

Global Compact  
Communication On Progress  
Steelcase 2013

## **STEELCASE 2013 CSR REPORT**

# +Promise



THE 2013 STEELCASE CORPORATE SUSTAINABILITY REPORT

**steelcase** inc

# Our Vision

Clarity of vision. It's often what makes the difference between good intentions and creating sustainable change. At Steelcase, our sustainability vision is clear: to bring lasting value to our customers, employees, shareholders, partners, communities and the environment. Ambitious, yet fully achievable, we aim to strengthen the economic, social and environmental systems that sustain us all.

**We aim to strengthen the economic, social and environmental systems that sustain us all.**

These goals are intricately entwined, providing us with an unwavering sense of purpose, a touchstone to guide our decisions and a benchmark against which to measure our progress. In the coming years, sustainability will become even more integrated into our business, as we redefine fitness in the context of increasing global demands and new performance horizons.

Achieving this vision is no small task, but it's one that humbles and inspires us as we evolve our sustainable enterprise.

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# Note from Our CEO



Sustainability today is at a crossroads. Companies like ours, who aspire to lead the way, are expanding their efforts beyond environmental impacts into meeting global social needs. Our environmental efforts are far from complete but we've made dramatic progress and we're well on our way to reaching our ambitious goals. In that respect, we've delivered on our promise.

But that's only part of the picture. We believe it's our responsibility to help strengthen the economic, environmental and social systems that sustain us. That means we're committed to making sure Steelcase is in good economic health – which it is – but also making sure that we're making a positive contribution to the greater good of humanity. What we do, how we do it, the decisions we make, the impacts we create, that's our responsibility to the world. That's our responsibility to the future as we work to humanize sustainability. To us, this expanded definition of sustainability is a strategic reset and a glimpse at our company's future.

At its heart, sustainability is about people. And so is our company. Steelcase is built on deep understanding of people – how they work, how they create and how they interact with the environments around them. We study people, design for them, and work to unlock their promise to create lasting change. Serving humanity is the red thread that runs through everything we do.

So it makes perfect sense that today our focus is on further elevating the social side of sustainability – wellbeing, human rights, and community involvement. We're investing in new social initiatives and programs while not taking our eye off the environmental ball.

One of the most important things we've learned along the way is that sustainability must not be something separate – it must be an integral part of our company. We can't unravel sustainability from the core of our business because we believe sustainability is central to achieving our mission of unlocking human promise.

## At its heart, sustainability is about people. And so is our company.

Meaningful change happens as a result of collaborative effort. The stories in this report reflect a fraction of the efforts and successes of many different individuals, and we offer our deep thanks to those who share our commitment – our customers, dealers, employees, shareholders, partners and communities. Together, we'll continue to forge a path of lasting change through every decision, every deed, every day.

I invite you to look at what we're doing to help us create a more sustainable future where human promise is realized.

Thank you,

Jim Hackett  
CEO

# Our Sustainability Promise

Every day, in every decision, we work hard to deliver on our purpose and create real world results. We know our intentions and actions shape and influence the lives of others, including our customers, employees, shareholders, partners, communities and the environment we all share. We continue to dream big and set high aspirations.

As we work to amplify our positive impact, we will rely on the strengths that have led us thus far: translating keen insight into innovative products that unleash human potential. This insight is directed not only toward products and applications, but also toward global sustainability solutions that help our company live up to its responsibilities as a world citizen, now and in the years to come.



**As we work to amplify our positive impact, we will rely on the strengths that have led us thus far: translating keen insight into innovative products that unleash human potential.**

## VALUES THAT UNITE US

As you'll hear us say throughout this report, we believe that people are at the heart of sustainability. Shared values help create a common bond, an expectation of behavior, mutual respect and trust. We know that some of the most important work we can do is to foster a human-centered culture, from the ways we treat each other to the products we make. That's why we take our culture very seriously – it's what makes us who we are, and more importantly, who we can become.

Although our company stretches across the globe, there are common ideals that bind and unify us. From Malaysia to Mexico, Grand Rapids to Rosenheim, we all adhere to values that provide a foundation for our daily decisions and actions.

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

This is where we start – every day, every decision, every deed. These values inform our actions, and guide our business strategy. They are at the heart of how we approach sustainability as an asset of our company that we continue to strengthen. You'll see these values, and our latest work to nurture and bolster our culture, expressed throughout this report.



Just as our corporate values strengthen us, we also hold deep beliefs around sustainability. These beliefs stem from our unwavering commitment, provide a north star for our actions and keep us striving for more. We believe in:

- Transparency and authenticity: When we meet our goals, we'll stop for a moment to celebrate, but quickly move on to the next challenge. When we miss our targets, we diagnose what didn't work, correct our approach, and push toward resolution
- Products and solutions designed to benefit people
- Actions that further the science and practice of sustainability through collaboration and cooperation with key partners including customers, suppliers and thought leaders
- Socially responsible operations
- Collaboration with and increasing expectations of our supply chain partners
- Reporting of global metrics to show our progress and guide our focus for improvement
- Our potential to reduce our global environmental footprint by another 25% by 2020

#### ENGAGING WITH STAKEHOLDERS

We're setting our sights high as we think about what it means to create holistic value as a globally integrated company operating in a globally connected world. We've been on a quest for insights and understanding around sustainability and its impact on and meaning to our stakeholders now and in the future. Beginning in 2011 and continuing into 2012 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 around sustainability
- Hosted workshops to listen to architect and design partners, customers and other thought leaders on their vision for the future of sustainability
- Completed an internal culture survey to help us further understand the expectations of our employees

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

#### KEY STRATEGIC OBJECTIVES

We're widening our aperture as we continue to elevate sustainability as a lens for innovation throughout our globally integrated enterprise. Tackling the challenges of today and tomorrow demands a global perspective – and as a global company, we're developing new strategies, programs, policies, and initiatives that allow us to leverage our leadership position.

Our commitment is to:

- Strengthen sustainable development in our world-wide operations and supplier partners, including environmental and human health, social responsibility and economic prosperity
- Ensure 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
- Invest in education and training to increase stakeholder engagement as well as employee ownership and stewardship
- Engage with suppliers, dealers, customers, researchers, and environmental agencies
- Create deeper partnerships and collaboration with all our stakeholders to form shared priorities and leadership decisions that will create lasting positive impacts



**We're setting our sights high as we think about what it means to create holistic value as a globally integrated company operating in a globally connected world.**

In addition, we've formalized a Corporate Sustainability Steering Committee, a diverse group of dedicated and passionate senior leaders who will be responsible for leveraging business insights, and providing leadership, direction and accountability for a global sustainability experience platform. Read more about this in the Governance section.

# Targets and Performance

Careful measurement is  
key to managing impact

We're committed to measuring and reporting on our progress in a transparent and authentic way.

This is a snapshot of the information we're using to measure ourselves against social, environmental and economic domains. We'll continuously strive to expand our reporting as we begin tracking metrics in areas we haven't addressed before, refine existing metrics for global accuracy and improve our focus on sustainability and comprehensive progress reporting.

For more metrics, please see the GRI index.

SOCIAL	FY 2012	FY 2013	FOR MORE INFORMATION
Volunteer hours reported	5,361	6,538	Employee Impacts
Employee retention	76.5%	80.4%	Social Investment
Monetary and in-kind donations	\$1.1 million (Steelcase Inc.) \$3.9 million (The Steelcase FDN)	\$1.54 million (Steelcase Inc.) \$3.86 million (The Steelcase FDN)	Social Investment
Number of women in management globally	24% Americas 22% Europe, M.E., Africa (EMEA) 03% Asia Pacific	32% Americas 25% Europe, M.E., Africa (EMEA) 05% Asia Pacific	Social Investment
ENVIRONMENT	GOAL BY END OF CY 2020	CY 2012	FOR MORE INFORMATION
Greenhouse gas emissions	25% reduction	04% reduction	Energy Use and Efficiency
VOC emissions	25% reduction	13% reduction	Energy Use and Efficiency
Water use	25% reduction	26% increase	Water Conservation
Waste	25% reduction	51% reduction	Waste Reduction
	GOAL	FY 2013	
Renewable energy commitment	Continue investments in renewable energy	25% of electricity use in U.S.; 100% of electricity use in WorkLife and WorkLab centers in Paris and Strasbourg, France; 100% of electricity use in factories in Germany	Renewable Energy
Percentage of products sold with sustainability certifications	No official goal	90% (Americas)	Innovative Products and Applications
ECONOMIC	FY 2012	FY 2013	FOR MORE INFORMATION
Revenue	\$2.7 billion	\$2.9 billion	Investor Relations
Gross Profit	29.4%	30.2%	Investor Relations
Net income	\$56.7 million	\$38.8 million	Investor Relations



OUR PROMISE TO

# Customers



JONAS PRISING / PRESIDENT, MANPOWER GROUP

## OUR PROMISE TO CUSTOMERS

Helping our customers succeed in their business and meet their sustainability goals is priority #1 at Steelcase.

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

PG. 10

## Real Estate Optimization



Our Workspring locations allow travelling employees the opportunity to work in an office setting.

PG. 12

## End of Use Strategies



Our product take back program is one of the longest standing in the industry.

PG. 13

## Sustainable Procurement Strategies



There were a total of 182 environmental metrics reports completed in 2012.

PG. 14

## Employee Wellbeing and Productivity



On many of our products, we examine their chemical makeup down to 100 parts per million.

# Real Estate Optimization

Optimizing space starts with understanding how people work today, their evolving needs, and what they need to do their best work. As a human-centered company, we spend considerable time and resources researching and designing products and experiences that help companies get the most from their real estate, even when space is compressed. After all, a smaller real estate footprint means a more sustainable one – with less construction cost and impact, less energy use, and fewer greenhouse gas emissions.



## PROMISE

Use our research-based expertise to help businesses maximize real estate as well as employees' workplace experiences and performance. Offer innovative products and services that meet the changing space needs of today's businesses using fewer natural resources.



## RESULTS

Higher utilization rates, increased collaboration and solutions for different work modes all in a smaller, optimized footprint. Flexible new workplace experience options that allow people to use space only when needed.

## RECLAIMING WORKSPACE

Traditional office space is undergoing a radical transformation. In today's economy, businesses continue to scale back. Now, companies, employees and spaces must work harder than ever. Workplaces are now held to higher standards – they must simultaneously maximize space utilization, foster collaboration, reinforce the brand and culture, and contribute to talent retention. Buildings consume nearly 40 percent of the world's energy. At the same time, work styles and staff levels have fluctuated, often leaving between 40-50 percent of workspace empty or underutilized. By any measure – business, environmental, or social – this is simply unacceptable.



**Our Workspring locations allow travelling employees the opportunity to work in an office setting.**

We're working with companies to make their spaces more efficient, more collaborative and more engaging. Every square foot is considered part of a holistic space portfolio, designed to accommodate employees' various modes of work, from mobile workers to long-term, team-based collaboration. With this approach, we're helping companies reimagine their old cafeterias into modern work cafes used throughout the day for meeting, socializing and cultural transformation. We're abandoning the old paradigm of individual private offices in favor of unassigned, shared settings. We create spaces that facilitate communication through proximity, technology and shared experiences. This is the future of the workplace, and we're at the forefront of the revolution.

## ENGAGING THE MOBILE WORKFORCE

One of the most dramatic shifts in the workplace is the rise of the mobile worker. Today, employees can be located anywhere, connected through technology. Teams are spread across offices, time zones, and continents. Modern collaboration is a balancing act of virtual and physical presence, enhanced by seamless work solutions including home office or third place co-working locations. These innovative approaches reduce commuting and airline travel, conserving energy and greenhouse gas emissions. With these tools in place, today's mobile workers can spend more time thinking and innovating, and less time away from home.

## SOLUTIONS FOR DIFFERENT WORK MODES

Our deep insights into how people work have revealed four fundamental work styles. People collaborate. They focus. Learn. Socialize. And each work style demands its own tools and space design. By thinking of spaces in a comprehensive way, each need is met in a range of options and places, no matter what the employees' task. From private pods to team spaces, assigned places to shared environments, we design each space to enhance the users' experience, helping to unlock the potential of each person. As we re-create spaces to work harder, utilization and productivity rise, functionality increases and people feel more supported. No matter what the need, Steelcase's insight-based solutions enrich the workplace and fully realize human promise, one smart space at a time.

## SUCCESS STORY

# A New Way to Work: Workspring Redefines Office Space

In Chicago's busy Inland Steel Building, on the 4th floor, there's a quiet revolution underway. This is where you'll find entrepreneurs, established business leaders, international sales people, individual consultants, building tenants and dedicated project teams all together. Designed as a complete workspace experience, Workspring® builds on the idea of collaborative consumption – the idea of access instead of ownership. Members may not need permanent office space, but do need a medium-term location, better solutions for their mobile employees than the local coffee shop, or room for an event. Workspring caters to these increasingly common needs with a range of options from collaboration spaces to social spaces.



Our current locations provide important insights into how to scale up Workspring. We've installed one new location in partnership with Marriot, with another two in the plans. Builders are also showing great interest in providing Workspring locations to their tenants as a differentiated building amenity. Other companies realize the sustainability benefits – encouraging urban-based workers to stay in the city and work at Workspring instead of commuting to suburban headquarter locations.

Workspring is truly the workspace of the future as more workers go mobile, and as more companies embrace a sustainable footprint and work style.

# End of Use Strategies

Every year, we extend the useful life of thousands of products. Through our end of use program, we're helping businesses dispose of their surplus office furniture in socially, economically and environmentally responsible ways. First, we work with them to understand the situation. Then, with our partners, we present options that meet their goals, whether it's income, landfill diversion or charitable donation. Our end of use program is proof that the threads of sustainability are woven into every stage of our business.



## PROMISE

Help customers reduce waste and find new uses for their used office furniture, keeping it out of landfills.



## RESULTS

Steelcase offers customers a range of responsible options from reuse to recycling, refurbishing to donating, helping customers meet their sustainability goals and fulfilling our sustainability promise.

## SELLING

For customers who want to generate revenue from their used office furniture, we help them establish fair market value and can act as a sales agent on the open market. In other cases, we can provide credit against new Steelcase furnishings.

## REFURBISHING

By applying new fabric, new finishes or adding new components, furniture can take on a productive second life. In fact, reusing existing furniture can contribute to LEED certification credits.

## CHARITABLE REUSE

By matching businesses' unused furniture with non-profit and charitable organizations, we help people and the environment. Our reach extends beyond these businesses' backyards, and in some cases, we can connect globally, sending furniture to where it's needed most. Whether it's to repair damage caused by natural disasters or simply to support an organization in need, we provide assistance from beginning to end.

## MATERIALS RECLAMATION

We live in a world of finite resources. That's why we take the time to reclaim and recycle materials from office furniture, despite the complexity involved. To make this process more efficient, we start with product design, including components and materials that are easily recycled. By closing the loop with materials, we're making the best use of natural resources so future generations can have what they need to thrive.

## ASSET MANAGEMENT

Tracking inventory and needs across multiple locations can be a time-consuming task for businesses. We help by managing our customers' inventories and matching need with stock items, making their investments go further.

## SUCCESS STORY

### Walking the Walk

What happens when the customer is your own company? That was exactly the case when we relocated employees from our Corporate Development Center (CDC) to another campus. Suddenly, Steelcase had seven floors of furniture with nowhere to go, and we didn't want it to end up in a landfill.

So, just as we do for our customers, we turned to our experts in ReMarket, our used furniture division, and Phase 2, our decommissioning program that helps customers understand the value of their existing furniture and develops strategies used in the product migration phase.

In our case, we had:

- More than 550 tables
- More than 600 lateral files
- More than 600 mobile pedestals
- Storage cabinets, bookcases, lighting, towers and metal shelving
- Plus many, many workstations, such as Post and Beam, Answer and Elective Elements

First, Steelcase's corporate relations team arranged for multiple items to go to local charities that couldn't otherwise afford them. Recipients included the Urban League of Grand Rapids, Community Media Center and Heart of West Michigan United Way.

Then, a local buyer purchased the remaining furniture for a set price and resold it to organizations in New York, New Jersey, Pennsylvania, Illinois, Ohio, Missouri, Texas and other parts of Michigan.

Most importantly, we avoided sending CDC furniture to the landfill.

With stories like these, it's clear that we not only talk a good game when it comes to sustainability, we're actually living it and experiencing the same things our customers do every day.



# Sustainable Procurement Strategies

We're serious about reaching our sustainability goals, but our real passion is helping our customers meet theirs. It's our biggest opportunity to scale our impact. With products designed to support human and environmental health, and the wellbeing of both people and the planet, we're providing real value to every purchase. With our suite of tools, we help our customers understand their impacts, from real estate to furnishings, and help them make more informed, more responsible decisions.



## PROMISE

Add value to every customer relationship by helping them achieve their sustainability goals.



## RESULTS

Products that can contribute to LEED credits, metric-based decision-making tools and third-party certified products.

## DESIGN FOR THE ENVIRONMENT

We take a closed loop approach to design. We begin by examining the chemical profiles of proposed product components to 100 parts per million, to ensure they meet our strict standards around human and environmental health. And, when we encounter materials of concern, we actively work to eliminate them.

We measure impacts of key products at every phase – design, manufacture, delivery, use and reuse, recycling, and end of use – always on the lookout for ways to improve. We design for maximum flexibility, so as customers' needs change, they can more easily adapt our products to fit. Finally, when our customers are ready for new furnishings, they can take part in our end of use program. For more information, please see the Innovative Products and Applications section and End of Use Strategies sections.

## LEED CONTRIBUTIONS

LEED certification continues to be of great interest to many customers, and we provide expert guidance and training programs to help identify the products and programs that can help contribute to LEED criteria. We counsel customers on:

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

For more information on our products' environmental attributes, please refer to the Product Environmental Profiles section of our website ([www.steelcase.com/pep](http://www.steelcase.com/pep)) in the Americas. This information is also available by request in the EMEA (Europe, Middle East, and Africa) and AP (Asia Pacific) regions.



**There were a total of 182 environmental metrics reports completed in 2012.**

## ENVIRONMENTAL METRICS

Better decisions are made when you know more. By collecting and analyzing the details, we help customers measure the human and environmental impacts of their office furniture purchases. We not only measure their past purchases, but look forward to future needs, applying rigorous recognized and respected sustainability certifications, recycled content, material makeup and product weight. Although this is currently offered only in the Americas, we plan to make environmental metrics reporting available globally in the coming year.

## CERTIFICATIONS

From indoor air quality to materials chemistry, textiles to sustainably harvested wood, we work with numerous third-party certifiers to ensure our products meet or exceed environmental and social sustainability standards. We don't design to any singular standard; rather, we set our own criteria. Our work contributes to many certifications, providing external assurance of our progress. While it's rewarding to be recognized, we're focused on exceeding today's standards and inspired by a higher standard of leadership performance.

# Employee Wellbeing and Productivity

Our commitment to enhancing the overall wellbeing and productivity of our customers' employees starts at the very beginning – in the product creation process. Together with our research partners from leading universities and institutes, we've uncovered meaningful insights into how to best support people at work. As our products and applications are integrated into workspaces, our customers are experiencing lower health care costs, improved productivity and a more innovative culture – setting the stage for economic growth and new solutions to pressing global challenges. Never before has wellbeing been so important, and Steelcase is providing meaningful solutions companies can use immediately.

## AVOIDING MATERIALS OF CONCERN

When it comes to what goes into our products, we care. We not only examine the chemical makeup of many of our products, we're also continuously scouting sustainable options to support human and environmental health. As more innovative materials come online, we'll be testing them to see if they meet our standards for exceptional performance. Where they don't exist, we'll work with material manufacturers to create them. We work to make sure that only the best will make it into our products, so customers and their employees can be assured that their office environment contributes to their overall wellbeing.



On many of our products, we examine their chemical makeup down to 100 parts per million

## ENCOURAGING MOVEMENT

Sitting all day contributes to a sedentary lifestyle. Our research, as well as that of leading medical researchers, documents the physical benefits of movement, including increased blood flow to limbs, and a steady flow of oxygen and energy-providing glucose to the brain. That's why we design products that not only allow for, but also encourage, movement as one of our signatures. Our products work to share the load among muscles, ligaments and nerves, so people who use our products benefit from the opportunity to move and engage their bodies in more active ways. We want them to swivel, lean, stretch and fidget and we designed products so they can.



### PROMISE

Use our insights to create workspaces that holistically address the wellbeing and productivity of our customers' employees and positively influence the way they feel and how they perform.



### RESULTS

Products and applications that provide ergonomic support, encourage movement and support the physical, mental and social wellbeing of people.

## A RANGE OF SETTINGS

When workers control how and where they work, their wellbeing is greatly enhanced. There are three keys to this delicate balancing act:

- Provide spaces that support a wide range of tasks
- Make it easy to switch between work modes
- Allow people to migrate between collaborative and private environments so they can focus, re-energize and de-stress as needed

We incorporate design elements and product solutions to meet each need, taking into account the particular work styles and culture of each customer and their workforce, to provide a complete palette of settings. We know that when you provide the right work environment for the task, better ideas result.

## DRIVING PRODUCTIVITY

In the current economic climate, wellbeing is a financial imperative. The success of businesses today depends on the health and wellbeing of employees, and we're applying our knowledge to create environments that go well beyond safety – they encourage better health and wellbeing. With spaces that promote interaction, movement and productivity across different types of tasks, the stage is set for success. Employees function at a higher level, leading to innovation, creativity and ultimately, better business results.

## WELCOMING NATURE

As technology becomes more embedded in work environments, we're working to balance that with the human connection to the natural environment. Studies have shown that people respond very positively to natural light, outside views and fresh air. So our products and applications allow for transparency to allow light flow, easy access to walkways, patios, and terraces to strengthen employees' feelings of wellbeing. We also bring the outdoors in with natural materials, colors and textures, so there's a seamless connection to the outdoors. We're not just thinking about workspace as a built environment, we're thinking about its connection to the larger environment.



## SUCCESS STORY

# Turning Heads with a turnstone Makeover

Not every business can afford to outfit their space with new office furniture – but every business deserves a work environment that creates happier, more productive employees. That was the inspiration for an innovative contest, called “Win A Sweet New Office” sponsored by turnstone®.

The contest encouraged entrepreneurs from across the country to submit a short video demonstrating why a great workplace would make a difference. Five lucky winners from a pool of more than 200 entrants each received a \$25,000 office makeover, transforming their spaces to ones they can be proud of. As one of the winners put it, “Look at us now.”


- Fracture, a small business in Gainesville, FL prints photos on glass. A combination e-marketing and manufacturing company, they needed creative collaboration areas. Thanks to turnstone, their space transformed from dumpster-dive décor to a sleek, modern, hipster hangout that’s truly reflective of their vision.
- Infomedia, a 25-person digital marketing agency headquartered in Birmingham, AL literally changed the way they do business after their turnstone makeover. Their old collection of mismatched desks embarrassed them, and they never brought clients to their office. But now, they invite people in to see their exciting new space. “It’s unleashed the power of our people,” said one of Infomedia’s owners.
- Two-person startup HopeFULL Company makes and sells whole food popsicle kits for chemotherapy patients who are having a hard time eating. The St. Paul, MN duo outgrew their home office, and decided to get their first official workspace which needed kitchen space as well as product development and marketing space. “We used to kick people out of their kitchens,” said one of the partners. “Now our new space feels like home, but we have more focus and intention. We didn’t have that before.”

- Rural Iowa’s first co-working space, Veel Hoeden, opened its doors in Pella with bootstrapped furniture reclaimed from people’s homes. In no time, the outsized, cluttered collection became a distraction for the small businesses, entrepreneurs and startups that use the space. Like many others, the company’s founder used to think of real estate in terms of square footage. Not any more. “Our space became the opportunity for people to collaborate and build relationships,” he said. “Every time I walk around the space, I say ‘That’s my favorite thing.’ But then two minutes later, I’m like ‘No, that’s my favorite thing.’”



- IncubateNYC has always had plenty of enthusiasm, connections and great ideas for startup businesses. What they were missing, however, was a space to call home. Their passion for building a community of entrepreneurs needed a space that provided more than just an office – they wanted a space that would also inspire. After their turnstone makeover, IncubateNYC has become a hub for forward thinking and collaborative spirit. Many of their colleagues say they prefer working at IncubateNYC’s redesigned offices instead of their own space. IncubateNYC is getting it done, right in the heart of Harlem. When people walk in their door, anything is possible.

OUR PROMISE TO  
**Partners**

A portrait of Jean-Marie Murphy, a woman with shoulder-length blonde hair, smiling. The image is overlaid with a teal gradient. The text "OUR PROMISE TO Partners" is centered above her head, and her name and title are at the bottom.

JEAN-MARIE MURPHY / VICE PRESIDENT, CHANNEL DEVELOPMENT & WORKPLACES SERVICES

## OUR PROMISE TO PARTNERS

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

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

PG. 18

## Key Partners



Collaboration is key to making true and lasting change.

PG. 19

## Suppliers



More than 300 suppliers attended this year's Supplier Conference.

PG. 20

## Dealers



650 dealers worldwide creating a dynamic network of experts.

# Key Partners

Working together is almost always more powerful than working alone. When you work together with partners of the caliber we're privileged to work with, the results are especially powerful. Working with some of the world's leading change agents and innovators, we're designing what's next.



## PROMISE

Collaborate closely with all our key partners to develop pioneering ideas that will lead to the next breakthrough.



## RESULTS

More frequent and transparent communication, innovative partnerships leading to new ideas that create lasting change.

## CUSTOMERS

Our relationship with customers extends far beyond any mere transaction. Simply put, customers are a deep source of inspiration. Their changing needs and insights, evolving sustainability goals and leadership aspirations motivate us to push harder. For more, please read our Customer sections – Real Estate Optimization, End of Use Strategies, Procurement Strategies and Employee Wellbeing and Productivity.

## EMPLOYEES

Employees are our competitive advantage and path to future success. We're taking bold steps to increase employee wellbeing, build trust and ensure all of our colleagues reach their full potential. We rely on the imagination, passion and commitment to excellence our employees bring to the job every day. Around the world, we're creating working environments and cultures that support the whole person, and encourage personal and professional growth. Want to learn more? Read our Employee sections – Wellbeing, Training and Development, Workplace Health and Safety, and Diversity.

## DEALER NETWORK

Dealers are our direct link to the communities and customers we serve. They do more than sell furniture. They're our partners, our eyes and ears, hands and hearts. They bring our products and philosophy to life. They bring their entrepreneurial spirit to our enterprise. Together, we're supporting worthy organizations and causes – creating thriving communities and a spirit of true collaboration. Read more in our Dealers section.

## SUPPLIERS

Our sustainability story may be said to start with our suppliers. We're working hand in hand with our supply chain on pressing issues like materials assessment, worker safety, technology, process improvements, avoiding chemicals of concern, and strategies for energy and waste reduction. With our supply chain partners, we're creating lasting change that starts at the very beginning, before anything is created. Keep reading in our Supplier Partners section.

## COMMUNITIES

When you're a global company, every community is your hometown. Supporting healthy, diverse, thriving communities is part of our long history, and we're proud of the hundreds of ways we contribute to making the world a better place, one neighborhood at a time. It's a virtuous circle – when we give back to the communities that support us, they lend us their support in return. Our innate commitment to being a responsible world citizen is who we are today and in the years to come. Read about our community involvement in the Communities section.

## ACADEMIC AND RESEARCH PARTNERS

Change flows from original thinking, so we partner with trusted academic and research entities to create new ideas and infuse them into our company. Together, we're undertaking exciting, cutting edge research that helps us improve our practices, reach our sustainability goals and create actionable ideas.

## SUCCESS STORY

### One Good Idea Leads to Another

In conjunction with professors from Grand Valley State University, Steelcase researchers recently began investigating the feasibility of a solar-powered desk. The idea was to configure a solar power system that could power a laptop for eight hours in an outdoor environment. Together with students, GVSU professors developed a two-panel solution that is now being tested.

But during conversations with Steelcase, a different problem emerged from an unlikely source – one of the professor's cousins, a medical doctor in Malawi, Africa. How could she

incorporate solar power into her practice? How could she use this new approach to provide power in the operating room during frequent blackouts? How could she get a solar powered medical emergency system?

The mental gears started churning, and soon, plans were being reviewed by team members, including representatives from Steelcase's IT Innovation Management office. Today, many of the doctor's patients are benefitting from this amazing interaction through solar-powered lighting and a solar-powered surgery suction machine. They say that necessity is the mother of invention, and in this case, two much-needed situations were improved through the power of collaboration.

# Suppliers

Our products are only as good as the parts that go into them. That's why we see our suppliers as true partners in innovation. We're discerning about teaming up with the best suppliers, knowing that our suppliers' performance directly impacts our performance. And performance isn't something we ever compromise. Period.

## OUTLINING EXPECTATIONS

As we continue to push ahead together with our suppliers, it's important that we each have clear expectations of one another. That's why we unveiled a Supplier Code of Conduct that explicitly states our requirements, values and approach to sustainability.

The Code of Conduct covers:

- Performance requirements
- Organizational governance
- Human rights
- Fair labor practices
- Environment
- Fair operating practices
- Consumer issues
- Community involvement



The Code of Conduct is already in place in North America, and will be rolled out in Europe and Asia Pacific in the coming year.

## More than 300 suppliers attended this year's Supplier Conference.

Why have we gone to all this trouble? So our partners understand our high standards, and so we deliver on our promise to be a responsible manufacturer at every step. We are continually searching the globe for suppliers who share our values around social and environmental responsibility.



### PROMISE

Source materials from suppliers based on strict standards for quality, technical competence, innovation, price, sustainability, performance and on-time deliveries. Collaborate with our suppliers to invent better processes and materials solutions.



### RESULTS

A new Supplier Code of Conduct outlining our expectations. Continually searching the globe for suppliers who share our values around social and environmental responsibility.

## SUCCESS STORY

### Bringing It All Together: Supplier Conference



Every year, Steelcase hosts a meeting with our key suppliers to discuss our go-forward strategy. These discussions help align our mutual interests and help us all compete more effectively in the marketplace.

In 2012, more than 300 suppliers and 200 Steelcase employees attended the North America conference and heard from Steelcase CEO Jim Hackett, and President as well as Chief Operating Officer Jim Keane. Over the course of a day and a half, attendees also enjoyed additional breakout sessions on the new code of conduct, business continuity planning and social networking that also offered new ideas and insights.

While it's our suppliers' job to provide us with the highest quality products and services, we believe it's our job to supply them with a clear set of objectives and expectations so we can all succeed together.



# Dealers

Dealers help us realize our full potential. They provide valuable local knowledge, skilled talent, expert installation and regional asset management. They bring our insights to life, providing valuable workplace recommendations to businesses. Some even offer a full suite of services, from turnkey installation of audio-visual technology, to floor coverings, ceilings and other interior fittings. We're here to support these energetic entrepreneurs as they help us achieve our goals while they achieve theirs.



## PROMISE

Support our network of independent dealers as they bring the Steelcase experience to life in their showrooms and communities.



## RESULTS

A dynamic team of dealers backed by a diverse collection of Steelcase employees. A new level of recognition for outstanding performance in sales, diversity and environmental responsibility.

## BACKED BY EXPERIENCE

We do everything we can to ensure our dealers' success. From education and training to providing industry-leading research and insights, we're arming them with what it takes to do an exceptional job. We're proud to offer dealers attractive sales incentives and ongoing training, including modules on merger integration and new dealer sales training. In North America, more than 40 people support the dealer network across multiple departments: from IT to finance, operations to sales.

## RECOGNIZING EXCELLENCE

For the third consecutive year, Steelcase is pleased to offer dealers a higher level of recognition – Platinum Partners. This exclusive status is only being offered to dealers in the US and Canada that meet high standards in quality and performance. To qualify, dealers must demonstrate achievement of criteria within three categories: Drive Success, Inspire Great Experiences, and Build A Strong Organization.

## ENHANCING DIVERSITY

We encourage all dealers, regardless of partner status, to embrace diversity. To us, that means the workforce should reflect the community in which it operates. We believe the more diverse we are, the more voices that participate in the conversation, the better the results will be. And we're proud of the symphony of voices in our dealer network.

## TRACKING SUSTAINABILITY

Our dealers are stepping up their sustainability efforts across the board with innovative ways to reduce their environmental footprint. Here are some examples of individual dealer impacts:

- Going carbon neutral by purchasing carbon offsets for their business usage as well as their employees' commute
- Refurbishing more than 1,000 workstations
- Helping customers donate their used furnishings to worthy local organizations
- Donating trucks to deliver emergency supplies and food in disaster areas

Dealers' efforts extend our own commitments, creating a greater ripple effect in the communities we serve.

## SUCCESS STORY

### Bringing It All Together: Supplier Conference

About six years ago, a small group of employees at one of our dealers embarked on a mission to improve their company's sustainability results. Specifically, they wanted to expand their reduce, recycle and reuse practices, cut their energy use, and incorporate more sustainable products in their daily business operations. What started as a handful of people is now a company-wide initiative with impressive results.

- In 2010, these employees set a goal to reduce waste going to the landfill, and today, they've gone from 20 dumpsters a year to two.

- In the last three years, the dealership has recycled more than 1.58 million pounds of materials including metals, cardboard, paper, EPS, HDPE, aluminum and plastics.
- In 2012, income earned from recycling offset all waste removal fees by more than double.
- All interior lighting and warehouse fixtures have been upgraded to more energy-efficient lighting. Interior lighting energy usage plummeted from 5290 watts to 758 for all fixtures. Warehouse fixtures have already paid for themselves after two and a half years.

When it comes to results, what really matters is the size of your commitment. No matter how big or small your business, your team, or your operating budget, sustainability drives tangible benefits to business and the environment.

OUR PROMISE TO

# Communities



DEB BAILEY / DIRECTOR, CORPORATE COMMUNITY RELATIONS



## OUR PROMISE TO COMMUNITIES

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

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

PG. 23

**Social Investment**

Steelcase Inc. and The Steelcase Foundation together donated more than \$5 million dollars to local and international organizations.

PG. 24

**Employee Impacts**

Our employees volunteered a total of 6,538 hours in 2012.

# Social Investment

## CORPORATE GIVING – ON A GLOBAL SCALE

For more than a century, responsible corporate citizenship has been a hallmark of Steelcase's philosophy. Historically, our focus has mainly been centered in the Americas, but that's changed as we have become a true globally integrated enterprise. This is an exciting time for us, as we continually take on new challenges in new areas of the world, and find ways to invest in a better future for us all.

Today, as a global company, we're developing more formalized internal processes to inspire, track and create opportunities to help all the communities we touch, everywhere we work. Internal process improvement is imperative, but we remain committed to and inspired by our hands-on contributions.

Here are a few highlights of what we've accomplished in 2012:

- Identified more than 20 employees, each from a different community, to be global champions of Steelcase's local grassroots efforts. These champions will help identify community involvement opportunities, organize projects, track and report progress.
- Led a community immersion day with global champions to learn best practices from Grand Rapids, MI-based organizations Steelcase supports. The global champions are incorporating what they learned into their local communities, building social capital and expressing our global values.
- Created and shared quarterly reports on global activities with local champions, senior leadership, the Steelcase Foundation, and Steelcase's Board of Directors.



### PROMISE

Create positive impacts in the communities where we live, serve and share through our time, skills, and global resources.



### RESULTS

Increased corporate, local and employee involvement; expanded global focus; developing new reporting and giving policies; thriving communities and hundreds of lives touched.

## SUCCESS STORY

### Dreaming Big

For years, Steelcase's involvement with United Way has been a role model for other companies. But for Steelcase CEO Jim Hackett, local leadership simply isn't enough. In July, Hackett gathered leaders of global companies headquartered in West Michigan to discuss global expansion with United Way. This group, which includes top regional organizations, is exploring a pilot program in Europe to encourage new avenues of giving. It's conversations like these that lead to large-scale positive change – and it all started with Steelcase.

**Steelcase Inc. and The Steelcase Foundation together donated more than \$5 million dollars to local and international organizations.**

## OUR CORPORATE GIVING PHILOSOPHY

For us, corporate giving isn't simply checkbook philanthropy. In place of making a one-time contribution, we prefer to invest in more meaningful ways that create healthier organizations, solve immediate problems and build long-term bridges to the future. We believe in helping our partners create capacity for growth, success and self-sufficiency.

Steelcase has donated \$1.54 million to local and global organizations in the last year. But we contribute more than just money – we donate time, expertise and other valuable resources. We begin by asking how we can create change, often sparking critical conversations that lead to new opportunities and new ways to help.

## FOUNDATION GIVING

The Steelcase Foundation, an independently operated organization, is a major philanthropic force in West Michigan, with its emphasis on human service, health, education, community development, the arts, and environment. In 2012, our partners received \$3.5 million in grants to support programs.

# Employee Impacts

We believe in the power of the individual to influence change. That's why we encourage our employees to give back to their communities with their time, talents and resources. These projects, both large and small, touch the lives of those most in need across the globe, providing vital assistance, collaboration and most importantly, hope. This is how, every day, in every region, we're unlocking human promise so we can share a brighter future.

## EMPLOYEE IMPACTS

Time after time, our employees go above and beyond to help create better communities around the world. We celebrate their passion, encourage their involvement and support their ideas no matter where they may be. Here are a few examples:

- Europe: Sponsored Saint Odile House, providing protection for homeless children; Red Cross blood drives; fulfilling Christmas wishes for needy children
- Hong Kong: Volunteers cleaned up Tung Wan beach
- Latin America: Ongoing volunteer involvement with Nuestros Pequeños Hermanos, an orphanage in Monterrey, Mexico
- US: Biggest corporate United Way contributor in Grand Rapids, Mich. despite being the 17th largest area employer



**Our employees volunteered a total of 6,538 hours in 2012.**



## PROMISE

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



## RESULTS

Grassroots efforts that are improving conditions and creating hope.

## SUCCESS STORY

### Commitment in Cluj

The Romanian city of Cluj is home to more than 300,000 people and a thriving Steelcase Global Business Center. Sustainability is also thriving at the Center thanks to the actions of a committee which organizes numerous events throughout the year to serve the local community.

- **Unwrapping Happiness:** Christmas is supposed to be a time of smiling faces and surprises. But for some of the less fortunate children of three Romanian villages, last Christmas looked pretty bleak. The committee partnered with WorldVision to answer the holiday wishes of 64 local children, aged three to twelve.

Committee members coordinated fundraising, collecting 3,105 RON to buy gifts for the children. Volunteers wrapped the gifts and helped Santa Claus himself deliver them to the villages. Bubbles, dolls, racecars and other toys brought bright smiles and Christmas cheer to everyone – not just the children.

- **Kicking It Up A Notch:** Steelcase employees formed a football (soccer) team to compete in a local charity tournament. The team, comprised of six employees, helped raise 9,870 RON for Asociatia Familia Regasita, a local organization that benefits underprivileged children. That's one CSR team that's really living up to its goals.
- **Opening Minds:** In rural Romania, children's access to books and libraries is extremely limited, but thanks to Cluj employees and WorldVision, there are new books available. The program, called "You can change a life with a book," reached more than 15,000 children through direct book and cash donations. Steelcase employees donated 44 books and redirected 2 percent of their income taxes to support this important initiative.

OUR PROMISE TO

# Employees



LAURENT BERNARD / VICE PRESIDENT, GLOBAL TALENT MANAGEMENT

## OUR PROMISE TO EMPLOYEES

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

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

PG. 27

## Wellbeing



Our new Why Weight? Program is helping more than 100 Steelcase employees lose weight and be healthier.

PG. 28

## Training and Development



Our Global Business Standards course has been taken by over 80% of our global workforce, representing 376,776 hours of employee training.

PG. 30

## Workplace Health and Safety



100% of our global security personnel are trained in Steelcase's human rights policies and procedures.

PG. 31

## Diversity and Inclusion



Over 40% of Steelcase's Executive Officers are women.



# Wellbeing

## A BROADER VISION

We have made the commitment to a more holistic and broader approach to employee wellbeing. Our strategy is to incorporate all aspects of wellbeing into each local plan around the world, ensuring employees are engaged, healthy, productive and happy. As part of that work, our teams are exploring ways to help employees address issues dealing with diet, exercise and alcohol and tobacco use. It's one more step we're taking to help improve the overall health and wellbeing of our employees.

## PROMOTING HEALTHY HABITS

We're committed to helping our employees reach their health and wellbeing goals, so we're putting some exciting new ideas into action. In several North American locations, experiments are underway to help employees live healthier in every part of their lives. For example, employees at these beta sites can now enjoy:

- On-site chair massages to relieve stress and muscle pain
- Exercise areas outfitted with weights, yoga mats, balls and a trainer
- Dynamic stretching programs
- And outdoor walking paths to encourage movement.



## Our new 'Why Weight?' Program is helping more than 100 Steelcase employees lose weight and be healthier.

In the future, we aim to expand these programs throughout our global locations, learning from these early experiments and improving on the idea.

In addition, our Why Weight? weight-loss program attracted ten times as many initial volunteers as were expected, and is helping nearly 100 people hit their healthy weight goals. Positive results like these keep us inspired and motivated to do even more – and we're eager to roll out these programs on a larger scale in the coming years.



### PROMISE

Help our employees and their families enjoy a happy, healthy life through work-life balance, competitive salaries and benefits, confidentiality and respect.



### RESULTS

Increased employee engagement; expanded offerings.

## LAUNCHING WELLPOL

Another exciting development is Wellpool, our new crowdsourcing platform which asks our employees to contribute innovative ideas to improve their wellbeing, and vote on the suggestions they think are best. It's a great way to engage employees who are passionate about wellness, and tap into their imaginations for creative ideas.

Participants are encouraged to answer a set of questions to help ensure their idea will be one that sparks widespread participation best optimizes time and financial investment. and keeps people motivated. We're currently working on implementing our first two winning suggestions on the Grand Rapids, MI campus – outdoor meeting spaces and healthy take-home dinners. With ideas like these, and all those to come, we're aiming to make a positive impact on our employees' work, lives, and wellbeing every day.

## SUCCESS STORY

### Creating a Culture of Weight Loss and Fitness

Obesity is an epidemic, and in many cases, it's a preventable condition. To address this serious issue, we're rolling out new programs that encourage employees to take control of their weight. Taking the first step is often the hardest, but each successive one gets easier. We're here to help employees stay on their path to a healthy weight through exercise, diet and lifestyle changes.

In several locations throughout the Steelcase footprint, employees are taking their first steps in a fitness journey.

- Our Why Weight? program at the Grand Rapids Wood plant: Kicked off in April, 19 participants met with coaches to establish personal baselines and set individual goals. By the end of the program in July, the group lost 275 lbs., or an average of 14.5 lbs. per person. But weight loss wasn't the only result of the program. Participants' blood pressure and cholesterol went down, prescribed medication was reduced, and energy levels increased.
- Tennis anyone? In Strasbourg, France, 15 WorkLab employees practice tennis together twice a week, ultimately competing in two annual corporate competitions representing Steelcase. In addition to getting exercise, team leaders say it reinforces teamwork, networking and just having fun with co-workers.
- Paying half of Weight Watchers cost: All U.S. employees and their spouses/domestic partners are now eligible to receive the 50% discount on the Weight Watchers at-work program, off-site meetings or online plan.

# Training and Development

## BUILDING A MORE RESILIENT CULTURE

There are three main components at the heart of a vibrant and resilient corporate culture – trust, collaboration, and innovation. We know that trust and collaboration are the bedrock – you must have both to drive innovation. Trust must be earned and continually nurtured, and collaboration helps build it. That's why every single day, we're committed to creating an environment where every employee feels they can fully contribute because they trust in their leadership and colleagues. And it's also why we want employees to know that their best interests and their voices, both personally and professionally, are being considered in decisions. This level of trust and collaboration makes us a better company, and ultimately, a stronger corporate citizen. The principle of innovation is what ultimately drives us to search for insights, constantly adjust our actions, and have an insatiable desire to create and improve every process, product, or opportunity we touch to meet users' needs.

We take this commitment very seriously. Several years ago, we embarked on a long-term, global organizational culture project to build and strengthen trust, collaboration, and innovation. We continue to explore areas of opportunity, actively seek employee input and create sustainable solutions. Currently, our leaders and employees are actively involved in synthesizing the results of their work and designing the next steps of this research project. We're looking forward to learning from this experience, and sharing how we can apply these insights to ourselves, our customers and business partners across the globe.

## AMPLIFYING AWARENESS

As we move toward becoming a mature globally integrated enterprise, we face many inherent challenges and opportunities, including gaining greater cross-cultural understanding. Learning to work across cultures, languages and experiences is key to our future success, and we're investing a lot of time, energy and thought into this key transition.

One of the most visible and exciting programs we've introduced is the Global Awareness Workshop to employees and leaders around the World. 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. In the future, we plan to offer expanded language training accessible to our employees. With this new training, employees will enjoy higher levels of collaboration, productivity, delivering better results for our customers, our company and our world.



### PROMISE

To value each of our employees as individuals, and help them realize their full potential.



### RESULTS

New training programs and ideas are moving 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.

## DEVELOPING LEADERS

Global corporate citizenship requires a new breed of leadership, and we're preparing the next generation to face the challenges. Our new Global Leader Development experience is focused on providing interested employees with the resources and skills necessary to become effective, positive leaders within



**Our Global Business Standards course has been taken by over 80% of our global workforce, representing 376,776 hours of employee training.**

the company. The experience contains self-directed elements, allowing participants to personalize their learning experience while building greater self-awareness and shoring up skills and capabilities. In particular, we're focusing on women in leadership, and are actively working with experts on creating a global program to provide support and training. It's a new world, and we're preparing the leaders of tomorrow to tackle the challenges of the future.



## TEACHING CRITICAL THINKING

In today's hyper-speed business environment, we're barraged with information and asked to make decisions that can have long-term impacts. Knowing how to prioritize, analyze, understand and act on this information is essential for continued success. Here at Steelcase, we think critical thinking skills are so important that we've developed our own model of critical thinking.

Over the past several years, Steelcase employees have received training on the first part of the process – aptly named Think, a multi-phased process that focuses on deep research and insights to ensure solutions designed to fit the opportunity or challenge at hand. Today, we're rolling out a new module on the next phase – Plan to Implement. This module emphasizes iteration, prototyping, testing and co-creation with those people most affected by the proposed solution.

We know ideas are powerful, but action is what creates true change. As more and more Steelcase employees become fluent in the Plan to Implement phase, we're excited about the positive impacts we can make around the globe. After all, when you act on great ideas, great things happen.

## INTRODUCING NEW IDEAS

Exposure to thought leaders, best practices and cutting edge innovation fuels our intellectual curiosity. To feed our appetite, we regularly invite our own employees and outside experts to share their ideas, creating a cycle of continuous learning and practice. For instance, the Curious Minds speakers series continues to bring well-respected thought leaders to Steelcase to share their wisdom and spark conversations. During the 2012-2013 Curious Minds season, for example, Steelcase hosted Susan Cain, author of *Quiet, the Power of Introverts in a World That Can't Stop Talking*, to discuss introversion and extroversion. Steelcase employees also delivered provocative presentations, sharing their experience and learning from one another. So that all can learn, each presentation is recorded and made available to all employees, because you never know where the next big idea will come from.

## CONTINUOUS LEARNING

Our unquenchable thirst for knowledge means we're constantly learning and researching new ideas. But we don't stop there – we believe in sharing our knowledge with others. Our robust suite of continuing education courses (CEUs) offers architects, designers, educators and students insight into the latest thinking.

There are five major topic areas:

- Sustainability – global warming and carbon footprint reduction, materials chemistry, certifications and waste management strategies.
- Industry-specific – hospitality, legal, and private office.
- Healthcare – adult acute level, evidence-based design, design for healing, environments for cancer care, experiences in outpatient care, and pharmacies.
- Surface materials – sustainable fibers for interiors
- General learning – acoustics, call center trends, global culture code, ergonomics for the mobile workforce, the evolution of benching, Gen Y in the US, India and China, Innovation in the workplace, wellbeing at work, and numerous others.

Why do we share what we've learned? Because it's another opportunity to amplify positive change in the world – and to gain new partners on the path to sustainability. It's a long path, and we welcome the company.

## SUCCESS STORY

### Teaching Leadership

Leadership is a journey with no end. For 12 Steelcase employees from the Beijing and Shanghai offices in China, their journeys are just beginning. For the last year, these emerging leaders in training attended an intensive, hands-on program that helps individuals gain the skills they need to unlock their personal human promise and the promise in others.

Completing this program is no easy task. Participants immersed themselves in six months of fundamental leadership skills training, and designed their own CHANGE project to deliver better business performance.

This year, we celebrate their graduation from the program. Completing the course requires prolonged commitment, and we expect our newest leaders to make positive changes in their time at Steelcase. To mark the occasion, they gathered to share their leadership project results and personal growth visions. They received personal coaching, advice and congratulations from company leaders, as well as leadership development program certificates and a management book. Congratulations to our newest graduates – we look forward to hearing more ideas and seeing all their future accomplishments!



# Workplace Health and Safety

## TAKING CARE OF OUR PEOPLE

When it comes to safety, we leave nothing to chance. All our facilities have established safety programs, and we work hard to ensure that all health and safety standards are observed. We track accidents, injuries and correct unsafe practices to make sure that our greatest resource – our people – are healthy, safe and productive.

As a global company, that means we're responding to a wide variety of conditions and taking on leadership roles in local communities where health and safety are not foregone conclusions. This is a powerful opportunity for us to improve the lives of our employees – an opportunity we embrace with great excitement and pride.

## ACTING LOCALLY

In our Dongguan, China manufacturing facility, food safety is a basic and important need. For our hundreds of employees there, Steelcase is rising to the call. Steelcase's Chinese leadership is working hard to provide better food, living conditions and workplace experience. For example, Chinese plant leaders toured US locations to understand how facility changes were made. Now, a new WorkCafé environment is being built offering higher quality food and a better workplace experience for our Chinese employees. That's the power of global knowledge applied locally.

## EXPANDING FOCUS

In the past, our energies had been largely directed toward compliance in mature markets, ensuring we meet all health and safety standards. Now, we're thinking about health and safety in broader terms. Over the years, manufacturing practices have changed, and will continue to evolve. It's our challenge to ensure we empower our people and strengthen our culture in order to be high performers. That's why we're expanding our focus to include wellbeing, with a vision toward creating a healthy, fully realized workforce in more holistic ways. Read more about this shift in the Wellbeing section.

## PREVENTING INCIDENTS

We're taking numerous proactive steps to avoid injuries. To address two common injuries – saw-related and repetitive motion – Steelcase is taking a preventative approach. Throughout our US and European manufacturing plants, new high-tech safety equipment is being installed on power saws, and is expected to decrease accidents significantly. In the next several years, this new equipment is planned to be rolled out around the globe, further improving our safety record.



### PROMISE

Create and maintain a safe, healthy, enriching workplace environment that meets or exceeds all applicable laws, environmental and corporate requirements.



### RESULTS

Examining global issues, and addressing local concerns; initiating a strategic shift from compliance to total wellness in all aspects of employees' lives.

Solving safety issues requires looking beyond the immediate environment. Our approach to reducing repetitive motion injuries examines multiple factors beyond job functions: we're looking at all the stressors to help reduce incidents. We've incorporated dynamic stretching exercises, as well as new diet, exercise and education programs that reduce the chances of injury. We'll do whatever it takes to ensure that our employees return to their families safe and healthy.

## ACCESSING INFORMATION

Making best practices and incident reports available to all locations is an important priority for us because it leads to a safer work environment for all our employees. Sharing best practices, seeing patterns, and gaining greater understanding lead to better solutions. This year, we expanded access to our global database. In addition, we're investigating more robust technology platforms to make the user experience more efficient. After all, knowing more is the key to doing more, and doing more means a safer work environment for everyone.

## SUCCESS STORY

### Employee Suggestion Improves Safety in Tijuana Plant

After a new assembly process rolled out at our Amex de Mexico plant in Tijuana, an employee noticed a potential problem during the second phase of work. Fabric needed to be pulled back, but this process might break the fabric and injure employees. As a maintenance mechanic, he suggested he could instead design and build a machine to complete the operation, reducing risk of injury.

After several weeks of design and construction, the machine is now improving safety on the production line. It not only automates and speeds up the assembly process, it also eliminates potential accidents. As the winner of our "Best Suggestion for FY13" program, this imaginative and resourceful employee received a reward for his idea – but the real winners are all the assembly line workers who now have a safer work environment.

# Diversity and Inclusion

As a global employer, diversity is a strategic imperative. We know we're only as strong as the employees we hire and develop. That's why we go to great lengths to ensure our workforce is a reflection of all the markets and customers we serve. It's why we seek to attract and retain the best talent possible to create conversations with distinctly different points of view.



## PROMISE

Create and foster a workplace that embraces and celebrates differences, and helps employees realize their full potential.



## RESULTS

A work environment that promotes respect and understanding; attracts and retains top talent; unlocks human promise.

## A CORE FOCUS

For decades, we've championed diversity within our organization, but also within our suppliers, dealers and the communities we support. We've made significant investments in urban education, hoping to create a more academically prepared workforce and a more self-sufficient economy. Across our company footprint, we're working with community organizations to bring sorely needed expertise, materials and hope to help build a brighter future for the global marketplace.

When it comes to a diverse workforce, compliance is not enough. We make sure every employee receives training and offer rewards and incentives to minority and women-owned dealers across the United States. We're leading the way on important issues including Lesbian, Gay, Bisexual and Transgender rights, offering domestic partner benefits and supporting state legislation to expand benefit coverage. Diversity is key to our culture of innovation and our belief that everyone has an important role to play in creating our community, company and global future.

## CONNECTED BY VALUES

When you create a corporate culture that welcomes different points of view and treats people fairly, it's more than just good business. It's good corporate values. And as a global citizen, we understand that diversity and inclusion take on different shades of meaning depending on geography.

When we define diversity and inclusion, we include culture, country, race, background, gender, generation, abilities, worldviews, religions and sexual orientations. We not only abide by all employment laws, we also support the United Nations Declaration of Human Rights and related international covenants. We're committed to treating every individual with dignity and respect.

## A FOUNDATION FOR THE FUTURE

We know the importance of a vibrant, creative and diverse workforce to our future success, and we have policies and procedures in place that ensure fair hiring and promotion, protection of vulnerable groups and anti-discrimination including:

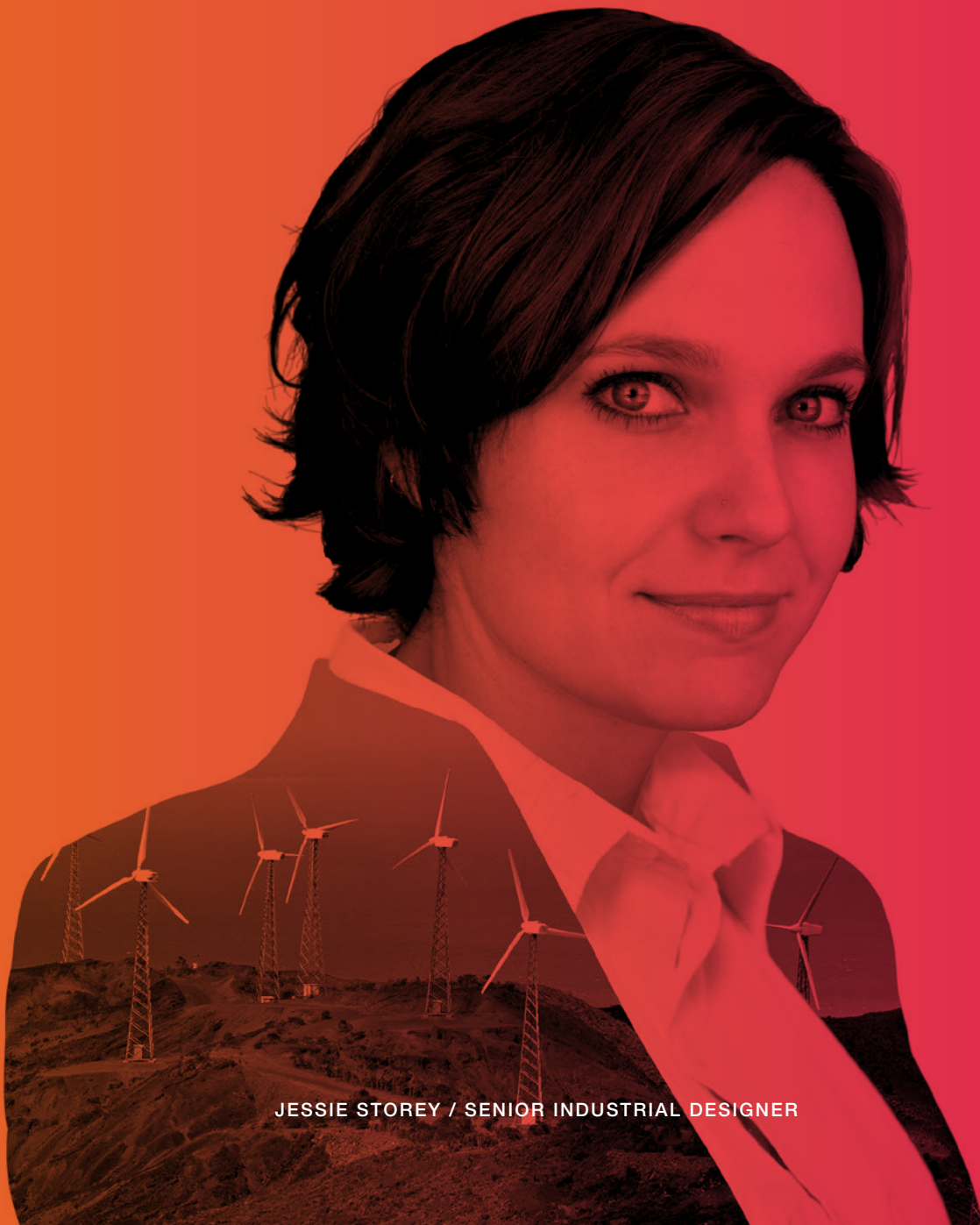
- › Global Business Standards
- › Equal Employment Opportunities
- › Assistance for Employees with Life-threatening Illnesses
- › Harassment Prevention Policy
- › Core Values
- › Corporate Diversity Statement
- › Integrity Line for Ethical Concerns
- › Employment Equity (Canada)



**Over 40% of Steelcase's  
Executive Officers are women.**

OUR PROMISE TO

# Environment



JESSIE STOREY / SENIOR INDUSTRIAL DESIGNER

## OUR PROMISE TO ENVIRONMENT

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

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

PG. 34

## Innovative Products and Applications



We've screened more than 1,500 materials in over 600 categories to understand their impact.

PG. 36

## Renewable Energy



Purchased renewable energy credits equivalent to approximately 100% of our electricity use in our German factories and two of our French offices.

PG. 37

## Energy Use and Efficiency



All but one of our Steelcase plants are ISO 14001 registered.

PG. 38

## Water Conservation



There has been a reduction of our total water use by 68% since we began measuring it in 2001.

PG. 39

## Waste Reduction



There has been a 51% decrease in global solid waste since 2011.

PG. 40

## Transportation and Packaging



As many as 60% of our products can shipped without packaging, saving thousands of trees every year.



# Innovative Products and Applications

Sometimes, the best way to look forward is to look back. As we continue to rigorously examine the raw materials we use to make our products, identify opportunities for product improvement, and design for the entire lifespan, we're constructing a more sustainable future by starting at the beginning.

## MATERIALS CHEMISTRY

We take a comprehensive approach to understanding what goes into our products – we're both precautionary and proactive. Together with suppliers, we've removed or are phasing out many materials of concern, including brominated compounds and polyurethane foam made from HCFCs, PVC and heavy metals. For the last two years we've used a more environmentally-friendly catalyst in the polyester fabric manufacturing process, replacing antimony, a metal of concern that can bio-accumulate. In Europe, we've switched from hexavalent chromium to trivalent chromium, a preferable alternative for chair and desk legs.



**We've screened more than 1,500 materials in over 600 categories to understand their impact.**

On the proactive side, we're partnering with Sharklet Technologies to explore how we can promote wellbeing in the workplace without the use of chemical agents. Enter Sharklet®, a nature-inspired solution modeled after natural sharkskin. Sharklet's unique texture, comprised of an intentional pattern of millions of tiny diamonds, creates an inhospitable environment for bacteria, preventing microbial growth on surfaces.

For years, we've led the industry – and in fact, have led every industry – in Cradle to Cradle Certified<sup>CM</sup> products from the Cradle to Cradle Innovations Institute. The certification includes stringent materials chemistry criteria that covers human and environmental health factors. At present, we have nearly 60 products bearing Cradle to Cradle certification with several more in the process to become certified. Our products also carry certifications such as BIFMA level®, NF Environnement, Blue Angel, and SCS Indoor Advantage™. These certifications aren't the accomplishment, just a reflection of our commitment.



## PROMISE

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



## RESULTS

We've screened well over 1,500 materials across more than 600 categories and multiple product lines. We've completed life cycle assessments on over 35 products since 2003, and we're supporting customers with a comprehensive end of use and reuse programs, all designed to keep products out of the landfill.

## LIFE CYCLE THINKING

For us, innovation begins before we ever start to design. By using an eco-design strategy that considers each stage of the product's life span, we work to understand the social and environmental impacts of the materials we use, how we manufacture product, how we transport product and end of use options. This valuable insight leads us to make more sustainable decisions that conserve energy and resources.

Our eco-design strategy leads us to:

- Include the highest possible amount of recycled content in our products while maintaining our high quality standards
- Reduce the number of parts for quick and easy disassembly and recycling
- Choose materials that optimize product recyclability
- Work to eliminate harmful substances to protect people's health and natural ecosystems
- Minimize packaging to improve transportation efficiency and reduce carbon dioxide emissions

Over the last 10 years, life cycle thinking has driven constant improvements and innovation within Steelcase including:

- The Solar Powered Outdoor Desk: The Workspace Futures group is working with Grand Valley State University to develop integrated solar panels that would collect and generate enough power to run a laptop for eight hours.
- In partnership with Cluster Research Excellence in Ecodesign and Recycling (CREER), we helped develop a comprehensive training brochure about lifecycle assessments to help guide others toward best practices. Initially published in France, it's been widely translated and is now in worldwide use by leading organizations.

## END OF USE AND RECYCLING

We make products built to last, and sometimes, they even outlast our customers' needs. Even though we design our products to be adaptable, many times customers are ready for something new, and that's where we can help them make responsible choices. See our End of Use Strategies section for more information on how we're working with our customers to manage their furniture inventory, keeping products out of landfills by selling, refurbishing, donating, or recycling them.

## SUCCESS STORY

# Gesture, Seating for the Tech-enabled Workspace

People are using technology in new ways – creating new workspace challenges and unhealthy, even painful, positions. Steelcase is taking on the challenge with Gesture™, seating specifically designed to accommodate today's mobile technology and promote healthier postures.

We identified nine common postures people held while interacting with their mobile devices – and all nine led to pain because their furniture didn't accommodate their need for new postures. That's why we designed Gesture to address the range of postures people use during the day when handling mobile technology.



Globally designed and produced to meet differing certification standards, 92% of all the materials in the Gesture chair can be reclaimed.





# Renewable Energy

For us, energy management is a systemic issue: we tackle it from multiple angles including energy efficiency, conservation and investment in renewable energy sources. Around the globe, we're working to use cleaner energy, to reduce the embedded energy in our products, and to support the growth of the global supply of renewable energy technologies. When it comes to sustainability, much of our energy is focused on energy.

## A RENEWABLE PORTFOLIO



The renewable energy industry is expanding in exciting new ways with new energy sources, new technologies and new ways for companies like ours to participate. We rely on multiple sources – including wind, biomass and hydroelectric – to power our operations around the world. Here are a few examples:

**Purchased renewable energy credits equivalent to approximately 100% of our electricity use in our German factories and two of our French offices.**

- We purchase green power produced at wind farms in the U.S. equivalent to approximately 25% of our U.S. electricity use.
- We purchase nearly 12,400 MWh of hydroelectric power renewable energy credits (RECs) that equal approximately 100% of our electricity usage in our three German facilities in Durlangen and Rosenheim.
- In France, we purchase biomass RECs equivalent to approximately 100% of the energy usage at our WorkLab centers in Strasbourg and Paris, totaling more than 1,400 MWh.

We're constantly looking for new ways to strengthen our portfolio, further reducing our impacts and creating new opportunities to meet the world's energy appetite.



## PROMISE

In tandem with our energy efficiency and conservation efforts, we promise to invest in, support and explore renewable energy sources to advance the world's growing portfolio.



## RESULTS

A corporate energy portfolio that emphasizes renewable energy sources.

## AN EYE TOWARD THE FUTURE

Our commitment to renewables is a natural outgrowth of our passion for innovation and the environment. By investing early in renewable energy, we're not only helping our company reduce our environmental impacts, we're also helping grow a new industry that will ultimately benefit the entire world. As demand for fossil fuels begins to outpace global supply, we'll know that we've played an important role in developing a market for clean energy. That's time and money well spent today for a cleaner energy future.

## SUCCESS STORY

### One Good Idea Leads to Another

In conjunction with professors from Grand Valley State University, Steelcase researchers recently began investigating the feasibility of a solar-powered desk. The idea was to configure a solar power system that could power a laptop for eight hours in an outdoor environment. Together with students, GVSU professors developed a two-panel solution that is now being tested.

But during conversations with Steelcase, a different problem emerged from an unlikely source – one of the professor's cousins, a medical doctor in Malawi, Africa. How could she incorporate solar power into her practice? How could she use this new approach to provide power in the operating room during frequent blackouts? How could she get a solar powered medical emergency system?

The mental gears started churning, and soon, plans were being reviewed by team members, including representatives from Steelcase's IT Innovation Management office. Today, many of the doctor's patients are benefitting from this amazing interaction through solar-powered lighting and a solar-powered surgery suction machine. They say that necessity is the mother of invention, and in this case, two much-needed situations were improved through the power of collaboration.

We're constantly looking for ways to diversify and expand our involvement, with an eye toward creating a more robust renewable energy industry for everyone.

# Energy Use and Efficiency

As we embed sustainability into every aspect of our business, we're continuing to take a hard look at energy. Yes, we've surpassed our initial goal of 25% energy reduction from 2006 to 2012. And we did it while increasing sales and production. But that's not where we stop. Instead, we're asking our energy management systems to do more – to save more while using less. In fact, our new goal is to reduce our greenhouse gas emissions another 25 percent by the end of 2020.

Before embarking on any new initiative, we ground ourselves in important questions:

- Will it sustain a productive work environment?
- Will it Support our energy reduction goals?
- Will it Reduce greenhouse gas emissions?
- Will it Lead to greater insight about more ways to conserve?

When you start with smarter questions,  
you wind up with smarter solutions.

## GLOBAL OPERATIONAL IMPACT

Optimizing energy use and efficiency requires a suite of strategies to achieve real change. To keep ourselves on track to meet our ambitious goals, we've created a worldwide comprehensive measurement and reporting system with expanded capabilities, including monthly greenhouse gas inventory tracking. We're actively pursuing numerous initiatives to drive energy conservation and greenhouse gas emission reductions around the world by:



All but one of our Steelcase manufacturing plants are ISO 14001 registered.

- Continuing to modernize our manufacturing system to optimize where products are made
- Applying lean manufacturing principles to enhance facility productivity and minimize or eliminate excess capacity
- Updating procurement standards to purchase the latest, most efficient equipment
- Engaging employees through regular updates, training and conversations on energy efficiency and conservation
- Increasing the percentage of full truck loads, reducing the number of truck trips
- Purchasing renewable energy credits (RECs) that represent approximately 25% of our electricity use in North America, and 100% for our WorkLab centers in Strasbourg and Paris, France
- Maintaining manufacturing and office equipment for peak performance and powering down during non-work hours

We recognize that while energy powers everything we do, it's within our power to use it responsibly.



## PROMISE

To take a multi-dimensional approach to optimizing energy use through reduced consumption and conservation.



## RESULTS

A 4% drop in greenhouse gas emissions and corresponding energy consumption since 2011.

## MEETING INTERNATIONAL STANDARDS

As a global leader in manufacturing, we look to the highest international standards to guide us. All but one of our Steelcase plant operations are ISO 14001 registered – and as it's recently opened, we're on schedule to have it registered by the end of fiscal year 2014. This means our environmental management system meets the stringent requirements of the International Standards Organization and assures we can systematically manage impact and risk with internationally accepted protocols.

In addition, our plants in Durlangen and Rosenheim, Germany are Eco-management and Audit Scheme (EMAS) III certified. Holding ourselves to our own high standards means meeting the toughest standards no matter where we operate.

## ENERGY AND PRODUCTS

Embodied energy is the total amount of energy used to make a product, from the extraction of resources through the final manufacturing process. This inherent energy is an opportunity area for us. We're working to decrease the amount of embodied energy across all phases of our products' life. One tool we rely on is Life Cycle Assessments. It helps us understand the impact of a product across its whole life span. Through insights gained, we can improve product performance and take actions to use less energy in their creation. You can read more about our efforts to reduce embodied energy in the Innovative Products and Applications section as well as the Transportation and Packaging page.

## COLLABORATING WITH SUPPLIER PARTNERS

More than ever, we're working with our suppliers to create shared objectives because we know that's where smarter, more sustainable practices start. We're working closely with our supplier partners to quantify their energy and water use to enable them to calculate greenhouse gas emissions and track their environmental footprint reductions. These efforts help us earn sustainability certifications for our products and meet reporting expectations for the Carbon Disclosure Project and our many customers who ask us to report emissions.

# Water Conservation

In some parts of the world, water is a scarce resource. Unfortunately, this harsh reality will only get worse in the years to come as growing populations, developing economies and climate change increase the strain on limited supplies. Compared to other industries like agriculture, power generation and others, we use less water, but that doesn't mean our commitment to conserve is any less sincere. Never before has the phrase "every drop counts" meant so much around the world, or here at Steelcase.



## PROMISE

To conserve one of the planet's most precious resources through innovative solutions and reduced consumption.



## RESULTS

We've made significant progress and drastic reductions in water use – nearly 68% since we began tracking our progress in 2001.



**There has been a reduction of our total water use by 68% since we began measuring it in 2001.**

In 2012, our production and sales activities increased and new production facilities were brought online. As a result, we saw an increase water resource consumption by 26%. Fortunately, we're no strangers to monitoring our systems and evaluating methods for reducing our water use - we've reduced our total water use by 68% since we began measuring it in 2001. So while we have a temporary increase in our usage figures, we're focused on implementing best business practices, perfecting our strategies and utilizing the resourcefulness of our people to reduce our water consumption.

We're scouting new ways to use less or eliminate water use altogether, like the way we pre-treat our metal parts. This innovative method reduces water use by half or more. But we're also concerned about the water that leaves our facilities. Wastewater discharged to local municipal water treatment systems and processes generating wastewater are carefully monitored to ensure discharges meet all local standards. Beyond manufacturing, we utilize stormwater collection and retention systems to manage water flow and water facility lawns.

As the idea of a water footprint began to emerge, we've responded to this new impact metric by seeking greater understanding of where our opportunities may be. By partnering with research organizations, we're learning how our products impact water use during their life cycles, and then taking action to reduce our water use.

# Waste Reduction

When you lead with action, results inevitably follow. Truth is, we've had some near misses as well as some remarkable successes when it comes to waste reduction. But we believe that goals beg to be reached, so we're redoubling our efforts to ensure we reach our target of reducing global waste by another 25% by the end of 2020.



## PROMISE

Be creative with manufacturing processes and product design to reduce waste and improve material utilization rates.



## RESULTS

A 51% decrease in global solid waste since 2011.

### EFFICIENT MANUFACTURING

To ensure our facilities are operating at peak performance, we're constantly employing strategies to avoid waste, from recycling to composting to incinerating with energy recovery. All along the reduce, reuse, recycle spectrum, we're hard at work tracking operations with yield-based metrics that give us the ground up view.

These data points inform us about how much waste is reduced, reused, or recycled, as well as how efficiently we're using purchased materials like powder paint, steel, laminate and veneer. We're continually improving and adding more metrics to make sure we're creating a lasting impact by leaving a lighter footprint. That's improvement you can see – in the factories, in the environment and in the bottom line.

### SUCCESS STORY

#### Loop to Loop: A Virtuous Cycle

DesignTex, a Steelcase company, is a leading textile designer focused on innovation, sustainability and extreme performance. Loop to Loop is their latest big idea – a fabric that's destined to repeat itself.

Working closely with Victor, a Canadian textile manufacturer, Unifi, the maker of the recycled fiber REPREVE, and Steelcase, DesignTex created a closed loop program that represents supply chain collaboration and waste reduction at its best. For years, all four companies have been offering sustainable product lines, but several barriers prevented closed-loop textile recycling to become standard practice. Issues like the complex logistics of waste collection and segregation, and a lack of needed infrastructure. But in 2012, these four companies established a program that delivers a closed-loop process, a first for the contract fabrics industry. The new fabric, used on Steelcase furniture, became available in March 2013.

It all begins with plastic bottles that are ground up, processed and re-spun into yarns and made into thread. These threads are woven into textiles, which are then used to make furniture coverings at Steelcase plants. During the manufacturing process, excess fabric is collected and shipped to the same recycling facility as the plastic bottles, where it's ground up into smaller bits and converted into new thread. And thus the cycle begins again, reducing waste, reusing material and providing new from the old.

### CREATING LESS WASTEFUL OFFICES

Keeping our workspaces clean and green, our "Greening the Office" initiative removed trash containers from individual workstations and installed color-coded recycling and composting containers in shared break areas and mail stations.

Food waste is another area of focus for Steelcase. In our Grand Rapids, MI locations, we've implemented a comprehensive food-waste composting program. In these locations, all café to-go containers and tableware are biodegradable, allowing our food waste to be turned into nutrient-rich material that promotes healthy garden growth. Over 350,000 pounds of organic materials are composted each year. That's how we take something disposable and turn it into something valuable.

Outside the office, Steelcase is helping employees lighten their footprint. One initiative involves encouraging active commuting: walking, carpooling or taking public transportation as a way to both reduce environmental impact and encourage healthier lifestyles. Additionally, we're helping employees with items that can be difficult to dispose of responsibly. Each Earth Day, Steelcase partners with local organizations to offer employees at Grand Rapids locations a venue for responsibly disposing personal electronics, such as computers and printers. This year, we collected 4,178 pounds of electronic waste – a success for both our people and the planet.

### IMPROVING PRODUCT AND PACKAGING

From the design phase to the shipping phase, we challenge ourselves to find every opportunity to reduce waste in our products and packaging. When we design products, we design with disassembly and recyclability in mind. When we ship products, we explore new ways of reducing or eliminating packaging, replacing traditional materials with more sustainable choices whenever possible. And, when it's time for Steelcase furniture to be replaced, our end of use program assists customers cycle out end of need pieces responsibly, keeping useful furniture out of landfills. Another example of how less is sometimes more – more sustainable, more efficient, and more innovative.

# Transportation and Packaging

It's not just about trucks, although trucks play an important role. It's not just about packing materials, or better gas mileage or telecommuting. Reducing our transportation and packaging footprint requires a coordinated effort that starts at the very beginning – with product design.

## FROM CONCEPT TO CONTAINER

Early design decisions impact products' economic and environmental performance at every life stage, from initial sketch to final delivery. By integrating strategies for more efficient packaging and shipping from the beginning, we reduce costs and waste. For instance, we've created office chairs that ship "knocked down" for more efficient shipping. Practical ideas like this one allow us to ship more product in less space, meaning fewer miles on the road and less emissions. This is one way we're doing more with less, and seeing great results.

## PACKING IT ALL IN

What can we ship without packaging? It's a question we challenge ourselves to answer on a continuing basis. In the U.S., several product lines can be shipped uncartoned – and whenever practical, we ship using reusable blankets and containers, resulting in less waste. And when it's practical, our work surfaces are shipped on wooden pallets, meaning better use of space, more products per truckload, fewer trips, and less packaging to dispose of. And, when cartons are needed, we've switched from heavy to lightweight corrugated paper, saving nearly 1,000 tons of paper waste each year. Turns out, there's a lot we can ship without packaging, and we're working on making the list longer.

## BETTER MATERIALS

Sometimes, packaging is unavoidable. That's why we're replacing traditional synthetic materials with more reusable earth-friendly options that still provide superior shipping protection. For instance in the US, we've eliminated 80% of our polyurethane packaging and replaced it with paper. We're replacing styrene-based packaging with preferred plastics like polyethylene and polypropylene. And, we're using more recycled and recyclable materials. The expanded polyethylene foam used in our workspace packaging is made of 28% recycled content, and the reprocessed polypropylene used on corners is totally recyclable. But we haven't stopped there. We're continually changing packaging design to use fewer materials, and are piloting advances in proprietary compostable packaging. In this case, better almost always means less – less materials, less impact.



### PROMISE

To deliver our products and our people safely to their destinations, keeping an eye toward reducing our environmental footprint.



### RESULTS

Innovative new packing and shipping solutions, more efficient operations and increased use of telepresence instead of travel.

## ON THE WAY THERE

Whether it's on the road or on the rails, we're weighing the advantages of different transportation modes. We're optimizing travel routes for better fuel efficiency. We're rewarding drivers for less down time. And we're saving fossil fuel by the hundreds of thousands of gallons every year. In the U.S. alone, we've increased fuel efficiency in our fleet by 13%, saving more than 222,000 gallons of gas and diesel. We've also increased our average shuttle cube by 35%, meaning more product, less air, less fuel and fewer trips. In Europe, 50 hybrid cars are a part of our sales fleet, and even the tour buses we use at Global Headquarters are fueled with biodiesel. With initiatives like these, we're definitely on the road to meeting our ambitious transportation efficiency goals truckload by railcar load.

## SUCCESS STORY

### Fewer Trips

It's not just our trucks taking fewer trips – it's also our people. Through our high definition HD videoconferencing technology and alternative work locations, we're minimizing employee travel and reducing our environmental footprint. We're saving an estimated \$69,000 each month on travel, and last year avoided more than 575 trips, saving more than 2,125 tons of greenhouse gas emissions. The good news is that there's an additional benefit: employees get to see their families more – an important part of supporting our people. Fewer trips equals happier families, less fuel burned, and our employees burn less midnight oil.





OUR PROMISE TO  
**Ourselves**



JIM O'CONNOR / ASSISTANT GENERAL COUNSEL

PG. 43

## Ourselves/Governance



Eleven of the thirteen members of Steelcase's Board of Directors are independent.

### OUR PROMISE TO OURSELVES

We're taking a hard look at our actions, putting sustainability at the center of the decision wheel, and implementing organizational change to be the most economically, socially and environmentally responsible company we can be.

That's our promise to ourselves.

# Ourselves/ Governance

In the years to come, sustainability will play an even larger part in who we are as a company. To fully integrate sustainability into every facet of our global operations, we need keen strategic thinkers navigating the ever-changing realities of business. Our leadership team is ambitious, inspired and determined to fully infuse sustainability into our daily decisions, no matter what level they occur.



## PROMISE

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



## RESULTS

An energetic, capable and experienced group of leaders guiding Steelcase into a more sustainable future poised for success.

## LEADING BY EXAMPLE

Our corporate leadership structure begins with our dedicated Board of Directors. This group blends third-generation members of our founding families with proven business leaders, merging to create a guiding vision based on knowledge, insights, and experience. Of our thirteen directors, eleven are independent, ensuring diverse opinions, accountability and a wealth of expertise. Our executive officers, four men and three women, keep us on track with our promises and inspire us to dream bigger, push harder and look deeper.



Eleven of the thirteen members  
of Steelcase's Board of Directors  
are independent.

## CORPORATE SUSTAINABILITY STEERING COMMITTEE

In 2011, we formalized a Global Sustainability Steering Committee and staffed it with leaders from administration, human resources, procurement, environmental operations, environmental strategy, community involvement, legal and corporate relations. This cross-functional team is leveraging their business insights and providing leadership, direction and accountability on global sustainability strategies and objectives to deliver an integrated sustainability experience platform.

In 2012, we've taken an important step forward by establishing a charter for this internal organization, outlining roles and responsibilities. As a centralized managing node for the company's sustainability business platform, the Steering Committee is tasked with informing the community, inspiring action, connecting stakeholders and projecting trends that will shape our decisions. In addition, the Steering Committee is responsible for outcomes, including reports, tools, analytics and events.

## EVERYONE'S A LEADER

Beyond the scope of the Steering Committee, each and every Steelcase employee is accountable for abiding by our social and environmental sustainability policies in his or her particular role. We've instilled these ideas into our business ethics, which are intended to foster individual and corporate conduct that's beyond reproach.

These ideas are also articulated in our Steelcase Global Business Standards, Code of Business Conduct and Code of Ethics for Chief Executive and Senior Financial Officers, providing a triple layer protection mechanism. These policies clearly express our expectations for our employees, no matter what their title or responsibilities, to be responsible stewards, to contribute toward overall safety and wellbeing of fellow workers, their communities and the natural world.

Our sustainability aspirations are ambitious, and it will take everyone's participation to strengthen our performance, surpass our goals, and lead Steelcase into what's next.

## EXTENDING OUR VOICE

Steelcase has been involved with public policy making for more than twenty years in the US, and in today's global business climate, we're amping up our efforts. As we continue to become more globally integrated, we will face larger, more complex legal issues, and greater opportunities for influence. We're taking a proactive stand on important business, social and political issues like tax reform. As a sustainability leader, we're committed to having a voice and a seat at the table where important decisions are made.