



Herman Miller Better World Report
Our Journey Toward a Better World



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New goals, new organization, collective future: A message from CEO Brian Walker

Our world seems to be ever more integrated—geographically, culturally, and economically. Since the 1980s when we were one of only a few companies to explore environmental programs, we have come to believe that only through collective action can we truly make a difference. Nothing exists—or can be done—in a vacuum. No organization can exist very long without a larger purpose. We have learned those lessons over the past 100 years.

Working toward a better world has been a goal here for almost 100 years. We put together this report every year to let you know how we're doing in our four dimensions of moving toward a better world—community service, inclusiveness and diversity, health and well-being, and environmental performance.

This past year, we reorganized our contributions of time, talent, and financial support into an employee-led, grass roots program called Herman Miller Cares. We hope to involve even more members of our community in directing community service to five areas: Design, Arts, and Culture; Education; Health; Essential Human Needs; and the Environment.

We renewed our commitment to environmental advocacy by focusing our goals in a program called Earthright, which will extend our environmental work to the entire Herman Miller community. We group our goals into three areas: resource smart, eco-inspired design, and community-driven participation. To be a leader requires us to change, and the changes to our environmental goals and programs will give us something ambitious to shoot for and a way of hitting our targets.

Do we always hit the bull's-eye? No, of course we don't. Building a better world is not so much achieving a goal as an everyday fact of life.

Marshalling the global Herman Miller community—including our suppliers and creative network—behind our goals has led to some notable achievements over the past year. We were named for a tenth consecutive time to the Dow Jones Sustainability Index, and for a seventh consecutive time we achieved a perfect score on the Human Rights Campaign Foundation's Corporate Equality Index. We received a Best and Brightest in Wellness Award and were named one of five of Michigan's Healthiest Employers.

My team and I promise to work toward the goals laid out in this report and build on the remarkable achievements made by so many people at Herman Miller over the past decades. I truly hope that this report will give you some ideas about how you can join us.

Thanks,



Brian Walker, CEO, Herman Miller, Inc.



Who is Herman Miller?

“A business is rightly judged by its products and services, but it must also face scrutiny as to its humanity.”

—D.J. De Pree, founder, Herman Miller, Inc.

Herman Miller is named after a West Michigan businessman who helped D.J. De Pree buy the Michigan Star Furniture Company in 1923. It didn't hurt that Herman Miller was D.J.'s father-in-law. Since Miller had a good reputation for honesty and was well-known in the business community, D.J. renamed the company after him. And we've been Herman Miller ever since.



Our Legacy of Leadership, Corporate Values, and Community

Herman Miller is well-known for its philosophy of leadership and employee engagement. Our former chairman and CEO Max De Pree wrote about it all in his books *Leadership Is an Art* and *Leadership Jazz*. We call our corporate values “Things that Matter.”

Our corporate mission is simply this: “Inspiring designs to help people do great things.” Our designs and the designers who work with us solve real problems for people and the organizations they work for. We help people work better, serve their communities, and live in a better and more beautiful world.

Herman Miller’s culture results from the collective attitudes, aspirations, ideals, and experiences of the people who work here. We believe that each person at Herman Miller has potential and multiple talents. We also believe that the way we experience Herman Miller as employees is important to our ability to perform at the highest levels—for our customers, our shareholders, and our neighbors.

Our leaders, including our board of directors, take our commitment to building a better world seriously. They review our performance, monitor compliance with ethical standards, and measure their own compensation against their ability to manage our business according to our values.

We have a strong tradition of employee engagement at Herman Miller. Most of us own stock, and we work together to delight our customers with great design reliably delivered.



Our History of Design and Innovation

For over 75 years, we have worked with some of the most outstanding designers in the world—Gilbert Rohde, George Nelson, Charles and Ray Eames, Alexander Girard, Isamu Noguchi, Robert Propst, Bill Stumpf, Studio 7.5, and Yves Béhar. They have taught us a habit of mind that begins with a problem, researches possibilities, and produces a durable and beautiful solution. That is our view of design.

This way of thinking about design has led us to be innovative in many parts of our business. Our environmental advocacy continues to lead our industry. Our graphics and communications are distinctive and award-winning. The Herman Miller Performance System, modeled on the Toyota Production System, innovates every day and delivers our products dependably around the world. We also innovate in our human resource programs to make the employee experience at Herman Miller fulfilling and productive.

Above all, our design thinking has led us to help people do great things, a goal that requires not only sustainable business practices, but community service, health and well-being, safety, and inclusiveness and diversity.

When we think about building a better world around you, we organize our work into four areas:

Community Service
Inclusiveness & Diversity
Health & Well-Being
Environmental Advocacy

In working in these areas, it boils down to building community—with you and around you, in your work space and in your neighborhood, among family and among colleagues, in our backyard and around the world. Read on to see how we've done in the ongoing process of meeting our goals.





Community Service

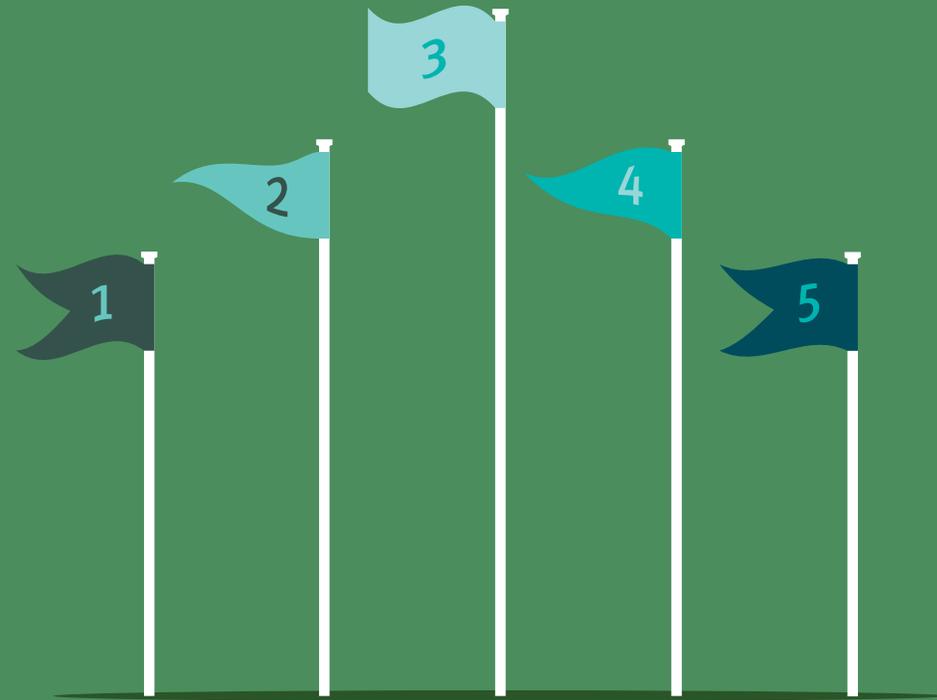
We take community service seriously. Our employees seek out volunteer opportunities in the community, and we allow each of them 16 paid hours a year to work with the charitable organizations of their choice.

Herman Miller people regularly take part in initiatives ranging from highway and river cleanups to youth mentoring programs. Herman Miller sets goals for the number of employee volunteer hours we contribute annually to our communities. In May 2013, we recorded a three-year total of 49,577 volunteer hours on the parts of all Herman Miller employees, surpassing our goal of 45,000. We report our progress in meeting these goals to the CEO.

Herman Miller Cares

The founder of Herman Miller, D.J. De Pree, believed strongly that we have a debt to the communities we work in, live in, and serve in around the world. For decades we have made sizable contributions to nonprofits from Boys and Girls Clubs to Habitat for Humanity. This past year, we reorganized the contributions of our time, talent, and financial support into five areas: Design, Arts, and Culture; Education; Health; Essential Human Needs; and the Environment. We call this program Herman Miller Cares.

Five employee-led “boards” research organizations needing our help and contributions. So far this year we have aligned ourselves with organizations from West Michigan and Mexico to Bangalore and Burundi.



All City Canvas

Struck with their goals of bringing art to the urban landscape and sparking creativity there, we supported All City Canvas in a project to paint murals on The Hub building in a gritty neighborhood of Mexico City. The artist, Augustine Kofie, holds workshops (facilitated by Herman Miller employees from our office there) to involve residents and local artists. Their grassroots approach inspires us all.

Water Conservation and Reforestation

The Environment Committee is partnering with organizations that are addressing the critical issues of water conservation and reforestation. Our regional partners will offer opportunities for Herman Miller employees to make a significant impact in their communities.

- Outdoor Discovery Center—Macatawa Greenway—supporting property restorations and ongoing environmental monitoring of two of the four most polluted tributaries in the Holland/Zeeland community
- Alliance for the Great Lakes—initiatives geared towards improving the water quality of Detroit’s lakefront and supporting Adopt-a-Beach™ events in Sheboygan, WI, and Chicago, IL
- Teach for the Watershed—providing watershed education to teachers and students in West Michigan through interactive, place-based education
- Sherwood Institute—restoring and protecting the lakes of Bangalore, India
- Plant with Purpose—reforesting a zone within Burundi’s Lower Muyovozi River watershed that is home to an estimated 1,000 households and 6,445 individuals

Cholera Clinic in Haiti

Partnered with MASS Design from Boston, a team from Herman Miller researched, designed, and prototyped a bed and chair for cholera patients at the Cholera Treatment Center in Port-au-Prince, Haiti.

Charity Softball

In the summer of 2010, we held our first Charity Softball Tournament to benefit Gilda’s Club in Grand Rapids, a free cancer support community. In 2013, we added the Alzheimer’s Association of West Michigan as a recipient of contributions. This year, 14 teams raised over \$15,000, bringing the grand total raised to over \$50,000 in four years.

Volunteer Hours in West Michigan

Each year, Herman Miller gives each employee two days to spend supporting a non-profit organization. Three years ago, we set 45,000 hours as a goal. In 2013, we clocked in at 49,577 hours, zooming past the goal. Beneficiaries include: Outdoor Discovery Center, Summit School-to-Career Transition Program, Habitat for Humanity, Boy Scouts of America, 4H Clubs, and Zeeland Public Schools. Assuming an average pay rate of \$22 an hour, this effort translates into over \$1,090,694 worth of time contributed.

Bath Rugby Foundation

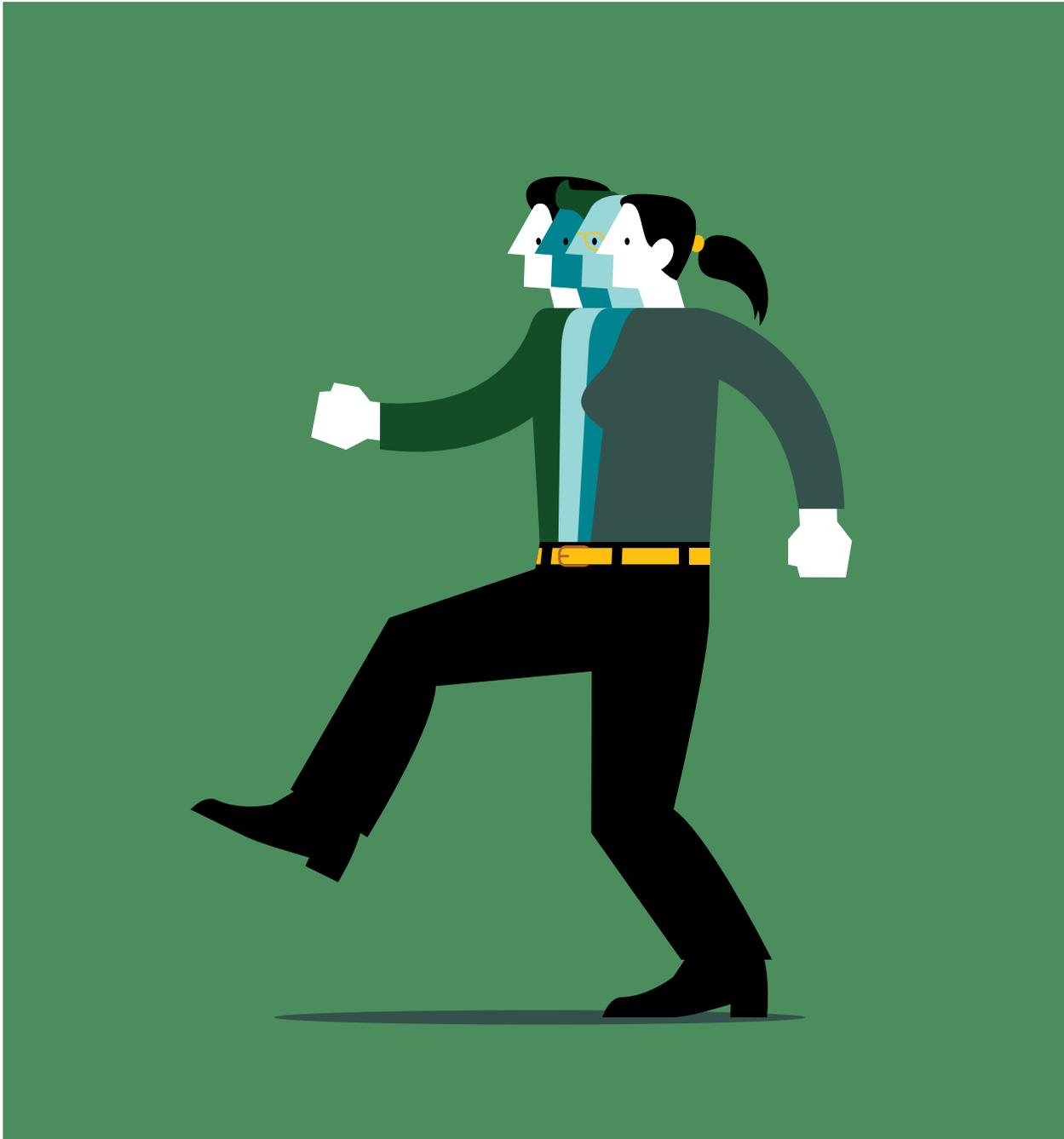
Twenty Herman Miller employees in the U.K. contributed 150 hours to the Bath Rugby Foundation Inclusion Project during 2013, on top of a financial contribution. The volunteers helped specially trained Bath Rugby staff provide a safe environment where children with different needs can develop social awareness and confidence.

Advocacy in India

Volunteers from the Herman Miller team in Bangalore, India, have partnered with the Association of People with Disability to improve nutrition and fitness of local school children. The APD is a 52-year-old organization providing therapeutic services, nutrition aids, education, advocacy, and livelihood training for people with disabilities.

Helping Older People and Children in China

Over 50 volunteers from Ningbo spent 160 hours helping older people at the Daqi Happiness Elder Home and the Luwan Special Needs Education School. The school was founded in 1986 with the concept of “Zero Rejection” and the idea that “Every human has the right to be educated.” The students include children ages one to 22 years old with medium to severe intellectual disabilities, infantile autism, and multi-disabilities. The school’s curriculum covers three-year preschool education, nine-year compulsory education, and three-year vocational education.



Inclusiveness & Diversity

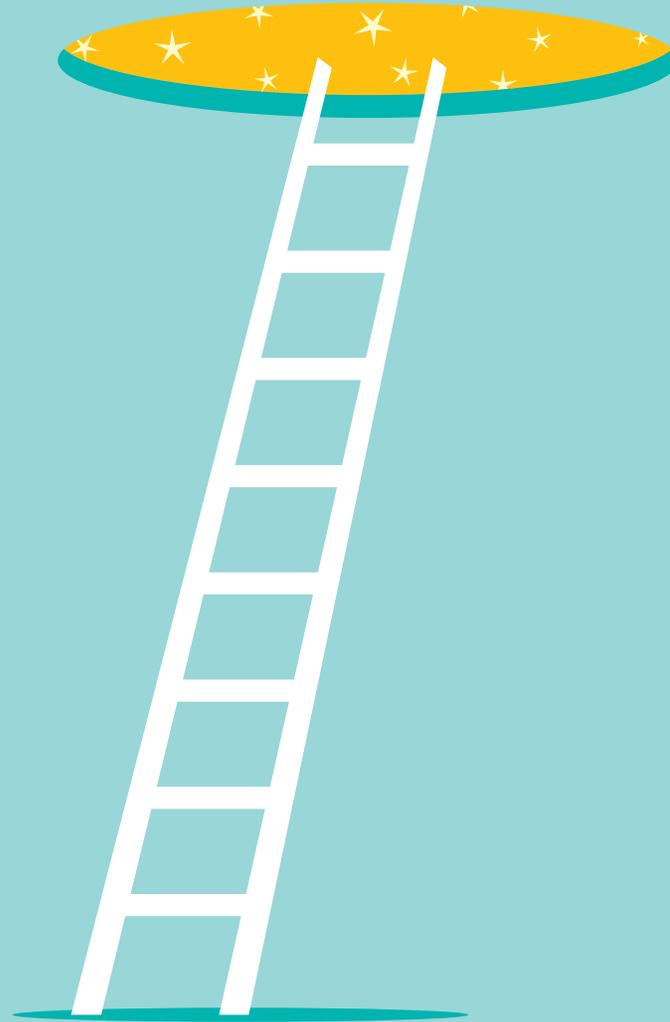
“We value the whole person and everything each of us has to offer, obvious and not so obvious. When we are truly inclusive, I believe we go beyond toleration to really understanding what makes us unique and what unites us as human beings.”

—**Brian Walker, CEO, Herman Miller, Inc.**

Inclusiveness & Diversity (I&D) is much more than a social program at Herman Miller. Working to become an inclusive community is both the right thing to do and a business imperative that directly affects our ability to grow as a company. To effectively compete in the global marketplace, we recognize the need to attract and retain the best talent available. An inclusive environment allows our employees to be more innovative and create solutions that best meet the needs of our customers around the world.

Herman Miller Academy

As part of Herman Miller's Next Generation Workforce Plan, the Herman Miller Academy Program began in January 2012. The Academy allows a group of students in West Michigan to see and experience several different career opportunities in manufacturing and gain skills to prepare them to join the workforce. The program runs each year in three semesters—spring, summer, and fall. We emphasize manufacturing and operations, but students also learn about other careers in the business world. More than 80 Herman Miller employees volunteer as presenters and mentors.



Inclusiveness Resource Teams

Herman Miller has always worked to become an inclusive community. It is both the right thing to do and a business imperative that directly affects our ability to grow as a global company. We know that we are only as diverse as our people, and our Inclusiveness Resource Teams (IRTs) strengthen our commitment to inclusion and champion people and programs. They are important in helping us create a workforce that mirrors the changing face of the world and better serves our customers. When our employees feel welcomed and valued, they engage and produce at a higher level, both in the workplace and the marketplace.

Our IRTs implement initiatives that not only advance our employees and communities, but also help us meet business objectives. They have evolved from informal groups to more structured entities with broad participation. Eight IRTs organize our grassroots efforts in the United States: Asian; Black; disAbility Advocacy; Women Influencing Now; here (LGBT); Hispanic; Veterans; and Educate/Engage. Three additional IRTs (disAbility, Women Influencing Now, and Generational Outreach) organize our international efforts. In the past year, IRTs grew to over 300 members and participated in over 80 internal initiatives and community outreach activities.

We track these activities with the I&D scorecard, which measures our efforts in several critical areas including Whom We Sell To (Customers), Who Does the Work (Talent), Where We Work (Engagement), and Whom We Buy From (Supplier Diversity). Scorecard results are reviewed regularly by the company's senior-level leadership and the Board of Directors.

Helping Educate the Next Generation

The Herman Miller Academy Class II began in January 2013 and expanded to include students from additional area schools. The Academy sparked community action resulting in the September 2013 launch of futurePREP connections. This business-education partnership includes collaboration between the Ottawa Area Intermediate School District, seven local districts, seven local companies, the West Coast Chamber of Commerce, and Lakeshore Advantage. The program supports students in grades six through 13. Programming is by grade level and will be introduced in phases over three school years. By the 2015/2016 school year, this program will be available throughout Ottawa County.

Herman Miller Academy first year class results include:

- All participants graduated from high school, with 16 out of 20 deciding to continue their education; one enlisted in the Marines and three entered the workforce.
- Of the 16 pursuing post-secondary education, Herman Miller provided scholarships for and hired 6 of the students; we are sponsoring them in a local community college and manufacturing partnership program.

The Herman Miller Academy sparked a community model of business-education partnership.

Award-winning Supplier Diversity Program

Since 1990, our supplier diversity program has been central to our business, and we have always worked to build a strong and diverse supplier network. Supplier sourcing and qualification, Tier 2 reporting, mentoring, community and business outreach, and training and education are among the strategies we employ to strengthen these efforts. Our suppliers are true partners in sustainability and the creation of innovative, problem-solving products.

In 2013, we were named for the seventh time in nine years Corporation of the Year in the commercial products sector by the Michigan Minority Supplier Development Council (MMSDC). And on October 17, 2013 the MMSDC named Herman Miller a Corporate ONE Award winner for the tenth consecutive year.

Causes, initiatives, and accomplishments this past year:

- Recognized on the 2013 Working Mother 100 Best Companies list
- Achieved 100 percent rating on our Corporate Equality Index from the Human Rights Campaign (7th consecutive year)
- Hosted 4th Chicago Showroom Pride Celebration
- Initiated William C. Abney Academy Book Drive, Furniture Refresh, and Student Design Competition
- Hosted renowned global activist at Herman Miller and was title sponsor of Hope College MLK celebration
- Hosted Diversity Theatre and auction to benefit Grand Rapids Women's Resource Center
- Participated in International Stand Up to Bullying Day
- Exhibited at the 2nd Annual Asian Professional Networking Event, co-sponsored by the West Michigan Asian American Association, Grand Rapids Kent County Convention/Arena Authority, and the Community Inclusion Group
- Distributed care packages to Herman Miller family members serving in the military overseas
- Sponsored and volunteered at Latin Americans United for Progress Youth Conference
- Provided mobility assistance at annual Herman Miller employee picnic



Collective Health and Well-being

We believe the health and well-being of our community is a goal for all employees, is integral to our aspiration to create a better world, and is consistent with the way we value the potential of each and every person.

Every organization today struggles to provide healthcare benefits and wellness services to its employees. Herman Miller is no different. Two years ago, our CEO turned the problem over to 150 company leaders. Since then, as usual, collective action has led to some surprising results. Almost 2,000 employees and 300 spouses participated in our wellness challenges in 2013; and we've paid out more than \$200,000 in rewards. The American Heart Association named us a Fit-Friendly Worksite Platinum winner. Our per-employee healthcare costs in 2013 grew at only 1.5 percent, the smallest rate in five years. Overall, healthcare costs for fiscal 2013 are down 6.5 percent.

Best of all? People with chronic problems are getting personalized help, our community is smarter about accessing healthcare at work, and we are healthier, eating better, and more active than ever.

Healthy You! Wellness Program

Herman Miller is committed to improving the health and wellness of all our employees. We are dedicated to engaging all employees and their families to become more aware of their health and more involved in improving their overall health habits.

As a result of the efforts from many people at Herman Miller, we were named one of Michigan's Best and Brightest in Wellness for 2013. We were also named Michigan's Healthiest Employer for companies with more than 5,000 employees by Crain's Detroit Business and MI Biz.

Our Wellness Community continues to grow, and this year over 80 percent of employees obtained a health screening, "know their number," and earned premium discounts. A variety of Healthy You! Challenges encourage behavioral change through social networking, team activities, and games; 40 percent of employees participated this year. We added additional fitness classes, such as Zumba, this year to accommodate the increased interest from employees and spouses.

Also available are weight-loss programs, a diabetes management program, tobacco cessation resources, health and wellness coaches, and on-site clinics and relaxation rooms.

Carpooling/Bike Pooling Programs in the U.S.

Several programs help us reduce the amount of fuel we consume, thereby reducing the impact on our wallets as well as the environment. Employees can create either a carpool or bike pool profile including their address, work hours, and whether or not they are willing to drive or are just looking for a ride. Then they log their hours to be entered into a monthly drawing for a \$50 gift certificate. Employees also receive one-time reimbursements including \$500 when purchasing a hybrid or fuel-efficient car, \$100 when purchasing a bike for personal use (or \$25 for a bike tune-up), and \$50 toward an approved helmet for use when riding a motorcycle or scooter.

As of this fiscal year, our fuel savings initiatives have resulted in these savings since the program began in 2008:

- 553,817 miles saved by carpooling/biking
- 239 fuel efficient vehicle reimbursements
- 899 bicycle reimbursements
- \$218,332 reimbursed to employees

Safety

From the production floor to the office workstation, from stacking products to adjusting seats ergonomically, we focus on safety in everything that we do. Our Corporate Safety Vision is that "Herman Miller will establish a culture where safety expectations are driven by all employees with the understanding that all injuries are preventable." To achieve this vision, we have a program of consistent, verifiable, and ongoing identification and correction of problems and hazards.

Our ongoing goals:

- Zero injuries
- Excellence in safety performance
- Elimination of unsafe behavior

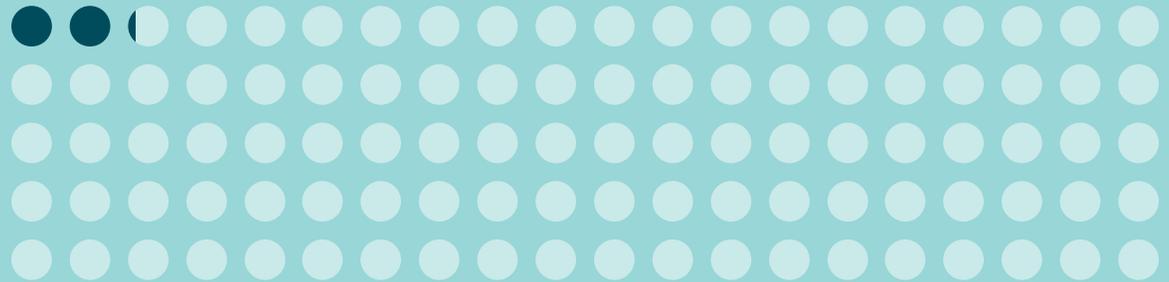
Achievements in Safety

Many of our facilities are recognized by the Michigan Voluntary Protection Program. In addition to our participation in the Michigan OSHA Voluntary Protection Program, our Behavioral-Based Safety (BBS) program helps us work toward our goals. We launched a corporate-wide BBS program in 2006. This innovative workplace strategy reduced on-the-job injuries by 40 percent in the first year. The program relies on interactions and coaching between team members to reduce the kinds of accidents that we believe account for 94 percent of all injuries. Six manufacturing sites have implemented the BBS program.

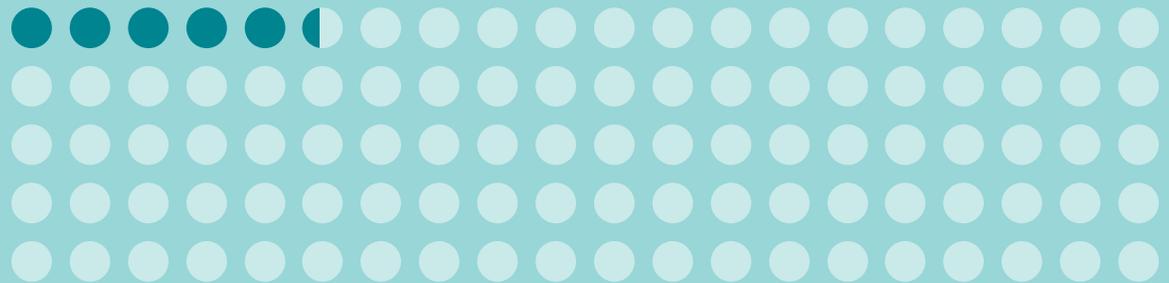
As part of BBS, we train our employees to observe on-the-job behaviors and give feedback. Making feedback a positive experience is critical; a feedback session will determine whether a behavior will be appreciated, supported, and sustained. We believe that getting more people involved in BBS is a key way to reach and maintain zero injuries.

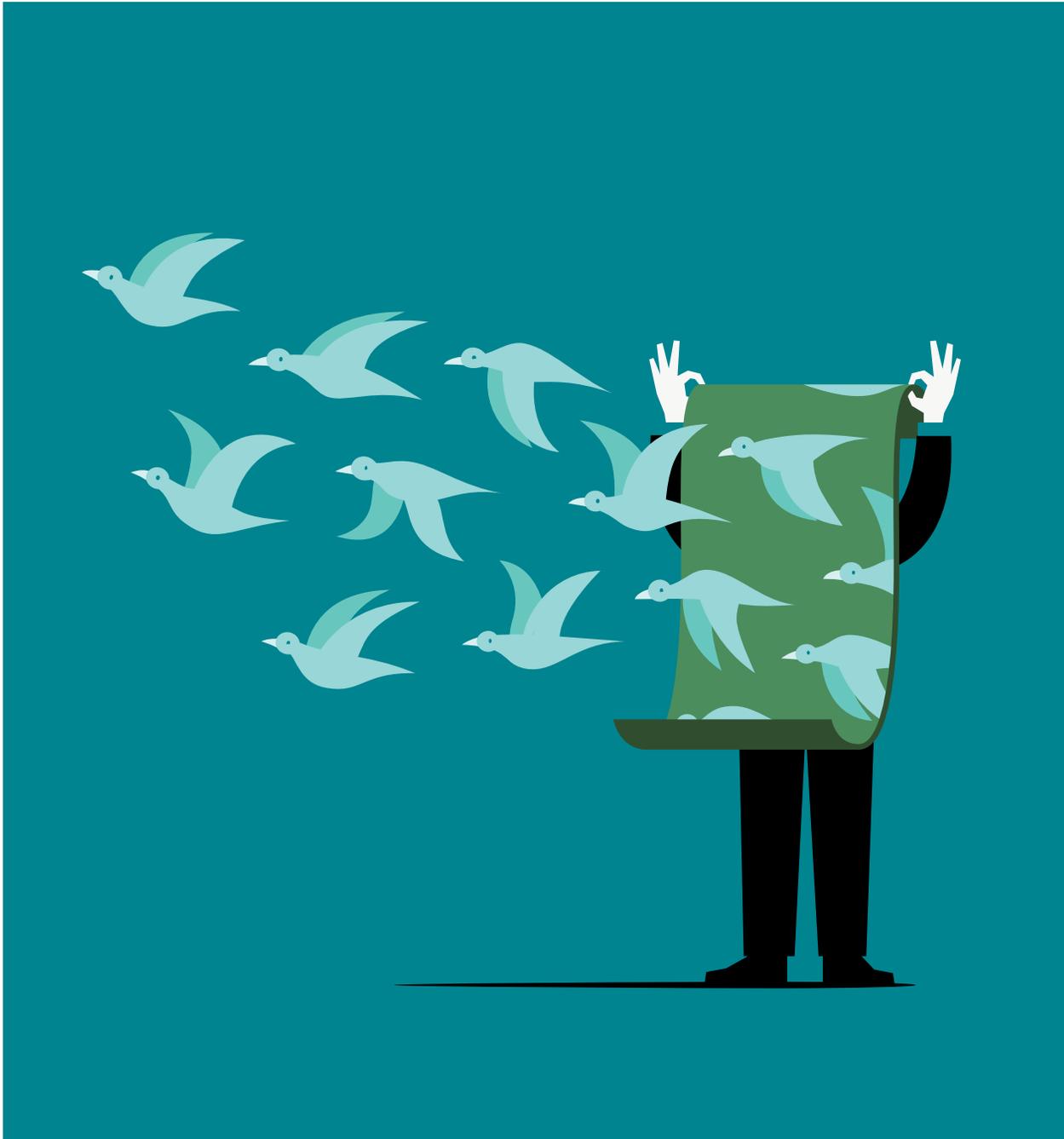
Injury Incident Rate/100 Employees

Herman Miller 2.1/100 employees



Industry Average 5.4/100 Employees





Environmental Advocacy

Like community service, inclusiveness and diversity, and health and well-being, environmental advocacy at Herman Miller began with corporate values first put into words by the founder of our company, D.J. De Pree. In 1953, D.J. said that Herman Miller “will be a good corporate neighbor by being a good steward of the environment.” We have been working toward that goal ever since.

D.J. also had other ideas ahead of their time—windows in all company buildings, including manufacturing facilities, and requiring that 50 percent of any Herman Miller corporate site be set aside as “green space.” Today, “living with integrity and respecting the environment” are two ways we work to build a better world.

We believe the environment is a cause every corporation should put high on its agenda. Renewing our commitment to the environment has led us to a new strategy for the next ten years called “Earthright.” We have learned a great deal since we launched our Perfect Vision goals back in 2004, and this new vantage point allows us to sharpen our focus. With fiscal 2013 as the baseline, Earthright has three guiding principles: positively transparent, living things, and greener together.

Earthright

Ten years ago, we put into place a set of environmental goals that included a zero operational footprint. We have sharpened our goals around the smart use of resources, eco-inspired design, and becoming community driven. Our new 10-year sustainability strategy—Earthright—begins with three principles; positive transparency, products as living things, and becoming greener together. Most important, we are finding new ways to involve more employees and suppliers.

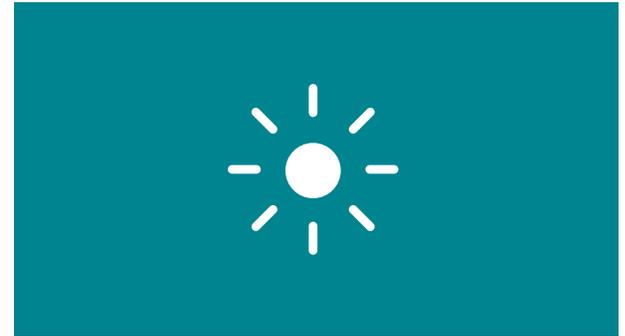


- **Positively transparent:** We will share an unprecedented amount of information about the impacts for which we are responsible. We will also share our point of view on human and environmental health and, more important, what we are doing about them to transform our business from a net consumer to a net producer.
- **Living things:** We will create better products and processes to protect everyone's health and well-being, restore the ecosystem, and give back more than we extract. We will do this by applying regenerative design principles. We want to give back more than we take.
- **Greener together:** We cannot solve these problems by ourselves. We must engage our entire community including our employees, customers, suppliers, dealers, salespeople, and the remaining community.

The three themes for our decisions and actions: resource smart, eco-inspired design, and community driven.

- **Resource smart** describes our goals for waste, water, and energy.
 - Waste:** We will use better processes to eliminate all waste from our facilities. We have a zero waste goal, and we won't stop until we get there.
 - Water:** Driving toward net zero water, we will manage our water well (using only what we need), looking to reduce and eliminate any unnecessary water use. We will also return clean water to nature.
 - Energy:** Our long-term energy plan is to renewably power our facilities with a combination of on-site and local generation. We believe it is important to encourage the creation of renewable energy and to access it locally. Equally important is efficient consumption. We will use only renewable forms of energy and will be as efficient as possible, removing any wasted forms of energy.
- **Eco-inspired design** means that we will design products to use materials with safe chemistry, include only recycled and/or bio-based materials, minimize life cycle impacts, and be part of a closed-loop recycling system. Design is important at Herman Miller. We continuously ask ourselves if we have made the best choices in our products. Doing so gives us the confidence that we are building the most useful and beautiful products possible.
- **Community driven** means that we will engage our suppliers and continue to build on our history of employee engagement. This past year, we have launched Team 53 charged with empowering our employees to contribute creative ideas to inspire others to make Herman Miller a great place to work and to make this a better world.

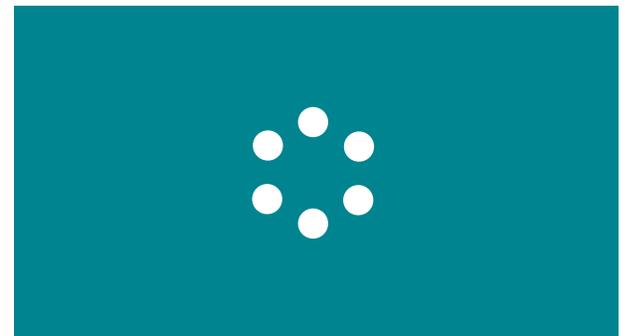
Our revised policy and goals are based upon—and driven by—the Earthright principles and themes.



Resource Smart



Eco-inspired Design



Community Driven

Our Safety and Sustainability Policy

At Herman Miller, we approach safety and sustainability in two ways.

From the top down, we set goals for safety and sustainability and make performance to these goals part of our CEO's scorecard. From the bottom up, we empower people with a passion for wellness and responsibility to lead by example and through organized programs. These approaches meet in the middle, always striving to improve through commitments to:

Living, Working, and Being Safe: Promoting safety knowledge, well-being at work and at home, and the prevention of injuries and ill health.

Being Resource Smart: Preventing pollution, eliminating all forms of waste, and using all resources efficiently.

Being Eco-inspired: Advocating for more sustainable products with safer material chemistry.

Being Community Driven: Sharing best practices with all stakeholders and going beyond compliance with regulations and other requirements.

Community Driven

We live in a global community and understand that we have a responsibility to model sustainable practices to ensure the continued success of our business and the planet. We have made strides in reducing our corporate footprint. We have learned over the years, however, that for most products over 80 percent of the total environmental impact is hidden in our supply chain. So we asked 22 suppliers to support our mission and will continue to ask more to join us. In addition, the overall footprint our employees leave is twice that of the corporate one. Every employee can make a huge impact. We know that we can't reach our goals without every single employee pulling in the same direction.

Community Driven: Employee Engagement

In 1989 a group of our employees launched the Environmental Quality Action Team (EQAT) and worked with senior management to elevate environmental advocacy in Herman Miller's corporate agenda. This grassroots effort has ensured that being mindful of the environment extends to all groups and all parts of Herman Miller. Site Safety and Sustainability Specialists meet regularly with their respective site teams to share information and ensure that Herman Miller's environmental management system requirements are maintained.

In 2012, we recognized the need to build upon our employees' long history of environmental advocacy by creating a new team that will go above and beyond our goal attainment. Named "Team 53" in honor of the year our founder declared we will be "a good steward of the environment," this team was officially launched in early fiscal 2013. The team is charged with re-engaging our employees to bring their creative ideas forward to inspire others to build a better world.

Team 53 hosted our annual Earth Hour event in 2013. Employees were asked to pledge their commitment to Earth Hour by turning their lights off for an hour on Saturday, March 30, 2013, at 8 p.m. Over 380 employees participated, each having a chance to win one of several gift cards and LED light bulbs. We also turned the lights off for an hour on the preceding Friday, March 29, 2013.

Again in 2013, as part of our annual Earth Day events, employees brought in their own recyclable waste from home (newspapers, paper, metals, etc.) and the \$1,500 proceeds were donated to the Juvenile Diabetes Research Foundation.

Our employee engagement goal for fiscal 2014 is to have had 600 employees actively engaged throughout the year. We are currently tracking and look forward to reporting our progress in our next report.

Community Driven: Supplier Engagement

We reported last year that we had asked a sampling of core suppliers to commit to a long-term date to get to a zero footprint along with Herman Miller. They must track and show an ongoing reduction in their air emissions, landfill, process water use, energy, and hazardous waste. We also evaluated suppliers on how they are supporting our efforts to reduce the amount of environmentally harmful chemicals from our products or how they help us improve our use of sustainable practices. Most suppliers enthusiastically jumped on board. One even took our zero waste goals to their suppliers.

More suppliers became engaged in fiscal 2013. At the end of fiscal 2013, we had over 65 percent of the suppliers engaged. One supplier, as a result of their participation, even achieved zero landfill and 100 percent renewable electrical energy.

Our supplier engagement goal for fiscal 2014 is to have 75 percent (by spend) of our suppliers engaged. On-line reporting, that will also serve as an analytical tool, is under development. As we see more suppliers joining us, we are confident that we will achieve our fiscal 2014 goal as well as our ten-year goal of having all of our suppliers committed to supporting Herman Miller's Resource Smart goals.

Resource Smart: Waste

10-year Earthright Commitment:

Zero waste by fiscal 2023

We will work to eliminate all types of waste from our facilities. We will work towards zero discharge at all of our facilities, and we won't stop until we get there.

We have seven facilities that have achieved—and continue to maintain—zero landfill. These include the GreenHouse, the Design Yard, Marigold Lodge and the Midwest Distribution Center in Holland, Michigan; Hickory in Spring Lake, Michigan; Geiger International in Atlanta, Georgia; and Ningbo, China. Since we started tracking our waste footprint in 1994, we have reduced it over ninety percent.

This past year, we continued to reduce our overall operational footprint. We saw a one percent improvement over fiscal 2012, taking us to a 91.8 percent reduction from our 1994 baseline year. This improvement is due in large part to gains from reductions of air emissions and water usage.

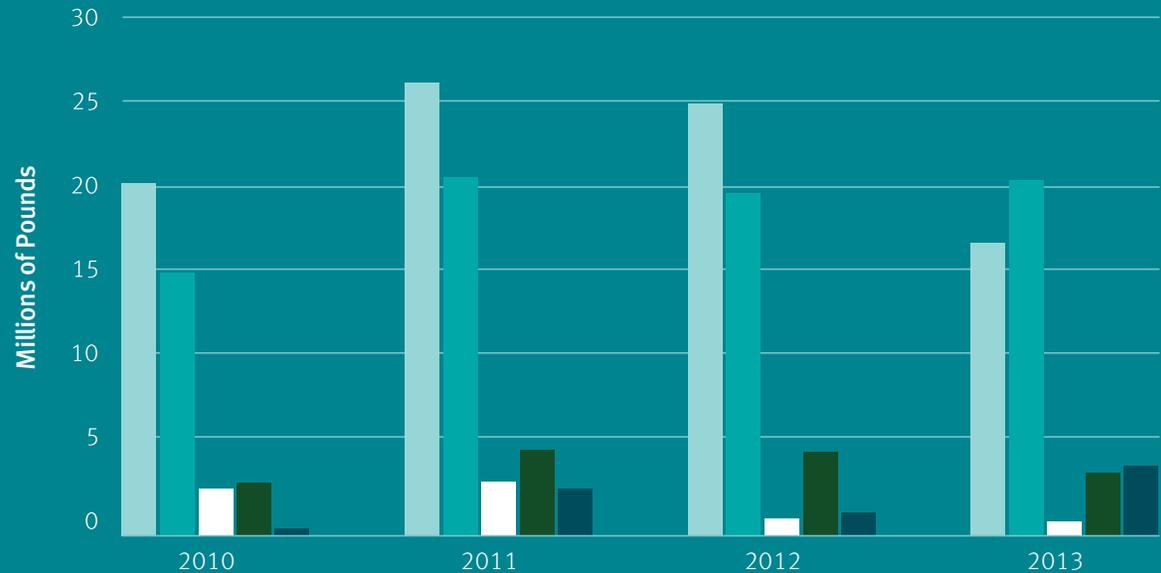
- Air emissions decreased by 13 tons from fiscal 2012.
 - Hazardous waste increased 11 tons.
 - Landfill decreased by 78 tons.
 - Process water use decreased by 4 million gallons. Shy of goal, this was a three percent improvement.
- This year, as part of Earthright, the theme “Resource Smart” includes three parts: Waste (including air emissions, hazardous waste, and solid waste to a landfill), Water, and Energy. Here are a couple of notable enhancements:
- Water now includes total water consumption with a net zero goal.
 - Energy now is broken out into two parts: a) our energy intensity, measured as megawatt hours per one million dollars in sales and b) local renewables.

	2010 METRIC TONS*	2011 METRIC TONS*	2012 METRIC TONS*
Total Scope 1 Emissions •	21,799	19,279	16,879
Stationary Combustion OWNED AND LEASED	17,262	15,812	13,672
Local Fleet NORTH AMERICA	2,739	2,762	2,519
Company Vehicles	1,119	319	390
Combustion Emissions OUTSIDE NORTH AMERICA	679	386	298
Total Scope 2 Emissions •	60,260	62,049	59,914
Purchased Electricity OWNED AND LEASED – NORTH AMERICA	58,183	59,915	56,889
Purchased Electricity Emissions OUTSIDE NORTH AMERICA	2,077	2,134	3,025
Renewable Energy Certificates	59,154	58,558	56,889
Total Scope 3 Emissions	33,467	36,339	35,451
Product Delivery NORTH AMERICA	28,221	31,327	30,074
Business Travel NORTH AMERICA	5,246	5,012	5,377
Biomass •	16,265	17,870	18,743
CO ₂ from Biomass** NORTH AMERICA	16,265	17,870	18,743

* Metric tons of CO₂e (CO₂ equivalent)
 ** Wood waste at Energy Center and biodiesel
 • Third-Party Verified

Note: 100 percent of our greenhouse gas emissions from electricity and 65 percent of our total emissions were offset by RECs.
 Note: The purchase and retirement of 135,532,000 kWh of RECs were third-party verified
 Note: Our 2012 worldwide Scope 1, Scope 2, and Biomass emissions have been third-party verified

Non-Hazardous Solid Waste



Resource Smart: Waste—Air Emissions

Since 1994, Herman Miller has reduced air emissions by 87 percent. In 2013, we reduced air emissions by another 13 tons. Although just shy of meeting our goal, this was over a 4 percent improvement from last year. This improvement was partly due to the consolidation of operations within Nemschoff, our healthcare subsidiary that eliminated two finish lines.

Resource Smart: Waste—Hazardous Waste

Herman Miller has reduced hazardous waste by 90 percent from the 1994 baseline year. In 2013, we saw another increase of 11 tons, or three percent over the previous year. In last year’s report, we reported an increase of 5.8 tons due mainly to sodium bicarbonate used at our Energy Center (to counter hydrochloric acid found in the emissions). Testing done on this sodium bicarbonate identified unknown metals; the increased concentration of metals made this

hazardous. Throughout this past year, we continued to look for—and successfully found—an alternative to eliminate the hazardous nature of the waste. So, this source of hazardous waste has been eliminated. All-in-all, the number of our facilities that release toxic chemicals, defined by the EPA’s Toxic Release Inventory, has been reduced from seven to one, and the number of toxic chemicals that we use in our facilities from twelve to two.

Resource Smart: Waste—Solid Waste to Landfill

Since 1994, we have reduced material sent to landfills by 97 percent from the 1994 baseline year. Although below goal, we reduced material sent to landfills by 78 tons, a one percent improvement, over last year. We continue to work on creative ways to eliminate all solid waste going to a landfill. This includes preventing pollution and reducing waste up front. We recycle as much as possible, resulting in recycling income of over \$2 million.

Although we send waste to waste-to-energy facilities, including our on-site Energy Center and off-site facilities, we look to reduce this amount by improving our recycling and reuse efforts. Again, our goal is to make sure that we are recycling everything possible. These efforts were encouraged by a total waste reduction competition among our sites. The winning site for fiscal 2013 was Nemschoff in Sheboygan, Wisconsin.

In fiscal 2013, we stepped up our composting activities that now include the food wastes from our various sites’ kitchens and all of the paper towel waste from the washrooms. Last year, we composted over 4.3 million pounds.

Last year, we continued to improve Nemschoff’s less mature zero landfill program. We also continued to work on the last few remaining items including the fly ash from our on-site Energy Center, burnoff ash from powder coat paint hooks, and vinyl (with a backing used for seam strength) that cannot be recycled due to its mixed composition.

Resource Smart: Water

10-year Earthright Commitment:

50 percent less water (30M gallons) by fiscal 2023

We will work to become as efficient as possible with our water usage. We understand that water is a precious resource and must be managed both globally and locally. We have a responsibility to use it wisely, ensure that we are not taking it faster than it can be replenished and that it is returned clean to nature. We will research water-free processes and look for ways to reduce or eliminate unnecessary water use.

We saw a three percent improvement last year. This means we have had an 84 percent reduction in process water use compared to the 1994 baseline. In actual terms, we reduced water usage by nearly four million gallons. These savings came mainly from replacing our autophoretic paint process with a powdercoat paint process.

Our Earthright goal is net zero water. We will use only what is needed and return it clean. Last year, we reported we had found that some projects that either did not make sense financially or were nearly physically impossible to achieve. These realities caused us to step back and reexamine our efforts. Our reduction goal for total water consumption is a 50 percent reduction over ten years. This will conserve 30 million gallons.

Resource Smart: Energy

10-year Earthright Commitments:

50 percent reduction in energy intensity (mwh/\$mil sales) by fiscal 2023

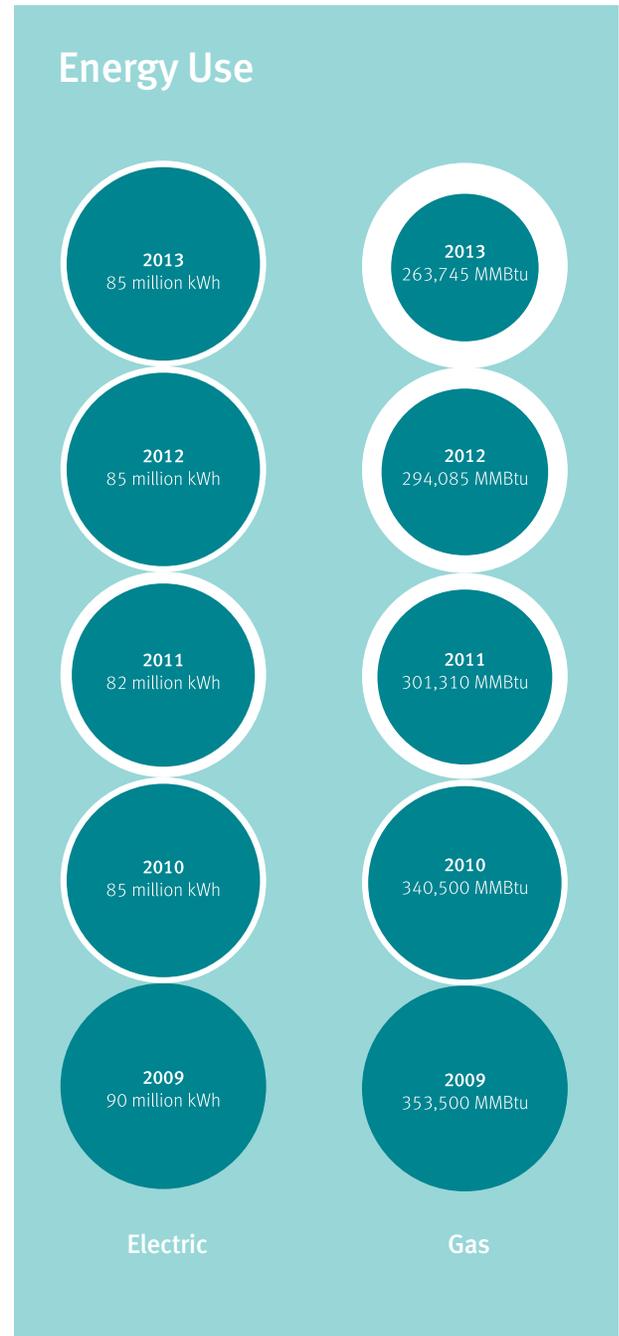
50 percent more local renewables (50,000 mwh) by fiscal 2023

Our long-term energy plan is to power our facilities through a combination of on-site and local renewable generation. We believe that it is important to support the creation of green power and to access that locally in places (communities) where we work and live. Today 100 percent of our electricity is offset through the use of RECs (Renewable Energy Credits). We believe that we can do better by entering into PPAs (Power Purchase Agreements) that do more to support the generation of renewable energy.

Just as important as the source is the elimination of all wasted energy. We are always going to consume energy, but we want to make sure that we are being as efficient as possible. To that end, we have set the ambitious goal of reducing our energy intensity as measured by units of energy consumed per total sales dollars. We realize there are many ways to measure this intensity, but we are starting with this metric to drive change through our organization.

Our aspiration is net zero energy. We plan to decrease our energy intensity (expressed as megawatt hours per \$million sales) by 50 percent and add 50,000 megawatt hours of local renewable energy. We are tracking against these goals and look forward to reporting our results next year.

We have been focused on actual energy reductions. We have renewable energy and energy intensity goals, and these are really metrics for carbon. Therefore, we have not set a goal for carbon.



Last year, we achieved energy savings over \$650,000. Our most successful energy efficiency projects have focused on the continued updating of our factory lighting systems, adding variable frequency drives to motors, updating our building controls, and using local utility rebate programs to improve the efficiency of building and production systems.

We continue to third-party verify our greenhouse gas emissions worldwide. Since 2007, we document our carbon footprint using the World Resources Institute and the World Business Council for Sustainable Development (WRI/WGBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), The Climate Registry General Reporting Protocol (version 1.1, May 2008), and The Climate Registry General Reporting Protocol 1.1 Updates and Clarifications (31 January, 2012). We use emission factors provided by the Climate Registry's General Reporting Protocol to calculate our Scope 1 direct greenhouse gas emissions under our control—our natural gas usage and local fleet emissions. Scope 2 indirect emissions are calculated from our purchased electricity. We have also included a limited amount of our Scope 3 (optional) indirect emissions from our product distribution process and our corporate business travel. We believe it is important to report a portion of our optional emissions because shipping goods to our customers is a big part of our business. We will continue to track and include optional emissions from product delivery miles and business travel (Scope 3).

Since May 2010, we have been using 100 percent renewable electrical energy in all our facilities worldwide by purchasing certified Renewable Energy Credits (RECs) and continuing a long-term Power Purchase Agreement (PPA) with our local electric provider. This continued for fiscal 2013. We source Renewable Energy Credits from multiple suppliers: Native Energy, Green Mountain Energy and Sterling Planet. We also have a Purchase Power Agreement (PPA) with alternative energy supplier Wolverine Power Marketing Cooperative.

The PPA from Wolverine Power is a contract for 100 percent wind generated energy from the John Deere Harvest Wind Farm located in Huron County, Michigan. This contract represents another 24,000,000 kilowatt hours annually. The 3-year energy supply contract began on January 1, 2008, and serves 100 percent of the electric needs of our 171st and Hickory facilities. At the time of the contract signing, it represented the largest single wind energy contract ever recorded in Michigan for a non-utility customer. Our current PPA contract with Wolverine Power Marketing Cooperative is a 5-year, 30,750 megawatt hour contract which began January 1, 2013.

For calendar year 2012, we purchased over 84,000 MWh of RECs to offset 100 percent of our electrical energy use worldwide. Savings from energy efficiency suggestions from our employees covered the additional expenses we incurred in purchasing RECs.

The Herman Miller Energy Center generates 92 percent of the energy needed for heating and cooling the Zeeland, Michigan Main Site's manufacturing operations from the incineration of wood waste.

As part of our environmental advocacy, we try to create products that reduce energy use for our consumers. LED technology in the Flute personal light uses 30 to 50 percent less energy than traditional task lights. The Twist LED Task Light uses 45 to 60 percent less energy than traditional under-cabinet fluorescent task lights.

Resource Smart Summary

We were pleased with the overall reduction in our operational footprint last year, ending up with a 92 percent reduction in the original 1994 goal. We expect to see a continued reduction next year.

We are measuring these results in support of our new Earthright strategy: Resource Smart goals for Waste (air emissions, hazardous waste, and solid waste to a landfill), Water, and Energy. We look forward to reporting our waste numbers as well as against the new metrics for water and energy next year.

Eco-inspired Designs: Design for the Environment (DfE) Initiative

10-year Earthright Commitments:

100 percent DfE-approved products

100 percent level 3 certified products

Divert 125,000 tons of product/year

We believe that good design is important. Good design at Herman Miller includes asking the question, “Have we made the best choices possible?” Only by continuing to ask that question, can we be confident that we are making better products. Our Design for the Environment Team has focused on three key areas: material chemistry, disassembly, and recyclability. In order to encompass more of the product life cycle, we are now including a fourth area, the life cycle impacts from our supply chain in what we are calling DfE 2.0. We are raising the bar in what we demand from our products and still working towards the day when everything that we sell meets our DfE protocol.

Good design also includes thinking about how to recycle used products. Our program, rePurpose, gives new life to furniture that’s no longer needed. We provide one source for dispensing furniture assets to reduce your environmental footprint.

Designing our products with consideration for their environmental impact is a central corporate strategy. We’re focused on incorporating environmentally sustainable materials, features, and manufacturing processes into product designs. Our goal for 2013 was 65 percent of all product sales coming from DfE-approved products; we achieved 65.7 percent.

As part of DfE, full life cycle assessments (LCA) have been conducted for major product categories/product lines representing 79 percent of revenues. LCA is a tool that, from raw material extraction through end of life management, identifies environmental impacts assignable to products and services. LCAs help to quantify how much energy is used and the effects of that energy use in several impact categories.

Since we try to incorporate recycled materials into all of our products, we carefully monitor each product’s weight and the percentage of recycled content used. We work to balance a high percentage of recycled content with our desire to provide the most environmentally safe materials.

We work toward the day when we use no new molecules to make our products. We envision a time when virgin resources are not taken from the ground in order to produce the products that we make, but instead rely on materials either from the techno sphere (materials that were previously incorporated into an existing product that has reached the end of its life) or bio-based renewables as raw materials.

The development of DfE 2.0 continued throughout fiscal 2013, and we are launching DfE 2.0 during fiscal 2014. We strive to use materials with the safety material chemistry and only recycled and bio-based materials; we design our products to minimize the impacts of their life cycle; and we want our products to be part of a closed-loop recycling system.

BIFMA Level Certification

BIFMA level™ is the certification program for the BIFMA e3-2008: Business and Institutional Furniture Sustainability Standard (BIFMA e3). It has been created to deliver the most open and transparent means of evaluating and communicating the environmental and social impacts of furniture products in the built environment. At the end of fiscal 2013, 62 percent of our product lines were level certified, with 18 percent at level three certification.

GREENGUARD Certification

Herman Miller’s major lines of furniture, seating, and storage, including Meridian products, have achieved GREENGUARD Gold certification. GREENGUARD Certified products are certified to GREENGUARD standards for low chemical emissions into indoor air during product usage. For more information, visit ul.com/gg.

Wood from Responsibly-managed Forests

We acquired Forest Stewardship Council® (FSC®) Chain of Custody Certification at our Zeeland, Michigan, Main Site manufacturing facility in 2007. (Herman Miller UK has also achieved Forest Stewardship Council® (FSC®) Chain of Custody Certification.) In 2011, we expanded the scope of our certification to include our Spring Lake, Michigan facilities making filing and storage products. In May 2013, Herman Miller began offering many standard laminate and veneer worksurfaces and storage products with wood fronts and tops as FSC® certified products. The detailed list of products, with exceptions, may be found on the “Certified Wood” page of Herman Miller’s website.

Herman Miller subsidiary Geiger International’s Fulton manufacturing facility in Atlanta, Georgia, was granted FSC Chain of Custody Certification in 2009. Geiger can offer FSC certified products manufactured at the Atlanta facility.

ecoScorecard

In 2010, Herman Miller became the first large contract furniture manufacturer to incorporate ecoScorecardSM into its product catalog. [Herman Miller ecoScorecard](#) is a free, web-based technology platform providing environmental information and sustainability documentation about products for all major green building rating systems. We continue to work to expand our product catalog on ecoScorecard to make pursuing LEED certification easier for our customers.

Fiscal 2013 in Review

Fiscal 2013 was a successful year showing overall improvement. Our environmental footprint was reduced by one percent. In other words, our reduction to our 1994 baseline year increased from 91 to 92 percent. Sales from Design for the Environment-approved products rose by six percent over fiscal 2012.

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We hope our Better World Report will give you some idea of the scope of our efforts to make the world a better place. We update this report annually. We make every effort to respond to all Global Reporting Initiative (GRI) disclosures; we report additional GRI data on hermanmiller.com.

We welcome your feedback on this report. Send your comments to the environmentalaffairsgroup@hermanmiller.com.

For more information about our products and services or to see a list of dealers, please visit us at hermanmiller.com or call 800 851 1196.

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Only the products that are identified as such in this document are FSC certified.

Illustrations by Aad Goudapple