



DAVIES SUSTAINABILITY REPORT 2017

Headquartered in Albany, NY, Davies Office Refurbishing, Inc. was founded in 1948 and has become one of the largest independent multi-line Remanufacturers in the United States. Davies offers its clients a level of Technology, Expertise, and Quality unparalleled in the industry.

WELCOME TO DAVIES

A Statement from our President & Vice President

In recent years there has been a great deal of attention given to environmental issues, and with good reason. Our environment, our earth, our home, is in need of considerable action. Together, we must focus on changing how we do things, reducing the use of raw materials, and consuming less energy. This effort is a big part of who we are at Davies and something we are very proud of. As one of the largest remanufacturer's of office furniture in the United States, Davies has been on the forefront of the movement toward sustainability, and environmental consideration. It's why we do what we do.

We here at Davies have committed ourselves to the journey of continuous improvement to become a more sustainable company. Davies adheres to the triple bottom line of sustainability whereby environmental, social and economic aspects of doing business are integrated into our daily tasks. As a part of our journey, Davies has been moving beyond regulatory compliance and in an effort of continual improvement and sustainability we have initiated a Davies Sustainability Team. This team collaborates with our independent consultants and provides the conduit for disseminating these practices throughout our organization.

Our focus is to provide sustainable solutions both internally and externally. We do this not because we are mandated to do so but because being sustainable is the foundation of our business. We're remanufacturers of office furniture with a nationwide client base. Our whole business is based on the re-use and or recycling and remanufacturing of existing assets. There is no more environmentally friendly process out there.

Signed



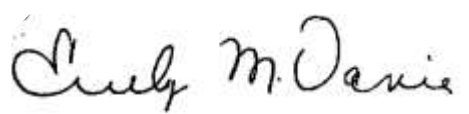
William E. Davies, Vice President

Davies Office Refurbishing, Inc.

40 Loudonville Rd.

Albany, NY 12204

Signed



Evelyn M. Davies, President

Davies Office Refurbishing, Inc.

40 Loudonville Rd.

Albany, NY 12204

Company Profile

- Founded in 1948
- Headquartered in Albany, NY - with Distribution and Service Throughout the Continental United States and Canada.
- 250,000+ Square Feet of Manufacturing/Warehouse/Trailer Space
- Vast Inventory of Pre-Owned Systems Workstations, Representing All Major Manufacturers
- Culturally Diverse Work Force
- Woman Owned Business
- ESOP (Employee Stock Ownership Plan) Company



Davies is an INDEPENDENT company servicing virtually all makes and models of furniture without any hidden agendas or ties to major OEM's. We keep the clients best interests in mind at all times. Davies makes your job easier and saves you money by providing seamless, total turnkey services, eliminating the need or the search for multiple vendors in multiple markets.

Bill Davies, Vice-president of Davies Office Inc., has been active in the office furniture remanufacturing industry since its beginning. Bill & Evelyn's company, Davies Office Inc., has become one of the largest, independent office furniture remanufacturers in the United States. Davies currently has an excess of 250,000 square feet of space dedicated to asset management, warehousing and remanufacturing. Davies partners with clients to find creative solutions to their individual project needs and is always mindful of the positive environmental savings remanufacturing brings to us all.

The governing structure of Davies Office Inc. is Evelyn Davies as President and Bill Davies as Vice-president. Evelyn is also the majority shareholder of the company with the employees splitting the remaining shares. All employees and shareholders are encouraged to provide ideas, thoughts, concerns and recommendations with Bill or Evelyn through an open door policy. The regularly held twice a year company meetings are another source for anyone to bring up any issues or ideas in an open discussion format with Bill and Evelyn as well as the other employees present.

Company Benefits

Davies Office Inc. offers full paid health coverage for its employees. As well as the standard paid holidays which include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. We have paid sick days, earned vacation time as well as yearend bonuses. Davies is also an ESOP company (Employee Stock Ownership Plan), where each employee owns Davies stock and enjoys the profit sharing benefits.

New during Davies 2016 calendar year we were given an increase in our paid days off. There were 5 additional paid holidays added to the existing ones. Davies now includes Martin Luther King Day, Presidents Day, Columbus Day, Veterans Day and the Friday after Thanksgiving.

Company Policy

Davies is an Equal Opportunity Employer. Our policy is to provide equal employment opportunities to all persons regardless of: age, sex, race, religion, national origin, marital status, sexual orientation, etc. Davies will ensure that all employees are treated with respect and dignity and are not subject to any sort of discrimination.

Here at Davies we have a zero-tolerance policy regarding discrimination & harassment. Employees are encouraged to report any sort of discrimination or harassment immediately. Acts of retaliation against any employee making a report of harassment or discrimination will not be tolerated. For more information on Inclusiveness at Davies as well as our other policies please visit our website and view our Corporate Sustainability Policy (<http://www.daviesoffice.com>).

Services Provided



- Remanufacture, Refurbish or Recycle a Customer's Existing Furniture Assets
- Provide Remanufactured Systems Furniture from Industry Leaders such as: Steelcase, Haworth, Herman Miller, Allsteel, Knoll and More...
- "Banking", "Trade in" or "Product exchange" of customer's existing surplus and pre-owned name brand furniture
- Liquidation of Surplus Furniture - Buy, Sell, Trade
- Asset and Inventory Management
- Design and Space Planning by Certified Professionals
- Delivery of product with Davies own Trucking Fleet
- Installation of product with Davies own Installation Crew
- Project Management
- Panel System, Chair and Other Furniture Reupholstering
- Metal refinishing (Powder Coating & Wet line water based paints)
- Custom laminate: Work surfaces, Tables, Panel systems and File tops
- Wood refinishing: Desks, Tables, Chairs

In addition to the service and remanufacturing part of our business, we also specialize in the acquisition of pre-owned Grade A furniture which we sell "as-is" with substantial savings and shorter lead times when compared to new. No sale or purchase is too large or too small. We also market new furniture from over 100 leading manufacturers which gives us the ability to compete on large turnkey projects where many different products must be blended together and supplied by one vendor.

Markets Served

Though Davies sells and distributes to a nationwide client base we also work with companies outside the continental US to provide office furniture solutions as far away as Hong Kong.

Davies is regularly engaged with stakeholders in all the markets that we serve. Those stakeholders often include the customers, clients, and the companies that we are doing business with; as well as their local communities, and workers. In general Davies is actively involved with stakeholders in the Albany community, local communities surrounding Albany, and the Davies employees



and their families. For example Davies has been a sponsor for the Tri Village Little League for the past 10 plus years. Davies also routinely donates use of our time and facility to the local IFMA chapter here in Albany.

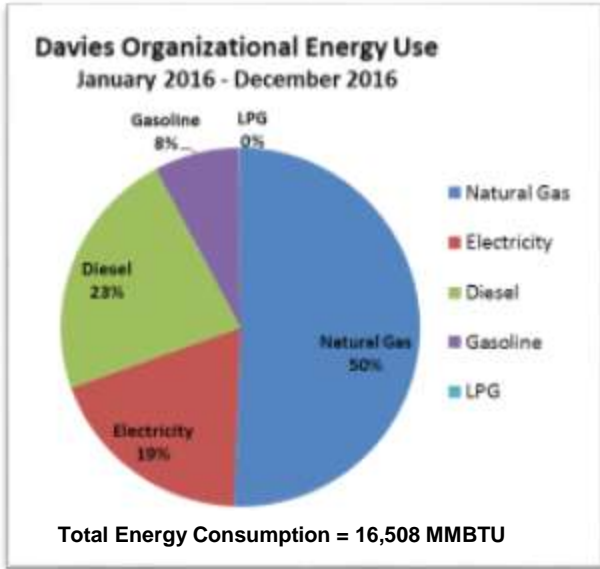


Some of the other stakeholders who we are active with on a daily basis are our wide range of suppliers from laminates, plywood's, particle boards, fabrics, tools, hardware, paints, and office supplies.

The basis for identification of these stakeholder groups are the people, places, communities, companies and clients with who Davies is involved with on a regular basis. Some of the ways that Davies engages these groups is through donations of money and time as well as sponsorships.



Davies Environmental Initiatives

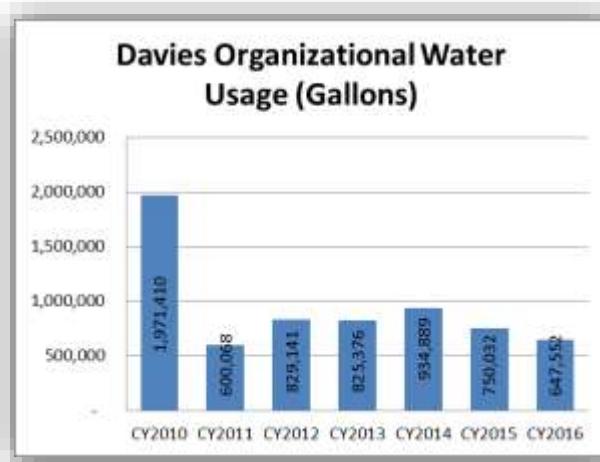
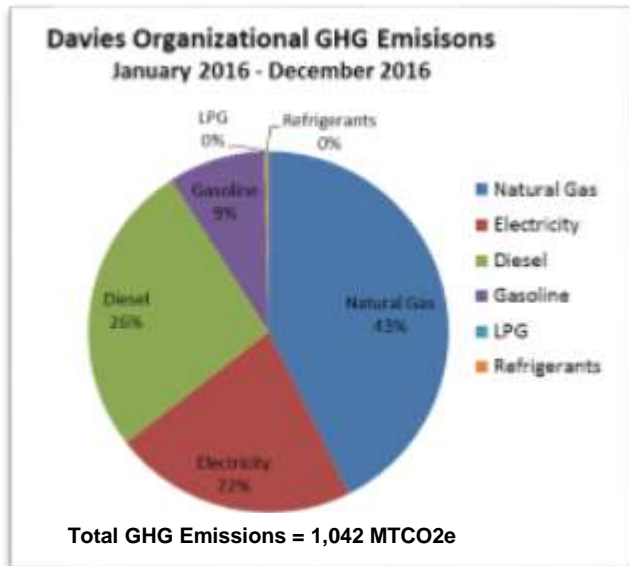


Overview

A journey towards sustainability cannot begin without developing concise and accurate metrics upon which to base our progress. The foundation for this process has been through the development of an environmental management system to establish and track progress against our goals. Through this process, Davies has identified energy, greenhouse gases (GHG), and water as significant environmental aspects of Davies operations and is currently working hard to reduce our impact on these areas.

Energy & GHG

Through a process of continuous improvement, Davies strives to constantly evaluate all opportunities to reduce the energy & GHG impacts of our operations. Over the past several years, Davies has addressed energy within our manufacturing facility through major upgrades to our paint line and lighting systems. As a component of these efforts, Davies strives to increase the transparency of our operations through disclosure of our annual energy and GHG emissions.



Recent initiatives to reduce our environmental impact:

- Implemented a detailed tracking system of energy, GHG, and water impacts
- Lighting upgrades throughout our manufacturing, office, and exterior lighting systems
- Installation of process water sub meters to track consumption

Global Reporting Initiative (GRI) Index

Profile: Strategy & Analysis

1.1 Statement from senior most decision makers. Page 1

Profile: Organizational Profile

2.1 Name of the organization

Davies Office, Inc.

2.2 Primary brands, products, and/or services. Page 3

2.3 Operational structure of the organization. Page 2

2.4 Location of organization's headquarters. Page 2

2.5 Number of countries where the organization operates. Page 4

2.6 Nature of Ownership and legal form. Page 2

2.7 Markets served Page 4

2.8 Scale of reporting organization Page 2

2.9 Significant changes during the reporting period regarding size, structure, and ownership.

There have been no changes during the reporting period regarding size, structure or ownership of Davies Office, Inc.

2.10 Awards received in the reporting period.

One of the awards we have received in our 2017 reporting period is The Facility Executive 2017 Readers' Choice award for Furniture: Refurbished. (Formally Today's Facility Manager TFM) Davies has won this award every year since 2010 <https://facilityexecutive.com/2017/02/2017-facility-executive-readers-choice-awards/>



FURNITURE: REFURBISHED

Davies Office

Transform old, tired looking furniture into contemporary designed solutions. Davies will re-engineer and rework existing furniture by remanufacturing it to like-new options. Take taller panels, filing, and storage, and re-index them to lower heights and workspace solutions.

Profile: Report Parameters

3.1 Reporting period for information provided

The reporting period for the information provided is for calendar year 2017.

3.2 Date of most recent previous report.

The date of Davies most recent previous report is Davies Sustainability Report 2016 that was published mid-year of 2017

3.3 Reporting Cycle.

The reporting cycle for Davies Sustainability Report is to be reported annually, after each calendar year.

3.4 Contact point for questions regarding the report or its contents

*The contact point for questions regarding the report or its contents would be...
Michael Nguyen: email – mikenguyen@daviesoffice.com
Parker Beach: email – parkerbeach@daviesoffice.com*

3.5 Process for defining report content.

Davies strove to meet all requirements of an application level C of the Global Reporting Initiative's G3 reporting guidelines. For the performance indicator section, Davies met the minimum 10 indicator requirements while finding balance through selection of at least 1 indicator from each subsection.

3.6 Boundary of the report.

The boundary for the report is Davies Office, Inc. located at 40 Loudonville Rd Albany, NY 12204 including our Office, Production facility, Warehouse and Retail outlet.



3.7 State any specific limitations on the scope or boundary of the report.

There are currently no specific limitations on the boundary of the Davies sustainability report.

3.8 Basis for reporting on other entities that can significantly affect comparability from period to period and/or between organizations

There are currently no other entities that can significantly affect comparability.

3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statements.

There have been no re-statements of information from Davies earlier Sustainability reports.

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurements applied in the report.

There have been no significant changes from Davies previous reports.

3.12 Table identifying the location of the Standard Disclosures in the report.

Page 6

Profile: Governance, Commitments, and Engagement

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. **Page 2**

4.2 Indicate whether the chair of the highest governance body is also an executive officer.

The chair of the highest governing body is Evelyn Davies as majority shareholder. Evelyn also serves as President of Davies Office.

4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.

Davies does not have a unitary board structure.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body **Page 2**

4.14 List of stakeholder groups engaged by the organization. Page 4

4.15 Basis for identification and selection of stakeholders with whom to engage. Page 4

Performance Indicators: Environmental

EN2 Percentage of materials used that are recycled input materials.

Davies as a remanufacture by its very nature typically reuses the majority of each panel. In a panel study conducted by the National Center for Remanufacturing and Resource Recovery at RIT they have shown that Davies on average reuses at least 98% of each panel by weight from our remanufacturing process.

EN3 Direct energy consumption by primary energy source. Page 5

EN4 Indirect energy consumption by primary source. Page 5

EN8 Total water withdrawal by source. Page 5

EN9 Water sources significantly affected by withdrawal of water.

Our water is obtained from the City of Albany Water Department. According to their website, they obtain their water from the Alcove Reservoir (i.e. surface water) located in Coeymans, NY and the Basic Creek Reservoir (i.e. surface water) located in Westerlo, NY

EN16 Total direct and indirect greenhouse gas emissions by weight. Page 5



Performance Indicators: Human Rights

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights

There have been zero significant suppliers or contractors that have undergone screening on human rights during the reporting period.

HR4 Total number of incidents of discrimination and actions taken

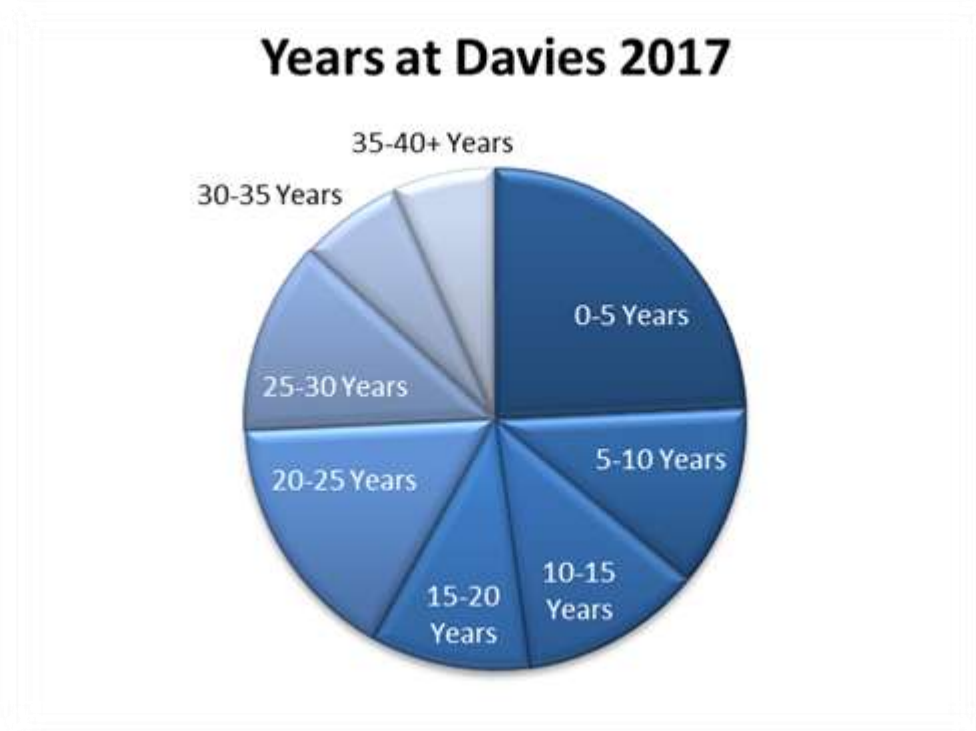
There have been zero incidents of discrimination.

Performance Indicators: Labor Practices and Decent Work

LA2 Total number and rate of employee turnover.

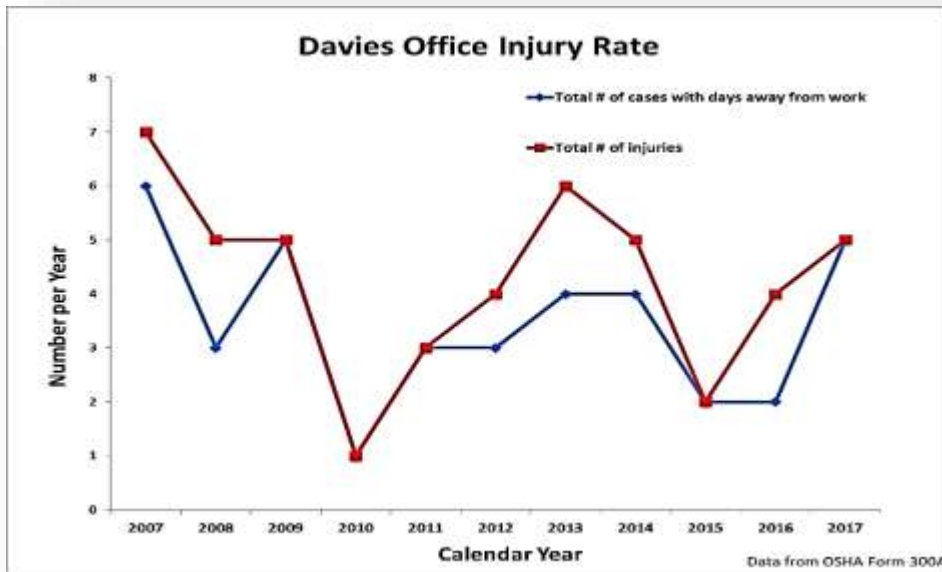
*Calendar Year:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
# of Employees:	135	142	140	150	152	142

Also here at Davies roughly 1/3 of our employees have been with us for 20 years or more



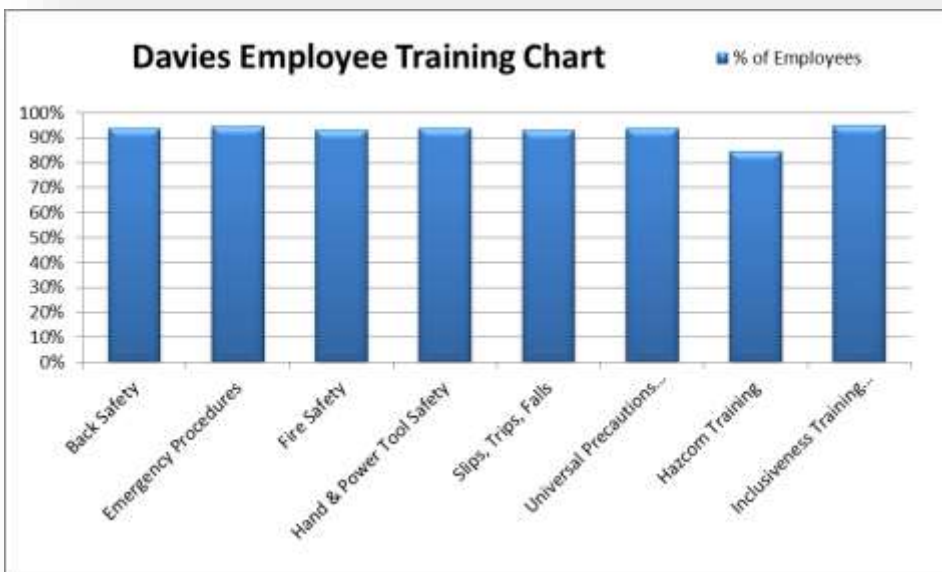
*per OSHA 300A

LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region. (Data from OSHA Form 300A)



LA10 Average hours of training per year per employee.

Here at Davies we monitor and track all training for every employee, using our Safety Training Log. The Davies Safety Training Log tracks all training received by each employee and when that training was completed.



LA12 Percentage of employees receiving regular performance and career development reviews.

The majority of Davies employees receive performance reviews on a standard basis. Davies design dept. undergoes monthly career development reviews and assessment to track growth and progress.

Performance Indicators: Society

SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs.

St. Johns/St. Ann's Outreach Center: *Davies Office provided a sponsorship at the Gold level to the St. John's/St. Ann's 5K & 10K Spring Runoff. The sponsorships from the race help improve lives throughout Albany's south end by means of offering hot meals served twice a week, as well as the clothing program that brings warm clothes to those in need and back to school supplies to local children. To learn more about St John's/St. Ann's Outreach Center, visit <http://www.sjsacenter.org/>*

Regional Food Bank: *On September 21, 2017, Davies Office provided a \$3500 sponsorship to the 23rd Annual Chefs & Vintners' Harvest Dinner to benefit the Regional Food Bank of Northeastern New York. The Regional Food Bank, located in Latham New York, provides services to feed the growing number of hungry children and adults in our community. To learn more about Regional Food Bank, visit <https://regionalfoodbank.net/>*

American Red Cross: *In 2017 Davies was able to make multiple donations to the American Red Cross in response to hurricane relief. Through these types of donations the Red Cross was able to mobilize 56,000 disaster workers to help communities in need. Locally, they were able to respond to over 450 local disasters to provide comfort and hope to 815 families in need. To learn more about American Red Cross, visit <http://www.stride.org/>*

Tri Village Little League: *Annually, Davies sponsors a Little League team in the Tri Village area. In line with statements made by littleleague.org, Davies believes that sponsorship of a local Little League is a sense of duty to help the community, while the higher purpose is to help the local Little League impart the values of teamwork, sportsmanship, and fair play to the children of the community, so that they may someday use these values in becoming good citizens. The Tri Village Little League serves children in and around Delmar, New York. To learn more about the Tri Village Little League, visit <http://www.trivillagelittleleague.com>.*

IFMA (International Facility Management Association) Albany: *Davies has developed an on-going relationship with IFMA and helps their organization by way of offering space in Davies facility to hold IFMA Albany's quarterly, regional meetings. IFMA represents, supports, and unites the largest community of facility management practitioners, consultants, educators, students, and product and service providers in the industry. Through educational programs and resources, a network of chapters and councils, IFMA assists corporate and organizational facility managers in developing strategies to manage human, facility and real estate resources. To learn more about IFMA Albany, visit <http://www.ifma-nytechvalley.org>.*

SO6 Total value of financial and in-kind contributions to political parties, politicians and related institutions.

There have been no contributions to political parties, politicians and related institutions.

Performance Indicators: Product Responsibility

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories to such procedures

In 2005, we commissioned the National Center for Remanufacturing and Resource Recovery (NC3R) of the Rochester Institute of Technology (RIT) to assess and quantify the life cycle environmental benefits of remanufacturing panels used in office furniture. The full findings are summarized in a report, entitled "The Energy and Environmental Benefits of Office Furniture Remanufacturing", which is available upon request. The key findings are that by recovering and reusing materials from panels destined for disposal, remanufacturing realizes benefits across the life cycle by avoiding the negative environmental impacts associated primarily with the acquisition (mining, extraction, processing) of raw virgin steel and the manufacturing of steel components from this raw steel. In fact, Davies typically reuses over 98% of each panel (by weight) and uses an estimated 111 fewer manufacturing steps to produce a panel than the original manufacturer. Cradle-to-gate environmental benefits include a per unit weight reduction in the consumption of virgin raw materials and energy resources, emissions of greenhouse gases, criteria air pollutants and toxic air emissions, and solid waste generation associated with integrated steel making. Furthermore, not only does remanufacturing reduce the number of panels destined for landfill after their "first life", but, in turn, remanufactured panels can be recovered and remanufactured again, creating a closed loop "material flow" for steel. Thus, remanufacturing also provides environmental benefits in the gate-to-grave stages of the product life cycle.

The report focused on panels as these are highest volume (35%) product remanufactured by Davies and thus the findings are indicative of the environmental benefits of the overall remanufacturing services we provide

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

There have been zero complaints regarding breaches of customer privacy and or loss of customer data to date.

PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of the products and services.

There have been zero fines for noncompliance with laws and regulations concerning the provision and use of Davies products and services.

Performance Indicators: Economic

EC4 Significant financial assistance received from government.

There has been zero financial assistance received from government during the reporting period.

EC9 Understanding and describing significant indirect impacts, including the extent of the impacts.

As with any business, there are indirect influences on our market that have an effect on us as a company. Although these effects can be a challenge we're usually able to minimize their effects due to the nature of our business. The following are examples of influences and how we are able to minimize their effects on us.

Impact: Financial. *The financial state of the global economy certainly has a direct and indirect impact on every business out there today.*

Extent of Impact: *Recession, Corporate Downsizing, Increased Unemployment, Higher Taxes, and Weakened U.S. Dollar. These challenges have resulted in fewer companies willing to part with their revenue in order to update their furniture. Most companies are waiting, as long as they can, before they make those purchases*

How we Minimize the Effect: *While this presents us with a big challenge it also creates an opportunity. Due to the nature of our business we're able to work with companies who need furniture. We can provide like-new furniture at a price point that's lower than new. We also offer financing programs that give them value for their existing furniture that they can apply to remanufactured furniture. This unique position gives us a hand up, even in a tough economy.*

Impact: Competition. *Competition in the market certainly has a direct and indirect impact on every business out there today.*

Extent of Impact: *Our competition isn't just here in the United States. It's global, and it's not just relegated to the commercial furniture industry, it's everywhere. Acquisitions and mergers are resulting in massive conglomerates that can pool their resources; driving down their cost, in turn, lowering sell prices. The lower the prices go, the lower the profit margins. It's a race to the bottom.*

How we Minimize the Effect: Companies in our industry have begun buying offshore components and having products manufactured overseas in an attempt to compete with one another in this environment. Due to this competition is fierce but we have a sound strategy to deal with it. We would never be able to compete if we took the same path as other businesses in our industry. Instead, our product is made, or rather re-made, here in the United States. By reusing core furniture material we are able to give our customers a much higher quality product than our competitors at a better price. It's a win / win! Our extensive inventory of core material, in-house, and an abundance of used furniture inventories available to us means we're able to react extremely quickly to our customer's needs. Most of our competitors don't have the ability to do that, they're at the mercy of manufacturing facilities overseas.

Impact: Resources. The demand for natural resources has risen dramatically in recent years and this has certainly had a direct and indirect impact on every business out there today.

Extent of Impact: With the growth of other industrialized nations it has created an additional demand on resources; this additional demand has resulted in a dramatic rise in material costs. Resources like steel and crude oil have skyrocketed in recent years, forcing companies to add surcharges for products and transportation costs. The demand will continue to affect the global economy as nations compete with one another for these valuable resources.

How we Minimize the Effect: Our business model is based on the re-use of existing products. Our furniture is created by reusing our customer's existing furniture as our core material. This is furniture that would typically be thrown into a landfill or sit unused in a warehouse. By using existing products we also eliminate the use of virgin raw materials and the energy to process and manufacture them. We use as much of the original product core as possible, refinishing, repainting, or recovering to a customer's specification. This process is good for our business too because we rarely have to compete for those valuable natural resources. We are also constantly searching for ways to become more energy efficient in what we do, and streamline our facility so it has a minimal impact on our planet.

