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A Herman Miller Primer

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About Herman Miller, Inc.

Herman Miller is a recognized innovator in contemporary interior furnishings, furniture and systems, personal work accessories, related technologies, and strategic services. Its dedication to integrity in product quality and business relationships has developed through partnerships with many of the world's most outstanding designers.

Headquartered in Zeeland, Michigan, Herman Miller is a publicly held company with worldwide operations, sales offices, dealers, licensees, and customers in more than 110 countries on 7 continents. The company's manufacturing facilities are located in the United States, China, Italy, and the United Kingdom.

The company operates through several focused businesses, brands, and distribution channels, including Herman Miller, Herman Miller Healthcare, Nemschoff, Brandrud, Geiger International, Meridian, Colebrook Bosson Saunders (CBS), the Herman Miller Collection, and independently owned dealerships.

Mission and Values

Herman Miller designs products and holistic services that improve the human experience in built environments. The company does this by taking a problem-solving approach. The solutions it invents help customers' organizations—and Herman Miller's—perform better. The motivation for this comes from “a passion for creating a better world around you.” That means the company works for the health and well-being of its customers and employees, the environment, community service, and an inclusive Herman Miller community. It also means the company works hard to give shareholders—which include employees—a fair return.



News Release

Focusing on customers' present and future needs, the company studies working and living environments to design and deliver products and services that make interiors and buildings work better. That goal is consistent with the values that define the company and how it functions. At Herman Miller, the things that matter most are curiosity and exploration, design, performance, engagement, inclusiveness, relationships, transparency, foundations, and a better world.

Herman Miller's focus on performance innovation in design, manufacturing, information technology, human resource programs, and environmental practices have established it as an admired global company. In 2011, Herman Miller was again cited by *FORTUNE* as the "Most Admired" company in the commercial furnishings industry and received the Human Rights Campaign (HRC) Foundation's top rating in its annual Corporate Equality Index. Dozens of Herman Miller designs reside in the permanent collections of major museums, including the New York Museum of Modern Art, the Henry Ford Museum, and the Smithsonian Institution, as well as other significant museum design collections around the world.

History and Innovation

Herman Miller was established in 1923 in Zeeland, Michigan, when founder D.J. De Pree purchased the Star Furniture Company with the help of his father-in-law, Herman Miller. Amid the Great Depression seven years later, De Pree was looking for a way to save the company when he met Gilbert Rohde, a designer from New York. Rohde convinced De Pree to move away from traditional furniture and to focus instead on products better suited to the changing needs and life styles of Americans.

De Pree subsequently committed the company's focus to "modern" furniture partly because he saw a moral dimension to Rohde's clean designs, honest materials, and lack of ornamentation. From then on, Herman Miller developed lasting ties with legendary industrial designers—George Nelson, Charles and Ray Eames, Isamu Noguchi, Alexander Girard, Robert Propst, Bill Stumpf, Don Chadwick, Ayse Birsel, Jeff Weber, Studio 7.5, Doug Ball, Applied Minds, Yves Béhar, and many talented others. They led the company in new directions, such as:

- pioneering the American modern furniture and interiors movement in the '30s, '40s and '50s with new forms and materials that remain international design icons even today
- transforming the modern workplace and the office furniture industry with the first modular panel system in the 1960s, with continuing innovations in open plan archetypes to the present day
- inventing and refining ergonomic work seating from the 1970s on
- technological advances in electrical and data management tools and infrastructures for buildings, including highly flexible and programmable interiors

Herman Miller strives to understand and respond to change in the workplace, and continues to collaborate with gifted designers who bring unique ideas, skills, and cultural understanding to the company. Its Research and Design Group—through formal research projects, customer interviews, and tools such as scenario planning—identifies and anticipates change, working with these designers to respond creatively. Known for innovation, quality, and durability, Herman Miller's products are designed with a focus on the users and their specific needs and problems.



News Release

Performance Environments: Making Real Estate Work Harder

The company's Performance Environments solution is a comprehensive services capability dedicated to improving the performance of customers' spaces. The proprietary process uses a scalable set of visioning, space utilization, technology, planning, modeling, change management and metrics elements, ensuring employees have a great workplace while helping organizations control real estate costs. Deftly balancing the realities of efficiency and effectiveness, the Performance Environments approach allow people and organizations to perform at their best.

Excellence in Operations

Herman Miller's commitment to operational excellence is a reflection of the company's strongly held values and history of innovation. To address customers' needs for design, specification, manufacturing, delivery, and installation process support, Herman Miller continually applies innovative practices and technologies to its operations network linking suppliers and dealers to its manufacturing process. As evidence, in 2010, *Industry Week* once again named Herman Miller among the top 50 manufacturers in America.

In 1996, Herman Miller began an aggressive drive to reinvent its operations and established a fruitful relationship with the Toyota Supplier Support Center. Unique to the office furniture industry, the relationship enabled the company to adopt and implement world-class, lean manufacturing processes based on the Toyota Production System principles. Through the Herman Miller Production System (HMPS), the company dramatically reduced manufacturing square footage and inventories, cut lead times for standard product from 8 weeks to as little as 10 days, and significantly grew sales and profitability.

Another component of the HMPS lean initiative focuses on the company's people and their development, complementing Herman Miller's long history of employee participation. Herman Miller believes its success in achieving operational excellence depends on the motivation and thinking of its people to solve problems and drive improvement.

People

In 1950, Herman Miller instituted a formal program of participative management. An organization of employee-owners, the company is committed to problem-solving design, uncompromising quality, and customer satisfaction. Herman Miller instituted an employee stock ownership program in 1983.

To aid the decision-making process, Herman Miller uses a highly respected performance indicator, measurement, and compensation system called "Economic Value Added" (EVA®), popularized by the management consultants of Stern, Stewart and Company. EVA is an internal measurement of operating and financial performance that is linked to incentive compensation for all employee-owners, allowing the company to shift its focus from budget performance to long-term continuous improvements and the creation of economic value. The result is a highly motivated and business-literate workforce that challenges convention and strives to create increasingly greater value for both customers and owners. Every month the company and all employees review performance in terms of EVA, which has proven to be a strong corollary to shareholder value.



News Release

The responsibility of employee ownership requires capable people to meet high expectations. To ensure it cultivates a talented employee base, Herman Miller has committed to making its organization a community of customers, suppliers, contractors, and employees that includes as many expressions of human aptitude and potential as possible through its award-winning inclusiveness and diversity initiative. Herman Miller believes that inclusiveness is critical to the company's success—today and for the future.

Environmental Advocacy

Herman Miller's interest in the environment began with the strong convictions of its founder, D.J. De Pree, who believed that corporations, like people, should see themselves as stewards. This commitment to the environment has taken shape through almost 50 years of programs, initiatives, and the many contributions of individuals and teams. During that time, concern for the environment has become part of Herman Miller corporate life, from architecture to product design to operations.

The company is recognized as an industry leader in environmentally responsible product design and manufacturing. Day-to-day operations reflect a commitment to financial, environmental, and social equity. Herman Miller's efforts to advocate for and protect the environment—notably through its Design for Environment (DfE) protocol—have resulted in products and programs that link the company with customers and investors who also share a passion for treating the natural environment with respect.

Herman Miller is on a journey to become a sustainable enterprise, designating the year 2020 as the deadline to achieve a range of sustainability targets. This initiative, named "Perfect Vision," charts a challenging course, including zero landfill, zero hazardous waste generation, zero air and water emissions from manufacturing, and the use of 100 percent green energy.

Herman Miller believes respecting the environment is more than good business practice—it's the right thing to do. The company is committed to develop sustainable business practices that meet the needs of the present without compromising the welfare of future generations.

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