COMMUNICATION ON PROGRESS

Reporting period: July 1, 2018 - June 30, 2019

August 20, 2019

This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.
## CONTENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO LETTER</td>
<td>3</td>
</tr>
<tr>
<td>ABOUT US</td>
<td>4</td>
</tr>
<tr>
<td>OUR MISSION</td>
<td>6</td>
</tr>
<tr>
<td>KNOLL SOCIAL RESPONSIBILITY</td>
<td>7</td>
</tr>
<tr>
<td>OUR 2019 METRICS AND TARGETS</td>
<td>8</td>
</tr>
<tr>
<td>HUMAN RIGHTS AND LABOR PRINCIPLES</td>
<td>9</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td>11</td>
</tr>
<tr>
<td>ANTI-CORRUPTION</td>
<td>16</td>
</tr>
<tr>
<td>SUSTAINABLE DEVELOPMENT GOALS</td>
<td>17</td>
</tr>
<tr>
<td>CONTACT INFORMATION</td>
<td>18</td>
</tr>
</tbody>
</table>
H.E. António Guterres
Secretary General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to confirm that Knoll Printing & Packaging, Inc. fully supports the Ten Principles of the United Nations Global Compact with regards to human rights, labor, environment and anti-corruption. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company.

Approximately one year ago, our packaging company started our sustainability initiatives, and to be quite transparent, it was clear we had some catching up to do. We recognized that we need to fully understand what materials we could use, how to source them, how to adapt our packages, and how to fully integrate sustainability into the DNA of our global company and all employees. I am thrilled to share that within one year, we have not only achieved these goals, but also surpassed them, and the initiative was embraced company wide.

We have committed our global resources to continue advancing the global goals within our area of impact. This includes:

- Promote a decent work environment at our offices and throughout our supply chain
- Ensure non-discrimination, gender equality, and anti-corruption throughout the company and supply chain
- Source alternative materials and promote environmentally friendly practices through design innovation
- Continuously monitor our consumption and production to identify areas of improvement

With continued education and collaboration with our customers, we foresee next year to be a period of implementation and measurable results in sustainable packaging. There will be an additional focus corporate-wide to implement our sustainability goals and empower every employee to be sustainability officers.

We’re very excited about being a part of shaping the future.

Sincerely yours,

Jeremy Cohen
CEO
Knoll Printing & Packaging, Inc.
New York
ABOUT US

Knoll Printing and Packaging (Knoll), a leader in the deluxe packaging industry, has delivered innovative and creative packaging solutions to luxury global brands since 1984. Knoll provides premium packaging to the world’s most prestigious brands, ensuring high quality, creativity, and accountability.

We supply secondary packaging (which is the assembly of cardboard and paper boxes used to protect the small bottles of perfume, cosmetics or spirits) to luxury brands according to required aesthetic specifications from our customers.

Knoll operates worldwide in five location: New York, Paris, London, Hong Kong and China. Our global presence allows us to source any materials and satisfy all manufacturing and delivery demands from anywhere in the world.
OUR MISSION

MISSION

- Continue to lead the Evolution of the luxury packaging industry by providing the most Innovative, Creative and Sustainable solutions to all projects.

STRENGTH

- Deliver Excellence by providing the best product and service
- Exemplify ‘Knoll Quality’ in everything we make, 100% of the time

COMMITMENT

- Recognize the Importance of Sustainable Development by ensuring that business activities do not have an adverse impact on people, planet and prosperity.
- Promote Success for the brands we are privileged to work with
- Nurture the Next Generation of Talent using our deep experience in design and manufacturing
In 2018, we launched Knoll Social Responsibility (KSR) initiative as a pledge to protect our people and planet. Based on our materiality analysis and to meet our sustainable development goals, KSR encompasses not only our own office operations but also extends to our supply chain and customers. Our president leads the top management in the development of corporate sustainability strategy and oversees the implementation of KSR.

We have dedicated staff working full-time on KSR, working closely and supported by top management personnel and representatives from each location. The team regularly participates in conferences in relation to the UN goals and issues. Additionally, Knoll is also a participant to two UNGC action platforms in 2019:

- Decent Work in Global Supply Chains
- Reporting on the SDGs

Providing accurate and complete information to our stakeholders is one of our core values. Hence, our sustainability team will lead the task to have the information in this COP reviewed by our stakeholders following the release.
OUR 2019 METRICS & TARGETS

PEOPLE

100%

Employees trained in person by top management on the Corporate Policy

Fully funded the postgraduate study of 4 PEOPLE in 2018/19

% of Women in Management Position

PRODUCT

200 METRICS TONS of plastic removed from our supply chain by 2020

100%

Tier 1 suppliers socially and environmentally audited by a third party or our internal editor

100%

Supply packaging made from use of FSC-certified materials by 2020

PLANET

0 air freight on selected items

Equivalent to saving of 468 TONS CO2 over 20 shipments
HUMAN RIGHTS AND LABOR PRINCIPLE

1. SUPPORTING AND RESPECTING HUMAN RIGHTS

Knoll released an updated corporate policy in 2019 that reflects our sustainability commitments. Employees from the five offices have been trained in person by top management on the Corporate Policy. The policy is very specific about human rights obligations from each and every employee, and that any human rights violation will lead to immediate dismissal.

Our Supplier Code of Conduct was released in 2019 to ensure that we are working with partners that share the same values. We met with our Tier 1 suppliers in early 2019 to explain the code and set of expectations for reporting and continuous environmental and social improvements. All new suppliers will also be required to sign the Code of Conduct before any business commences.

We have social audit requirements in place with all our Tier 1 suppliers conducted by a third party or our internal auditor. Our quality teams are also present on sites every day to monitor any inappropriate practices. This strong collaboration with our factories has been successful in ensuring that our Code of Conduct is maintained.

Traceability of our materials is also an important part of our responsible procurement, particularly wood products. This includes identifying the country of origin for papers and cardboards and encouraging the use of FSC papers.

To ensure consistency and transparency, we have released publicly both the Corporate Policy and Supplier Code of Conduct on our website: [https://www.knollpack.com/sustainability/](https://www.knollpack.com/sustainability/)
2. PREVENTION OF FORCED LABOR

Knoll recognizes that forced labor is a potential risk in our supply chain, which is often a result of using labor agencies to hire workers. Knoll does not use any labor agencies to hire staff in any of our offices globally. Additionally, Knoll does not hire contractors that are exposed to risks of forced labor. This is also expected from our suppliers as explicitly specified in our Supplier Code of Conduct.

3. ABSOLUTE “NO” CHILD LABOR

As required by our Corporate Policy, all Knoll employees must be at least 18 years old. We check ID card of 100% of our employees at the hiring stage to ensure that there is no chance of hiring anyone below 18 years old.

4. ZERO TOLERANCE OF DISCRIMINATION OR HARASSMENT

Knoll has a zero tolerance towards discrimination and harassment, which is clearly stated in our Corporate Policy. Any cases of discrimination or harassment will lead to immediate dismissal and dealt with personally by our president. Multiple workshops and resources have been conducted with all Knoll employees to promote an on-going awareness of respecting each other and outlining proper work place ethics. A corporate wide analysis and adjustment has been carried out to ensure sufficient social protection and consistency of wage exists across our five offices.

5. PROVIDING EQUAL OPPORTUNITY AND SUPPORTING DEVELOPMENT

Knoll is committed to providing equal opportunity to everyone:

• We conduct annual reviews to understand our employee’s experience and expectations.
• Every employee has been empowered and compelled to directly and privately contact the President of our company if they have a grievance, as the president takes a personal interest in the health and welfare of all employees
• Our employees are offered extensive training opportunities to continue developing their skills and expertise.
• We provide scholarship opportunities and fully funded the postgraduate study of 4 people in 2018/19. The scholarship program will continue in 2019/20.
• We commit to continuously empower women. As of June 30, 2019, 60% of top management in the company are women.
ENVIRONMENT

1. EXPLORE ALTERNATIVES WITH LESS IMPACT TO THE ENVIRONMENT

We consider design innovation to be the most relevant lever to promote environmentally friendly practices by offering alternative options for plastic components, and whenever possible, recyclable and renewable materials. Since we produce over 400 different items annually, we have started to present different options to all our clients to drive and implement change. We will be the initiator and drive the process of change in our industry. Through our eco-design options, we aim to reduce 200 tons of plastic from our supply chain by 2020, and to only supply packaging made from use of FSC compliant materials.

Sustainable Options
Biodegradable Polybags

Recyclable Transfer Mylar

Eco-Friendly Films
Communication

We work closely with our customers to ensure that they are equipped with a full understanding of their packaging and aspects of sustainability to encourage proper product end-of-life treatment.

Sustainable Packaging Analysis

For our sustainable packaging solutions, we conduct analysis on the environmental benefit to fully understand the impact of decisions. This also includes life cycle analysis to better understand the impact of our packaging as compared to the newly identified eco-design options. We plan to extend the use of such tools to feed enriched dialogue with customers.

2. RENEWABLE ENERGY

Photovoltaic Solar Panels: In 2009, our top management initiated the transition of energy used in our New York office to renewable energy. The installation involves 52 photovoltaic solar panels from Suntech, with total peak power of 10.4 kilowatt. Power generated by the panels are used for the building and any extra generation is sent back to the electricity grid.
3. INITIATIVE TO PROMOTE ENVIRONMENTAL RESPONSIBILITY AND USE OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

To celebrate World Environmental Day 2019, we created an inter-office photo contest to highlight and encourage environmentally friendly practices across the company. Submission to the contest was open to anything environment-related, such as philanthropic activities, green IT practices and waste reduction. Awards were distributed to acknowledge the efforts and motivate for further improvement. This contest will be conducted again next year as our offices continue to expand their environmental responsibilities.

1 - Knoll Beach Clean Up 2019 in New York
2 - Minimizing use of disposables
3 - Promoting healthy lifestyle
4 - Responsible paper consumption
4. PROMOTING SUSTAINABILITY THROUGHOUT THE SUPPLY CHAIN

Over the last year, we have worked with our supply chain to promote the sustainable development goals. This includes formulizing our new Supplier Code of Conduct and meeting regularly with our suppliers to work closely on minimizing environmental impact. From these benchmarks, regular audits will be held to monitor and consistently improve the environmental practices.

Our suppliers have agreed to work with us to improve their environmental performance, and also to keep records of performance, which will be shared. Actual record of consumption attributed to Knoll will be critical for us to promote responsible consumption and production. All our Tier 1 suppliers are also environmentally audited by third party auditors.

5. MINIMIZING THE NEED TO DELIVER OUR PRODUCTS BY AIR

We recognize that air delivery should be minimized in order to cut CO2 emission. Since 2017, Knoll has done extensive work in order to reduce the need for air freight delivery of product. We explored new ways of production planning which involves a calculation system to forecast future demands of high-volume products. Due to the new forecast system, we have been able to eliminate air freight delivery on these high-volume products.
Anticorruption

Knoll has a zero tolerance toward corruption within the global company and throughout its entire supply chain. This has been made clear to all employees and suppliers and it is included in our Corporate Policy. Anti-corruption is part of our founder’s and top management values and in person training has been conducted with our employees to explain these policies, including gratuities, conflict of interest, anti-competitive practices, and how to behave with customers.
SUSTAINABLE DEVELOPMENT GOALS

KNOLL PRINTING AND PACKAGING KEY UN SUSTAINABLE DEVELOPMENT GOALS

We have identified the following SDGs as our key area of impact and have committed our global resources to continue advancing these objectives.

Knoll promotes a decent work environment at its locations and throughout its supply chain
• Consistency in wage and social protection among our employees
• Equal opportunities for all employees
• Continuous training and developing opportunities
• Promoting a healthy work atmosphere and environment

Knoll considers design innovation and production process as the most relevant lever to promote environmentally friendly practices.

Knoll closely monitors its consumption and production, and utilizes this information to identify areas for improvement.

Knoll recognizes the impact of single use plastic on river and ocean ecosystem and is committed to minimize Knoll product’s impact through eco-design options.

Knoll establishes an on-going dialogue with our stakeholders to obtain better understanding of our impact. This includes cooperation with our suppliers, customers and non-governmental organization to gain a deeper connection with the outside world.
CONTACT INFORMATION

UNITED STATES
Knoll Printing & Packaging Inc.
149 Eileen Way
Syosset, New York 11791
United States

Phone: +1 516 621 0100
Fax: +1 516 621 0438

EUROPE
Knoll Prestige Packaging
10 rue Beffroy
92200 Neuilly sur Seine
France

Tél: +33 1 76 21 49 10

Knoll Printing & Packaging, UK
48 Couzens Close, Chipping Sodbury
Bristol BS37 6BT
United Kingdom

Phone: +44 (0) 1454 601963

HONG KONG
Knoll Asia HK LTD.
Flat B&C, 22/F Seabright Plaza
9-23 Shell Street
North Point
Hong Kong

Phone: +852 2219 8800
Fax: +852 2219 8080

CHINA
Knoll China LTD.
MaoHui Industrial Areas, Henglan
Town, Zhongshan District
Guangdong
China

Phone: +86 760 8768 2728
Fax: +86 760 8768 2721

email: ksr@knollpack.com
website: www.knollpack.com