

2018 SUSTAINABILITY REPORT

POSITIVE GROWTH

Engineered
FLOORS
— COMMERCIAL DIVISION —

 FLOORING GROUP

 EF Contract

02 ENGINEERED FLOORS COMMERCIAL

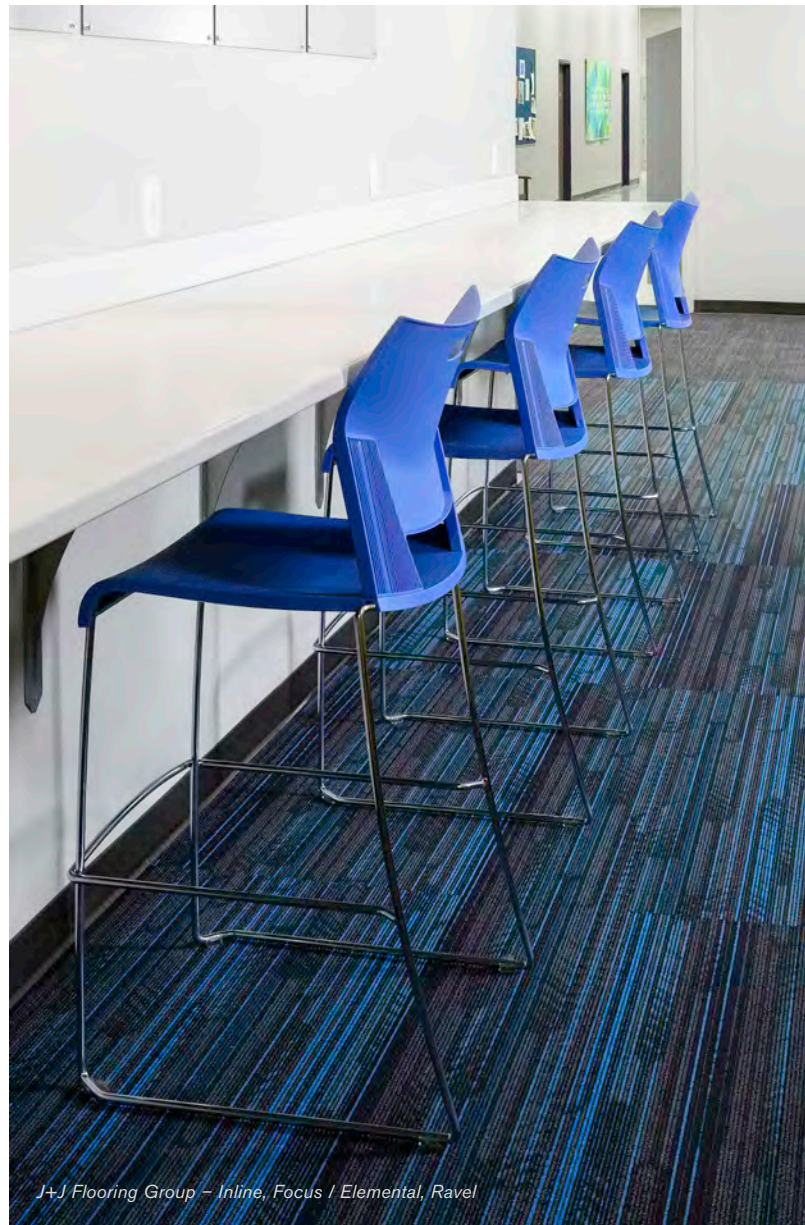
04 MORE PRODUCT OPTIONS

08 A BETTER FOOTPRINT

ABOUT THIS REPORT

The information contained in this report represents the Commercial division of Engineered Floors, which includes the J+J Flooring Group and EF Contract brands. This report is based upon the January 1 - December 31 2018 calendar year. Unless otherwise noted, report data reflects the combined activities of J+J Flooring Group and EF Contract within facilities and operations wholly owned by Engineered Floors Commercial.

Cover: J+J Flooring Group – Elemental, Strut





DEAR STAKEHOLDER,

2018 was a year of positive growth for our company, and I am delighted to share our progress with you in this latest sustainability report.

One of our most notable milestones last year was the alignment of our J+J Flooring Group and EF Contract brands under the umbrella of the Engineered Floors Commercial division. With two flagship brands each delivering a growing portfolio of high performance flooring solutions, our ability to meet the diverse and evolving needs of our commercial flooring customers is greater than ever.

Blending these two brand operations also gave us the opportunity to build a new culture and evolve our company's business approach. The result? A stronger, more agile organization that is both deeply rooted in tradition, and powered forward by the drive to invest in and develop the technology, products and services we know our customers need now – and will need in the future.

As I look ahead to the remainder of 2019 and beyond, it is exciting to see that this growth has already become the foundation upon which we can continue to push the boundaries of flooring innovation, whether we're identifying new opportunities to maximize environmental efficiency, to develop new materials, or redefining whole product categories – all without losing sight of what matters most: our people, our customers, our communities, and our planet.

Thank you for continuing to join us on this journey.

James Lesslie, President
Engineered Floors Commercial Division

DEAR STAKEHOLDER,

Throughout our company's tremendous growth in recent years, one thing has never changed: our commitment to putting people and planet first. Nowhere was this more true than in 2018, when we brought our two flagship commercial brands, EF Contract and J+J Flooring Group together as part of the Engineered Floors Commercial division.

This exciting transition helped us combine facilities and processes for what will ultimately become an even faster, more efficient operation. It also means that we must now re-evaluate our environmental performance through the lens of a new footprint – one that encompasses higher production volumes, new products and additional facilities.

While we are proud of our environmental achievements to date, this growth presents us with the opportunity to set our sights on a new horizon, using our current progress as the benchmark for future environmental performance goals – something we look forward to sharing with next year.

In the meantime, once again I am proud to share this report with you as a small indication of our company's great commitment to doing the right thing for our people and for our planet.



Russ DeLozier, Director of Environmental Innovation
Engineered Floors Commercial Division



Engineered FLOORS

COMMERCIAL DIVISION



FLOORING GROUP



EF Contract

Engineered Floors Commercial is a division of Engineered Floors, LLC. Founded in 2009 by Robert E. Shaw, Engineered Floors is a privately held carpet manufacturer based in Dalton, GA. The company operates four manufacturing facilities in North Georgia, including the largest, most technologically advanced modular flooring center in the world. The Engineered Floors Commercial Division serves the specified commercial flooring market through the J+J Flooring Group and EF Contract brands.

WE PROVIDE A RANGE OF FLOORING SOLUTIONS
THROUGH OUR MODULAR CARPET, BROADLOOM,
LUXURY VINYL TILE AND KINETEX® PRODUCTS.

1.7 MILLION
SQUARE
FEET
of facilities on 160 acres

835
EMPLOYEES

100%
OF EMPLOYEES
receive some on-the-job
training each year

Engineered Floors and our employees supported 20+ charitable organizations with monetary and in-kind donations and more than 200+ volunteer hours in 2018.

Our campus at 818 J+J Drive in Dalton is home to the Engineered Floors Commercial Division, which houses our primary commercial manufacturing activities, corporate leadership and operations management teams, along with our product design and development, marketing, customer service, and sales administration.

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



MORE PRODUCT OPTIONS

We create carpet, luxury vinyl tile and Kinetex, our award winning textile composite flooring, for the corporate workplace, education, healthcare, retail, government and hospitality sectors through our J+J Flooring Group and EF Contract brands.



World-class design and best-in-class performance is powering the growth of our commercial product portfolio.

42 NEW PRODUCTS IN 2018

across our J+J Flooring Group and EF Contract brands.

60,000 POUNDS

waste diverted from landfills annually through our R4® program (return, reuse, recycle, reduce) which helps customers across the country recycle our carpet, LVT and Kinetex samples and architect folders.



ONE MILLION POUNDS

leftover yarn is repurposed into our popular Paradigm Shift modular flooring.



J+J Flooring Group - Boucle

Greater Material Transparency

We verify the material health and environmental responsibility of all modular, broadloom and Kinetex products using Environmental Product Declarations (EPDs) and Health Product Declarations (HPDs) based upon third-party verified Life Cycle Assessment data.

Our flooring products meet the following global sustainability certifications and standards:



*All Kinetex products only



*EF Contract products only



In 2010, the J+J commercial flooring brand set out to steadily dematerialize its modular and broadloom products while increasing recycled content. As our company has grown, so has our progress – today, **all J+J Flooring Group and all EF Contract modular and broadloom products contain at least 33% RECYCLED CONTENT.**

With a combined focus on product dematerialization and increased recycled content, J+J Flooring Group achieved its goal of greater than 33% recycled content in its flooring products in 2018.



Most of our commercial products are made at the Engineered Floors Commercial division main campus, an ISO 14001:2015 certified facility. Focused on strengthening the integration between environmental issues and strategic planning, life-cycle thinking, resource efficiency, waste reduction, and environmental impact measurement and improvement, ISO 14001:2015 principles also serve as guidance for the management of our other manufacturing facilities – helping ensure all our products are created with attention to the highest standards of environmental health and safety.

KINETEX®

An advanced textile composite flooring, Kinetex combines key attributes of soft-surface floor covering with the long-wearing performance of hard surface flooring. Non-slip properties and the highest Noise Reduction Coefficients (NRC) and Impact Insulation Classifications (IIC) rating of any commercial flooring product make Kinetex ideal for corporate, retail, healthcare, education and institutional environments. The breathable nature of Kinetex also allows it to deliver high performance on elevated RH slabs up to 100% without costly moisture mitigation when using PreFix Pre-Applied Releasable Adhesive.



J+J Flooring Group – Outer Limits, Comet



A BETTER FOOTPRINT

The more our company grows, the more our commitment to world-class environmental performance grows, too.

High tech automated lifts in our modular tile facility maximize energy efficiency and warehouse space – plus make our operators' jobs easier.



Maximizing Waste Efficiency

In 2015 we reached zero waste status for our J&J Drive facilities (the main campus for Engineered Floors Commercial) *five years ahead of our original goal*. In the process, we became the first flooring manufacturer in the US to achieve certified Zero Waste to Landfill (ZWL) status verified by Green Circle Certified LLC. We renewed ZWL certification in 2018, and continue to maintain a zero waste environment at our main campus – while working to spread those practices across our fast-growing company.

4.1 MILLION POUNDS


of waste diverted from landfills in 2018, including:

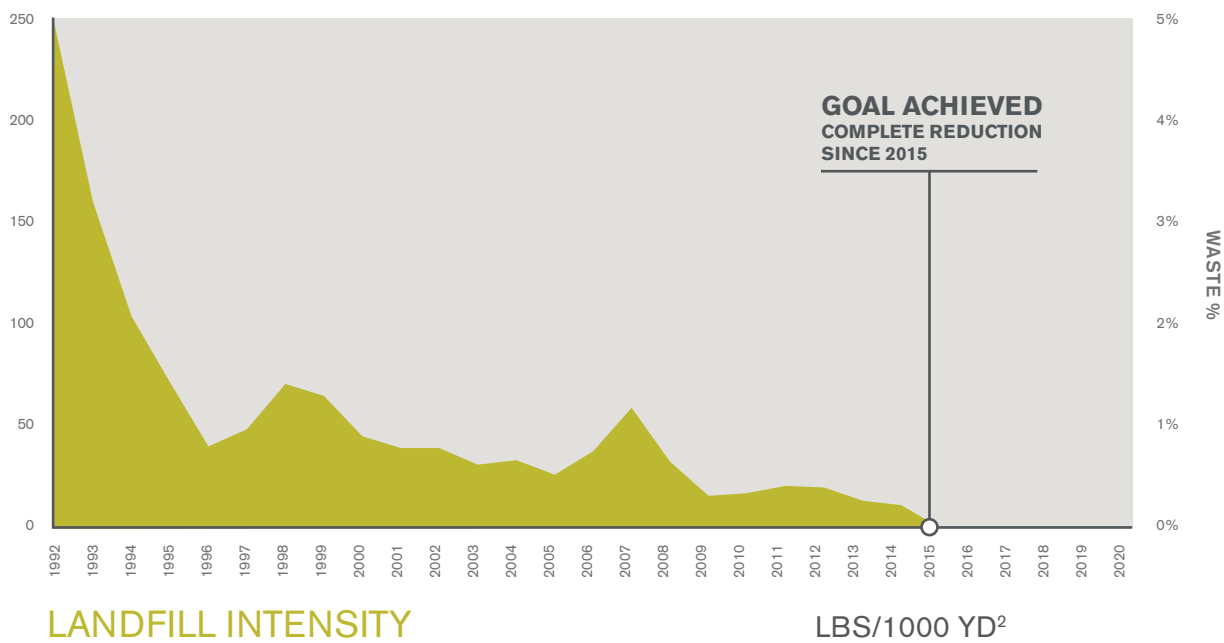
3.5 million pounds material RECYCLED

87,000 pounds material REUSED

510,000 pounds material used for ENERGY GENERATION via our waste partner

We created enough energy from waste in 2018 to power 262 homes for 12 months.





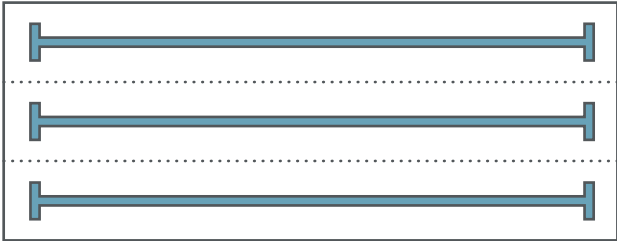
Improving Water Impacts

To reduce our water use by a further 5.5% in 2018, 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.

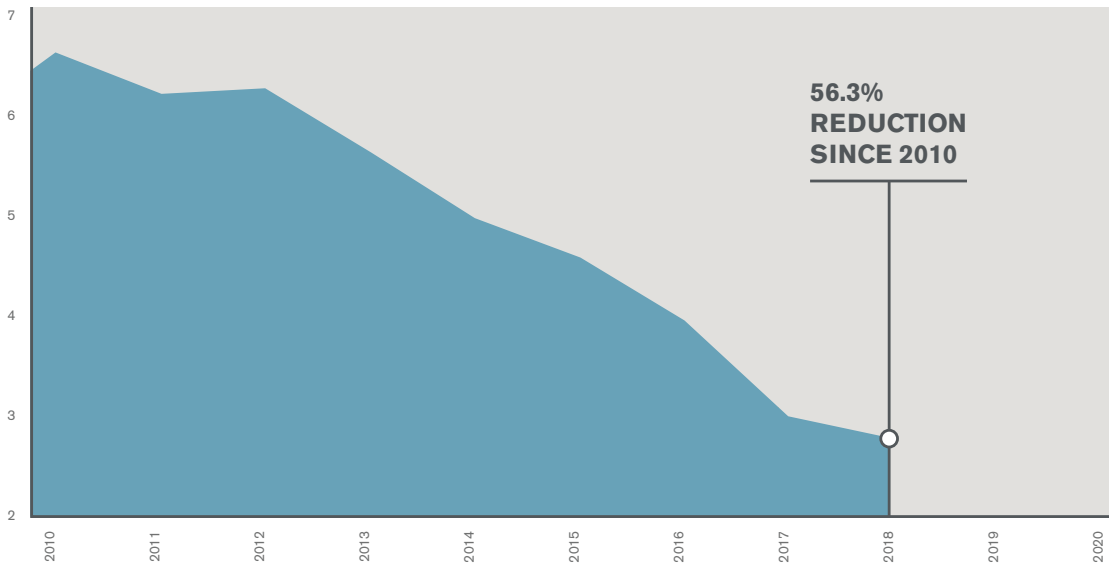
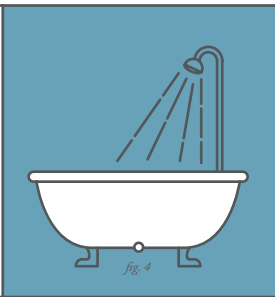
56.3%

WATER REDUCTION

since 2010 equating to 163 million gallons of water saved – enough to fill 325 Olympic-sized swimming pools.



We saved enough water in 2018 to fill 35,000 bathtubs. Enough for everyone in our hometown.



WATER INTENSITY

GALS/YD²

Expanding Energy Savings

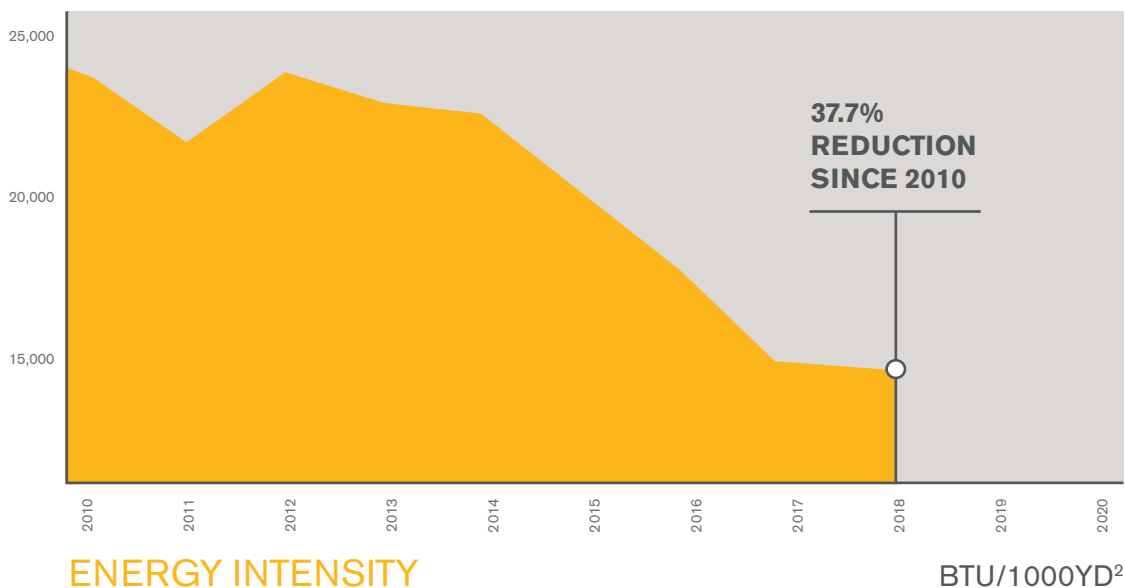
50%

OF THE ENERGY DIRECTLY CONSUMED by our main manufacturing campus was offset via the purchase of renewable energy credits through the US Environmental Protection Agency (EPA) Green Power Partnership.

We saved 0.7 million kWh of electricity and natural gas in 2018 — enough to keep the lights on and the appliances running in 70 US homes for a whole year.



fig. 5



Increasing Carbon Management

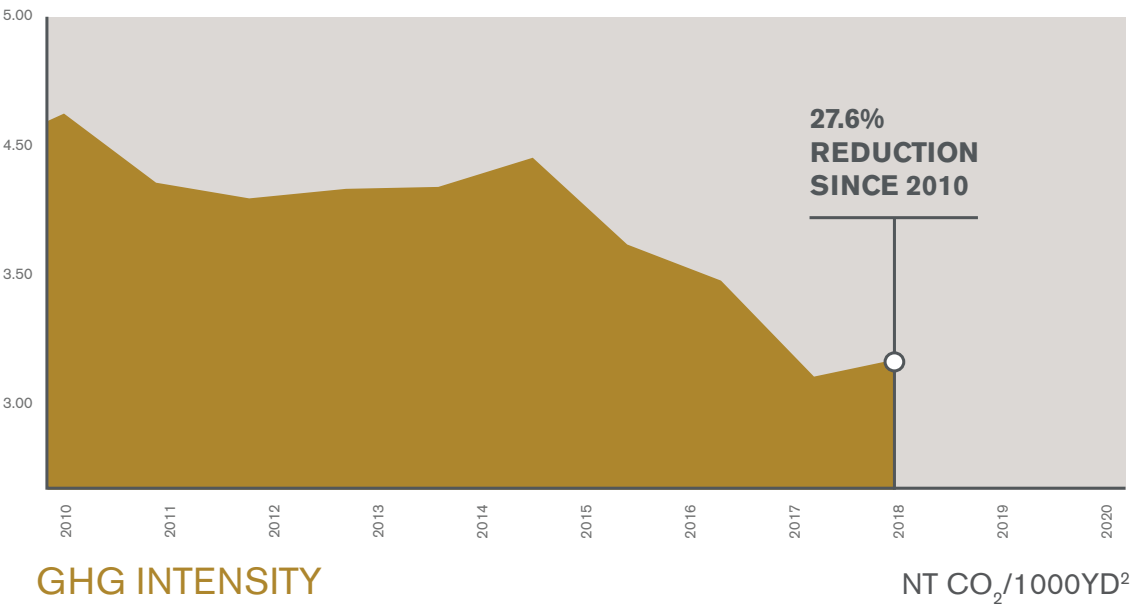
11,650

METRIC TONS of greenhouse gas reduced since 2010 –
the equivalent of taking 2,500 cars off the US roads.



Adjusting our footprint for higher production volume and expanded facilities in 2018 also meant a growth in our GHG emissions.

As we look to 2020 and beyond, we know we'll balance this with even greater improvement.



Engineered FLOORS

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EF Contract

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