

A misty forest scene with tall evergreen trees on the left and right, and a smaller tree with bright orange autumn leaves in the center. The ground is covered in grass and small plants.

Corporate Social Responsibility Report

2019-2022

artopex®

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1. Introduction



Plants

Artopex has four plants located in three cities in Quebec: Granby, Laval and Sherbrooke. Together, these plants represent over 500,000 square feet of manufacturing space.



Pro-Meubles, Granby

Expertise: manufacturing of laminate furniture and components.



Pro-Systèmes, Granby

Expertise: manufacturing of partitions and laminated components.



Artopex Plus, Laval

Expertise: manufacturing of metal filing cabinets, storage units and components.

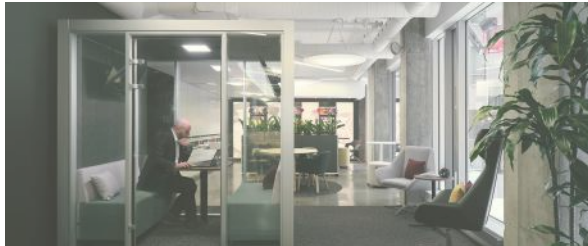


TEC Innovation, Sherbrooke

Expertise: manufacturing of seating and upholstered components.

Corporate Showrooms

In order to help its customers make the right decisions, Artopex has corporate showrooms in Canada and several partner showrooms in the United States.



Montreal
221 St-Jacques Street, Montreal



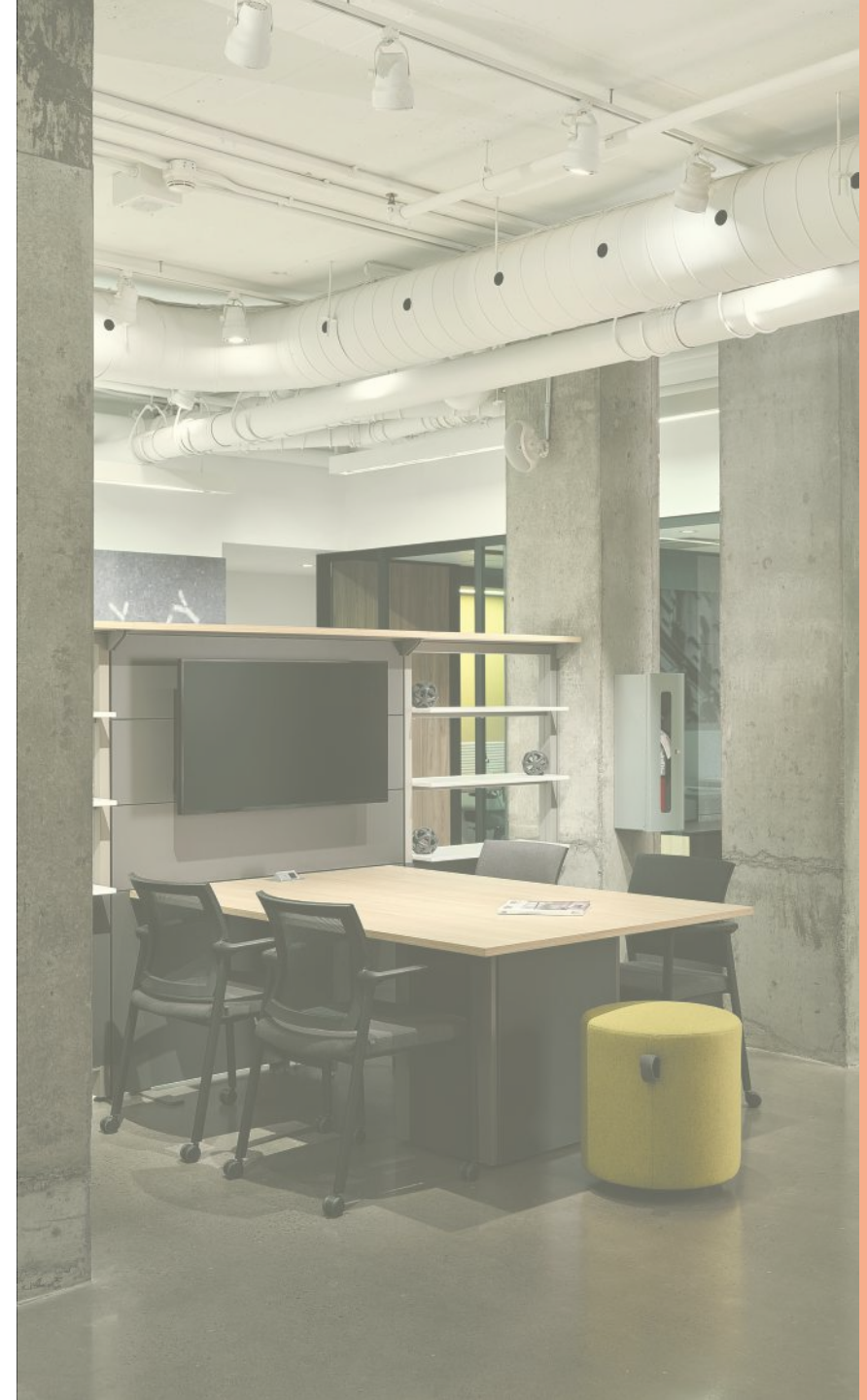
Toronto
366 Adelaide Street East, Toronto



Quebec
734 St-Joseph Street East, Quebec City



Calgary
3619 8th Street SE, Calgary



Latest Investments

Artopex has always wanted to be at the forefront of new trends and technological advances.

Therefore, the company regularly invests in its plants and buildings.



Pro-Meubles Modernization

In 2019, Artopex completed the modernization of the Pro-Meubles plant.

A total of **\$30.1M** was invested to modernize the plant and significantly increase its productivity.

Artopex has acquired state-of-the-art automation and robotization equipment.



TEC Innovation Expansion

The **\$6.5M** expansion was completed in 2021.

This expansion represents a surface area of 30,000 square feet by 60 feet in height, which allows the plant to keep four times more items in inventory.

The Sherbrooke plant now has one of the highest warehouses in Canada.

Latest Investments



Modernization of the Pro-Systèmes Factory and Offices

The Pro-Systèmes plant began its changes in 2019.

Representing an investment of **\$2 M**, these changes are characterized by the modernization of the plant and its technologies, the reorganization of the offices and the cafeteria, as well as the refurbishment of the building's exterior façade.

Artopex stands out for its innovative culture. These investments allow the company to improve its product offering, increase its production capacity and increase its quality assurance.



Creation of the StudioLab

At the end of 2022, Artopex announced the inauguration of the StudioLab: an exclusive and creative space for the R&D and marketing departments.

This new space, located at the Pro-Systèmes plant in Granby, is the official home of Artopex' upcoming products. This new facility alone represents an investment of **\$500,000**.



Awards and Recognitions

Best Managed Companies, 2022

Artopex has been named one of Canada's Best Managed Companies for the 15th consecutive year.



"Les Mercuriades" Gala, 2022

Artopex received the "Innovative Manufacturer" award at the 2022 Mercuriades Gala.

This gala is a prestigious Quebec business competition highlighting Quebec companies' innovation, ambition, entrepreneurship and performance.



Good Design Competition, 2020

The Axel tile system won a Good Design Award, a competition organized by the Chicago Athenaeum Museum of Architecture and Design.



2. Social Responsibility





Our Commitment

Artopex has become an important contributor to Quebec's social, industrial and economic development. We are proud to offer our employees a stimulating and safe work environment where they can grow professionally.

Responsible management of the organization, commitment, and creativity have allowed us to establish ourselves with a growing clientele since 1980. We are privileged to be able to share with our teams our dreams and our desire to always do better.

Our concerns also extend to the activities of our local and foreign suppliers. We ensure that they comply with human rights and labor law requirements.

In recent years, the impacts of the pandemic, the phenomenon of labor shortage and the international geopolitical situation have had a significant impact on all industrial companies.

The combination of these factors has pushed us to raise our creativity level in order to keep responding effectively to the growing demands of the market.

In this context, we have adapted our strategy, taken new directions in hiring staff, reviewed the work environment, adopted new technological tools and maintained investments at a very high level.

We also maintained our commitment to quality and the reduction of environmental impacts by reaffirming the maintenance or adherence to the most demanding standards and certifications in our industry.

This rigor in carrying out our projects and our commitment to our partners and clients allows us to envision the future with optimism.

Daniel Pelletier
President, Chief Executive Officer

Martin Pelletier
Executive Vice President, Operations

Francis Pelletier
Executive Vice President, Sales and Marketing

Quality and Environmental Policy

Since its creation, Artopex has made it its mission to offer quality products to its customers.

Being aware of the environmental impacts of its activities, the company designs and manufactures its office furniture in a responsible manner. Therefore, Artopex is committed to:

1. Set and achieve environmental goals and targets each year for energy consumption and chemical use.
2. Evaluate the impact of chemicals on human health and the ecosystem to seek better alternatives.
3. Put in place the necessary resources to prevent the pollution from products and services from a life cycle perspective.
4. Meet or exceed applicable environmental regulations and any other requirements.
5. Implement a continuous improvement process, which will allow Artopex to reach high environmental standards.
6. Create an environment where everyone is committed to supporting the company's processes and continuously improving these to satisfy customers.





Involvement in the Community

Artopex continuously invests in its community, especially towards Granby residents.

Its involvement is characterized by donations and sponsorships to foundations, various organizations and athletes, in addition to the numerous activities in which the management and employees take part.

Here are just a few involvement examples:

Granby Zoo Foundation

The Granby Zoo Foundation is a non-profit organization that finances wildlife conservation projects.

Artopex has been involved with this local foundation for several years now.

In 2022, the company sponsored the Granby Zoo Foundation's wine and food pairing event.

Granby Hospital Foundation

In 2021, a sum of **\$140,000** was raised in donations by the Haute-Yamaska community and by Artopex's contribution to the Granby Hospital Foundation.

During this fundraising event, Artopex doubled all donations raised, up to a total of **\$25,000**.

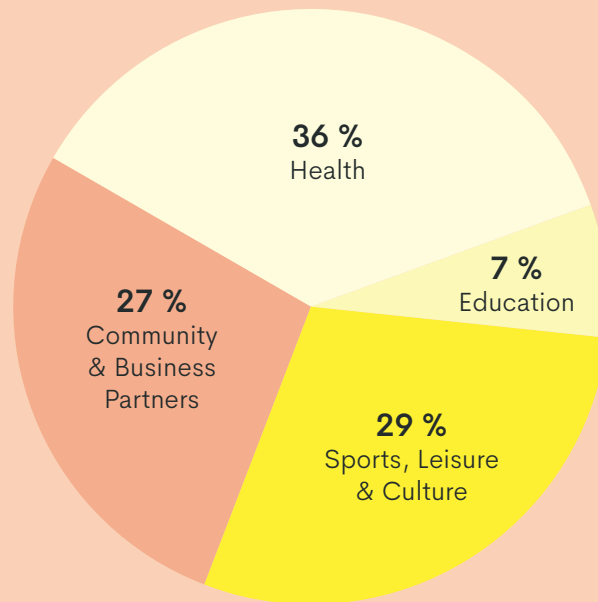
Complexe sportif Artopex

Artopex has always been committed to providing the community with an environment dedicated to health and sport. This is why the company financed the construction of the Complexe sportif Artopex in 2010 and ensured its maintenance for several years.

In 2021, Artopex has transferred the complex to the city of Granby, which has promising expansion plans.

Involvement in the Community

Allocation of Donations and Sponsorships
From 2019 to 2022



*Inauguration of the new intensive care unit
at the Granby hospital in 2021*



3. Supply Chain and Responsible Products



Responsible Products

The research and development team integrates the principles of eco-design.

This considers the environmental impacts of a product throughout its life cycle, from the raw material extraction to manufacturing, distribution, use and disposal.

Artopex products are designed with functionality, quality, esthetics and ergonomics in mind.

Furthermore, as shown by the Artopex guarantee, the concern to offer durable goods is a notion at the heart of the company's manufacturing system. All products are designed to meet the most stringent requirements of the industry.

THE EIGHT ECO-DESIGN CRITERIA

1. Sustainable wood
2. Energy efficiency
3. End of life management
4. Recyclable and biodegradable materials
5. Water management
6. Recycled materials
7. Renewable materials
8. Low-emission products



Artopex encourages continuous improvement of the supply chain in the context of social and environmental responsibility.

Therefore, the company proposes its main suppliers to sign a code of conduct that reflects its values. This is an integral part of its environmental and social policy.

Supplier Commitment

The following are the various issues addressed by this code of conduct:

Evolving with respect	Labor law
Child labor	Forced labor
Harassment	Working hours
Discrimination	Ethical conduct
Wages and benefits	Health and safety
Management of atmospheric emissions	Pollution prevention and resource conservation
Compliance with laws, regulations and guidelines of jurisdiction	Management of hazardous substances

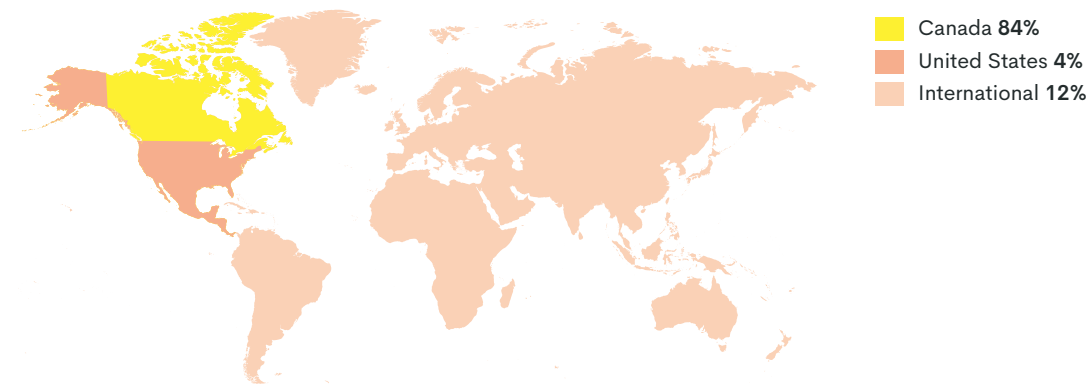
Proximity of the Suppliers

In order to encourage the local economy, most of the purchases for all the factories are made from local suppliers and resellers.

In addition, Artopex is now repatriating certain manufacturing steps that were previously performed externally to its own plants.

For example, the Laval plant has purchased metal subcomponents. Originally assembled overseas, these will be assembled at the plant.

This manufacturing strategy will reduce the negative impacts of transportation on the environment by maximizing cargo space.



4. Human Resources and Well-Being at Work

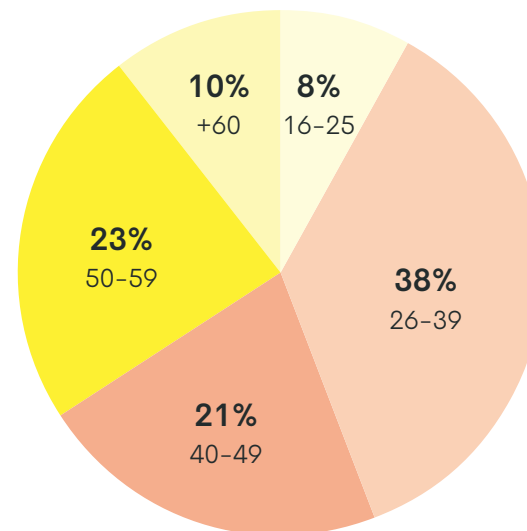


Diversity and Inclusion

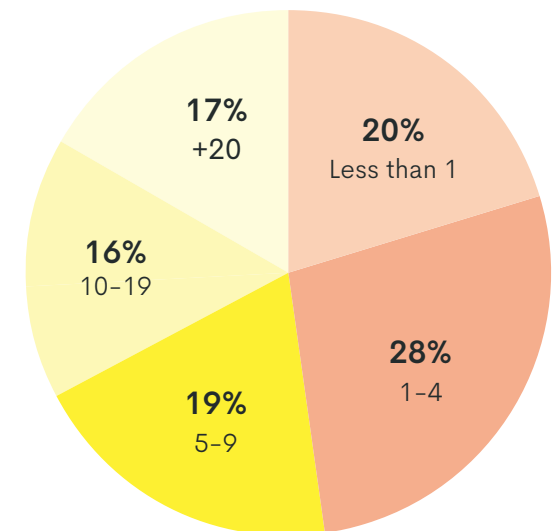
The company's policy on diversity and inclusion in the community can be summarized as "respect for all, by all".

At Artopex, women represent **32.50%** of the total workforce.

Age of Artopex Employees in 2022



Years of Seniority of Artopex Employees in 2022



International Recruitment

With the help of the firm We Conseil et Recrutement, Artopex is hiring internationally.

In 2022, the company welcomed 18 foreign employees. In addition to offering them a job, Artopex helped them with housing and team integration.

Artopex is proud to have a diverse workforce by integrating new skilled workers with whom the employees can exchange and learn more about their culture.





Respect of Human Rights

Supporting employees in achieving their goals is essential to ensure their well-being and Artopex devotes sustained efforts to this task.

In particular, the company contributes to ensuring sound management of human and workers' rights.

Among other initiatives, communication channels between management and employees have been established through the creation of an employee relations committee. Meetings allow employees to discuss their needs and implement solutions.

Training

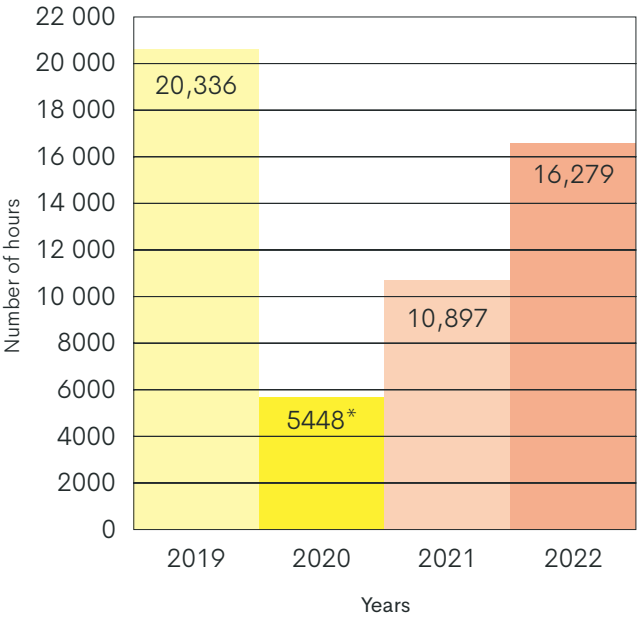
Artopex is committed to providing adequate training, resources and tools to enable employees to do their jobs well, achieve professional fulfillment and reach their goals.

The offered training develops skills, confidence, motivation, the development of work teams and the performance of the company.

From 2019 to 2022, Artopex offered a significant number of training courses at its four plants in several areas of expertise.

These areas of expertise are health and safety, customer service, leadership development, stress management, office automation and languages.

Total Hours Invested in Training at Artopex From 2019 to 2022



* The decrease in training hours in 2020 is due to the company's slowdown in operations and activities during the global pandemic.



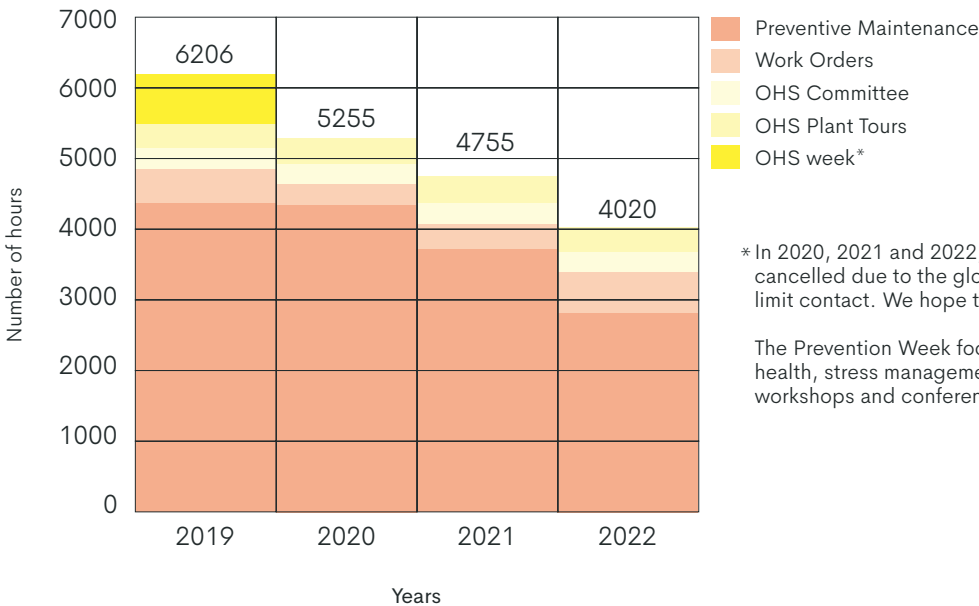


Occupational Health & Safety Training

Artopex considers its human resources as its most important asset.

As a result, management has chosen to invest fully in deploying the necessary resources for the deployment of health and safety prevention activities. Thus, prevention is an integral part of the company's daily activities.

Hours Invested in Occupational Health and Safety
From 2019 to 2022 (Total for the Four Plants)



* In 2020, 2021 and 2022, OHS Prevention Week has been cancelled due to the global pandemic and precautions taken to limit contact. We hope to hold a Prevention Week in 2023.

The Prevention Week focuses on different themes such as physical health, stress management and taking action through training workshops and conferences.

Management Tools

A Daily Management System (DMS) is currently being implemented in Artopex plants. This system will standardize the work of managers and increase productivity.

With the help of simple and effective visual tools, the company will be able to optimize its operational performance by eliminating the sources of variation caused by management and supervision practices.



Wellness Culture

The well-being of employees has never been more important in the organization of workplaces and the culture of companies.

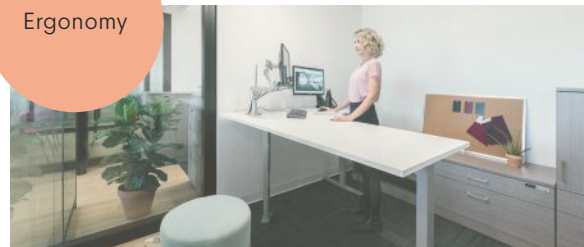
Recruitment and retention issues, market competitiveness and the rise in popularity of remote work are shaping today's workplaces.

Artopex revealed the new headquarters in 2018, the renovated offices of the Pro-Systèmes plant in 2022 and the brand new StudioLab in 2022.

These three environments demonstrate Artopex's expertise, promote the well-being of its teams and encourage hybrid work.



Biophilia



Ergonomy



Natural light



Wellness Culture

Resimercial



Various work environments



Activities



Acoustics



COVID-19 Response

Production of Protective Screens

In 2020, Artopex developed a line of universal protective screens in glass, laminate and acrylic. These screens could be attached to work surfaces while maintaining the harmony of the design of the work environment.

Implemented Measures

Artopex always closely followed the government recommendations for businesses.

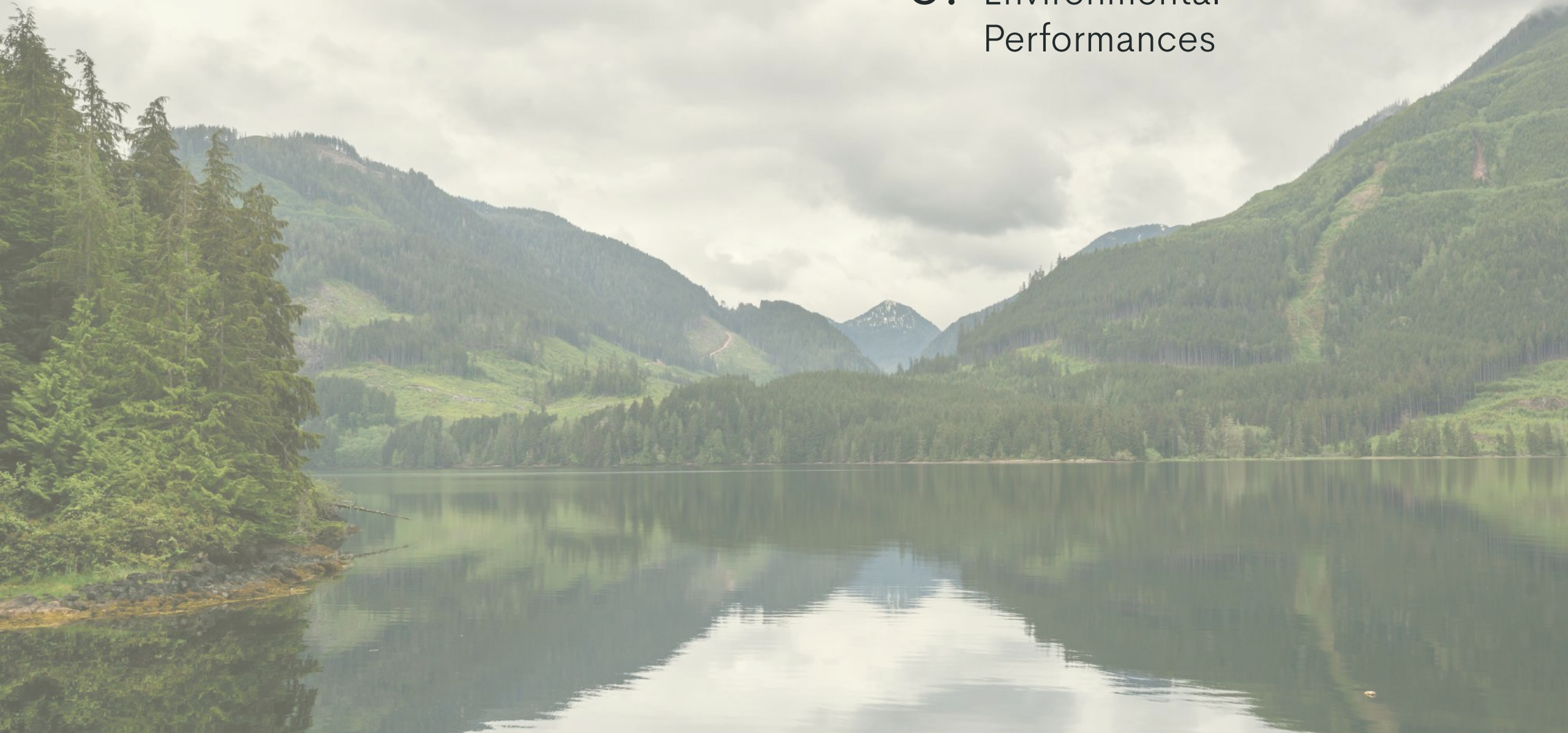
For example, Artopex provided protective equipment such as protective masks, visors and cleaning gels.

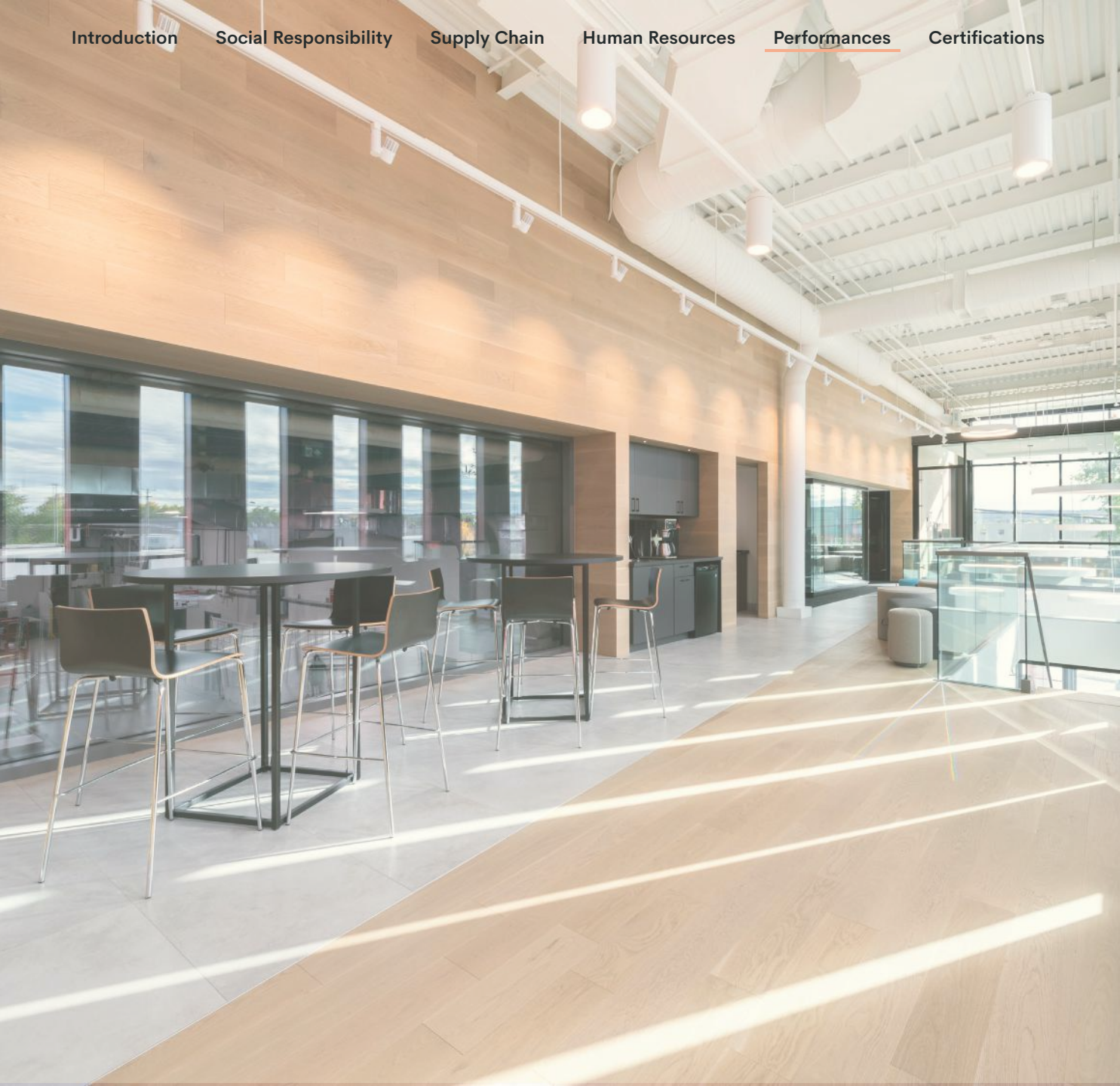
People have also been hired to frequently clean surfaces and limit contamination.

When possible, office employees worked from home. The company provided them with everything they needed, such as monitors, computers, headphones and more.



5. Environmental Performances

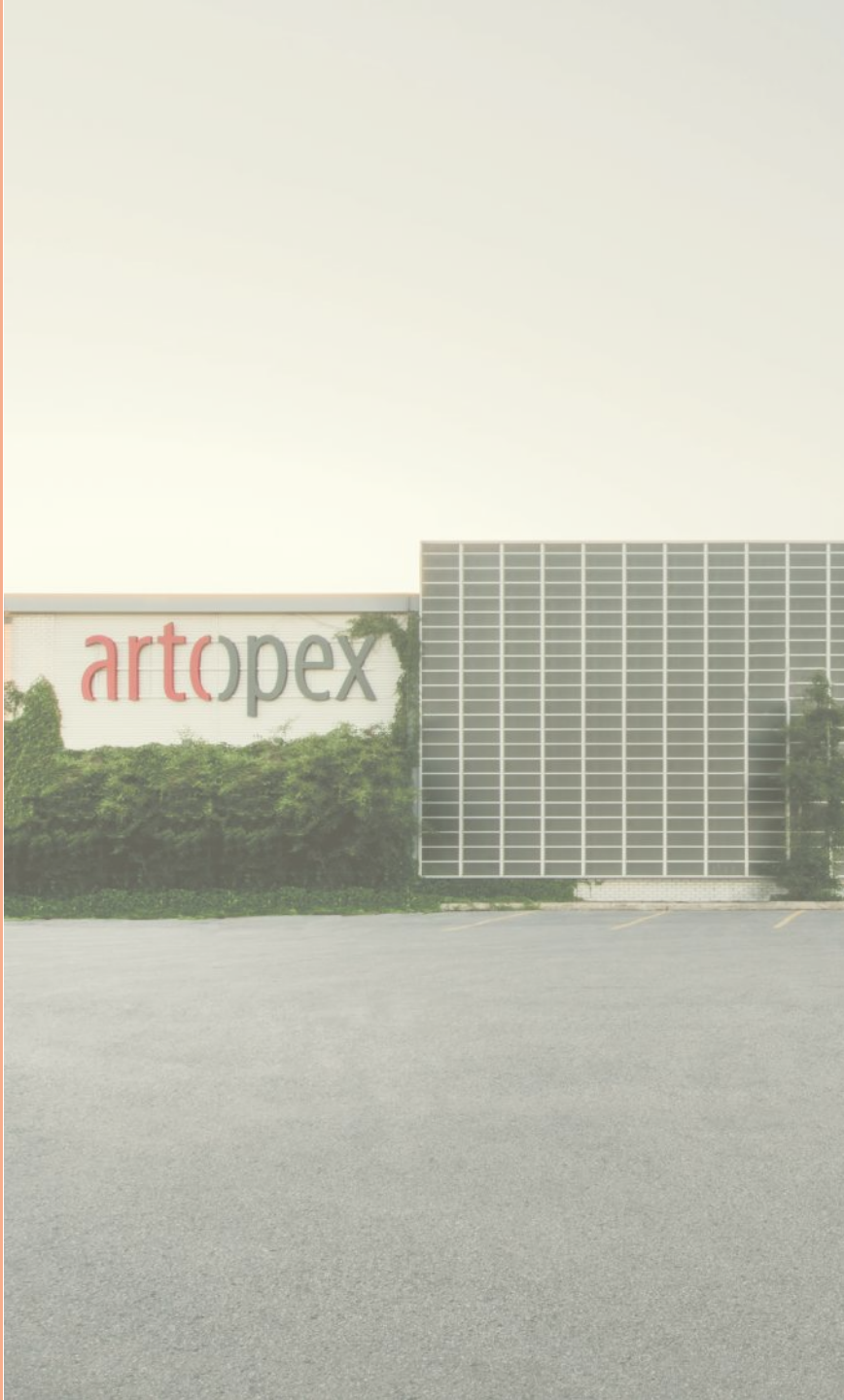




Energy Consumption

Renewable energy, such as hydroelectricity, wind power and solar power, represents **61.80%** of the total energy consumed by the four Artopex plants in 2022.

Non-renewable energy, such as natural gas, represents only **38.20%** of the total energy consumed by the four Artopex plants.



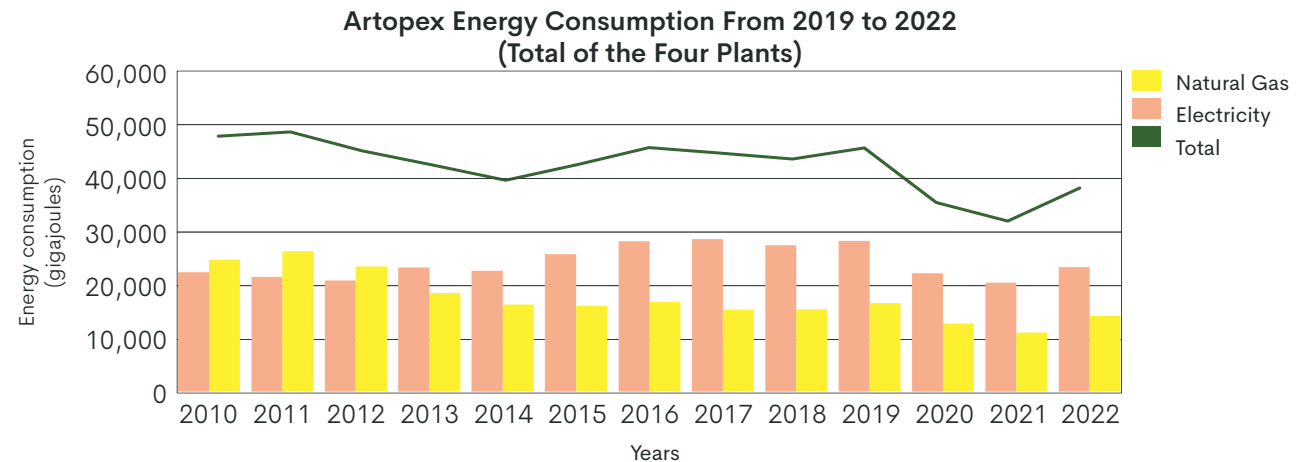
Energy Consumption

Numerous projects have been deployed to reduce the level of energy and natural gas consumption at Artopex. These include air exchangers, solar walls with thermal collectors, air curtains, insulation, air diffusion tanks and more.

These projects have resulted in savings of 23,357 m³ of natural gas. This represents a reduction of 386 tons of GHGs, the equivalent of 71 cars and light trucks or 36 hectares of carbon-absorbing forest.

As a result, the company has achieved a **42.4%** reduction of natural gas consumption in 2022 compared to 2010.

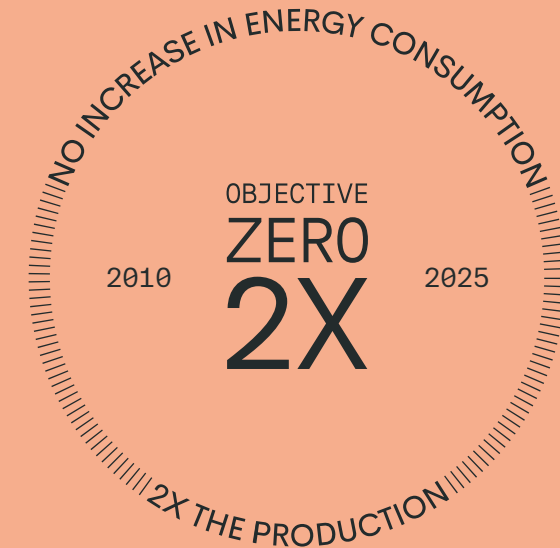
Total energy consumption has decreased by **20%**. This is a significant result, as it was achieved despite a **19.2%** increase in production in 2022 compared to 2010.



ZERO 2X Objective

Created in 2010, the ZERO 2X performance statement aims to increase the company's energy efficiency.

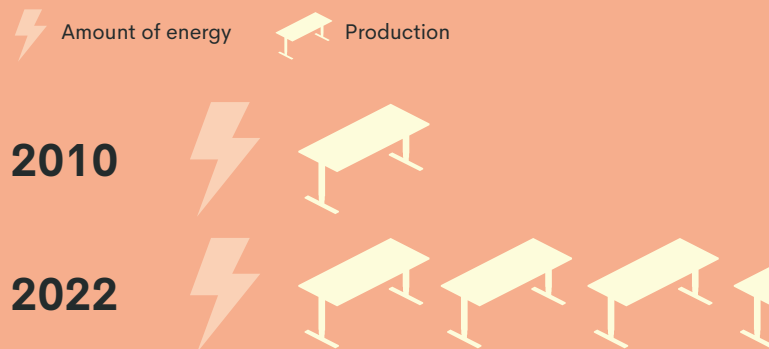
In concrete terms, this means doubling the production volume with the same amount of energy, or using half the energy to transform the same amount of raw material into a finished product.



ZERO 2X Objective

The energy results for the last year of 2022 suggest that the ZERO 2X objective will be reached in 2025. Preliminary analyses show that for the same energy consumption as in 2010, the four plants combined processed **3.3 times more raw material**.

The challenge will be to continue in the same direction by 2025. Some upcoming projects could mitigate the results, such as tempering production spaces to increase the quality of life for workers. However, the energy efficiency program should balance these results.

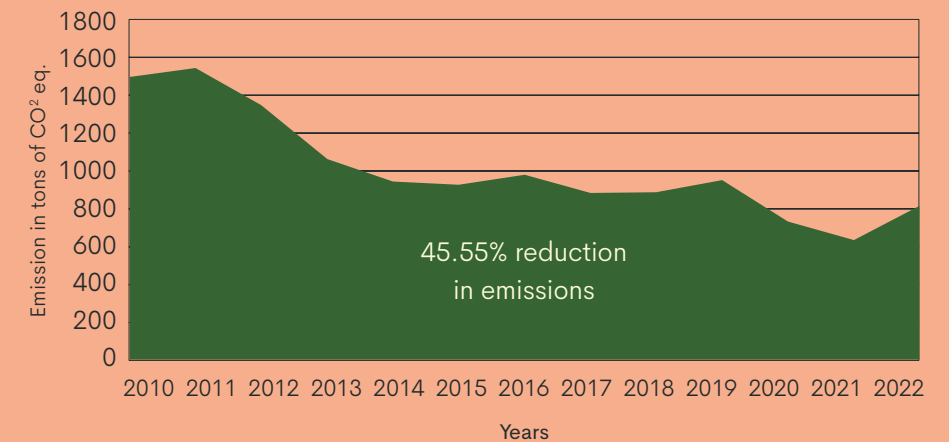


The energy transition aimed at reducing fossil fuel consumption in favor of clean and renewable energy is well underway.

Greenhouse Gas Emissions

The growing concern about climate change makes the reduction of greenhouse gases an important issue. Artopex is proud to have reduced its greenhouse gas emissions related to the manufacturing of its products by **45.55%** in 2022 compared to 2010, mainly by reducing its natural gas consumption.

Greenhouse Gas Emissions (tons of CO² eq.) Related to Artopex's Electricity and Natural Gas Consumption

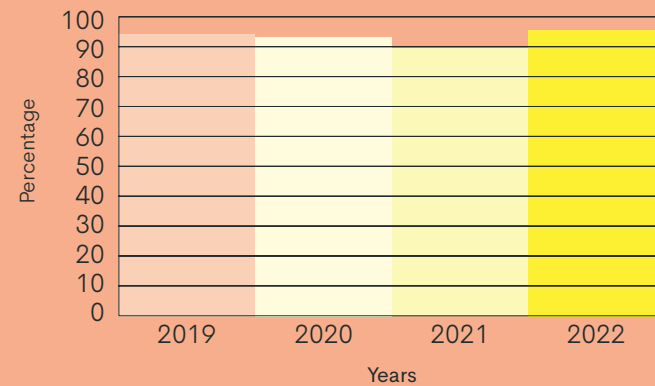


Residual Materials

Over the last four years the average percentage of waste recycling for the four plants has been **93.4%**.

Artopex is continually looking at ways to reduce the amount of waste sent to landfill, including partnering with suppliers and optimizing manufacturing processes to reduce waste at the source.

Percentage of Waste Recycling



Waste Processing

Wood particle dust and scraps represent the majority of residual materials produced by the laminate furniture and component plants.

The wood particle scraps are shredded and mixed with dust.

The wood particle board supplier then sends this material to a local greenhouse, which uses it as a secondary fuel source to heat the building.

This partnership has allowed the company to divert an impressive amount of material from landfill, approximately **7253 tons** of wood dust from 2019 to 2022

**Tons of Residual Materials (Wood Particle) Diverted
From Landfill Within 2019 to 2022**



Waste Processing

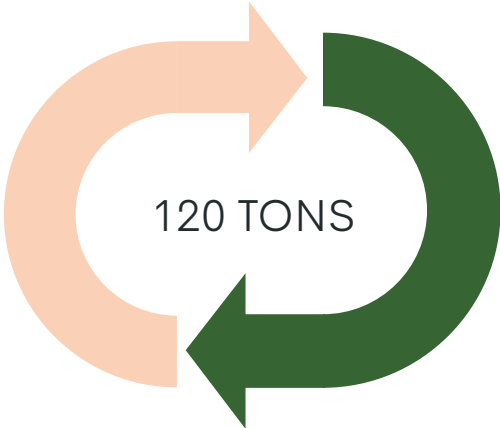
By the end of 2023, Pro-Meubles estimates that it will be able to reduce its usage of disposable packaging by **25%**.



To achieve this, the company had to review its packaging methods and prioritize pallet packaging instead of individual product packaging.

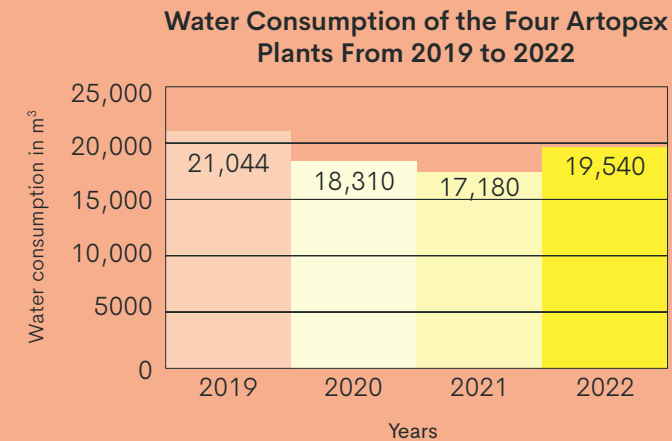
In addition, the pallets used for shipping to customers are manufactured by the Pro-Systèmes plant since 2022 and are made of **85%** recycled and waste materials from Artopex plants.

Tons of Residual Materials (Wood Particles)
Used Annually for Packaging



Water Consumption

From 2019 to 2022, Artopex reduced its water consumption by **7.15%**. In 2017, the company decided to decrease its water consumption, which was growing. Since the manufacturing processes consume very little water, it is mostly used for the needs of employees. The decrease of **7.15%** can therefore be explained by the measures taken by Artopex as well as by the new work habits in hybrid mode since the pandemic.





Chemicals Consumption

The main chemical product used on the production line is solvent. It is used to remove impurities on all types of components as well as the glue spillage from the edgebands on the laminated components.

For several years, manufacturing units have been aiming to optimize the use of solvents in order to reduce their consumption.

Since 2010, a significant decrease in consumption has been observed despite an increase in production. This improvement is explained by the implementation of an action plan to reduce the use of chemicals.

ACTION PLAN

Installation of new laser and hot air edgebanders that do not require glue.

Implementation of quality control measures for parts.

Adoption of a less volatile solvent.

Awareness of employees not to use the solvent excessively.

Machinery and Equipment

Recurring investments for the acquisition of new machinery and equipment allow Artopex to be more productive and optimize resources by reducing waste.

Also, the implementation of new manufacturing technologies allows an increasingly qualified workforce to develop within the company and enrich collective knowledge.

Here are the main initiatives concerning machinery and equipment that have contributed to improving Artopex's environmental performance:

Energy Management Program

Solar panels at the Artopex Plus plant were doubled in size (from 3,000 to 6,000 sq. ft.) to increase the share of renewable energy and decrease the use of natural gas.

2023 will see the completion of the installation of solar panels at the Pro-Meubles plant. Similar solar panels have already been installed at the TEC Innovation plant.

A high-efficiency heat pump was installed at the Pro-Meubles plant.

The Pro-Meubles plant now has a regulator to manage electrical consumption peaks.

At the Pro-Systèmes plant, particle board cutting and handling equipment has been modernized for increased efficiency.





Machinery and Equipment

PUR Glue Line

The Pro-Systèmes plant has acquired a more energy-efficient PUR (polyurethane) hot melt gluing system with cold pressing for the laminated components. This replaces the white glue-based system with the hot-pressing area.

In addition to the energy savings, the new system eliminates the water consumption required when cleaning the glue-based equipment.

New Machining Centers

The Artopex Plus plant has a new aluminum machining center. This contributes in reducing the percentage of material loss and machining time.

The Pro-Meubles plant has a new machining and edge banding center, which is glueless. The elimination of glue allows for a considerable reduction in the use of solvents when cleaning the components.

Laser Cutting Center for Steel Tubes

Located at the Laval plant, this new center contributes in reducing the percentage of material loss and machining time.

Environmental Initiatives

Sustainable Transportation

Artopex encourages its employees to use a sustainable mode of transportation. Therefore, the company provides its workforce with :

- 25 electric charging stations;
- Bike racks at each plant;
- Three cars for trips outside the workplace to promote carpooling.



Digital Brochures

Artopex has made the decision to reduce its printing and paper usage by focusing on the production of digital brochures for the presentation of its products.

Working in Hybrid Mode

Since 2019, the company offers hybrid work and provides its workforce with the necessary equipment to work properly, both in the office and at home.

By reducing their travel, office workers generate fewer greenhouse gases related to their work.

6. Certifications



Certifications

To continuously surpass itself in social and environmental responsibility, Artopex adheres to the following certifications and programs:

ISO 9001

A quality management system that ensures established standards are maintained.

ISO 14001

Environmental management system aimed at regulatory compliance and continuous improvement.

Indoor Advantage Gold

Artopex's collections of freestanding laminate furniture, desk systems, office chairs and lounge chairs comply with the requirements of this standard for indoor air quality.

LEVEL From BIFMA

The majority of Artopex furniture is LEVEL® certified according to the ANSI/BIFMA e3 standard. This certification gives the products the status of sustainable and responsible furniture.





Editors of the report

Elyasse El Mrabet

Environmental and Certifications Manager at Artopex

Jean Barbeau

Director of Research and Development at Artopex

Philippe Gosselin

Marketing Director at Artopex

Camille Provencher

Marketing Coordinator at Artopex

ECO@artopex.com
T 1 800 378 0189
artopex.com

Head office
800 Vadnais Street
Granby, QC, Canada, J2J 1A7