


Footprint Verification Program (FVP)

Verification Report

Prepared for:
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Emission Year:
FY2024 (March 1, 2023 - February 28, 2024)

Prepared by:

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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 during FY2024 (March 1, 2023 - February 28, 2024). 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	Furniture Manufacturing
Reporting Period	FY2024 (March 1, 2023 - February 28, 2024)
Geographical Boundaries	Global
Facility Qty & Type	Approximately 26 manufacturing and office facilities.
Physical infrastructure, activities, technologies, and processes	Building energy, manufacturing/distribution, private jets, and 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); Mobile Fleet (gasoline, diesel, LPG, jet fuel); EACs/RECs
Level of Assurance	Limited
Treatment of Materiality	+/-5% quantitative threshold for direct and indirect emissions, qualitative based upon requirements specified within referenced criteria

Verification Indicators	
Indicator #1	Scope 1
Indicator #2	Scope 2 - Location
Indicator #3	Scope 2 - Market
Indicator #4	Scope 3 - Cat 1 - Purchased Goods & Services
Indicator #5	Scope 3 - Cat 3 - Fuel & Energy Related Activities
Indicator #6	Scope 3 - Cat 4 - Upstream Transportation & Distribution
Indicator #7	Scope 3 - Cat 5 - Waste Generated In Operations
Indicator #8	Scope 3 - Cat 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: 2019 Specification with guidance for the validation and verification of GHG assertions
Criteria #5	CDP Investor Information Request

Verification Team	
Lead Verifier	Barbara Toole O'Neil
Verifier	Melodie Chen-Glasser
Independent Reviewer	Dave Jonas

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).

SCOPE	ASSERTION TOTAL (tCO2e)
SCOPE 1	31,574.17
SCOPE 2 - LOCATION	54,010.14
SCOPE 2 - MARKET	0.00
SCOPE 3 - CAT 1 - PURCHASED GOODS & SERVICES	1,116,249.94
SCOPE 3 - CAT 3 - FUEL & ENERGY RELATED ACTIVITIES	23,253.00
SCOPE 3 - CAT 4 - UPSTREAM TRANSPORTATION & DISTRIBUTION	190,638.39
SCOPE 3 - CAT 5 - WASTE GENERATED IN OPERATIONS	6,621.34
SCOPE 3 - CAT 6 - BUSINESS TRAVEL	7,174.12

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

- Negative Verification – Not prepared in all material respects with the reporting criteria

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 Activities.*

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:

- 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
- Control Testing – Tests of controls through inquiry, observation, reperformance, and/or inspection of control records
- Sampling – Selection of less than 100% of items within a population for inspection (e.g. invoices)
- Estimate Testing – Testing of estimates through evaluation of reasonableness of assumptions, development of an independent estimate, and/or reviewing subsequent data for which estimates are intended to model
- 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.

SCOPE	ASSERTION TOTAL (tCO2e)	CALC SAMPLE (Client Value)	CALC SAMPLE (Auditor Value)	CALC SAMPLE (%)	PRIMARY DATA SAMPLE (%)	ERROR (%)	MATERIAL
SCOPE 1	31,574.17	30,728.70	30,724.33	97%	39%	0%	N
SCOPE 2 - LOCATION	54,010.14	54,010.14	54,022.02	100%	42%	0%	N
SCOPE 2 - MARKET	0.00	-	-	100%	100%	0%	N
SCOPE 3 - CAT 1 - PURCHASED GOODS & SERVICES	1,116,249.94	1,116,249.94	1,116,249.94	100%	0%	0%	N
SCOPE 3 - CAT 3 - FUEL & ENERGY RELATED ACTIVITIES	23,253.00	23,253.00	23,253.00	100%	0%	0%	N
SCOPE 3 - CAT 4 - UPSTREAM TRANSPORTATION & DISTRIBUTION	190,638.39	190,638.39	190,638.39	100%	0%	0%	N
SCOPE 3 - CAT 5 - WASTE GENERATED IN OPERATIONS	6,621.34	6,621.34	6,621.34	100%	0%	0%	N
SCOPE 3 - CAT 6 - BUSINESS TRAVEL	7,174.12	7,174.12	7,174.12	100%	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:

- NIR 3, 4, 9 – Discrepancies between different values between spreadsheets

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.
- Observation (OBS) – Represents an area of the client's documentation, process, etc. that should be monitored or improved upon. In this case, a response and corrective actions are not required, but highly recommended.
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- 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 Activities

PROJECT PHASE	ACTIVITIES	%	TIME (WEEKS)	PROPOSED COMPLETION DATE	ACTUAL COMPLETION DATE
Initial Inventory	Client: 1) provides complete package of initial documentation to lead verifier for review		Starts Process	4/1/24	4/2/24
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%	1.5	4/11/24	4/15/24
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. 3) Issues findings including non-conformances (NCR), new information requests (NIR), and/or observations (OBS).	35%	3.4	5/5/24	5/6/24
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%	3.4	5/28/24	5/24/24
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%	1.5	6/8/24	PENDING
TOTAL ENGAGEMENT TIME:			9.7	Weeks	

Appendix III: List of Findings

Status	Finding #	Type	Issued Date	Due Date	Date Closed	Standard Reference	Document Reference	Verifier Findings	Client Response	Conclusion
New Information Request (Mandatory request for additional information)										
CLOSED	1	NIR	5/3/2024	5/10/2024	5/10/2024			Request for invoices: Scope 1 (natural gas): Caledonia Wood Plant, Kentwood Energy Center, Sarrebourg Plant Scope 2 (electricity): Caledonia Wood Plant, Reynosa Plant, Kentwood Plant	Invoices have been added to shared Sharepoint folder.	Invoices provided
CLOSED	2	NIR	5/3/2024	5/10/2024	5/10/2024	WRI GHG Protocol Scope 3 1.3 Consistency: Use consistent methodologies to allow for meaningful performance tracking of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.	FY24 Steelcase Inventory Management Plan_Verification.pdf	In "FY24 Steelcase Inventory Management Plan_Verification.pdf", in section "Fugitive Emissions" it says "100-year Global Warming Potentials (GWPs) are from Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (2007)". Most recent EPA guidance recommends using IPCC AR 5 factors. Please include rationale for not updating to AR 5 factors for refrigerants.	This was a misstatement carried over from past emission factor sources. It has been confirmed that IPCC AR5 factors were used to calculate FY24 fugitive emissions.	No action necessary
CLOSED	3	NIR	5/3/2024	5/10/2024	5/10/2024	WRI GHG Protocol Scope 3 2.1	FY24 GHG Emissions Assertion + Subsidiary Estimation.xlsx	In "FY24 GHG Emissions Assertion + Subsidiary Estimation", in column M, Category 5 and Category 6 are not included in the "Total Steelcase Emissions", "Total Scope 3 (mtonCO2e)" field, please include a rationale why.	This was a misstatement. The corrected assertion can be found in "Updated 5.6.24 - FY24 GHG Emissions Assertion + Subsidiary Estimation"	Total has been updated
CLOSED	4	NIR	5/3/2024	5/10/2024	5/10/2024	WRI GHG Protocol Scope 3 4.9: For each scope 3 category, a description of the methodologies, allocation methods, and assumptions used to calculate scope 3 emissions	FY24 GHG Emissions Assertion + Subsidiary Estimation.xlsx	In "FY24 GHG Emissions Assertion + Subsidiary Estimation", the Scope 1 and 2 are listed as 29,957 and 51,173 respectively; however in "Final Sub. Assertion" they are listed as 31,574 and 54,010, while in "Final Sub Assertion", the Building Footprint is listed as 98,557, but in "Subsidiary Estimations", the "Total Building Footprint Emissions" is listed as 107,443. Scope 1 and 2 is listed as 85,584 on this page, which matches the "Final sub Assertion" tab but not the "GHG Assertion". As these values are linked to calculating Scope 3 for your subsidiaries, please clarify which numbers are the correct total, and provide more clarification on how the Building Footprint subsidiary calculations are created.	The first issue (29K/51k vs. 31k/54k) was a misstatement and has been corrected in "Updated 5.6.24 - FY24 GHG Emissions Assertion + Subsidiary Estimation". To calculate subsidiary emissions using the building footprint approach, we took the building emissions from all our leased and owned facilities globally (total = 107,443) and divided them up by Steelcase entity (Steelcase, Designtex, Halcon, etc.). Steelcase's contribution of our total building footprint was 98,557. Our scope 1 and 2 (85,584) is calculated differently and does not influence our subsidiary estimation. However, this value does match the total Steelcase Inc scope 1 and 2 in the GHG Assertion tab (cell M7). We rearranged the Final Sub. Assertion tab to reflect this more clearly. We then calculate the Category % of each scope 3 category as compared to Steelcase's building footprint emissions (98k) and apply that to each of the subsidiaries building footprint emissions. Their building footprint emissions give us a general indication of their size, and we apply the Category % to estimate each of their scope 3 emissions categories.	Explanation has been provided, misstatement has been corrected
CLOSED	5	NIR	5/3/2024	5/10/2024	5/10/2024	WRI GHG Protocol Scope 3 4.9: For each scope 3 category, a description of the methodologies, allocation methods, and assumptions used to calculate scope 3 emissions	FY24 GHG Emissions Assertion + Subsidiary Estimation.xlsx, FY24 Sales_P04-P06_Global.xlsx	In Scope 3, Category 1, in each of the data subdivisions has two pivot tables (such as FY24 Sales_P04-P06_Global.xlsx). The pivot table one on the right contains numbers significantly lower than the left, and the sum of the raw data does not match either depending on the filter. What significance or filtering does the right pivot table have to the inventory?	The right pivot table helps calculate the average price of product for systems products. The count of quantity and sum of discounted sales is found using the pivot table and then transferred into the "FY24 Steelcase Inc P&S_Average" document in the Data tab (table in C28:F34). Our sales reports count each piece part of a system as an individual product sold. The emissions impact figures from system product EPDs/LCAs apply to the entire system. Instead of summing the quantities of each piece part sold, we count each of the transactions as one system product sold.	No action necessary
CLOSED	6	NIR	5/3/2024	5/10/2024	5/10/2024	WRI GHG Protocol Scope 3 4.9: For each scope 3 category, a description of the methodologies, allocation methods, and assumptions used to calculate scope 3 emissions	EORA USA_Mult_CO2e_2023_dollar.xlsx	In Scope 3, Category 1, spend-based factors, are the EORA factors with or without margins?	"Our contact at EORA responded and let me know that the factors are without margin." - received via email "First Round of Findings" Tue 5/7/2024 8:24 AM	Steelcase's methodology indicates the separate accounting of T&D; no action necessary
CLOSED	7	NIR	5/3/2024	5/10/2024	5/10/2024	WRI GHG Protocol Scope 3 1.5 Accuracy: Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable confidence as to the integrity of the reported information.	EORA USA_Mult_CO2e_2023_dollar.xlsx	EORA Factors are adjusted for inflation from 2015, but current versions of EORA factors are available and may reflect changes in industry practices that change emissions. Please provide rationale for not updating EORA Factors.	There are significant costs associated with purchasing updated emission factor sets. We purchased the 2015 set a few years back and apply inflation factors so as not to have to purchase new sets every year. That said, we have purchased a new GHG and energy management software, which allows us access to annually updated EORA66 factors. The software is not ready for use this year, but we will be using the updated factors to calculate our emissions in coming years.	Explanation provided, no action necessary
CLOSED	8	NIR	5/3/2024	5/10/2024	5/10/2024	WRI GHG Protocol Scope 3 2.24 Upstream transportation and distribution: The scope 3 emissions of transportation and distribution providers that occur during use of vehicles and facilities (e.g., from energy use).	FY24 Steelcase Inc APAC T&D_Hybrid, FY24 Steelcase Inc NA T&D_spend, FY24 Steelcase Inc EMEA Outbound_Distance.xlsx	In Scope 3, Category 4, "FY24 Steelcase Inc APAC T&D_Hybrid" has type "Outbound", "FY24 Steelcase Inc NA T&D_spend" has category "Freight out", and there is a file "FY24 Steelcase Inc EMEA Outbound_Distance.xlsx". Can you confirm these are within Category 4, instead of the boundary Category 9 (downstream transportation and distribution)?	That is correct. We follow the GHG Protocol's distinction between upstream and downstream transportation and distribution. Most of our transportation and distribution is paid for by Steelcase and falls under Category 4, with the exception of a few product lines sold online in EMEA and shipped to individual consumers. The shipment to individuals consumers in EMEA is paid for by the consumer and the emissions fall under Category 9.	Explanation provided, no action necessary
CLOSED	9	NIR	5/3/2024	5/10/2024	5/10/2024	WRI GHG Protocol Scope 3 1.3 Consistency: Use consistent methodologies to allow for meaningful performance tracking of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.	FY24 GHG Emissions Assertion + Subsidiary Estimation, FY24 Steelcase Inc NA T&D_spend, FY24 Steelcase Inc T&D_WTW	In Scope 3, Category 4, following totals don't match with "FY24 GHG Emissions Assertion + Subsidiary Estimation" with totals in "FY24 Steelcase Inc NA T&D_spend", "Designtex" tab (3,683 vs 4,658) and Smith System "tab" (6,884 vs 8,706). Furthermore, the sum in FY24 Steelcase Inc T&D_WTW is lower than the total scope 3 presented in the FY24 GHG Emissions Assertion + Subsidiary Estimation. Please clarify the correct total for Category 4.	I am not quite sure what went wrong, but the values have been updated in both "Updated 5.6.24 - FY24 GHG Emissions Assertion + Subsidiary Estimation" and "Updated 5.6.24 - FY24 Steelcase Inc T&D_WTW". The values in both documents should now be correct and equal to each other. The reason the Designtex and Smith System values are greater in the assertion document than in the "FY24 Steelcase Inc NA T&D_spend" document is because the NA T&D doc calculated TTW emissions and we separately accounted for TTW emissions in the "Updated 5.6.24 - FY24 Steelcase Inc T&D_WTW" document, which matches the final asserted values.	Total has been updated, finding closed
CLOSED	10	NIR	5/3/2024	5/10/2024	5/10/2024	WRI GHG Protocol Scope 3 1.5 Accuracy: Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable confidence as to the integrity of the reported information.	FY24 GHG Emissions Assertion + Subsidiary Estimation	For Scope 3, Category 5: Scope 3, Category 1 had an increase in emissions, implying there might have been a comparable increase in waste; however emissions are similar to last year. Is there a reason waste did not increase?	We have a science-based target to reduce our waste generated in operations by 28% by 2030. Through a variety of waste management tactics and programs, we've been closely monitoring, increasing efficiency and reducing our waste in our operations. In addition, we know our P&S calculation is an estimate and does not perfectly capture the emissions associated with our purchases. The average data approach can generate emission values that vary based on the quantity and quality of active LCAs in the reporting year and the total sales volume. This year was the first year we introduce system product LCAs into our calculation and system product sales make up a large percentage of our overall sales. This change alone, while increasing the completeness of our calculation, inflated our FY24 P&S emissions. The category also relies heavily on a spend-based calculation, and we've begun to spend more and more since the initial covid years.	No action necessary
CLOSED	11	NIR	5/16/2024	5/27/2024	5/24/2024	GHG Protocol Corporate Standard (pg 7, Chapter 1) "Transparency: Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any the accounting and calculation methodologies and data sources used."	FY24 EAC data for GHG Verification.xlsx	For Scope 2 - Market based calculations, is stated that RECs retired in excess in prior years are applied towards this year's inventory; however, only the Signed Statement of Work are provided for international purchases, and it is difficult to confirm which RECs were retired in prior years. Last year, the "uploaded 5.15.23-FY23 Reconciliation and Purchase.xlsx" file provided insight into which recs were retired in each year. Can this file be updated to show when the RECs purchased for the different signed statements of work have been retired throughout the years?	Received via email "Checking in - Steelcase GHG verification" (5/24/2024) "FY24 EAC Reconciliation_04_10_24.xlsx" has been uploaded.	Recs total was confirmed

Status	Finding #	Type	Issued Date	Due Date	Date Closed	Standard Reference	Document Reference	Verifier Findings	Client Response	Conclusion
Observations (Area to be monitored or improved upon, not material)										
CLOSED	1	OBS	5/3/2024	NA	5/3/2024	WRI GHG Protocol Scope 3 1.3 Consistency: Use consistent methodologies to allow for meaningful performance tracking of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.	FY24 Steelcase Inventory Management Plan_Verification.pdf	In Scope 3, Category 3, the client uses updated DEFRA WTT electricity factors, but not DEFRA 2017 T&D losses from DEFRA. Using consistent sources can increase inventory consistency but this is non-material.	Noted.	