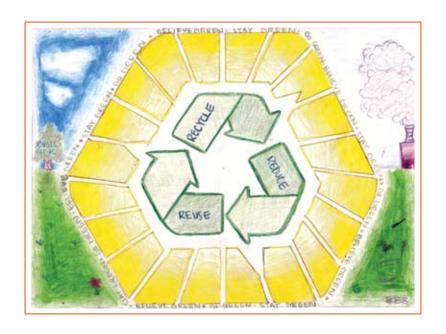
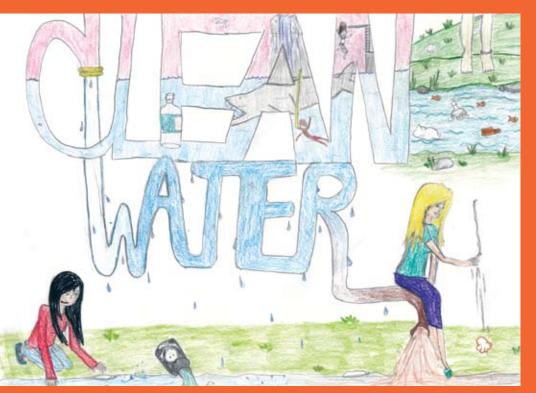
KNOLL AND SUSTAINABLE DESIGN

2008 Environmental, Health & Safety Annual Report















Today, Knoll continues to focus on three key environmental areas: climate change; third-party certification; and environmentallyresponsible materials, products and processes. And we are continuing to set industry-leading standards for sustainable design."

Andrew Cogan CEO
Knoll, Inc.

In 2008, Knoll once again sponsored the Annual Environmental, Health and Safety Art Contest for school children in Pennsylvania and Michigan communities where we have manufacturing facilities. Some of the winning entries, chosen by professional artists, are featured in this report.

Climate Change

Knoll meets — and exceeds — Clinton Global Initiative Commitment to reduce CO₂ emissions

As a member of the Clinton Global Initiative Energy & Climate Change Working Group, in 2006 Knoll made a Commitment to Action to reduce $\rm CO_2$ emissions at its facilities by 10% from the baseline over three years and to invest at least \$1,000,000 in energy infrastructure and programs to support change. By the end of 2007 Knoll achieved an 8.8% reduction in $\rm CO_2$ emissions. In 2008 additional energy savings pushed total $\rm CO_2$ reductions beyond the 10% goal to 10.41%. These dramatic reductions were achieved through capital investments in 2008 exceeding \$2,000,000 and a comprehensive Energy Management Program that includes infrastructure, protocols and procedures designed to meet long-term, company-wide energy reduction goals.

Through our Energy Management Program we have established an energy baseline for manufacturing processes; energy conservation techniques; a framework for evaluating energy reduction opportunities; guidelines for capital investments in energy projects; energy pricing and supply risk reduction protocols; programs to increase energy efficiency in Knoll products; a transportation energy reduction program; and participation in the Chicago Climate Exchange® (CCX).

Rated SMaRT® Sustainable Gold, Life® exemplifies our steadfast commitment to sustainable design.

















For the third year in a row, Knoll was a Clinton Global Initiative (CGI) Annual Meeting sponsor. The 2008 meeting, held in New York City from September 23 through 26, brought together current and former heads of state, global CEOs, heads of foundations and major philanthropists, directors of non-governmental organizations, and prominent members of the media to devise and implement innovative solutions to some of the world's most pressing challenges.

Seated in Life chairs at the 2008 CGI opening plenary discussion: William J. Clinton; Queen Rania Al-Abdullah of Jordan; Ellen Johnson-Sirleaf, President, Liberia; E. Neville Isdell, Chairman, The Coca Cola Company; Bono; and Al Gore; KnollStudio lounge furniture in the Global Café, left.

Knoll ahead of schedule in greenhouse gas reductions under CCX® contract

In 2008 Knoll continued its membership in the Chicago Climate Exchange® (CCX), the world's first and North America's only legally binding rules-based greenhouse gas emissions allowance trading system, as well as the world's only global system for emissions trading based on all six greenhouse gases. Knoll became the first contract furniture industry member of CCX through its participation in the Clinton Global Initiative, which partners with CCX for methodology and auditing. Under its 2006 CCX contract Knoll agreed to reduce greenhouses gas emissions in a targeted two-phase program and to pay for energy offsets if it failed to meet its goals.

In Phase I Knoll more than doubled its commitment to a 4% absolute reduction in carbon dioxide emissions over the 1998-2001 base line. In 2008 Knoll achieved its Phase II commitment to reduce emissions by an additional 2.5% by 2010 - two years ahead of schedule. Knoll will continue to reduce its energy footprint and implement innovative programs to further drive down CO₂ emissions. CCX will verify final data and certify total reductions at the end of the 2010 contract period.

Energy initiatives that directly contributed to superior 2008 results include:

+ A lighting upgrade to energy-efficient bulbs and ballasts across all manufacturing sites in which HID's were replaced with T5 and T8 technologies, producing a higher level of lighting and reducing energy costs. Almost 1 million square feet were upgraded resulting

- in reductions of an estimated 1,990 tons CO₂ per year and 3,262,508 KWH per year, and annual energy cost savings of approximately \$283,000 per year. We invested approximately \$965,00 in this initiative in 2008 and estimate a payback in 3.4 years.
- + An upgraded Dust Collector Return System at our Grand Rapids facility that safely re-circulates air into the building instead of exhausting it into the atmosphere. The new system, which takes advantage of recovered process heat to warm the facility in the winter, reduces CO₂ emissions by an estimated 1,243 tons per year; reduces gas consumption by an estimated 22,348 MCF per year; and results in annual energy cost savings of approximately \$223,000. At current levels of savings, our investment of \$452,000 is expected to be earned back in 2 years.
- + A Demand Control Ventilation System installed on the Knoll Toronto facility paint line controls fan speeds when paint guns are in the parked position, minimizing building heat loss and saving electricity and natural gas consumption while maintaining proper air balance in the space. This innovation reduces CO₂ emission by an estimated 85.1 tons per year; reduces electricity consumption by an estimated 75,489 KWH per year and gas consumption by 707.3 MCF per year; and results in annual cost savings of approximately \$15,000. The \$50,000 investment is expected to be paid back in 3.3 years.

+ A single oversize boiler at the Knoll Toronto facility was replaced with two smaller boilers that optimize operation of process equipment by increasing boiler efficiency, reducing skin losses and boiler cycling, and providing more sophisticated controls. The 2008 investment of \$82,800, which is expected to achieve a pay-back in 2 years, delivers CO_a reductions of an estimated 192.4 tons CO₂ per year, gas consumption reductions of 3482.9 MCF per year and annual energy cost savings of approximately \$41,000 per year.



Knoll East Greenville facility a beta site for wireless control energy saving system



This innovative approach to energy savings using a lighting-based wireless control system delivered savings in its first six months of operation. Here's the story:

In an initiative aimed at furthering technology designed to achieve energy reductions, the Knoll East Greenville facility is a beta testing site for the Intu! Wireless Control System, a technology innovation that utilizes lighting fixtures as a vector for energy saving command and control. If successful the new technology is expected to be rolled out across all Knoll facilities. The system, created by Kanepi Innovations, is designed to turn the ceiling grid of a commercial or industrial building into a fully realized technology infrastructure. Nodes connected to light fixtures are used to create a technology highway within the ceiling that allows a company to control, upon command, numerous electronic functions within a facility, from lighting fixtures to heating and cooling units, to fans and motors. It enables companies to drag and drop through the web-based interface and readily change layouts and establish controls without the need for new wiring.

The wireless system provides "granularity" in control. In the case of lighting, it allows facilities to turn some lights on and some off, to run some at full power and some dimmed at lower power, depending on localized conditions and work schedules. A Daylight Harvesting Sensor tied into the system senses how much natural light is coming into a space at any given time and sets the electrical lighting system to drop down energy levels in areas where there is sufficient light from outside. While less technologically sophisticated systems require sensors to be attached to every light fixture or connected by a daisy chain, a costly and maintenance-intensive approach, the Intu! Wireless system zones an entire building around a single harvesting sensor.

The results to date are very positive.

The technology went into operation in April 2008 and measurable savings to date show an additional 10% reduction in lighting KWH consumption over those cited above. The wireless technology now being used to control energy for lighting at Knoll is scalable and new applications are in development. Knoll is currently working with Kanepi Innovations to test the wireless system's ability to support energy savings in heating and cooling at the East Greenville facility.

Our Lubin Manufacturing Facility in East Greenville, PA, is LEED® Gold certified under the Existing Building pilot program and an OSHA VPP Star site. In 2008, Knoll initiated a program to offset greenhouse gases at this site with electricity generated by wind power.

It is leading the application of the Intu! Wireless system in the industrial sector. The company was willing to test a cutting-edge technology that allows them to design the system around their own sustainability and energy use needs and to make the results public so other companies can assess the value. The people at Knoll practice what they preach.

They walk the talk.

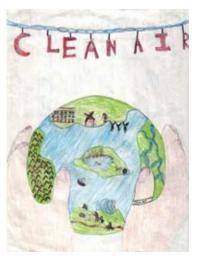
They walk the talk.

They walk the talk.**

They walk the talk.*

**They walk the t

Larry Leete Director, Sales, Marketing and Strategic Continuity Kanepi Innovations



Environmentally-Responsible Materials, Products and Processes

Generation by Knoll™: Innovation meets sustainability



During 2008, we developed Generation by Knoll – the first chair in the industry to be rated SMaRT® Sustainable Platinum. This achievement reflects our commitment to develop a high performance and highly sustainable chair. Generation by Knoll was developed using Design for the Environment Guidelines.

Constructed using a high performance elastomer, it is light in weight, yet durable and facilitates a range of postures throughout the work day.

- + Generation by Knoll is materially efficient, weighing just 37 lbs. with a plastic base and 39 lbs. with an aluminum base, and is made with 40% (plastic base) and 46% (aluminum base) recycled content. Generation by Knoll contains no polyvinyl chloride (PVCs).
- + It is manufactured using clean technologies in the LEED® Gold, ISO 14001 certified Lubin manufacturing facility in East Greenville, PA., where all electricity used is offset 100% with wind energy.
- + Generation by Knoll can help contribute to achieving the following LEED credits: Recycled Content (2 points), Low-Emitting Materials (1 point) with its GREENGUARD® Children & Schools certification, Innovation in Design (1 point) with its SMaRT® certification. A point for Regional Manufacture (1 point) may also apply, depending on project location.
- + Generation by Knoll has earned a Sustainable Platinum rating under the SMaRT Sustainable Product Standard and GREENGUARD Children & Schools certification.



KnollTextiles® continues to focus on sustainable design

In 2008 KnollTextiles introduced three new environmentally-innovative product lines:

Eco-Intelligent® Polyester fabrics produced and dyed with environmentally safe ingredients including a catalyst



that replaces the heavy metal, antimony, a known carcinogen. The fiber is a "technical nutrient" designed to be safely recycled into new fabric with no hazardous by-products. It is Cradle-to-Cradle

certified by MBDC (McDonough Braungart Design Chemistry) and GREENGUARD Indoor Air Quality® certified.

Imago Renew, a 40% post-industrial recycled hard-surface material that can be used in furniture systems and other office applications. Made of recycled PETG and offered as a custom option, it is GREENGUARD Indoor Air Quality Certified and SCS Gold Indoor Advantage™ certified.

Knoll Luxe, a new line of luxury textiles made entirely or in part from natural fibers. The 16 upholstery patterns in the introductory collection are GREENGUARD Indoor Air Quality Certified.

KnollTextiles expanded existing environment-focused product lines in 2008:

Green Bar

Ten KnollTextiles patterns introduced in 2008 contributed to the current total of over eighty fabrics designated "green bar," indicating they contain at least 49% recycled content, at least 75% rapidly renewable material (natural fiber), or Eco-Intelligent fiber. Green Bar fabrics can help companies, healthcare organizations and educational institutions achieve LEED certification.

Terratex®

KnollTextiles added two new 2008 NeoCon Gold Terratex fabrics to its collection. Textiles bearing the Terratex mark are available with 100% recycled content fabric. In 2008, all Terratex fabrics were certified Green-e, which means that 100% of the electricity used to make those products is matched by Green-e certified renewable energy certificates that support clean wind energy.

KnollTextiles programs for environmentally sensitive finishes continued:

Crypton Green

KnollTextiles added two new patterns to its collection of Crypton Green fabrics which combine post-consumer recycled polyester fibers with an optimized chemistry for reduced environmental and indoor air quality impact. The Crypton Green formula provides moisture, stain, odor and bacteria resistance with low VOC emissions. Crypton Green is Cradle-to-Cradle and SCS Gold Indoor

Advantage certified. Crypton Green supports renewable energy. To offset energy used for every yard produced, Green-e energy certificates are purchased to fund the expansion of renewable energy resources.

Nano-Tex® and Nano-Tex® with Durablock

In 2008 KnollTextiles continued to offer both of these environmentally sensitive finishes on its products. Nano-Tex provides long-lasting spill resistance. Durablock is a moisture barrier that can be combined with Nano-Tex for added performance benefits. Nano-Tex and Nano-Tex with Durablock are Cradle-to-Cradle certified for reduced environmental impact and human safety by MBDC.



Education and communication are key elements of the Knoll sustainability plan

In 2008 we continued to make education part of our sustainability effort. We remain avid in our pursuit of new technologies and new opportunities and make it our mission to communicate what we have learned. Highlights of our 2008 education initiatives include:

- + Standardizing our approach to sustainability in showrooms by identifying and training showroom environmental champions. This effort is part of our goal to reduce our environmental footprint and encourage green living as part of every day. Some of the "best practices" identified range from the simple act of switching off computers at night, to establishing a rigorous green cleaning protocol. In the process, we also benchmarked our environmental practices on the showroom level. Examples include: 75% of showrooms have Energy Star appliances, 70% provide bike racks (to encourage biking to work), over 80% use low VOC paints when repainting, and 75% use energy efficient overhead lighting.
- + A focus on sustainability at the company's annual management sales meetings. As part of this effort, all sales associates received general education on up-to-date sustainable practice and specific training in SMaRT® and CCX requirements and certifications.
- + Training for design professionals in more than 20 A&D firms on Life Cycle Assessment (LCA) and SMaRT conducted by Lou Newett, Knoll Environmental, Health and Safety Manager.
- + Technical LCA training of selected Knoll staff members. As a result of this training, Knoll associates have proficiency in applying the open source LCA tool now in beta testing.
- + A NeoCon 2008 seminar, conducted with TheGreenStandard, on using LCA for everyday decision-making. This education module was targeted to industry manufacturing, administrative and sales personnel.

Knoll combines energy reduction with clean technology in Plaforization, another industry first



The Knoll commitment to energy conservation and leadership in clean technology came together in 2008 with the installation of an innovative, waterless, energy-saving, VOC-free pre-treatment system for metal parts like those for Currents® Fence with AutoStrada, above. When installed at East Greenville in September 2008, this was the largest dual line, single stage plaforization system in the world. Also above: Chadwick chairs and Saarinen table and stools.

Plaforization is a pretreatment process for metal parts that removes impurities such as anti-rust agents and oils from metals in preparation for powder coating. The new clean technology employs a non-VOC, non-evaporating liquid polymer, which is sprayed onto the metal parts. Rust inhibitors and oils are incorporated into the polymer which forms a bond with the metal. No sludge is created, no heat or water is used, and the minor amount of waste created is filtered out onto a mesh screen that is replaced once a week. The Knoll Plaforization system replaces a three-stage iron phosphate metal pretreatment system that required the use of acids, annually generated and estimated 64,000 gallons of toxic sludge requiring treatment off-site, and used one million gallons of water a year.

The chemistry was developed in Europe 25 years ago and introduced into the US in 2000. After two years of investigating and testing pretreatment systems and chemicals at its East Greenville facility, Knoll selected Plaforization on the basis of its superior environmental and manufacturing performance. Like Knoll's introduction of the Fluidized Bed System for cleaning paint-line metal hooks, a clean technology that pioneered current practice in the industry and won a Westinghouse Excellence award in 1995 for "outstanding excellence in reducing health, safety and environmental risk," the implementation of the Knoll Plaforization system is another industry first. It takes a promising technology and puts it to work on a new scale.

Knoll capital investment to remove the old equipment, purchase and install the new system, and chemically charge the system for start-up exceeded \$600,000. The benefits to the environment, product quality and the bottom line include:

- + Elimination of approximately 3000 gallons of water use per day (almost 1,000,000 gallons a year), conserving a natural resource, keeping contaminated water out of the waste stream, and saving on disposal and on-site water treatment costs
- + Elimination of natural gas used to heat water, saving an estimated 10,395 MCF per year
- + Reduction in the amount of electricity used (two pumps vs. six on the old system) by an estimated 132,165 KWH annually
- + Reduction in CO₂ emissions of approximately 916 tons annually
- + Reduction of approximately 4,000 hours annually for maintenance, downtime and line gaps
- + Improved corrosion resistance, adhesion and impact resistance of powder coated products
- + Cost avoidance in repairs to the old washer system

While Plaforization chemical costs are higher than previous chemical costs, the total estimated annual savings from the Plaforization is expected to be approximately \$171,000.

We benefit from the experience our clean technology strategy has provided. We have learned how to do the research and testing. For these engineers, it wasn't a new thing to go through an elaborate testing protocol. They've been through it before with other clean technology processes. Having your people understand the process allows you to be innovative and takes out some of the risk."

Lou Newett Environmental, Health and Safety Manager Knoll, Inc.



Currents Fence and Chadwick chairs energize open plan workplaces.



Third Party Certification

The Chicago sales office and three Knoll showrooms achieve LEED® Certification

As part of the Knoll focus on environmental sustainability, Knoll reinforces the importance of LEED-CI Certification for its sales facilities. LEED-CI Certification is an appropriate complement to the ambitious environmental program at Knoll and its modern portfolio of furnishings that inspire, evolve and endure.

KNOLL CHICAGO SALES OFFICE ACHIEVES **LEED-CI GOLD**

When space adjacent to our 11th floor flagship showroom at the Chicago Merchandise Mart became available, we moved sales and support associates to a bright new sales office within the existing showroom. The move was part of our strategy that locates working offices inside showroom spaces to enable customers to view Knoll furniture at work. The 3,000 square foot LEED certified office with windows on two sides provides naturally lit workspace for a staff of 40 in open plan, two private offices, and a conference room. Transparent drapery subtly demarcates the sales space from the showroom floor. Open plan Autostrada workstations with Life chairs are clustered in groups of four. Storage and clutter are minimized in a setting that focuses on electronic media and tools for creating, sharing and retrieving information. "Our new office makes it easy to walk clients through the sales space as part of the normal routine and the layout lets us show them how we work in a low-horizon workspace," explains Matt McCormick, Knoll Regional Manager, Chicago.

The LEED CI Gold-certified sales office was designed by Watkins Architect LTD. Envision Design was the LEED consultant. Knoll furniture contributed 10 LEED credits on the project, almost one third of the total earned. The following achievements brought the LEED Gold home:



LEED-CI Gold Certified Knoll Chicago Sales Office

Site

- + Maximized use of natural light in conjunction with fluorescent fixtures with optimized energy performance
- + 93% of workspaces have exterior view from the seated position
- + 91.75% of all construction waste diverted from landfill
- + Located in a LEED-CI Silver Certified, Energy-Star-rated building

- + Site location in downtown Chicago less than 1/2 mile from public transit (subway and bus)
- + No parking spaces provided by Knoll (encourages use of public transit)
- + 50% Green Power for two years

Materials and Finishes

- + Low-Emitting adhesives and sealants, paints and coatings, carpet systems, composite wood and laminate adhesives
- + 31.65% of all building materials contain recycled content
- + 98% of equipment and appliances in the space Energy Star rated
- + Fluorescent fixtures with optimized energy performance
- + 63.5% non-structural components re-used
- + 42.12% of all materials regionally manufactured
- + 96.54% FSC-certified wood in Knoll furniture and new construction materials combined

Furniture

- + SMaRT Certified Knoll products
- + FSC-certified wood
- + GREENGUARD Indoor Air Quality Certified® Knoll products
- + Knoll products composed of recycled and easily recyclable materials

New Knoll Showrooms Earn LEED® Certification

Our Chicago sales office is now part of our national showroom and so it has great visibility. People come to the Merchandise Mart from all parts of the world and it is here that we have a great opportunity to share the example of who we are and how our furniture performs in a working environment. In Chicago we tell the Knoll story in the most complete and total way."

Karen Stone Director of Design Knoll, Inc.



LEED-CI Gold Certified Knoll Atlanta Showroom

KNOLL ATLANTA RECEIVES LEED-CI **GOLD CERTIFICATION**

Knoll Atlanta achieved LEED-Cl Gold Certification for its new showroom located at the corner of 14th Street and Howell Mill Road. Situated in a landmarked industrial-era manufacturing facility, the White Provision building, that originally served as a meat packing plant. Its re-development provides the neighborhood with new office space and condominium units as well as boutique retail, showroom and restaurant space. The renovation of the new space reinforces the Knoll focus on environmental sustainability. "We are extremely pleased to be a part of the adaptive reuse of urban buildings in our community," says Cherie Hoffman, Knoll Architecture and Design Market Manager.

Knoll Atlanta sustainable features include:

Site

- + Maximized use of natural light in conjunction with fluorescent fixtures with optimized energy performance
- + More than 90% of occupants provided individual task lights or controls
- + 80.7% parking underground
- + Two bus lines with 1/4 mile
- + Bike storage and changing rooms provided
- + Water use reduced 31.4% below FPA standards.

- + 100% of tenant's electricity costs offset for two years by purchasing Renewable Energy Certificates (REC's)
- + 96.05% on-site waste diverted from landfill

Materials and Finishes

- + Custom designed floors with a backing that contains 76% post-consumer materials (Tandus carpet by Suzanne Tick in combination with Forbo linoleum)
- + 27.13% materials contain recycled content
- + 80.61% of total wood-based products from FSC certified forests
- + All adhesives and sealants low or no VOC
- + All paints and coatings low or no VOC

Furniture

- + SMaRT Certified Knoll products
- + FSC-certified wood
- + GREENGUARD Indoor Air Quality Certified® Knoll products
- + Knoll products composed of recycled and easily recyclable materials

KNOLL MIAMI SHOWROOM AWARDED LEED®-CI SILVER CERTIFICATION

In 2008, the Knoll Miami showroom relocated to a new space in a historic downtown building that identifies strongly with the roots of Knoll design. The L-shaped space on the 17th floor has floor to ceiling windows that overlook Biscayne Bay. "The design of the space takes full advantage of the windows to maximize natural light and provide views from all vantage points," explains Jeff Biehn, Project Manager, Watkins Architect LTD. The showroom accommodates its staff in low Knoll systems furniture with clear glass partitions around closed spaces. The architects replaced the corner wall off the common elevator lobby with glass, opening the space to breathtaking vistas and creating an Aha! entry experience. The Miami showroom earned LEED-CI Silver Certification for sustainable practices and features including:

Site

- + Maximized use of natural light in conjunction with fluorescent fixtures with optimized energy performance
- + 90% of workspaces have sightlines to natural light and views
- + 88% of all construction waste diverted from landfill
- + Located in an Energy-Star-rated building
- + Site location in downtown Miami less than 100 yards from public transit (light rail and buses)
- + Site in close proximity to dense community and residential development



LEED-CI Silver Certified Knoll Miami Showroom,

- + Bike racks on site and a health club and other services on the premises
- + Parking garage underground or under storage space — no paved lots

Materials and Finishes

- + Floor carpeting with backing containing 76% post-consumer materials
- + 30.73% of all building materials contain recycled content
- + 91% of equipment and appliances in the space Energy Star rated

- + Eco-Spec low VOC paint
- + 96.86% FSC-certified wood in Knoll furniture and new construction materials combined

Furniture

- + SMaRT Certified Knoll products
- + FSC-certified wood
- + GREENGUARD Indoor Air Quality Certified® Knoll products
- + Knoll products composed of recycled and easily recyclable materials

KNOLL DALLAS RECEIVES LEED®-CI GOLD CERTIFICATION

Located in the heart of the Dallas Arts District in One Arts Plaza, the new showroom, which was completed in 2008, is in a new, 24-story mixed-use building that includes residential condominiums, office and retail space, restaurants, art galleries and entertainment venues, aligning it with the Knoll Dallas motto, "Work, Life, World." Commenting on the new space, Beth Goff, Dallas Regional Manager, says: "Our new showroom reflects the Knoll commitment to design excellence and sustainability."

Knoll Dallas sustainable features include:

Site

- + Maximized use of natural light in conjunction with fluorescent fixtures with optimized energy performance
- + More than 90% of occupants provided individual task lights or controls
- + Four bus lines within 1/4 mile
- + Bike storage and changing rooms provided
- + Water use reduced 35.32% below EPA standards
- + 50% of tenant's electricity costs offset for two years by purchasing Renewable Energy Certificates (REC's)
- + 96.43% on-site waste diverted from landfill

Materials and Finishes

- + Custom designed floors with a backing that contains 76% post-consumer materials (Tandus carpet by Suzanne Tick in combination with Forbo linoleum)
- + 90.37% equipment Energy Star rated



LEED-CI Gold Certified Knoll Dallas Showroom

- + 28% materials contain recycled content
- + 77.76% total wood-based products from **FSC** certified forests
- + All adhesives and sealants low or no VOC
- + All paints and coatings low or no VOC

Furniture

- + SMaRT Certified Knoll products
- + FSC-certified wood
- + GREENGUARD Indoor Air Quality Certified® Knoll products
- + Knoll products composed of recycled and easily recyclable materials

Knoll a Gold Sponsor of the 2008 USGBC International **Greenbuild Conference and Expo**



The Knoll 2008 Greenbuild display focused on our commitment to Third Party Certification.

Knoll was a Gold Level sponsor of the U.S. Green Building Council's 2008 Greenbuild conference, the world's largest conference and expo dedicated to green building. The event, held in Boston on November 19-21, brought together more than 20,000 building professionals from all over the world for three days of educational sessions, green building tours, and special seminars. Knoll was an early proponent of LEED, an initiative of the USGBC that now includes 31,000 registered and certified buildings, 62,000+ LEED Accredited Professionals, and is growing at an annual rate of 30%. As an industry leader in establishing universal environmental standards, Knoll used the Greenbuild opportunity to share its work with the professional community. The Company's presentation targeted the key strategic-focus areas that are the subject of this report: climate change; environmentally responsible materials, products and manufacturing processes; and third party certification.

Knoll pursues benchmark certifications that drive global sustainability standards



Knoll is a leading advocate for independent third party certification because it provides the most impartial and trustworthy foundation for industry-wide compliance. Certification by wellestablished and respected third parties ensures that all manufacturers are held to stringent. uniform environmental standards. It tells customers that they can trust a manufacturer's claims about the environmental attributes of its products. As the number of third-party certifiers grows, those that uphold the most stringent standards, the "benchmark" certifications, are the ones driving long-term, meaningful change. LEED®, FSC, GREENGUARD® and SMaRT© are acknowledged leaders in this regard. All were developed with the mission to actively promote sustainability through infrastructure investment and all share the imperative that applicants meet demanding prerequisites, not just options, in order to achieve certifications.

Knoll Chadwick chair earns SMaRT[®] Gold



What separates SMaRT, LEED and FSC from other standards is a whole list of prerequisites. Electives are limited and you have to meet the prerequisites first. There's a baseline to meet. You can't just get a lot of points in one area that you're doing well in and do nothing in other areas. A benchmark standard has tough prerequisites that really move the market in a sustainable direction.

Lou Newett Environmental, Health and Safety Manager Knoll, Inc.

The Knoll Chadwick Chair, above and upper right, was awarded SMaRT® Gold certification in 2008; CB3 ottomans, right

The Chadwick chair is only the second product in the furniture industry to earn SMaRT Sustainable Product Certification and it is in good company. The first was the Knoll Life chair. The Chadwick chair is constructed using minimal materials, contains 30+% recycled content and high recyclable content, and is VOC free. It is GREENGUARD for Children & Schools certified, and was manufactured using clean technology in a LEED Gold, ISO 14001-certified building in East Greenville, PA, which is also an OSHA VPP Star Site.



Working directly with Knoll as a beta site is enabling us to gain important primary learning. We are getting feedback that really makes the tool useful. We are in a continual rolling development process and the more feedback we get, the more sophisticated the tool becomes."

Vice President, Technology TheGreenStandard





Knoll a beta testing site for Open LCA tool

Knoll has been an industry pioneer in the use of Life Cycle Analysis (LCA), a science-based measurement of a product's environmental impacts throughout its life cycle, from raw materials sourcing through manufacture, shipping, use, and re-use or end of life. The "Open LCA" tool is designed to help manufacturers access life cycle assessments from an open-source perspective, without costly investment, using a free tool that they can download. The combination of the tool and other data available in open source will enable them to produce LCAs at their own facilities for designing and developing products. LCA calculations will provide real data on variables including global warming impacts, primary energy usage, and acidification, with LCA results that can be used in securing third party certifications.

Knoll is a beta site for testing and refining this free, open-source tool. The company has trained key associates in applying the tool and is working with Paul Firth, Vice President, Technology of TheGreenStandard, to make the software more transparent and more user friendly. To date the tool has been used to create LCAs for the Chadwick and Generation by Knoll chairs, both of which have been awarded SMaRT[©] certification. This collaboration is another Knoll effort to promote sustainable practices not only in our business, but also industry-wide.

Third Party Certification

In 2008 Knoll received and/or maintained certifications from the following:

- + CCX (Chicago Climate Exchange) Phase II (2007-2010)
- + SCS (Scientific Certifications Systems) and Cradle-to-Cradle certifications for textiles
- + ISO 14001 (International Organization for Standardization) recertification of all Knoll facilities was granted in 2008 upon annual corporate auditing and 3-year audit of the East Greenville facility
- + FSC (Forest Stewardship Council) FSC is the international standard setting body for defining and measuring a well-managed forest and providing traceability through chain of custody certification. Knoll FSC certification ensures that Knoll products bearing the FSC mark are manufactured with wood from forests that protect environmental, social and economic values. The Rainforest Alliance through its SmartWood program audits and administers Knoll's chain-of custody certifications. Our Sustainable Wood Policy establishes detailed procedures and protocols for all wood purchased by the Company for use in its products. In addition, Knoll is in the process of partnering with the Rainforest Alliance's SmartSource service to leverage the Company's power in the marketplace with suppliers to increase the long-term supply of FSC certified wood.



Knoll is the only contract furniture manufacturer to achieve SMaRT certification but we hope that will change over time. There is commitment at Knoll at the highest level.

Michael Italiano. Founder and President MTS (Market Transformation to Sustainability)

+ GREENGUARD®

GREENGUARD (Indoor Air Quality) certification is the gold standard for identifying products that meet stringent testing criteria and have no adverse impact on indoor air quality. In 2008 Knoll certified products included additional KnollStudio products; all Knoll North American systems, seating; KnollStudio seating; KnollExtra accessory products (except marker boards): and KnollTextiles.

- + GREENGUARD for Children & Schools is an even more stringent standard developed for sensitive populations. The Knoll Life, Chadwick and Generation by Knoll chairs were GREENGUARD for Children & Schools certified as part of their SMaRT® certification. In addition, in 2008 all Knoll Office Seating products earned GREENGUARD for Children & Schools certification.
- + LEED® (Leadership in Environmental Design, an initiative of the USGBC (US Green Building Council))

The 2008 renovated Knoll Chicago sales office received LEED CI Gold certification. The Atlanta and Dallas showrooms received LEED CL Gold certification and the Miami showroom received LEED CL Silver certification. Knoll also completed renovations of its Toronto and Washington, DC showrooms in 2008. These projects are registered with the USGBC.

LEED (recycled content) databases were completed in 2008 for all new office seating and all outstanding KnollStudio products with the exception of two new products, the Cini Boeri Lounge Seating and Lovegrove Credenza, for which databases are in process. Creating databases for KnollStudio products requires vetting detailed information on materials used in manufacturing Knoll products from hundreds of suppliers in six countries on three continents.

In 2008 Knoll supplied LEED documentation on Knoll systems, seating, furniture and textiles for more than 200 client projects. In addition to the Knoll Chicago sales office and Atlanta, Dallas and Miami showrooms, the following projects are among those that achieved LEED certification in 2008:

California Academy of Sciences, San Francisco, CA., LEED CI Platinum; Gensler Boston, Boston, MA., LEED CI Gold; Gensler Tampa, Tampa, FL., LEED CI Silver; Gund Partnership, Cambridge, MA., LEED CI; IFAW Headquarters, Falmouth, MA., LEED NC Gold; ISO New England, Holyoke, MA., LEED NC Gold; NAI BT Commercial, San Francisco, CA., LEED CI; USGBC, Washington, DC, LEED CI Platinum.

Our partnership with Knoll will be the first of this type in the office furniture industry. Knoll is a leader in its industry and has done a lot on its own even before its partnership with Rainforest Alliance through its commitment to FSC-certified product.

This new partnership will help us achieve our mission of driving sustainability back to the land base by creating more opportunity for current Knoll suppliers and potential new suppliers to enter into a stepped approach to full-fledged FSC certification. Working together we can effect a much greater positive change through the Knoll supply chain than we could working separately.

Rick Hilton
Smartsource Manager, US and Canada
Rainforest Alliance

+ SMaRT® (Sustainable Materials Rating Technology) from MTS (Market Transformation to Sustainability).

SMaRT is a comprehensive consensus sustainability standard covering areas including Public Health and Environment; Renewable Energy and Energy Efficiency; Bio-based or Recycled Materials; and Innovation in Manufacturing. SMaRT addresses 80% of the world's products and has been adopted by more entities than any other product certification. It mandates an ISO-compliant LCA as a prerequisite. Its auditors include the Ernst and Young Global Sustainable Auditing Group and Redstone Global Environmental Auditing Group.



The Knoll 8

Knoll has established a set of ambitious standards for guiding and reporting on our progress toward becoming a more sustainable company. They are mandated in a comprehensive Environmental, Health and Safety Plan and are defined under Eight Principles that are the foundation of this report:

1 Protection of the Biosphere 2 Sustainable Use of Natural Resources 3 Waste Reduction and Disposal 4 Conservation 5 Risk Reduction 6 Safe Products and Services 7 Environmental Restoration 8 Informing the Public

PROTECTION OF THE BIOSPHERE

We will strive to make continued progress toward reducing or eliminating the release of any hazardous substance in an effort to safeguard all habitats affected by our operations.

We will continue to reduce the use and/or emissions of hazardous air pollutants and volatile organic compounds from our manufacturing operations through the introduction of clean technologies.

+ In 2008, Knoll U.S. manufacturing facilities were more than 95% hazardous air pollutants (HAP) and VOC free.

We will provide water treatment facilities that meet or exceed discharge criteria.

+ In 2008, the state-of-the-art water treatment facility in East Greenville treated 15,406,495 gallons of wastewater.

We will monitor storm water, conserve water use and develop processes to minimize water pollution.

- + The Plaforization process for pre-treating metal parts introduced at our East Greenville facility in 2008 is estimated to deliver savings of more than 1,000,000 gallons of water per year.
- + In 2008 our Knoll Muskegon facility adopted a new cleaning agent for its low-temperature pre-treatment process that reduced the need for de-scaling tanks by 50%, dramatically saving on water use and water discharge.
- + Water discharged from the Muskegon facility goes to a county treatment facility that employs sludge ponds and settling ponds to treat water that is then used to irrigate food-producing farm plots on the property.

SUSTAINABLE USE OF NATURAL **RESOURCES**

We will strive to make the best use of renewable resources, such as water, soil and forests, and conserve non-renewable natural resources.

We will make sustainable use of renewable natural resources through efficient use and careful planning.

+ In 2008, KnollTextiles offered a wide range of fabrics made with natural fibers (e.g., linen, cotton, wool) from rapidly renewable sources.

We will continue to seek opportunities to use wood from sustainable forests in our products.

- + In 2008, Knoll continued to implement its Sustainable Wood Policy mandating the use of controlled wood from monitored sources in all Knoll products and partnered with The Rainforest Alliance to certify sustainable forestry compliance under its SmartWood program and wood provenance under FSC-Chain of Custody protocols.
- + In 2008, all wood used in Knoll wood office systems and tables (excluding KnollStudio) came from FSC-certified sustainable forests and/or bore FSC Chain of Custody certification.

We will minimize the use of wooden pallets.

+ We continued to repair, reuse and recycle pallets at all facilities. In 2008, 619 wood pallets were recycled.



+ Our East Greenville facility continued to manage its pallet process, bringing in only the exact sizes and quantities required, reducing the number of pallets in the plant.

We will attempt to recycle or make beneficial use of wood scrap generated in our manufacturing operations.

- + Our Knoll facilities recycled 5690 tons of wood scrap and 4077 tons of sawdust in 2008. Recycled wood scrap was used for animal bedding, mulch and energy generation. Sawdust was used as fuel for industrial boilers.
- + In 2008 our East Greenville facility initiated a program for diverting wood scrap to a waste-to-energy supplier, reducing wood scrap and sawdust previously sent to landfill by more than 2,000 tons a year. As a result of this Knoll initiative, the energy supplier and the waste collector began to work together so recycled wood from many sources is now incinerated to create energy and recycling centers are being set up at the landfill

where a methane generation program is underway. The process is an example of how Knoll drives sustainability through creative partnerships.

- + In its first full year of operation, our Grand Rapids facility program for sending wood scrap to a waste-toenergy facility kept 1.687 tons of wood waste out of landfill and generated energy in the process.
- + In 2008 our Toronto facility continued to burn wood scrap as heating fuel in the winter and used excess heating capacity to provide hot water for finishing processes in the warmer months. Burning wood scrap in place of natural gas reduced total gas consumption

We will continue to recycle steel, aluminum and other metal components.

+ In 2008, our Knoll facilities recycled 4538 tons of steel and 172 tons of aluminum.

We will continue to seek recycling opportunities for scrap generated in our manufacturing operations.

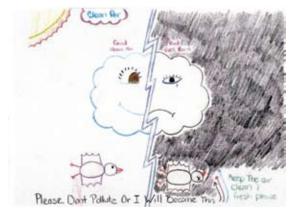
- + In 2008, our Knoll facilities recycled a total of more than 837 tons of corrugated cardboard, 77 tons of paper, 138 tons of textiles and 8229 gallons of waste oil.
- + Our Grand Rapids facility streamlined its cardboard and plastics recycling with the result that more of those materials are being recycled.

We will continue to utilize post-consumer and postindustrial materials in our products where practical.

- + In 2008, the majority of the wood used to make composite board products at our Knoll Toronto, East Greenville and Grand Rapids facilities contained an average of 97% post-industrial material.
- + KnollTextiles' fabrics include products made of 100% post-consumer recycled content.
- + In 2008, more than 80 KnollTextiles fabrics carried a "Green Bar" on their label, indicating 49%+ recycled content or 75%+ natural fiber.

We will be environmentally responsible in our purchase of materials.

- + The Knoll Sustainable Wood Policy made progress in ensuring that wood materials used in our products in 2008 came from environmentally responsible sources.
- + In 2008, all Knoll leather goods were obtained as by-products of the meat packing industry. No hides or skins from endangered species were used.



3 WASTE REDUCTION AND DISPOSAL

We will reduce, recycle, and where possible, eliminate waste and will dispose of all waste using safe and responsible methods.

We will seek opportunities to reduce waste and recycle process scrap from our operations.

- + In 2008, our Knoll facilities recycled virtually 100% of all aluminum and steel scrap generated in manufacturing. In addition, wood, leather and fabric scrap was recycled for beneficial use wherever possible.
- + Our Knoll facilities also recycled 1900 pounds of batteries, 2 tons of fluorescent lights and 66 tons of fiberglass in 2008.
- + In 2008, our Toronto facility continued to reduce waste solvents at its metals plant, keeping 43,855 gallons of solvent out of the waste system.
- + At our Toronto plant, recovery and recycling of paint line wash water saved 1151 gallons in 2008.
- + Our Grand Rapids facility recycled cell phones through the YMCA, which used money refunded from manufacturers to fund programs; and through local police departments, which reprogrammed them for 911 access and distributed them to women in shelters.
- + Our East Greenville, Grand Rapids and Muskegon facilities recycled printer cartridges. East Greenville and Grand Rapids recycled through the local Humane Society, which used manufacturer's refunds to support Adopt-A-Pet programs.



When AT Kearney's Boston office relocated to a new LEED® certified workplace, the firm selected the Knoll Equity® office system and the Life chair for its ability to support collaboration, facilitate strategic thinking, and provide an ergonomic, sustainable environment for its associates.

We will dispose of our waste only in well-operated permitted facilities.

+ All Knoll manufacturing facilities adhered to stringent mandates for disposal of waste in approved and monitored facilities.

CONSERVATION

We will conserve energy by improving the efficiency of our internal operations and the goods and services we sell. We will make every effort to use environmentally safe and sustainable energy sources.

We will conserve energy and improve energy efficiency.

+ The upgraded Dust Collector Return System installed in 2008 at our Grand Rapids facility re-circulates air

into the building and takes advantage of recovered process heat to warm the facility in the winter, reducing CO₂ emissions by an estimated 1,243 tons per year; reducing gas consumption by and estimated 22,348 MCF per year; and resulting in annual energy cost savings of approximately \$223,480.

- + The Demand Control Ventilation System installed on our Knoll Toronto facility paint line in 2008 minimizes building heat loss and saves electricity and natural gas consumption, reducing CO_o emission by an estimated 85.1 tons per year; electricity consumption by 75,489 KWH per year; and gas consumption by an estimated 707.3 MCF per year with annual cost savings of approximately \$15,000.
- + Replacing a single oversize boiler at our Knoll Toronto facility with two smaller boilers increased boiler efficiency and resulted in CO₂ reductions of an estimated 192.4 tons CO₂ per year, gas consumption reductions of an estimated 3482.9 MCF per year and annual energy cost savings of approximately \$41,795 per year.
- + In 2008 beta testing of an innovative approach to energy savings using a lighting-based wireless control system delivered real savings in its first six months of operation.
- + Remote controls were installed on loading dock doors in 2008 at the Toronto facility to reduce building heat loss.
- + The Low Temperature Phosphate Cleaning Process at our Grand Rapids plant saved 4,582 MCF of gas per year over the baseline and reduced CO₂ emissions by 253.1 tons per year.

- + The Low Temperature Phosphate Cleaning Process at our Muskegon facility saved 7,403 MCF of gas per year over the baseline and reduced CO₂ emissions by 408.9 tons per year.
- + In 2008 the Knoll East Greenville facility developed an environmental component for its "6K" program in EHS employee awareness and compliance. The 7th K includes a daily audit of activities from recycling to energy-saving protocols for lights, fans, motors, windows and doors.

Paper recycling:

- + 1,309 trees saved.
- + 539,000 gallons of water saved in processing.

Recycling paper vs. using new paper reduces air pollution by 95% and water pollution by 80%.

Steel recycling:

- + 11,345,000 pounds of iron ore saved.
- + 544,560 pounds of limestone saved.
- + 6,353,200 pounds of coal saved.

Recycling steel vs. using new steel reduces air pollution by 86% and water pollution by 76%.

Aluminum recycling:

+ 4,391,680 KWH of electricity saved

Recycling aluminum vs. using new aluminum reduces air pollution by 95%.

We will implement a program to upgrade existing low-efficiency motors to higher efficiency motors.

- + In 2008, Knoll continued to specify high-efficiency motors on all equipment purchases at all North American facilities.
- + Total Preventive Maintenance (TPM) at manufacturing facilities involves machine operators in monitoring and maintaining motors to optimize energy efficiency.

We will implement a program to upgrade existing lighting, where practical, at each facility.

- + In 2008, Knoll completed lighting upgrades (bulbs and ballasts) at its East Greenville, Muskegon and Toronto facilities.
- + 2008 Lighting Upgrades in East Greenville will save 722,315 KWH per year and 440.6 tons of CO₂ per year; in Muskegon, 705,299 KWH per year and 552.2 tons of CO₂ per

year; and in Toronto, 1,569,366 KWH per year and 957.3 tons of ${\rm CO_2}$ per year.

+ For the eight months in 2008 during which it was operating, the East Greenville INTU! Wireless beta site resulted in a 10% reduction in lighting energy costs.



5 RISK REDUCTION

We will strive to minimize the environmental health and safety risks to our associates and the communities in which we operate through safe technologies, sound transportation practices, safe facilities and operating procedures, and preparing for emergencies.

We will design our processes to prevent injury to the health and welfare of Knoll associates, the community and the environment.

- + Knoll facilities overall OSHA incident rate in 2008 was 2.97, which is 129% lower than the industry average.
- + Our Muskegon facility began a Kaizen program in 2008 that relocates the pedestal fabrication line to a new location with a safer and more efficient layout designed to minimize lifting, reaching and carrying.

We will develop and implement health and safety policies and programs to help prevent injury and illnesses to our associates.

- + Our East Greenville and Grand Rapids facilities conducted continuous ergonomic reviews at workstations under the Knoll Employee Health and Safety Analysis program. This practice identifies how work processes might be redesigned and what additional working aids are required.
- At our East Greenville facility a new CIT program was put in place that utilizes Green Safety Cards to elicit employee recommendations on safety risks, causes and solutions. More than 600 cards were submitted in 2008.

- + In 2008, Knoll continued to offer a voluntary stretching program that includes instruction and 10 minutes of free time at the start of each shift for stretching exercises. East Greenville instituted a program for "micro stretching" on the job, employing techniques similar to those used by golfers.
- + The Grand Rapids facility created new signage and Lock Out/Tag/Out procedures for all machines. The facility installed large banners in the plant to deliver key reminders about the importance of hearing protection, safety glasses, safe handling of tools and also initiated a program of Weekly Safety Topics based on contributions from supervisors, managers and production employees.

We will develop and implement health and wellness awareness and illness prevention programs.

- + Knoll manufacturing facilities continued the hearing conservation program that includes testing of all workers by in-house hearing booths with physician review of test results, provision of hearing protection and education.
- + In 2008, Knoll provided free flu shots to associates and their families. Additional nurses were brought in to administer the program.
- + The Knoll East Greenville and Muskegon facilities conducted successful blood drives.
- + The East Greenville facility implemented a proactive "Work Hardening" program that offers employees engaged in repetitive tasks strengthening exercises

- and company-paid physical therapy and ultra-sound massage to alleviate discomfort, prevent injuries, and reduce the need for surgery.
- + The Grand Rapids facility continued to create and distribute a monthly newsletter containing safety and health/medical tips.
- + Grand Rapids continued its "Exercise Bucks" program, which rewards employees for participating in exercise programs in health clubs and gyms with credits they can use to purchase items such as tee shirts and mugs; and it added a "Health Bucks" component which rewards employees for having yearly physicals and participating in weight loss, blood pressure control, and cholesterol lowering activities.

We will design and develop training programs to provide Knoll associates with the necessary skills and knowledge to fulfill the objectives of the Environmental, Health and Safety Plan.

- + In 2008, Knoll U.S. facilities conducted regular safety meetings, showed safety videos, trained volunteer safety observers, and created safety posters and newsletters.
- + Knoll facilities continued to train employee First Responder volunteers in CPR, AED (Automated External Defibrillator) and first aid.
- + In 2008. Knoll EHS teams monitored ISO/OSHA compliance and best practices through uniform procedures in all facilities.



SAFE PRODUCTS AND SERVICES

We will reduce and, where possible, eliminate the use, manufacture or sale of products and services that cause environmental damage or health or safety hazards. We will inform our customers of the environmental impacts of our product or services in an effort to prevent unsafe use.

We will design and engineer durable products; investigate using recycled materials in the design of our products; and design safety features and ergonomics into our products.

+ In 2008, the Knoll Chadwick chair was awarded Gold SMaRT certification and our Generation by Knoll chair was awarded SMaRT Platinum certification. SMaRT certification from MTS is the world's most comprehensive standard for product certification that addresses environmental and social equity. Knoll is the first contract furniture manufacturer to have its products SMaRT certified.

- Knoll continued in 2008 to design and engineer durable products that use recycled materials in their manufacture, have high recyclability, and include ergonomic and safety features.
- + Knoll Environmental Design Guidelines were followed in the design and development of new products in the pipeline. Guideline principles include economy of materials, recycled content, clean technology, ergonomics, durability and ease of assembly and disassembly. LCA (Life Cycle Assessment) was completed for products in development seeking SMaRT certification.
- + In 2008, KnollTextiles introduced three new environmentally-innovative product lines including one made with a "technical nutrient" that has no hazardous by-products; a hard-surface material with 40% post-industrial content; and luxury textiles made with natural fibers. It added two new Terratex® fabrics made of 100% recycled content materials; 10 new "Green Bar" fabrics, containing a minimum of 49% recycled content or 75% natural fiber; added two new Crypton Green fabrics; and continued to offer Nano-Tex environmentally-friendly fabric finishes.

We will provide independent testing to help assure the safety of our products.

+ All Knoll systems, seating, KnollTextiles fabrics, KnollStudio seating and non-wood conference and



training tables, and all KnollExtra accessory products (except poster boards), are GREENGUARD Indoor Air Quality Certified®.

- + All Knoll office seating is GREENGUARD for Children & SchoolsSM certified.
- Knoll performs structural testing of our products using ANSI/BIFMA protocols. Products are tested in our Quality Assurance Laboratory and independently at outside labs certified by the Canadian General Standards Board (CGSB).
- + All Knoll urethane foam cushioning on seating products meets or exceeds requirements of California Technical Bulletin 117 (CAL 117).
- Most Knoll seating products include upholstery options that comply with California Technical Bulletin (CAL 133), the most stringent flammability test protocol in the industry.

 All Knoll systems are listed products with Underwriter's Laboratories. Listing includes periodic testing of upholstered vertical panels and UL audits of Knoll and component suppliers' factories four times per calendar year.

7 ENVIRONMENTAL RESTORATION

We will comply responsibly with the law to address conditions we have caused that endanger health, safety or the environment.

+ In 2008, Knoll caused no conditions that endangered health, safety or the environment.

8 INFORMING THE PUBLIC

We will comply with the law to inform in a timely manner those who may be affected by conditions caused by our operations that might endanger health, safety or the environment and will encourage associates to report dangerous incidents or conditions to management.

+ There were no pollution incidents at any Knoll facility in North America in 2008 that either affected the surrounding community or required public notification.

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