



A BRIGHT FUTURE

Prioritizing people and respecting our environment are values that lie at the very heart of our business. As this report shares, those values are informing and guiding the growth, change and progress our company has experienced in the past year – as well as our plans for the future.

Indeed, as we draw closer to 2020, the target date for completing our first environmental performance goals outlined in our Vision 2020, we are beginning to look even more closely at how this vision, shared across our company, has driven our progress over the past decade.

Beyond a set of operational goals, Vision 2020 has served as an aspiration, an inspiration and an invitation to every member of our organization, creating opportunity for all of us to share in the spirit of collaboration, innovation and ingenuity that has come to define our company now – and, we hope, for the decades to come.

And while we are still in the process of envisioning our next chapter, one thing will not change: our deep commitment to putting people and planet first.

Russ DeLozier
Director of Environmental Innovation
J+J Flooring Group



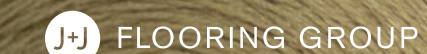
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A Division of **Engineered FLOORS**

VISION + PROGRESS



2017 CORPORATE RESPONSIBILITY REPORT

ABOUT OUR COMPANY

Established in 1957, J+J Flooring Group is now a part of the commercial division of Engineered Floors, LLC. Headquartered in Dalton, Georgia, we provide a comprehensive array of innovative flooring solutions including modular and broadloom carpet, LVT, and Kinetex – the award-winning textile composite flooring, for the commercial specified market.

Most importantly, beyond creating high quality flooring, our focus is on people – providing a great place to work and creating products that deliver the highest levels of beauty, performance and dependability.



VISION +
PROGRESS

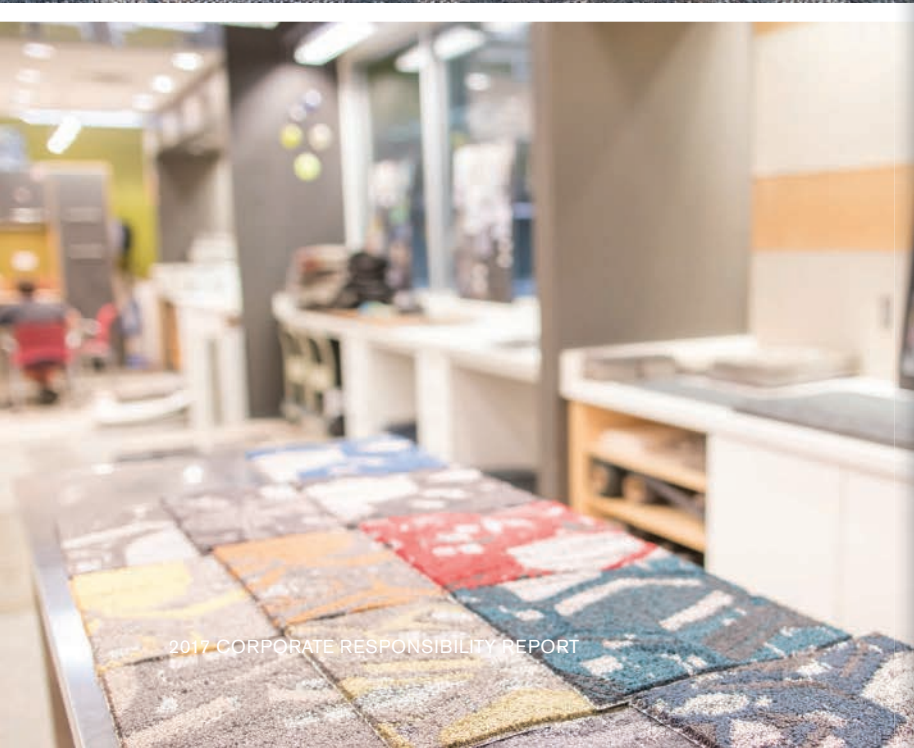


page 3
BUSINESS THAT GIVES BACK

page 4
PRODUCTS THAT TRANSFORM

page 6
A LIGHTER FOOTPRINT

page 11
A BRIGHT FUTURE



DEAR STAKEHOLDER,

When I became president of Engineered Floors Commercial Division – J+J Flooring Group at the beginning of 2018, I stepped into a company shaped by a long history of putting people and values first. It is an honor to help steward this legacy into a new and exciting chapter for J+J.

Our progress over the past year is a testament to our company's continued dedication to our founders' original vision: **to create innovative, beautiful, high-quality flooring solutions made with an emphasis on people and service, and a deep commitment to protecting our environment.**

And as you will see in this report, it is indeed this vision that powers our business forward, driving every aspect of our work from strategic planning to operations management, product design to sustainability. And, most importantly, guiding the way we serve our employees, our customers and our community.

Thank you for being part of our journey.

James Lesslie
President
Engineered Floors Commercial Division
Dalton, GA



BUSINESS THAT GIVES BACK

When we became part of Engineered Floors in 2016, we joined with another company founded on family values and a deep commitment to putting people first – beginning with our home community in Dalton, Georgia. As our organizations continue to align, our community handprint grows even stronger, further empowering us to do business in a way that prioritizes opportunities for our employees, jobs and economic impact for our community, and support for the programs and charitable organizations that help us all.

J+J IN 2017



1.4 MILLION SQ. FT. OF FACILITIES ON 145 ACRES

720 EMPLOYEES

We strive to create an inviting, accessible and culturally rich work environment for all employees – and to ensure the J+J community is as diverse as the customers we serve.

J+J and our employees supported more than 23 charitable organizations with monetary and in-kind donations and more than 139 volunteer hours.

100% of J+J employees receive some form of on-the-job training each year.

We provide a range of flooring solutions through our modular carpet, broadloom, luxury vinyl tile and Kinetex products.

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PRODUCTS THAT TRANSFORM

From evidence-based design to design innovation, we create products that transform the way we see, experience and think about flooring – from material health to visual impact. Last year, we took things a step further, teaming up with leading design researchers to scientifically explore how various flooring choices can positively enhance quality of life in senior living, healthcare and other environments – all while keeping environmental performance top of mind.

We make our products in an ISO 14001:2015 certified facility. ISO 14001:2015 is an update to the ISO 14001:2004 standard that strengthens the integration between environmental issues and strategic planning plus life cycle thinking resource efficiency waste reduction and environmental impact measurement and improvement.



32 new product introductions in 2017

Our Kinetex products give customers the key attributes of soft-surface flooring with the performance characteristics of hard surface, creating a whole new flooring category in the process. Last year, to meet fast-growing demand, we introduced five new Kinetex collections to our portfolio.



We design modular carpet tile, broadloom, luxury vinyl tile and Kinetex, our award-winning textile composite flooring, for the corporate workplace, education, healthcare, retail, government and hospitality sectors.

MATERIAL HEALTH & TRANSPARENCY

A deep commitment to material health drives our desire to be as transparent as possible about the ingredients and impacts of our products. Our multi-attribute approach to material health uses third-party verified Life Cycle Assessment data (based on ISO standards and category rules) to create Environmental Health Declarations (EPDs) and Health Product Declarations (HPDs) for our modular, broadloom and Kinetex products. Our flooring products are also verified or support the following global sustainability certifications and standards:



All J+J Flooring Group carpet and Kinetex products are manufactured in an ISO 14001:2015 certified facility.



All Kinetex products now come with a third-party verified, Red List Free (RLF) DECLARE label from the International Living Future Institute – making us one of the first flooring manufacturers to obtain this voluntary third-party certification. DECLARE is a transparency platform and product database that answers the questions of product origination, product content and end of life management.



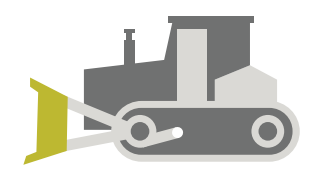
A LIGHTER FOOTPRINT

We expanded our operations last year with the completion of our new modular flooring manufacturing facility growing demand for our portfolio of high performance flooring solutions – and our commitment to responsibly managing our impacts grew, too. We strive to provide products for our market that are as environmentally efficient as possible – and we keep our priorities simple by working from three core tenets: responsibly sourcing the materials we need; conserving the resources we use, and taking every step possible to minimize the effects of our operations and products on people and planet.

When we opened the doors to our brand new 450,000 square foot production facility in 2017, we opened the door to a whole new level of efficiency. Intentionally designed to bring every aspect of Kinetex manufacturing under one roof, the facility houses product design, state-of-the-art production lines, packaging, warehousing and shipping – plus new modular carpet production lines. The result? Smarter logistics, a reduced environmental footprint and 150+ jobs for our community.



- ✓ Eliminate use of landfills by 2020 (completed in 2014)
- Reduce water usage by 66%
- ✓ Reduce energy intensity by 20% & increase use of renewable energy to at least 10% of total energy consumption (completed in 2015)
- ✓ Cut Greenhouse Gas (GHG) emissions by 21.3% (completed in 2017)
- Increase recycled, bio-based or renewable content in our products to 33%



ELIMINATE USE OF LANDFILLS BY 2020

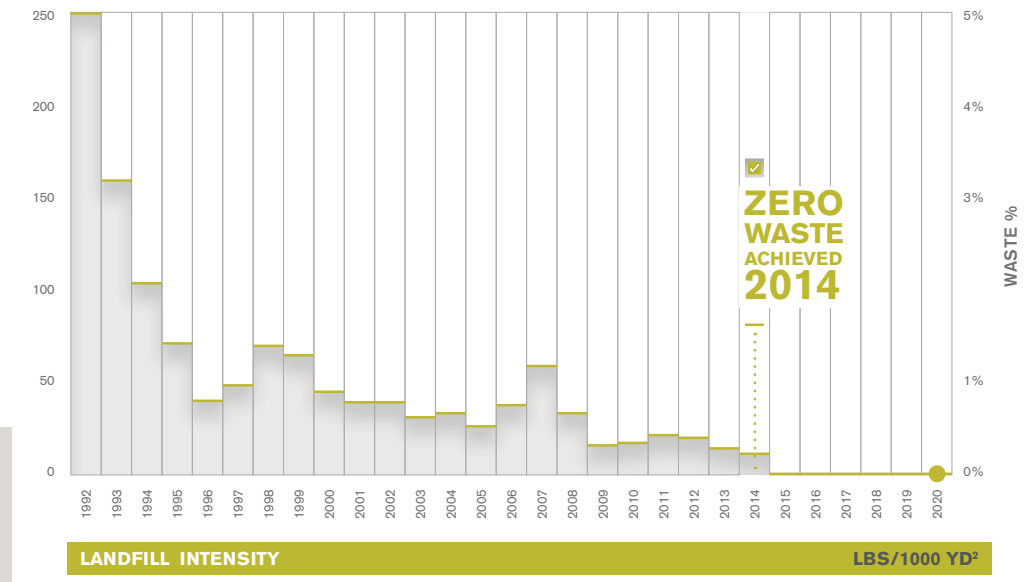
PROGRESS

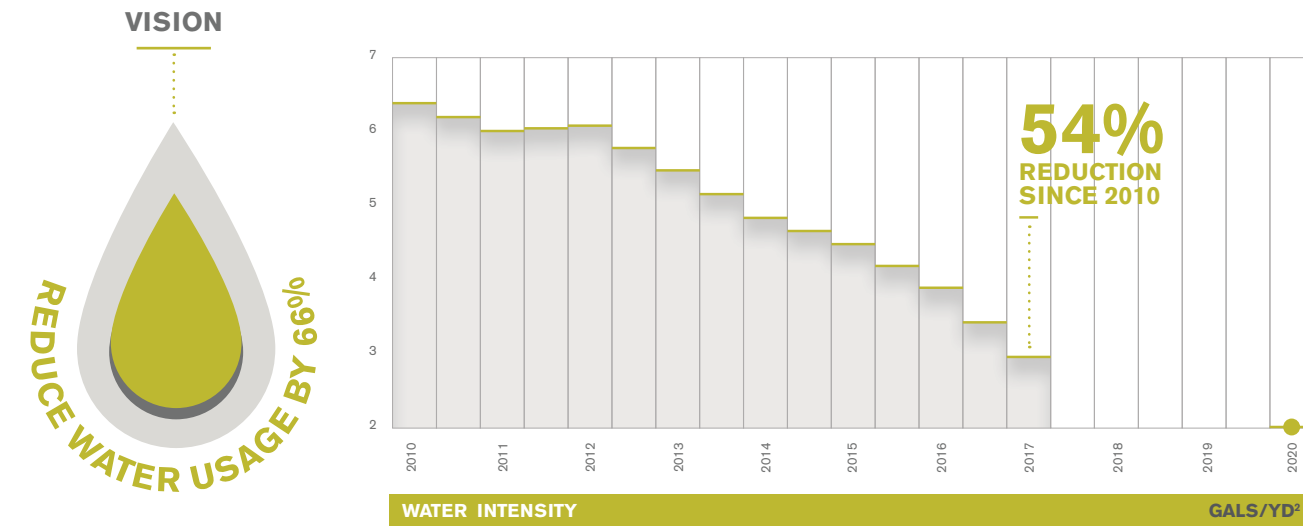
We first achieved Zero Waste to Landfill (ZWL) certification in 2014 – six years ahead of our target. In 2017, we achieved ZWL certification for the third consecutive year – the only flooring manufacturer to be certified by Green Circle Certified LLC as a ZWL facility.

We created enough energy from waste in 2017 to power 250 homes for more than 12 months.



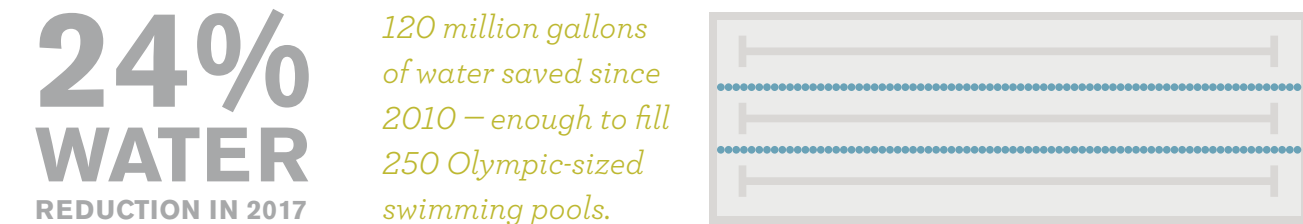
MORE THAN 4 MILLION POUNDS OF WASTE DIVERTED FROM LANDFILLS DURING 2016 AND 2017, INCLUDING RECYCLING 3 MILLION POUNDS, REUSING 93,000 POUNDS AND SENDING 710,000 POUNDS OF MATERIAL WASTE TO OUR ENERGY FROM WASTE PARTNER.



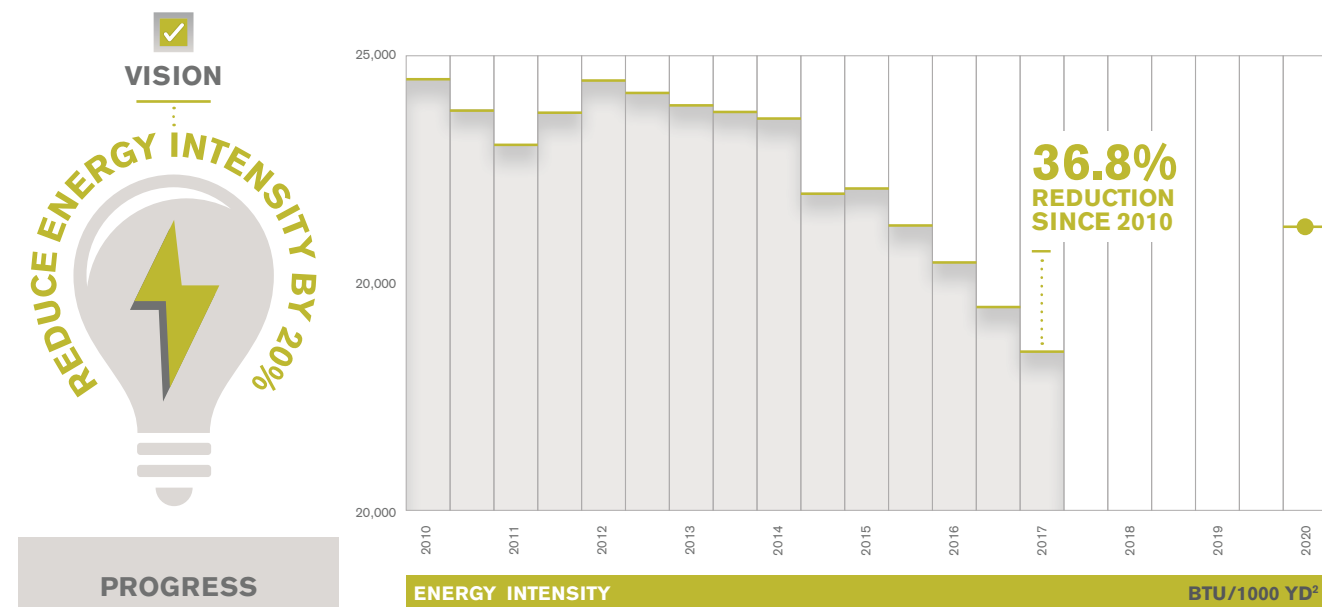


PROGRESS

We've always worked from the belief that the most sustainable water is the water we don't use. To reduce our water use by a further 24% in 2017, we continued optimizing our manufacturing processes with water reduction in mind, modifying our equipment to accommodate lower water levels for dyeing processes that require water, and maximizing the efficiency of our rinse cycles to ensure we're making the most of every single drop.

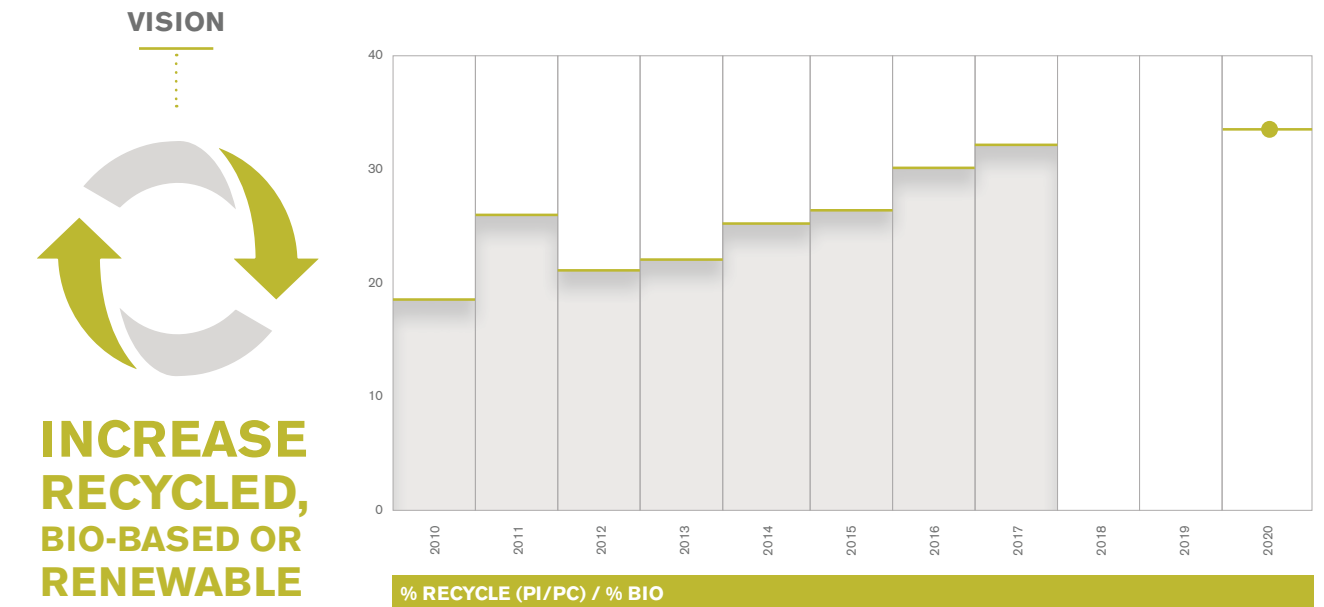
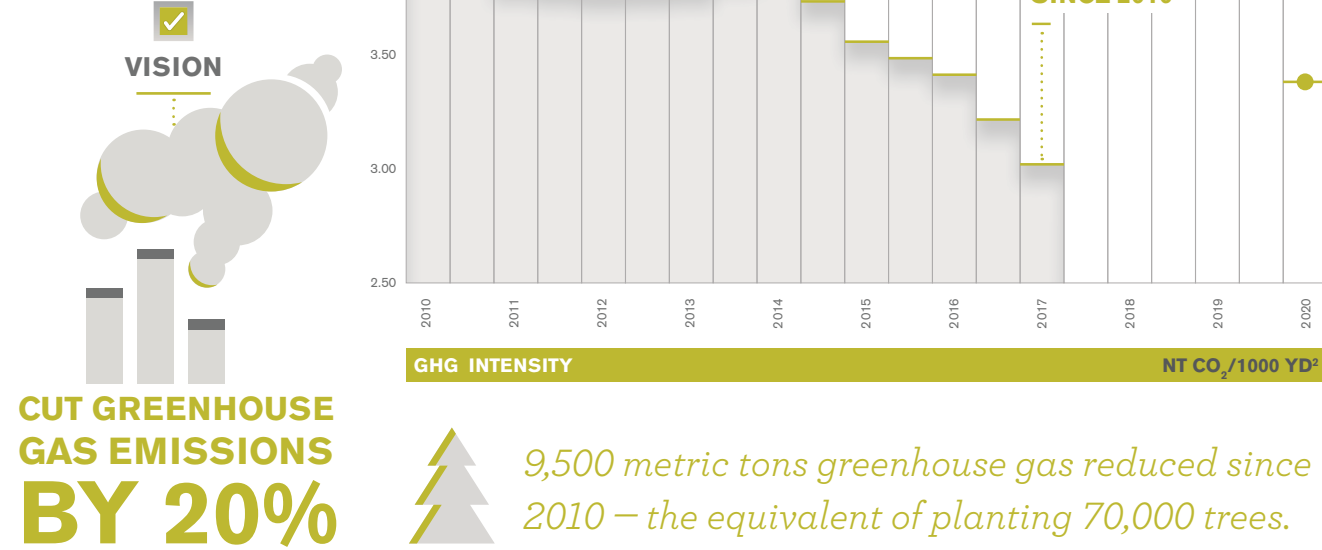


WE'RE SAVING WATER AND ENERGY BY OPTIMIZING OUR PRODUCT MIX WITH A GROWING NUMBER OF PRODUCTS FEATURING YARNS THAT USE LOW-INTENSITY DYEING PROCESSES, INCLUDING SOLUTION DYEING AND SPACE-DYEING.



PROGRESS

We may have achieved our energy intensity reduction goal in 2016, but our energy conservation journey is far from over. We're working hard to increase our use of renewable energy and maximize the efficiency of our facilities and our equipment (including optimizing our yarn processing equipment in 2017). Better yet, our energy savings also helped us achieve our Greenhouse Gas (GHG) reduction goal in 2017, too – three years ahead of schedule.



35% RECYCLED CONTENT IN OUR J+J MODULAR FLOORING PRODUCTS.

PROGRESS

Increasing the volume of recycled content in our products through the use of post-industrial and pre-consumer recycled content, as well as continuing to find innovative options for recycled and recyclable materials is an important part of our sustainability journey.

1 million lbs. leftover yarn repurposed into Paradigm Shift tile each year.

