



High Point Furniture Industries Social Responsibility Report

The Environment

For more than 55 years, HPFI® (High Point Furniture Industries) has been building furniture in the United States with respect to our environment and our community. As a world-class manufacturing operation, we strive to reduce and to eliminate impact on our environment. We recycle and reuse wherever possible. When viable and acceptable to our customers, we incorporate recycled and recyclable materials into our finished products. HPFI is utilizing the Business and Institutional Furniture manufacturer's Association's (BIFMA) e3 standard to identify and certify the levels of environmental achievement as well as identify specific contributions of LEED points.

At HPFI, we understand the future does not belong to us, nor does the earth, nor its resources. The maintenance of our environment and a commitment to sustainability is an ongoing responsibility that we share with every person, organization and industry enjoying the abundance of this earth. We pledge to continually respect our resources and build community for those of us here today and for those who will follow.

On our journey toward sustainability we have set environmental goals which we measure and monitor our progress as a key metric of our business success. Some examples of our progress are:

- Our two (2) manufacturing facilities have reduced solid waste by 56% and 35% respectively in 2013.
- Our two (2) manufacturing facilities have reduced electrical consumption by 9% and 10% in 2013.
- Greenhouse gas has been reduced by 4.6% at the seating facility in 2013.
- Hazardous waste from our finishing operations at the two (2) manufacturing facilities has been reduced by 86% and 74% in 2013.
- We have recycled 100% of our electronic waste, which includes old computers and printers, over the past six (6) years.
- HPFI has not experienced or reported a chemical spill in the last six (6) years.
- HPFI is a volunteer participant in reporting Greenhouse gas emissions.

Health and Safety

HPFI will provide a safe and healthy workplace in compliance with OSHA and other applicable regulations. All employees will have access to potable water and sanitary facilities, adequate lighting and ventilation. HPFI will be proactive to prevent potential accidents and injury to employee's health. We will strive to minimize health and safety risks to our associates and to our community in which we are located by establishing safe operating and facility policies and procedures and preparing for potential emergencies.



- We have identified state and federal health and safety laws applicable to our industry through information from OSHA and other local agencies.
- Our Human Resources Manager is responsible to ensure our associates' health and safety by developing policies and processes to meet these goals.
- We have developed and implemented policies and programs to help prevent injuries and illnesses to our associates.
- We have established and maintain metrics to measure the performance of our associates' health and safety.
- Training is provided to our associates that includes OSHA required safety training and also wellness and illness prevention programs.
- We evaluate our compliance to health and safety laws through regular visits from OSHA voluntary compliance officers and safety team meetings.

While the above components to our health and safety plan are important, the goal of HPFI® is to go beyond what is required and to excel in promoting health and safety. Some examples of our progress are:

- The overall incident rate at HPFI in 2013 was 1.9% versus the industry average of 5.4%.
- The companies' workers compensation mod rate in 2013 was .91 versus 1.0 for industry.
- HPFI has qualified for the silver level award in 2012 and 2013 from the North Carolina Department of Labor for achieving a low safety incident rate.
- HPFI continues to use the OSHA Voluntary Compliance Program every eighteen (18) months and also continues to conduct safety inspections. The company utilizes our workers compensation carrier safety consultants to do regular safety inspections and to advise on safety issues.
- Safety consultant from workers compensation carrier conducts ergonomic reviews at workstations with potential repetitive motion issues.
- The company continues to train employees annually in hazardous communication, blood borne pathogens, forklift training. Also train first responder team in CPR and first aid.
- HPFI has offered many wellness initiatives including blood pressure and body mass index screenings, "lunch and learn" meetings related to wellness topics. Employees with health insurance are offered free physicals. A wellness newsletter is distributed by email and posted on communication boards every month.
- HPFI offers free flu shots every year to each of its associates.

Labor and Human Rights

HPFI respects and protects the rights of all of our human resources at each of our operating facilities. HPFI provides equal employment opportunities to all employees and applicants for employment. HPFI complies with all federal and state labor laws to ensure that all labor is voluntary. HPFI employees' one-hundred and four (104) employees in its



two locations in High Point, NC. There have been no incidents of discrimination in the past 6 years.

Social Accountability

HPFI strives to maintain a culture of integrity and social accountability. This culture depends upon treating our associates and business partners with respect and fairness, being open and honest, and following all laws and regulations. The following reflect our standards to ensure that we meet and uphold this policy of social accountability. HPFI is committed to conformance with the SA8000 Social Accountability Standard.

Child Labor

Child labor is prohibited at HPFI. We will not engage in or support child labor. “Child” is defined as a person younger than 15 years of age. North Carolina law only allows 15 year olds in certain occupations. Employees under the age of 18 may work in certain areas as required by North Carolina labor standards.

Involuntary Labor

HPFI will not support or engage in the use of involuntary labor. Employees will have the right to leave the workplace after completing their standard workday. Employees have the right to terminate their employment at anytime provided they give a reasonable notice to HPFI.

Freedom of Association and Right to Collective Bargaining

HPFI will respect the rights of associates to form, join, organize and bargain collectively in a lawful and peaceful manner without penalty. Employees will not be subject to harassment or intimidation in their efforts to pursuer their legal rights regarding freedom of association and collective bargaining.

Discrimination

HPFI will not discriminate or support discrimination in the hiring and employment practices including salary, benefits, promotion, discipline or termination based on race, national origin, religion, age, gender, disability or sexual orientation. HPFI is an equal opportunity employer.

Disciplinary Practices

HPFI will treat all employees with respect and dignity and will not engage in or tolerate corporal punishment, mental or physical coercion, verbal abuse, sexual harassment or psychological abuse.

Working Hours and Compensation

HPFI will respect the right of associates to a living wage by complying with all state and federal wage and hour laws, including those relating to wages, overtime, hours worked and provide all legally mandated benefits and insuring we meet comparable industry minimums. Except in extraordinary business conditions, HPFI will not require employees to work more than 48 hours. In addition, except under extraordinary



business conditions, employees will be entitled to a least one day off in every seven day period. HPFI will compensate employees for overtime hours as required by law.

Employees of the company are prohibited from receiving gifts from business partners in excess of \$25 in value. Gifts should never be offered or received during a bidding process.

Management Systems

HPFI management is committed to conforming to all the requirements of the SA8000 Social Accountability Standard. Top management shall periodically review the adequacy and suitability of HPFI's policy, procedures and performance results against the requirements of this standard. Where appropriate, amendments and improvements shall be implemented. HPFI will have an open door policy and provide a confidential means for employees to report non-compliances and address concerns and take corrective action when needed. HPFI will also be open to regular outside communication, provide access for verification to auditors and maintain records to demonstrate compliance with requirements. HPFI will require business partners to comply with all applicable laws and regulations and comply with all standards found within this document. Management shall ensure that the provisions of these standards are communicated to employees by posting a copy of these standards in a prominent area and by posting on the company website.

Inclusiveness

HPFI values individual and group differences and our communications will be open and honest. This inclusiveness enriches our performance and products. All associates value and work to enhance diversity in our workforce because it is good for our business, our associates and our community. Diversity management is an important part of our business culture, strategic plans and systems.

- HPFI complies with all state and federal laws that apply to fair hiring practices and will not discriminate in hiring and employment practices on the basis of race, religion, age, national origin, gender, disability or sexual orientation.
- Human Resources is responsible for overseeing that fair hiring and employment practices are taking place throughout the company and that policies are applied equally to all employees. Human Resources will keep applicant, hiring and termination logs to document our compliance to the policy.
- HPFI has an open door policy for employees to utilize to give feedback or log complaints on any potential noncompliance of our policies. There are suggestion boxes located in the break room that are used for associates' feedback.
- Human Resources along with top management will determine the best course of action to pursue when there is an issue of noncompliance. Investigations and research will be conducted by Human Resources and a mutual decision will be made on the best course of action to take.
- HPFI has established and maintained inclusiveness metrics which are similar to the EEO1 reports which are required by federal law. The company also utilizes an HRIS system to assist with tracking and reporting.



- Inclusiveness education is available to all employees. EEOC and inclusiveness policy posters that are posted in lobbies and break rooms and on our website.
- Human Resources will evaluate on an annual basis our compliance to applicable inclusiveness rules including those required by state and federal agencies. Human Resources audits internal procedures and policies to ensure the company is in compliance.

Community Outreach and Involvement

HPFI endeavors to be a good corporate citizen within the local communities in which we maintain operating facilities. HPFI and its associates currently make financial contributions to the High Point United Way agency. Associates' time is also donated to allow for annual United Way campaigns (23 hours in 2012). HPFI schedules blood drives with the American Red Cross each year to assist with blood donations (18 donors in 2013). Additionally, HPFI consistently donates product to local non-profit organizations including religious and educational institutions.