

# Promise + Progress

2016 CORPORATE SUSTAINABILITY REPORT

**Steelcase**

## 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.

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We've been in business for over 100 years. A few years ago, we made a fundamental shift in the way we run Steelcase. We realized to be resilient, to last another 100 years, we needed to distribute decision making more broadly.

For us, leadership is about creating an organization, context and culture that rewards people for making decisions and taking risks. These elements are critical to sustainability and clearing the path for innovation.

One may think if not pushed from the top, sustainability initiatives could lose momentum. I'm delighted we found the opposite is true, even with some of the biggest decisions we've faced.

Here are few highlights of those initiatives:

- Strengthened our 100% renewable energy portfolio by executing a 12-year virtual power purchase agreement (VPPA) for 25 megawatts of wind power from Southern Company subsidiary Southern Power's Grant Plains Wind Facility
- Expanded our end-of-use services—helping customers with their own sustainability goals and diverting millions of tons of furniture from the landfill
- Doubled volunteering to over 38,000 hours of people making a difference in their communities
- Drove down our VOCs, water and waste, making progress on our ambitious 2020 goals while concurrently expanding global production

In all instances, senior leaders were available to coach, encourage, nurture and defend the ideas. And the ideas were certainly part of delivering on Steelcase's strategy—but they weren't top-down initiatives.

Employees around the company are continuing to advance and prepare ourselves for the future. We're pushing ourselves to think differently through the lens of creating a more circular economy. Looking beyond operations to new ways to transform our business models will drive growth and deliver more value to our stakeholders.

Our purpose is to unlock human promise. What we learned over the years is our sustainability progress accelerates when we take these words to heart. I'm proud of what we accomplished and, in particular, of the employees who showed us what is really possible.

When the ideas come from everywhere and everyone sees it as their job, we unleash the true potential of sustainable business innovation.

Thanks for taking a look at our 2016 Corporate Sustainability Report.

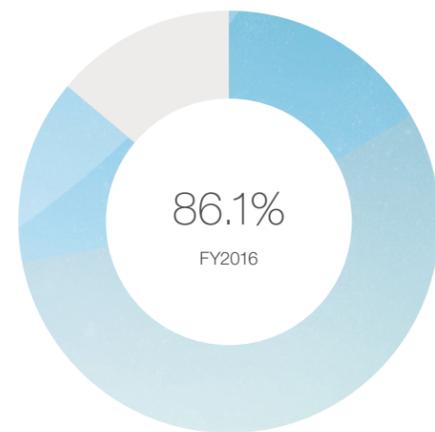
**Jim Keane**  
President+ CEO



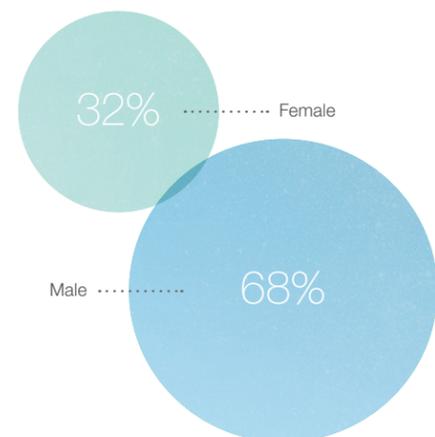
## Targets + Performance

Across our global footprint, we're measuring our progress against our sustainability goals. We strive to enhance our reporting and refine our metrics, using our progress to inspire change and drive our performance.

### EMPLOYEE RETENTION



### GENDER DISTRIBUTION



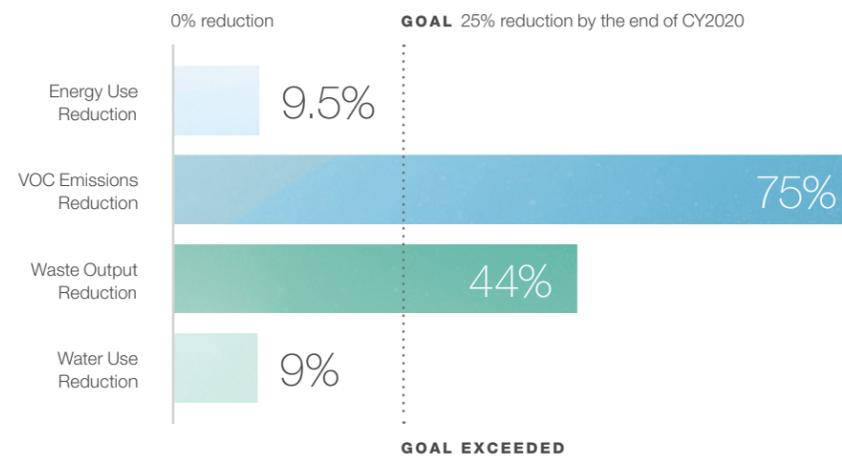
### VOLUNTEER HOURS



Volunteering at West Michigan Center for Arts and Technology (WMCAT)

### PROGRESS TOWARDS ENVIRONMENTAL GOALS

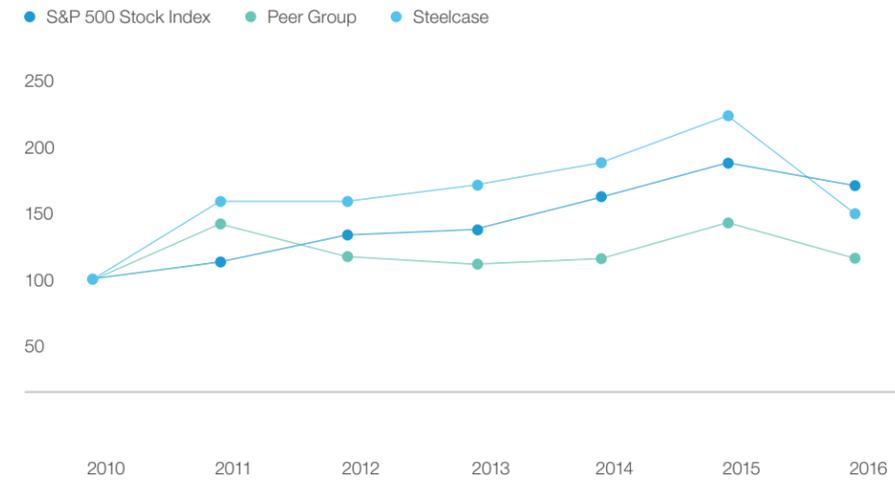
Since 2010



### RENEWABLE ENERGY



### STOCK PERFORMANCE (\$ DOLLARS)



### MONETARY + IN-KIND DONATIONS

FY2016

\$4.2 Million Steelcase Foundation  
\$1.7 Million Steelcase Inc.

### GROSS MARGIN

FY2016

\$3.1 Billion 31.7% margin

### NET INCOME

FY2016

\$170.3 Million

## Customers

The more we know, the more we expect. That's true of our company, and it's equally true of our customers.

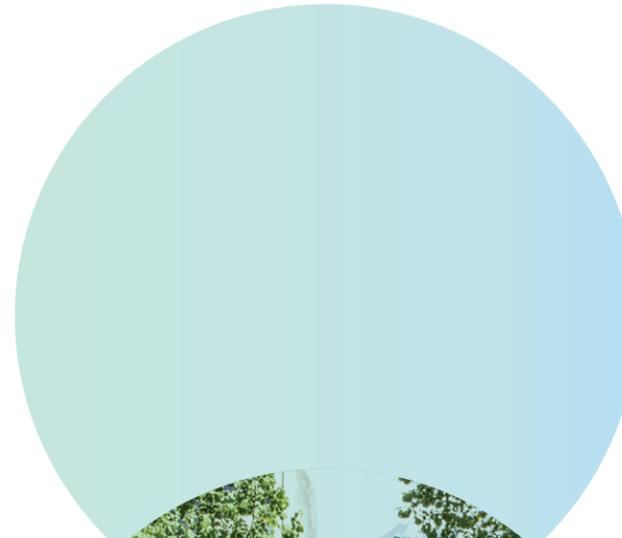
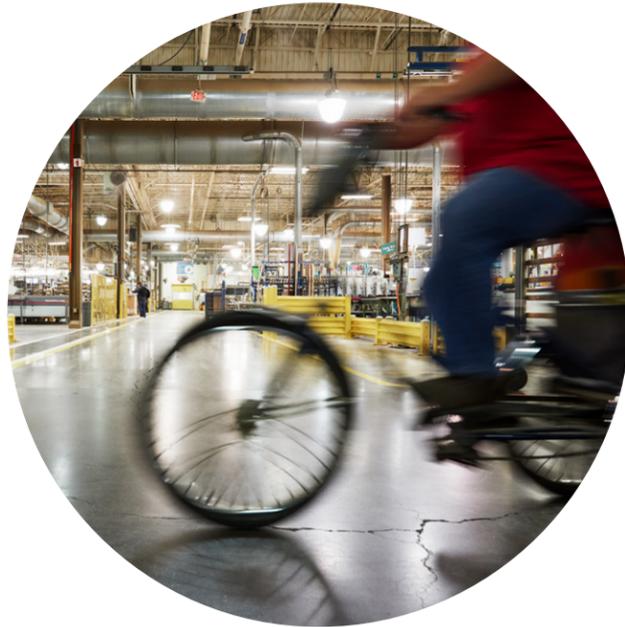
With access to more information than ever, knowledge around opportunities and issues keeps expanding—and the criteria do, too. Our customers rely on us to provide solutions backed by innovation and research, helping them to achieve their business goals. More often than not, those goals include sustainability initiatives that are integral to their organization's brand equity, growth and success.



### End-of-Use Strategies

Performance.

It's a word we hear often from customers focused on a workplace strategy that includes end-of-use options. They realize any formula for product performance must acknowledge the importance of responsible alternatives to landfills.



**FEATURED IMAGES**

*From manufacturing through end-of-use options, we help our customers meet their sustainability goals. Eco'Services assisted a multinational catering company in France as they relocated their operations, recycling over 40% of their furniture assets.*

30,600 m<sup>3</sup>

This year, Eco'Services alone handled 30,600 cubic meters of materials—including 8,300 work stations—which equates to enough furniture to completely fill eight Olympic-sized swimming pools.



Over one-third of Steelcase clients now specifically request end-of-use services to help them remain good stewards of resources.

That means acting purposefully to divert used materials for charitable reuse, resale and recycling. So it's not surprising that our customers are interested in our options for rerouting tons of waste from landfills, and directing it toward solutions that benefit them, the environment and next-generation furniture users.

### A Suite of Services

In addition to our existing programs and services, we're developing strategies to support our customers' asset redeployment needs as we explore and innovate toward a circular economy.

#### 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 like furniture 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 redeployment plans that include options for resale, charitable reuse, or recycling, depending on age and condition of the assets—all with a "zero landfill" goal.

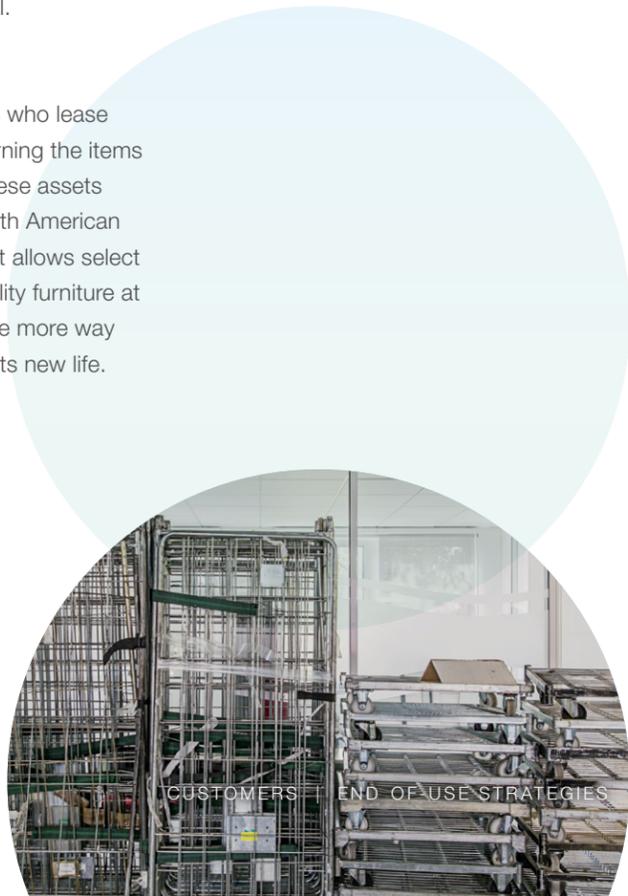
#### REMARKET™

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 affordable prices and is one more way we help give valuable assets new life.

\$2.3 Million

In 2015, Performance Management executed more than 1,300 requests for decommissioning furniture, helping organizations save more than \$2.3 million through reuse of existing furniture assets.

Additionally, 6.4 million pounds of furniture was diverted from landfills through recycling, charitable reuse and resale activities.



CUSTOMERS | END OF USE STRATEGIES

## CUSTOMERS

### Sustainable Procurement Strategies

We understand that when customers purchase our solutions, they're expecting our help in meeting their 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 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—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® AND WELL BUILDING STANDARD™ CONTRIBUTIONS

We help customers leverage our products in the certification of their buildings. When seeking LEED certification, Steelcase products contribute through:

- Materials and resources
- Ergonomics
- Social equity in the supply chain
- Innovation in design
- Low-emitting materials

Similarly, the WELL Building Standard has been a growing influencer in the new and existing building market. Its focus on factors around the wellbeing of people aligns strongly with Steelcase's purpose and principles. Our furniture and workspace design insights can contribute in the WELL concepts of:

- Air
- Light
- Fitness
- Comfort
- Mind

#### 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

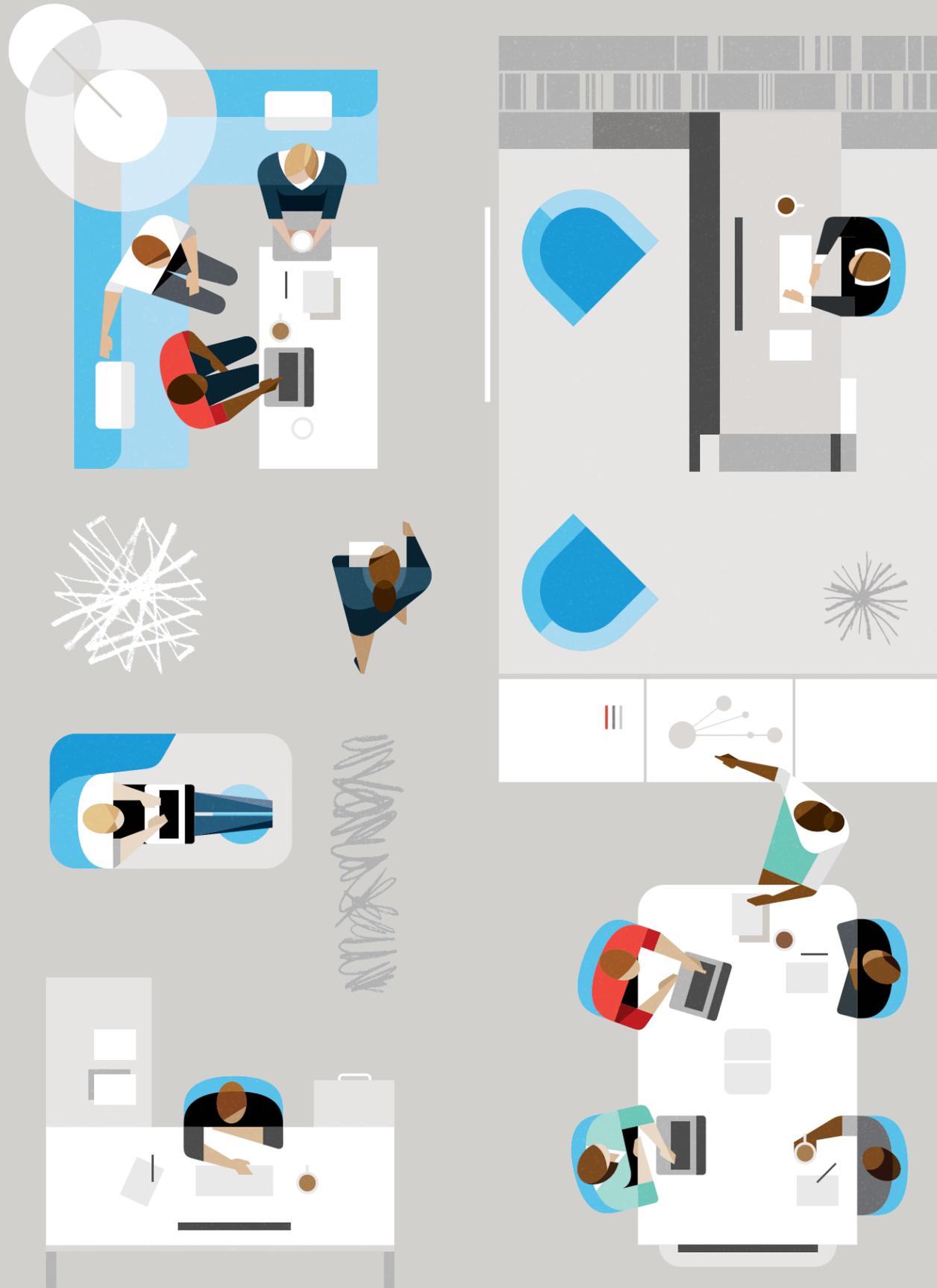
While we're proud to have earned the endorsement of the world's leading product certifications, that's not our primary intent. We aim to set high level performance criteria to deliver the highest value and performance through sustainable design. To meet these high standards, we partner with respected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

271

In 2015, Steelcase generated 271 environmental metrics reports for over 130 clients across 18 industries.

225+

Product Environmental Profiles available. Specific product environmental profile information can be found on our website in the Resource Center, and by request.



## CUSTOMERS

### People + Purpose

It wasn't that long ago that a business was defined simply as where workers congregated to perform a service or create a product to turn a profit.

As longtime students of the workplace, Steelcase is deeply invested in understanding how businesses can be successful and attuned to their employees' needs. For more than a century, we've been helping companies create workplaces that connect people to productive and satisfying work that supports their wellbeing. In the process, we've brought our insights to product and applications design, sharing them with customers, designers and others who are interested in knowing more about what we do, why we do it and how our work might benefit them.

Thanks to these insights, we're helping customers create spaces designed to accomplish their strategic 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. They can help customers unlock the full potential of their employees and create a more engaged workforce.

#### Steelcase Global Workplace Report

Just 13. That's the percent of workers worldwide that consider themselves highly engaged. Findings like this—drawn from a report on the global work experience commissioned by Steelcase—are re-defining what we know and how we're using fresh insights to explore satisfaction in work environments all over the world.

The workplace report reflects not only our drive to understand how to create more effective workplaces, but also our desire to improve the work lives of people who spend time in work environments.

The study, performed in conjunction with the global research firm Ipsos, considered responses from 12,480 workers in 17 countries. It provides never-before acquired data revealing that high workplace satisfaction correlates directly with high

Findings like this are re-defining what we know and how we're using fresh data to explore satisfaction in work environments all over the world.

employee engagement, validating that the physical workplace is a strategic asset to improve engagement.

The report also offers a detailed analysis of the key differentiators between engaged and disengaged employees, and provides strategies to help organizations create more resilient and engaged employees.

Among the discoveries:

- **Employee engagement positively correlates with workplace satisfaction.** When workers enjoy their environment, they're likely to engage in more productive ways.
- **Engaged employees tend to have more control over their experiences at work.** This includes access to privacy when they need it, which helps increase empowerment. That translates to the ability to more easily concentrate, and work individually or with teams without disruption.
- **Fixed technology is still king.** Despite the high global adoption of mobile devices for personal use, the vast majority of study participants said their organizations provide twice as much fixed technology versus mobile options.
- **Traditional work styles persist.** Across the globe, the most common workplace design features a combination of open spaces and private offices, but more than three-quarters of global employees say they work in either individual or shared private offices.

These discoveries, combined with decades of Steelcase workplace research, offer organizations specific actions they can take to create a workplace that helps boost employee engagement and drive business performance.

## Partners

Creating lasting change takes a committed team. In today's world, where resilience and success are closely tied to strong partnerships and networks, we're fortunate to work with some of the best in the business.

*Our diverse group of suppliers provide us with first-rate materials.*



2x

Steelcase nearly doubled the number of its diverse suppliers between FY15 and FY16.

## PARTNERS

### Suppliers

Our suppliers help ensure that we provide inspiring and innovative solutions for our customers by delivering superior materials, technology, expertise and more. We depend on them to adhere to the highest standards for quality, safety and sustainability.

Together, Steelcase and our supplier partners strive to meet and exceed global standards, improve efficiencies and effectiveness and intelligently manage resources and costs. Together, we share knowledge and insights, discuss opportunities and initiatives. We remain inspired by the collective actions of our partners who contribute to their local communities.

The bedrock of our relationships with suppliers is the Supplier Code of Conduct. Available in five languages and implemented globally, suppliers are asked to commit to Steelcase's social responsibility standards, establishing a universal set of expectations wherever we do business. The Code of Conduct is addressed in three phases: a supplier questionnaire, select site visits from Steelcase, and a written contract.

#### A Global Gathering

This past spring, more than 450 representatives from 20 countries met at Steelcase's Global Supplier Conference, the largest gathering of Steelcase suppliers and procurement specialists in the company's history. The agenda? Cultivating a mindset of partnership, looking ahead at future opportunities to stay relevant and emphasizing our shared goal of doing things better— together. Over the course of two days, participants covered a variety of topics including risk, culture and strategy.

#### Supplier Diversity

Resiliency and success can only happen when we cultivate a diversity of perspectives, experiences and ideas. For over 25 years, Steelcase's Supplier Diversity Program has been committed to investing in minority-, women- and veteran-owned businesses in the United States by integrating them into our procurement processes. We place emphasis on infrastructure and spend reporting, communication, networking, supplier development and mentoring.

Our corporate goal is to increase annual expenditures with diverse businesses, and we expect our Tier 1 suppliers to do the same. In the last year, we've nearly doubled the number of diverse suppliers we partner with. And we're proud to be a member of the National Minority Supplier Development Council, which represents some 12,000 certified Minority Business Enterprises.

Resilience and excellence can only happen when we cultivate a diversity of perspectives, experiences and ideas.

25 Years

Through our Supplier Diversity Program we have invested in minority-, women- and veteran-owned businesses for over 25 years.

## Dealers

More than 750 Steelcase dealers around the world deliver our global research and innovative product solutions to local customers.

These partners are experts in the Power of Place, ready to tackle the toughest workplace challenges.

Together, we share leading insights and support the creation of smart spaces that inspire and engage employees in today's evolving world.

Our dealers offer a diverse menu of services, including consultation, regional asset management, workplace installation, skilled labor and design services, integrated technology, audiovisual solutions, floor coverings, moving services and more to support varied workplace needs.

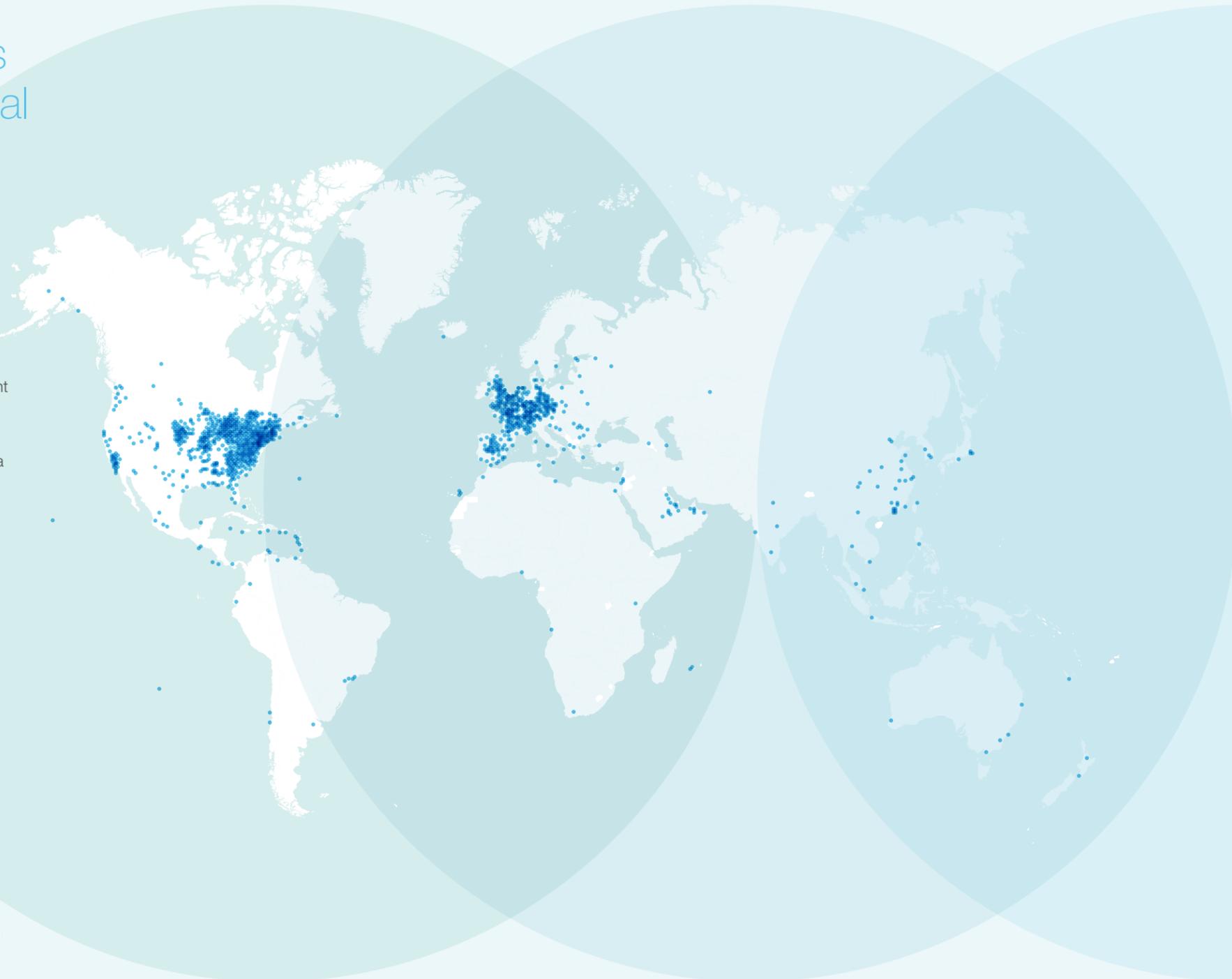
Most dealerships are independent businesses, owned and operated by people deeply committed to the communities they serve. Our role is to be a close partner, providing guidance on leading workplace research, a breadth of quality products, attractive incentives and more. Dealers are also connected to the knowledge and support of other Steelcase dealers network wide.

To help dealers tackle pressing issues and take leadership positions aligned 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.

### Platinum + Premier Partners

All of our dealer partners meet high standards for quality and performance. But that doesn't mean that we stop striving to meet even higher goals.

Some dealerships stand out as extraordinary partners—engaging with Steelcase, customers and community to deliver exceptional value to the people and places they touch. They continuously strive to find new ways to grow and differentiate themselves. They raise the bar on creating great customer experiences and seek to build a unique competitive advantage. These dealerships are recognized as Steelcase Platinum and Premier Partners.



### DEALER DIVERSITY IN THE UNITED STATES

11

Minority-owned dealerships

32

Women-owned dealerships

2

Veteran-owned dealerships

6

HUBZone dealerships

## Communities

At Steelcase, we're passionate about serving people. We realize, in addition to our customers, our employees and our partners, we can have a powerful, positive impact on the many communities we call home throughout the world.

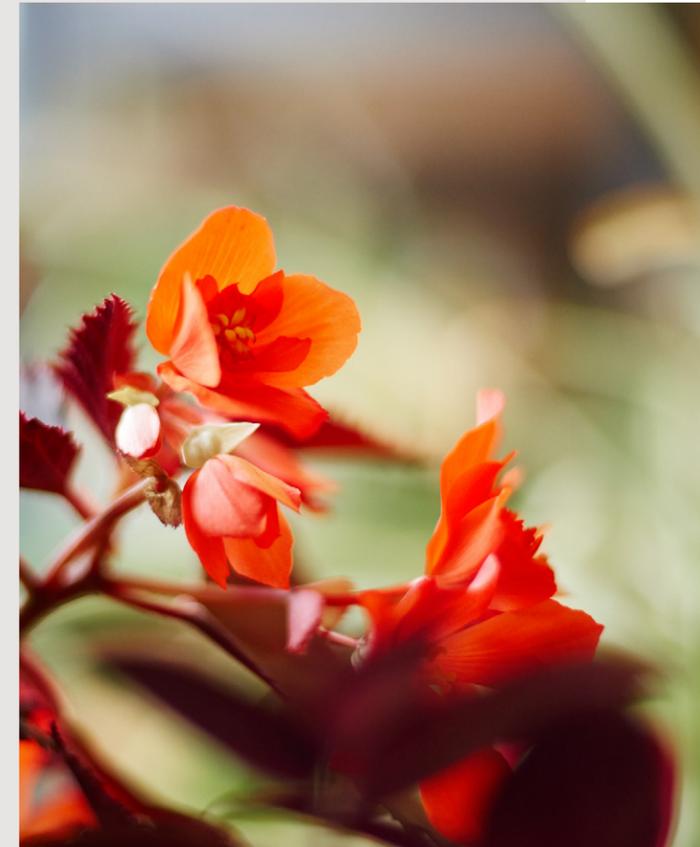
Our efforts are grounded in our culture: the belief that every human being has incredible promise, and deserves opportunities to be and do their best.



Social Investment



When you're in the people business, you seek ways to reach deep and wide to create conditions that help people succeed.



**LEFT**  
*Ceramics studio at West Michigan Center for Arts and Technology (WMCAT), a program for engaging teens with arts and technology*

**RIGHT**  
*Detail of plants in the WMCAT ceramics studio*



**LEFT**  
 Music corner at HQ,  
 a drop-in center for homeless  
 and runaway teens

**TOP**  
 Library at HQ

**RIGHT**  
 Laundry facilities at HQ



For our customers, this means turning insights into innovations that unlock the promise of people at work. For our communities, it means donating our time, talent and resources to help create environments where people can thrive.

As we see it, our legacy is as much about creating good as it is about creating goods. It's a belief that has proven resilient, guiding our company throughout the 100+ years we've been in business.

One of our strong channels for investing in communities is the Steelcase Foundation, which focuses on the areas of human service, health, education, community development, the arts and the environment, giving particular concern to people who are disadvantaged, disabled, young and elderly as they endeavor to improve the quality of their lives.

Funds to create more accessible public education have increased from 35 to 53 percent of the Foundation's annual grant disbursement alongside significant investments in health and human services, economic development and the arts.

**BRIDGING THE GAP**

Jamie Rykse seemed destined for a life of pain and heartache. She was homeless at 14, twice served time behind bars, and fought an incessant addiction to cocaine.

Today, Jamie directs "Bridging the Gap," a program in Grand Rapids, Michigan's Heartside district that has helped dozens of at-risk men and women earn their GEDs and launch new lives. For free.

With help from a Steelcase Foundation grant, she's transformed a fledgling program into a stronghold for literacy and education, and serves as an inspiration for people who are struggling through poverty, homelessness and lack of education.

Steelcase is proud to support programs like Bridging the Gap and people like Jamie. Her vision and empathy are evidence that an opportunity to learn can change lives and influence futures.





As a global company we have rich capabilities to create real change.



\$5.9 Million  
Total giving in 2015

SHARING OUR RESOURCES

Steelcase Inc. gave more than \$1.7 million to worthy organizations and non-profits during 2015, funding projects and initiatives related to arts and culture, diversity and inclusion, economic development, and the environment.

In 2015, the Steelcase Foundation approved grants totaling more than \$1.6 million for education, nearly \$1.52 million for human services, \$362,400 for arts and culture and \$70,000 toward health services. In all, the Foundation granted \$3,736,323 to 47 separate organizations, and another \$517,455 in matching funds.

LEFT, TOP + RIGHT  
Screen printing at WMCAT

BOTTOM  
Ceramics studio at WMCAT

During the past year, the Foundation provided grants to a variety of new and ongoing initiatives including:

- Providing physical, emotional and informational support to women during the birthing process through a community-based doula program.
- Nurturing a literacy-rich environment for toddlers via a collaboration with libraries.
- Engaging urban teens with hands-on learning opportunities at the West Michigan Center for Arts and Technology (WMCAT) where they can explore art, photography, fashion, video game design and more.
- Establishing a one-of-a-kind downtown drop-in center for homeless and runaway teens (HQ).
- Building a culture of college readiness among high schoolers and children in elementary grades through an ambitious "Challenge Scholars" program that already is showing signs of being a life-changer for kids who otherwise might have dropped out of school.

Whether we're investing directly or through the Steelcase Foundation, we're deliberately choosing to apply our time, talents and resources to create conditions that empower people. We're big believers in the principle that stronger communities and a better world happen one person at a time, and we know that as a global company we have rich capabilities to create real change.

TOP  
HQ drop-in center

BOTTOM  
Screen printing at WMCAT



## 50 Years

Steelcase has partnered with the United Way for more than 50 years to support and invest in local communities.



## COMMUNITIES

### Employee Impacts

As a company, we're more than 10,000 strong. But our impact is exponential whenever and wherever we can work with others to advance hope and promise. Whether it's through endeavors focused on holistic health and wellbeing, education, the arts, diversity or genuine inclusion, our intent is always to create meaningful impact.

In China, our employees work to create libraries in schools where there are none. In Hong Kong, we have a pilot program to benefit single mothers in need. In India, we sponsor blood drives. Elsewhere around the globe, we've provided furniture to an orphanage, painted the dormitory of a school for children with special needs, and partnered with others to quell the advance of cancer and other debilitating diseases. These are just a few of the many ways employees have engaged their passion to make a local difference, globally.

Despite successes, we know there's always more to do and more to achieve. So we keep working to put people first and stopping to remind ourselves that true impact grows by helping others advance and succeed.

#### Making a Difference, Indeed

In 2015, Steelcase employees globally volunteered 38,913 hours. Our Friends InDeed program encourages employees to volunteer during the workweek for local charities. Collectively, and as individuals, we continue to reach out and support economic development efforts that create and retain jobs, as well as nonprofit organizations focused on issues such as urban education, diversity, the arts and the environment.

#### OUR LITTLE BROTHERS AND SISTERS

38,913

Total volunteer hours in 2015

220%

Increase from 2014

In 2013, Steelcase pitched in through its Social Responsibility Committee in Monterrey, Mexico, to assist the longtime effort, known locally as "Nuestro Pequeños Hermanos," or NPH, which translates to "Our Little Brothers and Sisters." The program today serves some 700 youths.

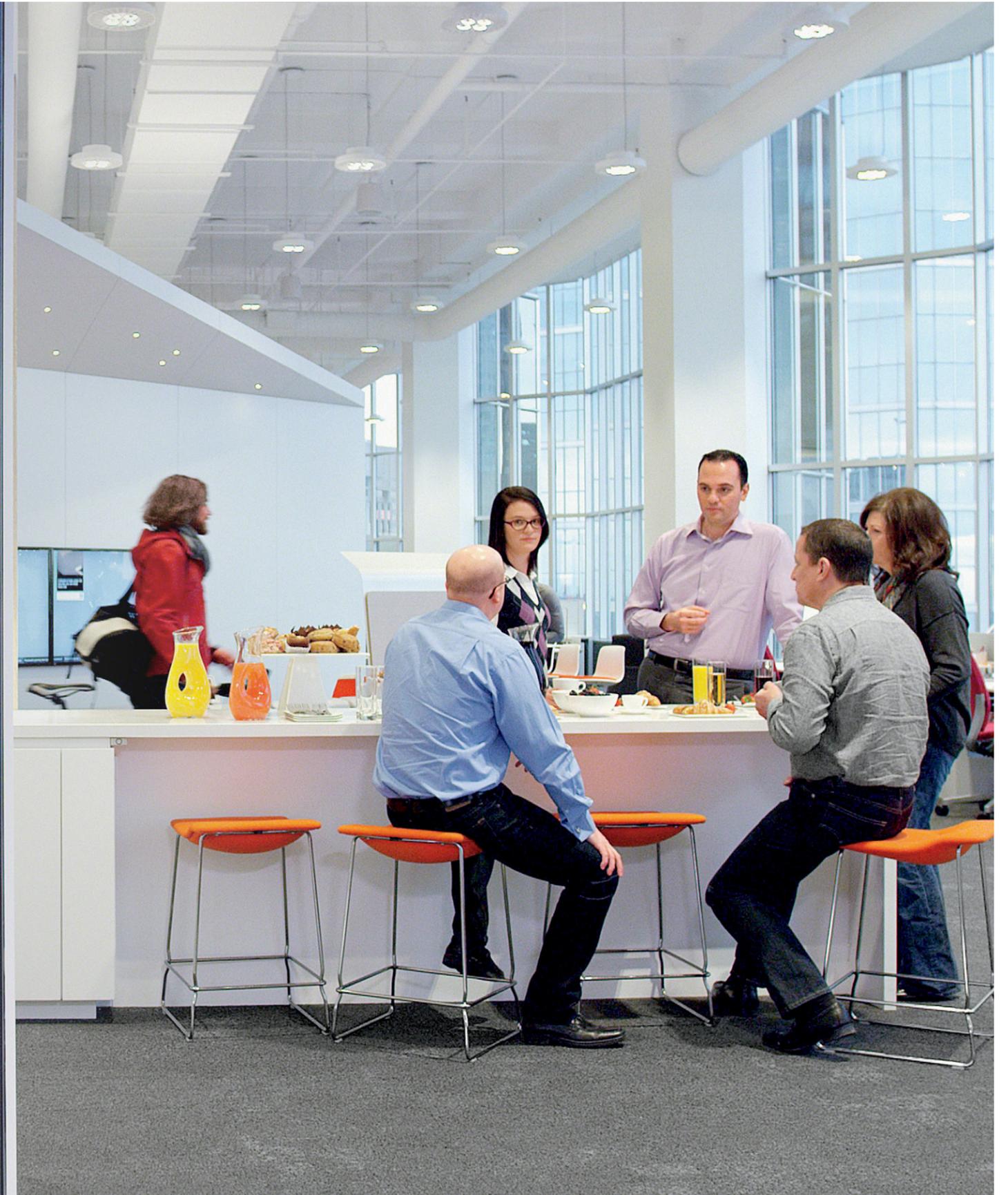
In just a few years, Steelcase employees in Monterrey have come together to update the organization's kitchen, refurbish a crumbling bathroom, transform offices with Steelcase furniture and serve in a variety of other empowering ways.

According to Cecilia Ruiz, a former missionary who joined Steelcase in 2010 and directs our collaborative efforts there, "We have a great team that's made this all possible, people who expect nothing in return in exchange for what they're doing. We're giving back with service, and to people who never had the opportunities the rest of us have. How awesome is that?"

## Employees

Energized, engaged employees drive success, especially in today's complex and fast-changing business environment.

That's why we invest in sustaining an inclusive culture of high performance and wellbeing at Steelcase. We believe if every employee is able to accomplish meaningful work and feel a strong sense of belonging and shared purpose, individually and collectively we thrive.



EMPLOYEES

## Diversity + Inclusion

Being resilient and successful in today's environment of change requires an array of inputs, insights and ideas.

By weaving together the varying threads of perspective and experience, we strengthen the social fabric that set our employees and our company up for success.

The evidence isn't just anecdotal: studies indicate companies that embrace diversity are more likely to outperform their less diverse counterparts. To truly harness the power of diversity and ensure an equitable working environment for all, we're taking an intentional, strategic approach to cultural transformation and employee engagement.

Cultivating a culture that embraces and is strengthened by diversity creates an environment where employees are encouraged to bring their whole selves to the workplace. By fostering diversity, we ensure that we're equipped to tackle the biggest challenges and opportunities facing organizations—both today and in the future.

But diversity is just a part of the equation. Where diversity encourages representation, inclusion ensures individuals feel empowered and involved. A culture that is both diverse and inclusive means that diversity is not only expected, but embraced and celebrated as well.

This year, we've continued to sharpen our focus on diversity, hosting conversations with employees to truly understand what it's like to work at Steelcase. Thanks to these thoughtful discussions, we're encouraging questions and dialogue to build greater understanding and more meaningful relationships. And we're focusing on building awareness, being thoughtful of local and global diversity needs, and developing consciousness around individual and systemic biases.

We're also looking outside our organization to ensure we're surrounding ourselves with the best ideas out there. In addition to promoting diversity among our dealer and supplier partners, we're diversifying our networks, looking in new places to find partners, develop relationships and recruit talent.

Guided by our goals and values, we're continuing to move forward with the commitment of our leaders, the strength of our networks and, most importantly, the attitudes and actions of our employees.



Companies that embrace diversity are more likely to outperform their less diverse counterparts.

100

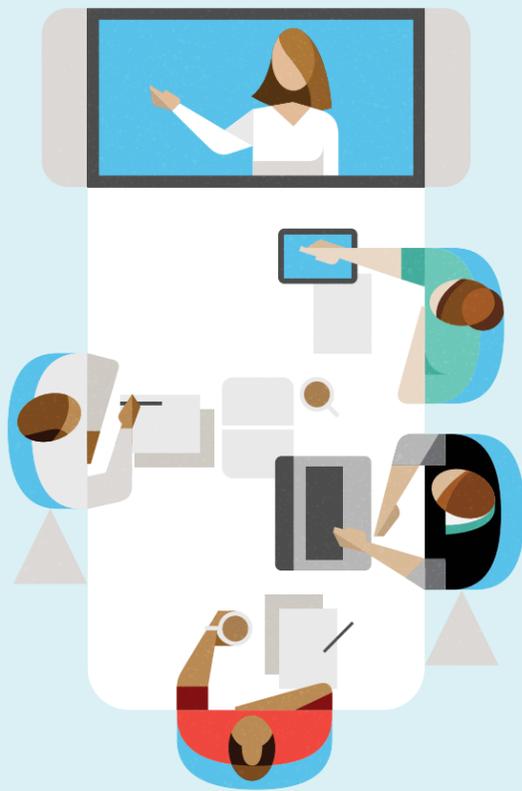
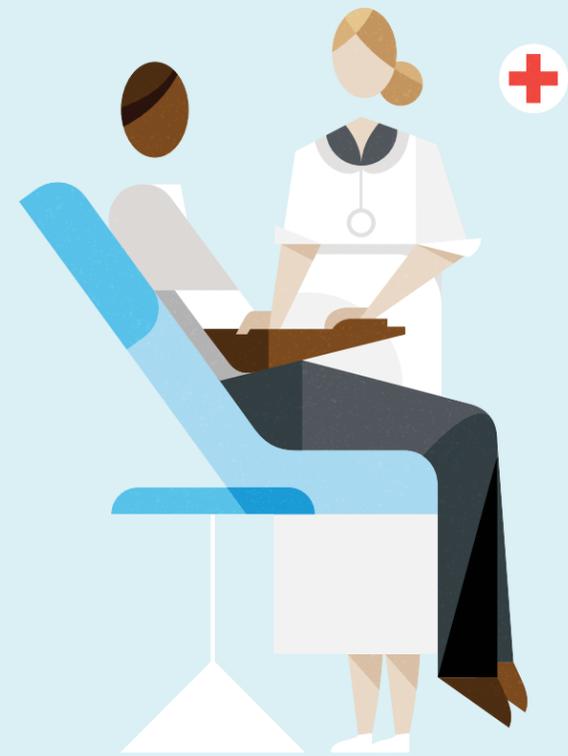
Each year, the Human Rights Campaign Foundation publishes its Corporate Equality Index, benchmarking corporations on equality for gay, lesbian, bisexual and transgender employees. Steelcase was proud to earn a perfect score of 100 again in all categories, including equal employment opportunities, equivalency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

50+  
Focus Groups

This year, we engaged hundreds of employees in a group dialogue about equity, diversity and inclusion in multiple global locations.



**FEATURED IMAGES**  
Since our company's founding, we've placed a great emphasis on thinking and acting with integrity. Diversity and inclusion are time-honored values at Steelcase.



EMPLOYEES

Employee Wellbeing

Wellbeing is determined by much more than the results of a physical exam or biometric screening. It comprises physical, cognitive and emotional factors that are often interrelated, and sustaining wellbeing over time requires a supportive physical and social environment.

**When You Feel Well, You Work Well**  
Wellbeing at work depends on a host of physical, cognitive and emotional factors. For businesses, it's a bottom-line issue: when employees' wellbeing needs are met, they can perform at their peak.

Steelcase research into workplace wellbeing confirms the importance of an ecosystem of diverse spaces that allow employees to choose settings that meet their needs, which vary throughout the day.

The Wellbeing Hub in our Global Business Center in Grand Rapids, Michigan, recognizes the importance of interludes of healthy rejuvenation and respite during the workday, as well as access to onsite health services. It's a welcoming space, with settings for exercise or yoga, screening rooms, an onsite nurse and classes dedicated to weight management, financial literacy, family planning and more.

**Prescription for Wellbeing: Less Stress, More Fun**

You might be greeted in the morning by pancakes topped with mango, nectarine and banana bits.

Or find on your desk a framed placard announcing, "Some of the most wonderful people are the ones that don't fit into boxes ... be authentic!"

Or receive a thank-you card from nearby schoolkids for the 160 books you helped provide on "World Book Day."

Welcome to the Steelcase Global Business Center in Cluj, Romania, where the prescription for success relies not only on attention to work, but also on healthy doses of positivity aimed at increasing wellbeing.

Thanks to a committee of nearly two dozen employees, Steelcase employees in Cluj can expect an activity nearly every week that challenges the conventional definition of a workplace.

Employees have opportunities to join a learning club, borrow from the Steelcase library, weigh in on an "All Ideas Matter" posting board, load up on popcorn for a movie night, or sign up for friendly competitions focused on everything from photography to treasure hunts to board games to paper-plane throwing contests.

And nobody's birthday goes unnoticed, either.

It's all part of a plan to create and sustain a supportive social environment at work. What's more, it's all employee-led—a simple but deliberate effort to enhance workplace wellbeing by providing opportunities for socializing, relaxation and fun.

\$100

In the United States, all regular full- and part-time employees have a \$100 wellness reimbursement account to encourage healthy habits, whether it's buying an activity tracker, joining a gym or trying out Tae Kwon Do.

More Time Together

Employees in North America who are expecting children, whether by birth, adoption, or surrogacy, can also expect a little extra from Steelcase. In addition to standard family medical leave and our existing maternity leave programs, moms and dads can take advantage of three additional weeks of paid bonding leave.

EMPLOYEES

## Learning + Development

We're dedicated to providing work environments and opportunities that help our employees develop personally and professionally. We focus on instilling a culture of curiosity, identifying innovative approaches to education and challenging each individual to reach their highest potential.

To truly integrate learning insights and develop an educated, engaged workforce, development cannot be relegated to a single department. Instead, learning and development must be embedded throughout an organization's culture, its processes and its leadership.

We strive for continuous improvement by experimenting, innovating and creating. Our employees seek new ideas, ask questions and work with an open mind.

Incorporating the insights of Steelcase Education researchers, we're focused on new ways of teaching and learning that harness the latest findings on how it's done best in the digital age.

Through new technologies, our learning is now mobile and multiplatform. Information can be accessed at our employees fingertips, anytime. At the same time, we know there are still

compelling reasons to bring people together in environments designed for active learning, personal interaction and human-to-human feedback. We also recognize learning is often spontaneous and informal, as likely to occur over a cup of coffee or social media as in a corporate classroom.

### Learning Globally

We're focused on creating new training programs and ideas that move the company's culture forward across national boundaries, building cross-cultural capabilities and understanding so we can achieve our strategic intent of being a truly integrated global company.

One of the most visible and exciting programs we've introduced to employees and leaders around the world is the Global Awareness Workshop. Every employee also has access 24/7 to an online tool and resource called the Culture Wizard, which includes assessments, country-specific information, cultural information and online courses. We're also expanding the language training accessible to our employees.

These new learning opportunities aim to build stronger global understanding and higher levels of collaboration and productivity.



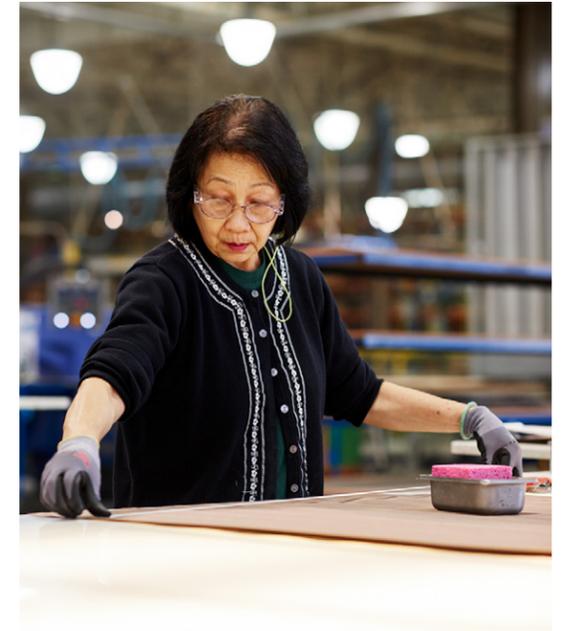
We're dedicated to providing work environments and opportunities that help our employees develop personally and professionally.



## EMPLOYEES

### Workplace Health + Safety

Good health, quality of life, and safety practices are as important to our company as production efficiency and quality. We're committed to a proactive health and safety culture that engages everyone in preventing injuries and enabling wellbeing.



Like wellbeing, health and safety are multidimensional. Efforts to protect and enhance the health and safety of our employees in meaningful ways must be multidimensional and holistic. That's why we're exploring and enacting a variety of measures aimed at involving employees, establishing positive behaviors and promoting clear lines of communication.

A few of our recent initiatives include:

**ATHLETIC TRAINERS**

At several production facilities, athletic trainers are available to assist employees who have manual jobs with body mechanics, ensuring proper form, expert evaluation and access to resources.

**BLUE LIGHTS**

Forklifts on the manufacturing floor have a number of auditory beeps and alarms to alert pedestrians when they're on the move. Now, all of our forklifts sport visual cues as well: blue LED beams now precede an advancing forklift, creating distinctive visual cue when the machinery is approaching.

**ID BADGES**

In addition to standard identification for employees in our manufacturing facilities, badges now contain inserts with vital information such as emergency contacts, zone leader, insurance information and more. It ensures essential information is never far away.

**EMERGENCY RESPONSE**

**AMBASSADORS**

We've increased the number and accessibility of emergency response equipment, such as Automated External Defibrillators (AEDs), and expanded the number of employees who have received training to use this technology.





## Identifying and understanding the root cause of near misses is essential to preventing accidents and injuries in the future.

### **Near Miss, New Mission**

An integral aspect of a proactive safety culture involves partnering with employees long before unsafe situations arise.

Oftentimes, accidents are preceded by near misses—moments where an incident could have occurred but, thankfully, didn't. Identifying and understanding the root cause of near misses is essential to preventing accidents and injuries in the future.

Enter the Health, Safety and Environment teams in our Sarrebourg, France and Madrid, Spain production facilities. Their mission? Create a culture of safety by engaging employees, asking them to log each and every near miss they encounter, no matter how small.

Recognizing that each near miss presents a learning opportunity, a shared document was created where employees can document near misses they observe. This collective awareness further emphasizes that safety is not the responsibility of just one team; it is inherent to and expected of every member of the production facility.

Each near miss is reviewed and researched, leading to solutions, behaviors and policies that create safer working environments. There's some fun as well: workers are eligible to win a variety of prizes when they log incidents.

The real prize, however, is a strong, supportive culture where employees are always on the lookout for the wellbeing of their colleagues, ensuring that health and safety are always top of mind.

## Environment

We're working to leave a lasting legacy with lasting benefits. That's why we're conserving more, using less, sourcing more responsibly and finding better ways to be a leading voice.



## Innovative Products + Solutions

We're inspired by people, empowered by possibilities and fueled by a passion for insight-led design. We rely on a human-centered approach to design, uncovering insights that translate into careful attention for people, our planet and the living things it supports. We design products for circularity by avoiding and eliminating materials of concern, optimizing performance throughout the life cycle and for remaking, recovery, and end of life strategies.

### Materials Chemistry

When it comes to the ingredients that make up our products, we remain committed to leading by example. For over a decade, we've been digging deep into the materials we use in our products, understanding their impacts and sharing what we find. We're investing in material innovation, exploring opportunities to continue developing our knowledge and ensuring our products and solutions are state of the art.

Collaborating with those that touch product development at every level—suppliers, designers, engineers and others—we're working to increase literacy and inspire innovation. At the same time, we're assessing our current materials, processes and products to identify new opportunities for improvement.

With an aim to drive change beyond our own operations and industry,

We make products built to last, and sometimes they even outlast our customers' needs.

we're advocating for better chemical standards and partnering with academia and leading companies to find answers to complex challenges. We have also engaged young minds around the topic of green chemistry to spark interest and energize the next generation of progress.

### Life Cycle Assessment

Life Cycle Assessments (LCAs) are an integral aspect of our product development process, allowing us to measure and analyze the environmental footprint of our products. As an early adopter, 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, we have been conducting life cycle research in areas to further the practice and application of life cycle product performance as a whole. We're building data sets to improve availability of robust data for other LCA practitioners, researching recycled materials and partnering with leading

organizations to develop guidelines around social LCAs, learning from the journey we've been on and building toward new opportunities for all.

### End-of-Use and Reuse

Thanks to our approach to product design, we continue to offer customers more material selections, higher recycling performance and expanded end of life options. We make products built to last, and sometimes they even outlast our customers' needs. That's when we can help customers make responsible choices. The End-of-Use Strategies section of this report outlines some of the ways we're working to extend the value of assets through resale, refurbishing, donating or recycling.

These three pillars drive new ideas and innovations that help to prepare Steelcase and our customers for operating in a more circular economy. We're creating greater value, not just for our customers and our company, but also for our suppliers, partners and the world community in which every human is a key stakeholder.



1800+

Materials assessed to the 100 parts per million level

50+

Cradle to Cradle Certified™ products

30+

Environmental Product Declarations (EPDs)

## A RESILIENT, RECONFIGURABLE OFFICE

Turnstone®, a Steelcase brand, helps entrepreneurs leverage their culture and their space to accelerate business results, focusing on insight-led simplicity and making spaces matter. Bivi™ addresses the needs of highly mobile and collaborative teams who need flexibility without fuss.

With an emphasis on a lightweight, user friendly design, Bivi allows workspaces to be reconfigured quickly and easily. A number of options allow Bivi to be personalized, such as bike racks and plant holders. And by accommodating four different working postures, employees' ergonomic and wellbeing considerations remain top priority.

This agile modularity means that one piece of furniture can suit a variety of needs, adapting alongside employees and organizations as their work evolves.



## High Five

Steelcase, Turnstone® and Designtex® together received five Best of NeoCon® awards at the annual competition held during NeoCon, one of the industry's largest trade shows.

Innovation awards were given to Turnstone's Bassline™ tables with reclaimed wood and Steelcase's New Black Collection upholstery, gold awards for Steelcase's High Density Storage and for Bespoke by Designtex, and a silver award for the Steelcase® Workplace Advisor.

## ENVIRONMENT

### Transportation + Packaging

Through research and innovation, we're constantly seeking and implementing new and improved transportation methods to assure we continue to meet world-class performance and safety standards while minimizing our environmental footprint.

While we don't count two-wheelers part of our mainstream fleet, we've used bicycles on rare occasions to deliver products where traditional means proved impractical. When it comes to customers, we go the extra mile.

Our packaging and transportation initiatives are part of our holistic approach to optimize every phase of the product lifecycle.

Steelcase's packaging and transportation specialists are key partners in the product development process. Collaboration is critical to working towards orders being delivered in perfect condition, on time and with every consideration of environmental impact.

We use a wide range of methods to improve how we deliver on that promise, collaborating with dealers and transporters, and constantly refining strategies. For example, our incident management system allows us to stay up to date with our deliveries and road conditions on a minute-to-minute basis.

It accounts for everything from weather forecasts to traffic patterns, enabling us to quickly adjust transport routes—ensuring trucks spend less time idling and more time delivering orders.

Local and regional considerations are factored into transportation and packaging solutions for products so all shipments—whether they're heading to Montreal, Munich or Melbourne—receive the same levels of attention and protection. It begins with our rigorous, four-level testing model for packaging methods. We measure everything from vibrations to drops, crush tests to temperature changes, and even have a simulation track that allows us to mimic real road conditions.

This same attention extends to the materials we use to pack and ship product. While simultaneously increasing the recycled content of our packaging materials, we're piloting new methods to increase material yield.

At our Kentwood, Michigan plant, we're sending corrugated cardboard through a machine that cuts boxes to custom sizes as needed. This has reduced our warehouse space requirements by 35 percent, saves us 40 percent on material, and has resulted in yearly savings of \$420,000. We're also experimenting with a new, thinner stretch foil as another way to reduce our materials consumption, which can also mean less packaging to recycle post-delivery.

## 35 Million Miles

On average, Steelcase ships more than 400,000 pieces of furniture weekly—upwards of 2.8 million per year. To deliver those products, we travel by air, land and sea a total of 35 million miles annually, equal to 1,400 times around the circumference of the earth.

## Energy

As we've worked to diversify our investments in renewable energy resources, we continue to take a hard look at the energy used to power our operations and their associated greenhouse gas emissions.

As a global company with high production levels, we know that each percentage point reduced adds up across our global operations—and brings us closer to our goal of 25% energy reduction by 2020.

We've adopted the new World Resources Institute guidance for greenhouse gas reporting, and are expanding our data gathering to include a selection of our indirect impacts. By expanding the scope of our metrics, we can more accurately influence, track our usage, and develop comprehensive strategies to pursue further reductions.

### Driving Efficiency

One of the many strategies we're pursuing to hit our energy goals is the installation of advanced meters to track electric use in select facilities. In collaboration with the U.S. Department of Energy's "Better Plants Program," we're collecting feedback on our electrical energy use, which enables us to perform preventative and corrective measures in real time.

Using the data, we've been able to find better ways to measure, understand, share and report the details of our energy usage and impact, empower our employees to work together in reduction strategies and help develop targeted future goals. Considering the success of this program, we are investigating opportunities for implementing similar technologies at all of our major facilities, which will improve overall energy data tracking.

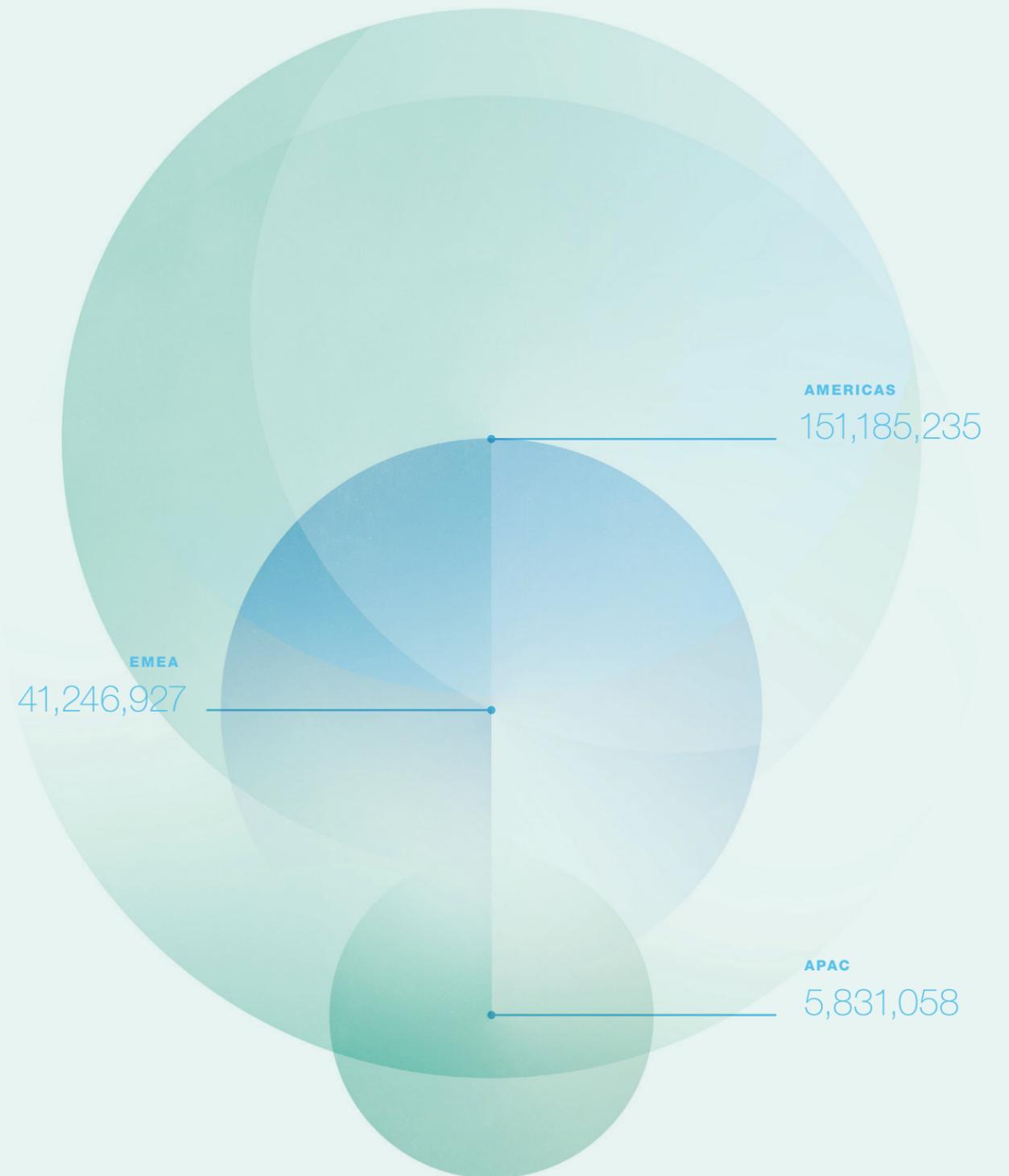
In our Kentwood, Michigan facility we've recently installed a state-of-the-art lighting control system. This system allows us to pinpoint which lights were activated and when. Using insights from this technology, we were able to remove lights, install improved equipment and enhance light. This investment has reduced our lighting consumption by 76.8%, or about 4 million kilowatt hours per year.

76.8%

Reduced lighting consumption, equal to about 4 million kilowatt hours per year.

2015 RENEWABLE ENERGY USAGE (IN KWH)

198,263,220



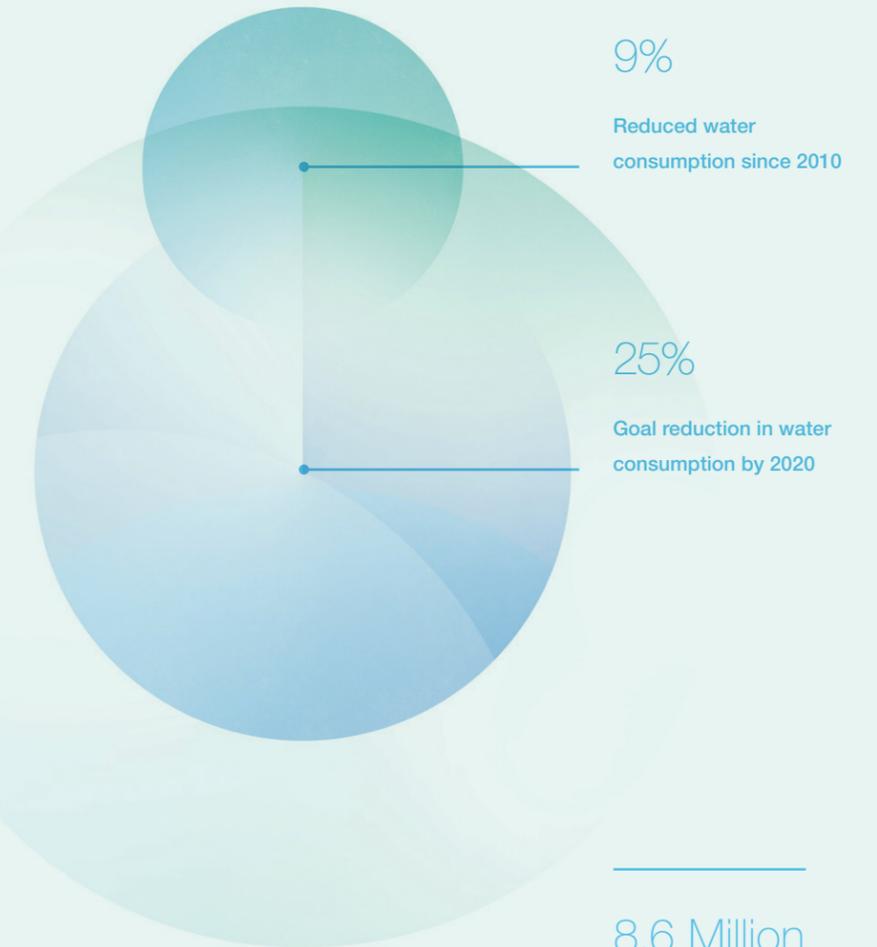
## Water Conservation

Steelcase is committed to delivering the best products in the world by ensuring they're the best products for the world. In 2006, we formally pledged our first set of environment footprint reduction goals, aiming to significantly reduce our water use on a global scale.

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've successfully reduced our water consumption by 9% since 2010, moving us closer to our long-term goal of another 25% reduction in water use by 2020.

These successes don't happen by chance. They happen thanks to the dedication of our facility teams around the world, our robust Environmental Management System and the implementation of innovative technologies and solutions. From alternative paint materials to new spray methods, we're advancing toward even smarter water practices.

Looking ahead, we're continuing to examine how best to ensure that individual facilities can more easily see, share and brainstorm successful ideas and solutions. The collective power of the knowledge and ingenuity of our employees and partners around the globe will help us realize new possibilities to conserve precious water resources.



### Investing in Renewables

When it comes to our renewable energy commitment, we've made great progress in a few short years. What started as a collection of regional investments is now a global, cohesive clean energy portfolio in the form of Renewable Energy Credits (RECs) and a virtual power purchase agreement (VPPA).

In 2014, we took an important step by investing in renewable energy 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 to be done.

That's why we continue to diversify our investments. This year, we executed a 12-year VPPA for 25 megawatts of wind power from Southern Company subsidiary Southern Power's Grant Plains Wind Facility. This will make up nearly half of Steelcase's renewable energy purchases and directly support the construction of a new clean energy facility expected to come online next year.

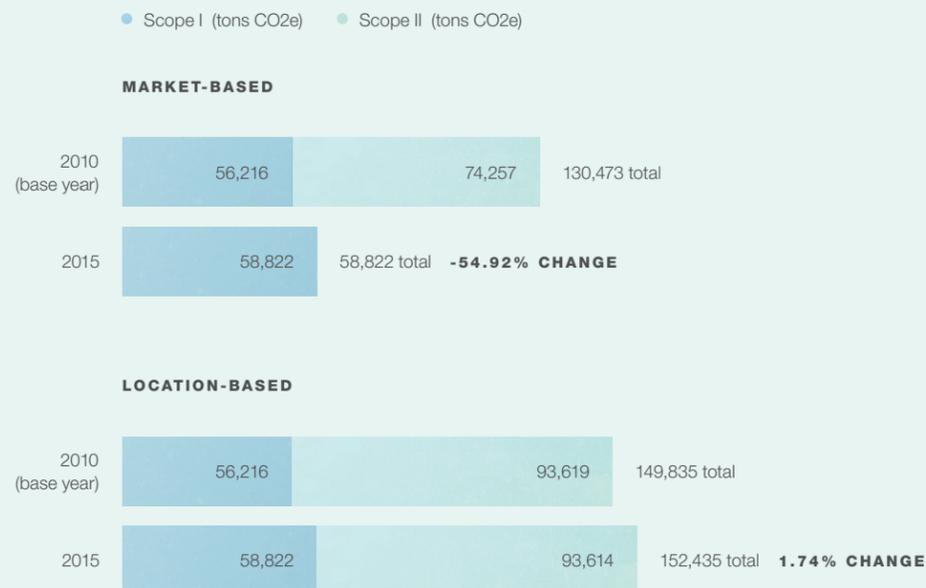
And while we're focused on diversifying our own renewable energy portfolio, the work doesn't stop there. We're engaging in conversations and sharing insights from this work with our suppliers, our partners and other leading organizations.

We are committed to investing in renewables, locally, nationally and globally. Whenever possible, we're purchasing renewable energy in the regions where we operate. We look forward to a day when all countries have a thriving renewable energy infrastructure in place.

### GREENHOUSE GAS EMISSIONS (GHG)

In accordance with updated reporting guidelines from the World Resources Institute, we are reporting our GHG emissions using both market-based and location-based methods.

The market-based method reflects emissions from electricity purchased, and includes REC purchases. The location-based method relies on average emissions data for the local energy grids where electricity consumption occurs.



## Waste Reduction



Over the years, we've successfully diverted thousands of tons of valuable materials from landfills such as steel, cardboard, plastic, glass, food waste and more.

In fact, thanks to the perseverance of our global teams, we've reduced our waste output by 44% since 2010, far surpassing 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 or composting.

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 our Wood Plant in Kentwood, Michigan, excess wood is also being provided to local school woodworking programs, getting a second life and supporting a new generation of craftspeople.

We continue to widen our lens, building on past successes and asking ourselves how we might continue to expand these efforts into other areas of our value chain. From our facilities to our distribution centers, from suppliers to partners, we're using the lessons we've learned in our own facilities to share best practices and expand successes wherever we can.

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44%

Reduced waste output since 2010.

23,877 Tons

Total amount of materials recycled globally by Steelcase in 2015.

153 Tons

Total food waste composted by Steelcase in 2015.



## Ourselves

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

Our leadership team is committed to our mission to unlock human promise, to deliver long-term shareholder value and drive sustainable business fitness.

Our Board of Directors, 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 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 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.

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