FLOYD

2021 Impact Report
We began Floyd nine years ago in Detroit out of a reaction to disposable furniture. Tossing away furniture leads to over 10 million tons of furniture being disposed of each year in the US alone.

Our first product, The Floyd Leg, was a system that allows you to take any surface material and make your own table in minutes. Embedded in this product were the ideas of reusability, adaptability, and long-lasting materials. Soon after launching the leg, we wrote down our mission statement: Change and improve the way people consume, keep, and enjoy furniture. Fast forward nearly a decade later, our line now encompasses a wide range of products: from sofas to bed frames and shelving. Still, our commitment to long-lasting, quality products that will work for you today and for many years to come remains at the heart of what we do.

In 2020, we shared with our community a commitment to begin publishing an annual Impact Report. This report is the culmination of that work with many inputs across our team. It’s just a start for us, and we’re excited to continue to refine our approach for tracking our process and holding ourselves accountable to results. At Floyd, impact is not measured simply in terms of profit. We strive to have a positive impact on our planet, our employees, and the communities in which we operate.

As such, we’ve chosen to organize Floyd’s Impact Report around three areas: Product, Planet, People. In particular, the 2021 IPCC Report (Intergovernmental Panel on Climate Change) makes it clear the challenges we face now, and in the decades ahead, with climate change and the environmental crisis.

The designer Charles Eames once said, “Design is a method of action.” As a product-first company ourselves, we’re oriented towards solving problems through good design. Floyd began by solving a pain point around the experience and impact of furniture. As we grow, the scope of the problems we solve will continue to expand.

Our team has accomplished a lot to be proud of over the last few years. In the last four years, we’ve designed innovative furniture systems across the home. This demand has allowed us to grow 5x, selling over nine digits in sales since our start, and expanding our team to 65 employees.

As we look to this next year ahead, our focus remains:

• Propel Floyd into being a leader in 21st-century design. We see design as a responsibility, and we take that seriously.
• Take bold actions around our sustainability commitments and innovation in an era where we see the increasing impact of climate change.
• Invest across people, systems, and processes to deliver on the best end-to-end customer experience in furniture.
• Contribute to making the design industry more inclusive and executing on a road map for racial and gender equity, fostering diversity, inclusion and belonging in the workplace.

As always, we value any of your input and feedback. Thanks for your support.

- Kyle & Alex,
  Co-Founders
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According to the EPA, more than 10 million tons of furniture ends up in landfills every year. Tired of buying furniture that would ultimately be left on the curb, founders Kyle Hoff and Alex O’Dell launched their first product in 2013: The Floyd Leg, a simple steel clamp-on leg that allows you to take any surface material and make a table. It was designed as a piece of nomadic furniture that could move with you.

The legs were manufactured in Detroit and each order was packaged into a carrying bag.

The reusability allowed you to reduce your waste footprint over time. Kyle and Alex launched The Floyd Leg on Kickstarter, where it was brought to life with the support of 1,400 individuals. Nine years on, we still offer this product on floydhome.com.

The simplicity of the design, the quality of the materials, and the adaptability of The Floyd Leg are features we’ve continued into every product we’ve designed since.

Floyd was founded out of a reaction to disposable furniture.
Our vision is to build the world’s most beloved home brand.

Floyd is a problem-solving design brand established in Detroit in 2013. We develop our products in-house with the idea that well-designed furniture should be accessible, long-lasting, and simple. We create innovative products that challenge the common convention of furniture and, as a direct-to-consumer brand, the experience of buying it. In 2021, Floyd was named one of Fast Company’s Most Innovative Design Companies, sharing the list with Adidas and Google. Our products are in the homes of tens of thousands of customers, and today we’re one of the fastest growing furniture brands in the world.

Floyd is a team in Detroit (and beyond) of passionate and determined folks who care about the environment and each other. We appreciate thoughtful design, whether it’s a great sofa or a vegetable peeler. That care and appreciation is woven into the fabric (literally, and figuratively) of our company and each product we make. And we’re just getting started. Our vision is to become the world’s most beloved home brand.
Our Mission

To change & improve the way people consume, keep, and enjoy furniture.
| Our Values | Long-term focus, setting our own path. | Delivering our very best & on our promise. | Building an inspiring & inclusive place to work and grow. |
Through product, our aim is to propel Floyd into becoming a leader in 21st century design.

We see design as a responsibility, and we take that seriously.
Our Design Principles guide our design process. That process always starts with a problem that needs to be solved — what would make our homes more comfortable and functional in a beautiful and healthy way? Does the world need this object, and if it does, how do we make it in the best way for both people and the planet?

After nearly a decade in business, 96% of Floyd Products are still in use today. “Keeping” is at the core of how we design products. Whether it be ensuring materials are durable enough to withstand decades of use, or making certain that those buying Floyd understand that the product can grow and adapt to their life over time, we care most that people keep our products as long as humanly possible. We care most that people keep our products as long as humanly possible. Therefore, we ensure that each Floyd product can grow and adapt to life over time and that the materials are durable enough to withstand decades of use. We do not subscribe to the theory that to build a large and meaningful business, we need to sell customers the same product every two years. People need furniture for many reasons, and the furniture they buy should withstand the test of time and the many chapters of life.

A successful Floyd product thoughtfully anticipates the needs of our customers — it’s about form, function, and emotional connection, but also about materiality and longevity of use. For us, design is a responsibility to do the right thing, and we’re taking that responsibility seriously.
## Our Design Principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
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<tbody>
<tr>
<td>Nothing Unnecessary.</td>
<td>Constraints make good design.</td>
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<tr>
<td>Challenge what already exists &amp;</td>
<td>Adaptability is paramount. Customization is a waste.</td>
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<tr>
<td>how it’s been done.</td>
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<tr>
<td>Adaptability</td>
<td>Affordability through good design &amp; process, not by lowering quality.</td>
</tr>
<tr>
<td>Customization</td>
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<tr>
<td>Affordability through good design</td>
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<tr>
<td>Design for the Many.</td>
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<tr>
<td>Design for Longevity.</td>
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A quick note on how most of the furniture industry operates:

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<th>01</th>
<th>The people designing it have no direct connection with the customer.</th>
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<td></td>
<td>Therefore, the needs and problems aren't necessarily in tune with what the customer wants. Likewise this insulation gives little opportunity for the ability to improve and build on that product by listening to what additions the customer wants.</td>
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| 02 | Seasonal and fashionable design is not timeless design. |
|    | The short-sighted nature of pushing new styles on consumers every six months not only means leftover seasonal products go to waste, but when a company releases new design styles, it makes the previous designs feel out of date. This push ultimately influences people to want something new and dispose their older product. |
|    | At Floyd, we stand by our designs year over year. The Floyd Bed Frame alone is in the home of over 30,000 customers. |

| 03 | There is little incentive to think about repairability (or lifelong service). |
|    | The formula of “disconnect between customer and designer,” plus “seasonal design,” equals little incentive to support the service of a product long-term. There is also virtually no thought to how to replace parts when broken. Ultimately, this leads to people throwing away the whole sofa, bed, or shelf instead of replacing a part. This sucks. |

| 04 | It's overpriced for what you get. |
|    | Having an extra middleman who develops and manufactures your product means you're likely paying more for lower quality. |

| 05 | Materials are chosen for aesthetic, not for the environment. |
|    | There's little accountability or reason for suppliers to be truly thoughtful about the materials they are putting in a product. Of course, they'll pitch some “sustainability” story on it, but when not directly connected with the customer or a reason for existing beyond sales, there is little reason to do more than a bit of greenwashing for profit. |

| 06 | Designed obsolescence. |
|    | Whether intentional or not, this all adds up to an industry that pushes product on consumers more often than they need it, as it's required for them to hit year-over-year growth on their previous push to replace product in people's homes. This is the antithesis of designing products to be kept. |
We believe the best thing for the planet is not to buy anything at all.

The next best thing is to buy furniture that lasts, made with sustainable materials and processes.
95% of our products are manufactured in the U.S.

All of our products comply with or exceed environmental and safety standards.

Floyd logistics represents a newer form of getting products to your home. We cut out the traditional layers of retail distribution that also contribute to increased transportation emissions by shipping directly to customers in the most efficient way possible. We critically evaluate our most frequently shipped items and seek ways to reduce packaging, waste, and hassle for our customers.

We evaluate data to combine products that are frequently ordered together to reduce transportation emissions, all the while offering a better experience for the customer. And the opportunities are endless to continue iterating and improving to reduce waste and, ultimately, the footprint we create. We are excited every day to find those new opportunities with our customers every step of the way forward!
Our Materials

Materials traditionally used in the furniture industry were born out of post-war innovations in the 20th century and used for what was relevant for our lives at the time. But unfortunately, many of those innovations were damaging to both human and environmental health. So we asked ourselves, what materials are relevant to us? What materials will give us long-lasting, beautiful products but not contribute to the growing environmental crisis?

The answer: we’ve shifted our focus to material selections based on longevity and circularity by implementing higher-content recycled material, continuing our responsible use of natural materials, and eliminating the use of harmful chemicals.

Our rugs, for example, are made with New Zealand wool and sustainably sourced cotton; they comply with the GoodWeave Standard, which ensures our commitment to workers’ rights and their communities. In the spirit of those from the 20th century who have inspired us, we will continue to explore and experiment with new materials to help us solve the important issues of today.
Sustainable methods from water-based topcoats, recycled plastics to FSC-certified wood.

Our procurement team works closely with the design team to research and find sustainable materials to design our products around. We look at the complete picture, ensuring even the smallest parts are sustainable — from using water-based topcoats, recycled plastics, and FSC-certified wood. We work with our suppliers to find new sustainable solutions so that our products continually improve and impact the environment less.

As advancements in material and sustainability move forward, Floyd will work to be at the forefront of these changes while maintaining high-quality furniture through the partnership of great suppliers.
Sustainability

At the foundation of Floyd are our sustainability principles; these run deep into our company, from how we design and package products to our decision to maintain a U.S.-based production footprint (which, in part, helps reduce transportation).

In 2020, however, we decided to step back and critically examine our practices. We evaluated our business holistically, looking at how we interact with our workers, customers, community, and environment. Among other initiatives, this compelled us to set ambitious goals for improving our environmental impact by 2025. We are proud to share that just over one year into this effort, we have made significant progress on several goals. Specifically, we launched Full Cycle, a resale shop to help extend the useful life of our products, and we also took the first step in reducing our carbon footprint by measuring and offsetting our carbon emissions from transportation. However, we acknowledge this is just the beginning and will require deepening and broadening our sustainability goals in years to come.

Ziza Urban Farm
Highland Park, California

From, 'Two Ninas, One Urban Farm' on Lived In.
Sustainability Goals

Key Results by 2025:

01. Launch a Floyd Resale and Refurbishment program to extend the useful life of our products.

02. Ensure 70% of our material comes from either recycled or renewable sources.

03. Minimize packing materials and eliminate single-use plastics.

04. Use 100% FSC-certified wood across all products.

05. Measure, disclose, and reduce greenhouse gas emissions across our supply chain.
A more sustainable shopping experience.

In 2021, we launched Full Cycle — our resale shop that allows customers to shop returned and mildly damaged Floyd products at a discount. Floyd products are designed to be serviceable and durable, and the Full Cycle program builds off of that design, helping our product journey be more circular. We are committed to creating sustainable practices that minimize the turnover of goods through the whole customer journey.

This means:
- Reduced carbon emissions by sending returns to regional warehouses around the country to be inspected and resold.
- Fewer Floyd products in landfills.

Full Cycle helps achieve one of Floyd’s 2025 Sustainability Goals: Creating a Resale and Refurbishment program to extend the useful life of products.

A Year of Full Cycle

39,247 Pounds of furniture sold
272 Total items sold
Recycle

- Products do reach their end of useful life and Floyd wants to empower customers to dispose of their furniture in a responsible way. Our recycling guide provides information and resources to help customers sell, donate, or recycle their product.

Service

Another key offering of our Full Cycle program centers around the serviceability of our products.

- Floyd products are highly serviceable, so customers can reach out to our customer service team to replace broken, damaged, or lost parts — everything from scratched shelves to ratchet straps that got lost in a move.

- In 2022, we plan to roll out a customer-facing serviceability center on our website that enables customers to more easily get the parts they need.

Owning the Full Life Cycle of the Product.
We intentionally pull from our differences to make decisions that drive our culture and growth.

We understand that inclusion is an ongoing and intentional act. We are committed to creating a space where differences are equally valued, and everyone feels heard & welcomed. At the same time, we are working to make a wider impact on making design a more inclusive industry.

We aspire to build an inclusive environment where people have the tools and support they need to be successful at work and home.
We are committed to creating and sustaining an environment that reflects our broader community and customers.

Our DEI work is centered in four areas:

**Representation**
- **Internal**: Increase representation of people of color at each level of our organization.
- **External**: Increase representation of people of color within our industry through product workshops, internships, partnerships, and initiatives like Design Talks.

**Education**
Continuous training for hiring managers, people managers, and leaders within our company to remove bias not just in hiring, but throughout the entire employee journey.

**Community**
Establish partnerships with external organizations to diversify candidate pipelines and build deeper relationships in our local community.

**Systems**
Ensure that our policies and practices are equitable, inclusive & diverse in alignment with our values.

We created a role for Diversity, Equity, & Inclusion specifically to drive change and create accountability because we believe in its value.

These are efforts we’re looking forward to sharing with you as we make progress.
Community

Detroit is our home. We’ve been based here for the past six years, and we’re not going anywhere.

We love that we’re nestled on the Eastside of Detroit, down the street from the Eastern Market and right next to our favorite coffee shop.

We’ve expanded our office as a commitment to build community here, pay taxes here, create more jobs here, and show others what we’ve known all along — Detroit is a great place to be.
Community

This past year, we worked nonstop on renovations for our HQ.
Community

HQ Highlights

Returned bed panels were modified and repurposed along the main wall as an acoustic panel to help quiet the space.

We've taken leftover pieces of our new maple floor and designed a wall paneling using the leftover scraps that adds warmth and helps with sound.

We've used an Interface FLOR tile in the carpeted areas that incorporate a material made from recycled vinyl and processed vegetation.

It's infused with a latex created from smokestack exhaust, topped and tufted with salvaged nylon — and manufactured in the most environmentally-friendly way possible.

We've re-used existing furnishings and fixtures — we've moved light fixtures into different areas of the office to give a different look and have softened the overall lighting throughout the space.

In our Focus Rooms and Phone Booths, we added an acoustical felt that is 60% Recycled PET, which is a combination of regular and low melt polyester fibers.

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It has sound deadening and acoustical dampening properties that will soften the sound throughout the space.

We repurposed our previous conference table bases for our Cafe space.

We purchased vintage furniture as a way to show our admiration for some designers we admire and in appreciation for timeless design.

We're taking some of the larger fixtures and breaking them up so they can be implemented into our expanded R + D.
Community

We’re excited to gather our team here, host events in the community, and share the space together!

Having a larger space lends itself to more conversation, more collaboration, and more community.

Partnering with other small and local businesses in Detroit is important to us. We’re always looking for ways to do more. In the past year, here are a few things we’ve done in our city:

**FATE**

FATE is an 8-year, cohort-based mentorship and enrichment program for Detroit youth. Their workshops are designed to expose students to the concept of entrepreneurship while helping them build confidence through pitch practices.

We ran a workshop at HQ where our Product Team partnered with students to teach them furniture design.

**COTS**

A local non-profit whose mission is to help Detroitters overcome homelessness, COTS stands for creating opportunities for families to collaborate, thrive, and succeed in building strong and stable households, neighborhoods, and communities.

We got together and helped build furniture that we donated for the families to enjoy!

**Humble Design**

A non-profit which furnishes the homes of families and veterans transitioning from homelessness.

We have an existing relationship with them, and we continue to supply products on an as-needed basis!
Diversity, Equity & Inclusion

Building an inclusive and inspiring place for people to work and grow is one of our core values. It’s important that people feel like Floyd is a place they can call home, where they’re heard, valued, and respected. Our employees are one of the most important parts of our business — they’re what makes Floyd, Floyd.
Representation

Though we’re headquartered in Detroit, our impact goes beyond that — reaching our customers all across the nation.

We’re working to increase representation in a field white men have largely dominated. Because of systemic inequities [racism, white supremacy, sexism, to name a few] that exist in our country and our world, we understand that Black people, Indigenous people, People of Color, and others have been (by design) underrepresented within the field of design and, specifically, furniture design.
In 2021, we launched Design Talks, a series of conversations on Instagram centered on this topic, talking with today’s designers that are shaping the future of our industry.

The conversations were powerful, and though representation alone doesn’t solve institutionalized racism or any other ‘ism’—it allowed for us to learn, grow, and be in community with one another.

- **Jomo Tariku**
  @jomofurniture
  An Ethiopian-American artist and industrial designer defining a new design language of modern African-themed furniture.
  🎬 Watch Jomo’s Talk

- **BOA**
  @oistudio
  A self-taught furniture designer whose design aesthetic is an intersection of her reverence for nature, minimalism, and fine craftsmanship.
  🎬 Watch BOA’s Talk

- **Nina Cho**
  @studio_ninacho
  An artist and designer based in Detroit, whose education and Korean heritage led to a personal and distinctive approach to design.
  🎬 Watch Nina’s Talk

- **Reggie Black**
  @iamreggieblack
  Our host and moderator for the Design Talk Series, who is a talented designer and multidisciplinary artist.
We’re not just designing furniture — it’s bigger than that.

By leveraging third-party compensation data, we analyze and benchmark our pay to be equitable and competitive.

If you are the parent of a newborn child or children, the company will pay up to 100% of your base salary or wages for up to a maximum of 12 weeks of Parental Leave.

This leave is available to the new parent through birth, adoption or foster care placement.

Annual Educational Stipend so those who wish to continue their education — and/or take a class that helps them become more effective in their role — has the means to do so.

We’re continually reviewing policies like compensation, PTO, annual and monthly stipends, etc. to make sure that they serve our employees’ needs.

People spend about a third of their lives at work, and we have a talented and thoughtful team who have interests, families, and lives outside of work. For that reason, we provide an environment that addresses the whole person.
Demographics

Our team today: a growing team of diverse skill sets, backgrounds, and cultures.

At Floyd, we are committed to hiring and retaining talent from all demographic backgrounds, life experiences, and perspectives, and to create an inclusive environment where all employees can thrive. As we grow (with a workforce we expect to more than double over the next few years), we’re working to increase gender representation and BIPOC representation across all levels of the company to align to U.S. census data.

We understand that our employees’ identities are much more complex than standardized racial and ethnic categories can reflect, but for reporting purposes, we use the Employer Information Report (EEO-1) categories used by the U.S. Equal Employment Opportunity Commission to comply with U.S. government requirements.

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<th>Demographics</th>
<th>Company-wide:</th>
<th>Leadership Team:</th>
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<tr>
<td></td>
<td>Women:</td>
<td>Women:</td>
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<td></td>
<td>57%</td>
<td>40%</td>
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<tr>
<td></td>
<td>Underrepresented minorities:</td>
<td>Underrepresented minorities:</td>
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<td></td>
<td>31%</td>
<td>26%</td>
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[1] For reporting purposes, we use the Employer Information Report (EEO-1) categories used by the U.S. Equal Employment Opportunity Commission to comply with U.S. government requirements, which limit gender to male or female. This categorization does not reflect our opinion; we believe that gender is nonbinary.

[2] Underrepresented Minorities: our working definition of an underrepresented minority (URM), which is the most commonly used term is someone from a historically marginalized community, generally, whose racial or ethnic makeup is from one of the following: African American/Black, Asian, Hispanic / Latinx, Native American Alaskan Native, Native Hawaiian/ Pacific Islander and two or more races, when one or more are from the preceding racial and ethnic categories in this list.
Looking Ahead

We’re excited to share our progress with you over the upcoming year! We understand that reports like these require commitment and a deeper level of accountability and transparency, and we’re up for the challenge.

We’re just getting started, and we will always strive to do better. This report holds us accountable to you and helps us identify what areas of growth we have.

Future Impact Reports will include more data points that will help to illustrate the work we’re doing. We appreciate you being along for our journey as we continue to grow a brand that we can be proud of. Onward!

- Floyd
FLOYD