgo products contain a minimum of 10% (by weight) of recycled materials. Some contain as much as 40%. The company maintains documentation, which is available on request, for the identification, proper disassembly and suggested reuse of product components.

Therefore all three credits in this section can be claimed.

OTHER FACILITATION EFFORTS (5.9.4) THREE POINTS

Borgo maintains a return policy enabling original customers to return used, broken and otherwise unwanted Borgo items for recycling and/or refurbishing. The company maintains



written records of items that have been returned/recycled under this program. Therefore the company qualifies for this entire credit.

SOLID WASTE MANAGEMENT (5.10) ONE POINT

In 2008, Borgo set a goal for 100% recycling of all solid materials. This in-house recycling policy involves all phases of the office and manufacturing plant. All cardboard from incoming shipments is either re-used within the facility or recycled. All marketing materials, office forms, envelopes and other similar items are printed on recycled paper. All waste paper, glass and aluminum cans are also recycled. The documented result of this total effort at the end of 2014, based on documentation generated in the ISO 14000 certification process, is the fact that more than 90% of all waste produced in the office and plant is now being recycled. Therefore the company is eligible for one point in Category 5.10.

WATER MANAGEMENT (5.11) FOUR POINTS

Borgo claims all four available credits in this category based upon documentation generated as part of the ISO 1400 certification process. The company has established establishes a baseline process water inventory to document water sources/withdrawals, uses, and discharges for pre-treatment (e.g. phosphate wash line), water-based adhesive processes, cooling water, water-jet cutting operations, and spray booth over-spray capture systems. The company has further documentation water management both in its own plant as well as in facilities operated by its suppliers for the past six years.

Borgo can also document that it has achieved zero net process water usage or wastewater discharge rates for the facility where the finished products are assembled.

Points Earned: 24 Product Points: 24



REPORT ELEMENT 2 -- ENERGY AND ATMOSPHERE

As the name implies, this segment of the e3 Standard deals with the use of energy in the manufacturing process, transportation of components from suppliers to the assembly plant and finished goods from the plant to the customer, as well as product performance and environmental compliance issues.

PREREQUISITE (6.1) – DEVELOP ENERGY POLICY

Borgo has developed and implement an energy policy that establishes the organization's overall direction in terms of its commitment to energy conservation. The policy, which has been adopted as a Canadian National Standard includes key elements derived from ISO 50001 – Energy Management System Standard. This initiative has established a goal of a 10 to 20 percent overall energy use reduction over a five-year period. Since its implementation in 2008, Borgo has surpassed the 10 percent level and is currently close to achieving a 20 percent reduction.

ENERGY BOUNDARY (6.2) TWO POINTS

Because the company's manufacturing and administration facilities are located within the same complex, Borgo has established a 100 percent Energy Boundary, utilizing the control method. Using data consistent with its ISO 14001 certification documentation, operational control encompasses all lighting and energy usage in both the plant and administration facilities. Various systems are monitored on a weekly or monthly basis and extensive graphs are kept to document performance.

Borgo qualifies for two points in this area.

ENERGY INVENTORY (6.3) TWO POINTS

As part of its ISO 14001 audit, Borgo has documented the completion of an energy inventory for more than 90% of its corporate boundary and therefore qualifies for two points in this area.

**ENERGY REDUCTION (6.4) TWO POINTS**

The company has documented evidence that it has reduced overall energy consumption by more than 10% as measured against the 2008 baseline and qualifies for two points in this category.

ENERGY MANAGEMENT (6.5) ONE POINT

In order to qualify for its ISO 14001 certification, Borgo has developed an extensive energy management system which encompasses all aspects of its operation. It qualifies for one point.

TRANSPORTATION (6.8) TWO POINTS

This category deals with the development, documentation, and implementation of technologies and strategies associated with how materials and components are shipped into the plant and then how the finished goods are shipped out. One point is awarded for inbound and one for outbound.

Borgio claims the inbound point for its development and implementation of a strategy to buy more than 95 percent of its components from local suppliers. Although the U.S. Green Building Council defines “local” as a 500-mile radius from the plant location in its various LEED programs, in Borgo’s case, it utilizes 19 primary component suppliers and 6 of these are located 10 or less miles from the plant. An additional 10 suppliers are located 20 or fewer miles from the plant. The farthest supplier is 70 miles from the plant. Thus, the average supplier is located only 15.9 miles from the plant. This represents a significant environmental savings in fuel usage, carbon emissions and other natural resources attributable to transportation.

For outbound shipments, Borgo utilizes commercial contract carriers, such as UPS, FedEx Ground and DHL. Each of these companies has gone to significant lengths to manage emissions and other environmental issues. Documentation can be found on each carrier’s respective web site. Borgo does not maintain its own fleet of delivery vehicles nor does it utilize any off-site warehouses or distribution centers. All goods are shipped directly from plant to customer in the most efficient way possible. Also, Borgo ships approximately 18 percent of its finished goods by rail and 2 percent by sea container, both of which are more energy efficient than truck shipments.

The company qualifies for two points in this category.

Points Earned: 9 Product Points: 0



REPORT ELEMENT 3 -- HUMAN AND ECOSYSTEM HEALTH

As the name implies, this phase of the report deals with elements such as worker safety, interior air quality (IAQ) and the condition of the ecosystem (plants and other vegetation, water quality, air quality, etc.) in the immediate area surrounding the plant.

PREREQUISITE (7.1.1) – DEMONSTRATION OF COMPLIANCE

The Borgo manufacturing facility in Toronto is in full compliance, meeting or exceeding the written standards set forth by the Ontario Ministry of Labour's *Employment Standards Act* and the *Occupational Health and Safety Act*.

Borgo is a family owned company and the management team is very proactive on environmental issues, often expending funds to go above and beyond mandated Canadian laws and industry standards in order to maintain an ongoing generational heritage of environmental responsibility. Borgo management is committed to an ongoing sustainability program, constantly seeking and implementing new technologies related to energy savings, reduced water use, waste and pollution control and other elements related to reducing the negative environmental effects of the manufacturing process.

Neither Borgo nor any representative of the company has been cited for any human or ecosystem health related criminal violations within the previous three years.

PREREQUISITE (7.1.2) – KEY CHEMICAL, RISK AND EMS POLICIES

In compliance with this prerequisite, Borgo has adopted a policy statement regarding environmental responsibility, safety, hazardous material assessment and life-cycle thinking. This policy, which is posted on the company web site, www.Borgo.com, and has been provided to each company employee, reads as follows:

As a company and community neighbor, we are exceedingly proud of the fact that Borgo manufactures products that are among the most sustainable in the industry. As a manufacturer of seating and case goods, each of us at Borgo understands our responsibility to continuously seek new technology, source progressive materials and develop better processes for producing our products and reducing our footprint on the earth. We are making the effort, and our footprint is getting smaller and smaller.

Some of the areas in which we have made notable progress are:



RECYCLED AND RENEWABLE MATERIALS

Borgio uses rapidly renewable materials and recycled content in more than 50% of our products. All of our wood materials come from areas in Canada and the United States that maintain the practice of sustained forest management. The practice of harvesting sustainably grown timber in North America has increased the size of hardwood forests, with more trees being planted every year.

RECYCLABLE AND BIODEGRADABLE MATERIALS

Improving our packaging methods is possibly the most significant way we reduce our impact on the environment. All Borgio packaging is composed of recycled, biodegradable materials. All reusable cardboard is used within our factory and any waste cardboard is recycled by a service and turned into other products. Internal and external materials including marketing brochures, office forms, and envelopes are printed on recycled paper. All efforts are made to minimize the amount of paper used by exchanging hard copies for soft. When the use of paper is necessary in the offices and plant, it is recycled through a local recycling program. This program also includes glass, aluminum cans and newsprint.

WATER MANAGEMENT

Borgio has implemented a systematic process for waste containment whereby all waste byproducts resulting from production are either returned to suppliers for recycling or diverted to a waste management firm for reprocessing.

ENERGY EFFICIENCY

Borgio has set an internal limit on kilowatt usage. We have achieved this by making sure lights are turned off when not needed, maximizing natural light, and installing timers on the heating system. Borgio has also installed control equipment and implemented policies to reduce electrical consumption with an established goal of a 20% reduction.

END OF LIFE MANAGEMENT

Overall, over 95% of the waste produced in our factories is now being recycled. The amount of waste being sent to the local landfill has been reduced by over 70%. And we are continuously working to improve these numbers. In our upholstery process, all waste is recycled into decking for chair and sofa seats, except for leather scraps which are sold to a recycler for use in other products. Only CFC and HCFC Free foams are used in our products. All foam waste is returned to our supplier to be recycled into carpet underlayment. All of this waste is sent to a waste management firm for reprocessing. Internal solvent emissions are tested regularly for compliance with Ministry of the Environment standards. Borgio encourages the option of blanket wrapping for all our products to significantly reduce the use of disposable packaging material.



SYSTEMS AND STRATEGIES (7.2) 3 POINTS

The Borgo plant is currently registered in compliance with ISO 14001;2004 and as such qualifies for the two points awarded in section 7.2.1.

It has been documented previously in this report that the use of hazardous chemicals in the Borgo plant is minimal. However the company does conform to all requirements of the (Canadian) Occupational Health and Safety Act (OHSA), operates a company-wide Joint Health and Safety Committee, a network of Health and Safety Representatives, conducts periodic safety inspections and regular on-going training sessions. As part of its health and safety initiative, the company maintains an emergency response plan and posts related details in various positions within the plant and as part of its Employees Handbook. The company thus qualifies for one point under section 7.2.2

MAINTENANCE AND OPERATIONS CHEMICALS (7.3) 1 POINT

Borgio identifies and assesses chemicals of concern based on MSDS/SDS information using Annex B for more than 50% (by purchase amount) of all maintenance and operating chemicals not directly used in the manufacture of the product, and assesses them for human and ecosystem impact and qualifies for one [point in this category.

PROCESS CHEMICALS (7.4) 4 POINTS

This Category in the e3 Standard seeks to minimize the impact on human and ecosystem health of chemicals used in or associated with production of furniture. Substances in the following classifications are considered chemicals of concern and are specifically addressed here:

- persistent, bioaccumulative, and toxic (PBT)
- reproductive toxicant
- carcinogen
- endocrine disruptor

Based upon MSDS sheets received from component suppliers along with other corroborative data, Borgo products do not contain concentrations of these chemicals in concentrations greater than 1,000 ppm, therefore Borgo can claim the four points associated here



PRODUCT LEVEL CHEMICALS (7.5) 1 POINT

Borgo has identified and assessed all MSDS/SDS reportable chemicals as defined by OSHA 29 CFR 1910.1200 for materials that add up to 95% by weight of the final product. The company qualified for one point.

Points Earned: 9 Product Points: 4

REPORT ELEMENT 4 -- SOCIAL RESPONSIBILITY

The e3 Standard defines Social Responsibility as the identification of issues, the development of standards, and the implementation of programs that address corporate responsibility for the ethical treatment of employees, communities, and other stakeholders. As a privately held, family owned business, Borgo and the Spassiani family consider their exemplary role as an employer and community member to be their primary corporate mission.

PREREQUISITE (8.1.1) – MANAGEMENT PROCESS FOR HEALTH AND SAFETY

This first Prerequisite mandates that the organization shall ensure employee health and safety by establishing management processes that will detect, avoid, or respond to actual and potential threats to the health and safety of personnel.

The processes shall include the following components:

- Identification of the local and national health and safety laws applicable to the facility;
- Appointment of a management representative with defined responsibilities;
- An employee health and safety policy;
- Documented procedures for the management of the system including a corrective action process that addresses regulatory compliance and actual and potential threats to employee health and safety;
- Establishment and maintenance of employee health and safety metrics;
- Health and safety training available for employees; and
- Regular evaluation of compliance to applicable health and safety laws, as well as internal procedures and requirements.

These specific initiatives have been in practice at the Borgo facility since it was founded in 1984. All aspects listed in this prerequisite are addressed in a 13-page Employee Handbook, provided to all employees, as well as in various postings throughout the plant. The following

excerpt from the Employee Handbook summarizes the company's position on health and safety issues.



“Borgo Contract Seating is aware of its responsibility to ensure the physical integrity and well being of its staff. One of our highest priorities is the safety of our workers and safe work practices in our plant. As a shared responsibility, everyone is expected to participate to maintain a Healthy and Safe work environment...”

“In fulfilling this commitment, Borgo Upholstery Ltd. makes every effort to provide and maintain a healthy and safe work environment as indicated by the acceptable industry practices and compliance with legislative requirements. As president of Borgo Upholstery Limited, I am committed to take every reasonable precaution to protect workers from harm.”

PREREQUISITE (8.1.2) – LABOR AND HUMAN RIGHTS

This Prerequisite mandates that the organization protect and respect the rights of human resources at the local, national, and global levels by ensuring that forced or involuntary labor is not used or supported in any form, that employment is voluntary, and that child labor is not used or supported in any form.

Information presented as part of the prior prerequisite as well as data in previous sections of this report sufficient document the fact that Borgo does indeed protect and respect human rights and that child labor is not supported or used in any form.

PREREQUISITE (8.1.3) – COMMUNITY OUTREACH AND ENGAGEMENT

Borgo consistently strives to maintain good corporate citizenship and benefit the community in which it operates. The company provides both volunteer efforts by its employees and makes financial contributions supporting community projects annually. Most recently, the company has provided new furniture for a charity auction to benefit a local school and company employees have volunteered their time in a number of venues including educational activities, sporting events and assistance to the less fortunate. For tax purposes, Borgo maintains extensive records of these activities, which are available for inspection upon request.

POLICY ON SOCIAL RESPONSIBILITY (8.2) 1 POINT

The e3 Standard addresses the following minimal criteria for earning this point:

- Fair hiring practices
- Education for applicable employees in this subject area
- Corporate ethics



Because the company is privately held, elements such as receipt of gifts and insider trading are not applicable to Borgo. However, Fair Hiring Practices, Corporate Ethics and other elements dealing with Social Responsibility are documented in the Employee Handbook as well as in the Borgo published Policy Statement, as shown in Prerequisite Category 7.1.2 in this report, provide sufficient criteria for Borgo to earn this point.

SAFETY PERFORMANCE (8.3) 1 POINT

Borgo claims one point here because the company has implemented policies and procedures that go beyond the requirements of 8.3.1 by conforming to the requirements of a publicly available external health and safety management system standard. Borgo has formed its own Joint Health and Safety Committee (JHSC) with one representative for every 5 -19 employees, based on the criteria of the *Canadian Centre for Occupational Health and Safety* as well as voluntary provisions of *Health Canada*.

INCLUSIVENESS (8.4) 1 POINT

As a family owned business, inclusiveness has been prevalent at Borgo for more than 25 years. The e3 Standard includes the following components of inclusive in order to achieve the point. These include:

- Identification of and compliance to the local and national inclusiveness rules and regulations applicable to the facility;
- Documented procedures for the management of the system;
- Establishment of appropriate feedback mechanisms;
- A corrective action process;
- Establishment and maintenance of employee inclusiveness metrics and internal performance tracking and reporting;
- Inclusiveness education available for employees; and
- Regular evaluation of compliance to applicable inclusiveness rules and regulations, as well as internal procedures and requirements.

The Borgo Employee Handbook addresses the tangible aspects of these guidelines in terms of employee education, feedback mechanisms, regulations, performance tracking and evaluations. Sufficient documents exist to claim this point.

ENGAGE IN COMMUNITY OUTREACH AND INVOLVEMENT (8.5) ONE POINT

Borgo has always considered itself to be a good community neighbor, assisting the local communities in various ways including outright cash donation and the donations of product for



charitable silent auctions and similar causes. The company, for tax purposes, maintains records for all activity of this type. Borgo employees contribute time and talent as volunteers in various community settings. The company, on a case by case basis, allows for flexibility in scheduling to allow employees to participate in such activities. The company therefore claims this point.

SUPPLY CHAIN (8.7) 3 POINTS

Borgo encourages continuous improvement in the supply chain relative to sustainable business criteria, and particularly to social responsibility. In 2010, the company developed a supplier assessment tool containing several measurable criteria in evaluating suppliers, including a social responsibility checklist which includes the following categories:

- Child labor – Forced labor
- Health and safety – Discrimination
- Discipline/harassment
- Working hours
- Compensation
- Corruption
- Bribery

The company collects completed responses to the assessment tool from 100 percent of its suppliers in accordance with the ANSI/BIFMA e3 criteria. Therefore the company can claim three points in this category.

Points Earned: 6 Product Points: 0

TOTAL EARNED POINTS: 48 PRODUCT POINTS: 28
GOLD LEVEL



SUMMARY CONCLUSION

For more than eight years, the Spassiani family has been committed to the concepts of sustainability and environmental responsibility in managing its company, Borgo Contract Seating. Their decisions to make investments in green technology were made when programs like LEED and Green Globes were in their infancy and before the ANSI/BIFMA E3 Furniture Sustainability Standard was introduced. The company's concerns and subsequent actions are not based on a corporate mandate from stockholders or a need for positive public relations but rather from a family's genuine concern to be a good and responsible neighbor to the community in which they are located and to the environment.

In this third-party validation, the company scored a total of 48 points, good enough to achieve Gold status. But more impressively, their efforts resulted in earning 15 more points than a similar evaluation awarded them in 2010. In addition, the family invested more dollars to make the necessary improvements to earn the ISO 14001:2004 sustainability standards.

Borgo made these decisions, invested the time and spent the money purely because the family believed it was the right thing to do. There are no tax advantages, and no awards of any kind that served as motivation. Borgo and the Spassiani family serve as models in North American manufacturing for doing the right thing, without government mandate, by acting responsibly in furthering the causes of sustainability, safety and human rights.



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