

| izzy+ 2010 Social Responsibility Report

“During 2010 we completed a number of key initiatives in support of our continuing journey towards sustainability. We started by enhancing our long-term vision and purpose statement to bring a greater emphasis to sustainability and our focus on people: ‘To enhance the quality of life through sustainable, good design that supports the way we work, learn and care for each other.’ We also elevated our focus around the ANSI/BIFMA e3-2010 sustainability standard and initiated training efforts to help roll out and encourage the new BIFMA level tm sustainability effort. This voluntary, multi-attribute sustainability standard and third-party certification program creates an open and transparent means of evaluating and communicating the environmental and social impacts of furniture products used in the built environment. This initiative will help customers make more informed choices about furniture and will over time encourage a more consistent and robust approach to managing the life-cycle needs, environmental and social impact of products and processes at the manufacturing level. In support of this effort, we consolidated three manufacturing sites into two and in this process began certification for both facilities in order to meet this new sustainability standard.

We also dedicated greater effort to the needs of others and the practice of giving back. We tailored our annual new product launch event around Valentine's Day to include fund raising for important causes. In 2010, the event raised over \$4,000 for RIF (Reading is fundamental) in support of disadvantaged children. Many of our employees and departments at all locations became more involved in giving back to their local communities. From painting a home for women in transition to raising money for children's cancer research, the families and employees of izzy+ made 2010 a very meaningful year along our continuing journey of making a difference, and truly reflecting our brand promise to be Better Together.”

Chuck Saylor, chairman and CEO

izzy+ was founded on the belief that human-centered design can impact the lives of people, and ultimately the world. That philosophy extends to enhancing the quality of life within our facilities and our communities. It includes improving the lives of future generations - like the kids and grandkids that are a part of the izzy+ family, after whom many of our products are named.

Today, izzy+ is committed to incorporating that human-centered, socially responsible approach to everything it does – from hiring to manufacturing; from designing to purchasing; from workforce engagement to community outreach. It is an ongoing process that requires the active, vigilant, and creative participation of all involved.

Social Responsibility is an approach to doing business that incorporates a sense of responsibility to society. It includes transparent and uniformly ethical business practices, labor and human rights, employee health and safety, employee enrichment opportunities, community investment and stewardship, and stakeholder engagement.

This report outlines our efforts and our ongoing commitment to those principles.

izzy+ Sustainability Policy

In order to solidify the Sustainability Policy izzy+ has hired a dedicated Environmental Engineer to lead our teams to implement the izzy+ Sustainable Management System, an ISO-14001 equivalent environmental management system. This will improve our focus on economic and environmental performance while also bringing on board additional resources to address the izzy+ social responsibility principles as well. In addition to this effort izzy+ has joined the West Michigan Sustainable Business Forum and the West Michigan Environmental Action Council to partner on future opportunities.

We present those principles, as stated in the izzy+ Sustainability Policy, here:

Social Responsibility Principles:

Corporate Ethics – izzy+ has been, and will continue to be, an outstanding corporate citizen. A guiding general principle has been and will be to conduct business so that full disclosure of its activities to the general public is always a source of pride. izzy+ and its employees shall comply fully with all laws, rules, and regulations applicable to the conduct of our business. All employees are required to understand the laws that govern their business conduct and izzy+'s legal obligations to shareholders, employees, customers, and the general public. Further, education in corporate ethics and corporate social responsibility will be provided to management staff designated with oversight. Related policies will be posted and publicly available.

Insider Trading – izzy+ employees shall not trade in or acquire securities of, or have any other ownership interest in, a company that is targeted for acquisition or is being reviewed as an acquisition candidate or is being considered for or has just been awarded a material contract or relationship with izzy+.

Receipt of Gifts – izzy+ employees may not give or accept gifts or favors of value in connection with the conduct of business outside of generally accepted practice or national custom.

Healthy & Safety - It is the policy of izzy+ to protect the health and safety of its employees by detecting, avoiding and responding to potential threats. In doing so it will ensure that applicable local and national health and safety laws are adhered to; documented procedures are established and evaluated on a regular basis; accurate records are kept to track compliance with the laws and established procedures; corrective actions are taken swiftly and effectively; and adequate training is provided to employees to understand corporate responsibilities and engage employee cooperation.

Labor & Human Rights – izzy+ is committed to protecting and respecting human rights at our facilities including the prohibition of forced, involuntary or child labor. Policies, documented compliance, and processes for corrective action will be identified, implemented and evaluated to ensure ongoing effectiveness.

Inclusiveness – Beyond our commitment to fair and equitable hiring practices, izzy+ recognizes the inherent value of inclusiveness throughout the corporation to profitability, quality of work life, and community sustainability. izzy+ is committed to attracting and retaining a diverse workforce with regard to age, sex, race, ethnic or national origins, sexual orientation, disability. We believe we have a responsibility to adhere to both the spirit and the principles of inclusiveness

and offer relevant education, training, and resources to all employees, management and those engaged in corporate governance. Promotion of inclusiveness will be taken seriously and discrimination will be dealt with seriously. Principles and policies will be clearly communicated to employees, investors, vendors, and the wider community.

Community Outreach – izzy+ is committed to giving back to the communities in which it operates. To do this most effectively it will enlist the participation of its employees to identify and commit resources of time, talent, and funding. Opportunities will be made available to offer input on areas of need in the community and potential projects to address those needs.

These are the social principles for which we hold ourselves accountable. Below is a review of those principles as they have been observed, tracked, and translated into action over the past year.

Our Corporate Compliance Code outlines specific corporate policies, procedures, and expectations to ensure adherence to those standards. From the accuracy of our business records to the transparency of our operations, a guiding principle is to conduct our business so that full disclosure of our activities to our stakeholders is always a source of pride.

Employee Health and Safety

First and foremost, izzy+ strives to ensure a safe and healthy work environment for our employees. We believe the management of occupational health and safety is as important to the success and integrity of the organization as productivity, product quality and customer service. We engage everyone in our facilities in a sense of responsibility for their own physical well-being and those with whom they work side-by-side. This means detecting, avoiding and responding swiftly and effectively to potential threats. In doing so, we also ensure that applicable local, state, and national health and safety laws are adhered to or surpassed. Policies and procedures are established and evaluated on a regular basis. Accurate records are kept to track their effectiveness and the results are related back to the workforce to acknowledge the results of their cooperation or to enlist their active assistance in addressing areas of concern. izzy+ has set an annualized incident rate @ 8.0 or less as a goal for their facilities. As of January 2011, the annualized rate for the Middlebury, Indiana facility was 2.8 and for the Florence, Alabama facility was 0.

In addition to a standardized Hazard Communication Program for all its facilities, izzy+ has implemented the 5S LEAN program, under the banner of *izzyLEAN*. This program addresses multiple aspects of LEAN manufacturing, including Safety.

Labor and Human Rights Management

izzy+ is committed to protecting and respecting human rights at our facilities, beginning with the prohibition of any form of forced or child labor. Further, we are committed to ensuring a secure work environment where all employees are free from any form of threatening behavior or harassment, either from co-workers or management. If cases of harassment should arise, processes are in place to encourage their immediate reporting and ensure the safety and

confidentiality of persons making the reports. Corporate expectations are clearly defined and strenuously enforced.

That's corporate policy. Corporate practice is to continually strive to create a collegial, self-regulating atmosphere throughout our facilities to prevent the need for enforcement.

Inclusiveness & Diversity

izzy+ supports equal employment opportunity for all persons regardless of race, color, national origin or ancestry, religion, sex, age, marital or veteran status, sexual orientation or disability.

At izzy+, we recognize that an understanding of the value of diversity enables the entire workforce to work more cooperatively, collaboratively, and creatively to enhance the efficiency of our operation. Diversity throughout our employee population is a key to both corporate success and quality of work life. A competitive advantage is created when the workforce reflects the community in which it operates, as well as the customer base and vendors with whom it does business. A diverse workforce brings a wide variety of experiences, perspectives, knowledge and abilities.

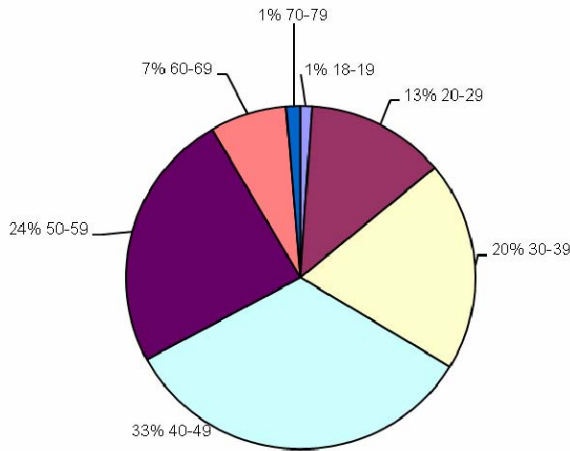
A formal Affirmative Action and Equal Employment Opportunity Plan is maintained and implemented to ensure that employees of izzy+ recognize and benefit from the commitment we have made to supporting equal employment opportunity while actively ensuring a diversity of backgrounds, talents, experiences, and perspectives. That commitment extends to encompass every phase of employment, from the application and selection process, to conditions and benefits of employment, to professional development training.

Policies are clearly communicated to all employees and diversity & inclusiveness education is made available. Managers and supervisors receive appropriate training and regular updates on equal employment opportunity and affirmative action issues. Policies and practices are analyzed on a regular basis to ensure that Affirmative Action and Equal Employment Opportunity policies are effectively implemented and consistently adhered to and that feedback mechanisms and corrective action processes are in place and functioning. A Social Responsibility Survey has been distributed to our subcontractors, vendors, and suppliers.

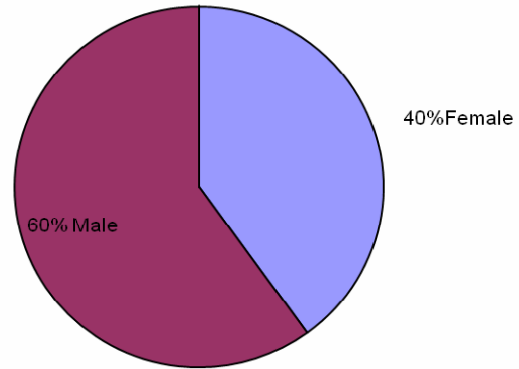
Monitoring of both quantitative and qualitative results has become the barometer for evaluating our efforts so that we maintain the effectiveness of our Affirmative Action and Equal Employment Opportunity Plan and adapt our strategies to meet our goals.

izzy+ is pleased to share the current statistics of our employee population in the areas of age, gender and ethnicity. The graphs that follow share how our efforts in recruiting and development have resulted in building a diverse workforce that the strives to continually meet the needs of the izzy+ customer base while also contributing to a positive reflection of the communities in which we work.

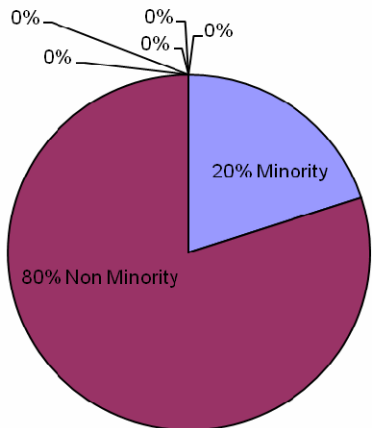
izzy+ 2011 Age Census



izzy+ 2011 Gender



izzy+ 2011 Ethnicity



Community Outreach

izzy+ is committed to giving back to the communities in which it operates. Here are some of the ways izzy+ has demonstrated good corporate citizenship in the past year:

- *izzy+ Corporate* donated one Harter Forum 2 lounge to the Friends and Families of Cystic Fibrosis, a retail value of \$2985, to be auctioned off on February 5th, 2011. The event raised a record \$70,000 and the proceeds from the charity stay to benefit local patients in the west Michigan area. The Friends and Families of Cystic Fibrosis are located at 333 Bridge Street, NW, Bridgewater Place, Grand Rapids, Michigan 49504 (approximately 33.2 miles from *izzy+ Corporate*).
- *izzy+ Middlebury* donated one Superior Performa 2 task chair to Youth for Christ on August 25th, 2010. The Youth for Christ location which received this donation is located at the following physical address: 26693 W Chicago Rd., Sturgis, MI (approximately 17.5 miles from *izzy+ Middlebury*).
- *izzy+ Corporate* donated four skids and one roll of high pressure laminate to Habitat for Humanity on November 9th, 2010. The donated laminate was estimated at a total value of \$19,999.64. The Habitat for

Humanity location which received this donation is located at the following physical address: 280 Ottawa St., Muskegon, MI (approximately 13.6 miles from *izzy+ Corporate*).

Supply Chain

Following on our successful Social Responsibility Survey of suppliers for our Florence facility we expanded the survey to include our Middlebury facility. This year, *izzy+* initiated the distribution of a Social Responsibility Survey to 87 additional vendors to bring the total to 119 participating vendors between both manufacturing facilities. Our goals were to:

- Broaden the assessment of the social impact of our operations, by including our supply chain
- Communicate and reinforce our increased commitment to socially responsible purchasing
- Encourage the vendors in our supply chain to integrate social responsibility guidelines into their operations.

The results of that survey are summarized below. Several aspects stand out...

Like the Florence facility, we are very pleased to report a 100% response rate from our Middlebury suppliers, to the survey in general and to each individual question - which is remarkable in itself. To us, the level of response signifies, beyond keeping their customer happy (us), a receptiveness to this growing area of corporate concern. The answers suggest an increasing understanding of the benefits of doing business in socially responsible ways – ways that serve to protect our co-workers, our neighbors and our kids.

About half of the Middlebury vendors have a formal corporate social responsibility statement. All of them rate themselves high in meeting basic, internationally recognized social responsibility criteria. Over one third has a broader sustainability policy or statement. While there is much room for improvement – for all of us in the business community - we see these as encouraging indications of a growing, evolving *culture of sustainability*. We will continue to encourage socially responsible business practices throughout our supply chain and to monitor our effectiveness.

Conclusion

2010 was another year of merging and integration, problem solving, adapting to change, raising the bar, plus expanding our vision for the company to include sustainability. But one thing we will not lose sight of is our most valuable resource – PEOPLE – and our responsibility to...contribute to a *culture* of sustainability, a culture of continuous improvement.

We took significantly more steps on the journey to Social Responsibility including adoption and implementation of the *izzy+ Social Responsibility Principles*, *izzy+* Sustainable Management System, engagement with our communities through active memberships, completion of our second Supply Chain Social Responsibility Survey, and, of course, the publication of our second annual Social Responsibility Report!

The *izzy* Social Responsibility report is revised and released March of each year.