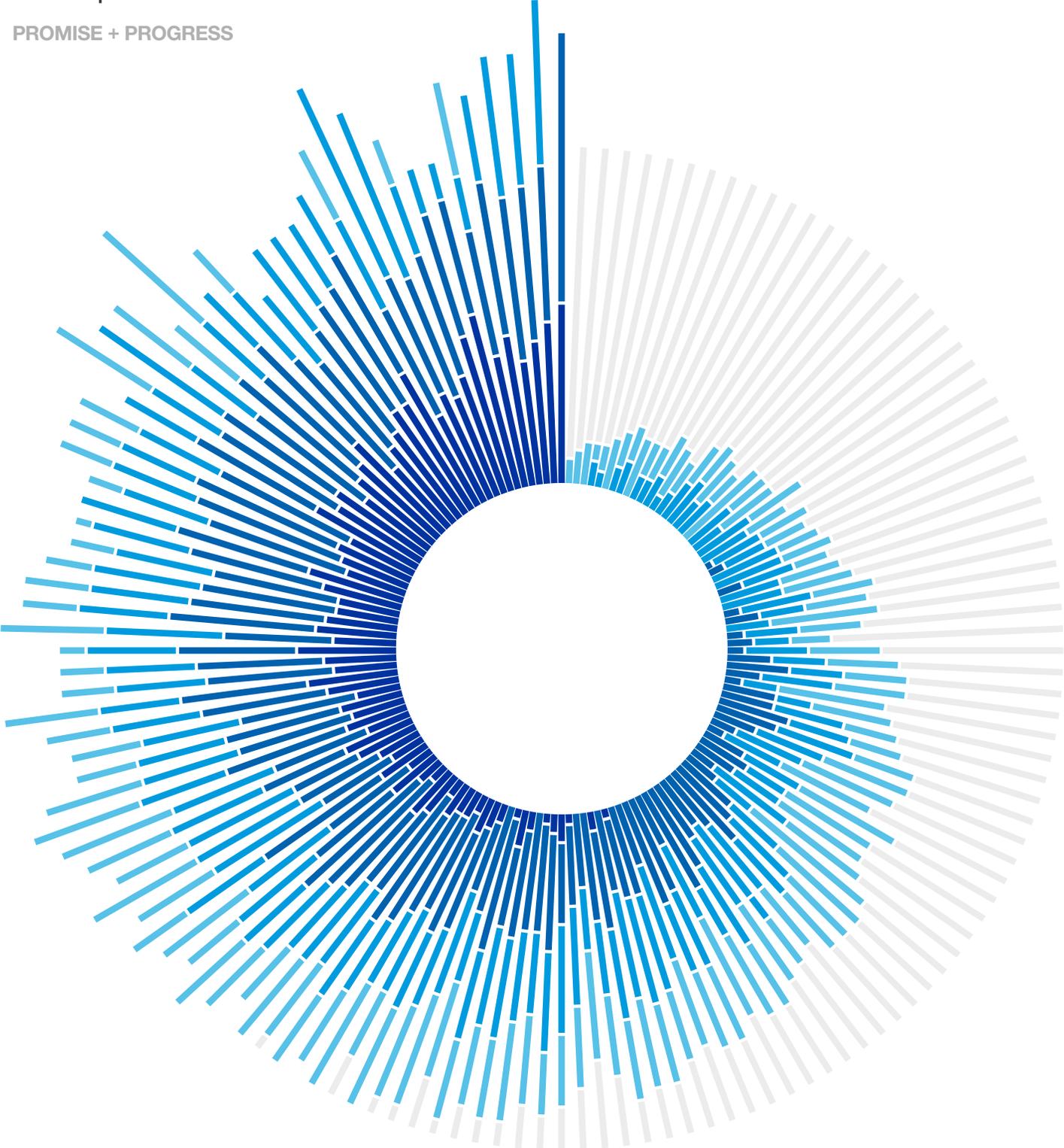


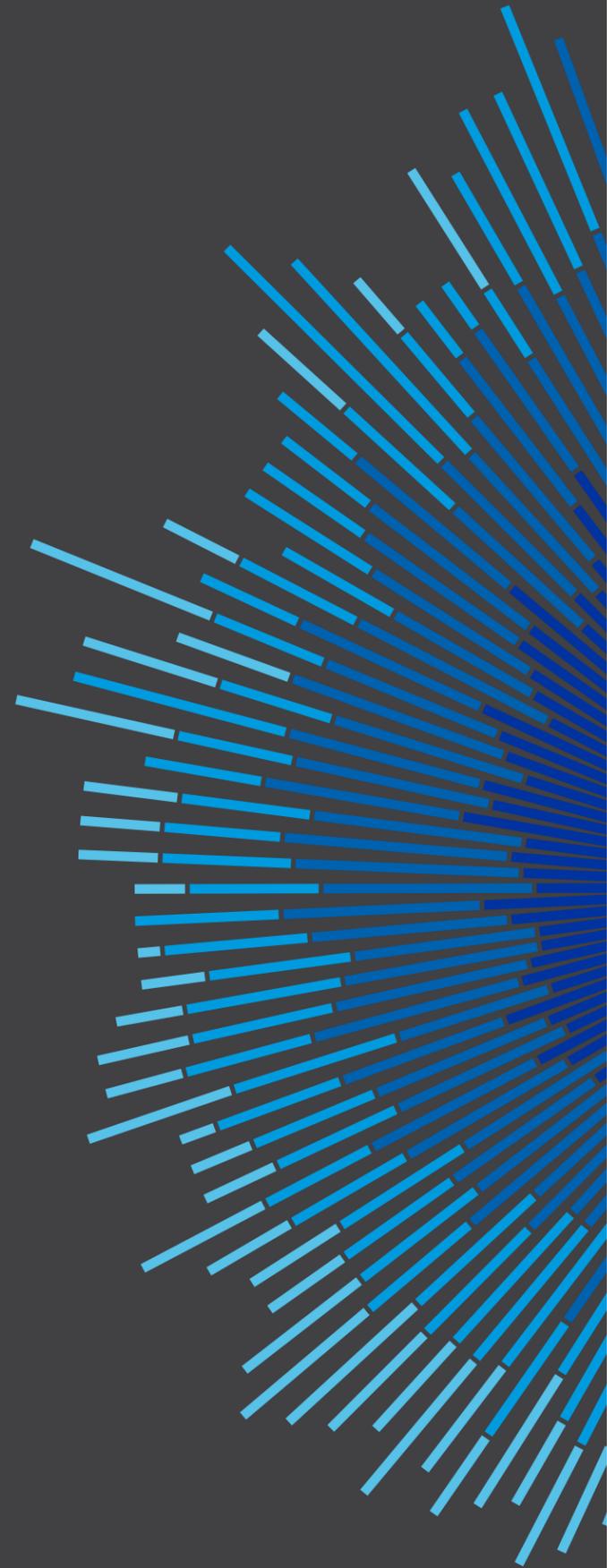
# Corporate Sustainability Report 2015

PROMISE + PROGRESS



# Our Vision

People are at the heart of everything we do and everything we create. Those same values drive our approach to sustainability. We believe we can deliver meaningful, lasting economic, environmental, and social change through the choices we make and the behaviors and actions that we demonstrate.



## CONTENTS

04	Welcome from Jim Keane	<b>Employees</b>
06	Our Sustainability Promise	23 Diversity + Inclusion
08	Targets and Performance	24 Employee Wellbeing
	<b>Customers</b>	26 Learning + Development
11	People + Purpose	27 Workplace Health + Safety
12	End of Use Strategies	<b>Environment</b>
13	Sustainable Procurement Strategies	29 Innovative Products + Solutions
	<b>Partners</b>	32 Energy Use + Efficiency
15	Dealers	33 Renewable Energy
16	Suppliers	34 Transportation + Packaging
	<b>Communities</b>	35 Water Conservation
19	Employee Impacts	36 Waste Reduction
20	Social Investment	<b>Ourselves</b>
		39 Governance

# Welcome



Steelcase is in the people business. While it's true we are a global leader in creating products and solutions for offices, schools, healthcare facilities and other workplaces, our larger purpose extends far beyond what we create.

We understand work is a social activity and believe it should be rewarding, fulfilling and give people a deeper sense of meaning and wellbeing. Sustainability plays a vital role in achieving that goal.

We believe sustainability is about creating the economic, social and environmental conditions that allow people and communities to thrive. We also believe it is an innovation lens and a pathway to ensuring our company is positioned to serve all of our stakeholders' needs well into the future.

This perspective influences everything we do – from the products we deliver to the research we conduct, the investments we make to the opportunities we explore. Sustainability is a systems approach to how we do business and it continues to produce results year after year.

#### HERE ARE SOME HIGHLIGHTS:

- Invested in renewable energy equivalent to 100 percent of our electricity use
- Expanded end of use services to help businesses redeploy assets at end of need or end of life – diverting millions of tons of furniture from the landfill and giving products new life
- Built urban school partnerships to drive educational outcomes and increased graduation rates through innovative approaches grooming tomorrow's leaders through real-world experiences
- Drove down our energy, water, and waste to meet our ambitious 2020 goals – despite expanding global production
- Launched an employee wellbeing platform that includes initiatives such as a dedicated wellbeing hub complete with nurses and coaches, generous parent bonding leave, and innovative training and development programs

Thanks for taking a look at our 2015 Corporate Sustainability Report.

A handwritten signature in black ink, appearing to read 'J. Keane', written over a light blue circular background.

James Keane  
President and CEO

“We believe sustainability is about creating the economic, social and environmental conditions that allow people and communities to thrive.”

# Our Sustainability Promise

True progress takes continuous and coordinated efforts to create the economic, environmental and social conditions that allow people and communities to thrive.

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. As we work to create meaningful, lasting change, we're putting our values to work. Every day around the globe — from Michigan to Malaysia, Dongguan to Cluj, Rosenheim to Pune — our values frame our beliefs and inform our actions:

- 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.
- When you tell the truth, you become part of the solution. We work hard to be transparent and authentic with others and, perhaps more importantly, 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; 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.

## ACTING ON SUSTAINABILITY

We're tackling the global challenges of sustainability to achieve our vision of strong economic, social and environmental systems.

- Strengthening sustainable development in our global operations and those of our 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've set 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 to understand 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
- Identified sustainability aspects material to our business to help us advance our social and environmental performance to align with the expectations of our many stakeholders, shareholders and partners.
- Partnered with leading organizations to understand and explore emerging issues such as circular economy and integrated reporting
- Empowered employees through education and partnerships to understand their role in advancing the mission and goals of our company — as well as those of our partners, customers and communities

# Targets + Performance

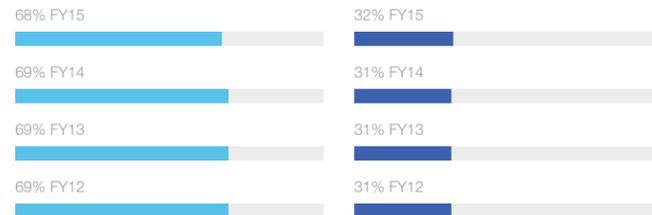
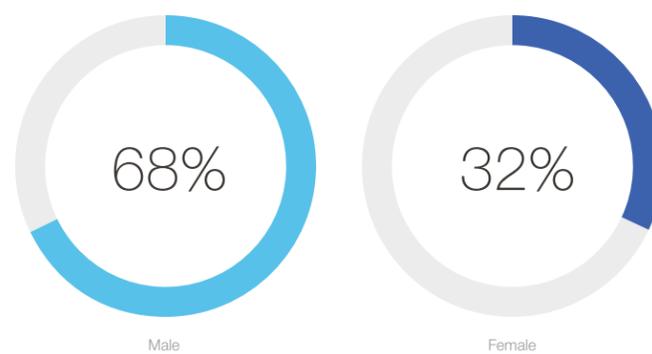
Across our global footprint, we're measuring our progress against our social, environmental and economics goals. We continuously strive to refine our metrics and expand our reporting, improving our focus on sustainability as we move toward global accuracy and amplified performance.

## Social

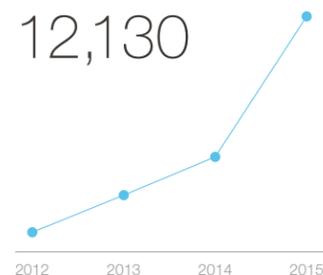
### Employee Retention



### Gender Distribution



### Volunteer Hours Reported



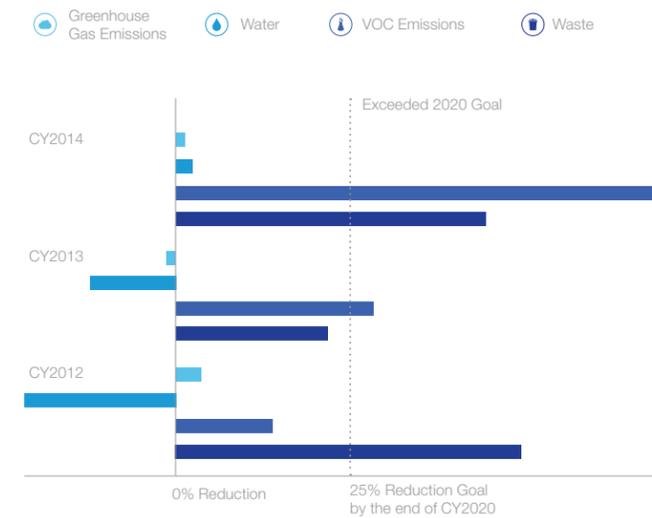
### Monetary and In-kind Donations

**\$3.2 Million**  
Steelcase Foundation

**\$1.3 Million**  
Steelcase Inc.

## Environment

### Progress Towards Goal



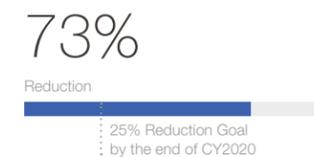
### Greenhouse Gas Emissions



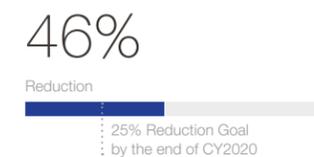
### Water Use



### VOC Emissions



### Waste



### Renewable Energy

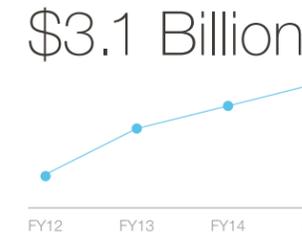
**100%** investment in wind and hydroelectric renewable energy credits (RECs)

## Economic

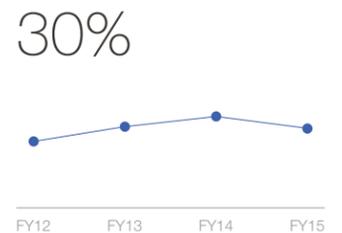
### Stock Performance (\$ Dollars)



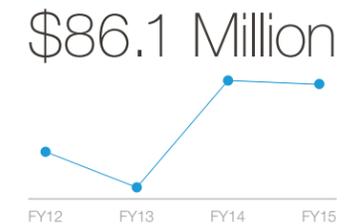
### Revenue



### Gross Profit



### Net Income



# Customers

Helping our customers to succeed in their businesses and meet their sustainability goals is a driving force at Steelcase. We lead the way with research-backed solutions, innovative end of use strategies, a robust supply chain, and products that deliver results.

## CUSTOMERS

# People + Purpose

Customers often turn to us to do more than provide furniture.

We've helped customers optimize real estate and create spaces that support employee wellbeing. And though these are important elements, we're looking ahead and shifting the conversation to something larger – the promise of people.

Today, we're focusing on helping customers create spaces designed to accomplish an array of goals. From building culture to reinforcing corporate strategies to expressing brand identity, intelligently designed workplaces help connect people with their company's purpose. These spaces can help unleash creativity and innovation, collaboration and trust, helping customers unlock the full potential of their employees and create a more engaged workforce.

Steelcase is helping customers embrace these new challenges and realities on multiple fronts. Our Applied Research + Consulting team offers customers leading edge assessments of how space, process and technology can influence and support behaviors that lead to great work experiences. After working with customers to understand the type of culture they want to build or reinforce,

the team uses a proprietary assessment tool to measure achievements, identify opportunities and inform strategies to connect people with purpose. These insights are then translated into concepts for workplaces that inspire and connect higher business goals with employees' everyday work experiences.

We're conducting global research on the link between employee engagement and the workplace – and have found a definitive correlation between higher engagement levels and workplaces that offer workers choice and control over where and how they work.

More than ever, the work we do is helping leading companies attract and retain the best and brightest talent, create workplaces that foster innovative ideas, and help connect individuals to meaningful and satisfying work.

# End of Use Strategies

In a recent internal study, one third of Steelcase customers requested end of use and asset management services. And that's not surprising; as organizations migrate to new or different work environments, there is a greater need for programs that provide turnkey solutions and ease inherent pain points. Our suite of services helps customers take advantage of environmentally and socially responsible alternatives to landfills, including charitable reuse, resale and recycling.

Today, our programs are available in certain geographies, but we're developing strategies to support our customers' asset deployment needs regardless of their location. Increasingly sophisticated methods of gathering data and metrics amplifies our ability to serve these global customers.

## Eco'Services

In France, Belgium, Switzerland and Luxembourg, we offer complete end of use services. Providing process management expertise and an extensive network of providers, Eco'Services helps assess building assets so they can be resold, donated or transported to licensed recycling organizations that manage material recovery.

## Performance Management

Our Performance Management team serves large organizations with multiple locations, developing a strategic approach to managing complex facility needs. For more than 20 years, Performance Management has applied this same method to help clients with decommissioning solutions for reuse, recycling and broker options

## Phase 2

Our North American program helps customers assess furniture inventory and create decommissioning plans that include options for resale, charitable reuse, or recycling, depending on age and condition of the assets – all with a "zero landfill" goal.

## ReMarket™

ReMarket gives customers who lease furniture the option of returning the items at the end of the lease. These assets are then offered to our North American dealer network for resale. It allows select customers to get high-quality furniture at budget-friendly prices and is one more way we help keep furniture out of landfills.

## THOUSANDS TRADE UP TO GESTURE®

Last year, we launched the Gesture® Trade Up program, giving customers the opportunity to turn in older chairs for our innovative new seating solution, Gesture. The concept was simple: Steelcase removed the used assets, refurbished or recycled them and issued a credit to the former owners to purchase their new chair. Thousands of chairs were recycled or refurbished with new, sustainably designed parts.

## ECO'SERVICES DELIVERS RESULTS

Eco'Services completed one of the largest projects in its history during 2014; a 35-floor, 2500 workstation project for a major governmental building in Paris. The three-month project was successful in sending over 618,000 cubic feet of furniture – enough to fill more than seven Olympic-size swimming pools – to certified recyclers.

6,800+

workstations managed by Eco'Services in 2014

70%

of all furniture handled by Eco'Services in 2014 was sent to certified recyclers. The remainder was charitably donated or resold.

# Sustainable Procurement Strategies

We understand that when customers purchase our solutions, they're expecting our help in meeting their economic, social and environmental sustainability goals.

That's why we create strong partnerships with our customers to better understand their objectives, and with our suppliers to deliver materials that support human and environmental health. Insight and innovation springs from those relationships, creating healthier work environments and delivering results that customers expect.

## Design for the Environment

Our design approach begins with closed-loop thinking. We strive to measure the impacts of our options at every step along the path – from design, manufacture, delivery, use and reuse, recycling and end of use. Whether we're dissecting the chemical profiles of materials and components we use or offering turnkey solutions for furnishings that are no longer needed, we're making careful choices that amplify performance and extend the lifespan of our products.

## LEED® Contributions

We continue to help customers leverage our products in the LEED certification of their buildings. Steelcase products can contribute through:

- Materials and resources
- Ergonomics
- Social equity in the supply chain

- Innovation in design
- Low-emitting materials

Specific product environmental profile information can be found on our website in the Resource Center, or by request.

## Environmental Metrics Reports

By providing customized metric reports for customers, we deliver the information they need to assess their past furniture choices and make informed decisions about future purchases. We collect, measure and share environmental impacts, as well as provide detailed reporting on sustainability certifications, recycled content, material makeup and product weight.

## Third-Party Certified Products

While we're proud to have earned the endorsement of the world's leading product certifications, that's not our primary intent. We aim to set high-level performance criteria to deliver the highest value and performance through sustainable design. To meet these high standards, we partner with respected third-party certifiers who help us give our customers assurance on issues such as indoor air quality, materials chemistry, closed-loop textiles, and sustainably harvested wood.

225+

Product Environmental Profiles available

250+

Customized Environmental Metrics Reports provided

# Partners

Creating lasting change takes a committed team, and we're fortunate to work with some of the finest suppliers, dealers and community organizations to forge a more sustainable future.

## PARTNERS

# Dealers

With more than 800 Steelcase dealers around the world, our sphere of influence isn't limited to our global business centers and manufacturing plants. As an extension of our company, we actively support our dealers and encourage their sustainability efforts. The result is a vibrant network of independent businesses making positive impacts in their communities while serving the best interests of our customers.

Our partnerships with our suppliers begin with shared understandings about our key guiding principles, our promise to our dealers, and our dealer's promise to us. From this foundation, we work closely together to serve the business, employee and community needs everywhere we have a presence.

To help dealers tackle pressing issues and take leadership positions in line with our corporate vision, a dedicated Steelcase team works closely with dealers on challenges ranging from talent

management to diversity and inclusion. We continue our long-term support for dealers in the United States and Canada to build minority ownership and hiring practices that reflect the communities where they operate.

To ensure that dealers can attract and develop the highest caliber of talent, we share best practices and conduct development sessions. We continue to support our dealers with the education and resources for success.

Now in its fifth year, our Platinum Partners program recognizes superior dealer performance. This program was extended beyond North America this year and is now available to dealers in Europe, Middle East, and Africa which boast nearly 300 active Steelcase dealers. To earn this elite status, dealers must meet stringent criteria including sales and customer performance and organizational strength.



### SUCCESS STORY

Across our dealer network, sustainability is thriving with innovative programs including recycling, waste reduction and employee wellbeing. From electric vehicle charging stations for employees and customers to donating time and resources to local organizations, our dealers continue to inspire us. From a dealer who's installing more than 1600 solar panels on their roof to provide 90 percent of their energy, to the dealer who recently hired a sustainability project manager, our dealer network extends our commitment into communities and customers' lives around the globe and we could not be more proud to call them partners

In the United States and Canada, Steelcase has over 35 dealer locations with minority classification, including:

28

woman-owned dealerships

11

minority-owned dealerships

2

veteran-owned dealerships

# Suppliers

We depend on our suppliers to adhere to the highest standards of quality.

We deepen our partnerships by asking suppliers to agree to our Supplier Code of Conduct, committing to Steelcase's social responsibility standards and expectations. The Code of Conduct is available in five languages, setting a universal set of expectations, wherever we do business. We're working with our suppliers to obtain their commitment to this common set of values and expectations.

The Code of Conduct is addressed in three phases: a supplier questionnaire, a possible site visit from Steelcase, and a written contract. Since its inception, we have

- Logged 518 completed supplier questionnaires
- Implemented 165 contracts requiring adherence to the Code of Conduct with existing and new suppliers

Though we've met our goal of rolling out the Code of Conduct globally, we continue to collaborate with our supply chain partners to encourage greater results. The opening of our latest manufacturing facility in the Czech Republic has introduced us to a new eco-system of suppliers. As we build

our relationships with them, they are joining the hundreds of existing suppliers in ensuring high-quality products delivered through high standards of business practice.

Across the globe, we're working with suppliers to support Steelcase's sustainability goals and their own, and their efforts continue to accumulate and inspire us. We partner with these visionary suppliers to share industry-leading ideas and best practices, creating a virtuous cycle of positive outcomes and improved conditions. Here are just a few examples of the work of some of our suppliers this past year:

- Recycled 100% of their plastic, paper and wooden skids
- Transitioned transportation from trucking to rail to conserve fuel
- Improved air quality within their plants
- Attended LEAN manufacturing classes with Steelcase consultants to learn more about available tools and how to introduce them into their workplaces

“Across the globe, we're working with suppliers to pursue their own sustainability goals, and their efforts continue to accumulate and inspire us.”

# Balancing Transparency and Privacy in A Big Data World

The promise of Big Data is manifesting in many positive ways: from allowing new patterns to be visible to offering innovation potential at unimaginable scale. But there's an inherent tension in this new age of transparency and sharing, one that we wrangle with every day as we seek to be sustainability champions. For years, we've been committed to sharing information about the chemical makeup of the materials we use in our products. Because our simplest product can easily involve at least 50 discreet suppliers, and a cascading number of sub-suppliers, full disclosure requires close cooperation across our entire supply chain.

This means our supply chain partners must be willing to release closely-held information about the chemical inventories of products, leading us to negotiate privacy agreements so we gain access to the very information we need. Unfortunately, this means we know the chemical make-up of materials, but we can't legally share it with others.

We understand that materials assurance might not always come in the most transparent way our customers expect. But know that we're working to detect and eliminate materials of concern, and that through this sharing exchange everyone wins by giving up a little information. The exchange is working: it's benefitting human and environmental health and delivering material and design innovation.

In this era of Big Data, the question of creating transparency or preserving private information is not the only one. The real question is: How can we create an abundant and sustainable future by finding a place where transparency and privacy co-exist? Stay tuned - we're working on it.

Learn more: [360 Magazine Issue 68](#)

# Communities

We value our global relationships, but understand that change happens on the local level. We're actively sharing our resources, time, talents, materials and leadership to tackle entrenched issues like education and environment.

## COMMUNITIES

# Employee Impacts

We consider each and every one of our more than 10,000 worldwide employees as concentric circles, spreading our reach and creating positive change in the communities where we live, work and play. Together, we're having a positive impact on local conditions, creating hope and inspiring others.

From Malaysia to Mexico, Dubai to Grand Rapids, employees have organized social responsibility committees charged with identifying and tackling local needs. These grassroots efforts combine to create change on a larger scale, fueled by our employees' skills, talents, passions and energies. Together, our employees are affecting

- Literacy programs
- Orphanages
- Mentoring
- Environmental cleanup days
- Go Green days
- Nonprofit boards and foundation

This year, we launched a new global volunteering program aimed at incentivizing employees to not only volunteer, but report their hours of service. Employees who logged their community service hours were entered into a quarterly drawing for the chance to win a \$250 donation to the nonprofit of their choice. Thanks to this program, we are better understanding the true extent of our employee outreach, allowing us to quantify and improve our social investment and celebrate individual and collective contributions. No matter where we are, we're committed to making our mark on the communities we serve and the communities that serve us.

### 300 STEELCASE VOLUNTEERS PARTICIPATE IN DAY OF CARING

Steelcase employees in Grand Rapids rolled up their sleeves to participate in the United Way's Day of Caring, a program encouraging community members to donate their time and talents to local organizations in need. Roughly 300 employees volunteered for 28 agencies, helping beautify school play spaces, pick fresh food for local pantries, offer professional skills to administrative facilities, and so much more.



### REYNOSA MAKES WISHES COME TRUE

In Mexico, Santa and Steelcase have the same address. Steelcase employees in our Reynosa facility collaborated with a local orphanage and received Letters to Santa written by the children of Casa Hogar MAMI. Employees chose a letter and worked like elves to deliver some holiday magic.

# Social Investment

Our long-standing involvement in communities and charitable organizations continues to produce meaningful results – from funding research on student achievement gaps to protecting and maintaining local parks.

Together, The Steelcase Foundation and Steelcase Inc. donated \$4.5 million in 2014, including nearly half a million dollars in matching employee gifts.

Steelcase Inc. contributed over \$1.3 million to more than 100 organizations ranging from Habitat for Humanity to the West Michigan Environmental Action Council. With a focus on helping groups extend their offerings and further their impact, Steelcase prioritizes investment in:

- Arts and culture
- Diversity and inclusion
- Economic Development
- Public urban education
- Environment
- Healthcare
- Human Services

The Steelcase Foundation, with its focus on education in Western Michigan, supports public schools, after-school programs, and innovative approaches to systemic economic and social issues. Of \$3.2 million granted in 2014 by the Foundation, educational initiatives received \$1.7 million – creating opportunities for the next generation of skilled workers to learn, grow and thrive.

Across the globe, Steelcase employees generously give of their time, expertise and resources to a myriad of causes ranging from renovating orphanages to mentoring young leaders. Last year, these contributions totaled nearly \$475,000 and more than 12,000 hours – the equivalent of more than 3,000 full-time work weeks. Local Social Impact Committees identify pressing community needs and provide support, creating resilience and momentum, hope and meaning, spreading our impact across our entire footprint.

#### Giving in 2014

**\$3.2 million**

Steelcase Foundation

**\$1.3 million**

Steelcase Inc.

**\$474,000**

Matching employee gifts

# Active Learning Centers



From instilling a culture of curiosity among our 10,000 employees across the globe to funding classroom grants and investing in urban education, Steelcase supports education as a core part of our sustainability philosophy. Learning is essential to who we are and what we do, but we also recognize it's our responsibility to help create the same opportunities for the next generation. That's why we're engaging with partners in innovative programs across sectors to reveal new possibilities.

In December 2014, Steelcase Education launched a new grant program to fund and research up to 15 Active Learning Center classrooms in schools and universities across the United States and Canada. The response exceeded all expectations - we anticipated perhaps 200 applicants. Instead we received 533 applications, which we narrowed down to 12.

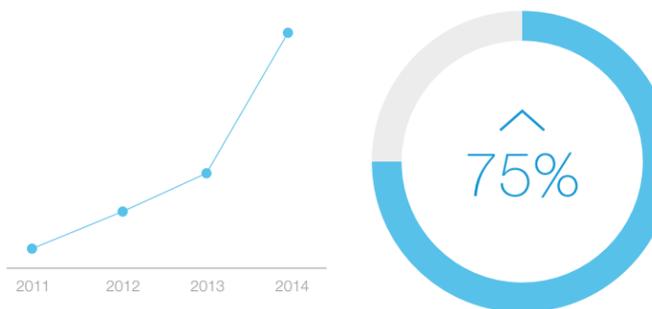
Each Active Learning Center grant covers the furniture, integrated technology, design, installation and post-occupancy evaluation for one of three classroom types designed for 28-32 students. Grants were valued between \$35,000 and \$50,000, with support services provided pro bono by regional Steelcase dealers.

Each recipient agreed to provide dedicated space, participate in Steelcase Education training and a community of practice, and conduct and share the results of an impact study over the next two years.

Learn more: [How Classroom Design Affects Student Engagement](#)

#### Volunteer Hours Reported in 2014

**12,124** Steelcase Employee Volunteer Hours, a 75% increase since 2013



# Employees

We honor the unique talents, skills and perspectives of our employees, knowing full well that their contributions are what propel us. We're creating a workplace that truly seeks to unlock the full potential of every individual.

## EMPLOYEES

# Diversity + Inclusion

Leading global organizations not only embrace multiple perspectives, they leverage them for innovation and growth.

We're actively promoting social justice and inclusion across our footprint, including economic, gender, race and sexual orientation equality, to ensure a more promising future for our company and all our employees – no matter where they live and work.

In the United States last year, perhaps no other social issue changed more rapidly than Lesbian, Gay, Bisexual, and Transgender (LGBT) equality. From state court rulings to the Supreme Court, new laws quickly spread across the country faster than many anticipated. Steelcase

has long participated in the fight for equal rights for the LGBT community, and in 2014 joined our trusted partner, the American Civil Liberties Union (ACLU), and other leading Michigan companies to oppose multiple religious freedom restoration bills that would threaten LGBT rights in the state. Along with other leading businesses, Steelcase argued the proposed bills would restrict their ability to attract and retain talented employees and institutionalize discrimination.

In our home community of Western Michigan, Steelcase continues our tradition of involvement through sponsorships and donations of resources, expertise and product. For the 15th year, we co-hosted the Urban League's community breakfast to honor Dr. Martin Luther King, Jr. and we continued as a lead sponsor for the Grand Rapids Community College Diversity Lecture series, bringing top thought leaders to the area to discuss the day's most provocative issues.

## 100 ON THE CORPORATE EQUALITY INDEX

Each year, the Human Rights Campaign Foundation publishes its Corporate Equality Index, benchmarking corporations on equality for gay, lesbian, bisexual and transgender employees. Steelcase was proud to earn a perfect score of 100 in all categories, including equal employment opportunities, equivalency in spousal and partner benefits, competency training, public engagement and responsible citizenship.

## HRC Corporate Equality Index Rating Criteria

- Prohibits discrimination based on sexual orientation
- Prohibits discrimination based on gender identity or expression
- Offers partner health/medical insurance
- Has parity across other 'soft' benefits for partners
- Offers transgender-inclusive health insurance coverage
- Firm-wide organizational competency programs
- Has employer-supported employee resource group
- Positively engages the external LGBT community

# Employee Wellbeing

Across our company's footprint, the emphasis on employee wellbeing is stronger than ever. We've been consciously moving toward a more comprehensive definition of wellbeing – including physical, mental and emotional aspects – and expanding opportunities for all employees to explore and improve their total wellbeing.

One of our most visible commitments to wellbeing is the new 1,600 sq. ft. Wellbeing Hub in the Grand Rapids, Michigan Global Business Center. The dedicated space creates a destination complete with free exercise and coaching classes, an on-site nurse, health information and a new consultant called a Wellbeing Navigator. Many tools and services are free to employees, including body composition screening, nutrition and weight management classes and life coaching. Private spaces allow for personal one-on-one sessions, or simply offer a quiet space for a moment of reflection. Future plans call for mini-hubs in global locations and the recruitment of on-site wellbeing champions.

In three of our North American manufacturing plants, wellbeing is more visible and accessible than ever thanks to larger and better equipped workout and coaching spaces. The Kentwood and Wood Plants in Michigan both received new fitness equipment, showers, private rooms and additional classes, building on their existing wellbeing programs. Our Athens, Alabama facility also expanded its fitness room with updated equipment and access to showers.

In addition to these programs, we initiated a policy in the United States and Canada that allows parents to take three weeks of paid leave following the birth or adoption of a child. Steelcase understands that work and home roles continue to intersect and overlap, and we're taking proactive steps to support all aspects of our employees' lives. This new policy reinforces our commitment to supporting both parents as primary caregivers and our employees' ability to respond to business needs. In its inaugural year, bonding leave has been a popular new benefit, helping numerous families adapt to their new addition and routines.

## WELLBEING AROUND THE WORLD

In Europe, the Middle East and Africa, wellbeing committees are taking the lead by offering week-long activities focused on different dimensions of wellbeing. Physical wellbeing is encouraged through well-attended weekend outdoor activities from hiking to skiing, with Steelcase footing the cost for employees. In Cluj, Romania, the local Employee Experience Committee stocks break areas with fresh fruit to help keep energy levels and vitality high all day.

In North America, more than 200 employees at the Athens, Alabama plant participated in the first annual Employee Health and Fitness Day. With a goal of educating and encouraging healthy activities that people can easily incorporate into their daily schedules, the event featured healthy snacks, body composition readings, one on one coaching, free blood pressure checks, massage, battle ropes and consultations about all the options available in the Steelcase benefits package.

In Asia Pacific, the employee exercise of choice has been yoga. From Australia to Malaysia to China, employees and even customers have been taking advantage of yoga classes at Steelcase facilities and with Steelcase fitness partners. In fact, yoga has proven so popular that programs have been extended to continue to meet growing demand.



# Wellbeing Hub

In today's fast-paced business environment, performance is more important than ever. Growing, learning, practicing, leveraging natural talent, taking risks, embracing mistakes and confronting deficiencies. These are the vital skills needed to move Steelcase into the future as an innovative and fit company. As a company, we're supporting our employee's personal fitness with our new Wellbeing Hub in our Grand Rapids, Michigan Global Headquarters, helping our team contribute their full potential.

Steelcase plays a key role in employee wellbeing, focusing on all three aspects: physical, emotional, social. For example:

- We can find space to connect or reflect
- We have policies that let us express our personal brand
- We can take time to recharge or care for family members when needed
- Around the globe we are encouraged to take time to support our communities
- Health and safety is an important focus in Operations
- In the U.S. we have many offerings to encourage our physical wellbeing: fitness rooms, team contests, awareness-raising with biometrics, incentives for healthy habits and more

The new Wellbeing Hub offers resources, spaces and tools to help employees including:

- Body assessments and progress trackers
- Personal support, from chronic disease management to financial or career counseling
- Team activities, including yoga, meditation and food management
- Opportunities to re-energize yourself, including a nap station and massage

Our partners are committed to this project, and we have dedicated resources to support this simple concept: a place to support our employees' personal situation, aspirations and passions and a place to show our customers that we walk the talk.

We will learn from the Wellbeing Hub, and duplicate the idea in other locations when possible. We believe that when our employees are growing and thriving, our organization will become a more innovative and sustainable entity.

# Learning + Development

We're investing in and expanding the innovative, global learning and development programs available to our employees.

We believe delivering new ways of learning will help create the positive, sustainable change in ourselves that will help us do the same in the world.

In coming months, we'll be making a shift at Steelcase as the company moves toward becoming a hands-on, real-time learning organization. Instead of learning moments taking place solely inside classrooms or seminars, employees will be encouraged to take charge of their own development - finding opportunities to learn and grow every day in more informal ways. This new model will allow employees to receive faster feedback, leverage internal leaders as informal

facilitators, and create a culture of coaching. The goal? To create a more agile, competitive organization that keeps pace with the fast rate of change.

Taking a rapid, real-time development approach to creating curriculum, the Global Leadership Development Experience was a program prototyped with participants from North America, Europe, the Middle East, Africa and Asia Pacific. Emerging leaders connected across geographies to develop new skills and tackle enterprise-wide challenges with fresh energy and imagination. Participants formed cohort groups and served as mentors and coaches to one another, enriching the learning experience and sharing their collective learning and wisdom. Graduation was marked with a two-day event at the Global Business Center in Grand Rapids, Michigan, featuring remarks from CEO Jim Keane and other senior leaders who addressed three of the company's cultural pillars - empathy, humility and trust.

## SPOTLIGHT ON SALES TRAINING

Supporting growth in the Americas, more than 40 new sales professionals each completed a six-week core onboarding curriculum, designed to deliver superior experiences for clients and sales professionals alike. In addition, four new hires completed a tailored three-month experience designed to bring high-potential recent university graduates into the sales organization, injecting additional new energy and fresh perspective.

# 7,980

employee training hours dedicated to our Global Business Standards around the world in 2014

# Workplace Health + Safety

Good health and safety practices are as important to our company as production efficiency and quality - meaning that business decisions are always made considering the health and safety of our employees and our customers.

A proactive health and safety culture that engages employees and supports a cross-functional and participative approach to prevent injuries is fundamental to our journey toward optimal wellbeing for our employees.

Our European plants are benefitting from key initiatives in our Rosenheim, Germany location. Local leaders implemented a new health and safety program that identified risk "hot spots," executed solutions and measured progress. For instance, an initial assessment revealed the assembly department would best benefit from additional attention, so leaders and employees held a joint safety kaizen meeting to brainstorm needs and priorities. Kaizen, Japanese for "continuous improvement," is an organized approach to evaluating problems, designing solutions, and achieving success. Thanks to this technique, the plant now features

enhanced safety elements such as anti-fatigue mats, as well as an organized method for leaders and employees to share and ideate new safety solutions.

Since more than half of all accidents can be linked to unsafe employee behaviors, designing workstations that encourage safety is a priority as we continue to move toward an incident-free work environment. In coming years, we will expand our efforts to explore occupational risk assessments and behavior-based safety in process design, accident analysis, and ergonomic assessments of workstations.

In North America, an expanded orientation process includes a more comprehensive safety orientation - new employees spend a full week performing classroom work and floor observations before being assigned to a workstation. This process is helping prepare employees for more productive and safe experiences.

"At Steelcase, we're committed to providing a healthy and safe workplace for our employees, customers and business partners."

## MESSAGE OFFERED IN U.S. PLANTS

All our American manufacturing plants now offer employees regular, free, 15-minute massages to help treat minor injuries. Most employees saw significant improvement after only three visits.

# Environment

We're working to leave a lasting legacy that benefits all of humanity. That's why we're conserving more, using less, sourcing more responsible materials, and finding better ways to work and be a leading voice.

## ENVIRONMENT

# Innovative Products + Solutions

Three pillars – materials chemistry, life cycle assessment and end of use design strategies – guide our efforts to innovate, improve, and deliver on our product promises.



These three pillars help us avoid and eliminate materials of concern, without compromising performance, and contribute to international research efforts aimed at helping other product designers and providers perform better. Most importantly, they help deliver greater benefit to our customers through human centered and environmentally fit products and services.

### **Materials Chemistry**

As new programs emerge, and as existing certifications elevate material-related expectations, we remain committed to push today's boundaries through leading by example. We're

challenging and collaborating with material developers to increase literacy and inspire materials innovation – all while assessing our current materials, processes and products to identify new opportunities for improvement.

We're advocating for better chemical standards through public policy and partnering with academic institutions and innovative companies to find answers to today's challenges. We're pushing for solutions at scale and translating advances in the lab into practical applications, because we know green chemistry will play a vital role in building a sustainable future.

# Innovative Products + Solutions (cont.)

## Life Cycle Assessments

For years, we've performed life cycle assessments (LCAs) to measure and analyze the environmental footprint of our products. As an early adopter, using internationally recognized methodology, our LCA practice helps us identify potential opportunities for improvement and aids us in understanding how to best apply, expand, and integrate better practices and decision-making.

In addition to performing LCAs on products, our dedicated internal teams have been conducting life cycle research in areas like post-industrial and post-consumer recycled materials. Their research has resulted in many useful insights – things like better leveraging post-industrial recycled content, such as foam in the B-Free™ Cube and nylon in the Gesture® chair and the new Think® chair.

Our ongoing research collaborations with industry and academia are helping advance data sets and practices that

will benefit manufacturers and consumers well beyond our industry. By sharing our findings and continuing to learn through local and regional conferences we also learn as we support the expansion and growth of the LCA practice throughout other global industries.

## End of Use and Recycling

Thanks to our approach to products, we can offer customers ever more material selections, ever higher recycling performance and increasingly better end of life options. We make products built to last, and sometimes, they even outlast our customers' needs. Though we design our products to be adaptable, they will eventually reach a time when they are no longer optimal. That's when we can help customers 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.

## STEELCASE WINS GC3 CHAMPIONS AWARD

Steelcase was honored with the Green Chemistry & Commerce Council (GC3) Champions Award, a distinction is given to individuals and organizations for outstanding leadership, support and promotion of green chemistry. The award was given to recognize Steelcase's leadership in advancing safer chemistry and a healthier planet.

## THINK RETHOUGHT

The newly redesigned Think stands as an example of what can be achieved with a life cycle approach and a mind for continuous improvement. The newly incorporated recycled content significantly reduces carbon emissions. In the U.S. alone, the emission reduction is equal to 2.5 million miles driven, or 100 trips around the world, per year.



50+

Cradle to Cradle Certified™ products

30+

Published Environmental Product Declarations (EPDs)

“For years, we’ve performed life cycle assessments (LCAs) to measure and analyze the environmental footprint of our products.”

## EDUCATING THE NEXT GENERATION

Externally, the demand for green chemistry is larger than the supply – so we’re committing resources to creating educational curriculums in local schools to ensure today’s students are exposed to green chemistry principles, creating the next generation of highly skilled employees. Partnering with Beyond Benign, a non-profit reimagining how chemistry is taught in schools, Steelcase hosted a half-day Advanced Green Chemistry workshop for school teachers. Demonstrating some of the ways Steelcase incorporates green chemistry principles into products and manufacturing processes, teachers then brainstormed how these practices could be translated into curriculum or labs for students.

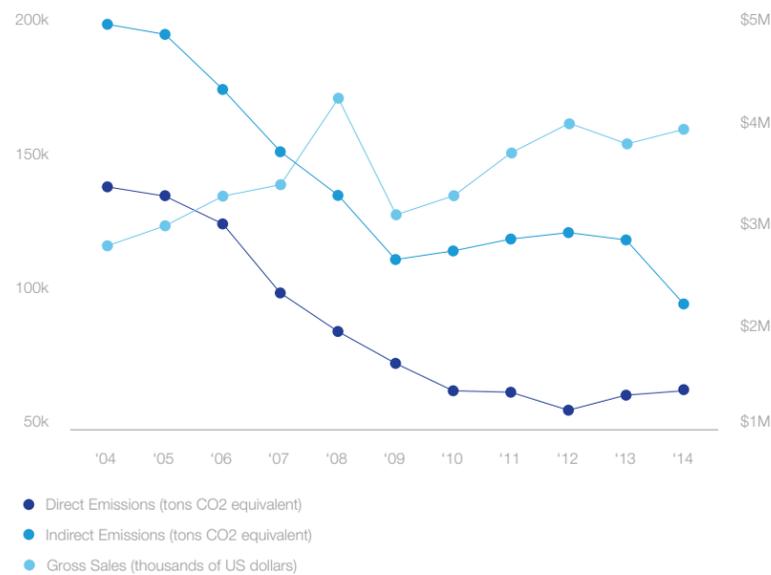
# Energy Use + Efficiency

As we've worked to increase our investments in renewable energy resources, we're still taking a hard look at the energy we're using to power our operations and their associated greenhouse gas emissions. Today, we're celebrating modest decreases in our global energy use and global greenhouse gas emissions. As a global company with high production levels and energy needs, we know that each percentage point reduced adds up across our global operations – and brings us closer to our goal of 25% reduction by 2020.

A significant step toward meeting this goal includes utilizing the most current resources and standards for measuring and monitoring our global energy and emissions figures. We're adopting the new World Resources Institute guidance for greenhouse gas reporting, and have begun expanding our data gathering to include some of our indirect impacts. We're expanding the scope of our metrics so we can more accurately track our usage and develop comprehensive strategies to pursue further reductions.

One of the strategies we're pursuing to hit our energy goals is installing new remote meters in our North American plants. Using money received from our corporate recycling efforts to purchase this

Steelcase Greenhouse Gas Emissions 2004-2014



advanced equipment, we're now able to monitor our electrical usage every fifteen minutes instead of waiting 30 days for the utility bill. And while monthly statements typically only show total building usage, these meters allow us to track individual areas, processes or machines, giving us a more accurate picture of energy usage than ever. This new ability means we can now detect hot spots and respond to issues with immediate corrective actions, including preventive maintenance.

Using the data, we're able to figure out better ways to measure, understand, share, and report the details of our energy usage and impact, better equip and empower our employees to work together in reducing usage and hitting goals, and better develop targeted reduction goals and solutions. As we learn best practices and optimize this new data, we will explore additional investments and strategies to install remote meters in additional locations.

# Renewable Energy

When it comes to our renewable energy commitment, we've made great progress in a few short years. What started as local investments is now a global, cohesive clean energy portfolio composed of wind and hydroelectric power Renewable Energy Credits (RECs).

Last year, we took an important step by purchasing RECs equivalent to 100 percent of our global electricity consumption. And that was big news. While we're pleased with our progress, we know there's always more work to be done. That's why we enhanced our renewable energy strategy to include an increased focus on localized purchasing.

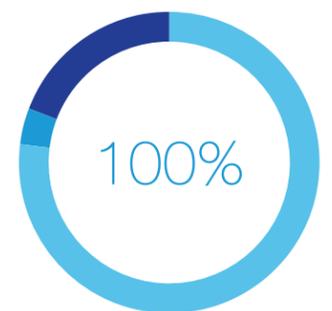
As a major manufacturer, we acknowledge our energy footprint and are committed to recognizing it by investing in renewables, locally, nationally and globally. That's why, whenever possible, we're purchasing renewable energy credits produced in the regions where we operate. As more countries make investments into renewable energy technologies, we're looking forward to the day when every country we operate in has a thriving renewable energy infrastructure.

And while we're focusing on investing in and expanding our renewable energy portfolio, we remain committed to reducing the energy we use. For more information on our efforts in energy optimization, see the Energy Use and Efficiency section in this report.

## STEELCASE RECEIVES EPA GREEN POWER AWARD

For the second time, Steelcase won the Green Power Leadership Award from the EPA Green Power Partnership. A founding member of the Green Power Partnership in 2001, and a previous winner in 2009, Steelcase was honored to receive the award, which acknowledges leading actions that organizations take to advance green power development.

## 2014 Renewable Energy Credits



- Americas (159,940,445 kWh)
- APAC (7,379,513 kWh)
- EMEA (40,007,982 kWh)

# Transportation + Packaging

Delivering our products and people safely to their destinations while minimizing our environmental footprint requires continual, intentional effort. With our innovative packaging and shipping practices, as well as efficient operations, we're putting our beliefs into action.

Our packaging team takes a methodical approach to uncovering opportunities for improvement and innovation. It begins with our rigorous testing model for packaging methods featuring four distinct levels, each tougher than the last. From dropping boxes to vibrating tables, crush tests to temperature changes, our engineers ensure our packaging protects customers' products and arrives intact. Thanks to our efforts, more product is arriving safely to customers, creating fewer incidents of damage and wasted materials.

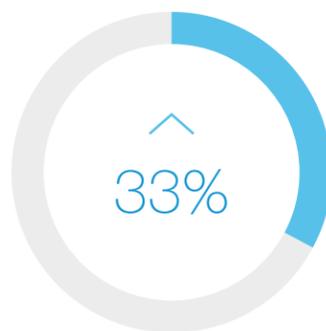
Though we have a number of successful methods to pack and ship products, we're constantly testing in the search for materials with superior performance. Over the last few years, we've moved toward knockdown packaging, lightweight corrugated paper, and

recycled and recyclable materials. We're actively reducing synthetic materials and polyurethane packaging, opting instead for recyclable materials. We're investigating a more flexible stretch film to protect items during shipment. So far results are positive: 30 percent less material used and significantly less machine usage time. And we're installing a machine that custom cuts corrugated material – meaning less waste and potential savings.

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. And 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.

## DELIVERING MORE PRODUCT - AND MORE RESULTS

Thanks to a new method of packaging our media:scape® units in Europe, the Middle East and Africa, we're seeing sizable increases in the amount of product we're able to ship. For overseas shipping containers, we're now able to transport 300% more product than before – meaning a significant reduction in materials, fuel, and greenhouse gas emissions.



The increase in V.I.A.® units that can be shipped in each truck thanks to some innovations in packaging glass corners

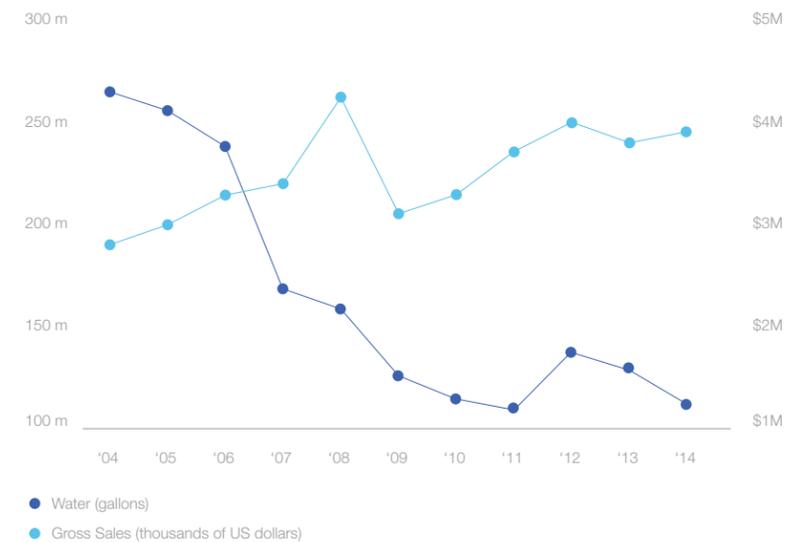
# Water Conservation

Compared to many other industries, our operations don't require much water – but that doesn't mean we're less focused when it comes to conserving this vital resource. We're committed to reducing our water footprint 25% by the year 2020.

In the last few years, we experienced higher than normal water use due to increased production levels and new manufacturing facilities coming online around the world. Thanks to some new innovations and a continued focus on our existing water reduction strategies, since 2010 we've reduced our water consumption by 2% across our footprint, moving us closer to our long-term goal.

One of the highlights is a new process in our Stribro, Czech Republic plant. We are introducing an innovative method for applying powder coat paint that has significantly reduced wastewater discharge. The plant is located in a rural area and has a zero process water discharge restriction. We worked to design a method that will reduce the plant's total waste water output from two tanker trucks per day to one cubic meter of waste water per week. Based on the method's success, we're hoping this process can be duplicated in other facilities.

Water Usage vs. Gross Sales 2004 - 2014



Looking ahead, we're examining how best to optimize and integrate our Environmental Management Systems so individual facilities can more easily see, share and brainstorm successful ideas and solutions. With efforts like this, we're excited about increasing the collective power of our employees and partners around the globe – realizing new possibilities through their knowledge and ingenuity.

18.7 million

gallons of water reduced in 2014

2% reduction

in water use since 2010

# Waste Reduction

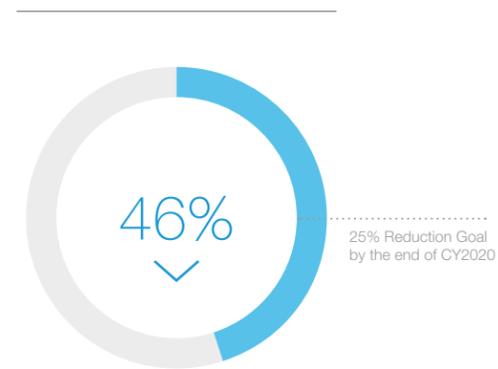
Over the years, we've successfully diverted thousands of tons of materials from landfills.

In fact, thanks to our Environmental Management Systems and the dedication of our internal teams, we've reduced our waste by 46% since 2010. This surpasses our current goal of reducing our waste by 25% by the year 2020. While we're celebrating our progress so far, we're still focused on the possibilities ahead.

Optimizing waste can mean reducing the amount of materials needed to build a high-quality product, finding new ways to measure and cut fabric or simply adjusting our production processes so we reduce inventory through make-to-order practices. We're constantly implementing new and improved waste reduction strategies in our facilities to ensure we're taking advantage of every option available, whether it's reusing, recycling, composting or incineration for energy recovery. Additionally, we actively search for solutions when our waste might be another person's asset. For example, if we accumulate excess inventory, we donate materials such as wood tops, drawer pulls, and other components to organizations like Habitat for Humanity so they can be put to good use.

In the last few years, we've widened our lens and turned our attention to improving performance at our distribution centers. This past year, we saw significant progress in implementing more robust recycling strategies and processes in these locations, thanks to the lessons we learned by piloting them in our plants. We're working with distribution center leadership to establish recycling teams and empower employees to make proactive changes in their work areas. We're providing training on quality recycling and composting techniques as well as engaging facilities employees to audit processes.

Building on these successes, we're looking ahead now and asking how we might continue to expand these efforts into other areas of our value chain. Our future goals include working with suppliers to minimize their waste streams, and expanding our composting efforts into more facilities.



Reduction in waste since 2010

17,286  
Tons of material recycled globally

149.9  
Tons of food waste composted

# Rethinking How The World Moves Forward

In sustainability circles, there's a conversation gaining momentum about a new business model that minimizes waste, maximizes resource recovery and creates economic growth through innovation. This model – known as the circular economy – trumps the current take, make, and throw away mentality of current business and consumption models through its environmental benefits alone.

But there are also economic benefits to consider: leading think tanks estimate the circular economy could create 100,000 new jobs in the next five years and contribute \$1 trillion to the global economy by 2025.

Recently, Steelcase participated in The Circular Economy 100, an international, multi-industry group including Unilever, Phillips, Cisco and Renault and lead by the Ellen MacArthur Foundation. The goal is to accelerate transitions to these more streamlined business models as we all recognize we're operating in a world of finite resources.

For example, though some businesses are using energy more efficiently, the world as a whole demands more, tapping into our limited supply of fixed resources. With nearly 3 billion people in developing countries expecting to enter the global middle class in the next 15 years, the linear economy model simply won't be able to meet expanding consumer needs.

We know firsthand that innovation is complex and challenging: moving forward means leaving behind time-honored ways of doing things. But there are dramatic opportunities for growth and innovation moving ahead. By abandoning increasingly obsolete economic frameworks, we have the singular chance to realize positive change at a scale and speed rarely experienced before.

Learn more: [360 Magazine Issue 70](#)

# Ourselves

We're taking a close look at ourselves and putting economic, social and environmental sustainability at the center of our strategy.

## OURSELVES

# Governance

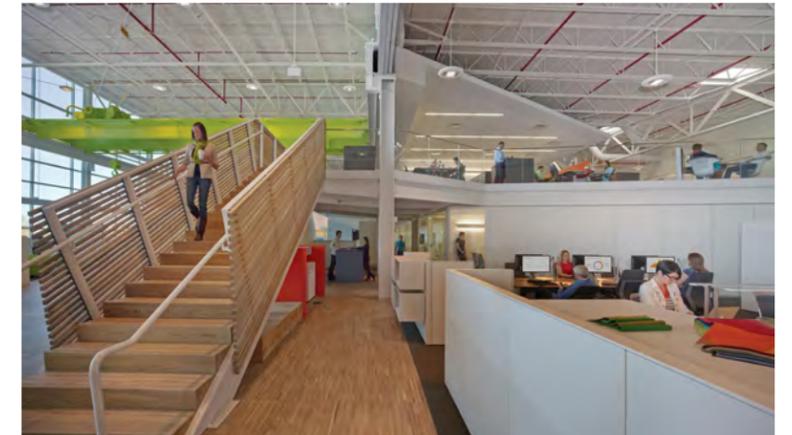
Our leadership team remains committed to our mission to unlock human promise, to deliver long-term shareholder value, and drive sustainable business fitness. A hardworking combination of proven business leaders and third generation founding family members set the tone for our company's future.

Our Global Sustainability Steering Committee, in particular, sharpened its focus in 2014, developing new cultural, communication and process strategies to better leverage our sustainability efforts and advance our value proposition, brand reputation and business fitness. The committee is exploring long-term investments that will help fuel even deeper engagement through

- broader sustainable business literacy
- frameworks, case studies and benchmarking to make more explicit connections between sustainability, business success and corporate resilience

The Steering Committee's role is to encourage and empower employees, whose efforts will continue to drive our collective success.

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



“A hardworking combination of proven business leaders, third-generation founding family members, and other Board of Directors members set the tone for our company's future.”

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.

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.

©2015 Steelcase Inc. All rights reserved.

Please recycle. Trademarks used herein are the property of Steelcase Inc. or their respective owners. Cradle to Cradle Certified™ is a certification mark licensed by the Cradle to Cradle Products Innovation Institute. The U.S. Green Building Council's LEED® green building program is the preeminent program for the design, construction, maintenance and operations of high-performance green buildings.