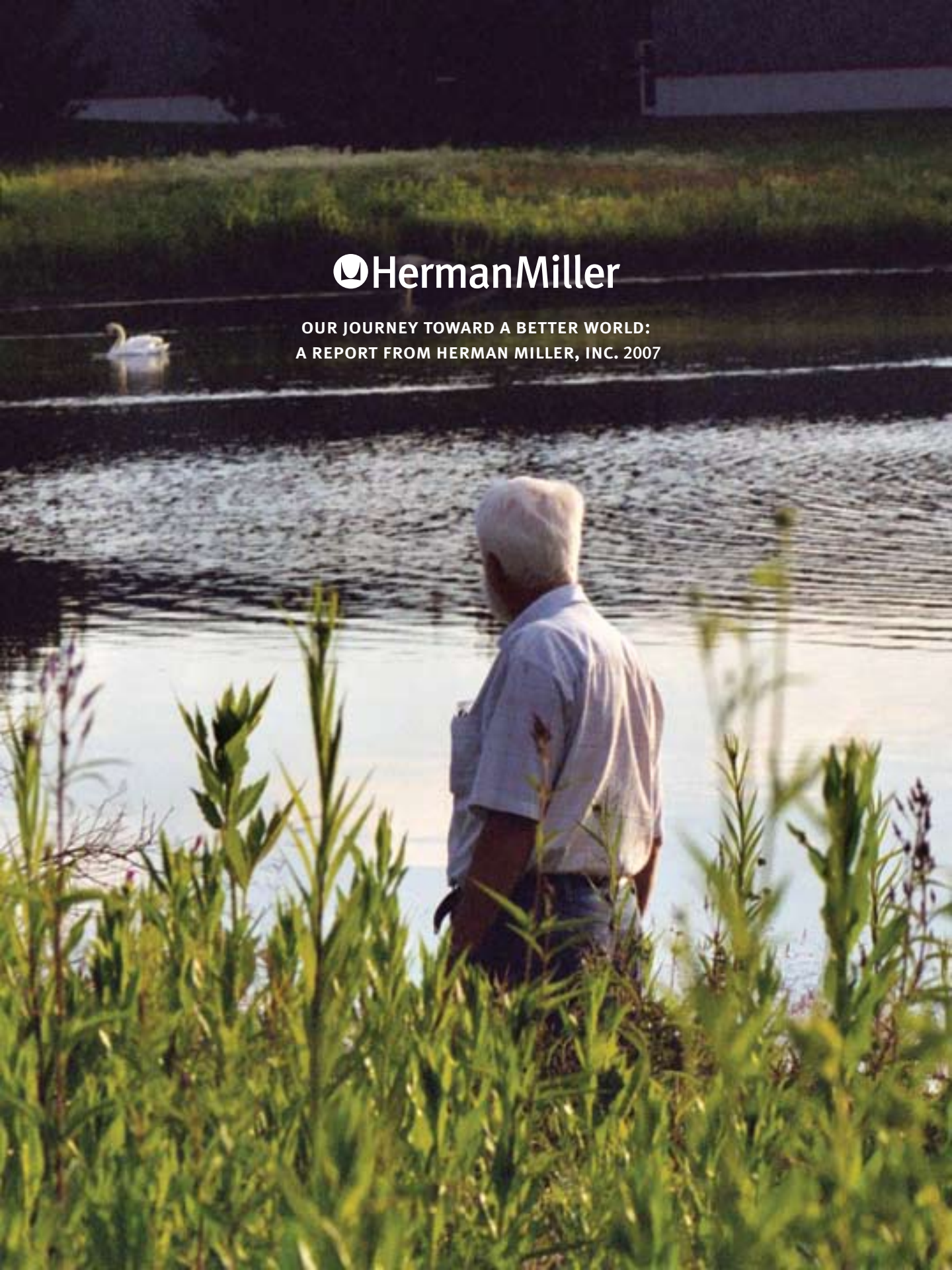




OUR JOURNEY TOWARD A BETTER WORLD:
A REPORT FROM HERMAN MILLER, INC. 2007





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ON THE COVER: HERMAN MILLER EMPLOYEE LARRY NIEBOER AND A PAIR OF MUTE SWANS
HE HAS TENDED FOR THE PAST 14 YEARS ON THE GROUNDS OF HERMAN MILLER'S
MIDWEST DISTRIBUTION CENTER.



HERMAN MILLER CHIEF EXECUTIVE OFFICER BRIAN WALKER

WELCOME TO HERMAN MILLER'S BETTER WORLD REPORT

A Message from Brian Walker

Herman Miller's statement of corporate values is entitled "Things that Matter." Our values are the basis for Herman Miller's corporate community. One of the nine things that matter most to us is creating "A Better World." For us, contributing to a better world takes many forms—environmental advocacy, volunteering time and contributing to nonprofit groups, acting as a good corporate citizen.

This document is an update about our ongoing attempts to live up to our values. Are we perfect? Of course not. Do we keep making progress? Yes, we do. For Herman Miller, building a better world is not so much a goal as an everyday fact of life.

Like volunteerism and good corporate citizenship, environmentalism has been alive and well at Herman Miller for a long time. Our formal environmental programs and Environmental Quality Action Teams started in the late 1980s when a group of employees pushed senior

management to take a strong position on the environment and take actions to back up the words. Much of this report deals with our environmental actions—where we stand and where we intend to go.

This report also deals with other efforts aimed at building a better world. For me, the remarkable thing about these efforts at Herman Miller is their broad-based support. Widespread engagement on the part of Herman Miller employees has led to wide variety of recognition: One of *SustainableBusiness.com*'s top 20 “World Sustainable Stocks”; one of *DiversityInc*'s top ten supplier diversity programs in the U.S.; one of *Business Ethic*'s “100 Best Corporate Citizens.”

I'll say again: Are we perfect? Not by any means. Will we constantly try to improve the performance of our customers' habitats? Yes. Will we continue to work toward the goals stated in this report and build on the progress we are reporting here? By all means. And I truly hope this report will give you some ideas about how you can join us.

Thank you.



Brian Walker
Chief Executive Officer



HERMAN MILLER EMPLOYEE-OWNERS OFTEN VOLUNTEER THEIR TIME AND TALENTS TO ENVIRONMENTAL STEWARDSHIP ACTIVITIES THAT BENEFIT THEIR COMMUNITY AND REGION.



HERMAN MILLER EMPLOYEES SPEND A SUNNY SUMMER AFTERNOON COLLECTING
ROADSIDE LITTER AS PART OF THEIR LOCAL “ADOPT-A-HIGHWAY” PROGRAM.

INTRODUCTION

Sustaining a Better World

What does Herman Miller stand for? Design, certainly, and furniture—both classic pieces and high-performance office systems and seating. But we also stand for sustainability in its broadest sense—sustaining our environment, our communities, our families, and our business. This report results from our corporate values (two of which are “A Better World” and “Transparency”) and our determination to live up to them.

We have taken many factors into account in deciding what information to include in this report—our customers’ requests, our corporate goals, our support for environmental advocacy, and the [Global Reporting Initiative \(GRI\) guidelines](#). Every year we report our performance at building a better world, what we’ve accomplished during the year, and where we are heading with our work. At the moment, most our measures are North American; we try every year to become more international

in our reporting. The measures we discuss here are not necessarily the world's measures; they are consistent with what we value and think matters most.

The first sections will give you an idea about who we are, what we believe, and what we do. We have included some basic financial information. Much of the information here appears in summary form; wherever possible, we have given you links to more details about Herman Miller.

The information here covers our fiscal year 2007 (June 1, 2006 – May 30, 2007).



HERMAN MILLER'S MAIN SITE BUILDING BG IN ZEELAND, MICHIGAN, IS LEED CERTIFIED FOR COMMERCIAL INTERIORS.



HERMAN MILLER FOUNDER D.J. DE PREE

COMPANY OVERVIEW

“A business is rightly judged by its products and services, but it must also face scrutiny as to its humanity.”

– D. J. De Pree, founder, Herman Miller, Inc.

Taking our cue from our founder, our goals at Herman Miller are to improve the performance of human habitats and to make work life more meaningful, productive, and rewarding with our products and services.

As employee-owners, we share a commitment to satisfying our customers with products of uncompromising quality and with designs that solve problems. Our innovations in design and design services, information technology, human resource programs, and environmental practices have made us a leader—in our own industry and beyond.

We focus our resources and investments on what benefits our customers most: research, design, distribution, and services to increase the value of their workplaces. Our manufactured components are produced through a strong and proven network of trusted and expert suppliers. With this approach, we maintain flexibility, efficiency, and cost effectiveness.

We believe that this model—supported by continued product and service advances and the unmatched speed and reliability of our operations—is the best long-term approach for our organization and our customers.

To learn more about who we are and what we do, please visit [About Us](#) on [HermanMiller.com](#).

OUR DESIGN HERITAGE

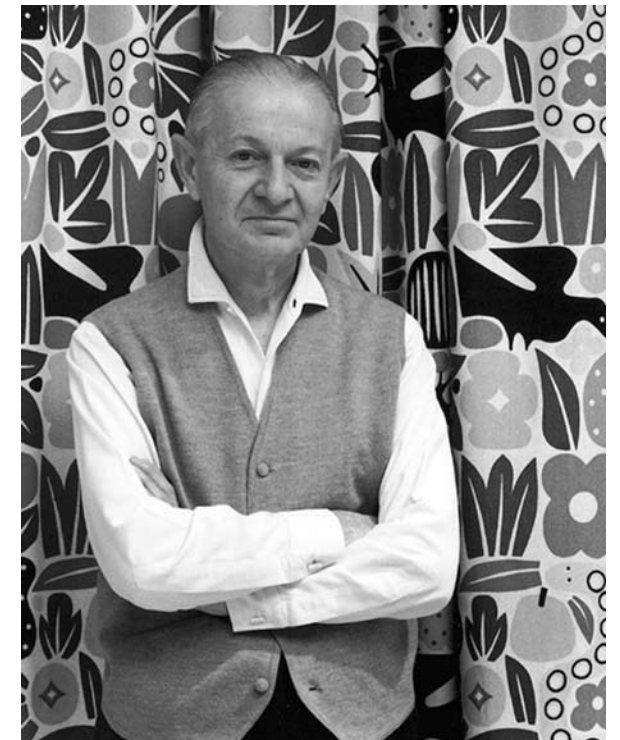
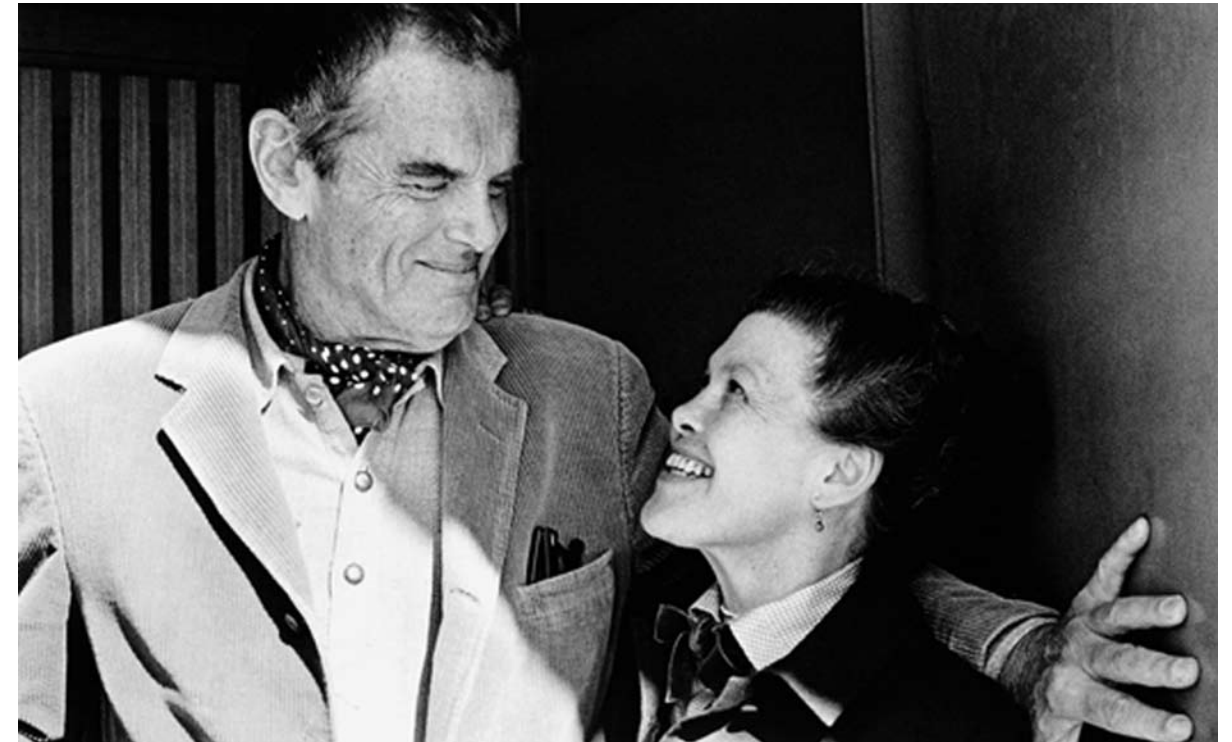
Our reputation for integrity in product quality and business relationships has developed through our partnerships with some of the century’s most outstanding designers—Gilbert Rohde, George Nelson, Charles and Ray Eames, Alexander Girard, and Isamu Noguchi, to name just a few. As they have been for 70 years, our people and the designers they work with are concerned with more than fabricating furniture; they are concerned with making the world we work in better. As a result, Herman Miller is a globally recognized innovator in contemporary interiors and related technologies for office, home, healthcare, and higher education settings.

OUR PRODUCTS

Through innovative research and design, and in partnership with our subsidiary and allied companies, Herman Miller offers:

- Office furniture systems and accessories
- Seating for office, healthcare, home, and higher education environments
- Freestanding furniture and filing and storage products for office, healthcare, home, and higher education environments
- Clinical and laboratory furniture and systems for healthcare
- Residential furniture
- Sound management technologies for open-plan work environments
- Modular and programmable power infrastructures for buildings

For more information, please visit our [Product Showroom](#) on [HermanMiller.com](#).



20TH CENTURY MODERN DESIGN PIONEERS INCLUDING CHARLES AND RAY EAMES (TOP), ALEXANDER GIRARD (BOTTOM RIGHT), AND GILBERT ROHDE (BOTTOM LEFT) HELPED TRANSFORM HERMAN MILLER INTO THE INDUSTRY’S LEADING MANUFACTURER OF MODERN FURNITURE.



HERMAN MILLER DESIGNS AND MANUFACTURES FURNITURE SOLUTIONS FOR OFFICE, HEALTHCARE, HOME, AND HIGHER EDUCATION ENVIRONMENTS.

OUR SERVICES

Herman Miller services allow our customers to do more than install new furniture. We help our customers imagine, create, and sustain workplaces that attract and retain talented people, foster collaboration and innovation, enhance brand image, and incorporate their facilities into their strategic plan. We provide our services in a variety of ways, so that our customers can choose what works for them.

For more, please visit [Services](#) on [HermanMiller.com](#).

OUR LEADERSHIP

The Herman Miller Board of Directors takes its commitment to environmental and social initiatives seriously, and they review our performance on these initiatives every year. In addition, to monitor compliance with the company's high ethical standards, the Directors and executives regularly complete detailed questionnaires to assess compliance with the [Corporate Code of Conduct](#). Executives also live by their commitment: Their performance, and therefore compensation, is continuously measured against their ability to manage the business in a manner consistent with our values.

WHERE WE ARE

Herman Miller is a global company with operations, sales offices, dealers, and licensees in more than 80 countries in North America, Asia/Pacific, Europe, Middle East, Africa, and Latin America, serving customers virtually anywhere in the world. Our world headquarters is in Zeeland, Michigan. Our manufacturing facilities are located in the U.S., China, Italy, and the United Kingdom.



HERMAN MILLER'S PARTICIPATION IN "WE CARE" DELIGHTED KIDS IN 16 CITIES OVER THE HOLIDAYS.

WHAT WE DID LAST YEAR

This section is to give you an idea of our progress and activities during the 2007 fiscal year (June 2006 through May 2007).

VOLUNTEER EFFORTS

We encourage our employees to contribute to their communities, and we are proud of their volunteer efforts. Here are some examples of what our people did last year.

One hundred employees from our West Michigan locations, along with another 33 family members, spun their wheels—literally—for charity. They participated in the Holland 100 Wellness Initiative a fundraiser for a local nonprofit, Macatawa Greenway. They rode their bikes for donations, and besides raising money for a great cause, had fun with their colleagues while enhancing their own health.

For the sixth consecutive year, several hundred Herman Miller employees and members of the architecture and design community throughout the U.S. volunteered in "We Care," a holiday gathering to help kids in need. This was a day of creativity and craft-making for underprivileged children in 16 cities.

Nearly 150 women participated in the Women’s Volunteer Day and provided more than 760 hours of service to women and children in West Michigan through 14 nonprofit organizations.

At the Spring Lake campus, the company provided financial sponsorship, and employees helped build a Habitat for Humanity house, so that a disadvantaged family in the community could experience the joy of first-time home ownership. More than 225 employees participated in this significant volunteer event.

Seventy-five employees from West Michigan and Atlanta-based Geiger traveled to Biloxi, Mississippi, for the second consecutive year to spend a week helping to rebuild the community that has still not recovered from the effects of Hurricane Katrina. The employees worked on nine different homes, bringing the reconstruction efforts on four to near completion. Because all the employees made and paid for their own travel arrangements, employees at the Adams Street campus held a bake sale to help the 15 Adams Street employees who volunteered with expenses.

VOLUNTEER EFFORTS

	04/05	05/06	06/07	Met 2007 Goal
Number of Employee Volunteer Hours	266	25,724	27,473	Exceeded

HEALTH AND SAFETY

Our injury rate for the last three years has been roughly one-third of the current industry standard of 7.8 injuries per 100 employees. We continue to strive toward our goal of zero injuries.

BEHAVIOR-BASED SAFETY

We implemented an innovative workplace safety program at our Van Wagoner, West Michigan, manufacturing facility that reduced on-the-job injuries by 40 percent in its first year. The program relies on interactions and coaching between team members to reduce the kinds of accidents that account for 94 percent of injuries—tool and equipment use, selection, or condition; alignment/extension body movements; personal protection equipment; and eyes on path/work. We like this program not only because it results in fewer injuries, but because it lets our employee-

owners take the lead in building a safety culture at Herman Miller. We will be starting this program at other sites in the coming year.

HEALTH AND SAFETY

	04/05	05/06	06/07
Total Case Incident Rate per 100 Employees	2.6	2.6	2.5
Fatalities	0	0	0

DIVERSITY

Several initiatives moved us toward our goal of becoming a more diverse and inclusive organization in the 2007 fiscal year.

DIVERSITY

	04/05	05/06	06/07
Female Employees %		40	40.7
Minority Employees %		20	24.1
Female Employees Senior Management %	Measured Differently	26.2	24.2
Minority Employees Senior Management %	Measured Differently	5.2	6.7
Minority Spend %			12.35

- **Community outreach** We joined several national organizations devoted to diversity, including the National Urban League, Catalyst, and Out & Equal, and we sponsored community-related inclusiveness and diversity events.
- **Dealer distribution network** We created a cooperative dealer partnership model and protocol which is being used in 14 regions and increased the number of minority-owned dealer partners.
- **Employee attraction and retention** We increased the number of women and minorities in key positions; boosted the number of diverse interns hired; and redefined our talent acquisition process.
- **Supplier diversity** Herman Miller was named Corporation of the Year by the Michigan Minority Business Development Council (MMBDC). We exceeded our 12 percent goal for minority spending and added 15 new diverse suppliers, which contributed an additional \$2M of diverse spend.

For more, please visit Inclusiveness & Diversity at HermanMiler.com.

OUR ENVIRONMENTAL PERSPECTIVE

Fiscal 2007 was a mixed year in terms of our successes in meeting our own environmental goals. The good news is that we met our overall environmental footprint reduction goal—10 percent improvement over fiscal 2006—by reducing process water use, increasing the percentage of renewable energy we purchase, and reducing waste sent to landfill. On the other hand, we did not meet our targets for air emissions (we missed that goal by less than one percent), hazardous waste emissions, and Design for the Environment manufacturing.

We are working hard to reach all our goals in 2008.

	2020 Goal	Progress to 2020 Goal*	Met Fiscal 2007 Target
VOC Air Emissions (tons)	0 tons	87%	
Process Water Use (mil gal)	0 mil gal	49%	✓
Hazardous Waste (tons)	0 tons	81%	
Solid Waste (tons to landfill)	0 tons	84%	✓
Renewable Electrical Energy	100%**	27%	✓
Total Footprint Reduction	100%	65%	✓

* Percent change from Base Year of 1993/94 as of May 31, 2007.

** % of total electrical energy use.

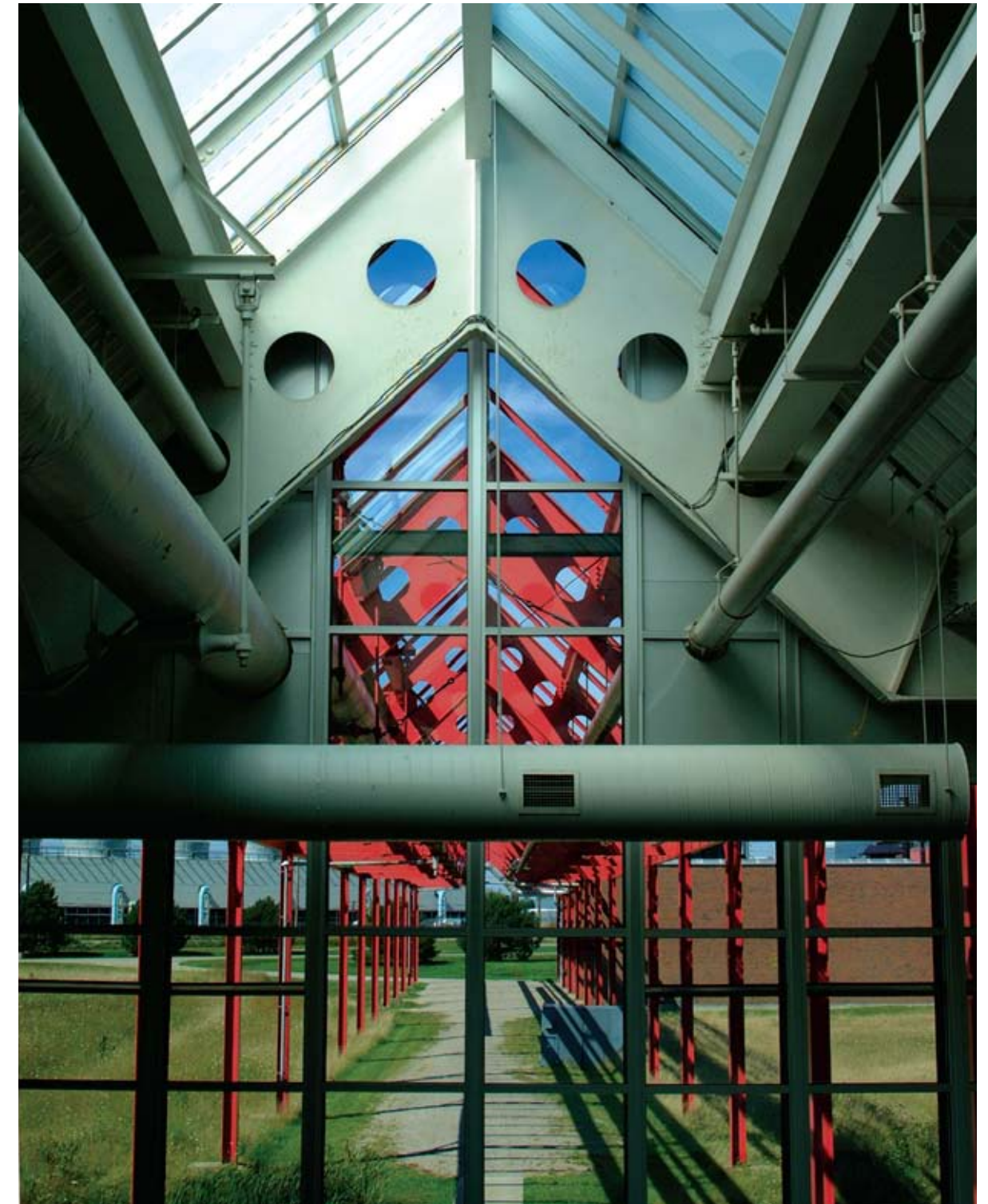
ENVIRONMENTAL PERFORMANCE BY YEAR

	93/94 Actual	05/06 Actual	06/07 Actual	07/08 Goal
VOC Air Emissions (tons)	266	41.79	35.99	31.88
Hazardous Waste (tons)	291	30.31	56.49	24.4
Solid Waste (tons to landfill)	10,050	3,042.48	1,630.44	1,365.98
Process Water Emissions (mil gal)	114	84.61	58.12	57.32
% Renewable Energy (kWh)	0%	10.3%	27%	27%
Design for Environment	0%	5.94%	15.7%	30%

VOC EMISSIONS TO AIR

Volatile organic compounds (VOC) emissions have remained relatively steady since we achieved major reductions in 2003. We expect significant reductions in our VOC emissions two years from now, when the effects of new equipment are realized. In fiscal 2007, we missed our VOC emissions reduction goal by a mere 660 pounds—less than 1 percent of the total.

Nitrogen oxide (NOx) and sulfur oxide (SOx) emissions from our Energy Center operations have remained constant for the past three calendar years, at 20 tons and 0.47 tons, respectively.



THIS SPINE CONNECTOR LINKS HERMAN MILLER'S MAIN SITE CAMPUS TO THE ENERGY CENTER, WHICH GENERATES 100 PERCENT OF THE STEAM NEEDED BY MAIN SITE MANUFACTURING OPERATIONS.

PROCESS WATER USE AND QUALITY

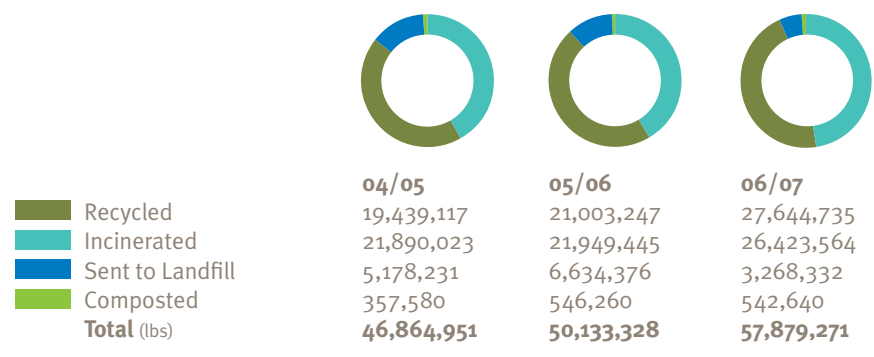
We met our fiscal 2007 process water use goal and are now at about half of where we were in 1993/94. In fiscal 2007 we reduced water use in the finishing lines at our Spring Lake sites.

We also began tracking actual water use data. We installed water meters at the point of use in manufacturing operations to increase the accuracy of our data and facilitate improvement.

SOLID WASTE TO LANDFILL

This target was one of our major successes in 2007. In the last year, we cut the volume of waste sent to landfills in half, from 6.6 million pounds in fiscal 2006 to 3.3 million pounds in fiscal 2007. Our waste-reduction efforts resulted in cost savings of \$50,000 in fiscal 2007, and we also recorded recycling income of more than \$1.8 million.

NONHAZARDOUS WASTE DESTINATION



HAZARDOUS WASTE

From fiscal 2004 to fiscal 2006, we saw a significant decrease in hazardous waste, thanks to our switch to powder-coat paint for many metal product components and our reduced use of solvents in wood finishing.

Unfortunately, a single incident caused us to miss our hazardous waste target for fiscal 2007.

We had zero significant spills, zero significant fines, and zero non-monetary sanctions for non-compliance with laws and regulations from 2005 to 2007.

CLIMATE CHANGE

RENEWABLE ENERGY

We met our renewable energy goal—obtaining 27 percent of our energy from renewable sources— by purchasing certified Renewable Energy Credits. Our renewable energy portfolio consisted of 51 percent wind-generated electricity and 49 percent biomass (landfill gas that generates electricity) in fiscal 2007.

ENERGY USE

Increasing production volume, offset by electrical use reduction projects, resulted in a net increase of 1.2 percent in electrical energy use. For the same reasons, our natural gas use increased from 2006 to 2007 by 16.2 percent.

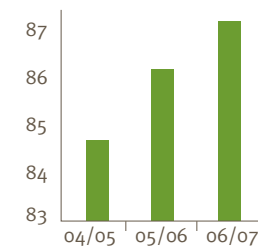
By joining the EPA's Energy Star program, purchasing renewable energy credits, and implementing company-wide energy efficiencies, we continue to achieve significant savings* in energy use and dollars during fiscal 2007, including savings of:

- 31.5 million kilowatt hours
- 23,500 mmbtu's
- \$1.55 million

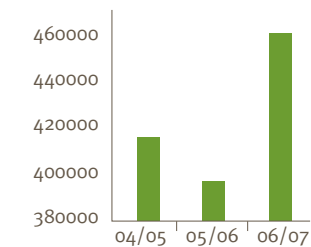
*These savings derive from active projects at our West Michigan and Geiger facilities implemented since 1991.

ENERGY USE

Electric (kWh)(in millions)



Gas (mmbtu)



Our most successful energy efficiency projects have focused on the updating of our factory lighting systems. We have successfully proven that converting HID lighting to T8 fluorescent lighting and adding control technology to the lighting system can cut our lighting bills in half.

Our LEED projects continue to prove that energy costs for general building operations are reduced by 25 percent when LEED protocols are implemented during construction or renovations.

GREENHOUSE GAS EMISSIONS

	FY 01/02 Tonnes	FY 06/07 Tonnes	FY 06/07 Tonnes per MM\$ Sales
Total Scope One	28,200	36,900	19.2
Stationary Combustion	27,000	33,600	17.5
Local Fleet	1,200	3,300	1.7
Total Scope Two	69,900	86,200	44.9
Purchased Electricity	69,900	86,200	44.9
Total Scope Three	54,900	61,600	32.1
Employee Logged Miles	2,100	1,700	0.9
Highway Carriers	52,800	59,900	31.2
Total Gross Greenhouse Gas Emissions	153,000	184,700	96.2
Renewable Energy Certificates (RECs)	0	14,000	7.3
Total Net Greenhouse Gas Emissions (Global)	153,000	171,000	89.1
CO₂ from Biomass (wood waste) - Energy Center	16,500	18,300	9.5

The term “carbon footprint” refers to the total volume of greenhouse gases produced by an activity. Greenhouse gases, which trap the heat from the sun in the earth’s atmosphere, include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), ozone (O₃), and others. The greenhouse gases represented by the carbon footprint are converted to and reported in units of carbon dioxide.

CO₂ equivalent is used to standardize greenhouse gas emissions and allow comparisons from year to year and across industries. The total amount of carbon emissions, usually in metric tonnes (2204 pounds), is an indication of the volume of greenhouse gas we are producing in a certain time period.

Our first attempt at benchmarking our greenhouse gas emissions occurred during fiscal 2001/2002 as our base year. Our greenhouse gases for last fiscal year (2006/2007) include direct emissions from sources we control (Scope 1/required), along with our purchased electricity (Scope 2/required), and employee air travel and highway carrier miles (Scope 3/optional). We believe it is important to report our optional emissions because shipping goods to our customers is a big part of our business.

While our sales have increased by 21 percent over the last three years, our total greenhouse gas emissions have increased less, indicating that we have reduced greenhouse gas emissions relative to manufacturing activity. We achieved these reductions by implementing energy efficiency measures and purchasing renewable energy certificates.

In addition, our long-term commitment to protecting the environment is reflected in the savings from the renewable energy from our wood-fueled boiler that we call the Energy Center. Since its installation in 1979, we have been avoiding greenhouse gas emissions annually, including 6,000 tonnes for fiscal 2007.

OUR BUILDINGS

During fiscal 2007 we earned LEED certification for our Atlanta National Design Center (Gold CI) and Zeeland Main Site IT North Building (Silver CI).

OUR PRODUCTS

Our Foray™ seating product line joined the Caper®, Mirra®, and Celle® lines in having achieved Cradle-to-Cradle protocol certification. We also received GREENGUARD certification for the Foray product line this year, which continues our tradition of obtaining GREENGUARD certification for all of our major products. Our Quadrant® and Meridian® lateral files and Aeron® chairs were reviewed for compliance with our stringent DfE standards. We missed our goal of 20 percent DfE-approved products by 4.3 percent because some product modifications were delayed. We turned a big corner in fiscal 2007, when all of our new products met the Design for the Environment (DfE) criteria.



THE WATERCARRIER SCULPTURE ON HERMAN MILLER'S MAIN SITE CAMPUS HONORS EMPLOYEES WHO HAVE WORKED AT THE COMPANY FOR AT LEAST 20 YEARS.

HOW WE WORK: SOCIAL RESPONSIBILITY

We have a responsibility to be a contributing member of the communities in which we live and work.

THE HERMAN MILLER EMPLOYEE EXPERIENCE

An organization's culture is made up of the collective attitudes, aspirations, ideals, and experiences of the people who work there. At Herman Miller, "social responsibility" is more than a series of programs, initiatives, and measurements – although each has an important role to play. We believe that by fostering a meaningful employee experience every day, we can help create a transformational culture, both within our own organization and throughout the communities in which we live and work.

Different people describe a "meaningful employee experience" in different ways, but we believe that certain basic requirements must be met in creating a good place to work. Employees must feel valued and have the **opportunity** to improve their work processes,

learn, and advance. The workplace must be **inclusive** and **diverse**—to provide a wide range of experiences and viewpoints throughout the company and prevent the tunnel vision that inhibits creativity and innovation. Employee **health** and **safety** on the job has to be a primary focus of how we work. And employees need to feel **supported**—by having the charities that are important to them respected by the company, by receiving good and fair benefits for themselves and their families, and by knowing that they work under the umbrella of a commitment to high ethical standards.

More information on Herman Miller’s [Employee Experience](#) is available at [HermanMiller.com](#).

OPPORTUNITY

We believe that fostering the personal growth and development of our employees is not only the right thing to do, but good business as well. We want our employees to maintain ownership of their careers at Herman Miller and to be able to make the most of every opportunity. To this end, we maintain a policy of openness, providing employees with access to yearly performance reviews, internal job postings, an educational assistance program, and an ongoing series of workshops that help them build new skills. Employees are encouraged to work with their supervisors to build career development plans that support individual career goals.

LIFELONG LEARNING PROGRAMS

Our company is built on a foundation of creativity and innovation, and we understand that creative people are curious and involved, and that they never stop learning. So we offer many different kinds of learning and development resources, including online self-studies and classroom learning opportunities. Our employees are encouraged to build proficiency in key areas through career development planning. And employees are also encouraged to identify and make use of other resources that can help them develop a necessary business skill.

EDUCATION REIMBURSEMENT

Herman Miller provides financial reimbursement for employees who choose to continue their formal education to broaden their skills or keep current with business trends and practices.



A FARMER’S MARKET HELD WEEKLY DURING THE SUMMER AT HERMAN MILLER SITES IN WEST MICHIGAN.



HERMAN MILLER BELIEVES IN A WORKFORCE MADE UP OF A DIVERSITY OF BACKGROUNDS, INTERESTS, AND TALENTS.

INCLUSIVENESS AND DIVERSITY

“Each of us is needed. Each of us has a gift to bring. Each of us has a deep-seated desire to contribute.”

– Max De Pree (Former CEO and Chairman Emeritus) *Leadership is an Art*

Like many other companies, Herman Miller believes in a workforce composed of people with a diversity of backgrounds, interests, and talents. Nondiscrimination is not only the law, but also the right thing to do, and work team leaders throughout our organization are required to exercise fair employment practices. But neither our beliefs nor our actions stop there. We know that a broader, more inclusive workforce means a broader perspective, and that leads to more problem-solving approaches and enhanced innovation.

In 2004 we established a Corporate Inclusiveness and Diversity Team and created the position of Director of Organizational Diversity. The team has created an overall strategy and specific metrics designed to reach our diversity goals by the year 2010. Our definition of “diversity” extends beyond gender, race, ethnic background, and nationality; it encompasses people who differ in age, income, religion, sexual orientation, philosophy, personality style, education, and physical ability. And it applies not only to our on-site employees, but to our dealers and suppliers.

Our programs, initiatives, goals, and metrics make up a strategy that continues to focus on five critical areas: supplier diversity, employee diversity, distribution channel diversity, awareness training, and community outreach.

Inclusiveness and Diversity metrics and a corresponding scorecard established in 2005 track and measure the company’s progress toward meeting our inclusiveness and diversity goals. Our CEO establishes measurable goals for each of his direct reports. Scores are based upon cumulative results toward the goals, and additional points are awarded as the goals are exceeded. Scorecard results are reviewed regularly by the company’s senior-level leadership and the Board of Directors.

Providing additional support for this work are the Corporate Diversity Council and seven Inclusiveness Resource Teams (IRTs): Asian; Black; Employees with Disabilities; Female; Gay, Lesbian, Bisexual, and Trans-

gender; Hispanic; Male. The Corporate Diversity Council includes representatives from each strategic area, an executive sponsor, and the lead from each IRT. Each IRT is charged with implementing key business initiatives that not only benefit our employees and communities, but also help us meet our business objectives.

Please visit [Inclusiveness & Diversity](#) and our [Discrimination & Harassment](#) policy at HermanMiller.com.

SUPPLIER DIVERSITY

For years we have worked to build a strong and diverse supplier network. Our long-term goal is to be the first office furniture manufacturer to achieve World Class designation for its Supplier Diversity Program. We seek to expand our base of qualified diverse suppliers not to win awards, but because it makes good business sense and builds a stronger community. Supplier sourcing and qualification, Tier 2 reporting, mentoring, community and business outreach, and training and education are among the strategies we use to strengthen our supplier diversity efforts.

We also participate as a corporate member of the Michigan Minority Business Development Council (MMBDC), attending events and meetings to discuss minority business opportunities and to help the MMBDC create awareness in the Michigan legislature of the business case for minority-owned businesses.

As part of our commitment to diversity, all Herman Miller suppliers are screened for their human rights practices through on-site visits and registration requirements.

Please visit [Supplier Diversity](#) on HermanMiller.com.

HEALTH AND SAFETY

Herman Miller is committed to the highest standards in health and safety management. From the production floor to the workstation, from stacking products to adjusting seats ergonomically, we focus on safety first, last, and always. Herman Miller's workforce participates in health and safety committees. Their activities include safety training classes, audits, incident investigations, contractor monitoring, and safety communications. Herman Miller also hosts safety conferences, and we invite employees, guests, and even our competitors.

OUR SAFETY GOALS

- Zero injuries
- Excellence in safety performance
- Elimination of unsafe behavior

A key initiative in our pursuit of these goals is our participation in the Michigan Voluntary Protection Program (MVPP), which provides employers and employees with a set of criteria to achieve outstanding corporate safety management systems. The program elements of communication, education, hazard analysis and prevention, and employee involvement provide Herman Miller with a successful infrastructure for a sound safety management approach. Three of our corporate manufacturing sites have been recognized as MVPP Michigan Star sites for their exemplary safety and health programs. At these sites, injury and illness rates are below industry standards.

EMPLOYEE SUPPORT

VOLUNTEER EFFORTS

We encourage our employee-owners to seek out volunteer opportunities in the community, and we allow each of them eight paid hours a year to work with the charitable organization of their choice. Herman Miller people regularly take part in initiatives ranging from highway and river clean-ups to youth mentoring programs. Herman Miller sets goals for the number of employee volunteer hours we contribute annually to our communities. We demonstrate our employees' impact on the communities by reporting our progress in meeting these goals to the CEO.

BENEFITS

Please visit [The Benefits We Offer](#) and [Why Herman Miller](#) at Herman Miller.com.

Years of experience in creating supportive workplaces has taught us a lot about keeping employees healthy, comfortable, and motivated. Herman Miller provides a wellness program to help our U.S. Herman Miller, Inc., employees maintain their health and well-being.



HERMAN MILLER GRAPHIC DESIGNER KIM HARRIS VANDERLENDE MAKES A FRIEND DURING PROJECT INDIA, A 10-DAY VOLUNTEER EFFORT TO REBUILD A THARANGAMBADI SCHOOL DEVASTATED BY THE DECEMBER 2004 TSUNAMI.

HUMAN RIGHTS STATEMENT

As a matter of law and simple moral obligation, Herman Miller prohibits child labor, forced labor, harsh and inhumane treatment, abuse, and discrimination. We allow collective bargaining and enforce minimum working wages and maximum working hours. These practices are in keeping with the human rights statement of the International Labor Organization and the core labor standards of the United Nations Declaration of Human Rights (1946).

Herman Miller follows guidelines that we set for suppliers, such as labor and ethical business practices. Please see our [Supplier Code of Conduct](#) on HermanMiller.com.

ETHICS STATEMENT

Herman Miller's own sense of ethics and fair trade practices condemn bribery, kickbacks, theft, and fraud. In addition, all work team leaders are trained in our code of ethics, respect, and community. See our [Corporate Code of Conduct](#) at HermanMiller.com.

All employees receive our "Employee Policies and Guidelines," which also provides detailed information about ethical issues and problems. We maintain a confidential hotline through which employees can report ethical problems or suspected incidents of discrimination, harassment, theft, or fraud.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION

The people and organizations who have a stake in how Herman Miller works include customers, employees, architects and designers, dealers, suppliers, contractors, government bodies, nonprofits, investors, and debt holders. We value their opinions about how the company operates.

Without a commitment to listening to our customers and providing the best service possible, we would be doing only half our job. Herman Miller gathers customer comments via our sales representatives and dealers, the corporate Web site and internal and external auditing, and we incorporate our customers' feedback into our products and services.

Our employee-owners are encouraged to ask questions and make suggestions about how the company is run via our intranet site and monthly staff meetings. Employees can also communicate directly with any company officer, including the CEO, through our global e-mail address listing. And our CEO discusses the company's strategy and answers questions during annual employee meetings. Our Investor Relations Officer actively seeks out feedback from shareholders through e-mail, phone calls, meetings, and conferences.

SAFE AND HEALTHY PRODUCTS

Our concerns extend not only to our own employees, but to our customers, and we address their health and well-being in every step of product development, from idea conception through product disposal. This commitment is evidenced by the materials we choose, our manufacturing processes, and our advances in ergonomic design.

ERGONOMICS

In 1968, after eight product years of research, Herman Miller introduced the first panel-based office furniture system. This major innovation introduced human factors and ergonomics to the office work environment, in part due to Robert Propst's deep understanding of the human body and his concept of using movable parts to adapt the office to the individual inhabitant. In 1976, after 11 years of research, Herman Miller introduced modern ergonomics to the contract furniture industry with the Ergon[®] chair, the first truly ergonomic work chair. Today, proper ergonomics guides every Herman Miller design and designer.

We want to make every person comfortable, safe, and productive at work by applying the principles of good ergonomic design: fit the user in both size and capability; fit the task (placement of tools and equipment with regard to reach, duration, and intensity is essential to task performance); and allow for posture change and activity variety (muscles require movement to stay healthy).

By improving worker comfort and vitality in the workplace and reducing the likelihood of developing musculoskeletal disorders (MSDs), we contribute to a healthier, happier, and more successful work environment. Please visit [Ergonomics](https://www.hermanmiller.com/ergonomics) at [HermanMiller.com](https://www.hermanmiller.com) for more information



DESIGNER BILL STUMPF CREATED ERGON, THE FIRST ERGONOMIC WORK CHAIR, FOR HERMAN MILLER IN 1976. STUMPF LATER COLLABORATED WITH DESIGNER DON CHADWICK TO CREATE HERMAN MILLER'S ICONIC AERON[®] CHAIR.

about subjects including codes and standards, research, training, and additional information.

LABELING

All of our products have labels and/or bar codes that identify the product number, order number, manufacturing date and time, manufacturing location, and Herman Miller supplier. Our labeling follows the American Society for Testing Materials standards for labeling components.

In addition, each box of Herman Miller, Inc., product comes with a product installation sheet that details proper installation, care, and maintenance.



“WE ARE ALL EXTRAORDINARY.” – D. J. DE PREE, HERMAN MILLER FOUNDER



HERMAN MILLER'S DESIGN YARD FRONT DOOR IN HOLLAND, MICHIGAN, IS LEED GOLD CERTIFIED FOR COMMERCIAL INTERIORS.

HOW WE WORK: ENVIRONMENT

We believe that sustainability and commercial success should coexist in a mutually beneficial relationship.

ENVIRONMENTAL LEADERSHIP

In the early 1950s, long before the “green” concept had even been formulated, Herman Miller founder D.J. De Pree composed a statement of corporate values that declared that Herman Miller “will be a good corporate neighbor by being a good steward of the environment.” Mr. De Pree introduced several visionary corporate practices that today are regarded as environmentally sensible, such as placing windows in all company buildings, including manufacturing facilities, to let in natural light. He also specified that 50 percent of any Herman Miller corporate site must be set aside as “green space.” Succeeding generations of our company’s leadership and employee-owners have expanded upon D.J. De Pree’s legacy. Today, “living with integrity and respecting the environment” remains one of our core values. Our business decisions are constantly guided by a sense of responsibility

to the environment, to those who live in it, and to those who will follow.

Herman Miller follows an environmental policy statement that has been approved by the Board of Directors. It states that, at Herman Miller, respecting the environment is more than good business practice—it is the right thing to do. We believe that continued economic growth and environmental protection are inextricably linked—that the quality of life depends on meeting human needs without destroying the environment on which all life depends.

Please see [The Environment](#) at [HermanMiller.com](#).

In 2004, we established a new environmental mandate with our Perfect Vision program. This initiative set a target date of 2020 to meet the following sustainability goals:

- 100 percent reduction of VOC (volatile organic compound) emissions to air
- 100 percent reduction of process water use
- 100 percent reduction of hazardous waste
- 100 percent reduction of solid waste to the landfill
- 100 percent renewable electrical energy use
- 100 percent of sales from our Design for Environment (DfE)-approved products
- 100 percent of owned and/or leased company buildings meet or exceed USGBC's LEED Silver certification

We measure our performance against these targets and regularly report our results to senior management.

OUR ENVIRONMENTAL QUALITY ACTION TEAM (EQAT)

In 1989 a group of our employees launched the Environmental Quality Action Team (EQAT), a committee that sets our corporate environmental priorities and improvement goals.

One important component of the EQAT initiative is our ISO 14001 Team, which includes Environmental Site Leads at all of our major office and manufacturing locations. The ISO 14001 and Environmental Low-Impact Processing (E-Lip) Team meets regularly to share information and to ensure that Herman Miller's EMS requirements are maintained companywide. Team members monitor and report on their respective sites' environmental activities in support of our goals.

For more details about our EQAT team, see [How We Do It](#) at [HermanMiller.com](#).



ENVIRONMENTAL FOCUS

The following sections outline our environmental efforts in four specific areas—pollution reduction, climate change, product design, and green buildings. We are vigorously reducing our manufacturing waste and emissions. We also recognize, and have plans to deal with, the implications of climate change—for our business, our communities, and our world. We evaluate our products from their earliest design stages for their material chemistry, ease of disassembly, and recyclability. Finally, we continuously assess how the design of our buildings can be healthier and more energy efficient.

REDUCING WASTE AND EMISSIONS

VOC EMISSIONS TO AIR

We manage volatile organic compounds (VOCs), which result largely from our finishing processes, under our Perfect Vision program. We're targeting a 100 percent reduction of VOC emissions to air by 2020. Between 1994 and 2006 Herman Miller recorded more than 85 percent decline in VOC emissions.

We also track our nitrogen oxide (NOx) and sulfur oxide (SOx) emissions at our Energy Center, even though we do not include them in our 2020 goals. We burn scrap wood to create energy at our Energy Center.

PROCESS WATER USE

The environmental impact of water use throughout our manufacturing operations is monitored constantly. While we recognize that meeting our 2020 goal of a 100 percent reduction of process water consumption in manufacturing is among our greatest environmental challenges, it's one we will remain vigilant in pursuing. In the meantime, all process water that we discharge is monitored and tested regularly. All process water from our Michigan operations is sent to municipal treatment centers in Holland, Zeeland, and Grand Haven, Michigan. Process water from our Geiger operations in Georgia is trucked to a local treatment facility, Environmental Remedies.

We also look for every opportunity to upgrade and improve the ways in which we use water throughout our office buildings, from installing low-flush toilets and waterless urinals to reducing the amount of water used for lawn care.

HAZARDOUS WASTE

Eliminating the use of substances that produce hazardous waste in manufacturing is one of the best things we can do for the environment. To achieve our goal of zero hazardous waste production by 2020, we have taken the important first step of reducing the use of hazardous materials in every aspect of the manufacturing process – from raw materials to building and equipment maintenance. Our hazardous material use has been steadily declining as we've introduced new manufacturing technologies and techniques to our processes. The number of our facilities that release toxic chemicals, defined by the EPA's Toxic Release Inventory, has been reduced from seven to one and the number of toxic chemicals that we use in our facilities from twelve to one. The significant decrease in hazardous waste we have achieved so far is due in part to our switch to powder-coat paint for many metal product components and also to our reduced use of solvents in wood finishings.

SOLID WASTE TO LANDFILL

The volume of solid waste being dumped in landfills represents one of the greatest environmental challenges the United States is facing. As the volume increases, more and more land has to be dedicated to trash, much of which will not degrade. Herman Miller is committed to help reverse this national trend. Our goal is to deposit no solid waste at all in landfills by 2020. By finding alternative uses for waste, we cut landfill costs, generate steam, earn revenue, and reduce the negative effects of solid waste on the environment.

CLIMATE CHANGE

As a publicly owned company pledged to environmental stewardship, Herman Miller is concerned with the economic, environmental and social implications of climate change. At this time it's not possible to quantify how climate change may affect Herman Miller financially. We have been taking, and continue to take, the actions necessary to reduce our own impact on climate change by reducing our energy use, increasing our use of renewable energy, decreasing our transportation need, and designing our products to be energy efficient. This is our first year reporting our carbon footprint.

CARBON FOOTPRINT

We understand that measuring our greenhouse gas emissions is the first step in reducing them. In 2007 we began the process of creating a carbon footprint using the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol Corporate Standard. We use average emission factors provided by the GHG Protocol to calculate our Scope 1 direct greenhouse gas emissions that are under our control—namely, our natural gas usage and local fleet emissions. Scope 2 indirect emissions are calculated from our purchased electricity. We also include the Scope 3 (optional) indirect emissions that result from over-the-highway trucks (all contractor-owned) and employee travel mileage. This information will help us identify projects to decrease our footprint in the future.

ENERGY CONSERVATION

Since 1999, we have followed the guidelines of the U.S. Environmental Protection Agency's Green Lights program and its successor, the Energy Star Building program. Under Energy Star guidelines, we employ a seven-step management program for energy conservation. Since 1999, we've achieved an average 49 percent return on investment, reduced energy costs, and increased energy efficiency in all of our North American production, office, and warehouse facilities. Our energy conservation projects have reduced our energy consumption costs by more than \$1.55 million annually.

RENEWABLE ENERGY

We've set a goal to use 100 percent renewable electrical energy for all corporate sites. As we work to reduce the impact our activities make on the environment, we are progressively phasing in the use of green electrical energy in our office and manufacturing facilities. To help achieve our 100 percent renewable electrical energy goal, we purchase Green-e certified renewable energy certificates. Green-e is a national certification organization that audits and approves renewable energy sources. Our renewable energy certificates (RECs) are purchased with savings achieved from energy efficiency projects such as lighting upgrades, LEED projects, and manufacturing-related projects.

The Herman Miller Energy Center generates 100 percent of the steam needed by the Zeeland Main Site's manufacturing operations, of which 92 percent comes from the incineration of wood waste. The emissions from wood waste at our Energy Center do not count toward our carbon footprint, but do reduce our overall greenhouse gas emissions because of the natural gas usage the burning of biomass replaces.

TRANSPORTATION

We recognize that transporting Herman Miller products from our suppliers to our factories and to our customers increases air pollution and contributes to global warming. Our challenge is to reduce the effects of transportation on the environment while maintaining excellent customer service.

One of our transportation initiatives focuses on maximizing the volume of product that we fit in each product delivery trip by minimizing our product packaging and consolidating our use of space. We do this by shipping



THE HERMAN MILLER GREENHOUSE MANUFACTURING AND OFFICE BUILDING IN HOLLAND, MICHIGAN, WAS A PILOT FOR THE DEVELOPMENT OF LEED CERTIFICATION GUIDELINES, AND EARNED "PIONEER" STATUS FROM THE U.S. GREEN BUILDING COUNCIL.

some of our products in bulk, securely enclosed in reusable blanket wrapping, and using wooden shipping pallets. These measures reduce the amount of packaging material by more than 50 percent and also reduce the flow of cardboard and plastic packaging to the landfill. Our long-distance shipping subcontractors serve Herman Miller and other customers simultaneously to reduce the number of trips. We are also expanding the use of biodiesel fuel for our existing trucks. As reliable access to this and other cleaner-burning fuels increases, we look forward to incorporating these more environmentally friendly energy sources into our operations.

ENERGY-EFFICIENT PRODUCTS

We strive to create innovative products that reduce energy use for our consumers. One example is our Convia™ Programmable Infrastructure, a modular and programmable electrical infrastructure that delivers “plug-and-play” power virtually anywhere within a commercial space without requiring hardwiring of devices or switches. By allowing unlimited modifications in positioning and configuring energy-efficiency components, and optimizing occupancy, daylight, time, and temperature sensors, Convia provides personalized and cost-efficient control of power, data, HVAC and lighting systems. Convia also eliminates the landfill waste that is often created when buildings using traditional electric infrastructure are modified because 100 percent of Convia components are reusable.

OUR DESIGN FOR THE ENVIRONMENT INITIATIVE

“Herman Miller has been a pioneer in the environmental movement for decades. With their adoption of MBDC’s Cradle-to-Cradle design protocols, they have taken that commitment to a new and immensely more powerful level, moving beyond eco-efficient to true sustainability.”

– William McDonough

At Herman Miller, designing our products with consideration for their environmental impact is a central corporate strategy. When it comes to product innovation, durability, and overall quality, we’ve been designing with the environment in mind for decades.

Today we’re focused on incorporating increasingly more environmentally sustainable materials, features, and manufacturing processes into our new product designs. Our Design for the Environment (DfE) Team, a committee of EQAT, is responsible for developing environmentally

sensitive design standards for new and existing Herman Miller products. We track our performance of DfE using dollars of DfE-approved sales divided by total sales dollars.

Working with McDonough Braungart Design Chemistry (MBDC), the DfE Team evaluates new product designs in the key areas of material chemistry and safety of inputs, disassembly, and recyclability. Today, all new Herman Miller products are designed using the DfE protocol and all pre-existing products are held to these standards as well.

The Design for the Environment group strengthens relationships with our material suppliers by conducting more than 200 face-to-face meetings designed to educate suppliers about our sustainability goals and requirements. These sessions explain our need to collect the chemical composition of parts to ensure that Herman Miller products are designed with the lowest possible environmental impact. The Environmental Department then works with the supplier to provide feedback on its parts and advice on substituting environmentally harmful materials.

Learn more about our [DfE protocol](#) on HermanMiller.com.

GREENGUARD

Herman Miller’s major lines of systems furniture, office seating products, and filing and storage, including Meridian® products, have earned GREENGUARD Indoor Air Quality Certification for low-emitting products.

SUSTAINABLE WOOD

Our company policy specifies that we purchase wood only from suppliers that practice sustainable forestry. We source some composite wood products that are certified by the Forest Stewardship Council, or the Sustainable Forestry Initiative. We have acquired Forest Stewardship Council (FSC) chain of custody certification at our Zeeland Main Site manufacturing facility. However, there is a severe lack of FSC certified materials available that can be used in our products. Therefore, at this time the availability of certified products that we can offer is extremely limited.

In situations where we determine that wood is being harvested faster than it’s being replenished, we work with suppliers to find other sources.



HERMAN MILLER AND GERMAN DESIGN FIRM STUDIO 7.5 TEAMED TO CREATE THE MIRRA® CHAIR, THE FIRST CHAIR DESIGNED FROM ITS EARLIEST STAGES ACCORDING TO HERMAN MILLER'S DESIGN FOR THE ENVIRONMENT PROTOCOL.

RECYCLED CONTENT

We pay close attention to our selection and use of raw materials. One aspect of our design and manufacturing criteria involves incorporating recycled materials into all of our products. This process includes carefully monitoring each product's weight and the percentage of recycled content used. Occasionally, increasing the percentage of recycled content in our products conflicts with our desire to provide the most environmentally safe materials. Each product alteration is examined individually to maximize environmental responsibility over the product's life cycle.

More information is available in our [Environmental Product Summaries](#) and [LEED Credit Summaries](#) at [HermanMiller.com](#).

RECLAIMING USED HERMAN MILLER PRODUCT

We design each Herman Miller product to last through many years of reliable performance before being recycled, in whole or in part, at the end of its useful life. And we help customers deal with the recycling of our products.

We have also partnered with two companies as part of a trade-in program. Additionally, we are working closely with our industry trade association, BIFMA International (Business and Institutional Furniture Manufacturer's Association), to create a comprehensive, industry wide reclamation infrastructure.

More information is available in our [Environmental Product Summaries](#) and [LEED Credit Summaries](#) at [HermanMiller.com](#).

GREEN BUILDINGS AT HERMAN MILLER

Herman Miller founder D.J. De Pree's recognition of the importance of green space around buildings and natural light within them foreshadowed the emergence in recent years of the green building industry. Not coincidentally, Herman Miller was a founding member of the U.S. Green Building Council (USGBC). We also helped formulate the USGBC's LEED certification standards.

As the USGBC was launching in 1993, we hired environmental architect William McDonough (of MBDC) to design a new manufacturing facility on more than 45 acres of open land populated largely by wildflowers. In 1995, the USGBC used the building, which we named the GreenHouse, as a pilot for the development of the LEED guidelines. The USGBC ultimately awarded the GreenHouse LEED Pioneer status in light of its environmentally sound, aesthetically pleasing, and financially beneficial qualities.

Today, we are committed to building or renovating our facilities to achieve at least Silver LEED certification. In our home state, Herman Miller is among the top tier of Michigan-based companies with the most LEED-certified buildings.

For a complete list of our LEED-certified buildings, see [Green Buildings](#) at [HermanMiller.com](#).

HABITAT RESTORATION AND PROTECTION

In following LEED guidelines, we encourage management practices that have the lowest environmental impact possible and that preserve ecological integrity and enhance biodiversity and protect wildlife, while supporting the performance of our buildings and integration into surrounding landscapes. Several of our West Michigan building sites feature native flowers and grasses, as well as retaining ponds that support a diversity of plant and animal life.

We use Integrated Pest Management (IPM) at all facilities to reduce pesticide use and minimize our impact on biodiversity and human health. Under the IPM system, we treat infestation and similar issues only as they arise – we don't spray for preventive purposes. For facilities that require regular groundskeeping, we use a phosphorus-free fertilizer to prevent harmful runoff into surrounding natural areas.

None of Herman Miller's operations directly affects the International Union for Conservation of Nature and Natural Resources (IUCN) Red List threatened species' habitats.

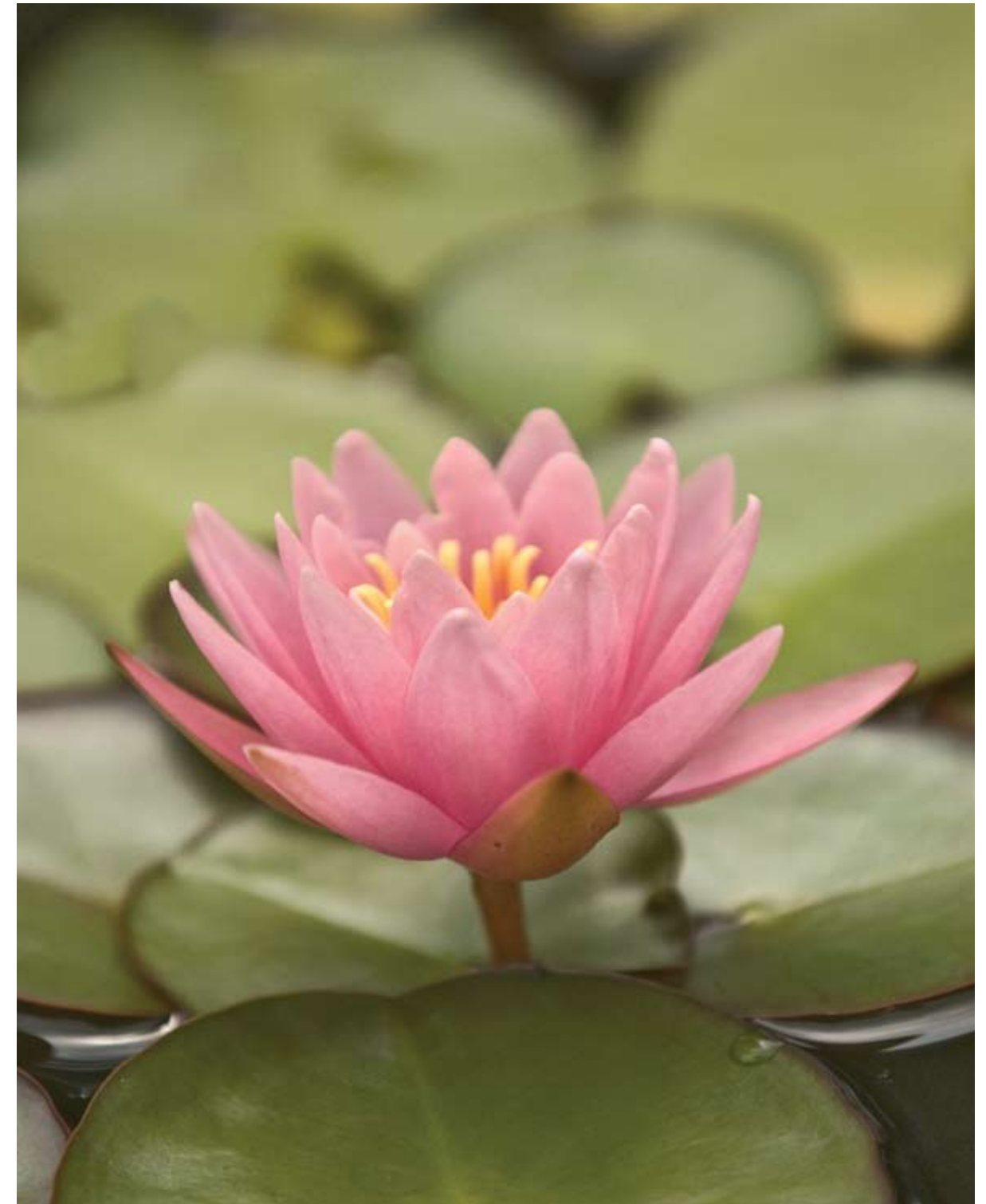
AWARDS AND RECOGNITION

Although we're not in business to win awards, along the way we've earned some much-appreciated accolades. To see a comprehensive list of our awards, please see [Awards and Recognition](#) at [HermanMiller.com](#).

CLOSING

Thank you for reading our Better World report. We hope it has given you some idea of the scope of our efforts to make our world a better place. We will update this report annually.

We welcome your feedback on this Report. Send your comments to the EnvironmentalAffairsGroup@HermanMiller.com.



AT EVERY HERMAN MILLER SITE, OUR GOAL IS TO HAVE THE LEAST POSSIBLE IMPACT ON THE LOCAL HABITAT.

APPENDIX

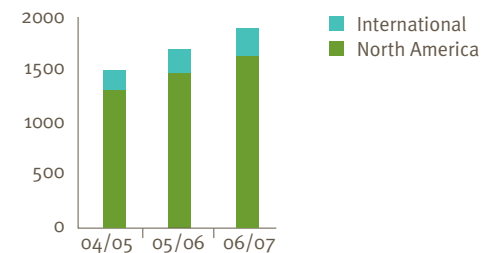
COMPANY OVERVIEW

Please see our Annual Report for Herman Miller CEO Brian Walker's statement on our performance for fiscal year 2007. We have not received significant financial assistance from the government in the past three years. We spend about 80 percent of our purchasing power on locally based suppliers at significant locations of operation.

COMPANY SALES

	04/05 Actual	05/06 Actual	06/07 Actual	2010 Goal
Total Net Sales (\$ billion)	1,515	1,737	1,919	2.6
Net Sales International (\$ million)	192	217	278	
Net Sales North America (\$ billion)	1,323	1,52	1,641	
Employee-Owners Stock Share	12.8%	12.2%	12.4%	

TOTAL NET SALES*



* \$ Millions.

EMPLOYEES

We are proud of the fact that almost one-third of our employees have been with us for more than 15 years. The number of temporary employees that we employ ranges from 300 to 700 a month, depending on the time of year and our production volumes.

EMPLOYEES

	04/05	05/06	06/07
% Full- and Part-Time U.S. Employees	92%	92%	90%
# Non-U.S. Employees Full and Part-Time	8%	8%	10%
% Employees Covered By Collective Bargaining Agreements	5.9%	6%	7%
Full-Time Employees Turnover	5.1%	4.4%	4.3%
Full-Time Employees Training Hours			7.12
Training Cost Per Employee			.59% of revenue
Employee Satisfaction (% Favorable on a 1-5 Scale)	75%	69%	71%
# of Hires	NA	360	871

OUR BOARD OF DIRECTORS

BOARD OF DIRECTORS

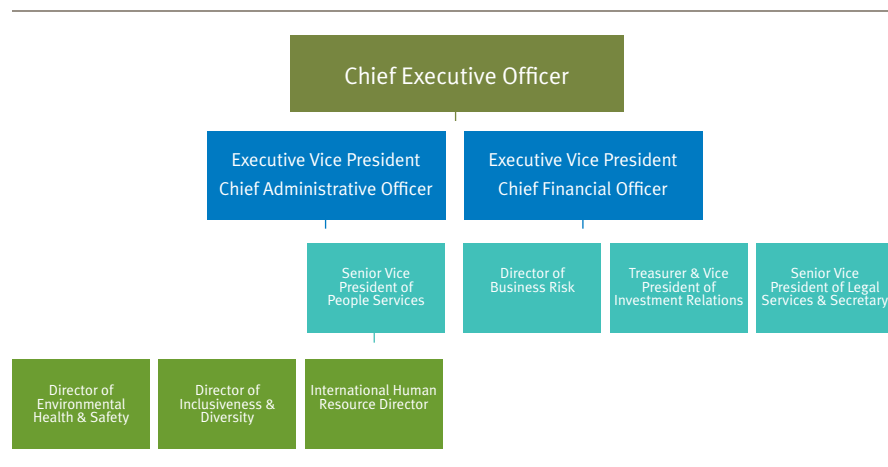
	04/05	05/06	06/07
# of Women	2	2	2
# of Minorities	1	1	1
# of Independent	12	9	10
Total (# of Board Directors)	14	11	12

CORPORATE STRUCTURE

LEADERSHIP AND GOVERNANCE

Herman Miller has a Board of Directors with a separate CEO and Chairman of the Board. The Directors are elected in staggered terms. A supermajority of the Board is required to amend the Board charter, but not to amend the bylaws or approve a merger. The company has shareholder rights plans and does not provide golden parachutes. None of our Directors resides on more than four other company or nonprofit boards.

Please visit the [Board of Directors](#) page at [HermanMiller.com](#) and our [proxy statement](#) for more information on our Board of Directors.



BUSINESS STRUCTURE

Herman Miller uses a variable-cost business model designed to weather the peaks and valleys of the contract furniture industry. It's a “both/and” approach that keeps us healthy in the present and prepared for the future. Our model is built on cost structure that is not vertically integrated—in other words, we partner with suppliers, designers, dealers, and other companies, rather than bringing the work they do for us—and its attendant costs—in house.

Herman Miller, Inc., has been a publicly held company since 1970 and serves as parent to several wholly owned subsidiaries and licensees around the world. Our shareholders include full-time Herman Miller employees, which motivates us to create wealth for the organization while maintaining our set of values.

For information about our Executive Team, corporate divisions, subsidiaries, markets, and alliance partners please visit our [proxy statement](#) and [Form 10-K](#) at [HermanMiller.com](#).

We rely on the core strengths of problem-solving design and innovation, operational excellence, and building and leading quality designers, dealers, and supplier networks.

COMMITMENTS TO EXTERNAL SUSTAINABILITY INITIATIVES

EXTERNAL SUSTAINABILITY INITIATIVES WE SUPPORT

Herman Miller supports and participates in numerous sustainability-focused initiatives and programs, including:

- GREENGUARD Certification
- ISO 14001
- ISO 9000
- Leadership in Energy and Environmental Design (LEED) Certification
- McDonough Braungart Design Chemistry (MBDC) Cradle to Cradle Certification and Protocols
- Michigan Department of Environmental Quality Clean Corporate Citizen
- Michigan Occupational Safety and Health Administration (MIOSHA) Voluntary Protection Program
- Supplier Diversity Initiatives
- U.S. Environmental Protection Agency (EPA) Energy Star Building Program
- EPA WasteWise Program

OUR MEMBERSHIP IN SUSTAINABILITY-FOCUSED ORGANIZATIONS

Herman Miller holds memberships in many organizations for which sustainability is a primary precept, including:

- Business and Institutional Furniture Manufacturer's Association (BIFMA)
- Five Winds International
- Institute for Market Transformation to Sustainability
- International Design Center for the Environment (IDCE)
- McDonough Braungart Design Chemistry (MBDC)
- Society of Organizational Learning (SoL)
- Tropical Forest Foundation – Charter member
- U.S. EPA National Pollution Prevention and Toxics Advisory Committee (NPPTAC)
- U.S. Green Building Council (USGBC) – Charter member
- West Michigan Chapter, Air and Waste Management Association
- West Michigan Environmental Action Council (WMEAC)
- West Michigan Sustainable Business Forum – Charter member

SUSTAINABLE INVESTMENT

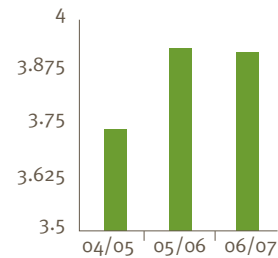
Herman Miller has been reviewed by several socially aware investment indexes and other research firms, including:

- Dow Jones Sustainability Index
- KLD* Domini Social Index (DSI)
- KLD Global Climate Index (GCI100)
- NASDAQ Global Select
- 2007 Sustainable Business 20 (SB20) List: The World's Top Sustainable Stocks
- 100 Best Corporate Citizens by *CRO* Magazine

*Note: KLD Research & Analytics is a Boston-based independent research firm regarded as a leading authority on social research and indexes for institutional investors. More information on KLD can be found on [HermanMiller.com](#).

DEALERS' SURVEY OF CUSTOMER SATISFACTION

CUSTOMER SATISFACTION*



* Average score on a scale of 1-5.

Customer satisfaction is measured and tracked. Continuous improvement plans are generated based on these results.

INDUSTRY PERFORMANCE

We closely monitor the statistics reported by BIFMA, our industry trade association, and consider them among the key indicators of industry-wide sales and order performance. We also analyze this information over several quarters as a benchmark for our U.S. business.

More information on our core strengths and industry performance is available on pages 17-18 of our [Form 10-K](#).

BUSINESS RISK ASSESSMENT

Like all businesses, Herman Miller faces a host of challenges and risks every day. The world changes and we have to change with it. We believe our core strengths and values, which provide the foundation for our strategic direction, have prepared us well to respond to the challenges we face now and those that will inevitably occur in the future.

The potential for fraudulent, unethical, and/or illegal acts is considered within our overall enterprise risk assessment process, which is conducted annually. This formal risk assessment essentially covers all the company's business units and significant business processes, and the results are shared by management with the Audit Committee of the Board of Directors.

Essentially all employees of the company, management and nonmanagement, are educated about the company's standards regarding fraud and ethics

through new employee orientation, following management's lead and ongoing distribution of written policies, which clearly communicate relevant company-wide standards.

All investigations and any necessary follow-up actions related to alleged fraudulent behavior and/or illegal activities are typically reported confidentially to the company's Legal Services and/or Business Risk Assurance (internal audit) offices. Procedures are in place to disclose these activities and the corporation's response to the Board of Directors on a regular basis and to our external independent audit firm when relevant. Any potentially significant risks and management's response to them related to litigated and unlitigated corruption are also disclosed within public documents filed with the Securities & Exchange Commission as appropriate under U.S. financial reporting requirements.

Please refer to pages 6-10 of our fiscal 2007 [Form 10-K](#) for further discussion of some risk factors.

LEGAL

Herman Miller willingly complies with local, national, state, and provincial legislation governing the function of businesses. We often exceed legal standards when our own standards for corporate behavior, based on our values and philosophy, require it.

ABOUT THIS REPORT

This is Herman Miller's first official Better World Report, our effort to document not only what we do that relates to environmental activities, but also relevant social and financial initiatives. It's also a direct response to requests from our customers, dealers, and other stakeholders. In preparing this report, we followed guidelines issued by the [Global Reporting Initiative \(GRI\)](#). For our second sustainability report we have focused primarily on Herman Miller's North American operations. We continue to develop details on our international business. Our environmental data includes subsidiaries and leased facilities that we manage.

This information covers fiscal years 2005, 2006, and 2007 (June 1, 2004 – May 31, 2007) with a section that focuses on fiscal year 2006/2007. Our last report covered fiscal 2005/2006 and was published on April 27, 2007. We will produce an updated Better World Report annually.

The information in this report has not been externally assured.

GRI Self Declared B

GRI INDEX

STRATEGY AND ANALYSIS

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2.6	Nature of ownership and legal form.	56	
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2.8	Scale of the reporting organization.	54, 55	10K
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4.4	Shareholder and employee recommendations to highest governance body.	35, 36	10K
4.5	Compensation of highest governance body.	15	
4.6	Process for highest governance body to avoid conflicts of interest.	15	
4.7	Process for determining qualifications of highest governance body.	55	HM.com
4.8	Internally developed mission relevant to economic, environmental, and social performance.	35	HM.com
4.9	Procedures for highest governance body to oversee organization's management of economic, environmental, and social performance.	15	
4.10	Processes for evaluating highest governance body.	55	
4.11	Explanation of how organization addresses precautionary approach.	56	10K
4.12	Externally developed, voluntary economic, environmental, and social initiatives organization subscribes to and/or endorses.	57	
4.13	Significant association memberships.	57	
4.14	List of stakeholder groups engaged by organization.	35	
4.15	Basis for identification and selection of stakeholders.	35	
4.16	Approaches to stakeholder engagement.	35, 36	
4.17	Key stakeholder issues and concerns.	35	

ECONOMIC PERFORMANCE

G3 Disclosure	Description	Page #	Other Source
EC1	Economic value generated.	54, 58	10K
EC2	Financial implications, risks, and opportunities of climate change.	45	
EC3	Coverage of organization's defined-benefit pension plan.	NR	10K
EC4	Financial assistance from government.	54	10K
EC5	Standard entry level wage compared to local minimum wage.	NR	
EC6	Spending on locally based suppliers.	54	
EC7	Procedures for local hiring.	NR	
EC8	Infrastructure investments and services for public benefit.	NR	
EC9	Indirect economic impacts.	NR	

ENVIRONMENTAL PERFORMANCE

EN1	Materials used by weight or volume.	NR	
EN2	Recycled input materials used.	51	
EN3	Direct energy consumption.	24	
EN4	Indirect energy consumption.	24	
EN5	Energy saved due to conservation and efficiency improvements.	23	
EN6	Initiatives to provide energy-efficient products and services.	23	
EN7	Initiatives to reduce indirect energy consumption.	23	
EN8	Water withdrawal by source.	NR	

G3 Disclosure	Description	Page #	Other Source
EN9	Water sources significantly affected by water withdrawal.	NR	
EN10	Water recycled and reused.	NR	
EN11	Land adjacent to protected areas.	NR	
EN12	Impact of activities on biodiversity in protected areas.	NR	
EN13	Habitats protected or restored.	52	
EN14	Strategies for managing impacts on biodiversity.	52	
EN15	IUCN Red List species affected by operations.	52	
EN16	Direct and indirect greenhouse gas emissions.	24	
EN17	Other relevant indirect greenhouse gas emissions.	24	
EN18	Initiatives to reduce greenhouse gas emissions.	25	
EN19	Emissions of ozone-depleting substances.	NR	
EN20	NOx, Sox, and other significant air emissions .	20	
EN21	Water discharge, quality and destination.	22, 44	
EN22	Waste by type and disposal method.	22	
EN23	Significant spills.	22	
EN24	Transported, imported, or exported hazardous waste .	20	
EN25	Water bodies and related habitats affected by water discharge and runoff.	NR	
EN26	Initiatives to mitigate environmental impacts of products.	25, 48, 49	

G3 Disclosure	Description	Page #	Other Source
EN27	Products sold and packaging materials reclaimed	46, 48	
EN28	Noncompliance with laws and regulations	22	
EN29	Environmental impacts of transporting products	24, 45, 46, 48	
EN30	Environmental protection expenditures	NR	



SOCIAL PERFORMANCE

LA1	Workforce by employment type and region	55	10K
LA2	Employee turnover by age group, gender, and region	55	
LA3	Benefits provided to full-time employees not provided to temporary or part-time employees	33	
LA4	Collective bargaining agreements	56	10K
LA5	Minimum notice periods regarding operational changes	59	
LA6	Management-worker health and safety committees	18, 32, 33	
LA7	Rates of injury	18	
LA8	Education, training, counseling, and prevention programs regarding serious diseases	35	
LA9	Health and safety topics covered in formal agreements with trade unions	NR	
LA10	Training per year per employee	55	
LA11	Skills management and lifelong learning programs	28	
LA12	Performance and career development reviews	28	

G3 Disclosure	Description	Page #	Other Source
LA13	Composition of governance bodies and employees according to diversity indicators.	55	
LA14	Ratio of basic salary of men to women.	NR	
HR1	Investment agreements that include human rights clauses.	NR	
HR2	Human rights screenings of suppliers and contractors.	35	
HR3	Human rights policies and procedures training for employees.	NR	
HR4	Incidents of discrimination.	NR	
HR5	Incidents of freedom of association and collective bargaining.	35	Supplier Code of Conduct
HR6	Incidents of child labor.	35	Supplier Code of Conduct
HR7	Incidents of forced compulsory labor.	35	Supplier Code of Conduct
HR8	Human rights policies and procedures training for security personnel.	NR	
HR9	Incidents of violations involving rights of indigenous people.	NR	
SO1	Impact of operations on communities.	NR	
SO2	Business units analyzed for corruption-related risks.	58	
SO3	Anticorruption policies and procedures training for employees.	58	
SO4	Response to incidents of corruption.	59	
SO5	Public policy development and lobbying.	NR	
SO6	Financial and in-kind contributions to political parties.	NR	
SO7	Anticompetitive behavior, antitrust, and monopoly practices.	NR	

G3 Disclosure	Description	Page #	Other Source
SO8	Fines and nonmonetary sanctions for laws and regulations.	22	
PR1	Health and safety improvements to products and services.	48, 49, 36	
PR2	Noncompliance concerning health and safety effects of products and services.	NR	
PR3	Product and service information required by procedures.	38	
PR4	Noncompliance with regulations concerning product and service information and labeling.	NR	
PR5	Practices related to customer satisfaction.	58	
PR6	Adherence to laws and standards related to marketing communications.	NR	
PR7	Noncompliance with regulations concerning marketing communications.	NR	
PR8	Substantiated complaints regarding breaches of customer privacy.	NR	
PR9	Noncompliance with laws and regulations concerning products and services.	NR	

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