



MESSAGE



PEOPLE



COMMUNITY



ENVIRONMENT

2019

# Corporate Social Responsibility

ANNUAL REPORT

# CITY

FURNITURE

*Our  
Corporate  
Social  
Responsibility  
Strategy*

Over the recent years, we have seen the impact of embedding our Corporate Social Responsibility (CSR) strategy across the company through our main areas of focus: **People, Community, and Environment.**

Our strategy represents our desire and ambition to live City Furniture’s purpose – “**To enrich people’s lives and make the world a better place.**” This CSR strategy is a roadmap for how we can leverage our strengths and competitive advantages to provide value for the people, communities and planet that we serve. We are committed to working together on this journey to continuously improve and achieve our goals, all while being transparent. And we’re confident we will achieve our goals, so that when we look back on our time at City Furniture (and on this earth), we will be proud that we fulfilled our purpose of making this world a better place, not just for each other, but for the next generation of the City Furniture family, our customers, and our community.

## TABLE OF CONTENTS



### MESSAGE

<i>History of Our Company</i> .....	7
<i>2020 Message from Our President</i> .....	8



### PEOPLE

<i>Diversity &amp; Inclusion</i> .....	12
<i>Learning &amp; Development</i> .....	18
<i>Internal Mobility &amp; Career Growth</i> .....	19
<i>Our Benefits</i> .....	20
<i>Our Compensation</i> .....	24
<i>Our Safety</i> .....	26
<i>Recognition &amp; Rewards</i> .....	28



### COMMUNITY

<i>5% Giving Pledge</i> .....	34
-------------------------------	----



### ENVIRONMENT

<i>2040 Green Promise</i> .....	50
<i>Our Transportation</i> .....	51
<i>Our Facilities</i> .....	52
<i>Our Products</i> .....	54
<i>Kevin Charles Fine Upholstery</i> .....	56

*our*  
**vision** | To be the  
ultimate furniture  
and mattress store.

*our*  
**purpose** | To enrich people's lives  
and make the world  
a better place.

*our*  
**mission** | City Furniture, the ultimate  
furniture and mattress store,  
provides quality home  
furnishings at excellent values  
with friendly and efficient service  
in an exciting, fun environment.

*our*  
**values** |

- Entrepreneurial Spirit
- Family Spirit
- Mutual Respect and Trust
- Teamwork
- Customer Focus
- Continuous Improvement
- Giving Back

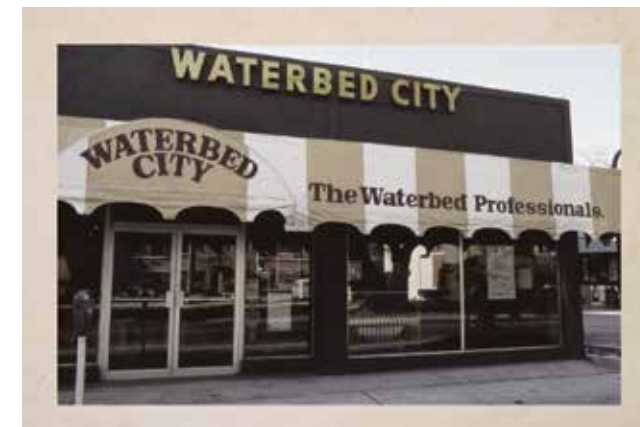


MESSAGE



## history of our company

---



It all began in the summer of 1971 when founder, Kevin Koenig, set out to accomplish one mission: open his first waterbed store. With just \$1,500 in his pocket, and a MBA from Florida Atlantic University, Kevin opened the first Waterbed City.

Waterbed City started as a 900-square-foot showroom—selling waterbed structures Kevin sold by day and made by hand at night. Kevin and Keith Koenig's (current CEO) business insight, quality products, and superior service led to incredible growth over the years. After 23 years, the waterbed industry had reached its plateau and Waterbed City evolved into City Furniture in 1994—offering not just bedroom furniture, but a full line of home furnishings to include living and dining room furniture, mattresses, patio furniture, accessories, and much more!

It's been 25 years since the transition to City Furniture and with an incredible team of 2,200+ Associates, we have created a sought after brand and top-rated shopping experience for our customers. Innovation, continuous reinvestments into our business, and a family-spirited culture have created a destination where hundreds of thousands of customers have purchased their furniture. Today, we have over 30 City Furniture and Ashley HomeStore locations throughout Florida and continue to be recognized as one of the top furniture companies in Florida, and in the top 30 nationwide.

**Kevin Koenig, Founder**  
1947 – 2001





## 2020 MESSAGE FROM OUR PRESIDENT

Reflecting on this past year and my first year as President, I hope I've made my Uncle Kevin proud! Hopefully, he's looking down on us from heaven knowing that we are continuing his legacy of building the best furniture retailer in the industry. I know my father is proud because he tells me not only with his words, but with his trust in me. That means the world to me. I am beyond lucky to have a great Dad and Uncle! I can only thank my City Family for making my first year as President an amazing one. You all have been truly amazing to me, and I can't thank you enough. You've trusted me, you've worked hard with me, you've challenged me, you've laughed with me, you've improved with me, and you've created a better culture with me, and so much more. Without you, I'm not here. Without you, my life is not as full and meaningful. I love my City Family with all my heart. You are an extension of my real family, and I know my real family feels the same, especially my wife, Deana. We love you all very much.

So, let's talk about what we've done this 2019. Oh just a few things... Ha. Strap in!

- We've gone "all in" to **create the best retail shopping experience** in the furniture industry with our mega new digital and technologically savvy stores and Associates.
- We built a **stronger digital shopping experience** that is the window to our physical stores.
- We've **enhanced our training and development programs** for our amazing sales team so that you continue to be the very best in all the markets we serve.

- We've **invested in a beautiful new and enormous product lineup** that is #1 in the industry.
- We've continued to **improve our fast (premium delivery or free shipping) Same Day & Next Day delivery area for our customers**, all while employing our own drivers and not outsourcing this department to another company, like many furniture retailers do just to save a few bucks.
- We've **invested in all corporate departments** such as Marketing, Analytics, IT, Digital, HR, Learning & Development, etc. to rival the very best retail companies in the world.
- We've **given back more to the communities** we serve than we ever have before through our City's 5% Giving Pledge.
- We've gotten more "green" with our Earth Day Announcement to **become carbon-neutral through our 2040 Green Promise**.
- And most importantly, we've **created a better culture at City Furniture** by living our seven City Furniture values (with examples below):

- 1 ENTREPRENEURIAL SPIRIT** – We've recently created an Innovation Lab to spur the next Big Idea(s)! Watch out Silicon Valley!
- 2 FAMILY SPIRIT** – My wife and I have hosted more work/family dinners at our home for our team members, department happy hours, recognition programs, etc. We believe a real family breaks bread together and has fun together!

**3 MUTUAL TRUST & RESPECT** – We've expanded our Suggestion System to more departments to ensure the improvement of your department through your ideas! We've invested in our Learning & Development team to create top-notch leadership training for 2020 and beyond.

**4 TEAMWORK** – We've worked on hundreds of projects through cross-functional teams where titles mean nothing and only improvement is the focus, while having fun along the way!

**5 CUSTOMER FOCUS** – We've increased our Customer Reputation Scores online and have maintained 95% Customer Satisfaction for several years running now! We're quadrupling our efforts on this in 2020!

**6 CONTINUOUS IMPROVEMENT** – We've completed hundreds of continuous improvement projects, CITY Circles, A3 problem solving projects, and we've implemented thousands of suggestions from our Associates (not Leaders). And we're just getting started.

**7 GIVING BACK** – And most importantly we've contributed more back to the environment and the community. We're more than a furniture company. We are fulfilling our purpose to enrich people's lives and make the world a better place.

These examples are just a few things we've done in 2019. The list goes on and on....

I am more excited than ever about the future. I see us continuing to pave the way for our industry, and all businesses; to show the world how a company should be run. We are a company that takes care of our Associates, our Customers, our Community, and our Environment. Our purpose is **"to enrich people's lives and make the world a better place"**. This is 1,000% true. Our City Family is much more than just selling furniture. We're here to change the world. Keep an eye on us. I think we will.

Along the way, it's important to ensure we have strong transparency into our business practices. This Corporate Social Responsibility Report is our way to communicate how we are doing in living our purpose. Specifically, this report will show our progress as a company (and as a City Family) and how we are creating the company that we all want to be a part of. This report will also hold leadership (including myself) accountable, and I look forward to your feedback as you read this report. Please feel free to email me at [andrewk@cityfurniture.com](mailto:andrewk@cityfurniture.com) for any suggestions for improvement.

Sincerely,

Andrew Koenig  
President



PEOPLE

## diversity & inclusion

A diverse and inclusive workplace is an integral part of our culture at City Furniture. We recognize that people from different backgrounds bring different perspectives and ideas which cultivates innovation and problem-solving, thus making it possible for everyone to succeed. We are intentional in our efforts to build and foster an inclusive workforce that reflects the communities we serve. We've established programs specifically designed to hire, support and retain a diverse workforce, including:

- Our college recruiting program recruits Sales Management in Trainees (MIT's with diverse backgrounds (over two-thirds of the MIT's hired were female and ethnically diverse)
- Our recruitment process is designed to help identify and close diversity gaps
- Our hiring managers receive training about removing bias from the hiring/selection process
- Our diversity and inclusion strategy expanded with additional recognitions and observances



“At City Furniture, we value a culture of diversity and inclusion, and provide a work environment where all Associates feel welcomed, respected, engaged, and are given opportunities to grow both personally and professionally. We believe that our diverse team is what allows us to continue to innovate, collaborate, grow, and expand our business.”

– Janet Wincko,  
Chief Human Resources Officer



# 2,151

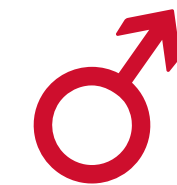
Associates in Total

# 175+

New Jobs Created Due to New Showrooms

# 4.7

Years  
Average Tenure



# 66%

Males

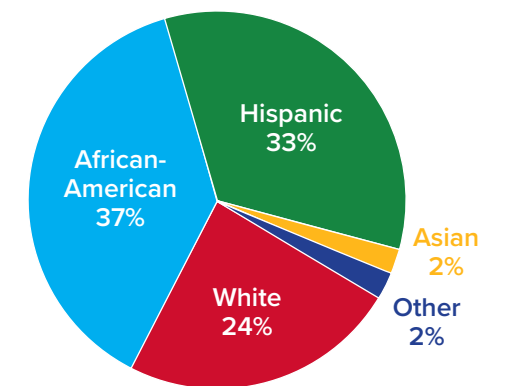


# 34%

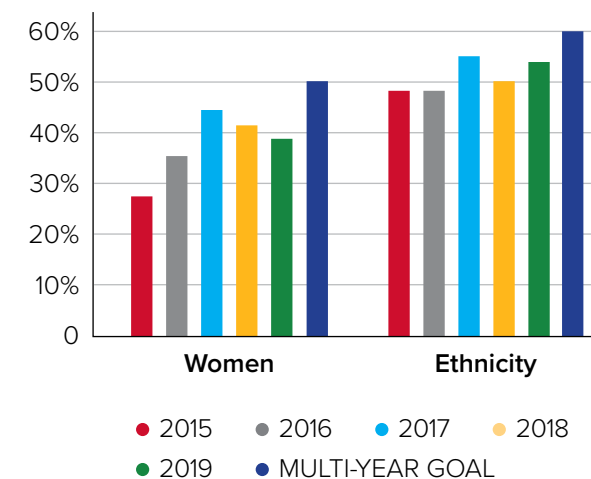
Females

Multi-Year Goal 36%

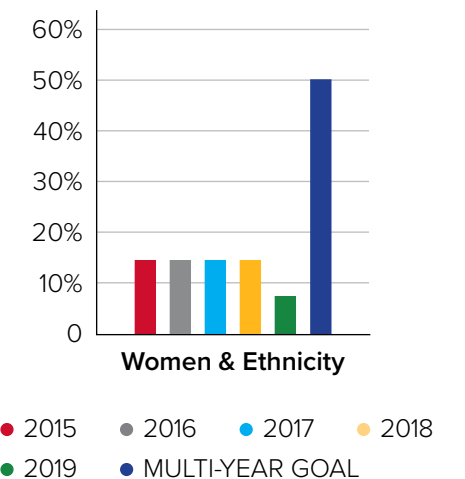
## DEMOGRAPHICS



## LEADERSHIP POSITIONS



## SENIOR LEADERSHIP POSITIONS





Millennials and Gen Z's represent 58% of City Furniture's workforce. In addition to hiring older workers, we engage and recruit millennials and Gen Z's through our college recruitment program by partnering with universities that represent diverse student talent. We are proud of our college recruiting efforts, which are highly regarded in the furniture industry. As our company undergoes our largest expansion in company history, we will continue to develop and build our leadership pipeline so that it becomes even more broadly inclusive and highly talented.

	2014	2015	2016	2017	2018	2019	2020 GOAL
# OF COLLEGE RECRUITS HIRED	45	49	66	64	52	42	50
FEMALES HIRED	53%	47%	64%	77%	52%	64%	70%
ETHNIC MINORITY HIRED	53%	71%	68%	58%	60%	71%	65%

*\*Through 12/1/2019*

38%

of Sales Leadership team was hired from the college recruiting program







## our veterans

City Furniture is grateful for the military personnel and veterans who have given their time and made personal sacrifices to ensure our nation’s safety and freedom. As a result, we actively recruit (and attend Hiring Events such as Paychecks for Patriots) and hire veterans because we value the integrity, passion, and leadership they bring to our team. We are committed to our veteran recruitment and retention initiative and strive to achieve a goal of 5% of our workforce to be comprised of veterans by 2025.



Nearly **2%**  
of our Associates  
are self-identified  
Military Service Veterans



## patriot award

The **Patriot Award** reflects the efforts made to support citizen warriors through a wide-range of measures including flexible schedules, time off prior to and after deployment, caring for families, and granting leaves of absence if needed.

Patrick Newbegin, Visual Merchandising Coordinator, nominated Michelle Smith, Regional Visual Merchandising Manager, because as Patrick stated, *“City Furniture and Michelle have been supportive through my nine year career in the military. During this time, I have taken five military leaves, as well as my annual trainings, and through it all, Michelle has always been there for me and my wife, always asking about her, and reaching out to her to see how she was doing while I was deployed overseas.”*

Patrick also nominated our CEO, Keith Koenig, as well. He said, *“I was in the café shortly after I had joined the Army, and Keith and another Associate were there eating. That Associate told Keith about me joining the Army, and Keith came over gave me a hug, and said he was proud of me and not to worry for I would always have a job at City Furniture. This truly represents the family spirit that we have at City Furniture.”*



## learning & development

Learning and Development is at the heart of our people strategy. At City Furniture, we offer both company-wide and department/position specific training programs. These provide the necessary skills, knowledge, and abilities to grow talent from within and support the needs of our fast paced retail environment. Our comprehensive orientation, onboarding, and training programs ensure that our Associates are equipped to provide our customers with an exceptional customer experience. We develop our Associates through a variety of training methods including instructor led classroom training, computer based training, as well as TWI Training (On-the-Job training). We are proud to be a TWI certified company from the TWI Institute.

We have a culture of lifelong learning and strongly encourage our Associates to take advantage of our Tuition Reimbursement Program, as well as other continuing education and learning opportunities to enhance their personal and professional development.



**\$1,000,000+**

Spent on Learning & Development in 2019



**30,000+**

Training Hours in 2019

**300+**

Certified People First® Leaders



City Furniture is proud to be a People First® certified company. Our People First® philosophy creates a culture where everyone realizes their fullest potential to grow mentally, physically, spiritually, socially, financially, and emotionally. Most importantly, People First® is an investment in our Associates which translates into leaders who deliver results, drive accountability for actions, and stimulate a mindset that empowers our leaders to problem solve and drive change.

## internal mobility & career growth



For many Associates, retail and distribution positions are a great place to start a career! At City Furniture, there are exciting career paths and bright futures, especially as we continue to expand throughout Florida. With so many opportunities, City Furniture offers a dynamic environment where Associates and Leaders from various backgrounds can grow into their fullest personal and professional potential. In 2019, we launched our Internal Mobility Program, called **Moving Through our City**, to assist our Associates in achieving their career aspirations at City Furniture.

**95%**

Promoted from Within in 2019



**47**

Positions Filled Internally in 2019

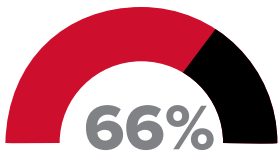




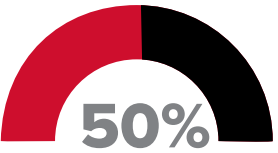
# our benefits

At City Furniture, we know that our success depends on attracting and retaining a healthy and productive workforce. To that end, we offer an extensive health and wellness package which includes:

- Medical Insurance
- Dental Insurance
- Life Insurance
- Short and Long Term Disability
- Employee Assistance Program
- Vision Coverage
- Voluntary Benefit Plans – Critical Illness, Hospital Indemnity and Accident
- Legal Expense and Identity Theft Protection Programs



City Furniture’s contribution towards the Associate coverage for the HRA Plans



City Furniture’s contribution for additional family coverage for the HRA Plans



City Furniture’s contribution of Dental, Life, STD, LTD, and EAP



Our onsite Health & Wellness Center, located at our Tamarac headquarters, is the crown jewel of our benefits package. At the Health & Wellness Center, Associates, spouses/domestic partners, and dependents (ages 16 and up) can seek medical treatment for minor illnesses and injuries, physical exams and biometric screenings, lab work, monitoring of chronic health conditions, and health education and coaching – **all for FREE!**

Our comprehensive benefit offerings are listed on the following pages.



## 5TH PLACE Large Employer Category

We are once again one of **South Florida’s Healthiest Employers** – coming in 5th Place in the large employer category in 2019.



## 2019 OUTSTANDING CULTURE OF WELL-BEING AWARD FROM CIGNA

We keep it healthy at City Furniture! Thanks to all of our Associates for your commitment to wellness and your participation in our initiatives in order to make this recognition possible!

City Furniture provides our Associates with an outstanding benefits package. We benchmark our benefits package with some of the best companies in Florida, and we continue to rate as having one of the best.

BENEFITS	ELIGIBILITY	DETAILS
Health Insurance	1st of the next month following a 60 day eligibility period	<b>One of South Florida's Healthiest Employers</b> – We offer a comprehensive benefits package which includes: Medical, Dental, Life, Short and Long Disability, Vision, Employee Assistance Program (EAP), and Voluntary Plans (Critical Illness, Hospital Indemnity and Accident).
Health & Wellness Center	Immediately	<b>Get Healthy, Stay Healthy</b> – Our Health & Wellness Center, operated by Holy Cross Hospital, is located in our Tamarac facility. Associates, spouses/domestic partners, and dependent children ages 16 and above can seek treatment for minor illnesses and injuries, physical exams, biometric screenings, monitoring of chronic condition and health education & coaching – all for <b>FREE!</b>
Paid Vacation	See details	<b>Relax and Rejuvenate:</b> <ul style="list-style-type: none"><li>• <b>1 Week Paid Vacation</b> – 6 months of employment</li><li>• <b>1 Week Paid Vacation</b> – 1 year of employment</li><li>• <b>2 Weeks Paid Vacation Annually</b> – 2-4 years of employment</li><li>• <b>3 Weeks Paid Vacation Annually</b> – 5-14 years of employment</li><li>• <b>4 Weeks Paid Vacation Annually</b> – 15+ years of employment</li></ul>
Holiday Pay	Immediately	We offer Holiday Pay for the following six holidays: <ul style="list-style-type: none"><li>• New Year's Day</li><li>• Memorial Day</li><li>• Independence Day</li><li>• Labor Day</li><li>• Thanksgiving Day</li><li>• Christmas Day</li></ul>
Tuition Reimbursement	6 months	<b>Invest in Yourself</b> – Eligible Associates receive 100% reimbursement of tuition costs (and 50% of required textbooks) on approved courses to assist with continuing education that is beneficial to your career development <ul style="list-style-type: none"><li>• <b>Full-time Associates</b> – Annual maximum reimbursement of \$3,500 for undergraduate courses and \$4,500 for graduate courses</li><li>• <b>Part-time Associates</b> – Annual maximum reimbursement of \$875.</li></ul>
Suggestion System Reward Program	Immediately	Value cards and gift cards for implementing ideas (up to \$25 per idea), plus an annual trip raffle prize.

BENEFITS	ELIGIBILITY	DETAILS
Associate Purchase Reimbursement Program	90 days	<b>Furnish your home with City Furniture and Ashley HomeStore products.</b> Reimbursements include: <ul style="list-style-type: none"><li>• <i>Cash or check</i> – 30% off retail price for City and 35% off retail price for Ashley</li><li>• <i>Debit card</i> – 29.5% off retail price for City and 34.5% off retail price for Ashley</li><li>• <i>Credit Card</i> – 28% off retail price for City and 33% off retail price for Ashley for purchases with American Express, Visa, Mastercard and Discover</li><li>• <i>Company finance program</i> – varies by promotional code used</li></ul>
Associate Referral Program	Immediately	<i>Refer. Reward. Repeat.</i> – One of the ways we maintain our “family spirited” culture is by having Associates work side-by-side with those they know best. Associates receive a <b>\$500 referral bonus</b> for referring an applicant who is hired.
Miscellaneous Discounts	Immediately	Corporate discounts are available at various gyms, AAA, Enterprise Rent-A-Car, AT&T, Verizon, Rick Case, Sam’s Club, Costco, Tire Kingdom, Miami Seaquarium, Tickets at Work, Carnival and Discovery Cruise Lines, and much more!
Bank at Work Programs	Immediately	We have partnered with Wells Fargo, TD Bank and Chase Bank to offer three Bank at Work options with special privileges including convenience checking, free debit cards, convenient account access, financial planning, loan assistance, and more.
"It Pays to Read" Learning Library Book Program	Immediately	The Learning Library is one of the services we offer to our Associates to promote your professional and leadership development. Receive a \$10 gift card for each book/audio book, and a \$5 gift card for each DVD, with a completed review.
<i>Other benefits include: Paid training and professional development, paid leave programs such as bereavement, military, jury duty, and more!</i>		



# our compensation

Our Compensation Program includes competitive pay and is designed to attract and retain the best talent in Florida. Here are some highlights:

- We have documented and published Compensation Programs for all departments, except Sales.
- Our current Compensation Programs are reviewed and compared to market rates by an HR Compensation Consultant.
- We provide the opportunity for our Associates to maximize their earning potential by offering overtime throughout various departments (i.e. Distribution Center, Customer Care, etc.).

POSITION	NATIONAL AVERAGE*	CITY FURNITURE AVERAGE
Delivery Driver (Service Technician)	\$44,400	\$55,000
Warehouse Associate	\$33,700	\$36,500
Customer Care Representative	\$38,200	\$39,500
Sales Associate	\$43,500	\$55,000

\*Source: Payscale.com, November 2019

## BONUS PROGRAMS:

### PROFIT SHARING BONUS PLAN

- Designed to reward Associates and Leaders who drive performance that directly and significantly impact our corporate Hoshin goals. Profit Sharing bonuses are based on company profitability and start at 3% of annual earnings for Associates and are tiered for leaders based on their position within the organization.



\$3,700,000+  
Profit Sharing Bonuses  
& 401(k) Match Paid in 2019

### DEPARTMENTAL PERFORMANCE BONUS PROGRAMS, WHERE APPLICABLE

Examples include:

- **Service** – Safety Bonus Program, Perfect Attendance Bonus Program, Delivery Returns Bonuses, etc.
- **Distribution Center** – Performance Bonus Programs, Perfect Attendance Bonus Program, etc.
- **Customer Care** – Quality Bonus Program, Perfect Attendance Bonus Program, Save the Sale Program, etc.
- **Sales** – Combined Services Bonus, Monthly Sales Goal Bonus, Increment Sales Goal Bonus, Sales Associates of the Month, Shopping Score Bonus, etc.

### ADDITIONAL FORMS OF COMPENSATION AVAILABLE

- 401(k) Plan with a discretionary match based on company profitability
- 6 Paid Holidays
- Vacation Program
- Associate Referral Program
- Tuition Reimbursement
- Income Protection Program & Sick Pay Program
- “Pay to Read” Book Program – \$10 per book
- CITY Circles – \$10-\$75 Quarterly, \$1,000 Annual Grand Prize
- Suggestion System Program – Value Cards and Gift Cards for implementing ideas (up to \$25), Annual Trip Raffle Prize (\$ Varies by Department)

## GOALS FOR 2020 & BEYOND

### COMPENSATION

- To have documented and published Compensation Programs for the Sales Department
- To have more thorough training and understanding of our compensation, bonus programs, and other compensation benefit opportunities for our Associates
- To compensate Associates above the market rate, whenever possible

### BONUSES

- To create additional Bonus Programs for departments, where applicable

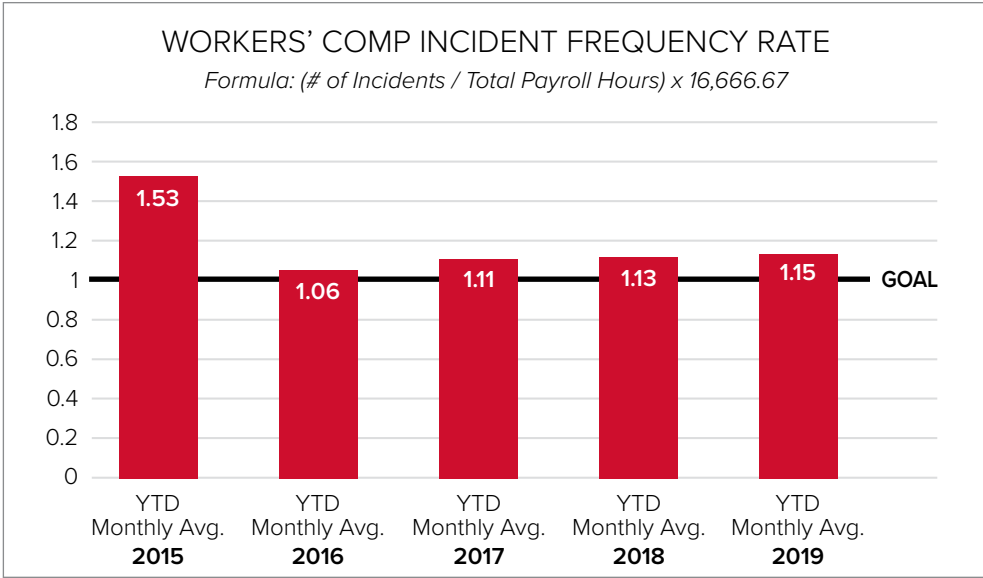
### “WORK FROM HOME”

- To implement additional “Work from Home” strategies throughout the company, where applicable, to help offset Associate travel expenditures coming to/from work



# our safety

City Furniture is committed to maintaining a safe work environment for our Associates. As we've continued our expansion into Central Florida, we've spread our culture of safety for our Associates and Customers. From the smarter routing of our trucks, to identifying manufacturing defects in furniture more efficiently, 2019 has been the year where we have truly advanced our purpose of making the world a better place for everyone. New and innovative problem-solving strategies have identified safety risks and elevated the company's awareness to promote a safer environment.



\*Through 11/30/2019



City Furniture partners with Underwriter's Laboratory (UL) on their Product Stability Verified program this year. UL's Product Stability Verified Mark endorsed by the American Home Furnishings Alliance helps consumers identify products that meet the industry's stability requirements. Backed by science, the Product Stability Verified Mark provides objective, scientific assessments that confirm product stability, a unique identifier that allows consumers to easily find details about your product claims and trust that product's claims will live up to their promise. Our Customers will begin to see the Stability Verified mark on our proprietary goods in early 2020.



“What we have at City Furniture is unlike anything elsewhere. I have the privilege to work with peers that are committed to provide a world class environment that is safe and family centered. Not only have we grown as a company in 2019 but our vision of improving safety and risk management has grown with the company. I am proud to work for an organization that values safety and supports me to help others.”

– George Zamora, Director of Safety



## recognitions & rewards

Whether it's simply a pat on the back or a high five, a monetary bonus, a weekend getaway or even a new car, we pride ourselves on having a comprehensive recognition strategy that allows us to cultivate a culture of appreciation so that our Associates know how much we value and appreciate them. We recognize that successful people have a tremendous desire to win. That's why we foster a workplace of people that are capable of being successful, feel empowered and engaged, and know they are equal contributors to the overall success of our business.



**\$500,000+**  
Spent on  
Associates' Recognition



### RECOGNITION AWARDS:

- Kevin Koenig Leadership Award
- People First® – “Purple Tile on the Gray Wall” Award
- Doreen Koenig Philanthropic Award
- CFOS Award
- Departmental Top Performers: Monthly, Quarterly and Yearly
- Safety Awards
- Suggestion System Awards – Value Cards and Gift Cards for implementing ideas (up to \$25), Annual Trip Raffle Prize
- City Circle Awards – \$10-\$75 Quarterly, \$1,000 Annual Grand Prize
- And much more!

2019 Kevin Koenig Leadership Award Winners, Vivek Jain and Chad Simpson, with Keith Koenig, two of his grandsons, and Janet Wincko.



## PEOPLE



### *Doreen Koenig* PHILANTHROPIC AWARD

Doreen Koenig, Keith's late wife, passed away from breast cancer in 2015. Doreen was known throughout the community for her charitable efforts supporting causes such as the Dorothy Mangurian Comprehensive Women's Center at Holy Cross Hospital, the Museum of Discovery and Science, Covenant House, American Cancer Society, and many more! As part of our Associate Recognition program, the Doreen Koenig Philanthropic Award is presented to an Associate in memory of Doreen Koenig's love, respect, and generosity for the City Furniture family and the community around her. The recipient(s) of the award is chosen based on their contributions to the community and their ability to go above and beyond to give back and help another person and/or charitable organization. They are generous with their time and support, and perform good deeds for those who need the help. Ultimately, the recipient(s) lives their life as Doreen did, touching many lives and making the world a better place.



*Sara Valderrama, winner of 2019's Doreen Koenig Philanthropic Award, with Andrew Koenig, Sabrina Maday, Keith Koenig, and two of Keith's grandsons.*

#### RECOGNITION PROGRAMS:

- People First® Recognition Program – Bonuses ranging from \$25-\$50 (Monthly), \$50-\$100 (Quarterly), \$250-\$500 (Annual)
- Suggestion System Recognition Program
- City Circle Recognition Program
- Values Card Program – City Café Gift Card, Target Gift Card, Gas Gift Card
- Seniority Milestone Recognition Program – Pin, Watch, \$250-\$2,500 Bonus
- Birthday Celebrations and Movie Tickets (\$17 Value for Tickets)
- Valentine Gift for all Female Associates
- Thanksgiving – \$25 Publix Gift Card
- Celebration Central Recognition Program – Monthly Raffle for a \$25 Gift Card

#### RECOGNITION EVENTS:

- ACE Awards
- Quarterly Hoshin Performance and Recognition Event
- Seniority Recognition Dinner
- Customer Care Appreciation Week
- Service Technician Appreciation Week
- Administrative Professional Appreciation Day
- Holiday Parties and Potlucks
- Monthly Happy Hours
- Team Building Events
- Sales & Operations Incentives and Contests
- And much more!



#### **1ST PLACE – Large Employer Category**

We were recognized as the Greater Miami Chamber of Commerce **Good to Great Winner** for the large employer category.





COMMUNITY





## CITY'S 5% GIVING PLEDGE

We owe a lot to our success, and a big part of that is the community that has allowed us to grow our business over the last 47 years. That's why we're committed to giving back a minimum of 5% of annual profits, through **City's 5% Giving Pledge**.

The mission is to spread our reach far and wide into the community, because we believe there's no limit to the good we can do. We do this by partnering with a vast number of organizations each year, and supporting them through fundraising, volunteers, and activism. It all goes back to our original mission to make the world a better place, by empowering critical causes with positive change. The five main pillars of City's 5% giving pledge include:

### HOME

Uplifting the people that live in our community.



### HEALTH

Raising funds to foster physical and mental health.



### SERVICE

Honoring veterans, first responders, and all who sacrifice.



### DIVERSITY

Empowering equality through activism and outreach.



### EDUCATION

Developing a brighter future through knowledge and safety.



**2,000+**  
Total Associate Volunteer  
Hours Served





## HOME

Uplifting  
the people  
that live  
in our  
community.



We sponsored a home with Habitat for Humanity. Our volunteers did everything from trussing to painting and landscaping – all to make the new homeowner's dreams of owning a home a reality.

- 6 Days of Construction Volunteering
- 40 Associate Volunteers
- Over 160 Volunteer Hours



A good night's sleep is everything for children – it promotes physical health, increased focus, and a better chance for success in school. Unfortunately, too many children don't have a bed to call their own. Delivering Hope is on a mission to change that. Our first-ever Delivering Hope pajama party in partnership with the Orlando City Soccer Club was a major success!

- 100 Bed Sets (Mattress, Box, Frame, Pillows, Sheets, and Comforter) Given to Children in Need
- 46 Associate Volunteers
- 240 Volunteer Hours



One of the largest beneficiaries of our 5% Giving Pledge, Covenant House provides invaluable services to runaway, homeless, and at-risk youth under the age of 21.

- 24th Year Hosting a Golf & Fishing Tournament
- \$100,000 Raised in 2019
- Over \$1.4 Million Raised to Date
- 72 Volunteer Hours





## HEALTH

Raising funds  
to foster  
physical  
and mental  
health.



American Heart Association.  
**Heart Walk.**

Every year, we participate in the Broward Heart Walk in memory of City Furniture's founder Kevin Koenig, along with everyone who has been impacted by heart disease. This year, we set out to raise the most funds that we ever have with a goal of \$25,000 – we're happy to report that we exceeded our goal by over \$23,000!

- **Total Contribution of Over \$73,000 in 2019**
  - Raised Over \$48,000
  - Matched \$25,000
- **Over 90 Associates at the Walk**
- **Over 270 Combined Miles Walked**



We know that breast cancer hits close to everyone's home. In fact, one in eight women will get diagnosed in their lifetime. And until that number gets to zero, City Furniture will be leading the fight to spread awareness and raise funds.

- **Total Contribution of Over \$40,000 in 2019**
  - Raised \$15,000
  - Donated Entire Match Commitment of \$25,000
- **Over 100 Associates at the Walk**
- **Over 320 Combined Miles Walked**







## SERVICE

Honoring  
veterans,  
first responders,  
and all who  
sacrifice.

## our veterans

Our commitment extends beyond hiring as we proudly support veterans and first responders throughout the community. We are honored to partner with many organizations including:

- **Everyday Hero with the Miami Dolphins**
  - 7 Veterans received \$1,000 gift cards in 2019
  - 38 Veterans have received gift cards through our **Everyday Hero** program with the Dolphins, totaling \$38,000
- **Everyday Hero with the Orlando City Soccer Club**
  - 17 Veterans received \$1,000 gift cards in 2019
  - 20 Veterans have received gift cards through our **Everyday Hero** Program with the Orlando City Soccer Club
- **Veteran Housing Corp**
- **Wounded Officers Initiative**

The recognition of the men and women who make our freedom possible is close to the hearts of our Associates and customers. Given all they have done to serve our country, we're proud to do our part to show our support!

## FIRST RESPONDERS

When a crisis occurs, it's our first responders who are there to answer. The true heroes of every community, these men and women sacrifice for our personal safety. And for that reason, we believe it's our duty to give back at every opportunity.

We made a very special delivery to the Plantation Fire Department, donating 24 mattresses to the team, who will disperse them to various local fire departments. It's just one small way to say thank you to those who keep our community safe.



## honoring our heroes



We celebrated many wins with our sports partnerships this year—both on and off the field. The Florida Panthers and Miami Marlins joined us as partners, and we continued our relationship with the Miami Dolphins, Orlando City, and Orlando Pride Soccer Club.

And through it all, one of the most rewarding aspects was the opportunity to honor the men and women who serve our country. From our **Everyday Heroes** to the **Heroes Among Us**, these programs allow us to recognize a veteran at the home games. Our heroes have given us so much, and it's truly humbling to stand amongst them.





## DIVERSITY

Empowering  
equality  
through  
activism and  
outreach.

Throughout the years, we are proud to have supported many diversity-related community organizations. Giving back to the community builds stronger relationships with our customers, vendors, and especially our Associates.



Every year we make a generous contribution to the ADL National Home Furnishings Industry Chapter (NHFIC). The NHFIC continues to be the leading fundraiser for the ADL, and we are proud to do our part!



City Furniture supports Girl Scouts, an organization devoted to empowering GIRLS to be Go-getters, Innovators, Risk takers and Leaders!



We've long stood for equality for all, and we took action as a sponsor at the COMMUNITY Rainbow Run, supporting the onePULSE Foundation, which was established after the Pulse Nightclub tragedy in 2016. This event was dedicated to honor the victims, celebrate our diverse backgrounds, and create a sanctuary of hope for our future. Five Associates participated and did a combined run of 15 miles.



ARC Broward works hand-in-hand with our community, changing how people with developmental disabilities and life challenges are embraced and included. Every year, Arc Broward hosts the annual Miss Arc Broward Pageant, a great way to empower young women with disabilities. We sponsored the event's Teen Ambassadors – local teens who dedicate their time in making the Miss Arc Broward Pageant an unforgettable experience for the contestants.







## EDUCATION

Developing  
a brighter  
future through  
knowledge  
and safety.



### DR. MARTIN LUTHER KING, JR. DAY OF SERVICE

To honor the legacy of Dr. Martin Luther King, Jr., we joined community members in partnership with City Year Miami for a day of service at Madison Middle School – making the school a more fun and engaging learning environment for the students. Our 15 volunteers painted murals on the interior and exterior walls of the school, built and painted tables and benches, and did some landscaping.



### Junior Achievement<sup>®</sup> of South Florida

We're so proud to support the education of our local students through Junior Achievement of South Florida (JASF). Our City Furniture storefront at JASF's Finance Park teaches thousands of 8th grade students in Broward county about making smart purchases by using credit and financing. Additionally, we had a few JASF student interns working with us over the summer.

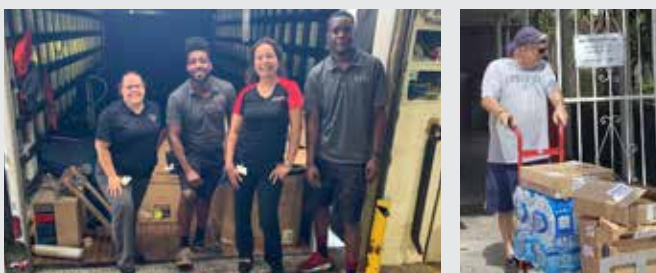


## *back to school fair*

While we focus a lot on giving back to the community, we also know how important it is to take care of our own family! Our annual Back to School event is an opportunity to help our Associates' children get ready for school. In 2019, at our Back to School event, we gave out 297 backpacks filled to the brim with school supplies, many of which were donated from Associates. And, we make the end of the summer celebration event even more fun by including animals from the Museum of Discovery and Science, face painting, a photo booth, and dancing. We also offer free financial education from Wells Fargo. We love the smiles on the kids' faces as we help them get ready for a successful transition back to school.

# BAHAMAS RELIEF

Hurricane Dorian was recorded as the most powerful hurricane ever to hit the Bahamas. City Furniture jumped into action and partnered with the United Way of Broward County by collecting gallons of water, boxes full of canned and boxed food, diapers and other hygiene products for the Bahama residents. United Way then shipped them off to the affected areas. A few of our showrooms also collected and distributed to local charities in their area.



One of our most popular Associate-led initiatives of the year is the Salvation Army's Angel Tree Program. In 2019, our Associates adopted 75 angels – each angel representing an underprivileged child in Broward, to purchase Christmas gifts for. We're proud of our Associates and the drive they have to help others in need!

We're also proud supporters & partners of:



ST. GREGORY  
THE GREAT  
Catholic Church  
and School







ENVIRONMENT



# 2040

## Green Promise

We're raising our standards for a carbon neutral future.

For us, nothing is more important than home. And there's no home that needs more care than our planet. That's why we're taking all the right steps now to create a greener future, with the goal to be carbon neutral in our showrooms, warehouses, and corporate offices by 2040.




### our transportation



**100%**  
of our  
Trucks are CNG

First in our Industry to  
Convert 100% to  
CNG Delivery Trucks





5th year in a row that  
we ranked on **The Green  
Fleet Awards** list!  
In 2019, we ranked #31.



CNG Station	Domestic Fueling Source
Tesla	5 Tesla Semi Trucks on Order
Electric Yard Truck	1 Electric Powered Ottawa Yard Spotter, Replacing Older, Non-Clean Air Emissions Diesel Yard Spotter – Resulting in a 5,718 lbs. NOx (Oxides of Nitrogen) Reduction
Lithium-Ion Batteries for Tuggers & Orderpickers	Replaced 150 Acid Cell Batteries and Chargers with 58 Energy-Efficient Lithium Ion Batteries and 32 Chargers – Resulting in a Shorter Charge Time, Longer Run on a Battery and a Reduction in Electrical Use
Propane	2 Fork Lifts Fueled by Liquid Propane Gas
CNG Peterbilt Semi Trucks	4 in our Fleet, Purchased 6 More – Each of these CNG Semi Trucks have a NOx Reduction of 5,582 lbs. Average Compared to a Diesel Semi (Natural Gas HD Trucks are 53% More Cost-Effective Than Diesel Alternatives)
Less Emissions	Equivalent of Taking 182 Passenger Cars Off the Road Every Year; Replaced Two Gasoline Service Trucks with Three Cleaner-Burning, CNG Bi-Fueled Service Trucks Capable of Using E-85 Gasoline

“Producing less noise, vibration and heat than diesel versions, our Ottawa electric terminal tractors also offer benefits to their drivers, since the tractor’s on-board inverter charger allows the machine to be charged during break times.”

– Andrew Koenig, President





## ENVIRONMENT

“As a family-owned company, we need to treat Mother Nature like family too. That means protecting the planet at every possible level.”

– Will Conway, Chief Operating Officer



### our facilities

By 2040, our plan is to run nearly all showrooms on renewable energy, which will offset our electric use and help achieve our goal of carbon neutrality.



**97%**

of Showrooms Have LED Interior Track Lights

**85%**

of Parking Lots and Exterior Lights are LED

We Save **Over 7.2 Million** Kilowatt Hours Per Year Due to Energy-Efficient Projects in Lighting, HVAC, and Building Controls



Resulting in **11.2 Million Pounds** of CO2 **Not Released Into the Air** Each Year

**\$120,000**

Received in Utility Rebates



All New HVAC Units are High Efficiency and Qualify for FPL/Utility Rebates



**Up to 30% Less Water**

With the Help of Retention Ponds and Wells at Select Sites

**5.5 million**

Pounds of Cardboard are Sent to a Local Paper Recycling Mill Per Year



**100%**

of Showroom Locations Have Mixed-Use Recycling Dumpsters



**98%**

Of Waste is Recycled Using our Own Recycling Center (This Equals **6 Million Pounds** of Waste Kept Out of Landfills Every Year)



**500,000**

Pounds of Plastic are Recycled and Repurposed into Goods



Reduced Styrofoam Use by Removing all Styrofoam cups from Tamarac in the Offices, Kitchens and City Café (that's over **200,000 Styrofoam Cups Not Ending Up in the Landfill** Each Year)



By Moving All of our Data Center (IT Servers and Storage) to the Cloud, Which Utilizes Less – and More Efficient Servers – We Have **Significantly Lowered our GHG Emissions and Footprint**



LEED is the most widely used green building rating system in the world. LEED provides a framework to create healthy, highly efficient and cost-saving green buildings. LEED certification is a globally recognized symbol of sustainability achievement.

We have the **MOST** LEED certified square footage of any furniture retailer in the USA!

**8 LEED** Certified Showrooms

**460,000 ft²** of LEED Showrooms

We've added **12 EV Charging Stations** at our Millenia and Doral Showrooms



The Florida Public Service Commission (PSC) recognized City Furniture with its **Triple E Award** for the company's outstanding energy efficiency efforts in the Ocoee Showroom with all 100% LED lights, high efficiency HVAC, advanced building controls and daylight harvesting. We received a \$15,000 rebate from Duke Energy for this, too.



## our products



Fair Trade Certified™ Factory – The factory we order sheets from is certified by Fair Trade USA™ to meet their standards for the wages they pay, their working conditions, and the environmental stewardship of the factory, etc. A percentage of every invoice that we pay to the factory goes directly to a fund controlled by the workers. In the case of our sheets, it supports a health clinic which services the employees and their families.



Our bedding lineup includes a GOTS Organic Cotton line.



Our exclusive private label sheets, pillowcases and duvet covers are OekoTex® certified. The process to make the textiles met strict guidelines for water consumption, and harmful chemicals were not used in the production of the product.



Our proprietary “top of bed” linen lineup includes 100% Tencel™ pillow cases, sheets, and duvet covers. Tencel™ is a true earth-friendly product: sustainable, natural, bio-degradable, and compostable.



We source more product from the United States than any other nation.



Our Seattle collection features FSC Certified Recycled solid wood. Utilizing wood reclaimed from pallets, our Seattle collection has both beautiful appearance and charming character.



We partnered with the Arbor Day Foundation to plant one tree for every piece sold from the entire Seattle collection (Seattle bed is shown on right).







In 2002, City Furniture introduced a revolutionary idea to South Florida – a retailer manufacturing its own exclusive line of furniture. **Kevin Charles Fine Upholstery**, named in honor of Kevin, was created with the specific purpose of offering customers the highest quality upholstery at affordable prices, matching both their practical needs and sense of fashion.

Hand assembled in a state-of-the-art facility in New Albany, Mississippi, the Kevin Charles brand allows City Furniture the flexibility to respond to the customer's needs of value, style, and quick availability.

With quality, style and value as the driving forces, the Kevin Charles brand soon expanded into casegoods collections. Top-of-the-line memory foam beds was then introduced in 2009 and quickly became the most successful introduction of bedding in all of South Florida.

The Kevin Charles brand has become firmly established as one of the leading names in fine furniture in South Florida and will continue to honor Kevin's legacy with passion and dedication to all its customers.



Kevin Charles is reusing approximately 2,500 boxes annually.

- These boxes costs \$3.77 each, resulting in a **\$9,425 annual savings**
- The boxes are 864 cubic inches each, which results in **recycling 1,250 cubic feet of cardboard annually**
- Reusing raw material packaging to send pillows to City Furniture, **eliminating the need for new boxes**

