

Footprint Verification Program (FVP)

Verification Report

Prepared for:
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Emission Year:
FY2023 (March 1, 2022 – February 28, 2023)

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SCS Footprint Verification Program (FVP)



Introduction

This report presented by the SCS Global Services Footprint Verification Program, summarizes the process and results of the entity-wide greenhouse gas emissions inventory verification for Steelcase, Inc. fiscal year 2023. The verification assessment and resulting verification opinion is based upon an evaluation of the GHG inventory data, GHG data management system, and the reporting and verification criteria. See Project Details below for a complete list of reporting and verification criteria as applicable to this verification engagement.

Note that it is the responsibility of Steelcase, Inc. for the preparation and fair presentation of the GHG statement within its public disclosures in accordance with the reporting requirements found within the referenced criteria. It is the responsibility of SCS Global Services for expressing an opinion on the GHG statement based on the results and conclusions of the verification process in accordance with the level of assurance specified. The resulting verification opinion can be found within this verification report and the verification statement.

Project Details

The verification was carried out by the verification team per the verification scope, objectives, and criteria as detailed below.

Verification Objectives	
Objective #1	Assess identified indicators for material discrepancies
Objective #2	Assess for conformance with specified verification criteria

Scope	
Organization	Steelcase Americas
Industry Sector	Office furniture manufacturing
Reporting Period	FY2023 (March 1, 2022 - February 28, 2023)
Geographical Boundaries	Global
Facility Qty & Type	Approx. 26 manufacturing and office facilities
Physical infrastructure, activities, technologies, and processes	Building energy, manufacturing/distribution, private jets, vehicle fleet
Organizational Boundary	Financial control
GHG Emissions (CO ₂ , CH ₄ , N ₂ O, HFC, PFC, SF ₆ , NF ₃)	CO ₂ , CH ₄ , N ₂ O
GHG sources, sinks, and/or reservoirs (e.g. fuel types)	Building energy (purchased electricity, natural gas, solar energy); mobile fleet (gasoline, diesel, LPG, jet fuel); EACs/RECs
Level of Assurance	Limited
Treatment of Materiality	+/- 5% quantitative threshold for direct and indirect emissions

Verification Indicators	
Indicator #1	Scope 1
Indicator #2	Scope 2 Location
Indicator #3	Scope 2 Market
Indicator #4	Scope 3 - Category 1 (Purchased Goods & Services)
Indicator #5	Scope 3 - Category 2 (Capital goods)
Indicator #6	Scope 3 Category 4 (Upstream transportation & distribution)
Indicator #7	Scope 3 Category 5 (Waste generated in operations)
Indicator #8	Category 6 (Business travel)

Verification Criteria	
Criteria #1	World Resources Institute/World Business Council for Sustainable Development's "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised edition)," dated March 2004.
Criteria #2	World Resources Institute/World Business Council for Sustainable Development's "Scope 2 Guidance Document: An Amendment to the GHG Protocol Corporate Standard," dated 2015.
Criteria #3	World Resources Institute/World Business Council for Sustainable Development's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard," dated 2011.
Criteria #4	ISO 14064-3: "Specification with guidance for the validation and verification of GHG assertions".
Criteria #5	CDP Investor Information Request

Verification Team	
Lead Verifier	Greg Sills
Scope 3 Verifier	TBD
Independent Reviewer	Tavio Benetti

Client Team	
Inventory Management	Averi Cumings
Data Collection	Averi Cumings
Emission Calculations	Averi Cumings

Final Emissions Summary

The final GHG emissions inventory following all corrections made by the client is summarized below both in tonnes of each GHG and tonnes of CO2 equivalents (CO2e).

EMISSIONS SUMMARY (TONNE)				
SCOPE	CO ₂ (MT of Gas)	CH ₄ (MT of Gas)	N ₂ O (MT of Gas)	ASSERTION TOTAL (tCO ₂ e)
SCOPE 1	35,986.3	0.7	0.2	36,134.0
SCOPE 2 - LOCATION	56,984.5	4.5	0.7	57,314.0
SCOPE 2 - MARKET	-	-	-	-

Verification Opinion

Based upon the reporting scope, criteria, objectives, and agreed upon level of assurance, SCS has issued the following verification opinion:

- Positive Verification** - No evidence was found that the inventory was not prepared in all material respects with the reporting criteria (Limited)

Qualifications: None

Verification Methodology

The verification was carried out according to ISO 14064-3. The activities performed for this verification were captured within the Verification Plan and Evidence Gathering Plan which detail the verification activities and data checks performed. *See Appendix I – Verification Plan.*

In defining the Verification Plan and Evidence Gathering Plan, a risk assessment was completed which included an initial review of GHG inventory data and the structure of the GHG accounting and management systems & processes. The risk assessment is utilized to identify potential areas within the inventory data and management processes of higher risk and identify audit activities to target these areas for further evaluation and to guide the remainder of the audit activities. The results of the Risk Assessment were used to develop the Verification Plan and Evidence Gathering Plan used to conduct the remainder of verification activities.

Evidence Gathering Techniques

The following techniques were utilized as part of the Evidence Gathering Plan to obtain objective evidence as part of the verification process. The results of these techniques form the basis for the verification opinion:

- Observation – Observation of emission sources, metering devices, procedural documents
- Inquiry – Seeking information of knowledgeable persons inside or outside the entity
- Recalculation – Repeating emission calculations, data aggregations, and/or conversions
- Tracing / Retracing – Following data trails from primary data inputs to GHG calculation outputs and vice versa
- Cross-Checking – Use of a different methodology or data from those originally used to compare results
- Reconciliation - Compares two sets of records to check that figures are correct and in agreement

Materiality Assessment

The verification included an assessment of inventory materiality which is based upon an independent assessment of whether the data presented is free from material discrepancies (+/- 5% error) in calculated totals assessed for each scope independently. Materiality was assessed through independent crosschecks of data, calculations, emission factors, and/or calculation methodologies. The results of this assessment are displayed below including % of inventory data crosschecked, the difference between auditor and client calculations and an extrapolated % error for all inventory scopes.

EMISSIONS SUMMARY (TONNE)									
SCOPE	CO ₂ (MT of Gas)	CH ₄ (MT of Gas)	N ₂ O (MT of Gas)	ASSERTION TOTAL (tCO ₂ e)	CALC SAMPLE (Client Value)	CALC SAMPLE (Auditor Value)	CALC SAMPLE (%)	ERROR (%)	MATERIAL
SCOPE 1	35,986.3	0.7	0.2	36,134.0	36,058.0	36,030.11	100%	0%	N
SCOPE 2 - LOCATION	56,984.5	4.5	0.7	57,314.0	57,314.0	57,329.90	100%	0%	N
SCOPE 2 - MARKET	-	-	-	-	-	-	0%	0%	N

Misstatements Identified & Final Corrections

Throughout the course of the verification, independent calculations and data checks were performed on the client's data. Discrepancies identified were flagged as a non-conformance (NCR), client notification was provided, and the client was provided an opportunity to respond and correct.

The primary areas of errors identified by the verification team include:

- N/A

Verification Findings

Throughout the verification SCS developed findings which included:

- New Information Request (NIR) – Represents a mandatory request for additional information in cases where the audit team has not been provided sufficient information to make a decision regarding conformance. Once the response is received, the SCS audit team will evaluate the submission and determine if adequate information has been provided or if additional findings (NIR, NCR, etc.) should be issued.
- Non-Conformity Report (NCR) – Represents an identified error, omission, or misstatement that necessitates a mandatory response and corrective action. Should the errors, omissions or misstatements not be corrected and result in a material misstatement, the SCS Footprint verifier shall qualify the verification statement.

Please see *Appendix II – List of Findings* for a detailed description of the findings and their resolution.

SCS Certification Mark

Upon receiving a positive verification your project is eligible to use the SCS Kingfisher Certification Mark C for Carbon Footprint – Entity Verification, as represented on the cover page of this verification report. The SCS Kingfisher Certification Mark increases the recognition of your achievements with your verification.

Please refer to the *SCS Verification and Validation Mark Labeling and Language Guide: Mark C* provided to you by the GHG Verification Program staff for more information about your Mark and usage. Should you have any additional questions regarding your Mark, use, messaging, or other marketing opportunities, please contact the GHG Verification Team or SCS Marketing Staff at NRmarcom@scsglobalservices.com.

Appendix I: Verification Plan

PROJECT PHASE	ACTIVITIES	%	TIME (WEEKS)	PROPOSED COMPLETION DATE
Initial Inventory	Client: 1) provides complete package of initial documentation to lead verifier for review		Starts Process	5/1/23
Risk Assessment & Verification Planning	Verification team: 1) Collects additional information on clients GHG system. 2) Assesses sources and magnitude of potential errors, omissions, and misrepresentations which require further verification activities. 3) Designs evidence gathering activities to reduce risk of material discrepancy. 4) Develops a plan that details the verification activities, schedule of events, and records to be reviewed	15%	0.0	5/1/23
Verifier Checks & Findings Delivery	Client: 1) Provides primary data records and other information requested as part of the verification plan. Verification team: 2) Performs assessment of GHG management and data systems used to generate GHG inventory, GHG inventory data and resulting assertion, and identified criteria for material misstatements.	35%	0.3	5/3/23
Findings Response & Corrective Actions	Client 1) Responds to findings including any required corrective actions and revisions to material misstatements. Verification team: 2) Reviews responses and inventory revisions, confirms corrections, and closes findings. New findings issued if additional NCRs, NIRs, or OBSs are identified. <i>NOTE: This phase is complete when all findings are successfully closed.</i>	35%	3.9	5/30/23
Finalizing the Verification	Verification team: 1) Draft report and verification statement 2) Independent review of the assessment by a qualified independent reviewer. 3) Issuance of final verification statement, report, and logos to client.	15%	0.0	5/30/23
TOTAL ENGAGEMENT TIME:			4.1	Weeks

Appendix II: List of Findings

Status	Finding #	Type	Issued Date	Due Date	Date Closed	Standard Reference	Document Reference	Verifier Findings	Client Response	Conclusion
NCRs (Identified error, omission, or misstatement that necessitates a mandatory response and corrective action)										
CLOSED	1	NCR	5/19/2023	5/26/2023	5/30/2023		"2022 Signed Statement of Work"	<p>United Kingdom scope 2 market</p> <p>No market-based instruments (RECs/GOs/EACs) have been identified that are applicable to the United Kingdom facilities. If zero scope 2 market emissions are being claimed for these facilities, please provide a record of market-based instrument purchases that cover associated purchased electricity.</p>	<p>The 2022 Signed Statement of Work was provided because we purchased some market-based instruments in excess in prior reporting years. Please refer to the "FY23 Signed Statement of Work and Standard Terms" document for a look at this years purchases.</p> <p>For the UK, we purchased GOs in excess in 2021 and 2022. You can see this in the "FY23 Reconciliation and Purchase" document in the FY23 EAC Reconciliation tab in cell D16. We had a surplus of 3,087 MWh's from prior purchases that we used toward this year's market-based emissions for the UK. The confirmation of this excess amount can be seen in the "2022 Signed Statement of Work". I will also upload the "2021 Signed Statement of Work" to confirm the surplus in 2022.</p>	<p>United Kingdom surplus GO matching confirmed on review of previous year's GO/REC purchase agreements. No errors identified.</p> <p>Finding closed.</p>
CLOSED	2	NCR	5/19/2023	5/26/2023	5/30/2023		"2022 Signed Statement of Work"	<p>United States scope 2 market</p> <p>The "Signed Statement of Work" document provided by Natural Capital Partners only specifies 2,000 ER units associated with the United States. If zero scope 2 market emissions are being claimed for U.S. facilities, please provide a record of market-based instrument purchases that cover the remaining 81,891 MWh of purchased electricity associated with U.S.-based facilities.</p>	<p>The 2022 Signed Statement of Work was provided because we purchased some market-based instruments in excess in prior reporting years. Please refer to the "FY23 Signed Statement of Work and Standard Terms" document for a look at this years purchases.</p> <p>The remaining 81,891 MWh's of purchased electricity is covered by our virtual Power Purchase Agreement (vPPA) as explained in the response below.</p>	<p>Record of vPPA retirements/documentation and FY2023 REC purchases reviewed and confirmed. No errors identified.</p> <p>Finding closed.</p>
New Information Request (Mandatory request for additional information)										
CLOSED	1	NIR	5/19/2023	5/26/2023	5/30/2023		"2022 Signed Statement of Work"; "2023 Steelcase RECs Retirement Report"	<p>REC Retirement Report</p> <p>What does the "2023 Steelcase RECs Retirement Report" represent and how does it relate to the "2022 Signed Statement of Work" issued by Natural Capital Partners?</p> <p>If the REC Retirement Report is related to a different REC purchase, please provide a REC purchase agreement that aligns with listed Green-e REC retirements.</p>	<p>The retirement report does not relate to the "2022 Signed Statement of Work". This report shows the RECs from our vPPA that were retired this year to cover our U.S.-based emissions from electric power. Those that were retired for this year have a retirement date of 3/13/2023 and are Green-e certified. The sum of these 2023 retired RECs = 92,396 MWh's.</p>	<p>Client response noted. Green-e retirements and supporting documentation reviewed. No errors. Finding closed.</p>
CLOSED	2	NIR	5/19/2023	5/26/2023	5/30/2023		"2022 Signed Statement of Work"	<p>Market-based instruments - "2022 Signed Statement of Work"</p> <p>The "Signed Statement of Work" document provided by Natural Capital Partners specifies a purchase of 20,000 ERs that are applicable to "Any Eligible Location". What facilities, if any, are these ERs applied to for scope 2 market calculations?</p>	<p>The 2022 Signed Statement of Work was provided because we purchased some market-based instruments in excess in prior reporting years. Please refer to the "FY23 Signed Statement of Work and Standard Terms" document for a look at this years purchases.</p> <p>There were no ERs for "any eligible location" purchased in 2023. The sum of the ERs purchased equates to our total scope 1 emissions.</p>	<p>Client response noted. ER retirements and supporting documentation reviewed. No errors. Finding closed.</p>
CLOSED	3	NIR	5/19/2023	5/26/2023	5/30/2023			<p>GHG Inventory Management</p> <p>Have there been any significant changes related to how GHG inventory data are managed since the previous year? Any updates related to key personnel involved in GHG management/calculations?</p>	<p>There have been no significant changes to how our scope 1 and 2 GHG inventory has been managed since the previous year.</p> <p>For scope 3, we had new individuals performing the calculations for Business Travel (Julia Kehoe), Capital Goods (Ernesto Gonzalez) and Waste Generated in Ops (Ernesto Gonzalez). All categories were internally verified by Averis Cumings before submission to SCS.</p>	<p>Client response related to lack-of inventory updates and new scope 3 personnel is noted.</p> <p>Finding closed.</p>
CLOSED	4	NIR	5/19/2023	5/26/2023	5/30/2023			<p>Estimated data</p> <p>There were six facilities that had estimated energy consumption data in FY2022. Do any facilities reporting emissions for FY2023 have estimated energy consumption data? If so, please specify which facilities.</p>	<p>We only estimated data for Barcelona Showroom based on square footage and for one EP account called "Steelcase_Nantgarw Plant (Orangebox)" for 8 months (Mar 2022-Oct 2022) for the Nantgarw Plant. All other emissions calculations are performed using primary data from utility invoices.</p> <p>You can identify estimated usage and cost data in Resource Advisor by going to Data -> Data Entry -> Cost & Usage and then changing the "Participant" name to the facility you want to look at and changing the "Date" to fiscal year 2023. All estimated cost/usage data is flagged green in the lower left hand corner. Primary cost/usage data based on invoices processed by Resource Advisor are flagged blue in the lower right hand corner.</p>	<p>Client response regarding estimated data is noted. Majority of data are invoice-controlled. Finding closed.</p>
CLOSED	5	NIR	5/19/2023	5/26/2023	5/30/2023			<p>Vehicle fleet - mobile emissions</p> <p>There were mobile combustion data reported under scope 1 for FY2022. Are any of the reported scope 1 emissions for FY2023 associated with mobile combustion? If so, how are mobile combustion data tracked? If separate from Resource Advisor, please provide a copy of any fleet-related datasheets detailing mileage and/or fuel consumption totals.</p>	<p>The mobile combustion emissions for FY23 can be found at the bottom of the table in the "Summary" tab of the scope 1 and 2 document. It includes two rows for "Aircraft fuel not included in Hangar" and "Mi Company Vehicles". These emissions were calculated from our Scope 3: Business Travel data set and pulled from that worksheet. All other mobile combustion emissions data were tracked under the Kentwood Fleet Operations facility and included in the RA report.</p>	<p>Clarification regarding mobile combustion data is received.</p> <p>Finding closed.</p>
CLOSED	6	NIR	5/19/2023	5/26/2023	5/30/2023			<p>Refrigerant fugitives</p> <p>Are refrigerant (i.e. HVAC) data tracked/available for any of the facilities reporting emissions for FY2023?</p>	<p>We are completing our initial refrigerant emissions inventory for FY23. This emissions inventory is incomplete due to a lack of data, but will be expanded in FY24. From our initial screening, our total refrigerant emissions are insignificant when compared to our total scope 1 emissions. We plan to submit our partial inventory for FY23 for the refrigerant data we currently manage. We should be able to submit these emissions for verification by early next week.</p>	<p>Clarification regarding nonmateriality and incompleteness of fugitive data collection is noted.</p> <p>Finding closed.</p>