

Leveraging an Eco-Design Foundation to Enable Circular Value Creation

Megann Head

September 5, 2017

LCM

Steelcase

Who We Are. What We Do.



1912

company established

800+

dealer partners around the world

1,700+

patents worldwide

\$3.1 billion

annual revenue (fiscal year 2016)

15

manufacturing locations

110,000+

companies served in the last 5 years

12,000+

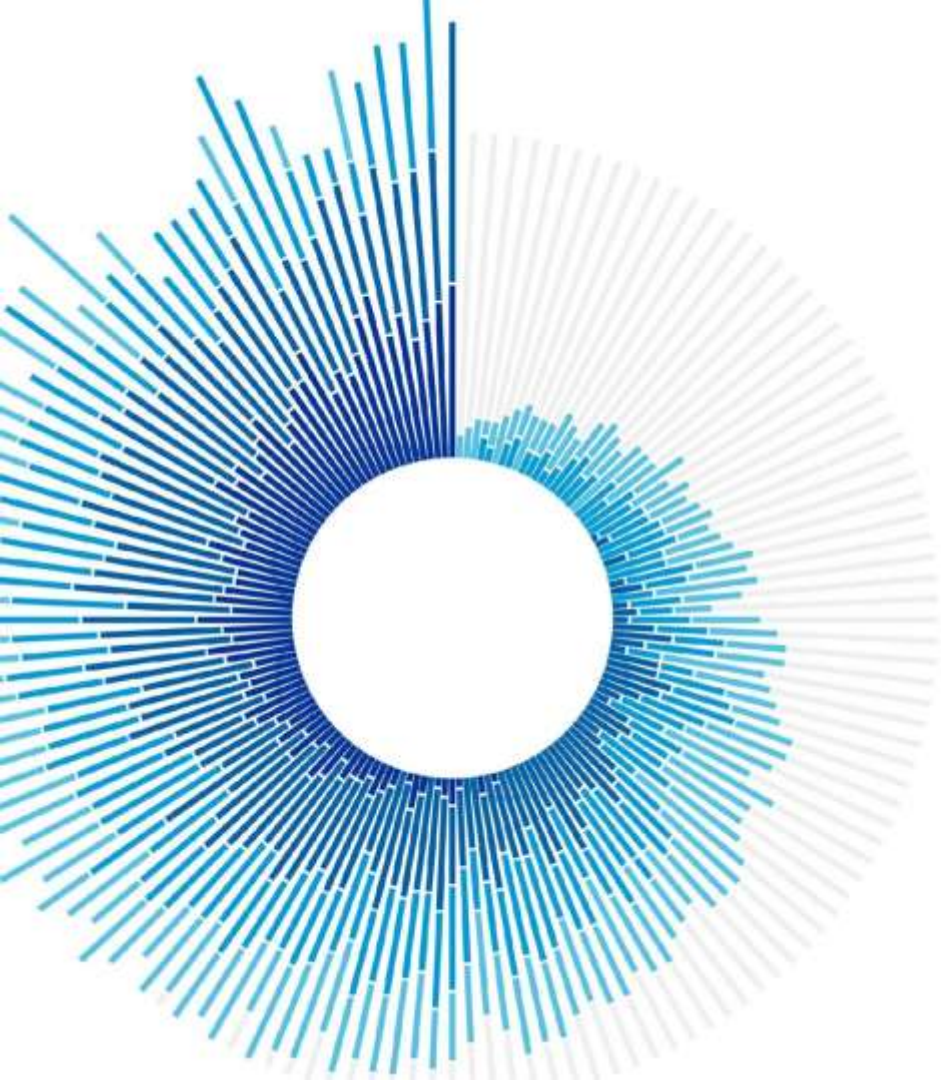
employees worldwide

No. 1

global market

We're in the **people business.**

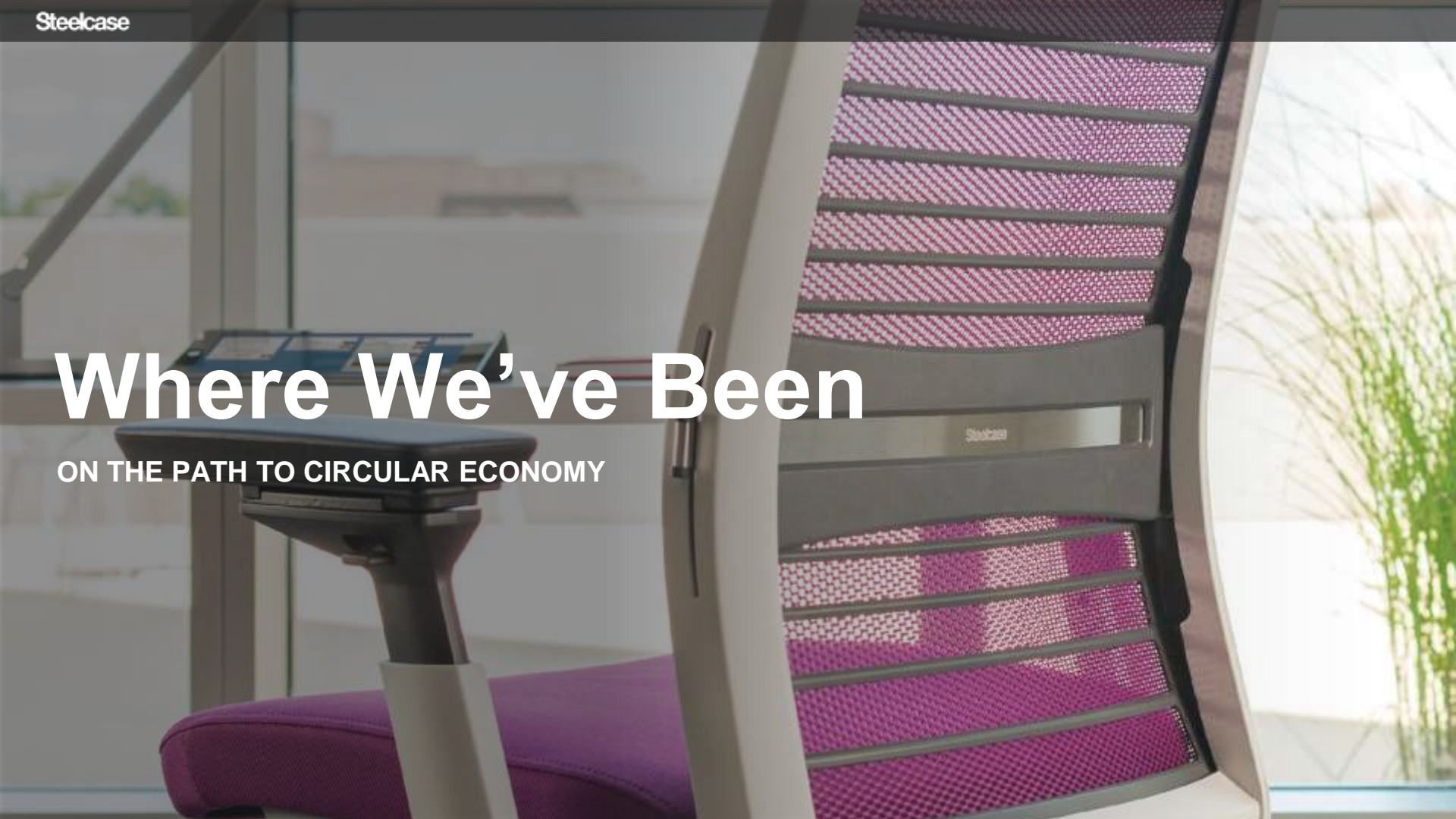
Our purpose is to **unlock human promise.**



...by creating the **social**,
environmental and **economic**
conditions that allow people,
organizations, and communities to
thrive.

Where We've Been

ON THE PATH TO CIRCULAR ECONOMY



Three pillars guide our efforts to innovate, improve, and deliver on our product promises.



Materials chemistry

Life cycle thinking & LCA

Reuse and Recycle



Materials Chemistry

→ Healthy materials for safe and continuous cycles



Materials chemistry

2000+

materials assessed

24

human and environmental health criteria

100

parts per million

50+

Cradle to Cradle certified™ products



Life cycle thinking & LCA

→ Identify the innovation opportunities along the life cycle



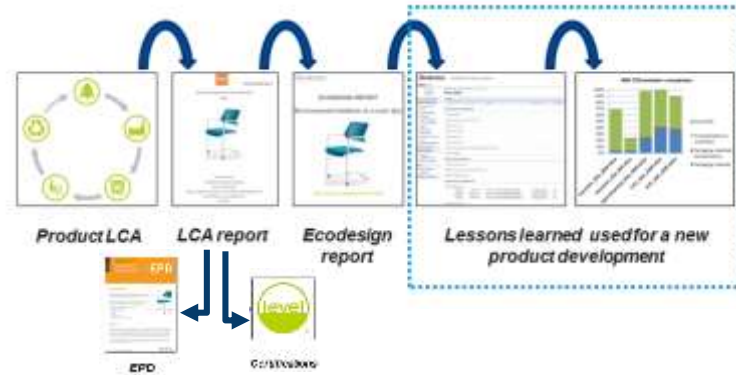
Life cycle thinking & LCA

Integrated life cycle & eco-design approach

Continuous LCA calculations to guide product development choices

40+ product LCAs and EPDs published

Product life cycle assessment:
to assess the product's
impacts



Life cycle assessments:
to guide decision-making



Reuse and Recycle

→ Build products inspired by a closed loop



Reuse and Recycle

Prefer

recycled & recyclable materials

Rapid

and easy disassembly of materials

Guiding

material recovery



BFree cube®

A “Take. Make. Dispose.” Linear Economy



??%

**Estimated percentage
of commercial
furniture landfilled
each year**

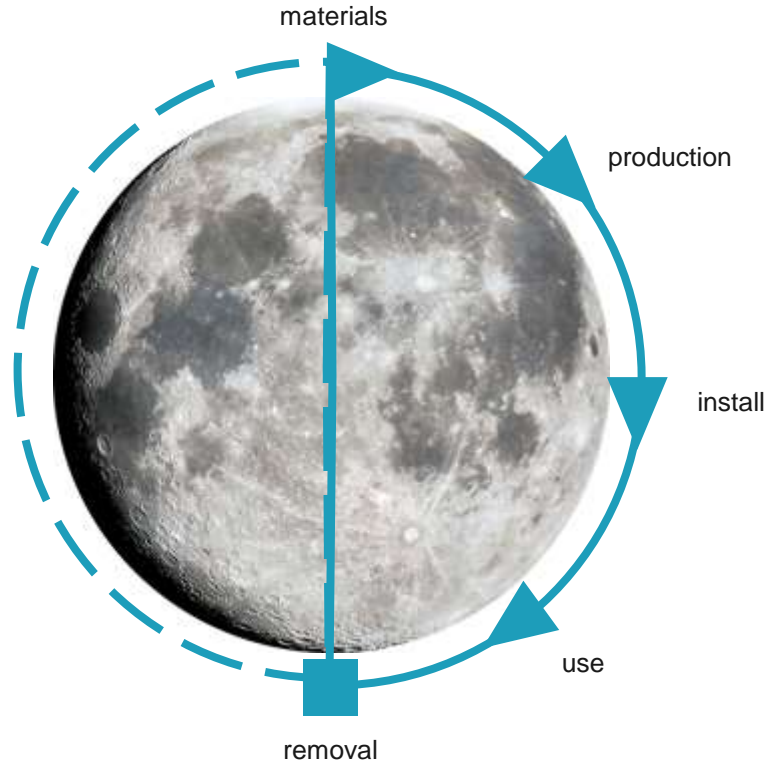
A “Take. Make. Dispose.” Linear Economy



70%

**Estimated percentage
of commercial
furniture landfilled
each year**

In a linear economy, the best we can do is close the loop on products...



We have been **exploring circular business model concepts**.
New business model innovations emerged.



EcoServices / Phase 2

Asset interception + redeployment



Workspring

Subscription-like share model



Event Experiences

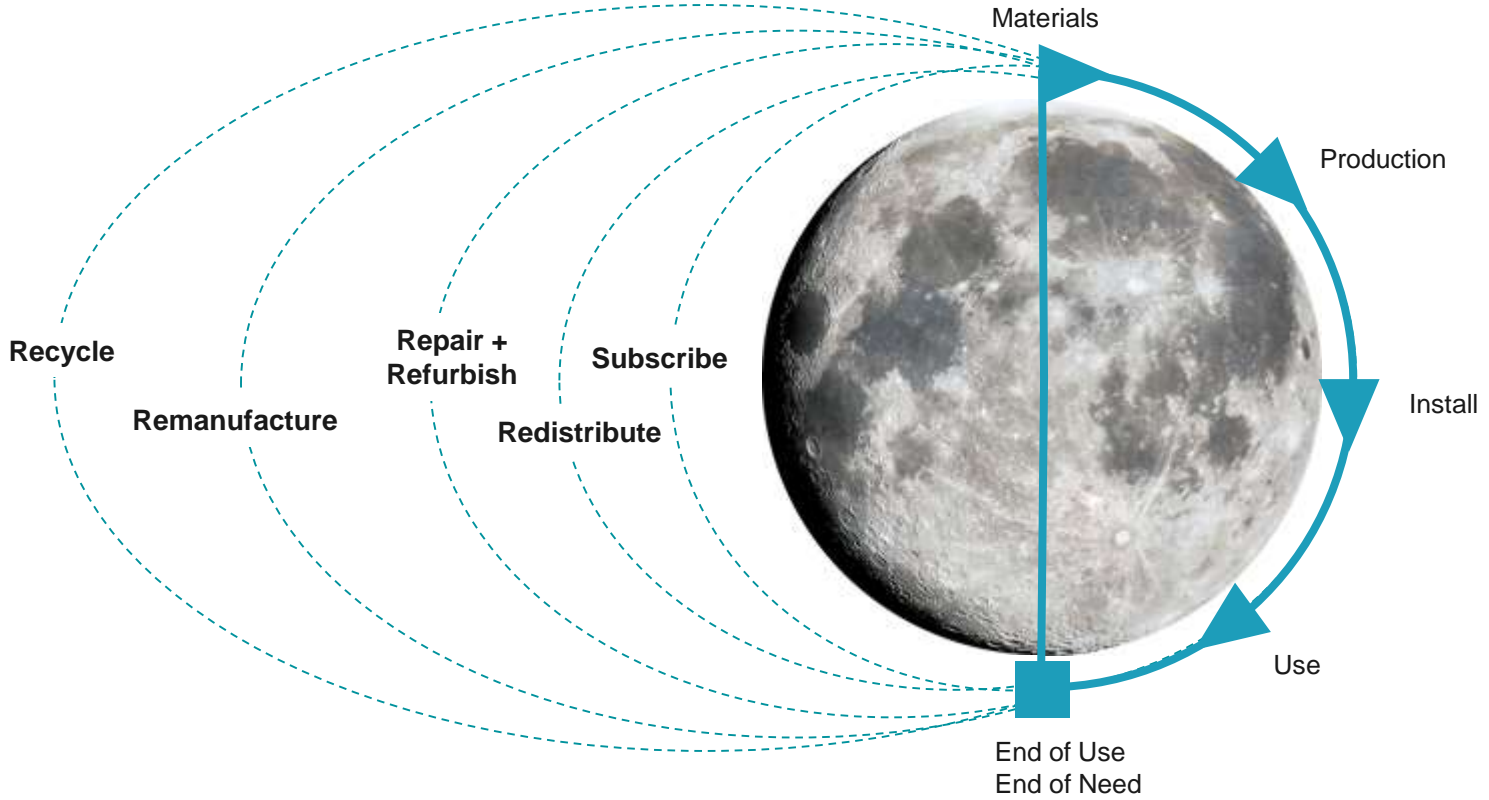
Pay-for-Experience model



Space Analytics

Analytics enabling CE models

How does our business model change in a circular economy?



If we're pursuing a Circular Economy that is

*“restorative and regenerative by **design**,
and aims to keep products, components and materials at
their **highest utility** and **value**
at all times...”*

**it requires new capabilities
and a shift in thinking...**

Capabilities needed to enable a Circular Economy



From designing for...

Disassembly

Recycling

One customer, one use

Purchase







Refurbishment and remanufacturing

Harvesting parts to feed new products

Many customers over its lifecycle

Enabling subscription, pay-per-use and other business models

Shifting Conversation, Shifting Role

| | | | | |
|--------------|---|---|---|---|
| |  |  |  |  |
| THE DIALOGUE | Operational Performance | Product Performance | Enterprise Performance | Business Models & Growth |
| OUR ROLE | advocate | consult | strategist | entrepreneur |
| KEY PLAYERS | operations | product development | corporate functions | c-suite + new business innovation |

Shift in the way we think...



How do we...

shift our actions from business optimization to **business transformation**?

unleash culture to drive new design capabilities and business models?

leverage existing models & achievements to pivot into new circular economy opportunities?

How can we...

drive new value creation through **embedded technology**?

build on our existing capabilities to grow new ones?

Thank you.