Steelcase

The Power of Possibility

A Net-Zero Future Needs Us All

Net-Zero Transition Plan

In support of our net-zero commitment, we designed this plan for an optimal on-screen reading experience. *No printing required.*

Letter From Our CEO

We are at a moment of transformation for our business and the world we share. The reality of climate change demands that people and the planet are central to the choices we make to forge a more resilient future.

To meet the challenges of the climate crisis, we are leading with possibility, making bold choices and taking decisive action. Our aspiration is to transform the way we do business now and into the future.

We have already established some of the most ambitious carbon-reduction goals at a greater global scale than anyone in our industry and we are on track to reduce carbon emissions 50% in our operations by 2030.

This transition plan demonstrates our commitment to designing a net-zero future throughout our entire value chain. It encompasses what we make, how we make it and the ways we deliver it. We are on a path to cut carbon emissions 90% by 2050.

Our long history of commitment to the planet laid the foundation for greater impact through collective action. The progress we've made creates a world of possibilities for the future.

Our role as a leader in our industry demands that we develop and transparently share our ambitious – and achievable – plan for reaching our net-zero goal.

We impact the lives of people and organizations around the world every day, helping them do their best work by creating places that work better. Please join us in designing a better future for people and the planet because better *is* possible.

Sara Armbruster
President and CEO

Our Path to Net Zero: Executive Summary

Purpose / A New Era

We are living in a new era of transformation; a time in which the needs of people and the planet are prioritized in the choices organizations make. Making a net-zero world a reality depends on all of us coming together.

Progress / Our Resilient Future

Steelcase is committed to a net-zero future. We are working to eliminate over 90% of our carbon emissions by 2050. We are already on the path to reduce emissions 50% in our operations by 2030.

Now we are expanding on the work we have done with our supply chain and other stakeholders by engaging our entire value chain on net zero. Working with our customers, suppliers, employees and other stakeholders, we can make a difference at a larger global scale than any one of us alone.

Our leadership role in addressing the climate crisis is foundational to who we are. Through this work, we are transforming our business to drive innovative solutions, discover new ways to serve our customers and identify opportunities for a more resilient future for us all.

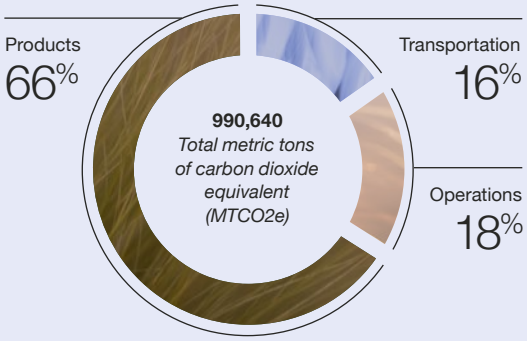
To achieve this target, we are working to reduce carbon emissions across three critical areas of our business:

- Products: What we make
- Operations: How we make it
- Transportation: The ways we deliver it

Products make up the largest share of our overall carbon footprint. We are focused on creating low-carbon solutions in our materials choices and our design and manufacturing processes. In our operations, we will strive for greater energy efficiency, leverage renewable energy and redesign processes to reduce waste. Our system of transportation — from distribution and delivery to our business travel — will be reimagined and redesigned.

Our Sources of Carbon Emissions

(FY20)



Products
Purchased goods and services
End-of-life treatment of sold products
Use of sold products

Operations
Scope 1 + 2
Fuel- and energy-related activities
Upstream leased assets
Waste generated in operations
Investments
Downstream leased assets

Transportation
Upstream transportation and distribution
Employee commuting
Business travel
Downstream transportation and distribution

Possibility / A Call to Action

We are accelerating our impact by joining other organizations throughout the world committing to a net-zero future. Our actions are rooted in science alongside other businesses and world governments. We work with the Science-Based Targets initiative (SBTi) to reduce our carbon emissions at the rate required to achieve the ambition of the landmark Paris Agreement.

At the United Nations Climate Change Conference in 2015, the Paris Agreement established the critical goal of limiting global warming to 1.5°C. Exceeding the 1.5°C threshold will lead to grave consequences for people and nature, such as intensifying droughts, more extreme heat waves and the disappearance of entire species from our planet.

Our work, together with our suppliers, customers and peers, is to help keep the global temperature from rising and work to reduce the impacts of climate change. Through the choices we make and the actions we take, we can go even further and build a more resilient future.

This moment is a call to action.

A net-zero future needs us all.

About Steelcase

Steelcase is a global design and thought leader in the world of work. For more than a century, we have designed, manufactured and partnered with the world's leading organizations to create furnishings and solutions for the many places where work happens — including education, healthcare and home. Through our research, we deliver insights and design innovation to our customers around the world. And because we're dedicated to doing our best work for the places we all share, we come together for people and the planet — using our business to help the world work better.

Steelcase campus, Grand Rapids, Michigan

About This Net-Zero Transition Plan

This transition plan outlines our strategy and the actions we are taking to align with a 1.5°C world while helping communities thrive and supporting the preservation and restoration of nature.

It translates our long-term objectives into near-term actions. It is integrated into our corporate strategy and we commit to reporting progress in our CDP disclosures (formerly the Carbon Disclosure Project) and in our annual Impact Report. We welcome and encourage feedback from all stakeholders, including our shareholders, employees, customers, suppliers, peers and the communities in which we live and work.

If you have comments or questions, please contact us at **impact@steelcase.com.**

Purpose — *A New Era*

A New Era

Designing Better Futures

This is a pivotal moment for the world we share and the choices we make today are critical to our collective future. It is a new era. The world is prioritizing commitments and transforming the ways we work to create a more sustainable, equitable and resilient world.

Our path to net zero is part of our long-standing commitment to design better futures for the wellbeing of people and the planet. It's who we are and always have been. As noted in 1970 by former Steelcase Chairman Peter Wege, whose father co-founded the company:

"Do all the good you can for as many people as you can for as long as you can."

Now, the world is coming together to make these commitments collectively. People feel the effects of climate change as temperatures rise and extreme weather events threaten communities throughout the world. People depend on businesses to join with governments and other organizations to reduce the impacts of climate change.

We are not alone on the path to net zero. Our customers are also working to improve the wellbeing of people and the planet, and having sustainable choices is more important than ever. Many customers have rigorous carbon emissions-reduction goals and their purchasing decisions align with those goals. When we reduce carbon emissions, we help customers reach their own reduction goals, which accelerates our impact.

Accelerating Our Impact: Helping Customers Reach Their Goals

When we:		Customers benefit from:
Choose lower-carbon materials Increase energy efficiency in our operations Improve transportation and distribution efficiency	→	*Less embodied carbon in their products*
Make products more energy efficient *(e.g., lighting, height-adjustable desks)*	→	*Less energy use by their products*
Use less and more sustainable packaging Offer extended warranties Provide circular solutions for products at end of use	→	*Less waste sent to landfills* *Services and opportunities to repair, reuse and recycle*
Design hybrid collaboration solutions	→	*Less business travel required*

Leading the Way

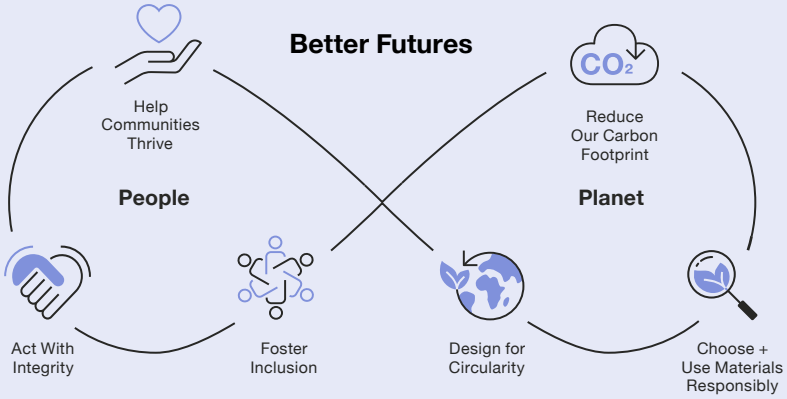
We have led the way in our industry and made real progress. We were:

- First to become carbon neutral in 2020
- First and only to offer CarbonNeutral® certified products
- First to set science-based targets to reduce our carbon emissions 50% by 2030
- First to set the industry's most ambitious supplier engagement target, partnering with our suppliers to set their own science-based targets

Now we are the first in our industry to publish a net-zero transition plan to accelerate our impact.

Our Commitments

Doing our best work for the places we all share starts with designing better futures for the wellbeing of people and the planet. We design spaces that build a culture of belonging where all people feel seen, heard and valued, so they can thrive at work and in the world. By recognizing our role in climate change, we work to reduce our environmental impact to help build a more sustainable and resilient world.



A History of Progress

1969	1980	2002	2016	2020	2024
First environmental engineer hired	Waste-recovery and recycling facility begins operations	The measurement and reporting of our carbon footprint begins	Points of Light recognizes us for the first time as one of the most civic-minded companies	SBTi approves science-based targets to reduce global carbon emissions by 50% in our operations	Suppliers who generate the majority of our supplier-based carbon emissions (55%) commit to reductions

Leading with Science

Climate science is the foundation of our net-zero commitment. And the science is clear: To avoid the worst impacts of climate change, we must limit global temperature rise to 1.5°C above pre-industrial levels by halving global carbon emissions by 2030 and reaching net zero by 2050.

Put simply, net zero means cutting emissions as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere by oceans and forests, for example.

To align our commitments with science, we chose to set science-based targets validated by the Science Based Targets initiative (SBTi). This means we are committed to reduce our emissions in line with a 1.5°C pathway, the most ambitious objective of the Paris Agreement.

The magnitude of this commitment for Steelcase cannot be overstated. While our near-term targets primarily require us to reduce emissions within our owned and controlled operations, our net-zero commitment covers our entire value chain. It will require not only deep cross-collaboration within our company but also with our suppliers and other value chain stakeholders. In short, to reach net zero, we must transform how we do business.

We're on track to do our part and reduce emissions 50% in our operations by 2030. Now we are raising our goal to achieve a net-zero future by cutting emissions over 90% by 2050.*

**From a FY2020 base year*

The Science Based Targets initiative Net-Zero Standard states three requirements:

1 **Near-term targets**

2 **Long-term targets**

3 **Neutralization of residual carbon emissions**

\+ Additional SBTI recommendation: **Mitigate carbon emissions beyond our value chain**

1 Near-term targets

In 2020 we were the first in our industry to announce near-term science-based targets focused on our products, operations and transportation.

Reduce absolute scope 1 and 2 carbon emissions 50% by 2030 from FY2020 base year.

This target focuses on our reduction of total carbon emissions from our owned and controlled facilities around the world, generated from on-site fuel combustion (scope 1) and on-site electricity consumption (scope 2).

Reduce absolute scope 3 carbon emissions from waste generated in operations, business travel and fuel- and energy-related activities 28% by 2030 from FY2020 base year.

This target covers three categories of scope 3 carbon emissions where we are making near-term reductions:

- Waste generated in operations
- Business travel
- Upstream activities to make and deliver the fuel and energy we consume

Partner with the suppliers who generate the majority of our supplier-based carbon emissions (80%) to set their own science-based targets by 2025.

Carbon emissions from purchased goods and transportation and distribution represent almost 70% of our total footprint. Engaging with partners to set their own reduction targets benefits the entire value chain.

2 Long-term targets

Our long-term target requires cutting carbon emissions over 90% by 2050. This target drives the long-term business planning necessary to achieve net zero.

Reduce absolute scope 1, 2 and 3 carbon emissions 90% by 2050 from FY2020 base year.

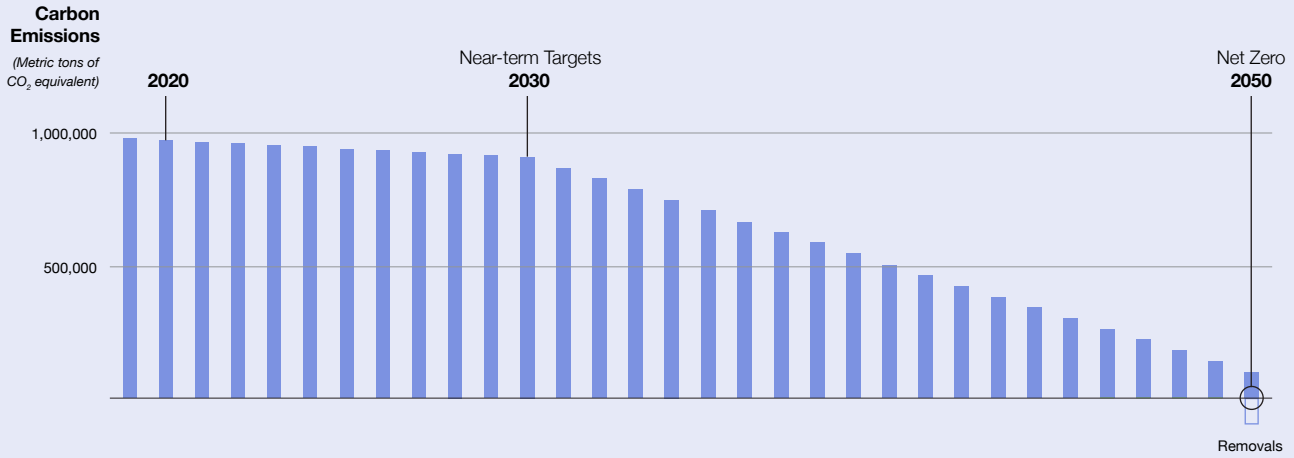
We must make real and sustained emissions reductions in our products, operations and transportation on our path to net zero.

3 Neutralization of residual carbon emissions

While we must reduce our absolute carbon emissions 90%, some residual emissions may remain.

We plan to counterbalance any unabated emissions at the end of our target period through solutions that remove carbon from the atmosphere and permanently store it, such as direct air capture and storage, improved forest management and other emerging technologies. This will close any carbon emissions gap after we reduce our emissions over 90% to reach net zero, so that our emissions will not impact the climate.

Our Path to Net Zero



This path reflects the achievement of our absolute near- and long-term science-based targets. We are also working hard to achieve our science-based supplier engagement target representing a key foundation for achieving net zero.

+ Mitigate carbon emissions beyond our value chain

In addition to reducing our own emissions, we contribute each year to activities outside our value chain that avoid or reduce carbon emissions, and remove them from the atmosphere and permanently store them.

These investments help deliver critical mitigation today and scale emerging removal solutions, so they will be widely available in the future. We support these projects as part of our carbon neutrality commitment (since 2020) and through our portfolio of CarbonNeutral® certified products (since 2022). We are committed to absolute reductions. Neither our carbon credits nor our renewable energy investments count as carbon emissions reductions toward the progress of our science-based targets.

These projects deliver much-needed mitigation today:

Annually finance carbon credits to maintain carbon neutrality for our direct carbon emissions. *(Scope 1)*

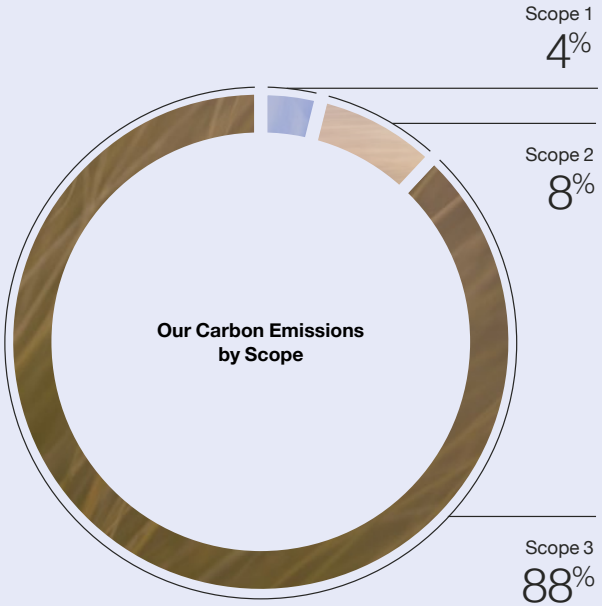
We support a variety of verified projects around the world that deliver carbon emissions reductions and removals beyond our value chain while also delivering benefits to nature and local communities.

Annually invest in renewable energy equivalent to 100% of our global electricity consumption for our direct operations. *(Scope 2)*

We invest in renewable electricity in every country where we operate, which helps support the decarbonization of the grid.

Offer CarbonNeutral® products

We offer our most popular work chairs and height-adjustable desks with CarbonNeutral® product certification. This helps customers support verified projects that mitigate climate change, deliver social impact and benefit nature.



Scope 1

Direct emissions such as those generated from burning fossil fuels at our facilities or for our owned transportation.

Scope 2

Indirect emissions such as those that result from our electric power use. We use electricity at our Steelcase facilities, but the power is generated elsewhere.

Scope 3

Indirect emissions such as those from the sourcing, creation and transportation of materials we purchase, business-related travel, employee commuting and manufacturing waste.

990,640
Total metric tons of carbon dioxide equivalent *(MTCO2e)*

The evolution of net zero

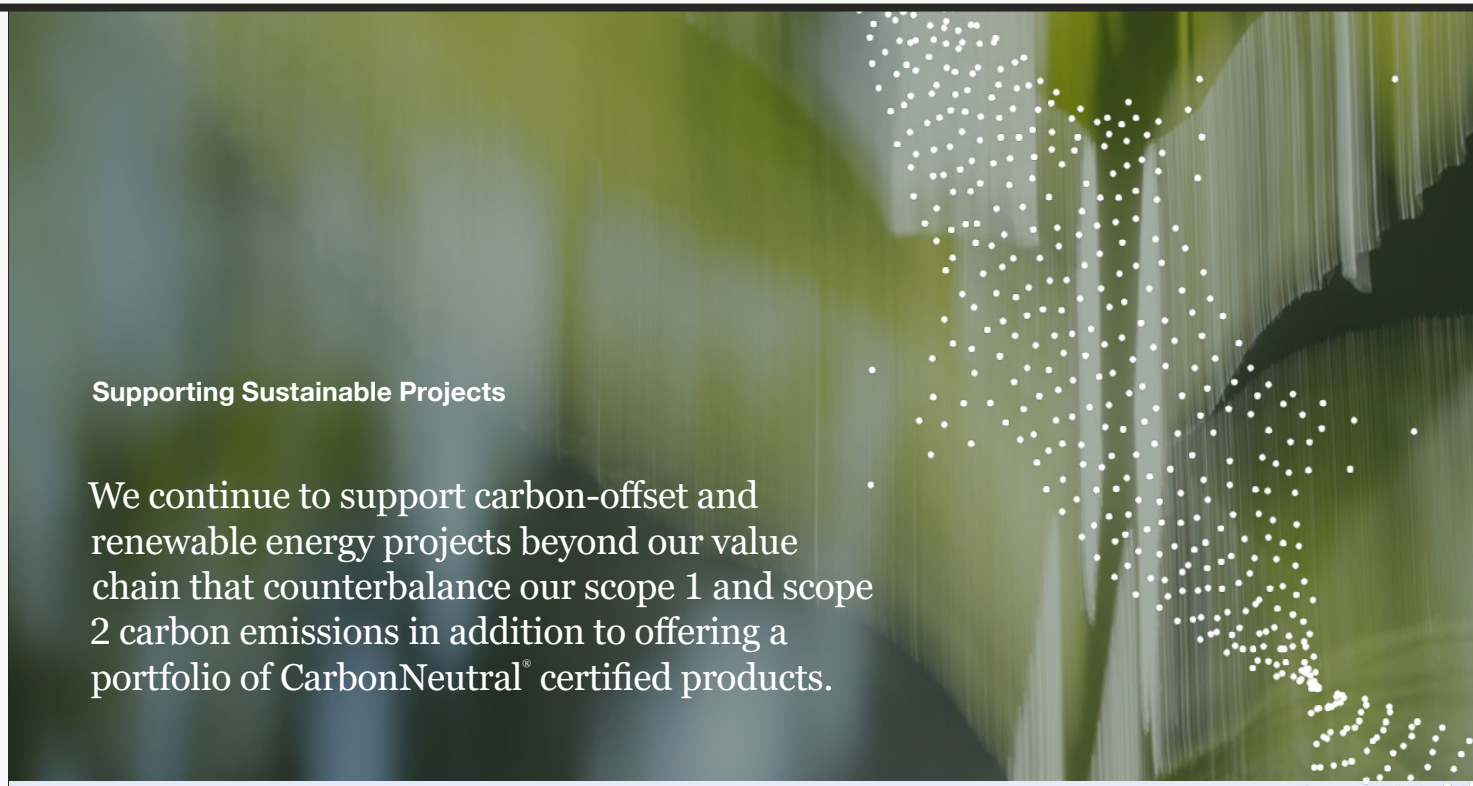
Since we set our first science-based targets in 2020, net zero has evolved — from an aspirational concept inconsistently interpreted by companies into a robust, science-based standard developed and managed by SBTi.

The SBTi Net-Zero Standard defines corporate net zero as:

- Reducing scope 1, 2 and 3 carbon emissions to zero or a residual level consistent with reaching global net-zero carbon emissions or at a sector level in eligible 1.5°C-aligned pathways.
- Permanently neutralizing any unabated carbon emissions at the net-zero target year and any carbon emissions released into the atmosphere thereafter.

"To contribute to societal net-zero goals, companies are strongly encouraged to go further than their science-based abatement targets and mitigate emissions beyond their value chains."

SBTi Corporate Net-Zero Standard



Supporting Sustainable Projects

We continue to support carbon-offset and renewable energy projects beyond our value chain that counterbalance our scope 1 and scope 2 carbon emissions in addition to offering a portfolio of CarbonNeutral® certified products.

Some recent carbon offset initiatives include:

Three Rivers Grassland Restoration, China

Thriving grasslands stabilize soils and slow the snowmelt from nearby mountains. This project removes carbon from the atmosphere by restoring the degraded grasslands of the plateau region of the Yangtze, Yellow and Lancang Rivers.

Delhi Electric Rail Systems, India

Electrifying and decarbonizing transport systems is critical for India, which has one of the world's highest death tolls per year from air pollution. This project installed over 100 kilometers of state-of-the-art electric rail systems with new trains in the Delhi Metro.

Industrial Process Emission Reductions, USA

This project helps small- and medium-sized industrial businesses go beyond mandates to reduce carbon emissions in their processes and the delivery of products.

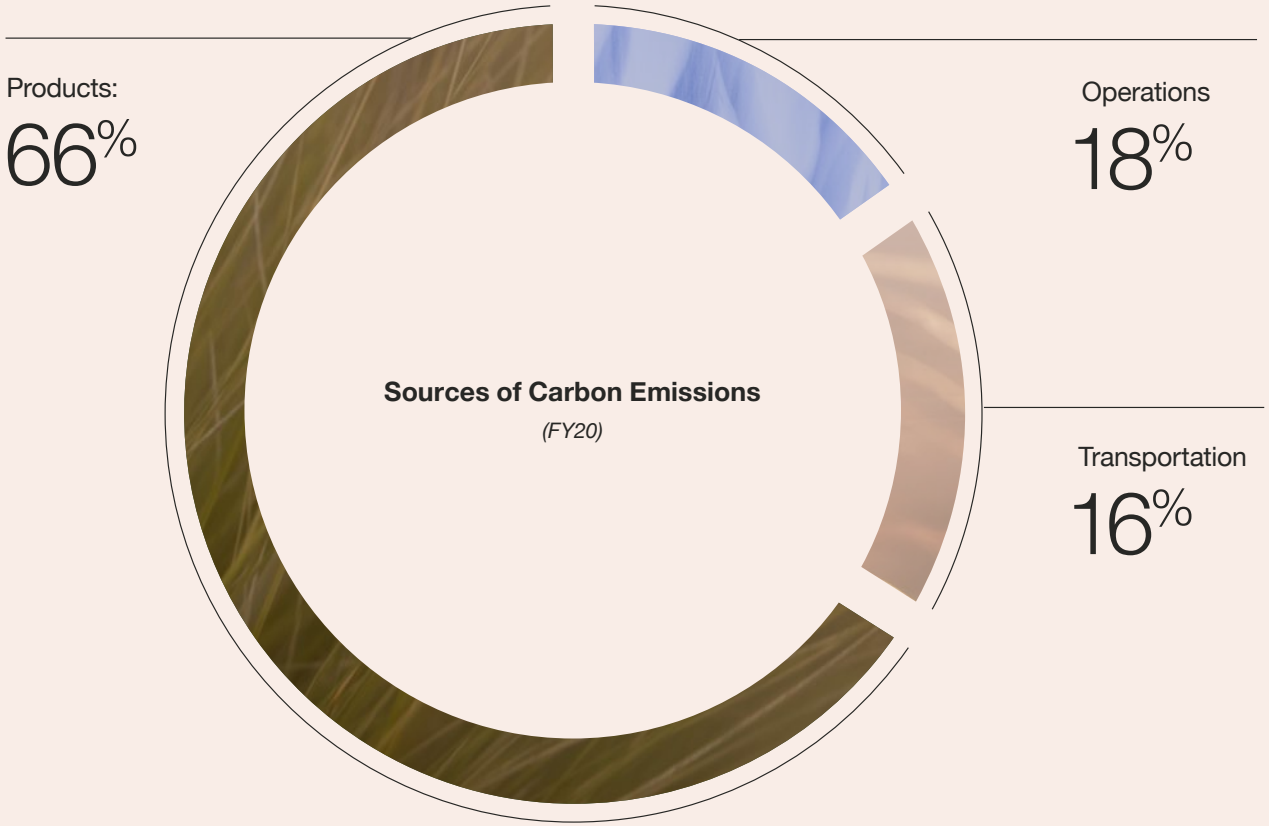
Focusing Our Impact

There are many paths to a net-zero future. We know we can make a difference by prioritizing the products we make, how we make them and the ways we deliver them to our customers every day. We have a focused approach to making choices that will have the biggest impact, now and in the future.

Our comprehensive net-zero commitment covers both direct and indirect sources of carbon emissions throughout our value chain. We are working to reduce carbon emissions in three critical areas of our business:

Products — 66% of our carbon emissions
Operations — 18% of our carbon emissions
Transportation — 16% of our carbon emissions

Our products, operations and transportation are all part of a holistic and interdependent system, and choices made in one area can impact another. For example, choosing a lower-embodied carbon material may necessitate a change to a process that increases carbon emissions. Pursuing a particular packaging strategy that uses reusable, recyclable or less packaging material may change how many products fit in a truck and impact how many trucks are required to deliver an order. We plan to examine these interdependencies to seek the optimal approach toward our goals.



990,640
Total metric tons of carbon dioxide equivalent *(MTCO2e)*

We will measure progress toward our targets against a FY2020 baseline.

Products: What we make

We design and manufacture furnishings and solutions for the many places where work happens — including learning, healthcare and home. The emissions from manufacturing these products make up the largest share of our overall carbon footprint, which comes primarily from our upstream materials supply chain and end-of-use treatment of sold products (scope 3).

We are reducing carbon emissions by choosing and using materials responsibly and designing for circularity.

Operations: How we make it

Our production operations bring our product designs to life. We directly own or lease manufacturing, assembly and distribution facilities globally, which are included within our scope 1 and 2 carbon emissions. Other buildings we lease for warehouses, showrooms and field offices contribute to our scope 3 carbon emissions. Electricity, natural gas and other fuels keep these facilities running. These operations also generate waste in the production process, such as scrap materials, sawdust and trash, and the methods we use to dispose of or recycle this waste also generate carbon emissions (scopes 1, 2 and 3).

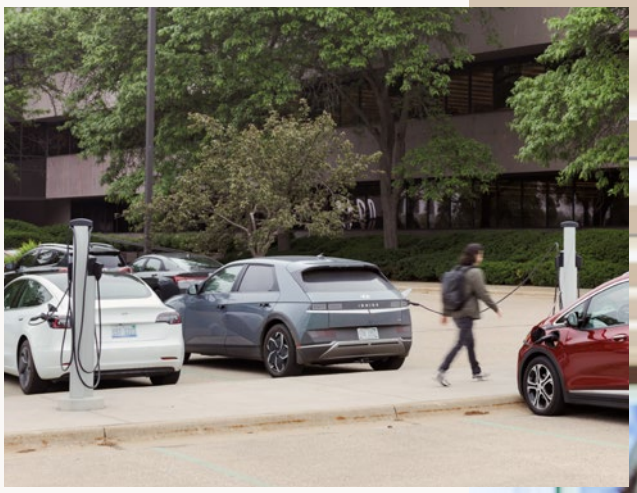
We are investing in energy efficiency, onsite solar and waste reduction strategies in our own operations to help achieve both our 2030 near-term carbon-reduction goals and our ambitious 2050 net-zero goal.

"Reducing carbon emissions is a global team effort in which we think critically about every facet of our operations and transportation systems."

Bob Krestakos
Vice President, Chief Operations Officer

Transportation: The ways we deliver it

Transportation is essential to our customer and employee experiences. While logistics teams work to optimize our transportation system (bottom right), the movement of materials and product components to our manufacturing facilities and the distribution of finished products to our dealers and customers plays a substantial role in our carbon emissions. Business travel and the everyday commuting activities of our global employees also contribute to our transportation-related carbon emissions (scopes 1 and 3).



We are transforming our distribution, delivery, travel and commuting practices to reduce carbon emissions.

Progress — *Our Resilient Future*

Our Resilient Future

The benchmarks for what it means to be sustainable are rising. Stakeholder expectations are moving beyond doing no harm to questioning how to do good for people and the planet and evolving from thinking “green” to reimagining systems. While 2050 may seem distant, we are taking action now, in real and tangible ways, to build a resilient future.

Our path to net zero focuses on five key areas in our products, operations and transportation:

1 Reducing carbon emissions now

2 Reducing future carbon emissions

3 Transforming the business

4 Helping communities thrive

5 Respecting nature

1 Reducing carbon emissions now

To reach our 2030 targets and create a strong foundation for net zero by 2050, we're driving carbon emissions reductions today across our products, operations and transportation.

Our longstanding philosophy

Since our beginning, sustainability has been a foundational value at Steelcase. We design and produce products of the highest quality and durability — built to last, maintaining the value of materials for as long as possible. As a result, we're able to offer one of the strongest extended warranties in the industry. We have long been committed to transparency, which we demonstrate through third-party product certifications and product sustainability data listings.

Products: Develop low-carbon product solutions

We have a long history of sustainable product design, yet the urgency of the climate crisis calls for a bold new approach. We focus on designing for sustainability throughout the entire product lifecycle, from material acquisition to end-of-use solutions. The result is the Steelcase Sustainable Design Framework, which guides our efforts in three interconnected areas of impact:

- Reduce our carbon footprint
- Design for circularity
- Choose and use materials responsibly

This work begins with the design of our products and our materials supply chain. We source and select materials that are healthier for people and the planet. We are increasing recycled content, choosing innovative materials with lower embodied carbon and using lighter-weight products and components, while identifying the interdependencies of each decision. Improving our data management and calculation methodology for product lifecycle assessments ensures we accurately capture the impact of these changes.

We are minimizing the impact of packing by using fewer materials through bulk packaging, knock-down flat packs or uncartoned methods. At the same time, we're choosing materials that contain recycled content and are recyclable. We are reducing our dependence on single-use plastics and target using 75% overall recycled content in packaging for Steelcase-branded products by 2030.

Operations: Improve energy efficiency

Energy efficiency in our plants, distribution centers, offices and other facilities drives progress toward our 2030 goals. Our plan:

- Sets site-specific reduction targets integrated into the existing Lean Management System
- Empowers site-level Carbon Reduction Leaders to champion strategy, implement projects and report on progress
- Incentivizes energy efficiency and renewable energy projects by extending payback expectations for carbon emissions reduction projects from two to four years
- Applies an internal carbon shadow price when evaluating capital expenditures on carbon emissions reduction projects for our Michigan operations (accounting for just over 50% of scope 1 and 2), while evaluating the implementation of regional shadow prices in other regions where we operate
- Conducts energy audits at top-emitting facilities to identify efficiency opportunities
- Implements sub-metering equipment to monitor and analyze detailed energy use to identify efficiency opportunities
- Leverages employee engagement and internal recognition programs, such as our "Carbon Award," which recognizes global team projects that reduce our carbon emissions

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Renewable Energy Leaders

Steelcase has a legacy of leadership among corporate renewable energy buyers.

2008
We became the first renewable energy credit buyer to be the sole sponsor of a commercial-scale wind farm.

2014
We began investing in renewable energy equivalent to 100% of our global electricity consumption annually.

2016
We began a 12-year wind virtual power purchase agreement, supporting the production of approximately 88 million kilowatt hours of clean energy each year.

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Reduce waste

Our manufacturing waste is predominantly made of raw material scrap, such as wood and metals. Incoming supplier packaging represents another large component of our waste. Our plan:

- Identifies and scales best practices to improve how we monitor and reduce total scrap for our highest-value and carbon-intensive commodities, such as wood and steel
- Engages suppliers to minimize incoming packaging waste (e.g., selecting recyclable or returnable packaging solutions when available)
- Reduces complexities in manufacturing processes to reduce scrap through optimized sourcing, scheduling, cutting, color and sizing options
- Implements strategic initiatives to improve material efficiencies for key resources such as wood and steel in our manufacturing processes

Increase onsite solar

We recently installed onsite solar at our plants in Rosenheim, Germany; Pune, India; and Stribro, Czech Republic. We are working to maximize the impact of onsite solar at our top-emitting facilities. In West Michigan, our offices, manufacturing and distribution facilities produce just over 50% of our scope 2 carbon emissions — a prime opportunity for onsite solar that could help us make significant progress toward our 2030 target.

Transportation: Rethink distribution and delivery

Procuring materials, manufacturing products and delivering them to customers requires several key transportation activities. Before getting to a customer, materials and products move from suppliers to our manufacturing facilities and regional distribution centers (RDCs), with land freight our most common mode of transportation. Air, ocean freight and rail are used less. We own a small number of trucks and mostly use third-party carriers.

We seek to improve the efficiency of our inbound and outbound transportation and distribution activities while aligning with our lean manufacturing commitment. Our plan:

- Uses data and analytics to track fuel consumption and truck utilization to make data-driven decisions to reduce fuel use and carbon emissions
- Locates manufacturing facilities and RDCs in regional hubs to be accessible to customers throughout the world, making distribution more efficient by allowing us to send fully utilized trucks to each RDC
- Pursues packaging designs that balance product protection and customer experience with sustainability by using packaging that contains fewer and more sustainable materials and is lighter and more compact to help fully utilize truck loads, reducing fuel use
- Leverages transportation planning software to create efficient routes and avoid unnecessary idling or detours
- Reviews scheduled deliveries every quarter to improve load utilization while maintaining on-time delivery
- Ensures vendor selection criteria meet vehicle-emissions and fuel-efficiency standards and regulations

Transportation: Reduce business travel carbon emissions

Our guidelines consider the need, frequency and mode of business travel to reduce our environmental impact. Our plan:

- Leverages the carbon emissions management tools of our travel platform, which allows for real-time carbon data visibility at the organizational and team levels, displays carbon emissions for flight options and prompts travelers to consider lower-emissions rail trips where available
- Educates travelers and clearly includes carbon emissions as a consideration, along with cost and convenience, in our travel and expense policy and best practices
- Leverages hybrid technologies and tools to reduce the need for nonessential business travel
- Works with preferred travel partners (hotels, car rental agencies and airlines) to make lower carbon emissions options accessible
- Continues to shift customer experiences to more local and regional locations that require less travel

Reaching our customers where they are

Face-to-face engagements with customers drive much of our business travel. In the United States, we historically brought customers to our corporate campus in Grand Rapids, Michigan, but we recently developed more local and regional customer experiences to engage customers where they are. This has led to a networked model for customer visits that delivers high-impact experiences in many locations, including regional WorkLife Centers, temporary pop-up spaces, dealer showrooms and customer locations. We also host virtual visits by integrating technology into our spaces. This new approach is more accessible for customers and significantly reduces carbon emissions related to travel.

2 Reducing future carbon emissions

We currently work on many carbon emissions reduction projects and are pursuing more opportunities to lay the groundwork for future reductions, especially in areas of the value chain where we will need the engagement of our partners.

Engage suppliers toward net zero

Materials are the largest part of our carbon footprint, and we continue to work closely with our suppliers to achieve net zero. Since 2020 we have worked with a core group of suppliers to set their own science-based targets by the end of 2025 and create a strong foundation for achieving our net-zero commitment. Our plan focuses on education and technical support:

- Host virtual events, including webinars, workshops and Q&A sessions in all regions, and create a quarterly newsletter to share our learnings and guide suppliers on carbon emissions accounting and setting science-based targets
- Collect scope 1, 2, and 3 carbon emissions data from suppliers
- Update our Supplier Code of Conduct and leverage our supplier scorecard to encourage science-based targets

Beyond 2025, we plan to assess a next-stage target for driving and capturing absolute carbon emissions reductions from our supply chain to reach net zero. We expect to shift from average emissions factors to supplier-specific data to ensure we can accurately measure the impact of suppliers' emissions reductions.

Advocate for net-zero policies

A net-zero future is not possible unless voluntary corporate actions are supported by 1.5°C-aligned policies around the world. We engage directly with policymakers and work through lobbying groups and trade associations. We also partner with other organizations to make progress. Activities include:

- Engage policymakers in support of a science-based, net-zero climate policy agenda aligned with the goals of the Paris Agreement
- Work within our major trade associations and other collaborative initiatives and organizations to advance alignment with climate science
- Monitor and disclose our engagement and alignment annually through our CDP disclosure

3 Transforming the business

Our net-zero commitment requires transforming the fundamentals of how we do business to thrive in a net-zero future.

"Our sustainable product design process is transformational. We examine the impact of every decision we make, and that drives innovation."

Allan Smith
Senior Vice President, President, Americas and Chief Product Officer

Develop business models for a circular economy

Our Sustainable Design Framework calls for designing out waste from products by making them durable and long-lasting and by incorporating more modular components for ease of maintenance, repair and disassembly for reuse and recycling.

End-of-use services: Steelcase partners with a network of end-of-use partners who are experts in full-scale asset management, specializing in and prioritizing landfill diversion. Our partners decommission furniture, fixtures and other equipment through resale, donation and recycling. Steelcase supports Extended Producer Responsibility laws globally, funding and supporting recycling efforts for waste electronic equipment, packaging and batteries in several countries.

Remanufacturing: Prioritizing product durability and quality makes it possible for our products to be remanufactured into a like-new state for resale, helping to divert more of our furniture from landfills and reducing the need for raw materials. We are piloting or offering several remanufacturing services in different regions. This reduces embodied carbon in our products by creating more opportunities for harvesting and reusing parts, building an essential foundation for a net-zero future.

Sustainable Design Framework

We strive to make the best possible design decisions for the health and safety of people with the least amount of impact on our planet. Our Sustainable Design Framework consists of new robust guidelines and goals to reduce our carbon footprint, design for circularity and choose and use materials responsibly.

While building our Sustainable Design Framework, we developed metrics and goals to increase measurement, transparency and the ability to scale sustainable product design across the organization. Three overarching objectives guide us:

Reduce embodied carbon in the Steelcase product portfolio

Lead the office furniture industry in chemical and material transparency

Lead the office furniture industry globally in third-party-verified product sustainability certifications

4 Helping communities thrive

A net-zero future must be equitably shared among workers, communities and other stakeholders to provide global economic and social benefits.

According to the International Labour Organization, a just transition means "greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind." We commit to inclusive and just transition planning and working closely with stakeholders to avoid or minimize risks and provide opportunities as broadly as we can.

Today, we help communities thrive through the work of our Better Futures Community, which partners with organizations around the world and invests in social innovation programs to build equitable access to opportunity. We engage and partner with key stakeholders, including employees, customers, suppliers, governments and local communities, to understand the risks and opportunities emerging from our efforts and prioritize justice throughout our net-zero transition.

Steelcase Better Futures Community

As a global organization, we help address the root causes of inequities around the world through our Better Futures Community which funds and develops innovative social programs to build equitable access to opportunity. We explore bold new approaches in three areas aligned with the United Nations Sustainable Development Goals where we can make the greatest impact:

Equity — Reduce inequality within and among countries. Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status.

Education — Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Environment — Take urgent action to combat climate change and its impacts. Improve education, awareness-raising, human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

5 Respecting nature

Climate and nature are inextricably linked, so preserving and restoring nature and biodiversity is essential to a net-zero future.

Healthy ecosystems play an important role in regulating climate change, as terrestrial and marine ecosystems absorb about half of the carbon emissions produced through human activities. Biodiverse-rich ecosystems will sequester more carbon, regulate rainfall, mitigate flood risk and improve air quality. Beyond these benefits, biodiversity has even further implications for human health and wellbeing, including building resilience against disease, providing medicine and food security, supporting livelihoods and delivering a host of cultural values and services.

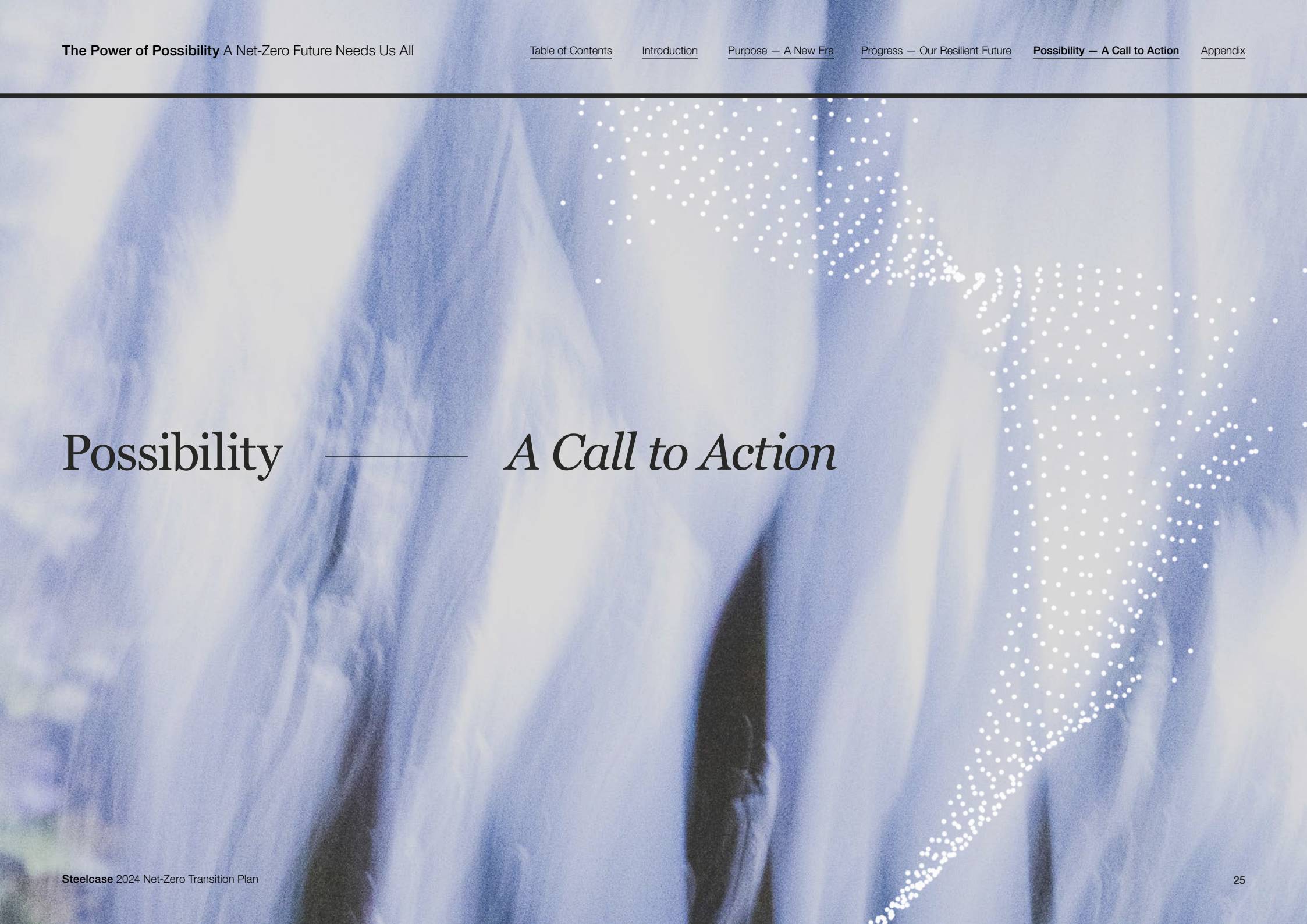
To make a positive impact in addition to reducing carbon emissions in our products, operations, transportation, and we are improving the efficiency of our water use, reducing global water consumption and identifying packaging alternatives to reduce waste and phase out single-use plastics. In 2023, we completed water balance analyses for six of our manufacturing locations, some of which are in water-stressed areas of the globe. We perform environmental impact assessments whenever we build, move or expand plants, which already includes our facilities in Reynosa, Mexico; Stribro, Czech Republic; Pune, India; and Dongguan, China. Our Sustainable Wood Policy defines how to develop our global product offering of sustainably managed woods, including woods with Forest Stewardship Council (FSC) certification or Programme for the Endorsement of Forest Certification (PEFC).

Our next step is to conduct a nature assessment to understand our impact and dependencies on nature throughout our value chain. The results will inform the next iteration of this transition plan and the need for nature-specific targets. We plan to report these in accordance with best practice disclosure frameworks, such as CDP and the Task Force on Nature-related Financial Disclosures.

Regreening our Grand Rapids campus

For many years, a network of roadways and parking lots connected our campus buildings in Grand Rapids, Michigan. In 2008, we re-allocated 3.4 acres to create a bioswale which:

- Captures approximately 5.1 million gallons of stormwater runoff per year, reducing flooding, slowing runoff, preventing erosion and providing an irrigation source
- Removes debris and pollution from water before returning to groundwater or local waterways
- Creates a rich, biodiverse habitat for a variety of fauna and native flora
- Builds authentic connections between people and the environment, cultivating community and belonging



Possibility — *A Call to Action*

A Call to Action

We are in a new world that's tackling complexity with a mindset of possibility. As a global community, we're designing our collective future. While 2050 sounds like a long way away, the speed with which we need to change gets its momentum from the actions we take today. To be net zero will become an expectation, and it needs us all.

"Facing the realities of climate change can feel overwhelming, but it's also filled with possibilities. And that gives us hope."

Beth O'Shaughnessy
Senior Vice President, Chief Administrative Officer, General Counsel and Secretary

We have arrived at a moment in history when we need to ask the question: How can we all work together for a resilient future?

The Power of Collective Action

Addressing climate change, respecting nature and helping communities thrive requires collective action. Most of our carbon emissions fall outside our direct control, so engagement, collaboration and transparent communication with employees, suppliers, customers and peers worldwide is critical to our success in achieving net zero.

Employees

We engage our employees to build a strong foundation that accelerates our path to a net-zero future. This engagement enables a shared understanding of our commitment and plans, creates pathways for continuous learning and action, provides company-wide policies and practices, and activates multiple ways to engage — as individuals, teams and a community.

Suppliers

As we work to reduce the most significant component of our carbon emissions footprint — materials — our suppliers will be among our closest partners. While we already engage our suppliers to set science-based targets by 2025, our commitment to work with them will only increase in importance.

Customers

We use our market research and partner closely with our customers to understand and meet their sustainability needs by creating solutions such as our expanding portfolio of products with CarbonNeutral® product certification.

Peers

As an industry leader, Steelcase chairs the Sustainability Committee and holds other committee leadership positions with BIFMA, the not-for-profit trade association for business and institutional furniture manufacturers. We also support efforts to update the ANSI/BIFMA e3 Furniture Sustainability Standard and standardize engagement and data collection from shared suppliers.

As a manufacturer, we engage with our wider network of peers to learn and share best practices, including participating in the U.S. Department of Energy's Better Plants program since 2011 to set energy, water and waste reduction goals.

A Net-Zero Future

As we look toward the future, we are identifying and mapping ways to accelerate our plan to achieve net zero.

Supplier engagement

Our close work with suppliers today to set their own targets to reduce carbon emissions sets a strong foundation for accelerating our collective impact. In the future, we seek to develop sustainable procurement policies, integrate sustainability into supplier onboarding processes, adjust the amount or weightings of sustainability topics on our supplier scorecard and evaluate opportunities to work with net-zero committed suppliers.

Electrification and fuel-switching

We will seek ways to reduce carbon emissions in our operations further by evaluating the replacement of fossil fuel-powered equipment with more efficient electric equipment (powered by renewable energy for zero-carbon emissions) and switch to renewable fuels such as clean hydrogen and renewable natural gas.

Green leases

Our showroom, warehouse and distribution center leases create an opportunity for greater collaboration with property managers to reduce carbon emissions, implement greater energy efficiency and share sustainability data.

Location evaluations

We plan to analyze the impact on carbon emissions of current and future facility locations, including the effects of supply and distribution networks and electric grid composition.

Electric and zero-emissions vehicles

We intend to advocate for policy incentives that advance and commercialize electric and zero-carbon-emissions vehicles for contracted transportation and distribution, which will lead to greater accessibility and cost-effectiveness. These technologies will create opportunities for us to reduce emissions as our owned vehicles reach the end of life.

Employee commuting

We plan to evaluate global commuting practices and encourage and incentivize options that result in lower carbon emissions.

A Net-Zero Future *Needs Us All*

At Steelcase, we have rooted ourselves in the wellbeing of people and the planet for over a century, but the changing contexts and conditions of the world place new value, raised expectations and greater urgency on the pillars of people and our planet. We are operating from a place where this is foundational to our decision-making across our organization and with our partners in this work around the globe.

Together, better is possible.

Appendix

Governance and accountability

The interdependent and all-encompassing nature of a net-zero commitment requires shared accountability across our organization to achieve success. With our first set of science-based targets in 2020, we developed a clear governance structure to prioritize these targets. This structure enables broader and deeper cross-functional collaboration to deliver on our net-zero transition plan.

Oversight

The Nominating and Corporate Governance Committee of the Steelcase Board of Directors oversees the company's strategy and policies concerning Environmental, Social, and Governance (ESG) matters, which now includes this net-zero transition plan.

Strategy

The President and CEO has ultimate accountability for developing and implementing the Steelcase net-zero transition plan, overseeing the Carbon Oversight Committee, comprised of senior executive officers including Operations, Finance, Sales, Marketing, Legal, Sustainability, Supply Management, Environmental, Social, Governance, Enterprise Risk Management (ERM) and Communications.

Coordination

The Carbon Core Team includes individuals from Sustainability, Operations, Facilities, Finance, Product Marketing, ERM and ESG and is responsible for proposing the strategy and driving the implementation of the net-zero transition plan.

Financial planning

Strategic financial planning will be critical to achieving this plan. We continue to report to CDP in line with the recommendations of the Task Force on Climate-Related Financial Disclosures and prepare for compliance with recently issued regulations on climate-related financial disclosures.

We have identified financial planning details for the next three years that will enable progress toward our 2030 and 2050 targets. For example, we identified strategic carbon emissions reduction opportunities in our operations and are improving software applications for managing our product-level data. We will consider integrating our transition plan and key financial details into our financial filings, utilizing best practices.

Climate risk and opportunity management

This transition plan is guided by an understanding of the climate-related risks and opportunities that Steelcase currently faces or may face in the future, which include those related to physical climate impacts and impacts of the transition to a low-carbon economy. This transition plan represents a significant and proactive mitigation strategy by reducing our carbon emissions in line with a 1.5°C future. At the same time, the transition to a low-carbon future presents opportunities, such as resource efficiency and cost savings, the development of new products and services, subsequent access to new markets and building resilience throughout the supply chain.

Risk and opportunity management process

We identify, assess and respond to climate-related risks and opportunities via an ongoing, multidisciplinary, company-wide management process. The Carbon Core Team is primarily responsible for identifying and assessing climate-related risks and opportunities. Our broader ERM process also identifies, prioritizes and manages risks to the company, including climate-related risks.

Current risk mitigation strategies:

- Comply with current and future regulations
- Use a shadow carbon price to incentivize implementation of carbon emissions reduction projects
- Invest in mitigation and adaptation measures for physical risks (e.g., replacing roofs, adding tornado shelters)
- Engage suppliers to calculate and disclose carbon emissions and understand climate risks

Current opportunities:

- Maximize resource efficiency in materials, energy and water usage
- Leverage lower-carbon emissions energy sources enabled by new technologies, policy incentives and onsite generation
- Develop or expand low-carbon emissions products and services to meet shifting consumer preferences and access new markets
- Achieve our science-based targets

Climate-related scenario analysis

Climate-related scenario analysis is one way to understand how climate-related risks and opportunities may evolve under a range of conditions and hypothetical futures (e.g., temperature scenarios resulting from existing policies versus accelerated or delayed transition). Such an analysis identifies strategy implications and tests the achievability and resilience of a transition plan. In 2021, we completed an initial, high-level scenario analysis for our North American operations and supply chain, where the majority of our business currently resides, and the high-level assumptions and outcomes are disclosed in our CDP response. This initial analysis informed the development of this transition plan. We are evaluating the opportunity to perform a more in-depth, organization-wide scenario analysis before the next iteration of this plan.

Data transparency and disclosure

This transition plan and its foundational greenhouse gas inventory and science-based targets were prepared in accordance with or with reference to the following leading frameworks:

- Greenhouse Gas Protocol (GHG Protocol)
- Science Based Targets initiative (SBTi)
- Task Force on Climate-related Financial Disclosures (TCFD)
- CDP Technical Note on Climate Transition Plans
- Transition Plan Taskforce (TPT)
- Glasgow Financial Alliance for Net Zero (GFANZ)

Disclosure and reporting

Steelcase is committed to transparently reporting annually on our commitments to people and the planet, including our goals and progress. Please find our full disclosure practices and ESG frameworks, including CDP, GRI, SASB and TCFD, on **steelcase.com**.

Scope 1, 2 and 3 accounting

Steelcase calculates and discloses its greenhouse gas emissions annually through CDP and has done so since 2011. We prepare our greenhouse gas emissions inventory in conformance with the GHG Protocol Corporate Standard, scope 2 Guidance and Corporate Value Chain (scope 3) Accounting and Reporting Standard.

Steelcase uses a financial control approach to define the organizational boundary of our GHG inventory. Consistent with this approach, Steelcase accounts for GHG emissions from its locations where it has financial control and can influence decisions that impact GHG emissions. This includes all facilities and vehicles owned and operated by Steelcase and facilities for which Steelcase owns the major emissions-generating equipment. All Kyoto greenhouse gasses are included in the reporting scope (CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3).

Verification and assurance

Steelcase undergoes third-party verification at the limited assurance level on an annual basis for the following categories of our GHG inventory, which are those categories for which we have near-term science-based targets: scopes 1, 2 and 3, purchased goods and services; scope 3, fuel-and energy-related activities; scope 3, upstream transportation and distribution; scope 3, waste-generated in operations, and scope 3, business travel.

These verified emissions represent 85% of our base-year GHG inventory. We plan to evaluate and implement best practices and requirements for verification going forward.

Forward-looking Statements

From time to time, in written and oral statements, the company discusses its expectations regarding future events and its plans and objectives for future operations. These forward-looking statements discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to the company, based on current beliefs of management as well as assumptions made by, and information currently available to, the company. Forward-looking statements generally are accompanied by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “possible,” “potential,” “predict,” “project,” “target” or other similar words, phrases or expressions. Although the company believes these forward-looking statements are reasonable, they are based upon a number of assumptions concerning future conditions, any or all of which may ultimately prove to be inaccurate. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements and vary from the company’s expectations because of factors such as, but not limited to, competitive and general economic conditions domestically and internationally; acts of terrorism, war, governmental action, natural disasters, pandemics and other Force Majeure events; cyberattacks; changes in the legal and regulatory environment; changes in raw material, commodity and other input costs; currency fluctuations; changes in customer demand; and the other risks and contingencies detailed in the company’s most recent Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission. Steelcase undertakes no obligation to update, amend, or clarify forward-looking statements, whether as a result of new information, future events, or otherwise.

When we do better,
we help the world work better.

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