HAWORTH®



2007 SUSTAINABILITY REPORT

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SUSTAINABILITY IMPACTS & OPPORTUNITIES.

Research suggests, our planet is being negatively impacted by human activities. Yet, we can be a catalyst for positive change. For Haworth, many of these changes are interrelated. Climate change has increased awareness of the need for green building, which in turn drives demand for more sustainable products.

Climate Change. Haworth was the first in our industry to make a commitment to climate change. Our pledge through the U.S. Environmental Protection Agency's Climate Leaders program is to reduce U.S. Greenhouse gas (GHG) emissions by 20 percent per dollar sales by 2009. Should the U.S. Government choose to regulate GHG emissions, we could be impacted. In the meantime, our GHG emissions continue to decrease and remain low compared to other industries.

Green Building. Research confirms that the conventional building model is unsustainable—change is essential. Green building is transforming the global construction industry. For Haworth, green building is an opportunity and obligation.

To meet the opportunity, we have evolved our business from an office furniture manufacturer into a workspace solutions provider. We are increasingly involved earlier in the planning and building process and our engagement has translated into growth.

Our obligation is to support growing numbers of mandatory regulations, product certifications and information requirements related to green building and sustainability initiatives. These require at a minimum additional tracking, labeling, documentation and control requirements. Long range, it requires change to business as usual for our industry.

More Sustainable Products and Workspaces. Haworth is well positioned to meet the demand for more sustainable products. Our approach to product development—life cycle thinking—emphasizes the design of integrated, flexible workspace solutions in addition to single products. While technology is changing how people work, Haworth's flexible interiors are poised to evolve and help lead change.

DEAR STAKEHOLDERS,

It is with great pride in our achievements, yet with humble acknowledgement of the journey we still face, that we offer this report on our 2007 efforts to achieve our objective of becoming a sustainable global organization.

To begin, we're proud to say that we've included data from all our locations around the world—no easy task, given the size, scope and diversity of our global organization. However, thanks to the efforts of our members to gather that information, this document represents the first global edition of our Sustainability Report. We believe it marks a symbolic and a tangible step toward helping us make wise use of our planet's resources.

One of the ways we express our commitment to sustainability is through the design and construction of our own spaces. For example, our global headquarters features many sustainable elements including a 45,000-square-foot green roof, and a three-story, 35,000-square-foot glass wall. These design choices not only enhance our sustainability objectives for our headquarters, but also powerfully demonstrate that a sustainable space can be beautiful, efficient, and inspire the mind and spirit. We look forward to sharing all that we've learned about sustainable spaces with our customers, members, colleagues and friends throughout the world.

However, Green Building and Sustainable Site Management is only one of Haworth's seven sustainability objectives. We also made significant progress in other objectives during 2007—including Sustainable Product and Workspace Design. We infuse Design for the Environment (DfE) strategies and complete integration in all our new products. In particular, our AllWays™ desking system, introduced in the Asia Pacific region last year, earned GREENGUARD® certification as a low-emitting product, as well as Australia's Good Environmental Choice certification.

Our Planes® collection of tables, carts, credenzas and podiums earned MBDC Cradle to Cradle™ Silver certification. In Canada, our offering of laminate desks, credenzas and storage products made by Haworth-owned Groupe Lacasse®, earned GREENGUARD certification for Children and Schools. Last year also marked the introduction of the BRAZO desk lamp; 85 percent more energy efficient than traditional lights, boasts a 50,000-hour life span and is 97 percent recyclable.

Ultimately, everything comes down to people, even sustainability. We support our members when they give back to the world in which we live. They donate time and money to charitable organizations around the world. They give of themselves, not for recognition, or for the sake of Haworth, but because their hearts compel them to act.

We believe the health of our planet and the health of our people are entwined. We encourage our members to adopt healthy lifestyles in many ways: from making all our U.S. sites smoke-free in 2007, to covering participation fees to events such as community walks, bike races and marathons within every community we operate. We realize that bettering the world begins with bettering people, be it through company charitable donations or through our members' independent commitments.

As always, we are indebted to Haworth members worldwide for their efforts to advance our sustainability initiatives. We are grateful for our partnerships with environmental industry leaders, our dealer members, suppliers, customers and communities. These important relationships enable us to expand our knowledge and extend our circles of influence in our drive to make sustainable business practices the true "global standard."



Richard G. Haworth
Chairman
Haworth, Inc.



Franco Bianchi
President & CEO
Haworth, Inc.



WHO WE ARE.

OUR VISION
At Haworth, we create beautiful, effective and adaptable workspaces.

OUR MISSION
Using our products, services, and knowledge, our mission is to provide each of our customers with a tailored interior that enhances their business, stirs their spirit, and sustains the planet.

OUR VALUES
At Haworth we value:
- Customers
- Results
- Members
- Continuous Learning
- Integrity
- Our World

OUR HISTORY
The Haworth story begins in a garage in 1948. G.W. Haworth began producing wooden display units in his garage to earn money for his children's college education. This pioneering spirit, coupled with a desire to take his future into his own hands, led to the growth of what is now a third-generation, privately-owned company.

Over the last 25 years, the company has evolved to a global enterprise dedicated to superior customer satisfaction, engineering and design innovation and sustainability.

After 60 years in business, Haworth remains guided by the people and values that have made it one of the top manufacturers in the industry.

HAWORTH MILESTONES

1950

1948 – G.W. Haworth makes a career change—from a high school industrial arts teacher to the founder of Modern Products. His goal? To put his five children through college.

1954 – The company begins its shift toward office environments.

1956 – Groupe Lacasse is established.

1970

1976 – The company changes its name to Haworth, Inc. and unveils the world's first pre-wired modular panel.

1988 – The company undertakes a major strategic global expansion plan. comforto® is acquired in Germany as the first European presence.

1988 – Haworth becomes a charter participant in the EPA 33/50 program, a pollution prevention initiative.

1990

1992 – castelli®, in Italy, joins Haworth Europe group.

1993 – Haworth's on-site corporate recycling center opens.

1999 – Haworth acquires dyes® and art collection® in Germany.

1999 – The Ahlen, Germany manufacturing plant becomes the first Haworth facility—and one of the first in the industry—to receive ISO 14001 certification.

2000

2000 – Haworth acquires SMED and expands into walls, floors and interior architecture.

2000 – Haworth acquires Groupe Lacasse.

2003 – InterfaceAR joins the family, adding greater raised-flooring capabilities.

2004 – New organic workspace approach unveiled at Chicago showroom during NeoCon tradeshow, designed by Perkins+Will, Eva Maddox and Haworth.

OUR STRATEGY

We are driven to create great places to work, and believe that our ability to provide our customers with unique solutions that match their needs—backed by research, knowledge, global perspectives and products—is unique in the industry. We call our approach the Organic Workspace.

The Organic Workspace is a truly flexible workspace that can respond continuously to the changing business needs of our clients. It improves effectiveness, helps achieve sustainability goals, increases life cycle value, and virtually eliminates waste.

Moveable walls, access floors, modular furniture systems and an integrated utility platform blend seamlessly into integrated workspace interiors. Using Design for the Environment (DfE) strategies, common planning logic, flexible connections, and an integrated aesthetic and design sensibility, Haworth products are truly great on their own, but even better together.

Design. Our products combine design, research, science and quality, creating visually compelling and high-performing workspaces that inspire people, enhance our customers' brand and culture, and positively impact business results.

Global Capabilities. Our vast and diverse Haworth family gives us a truly global presence. Not only do our research and products originate from around the world, our capabilities enable us to serve our customers everywhere they do business.

Sustainability. Haworth's goal is to lead the green revolution by example. Our workspace solutions are designed to assist our customers in reaching their own sustainability goals, while placing great importance on protecting the environment.

Knowledge. Workspace knowledge is the quality that binds together our design, global capabilities and sustainability. Our knowledge of ergonomics, psychology and workspace culture is continuously researched by our team of experts and applied in our workspace solutions and product applications.

2005

2005 – Haworth's Chicago, Illinois, USA 2004 NeoCon showroom is the first space in the Merchandise Mart to be certified LEED-CI Gold and is named "Project of the Year" by IIDA's Annual Interior Design Competition.

2005 – Haworth introduces Zody seating, the first chair in the industry with Gold-level Cradle to Cradle certification by McDonough Braungart Design Chemistry.

2006

2005 – Haworth is first in the industry to join the EPA Climate Leaders program and pledges to reduce greenhouse gas emissions by 20 percent per dollar sales by 2009.

2006 – First in the industry to issue a sustainability report based on guidelines of the Global Reporting Initiative.

2006 – Los Angeles, California, USA showroom is certified LEED-CI Gold.

2007

2006 – Dallas, Texas, USA and Washington, D.C., USA showrooms are registered LEED-CI Gold.

2007 – Shanghai, China and Pune, India manufacturing facilities ISO 14001 certified.

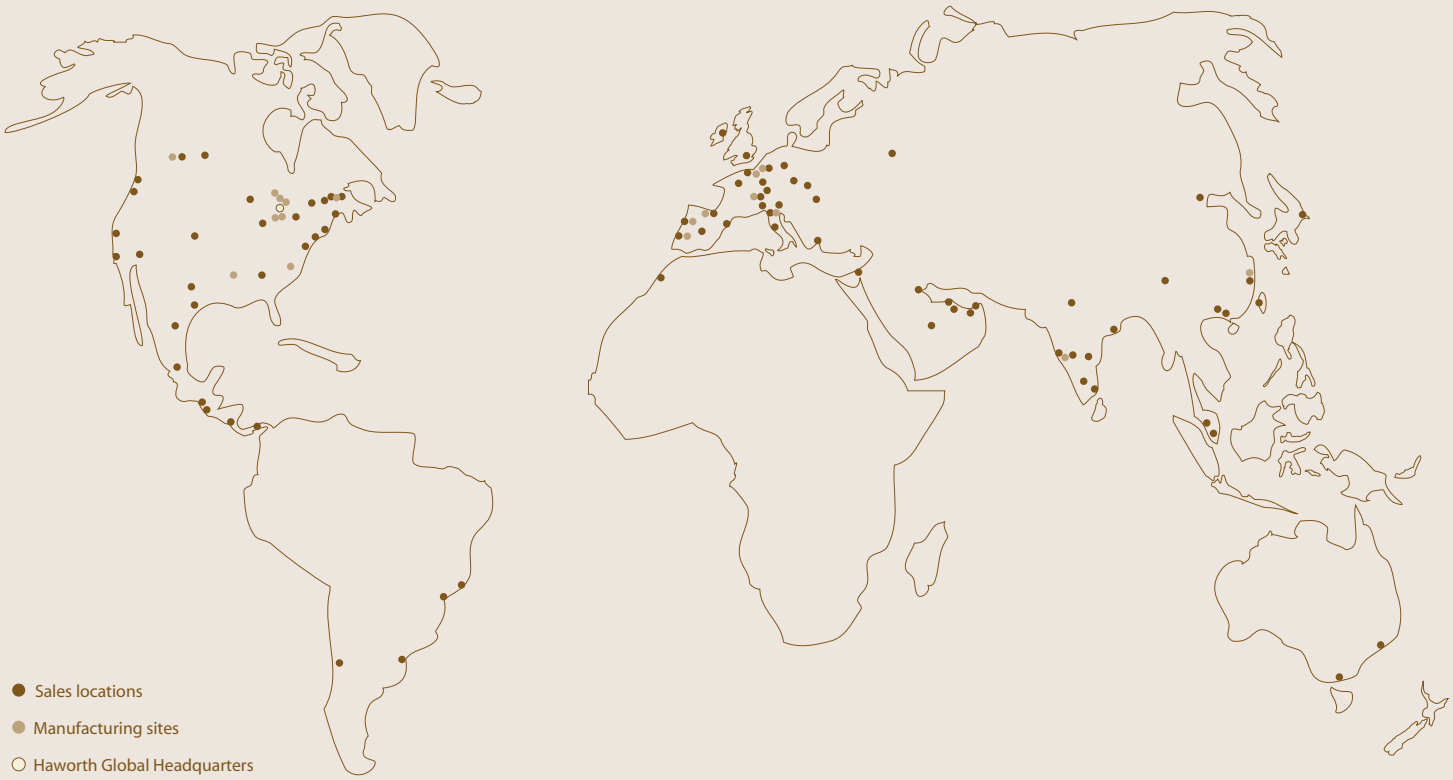
2007 – New York, New York, USA; Calgary, Alberta, Canada and Toronto, Ontario, Canada showrooms are registered LEED-CI Gold.

2008

2007– Pune, India showroom is certified LEED-CI Gold.

2007– Haworth headquarters renovation project earns a People's Choice Award in the first EPA Lifecycle Building Challenge.

2008 – Haworth unveils its updated headquarters in Holland, Michigan, USA, registered LEED-NC Gold.



OUR COMPANY.

Haworth International, Inc. is a privately held global corporation, headquartered in Holland, Michigan, USA. Haworth serves two types of markets:

- contract furniture and workspace interiors
- mid-market furniture

Haworth, Inc. serves the contract furniture and workspace interiors markets with three global sectors:

- North America
- Europe
- Asia Pacific, Middle East, Latin America

Haworth dealers, who are independent businesses, provide sales and service support to our customers. In the contract furniture and workplace interiors market, Haworth and its dealers work with diverse groups of decision makers (architects, designers, facility managers, etc.) who are part of an often complex process to select, specify, plan, and purchase furniture and workspace interiors.

Groupe Lacasse, a separate operating company, services the price-conscious, mid-market segment. These customers typically do not use architecture and design firms for facility planning. They work directly with dealers or through catalog retailers. Business is largely transactional, requiring little if any pre- and post-sale services. Large contract furniture customers also use mid-market products and make purchases through their existing contract furniture dealers.

HAWORTH BY THE NUMBERS

- 7,600+ members worldwide
- More than 600 dealers worldwide
- Operations in more than 120 countries
- $1.66 billion in global sales for 2007

Right: Showroom in New York, New York, USA.





EUROPE

Markets served: Contract furniture and workspace interiors

Brands:

comforto, established 1863, joined Haworth in 1988. A leading name in the field of high quality, innovative ergonomic seating, it includes Zody_System 89.

castelli, established 1877, joined Haworth in 1992. Products such as the Plia chair are tangible symbols of the success of Italian craftsmanship and design.

dyes, established 1901, joined Haworth in 1999. Focus is on furniture systems for changing environments.

art collection, established 1946, joined Haworth in 1999. Executive office environments embody timeless design yet reflect a new management culture.

Haworth, established in 1948. Organic workspace solutions built to adapt to the needs of its occupants.

Primary products: Seating, furniture systems, conference solutions, public seating, wall partitions

Research and development: Management furnishings in France; systems furniture, wall partitions and public seating in Italy; seating in Germany

Sales channels: Europe and Africa are served by local dealers, local Haworth sales force and the Haworth Europe export team

2007 Highlights:

- Haworth Germany joined B.A.U.M., the largest European business environmental organization.
- Haworth Italy received chain-of-custody certification from the Program for the Endorsement of Forest Certification Council (PEFC).
- The factory at San Giovanni in Persiceto, Italy was recognized with the Anver award for eco-compatibility after their evaporative waste water recovery process recaptured 75% of water, saving 900,000 liters.

Above: Audience® by art collection.



ASIA PACIFIC, MIDDLE EAST, LATIN AMERICA

Markets served: Contract furniture and workspace interiors

Brands: Haworth

Primary products: Furniture systems, seating, executive offices, conference solutions

Research and development: Shanghai, China

Sales channels: Served by local dealers and local Haworth sales force

2007 Highlights:

- Haworth Asia Pacific took a leadership position in the design and manufacturing of more sustainable products. AllWays desking system joins Zody seating in receiving the Good Environmental Choice Australia certification.
- Pune, India showroom received LEED-CI Gold certification.

Above: Showroom in Shanghai, China.



NORTH AMERICA

Headquarters: Holland, Michigan, USA (global headquarters)

Markets served: Contract furniture and workspace interiors

Brands: Haworth

Primary products: Moveable walls, access flooring, integrated modular systems furniture, desking systems, seating, executive casegoods, freestanding wood, laminate and steel casegoods, freestanding storage products, conference solutions, electrical and cabling support systems, lighting

Research and development: Holland, Michigan, USA; Calgary, Alberta, Canada

Sales channels: Served by dealerships and Haworth sales force through regional sales offices

2007 Highlights:

- Opened showrooms in New York, New York, USA; Calgary, Alberta, Canada and Toronto, Ontario, Canada are registered at the LEED-CI Gold level.
- The Holland, Michigan, USA 300,000-square-foot global headquarters renovation is listed as one of the largest LEED projects in the state. It is a true living laboratory of adaptable workspace and design.
- Introduced Planes conferencing solutions and BRAZO desk lamps, two more sustainable product solutions. Planes is McDonough Braungart Design Chemistry (MBDC) Silver cradle to cradle certified and BRAZO is 85% more efficient than incandescent lights.

Above: Showroom in New York, New York, USA.



GROUPE LACASSE

Established: 1956

Headquarters: St. Pie, Quebec, Canada

Market served: Mid-market, North America

Brands: Lacasse®, Nvision® and United Chair®

Primary products: Laminate casegoods, seating, systems, lateral filing and storage, and educational furniture

Research and development: St. Pie, Quebec, Canada

Sales channels: 1,910 non-exclusive dealers in Canada and the U.S.; ranges from small, one-store dealerships up to large contract dealers

2007 Highlights:

- Groupe Lacasse laminate casegoods were the first casegoods in the industry to receive GREENGUARD certification for Children and Schools.
- An investment in new production machinery at the St. Pie, Quebec, Canada manufacturing facility reduced particleboard waste. Sawdust and board waste are burned to generate energy in an off-site cogeneration facility.

Above: Saggio, Groupe Lacasse.

SUSTAINABILITY.

OUR SUSTAINABILITY VISION

Haworth will become a sustainable corporation. We engage our people and processes and employ our resources to provide sustainable and adaptable workspace solutions in a manner which protects and restores our environment, creates economic value, and supports and strengthens our communities.

OUR SUSTAINABILITY POLICY

Striving for sustainability is our corporate responsibility. We will be an example and operate to ensure future generations are not compromised.

To this end, we commit to the following:

- We will use education and innovation to promote environmental stewardship and enable the design and construction of more sustainable buildings and workspaces.
- We will continuously improve operational performance, not only internally but also throughout our supply chain, with a focus on preventing pollution, reducing waste, and reducing consumption of non-renewable resources.
- We will use benchmarked performance targets, conduct audits, track metrics, and annually report on our corporation's environmental performance.
- We will be proactive, continually adapting our practices and behaviors to new developments in technology, health and environmental science.
- We will meet or exceed applicable legal requirements and other requirements related to the environmental aspects of the organization.

We recognize our responsibility as a global corporation and we will work in harmony with the communities in which we operate and the markets we serve.

Haworth leaders and members adopt and support the Haworth Policy for Sustainability. We will also communicate and promote acceptance of this policy to everyone working for or on behalf of the organization. This policy forms a framework for activities, product design, services and decision-making and promotes engagement of the entire organization.

Haworth is dedicated to sustainability leadership and will continually evolve this policy to ensure our commitment.

LONG-TERM SUSTAINABILITY OBJECTIVES

Based on our vision and policy to become a sustainable corporation, Haworth is committed to these seven sustainability objectives and has supporting short- and long-term goals.

1. **Sustainable Product and Workspace Design** Understand, reduce and eliminate the negative environmental impacts from the manufacture, use and end-of-life management of Haworth products and workspaces.

2. **Energy Management.** Increase energy efficiency and utilize renewable energy alternatives to become climate neutral, with the long-term objective of utilizing 100% renewable energy.

3. **Green Transportation.** Eliminate harmful emissions associated with the distribution of Haworth products and services and member business travel.

4. **Zero Waste and Emissions.** Eliminate waste and emissions associated with corporate operations and the production of products and services. This includes elimination of all greenhouse gases.

5. **Green Building and Sustainable Site Management.** Use green building design and practices to construct new buildings and interior renovations for all Haworth facilities worldwide and ensure sites in use are managed for sustainability.

6. **Social Responsibility.** Support the communities in which we conduct business and operate as an ethical organization.

7. **Stakeholder Engagement.** Engage all Haworth stakeholders in our path toward sustainability.

The long-term objectives were developed based on executive, member and other stakeholder feedback and benchmarking 50 best-in-class companies. By developing products and services that challenge conventional construction paradigms and provide more sustainable alternatives, Haworth is working with our stakeholders to evolve our industry to a more sustainable model.

OUR SUCCESSES

Developed global governance to support objectives. In 2007, we developed a global governance structure to support worldwide development and rollout goals and metrics related to our sustainability objectives. Executive sponsors and champions help drive strategic initiatives, while sector leaders help drive objectives at the functional level. This structure supports measurement systems that are relevant and meaningful to all sectors.

Continued member education on the concepts of sustainability. Online training modules are accessible from a Web-based learning portal or via DVD modules. In-person presentations and training on the technical aspects of sustainability also support awareness, engagement and development of members.

Continued integration of Design for the Environment (DfE) strategies. Worldwide, DfE strategies guide product development efforts, while Life Cycle Assessment (LCA) provides feedback on the impacts of design, sourcing, manufacturing, distribution and end-of-useful-life product decisions.

Continued waste-reduction efforts. ISO 14001 planning and lean manufacturing tools are accelerating waste and emission reduction programs in Haworth facilities worldwide. Members see and understand the benefits. In turn, they integrate reducing, reusing and recycling activities daily using lean manufacturing tools.

Continued green-building efforts by registering or certifying nine facilities. In 2007, nine facilities were registered or certified Gold-level according to the LEED Green Building System™. These include the corporate headquarters renovation project in Holland, Michigan, USA and the Pune, India showroom and offices.

AREAS FOR IMPROVEMENT

Reduce transportation emissions and dependence on depletable fuel sources. Unprecedented fuel prices have intensified efforts by our carriers to reduce fuel use. Reduced idling, lower speed and other strategies are reducing fuel use. An increasing number of carriers are also blending biofuel with diesel, contributing to a reduction in Haworth's total emissions.

Engage members in sustainability efforts. We have been successful in engaging members in recycling efforts, and will increase our efforts in other areas.

Implement energy management projects. Our focus was on research and feasibility studies related to energy management projects in 2007. We have started significant new projects to reduce energy consumption in 2008.

SIGNIFICANT CHANGES

Reduction in operations. Haworth closed its Rexdale, Ontario, Canada plant in 2007 due to excess capacity and increased efficiencies. Manufacturing operations were transferred to other North American regional facilities. Consolidation of operations reduced energy, water and natural gas consumption for total operations, and costs for transportation to U.S.-based customers. All members were assisted with job transition programs and severance pay.

As well, Groupe Lacasse closed one of three manufacturing plants and all active projects were transferred. This reduced inter-plant movement of product, total energy use and sound pollution for neighboring areas. Almost all employees were retained and jobs transferred.

New Operating System. SAP was chosen as our Enterprise Resource Planning (ERP) provider in 2006. SAP ERP implementation is among the largest initiatives Haworth has ever undertaken and will support all of our major business and functional processes. SAP ERP replaces several systems that could not be integrated. This global project will take three years to implement.



SUSTAINABLE DESIGN.

SUSTAINABLE PRODUCT AND WORKSPACE DESIGN.

We believe in life cycle thinking—creating individual products that encompass Design for the Environment (DfE) strategies. We design products that interface and integrate to create a more sustainable workspace environment. The result is interiors that flex and change with an organization and extend the life cycle of the workspace, in alignment with our customers' business goals.

Individual products meet DfE and ergonomic priorities and protocols. For example, materials and chemicals are reviewed against our Red, Yellow, Green Chemical Assessment. This assessment consolidates internationally accepted information sources to classify materials according to impacts on human health and the environment.

Materials are also selected based on recycled content and/or recyclability at the end of useful life. Materials with an existing infrastructure for recycling and products designed for easy disassembly are more likely to be recycled.

Life cycle assessments are conducted during new product development to help determine the impacts of design, materials and processes before products are finalized.

Finally, our products complement our workspace platform through integrated design, planning and connection logic. Integration builds flexibility and adaptability for design, and reduces redundancies and waste generated by change.

Haworth products are sustainable solutions when used alone. Used together they create more adaptable, more sustainable work environments.

Above: Compose® system integrated with Enclose™ moveable walls.













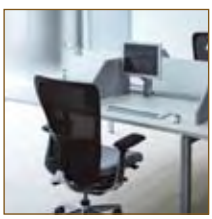


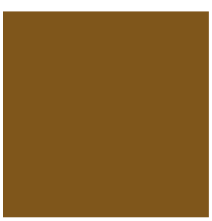




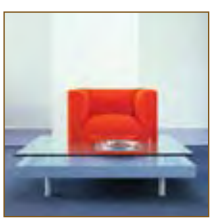




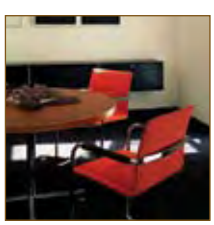














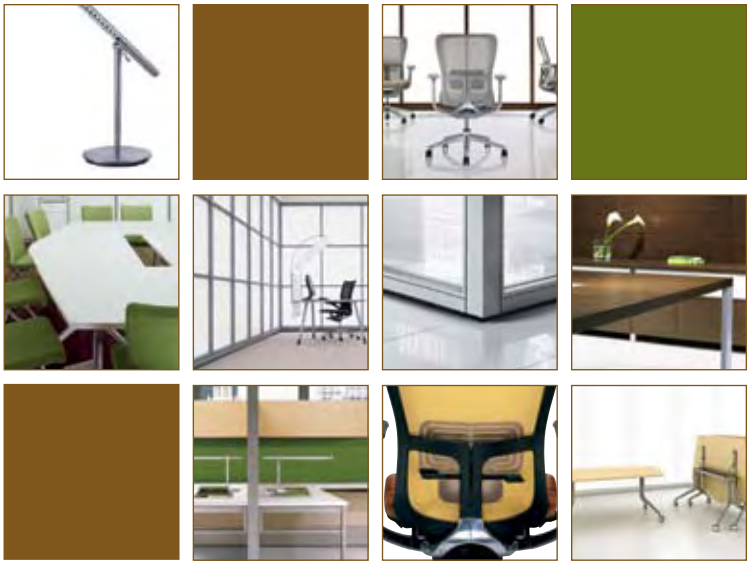


Left to right, top row: q_bic; Bay; Zody_System 89; Next; Compose; a_con conference. **Second row:** Penelope; Hello®; Showroom, Berlin, Germany; DSC Axis 9000; s_con; Essence. **Third row:** TC 4000; System X-66; m_sit; Freeline; Bay; Showroom, Frankfurt, Germany. **Fourth row:** AllWays; System 55; System 39; Plia; Tutti; b_sit. **Fifth row:** Vertical Offices; Epure; Candor™ with Planes; System X-99; q_bic. **Sixth row:** TF Tutti; Hexagon; Showroom, Madrid, Spain; DSC Axis 10000; Dialog; Tea; SE04. **Bottom row:** Audience; Esedra; Essence; Showroom, Los Angeles, California, USA; Hello.

HAWORTH BY THE NUMBERS

- 28 product lines certified as low-emitting
- 14 product lines analyzed using Life Cycle Assessment
- 7 product lines third-party certified as more sustainable
- 2 product lines third-party certified as climate positive*

*Zody and AllWays products sold in the Australian market are certified as "climate positive" due to the elimination of life cycle greenhouse gas emissions through the purchase of carbon offsets.





ALLWAYS DESKING SYSTEM

In 2007, the Asia Pacific sector introduced AllWays, a systems product backed by research from the international design consultancy of DEGW and certification by Good Environmental Choice Australia.

- GREENGUARD certified
- Free of PVC, chrome, polybrominated diphenyl ethers (PBDE) and formaldehyde
- Strawboard core worksurfaces with formaldehyde-free binder (Strawboard is made from rice straw, a renewable agricultural by-product)
- Up to 53% recycled content by weight
- Manufactured in ISO 14001 certified facilities
- Purchase of renewable energy credits equals the electricity used in assembly
- Disassembly under 10 minutes at end of life
- All parts are labeled and identified for recycling
- Designed for perpetual change and reuse with simple connections and durable materials
- Life cycle analyzed to optimize the carbon footprint

BRAZO DESK LAMP

BRAZO was designed by Pablo Pardo of Pablo Designs in San Francisco, California, USA, and launched at NeoCon 2007. It was the first lighting product to ever win NeoCon Best of Competition. The desk lamp has fully adjustable, calibrated light control, a precision-quality machined recyclable aluminum body and an LED light source that provides years of service with little maintenance.

- Utilizes high-powered, high-quality LEDs that are 85% more efficient than incandescent lights
- Lifespan of up to 50,000 hours
- 97% recyclable
- First desk lamp to offer focus control—allowing the user to dial into any desired light spread—in addition to full dim control
- Arm rotates 360 degrees infinitely, pivots upward 90 degrees, and features a height adjustment range of 14 to 21 inches for maximum user comfort and control

Above: Left to right, top row: BRAZO desk lamp; Zody. **Second row:** Planes; LifeSPACE® moveable walls with Moxie®; Enclose moveable walls; Planes conference solutions. **Third row:** BRAZO desk lamp; Zody; Planes conference solutions. **Bottom:** AllWays.

PLANES CONFERENCE SOLUTIONS**

Planes was designed by Haworth Design Studio, Dan West and Daniel Figueroa, of Bad Münder, Germany and introduced in 2006 by the comforto brand for Haworth Europe. It was extended globally in 2007 to North America. This collection can be integrated with any Haworth systems product and includes tables, carts, credenzas, podiums, easels, boards and wall tracks.

- Designed as part of the global Haworth platform: kit of interchangeable parts integrates seamlessly with systems furniture, moveable walls, casegoods and architectural elements
- MBDC Cradle to Cradle Silver certification
- GREENGUARD certified
- EcoShield™ water-based wood finish
- Green core option: 100% recycled tree fiber and no added formaldehyde resin

ZODY® SEATING**

Designed by ITO in Germany, Zody is a high-performance task chair that blends science-based wellness and comfort, international design, and best-in-class sustainability. Zody is manufactured in China, Germany and the United States for global distribution.

- Up to 51% recycled content; up to 98% recyclable
- MBDC Cradle to Cradle Gold certification
- GREENGUARD certified
- Purchase of renewable energy credits equals the electricity used to assemble in Asia Pacific and North America
- Certification by Good Environmental Choice Australia
- FIRA Ergonomics Excellence Award
- Patent-pending back support system developed by the Human Performance Institute at Western Michigan University
- First chair endorsed by the American Physical Therapy Association
- Free of PVC, chrome and chloroflourocarbons (CFCs)
- Designed to be disassembled at end of life
- Recycling symbols identified on components
- Product take-back program (end of product life)
- Life cycle analyzed to optimize the carbon footprint

INDOOR AIR-QUALITY CERTIFIED PRODUCTS

Poor indoor air quality can adversely impact health, learning and productivity. The LEED Green Building Rating System recognizes the importance of good air quality. LEED requires third-party air certification for systems, casegoods and seating products for some of its rating systems. Both GREENGUARD Air Quality Certification® and SCS Indoor Advantage™ Gold certification system meet LEED requirements.

All major product lines for Haworth North America, Asia Pacific and Groupe Lacasse are air-quality certified by GREENGUARD or SCS Indoor Advantage Gold. Ensuring our products do not adversely impact air quality is important since people spend up to 90 percent of their time indoors.

Groupe Lacasse. Groupe Lacasse earned the GREENGUARD Children & Schools Certification for their freestanding casegoods, United Chair seating and steel storage and filing. These products have passed a series of demanding tests required by the GREENGUARD Environmental Institute (GEI) and are confirmed as low emitting products that do not affect indoor air quality. One hundred percent of Groupe Lacasse products are certified by the GEI.

**Planes and Zody material, finishes and certifications may vary by sector.

ENVIRONMENTAL PERFORMANCE.

ENERGY MANAGEMENT

Greenhouse Gas Emissions. Haworth is working on ways to reduce energy use and our greenhouse gas (GHG) emissions, to reduce—or better yet eliminate—any negative environmental impact on future generations.

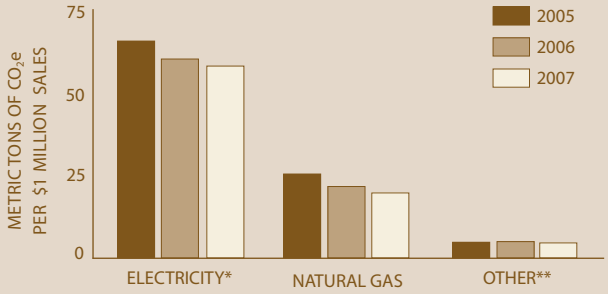
EPA Climate Leaders Pledge. Haworth was the first company in the industry to make a public commitment to reducing impacts from our operations on climate change. We joined the EPA Climate Leaders program in 2005 and pledged to reduce U.S. GHG emissions by 20 percent per dollar sales by 2009. Our reduction at the end of 2007 was 11.4% percent. Our GHG emissions are relatively low compared to other industries; however, our long-term objective is climate neutrality.

The primary sources for GHG emissions from Haworth operations are electricity and natural gas. Other sources of GHG emissions controlled by Haworth include a small leased fleet of delivery vehicles, a corporate jet and member travel. They are represented as "other" on the chart above.

Using a Renewable Energy Source. Haworth is committed to renewable energy sources to reduce overall demand on depletable resources. Part of our commitment is through purchasing renewable energy credits for manufacturing and showroom facilities.

- All Haworth LEED facilities offset 100% of their energy requirements through Green-e certified renewable energy credits. This is twice the level required by LEED (50% offset).
- Green-e certified wind energy credits offset the energy consumed in manufacturing Zody seating and AllWays Desking Systems. Through this program, our North American and Asia Pacific manufacturing facilities support the construction and operation of renewable energy.
- Global renewable energy sources are part of our energy portfolio.

Greenhouse Gas Emissions Normalized to Sales



* Shanghai, China operations consumed an average of 800 tons of steam not included in this calculation

** Includes employee air travel, Haworth-owned transportation, minor emission sources

IT Operations. Haworth was an early adopter of VMWare, a virtual server environment. At our headquarters in Holland, Michigan, USA 15 physical servers provide computing resources for 223 virtual servers. Results include:

- Power load reduction of over 118 kW or more than 1000 amps
- Heat output wBs reduced by 47% with resulting energy savings
- Cost avoidance for replacement equipment estimated at $400,000

Our net impact is lower cost of ownership, better server utilization, increased efficiencies and lower energy use/cost.



Right: Haworth purchases renewable energy credits from the Klondike wind energy facility in Sherman County, Oregon, USA.



GREEN TRANSPORTATION

Haworth focuses on reducing the environmental impact from transportation of materials inbound from suppliers, product outbound to customers and member travel. We contract with third-party carriers in the U.S. and internationally for most product transportation. Carriers are chosen based on criteria that include their focus on sustainability.

Global Footprint. Our goal is to measure our global transportation footprint. Our method for calculation is a manual process. Currently, only Asia Pacific and the U.S. share the same transportation system and information availability varies by sector. Our new global operating system will enable us to automate and incorporate more information for better tracking.

Inbound Transportation. As a global corporation, Haworth purchases materials and components from suppliers around the world. We attempt to use suppliers that are regionally near the manufacturing operation. However, in some cases, suppliers may provide parts for all locations around the globe.

We recently opened a freight consolidation operation in China to allow us to combine weekly volume from multiple suppliers in China into a consolidated container load. This allows us higher cube utilization and ultimately fewer containers needed to support our inbound shipments. Our next freight consolidation operation is planned for 2008 in Taiwan.

For inbound freight in West Michigan, we collaborate with other area companies to "ride share," reducing costs and trucks on the road. We are implementing an inbound transportation management system for planning our inbound volume, allowing us to combine suppliers on multi-stop deliveries.

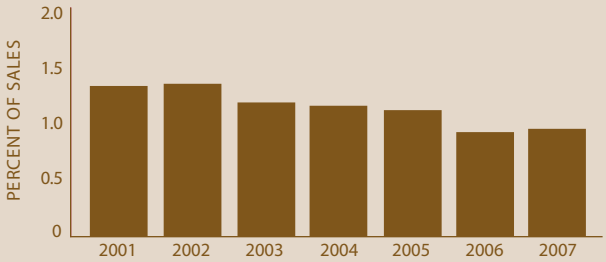
Haworth also leases a fleet of five diesel truck tractors for pick-up and delivery throughout West Michigan, where our highest concentration of suppliers and manufacturing facilities are located. The fleet will be updated in early 2008 with more fuel-efficient and low-emitting tractors. We expect to save close to 4,000 gallons of diesel fuel per year and significantly reduce the associated emissions.

Outbound. The Haworth Transportation Management System (TMS) schedules deliveries to reduce transportation mileage and the total number of truckloads. The system effectively consolidates all orders scheduled to an area within a set delivery time frame to create full truckload shipments. Full truckload shipments make fewer stops, reducing the total miles driven per order and the amount of handling and potential for damage. Less damage also translates into fewer delivery miles for replacement orders.

Packaging. Packaging is required to protect product from damage during transport, so it can't be completely eliminated. Bulk packaging and blanket wrapping can effectively reduce packaging volume; however not all products, projects or customer locations can accommodate these options.

Typically, approximately 10 to 50 percent more chairs can be loaded on a 53-foot trailer by using blanket wrapping. As one example, blanket wrapping reduced the number of shipments for one U.S. installation last year by 15 trailers, saved almost 1,600 gallons of diesel fuel and avoided 17 tons of carbon dioxide emissions when compared to corrugated carton packaging.

Packaging Costs





MOVING GOODS WHILE REDUCING FUEL AND EMISSIONS

Carrier Partner Equity Transportation Co.
Walker, Michigan, USA

Equity Transportation Company is a nationwide third-party carrier and Haworth partner actively engaged in finding better ways to move goods while reducing fuel use and related emissions.

Of their trucks, 125 are outfitted with an aftermarket retrofit that provides combustion enhancement by mixing hydrogen and oxygen with the vehicle's intake air. This creates a more complete burn of the fuel that results in decreased emissions and increased torque, horsepower and gas mileage.

Results:

- Tests conducted at Iowa State University, Ames, Iowa, USA, confirmed very low soot levels, which relates to unburned fuel. Tests also showed very low hydrocarbons and particulate matter in the exhaust.
- Mileage has increased 10 to 15% and emissions are at levels mandated for 2014 using 1998 engines. The company estimates that this technology will save over 2,000 gallons of fuel per truck and pay back their investment in 18 months.
- Savings from the "cleaner" burn are anticipated by extending oil change intervals from 60,000 miles to 150,000 miles or more.

CLOSED-LOOP RECYCLING

Manufacturing Facilities

Imola, Italy
Our manufacturing facility in Imola, Italy, purchases Ecopannelli, a composite wood board used in product manufacturing. Containers located just outside the plant are used to collect the waste generated from cutting and processing the board. The waste goes to the Ecopannelli plant, where it is made into new wood board products—closing the loop on industrial waste. In this situation, the economic and environmental benefits balanced to make this a feasible solution.

Ahlen, Germany
Haworth seating manufacturing facilities in Germany almost exclusively use polyethylene bags for packaging chairs, as opposed to cardboard boxes. The bags are collected by the shipping company after delivery, then sent back to the bag manufacturer for recycling.



ZERO WASTE AND EMISSIONS

Recycling with a Goal to Eliminate. Haworth operations focus on waste reduction and recycling. Our corporate headquarters waste recycling center opened in 1993 and to date has recycled over 131,757 tons of waste. ISO 14001 environmental management systems (EMS) and lean manufacturing strategies and tools, help us generate new ideas and opportunities to further reduce waste and emissions.

Landfill Reduction. West Michigan operations significantly reduced waste-to-landfill volume in 2007 by shipping particleboard waste to a waste-to-energy facility approved by the Michigan Department of Environmental Quality. The facility burns waste to generate energy for its surrounding communities. Haworth diverted over 10 million pounds of waste from landfill under this program. Until there are alternatives for particleboard recycling or reuse, this is our best strategy for reducing the environmental impact of landfill and gaining value from energy production.

E-Waste. Haworth is a partner with Comprenew, a non-profit organization that uses e-waste recycling as a resource for learning. Teamed with the Grand Rapids Public Schools in Grand Rapids, Michigan, USA, Comprenew provides after-school and summer work skills training programs that teach students how to repair and refurbish computers and electronic equipment for resale, as donations to other non-profit organizations or to process them for recycling. Reuse and recycling prevents electronics waste—toxic metals and chemicals content—from contaminating landfills and posing a public health risk.

E-waste has also been reduced during the renovation of corporate headquarters in Holland, Michigan, USA. The building features wireless communications via Voice over Internet Protocol (VoIP). This avoided over 407,000 feet of copper cabling and $200,000 in expenses. Members can move phones themselves whenever and wherever they need them.



MANUFACTURING WITH 100% ZERO WASTE

Manufacturing Facility
Kentwood, Michigan, USA

The Kentwood, Michigan, USA, manufacturing facility is the first Haworth site to achieve 100 percent zero waste. Kentwood manufactures TecCrete access flooring product which consists of concrete tiles and metal pedestals.

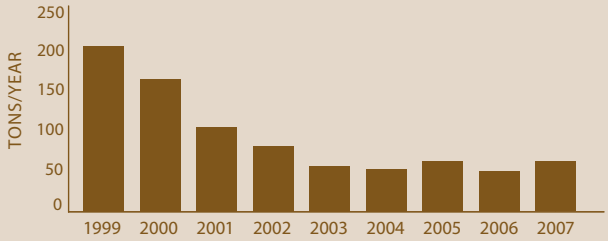
When Haworth acquired the facility in 2003, the plant was averaging over 27,000 pounds of waste per day with the majority sent to the landfill. Plant and corporate members worked together to develop a goal statement, find alternatives and reduce waste. The results have been impressive:

- Scrapped concrete tiles are repurposed into roadbed gravel.
- Concrete dust from operations is recycled into brick.
- Other material waste is sorted and placed into labeled bins that are sent to appropriate destinations for recycling.
- The nominal amount of waste that cannot be recycled is sent to a cogeneration plant where it is converted into energy for use in West Michigan. (There is so little waste that it takes more than two months to collect a full load for transport.)

Eliminating Emissions. Haworth has been a leader in eliminating volatile organic compounds (VOCs) in our products and manufacturing operations for many years. As an example, conversion to water-based finishes and adhesives has decreased solvent air emissions 70 percent since 1999 in our Michigan manufacturing facilities, moving us closer to eliminating them altogether.

In 2007, Haworth completed the last phase of a large scale project to convert wood finishing to a water-based system at facilities in Big Rapids, Michigan, USA, and Calgary, Alberta, Canada. EcoShield replaced a solvent-based finish system at Calgary and a non-compatible water-based finish in Big Rapids. By using the same system in both facilities, we improve the consistency of finishes and reduce process waste.

Haworth Michigan, USA VOC Emission rates



Note: This graph does not include numbers from Haworth's facility in Calgary, Alberta, Canada. As shown in the graph above, 2007 VOC emissions increased for Michigan, USA based operations due to increased sales. Haworth continues to seek VOC feasible alternatives for the remaining VOC processes.

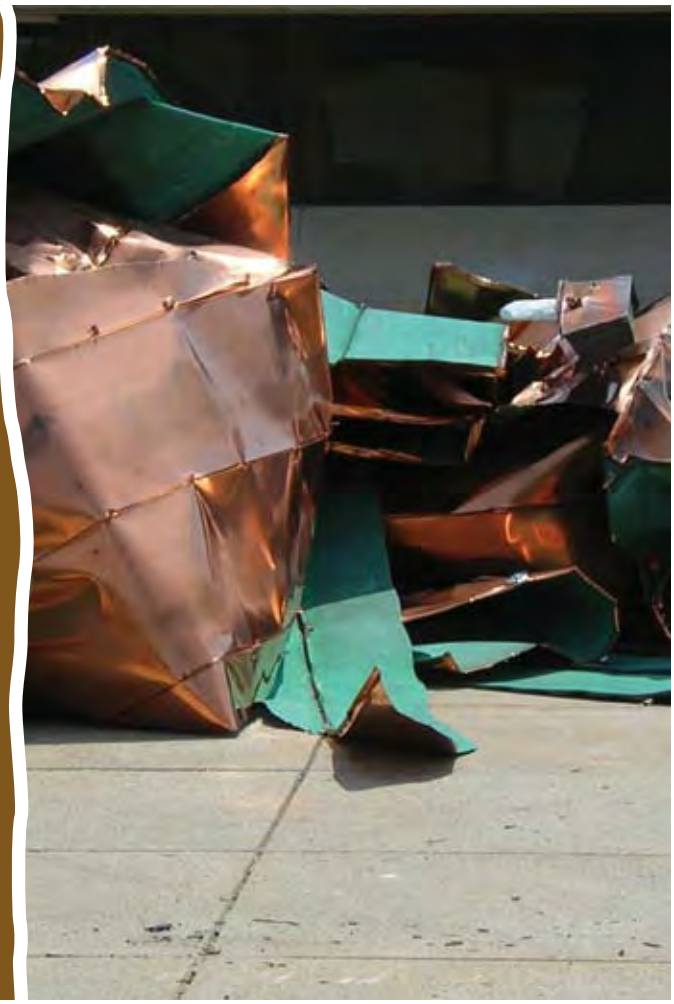
The EcoShield finish is a water-based, ultraviolet (UV) light-cured urethane topcoat. The UV lamps fully cure the topcoat within seconds, significantly reducing energy consumption when compared to typical curing ovens. The non-formaldehyde emitting finish is independently certified as low-emitting.

DIVERTING 98%+ CONSTRUCTION WASTE

Corporate Headquarters Renovation
Holland, Michigan, USA

During renovation, Haworth deconstructed part of its existing building to the steel girders in order to rebuild the new structure. In a typical renovation, only 20 to 30 percent of this waste is recovered. Under the LEED rating system, up to two points can be earned for recycling or salvaging up to 75 percent of the construction waste generated. Haworth exceeded the benchmark by diverting over 98 percent of materials from the landfill. Creative reuse and recycling included:

- Local schools and charitable organizations "shopped" the building to identify and remove usable materials and furnishings.
- Carpet tiles were sent to a company that specializes in cleaning and sanitizing them for resale.
- Hydraulic fluid from the elevators was drained, treated and reused.
- All waste window glass was combined with concrete waste dust from our Kentwood manufacturing facility to construct new concrete block—over 8,000 concrete blocks were created from 9.23 tons of waste glass and 3.25 tons of concrete waste dust.

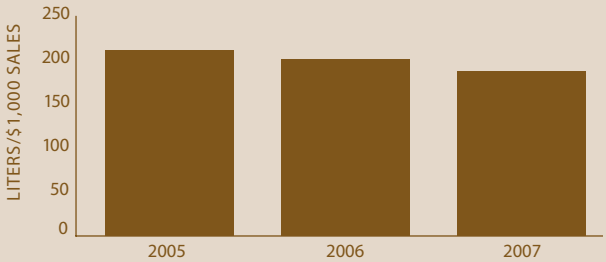


Water and Wastewater Strategies. Haworth manufacturing facilities around the world have strategies for reducing water usage, maximizing wastewater recovery and ensuring wastewater discharge meets local mandates. These efforts contribute to cost savings and water quality.

Manufacturing Facilities:

- On-site wastewater treatment at Haworth Shanghai, China ensures water discharge does not exceed mandated levels for NH3-N, phosphate, suspended solids and pollutant organic materials. Water is monitored, tracked and reported monthly to municipal government authorities.
- Counter-current flow process reduces water consumption at our Michigan, USA, facilities by 7,000 gallons per day in Douglas and 40,000 gallons per day in Big Rapids.
- Phosphate-free wash line process saves heating costs and water consumption while reducing phosphate discharges in Ludington, Michigan, USA; Allegan, Michigan, USA and Shanghai, China.
- Evaporative wastewater recovery process recaptures 75% of water and saves 900,000 liters of water annually in San Giovanni in Persiceto, Italy. The wastewater recovery used for the painting pre-treatment line evaporates the wash water, concentrates sludge and through a heat exchanger, recovers the water, then feeds it back to the pre-treatment line. The cost to dispose of the concentrated discharge is significantly reduced. Because of these innovative strategies, the facility was awarded the prestigious Anver (Italian Industrial Painting Association) prize for its eco-compatible production cycle.

Total Global Water Use





GROUPE LACASSE

Manufacturing Facility
St. Pie, Quebec, Canada

Reducing Waste. An investment in new production machinery has optimized cutting methods for thermofused laminate particleboard, reducing waste. Sawdust and scraps are recovered and burned to generate energy in a cogeneration facility.

Reducing VOC Emission in Casegoods Products. In our effort to reduce the quantity of VOCs emitted by our products and to achieve GREENGUARD certifications, we eliminated particleboard with non-laminated sides. We have replaced raw particleboard with cuts of thermofused laminate panels to recuperate the maximum amount of rejected pieces. This method saved us 100 metric tons of waste in 2007.

Recycling Materials. Fabrics, metals, papers, corrugated cardboard, plastics, aerosols and batteries are all collected and recycled.

Recycled Content. The thermofused laminate particleboard used in casegoods products contains 100 percent recycled wood fibers.

ISO 14001 EMS CERTIFIED

Haworth monitors the progress of our ISO 14001 Environmental Management System (EMS) certified facilities worldwide to ensure continuous improvement toward our long-term objectives of zero waste and emissions and energy management. Our manufacturing facilities use ISO to establish targets and drive performance against objectives. All sites are focused on reduce, reuse and recycle strategies to minimize environmental impacts.

Europe. One of the first ISO 14001 facilities in our industry—and the first Haworth facility—was our Ahlen, Germany manufacturing plant certified in 1999.

Asia Pacific. In the Asia Pacific region, our Shanghai, China and Pune, India manufacturing facilities were certified in 2007 to the ISO 14001 Environmental Management Systems standard.

North America. The total number of ISO 14001 certified sites in North America is eight. Our goal is to finish certifying all locations by 2009.



GREEN BUILDING AND SUSTAINABLE SITE MANAGEMENT

LEED Certification Projects

Haworth is committed to green building worldwide for our own facilities. Our green buildings provide us with living laboratories for ideas and products and the opportunity to collaborate with our customers.

LEED-CI Gold-Level Certified Showrooms

- Merchandise Mart, Chicago, Illinois, USA
- Los Angeles, California, USA
- Pune, India

LEED-CI Gold-Level Registered Showrooms

- Dallas, Texas, USA
- Washington, D.C., USA
- New York, New York, USA
- Toronto, Ontario, Canada
- Calgary, Alberta, Canada

LEED-NC Gold-Level Registered Project

- Headquarters, Holland, Michigan, USA

Rating Systems

The United States Green Building Council began as a grass roots initiative and has grown into a major industry force. Their Leadership in Energy and Environmental Design (LEED)® green building rating system provides a framework for defining green design and construction. Green building rating systems like LEED, BREEAM in the U.K. and Green Star in Australia are transforming the construction industry with a focus on high-performance buildings that reduce the life cycle impact on operating cost, the environment and health.

Above: Haworth Global Headquarters in Holland, Michigan, USA.

North America

Michigan. Haworth's largest LEED project to date is the renovation of our global headquarters in Holland, Michigan, USA. The project, designed by Ralph Johnson and the Perkins+Will architecture firm, is registered for LEED-New Construction (NC) Green Building Rating System at the Gold level.

The project represents a showroom and a living laboratory for innovative ideas, sustainable products and green-building construction, as well as an improved work environment for our members.

The two-phase project encompasses 300,000 square feet and involved stripping the existing 240,000-square-foot building to the metal superstructure for renovation and adding a three-story atrium. The first phase of the project was completed in early 2008. Final phase is scheduled for completion in fourth quarter 2008.

The dramatic new façade with its glass-walled atrium offers panoramic views and access to natural light. In fact, member offices are laid out to maximize exposure to natural light even in the core of the building.

The 45,000-square-foot modular green roof reduces roof surface temperature, provides superior insulation to enhance energy conservation, reduces rain runoff, creates a natural habitat and prolongs the life of the roof barrier. The modular system features 22,500 plastic tray modules that were pre-planted. The mature plants were farmed off-site and placed on the waterproof roof deck to create an "instant" green roof. The trays are made of 100 percent recycled plastic, some of which came from Haworth manufacturing.

Inside, Haworth's TecCrete access floor system, with underfloor air distribution and individually adjustable floor air diffusers, provides members with increased thermal comfort and control. Haworth moveable walls create conference and touch down zones between open plan workstations. All interior components are modular including the utilities below the access floor, so when change becomes necessary, the space can be easily reconfigured with little waste, down time or added cost.

Mexico. Haworth dealers, independently owned and regionally located, also consider LEED significant to their business. As an example, PAPSA located in Mexico City, Mexico, renovated its showroom and offices in 2007 to achieve LEED-Commercial Interiors (CI). It is the first showroom in Mexico to complete a LEED project.

Ohio. Elements IV Interiors, a Haworth dealer in Dayton, Ohio, USA, achieved LEED-CI Silver level certification by reusing or recycling the majority of the existing interior elements and diverting significant waste from area landfills.

Asia Pacific, Middle East, Latin America

India. Haworth identified India as a market that warranted a manufacturing facility. The impact on local infrastructure was assessed before selecting a building site. Pune was selected because it is located close to our customer base; however the location required special planning due to lack of municipal water and sewer.

The newly constructed 54,000-square-foot facility in Pune, India includes a factory and showroom. The 7,500-square-foot showroom is LEED-CI Gold certified. High marks in key LEED categories include water efficiency, sustainable sites, and innovation and design.

The facility features skylights in the factory and low-flow water fixtures throughout the building. Many of the construction materials were obtained within 500 miles of the facility. Daylight significantly reduces energy consumption. Water is reclaimed from the wastewater system for landscape irrigation of indigenous, drought-tolerant plants. The use of these plants and reclaimed water reduces overall potable water needs by 60 percent—over 40 percent more when compared to a typical facility. The energy for the Pune showroom is offset through Haworth's purchase of renewable energy credits.



SOCIAL PERFORMANCE.

SOCIAL RESPONSIBILITY

Haworth's strategy for social responsibility is simply to focus on the continuous improvement of these three areas: members, their families and their communities. Our members are the basis of our success around the world. Haworth provides an environment that facilitates equal opportunities for all individual members to develop themselves for success. We also provide support for member families and for the communities and countries in which they live and work.

Balancing Work and Life. To help ease the stress of work/life balance, Haworth offers a number of services at no cost to members.

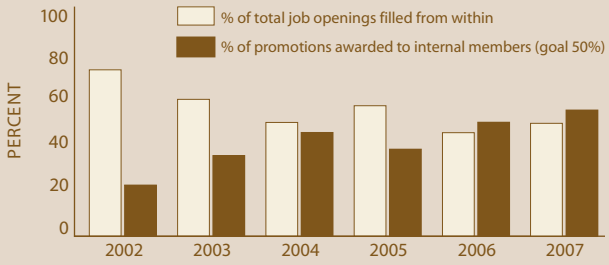
- Flexible work schedules, job share and telecommuting arrangements
- An adoption support program
- An employee assistance program in the U.S. that provides access to free services and programs including child and elder care referrals, legal and financial services, and professional counseling

Protecting Health and Safety. Haworth invests in member and family well-being through educational programs, wellness programs and an array of support benefits. A full-time professional staff manages formal wellness programs and an exercise and physical training facility is available at the global headquarters. An on-site medical center regularly offers health screening programs and flu shots. Lunch and Learn informational sessions at many Haworth sites cover topics such as cholesterol, better sleep and fitness fundamentals. Several global locations offer food service and healthy food options.

In 2007, a five-year member wellness plan was developed for global operations. As part of that plan, all Haworth U.S. sites became smoke-free within the property limits. Previously only the buildings were smoke-free. Free smoking cessation programs were offered to help members with the transition. Future programs include a wellness survey for U.S. members in 2008 to establish a health status baseline. Health screenings and body mass index (BMI) readings will be available. This survey will roll out to the rest of North America in 2009. Global rollout will be determined by the success of the North American effort.

Developing Careers. In 2007, Haworth reimbursed over $350,000 for college tuition or special classes in the U.S. At any given time, there are more than 100 members taking advantage of an investment in their careers. We believe that by offering opportunities for career development and advancement, we help retain our members. To help measure the impact of career development, we track the percentage of hires applying for open positions that represent current members, and the percentage of positions filled that represent member promotions. The majority of openings are filled from within Haworth and have represented promotions more than half of the time since 2002.

Hiring Trends



Compensating Performance. Haworth strives to attract and retain the best talent as well as provide incentives for members to work together to increase our shared goal of profitability. To reward members financially, we provide competitive market-based salaries, a pay-for-performance plan and benefits.

In all sectors, wages exceed the country minimum standards by at least 25 percent or meet wages arrived at through collective agreements. For instance, in Germany there are no federal minimum wages—pay is ruled by collective agreements between employer associations and unions. Haworth wages meet the collective agreement requirements in Germany. In addition to salaries, we offer a range of rewards including base salary, incentive pay and benefits.

North American members are eligible for profit sharing based on profitability of the overall business. Payout amounts vary.

Left: 3D product manufactured in Italy shown here in the Shanghai Creativity Center.





Left to right, top row: Students remove donated carpet from Haworth headquarters in Holland, Michigan, USA; Habitat for Humanity, in Holland, Michigan, USA. **Second row:** Ethiopian celebration, Calgary, Alberta, Canada; Haworth members work on a Habitat for Humanity project in Calgary, Alberta, Canada. **Third row:** Computers being loaded up for recycling, Holland, Michigan, USA; Dick Haworth with Values Award member, North America; Race for the Cure, New York, New York, USA. **Fourth row:** Dick Haworth with Values Award member, Calgary, Alberta, Canada; Shanghai Sunrise, Shanghai, China. **Fifth row:** Members work with Habitat for Humanity, Calgary, Alberta, Canada; Matthew Haworth coaches community soccer team in West Michigan, USA; Dick Haworth with Values Award member, Shanghai, China. **Above:** Dick Haworth leads Hard Hat tours at global headquarters renovations site, Holland, Michigan, USA.

Advancing Learning

Scholarships. Around the globe, Haworth sponsors scholarships and donates time and money to educational programs that support members and their families, as well as underprivileged children.

For example, we offer scholarships to member spouses and their dependents. Every year, over $30,000 is awarded to our extended Haworth family members in North America.

Tuition reimbursement. Haworth provides tuition reimbursement for members who wish to pursue training, classes or degrees that help them maintain work qualifications or qualify for advanced positions. Education assistance programs vary by sector.

Embracing Diversity

Differing cultures and experiences enrich our global company. Haworth promotes an inclusive work environment where each member is valued. Our goal is to foster an environment of equal opportunity for all individual members so that they may develop themselves for success. A newly formed Inclusion Steering Committee is charged with providing support and impetus to our diversity efforts worldwide.

Member Diversity. We track our progress on corporate diversity efforts using a scorecard that outlines diversity in employee hiring, promotion and education and training. Creating and maintaining a racially, ethnically and gender-diverse workforce is key for management and members in every sector; however, the aspects of diversity vary by sector.

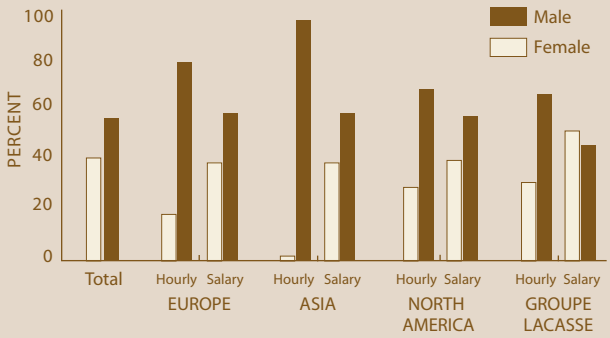
A component of diversity shared among sectors is gender. Gender diversity for all Haworth members worldwide is 67 percent male and 33 percent female. Salaried member diversity is more evenly distributed at 58 percent male and 42 percent female. At the executive level, 70 percent of Haworth officers are male compared to 30 percent female.

Worldwide, Haworth participates and supports diversity in a number of ways. From training to member-driven Diversity and Women's Councils, Haworth members hear from guest speakers, share ideas and embrace diversity as a vital component to the way we work.

Supplier Diversity. In the U.S., diversity businesses are generally defined as those owned by ethnic minorities, women or disabled military veterans. These businesses tend to be underrepresented as a whole when compared to the total. The U.S. federal, state and local governments—as well as many corporations—require suppliers to include diversity businesses as a percentage of their total expenditure. At this time, there is no supplier diversification legislation in effect outside the U.S.

Of Haworth's Level 1 Suppliers (the highest level of supplier performance excellence), 29 percent are minority business enterprises. While we have a diversified supplier base, our total expenditure from this group was not consistently meeting increased growth goals of 10 percent per year.

Global Member Diversity



In 2006, Haworth assembled a global team to accelerate developing relationships with targeted suppliers. One area of focus has been more active participation in the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council (WBENC). This effort has paid off with growth for minority-based business expenditures in 2007 that exceeded our goal.

Dealer Diversity. The Haworth dealer network is comprised of more than 600 independent entrepreneurial dealership businesses. Our owner-operated dealer network provides market-by-market expertise, participates in local activities and supports organizations within the communities they serve.

The majority of our sales are generated through our Preferred* Dealer network. Among all of our dealers worldwide, 61 percent are Preferred Dealers. Within our North American markets, 22 percent of our Preferred Dealerships are minority- or women-owned businesses.

* Preferred—fully aligned dealers that focus their expertise on marketing, services and selling of Haworth branded products. These dealers are required to use Haworth-certified installers, are committed to Haworth product training and programs, and implement closed-loop customer satisfaction and corrective action processes.

GIVING FOR THE CURE OF BREAST CANCER

Haworth New York Sales Team & Friends
New York, New York, USA

In September 2007, the Haworth New York sales team plus 23 family members, friends and industry colleagues participated in the Susan G. Komen Race for the Cure® under the banner of "Haworth & Friends."

The annual 5K run/walk in New York City's Central Park welcomed more than 20,000 participants. It is one in a series of fundraising events across the U.S. and in Puerto Rico, Germany and Italy, by the world's largest grassroots network of breast cancer survivors and activists.

Donations by Haworth dealers, including Meadows Office Furniture, Workwell Partners, ThinkSpace NY, AC Desk, Commercial Furniture Interiors, coupled with the Haworth New York sales team and friends totaled over $6,500.



Supporting Our Communities
Corporate philanthropy gives us the opportunity to give back to the communities and people we serve. We support important causes through direct dollar donations and product donations; and by enabling members to participate in volunteer and charitable-giving programs.

Direct Donation. In the U.S. a major portion of member and company donations is directed to the United Way. In 2007, the $280,000 donation included pledges from 59 percent of U.S. members and Haworth matching funds. In-kind donations of new and used product were also made to 48 separate organizations in North America.

Renovation projects at our global headquarters and Calgary, Alberta, Canada facilities provided local community organizations access to large quantities of re-useable materials such as office furniture, lighting fixtures and carpet tiles. Product re-use benefits local organizations and has a lower impact on the environment than recycling.

Volunteerism. Around the globe, Haworth members, dealers and their friends and families are dedicating their gifts of time and talent to help those less fortunate. The hours spent, while difficult to track, represent an invaluable investment in people and our communities.

In the U.S., Haworth and its members support Habitat for Humanity by encouraging members to take four hours of company time to help build houses in the community. Habitat for Humanity is a non-profit organization devoted to building "simple, decent and affordable" housing for families around the world.

In Shanghai, China, Haworth supports Shanghai Sunrise, a one-on-one educational sponsorship program for underprivileged children. The non-profit, all-volunteer program currently serves over 640 children, who have also benefited from books that have been donated to over 100 school libraries.

STAKEHOLDER ENGAGEMENT

Haworth stakeholders include its members, customers, dealers, suppliers, field sales force, the media, trade associations, certifying organizations, and all communities in which a Haworth facility operates.

As a member of these extended circles of influence, Haworth does its part to conduct day-to-day business through practices that result in the least environmental harm. We also encourage our suppliers, dealers, customers and others to seek sustainable solutions in the choices they make every day.

Communications. Haworth regularly engages its various stakeholder groups to share best practices and knowledge of sustainability. We communicate via targeted electronic communications including e-mails and e-newsletters; global and sector websites; continuing education curricula; seminar presentations and speaking engagements; membership in trade and sustainability-focused organizations; community forums; and by electronically publishing our annual Haworth Sustainability Report.

Haworth hosted a sustainability forum in Dubai, United Arab Emirates (UAE), to help foster a greater understanding of issues related to the resolution on green building specifications issued by His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai. The forum was designed to help frame the local context of sustainability within the architecture and design community. Speakers from EMSI (international leader in green building and sustainable design consulting) and the Haworth Ideation group (in-house research), presented information and facilitated dialogue. Topics included LEED, consideration of human factors and performance.

Sustainability Training and Research. In 2007, Haworth developed a Web-based sustainability awareness program for members, dealers and suppliers. By informing and inspiring our business partners, we hope to share common goals for sustainability.

Our renovated global headquarters will serve as a research tool for documenting the benefits of green building. Pre-occupancy surveys will be compared to post-occupancy data collected at the end of 2008. Performance measurements will also provide valuable before and after data. We expect the new environment will positively impact member satisfaction, productivity and wellness; reduce environmental impacts; lower operating costs; as well as provide a template and inspiration for other companies interested in green building.

Continuing Education Units. Haworth is proactive in supporting Continuing Education Units (CEU) for architects, designers, specifiers, facility managers and students.

During 2007, 302 educational events were delivered in architecture and design venues, showrooms, and tradeshows. The certification of five additional speakers and three courses resulted in 65 percent more events than the previous year.

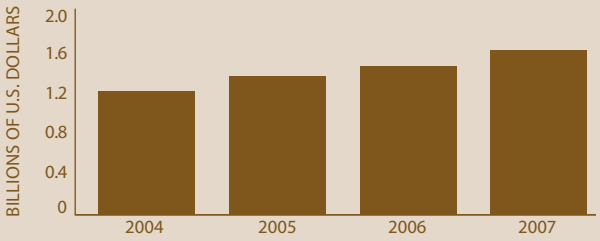
We expanded into distance learning curriculum and are piloting four courses on Haworth.com through the Knowledge + Research Continuing Education Center. Haworth offers 26 courses with over 35 certified speakers.

FINANCIAL PERFORMANCE.

Haworth saw a double-digit increase in sales over last year. For 2007, sales reached $1.66 billion, up 12 percent from 2006. The company saw sales grow in every sector, with market share gains in North America, Asia Pacific, Europe and Latin America.

Much of Haworth's growth was driven by new products, including our best-selling ergonomic task chair Zody. In 2007, the company received several awards and recognition for its designs. Despite economic uncertainties in the global market, Haworth's outlook for 2008 is promising.

Global Net Sales



Global Operating System. SAP, the world's largest business software company and their product, Enterprise Resource Planning (ERP), was chosen by Haworth in 2006. SAP ERP will support all of Haworth's major business and functional processes. This includes human resources, financials, order management, supply chain and manufacturing.

Haworth's data sources and processes will be integrated into a unified system through multiple components of computer software and hardware. The unified system will replace existing systems that could not be integrated. Benefits range from standardization and lower maintenance (one system instead of multiple) to easier and greater reporting capabilities (as all data will be kept in one database). For Haworth the SAP ERP will:

- Create a single, integrated, real-time global system
- Help deploy best practices around the world
- Support existing business while reducing costs
- Gain the agility to adapt quickly to changing requirements
- Provide even better customer service
- Drive efficiencies, reduce errors and prevent waste

SAP ERP implementation is among the largest initiatives Haworth has ever undertaken. This global project will take approximately three years to implement. Our North America Human Resources system was successfully implemented in October 2007.



LEADERSHIP.

Haworth executive management is committed and held accountable to the fulfillment of our sustainability goals and objectives. A cross-functional steering committee of executive sponsors, champions and sector-based functional leaders is charged with setting company-wide goals and metrics based on the seven sustainability objectives and guided by our values.

The steering committee is chaired by the chief financial officer (CFO), an executive officer of the company, and is chartered by Haworth's chief executive officer (CEO). The CFO is responsible to the CEO for the direction and pace of our plan to become a sustainable corporation. With the goal of instilling sustainability within every aspect of the company, the CFO, with cross-functional focus, is best situated to oversee integration.

Champions for each sustainability objective are generally experts in the areas they oversee. For instance, both energy management and zero waste objectives are driven by champions who are environmental engineers working directly with the manufacturing sites to establish ISO objectives. They help manufacturing drive improvements as well as make progress toward the sustainability objectives. Through the champions' involvement, manufacturing priorities are based on the strategic objectives of the whole company.

Sector-based functional leaders are the core members of the local sustainability committees they represent and provide the conduit for identifying sector issues and priorities. Our global governance structure provides local representation for members and stakeholders in every sector.

Above: Calgary, Alberta, Canada showroom.

GLOBAL LOCATIONS.

HAWORTH EUROPE

Showrooms

Athens, Greece
Bad Münder, Germany
Barcelona, Spain
Berlin, Germany
Budapest, Hungary
Dublin, Ireland
Frankfurt, Germany
London, United Kingdom
Madrid, Spain
Menziken, Switzerland
Milan, Italy
Moscow, Russia
Nieuwegein, The Netherlands
Paris, France
Prague, Czech Republic
Queluz, Portugal
Rome, Italy
Stuttgart, Germany
Vitoria, Spain

Manufacturing Facilities

Agueda, Portugal
Ahlen, Germany
Bad Münder, Germany
Imola, Italy
Menziken, Switzerland
Queluz, Portugal
San Giovanni, Italy
St. Hillaire, France
Vitoria, Spain

HAWORTH ASIA PACIFIC, MIDDLE EAST, LATIN AMERICA

Showrooms

Abu Dhabi, United Arab Emirates
Bangalore, India
Beijing, China
Buenos Aires, Argentina
Chengdu, China
Chennai, India
Dalian, China
Guangzhou, China
Hong Kong, China
Hyderabad, India
Kolkatta, India
Kuala Lumpur, Malaysia
Manama, Bahrain
Melbourne, Australia
Mumbai, India
New Delhi, India
Perth, Australia
Pune, India
Sao Paulo, Brazil
Shanghai, China
Singapore
Sydney, Australia
Tokyo, Japan

Manufacturing Facilities

Pune, India
Shanghai, China

HAWORTH NORTH AMERICA

Showrooms

Atlanta, Georgia, USA
Boston, Massachusetts, USA
Calgary, Alberta, Canada
Chicago, Illinois, USA
Dallas, Texas, USA
Denver, Colorado, USA
Detroit, Michigan, USA
Guatemala City, Guatemala
Holland, Michigan, USA
Houston, Texas, USA
Los Angeles, California, USA
Mexico City, Mexico
Minneapolis, Minnesota, USA
Monterrey, Mexico
Montreal, Quebec, Canada
New York, New York, USA
Ottawa, Ontario, Canada
Philadelphia, Pennsylvania, USA
San Francisco, California, USA
Saskatoon, Saskatchewan, Canada
Seattle, Washington, USA
St. Pie, Quebec, Canada
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada
Washington, D.C., USA

Manufacturing Facilities

Allegan, Michigan, USA
Big Rapids, Michigan, USA
Bruce, Mississippi, USA
Calgary, Alberta, Canada
Douglas, Michigan, USA
High Point, North Carolina, USA
Holland, Michigan, USA
Kentwood, Michigan, USA
Ludington, Michigan, USA
St. Pie, Quebec, Canada

GROUPE LACASSE

Showrooms

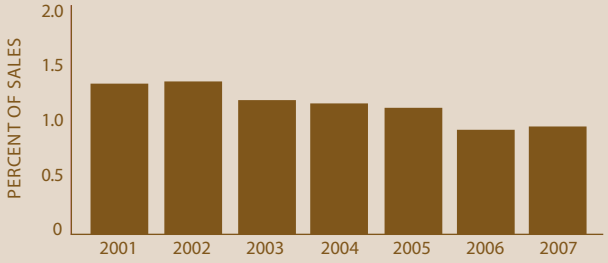
Montreal, Quebec, Canada
Toronto, Ontario, Canada
Chicago, Illinois, USA

Manufacturing Facilities

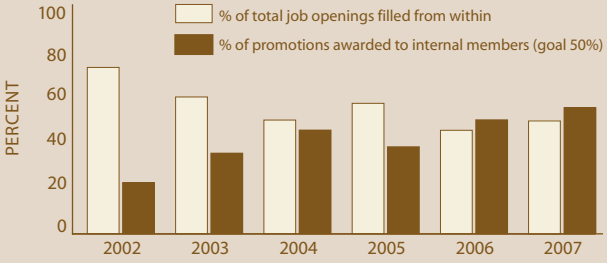
St. Pie, Quebec, Canada
Holland, Michigan, USA
Bruce, Mississippi, USA

KEY PERFORMANCE INDICATORS.

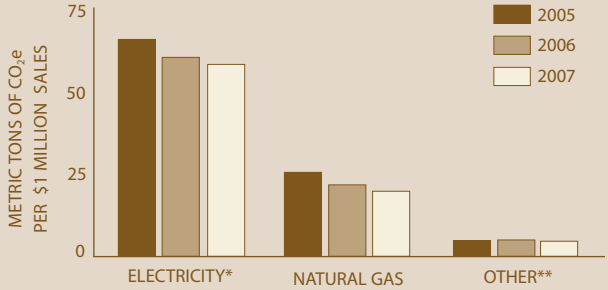
Packaging Costs



Hiring Trends



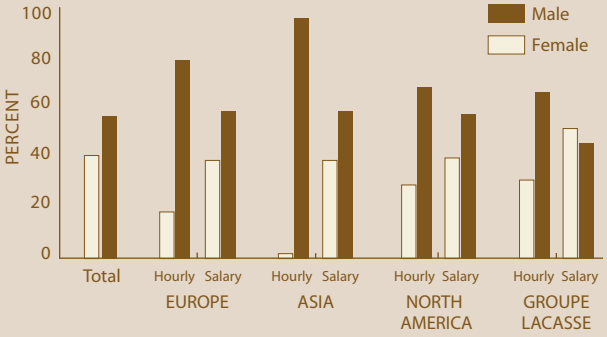
Greenhouse Gas Emissions Normalized to Sales



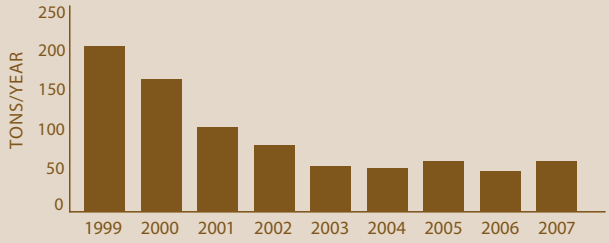
* Shanghai, China operations consumed an average of 800 tons of steam not included in this calculation

** Includes employee air travel, Haworth-owned transportation, minor emission sources

Global Member Diversity

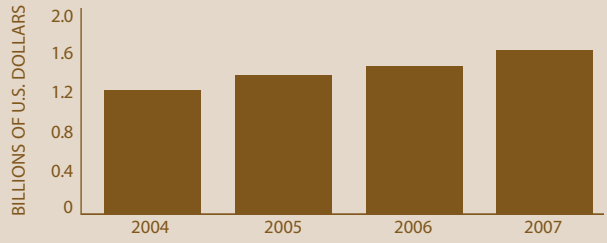


Haworth Michigan, USA VOC Emission rates

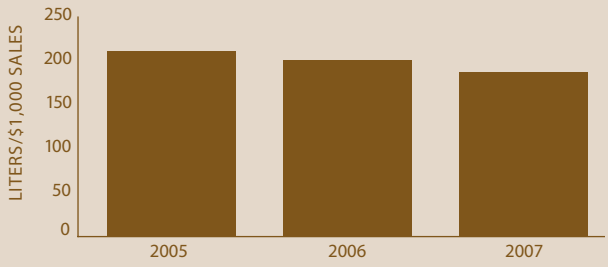


Note: This graph does not include numbers from Haworth's facility in Calgary, Alberta, Canada. As shown in the graph above, 2007 VOC emissions increased for Michigan, USA based operations due to increased sales. Haworth continues to seek VOC feasible alternatives for the remaining VOC processes.

Global Net Sales



Total Global Water Use



MEMBERSHIPS & HONORS.

Memberships and Certifications

- U.S. Green Building Council member
- Canada Green Building Council member
- Australia Green Building Council member
- Business and Institutional Furniture Manufacturer's Association (BIFMA) member (BIFMA is developing sustainability guidelines for the industry)
- U.S. Environmental Protection Agency
- Climate Leaders Program member
- MBDC Cradle to Cradle Certification
- GREENGUARD Certified Products
- Good Environmental Choice Label—Australia (AllWays and Zody)
- B.A.U.M.—Haworth Germany
- Forest Stewardship Council Certified Facility—Haworth Italy
- PEFC Chain-of-Custody Certification—Imola, Italy
- ISO 14001 Certified Facilities
- ISO 9000 Certified Facilities
- LEED-CI Gold-Level Certified Facilities

2007 Awards

- People's Choice Award in first EPA Lifecycle Building Challenge—Haworth Headquarters Renovation project
- FIRA Excellence Award—Zody seating
- Bronze award, IIDEX/NeoCon Canada—Groupe Lacasse for QUORUM MULTICONFERENCE™ Collection
- Anver award for eco-compatibility of manufacturing cycle—San Giovanni in Persiceto, Italy
- NeoCon Best of Competition, Best of NeoCon Gold—BRAZO desk lamp

Alliances

We seek to expand our knowledge and solution base through alliances with international partners. This "circle of friends" ensures that we continue to learn and remain progressive in our thinking and in our approach to solutions.

- Battle McCarthy, London-based consultants for strategic direction in sustainability
- McDonough Braungart Design Chemistry (MBDC), sustainable product consultants
- Maharam, Luna, Carnegie and Kvadrat, fabric alliance partners
- Perkins+Will, architects and designers for Haworth's green-building initiatives
- Eva Maddox, interior designer for Haworth's green-building initiatives
- Turner Construction Company, for Haworth's green-building initiatives



ABBREVIATIONS & DEFINITIONS.

B.A.U.M. – The German Environmental Management Association is a network of 500 companies and is the European business community's largest environmental organization. Source: ec.europa.eu/environment/emas/toolkit/further/partners.htm#Anchor-German

BREEAM – Building Research Establishment Environmental Assessment Method, based in the United Kingdom, is an independent appraisal method to certify environmental performance of a building. BREEAM is designed to help construction professionals understand and mitigate environmental impacts. Source: www.breeam.org

CO_2 – Carbon dioxide

CO_2e – CO_2 equivalent; The quantity of a given greenhouse gas (GHG) multiplied by its global warming potential. Carbon dioxide equivalents are computed by multiplying the weight of the gas being measured (for example, methane) by its estimated global warming potential (which is 21 for methane). This is the standard unit for comparing the degree of harm which can be caused by emissions of different GHGs.

DfE – Design for the Environment

EPA – U.S. Environmental Protection Agency

EPA Climate Leaders Pledge – Pledge based on EPA-led partnership between government and industry to develop long-term, comprehensive, climate change strategies. Partners must set a corporate-wide GHG reduction goal, inventory their emissions and measure progress to the goal.

FIRA Excellence Award – Signifies the product undergoes extensive testing for the ergonomic requirements of British and European Standards and FIRA Specifications. Qualifying products meet safety, comfort and sustainability criteria. Source: www.fira.co.uk

Forest Stewardship Council (FSC) Chain-of-Custody Certification (CoC) – To track materials as they leave the forest and become products downstream, a CoC certification allows products to be segregated and identified as having come from a FSC-certified forest. Source: fscus.org

GHG – Greenhouse gas; gaseous components of the atmosphere that contribute to the "greenhouse effect", i.e. absorbs infra-red radiation in the atmosphere. Source: www.epa.gov/climatechange

Green Star – The Green Building Council of Australia developed Green Star as an objective measurement for green buildings and to recognize/reward environmental leadership. Each of the nine Green Star rating tools reflects a different phase in the building life cycle (design, construction, occupancy and ownership). Source: www.gbca.org.au

GREENGUARD® – The GREENGUARD Certification Program℠ is a third-party, voluntary testing program for low-emitting products and materials. To qualify for GREENGUARD Indoor Air Quality Certification®, products and materials are regularly tested to ensure that their emissions meet indoor air quality pollutant guidelines/standards.

GREENGUARD® for Children & Schools℠ – A product certification program for low-emitting interior building materials, furnishings and finish systems used in educational (daycare and K-12) environments. Source: www.greenguard.org; Haworth certified products are listed

GRI – Global Reporting Initiative; a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. These guidelines are for voluntary use to report on the economic, environmental, and social dimensions of an organization's activities, products and services. Source: www.globalreporting.org

Indoor Environmental Quality (IEQ) – Refers to the quality of the air and environment inside buildings. IEQ is based on pollutant concentrations and conditions that can affect respiratory health, comfort and performance of occupants. IEQ problems can be caused by a number of issues including ventilation system deficiencies and chemical contaminants such as off-gassing from materials in the office. Source: www.cdc.gov/niosh/topics/indoorenv

ISO 14001 – The International Organization for Standardization (ISO) specifies the international requirements for an environmental management system.

LEED® – Leadership in Energy and Environmental Design; a certification program administered by the U.S. Green Building Council to recognize leadership in environmental design for commercial and residential construction and renovation. Source: www.usgbc.org

LEED® for Commercial Interiors (LEED-CI) Green Building Standard – the green benchmark for the tenant improvement market, giving the power to make sustainable choices to tenants and designers, who do not always have control over whole building operations. Source: www.usgbc.org

LEED® for New Construction (LEED-NC) Green Building Rating System – designed to guide and distinguish high-performance commercial and institutional projects, including office buildings, high-rise residential buildings, government buildings, recreational facilities, manufacturing plants and laboratories. Source: www.usgbc.org

Life cycle assessment (LCA) – the investigation and valuation of the environmental impacts of a product or service. The goal is to compare the full range of environmental damages assignable and to be able to choose the least burdensome one.

MBDC – McDonough Braungart Design Chemistry; environmental consultants that developed the Cradle to Cradle protocol to assess human and ecological impacts of chemicals and materials.
Source: www.mbdc.com

PEFC Council – The PEFC Council (Programme for the Endorsement of Forest Certification schemes) is an independent, non-profit, non-governmental organization that promotes sustainably-managed forests through independent third-party certification.

Recyclability – to treat or process (used or waste materials) to make suitable for reuse.

Recycled content – material that is treated or processed (used or waste materials) to make suitable for reuse.

Renewable – A natural resource qualifies as renewable if it is replenished by natural processes at a rate comparable or faster than its rate of consumption by humans or other users. Resources such as wind are perpetual resources that are in no danger of being used in excess.

SCS Indoor Advantage Certification – Developed by Scientific Certification Systems (SCS), certifies products based on compliance with emission criteria established by the Business and Institutional Furniture Manufacturer's Association (BIFMA) standard for low emitting office furniture systems and seating and the USGBC's LEED criteria.

USGBC – U.S. Green Building Council; the nation's foremost coalition of leaders from across the building industry working to promote buildings that are environmentally responsible and profitable, and healthy places to live and work. The USGBC administers the LEED Green Building Rating System™.
Source: www.usgbc.org

VOC – Volatile organic compound; chemicals which may have short- and long-term adverse health effects. Concentrations of many VOCs are consistently higher indoors (up to ten times) than outdoors because they are found in materials commonly used indoors such as paints, cleaning supplies, building materials and office equipment. Source: www.epa.gov

This report was prepared with consideration given to the Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines version G3.

Haworth publishes an annual sustainability report. This 2007 report is Haworth's first global report. The 2006 and prior year reports measured results from North America. This report includes data from fiscal year Jan. 1, 2007 to Dec. 31, 2007 unless otherwise noted for all sectors: Europe; Asia Pacific, Middle East, Latin America; North America; and Groupe Lacasse (excludes independently owned Haworth dealerships).

All financial information is reported in U.S. dollars. Measures are metric. Questions regarding content should be directed to Diane Haworth, Sustainability Manager, One Haworth Center, Holland, MI 49423, USA or diane.haworth@haworth.com.

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