



### **Herman Miller's Commitment to Supplier Diversity**

At Herman Miller we are committed to a robust business process that ensures diverse business participation in an open, fair, and inclusive purchasing environment. We believe that expanding our qualified diversity supplier network and sharing diversity supplier best practices not only makes good business sense but is also the right way to build a stronger community.

To support our supplier diversity efforts, Herman Miller employs several strategies:

#### **Supplier Sourcing and Qualification**

Herman Miller seeks to create an inclusive supply chain where capable, qualified, diverse supplier participate in the procurement process, and support our mission to create great places to work, heal, learn, and live. We accomplish this through networking, registration of suppliers, on-site supplier visits, and by opening bid opportunities to diverse suppliers.

#### **Training**

Internal training, targeted to buyers, senior leaders, and key purchasing decision makers; and external training targeted to customers, diverse business groups, local chambers of commerce, etc.

#### **Tier 2 Program**

Program targeted to Herman Miller's prime suppliers to assist them in establishing supplier diversity programs, similar to Herman Miller's, and requires them to include diverse suppliers within their supply chain.

#### **Mentoring Program**

With our mentoring program, we take an active role in supporting the development of diversity suppliers. We share best practices in the areas of business, finance, lean manufacturing, and marketing, and create opportunities for suppliers to network with our Supply Management and other internal team members.

#### **Community and Business Outreach**

Through corporate memberships in the National Minority Supplier Development Council, and Michigan Women's Business Council, Herman Miller supports national and regional programs that create opportunities for diverse suppliers to network with corporations and to learn business strategies for improving their businesses. This support extends to the communities



in which we and our suppliers serve, through sponsorships and charitable giving through the Herman Miller Foundation.

### **Training and Education**

Herman Miller continually works to create awareness of its supplier diversity efforts within and outside of the organization. Through conducting supplier diversity training with Supply Management and other internal departments, to presenting at community programs, Herman Miller contributes to sharing best practices and educating its communities about the value of supplier diversity and its impact on our organization and our society.

Our Supplier Diversity program, like our nationally recognized environmental program, doesn't exist to win awards or fill arbitrary quotas. We simply believe in a level playing field and embrace our opportunity to help diverse suppliers to become successful businesses. By doing the right thing, awards and recognition will follow.

### **Diverse Business Enterprises Policy Statement**

Herman Miller is committed through its Supplier Diversity Program to doing business with Minority-, Women-, Veteran-, Service Disabled Veteran-, and LGBTQ-owned Business Enterprises. We are dedicated to pursuing business relationships with such enterprises and using innovative approaches designed to continually improve their business opportunities. The relationships we are seeking must contribute value both to Herman Miller and to these business enterprises.

At Herman Miller, we believe our Supplier Diversity Program leads to growth and stronger outcomes for all—our suppliers, communities, customers, and employees.

We believe that when we're truly inclusive, we gain the cultural competency needed to better understand and serve our customers around the world. We recognize that every person we engage with—whether a supplier, customer, or employee—brings a diverse perspective, resulting in richer creativity and innovation. We demonstrate our commitment by making supplier diversity part of our corporate strategy, and we hold ourselves accountable by measuring and reporting our progress.

Herman Miller's Supplier Diversity Manager and the Supply Management team are responsible for facilitating the implementation of this policy.

### **Who We Buy From**

At Herman Miller, we are pleased to have celebrated the 20<sup>th</sup> anniversary of our Supplier Diversity initiative in 2010. As an advocate for supplier diversity, we've learned a lot over the past 20 years about how a good program runs. And like anything that changes over time, we experienced growing pains and some great successes. But what hasn't fluctuated is our commitment to the idea that a diverse supplier base is truly good for business and not simply



a “nice” thing to do or a “requirement” to follow. Here are a few of our prouder moments from the past 20 years:

- **1990:** Strategic planning and research for the implementation of a supplier diversity program begins.
- **1991:** The first full-time Women and Minority Supplier Coordinator is hired on January 28, and then later promoted to Manager, Supplier Diversity in 1995. Herman Miller’s Supplier Diversity policy statement is created.
- **1992:** Herman Miller joins the Michigan Minority Business Development Council and joins the National Minority Supplier Development Council later the same year.
- **1995:** Herman Miller’s supplier diversity tracking expands solely from supply management purchases and becomes company-wide. The inclusion of women-owned business enterprises is added.
- **2006:** Herman Miller is named one of the Top 10 Companies for Supplier Diversity by *Diversity Inc* magazine.
- **2008:** Herman Miller reports its largest spend with minority business enterprises, \$110 million, which is 14% of total spend.
- **2010:** Supplier Diversity Advisory Council (SDAC) is launched with company Chief Financial Officer as the council’s executive sponsor. Supplier Diversity training is added to Herman Miller’s corporate training system.

While we’re very happy about the past, we’re even more excited about what the future holds. We continue to believe—and act on the belief—that a diverse community makes for a stronger company.

## Overview

For more than 25 years, Herman Miller has advocated for and worked to build an inclusive supply chain that reflects the demographic make-up of the United States. We help transform the economic welfare and well-being of society by engaging diversity-owned businesses to become a part of the solutions that we bring to market for our customers and the world.

We do this by designing an inclusive supply chain that reflects the population mix of our society which offers diverse perspectives, inspires innovation, and allows us to foster the economic growth and vitality of our small and diverse business communities; which supports the local economies in the communities in which we operate. We track certified minority and women-owned firms, federally classified diverse suppliers, LGBT-owned firms, as well as non-profit firms who employ the disabled.



Being a manufacturing company, the foundation of our supplier diversity initiative was built on the Direct or 'raw material' side of our supply chain. We've created a value-chain of strategic direct diverse suppliers that provide critical parts and components that go into the products that we make for you. From plastic injection molded components to steel, metal stampings, textiles, packaging, foam materials and more. We also maintain a number of small and diverse suppliers that support our Indirect or general Maintenance, Repair, and Operations (MRO) side of our supply chain.

Herman Miller is a corporate member of the National Minority Supplier Development Council (NMSDC), and is affiliated with their Michigan, Chicago, Georgia, Northern and Southern California, and New York & New Jersey regional councils; the Women's Business Enterprise Council – Great Lakes, a regional affiliate of the Women's Business Enterprise National Council (WBENC); and we support a number of other diversity-related organizations. We participate in national and regional supplier diversity outreach events to network with and connect to the diverse business community.

In 2013, the Michigan Minority Supplier Development Council (MMSDC) named Herman Miller the Corporation of the Year, Commercial Products an award the company has earned five times in the past seven years.

## **What We Buy**

### **Direct Procurement (purchases that support our product lines)**

Aluminum, packaging, fabric, miscellaneous steel/metals, plastic, purchase complete, steel, wood, paint/finishes, electrical assemblies, and fasteners.

### **Indirect Procurement (purchases that support our company operations)**

Traditional maintenance, repair, and operations (MRO); as well as professional services.

## **Our Product's Diversity Content**

It is the policy of Herman Miller, Inc., through its minority vendor program to increase the business opportunities for Minority and Women Business Enterprises, thus diverse suppliers are offered the opportunity to compete for Herman Miller's business, which in turn supports the business of our customers. Many Herman Miller products include raw material and parts provided by diverse suppliers, some with higher diversity content than others.

Herman Miller's primary operations are based in West Michigan, thus most of our direct raw material suppliers are based in Michigan. During the product development process diverse and non-diverse suppliers, who have undergone testing, supplier qualification and certification, are assigned to a production part and/or product line. The approved suppliers likely remain suppliers of their assigned parts and/or products for the lifetime of the product,



or unless there is cause to make a change. Herman Miller's direct/raw material diverse supply chain is 100% certified by regional councils of the NMSDC, WBENC, and the Small Business Administration (SBA).

For customer specific and regional diversity content, Herman Miller recommends the assigned dealer develop a supplemental plan that describes the dealer services that will support individual RFPs. Dealer services may include project management, installation, design, and transportation services. Herman Miller's product content, along with the dealer services, together will describe the diversity content associated with individual customer RFPs.

As a manufacturer, Herman Miller's supplier diversity program is a general program with a general approach to supporting doing business with a diverse base of suppliers. Herman Miller maintains a signed Federal Government approved Small Business Subcontracting Plan that's used to describe Herman Miller's efforts towards creating an inclusive supply chain. Herman Miller does not create individual supplier diversity plans to support individual customers' needs because by nature of our supplier diversity initiative, Small Business Subcontracting Plan, and our corporate goals, our efforts in turn support the individual goals of our customers.

Each customer's workplace and facilities strategy and the unique furniture requirements of their employees will drive the direction of the mix of products that are most applicable to their needs. The associated diversity content may be higher or lower based on products and fabrics that are specified.