

Interface®



LESSONS FOR THE FUTURE

The Interface guide to changing
your business to change the world



“PEOPLE BEGAN
TO TALK ABOUT
SUSTAINABILITY,
LARGELY DUE TO
INTERFACE, IN
A COMPLETELY
DIFFERENT WAY.”

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MISSION ZERO®
25 YEARS ON



↑ **ABOVE**
Ray Anderson, Interface Inc.
Founder & Chairman

In 1994 our company began an awe-inspiring journey.

We set out to transform our business to have zero negative impact on the planet by the year 2020, something we called Mission Zero®. This was a bold step for a billion dollar carpet tile manufacturer that had never thought about the environment. We knew this was aspirational – we set a goal of zero when others were just beginning to talk about sustainability. We hoped to set an example and influence others to follow us.

From our founder Ray Anderson's life changing epiphany to now, 25 years later, we've achieved our mission by transforming ourselves into a purpose-driven flooring company of sustainable designers, makers and storytellers. We've deeply reduced the impacts of our business and our operations. We've transformed our supply chain and our products and we've implemented new business models. Many others from our industry and beyond have followed us, creating a powerful ripple effect that exceeds our original ambitions.

THIS YEAR WE'RE DECLARING SUCCESS REACHING MISSION ZERO®, BUT ALSO PLEDGING TO GO FURTHER WITH OUR NEW MISSION: CLIMATE TAKE BACK™.



We've changed our business to change the world and we've achieved goals we never thought were possible. This is a progress report on how we achieved this important milestone, but also a pledge to go further. To set and achieve our next mission, Climate Take Back™.

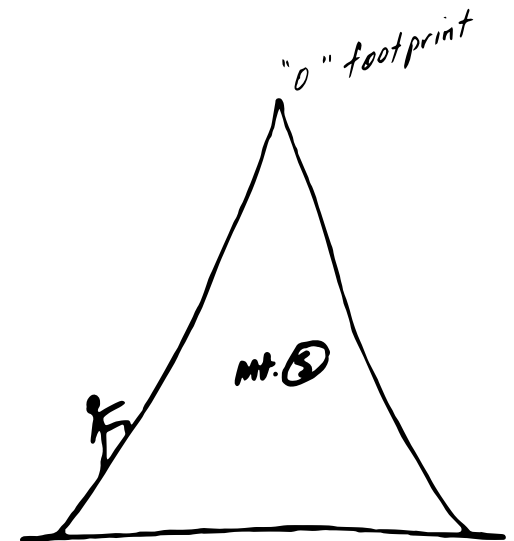
Mission Zero® has taught us a thing or two about the future. It's taught us about business models, moonshot aspirations and solving material challenges with science and imagination.

But the most valuable thing you can learn from the past is what to do in the future. So, as we celebrate having achieved Mission Zero®, and we embark on Climate Take Back™ – our next phase of change making – we're taking the best of what we've learned and sharing it with the world. These are our insights and lessons for how to face the future with all of the possibilities it offers.

Whether it's changing your mindset, having a vision and a plan (and taking some wrong turns on the way), or bringing everyone along with you, these lessons are a manual for creating change within your own organisation. Even more importantly, they're a blueprint for how we can all transform our shared future.

At Interface we powerfully believe in simple, small actions that add up to a greater whole. You reading this is one of those actions. We believe that starting where you are, can go on to have powerful ripple effects that you could not imagine when you started. Share these lessons and share your own progress, wherever you are on your own journey.

↓ **BELOW**
Interface Inc. Pioneering Founder & Chairman, Ray Anderson's original sketch of Mission Zero®



LESSON 1:

SHOOT FOR THE MOON

The more ambitious and aspirational your mission, the greater its power. Be unreasonable. Don't settle for incremental goals. If you want to transform something, set a goal that you don't know how to achieve yet.

HOW WE LEARNED THIS

Moonshot goals can be uncomfortable. And rightly so. If it was easy, it would have been done already. But moonshot goals can also be transformational for your people and your business.

We dared to imagine a business with no environmental impact. It was an ambition people could rally around. It created passion and the innovative thinking needed to get there. And it gave us a clear vision and definition of success. The results speak for themselves.

We've dramatically reduced negative impacts at our factories, transformed our raw materials and our products, and influenced many others to adopt transformational goals. At our manufacturing sites, we've achieved radical reductions in terms of carbon, water, waste and energy. We set a goal that our manufacturing sites would be

powered by 100% renewable energy by 2020. Today our American and European sites operate with 99% renewable energy respectively and our total for all sites is 89%. But we didn't stop there. We turned our attention to our products and raw materials and reduced their impacts by setting goals for all raw materials to be recycled or biobased by 2020. Today 60% of all of our raw materials for carpet come from recycled or biobased sources.

With our results, we realize we are no longer on a mission to get to zero, we've built this thinking into our business. We live zero everyday.

We have not hit absolute zero in every category of change we've set out make, but that's the point of a moonshot goal. The combined impacts of reducing our own footprint, our products' footprints

and the transformation we have driven in our supply chain, plus the influence we've had on other companies takes us further than what we imagined possible 25 years ago. We have delivered on Mission Zero® and gone beyond.

We knew that setting a goal of zero was a bold goal, almost unachievable, but we achieved so much more than if we had simply set an incremental goal. We believe that our next moonshot, Climate Take Back™, will have the power to do the same.



**SHOOTING FOR ZERO:
THE IMPACT ON INTERFACE'S
OWN OPERATIONS**

Since 1996 we have:

89%

LESS WATER USAGE

Decreased the water used at manufacturing sites by 89%.

89%

RENEWABLE ENERGY (GLOBAL)

Increased the total renewable energy used in global manufacturing sites to 89%, including 100% renewable electricity use.

99%

RENEWABLE ENERGY (US AND EU)

Reached 99% renewably sourced energy in our manufacturing sites in the US and Europe.

96%

LOWER GREENHOUSE EMISSIONS

Reduced the GHG emissions intensity from our manufacturing sites by 96%.

92%

REDUCTION IN WASTE TO LANDFILL

Reduced our waste to landfill across our global business by 92%.

69%

**CARPET CARBON FOOTPRINT
REDUCTION**

46%

REDUCTION IN ENERGY USAGE

Reduced the energy we use to make products by 46%.

Note: All numbers provided describing our 25 year footprint reduction are calculated through 2018 and applicable to the production of Interface carpet tiles only.

**“INTERFACE SET
WHAT MAY BE
THE HIGHEST
SUSTAINABILITY
BENCHMARK OF
ANY INDUSTRIAL
COMPANY.”**

↑ ABOVE
Joel Makower, Chairman and Executive
Editor GreenBiz Group



LESSON 2:

A CHANGE IN MINDSET CAN CHANGE EVERYTHING

Embracing the need for change with heart and mind is essential. From the outset, be open and willing to see that there is always the possibility for a different approach and a better way.

HOW WE LEARNED THIS

One simple question sparked a change in mindset that transformed our entire company. Twenty-five years ago, a customer asked: "What is your company doing for the environment?" That question started Interface founder Ray Anderson on a path of exploration, ultimately leading to a personal epiphany. His perspective change opened up a new way of thinking about the world and the role business has to play in it. With this mindset shift, he took action.

Ray gave Interface new focus: to become a company with zero negative impact. It was an ambition never before heard. And it set Interface on the road to becoming the company it is today. We can trace it right back to that question – and a willingness to be open to the challenge it posed.

We've seen the power that a change in mindset can have. It's why we create a culture that fosters new thinking and new approaches. In fact, we invest heavily in it. One of Interface's most significant cultural investments was the takeover of a planned global sales meeting in Maui, Hawaii in April 1997. We gathered over 1,100 people from 34 countries and instead of focusing on company strategy and sales growth, we focused on showing people the need for change – and inspiring them to start making it.

We created a program of ecological awareness and experiential learning aimed at inspiring employees to see the world's environmental challenges but feel empowered to act on them.

Visionary speeches from environmentalist and activist Paul Hawken, activist and first Executive Director The Sierra Club, David Brower and others, added context to this exercise and offered inspiring calls to action. The experience created large-scale buy-in among employees and leaders who attended, a breakthrough moment when the lightbulb went on and our people committed wholeheartedly to sustainability.



THINKING LIKE NATURE CREATING THE SPACE FOR BREAKTHROUGH THINKING

In 1999, employees from different departments at Interface participated in their first biomimicry workshop, intended to encourage them to see things through a new lens.

We wanted to look beyond the world of flooring to the world of nature, and be inspired by a new set of possibilities, a new way of design thinking. The challenge: how would nature design a carpet tile?

Part of the workshop took our team outside into nature to learn. The product design team observed the random

patterns of a forest floor where every element is unique in shape, size and color. The team were then inspired to create a new product mimicking the randomness found in nature – an idea completely counterintuitive to traditional carpet design.

Less than a year after this new thinking was introduced, we launched Entropy®, the world's first biomimetic carpet tile. The non-directional pattern allows for flexible use and replacement, meaning that tiles can be individually replaced and laid in any orientation. This extends the life of the carpet, allowing damage or wear to be addressed without replacing the entire installation. The non-directional patterns also reduce waste and allow faster installation, lowering costs for customers. An average

installation of broadloom carpeting produces 14% waste versus only 1.5% waste for an average non-directional installation.

The Entropy® product was so successful that, in 2003, we launched an entire product line based on its design. Entropy® tiles quickly became a top-selling product, doubling Interface's US business between 2002 and 2007. Today, more than 25% of our global product portfolio is designed using this principle.

A shift in perspective and a change in mindset, the realization that there is a better way to do things, led to the creation of one of our most successful product lines ever.

WHAT THIS MEANS FOR OUR FUTURE

Our new mission, Climate Take Back™, also recognizes the power of a change in mindset. We believe that a fundamental change needs to happen in our response to climate change. We need to switch our mindset from just thinking about how to limit the damage done by climate change – to thinking about reversing it.

If humanity changed the climate by mistake, we can change it with intent. Collectively, we have the tools and the ingenuity to reverse global warming. But change starts in the mind. At Interface, we believe that how we think and talk about climate is the first step to realizing the Climate Take Back™ mission. Optimism and belief in our collective ability to reverse global warming is a requirement to actually start reversing it.

We will continue to invest in creating a culture – internally at Interface and among our wider ecosystem – that opens all minds to new possibilities, new ways of collaborating, and new ways of seeing the global warming challenge. In January 2019 we hosted a Global Summit for employees aimed at building awareness and creating optimism around our Climate Take Back™ mission. Our intention was to acknowledge the challenges of global warming, but through a focus on solutions, leave our teams feeling empowered to act as ambassadors for change.

WE'VE SEEN THE POWER THAT A CHANGE IN MINDSET CAN HAVE. IT'S WHY WE CREATE A CULTURE THAT FOSTERS NEW THINKING AND NEW APPROACHES.



» RIGHT

Our way of thinking extends across all teams within the business, creating an environment where change can thrive.



LESSON 3:

EVERY VISION NEEDS A PLAN

To make a vision a reality, you need a mission, a plan, goals and a way to measure success. It's impossible to reach a breakthrough ambition if you don't have a credible action plan.

HOW WE LEARNED THIS

We started our sustainability transformation with a powerful vision: "To be the first company that, by its deeds, shows the entire industrial world what sustainability is, in all its dimensions – people, process, product, place and profits – and in doing so, become restorative through the power of influence."

Translating that vision into a business plan required frameworks, goals and programs to drive change. And it needed to be a holistic approach.

When we set our moonshot, we knew it wasn't just about making greener products. To achieve Mission Zero®, we had to radically transform our entire business, starting with our thinking. We became the first company to adopt the Natural Step (TNS) Framework and

methodologies. TNS had a definition of sustainability, along with tools to operationalize it, all founded on science.

We enlisted outside perspectives to help us determine the key areas of change needed in our business. We brought together systems thinkers and experts – authors, activists, scientists and entrepreneurs – to create a framework we called The Seven Fronts of Sustainability: Eliminating Waste, Benign Emissions, Renewable Energy, Closing The Loop, Resource Efficient Transportation, Sensitizing Stakeholders and Redesign Commerce.

Then, building on that framework, we set aggressive zero targets in many areas: zero waste to landfill, zero fossil fuel energy use, zero process water use, zero greenhouse gas emissions.

And then we built programs – that ultimately came to be called Factories to Zero, Products to Zero, Suppliers to Zero – which helped us achieve our ambitious targets. And we created a set of metrics we called EcoMetrics to measure and report our progress to employees and the world.

The plan we built was much more than a technical sustainability framework. It became a powerful communications tool – something everyone could understand, recall and act upon. It gave everyone at Interface the roadmap to follow and therefore the confidence that Mission Zero® wasn't just an inspiring vision – it was something that we could all work to make real.



REACHING THE SUMMIT

To Ray Anderson, the journey to a fully sustainable company would be like summiting “a mountain higher than Everest” – difficult, yes, but with the right plan, not impossible. He called it Mount Sustainability.

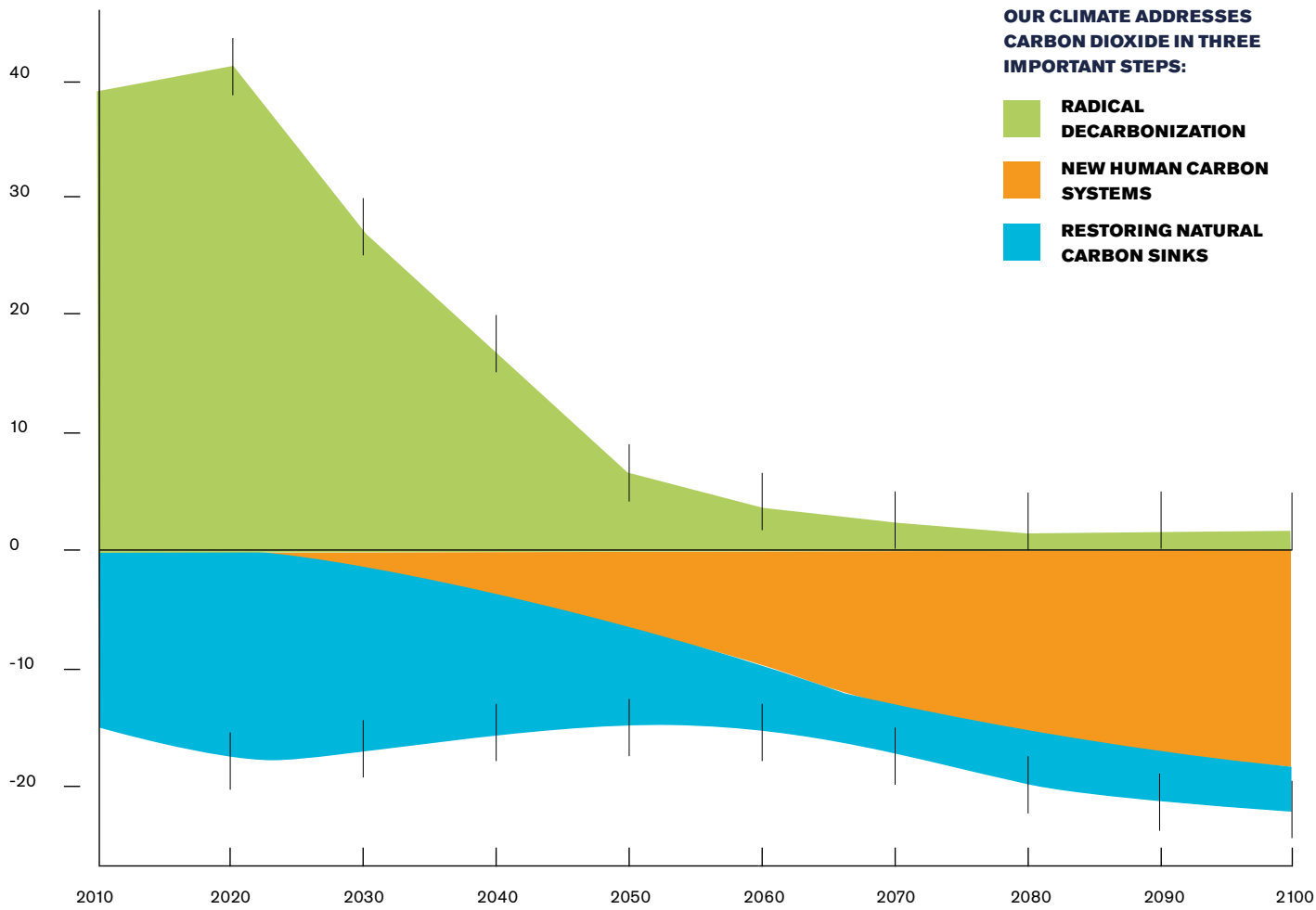
We knew we had to run our businesses differently. But how? What components should we focus on and prioritize? We started by asking, if nature designed a company what would it look like?

Taking this inspiration, we devised a new model for business, called the prototypical company of the 21st century. This led us to establish The Seven Fronts, each front with its own specific goals and metrics.

These were the core components needed to transform our systems and embed sustainability throughout the business, from eliminating waste in every part of the business (Front 1) to redesigning processes and products to close the technical loop using recycled and bio-based materials (Front 4) to creating a new business model that demonstrates and supports the value of sustainability-based commerce (Front 7).

This holistic approach is one of the reasons we are consistently recognized as a sustainability leader. Annually the Globescan Sustainability Leaders Survey asks global sustainability practitioners which companies they associate most with successfully integrating sustainability into their business. We're proud to say that Interface is typically ranked in the top three companies, and that we are the only company to have been consistently listed since the study's inception in 1992.

Global CO₂ emissions (GtCO₂/yr)



WHAT THIS MEANS FOR OUR FUTURE

For our new mission, Climate Take Back™, we have also built a framework, and plan for our business. This starts with understanding the pathway we need to follow to reverse global warming. We've based our thinking on work done by the Stockholm Resilience Centre, and the scientific model they proposed in 2017 for how to reach safe climate limits. This carbon roadmap is based on a simple rule of thumb or "carbon law" of halving emissions every decade.

Limiting global warming to 1.5 degrees within the next century will require an enormous amount of action, innovation and disruption across four major areas.

While we radically decarbonize our current systems, we'll also need to restore and protect natural carbon sinks and scale up carbon removal technologies. Finally, we'll need to develop a business system that allows all of this to happen and encourages others to adopt this plan.

This thinking led us to create the four areas of our Climate Take Back strategy: Live Zero, Let Nature Cool, Love Carbon, and Lead the Industrial Re-Revolution. This framework is the foundation of our mission – the plan that will take Climate Take Back from vision to reality.

⬆️ **ABOVE**
Professor Rockstrom's "carbon law", laying the groundwork for rapid decarbonization of the environment.

➡️ **RIGHT**
Inspired by Professor Rockstrom's "carbon law", we created a framework for Climate Take Back that encompasses the whole system.

LIVE ZERO

Aim for zero negative impact on the environment.

LOVE CARBON

Stop seeing carbon as the enemy, and start using it as a resource.



LEAD THE INDUSTRIAL RE-REVOLUTION

Transform industry into a force for the future we want.

LET NATURE COOL

Support our biosphere's ability to regulate the environment.

LESSON 4:

TAKE A CIRCULAR APPROACH

You can make progress building a circular system only so far on your own. To change your entire system, you have to engage your whole value chain and beyond to create a truly circular model.

HOW WE LEARNED THIS

We knew designing a circular system for our business was essential to become a more sustainable company. Establishing a circular approach for Interface included changing our raw materials, and putting in place the technology and systems to use recycled materials.

We've shifted our raw materials to ones that can be reused and recycled effectively. We now use recycled materials in many parts of our carpets including recycled nylon in the carpet face, recycled materials in our base layers and substrates and recycled materials in our backings. In 1994, all of the materials we used to make carpet were from virgin sources. Fast forward to present day, 60% of the raw materials in our carpets now come from recycled or biobased sources. We've also begun the shift to recycled materials in our luxury vinyl tile products, something we started selling in 2016. Working with our supplier for LVT, we've increased the recycled content of our LVT products this summer and have plans to move toward more recycled content across all of our LVT product portfolio. To enhance our ability to recycle our carpet and products from customers at their end of life, we've eliminated materials that should not be recycled, such as phthalates, formaldehyde and fluorocarbons.

Changing our raw materials was not just about us. It meant engaging a much

broader set of businesses outside of Interface. Supplier Summits, best practice sharing between our technical and supplier technical teams, offering preferential volumes to suppliers who gave us recycled materials and co-investing in technology were strategies we used to influence our supply chain. Moving to recycled options across all of our raw materials, company-wide, takes commitment, patience and long term partnerships. In 1997 we began working with one of our yarn suppliers to develop and have access to recycled nylon; by 2010 we were making carpet with 100% recycled nylon.

Using new materials is only one part of creating a circular system. Having the technology and capability to process materials for internal recycling, and recycling products from customers is another critical piece of creating a circular approach.

We set a goal to be able to take back our products in all global markets by 2020, and we've made significant progress with technology and programs to do this. In the Americas region, 95% of our sales region is covered by Interface's ReEntry™ program. In our European and Asia-Pacific regions, 80% of our sales region is covered by regional ReEntry™ programs. Our ReEntry™ programs allow us to take back carpet tile and LVT products from customers and reuse or recycle the materials.

Even with take back programs, market barriers still exist in many countries that make it challenging to recover used products. Legislation in some of our European and Asian markets bans shipping used carpets across country borders to recycling centers. In the American markets a lack of legislation requiring carpet to be diverted from landfills makes it difficult to recover carpet from customers at the end of its life. Today, with all of our concerted efforts, the post-consumer carpet that we are able to collect for recycling is less than 5% of the carpet we sell annually.

In spite of these barriers, we've made some progress. Since 1995, we have been able to keep more than 300 million pounds of carpet and carpet waste out of landfills – including carpet from our competitors. And we have recycled much of that back into new products. In the last 3 years alone, we have recycled or repurposed with a second life more than 20 million pounds of post-consumer carpet that was brought back from customers through our ReEntry™ programs worldwide.

But creating the conditions for circular approaches sometimes requires working even further outside your business and industry.



DIRECT ADVOCACY TAKING A STAND FOR CIRCULAR ECONOMY LEGISLATION

In 2010, California became the first jurisdiction in the world to pass a law that made carpet makers responsible for establishing a landfill diversion program for carpet. It also established reuse and recycling as primary goals for end-of-life management.

The recycling rates established by the State of California were set as aggressive goals and five years in to the program, carpet makers were not meeting California's goals. In 2017 California began fining carpet makers for failing to comply with the law. Legislation was created to amend the original law to improve the program. The carpet industry saw an opportunity to try and repeal the law to end the program. When our trade association, the Carpet and Rug Institute, proposed to lobby against any changes to the plan and legislation, we asked them to reconsider. And when they continued regardless, with potential plans to defeat

it altogether, we stood up and left our trade association.

Going a step further, we hired an independent lobbyist, and joined forces with other California-based and national stakeholders ambitious to strengthen recycling law in the world's tenth largest economy. By October 2017, we had been instrumental in helping to update California's legislation (AB 1158) and improve the State's recycling program for carpets.

LESSON 5:

TO CHANGE EVERYTHING YOU NEED EVERYONE

It's one thing to have a mission – but making progress means getting every single one of your people connected. This means inspiring everyone to feel personally invested in playing their part.

HOW WE LEARNED THIS

Our progress wouldn't have been possible without the talented and passionate people of Interface. When our people in every part of the world embraced Mission Zero®, change started to happen. Fostering these connections has been crucial to our success and we've learned that there is not one approach to create buy-in, but many.

To connect everyone to the company's mission, we began by building awareness. Then we focused on improving understanding of our mission to reach zero impact. We invested in team building and knowledge development tools, but it was only after we learned how the mission was inspiring our employees personally that we realized the impact it could have.

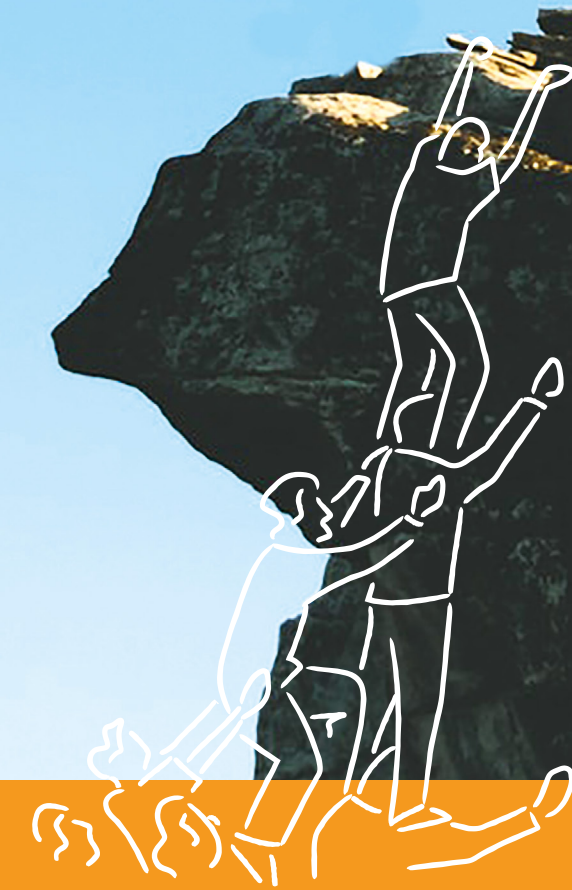
We regularly communicated Interface's sustainability mission but our founder was skeptical that it was resonating

with employees. Surprise feedback in the form of a poem helped Ray realize the importance of connecting sustainability to employees' own values. After hearing Ray speak at our California factory, an employee named Glenn Thomas shared a poem with Ray that was written to "Tomorrow's Child", the future generation. The poem spoke of the environmental awareness that Ray and the Interface mission had created in that particular employee, the awareness that he could do something to impact the world he was leaving to the next generation. This showed us that employees would make their own powerful connections with the mission if we encouraged and created the space for those connections.

Some employees made their Mission Zero® connection through hearing Ray, or our team of environmental advisors, speak on sustainability, but others made the connection in other ways. We tried

different ways of enabling connections to create passionate employees. Another effort involved using cross-functional teams from all levels of the company to eliminate waste. The QUEST program focused employee teams on reducing waste in their factories using team learning and sharing best practices.

Setting aggressive targets tied to compensation, and encouraging teams to share knowledge, and the best ideas globally led to sustainability taking hold across the entire business. It also paid dividends financially. The cumulative impact of our QUEST program halved our manufacturing waste cost and saved hundreds of millions of dollars in avoided waste cost.



CREATING AMBASSADORS: INSPIRING PEOPLE TO PLAY THEIR PART

Having employees who “get it”, who do their jobs consistent with your sustainability mission is an achievement, but when you can go further – you’ve struck gold.

Employees passionately sharing the story, taking the mission home to change family habits and encouraging others to start their own missions is nirvana. We've learned that making and supporting programs where passionate employees can go beyond learning to action is how you build an Ambassador.

Creating ways to connect employees personally to the mission needs to start with awareness, needs to include knowledge and learning, should utilize team learning, but crucially go even further than that. Providing opportunities

for passionate leaders to go one step further is essential to building and keeping a culture of sustainability going.

Interface did this through an innovative three-level program that blended sustainability learning with opportunities and benefits for employees seeking to engage deeper with sustainability. After two compulsory learning levels, employees could opt for a third level of training, with the reward for completing the learning being recognition as a company Ambassador. Ambassadors were eligible to represent the company publicly and share our sustainability story. These employees were also empowered to implement a program in their business function focused on sustainability improvement.

Given the success of this program, we decided to give this level of learning and opportunity to ALL global employees. In 2018, Interface launched global onboarding programs for new employees incorporating this foundational

sustainability learning. The goal is to build awareness of our mission, from an employee's first day.

The learning program connects employees to our mission by providing tools needed for new hires to quickly become productive members of Interface. For existing employees, the learning program gives sustainability learning, but also helps identify next level opportunities for passionate employees to go further.

Learning surveys tell us if awareness has grown, and help us determine if the program is working. The end result is the opportunity to make every employee an Ambassador.

LESSON 6:

A WRONG TURN CAN LEAD TO THE RIGHT RESULT

Success is never a linear process. Embrace failures as necessary steps on the path to progress. Every pioneer in history has had to stay the course, learn from mistakes and keep going when things go wrong, as they often will.

HOW WE LEARNED THIS

When we launched Mission to Zero™ in 1994, there were few companies focused on sustainability. There was no roadmap for us to follow, so we moved forward through trial and error. That led to some failures, especially early on.

Some of our early experiments with recycling actually had the opposite results from what we had intended. In 1999 we tried a recycling process using dissolution technology to recover the nylon fibers in our carpets. Not only was this more expensive, it resulted in substandard material and actually increased our environmental footprint. Our current recycling technology emerged only after we had worked through costly first-generation versions.

Other innovations never took off because we did not want to sacrifice product performance for sustainability.

With the aim of using less material, we developed Solenium, a woven floor covering made with reduced yarn weight and without nylon fiber. It had a low environmental footprint, but ultimately failed due to performance issues. With the intention of introducing lower environmental footprint products, we created carpet tiles with bio-based yarns in 2004. These products lacked durability and after efforts to improve performance through redesign, including combining bio-based and conventional yarns, we stopped making the products.

After years of learning how to apply sustainability successfully in our business, we decided to create a business to advise others. Interface employees served as consultants for client projects, but struggled to navigate between competing missions of selling

services for profit and mentoring other companies to advance their sustainability mission for free. With this unconventional business model and conflicting missions, the consultancy never scaled and ultimately we decided to close the business.

Setbacks are par for the course. We've learned how to embrace these experiments to apply what we've learned to design the next solution.

FROM FAIR-WORKS™ FAILURE TO NET-WORKS™ SUCCESS SUPPLY CHAIN TRANSFORMATION WITH ENVIRONMENTAL AND SOCIAL BENEFIT

In 2008, we completed our first pilot project on inclusive supply chains.

Under the Fair-Works™ initiative, we introduced a new line of products, a range of eco-friendly grass and bamboo woven floor tiles, sourced from artisanal weavers in India.

Despite market testing and early enthusiasm from customers, the sales of the product line were disappointing. Because the products were made from unusual materials, customers felt they would be harder to maintain or might not perform as well as carpet tiles made from nylon.

But while a market failure, Fair-Works™ laid the foundation for a later successful program. This failure enabled us to understand how to build the right elements for a socially inclusive supply

chain. It taught us how to collaborate with non-traditional partners and the value of building broad networks to solve complex sustainability challenges. Four years later, in 2012, we formed a new partnership and launched a second pilot project focused on creating a socially inclusive supply chain.

This time, we decided to focus on nylon, the main raw material in our existing products. We established Net-Works™, a partnership between Interface, our nylon supplier Aquafil, and the Zoological Society of London. Net-Works™ focused on working with coastal villages to recover fishing nets and incorporate them into our supply chain, to see them made into recycled nylon for our products.

We launched the first community-based supply chain project in the Philippines in 2012, engaging local villagers to collect and process the fishing nets

and paying them for the net recovery. The partnership has since scaled this approach to Cameroon and Indonesia.

Since the program began, over 224 metric tonnes of waste fishing nets have been collected, and 2,200 families now have access to finance. And crucially, it's been a commercial success. Our products are made with the same type of nylon that customers know and love, but now with the added benefit of a powerful environmental and social story. The response from customers to these products has been powerful, and we've gained knowledge and experience addressing marine pollution. Our Net-Works™ program was the reason we became a founding member of the NextWave Initiative, alongside Dell and HP, to share our experience recycling and using marine plastic with other member companies.

LESSON 7:

**BE
TRANSPARENT**

Be so transparent it feels uncomfortable. Tell the whole story and share “whole company metrics”. Pilot and push new disclosure and transparency approaches that can scale to your industry and beyond.

HOW WE LEARNED THIS

Our transparency efforts started in 1997 with one of the first ever company sustainability reports. Ours was unconventional by today's standards, detailing and measuring all of our negative impacts. Created by our team of environmental advisors, this first report card showed that Interface was wasteful and unsustainable. Knowing we aimed to do much better, we released it publicly and never looked back.

Since the start of our mindset shift, we've been radically transparent. Starting with that first report card on our business, we've consistently shared what we're doing to change, and how far we've come at every stage. We've been transparent about our goals from the start, sharing ambitious “to zero” goals for our business publicly. Sometimes being transparent about your goals is as powerful as how far you go. We defined and practiced transparency broadly, measuring and sharing data not just on our operations or factory impact, but also on our products and

the impacts of all these processes and materials combined. We know that many of the largest impacts can only be seen, measured and changed when looking through a systems lens.

We started measuring and disclosing our progress on Mission Zero® in the late 1990s, starting with waste, water, energy and other factory footprint metrics. Before long we went beyond those footprint metrics to sharing “whole company” metrics, numbers like the amount of renewable energy the entire business uses.

But then we went deeper, measuring and disclosing metrics on our product and raw materials. We are the only company in our industry to report the recycled or bio-based content of all of our raw materials used to make our products across the entire business. These “whole company” metrics are crucial because they show the best picture of the sustainability of a business. It's easy to talk about a portion

of a business or value chain, but a full accounting of the entire picture is the most credible way to show both impact and progress.

We've also been open about our product ingredients, and the potential health impacts. We led the carpet industry in creating and sharing the first Environmental Product Declarations. And we've led the industry in calculating and sharing the embodied carbon in our products, so that you know what the carbon footprints of our products are.

Transparency empowers our customers to become agents of change through their purchasing choices. When customers can compare products on equal footing, they can favor and select the most sustainable ones, sending critical market signals to encourage other manufacturers and companies on equal footing to change.


**ENVIRONMENTAL
PRODUCT DECLARATIONS
TRANSPARENCY CAN DRIVE
CHANGE INDUSTRY WIDE.**

Telling the truth about our progress to become a more sustainable company, and how that is reflected in all our products, can only be done based on facts.

In 2004 we recognized that finding the facts amidst the sustainability stories had gotten hard for our customers. So we took a bold step, piloting something called an Environmental Product Declaration (EPD). It's like a nutrition label for products that details the environmental impacts based on the raw materials and manufacturing process of the product. We were the FIRST in our industry to embrace EPDs and scale

them across all of our global product portfolio. By pioneering EPDs in North America, we helped drive widespread adoption of EPDs in US Green Building Council's building rating program Leadership In Energy and Environmental Design (LEED) and other green building standards, so that it is now possible to use EPD data to design buildings and interiors with lower environment impacts.

On their own, EPDs from only one company are not powerful. Their strength is that they have a common format that, when used by multiple suppliers, allow customers to compare products like-for-like, enabling decisions about greener products. There's a lot customers can learn from an EPD. In an era when every company says they are green, EPDs show whether their activities or certifications are actually reducing

environmental impact. But EPDs also allow product manufacturers to make choices about product ingredients and understand the impacts of those choices. EPDs allow us to understand whether recycled content really decreases life cycle environmental impact or just looks “green.” For example, replacing virgin plastic in a product with recycled plastic is much more meaningful than replacing virgin mineral fillers with recycled fillers.

By using our EPDs to focus on our key areas of impact, oil, we have been able to change our supply chain and reduce our impacts. For example, using standard nylon systems with 75% and 95% recycled content has contributed to our reduction of our products carbon footprint by 69%.

LESSON 8:

START A RIPPLE, CREATE A WAVE

To have a real impact on the world, you need to influence others to follow your lead and help them lead the way for others. That's how a ripple effect can take on a life of its own, increasing positive impacts to a scale well beyond what you could ever achieve alone.

HOW WE LEARNED THIS

Years into our journey, we learned that our story inspired others in ways we couldn't predict when we started. As we shared our sustainability progress, others mentioned us as an inspiration. We saw change happening with our customers, our employees and within the broader business community inspired by our Mission Zero®.

Ray Anderson became an evangelist, giving thousands of speeches to make the business case for sustainability. He was instrumental in inspiring built environment leaders and their thinking on green building. He served as co-chair of President Clinton's Council for Sustainable Development and Chair of

the Presidential Climate Action Project. Many sustainable business leaders credit Ray with shifting their thinking on sustainability.

As Mission Zero® progressed, we started mentoring others. We hosted business leaders at Interface and encouraged them to establish their own sustainability agendas. In 2004, Ray presented Interface's progress to a group of Wal-Mart executives at their headquarters; then they visited us to learn how we changed our business. Our trailblazing and our results convinced the world's largest retailer that it was possible, and profitable, to focus on sustainability.

We also created the ripple effects by giving other businesses ways to participate in our sustainable solutions. When we worked with suppliers to develop more sustainable raw materials, it gave others the opportunity to access the same materials. When we worked to develop renewable energy sources, the benefits extended beyond our company to others in the community.

We realize that the actions we've influenced others to take have far exceeded what we can do as Interface. As we pursue our new mission we must continue to influence others through purposeful efforts.



MEASURING YOUR RIPPLE EFFECT CREATING POSITIVE CHANGE BY INFLUENCING OTHERS

We've seen and heard of our ripple effect, but 25 years ago we lacked the tools to measure it.

Creating change at your company is good, but imagine if you influence other companies to make changes in their company, how can you capture this? New tools are starting to emerge to quantify these ripple effects. This is increasingly important to us as we try to achieve our new mission to reverse global warming. It's a herculean task that requires us to influence the climate ambition and actions of many others. But, we know we can do it, because we've done it before. Wanting to know how and when we did it, we looked back at our Mission Zero® years, 1996-2018, to find these ripple effects and measure them in tonnes of carbon dioxide. Using the SHINE Handprint Methodology (Norris 2015), which calls these ripple effects "handprints", we found that we had created impacts outside of our company and we verified them. The first example came from creating recycled materials in our supply chain.

In 1996 we encouraged our nylon supplier to make nylon with recycled

materials that had a lower carbon footprint than the virgin nylon we were buying at the time. Interface used this recycled nylon in our products to reduce our carbon footprint. But when the yarn supplier subsequently sold the recycled nylon to others, we created a broader impact outside of Interface that extended to other companies. Over a four year period, the impact was 334,000 metric tonnes of CO₂e. Then, we went to another similar supplier and created a further impact using the same approach.

A second ripple effect came when we worked with the City of LaGrange, Georgia to develop a community-based landfill gas project. Looking for a replacement for natural gas at our factory, we approached City engineers to use the local landfill to make renewable energy. Interface was instrumental in getting the project developed and completed, working closely with the City over a multi-year period. We became a user of the landfill gas for our factory, reducing our environmental impacts by displacing natural gas. We also created a ripple effect when the excess landfill gas was sold to another local manufacturer.

From 2003 – 2018 the collective impact of the project created a handprint of 684,000 metric tonnes of CO₂e.

These two actions, the creation of new recycled materials and a landfill gas to energy project, and the ripple effects they created, generated 1 million tonnes of CO₂e during the years they were active. By testing these emerging ways to measure ripple effects were hoping to learn what we can do to create more, and bigger, ripple effects

We think it's important to understand how to influence others in ways that create positive impacts because footprint reduction alone will never get us past lessening harm.

To move to positive impacts as a business we must also take action to influence those outside our footprint. As we continue our sustainability journey and embrace a challenge like global warming, it's critical we have the tools to measure these ripple effects. While other companies expand their sustainability ambitions and targets toward "net positive" goals, we'll need to understand and measure these positive impacts to recognize the leaders, teach others how to create positive impacts in their business, and work out which activities to invest in to drive positive change.

LESSON 9:

RAISE THE BAR

Know when you need a new challenge, when you need to change the target. Challenge yourself to embrace a transformational next step. Create the processes and dialogues internally and externally to help you see the future.

HOW WE LEARNED THIS

The view from the summit is different than the foothills. Once we got closer to the summit of Mount Sustainability, we saw a different view. We saw what was beyond zero impact and we knew we needed to challenge ourselves to take the next step. To climb the next mountain. To set our next mission.

Comfortable with the knowledge that we would achieve Mission Zero®, which once felt impossible, we felt empowered to set an even bolder goal. But armed with the desire to take the next leap, how do you know where to focus? How do you leverage the collective intelligence of your organization to guide your next step?

We started by looking inside. Using surveys and one-on-one interviews, we asked Interface leaders and employees their views on our future direction.

We consulted advisors who helped Ray Anderson set our Mission Zero® direction. We heard we needed to shift from doing no harm to a business model that does more good. We heard we needed to be a business that has generous impacts. We heard we had to remove more carbon from the atmosphere than we emit. Climate change loomed as the largest issue.

The boldness of our employees, surprised even us. Their ambition for Interface was to embrace a mission “bigger than us,” to “solve the world’s greatest challenge.” Their faith that we could set a new mission to reverse global warming was what gave us the permission and confidence to do it. They motivated our leadership team and new CEO to take the next leap toward a climate fit for life.

But we were motivated by something else too. In the 25 years that we’ve been changing our business, not many in industry have followed. The ecological challenge that motivated our founder to start Mission Zero® hasn’t lessened, it’s accelerated. And the climate crisis is now more urgent than ever. We need to pivot towards a new sustainability mission, one that is even more radical than the first.

Now we’re shifting our focus to solving the greatest challenge facing humanity: climate change. Climate Take Back is our new moonshot with the goal to create a climate fit for life. And we’re urging others to join us. We’re urging others to declare their own mission in line with reversing global warming. Now is the time.

MAKING PROGRESS ON THE NEXT MOONSHOT HOW INTERFACE IS CREATING A CLIMATE FIT FOR LIFE

In June 2017, we unveiled a product prototype that not only builds on Mission Zero®, but was the first exciting step on our Climate Take Back™ mission.

We know that removing excess carbon dioxide from the atmosphere is critical to achieving our mission, so finding ways to use carbon dioxide in our products is an important part of our strategy. The prototype Proof Positive™ views carbon as a resource, incorporating it

into the design and manufacture of a product by using new raw materials that store it. Interface’s experimental carpet tile swaps existing materials for new bio-based and recycled raw materials that, when added up, gave it a negative carbon footprint. Once the pilot product was made, we were able to measure its life cycle from raw material extraction and manufacturing and have its negative carbon footprint third party verified.

Proving that a carbon negative product was possible emboldened us to push further to commercialize a carbon negative backing for our products. In 2018, we launched products with the first commercially available carbon

negative backing in Europe and the United States. The backing uses new low carbon materials with 97% of the backing content coming from recycled or bio-based materials. This backing consists of layers of bioplastic polymers made from natural oils and resins with a recycled limestone filler layer. These plant-derived materials hold more carbon than materials in our conventional backings and make the carbon footprint of the backing negative. We still have work to do to make an entirely carbon negative product, but this backing breakthrough was a powerful first step in our new carbon journey.

**WHAT WE MEASURE
VALIDATE AND VERIFY**

From the beginning we knew measuring and sharing our progress would be important. But we don't measure for the sake of measuring.

We started our sustainability journey with an assessment of the impacts of our carpet manufacturing business. From there we designed a comprehensive system to measure the business and show our improvements. As we learned sustainability, we honed in on the material impacts of our business and refined our approach. We improved our ability to measure our impacts using the broader lens of Life Cycle Assessment. And we learned the value of using third party experts to validate and verify our measurements.

Why do we verify? Most importantly to know that our actions are having an impact. Verification also allows our employees and our customers to trust our numbers and our stories. But sustainability reporting has gotten a little out of control. Many companies spend lots of time and money creating sustainability reports or disclosures they think are required. It's valuable time and money that could be spent making change. We recognize these dangers and the waste of resources that comes with making reports that won't be read.

So we focus on telling our story in ways we believe really matters. We don't issue an annual sustainability report, choosing instead to share our progress on material issues on our website. We also share our successes (and failures) through case studies created with partner organizations.

**OUR RECYCLED
CONTENT NUMBERS**

The percentage of recycled and biobased raw materials contained in our products is independently verified by Bureau Veritas. The percentage of recycled and biobased raw materials we use is also further verified at each of our manufacturing sites as part of their annual ISO-14001 certification.

**OUR RENEWABLE
ENERGY USE**

The percentage of renewable energy used at our manufacturing sites is verified by Bureau Veritas as part of the overall energy audit. Our renewable energy data is further confirmed at each of our manufacturing sites as part of their annual ISO-14001 certification.

**OUR CARBON
NEUTRAL CLAIMS**

Our Carbon Neutral Floors™ program is verified annually by Bureau Veritas to ensure that that our product LCAs are calculated correctly, the total volume of flooring sales is included, and that we purchase and retire the appropriate volume of carbon offsets to make the carbon neutral claim. The carbon offsets that we purchase and retire on behalf of the Carbon Neutral Floors program must meet stringent criteria to ensure their quality including meeting the criteria of the Verified Carbon Standard.

**OUR CARBON
FOOTPRINT CLAIMS**

The carbon footprint of our products is independently verified through a third-party critical review of each Life Cycle Assessment (LCA) created by Interface. The carbon footprint of our products is also verified through the certification and registration of the data we use and disclose in Environmental Product Declarations (EPDs) on a public database maintained by UL Environment and IBU.

**OUR ENERGY
EFFICIENCY**

Our energy efficiency results are verified by Bureau Veritas as part of an annual energy audit. This data is further confirmed at each of our manufacturing sites as part of their annual ISO-14001 certification.

**OUR GREENHOUSE
EMISSIONS**

Our greenhouse gas emissions are verified annually by Bureau Veritas to ensure they are prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard for all Scope 1 and 2 emissions, as well as certain other Scope 3 emissions. Further, we disclose our third party verified Scope 1, 2 and 3 emissions and our initiatives to further reduce emissions across all scopes on an annual GHG emissions form available on our website.

**OUR WATER
USE**

Our water intensity data is measured by our local manufacturing teams, then reviewed and internally verified by our Sustainability team through annual audits including review of water invoices, review of data collection procedures to ensure that water intensity claims are valid and correct.

CASE STUDY LINKS

LESSON 1

[Interface Biomimicry](http://interf.ac/InterfaceBiomimicry)
interf.ac/InterfaceBiomimicry

LESSON 3

[Interface Sustainability Model](http://interf.ac/InterfaceModel)
interf.ac/InterfaceModel

LESSON 4

[Interface Metrics](http://interf.ac/InterfaceMetrics)
interf.ac/InterfaceMetrics

LESSON 6

[Interface Innovation](http://interf.ac/InterfaceInnovation)
interf.ac/InterfaceInnovation

[Interface Net-Works](http://interf.ac/InterfaceNetWorks)
interf.ac/InterfaceNetWorks
interf.ac/InterfaceNetWorks2

[Interface Consulting](http://interf.ac/InterfaceConsulting)
interf.ac/InterfaceConsulting

LESSON 8

[Interface and Wal-Mart](http://interf.ac/InterfaceWalmart)
interf.ac/InterfaceWalmart

