

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.



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

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.

OUR CORPORATE VALUES

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, Munich 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:

- 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.

We've been on a quest to understand sustainability and what it means to our stakeholders, now and in the future.

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 the potential of sustainability through the eyes of 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 and opportunities—as broad as circular economy and as critical as advanced materials.
- 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.

ACTING ON SUSTAINABILITY

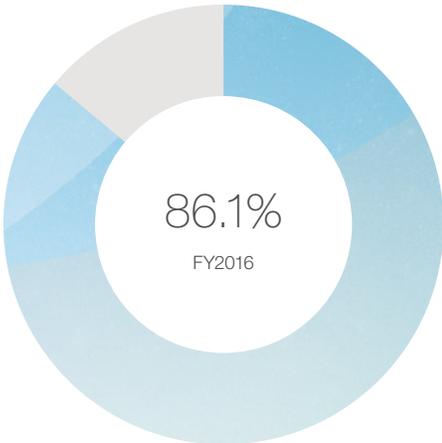
We're tackling the global challenges of sustainability to achieve our vision of strong economic, social and environmental systems—through the products we create, the way we operate, and the investments we make.

- 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.
- Working to ensure 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.

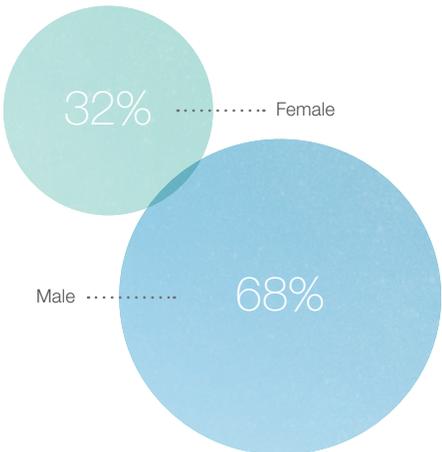
Targets + Performance

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

EMPLOYEE RETENTION



GENDER DISTRIBUTION



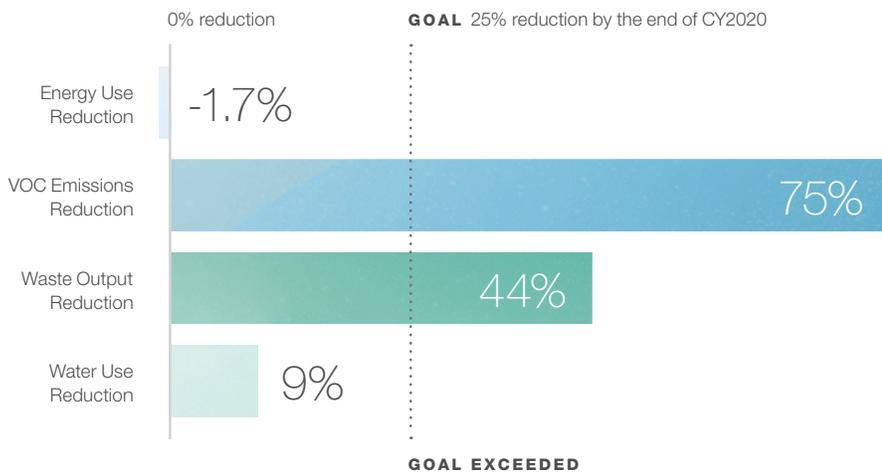
VOLUNTEER HOURS



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

PROGRESS TOWARDS ENVIRONMENTAL GOALS

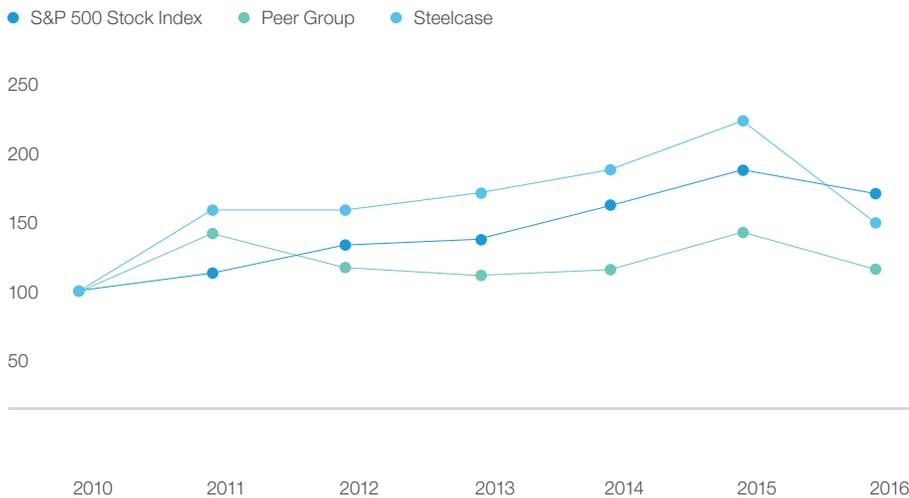
Since 2010



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

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 and share your sustainability dreams.

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