

2014 Corporate Sustainability Report



Steelcase

Diversity + Inclusion



Promise

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

Results

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

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

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

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

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

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

SUCCESS STORIES

Steelcase Awarded Two Diversity and Inclusion Awards

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

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

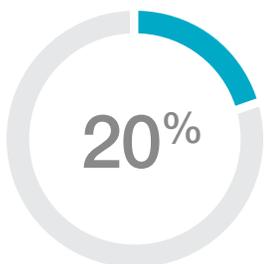


Celebrating Diversity in Malaysia

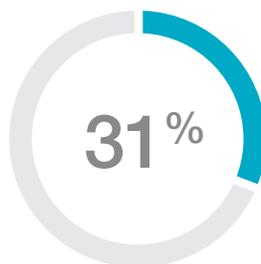
The Steelcase Global Business Center in Kuala Lumpur, Malaysia, promotes diversity by encouraging employees to celebrate all holidays and traditions within each and everyone's cultures.

Steelcase Germany Wins Award

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



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



Of our senior leaders are women

9-fold ▲

Increase in minority female employees in U.S.

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

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



Innovative Products + Applications



Promise

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

Results

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

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

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

Materials Chemistry

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

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

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

1,600

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

54

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

SUCCESS STORIES

New Seamless Edge Reduces Adhesive Use

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

Our Products Win Four Good Design Awards

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

Innovative Products + Applications



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

Life Cycle Assessments

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

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

End of Use and Recycling

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

SUCCESS STORIES

Water Footprint Research

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



B-Free: Integrating Innovative Elements

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

Social Life Cycle Assessment

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

30+

Published Environmental Product Declarations

Renewable Energy

Promise

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

Results

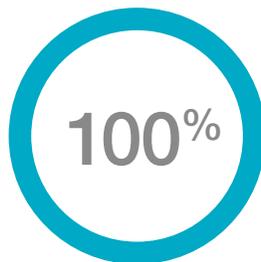
Investing in renewable energy credits equivalent to 100% of global electricity use; working with our renewable energy provider to offer discounted pricing to suppliers to encourage new investments and scale our impact.

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



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

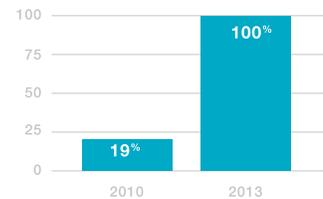
In three years, we've moved from a 19% investment to 100% investment globally in wind and hydroelectric renewable energy credits (RECs), from a regional energy strategy to a global one, and from Steelcase-only contract to a pioneering effort encouraging our suppliers to purchase renewables. At the same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



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

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

OUR COMMITMENT TO RENEWABLE ENERGY



15th

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

15,410

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

1st

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

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

¹ As of November 2014

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

Energy Use + Efficiency

Promise

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

Results

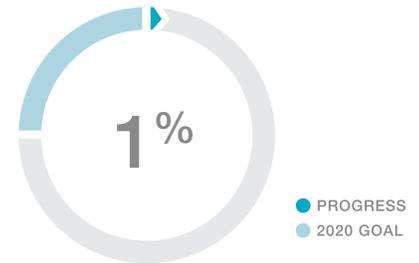
As our production increases and our facilities expand, there has been a 1% increase in energy use since 2010; strategies in place to pursue future reductions.

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

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

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

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



Increase in energy use since 2010

SUCCESS STORIES

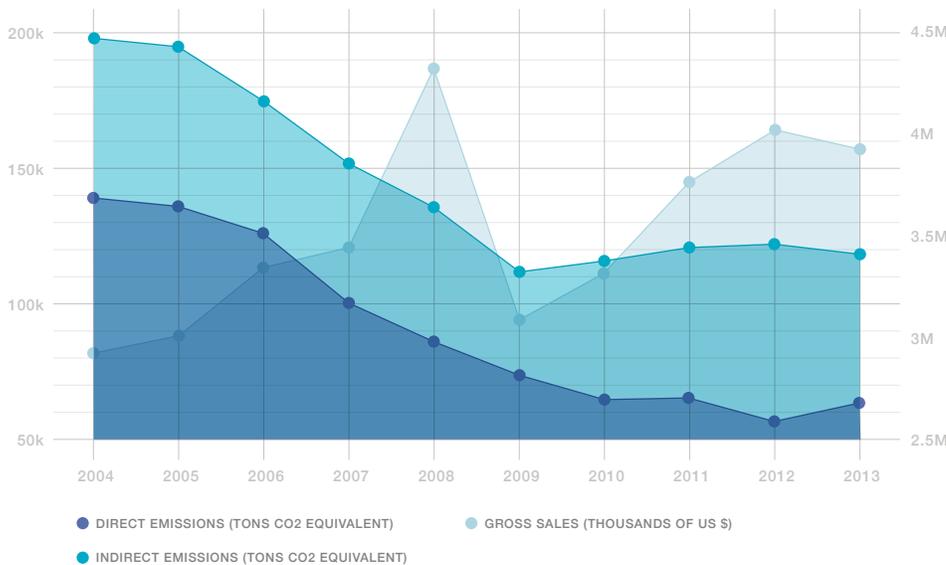
Desigtex Operates As Carbon Neutral for Fourth Year

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

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

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

STEELCASE GREENHOUSE GAS EMISSIONS 2004-2013



Water Conservation



Promise

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

Results

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

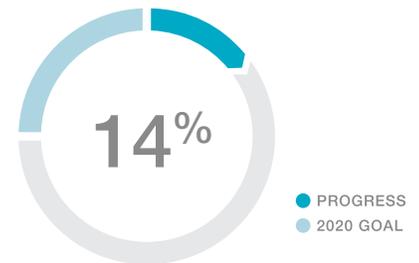
Compared with many other industries, we use far less water in our direct processes. But that doesn't mean we take water conservation in our products or our operations lightly.

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

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

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

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



Increase in water use since 2010

SUCCESS STORY



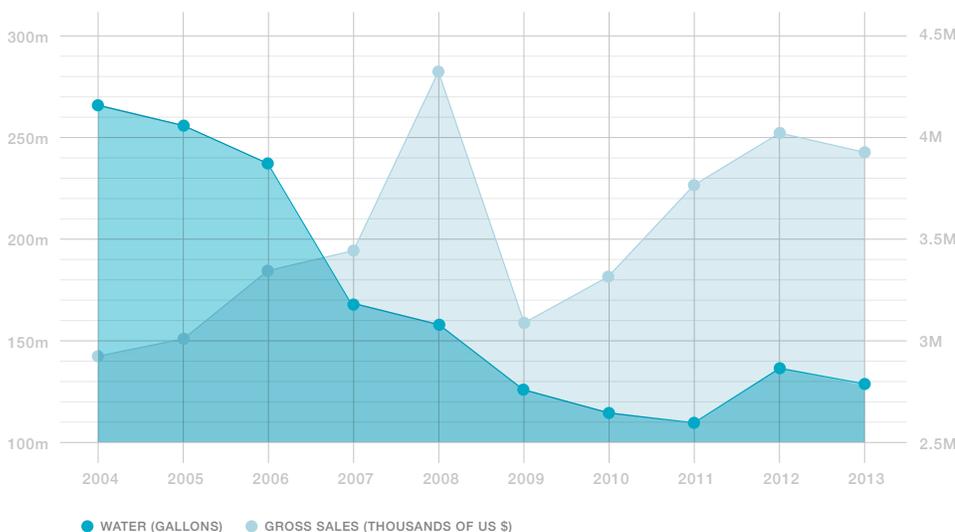
Perfect Water Score for LEED Platinum® Project

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

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

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

STEELCASE WATER USAGE 2004-2013



Waste Reduction



Promise

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

Results

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

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

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

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

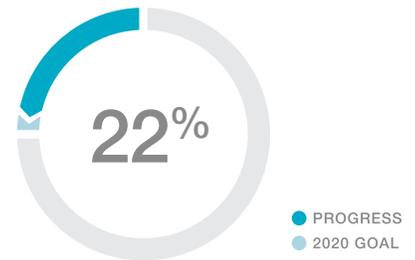
centers to start steel, cardboard and pallet recycling programs. All along the reduce, reuse, recycle spectrum, we're hard at work tracking operations with yield-based metrics.

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

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

ISO 14001

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



Reduction in waste since 2010

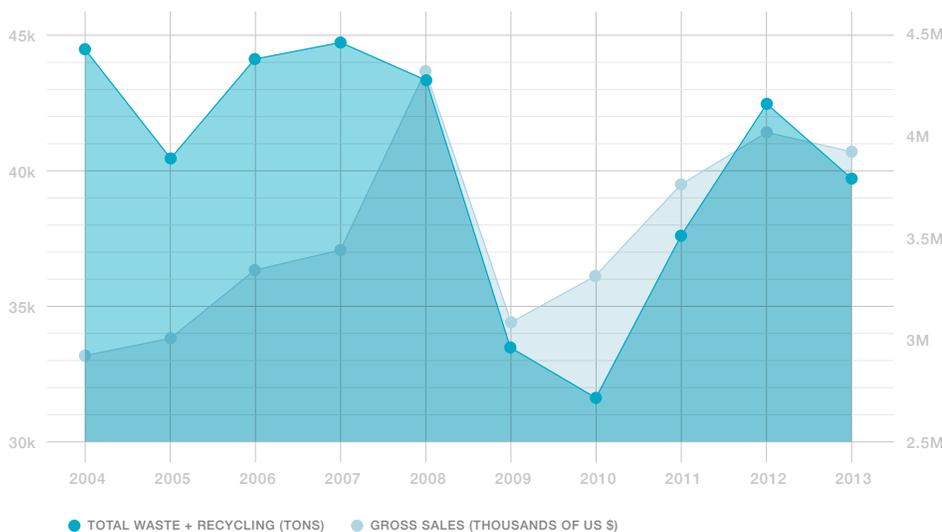
25,163

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

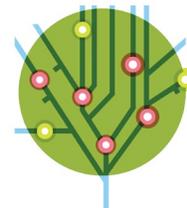
176.4

Tons of food waste composted in 2013

STEELCASE WASTE AND RECYCLING 2004-2013



Transportation + Packaging



Promise

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

Results

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

Reducing our transportation and packaging impact requires a coordinated approach.

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

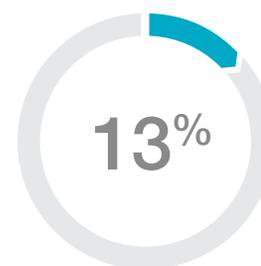
While we’ve made great strides to reduce packaging, sometimes it’s required. When packaging is unavoidable, we use lightweight corrugated paper, saving nearly 1,000 tons of paper waste each year.

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

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

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

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



Increased fuel efficiency from fleet vehicles



Decrease in global gasoline and diesel use

SUCCESS STORIES

Pallets Increase Loading Efficiency In Surprising Ways

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

Ensuring Products Arrive Safely

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

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

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



Governance

Promise

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

Results

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

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

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

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

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

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



- Ensuring key stakeholders are effectively represented in sustainability strategic objectives

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

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

Thank you

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

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

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

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