

The information in this report represents the January 1 to December 31, 2019 period, and reflects the combined activity of the Commercial Division of Engineered Floors, including the J+J Flooring and EF Contract brands. Unless otherwise noted, the data is from the combined activities of J+J Flooring and EF Contract within the facilities and operations wholly owned by Engineered Floors Commercial.

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our team effort

Introductions

Dear Commercial Colleagues,

It is with genuine gratitude and pride that I present our report on the past year's commitments and outcomes that comprise our sustainability initiatives. The activities described on the following pages are unmistakably the result of aligned team efforts.

Our commitment to environmental sustainability is not new, but it remains ever fresh. We are and we will be relentless in our pursuit of these goals, as well as the corporate activities and programs that get us there.

The convergence of our brands — J+J Flooring and EF Contract — enhances both our strength and our agility in delivering exceptional business results and environmental achievements. We will continue leveraging this alignment.



The credit, in all these achievements, goes to our teams of dedicated associates. Their team efforts are the crucial ingredients to our success, and we pledge them our support, and pledge their service to you.

James Lesslie, President

Engineered Floors Commercial Division



It is gratifying to present the information and achievements in this report, as they remain the strongest testimony to our environmental commitments. At the root of everything we do is a deep and unyielding commitment to our people and our planet. It's what we do.

While we take distinct and measured pride in the results we share here, we are also aware that our performance should and will always be judged by the progress we make. We are in this for the long haul and will continue the journey.

As we share our sustainability data, we also affirm our commitment to the pursuit of even greater achievements in caring for our planet.

Russ DeLozier, Director of Environmental Innovation

Engineered Floors Commercial Division

ENGINEERED FLOORS
COMMERCIAL DIVISION

OVER

EMPLOYEES EMPLOYEES

NEARLY

1,930,00

SQ. FT OF MANUFACTURING FACILITIES

COVERING

ACRES



THE FORMATION OF THE ENGINEERED FLOORS

COMMERCIAL DIVISION REFLECTS THE WISDOM OF

ROBERT E. SHAW AND HIS VISION FOR CREATING

STRENGTH AND INDUSTRY-LEADING EFFICIENCY.

The J+J Flooring and EF Contract brands together represent a powerful and unmatched convergence for our industry.

The power of these two distinct and equally valuable brands also enables our company to meet the needs of an array of market segments and product applications. Our expansive product portfolio includes broadloom and modular carpets, LVT, and Kinetex, a unique textile composite flooring, all providing a range of flooring options for nearly any setting.

In addition, our two brands and the advanced technology and scale in our manufacturing capabilities enable us to significantly reduce our environmental impact on distribution, materials efficiency, and energy consumption. That's good for the planet.

THE ENGINEERED FLOORS COMMITMENT TO
SUSTAINABILITY IS POINTEDLY REPRESENTED
BY THREE KEY COMPANY INITIATIVES.

A Product: Kinetex



Kinetex® is an advanced textile composite flooring that combines key attributes of soft-surface floor covering with the long-wearing performance characteristics of hard-surface flooring. It encompasses an unprecedented range of performance attributes for retail, healthcare, education and institutional environments. In addition to its human-centered qualities and highly functional design, Kinetex offers a reduced environmental footprint compared to traditional hard-surface options.

EACH KINETEX TILE

CONTAINS THE

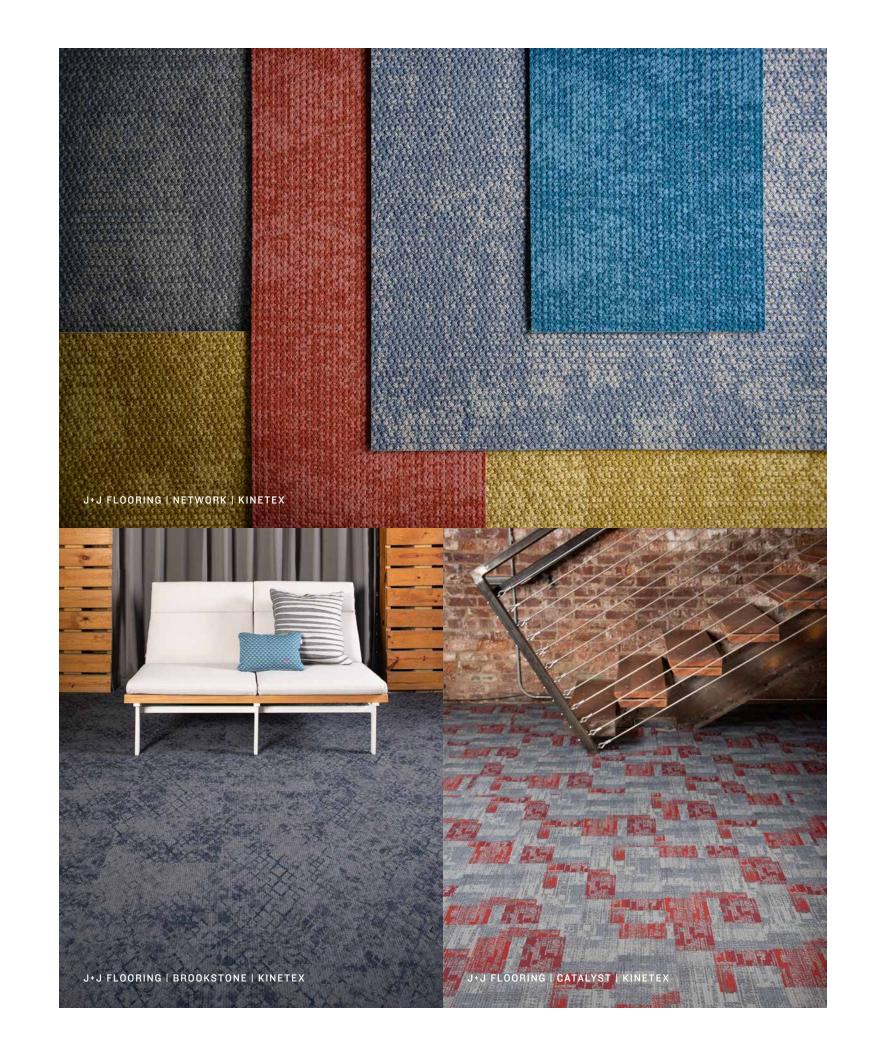
EQUIVALENT OF 27

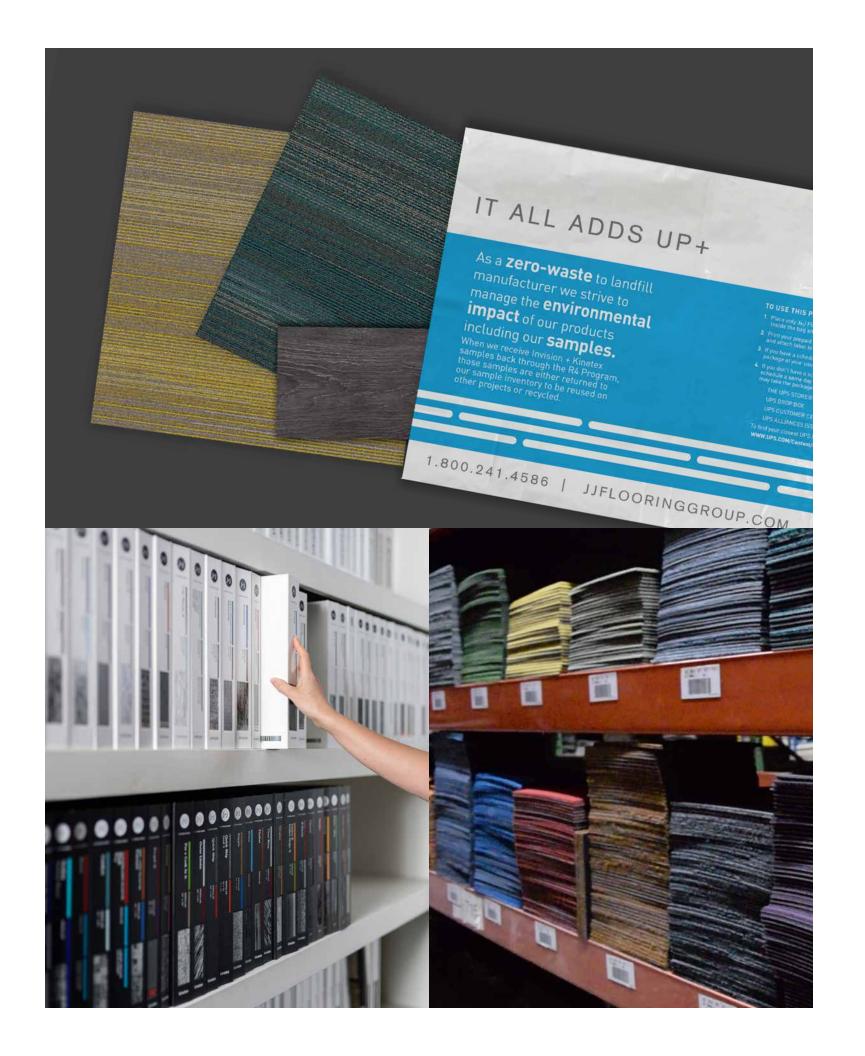
PLASTIC WATER BOTTLES



Kinetex contains no less than 45% post-consumer recycled content. For example, one box of Kinetex contains the equivalent of 492 plastic water bottles, with one 24"x24" tile equaling 27 plastic bottles. It has become clear that the careless disposal of plastic water bottles has contributed to significant danger for marine life across the planet. Kinetex is making a difference by creating a significant use for what otherwise might be harmfully discarded.

Kinetex is also NSF/ANSI-140 Platinum certified (the industry-leading standard for sustainability) and has a Red List Free DECLARE label, affirming Kinetex as both a simple and sustainable flooring solution.





A Program: R4

In 2007, we developed the industry-leading R4® Program — Return, Reuse, Recycle, Reduce — to facilitate the recycling of all carpet, LVT, and Kinetex samples and architect folders that are no longer needed.

Architecture and design firm libraries and dealer showrooms experience a seemingly continuous replacement and restocking of samples and folders. Our goal is that none of these items ever reach a landfill. Because of the R4 Program, those samples are either returned to our sample inventory to be reused for other projects or they are recycled.

On average, we recycle/reuse 5,000 pounds of samples each month, enabling us to divert over 60,000 pounds of waste from landfills each year. In addition, the extensive reuse of our samples reduces the overall materials usage in the design and specification process across the industry.

We created the R4 Program to help ensure our architect folders or carpet samples will never reach a landfill. It's worked for well over a decade. 5,000



OF SAMPLES
RECYCLED OR REUSED
EACH MONTH

60,000

POUNDS OF WASTE
DIVERTED FROM
LANDFILLS EACH YEAR.



A Heritage: Transparency



INDEPENDENT
AUDITING AND
CERTIFICATIONS











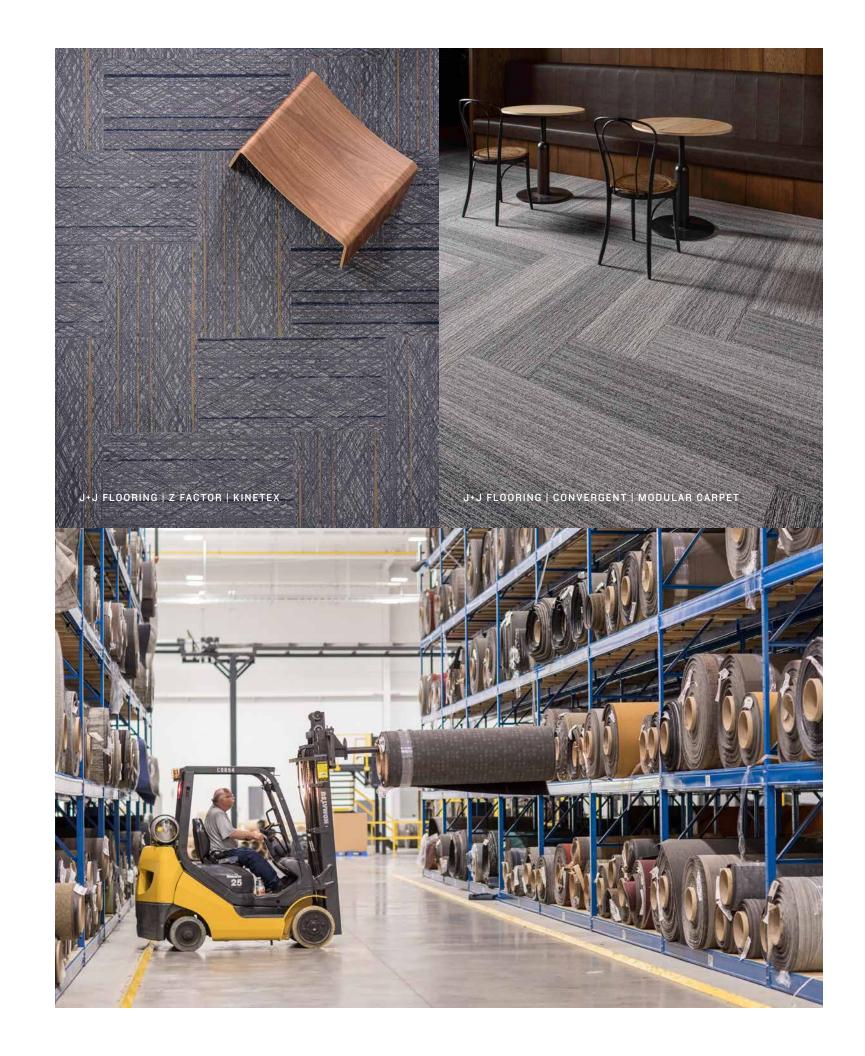


From the earliest days of our company, sustainability has been at the center of every aspect of our business. We track our progress as a company by measuring our environmental and social performance just as stringently as we measure our financial performance.

In addition to our own company measurements, we also rely on independent auditing and certification agencies to ensure the accuracy and verifiability of our efforts. These neutral external services provide us with the credibility we know the marketplace deserves from us.

As responsible stewards of the environment, we believe in using all resources as efficiently and judiciously as possible — prioritizing conservation and consumption reduction ahead of recycling or reuse. With conservation at the heart of our sustainability philosophy, finding alternatives for (and preventing the excessive use of) valuable resources is the basis of our approach to environmental impact management.

Finally, sustainability is for us, not a marketing differentiator, but an essential business practice and a crucial measure of success.



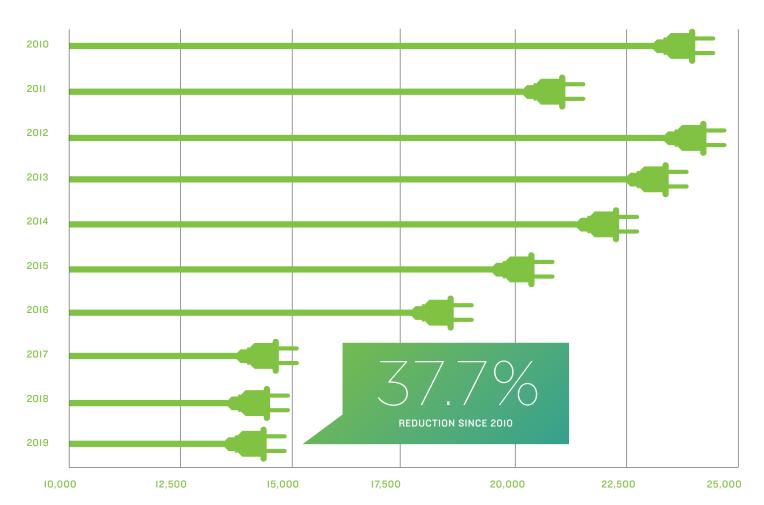
KEY MEASURES

OUR SUSTAINED EFFORTS OVER THE YEARS DEMONSTRATE COMMITMENTS, PROGRESS,
AND REALISTIC ADJUSTMENTS TO OUR BUSINESS AND OUR PLANET'S REALITIES. WE ARE
PROUD TO SHARE THESE METRICS.

energy use

Since 2010 we have achieved nearly a 40% reduction in overall energy use in all our facilities, reducing BTU utilization from just under 24,000 to now under 15,000.

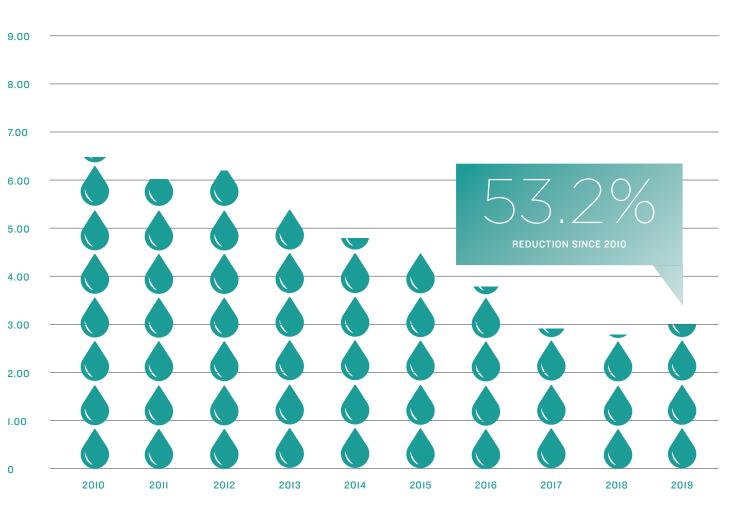
ENERGY INTENSITY (BTU/1000 YD2)



water conservation

Similar to our energy utilization achievements, our company has reduced water usage by well over 50% since 2010. This is particularly remarkable in view of the role of water in the flooring manufacturing process. We have even more ambitious water reduction goals for the year ahead.

WATER INTENSITY (GALS/YD2)

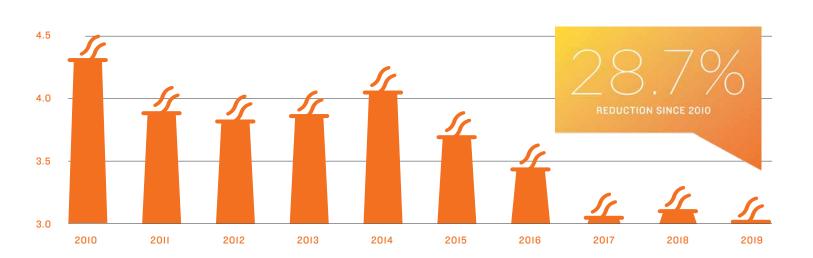




greenhouse gas emissions

Our greenhouse gas emissions have seen a similar decline, a nearly 30% reduction since 2010.

GREENHOUSE GAS INTENSITY (MT CO2-en/1000 vd2)



landfill reduction

Finally, in 2015 we achieved our ambitious goal of reaching zero for our landfill use, and we sustained that zero-level for three consecutive years. Changes in some of our product manufacturing have again enabled us to target that zero-level, and we are on track to achieve it again in the coming year.

LANDFILL INTENSITY

0.75%



12

Conclusion

OUR REPORTING ON OUR SUSTAINABILITY COMMITMENTS

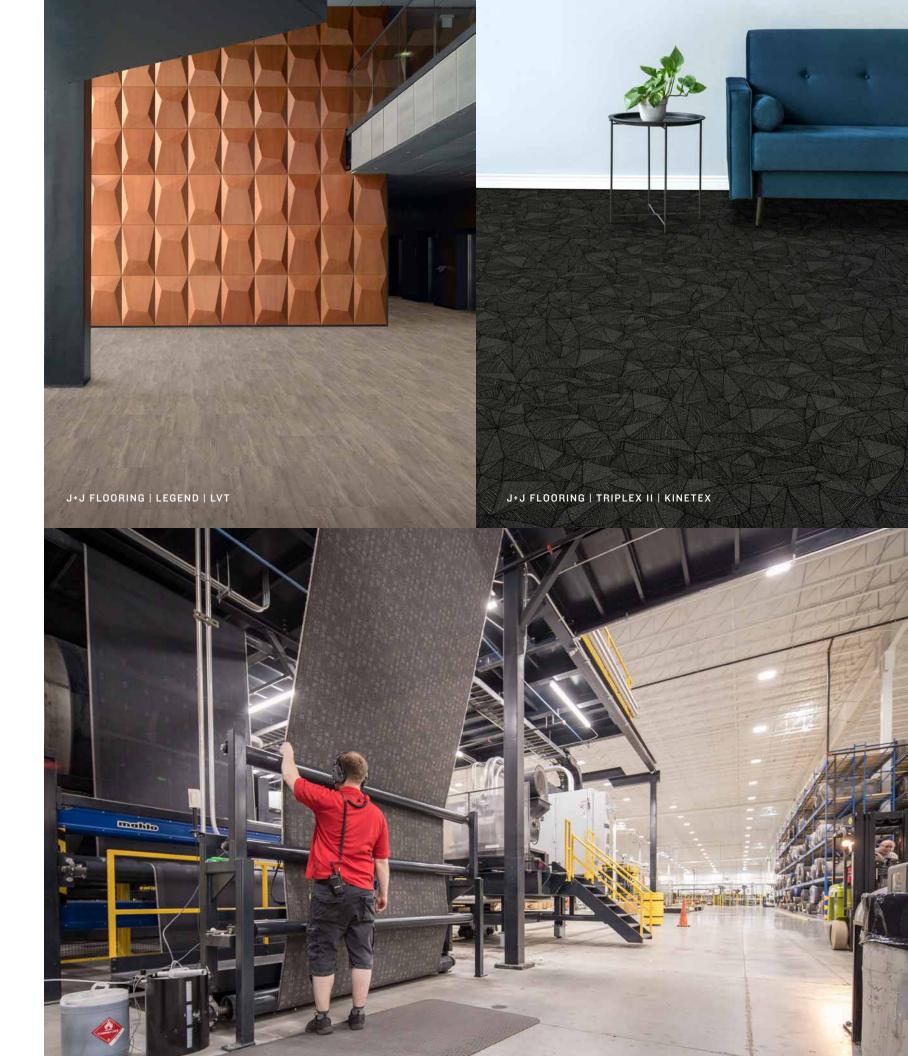
AND OUTCOMES IS ANNUAL, BUT OUR VIGILANCE AND

EFFORTS ARE CONSTANT AND ONGOING. AND THAT WILL

CONTINUE, BECAUSE IT IS AT THE HEART OF ENGINEERED

FLOORS COMMERCIAL DIVISION. THANKS FOR SHARING

OUR COMMITMENT.





SUSTAINABILITY PROGRESS

2019

Engineered F L O O R S



