COMMUNICATION ON PROGRESS

Reporting period: Jan 1, 2019 – Dec 31, 2019

April 30, 2020

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.
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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 express our intent to continue advancing those principles in our sphere of influence and as part of the corporate strategy, operations and culture of our company.

This last year we experienced the shift to implementation of our Sustainability Development Goals. Through continued education and collaboration with our customers, we were able to support them in their efforts to begin eliminating plastics and create more sustainable packaging that has the least adverse impact on our environment. This has created true momentum in our industry that has already garnered positive results for our planet.

The progress we’ve seen with our customers is a direct reflection of the support and excitement from our own Knoll Packaging team members. This last year we focused on educating and engaging our staff on the 10 Principles of the UN Global Company. This included full company participation with the UN Global Compact Academy, and on-going dialogues, discussions and workshops about how we can protect our people and planet. As a global company, it’s been remarkable to see how the Principles have helped our teams work more collaboratively and show more compassion for each other.

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

The work we’ve done so far is truly tested by the crisis we are facing in 2020, and it is our ongoing goal to keep protecting the health of our communities. It is a chance to go back to our roots, what brought us to where we are today, and use the 10 Principles of the United Nations Global Compact to help guide our future. There is hope at the end, as long as we keep vigilant to these Principles.

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 six locations: New York, Paris, London, Los Angeles, 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) as a pledge to protect our people and planet. Based on our materiality analysis and to meet our sustainability development goals (SDGs), 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 participate in conferences in relation to the SDGs and other issues. Knoll is also a participant to two United Nations Global Compact (UNGC) action platforms in 2019: Decent Work in Global Supply Chains and Reporting on the SDGs. In September 2019, Knoll was announced as a Global Compact LEAD participant, being among the most highly engaged participants of the corporate sustainability initiative.

“It’s an honor to be named a LEAD company and to be included amongst such a remarkable group of global organizations. Approximately 95% of all enterprises globally are SMEs, and very few have been able to achieve this milestone. Over the last year, our company has fully integrated sustainability into our DNA and we are committed to our SDGs. We learned that doing business responsibly is in line with our corporate strategy, and we found almost unanimously within the company a passion to pursue these goals. And, we learned that the milestones in our industry are measurable, recognizable, achievable, and the process is just exciting and fun.” – Jeremy Cohen, CEO and President of Knoll

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

PEOPLE

100% Employees trained in person by top management on the Corporate Policy

Hat Fully funded the tertiary education study of 4 people in academic year 2018/19 and 2 people in academic year 2019/20

60% Women in management position

100% Employees covered with social benefits according to corporate policy

SUPPLY CHAIN

100% Tier 1 supplier have valid social and environmental audit recognitions given by a third party or our internal auditor
**PLANET**

- **50%** Repeat order packaging items proposed for eco-design improvements to customers
- **CO2 NEUTRAL** Knoll locations worldwide are carbon neutral (GHG scope 1 and 2 emissions) through reforestation project by Pur Projet
- **7%** of consumed energy for Knoll’s global offices comes from renewable sources
- **5 TONS** of single use plastic removed from our products

**GOVERNANCE**

Established personal connections with 3 external stakeholders (NGOs, Federations, etc.) to better understand our impacts and improve our social responsibility awareness
OUR TARGETS

PEOPLE

100%
Employees trained and signed the corporate policy in 2020

SUPPLY CHAIN

Supply 100% packaging made of FSC-certified material by 2020

Make all packaging reusable, recyclable or compostable by 2021

Completion of the development of raw material information collection system. Understand 100% of raw materials consumption information & traceability to tier 2 level by 2022

PLANET

Supply validated recyclable materials in all Knoll customer proposal made from the highest level or recycled content materials available

Establish a long-term climate change mitigation that includes scope 3 emissions

GOVERNANCE

Escalate our involvement with these external stakeholders to minimize negative impacts and maximize positive impacts.
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 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 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 identify any inappropriate practices. This strong collaboration with our factories has been successful in ensuring that our Code of Conduct is maintained.

On top of audit requirements, we established connections with different NGOs to better understand our supply chain impacts. Through this connection, we are able to identify potential human rights violation risk in our supply chain. We aim to further collaborate with these NGOs in 2020 in order to minimize negative impact and maximize positive impact. Potential engagement in discussion is to invest in collaborative projects with suppliers and local communities to make them more resilient.

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. We have provided FSC-certified material options to our customers in 2019 and we have committed to supply 100% packaging made of such material by 2020.

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/
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 agency 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 cards of 100% of our employees at the hiring stage to ensure that there is no chance of hiring anyone below 18 years old. Knoll also investigates into risk of child labor in our supply chain. In 2019, we engaged with a NGO specialized in complex supply chain to help us audit sub-suppliers where risk of potential child work could be found. This is a work in progress, and audit has not yet been performed.

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 workplace ethics.
A corporate wide analysis and adjustment has been carried out to ensure sufficient social protection and consistency of wage exists across our offices. All of our employees are covered with social benefits according to our corporate policy.

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 expectation.
• Employees are encouraged to voice out their opinion. When direct communication is not possible/not comfortable for the employee, the employee can use our online ‘Suggestion Box’ or the ‘Grievance/Whistleblowing’ form. All submissions will be reviewed, investigated and dealt with as quickly as possible by top management.
• Every employee has been empowered and compelled to directly and privately contact the CEO of our company if they have a grievance, as the CEO 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 also provide scholarship opportunities and fully funded the postgraduate study of 4 people in 2018/19 and 2 people in 2019/20. In the future, the scholarship opportunity will be extended to family member of Knoll employees.
• We commit to continuously empower women. As of December 31, 2019, 60% of top management in the company are women.
6. OTHER ACTIVITIES

• The Mid-Autumn Festival is a significant festive day for the East Asian Communities which is celebrated by eating mooncakes, a symbol of completeness and prosperity. However, for underprivileged groups mooncakes can be a luxury. Knoll and our employees from the Hong Kong office and China office donated a total of 188 mooncakes to the underprivileged through an NGO, Ginko House, based in Hong Kong.

• To promote reduction in using disposables, Knoll purchased bread bags from Lygo as an internal gift to celebrate 2019 Christmas. Lygo is a France-based social enterprise with workshops located in Senegal, who works with handicapped people and battered women to help offer them a new life.
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 sustainable options to all our clients to drive and implement change. We will be the initiator and drive the process of change in our industry. In 2019, we have presented sustainable options for over 50% of our repeat order items. Through this initiative, we removed 5 tons of single use plastic from our products, and this amount will continue to increase until we have removed all plastic from our products.

Sustainable Options

- Molded pulp
- FSC Papers
- Biodegradable Ribbons
- 100% Recyclable Materials
Biodegradable Polybags

Recyclable Metalized Paper

Eco-Friendly Films

This bag is 100% biodegradable and compostable. Please consider the environment.
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 includes life cycle analysis to better understand the impact of our packaging as compared to the newly identified eco-design options. In addition, we also engaged external parties to help with recyclability/repulpability assessment of commonly used material. We plan to extend the use of such tools to feed enriched dialogue with customers.

2. RENEWABLE ENERGY

Photovoltaic Solar Panels: 7% of our consumed energy in 2019 come from renewable energy. 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. We commit to continually promote environmental responsibility and diffusion of environmentally friendly technologies.

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 sustainability development goals. This includes formulating 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.

We are currently developing a raw material consumption data collection system, which is expected to be launched in 2020. The system will allow us to better understand our consumption and suppliers beyond Tier 1. It can also help with our effort to provide alternatives with less environmental impact. Our goal is to understand 100% of our consumption by 2022.

We are also committed to provide 100% packaging with FSC-certified material by 2020.

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. With the new forecast system implemented in May 2018, we have been able to minimize air freight delivery on these high-volume products. There are unexpected fluctuations in demand leading to air shipments, but Knoll will continuously work to improve the production planning system and eliminate air shipment on our products.

![Air Shipment % on Selected Items](image-url)
6. OTHER ACTIVITIES

- We are committed to engage with NGOs to better understand our environmental impact. In 2019, we have started to establish connections with different NGOs and aiming to further collaborate in 2020.

- We recognize that we are dependent on forestry product for the production of our packaging. Knoll decided to plant 1,000 trees in Peru through PUR PROJET, which is committed to work with companies to regenerate the ecosystem they depend upon. Additionally, PUR PROJET also empower local communities to operate long-term socio-environmental projects in order to deliver full positive impacts. We are glad to be able help reforestation and the environment, and also help people in need. Our effort contributes to climate change mitigation by capturing 300 tons tCO2e as each mature tree is expected to store 300kg tCO2e.

- In September 2019, Knoll arranged a factory visit to Pocheco, a highly sustainable factory in France. The visit allows us to better understand the concept of a sustainable factory and circular economy, which helps us identify areas of improvement. We also experienced an agroforestry and permaculture workshop led by Pocheco.
ANTI-CORRUPTION

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.
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