

# 2014 Corporate Sustainability Report



Steelcase

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# A Letter from our CEO



**“This report is evidence of our progress and reflects our ongoing commitment to put people at the center of all we do.”**

From the research we conduct to the solutions we create, everything we do at Steelcase centers on helping people at work. For more than a century, it's been our promise to bring human insight to business by studying how people work and delivering innovative, optimized and responsible solutions. As we see it, sustainability is about creating and supporting economic, social and environmental conditions that help people, organizations and communities thrive.

As you will discover in this report, our initiatives are generating real results. For instance, we've expanded our renewable energy investments to represent 100% of our global electricity consumption. At the same time, we continue to reduce our direct reliance on fossil fuels for our operations and our products, decreasing our global energy use by 60% since 2001.

We know that the potential of sustainability extends well beyond energy use and our own operations. We continue to drive toward a broad spectrum of positive impact. Here are a few highlights:

- We're partnering with our customers to help them meet their sustainability goals. This past year, we've helped divert 50 million pounds of unused furniture from the landfill in the U.S. alone and provided over 250 custom metrics reports so our customers can measure the impact of their decisions.
- Within our supply chain, we're continuously driving more innovation and transparency. This enables us to offer more sustainable products to strengthen our leadership position and our business.
- We continue to invest in our many global communities with a record amount of donations and thousands of employee volunteer hours.
- Globally, as our workforce continues to become more diverse, we're investing in our people with programs designed to strengthen collaboration and build cultural awareness.
- We've had an 8% increase in employee retention and a two to three-fold improvement in self-reported scores from our employee wellbeing pilot programs. These results are linked to our commitment to providing great work environments and implementing programs promoting the wellbeing of our people.
- The Steelcase Innovation Center at our global headquarters in Michigan received LEED Platinum® certification. To date, it is the highest rated LEED-Commercial Interiors project certified in the state of Michigan – and worldwide only 29 projects scored higher.

This report is evidence of our progress and reflects our ongoing commitment to put people at the center of all we do. Thank you for investing time in exploring the stories included in this year's progress report.

Thank you,

James P. Keane  
President and CEO

# Our Sustainability Promise

**For more than a century, Steelcase has believed in the power of people. Every day, in locations around the globe, we work to unlock human promise and create meaningful, lasting change.**

We know that people are at the very heart of sustainability. We also know that true progress will take continuous and coordinated efforts to create the economic, environmental and social conditions that allow people and communities to reach their full potential.

We have strong beliefs that guide us, and we're putting our beliefs into action. Those actions drive us toward our dream of a better world.

We're not on the path alone. We're in the good company of other global organizations, communities and individuals who share common beliefs and work together to propel each other forward.

## Our Corporate Values

This is where our work begins — with what we value. Our values inform our actions and frame our beliefs:

- Act with integrity
- Tell the truth
- Keep commitments
- Treat people with dignity and respect
- Promote positive relationships
- Protect the environment
- Excel

## Our Sustainability Beliefs

We believe that:

- Businesses, communities and people are inextricably linked and more powerful when they act from a core of shared interests.
- We have an opportunity to use our assets and influence to create significant, positive change in the world. By fully leveraging our assets to this end, we will become an ever stronger partner and an increasingly fit company.

**“Our values inform our actions and frame our beliefs.”**

- When you tell the truth, you see the truth, and become part of the solution. So we work hard to be transparent and authentic with others and, perhaps more important, with ourselves.
- Sustainability is a lens for innovation and economic fitness, contributing to the overall financial wellbeing of our company.
- People are at the center of sustainability, and that's why we begin and end our product, service and application efforts with a commitment to human-centered design and sustainability.
- There is no greater design challenge than sustainability. It demands systems-level design thinking in all aspects of our business.

# Our Sustainability Promise

## Acting on Sustainability

We're tackling the global challenges of sustainability to achieve our vision of strong economic, social and environmental systems that allow us all to thrive. Here's what we're doing:

- Strengthening sustainable development in our worldwide operations and those of supplier partners, including a focus on environmental and human health, social responsibility and economic prosperity
- Ensuring that our operations protect the environment and health of our employees, neighbors and customers through actions that conserve resources, reduce waste and promote a closed loop system
- Investing in education and training to increase stakeholder and employee engagement
- Engaging with suppliers, dealers, customers, researchers and environmental agencies to share and distribute best practices and discover new ideas

## Engaging with Stakeholders

We're setting our sights high as we think about what it means to create holistic value as a globally integrated company operating in a globally connected world. We've been on a quest for insights and understanding into sustainability and what it means to our stakeholders, now and in the future.

We have:

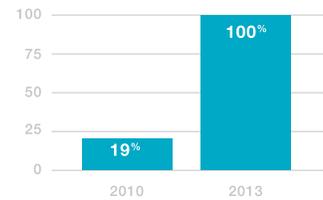
- Embarked on a company-wide corporate social and environmental responsibility diagnostic
- Surveyed our customers and studied their inquiries to understand their corporate priorities relating to sustainability
- Hosted workshops to listen to architect and design partners, customers and other thought leaders present their visions for the future of sustainability
- Completed an internal culture survey to help us further understand the expectations of our employees
- Set about identifying the aspects of non-financial information that are material to our business and how to extend our current reporting to better measure and convey our progress

The purpose of this research is to help us advance our social and environmental performance to match the expectations of our many stakeholders, shareholders and partners.

## See our Values and Beliefs in Action

This report is the culmination of our values, our beliefs, and our actions on our sustainability path. We invite you to read, see and learn more about how we're transforming our beliefs into positive, lasting change ... one person, one deed, one accomplishment at a time.

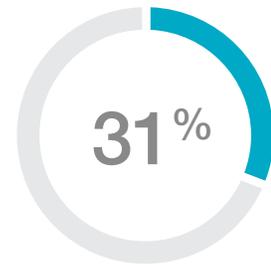
## 2013 HIGHLIGHTS



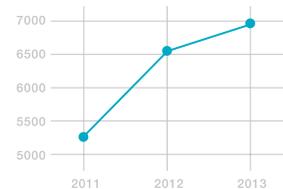
In three years, we've moved from a 19% investment to 100% investment globally in wind and hydroelectric renewable energy credits.

# \$6,500,000

Was donated by Steelcase and the Steelcase Foundation, a 20% increase in donations since 2012



Of our senior leaders are women



# 6,900

Volunteer hours reported by Steelcase employees in 2013

# Targets and Performance



This is a snapshot of the information we're using to measure ourselves against social, environmental and economic domains. We are continuously striving to expand our reporting, refine existing metrics for global accuracy and improve our focus on sustainability and comprehensive reporting.

<b>SOCIAL</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>MORE INFO</b>
Volunteer hours reported	6,538	6,900	<a href="#">Employee Impacts</a>
Employee retention	80.4%	88.8%	<a href="#">Employee Wellbeing</a>
Monetary and in-kind donations	\$1.54 million (Steelcase Inc.)  \$3.86 million (The Steelcase Foundation)	\$1.2 million (Steelcase Inc.)  \$5.3 million (The Steelcase Foundation)	<a href="#">Social Investment</a>
Number of women in management globally	Americas: 32%  Europe, Middle East and Africa: 25%	Americas: 30%  Europe, Middle East and Africa: 29%	<a href="#">Diversity + Inclusion</a>
<b>ENVIRONMENT</b>	<b>GOAL BY THE END OF CY 2020</b>	<b>PROGRESS TOWARD 2020 GOAL (CYS 2010-2013)</b>	<b>MORE INFO</b>
Greenhouse gas emissions	25% reduction	1% increase	<a href="#">Energy Use + Efficiency</a>
VOC emissions	25% reduction	30% reduction	
Water use	25% reduction	14% increase	<a href="#">Water Conservation</a>
Waste	25% reduction	22% decrease	<a href="#">Waste Reduction</a>
	<b>GOAL</b>	<b>FY 2014</b>	
Renewable energy	Continue investments in renewable energy	100% investment in wind and hydroelectric renewable energy credits (RECs)	<a href="#">Renewable Energy</a>
<b>ECONOMIC</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>MORE INFO</b>
Revenue	\$2.9 billion	\$3.0 billion	<a href="#">Investor Relations</a>
Gross Profit	30.2%	31.6%	<a href="#">Investor Relations</a>
Net Income	\$38.8 million	\$87.7 million	<a href="#">Investor Relations</a>

# Helping our customers to succeed in their businesses and meet their sustainability goals is a driving force at Steelcase.

We deliver on that commitment with research-backed strategies, innovative end of use solutions, a robust supply chain, and products that help unlock the promise of our customers' employees. That's our promise to customers.



# Real Estate Optimization

## Promise

Utilize our research and insights to help businesses maximize real estate to drive improved employee experiences and performance. Offer innovative products and services that meet the changing space needs of today's businesses and use fewer natural resources.

## Results

Higher utilization rates, increased collaboration, and flexible workspaces for varied work modes — all in smaller footprints.

**Today, workplaces are held to higher standards. They must simultaneously maximize space, foster collaboration, provide privacy, reinforce brand and culture, and contribute to talent retention. And it all needs to occur in optimized real estate footprints.**



WorkCafé in Grand Rapids, Michigan, was transformed from a seldom-used cafeteria into all-day activity hub.

We're working with companies around the world to make their work spaces more efficient, providing a complete palette of places that supports group work as well as the privacy that people need to recharge and focus.

Part of the changing landscape has been the rise of the mobile worker, a trend that's transformed the modern notion of an office. Teams are located across the globe, across time zones and continents. We're helping companies create more collaborative spaces through virtual presence technologies like high definition videoconferencing, saving energy

and carbon emissions and helping to improve people's quality of life by limiting the need for extensive business travel.

Our research and insights have revealed that people have four distinct work styles: collaboration, focus, learning and socializing, each with its own tool set and design needs. From private work pods to team spaces, from assigned places to shared environments, we conduct primary research and design spaces to help unlock the potential of people and the companies where they work.

## SUCCESS STORIES

### BASF Redesigns Regional Headquarters Office in Hong Kong

With the support of our workplace solutions and furniture products, BASF, the world's leading chemical company, unveiled a redesigned office for its regional headquarters in Hong Kong. The new space, with an open-office environment featuring desktop sharing, supports a new way of working that encourages collaboration and enhances productivity.

### Lenovo Service Excellence Award

Lenovo, the world's largest PC manufacturer, recognized our efforts with their 2014 Service Excellence Award after helping them complete a project encompassing 36 locations in the North America, Europe, Middle East, Africa and Asia Pacific regions. The projects represented a significant real estate consolidation after an important corporate acquisition.

# End of Use Strategies



## Promise

Help customers find new uses for their used furnishings, reducing waste by keeping it out of landfills.

## Results

Robust programs promoting charitable reuse, recycling and resale.

### What happens to existing furniture when organizations want or need to migrate to different workspaces?

Our comprehensive services provide turnkey solutions, alleviating common pain points faced by organizations, while delivering environmentally and socially responsible alternatives to landfills. We offer a menu of services throughout our global operations, including ReMarket, Phase 2 and Eco'Services programs.

#### ReMarket™

Assists customers in North America who want to resell their existing furniture, providing financial returns while extending products' useful life. In 2013, ReMarket began offering design services to local nonprofits to review their space, compare their needs with Steelcase inventory, and suggest recommendations.

#### Phase 2 Program

Helps North American customers assess their furnishing assets and designs decommissioning plans — including charitable reuse. Last year, Phase 2 introduced a new

budget planning tool that evaluates the value of current assets and aligns decommissioning strategies with sustainability goals to create the optimal solution for each customer. In addition, a new upgrade pilot encourages customers to trade in their existing used chairs for credit toward our Gesture® chair.

#### Eco'Services

In France and French-speaking countries such as Switzerland, Belgium and Luxembourg, Steelcase offers complete end of use services. Items are resold, donated or transported to licensed recycling organizations that manage the material recovery. The aim of this program is to simplify the process while optimizing positive social, economic and financial outcomes. Certificates of traceability are issued to ensure transparency and to comply with regulations.

# 50 million

Pounds diverted from landfill through our North America end of use program

# 26,440

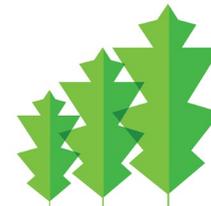
Workstations handled by Eco'Services in last six years

# 51

The number of countries whose organizations received furnishings as a result of our end of use programs

**“Our comprehensive services provide turnkey solutions, alleviating common pain points faced by organizations, while delivering environmentally and socially responsible alternatives to landfills.”**

# Sustainable Procurement Strategies



## Promise

Help customers achieve their sustainability goals.

### Design for the Environment

We approach design with a closed loop mentality, from examining the chemical profiles of the materials and components we use to offering comprehensive end of use solutions. We're measuring impacts at every phase — from design, manufacture, delivery, use and reuse, recycling and end of use — to ensure we're always improving the performance of our products. This ensures we are meeting our objectives as well as helping customers meet their goals with confidence. You can learn more in the [Innovative Products and Applications](#) and [End of Use Strategies](#) sections of this report.

### LEED® Contributions

We continue to provide expert guidance and training programs to customers on how our products contribute to LEED criteria. We regularly counsel customers on key contribution areas:

- Materials and resources
- Indoor environmental quality and innovation
- Ergonomics
- Sustainability
- Innovation in design
- Low-emitting materials
- Systems furniture

## Results

Products that are third-party certified and may contribute LEED credits; metric-based decision-making tools.

For additional information, please visit the Product Environmental Profiles page on our website [www.steelcase.com/pep](http://www.steelcase.com/pep) in the Americas. This information is also available by request in the Europe, Middle East, Africa and Asia Pacific regions.

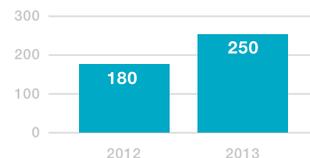
### Environmental Metrics

Better decisions are made by knowing more. By collecting and analyzing the details, we help customers measure the human and environmental impacts of their office furniture purchases. We not only measure their past purchases, but also look forward to future needs, using sustainability certifications, recycled content, material makeup and product weight. This year, we completed 250 metrics reports for our customers.

### Third-party Certified Products

From indoor air quality to materials chemistry, closed loop textiles to sustainably harvested wood, we work with respected third-party certifiers to help reflect the environmental and social sustainability performance of our products. That said, we don't define our design practices by these standards; rather, we're inspired by a higher paradigm of enduring sustainable design and leadership performance. We set clear product performance criteria that reflects our values and mirrors what we believe customers deserve and expect.

### ENVIRONMENTAL METRICS REPORTS



We've increased the number of metrics reports for our customers from 180 in 2012 to 250 in 2013.

### SUCCESS STORY



#### Think

When Steelcase launched the Think® chair in 2004, it was embraced as a breakthrough innovation in performance and sustainability. As the first product certified under the Cradle to Cradle Certified™ Products Program, it created a higher sustainability product standard across industries. Because we know that innovation must be ongoing and even successes should be revisited over time, the Think chair has been completely redesigned with new materials, technologies and performance capabilities.

# Wellbeing + Productivity

## Promise

Leverage our insights and expertise to create workspaces that foster wellbeing, inspire engagement and enhance productivity.

## Results

Products and applications that provide ergonomic support, encourage movement and contribute to physical, emotional and cognitive wellbeing.



Our ongoing commitment to our customers and their employees all over the world is demonstrated in our actions:

- Avoid and eliminate materials of concern
- Encourage physical movement
- Provide a range of settings to support personal preferences and diverse workstyles
- Harness the power of nature within indoor spaces

As wellbeing evolves as a business imperative, we continue to focus on evidence-based design, defining and validating the positive impact of work eco-systems on the total employee experience and their wellbeing.

Ensuring proper posture is no longer enough. Now, work environments must help organizations be more productive and profitable, amplify efficiencies and create

work destinations that enable the total wellbeing of people working within their organization. Our research clearly shows that enhanced wellbeing — physical, emotional and cognitive — contributes directly to improved employee engagement. Our customers are seeing the difference this makes.

**“Now, work environments must help organizations be more productive and profitable, amplify efficiencies and create work destinations that enable the total wellbeing of people...”**

## SUCCESS STORY

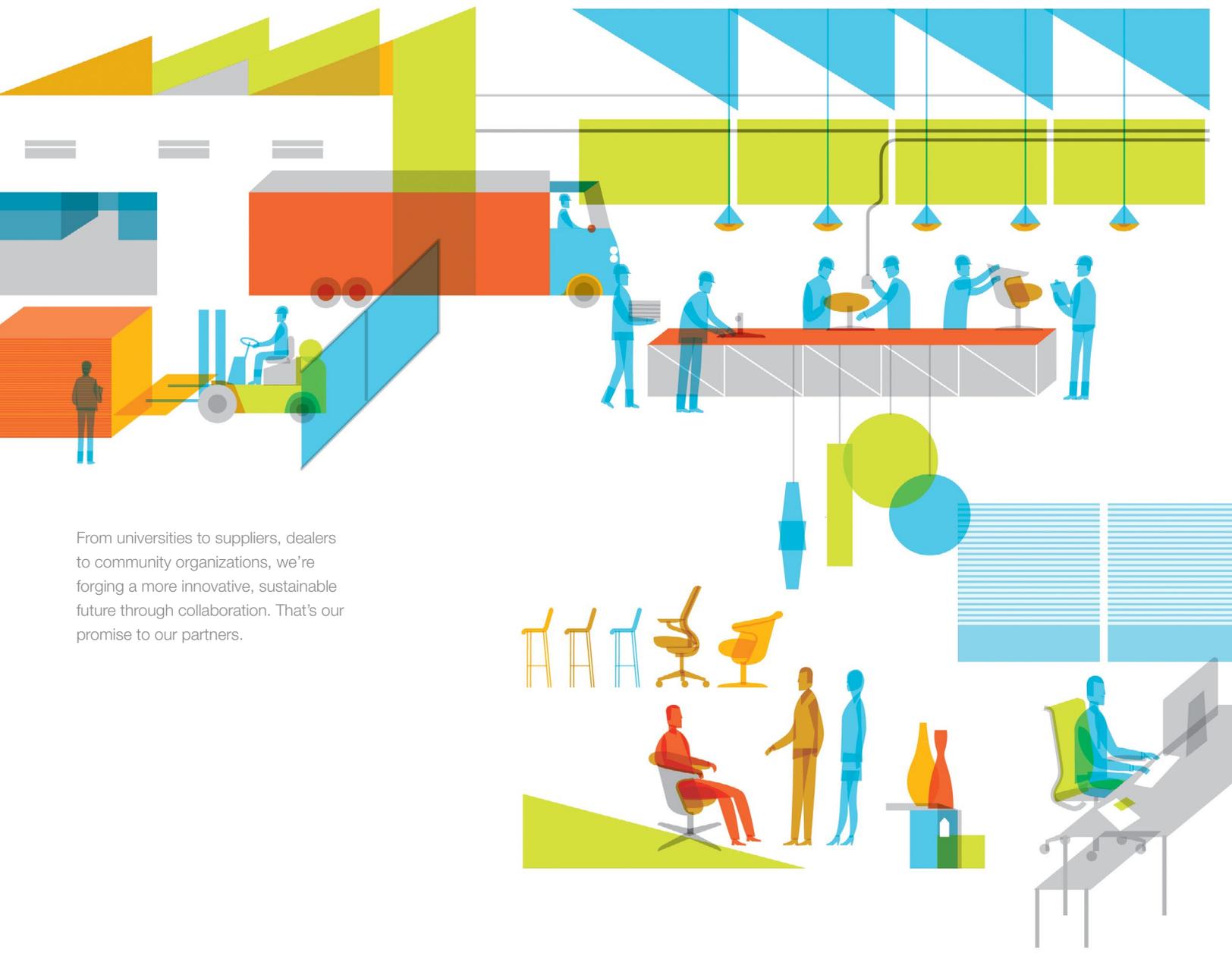
### Wellbeing Makeover To Facilitate Movement

Arizona State University’s Colleges of Health Solutions and Nursing and Health Innovation undertook a 16,456-square-foot total space redesign to encourage physical activity in the workplace by providing employees with the choice of standing, moving and walking more often on the job. The new space features Steelcase low-panel workstations, height-adjustable sit/stand desks, and Walkstations, an integrated desk-and-treadmill solution. Employees are participating in a year-long study to track their wellbeing improvements resulting from their new work environment.

# 2,000

The number of people who participated in Steelcase-led wellbeing workshops in 2013.

# Creating lasting change takes a committed team, and we're fortunate to work with some of the finest partners in the industry.



From universities to suppliers, dealers to community organizations, we're forging a more innovative, sustainable future through collaboration. That's our promise to our partners.

# Suppliers

## Promise

Source materials from suppliers based on strict standards for quality, technical competence, innovation, price, sustainability, performance and on-time deliveries. Co-create better solutions. Share knowledge and expertise.

## Results

Deeper levels of collaboration and transparency; global code of conduct introduced; increased diversity in supply chain; suppliers joining voluntary renewable energy program.

**Last year, the Steelcase Supplier Code of Conduct was released to our North American suppliers. This year, we're pleased to share that we've not only introduced the new code in North America, we also have commitments from many of our European and Asia Pacific suppliers.**

Additionally, our materials chemistry team continues to work closely with multiple levels of our supply chain to understand the composition of our materials, avoid chemicals of concern and develop new and preferred alternatives. In 2013, we implemented a new Reportable Substance List program that reflects our company's precautionary approach to materials and our commitment to insight-led performance. It also reflects customer priorities, chemistry knowledge from suppliers, regulatory requirements and certification criteria. The more we know, the better decisions we can make, and the more we can deliver on our commitment to human and environmental health.

In North America, a renewed emphasis on supplier diversity propelled the launch of a new set of aggressive recruiting strategies. Our supplier vision is to grow, develop and retain our diverse business partners by creating a robust supplier program that leads the industry.

We believe in growing our positive impact by sharing best practices with suppliers. One example — we've extended our corporate discount on renewable energy credits to our supplier partners, in what is believed to be the first program of its kind. Several are



participating, including one that has moved from zero renewable energy purchases to purchase credits equivalent to 100% of their electricity consumption.

Our suppliers are achieving and continually pursuing sustainability activities, e.g., sending zero to landfill, recycling 100% of scrap, utilizing clean coatings and water-based adhesives, reducing waste water to zero and creating plans for reducing chemicals of concern.

# 440+

Suppliers attended our Supplier Summits worldwide

AT&T awarded Steelcase its Supplier Diversity Award in 2013

# Dealers



## Promise

To support and grow a diverse network of environmentally and socially responsible dealers.

## Results

A thriving global network of established and new dealer partners representing the diverse marketplaces they serve.

**The fourth year of our Platinum Partners program celebrated more than 20 North American dealers who achieved outstanding performance on multiple metrics including sales, diversity and organizational success.**

This year, we're expanding this competitive rewards program to the Europe, Middle East and Africa region, where we have 285 dealers.

As part of our global reach and commitment, we're expanding with 9 new dealers in our Asia Pacific region and 11 dealers in Central and South America. This global scale will create new business opportunities for dealers and deliver more local expertise for customers.

# 2013 PLATINUM PARTNER

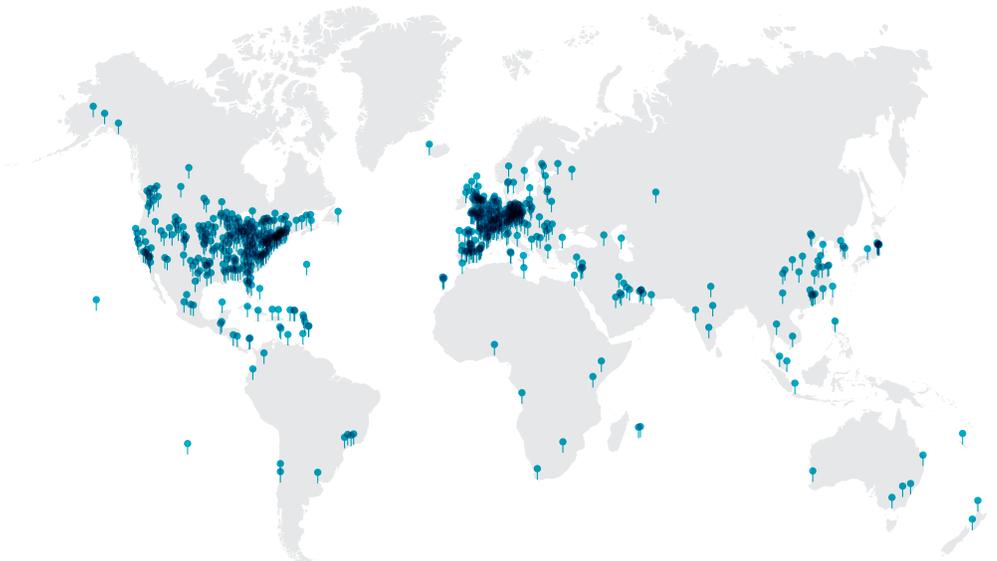
## SUCCESS STORIES

Our dealers regularly provide expertise and logistical help to their customers. They also support community organizations by donating and transporting used office furnishings.

A growing number of dealers embrace environmental responsibility — providing LEED accredited staff, recycling tons of scrap metal and non-metal materials, and providing landfill avoidance reports to customers.

Intentional hiring practices are helping our dealers diversify their leadership teams, adding more women and minorities at all levels.

## STEELCASE DEALER LOCATIONS



# 25

Average number of years of dealer affiliation with Steelcase

# 24

Dealers qualified as Platinum Partners

# 800

Steelcase dealer locations around the world

**We value our global relationships, sharing our resources, talents, materials and leadership to tackle entrenched issues such as education and environment.**

Change happens on the local level, and we're working hard to make a difference for individuals and communities throughout the world. That's our promise to communities.



# Social Investment



## Promise

Share our time, skills and resources to create thriving communities across our global footprint.

## Results

Greater local involvement at global locations; increased emphasis on urban education.

### Steelcase Inc. and our philanthropic arm, the Steelcase Foundation, extend a long legacy with another year of charitable involvement and community investment.

The Steelcase Foundation reaffirmed its commitment to accessible high-quality public education in 2013, concluding a two-year planning process and ambitious spending goals for the future. The Foundation focuses on the needs of West Michigan and is supporting public schools, after-school programs and innovative approaches to systemic social and economic issues.

Steelcase directed charitable resources to multiple worthy causes last year, including disaster response with the United Way in Athens, Alabama, home to a Steelcase manufacturing facility. In addition, we shared our unique relationship with world-class

innovation consultants and leading universities to help guide Detroit city leaders on applying design thinking to pressing community issues.

Across the world, Steelcase employees are participating in local social impact committees, assessing needs and providing crucial support for pressing social issues through donations and volunteer hours. This past year, Steelcase unveiled a new global tool to capture employees' extensive charitable activities and community involvement. This tool will make it easier to track and quantify the true social investment of employees and celebrate individual contributions.

## SUCCESS STORIES



### Athens, Alabama Disaster Relief from Steelcase Inc.

To provide necessities for our employees and their families, a truck from Grand Rapids carrying tarps, bottled water, and other supplies arrived in Athens to meet critical needs while insurance claims were being filed.

### Detroit School Receives Steelcase Furniture, Transforms Their Library into a Collaborative Learning Space

The principal at Clintondale High School was intent on transforming the school's learning model to better engage students and improve academic outcomes. Steelcase helped equip their environment to meet the new needs of students and teachers. Students now receive lectures at home and do homework in class. Failure rates have dropped from 52% to 19% in English and 44% to 13% in math.

**\$485,668**

In matching employee gifts from the Steelcase Foundation — setting a new standard for giving

**\$5.3 million**

In total funding from the Steelcase Foundation

**\$1.2 million**

In total funding from Steelcase Inc.

# Employee Impacts

## Promise

Provide support and opportunities to employees in their efforts to create lasting change in the communities where we live, work and serve.

## Results

Grassroots efforts improving local conditions and creating hope.

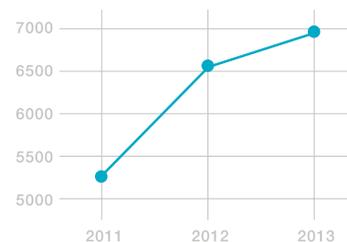
**Our 10,000 plus employees around the world are passionate about working within their own communities to provide vital assistance, collaboration, and promise.**



In many of our locations, employees have formed social responsibility committees and chosen local projects based on community needs, employee skills and interests. Those grassroots contributions are important to us but in the past haven't been formally recorded. Through the development of our global tracking tool and new global champions, we're extending our support for employees and their local markets. We're committed to work on ways to further recognize those individuals, quantify their contributions and better understand how we can enable more opportunities to make a difference globally.

One thing we can measure is our employees reported time investments. We celebrate their contributions toward a brighter future and how their individual efforts combine to create global impact. Here is a sampling of initiatives that involve Steelcase employees in their communities:

- Literacy programs
- Orphanages
- Mentoring
- Environmental Clean-Up Days
- Community sports teams
- Go Green Days
- Non-profit boards and foundations



# 6,900

Volunteer hours reported by Steelcase employees in 2013

## SUCCESS STORIES

### Christmas with Shalom Home Orphanage

Steelcase Kuala Lumpur employees visited the Shalom Home Orphanage to hold a special Christmas party for the children. The children were given gifts of clothing as well as festive candies, cookies and chocolates.

### Global Volunteer Tracking Program

We launched a new global volunteering program aimed at incentivizing employees to not only go out and volunteer, but also report their hours of service. Employees who log their community service hours are entered into a quarterly drawing for the chance to win a \$250 donation to the nonprofit of their choice.

# We honor the unique talents, skills and perspectives of our employees, knowing full well that their contributions are what propel us.

We value the whole person and seek to help all employees reach their highest potential through policies, practices and honest engagement. That's our promise to employees.



# Employee Wellbeing



## Promise

Provide ongoing opportunities for employees to improve their physical, mental, emotional and financial wellbeing in all Steelcase locations.

## Results

Positive outcomes from program prototypes targeting nutrition, exercise, smoking cessation, life coaching, relationship counseling, stress management and financial planning.

**As a company, we're focused on the total wellbeing of our people. Our strategy is to incorporate all aspects of wellbeing by asking all locations around the world to set goals within their cultural context, ensuring employees are engaged, healthy, productive and happy.**

As a core priority, we're increasing investment in new resources and programs and best-in-class solutions to ensure we continue to promote healthy work-life balance.

Acting on our commitment, 2013 was a year of piloting and refining several program prototypes in North American locations. Well-equipped exercise areas, personal training sessions, on-site walking trails and life coaching programs yielded inspiring results. Plans are being made to expand these offerings to sites worldwide.

We're assessing needs at each location, as cultural norms dictate habits and behaviors. For instance, in many of our plants in emerging economies, tobacco use is on the rise, so we're developing responses to help our employees stop smoking.

Goals for 2014 include utilizing Wellpool, our employee crowdsourcing platform, for a second round of new ideas plus completing new workout and coaching spaces in several North American manufacturing plants.

## SUCCESS STORIES

### Virtual walk from Reynosa, Mexico to Grand Rapids, Michigan

100 people divided into 20 teams equipped with pedometers started walking with a goal of reaching 1,590 miles — the distance from Reynosa to Grand Rapids. The teams completed the full mileage within two months.



### Bike to Work for Reimbursement

U.S. employees who ride their bicycles to work at least one day per week are eligible for a new benefit that reimburses them for certain expenses. Steelcase will reimburse riders up to \$20 a month for bicycle maintenance, improvements, purchase or storage.

10 years

Consecutive downward trending in workers compensation costs and incidents

2-3 fold ▲

Improvement in program participants' self-reported physical, mental and emotional wellbeing scores seen in pilot programs this year

\$100

Amount of individual wellness reimbursement that allows U.S. employees to tailor the offering to their needs

# Training + Development

## Promise

To unlock the human promise of all our employees.

## Results

Expanding training and development opportunities throughout the organization and all its locations.

### Last year marked great progress on the training and development front as new programs were piloted, refined and expanded globally.

A consistent menu of training courses was offered in Europe, Asia Pacific and North America — a huge step forward as we continue to provide greater alignment of development opportunities for employees around the globe.

Our Global Leadership Development Experience (GLDE) prototype launched with an ambitious 12-month curriculum. Participants from all Steelcase regions were charged with creating more sustainable leadership practices, beliefs and behaviors including culture, talent development, business acumen, change management and global awareness. A second pilot is planned in 2015, and refinements are being made to the model for future iterations. These emerging leaders work on both regional and global levels by exhibiting leader behaviors of humility and empathy to create conditions for building trust, which is fundamental for creating environments of collaboration, innovation and diversity in thinking.

Across our footprint, training on Steelcase's Critical Thinking model is now 75% complete, providing a shared global concept development and innovation framework.

The model is composed of four modules: Think, Point-of-View (POV), Plan to Implement and Implement. Over the last several years, our employees learned and practiced Think and POV, focusing on deep research and insights to meet current and future challenges. Today, we're completing training on the second half of the model — with Plan to Implement training well underway and Implement training under development.

In Europe, courses on global awareness attracted 145 employees for two days of deep immersion, while language classes shifted to an online, global provider for added convenience and reach. In 2014, we plan to expand these course offerings globally.

Momentum from a successful 2013 has carried over into 2014, and we're pushing new opportunities to the forefront with sales skill development training, marketing and product training integration and a continued emphasis in operational leadership on the production line.



#### SUCCESS STORIES

##### Young Professionals Mentoring Program

Forty-seven young employees are connecting with knowledgeable, seasoned professionals to tap into each other's experiences and enhance personal and professional skill sets, expand individual networks and gain career perspectives.

##### Motivating Romanian Students to Continue on to College

Four graduating high school student interns worked in the Steelcase office and received training on economics, IT, foreign languages, communications and LEAN during this two-week session.

##### Steelcase Hosts Middle East Education Event

Steelcase presented research on Culture at CoreNet's Middle East Chapter event. The topic — Intersection of Strategy, Global Integration, and Culture — addressed cultural challenges and global workplace strategy in the Middle East.

74

Global participants in the first GLDE program

73,000

Hours of employee training on Steelcase's Global Business Standards

# Workplace Health + Safety



## Promise

Create and maintain safe, healthy and enriching workplaces.

## Results

Global standards that meet or exceed all local regulations.

**Across the Steelcase footprint, we're aggressively reducing safety incidents with a wide range of improvements in tools and process, even as we continue to add new plants.**

On our three Gesture chair production lines (Kuala Lumpur, Reynosa and Sarrebourg), we completed a multi-year ergonomic improvement process that's resulted in fewer safety incidents, transformed heavy-task workstations to lighter task, and decreased the number of lost work days. In addition, we've significantly reduced our overall number and frequency of injuries, providing safer working environments for our employees.

In Grand Rapids, we are continuing a five-year project to develop a global protocol around process chemical purchases and OSHA reports. In 2013, the team improved its process by integrating multiple databases to better capture and align purchasing, approvals, and health and safety objectives.

**“...we've significantly reduced our overall number and frequency of injuries, providing safer working environments for our employees.”**

With the number and intensity of natural disasters increasing, Steelcase is also actively designing a global disaster preparedness plan. This plan includes a process for mass dissemination of critical information via texting employees and supply chain partners.



## SUCCESS STORY

### Steelcase Plants Meet or Exceed Their Safety Goals

Steelcase plants in these locations met or exceeded their safety goals for the year: Grand Rapids, Mich; Durlangen and Rosenheim, Germany; Sarrebourg and Wisches, France; Dongguan, China; Pune, India; and Riyadh, Saudi Arabia. Our global operations teams are developing new safety protocols and processes to ensure continued success around the globe.

# Diversity + Inclusion



## Promise

Advance a culture that embraces diversity to remain an innovative and fit global company.

## Results

Continue to build and celebrate our diverse culture that emphasizes inclusivity.

**We're continuing our long legacy of leadership in diversity and inclusion through internal and external activities that promote social justice. In our locations across the globe, we're setting goals and addressing regional concerns, whether it's food restrictions, room for prayer or women in the workplace.**

In the U.S., we're active in supporting affirmative action, rights for lesbian, gay, bisexual and transgender (LGBT) people and education reform on both the state and national levels. And in our Grand Rapids, Mich., headquarters, we sponsor numerous events with local organizations including Grand Rapids Community College Diversity Lecture Series and the community-wide annual Urban League Martin Luther King, Jr. breakfast.

Our efforts for diversity are realized in many of our locations, largely achieved with a representative workforce. Today, we have the opportunity to build on that success and

focus more on inclusion, building bridges of understanding, cohesion and humility. We're excited about this pivot, while remaining committed to fulfilling our diversity promise in all our global locations.

Our commitment to diversity also extends to our future employees as well with our long-standing support of urban education initiatives in Western Michigan. We understand the need to have well-trained and educated future employees, and we're investing heavily in creating those opportunities for traditionally underserved groups.

## SUCCESS STORIES

### Steelcase Awarded Two Diversity and Inclusion Awards

The American Civil Liberties Union of Michigan honored Steelcase for leading the statewide effort to update Michigan's Elliott-Larsen Civil Rights Law to include protections against job and housing discrimination based on sexual orientation and gender identity.

Steelcase was also recognized with the Lifetime Achievement Award in Health and Equity from the Grand Rapids African American Health Institute.

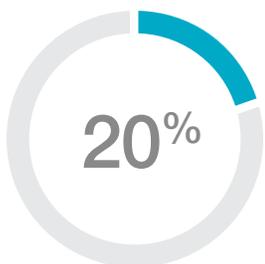


### Celebrating Diversity in Malaysia

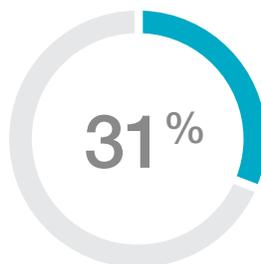
The Steelcase Global Business Center in Kuala Lumpur, Malaysia, promotes diversity by encouraging employees to celebrate all holidays and traditions within each and everyone's cultures.

### Steelcase Germany Wins Award

The Steelcase Germany office received the "Goldene Rampe 2013" award for supporting and integrating employees with disabilities.



Of all corporate contributions are given to organizations and initiatives that support diversity in our communities



Of our senior leaders are women

**9-fold** ▲

Increase in minority female employees in U.S.

# We're working to leave a legacy of positive change that benefits all.

Simply complying with standards isn't enough. We're working to conserve more, use less, find better ways, source more responsible materials, and leave a legacy of positive change that benefits all. That's our promise to the environment.



# Innovative Products + Applications



## Promise

Leverage materials chemistry, life cycle thinking and closed loop design to drive innovation and minimize impact on human and environmental health.

## Results

Continuing to be a leader in material assessments, life cycle assessments and third-party certifications.

**For over a decade, we have approached the design, manufacture, use and end of use of our products and applications with a sustainable design lens and a focus on innovation.**

As part of our Design for the Environment strategy, we have three key platforms driving optimization throughout the product lifecycle: Materials Chemistry, Life Cycle Assessment, and End of Use and Recycling. These enduring platforms helped eliminate and reduce countless materials of concern. On many products we have replaced adhesives, incorporated clean recycled foam and designed products with fewer parts — all without compromising performance. We're involved in leading-edge social and environmental research around the globe and through global-scale, multi-industry collaborations.

### Materials Chemistry

Together with our suppliers and our customers, we're accelerating and scaling our efforts to identify, assess and eliminate materials of concern. We're precautionary and proactive. We are collecting data and populating a global

chemical database that maintains material composition data and provides reporting capabilities, allowing us to more clearly track progress. This centralized repository allows us to better partner with suppliers, be even more responsive to customer requests, and become increasingly more proactive in our product design. It also helps inform our product certification processes around the world, as we seek multiple, third-party international and eco-label standards.

One of our areas of focus has been an effort to identify and eliminate flame retardants, many considered chemicals of concern. Despite conflicting flammability laws and regulations, we've made significant progress in the identification of flame retardants in our global portfolio. We're developing holistic elimination strategies with aggressive target dates for identified flame retardant ingredients.

**1,600**

Materials have been assessed to the 100-parts-per-million level

**54**

Products certified under the Cradle to Cradle Certified™ Products Program, more than any other company in any category

## SUCCESS STORIES

### New Seamless Edge Reduces Adhesive Use

Our new seamless edge manufacturing process provides a smooth transition between the surface top and edge, creating the illusion of a single flowing solid surface. Utilizing state-of-the-art technology, seamless edge creates a beautiful monolithic surface with an elegant profile. The aesthetic, created by bonding a polypropylene edge to particle board with laser beam technology instead of an adhesive, provides a durable and sustainable solution.

### Our Products Win Four Good Design Awards

Each year the Chicago Athenaeum Museum of Architecture and Design, in cooperation with the European Centre for Architecture, Art, Design and Urban Studies, chooses new consumer products manufactured in Europe, Asia, Africa, and North and South America for its prestigious Good Design award. Last year Steelcase won four of those coveted awards for Gesture, Think, media:scape® team studio and V.I.A.™

## Innovative Products + Applications



**“In the design phase, key insights inform our choices, helping us create more sustainable products.”**

### Life Cycle Assessments

Our scientifically rigorous, globally recognized approach to life cycle assessments (LCAs) helps us measure and understand the impact our products have throughout their lifespan. In the design phase, key insights inform our choices, helping us create more sustainable products. These insights drive innovative solutions whose ripple effects are felt in and outside our industry.

Participating in cutting-edge, global research around this topic allows us to not only contribute insights based on our extensive experience with LCAs; it also allows us to offer guidance and perspective to others considering this approach. Two research projects we’re focusing on are: water footprint and a new type of life cycle assessment, the social LCA.

### End of Use and Recycling

As a result of our focus on Design for the Environment, these efforts lead to better material selection, higher recycling performances and design for disassembly choices. We make products built to last, and sometimes, they even outlast our customers’ needs. Though we design our products to be adaptable, most customers eventually reach a time when they are ready for something new. That’s where we can help them make responsible choices. See our [End of Use Strategies](#) section of this report for more information on how we’re working with our customers to help manage their furniture inventory and keep products out of landfills by selling, refurbishing, donating, or recycling their excess assets.

### SUCCESS STORIES

#### Water Footprint Research

For the past three years, Steelcase has partnered with a number of leading organizations, such as Quantis, to examine how important water use is to the production of our products. These collaborative efforts have led to the creation of a water footprint database and case studies available to LCA practitioners worldwide in partnership with one of the two leading global LCA software providers.



#### B-Free: Integrating Innovative Elements

The new B-Free™ Cube, launched in our EMEA region, uses velcro to significantly reduce the amount of glue and staples needed and introduced clean recycled foam instead of virgin foam as key sustainability components. It features quick and simple disassembly, allowing for easy recycling of materials at the end of its use.

#### Social Life Cycle Assessment

Steelcase is working with leading LCA experts, international universities and global corporations to create a framework around the social LCA. The outcome — a [Handbook for Product Social Impact Assessment](#) — assists other companies in understanding and exploring this new territory.

**30+**

Published Environmental Product Declarations

# Renewable Energy

## Promise

Create a global renewable energy strategy while maintaining a sense of urgency in reducing fossil fuel reliance.

## Results

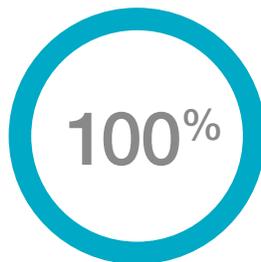
Investing in renewable energy credits equivalent to 100% of global electricity use; working with our renewable energy provider to offer discounted pricing to suppliers to encourage new investments and scale our impact.

As a global corporate citizen, we understand the importance of limiting the environmental impacts of our global operations.



We take a systematic approach to managing our energy usage: from reducing consumption to investing in renewable energy. Our expanded renewable energy portfolio is a testament to our deep commitment.

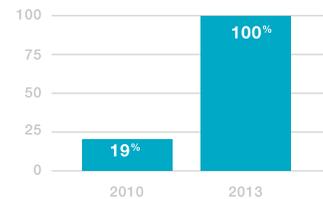
In three years, we've moved from a 19% investment to 100% investment globally in wind and hydroelectric renewable energy credits (RECs), from a regional energy strategy to a global one, and from Steelcase-only contract to a pioneering effort encouraging our suppliers to purchase renewables. At the same time, we continue to aggressively pursue energy savings improvements resulting in a decrease of our global energy use by 60% since 2001. We're reducing our reliance on fossil fuels and investing in non-emitting renewable energy



We're the first major commercial furniture manufacturer to purchase non-emitting RECs equivalent to 100% of our global electricity use.

to benefit the environment, our partners and our customers and to grow the emerging renewable energy industry so we can all enjoy a more secure energy future.

## OUR COMMITMENT TO RENEWABLE ENERGY



## 15<sup>th</sup>

We're now the 15th largest 100% Green Power User in the U.S., according to the EPA's Green Power Partnership.<sup>1</sup>

## 15,410

Our renewable energy credits cover approximately 167 million kilowatt hours in 2014, enough to power 15,410 homes for one year.<sup>2</sup>

## 1<sup>st</sup>

We're extending our volume discounts to our suppliers, a first-of-its-kind program.

Our portfolio includes geographically distributed projects throughout North America and Europe, helping expand energy independence in more regions.

<sup>1</sup> As of November 2014

<sup>2</sup> Based on average annual U.S. household electricity consumption of 10,837 kWh/ year (<http://www.eia.gov/tools/faqs/faq.cfm?id=97&t=3>)

# Energy Use + Efficiency

## Promise

Further reduce our energy use another 25% by the year 2020.

## Results

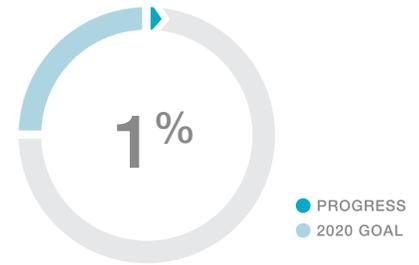
As our production increases and our facilities expand, there has been a 1% increase in energy use since 2010; strategies in place to pursue future reductions.

### Although we exceeded our energy use goals in 2012, we continue to challenge ourselves to keep improving.

We're taking a comprehensive approach to optimizing energy use through reduced consumption and conservation and investments in renewable energy. This past year, we continued high production levels and opened new manufacturing facilities, which contributed to a small spike in energy use since we reset our environmental footprint reduction goals. That's thanks to the steps we've already taken to ensure our manufacturing processes use a minimal amount of energy, equating to a 60% reduction in energy use since 2001.

We have identified the steps to achieve continued reduction of our energy use. Those steps include evaluating new initiatives based on energy goals, creating a worldwide measurement and reporting system on greenhouse gas emissions, and meeting international environmental management standards.

We continue to work with our supplier partners to create shared objectives around energy conservation and use, enabling them to calculate their environmental impacts and reduce their footprints.



Increase in energy use since 2010

## SUCCESS STORIES

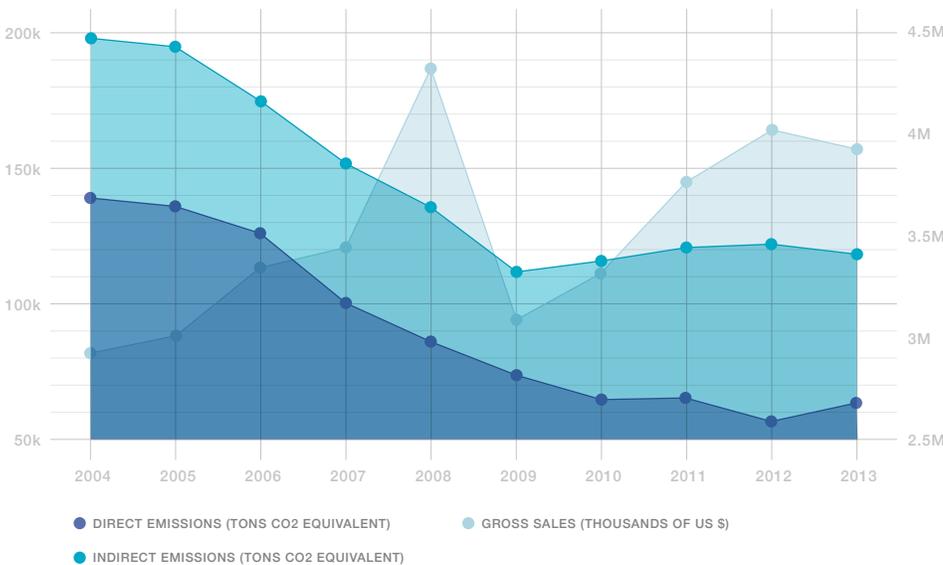
### Desigtex Operates As Carbon Neutral for Fourth Year

For the fourth year, Desigtex, a Steelcase-owned surface materials company, has operated as a carbon-neutral company. The company continues to partner with Tribal Energy to offset the greenhouse gas emissions from its entire footprint. This year, Desigtex is funding two energy projects — one wind turbine project with an Indiana high school and a methane capture initiative with the Southern Ute Indian tribe.

### Steelcase Aviation Saves A Home's Worth of Energy In One Year

We're looking for ways large and small, across our business operations and functions, to improve our energy performance. Our aviation division completed a series of energy efficiency improvements including the installation of new ceiling fans and improved lighting. This resulted in saving 9,923 kilowatt hours of electricity, 220,000 cubic feet of natural gas for heating and more than \$3,000 in utility bill savings

## STEELCASE GREENHOUSE GAS EMISSIONS 2004-2013



# Water Conservation



## Promise

Further reduce our water consumption another 25% by the year 2020.

## Results

As our production increases and our facilities expand, there has been a 14% increase in water use since 2010; strategies in place to pursue future reductions.

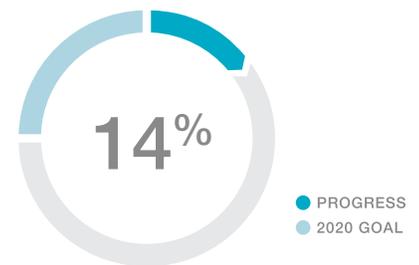
## Compared with many other industries, we use far less water in our direct processes. But that doesn't mean we take water conservation in our products or our operations lightly.

As far back as the 1970s, we've had formal water tracking and reduction initiatives. And since we employed a new system in 2001 to measure our water use, our track record has consistently showed progress — we've reduced our overall water usage by 70% since 2001.

Last year, we reported an uptick in water use, due to ramped-up production and opening new facilities. Although this means we have significant work to do to meet our 2020 goals, we're seeing small successes in water reduction on an annual basis, even as production volume remains high.

In addition to water conservation opportunities, we're actively monitoring our wastewater discharges and using stormwater collection and retention systems to manage water flow from our sites and to irrigate our campuses.

We're also contributing to the growing body of research around the water footprint of products. See the [Innovative Products and Applications](#) section of this report for more information about our work on product life cycle assessments.



Increase in water use since 2010

## SUCCESS STORY



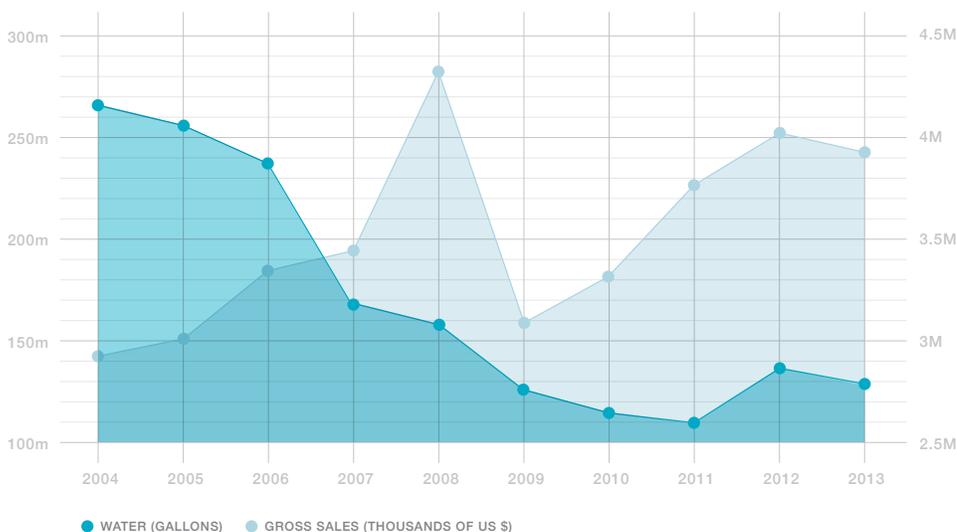
### Perfect Water Score for LEED Platinum® Project

The Steelcase Innovation Center, located at our Global Headquarters in Grand Rapids, Mich., recently received [LEED Platinum certification](#). The project scored a total of 88 points, including a perfect 11 in water conservation.

This special accreditation signals high-level sustainability commitment and concrete progress toward our corporate environmental goals.

With this new award, our building is the highest rated LEED-CI project certified in the state of Michigan. Worldwide, only 29 projects score better.

## STEELCASE WATER USAGE 2004-2013



# Waste Reduction



## Promise

Further reduce our waste another 25% by the year 2020.

## Results

As our production increases and our facilities expand, there has been a 22% decrease in waste since 2010; on track to achieve future reductions.

### Our philosophy, first and foremost, is to avoid waste. For more than 20 years, we've avoided sending thousands of tons of material to landfills.

We're making significant strides. In our U.S. facilities, we no longer send any waste powder paint to landfills. What's more, we're working on extending this claim to all of our North American facilities, and we're sharing our strategies with suppliers, so they too can reduce their waste streams through material recycling, reuse and resource management.

To ensure our facilities are operating at peak performance, we're constantly employing strategies to avoid waste: from recycling to composting to incineration with energy recovery. This year, we engaged with all regional distribution centers and inbound service

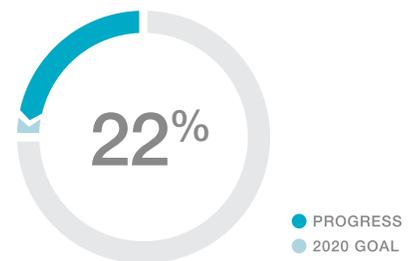
centers to start steel, cardboard and pallet recycling programs. All along the reduce, reuse, recycle spectrum, we're hard at work tracking operations with yield-based metrics.

These data points inform us about how much waste is reduced, reused, or recycled, as well as how efficiently we're using purchased materials like powder paint, steel, laminate and veneer.

We're continually improving and adding more metrics to ensure we're creating a lasting impact by leaving a lighter footprint. That's improvement you can quantify — in the factories, in the environment and in the bottom line.

## ISO 14001

All fully-operational Steelcase plants are now registered, including our new Pune, India plant



Reduction in waste since 2010

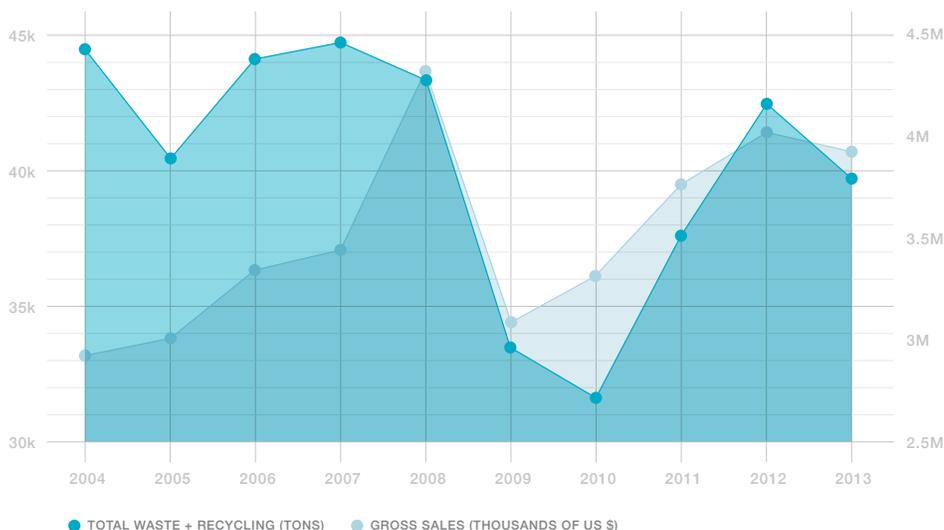
## 25,163

Tons of materials recycled globally, including:  
 128 tons of office paper  
 13,995 tons of steel  
 3,654.86 tons of wood

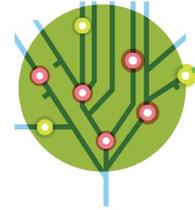
## 176.4

Tons of food waste composted in 2013

STEELCASE WASTE AND RECYCLING 2004-2013



# Transportation + Packaging



## Promise

Deliver our products and our people safely to their destinations with intentional focus on reducing our environmental footprint.

## Results

Innovative packaging and shipping practices and materials, streamlined operations, and increased use of telepresence.

### Reducing our transportation and packaging impact requires a coordinated approach.

For our products, that begins in the design phase. Several of our chairs are designed to be shipped “knocked down” for more efficient shipping and decreased emissions. Other products are shipped using reusable blankets and containers, minimizing waste while still ensuring safe delivery.

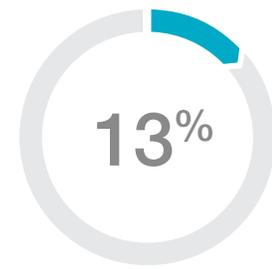
While we’ve made great strides to reduce packaging, sometimes it’s required. When packaging is unavoidable, we use lightweight corrugated paper, saving nearly 1,000 tons of paper waste each year.

Recycled and recyclable materials now dominate our packaging choices, allowing us to use fewer virgin resources. We’re replacing traditional synthetic materials wherever possible. We’ve eliminated almost all polyurethane packaging, replacing it with paper. When synthetics are required,

we opt for polyethelene and polypropylene instead of styrene-based packaging for easier recycling.

When it comes to our vehicle fleet, we’re optimizing travel routes to shorten distances and improve fuel use. In Europe, we’ve added hybrid cars to our fleet, and in North America, our tour buses run on biodiesel. Thanks to these initiatives, we’re on the road to meeting our energy efficiency goals.

However, it’s not just our trucks taking fewer trips — it’s also our people. Through our high-definition videoconferencing technology and alternative work strategies, we’re minimizing employee travel and reducing our environmental footprint. In addition to reducing travel costs and emissions, employees see their families more — an important part of supporting our people.



Increased fuel efficiency from fleet vehicles



Decrease in global gasoline and diesel use

## SUCCESS STORIES

### Pallets Increase Loading Efficiency In Surprising Ways

As a major shipper, we use a lot of pallets, but we also recycle as many as possible. In 2013, we earned nearly \$20,000 from pallet recycling and channeled that income toward another environmental improvement — we purchased additional aluminum shoring beams for our trucks making trips to Reynosa and Tijuana. This allows us to use more of the trailer’s effective space to gain more cube utilization, resulting in fewer trucks needed to transport freight between facilities.

### Ensuring Products Arrive Safely

To ensure quality delivery, we’re evolving our packaging, a joint effort by our quality and packaging experts. This led to a thorough analysis of packaging materials and methods of packaging, storing and transport. Additional laboratory tests provided a complete overview of the performance of the currently used packaging. Further steps of this quality initiative will focus on transportation, handling and securing of loading to further optimize our use of packaging and decrease the number of damaged products delivered to our customers.

# We're taking a hard look at ourselves and putting sustainability in the center of the decision wheel.

We're implementing organizational change to be the most economically, socially and environmentally responsible company we can be. That's our promise to ourselves.



# Governance

## Promise

Foster a dynamic, ambitious and independent leadership team committed to helping everyone in our organization unlock human promise, create long-term shareholder value and a more sustainable world.

## Results

An energetic, capable and experienced leadership team paving the way for Steelcase's sustainable success.

### **Our corporate leadership structure begins with our dedicated Board of Directors. Comprised of third-generation members of our founding families and proven business leaders, the Board develops and articulates our guiding vision.**

Of our thirteen directors, ten are independent, ensuring diverse opinions, accountability and objectivity. Our executive leadership team keeps us moving forward and inspires us to dream bigger, keeping us accountable for achieving our ambitious goals.

Our Global Sustainability Steering Committee, in its second year, is charged with leveraging business insights and inspiring collective action and accountability in advancing the company's global sustainability strategies.

Staffed by global leaders representing human resources, procurement, operations, IT, marketing, communications, community relations, legal, corporate relations, corporate sustainability and corporate strategy, the scope of this team includes:

- Furthering integration of sustainability into the company's and employees' daily and strategic choices
- Nurturing a sense of personal accountability in positively impacting sustainability performance
- Aligning key points of view and clarifying the role of leaders in advancing sustainability objectives
- Building cross-functional partnerships, dialog and collaboration to ensure effective implementation and long-term integration of sustainability strategies



- Ensuring key stakeholders are effectively represented in sustainability strategic objectives

Each and every Steelcase employee is accountable for abiding by our social and environmental sustainability policies in his or her particular role. These policies clearly express our expectations for our employees, no matter what their title or responsibilities, to be responsible stewards and to contribute toward the overall safety and wellbeing of fellow workers, their communities and the natural world.

Our sustainability aspirations are ambitious. Everyone must be actively engaged in strengthening our performance and reaching or surpassing our goals.

# Thank you

Our path to sustainability is a shared endeavor, touching all levels of our organization in all corners of the globe. Our successes come from individual employees, from departments, from regions, from offices, from manufacturing lines, from customers, from our dealers, from our suppliers, and from our partners.

Thank you, each of you, for helping us propel sustainability forward as we continue to unlock human promise and create the economic, social and environmental conditions that allow us all to thrive.

The end of this report is not the end. We'd love to keep the conversation alive. Please reach out to us at [sustainability@steelcase.com](mailto:sustainability@steelcase.com) and share your sustainability dreams.

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