

**Knoll, Inc.**

**Sustainability  
Report**

2019

**Our Approach to  
Environment, Social and  
Governance Excellence**

**Knoll**

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# About this Report

**The information contained in the 2019 Knoll, Inc. sustainability report covers sustainability performance, program and activities for the 2019 calendar year. Where stated, select 2020 information has also been included.**

This report provides our shareholders, Associates, clients, suppliers and communities with detailed information about our environmental, social and governance (ESG) commitments and accomplishments.

The scope of the report covers Knoll, Inc. with an emphasis on North American operations, including the Knoll Office, KnollStudio®, KnollExtra®, KnollTextiles®, Muuto®, DatesWeiser®, Spinneybeck® | FilzFelt®, Edelman® Leather, HOLLY HUNT®, and Fully® brands.

Since our last Environmental, Health & Safety Annual Report (2017), we have conducted a materiality assessment. This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards—Core Option. Report content was also informed by the Sustainability Accounting Standards Board (SASB) guidance for the Consumer Goods Sector: Building Products and Furnishings.

To learn more about our sustainability commitments and activities, visit: [knoll.com/sustainable-design](https://knoll.com/sustainable-design).

More information on Knoll, Inc. can be found in our [2019 Annual Report](#).

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## Data Boundaries

Unless otherwise stated, operational performance data in this report covers our Knoll Office North American manufacturing operations. This includes our manufacturing facilities in East Greenville, Pennsylvania; Toronto, Ontario; Muskegon, Michigan; and former Grand Rapids, Michigan. Our Grand Rapids facility closed during the second quarter of 2020 as part of an initiative to optimize and consolidate our North American manufacturing operations.

Where relevant, charts and tables include notes to specify data boundaries.

# Message from the CEO

Since our founding, Knoll has not only focused on “good design,” but also on what Florence Knoll called “good business.”

Today, good business means more than producing products and services that enable growth and innovation. The concept encompasses a renewed emphasis on defining corporate purpose to consider the interests of all stakeholders—shareholders, associates, clients, suppliers and communities—when making decisions.

Our stakeholders expect us to do more than sell our products; they expect us to contribute to inspiring—and sustainable—workplaces and homes. When we think about sustainability at Knoll, we are not only framing our own corporate philosophy, but also making decisions that will shape the daily lives of those around us where we live and work.

Our commitment to sustainability started with the “Knoll 8.” Established early on, these eight priorities have guided our approach to environmental, social and governance excellence for many years; they are still relevant today. We are also guided by our Environment, Health & Safety Policy which mandates that we manufacture well-designed furniture, textiles and office accessories in the most environmentally responsible way.

Knoll Associates are committed to developing solutions that impact sustainable growth by conserving our natural resources; developing energy efficient processes; diverting waste generated from operations and products; and protecting the health and safety of our associates and the communities where we work.

We continue to build on this track record. In 2020, we demonstrated our commitment to address climate change by sustainably powering our Knoll Office North American manufacturing operations with investments in renewable energy. We also amplified our community outreach in 2020. We launched two initiatives, described in this report, to support more inclusive and diverse communities: The Knoll Diversity Advancement Design Scholarships for Black Students and a corporate partnership with Habitat for Humanity. These programs build on our climate and cultural work, including the World Monuments Fund/Knoll Prize, that is already a part of our sustainability agenda. We also continue to learn from the experience of Fully, our direct-to-

consumer digital-first work from home platform; Fully is a Certified B Corporation vetted to meet the highest standards of verified social and environmental performance, public transparency and legal accountability.

To round out our strategy, in Spring 2020 we engaged our stakeholders in a materiality assessment to determine which ESG topics they believe are the most important for Knoll to manage and report. This report was written with the material topics our stakeholders identified in mind. It is also in accordance with the GRI Standards—Core Option, which fulfills client expectations and conditions for doing business.

Our range of fluid offerings spans from our work from home brands—including Fully and Knoll + Muuto—to residential lifestyle brands like HOLLY HUNT, KnollStudio and Muuto to more mainstream workplace brands, including Knoll Office, KnollTextiles and Spinneybeck | FilzFelt. Faced with challenges of the COVID-19 pandemic, we have pivoted to take advantage of the rapid shift in workstyles, focusing on the work from home market as well as the post COVID-19 return to workplace planning. Simultaneously, as we all spend more time at home, Knoll is benefiting from the investment consumers are making in their residences as furnishings continue to move up the discretionary ladder.

This diverse product portfolio affords our customers the opportunity to improve performance in the built environment. We are especially proud that our partnership with the Forest Stewardship Council (FSC®) has resulted in 11 product lines certified with Environmental Product Declarations (EPDs). And we will continue to help clients achieve U.S. Green Building Council® Leadership in Energy and Environmental Design (LEED®), International WELL Building Institute™ (IWBI™) and Living Building Challenge (LBC) certifications for their projects.

Everyone at Knoll looks forward to improving our approach to environment, social and governance excellence as we create inspired modern workplaces and residences and contribute to sustainable design.



**Andrew Cogan**  
Chairman and CEO  
Knoll, Inc.

# Knoll Overview

## A Constellation of Design-driven Brands for Work and Life

Knoll, Inc. (KNL) is a publicly traded U.S. corporation, headquartered in East Greenville, PA. We work with commercial, healthcare, education and government organizations worldwide as a designer, manufacturer and supplier of business and residential furnishings.

In 2019, we managed our business through two reportable segments: Office and Lifestyle. The Office segment includes Knoll Office systems furniture, seating, storage, tables, desks and KnollExtra accessories. It also includes DatesWeiser, known for signature spaces with refined and flexible conference furniture platforms that set a standard of design, quality and technology integration, and Fully, which offers standing desks, high performance height-adjustable desks, ergonomic chairs and accessories principally for small businesses and home offices.

The Lifestyle segment includes: KnollStudio, HOLLY HUNT, KnollTextiles, Spinneybeck | Filzfelt, Edelman Leather and Muuto.

Our businesses represent a diversified portfolio that performs throughout business cycles and responds to evolving trends. Our strategy includes capitalizing on strategic opportunities in underpenetrated categories and ancillary markets in the workplace sector, which represents the largest portion of our business.

**Our businesses represent a diversified portfolio designed to perform throughout business cycles and respond to evolving trends.**

At the same time, we are leveraging our experience with products that cross over between the office and the home to expand further into global consumer and decorator channels. We reach customers online, through our direct sales force, our showrooms and Home Design Shops and through a broad network of independent dealers and distribution partners.

We are also focused on specific international markets, such as Canada, Mexico, Europe, Asia and the Middle East, where we see opportunities to significantly build our market share.

Our Office segment is supported by operational and administrative facilities in Canada, Italy, Michigan, Oregon and Pennsylvania. The Lifestyle Segment is supported by sites in Connecticut, Denmark, Illinois, Italy, New York, Pennsylvania, and Texas. In January 2020,

we announced that we would consolidate our manufacturing footprint in North America, resulting in the closure of our Grand Rapids, Michigan manufacturing facility.

As of December 31, 2019, we employed a total of 3,724 people, including 1,891 hourly and 1,833 salaried employees. Depending on the time of year, approximately 5 to 15 percent of our workforce includes contractors.

### GLOBAL HEADCOUNT BY COUNTRY

Country	2019 Headcount
Australia	4
Belgium	2
Canada	744
China	6
Denmark	115
England	34
France	30
Germany	9
Ireland	2
Italy	194
Japan	1
Mexico	3
Netherlands	2
Norway	4
Poland	1
Singapore	2
South Korea	3
Sweden	4
Switzerland	2
UAE	7
UK	6
USA	2,558
<b>Grand Total</b>	<b>3,733</b>

### The Knoll Code of Ethics

The Knoll Code of Ethics guides all Associates to conduct business honestly, ethically and in compliance with applicable laws. It covers our business and addresses a full range of topics, including: legal compliance; environment, health and safety practices; insider trading; antitrust compliance; accounting principles; fraud prevention; conflicts of interest; fair employment practices; supplier relations; government transactions; international business; political contributions and activity; information security; and copyright.

The Code applies to Knoll Associates and our Board of Directors. To ensure a consistent understanding of the Code and its components, we hold Code of Ethics training for our Associates.

### Our Values

- + Deliver value to our customers
- + Deal fairly and ethically with our suppliers
- + Support the communities where we work
- + Protect the environment by embracing sustainable practices
- + Invest in our employees, fostering diversity and inclusion, dignity and respect
- + Generate long-term value for shareholders

### Knoll Is A Member of:

- + Business & Institutional Furniture Manufacturers Association (BIFMA)
- + The International Interior Design Association (IIDA)
- + U.S. Green Building Council® (USGBC)
- + International Living Future Institute™
- + Society for College and University Planning (SCUP)
- + The Risk Management Society (RIMS)
- + Gartner Management Leadership Council for Risk & Quality
- + Supply Chain Risk Management Forum (SCRM)

### OUR STRATEGIC IMPERATIVES

- 1 **Grow by leveraging our distribution network** to target underpenetrated and emerging ancillary categories and markets
- 2 **Maximize growth and profitability** of our Office segment
- 3 **Expand our global reach** into residential and decorator channels
- 4 **Increase market visibility** and improve our efficiency by leveraging technology
- 5 **Define a positive vision of community engagement** based on the power of design to build a better world






# Sustainability Scorecard

## SUSTAINABLE PRODUCT CERTIFICATION

Goal	Target Date	2019 Results
100% of KnollStudio products certified to Intertek Clean Air	End 2020	Achieved
100% of Knoll Office products certified to Intertek Clean Air	End 2020	In Progress 80% of products certified

## ENTERPRISE RISK MANAGEMENT (ERM)

Goal	2019 Results
ERM continuous improvement	Posted Code of Ethics publicly
Training	Completed Code of Ethics training
Building Global Capacity Across Knoll	North American organization participation

## OPERATIONS

Aspect	Goal	Metric	Target Date	2019 Results
Energy consumption	3% annual reduction	Electricity intensity (kWh/MUSD)	End 2019	Achieved 5% reduction 2019 vs. 2018
Greenhouse gas (GHG) emissions	3% annual reduction	GHG emission intensity (mt CO <sub>2</sub> e/MUSD)	End 2019	Achieved 5% reduction 2019 vs. 2018
Water usage	3% annual reduction	Water intensity (m <sup>3</sup> /MUSD)	End 2019	Achieved 14% reduction 2019 vs. 2018
Waste generation	3% annual reduction	Waste intensity (mt/MUSD)	End 2019	Achieved 24% reduction 2019 vs. 2018

Operations data covers our Knoll Office North American manufacturing sites (East Greenville, PA; Toronto, ON; Muskegon, MI; and Grand Rapids, MI). Intensity metrics are normalized by total sales from these four sites. Metrics are normalized per million U.S. dollars in revenue (MUSD); kilowatt hours (kWh); carbon dioxide equivalent (CO<sub>2</sub>e); meters cubed (m<sup>3</sup>) and metric tons (mt).

## Looking Ahead

+ In 2020, we hired a Director, Corporate Sustainability and Environment who will be responsible for overseeing and advancing our sustainability and environmental performance, programs and activities, as well as pursuing and achieving future sustainability goals.

# Strategy

# Sustainability at Knoll

## The Knoll Good Business Platform

We use modern design to connect people to their work, their lives and their world. Since 1938, we have been recognized internationally for creating workplace and residential furnishings that inspire, evolve, and endure.

**We do all of this not just because it makes us a better business and investment for all our stakeholders, but because it's the right thing to do.**

As a design leader in our industry, we believe that working to promote sustainability—both for our company and for our clients—is good business.

This belief is reflected in our dedication to designing and manufacturing products to minimize environmental impact and maximize social benefits, working with third-party certification organizations, actively mitigating environmental and social risks, and setting similar sustainability expectations for our suppliers.

Today, our commitment to modern design, our understanding of the nature of work, and our dedication to sustainable design have yielded a unique portfolio of thoughtful products that respond and adapt to changing workplace and residential needs. By creating beautiful, enduring products in a responsible manner, we help our customers and distribution partners achieve their own sustainability goals.

### Sound Management of Environmental Aspects

We manage the environmental aspects of Knoll Office manufacturing facilities in North America and Italy (in Foligno and Grafignana) through environmental management systems (EMS) certified to the International Organization for Standardization (ISO) standard, ISO 14001:2015. ISO 14001 provides a systematic approach for managing environmental aspects of business activities, including complying with regulatory requirements, engaging employees, maintaining the confidence of stakeholders, achieving strategic business aims, gaining competitive and financial advantages, as well as assuring ourselves of our suppliers' environmental performance.

### Knowledge is Power

We empower our customers to make responsible product choices by disclosing information about our materials and processes.

### THE KNOLL 8: OUR SUSTAINABILITY PRINCIPLES

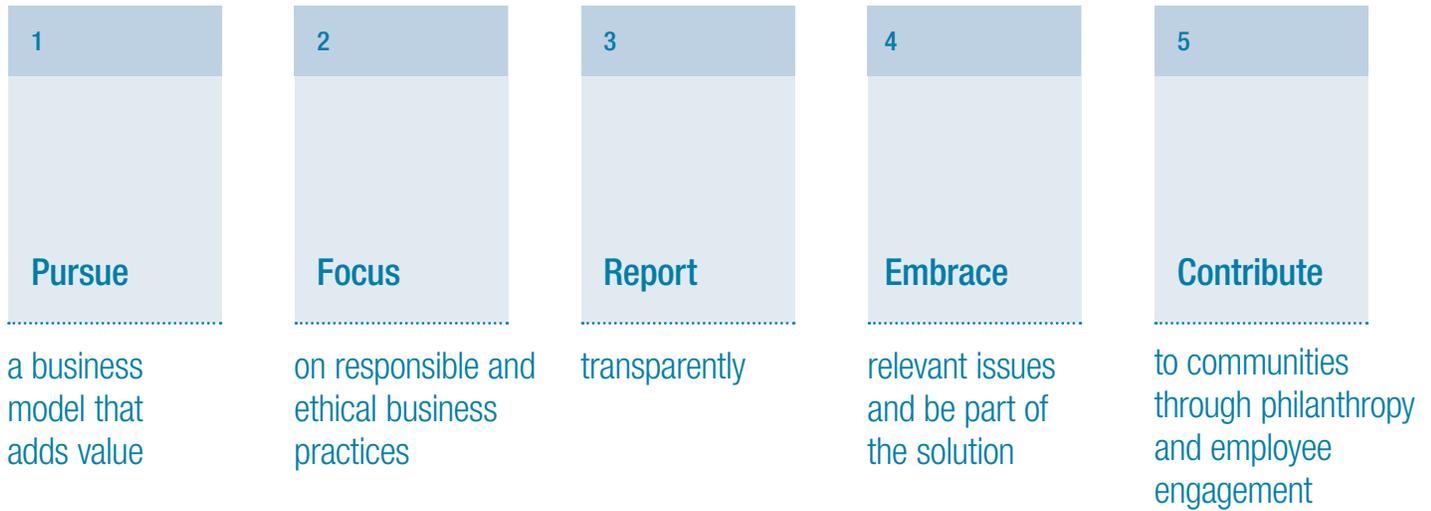
- 1 Protect the biosphere
- 2 Use natural resources responsibly
- 3 Reduce waste
- 4 Conserve energy
- 5 Reduce risk to people and the environment
- 6 Create safe products and services
- 7 Restore the environment
- 8 Inform the public

We are also committed to engaging openly and effectively with our shareholders, and in reporting our progress toward our sustainability goals in a transparent and consistent manner.

### Climate Change is a Critical Challenge

Climate change is one of today's most critical challenges. We work to address climate change risks and opportunities throughout our business. In our Knoll Office North American manufacturing and warehouse footprint, our priorities include increasing use of clean technology that mitigates GHG emissions, increasing energy efficiency to reduce energy consumption, and relying more on renewable energy sources. We also recognize the need to responsibly use water and other natural resources as these can also have climate impacts. As a leading furniture designer and manufacturer, we are proud to be able to offer our clients products that support their efforts to address climate change.

APPROACH: SUSTAINABILITY SUPPORTS OUR VALUES AND STRATEGY



Looking Ahead

- + In 2020, we announced plans to consolidate our manufacturing footprint and optimize our logistics operations. As part of this initiative, we closed our Grand Rapids manufacturing facility, absorbing those operations into our other North American locations. This will help reduce our operational environmental footprint.
- + Looking beyond the COVID-19 crisis, we expect that the time away from the workplace will only increase people’s appreciation of the benefits provided by workplace social interaction and offer new hybrid work from home (WFH) lifestyle opportunities. This drives demand for products with a more residential-feel as well as products that contribute to user well-being and mental health. In fact, the focus on well-being continues to drive demand for our fastest growing product categories, including height-adjustable tables. We see these trends as part of an effort to give individuals and teams more direct control in shaping their office and home environments.
- + The Knoll proposition that good modern design contributes to people’s productivity, health and happiness remains as relevant today as it did when Hans and Florence Knoll set out to build a global brand by pioneering modern concepts in workplace and residential space planning. To this day, our business model is based on a desire and commitment to improve the way we live and work, to enable growth and innovation, and to provide returns to our shareholders.

# Our Stakeholders

## Relationships are Key to Our Success

As a publicly-traded company that interacts with multiple stakeholders—from shareholders to our Associates; institutional clients to individual consumers; the design community to the community at large—we know that relationships are key to our business success. We engage with stakeholders to develop and maintain these relationships and to understand the mutual impacts of our business.

Our sustainability priorities and reporting align with our business objectives and the interests of our stakeholders. Engaging with our stakeholders on ESG matters not only helps us focus our efforts, it also drives innovation, fosters greater collaboration among employees, distribution partners, suppliers and designers, builds our reputation for being fair and transparent with investors and clients, and contributes to industry-wide sustainability progress.

### WE ENGAGE WITH OUR STAKEHOLDERS ON SUSTAINABILITY

Group	How We Engage	Frequency	Key Sustainability Topics of Interest
<b>Associates</b>	Website	Daily	+ Engagement, well-being and volunteering opportunities
	Volunteer initiatives	Annually	+ Diversity and inclusion
	In-person and online training	Ongoing	+ Environment, health and safety
	Knoll News and Bulletins	Monthly and as needed	+ Community engagement
	Knoll Workplace Weekly	Weekly	
<b>Clients</b>	Showroom presentation	As requested	+ Product certifications
	Social media	Ongoing	+ Sustainable product design and lifecycle
	Workplace and Home Design E-news	Monthly	+ Product safety and well-being + Materials and chemicals
<b>Dealers</b>	Website	Daily	+ Customer satisfaction
	Customer Satisfaction Survey	Monthly	+ Product certifications
	In-person and online training	Ongoing	
	Bulletins	As needed	
	Knoll Workplace Weekly	Weekly	
<b>Shareholders</b>	Quarterly calls	Quarterly	+ ESG
	Shareholder meeting	Annually	
	Conferences and meetings	As needed	
<b>Suppliers</b>	Meetings, calls and conferences	Ongoing	+ Process improvement ideas and efficiency
	Supplier Recognition Event	Annually	+ Supplier sustainability expectations and recognition
<b>Industry Associations</b>	Guidance and standards	As available	+ Sustainability best practices and trends
	Working groups and engagement	As needed	+ Product and process certifications

**What Matters Most: Our Materiality Assessment**

To focus on what matters most to our stakeholders, in early 2020, we conducted a materiality assessment in accordance with the GRI Standards in. Using one-on-one interviews and a survey, we sought feedback from our clients, Board of Directors, Executive Leadership Team and Associates. In total we gathered input from more than 250 individuals.

**STAKEHOLDERS TOP ESG PRIORITIES FOR KNOLL TO MANAGE AND REPORT**

Environmental	Social	Governance
Greenhouse gas (GHG) emissions	Customer safety and well-being	Ethical business practices
Chemicals	Employee health and safety	Board composition
Materials	Diversity and inclusion	Industry leadership
Energy use and management	Supply chain management	Board competencies
Waste management	Employee well-being	Risk management
Water use and management	Employee engagement and development	Climate change resilience
Sustainable product design	Product certification	
Product life cycle assessments and impacts	Community engagement	
Environmental management system	Human rights	
Facility certification		

**As a manufacturer and distributor of consumer goods, Knoll directly impacts the environment through our energy and water consumption, GHG emissions, materials used in our products and waste generation throughout our operations.**

Knoll is committed to reducing the impact of our activities and products on the environment. We are guided by our sustainability principles—The Knoll 8—and our Environmental Policy. Both aim to minimize our operational and product environmental footprint. We also use ISO 14001:2015 certified environmental management systems at our North American and Italian manufacturing sites. These systems ensure we identify environmental impacts from our manufacturing activities and have systems in place to manage them.

We actively engage Associates, partners and other relevant stakeholders in developing the necessary skills and expertise to support our environmental goals, raising awareness about Knoll's environmental values, and sharing our expertise with clients and the design community.

We also expect that our Associates, contractors, subcontractors and their workers meet or exceed the requirements of our Environmental Policy.

At least annually, we review our environmental policy, aspects of our operations, and progress towards objectives and targets, for which we expect continuous improvement.

# Environment

# Operations

## Greenhouse Gas (GHG) Emissions

### We Aim to Protect the Biosphere

Knoll recognizes that many of the activities of our operations and transport logistics, as well as activities in our supply chain, result directly or indirectly, in the release of GHG emissions. Managing and reporting on our GHG emissions reduces our environmental footprint, boosts our operational efficiency and helps maintain our reputation for design excellence.

### We Set and Track Annual Targets

Knoll Office North American manufacturing sites are committed to reducing our Scope 1 and 2 GHG emission intensity.

We set annual GHG intensity reduction targets and actions for our Knoll Office North American manufacturing operations at our annual Knoll Office North American Operations Leadership Planning Sessions. Targets are rolled down to the Operations Scorecard at each covered site. Each month, Operations teams review status against targets and report to the Executive Leadership Team. For 2019, we set a GHG emissions intensity reduction target of three percent year-over-year.

Greenhouse gas emissions intensity is calculated as the sum of measured carbon dioxide equivalent (CO<sub>2</sub>e) emissions, based on each energy and fuel type used at the site, divided by the site's sales revenue. We also aggregate site emissions to report a total Knoll Office North American footprint. Our emissions inventories are verified by NSF for LEVEL® by BIFMA certification requirements.

Environment, Health & Safety (EHS) Managers at each site also track and report other significant air emissions, including nitrogen oxides (NOx), sulfur oxides (SOx) and volatile organic compounds (VOCs). This is done monthly, quarterly and annually.

Beyond our manufacturing operations, we aim for efficient transport logistics by tracking load utilization, transportation costs versus miles traveled loads re-planned, and distribution by mode. We are also part of the SmartWay Transport Partnership. Through this program, freight shippers, carriers, logistics companies and other stakeholders partner with the U.S. Environmental Protection Agency (USEPA) to reduce their environmental footprint by measuring, benchmarking and improving logistics operations.

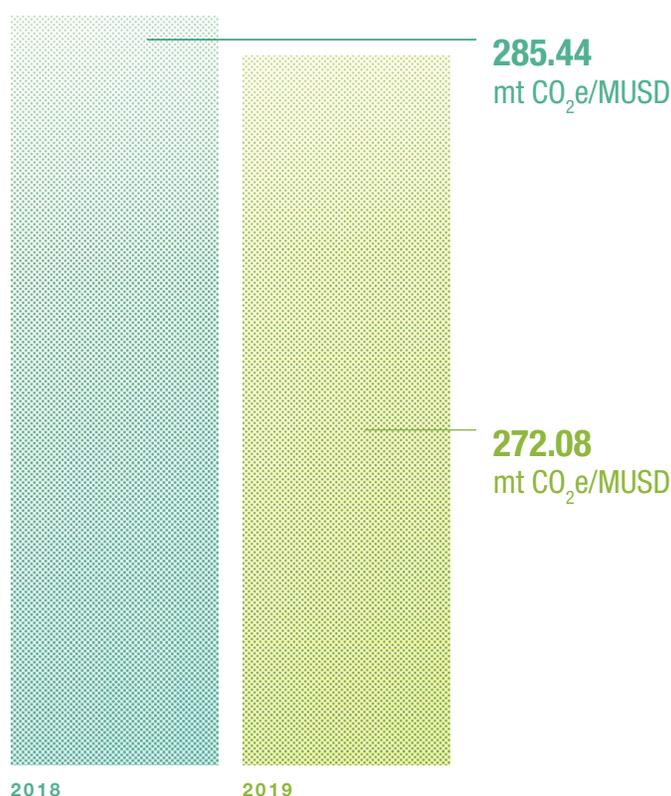
### ORGANIZING POLICIES & PRINCIPLES

#### Environmental Policy

Knoll 8: Principles 1, 2  
Protect the biosphere; use natural resources responsibly

#### ISO 14001 EMS

### KNOLL OFFICE NORTH AMERICA GREENHOUSE GAS EMISSION INTENSITY



Total greenhouse gas emission intensity for Knoll Office North American manufacturing sites. Inclusive of Scope 1 and Scope 2 emissions.

### Key Accomplishments

In 2019, we exceeded our three percent reduction target by reducing GHG emission intensity by nearly five percent compared to 2018. Reductions in GHG emissions were largely driven by operational performance efficiency implemented as part of lean manufacturing practices, particularly at our Toronto site. Our Scope 1 and Scope 2 GHG emissions were 19,581 mt CO<sub>2</sub>e and 135,481 mt CO<sub>2</sub>e, respectively.

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### KEY ACCOMPLISHMENTS

**Exceeded our  
3% reduction target**  
by reducing GHG emission intensity by nearly 5%  
compared to 2018

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### Looking Ahead

- + Evaluate long-term emission reduction goals and benchmarks in line with industry standards.
- + Continue to focus on performance improvements and efficiencies. The more efficient our operations are, the fewer hours we will require to meet our customer commitments, and the greater our GHG reductions will be.
- + Continue to align strategic transformation plans and to improve our environmental impact.

# Operations

## Energy Use & Management

### Saving Energy Delivers ESG and Financial Benefits

Saving energy goes hand in hand with a commitment to reduce greenhouse gas emissions. Managing our energy use also saves on operations costs, protects against the risk of future price increases and improves net operating income and asset value.

#### Reducing Use

Our Knoll Office North American manufacturing sites' primary energy usage is through the purchase of electricity. Although there is some on-site fuel usage, it is largely attributable to back-up power sources. As such, our annual energy reduction target is based on electricity usage only, and we identify actions to achieve those targets at our yearly Leadership Planning Sessions. These targets are rolled down to the Operations Scorecard at each of our Knoll Office North American manufacturing sites. Status against targets is reviewed monthly with site Operations teams and reported to the Executive Leadership Team.

Our target is to reduce electricity intensity by at least three percent year-over-year within our Knoll Office North American manufacturing sites. We measure our electricity usage in kilowatt-hours (kWh) and report it on an intensity basis by sales revenue, for each site. We also aggregate site data to report total Knoll Office North American electricity intensity.

In 2019, we met our target: we reduced electricity intensity by more than five percent compared to 2018. We attribute this progress to switching to more efficient lighting at our Toronto, Ontario and Grand Rapids, Michigan sites. Our total 2019 electricity use for Knoll Office North American manufacturing sites was 53,237,592 kWh (53,237 MWh).

Our ISO 14001:2015 certified Environmental Management System (EMS) at our North American and Italian manufacturing sites also helps us understand and manage activities that have significant impacts on energy consumption.

#### Renewable Sourcing

In celebration of Earth Day 2020, we were pleased to announce that we made investments to support renewable energy production. Knoll is now procuring renewable energy certificates (RECs) in an amount equivalent to 100 percent of the electrical energy used in our Knoll Office U.S. manufacturing sites starting in 2019 and in our North American sites beginning in 2020. The RECs are an attribute of electrical power produced by renewable sources. Each REC represents the environmental benefits of production of one megawatt hour (MWh) of renewable energy. We are procuring Green-e® Energy certified RECs from wind turbines in the U.S. and ECOLOGO® certified RECs from low impact hydro power in Canada.

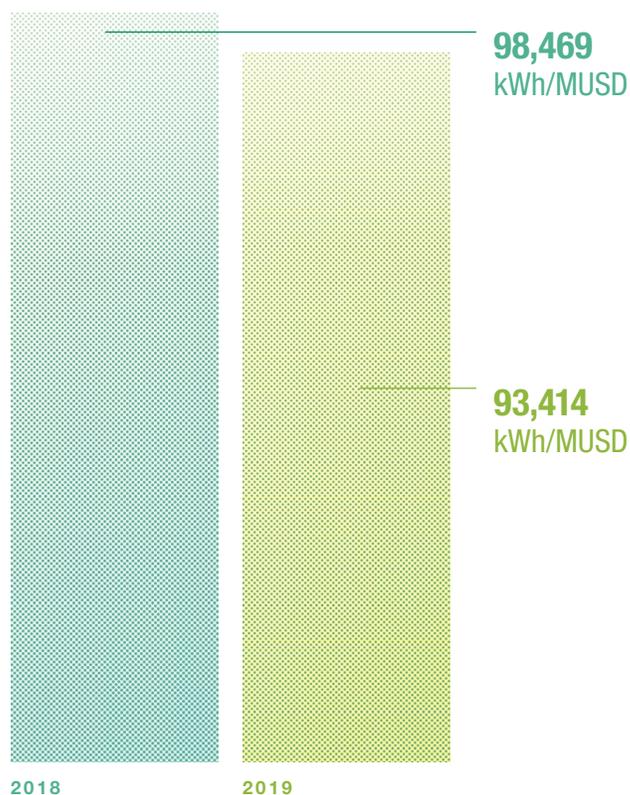
### ORGANIZING POLICIES & PRINCIPLES

#### Environmental Policy

Knoll 8: Principles 1, 2  
Protect the biosphere; use natural resources responsibly

ISO 14001 Environmental Management System

### KNOLL OFFICE NORTH AMERICA ELECTRICITY INTENSITY



Total electricity intensity for Knoll Office North American manufacturing facilities

In addition, our East Greenville, PA manufacturing site now uses biogas, in place of natural gas. Biogas is produced after organic materials (plant matter and animal waste) are broken down by bacteria in an oxygen-free environment, a process called anaerobic digestion. Biogas replaces fossil fuel sources and results in lower GHG emissions and air pollutants.

#### **Our Products: Reducing Our Customers' Energy Requirements**

We are continually looking for ways to reduce the energy our clients consume when using our products. For example, in August 2018, we transitioned the Copeland Light™ from compact fluorescent light (CFL) bulbs to LED (light-emitting diode) bulbs, and in December 2019, we began discontinuing the T5 fluorescent undercabinet light. Effective June 2020, we switched Knoll Office product lighting to LED, and any new lighting introductions will be LED. LED efficiency is better because the bulbs concentrate electricity on the production of light, rather than wasted heat energy.

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#### KEY ACCOMPLISHMENTS

**3% reduction**  
in electricity intensity in 2019  
compared to 2018

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#### Looking Ahead

- + Introduce a new low wattage LED light in November 2020 in conjunction with Fully.
- + Explore new opportunities for reducing energy consumption when purchasing capital equipment and for machine maintenance activities.
- + Building on 2020 momentum, continue to purchase renewable energy and explore new opportunities at our facilities.

# Operations

## Waste Management

### Reducing Waste: Our Own and Our Customers

Our commitment to design excellence challenges us to produce environmentally-responsible furniture, textiles and office accessories. While traditional manufacturing creates significant amounts of waste, we continue to pursue the ambitious goal of landfill-free status for our facilities and processes. By recycling, reusing or converting waste to energy, we reduce waste from landfills, while saving money and helping our clients and customers minimize their own environmental footprint.

### Our Vision: Zero Waste

Our vision is to achieve zero waste. We realize that this will take time. Our Knoll Office North American manufacturing sites are committed to reducing waste intensity by at least three percent year-over-year.

We measure our waste intensity at each Knoll Office North American manufacturing site by the weight of all non-hazardous streams that are sent off-site, normalized by site sales revenue. We also aggregate site waste and sales to report total Knoll Office North American manufacturing site waste generation. Like our other sustainability metrics, we track progress against our waste target through site Operations Scorecards, which allow for monthly reviews and reporting to the Executive Leadership Team.

### Key Accomplishments

In 2019, we reduced our waste intensity by nearly 24 percent compared to 2018. This exceeded our year-over-year target by nearly 21 percent. We accomplished this result through continuous improvement projects at our East Greenville, PA and Toronto, ON manufacturing sites. Of our total 2019 waste of 16,828 mt for our Knoll Office North American manufacturing sites, 9,339 mt — or 55 percent — was sent to recycling.

### Looking Ahead

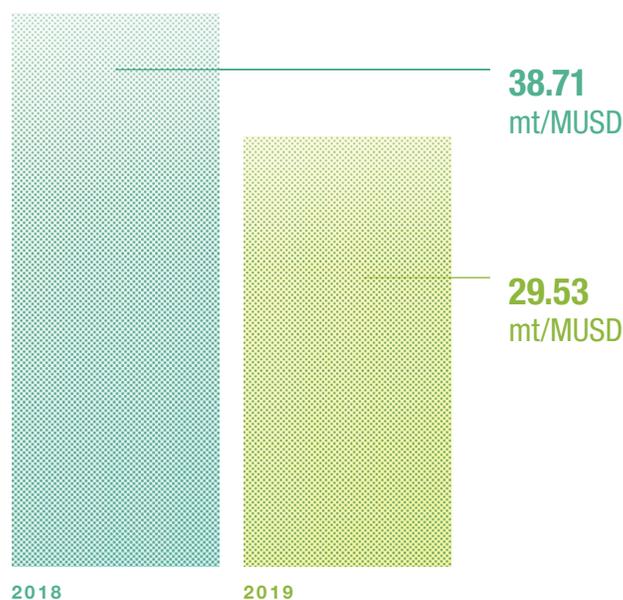
- + Explore opportunities for wood dust, wood scrap, powder coat paints and fiberglass as these are increasingly difficult to recycle.
- + Adopt a life cycle approach and “circular economy” focus to minimize waste; evaluate net zero waste-to-landfill commitment.

### ORGANIZING POLICIES & PRINCIPLES

#### Environmental Policy

**Knoll 8: Principles 1, 2, 3, 4**  
 Protect the biosphere; use natural resources responsibly; reduce waste; conserve energy

### KNOLL OFFICE NORTH AMERICA WASTE INTENSITY



Total waste intensity for Knoll Office North American manufacturing facilities.

# Operations

## Water Use & Management

### Conserving a Precious Resource

Water is one of the planet's most precious resources. Knoll understands the importance of managing water use and consumption within our operations. Knoll primarily consumes water within our manufacturing operations. At our plants, water is directly used in our production processes. Conserving water not only promotes operational efficiency, but it is expected of us by our stakeholders as it minimizes our environmental footprint.

### Accountability and Responsibility for Our Water Target

Our Knoll Office North America Operations Leadership Team is accountable for setting our annual water intensity target for Knoll Office North American facilities. Site Operations leadership teams are responsible for achieving the target. Progress is assessed and reported monthly to our Executive Leadership Team through Operations Scorecards at each Knoll Office North American site.

Our current water intensity reduction target is three percent year-over-year. This is measured by m<sup>3</sup> of water usage per million dollars of sales revenue for our Knoll Office North American manufacturing sites.

For both our North American and Italian manufacturing sites, we rely on an ISO 14001:2015 certified Environmental Management Systems (EMS) to identify areas and activities where we use water and to ensure there are standard operating procedures in place to minimize consumption.

### Key Accomplishments

We surpassed our three percent reduction target by cutting water intensity by 14 percent in 2019 compared to 2018. Our total water usage was 104,955 m<sup>3</sup> for our Knoll Office North American manufacturing sites.

### Looking Ahead

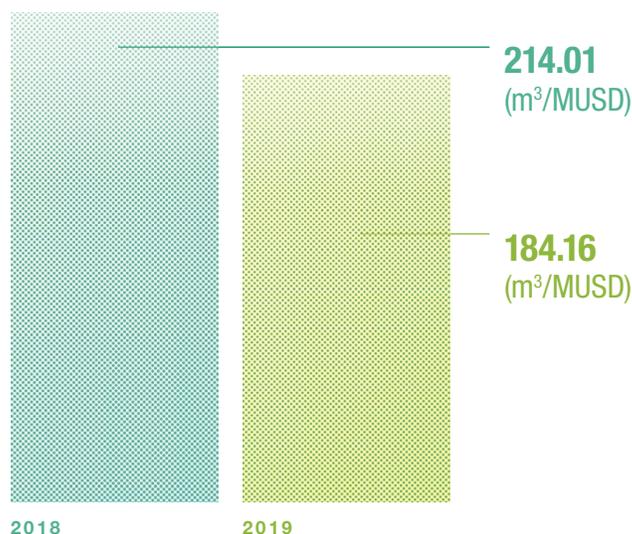
- + Continue to explore opportunities to reduce water usage when purchasing capital equipment, designing process improvements and maintaining equipment.

### ORGANIZING POLICIES & PRINCIPLES

#### Environmental Policy

**Knoll 8: Principles 1, 2, 4**  
Protect the biosphere; use natural resources responsibly; conserve energy

### KNOLL OFFICE NORTH AMERICA WATER INTENSITY



Total water intensity for Knoll Office North American manufacturing sites.

### KEY ACCOMPLISHMENTS

**14% reduction**  
in water intensity in 2019  
compared to 2018

# Operations

## Environmental Management System

### A Systematic and Comprehensive Approach

Within our Knoll Management System, we use an ISO 14001 Environmental Management System (EMS) to help ensure our operations comply with environmental laws and regulations, industry standards and certifications, and customer requirements and expectations. As a foundational framework, our EMS promotes a standardized approach that streamlines our decision-making processes, contributes to reducing cost and helps us minimize adverse environmental impacts from our manufacturing operations, transport logistics and supply chain.

### Our Manufacturing Sites are ISO 14001-Certified

Our four Knoll Office North American manufacturing sites have each implemented ISO 14001:2015 certified EMS. Our Italian manufacturing sites in Foligno and Grafignana are also ISO 14001 certified.

Our EMS helps ensure that our manufacturing processes conform to regulatory requirements, such as environmental permits, chemical handling protocols, and safe disposal requirements. It also means that we develop and uphold policies and procedures to ensure legal and regulatory compliance. In addition, we allocate appropriate resources to implement the necessary operational controls to minimize environmental impact.

### EHS Managers Drive Continuous Improvement

Our EHS Managers regularly update senior leadership on the EMS through both formal channels, such as monthly meetings; Operations and Annual Management Reviews; and informal settings. These regular updates allow the Managers and senior leadership to review our policies, systems, targets and metrics, and to discuss recommendations for continuous improvement.

We take a holistic approach to environmental management. We use Kaizen events to eliminate “waste” in our processes, and we use engineering and process review change management systems to help drive continuous improvement.

We empower our employees and Associates to contribute through specialized job training, communications training and weekly safety talks. Aside from measuring our environmental performance, we also measure EMS compliance with internal audits. The audits review site compliance with ISO 14001 EMS requirements and with environmental regulations.

### Looking Ahead

- + Continue to focus on risk elimination and operational controls.
- + Expand EMS and audit scope to include new sustainability processes and product life cycle information.

### ORGANIZING POLICIES & PRINCIPLES

#### Environmental Policy

#### Knoll 8: Principles 1, 2, 3

Protect the biosphere; use natural resources responsibly; reduce waste

### OUR INTERNAL PROCESS INCLUDES REVIEW OF

#### EHS Policy

#### Objectives, Targets and Performance

#### Internal & External System Audits

#### Compliance Audit Results and Scores

#### Corrective Action Plans and Status

#### Notices of Violation and Severe Incidents

#### Communication from Interested Parties

#### Operational Risk Status

#### Follow up from previous Management Reviews

#### Changes that could affect the Management System

In November 2019, a claim was made for non-compliance with NPDES permit at our East Greenville, PA manufacturing site. The claim was settled, and we are following up with corrective actions to ensure future compliance.

- + Develop a Preventive Maintenance program within our EMS to ensure that equipment affecting air, water and waste, such as spray booths, water treatment plant, dust collection systems, waste collection and disposal function optimally.

# Operations

## Facility Certifications

### Walking the Walk

Knoll is committed to operating at the highest level of sustainability. This extends beyond our offices and manufacturing facilities to our showrooms. Our showrooms are a highly visible representation of our brand. Achieving recognition by third-party sustainability ratings systems sends a clear signal to our stakeholders: that we are serious about the environmental footprint of our operations and that of our supply chain; that we value the health and well-being of our employees, clients and distribution partners; and that we are playing a role in influencing our industry towards a more sustainable future.

### Targeting Green Building and Interiors Certifications

We target green building and interiors certifications—LEED®, WELL and LBC certifications—throughout our manufacturing facilities, showrooms and offices in North America.

### ORGANIZING POLICIES & PRINCIPLES

**Knoll 8: Principles 1, 2, 3, 4**  
 Protect the biosphere; use natural resources responsibly; reduce waste; conserve energy

### 2019 CERTIFIED KNOLL LOCATIONS

LEED® Certified Platinum	LEED® Certified Gold	LEED® Certified Silver	WELL® Certified Gold
Boston Showroom	Atlanta Showroom	Miami Showroom	Los Angeles Showroom
Toronto Showroom	Chicago Fulton Market Showroom	New York Home Design Shop	
	Dallas Showroom	New York Showroom	
	East Greenville Lubin Building (Manufacturing)		
	Houston Showroom		
	Los Angeles Showroom		
	Phoenix Showroom		
	San Francisco Showroom		
	Seattle Showroom		
	Washington, D.C. Showroom		

# Operations

## Sustainable Product Design

### We Imagine, Design and Manufacture with the Environment in Mind

A commitment to sustainable design means that a business considers the social, economic and environmental impacts when developing its products and processes. For nearly 40 years, Knoll has strived to design and manufacture products for the workplace and our homes that adhere to the highest sustainability standards. This is important to our stakeholders because it helps us meet regulatory requirements, minimize climate change and supply chain impacts, and maintain our reputation for excellence.

### We Measure Our Performance Against Ambitious Standards

Governed by Knoll's DfE (Design for the Environment) policies, we design and manufacture every product so that both the material content and our production process meet ambitious environmental standards. Knoll is an industry pioneer in advocating for and submitting our products to independent third-party certifications. We believe that respected third parties provide the most impartial and trustworthy foundation for broad compliance.

We reduce, and, where possible, eliminate the use, manufacture or sale of products and services that cause environmental damage or health or safety hazards. We design and engineer durable products; we investigate using recycled materials; and we incorporate safety features and ergonomics into our products. We also provide independent testing to help assure the safety of our products.

### Helping Our Customers Go Green

Knoll's alignment with the USGBC® can help companies, governmental agencies, healthcare organizations and educational institutions achieve LEED® certification. Many of our products are eligible for LEED® credits and can contribute to LEED® certification. We publish LEED® credit databases for all Knoll Office systems and seating products on our [website](#).

### ORGANIZING POLICIES & PRINCIPLES

Environmental Policy

Sustainable Wood Policy

Knoll FSC® Wood Standard

Design for the Environment Policies

Knoll 8: Principles 1, 6, 7, 8

Protect the biosphere; create safe products and services; restore the environment; inform the public

### OUR THIRD-PARTY PARTNERS



# Products

## Product Life Cycle Assessments & Impacts

### We Have a Holistic Vision

We consider the sustainability of our furniture, textiles and accessories from start to finish—from raw materials extraction to what happens at the end of a product's (ideally long) life. Our comprehensive product life cycle analysis includes our supply chain and manufacturing processes, the secondary manufacturing processes of products purchased by Knoll, transportation logistics, disposal, and reuse or recycling of our products, including at the end of their useful life. For a furniture designer and manufacturer, these are material to our drive for efficiency, to maintaining our reputation, and to our ability to manage risks.

### Life Cycle Assessment (LCA) Measures Impacts

We use software-based tools to evaluate the entire life cycle of select products, from raw materials extraction to what happens at the end of the product's useful life. This holistic vision of environmental impact means that we can adjust designs, materials or production processes to maximize sustainability.

At each of the three phases of our LCA process, Knoll collects large data sets:

- 1 **Cradle to Gate:** includes supply chain inputs, from raw materials extraction to transportation and secondary manufacture of parts purchased by Knoll.
- 2 **Gate to Gate:** measures the processes that turn materials and parts into finished products.
- 3 **Gate to Grave/Cradle:** looks at what happens to a product at the end of its useful life.

Our LCA process also produces transparency: we pass on the findings of our analysis to our customers in the form of an Environmental Product Declaration (EPD), a standardized tool for communicating the environmental performance of a product. The EPD uses a consistent set of indicators to relay information about raw material acquisition, energy use, emissions and waste generation. EPDs are third-party certified, and they help our customers earn points under the LEED® v4 standard.

### Full Circle Offers Landfill Diversion Options

Full Circle is the first program in the contract furniture industry to provide customers with environmentally-friendly options to deal with the significant amount of no-longer-needed facility assets that inevitably result from furnishing projects.

Rather than sending surplus furniture, fixtures and equipment (FF&E) to landfill, customers can instead choose to resell, recycle or repurpose them. For those assets that may not have re-sale value, Full Circle works with partners to convert the surplus to energy-from-waste.

### ORGANIZING POLICIES & PRINCIPLES

#### Environmental Policy

**Knoll 8: Principles 1, 2, 3, 4, 5, 6, 7, 8**  
 Protect the biosphere; use natural resources responsibly; reduce waste; conserve energy; reduce risk to people and the environment; create safe products and services; restore the environment; inform the public

Knoll developed Full Circle with ANEW, a non-profit organization dedicated to extending the life cycle of surplus FF&E as well as architectural and building materials. Full Circle is among the most comprehensive resource recovery programs, allowing customers to dispose of excess assets in accordance with their own sustainability goals.

### KEY ACCOMPLISHMENTS

**517 metric tons (U.S.)**  
 of waste diverted from landfill through the Full Circle program in 2019

**439 metric tons**  
 of avoided GHG emissions from landfill

# Products

## Chemicals

### It is Our Duty to Avoid Harmful Chemicals to Protect Our Customers, Associates and the Environment

Creating our products involves using common manufacturing materials and chemicals. To protect our customers, employees and the environment, it is our duty to avoid the use of chemicals of environmental and health concern.

#### Informing the Public

For each product we design and manufacture, we consider sustainable design standards relating to its material and chemical content and production process. We strive to reduce and eliminate the use, manufacture or sale of products and services that cause environmental damage or health or safety hazards.

To prevent unsafe use, we inform our customers of the impacts of our products. We use recognized labelling standards like the International Living Future Institute™ Declare labels, Environment Product Declarations (EPDs) and disclosure through LEVEL® by BIFMA certifications.

In addition, we provide independent testing to help assure the environmental and human safety of our products.

#### ORGANIZING POLICIES & PRINCIPLES

### Environmental Policy

#### Knoll 8: Principles 1, 6, 7, 8

Protect the biosphere; create safe products and services; restore the environment; inform the public

#### KEY ACCOMPLISHMENTS

**28**  
Knoll Office  
products

with Declare labels  
5 more added in 2020

**1**  
KnollStudio  
product

with a Declare label  
1 more added in 2020

**6**  
Muuto  
products

with Declare labels  
1 more added in 2020

## Ollo contains up to 48% of recycled materials

### Ollo®: Light Task Chair is a Heavy Hitter

Ollo, a light task chair we debuted in 2019, is among the most innovative office products Knoll has produced to date. Designed by Glenn Oliver Loew for improvisation and spontaneity, Ollo leverages engineering and material advances to recognize and adjust to user movements and gestures without the need to fiddle with extra knobs and levers.

A sustainably-made product, Ollo contains at least 31 percent—and as much as 48 percent—recycled materials. The chair is manufactured in East Greenville, PA at the Knoll LEED® Gold and ISO 14001:2015 certified Lubin Building, which means Ollo is assembled without ozone destroying chlorofluorocarbons (CFCs) using adhesive processes that are 99 percent VOC-free. In addition, 100 percent of the electricity used at the facility is offset through the purchase of renewable energy certificates. All chair component parts ship to East Greenville in returnable packaging.

Ollo holds several important third-party sustainability certifications. It is BIFMA LEVEL® 3 certified and Clean Air GOLD certified. It has an Environmental Product Declaration (EPD) and Declare label, which offers chemical and material transparency as well as end-of-life disposal information. Ollo is also listed in mindful MATERIALS, an online library containing health and environmental impact information for products from leading manufacturers. In addition, it can be used to achieve LEED® credits under the version 4 standards.

With all that, it's no surprise that Ollo is fast becoming a chair of choice for clients seeking both innovation and sustainable design.

# Products Materials

## We Aim to Address Environmental Standards

As a leading furniture designer and manufacturer, we see ourselves as part of the environmental solution. We are committed to producing high quality products that start and end with respect for the environment. Doing so allows us to meet environmental regulations, reduce business and environmental risks, expand our market opportunities and respond to our customers' increasing demands for furniture, textiles and accessories that endure, rather than end up in landfill. Our commitment extends from our own operations through to our supply chain.

### Design for the Environment Establishes Standards

Design for the Environment (DfE) means that Knoll products are imagined, designed and manufactured with the environment in mind. The program sets criteria for embodied energy and emissions of materials, defines a minimum for recycled content and mandates low energy consumption and the use of clean manufacturing technology. When we source new materials, suppliers must provide us with documentation regarding their material sources, chemical constituents and manufacturing locations. Furthermore, we request details of any post-consumer and post-industrial recycled content.

### Knoll and the FSC® Certified Wood Standard

With so much of our furniture made from wood, it is important to us and to our stakeholders that we set policies, adhere to standards, and partner with experts who can help ensure we use precious forest resources responsibly.

We began working with exemplary forest resources in 1993 when we introduced Frank Gehry's bentwood seating collection with an option of sustained-yield maple grown by the Menominee Tribal Enterprise.

In 2006, as scientific evidence and public concern mounted over the devastating impacts of global warming, Knoll initiated a Sustainable Wood Policy. The purpose of the Policy is to ensure that wood and wood fiber used in the manufacture of Knoll products is obtained from environmentally responsible sources.

This is a matter of critical importance because forests are vital components of our ecosystem, providing timber and wood pulp, food and medicines, wildlife habitat, and livelihoods and cultural identity for those who dwell in them. Forests also contribute to air and water quality, and they play a key role in the global carbon cycle.

In December 2009, Knoll established Forest Stewardship Council (FSC®) certified wood as the standard for the majority of Knoll open plan office systems and tables. The 2009 [Knoll FSC Standard](#)

## ORGANIZING POLICIES & PRINCIPLES

### Environmental Policy

### Sustainable Wood Policy

### Knoll FSC® Wood Standard

### Design for the Environment Policies

### Knoll 8: Principles 1, 6, 7, 8

Protect the biosphere; create safe products and services; restore the environment; inform the public

## KEY ACCOMPLISHMENTS

### In 2019

Knoll Office wood furniture was manufactured with at least

**70% FSC® mix**

### In 2020

Knoll Office wood furniture was manufactured with at least

**90% FSC® mix**

raised the sustainability bar by bringing virtually all of the Knoll core systems business under the FSC® umbrella. Moreover, the Standard was the result of more than a decade of effort aimed at:

- + Developing the supply chain for sustainable wood
- + Creating the infrastructure in our business and manufacturing processes for sourcing, tracking and incorporating FSC® wood into our products
- + Building FSC® certification into our ISO 14001 process

The Standard not only helps Knoll operate sustainably, it also makes it easier for the design community and Knoll customers to blend environmental responsibility with workplace planning.

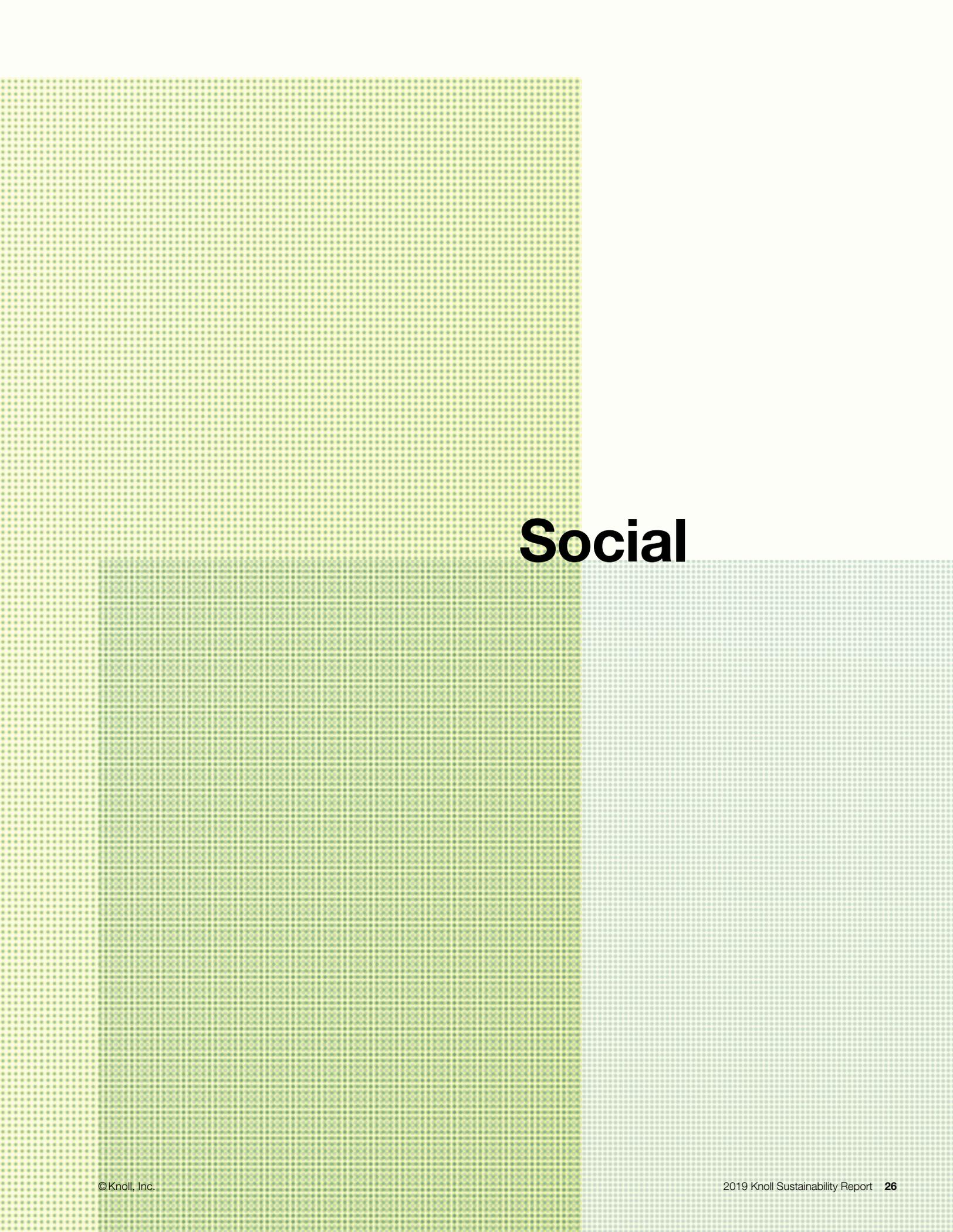
#### **Knoll and FSC®: A Legacy of Working Together Toward Shared Goals**

We began collaborating with Forest Stewardship Council in 1995 and later, with the Rainforest Alliance to develop the North American supply chain for FSC® wood. This successful effort at “greening the supply chain,” links our suppliers with Rainforest Alliance experts to help them improve their processes, meet certified forest standards and make FSC® certified wood more widely available to manufacturers across the industry. Knoll continues to leverage its power in the marketplace with suppliers to increase the long-term supply of FSC® certified wood in partnership with its Preferred by Nature™ (formerly NEPCo).

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#### **Looking Ahead**

- + Continue to explore opportunities to advance use of sustainable materials in our products.
- + Focus on Muuto joining Knoll FSC® certificate in 2020.



# Social

# Associates

## Health & Safety

### Maintaining Health and Safety is Paramount

Knoll is committed to providing a safe and healthful work environment—not just for our own employees—whom we refer to as Associates—but also for customers and any business or organization that we interact with. We believe that no risk is worth taking if it will endanger a life or cause harm, however minimal. We also believe that health and safety is a collective responsibility. Through our policies and practices, we empower our Associates to take ownership for developing world class competencies in health and safety. This ensures we have a healthy, reliable workforce and are protected against legal and financial risks. One-hundred percent of our global employees are covered by a health and safety system.

### Our Health and Safety Standard

We are committed to preventing injuries and ill health. This includes potential issues related to our facilities, such as harm from hazardous energy sources, working at heights, slips and falls, ergonomics and machine guarding.

In our Knoll Office North American manufacturing sites, the foundation of our approach to occupational health and safety is the ISO 45001 standard within our Knoll Management System. The objective of this Management System is to establish, document, reference and maintain our Health and Safety Policy, objectives, goals and programs.

#### The standard identifies:

- + Key roles and responsibilities of employees within the organization
- + Aspects, risks and hazards of corporate activities, products and service
- + Policies, practices, procedures and controls to assess and manage health and safety risks

The standard helps ensure that we not only comply with our legal obligations regarding health and safety, but also assess and manage our risks appropriately and promote continuous improvement. Our sites continue to target and meet a 10 percent health and safety risk reduction year-over-year. Management teams at each site are responsible for identifying and engaging our people on the best measures—ranging from elimination, engineering and administrative tactics—to reduce recognized risks at their site.

Knoll also uses VelocityEHS, a multidimensional software platform. This is integrated with our Knoll Management System to track incident management, corrective actions, safety bulletins, risk analysis, audits, inspections, management of change, and contractor management.

### ORGANIZING POLICIES & PRINCIPLES

#### ISO 45001 Standard

#### Health and Safety Policy Statement

#### Knoll 8: Principles 5, 6, 8

Reduce risk to people and the environment; create safe products and services, inform the public

We ensure that Associates injuries are promptly treated by qualified Knoll First Responders. Injured Associates are transported to a local medical facility, if required, and the incident is reported to the EHS Managers and site coordinators.

#### Influencing Others

Through our health and safety strategy, Knoll seeks to have an impact beyond our own operations. It is Knoll's expectation that our contractors, sub-contractors and their workers meet or exceed the safety requirements of our Health and Safety Policy.

#### Star Rating

Since 2006, our East Greenville, PA site has held the “Star” rating under the U.S. Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP). A Star rating is the highest a company can obtain in OSHA's premier partnership program. The rating puts us in an elite and exclusive group of fewer than 2,500 U.S. companies that have demonstrated a dedicated commitment to safety.

To achieve this rating, our East Greenville, PA site demonstrated we have a comprehensive safety and health program with strong management leadership, include all employees as active participants, and ensure an injury rate substantially below the average for the industry.

#### Report on 2019 Injuries

In 2019, we recorded 16 injuries in our Knoll Office North American sites, a 53 percent reduction over 2018. We also documented a total of 1,617 safety conversations to help promote a safe and healthy work environment.

Our total case incident rate (TCIR) was 0.96, and days away case rate (DACR) was 0.36. This compares favorably to our industry group averages which are 4.20 and 1.00, respectively.

The main cause and cost of 2019 workplace accidents within Knoll was worker strain (e.g., chronic musculoskeletal injuries, sprains). These accidents resulted in minor injuries to upper extremities. To reduce this risk and continue to strive to provide an injury-free workplace, we reviewed trends with senior leadership and incorporated specific actions into site level health and safety plans. For example, we introduced stretching protocols for physically-demanding jobs, and physical therapy sessions to promote strengthening. Additionally, we have partnered with Humantech, a tool for analyzing good ergonomic workplace design, when a new machine or process change is introduced.

The chart at right illustrates site hazard risk score by site. Overall, we reduced our hazard risk score by 12 percent, which exceeds our hazard risk reduction target by two percent. We measure hazard risk as a site aggregated score on recognized and anticipated hazards and the controls that have been put in place.

We also achieved a 91 percent increase in year-over-year near miss reporting, well exceeding our target of 15 percent.

**Key Accomplishments**

Hazard recognition is a key area of focus for Knoll. In 2019, we achieved significant progress with our Near Miss Reporting Initiative. A near miss is defined as an unplanned event that had the potential to result in illness, injury to a person, or damage to property or the environment but that did not. This initiative places iPads in common production areas to report near miss instances. We also engaged our Associates by linking Near Miss Reporting to the annual bonus metric.

In 2019, we also launched a behavioral safety program which uses an observation metric called the AAA conversation (Awareness, Action, Agreement) to drive positive changes in behavior. This proactive year-over-year metric is a major catalyst in shifting to a “culture of safety.” It prompts Associates from all levels to provide feedback, engage in open communication and recognize hazards. It is measured by the number of AAA Safety Conversations per week for site managers as entered into VelocityEHS.

**Looking Ahead**

- + Boost engagement with Site Leaders to establish Safety Committees.
- + Continue to foster a culture of engagement among employees so they are more proactive with corrective actions.

**SITE HAZARD RISK SCORE**

**EAST GREENVILLE**



**TORONTO**



**MUSKEGON**



**GRAND RAPIDS**



Knoll Office North American manufacturing sites

**NEAR MISS REPORTING YEAR-OVER-YEAR**

**EAST GREENVILLE**



**TORONTO**



**MUSKEGON**



**GRAND RAPIDS**



● 2018 ● 2019

Knoll Office North American manufacturing sites

# Associates

## Diversity & Inclusion

### Diversity Drives Success

Our stakeholders expect our company to reflect the communities where we live and work. We are committed to diversity, equity and inclusion; to creating opportunities for people with disabilities and those who come from diverse cultural and ethnic backgrounds; and to building on our leadership in LGBTQ+ equality. We recognize that promoting equity, diversity and inclusion leads to a more stable, financially successful enterprise which strengthens the communities where we operate.

### Modernism and Inclusivity

Modernism in design was born as a means toward social good, and Knoll was founded on the principle that modern design could improve the way we live and work.

By extension, good design is agnostic about one’s ethnicity, sexual orientation or gender, or the color of one’s skin. As humans, first and foremost, we share a universal desire for beauty, joy and utility.

“When anyone of us is threatened or discriminated against because of our race, religion, gender or sexual orientation, then none of us is truly safe nor free.”

**ANDREW COGAN, CHAIRMAN AND CEO**

We believe that embracing diverse perspectives contributes to inclusive workplaces and communities. Through our multiple policies and statements—our Code of Ethics, Diversity and Inclusion Statement, Equal Employment Opportunity and Affirmative Action Plan, Disabled and Veterans Policies, and Workplace Harassment Policy—we celebrate our differences, promote teamwork and foster continuous dialogue on how we can all collaborate more effectively.

Knoll is an Equal Employment Opportunity employer. Employment selection and related decisions are made without regard to race, color, sex, religion, age, national origin, disability, sexual orientation, gender identity, pregnancy, genetic information, veteran status or any other characteristic protected under federal, state or local law.

The Knoll Affirmative Action Plan is developed centrally on a calendar-year basis consistent with the corporate policy on equal employment opportunity. This Affirmative Action Plan provides for comprehensive reporting and monitoring procedure. Knoll also has a designated Equal Employment Opportunity Coordinator.

### ORGANIZING POLICIES & PRINCIPLES

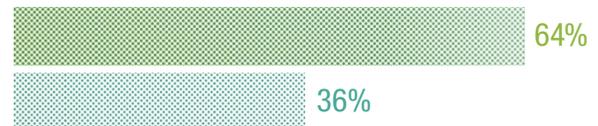
- Code of Ethics
- Diversity and Inclusion Statement
- Equal Employment Opportunity and Affirmative Action
- Disabled and Veterans Policies
- Workplace Harassment Policy

### U.S. DIVERSITY – GENDER BY CLASSIFICATION

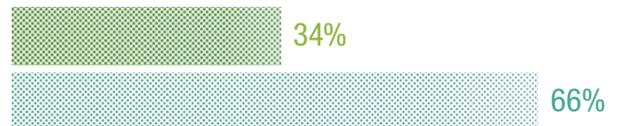
#### HOURLY



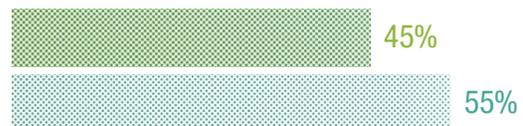
#### SALARIED



#### MANAGER/SUPERVISOR



#### DIRECTOR & ABOVE



● FEMALE ● MALE

For all U.S. Associates

**Our Strategy Focuses on Education, Talent and Accountability**

To promote diversity and inclusion, we cultivate a dialogue at all levels and rely on a feedback process. In 2020, we also established a Diversity Advancement Scholarship Program in our communities.

Our recruiting campaigns and practices are aimed at increasing diversity within our workforce. We strive to communicate clearly with potential talent on our diversity and inclusion commitments. We also seek to improve diverse representation through our promotion policies and practices.

We are committed to pay equity, to fair and equitable organizational practices, and to being transparent with our metrics and results.

In 2020, we established the Knoll Diversity and Inclusion Council to improve inclusion and diversity within our company and our industry. The Council will help us set priorities to promote ongoing education to build cultural competency, create action plans to drive better results in recruiting, retaining and promoting diverse talent, and establish metrics to hold ourselves accountable.

In 2020, we also committed funding to organizations that address inequality either in the design profession or within overall corporate culture. Together, with matched Associate contributions, Knoll donated \$71,000 in June 2020 to IIDA, National Organization of Minority Architects (NOMA) and Color of Change.

**Action for Diversity and Inclusion™ Pledge**

In 2020, Knoll Chairman and CEO, Andrew Cogan joined more than 1,300 CEOs who have pledged to take action to advance diversity and inclusion in the workplace. The CEO Action for Diversity and Inclusion™ Pledge focuses on four commitments:

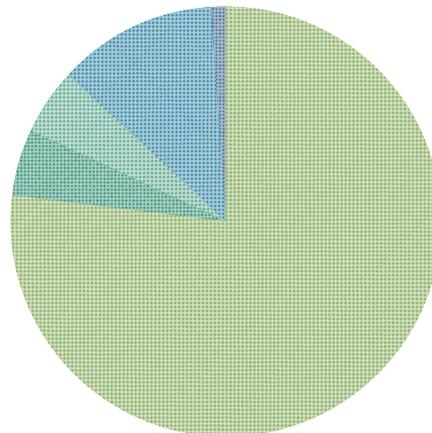
- + Cultivating trusting workplaces that can have complex, and sometimes difficult, conversations
- + Implementing and/or expanding unconscious bias education
- + Sharing best—and unsuccessful—practices
- + Creating and sharing strategic inclusion and diversity plans with the board of directors (or equivalent governing bodies)

The coalition is the largest CEO-driven business commitment to advance workplace diversity and inclusion in the United States.

**Looking Ahead**

Our Diversity and Inclusion Council is engaging a dedicated leader who can focus on diversity throughout Knoll—to update our policies and practices, attract more diverse candidates, and continue to educate our current workforce.

**U.S. DIVERSITY – ETHNICITY OVERALL**



**Caucasian**  
77%

**Black or African American**  
5%

**Asian**  
5%

**Hispanic or Latino**  
12%

**Two or More races (not Hispanic or Latino)**  
1%

*For all U.S. Associates*

**PAY EQUITY 2019 (SALARIED ASSOCIATES)**

	MALES	FEMALES	% OF PAY DIFFERENCE
<b>SENIOR LEADERS</b>	109	81	-6%
<b>MANAGERS</b>	199	137	+3%
<b>PROFESSIONALS</b>	353	720	+9%

*For all U.S. Associates*

*Our gender pay equity is a measure of the difference in the average pay of men and women across the professional roles in our organization.*

# Associates

## Well-being

### We Foster a Culture of Wellness

We know employees seek a work experience that enriches both their professional and personal lives. Our employee wellness journey, which has taken off since 2015, proves that whole-employee well-being is a powerful tool for boosting productivity, satisfaction, and retention, while also creating a stronger culture and driving business results.

### From Underperformer to Overachiever in a Few Short Years

Before 2015, Knoll struggled with employee wellness. We had a low participation rate for age and gender appropriate wellness screenings such as colonoscopies and mammograms; employees with chronic conditions often failed to adhere to prescribed treatment programs and medications; and many employees had not seen a medical professional in years.

We realized that we had to take action to turn this situation around. Starting with the Knoll Wellness Incentives, we actively set out to engage not just our employees, but also their family members in making health and wellness a top priority.

Our insurer, Highmark IBC, a PA Blue Cross Blue Shield (BC/BS) alliance, has supported our effort. Now over 80 percent of enrolled Associates have committed to engaging in wellness. They are entering into more conversations with their doctors which is leading to earlier potential diagnoses.

This engagement has produced better, healthier outcomes for our Associates and their families, and it has also reduced long term expenses for individuals and the company as a whole. Although Knoll insured almost double the number of Associates between 2016 and 2019, the net claims are almost the same. Not only that, Knoll's actual paid claims continue to perform better each year, resulting in annual increases that are less than national trends.

In our annual medical reviews with BC/BS, our insurer has commended us for going from one of their most challenging participant groups to their shining star. They often cite us as proof of the value of adhering to medical programs, visiting doctors regularly, and making time for appropriate medical screenings.

### Local and Global Programs

On the local level, we offer customized programs such as on-site yoga classes, walking clubs and weight control support.

For U.S. Associates, we have linked many activities with financial incentives. For example, in partnership with industry leader Virgin Pulse, we offer participants the opportunity to earn up to \$200 a year through activity-based efforts such as taking steps, tracking performance on smart watches and phones and third-party

### ORGANIZING POLICIES & PRINCIPLES

#### Knoll 8: Principle 5

#### Reduce risk to people and the environment

applications such as Strava; daily 10-second reading activities around mental well-being, nutrition and financial wellness; and group challenges that encourage employees to team up with friends and co-workers. We also offer incentives to reduce annual medical premiums for enrolled Associates and spouses/partners who simply visit their preferred medical professional, have a health blood screen, are tobacco free or enroll in a quit program, annually.

Other targeted wellness programs include: linking expectant mothers with certified maternity professionals at Blue Cross/Blue Shield once a trimester to ensure they take care of themselves and their expected baby; offering free diabetic test strips and related equipment; and providing enhanced coverage, starting at age 45, for screens such as covered colonoscopies.

Knoll also offers U.S. and Canadian Associates a comprehensive Employee Assistance Program (EAP) through a contract with Morneau Shepell. The EAP provides support and resources to Associates dealing with stress, grief or mental health issues, workplace challenges, drug and alcohol addictions, debt and other financial issues, retirement transitions, and child/elder/other dependent care. Our EAP also helps with wills and other legal matters.

### We Offer Our Associates Workplace Flexibility

Knoll's Flexible Workplace Policy covers 100 percent of our North American salaried Associates. The policy helps our Associates balance their work and personal responsibilities. Where appropriate, the policy allows for customized work hours, work from home (even pre-COVID-19) and the opportunity to bank hours to enable a shorter work week in the future.

### Comprehensive Leave Policies and Supports

Knoll's Parental Leave Policy allows for paid leave following the birth or adoption of a child by an Associate. Applying to both parents, the policy is designed to foster a supportive family environment.

In addition, to help Associates continue to work when they have dependents, Knoll allows Associates to set aside pre-tax money to use for eligible dependent care expenses that may occur

throughout the plan year. These include after-school care, child daycare, nurse/childcare tuition, emergency daycare, day camp, adult daycare, elder care, and care for a disabled dependent.

As part of our Employee Assistance Program offering, Associates can also access Morneau Shepell's family support specialists. Over the phone, these specialists can provide information and resources to help individuals cope with day-to-day or longer term challenges associated with pregnancy, adoption, parenting, child-care and schooling, and emergency home services.

In the United States, Knoll provides all Associates with income replacement insurance if they are unable to work for more than eight days due to injury or illness. For disability leaves lasting more than 90 days, Knoll offers Associates the opportunity to enroll in long-term disability coverage. Long-term disability benefits will last the Associate for as long as they are considered disabled and unable to work or until they reach their Social Security Normal Retirement Age.

In Canada, each province has an Employment Standards Act (ESA) that legislates rules around leaves and job protection. Knoll's leave policies for short- and long-term disability, as well as maternity, paternity or mandated leaves of absence for Canadian Associates meet these statutory requirements. Ongoing benefits coverage for Associates on leave is provided through Manulife.

## 2019 PARENTAL LEAVE DATA

	Male	Female	Total
Associates entitled to Parental Leave in 2019	1,953	1,349	<b>3,302</b>
Took Parental Leave in 2019	32	22	<b>54</b>
Returned from Parental Leave in 2019	27	19	<b>46</b>
Returned from Parental Leave in 2020	3	2	<b>5</b>
Did not return from Parental Leave	—	1	<b>1</b>
Still on Parental Leave as of Aug. 28, 2020	2	—	<b>2</b>
Still Employed 12 months after return	19	11	<b>30</b>
Left within 12 months after return	1	3	<b>4</b>
Still on leave or has not been 12 months since leave ended	12	8	<b>20</b>

*For all North American Associates*

## Looking Ahead

- + Continue to learn from global best practices.
- + Continue to foster a culture of openness and listening.
- + Ensure that senior leadership sets the example of living well.
- + Continue to explore new wellness offerings.
- + As the business expands, continue to educate Associates on our wellness programs.

# Associates

## Engagement & Development

### Engaged Associates Contribute to the Triple Bottom Line

Our business success—our longevity in the market, our innovations and our contribution to the world of design—are the direct result of a highly engaged team that is clear about our mission, vision and values. Similarly, our recognition as one of the world’s most sustainable designers and manufacturers of furniture, accessories and textiles is founded on a workforce that embraces the idea that sustainability is not separate from, but rather integral to, the triple bottom line, that is, people, planet and profits.

#### Training and Skills Development

In 2019, Knoll conducted extensive Associate training programs. This included leadership development, systems, compliance and Environment, Health & Safety training. In addition, Knoll Associates are offered a variety of programs to upgrade and improve their marketable skills and ensure continued employability. In the professional space, programs include Leadership Development, Mentorship and computer and information systems training (Oracle and Microsoft Office Suite). In the manufacturing space, we consistently offer opportunities for cross-training and upskilling.

In 2019, Knoll North America Sales Associates had access to over 100 hours of in-person and online product and skills development training. This included presentation skills, specification and account strategy workshops.

#### Freedom of Association and Bargaining

Knoll Associates enjoy freedom of association and bargaining. This freedom is reinforced through our Open Door Policy. The Policy ensures there is a standard procedure for treating all Associates fairly and equitably. It also facilitates their right to appeal the actions of those to whom they directly report.

#### Identifying Talent

Knoll’s in-house Talent and Development Leader works with business leaders to identify and prepare high performers for future opportunities. The Leader is also responsible for identifying areas where there may be knowledge gaps and creating training plans to address those gaps.

#### Feedback is Key

Knoll routinely provides performance feedback to Associates throughout our business. In addition to routine performance feedback, Associates are asked to assess themselves based on the goals they set at the beginning of each calendar year. Direct managers review these self-assessments and add their own feedback. Managers and Associates then meet to review

### ORGANIZING POLICIES & PRINCIPLES

Environmental Health & Safety Policy

Code of Ethics

Open Door Policy

Knoll 8: Principles 5, 6

Reduce risk to people and the environment; create safe products and services

### AVERAGE HOURS OF TRAINING PER YEAR

ALL EMPLOYEES

4.4 hrs

MALE EMPLOYEES

3.6 hrs

FEMALE EMPLOYEES

5.6 hrs

MANUFACTURING EMPLOYEES

2.3 hrs

PROFESSIONAL EMPLOYEES

6.9 hrs

EXECUTIVE EMPLOYEES

0.5 hrs

*For all North American Associates  
Data excludes sales training*

the assessment, discuss areas of development, and create a plan to address gaps, set goals and provide development for the upcoming year. In 2019, approximately 20 percent of Associates participated in this process through Knoll's talent development system.

We also assess training programs by seeking feedback from participants, leaders and trainers. Focus groups, surveys and lessons learned sessions all provide valuable feedback to guide future training efforts.

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## Leadership development, systems, compliance and Environment, Health & Safety training

is available to Associates

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### Looking Ahead

+ Continue to explore opportunities to advance Associate engagement and development programs.

# Supply Chain Management & Human Rights

## We View Our Supplies as Strategic Partners

In working with commercial, healthcare, education and government organizations worldwide, we hold that conducting business honestly, ethically and in compliance with all applicable laws is vital to our performance. We view our suppliers as our strategic partners. We expect our suppliers to deliver performance in line with the expectations of our customers, shareholders and communities.

### Supplier Guidelines Set the Standard

The Knoll Office Supplier Guidelines address our expectations and set standards for supplier performance and ethical practice in key areas, including environmental partnership, health and safety, human rights, and the prohibition against child and forced labor.

Our Code of Ethics also covers many areas of human rights and bans any form of engagement with suppliers who participate in unethical and unlawful practices.

Knoll has no operations or suppliers considered to have significant risk for incidents of child labor, young workers exposed to hazardous work and forced or compulsory labor. In addition to our Supplier Guideline and assessments, we also have strict terms in our purchase order and other supplier agreements banning the use of these practices and mandating compliance to applicable laws.

We also expect our suppliers to be partners of the environment, adhering to the same standards to which we hold ourselves. This includes a commitment to preserve natural resources, prevent pollution, and minimize any other negative impacts to land, air and water.

All new suppliers are subject to a new Supplier Assessment which includes Environmental & Social Responsibility criteria. Suppliers must disclose relevant ESG information which informs our supplier selection.

Existing suppliers undergo a yearly social responsibility review. The review extends beyond the immediate supplier to include our extended supply chain. We use supplier scorecards and quality audits to monitor compliance with our Policy and Guidelines.

## Looking Ahead

- + Complete assessment with our top 75% spend suppliers for Knoll Office by end of October 2020.
- + Obtain formal acknowledgment of Supplier Guidelines from our top 75% spend suppliers.

## ORGANIZING POLICIES & PRINCIPLES

Environmental Policy

Design for the Environment Policies

Code of Ethics

Supplier Guidelines

Supply Quality Handbook

Supplier Self-Assessment

Purchase Order Terms & Conditions

Knoll 8: Principles 1, 2, 6

Protect the biosphere; use natural resources responsibly; create safe products and services

# Customers

## Safety & Well-being

### We Design to Enhance Our Customers' Well-Being

Customer safety and well-being is important to us because it is fundamental to the DNA of our brand. We honor what Eero Saarinen called “the enthusiasm, the inspiration and the concern for human beings” that Hans Knoll brought to his customers. Paying attention to customer safety and well-being also reduces our risk, adds value for our customers and stockholders, and allows us to contribute broadly to the global community. Clients and dealers expect Knoll furnishings and products to go beyond safe: they expect our products to enhance their workday and improve their lives.

#### Customer Safety and Well-Being is Addressed at Every Stage of Our Process

Customer safety and well-being is addressed within Knoll from the beginning of product design, all the way through product development and testing, quality checks, production, and distribution. It concerns both internal teams—design, product development, marketing, operations, quality, procurement, logistics, legal—and external partners, such as dealers and our extended supply chain.

Knoll Office North American product development follows ISO 9001:2015 for the design and development of products and services. This quality management standard defines a process to demonstrate that we consistently provide products and services that meet customer expectations and applicable statutory and regulatory requirements.

To eliminate or limit hazardous emissions from products, we follow Design for the Environment (DfE) guidelines and seek to align with Intertek Clean Air standards. We do not use any chemicals that are known to be harmful to human health.

We are also active on the planning side to ensure that clients are creating a safe and healthy workspace with Knoll products. This impacts sales teams, technical resources, and often marketing.

All Knoll height-adjustable tables and benches conform to UL 962: The Standard for Safety for Household and Commercial Furnishings. This is the most stringent testing protocol for height-adjustable tables; tests are executed by a Nationally Recognized Test Lab (NRTL) to certify a base together with its entire scope of tops.

We assess all products prior to launch to ensure health and safety, and to ensure that all structural requirements are met. All major product launches are tracked closely for the first year, and we conduct a review after one year to determine if any improvements are needed for any part of the product.

### ORGANIZING POLICIES & PRINCIPLES

**Knoll 8: Principles 5, 6, 7, 8**  
Reduce risk to people and the environment; create safe products and services; restore the environment; inform the public

### KEY ACCOMPLISHMENTS

## Ongoing development of inclusive, informative marketing materials

If customers have questions or complaints, they typically reach out to dealers or sales representatives who in turn contact our customer experience, marketing or field service teams. Customer experience and field service teams then devise and implement a solution, sometimes with the support of additional teams.

We are committed to creating inclusive, informative marketing materials that clearly convey features, benefits and operational instructions.

One area that we do not control is installation. Typically, dealers source and provide their own installers, and while we provide installation instructions, on occasion issues do arise.

#### Our Products Enhance Health and Wellness

Knoll products, such as height-adjustable tables, ergonomic seating and lighting that reduces eye strain, contribute to our customers' well-being by being flexible and encouraging movement.

When designing Knoll products, we follow established structural and ergonomic guidelines (like the BIFMA G1 2013 Ergonomics Guideline), and BIFMA guidelines for specific product categories, like office seating, lounge and public seating, desk products, panel systems and storage. If there is an applicable BIFMA standard, we design to it; however, not all products designed by Knoll have an applicable BIFMA standard.

We also design for human factors at the workstation through standards provided by ANSI/HFES 100-2007. These require our designers to consider such factors as user postures, pinch points, exposure to wires, and the need to eliminate collisions with, for example, moving tables. Before a product is launched, our product development and quality control teams track and test for these and applicable BIFMA requirements, often at three times the basic requirement.

Our design team conducts its own research on ergonomics and also occasionally calls upon external consultants to provide objective input and assessments.

Finally, our marketing team and Certified Office Ergonomics Evaluator (COEE) sales representatives work with clients when ordering or installing products to help them understand ergonomic requirements and to adjust workstations for optimal performance.

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### Looking Ahead

- + Updating our lab to be ISO certified and BIFMA certified due to new BIFMA requirements.

# Product Certifications

## Independent Third-Party Certifications Build Brand Trust and Loyalty

We are an industry pioneer in advocating and submitting our products for independent third-party certification. We believe that respected third parties provide the most impartial and trustworthy foundation for broad compliance. Achieving product certifications is important because it holds us to high standards, helps minimize our environmental footprint, positions us as a trustworthy brand, and allows us to engage transparently with a broad range of stakeholders.

### Product Certifications Are a Company-Wide Concern

Product certifications are managed across teams, including product development, sustainability and environment, health and safety, and marketing and communications. We create Environmental Data Sheets for each new product before it is launched. Before a new product goes into design or development, our teams specify the certifications required for the product. Annually, we review all products to determine which ones require testing or certification renewal.

### Over 150 of Our Products Carry Certifications

We pursue a broad range of third-party certifications and ratings, including: LEED®, LEVEL® by BIFMA, Declare™, International WELL Building Institute™, UL GREENGUARD, Environmental Product Declarations (EPD), Intertek Clean Air, and the Forest Stewardship Council (FSC®).

Our internal policies and procedures draw on a range of industry practices, from BIFMA, the voice of the commercial furniture industry, to the ISO standard.

In 2019, 100 percent of our KnollStudio products and approximately 80 percent of our KnollOffice products were certified to at least one sustainability-based third-party certification.

Knoll Office KnollStudio, KnollTextiles, Edelman Leather and Spinneybeck | Fitzfelt have a presence in mindful MATERIALS, a free online library and product selection tool that contains information on the human health and environmental impacts of products from leading manufacturers. Designed by stakeholders from across the building industry, the mindful MATERIALS Library helps design teams incorporate transparent product information into their real-time decisions. The mindful MATERIALS website

## Looking Ahead

+ Expand our Clean Air certification to achieve 100% certification in our Knoll Office products.

## ORGANIZING POLICIES & PRINCIPLES

### Knoll 8: Principles 1, 2, 3, 6, 8

Protect the biosphere; use natural resources responsibly; reduce waste' create safe products and services; inform the public

not only displays various product certifications, including Clean Air, Declare™, LEED® Recycled Content, Forest Stewardship Council (FSC®), LEVEL® by BIFMA, and Environmental Product Declaration (EPD), but it also allows anyone to see how the product complies with various building standards, including Green Building Standards, Living Building Challenge, WELL, and LEED®.

For more information on our product certifications and to view sample product inventories, please visit [knoll.com/sustainable-design](http://knoll.com/sustainable-design).

## KEY ACCOMPLISHMENTS

100% of  
KnollStudio products  
and  
80% of  
Knoll Office products  
received at least one third-party certification



### Intertek Sets the Standard for Clean Air

In June 2019, Knoll adopted Intertek as our Indoor Air Quality (IAQ) third-party certifier. IAQ testing is used to determine if products and materials contain harmful toxins.

Intertek offers two levels of certification: Clean Air GOLD and Clean Air SILVER. The level is based on a product's environmental credentials, including whether the product qualifies for LEED® and WELL credits, and whether it is compliant with the USGBC® Low-Emitting Materials credit.

Over 340 Knoll products, ranging from Knoll Office to KnollStudio, including over 190 textiles, are Clean Air certified. Notably, 100 percent of our KnollStudio products carry the Clean Air certification.



**340**  
Knoll Office &  
KnollStudio products

are Clean Air Certified

**190**  
KnollTextiles  
products

are Clean Air Certified

# Customers & Communities

## Community Engagement

### We Engage with Communities to Create Solutions

Through various community and philanthropic initiatives, we strive to be part of the conversation and the solution to societal challenges. Engaging with the community not only provides benefits to the community, it also helps build employee and client loyalty, increases our brand value, and drives innovation within our company and throughout our industry.

“Giving back to the communities where we live and work has been part of the Knoll culture since our founding.”

**ANDREW COGAN, CHAIRMAN AND CEO**

### Giving Back Benefits Us All

We contribute to communities through philanthropy and Associate engagement. Our Associates also participate in a range of volunteer activities.

We support a variety of charitable causes, often developing partnerships with community organizations. In 2019, these included local charitable causes such as Breast Cancer Pink Campaign and our post-secondary school scholarships.

We are especially active in the arts and design sector, supporting the World Monuments Fund/Knoll Modernism Prize, the Cranbrook Academy of Art and local design exhibitions such as the Masters of Modern Farnsworth Exhibition and the Erwin Hower Retrospective at Yale University. We also support IIDA and American Society of Interior Designers (ASID) professional outreach programs.

### Looking Ahead

+ Continue to build on our three core initiatives: Design Scholarship; Habitat for Humanity and World Monuments Fund

### ORGANIZING POLICIES & PRINCIPLES

Inform the Public

Restore the Environment

### Knoll is the Founding Sponsor of the World Monuments Fund Modernism at Risk Program

Modernism at Risk includes programs dedicated to preservation, sustainable design and public advocacy. The program seeks to attract attention and international resources to address the dangers faced by Modernist buildings around the globe.

A cornerstone of Modernism at Risk is the World Monuments Fund/Knoll Modernism Prize. This is awarded biennially to a designer or design firm whose work enhances the public's awareness of the seminal role that Modernism plays in the built environment.

## Paying it Forward with Post-Secondary Scholarships

In 2020, we created the Knoll Diversity Advancement Design Scholarships for Black Students. The program will provide five Black 2021 high school graduates in the United States and Canada with tuition awards of \$10,000 annually for two- or four-year programs in architecture, graphic design, industrial and architectural engineering or interior design.

The scholarships will be administered by Scholarship America, a not-for-profit organization that works directly with students, parents, colleges, businesses and communities. Since its founding over 60 years ago, Scholarship America has focused on helping students break down barriers, open doors and access scholarships to achieve their college education dreams.

The Knoll Diversity Advancement Design Scholarships complement the Knoll Employee Scholarship program, which has, since 1998, awarded 676 scholarships to Knoll Associates' children and grandchildren to provide access to higher education and reduce the burden of student debt.

**DIVERSITY ADVANCEMENT**  
**Design Scholarship for Black Students**  
 Apply by January 14, 2021

**The Knoll Diversity Advancement Design Scholarships for Black Students are designed to develop the next generation of architects, graphic designers, industrial and architectural engineers, interior designers and industrial designers.**

**Applicants must:**

- Be a high school senior in the United States or Canada and identify as Black
- Be pursuing a design-related degree; majors include but are not limited to:
  - + Architecture
  - + Architectural technician/technology
  - + Graphic design
  - + Industrial design
  - + Industrial engineering
  - + Industrial production technology
  - + Interior design
- Plan to enroll in fulltime undergraduate study at an accredited two-year, four-year college or university or CEGEP institution for the entire upcoming academic year

**The Knoll Diversity Advancement Design Scholarships for Black Students are designed to develop the next generation of architects, graphic designers, industrial and architectural engineers, interior designers and industrial designers.**

The program provides scholarship awards of \$10,000 each, renewable annually, to 2021 high school graduates in the United States and Canada who identify as Black.

## Knoll Partners with Habitat for Humanity

To expand our commitment to good design and sustainable building practices, Knoll is joining global housing not-for-profit Habitat for Humanity, as a cause marketing partner, effective December 2020.

In 2019, Habitat helped over seven million people improve or build a place to call home. The organization often follows sustainable building practices and adheres to energy-efficient construction standards that prioritize safety, health and materials conservation.

The Habitat Knoll partnership has three components:

- + **Consumer Participation:** Effective December 2020, Knoll will offer a \$5.00 donate option for online sales at the Shop at knoll.com checkout and for orders placed at retail Knoll Home Design Shops in New York and Los Angeles.
- + **Financial Support:** From December 2020, Knoll will match consumer donations for a collective total of \$100,000.
- + **Volunteer Activity:** Knoll Associates will volunteer in four to-be-announced North America Habitat 2021 projects when COVID-19 restrictions have lifted.



# Governance

# Board Composition & Competencies

## We Believe a Diverse Board Brings the Most Value to Our Company and its Shareholders

We believe that a board that encompasses diverse skills, experiences and perspectives provides the most value to our company and our shareholders. We also believe that expertise, collegiality and chemistry among board members helps the board function smoothly and efficiently. A well-functioning board allows us to achieve our business and sustainability goals, protects us against risk, and serves the interests of our shareholders.

### Casting a Wide Net

To ensure a competent board, we evaluate potential directors' skills, experiences, perspectives, and personal qualities in a wide variety of areas, including:

- + Finance and accounting acumen
- + Educational background
- + Knowledge of our industry and related industries
- + Personal and professional integrity
- + Business or management experience
- + Crisis management experience
- + Leadership and strategic planning experience
- + Brand development and consumer marketing experience

### Setting High Expectations

The Knoll Code of Ethics applies to all Directors. Directors are expected to attend at least 75 percent of meetings, and to participate in Board and Committee self-evaluations.

### Diversity is Important

Diversity is one of the factors considered by our Nominating and Corporate Governance Committee in the director nomination process. We also consider race and gender diversity in evaluating whether the board as a whole has the right mix of perspectives to properly serve the company and its shareholders.

We have set a target of 30 percent for Knoll Board gender and racial diversity by year end 2020. In 2019, 22 percent of our board members were female. In 2020, we elected Jeffrey Henderson to the Board of Directors. He is the founder and creative director of AndThem, and is also recognized as a diversity and social impact leader.

## ORGANIZING POLICIES & PRINCIPLES

### Code of Ethics

#### We Value Independence

Independence is a key value for our board. Eighty-nine percent of board members are independent, including the Lead Director. As well, all Audit, Compensation and Nominating Committee Directors are independent.

#### Fostering Shareholder Engagement

The Knoll Proxy Policy facilitates shareholder participation by allowing for proxy voting. The policy also provides for a majority voting resignation in uncontested director elections, as well as annual advisory approval for named executive officer compensation.

# Risk Management & Climate Change Resilience

## Risk Management is a Top Priority

As a manufacturer, we are acutely aware of the need to manage a wide variety of risks, including ESG risks. This particularly means regulatory compliance risks and risks posed by climate change. Physical risks from climate change, such as natural disasters, extreme weather and power outages, affect our manufacturing and warehousing operations, our transport logistics and our supply chain. Our stakeholders expect us to be resilient in the face of climate change and to be prepared for the changing regulatory environment. They also expect us to develop innovative strategies and technologies to minimize our contribution to global climate change.

### We Have a Risk Management Committee

Our Enterprise Risk Management (ERM) Committee is composed of our Business Presidents, Chief Financial Officer, Chief Administrative Officer and VP of Internal Audit. This group sets priorities and provides overall risk management guidance.

Our Business Continuity Plan (BCP) Leadership Command Team, together with our Corporate Crisis Management Response Team, is responsible for establishing the recovery plans, procedures and strategy to respond to catastrophic climate events that could disrupt our ability to complete critical business processes.

When faced with a catastrophic event, our goal is to optimize business recovery. We seek to restore business functions and critical supply to minimize exposure and mitigate or eliminate permanent loss. We apply corporate and site specific guidelines to protect our people, property, brand, profitability and market share.

### We Have a Formal Risk Management Process

We have a formal Risk Management Process, which includes Risk Assessment, Prioritization and development of Response & Recovery plans.

The scope of the Assessment includes these risk areas: supply chain, operations, labor, distribution, technology, finance, environmental and security. ERM Committee determines the priority and measures risk performance as part of our regular cadence.

### We Actively Plan for Climate Risk

Our BCP covers climate risks and natural disasters under the “Environmental/ External” risk type within our Office segment. Our Risk Assessment scope covers the impact of climate change and the changing regulatory environment to our operations and business performance. We are committed to continually reducing our impact to the environment through our environmental management system and compliance with regulatory and certification requirements.

## ORGANIZING POLICIES & PRINCIPLES

### Environmental Management System

### Risk Management Process

#### Knoll 8: Principles 1, 2, 3, 4, 5

Protect the biosphere; use natural resources responsibly; reduce waste; conserve energy; reduce risk to people and the environment

We measure, manage and reduce climate risk throughout our Knoll Office North American manufacturing footprint. Our programs include clean technology that mitigates GHG emissions, energy efficiency to reduce energy consumption and increasing reliance on renewable energy sources. We also measure and manage waste and water from our Knoll Office North American operations.

### We Regularly Assess Our Risk

We periodically assess our risks. As part of our assessment process, the ERM Committee will identify any significant risks and direct the BCP Leadership Command Team to develop a prevention/mitigation strategy as well as plans for Emergency Response, Disaster Recovery and Business Continuity.

Our EHS Emergency Management & Response plan process, EMS and Business Continuity & Recovery plans are aligned to manage and monitor impact and continuously improve our resiliency.

### Key Accomplishments

In 2019, we developed and implemented a standard Risk Management Process across our business and determined standard metrics for EHS Compliance. In addition, we developed a Risk Management and Business Continuity plan for Knoll Office North America, including impacts from and resilience to climate change events.

## Looking Ahead

- + Continue to assess risk annually.
- + Expand Business Continuity Plan beyond our Office segment.

# GRI Content Index

Disclosures	Title	Content Location
<b>GENERAL DISCLOSURES</b>		
<b>ORGANIZATIONAL PROFILE</b>		
102-1	Name of the Organization	Knoll Overview
102-2	Activities, brands, products and services	Knoll Overview
102-3	Location of headquarters	Knoll Overview
102-4	Location of operations	Knoll Overview
102-5	Ownership and legal form	Knoll Overview
102-6	Markets served	Knoll Overview; <a href="#">Knoll 2019 Annual Report</a>
102-7	Scale of the organization	Knoll Overview; Our Stakeholders; Sustainable Product Design; Product Certification; Social; <a href="#">Knoll 2019 Annual Report</a>
102-8	Information on employees and workers	Knoll Overview; Associates Well-Being
102-9	Supply chain	<a href="#">Knoll 2019 Annual Report</a> , Our Stakeholders
102-10	Significant changes to the organization and its supply chain	<a href="#">Knoll 2019 Annual Report</a> , Opening Letter to Stockholders
102-11	Precautionary principle or approach	Risk Management and Climate Change Resilience
102-12	External initiatives	Sustainable Product Design; Chemicals; Materials; Product Certifications
102-13	Membership of associations	Knoll Overview
<b>STRATEGY</b>		
102-14	Statement from senior decision-maker	Message from the CEO
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	Knoll Overview; Sustainability at Knoll
<b>GOVERNANCE</b>		
102-18	Governance structure	Knoll Overview; Governance; <a href="#">Knoll Notice of 2020 Annual Meeting of Stockholders and Proxy Statement</a>
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of Stakeholder Groups	Our Stakeholders
102-41	Collective bargaining agreements	Associates Engagement and Development; <a href="#">Knoll 2019 Annual Report</a>

# GRI Content Index

102-42	Identifying and selecting stakeholders	Our Stakeholders
102-43	Approach to stakeholder engagement	Our Stakeholders
102-44	Key topics and concerns raised	Our Stakeholders
<b>REPORTING PRACTICE</b>		
102-45	Entities included in the consolidated financial statements	Knoll, Inc., including Knoll Office, KnollStudio, KnollExtra, KnollTextiles, Muuto, DatesWeiser, Spinneybeck   FilzFelt, Edelman Leather, HOLLY HUNT, and Fully
102-46	Defining report content and topic boundaries	Report content is based on stakeholder materiality assessment conducted spring 2020. Report content considers GRI's reporting principles for report content: Stakeholder inclusiveness, sustainability context, materiality, completeness
102-47	List of material topics	Our Stakeholders
102-48	Restatements of information	To our reasonable knowledge, we have not changed restatements of information in this report
102-49	Changes in reporting	About This Report
102-50	Reporting period	About This Report
102-51	Date of most recent report	About This Report
102-52	Reporting cycle	We strive to report annually
102-53	Contact point for questions regarding the report	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	About This Report
102-55	GRI content index	GRI Content Index
102-56	External assurance	This report has not been externally assured; Report content was reviewed internally and by a third party
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<b>Material Topic: Materials</b>		
301	Management approach	Materials
301-2	Recycled input materials used	Materials
<b>Material Topic: Energy</b>		
302	Management approach	Energy Use & Management; Environment

# GRI Content Index

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302-3	Energy intensity	Energy Use & Management
302-4	Reduction of energy consumption	Energy Use & Management
302-5	Reduction in energy requirements of products and services	Energy Use & Management
<b>Material Topic: Water and Effluents</b>		
303-1	Management approach: Interactions with water as a shared resource	Water Use & Management; Environmental
303-2	Management approach: Management of water discharge-related impacts	Environmental Management System
303-3	Water withdrawal	Noted omission. Not available for reporting period; We aspire to report on these metrics in future reporting
303-4	Water discharge	Noted omission. Not available for reporting period; We aspire to report on these metrics in future reporting
303-5	Water consumption	Noted omission. Not available for reporting period; We aspire to report on these metrics in future reporting
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305	Management approach	Greenhouse Gas (GHG) Emissions; Environment
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<b>Material Topic: Waste</b>		
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<b>Material Topic: Environmental Compliance</b>		
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# GRI Content Index

307-1	Non-compliance with environmental laws and regulations	Environmental Management System
<b>Material Topic: Supplier Environmental Assessment</b>		
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401	Management approach	Associates Well-being
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<b>Material Topic: Occupational Health and Safety</b>		
401-1	Management approach: Occupational health and safety management system	Associates Health & Safety
401-2	Management approach: Hazard identification, risk assessment, and incident investigation	Associates Health & Safety
401-3	Management approach: Occupational health services	Associates Health & Safety
401-4	Management approach: Worker participation, consultation, and communication on occupational health and safety	Associates Health & Safety
401-5	Management approach: Worker training on occupational health and safety	Associates Health & Safety; Employee Engagement & Development

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403-6	Management approach: Promotion of worker health	Associates Well-being
403-7	Management approach: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Associates Health & Safety; Customer Safety & Well-being
403-8	Workers covered by an occupational health and safety management system	Associates Health & Safety
403-9	Work-related injuries	Associates Health & Safety
403-10	Work-related ill health	Associates Health & Safety
<b>Material Topic: Training and Education</b>		
404	Management approach	Employee Engagement & Development
404-1	Average hours of training per year per employee	Employee Engagement & Development
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Engagement & Development
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Engagement & Development
<b>Material Topic: Diversity and Equal Opportunity</b>		
405	Management approach	Diversity & Inclusion; Board Composition & Competencies
405-1	Diversity of governance bodies and employees	Board Composition & Competencies; Diversity and Inclusion
405-2	Ratio of basic salary and remuneration of women to men	Diversity and Inclusion
<b>Material Topic: Child Labor</b>		
408	Management approach	Supply Chain Management & Human Rights
408-1	Operations and suppliers at significant risk for incidents of child labor	Supply Chain Management & Human Rights
<b>Material Topic: Human Rights Assessment</b>		
412	Management approach	Knoll Overview; Supply Chain Management & Human Rights
412-1	Operations that have been subject to human rights reviews or impact assessments	Employee Engagement & Development
412-2	Employee training on human rights policies or procedures	Employee Engagement & Development
<b>Material Topic: Local Communities</b>		
413	Management approach	Community Engagement

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413-1	Operations with local community engagement, impact assessments, and development programs OR Operations with significant actual and potential negative impacts on local communities	Noted omission. Not available for reporting period; We aspire to report on these metrics in future reporting
<b>Material Topic: Supplier Social Assessment</b>		
414	Management approach	Supply Chain Management & Human Rights
414-1	New suppliers that were screened using social criteria	Supply Chain Management & Human Rights
<b>Material Topic: Customer Health and Safety</b>		
416	Management approach	Customer Safety & Well-being
416-1	Assessment of the health and safety impacts of product and service categories	Customer Safety & Well-being
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No 2019 non-compliances
<b>Material Topic: Marketing and Labeling</b>		
417	Management approach	Chemicals
417-1, 2, 3	Requirements for product and service information and labeling OR Incidents of non-compliance concerning product and service information and labeling OR Incidents of non-compliance concerning marketing communications	Noted omission. Not available for reporting period; We aspire to report on these metrics in future reporting
<b>Other Material Social Topics (Non-GRI)</b>		
Product certifications	Management approach; Knoll Office and Studio product certification rate	Product Certifications
<b>CATEGORY: GOVERNANCE</b>		
<b>Other Material Governance Topics (Non-GRI)</b>		
Board competencies	Management approach	Board Composition & Competencies
Ethical business practices	Management approach	Knoll Overview
Industry leadership	Management approach	Sustainability at Knoll
Risk management	Management approach	Risk Management & Climate Change Resilience

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