



360° Thinking

CORPORATE ENVIRONMENTAL REPORT



evolve



e



FURNITURE FOR A SUSTAINABLE WORLD

Seeing the Big Picture

At Evolve, it means integrating our efforts to sustain the earth, air and water into our entire corporate culture, at all levels, in all operations. 360° thinking means that at every stage of every product's life, from conceptualization through manufacturing to reclamation of resources at the end of its life, we ensure that it has the smallest possible negative impact on human well-being and the environment.

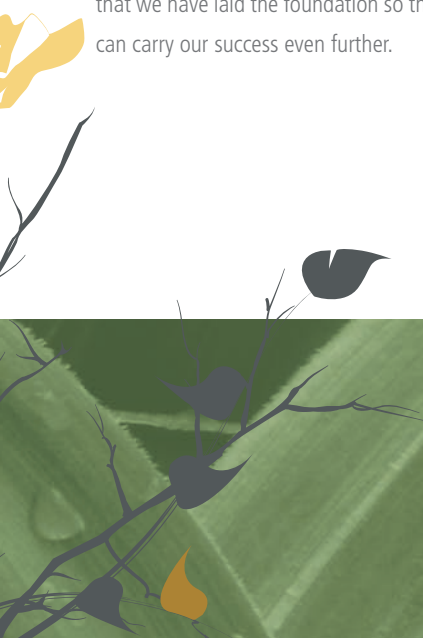
360° thinking means going beyond our own walls and working with our suppliers, customers and the broader community to achieve more than we could alone. It means building on past successes and developing new technologies to take us into the future. It's about seeing the results of our efforts in the world around us and knowing that we have laid the foundation so that future generations can carry our success even further.

Commitment: An environmental mindset

When Evolve's employees come to work each day, whether to the executive offices or to the factory floor, we bring with us a belief that proactively protecting the health of the environment and of our co-workers is the right thing to do. We believe that for environmental programs to succeed, a deep, genuine and ongoing commitment to sustainability must be integral to every aspect of the company's business.

Our commitment includes comprehensive environmental and health protection initiatives and the dedication of financial and human resources to carry them out. We are committed to choosing and creating materials that support our initiatives and to developing products that embody our beliefs.

We have made these commitments because we believe they are truly important. We know that when we put our beliefs into action, the environment, our employees and our customers all benefit — and so will future generations.





Protecting Human Health and the Environment



Evolve has made a commitment to our customers, our employees and the community as a whole to protect the environment and human health. To enable us to do that, we have created an environmental and health policy that guides everything we do. We will:

- **Protect the health of our employees and of the end users of our products**

We are committed to making certified low-emitting products and to employing production processes that produce few pollutants.

- **Create intelligent, long-lasting products**

We are committed to using reclaimed materials to make award-winning products with meaningful lifespans. To keep our products out of landfill sites. We make them durable and easy to maintain and we supply products compatible with those purchased years ago so furniture can be kept longer. We use manufacturing processes and materials that use fewer natural resources and create fewer pollutants and less waste.

- **Comply with environmental and health regulations and standards**

Evolve goes beyond minimum legal environmental requirements. We look at the philosophy behind legislation and embrace the spirit as well as the letter of the law. We proactively pursue compliance with all voluntary environmental and health and safety standards, including ISO 14001 and OHSAS 18001.

- **Ensure that the resources we use come full circle and re-enter the manufacturing cycle**

We employ cradle-to-cradle analysis of the resources we use to ensure that virtually all waste produced during manufacturing, as well as resources used in products, are reclaimed and reused.

- **Require our suppliers to meet our sustainability commitments**

We choose environmentally responsible suppliers. We enable our suppliers to develop new sustainable materials and processes by creating a market for these innovative products.

- **Carry out research and development to forward our environmental goals**

We believe products and manufacturing processes need to change as we learn and as technology changes. In every operating budget we make a significant financial commitment to developing new and better ways to conserve resources and protect the environment.



Evolve
has reduced emissions
of air pollutants by
29% in four years

Sustainable Innovation:

Evolve Systems

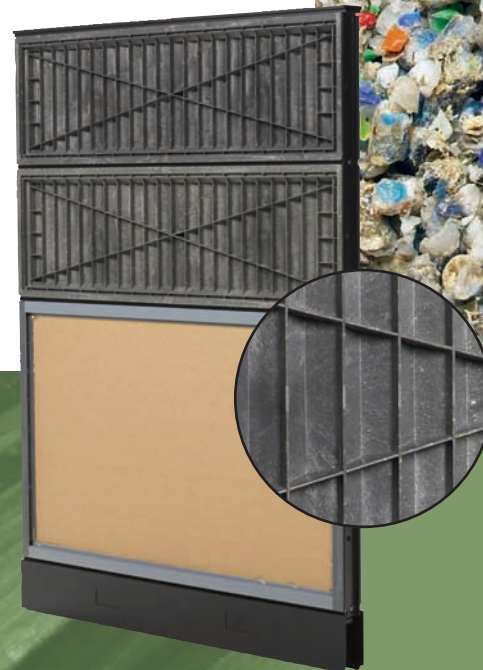
Evolve's commitment to sustainability drove us to find a way to use more reclaimed resources. We also wanted to ensure that those resources could be reclaimed at the end of the panel's life and used again. The result of our research is the embodiment of our culture of sustainability: the Evolve office system.

Our sister company, RT Technologies, developed a totally new material for the panel frames – a unique wood-plastic composite made from our own wood scraps mixed with reclaimed polypropylene that would otherwise have been landfilled. Evolve and RT Technologies pioneered a low-pressure injection moulding system to make the panel frames, an industry first.

We sought reclaimed resources for other panel components to ensure the entire system was sustainable. Panel interiors are made of a 100% recycled kraft-paper honeycomb. The acoustic insulation inside the panels is a mineral board composed of steel slag (a steel production by-product) and basalt (a common rock). The painted portions of Evolve are finished using a 100% emission-free epoxy powder-coating process that has no environmental impact.

Evolve Systems performs an annual waste audit to ensure that this high degree of resource reclamation is maintained. The result: in 2005 alone, just by using wood-plastic composite, Evolve Systems diverted from landfill 81 tons of wood fiber, including waste from other industries.

The Evolve system is widely recognized as an environmentally preferred product. The plant is ISO 14001-registered and the products are Greenguard- and EcoLogo-certified.





Closing the Loop: 360° Manufacturing



With 360° thinking, Evolve brings our culture of sustainability to everything we do. We demonstrate our commitment to the environment by using reclaimed resources and sustainable processes to make products that last. We ensure the success of our environmental programs by making financial and human resources support for them a routine part of our budget. We formalize our commitment by complying with tough environmental and health and safety standards. We have built a successful business on the foundation of our environmental commitments. That success confirms our deep belief that protecting human health and the environment is both good business and the right thing to do.

The cornerstones of Evolve's environmental program are reducing waste and maximizing the use of reclaimed

materials. We have developed manufacturing processes that produce almost no waste. The small amount of waste that does occur is reclaimed for reuse instead of going to landfill. This is closed-loop manufacturing: We believe that once raw materials enter our manufacturing stream, we are responsible for them throughout their life cycle.

For example, we introduced a digital process for cutting fabric at our panel plant to maximize use of each bolt of fabric. A computer determines how to arrange the cuts from multiple product orders to minimize waste. The few scraps that are produced are sold and repurposed – the automotive industry uses them as carpet underlay and acoustic insulation.

Evolve recycles paper,
wood, plastics, aluminum, fabric,
leather, steel, cardboard, printer
cartridges, foam, fiber and electronic
equipment – virtually everything.



Renewal Fabric

Evolve produces a proprietary recycled fabric, called Renewal. This textile is Eco-Pop fiber, created from some of the 2.4 billion plastic beverage bottles saved from landfill annually. The bottles are melted down, spun into cotton-like fiber and woven. The resulting fabric is soft, comfortable, inexpensive and extremely durable. Renewal fabric is a great choice for our customers - and for the environment.

ISO 14001:

Supporting Sustainability

Complying with a demanding international standard such as ISO 14001 confirms for our customers, suppliers, employees and the community at large that Evolve's environmental policies are substantial and meaningful.

The International Organization for Standardization created the ISO 14001 Environmental Management System Standard to encourage companies to protect the land, air and water. The standard provides a framework businesses can use to develop sustainability goals. Rather than establishing specific environmental protection targets, the standard sets out the requirements for the creation of an Environmental Management System (EMS) unique to each company. An EMS enables an organization to identify and control the environmental impact of its activities and products. It guides the company in developing policies and meeting objectives for protecting the environment.

ISO 14001 has seven main requirements:

- 1 Develop an environmental policy.** Evolve developed our environmental policy in 1999 with the aim of minimizing the negative impact on the environment of everything our company does.
- 2 Establish an environmental management system.** Evolve established our EMS in 1998. It is part of a combined Environmental Health and Safety (EHS) Management System that meets the requirements of ISO 14001 and OHSAS 18001. Highlights of the management system include:
 - Evolve's environmental and health and safety policies and objectives
 - How to verify the implementation, effectiveness and continuing suitability of the EHS system, including how to conduct audits and prepare audit reports
 - How to identify, respond, investigate and measure potential lack of conformity to the EHS system, and accidents and emergencies that could occur
 - The responsibilities of the people managing the EHS system and the training needs of personnel whose jobs could have an environmental impact
- 3 Identify the company's significant environmental aspects.** Evolve's key environmental aspects are manufacturing operations that use natural resources and have the potential to produce waste that goes to landfill and create pollution.
- 4 Meet legal and other environmental requirements.** Evolve conforms to the Canadian Environmental Protection Act and provincial environmental regulations, complies with voluntary standards and has its products certified under third-party environmental programs.
- 5 Set corporate environmental objectives and goals.** Evolve's goals for 2004 to 2009 include:
 - Reducing volatile organic compound emissions by 15%
 - Reducing electricity consumption by 20%



New Life for Old Resources

Evolve believes in a *cradle-to-cradle* resource life cycle. Cradle-to-cradle analysis follows the path of resources used in making a product from the time the resources are taken from the earth until the product is discarded. But if all the resources the product contains are reclaimed and reused, resources begin the manufacturing cycle again, and the grave of an old product becomes the cradle of a new one.



ISO 14001: Supporting Sustainability



- Increasing the amount of waste we divert from landfill by a further 25%
 - Reducing carbon footprint by 5% – carbon footprint, as measured by carbon dioxide (CO₂) emissions, is a critical measure of environmental impact
- 6 Create programs to carry out the company's environmental health and safety policy.**
- *Resource Conservation.* Evolve continues to conserve resources by using reclaimed aluminum, wood, plastic and more. We are lowering our power consumption by installing high-efficiency light fixtures, motion detector-controlled lighting and a capacitor to increase electrical power efficiency.
 - *Waste Reduction.* Between 2000 and 2007, we reduced by 73% the amount of waste we sent to landfill per unit manufactured, from 5 lb and 7.83 ounces to just 1 lb and 7 ounces. We divert 85% to 90% of all waste we produce. We will continue to reduce waste by reclaiming more electronic waste, plastic, paper, fabric and wood, and by recovering more products at the end of their lives.
 - *Pollution Prevention.* Evolve has reduced its air emissions by 29% (from 17.6 tons in 2003 to 12.4 tons in 2006). We will continue to reduce CO₂ and VOC emissions, and other pollution, by reducing natural gas consumption – doing so is the primary driver of CO₂ reductions. We will replace all remaining solvent-based and hot-melt adhesives with

water-based or lower-emitting products. We will continue protecting water by using waterless printing for literature and price lists.

7 Evaluate and improve the environmental and health and safety management system.

Evolve performs annual audits of our environmental and health and safety procedures to ensure compliance with ISO 14001 and OHSAS 18001. We verify that we are carrying out our environmental protection programs as intended. In addition, the Canadian General Standards Board audits our operations annually to ensure our compliance with ISO 14001 and OHSAS 18001.



Our Commitment to Non-Obsolescence

Evolve's commitment is to continue to innovate and provide continuity to our product lines. Evolve will commit to a continued supply of products compatible with those purchased today for as long as the original customer owns the product or 25 years in the case of a corporate purchaser.



A Breath of Fresh Air: Powder-Coat Painting

Most of Evolve's products have painted components. Powder-coat painting is our first choice for metal finishing because it doesn't have the negative environmental effects of conventional wet-line painting.

In wet-line painting, most of the paint doesn't stick to the item being sprayed but instead is vented to the air. Powder coating is a clean electrostatic process that provides a superior finish without the waste and pollution created by conventional painting. At Evolve, 99% of over-sprayed paint powder is recovered and reused. This reduces our costs as it reduces pollution – there is no environmental discharge and no CFCs are used. No solvents or water are used through the entire painting process.

Adopting this process has helped us reduce emissions, pollution and waste; comply with ISO 14001 and OHSAS 18001; and keep the air in our plants clean to protect our employees.

EcoLogo:



A Symbol of Sustainability

Evolve has chosen to have its products certified under the Environmental Choice Program. The Government of Canada created the program in 1988 to identify environmentally preferred products. End users can recognize certified products by the EcoLogo symbol. For office furniture, some of the certification qualifications are:

- It must have low emissions of VOCs and formaldehyde and be manufactured without foam using CFCs or HCFCs
- It must include recycling codes on plastic components
- It can use wood harvested only in accordance with the Convention on International Trade in Endangered Species
- It must include information on repairing the product

Greenguard:



Healthy Interiors

Complementing Evolve's ISO 14001 compliance is Greenguard certification. Greenguard certification confirms that our products have low chemical and particle emissions (off-gassing) and contribute to good indoor air quality. Certification makes it easier for architects, designers and specifiers to select environmentally preferable products and to design healthy interiors for LEED-certified buildings.

The voluntary Greenguard program is administered by the Greenguard Environmental Institute, an industry-independent, not-for-profit organization. Rigorous testing is carried out following protocols outlined by the US Environmental Protection Agency and measures emissions such as formaldehyde, volatile organic compounds and carbon monoxide.

Our packaging is 80% recycled cardboard. When possible, we ship products flat-packed to reduce the carbon footprint.





The Future: A 360° Vision



Evolve's initiatives for the future include continued life-cycle analysis for all materials we use in manufacturing. This kind of 360° thinking ensures that virtually everything comes full circle and re-enters the manufacturing cycle. We are keeping our customers informed about the sustainability of our products through new environmental data sheets. We are aiming to further improve our waste diversion rate and to reduce our power use and carbon footprint. We are expanding our product take-back program.

One of our most important goals for the immediate future is to achieve certification under OHSAS 18001, thus ensuring ongoing high standards in our health and safety practices to protect our people as well as our environment. But we won't stop there. 360° thinking demands that we embrace new standards as they are developed, whether they pertain

to the environment or to human health and safety. Our customers, our suppliers and our own employees – our community – expect nothing less.

Our environmental programs have no finish line. As we look to the future, we continue to strive for improvement; we continue to look for ways to create intelligent products more efficiently and sustainably. As new technologies are developed, we find ways to incorporate them. We will continue to invest in a sustainable future.

Our environmental programs have no finish line. We will continue to invest in a sustainable future.



Evolve and Kyoto Protocol

In the spirit of the Kyoto Protocol, Evolve plans to reduce its carbon footprint by 5% by the end of 2009. Many manufacturers believed the Kyoto Protocol's greenhouse gas reduction target – a 6% drop below 1990 emission levels by 2012 – was too stringent and would damage the economy. We know we can reduce our carbon footprint without hurting our business – we've proven we can make intelligent products sustainably.

The international community addressed business and government concerns in December 2007 by developing the less-stringent "Bali road map" to succeed the Kyoto Protocol, but Evolve will continue to meet our environmental goals.

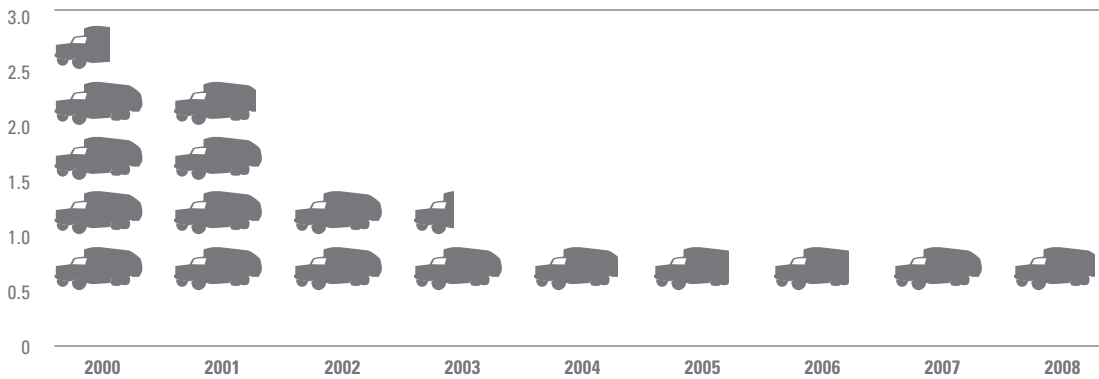
Successes and Future Targets

EVOLVE'S ENVIRONMENTAL TARGETS

Environmental Aspect	2004 Level	2009 Target Level	Improvement
Waste diversion	987.7 tons	1,234.6 tons	25% increase in diversion
Electricity consumption	5.12 million kW hours	4.09 million kW hours	20% reduction in consumption
Carbon dioxide emissions	1.85 million kg	1.76 million kg	5% reduction in emissions
Volatile organic compound emissions	16.1 tons	13.7 tons	15% reduction in emissions

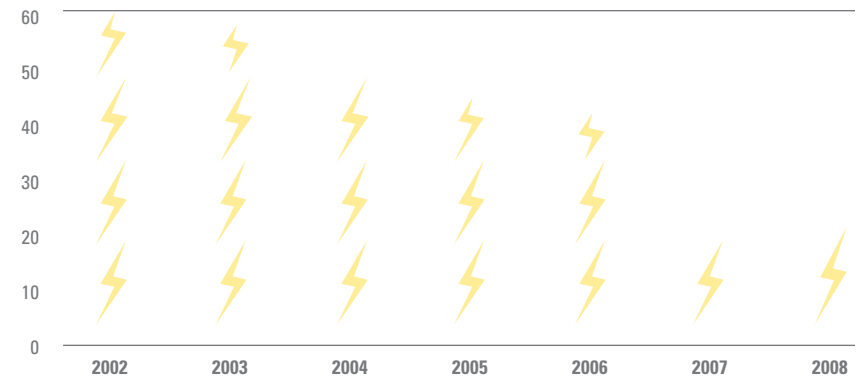
Evolve is committed to increasing our waste diversion, reducing our consumption of natural resources and reducing our harmful emissions. The targets given here are on top of successes already achieved.

KILOGRAMS OF WASTE TO LANDFILL PER UNIT PRODUCED



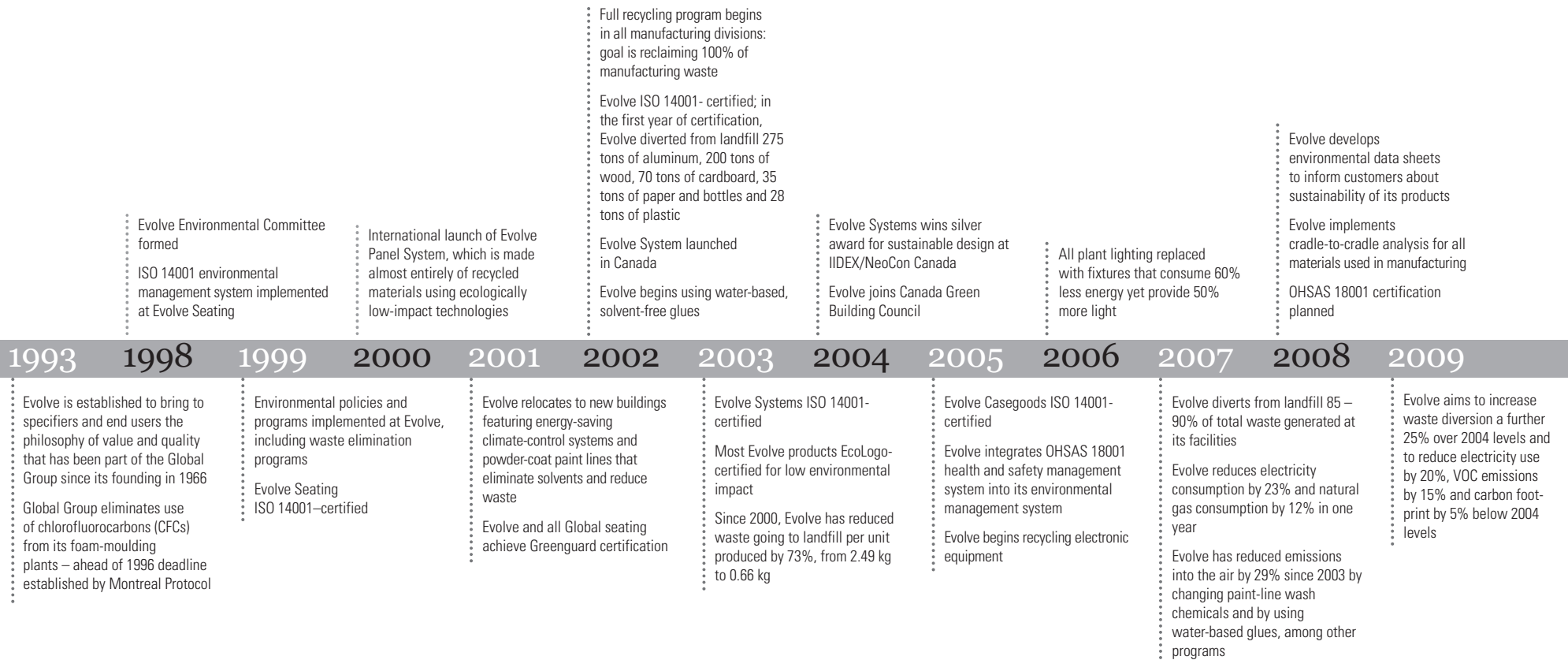
Evolve has reduced the amount of waste going to landfill for each unit we produce by 85% over the last nine years.

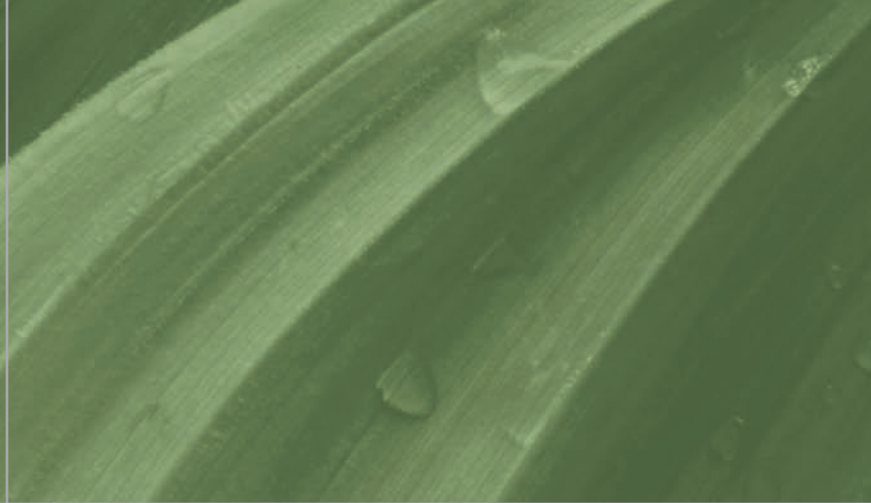
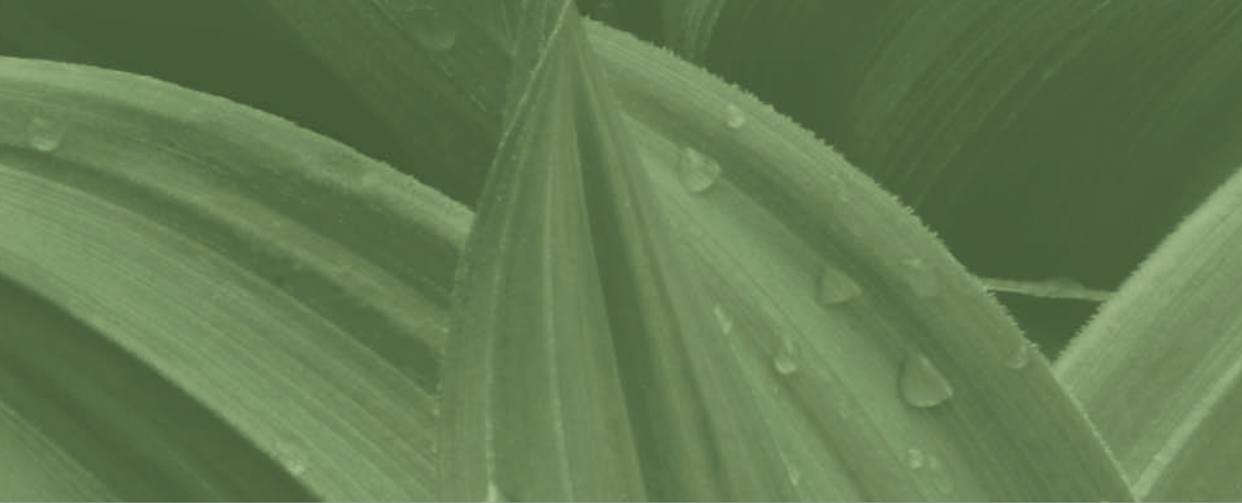
ELECTRICITY FOR CONSUMPTION, KILOWATT HOURS



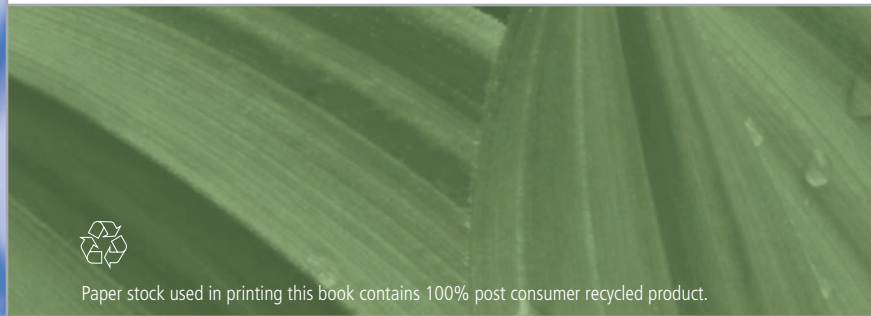
Evolve has reduced our consumption of electricity for every \$1,000 in sales by 41% in seven years.

Environmental Timeline





EVOLVEFURNITUREGROUP.COM



Paper stock used in printing this book contains 100% post consumer recycled product.

EVOLVE FURNITURE GROUP SHOWROOMS

- | | | | |
|---------------------------|----------------------------|----------------------------|---------------------|
| Atlanta, Georgia | Detroit, Michigan | Minneapolis, Minnesota | Seattle, Washington |
| Boston, Massachusetts | Elkridge, Maryland | New Orleans, Louisiana | St. Louis, Missouri |
| Charlotte, North Carolina | Ft. Lauderdale, Florida | New York City, New York | Tampa, Florida |
| Chicago, Illinois | Glendale Heights, Illinois | Philadelphia, Pennsylvania | Washington, DC |
| Cleveland, Ohio | Houston, Texas | Phoenix, Arizona | |
| Dallas, Texas | Los Angeles, California | San Francisco, California | |



GREENGUARD INDOOR AIR QUALITY CERTIFICATION
Evolve products are in compliance with stringent emission guidelines set out by the Greenguard Environmental Institute under the standards for low emitting products and materials



EVOLVE is a proud member and supporter of The Business and Institutional Furniture Manufacturer's Association.

EVOLVE FURNITURE GROUP 17 West Stow Rd, P.O. Box 562 Marlton, New Jersey 08053
T 856.552.4000 888.827.2500 F 856.552.4001