

Interface Sustainability Programs

“Doing Well by Doing Good.”

It's Possible

The Interface Journey



"At Interface we seek to become the first sustainable corporation in the world, and, following that, the first restorative company. It means creating the technologies of the future -- kinder, gentler technologies that emulate nature's systems. I believe that's where we will find the right model."

Ray C. Anderson

The Entrepreneurial Ability is the Expression of the Capacity to Sense an Emerging Reality and to Act in Harmony with it.

Global Sustainability Initiatives

QUEST
EcoMetrics
EcoSense
SocioMetrics
Safety

QUEST

KEY Facts:

- Started in 1995
- Primary focus to identify, measure and eliminate waste
- Originally identified \$70 million in waste
- Today we have \$63 million in waste
(includes new facilities and new waste categories such as non-renewable energy.)
- Cumulative global savings since 1995 is over \$300 million

QUEST Scorecard

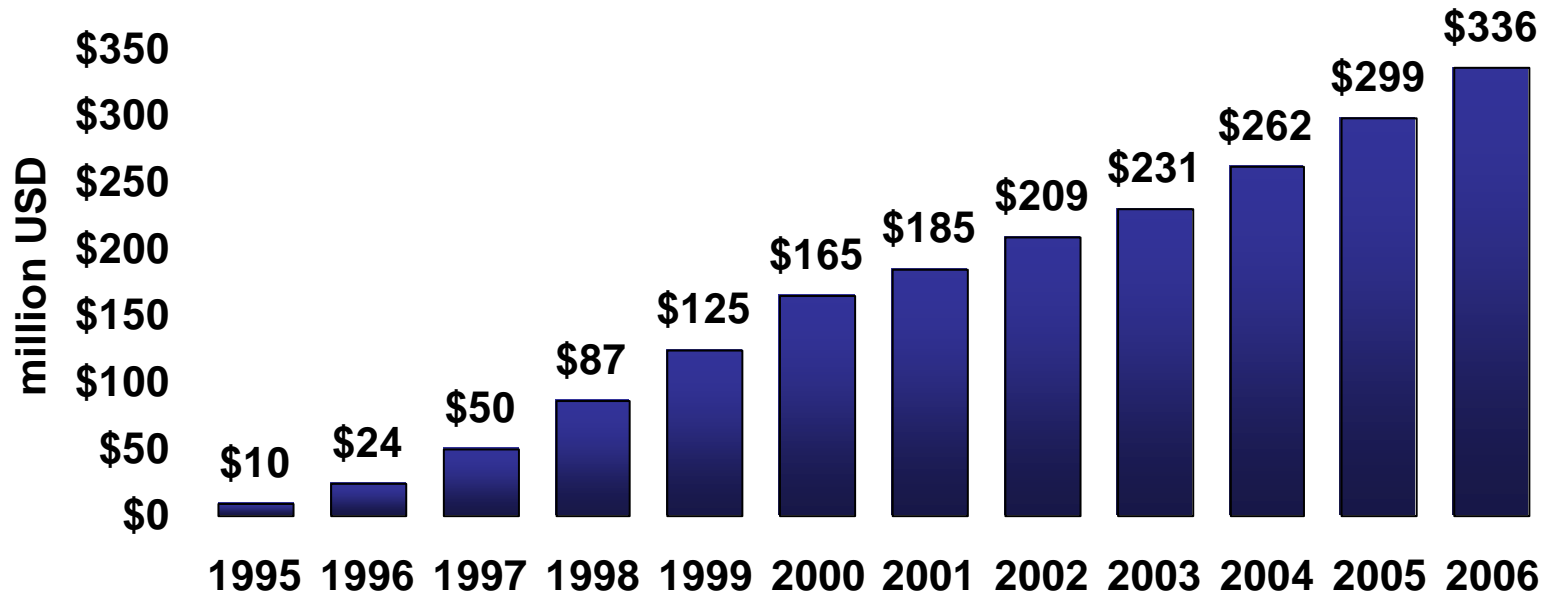
QUEST 2006 All Reporting Locations Results as of September 2006

QUEST Index

Locations	2005	1Q	2Q	Jul	Aug	Sep	3Q	YTD	Goal Y/E
IFC - USA	0.90	0.86	1.01	0.84	0.85	0.81	0.83	0.90	0.90
IFC - Canada	0.82	0.99	1.02	0.45	(0.98)	0.45	0.05	0.70	0.90
Bentley / Prince Street	0.66	1.30	1.18	1.33	1.32	1.55	1.40	1.30	0.90
Pandel	0.93	1.17	1.01	0.92	1.32	0.94	1.05	1.08	0.90
Americas - Index	0.82	1.02	1.06	0.97	0.98	1.02	0.99	1.02	0.90
<i>Total Savings(Cost) (\$ in '000)</i>	<i>\$5,920</i>	<i>(\$55)</i>	<i>(\$368)</i>	<i>\$69</i>	<i>\$33</i>	<i>\$56</i>	<i>\$158</i>	<i>(\$265)</i>	<i>\$2,755</i>
Scherpenzeel	0.92	1.06	0.91	1.02	0.89	0.57	0.76	0.92	0.90
Shelf / N. Ireland	0.87	0.84	0.67	0.78	0.57	0.78	0.73	0.75	0.90
Europe - Index	0.90	0.98	0.82	0.93	0.77	0.65	0.75	0.85	0.90
<i>Total Savings(Cost) (\$ in '000)</i>	<i>\$1,496</i>	<i>\$157</i>	<i>\$821</i>	<i>\$132</i>	<i>\$247</i>	<i>\$633</i>	<i>\$1,012</i>	<i>\$1,989</i>	<i>\$1,420</i>
Picton - Australia	0.90	1.26	1.01	0.91	1.01	1.22	1.07	1.10	0.90
IMCL - Thailand	1.14	1.10	0.89	0.98	0.56	0.80	0.70	0.87	0.90
Asia Pacific - Index	1.01	1.17	0.95	0.95	0.76	0.87	0.86	0.97	0.90
<i>Total Savings(Cost) (\$ in '000)</i>	<i>(\$22)</i>	<i>(\$93)</i>	<i>\$41</i>	<i>\$12</i>	<i>\$62</i>	<i>\$35</i>	<i>\$109</i>	<i>\$57</i>	<i>\$231</i>
InterfaceFABRIC	1.04	1.16	1.11	1.22	1.24	1.52	1.35	1.21	0.90
FABRIC - Index	1.04	1.16	1.11	1.22	1.24	1.52	1.35	1.21	0.90
<i>Total Savings(Cost) (\$ in '000)</i>	<i>(\$59)</i>	<i>(\$703)</i>	<i>(\$494)</i>	<i>(\$254)</i>	<i>(\$358)</i>	<i>(\$898)</i>	<i>(\$1,510)</i>	<i>(\$2,708)</i>	<i>\$1,846</i>
All Locations	0.91	1.06	1.02	1.04	1.00	1.08	1.04	1.04	0.90
<i>Total Savings(Cost) (\$ in '000)</i>	<i>\$7,335</i>	<i>(\$695)</i>	<i>(\$1)</i>	<i>(\$41)</i>	<i>(\$16)</i>	<i>(\$174)</i>	<i>(\$231)</i>	<i>(\$927)</i>	<i>\$6,252</i>

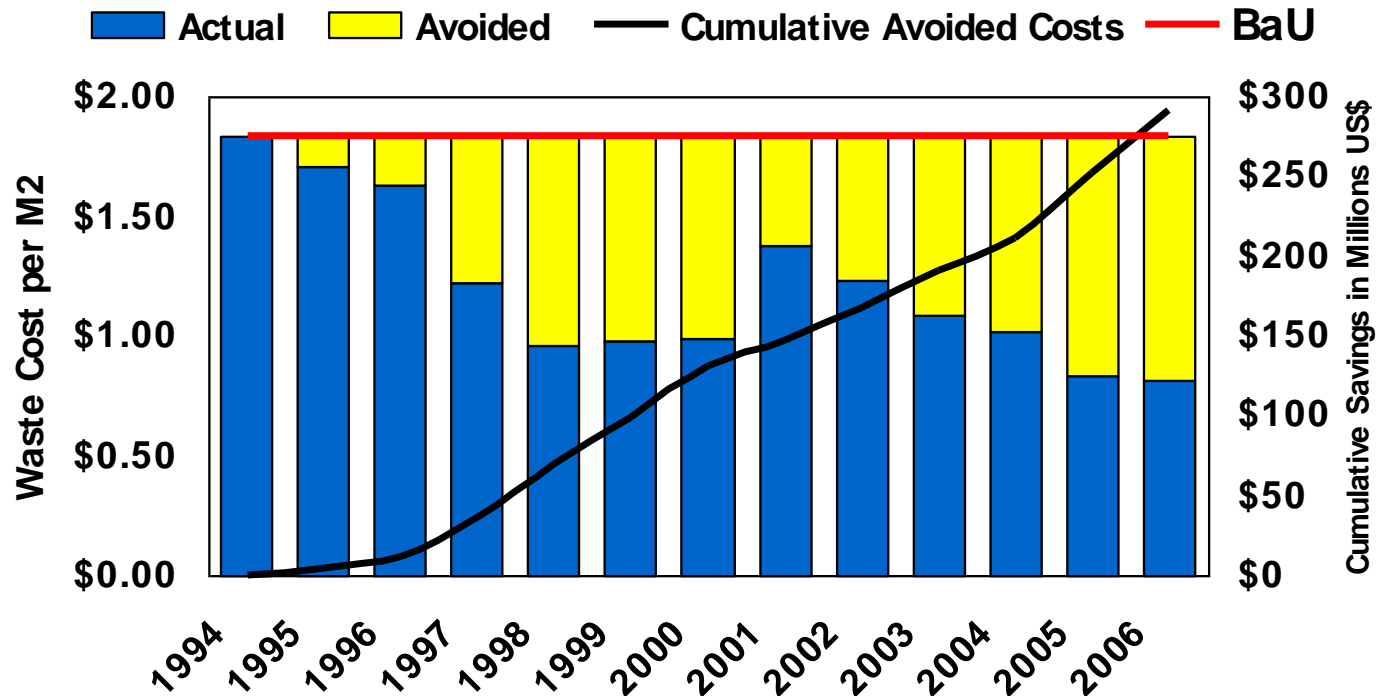
QUEST "Savings"

Cumulative Avoided Waste Cost a.k.a. "Savings"



Carpet Contribution

QUEST Floorcovering Businesses

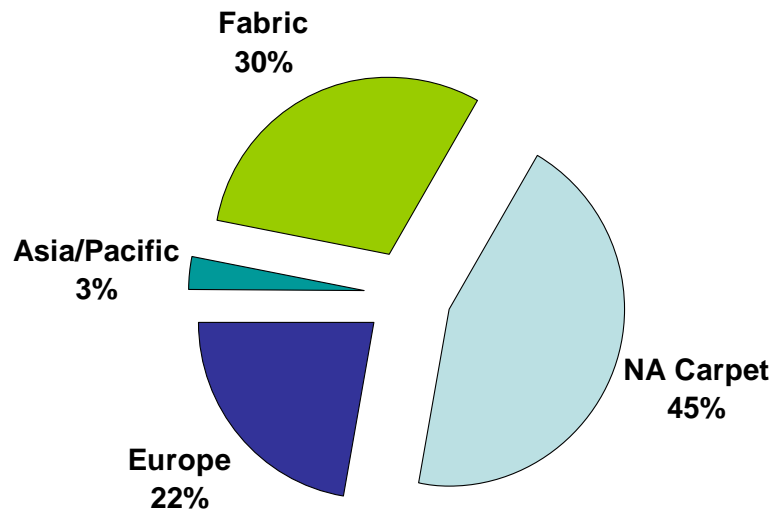


Cumulative Avoided Costs = avoided waste cost per unit X units produced

Global Opportunities for Waste Reductions

How Large is the Opportunity?

Total Opportunity \$63 Million



- NA Carpet - \$28 Million
 - IFS USA - \$16 Million
 - Bentley Prince Street - \$8 Million
 - Pandel - \$3 Million
 - IFS Canada - \$1 Million

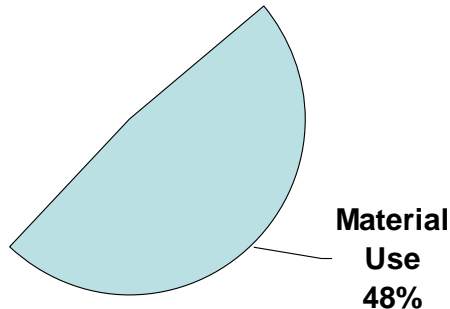
- Fabric - \$19 Million
 - North America - \$19 Million

- Europe - \$14 Million
 - Netherlands - \$9 Million
 - United Kingdom - \$5 Million

- Asia/Pacific – \$2 Million
 - Australia - \$1 Million
 - Thailand - \$1 Million

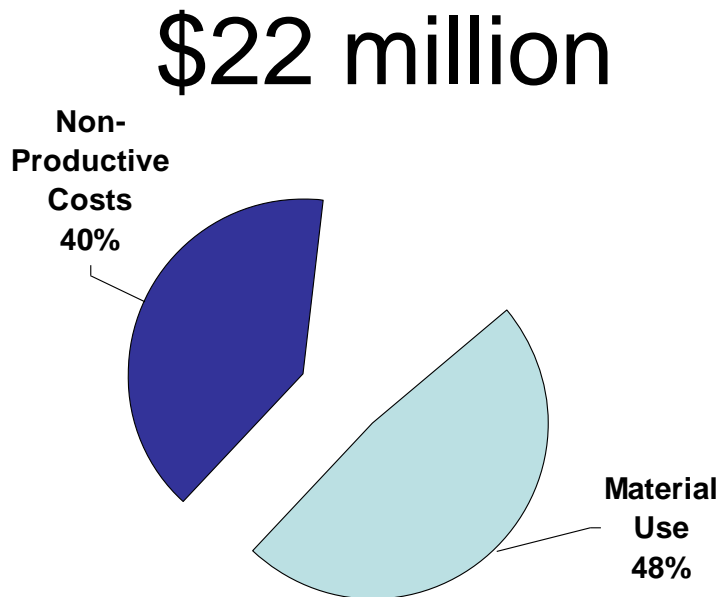
Where is the Opportunity?

\$31 million



- **Material Usage - 48%**
 - 1 - Process Waste
 - Actual Waste Cost - Includes both “standard” waste, and variances from standard
 - 2 - Internal Off-Quality/Grading
 - Actual loss in value
 - 3 - Inventory Losses
 - Actual losses and devaluations
 - 4 - Material Usage Variances *Interface* **FLOR**[™] COMMERCIAL
 - Includes raw material consumption

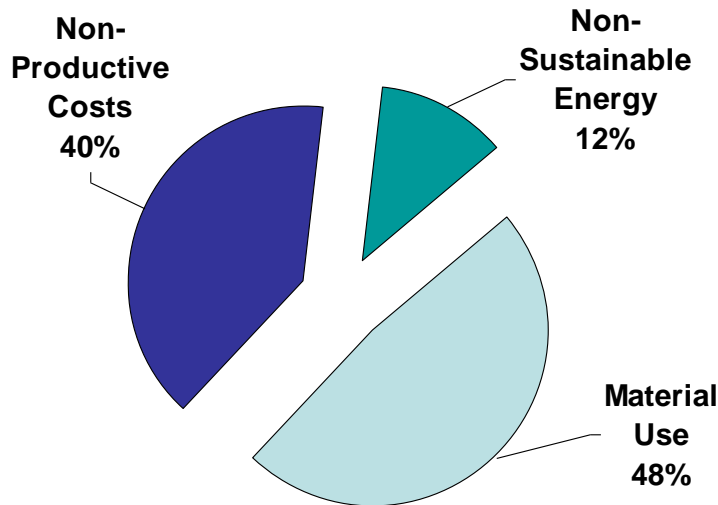
Where is the Opportunity?



- Non-Productive Cost - 40%
 - 1 - External Off-Quality
 - Off-Quality product in the field
 - 2 - Sales below Inventory Value
 - Actual \$ lost on sales
 - 3 - Non-Quality Related Credits
 - Customer accommodations
 - 4 - Other
 - Correction Costs, Packaging Costs, Inventory Reserve Changes

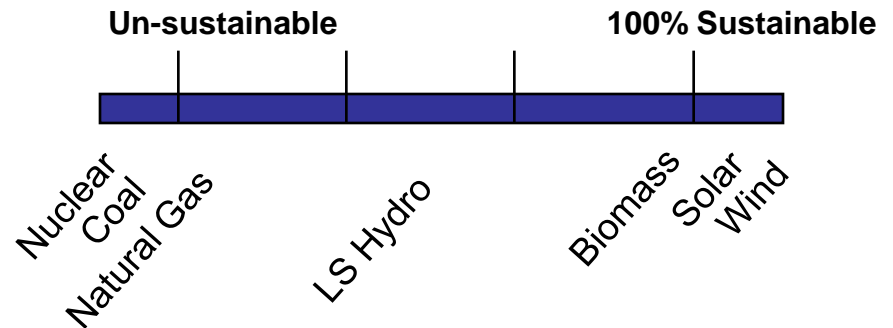
Where is the Opportunity?

\$10 million



- Non-Renewable Energy - 12%

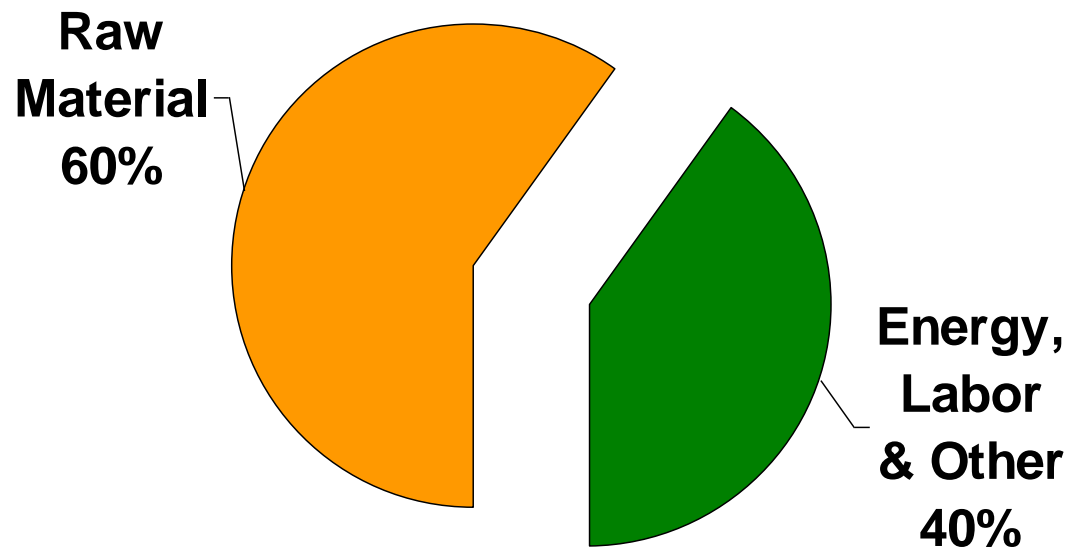
- Energy to operate facilities derived from non-renewable sources



Where is the Opportunity?

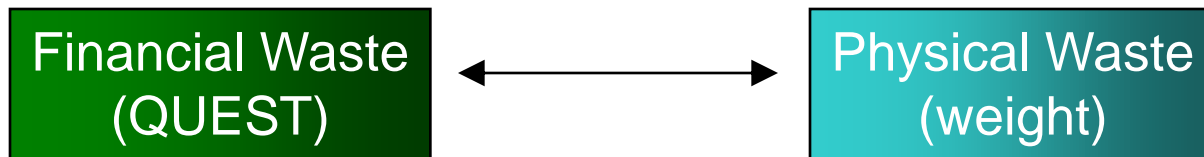
Total Opportunity \$63 Million

(based on Y/E 2005)



Front 1 – Eliminate Waste

The two aspects of WASTE



Today:

\$63 Million in waste cost

Today:

8 Million lbs to landfill

11 Million lbs to incineration

Front 1 – Eliminate Waste

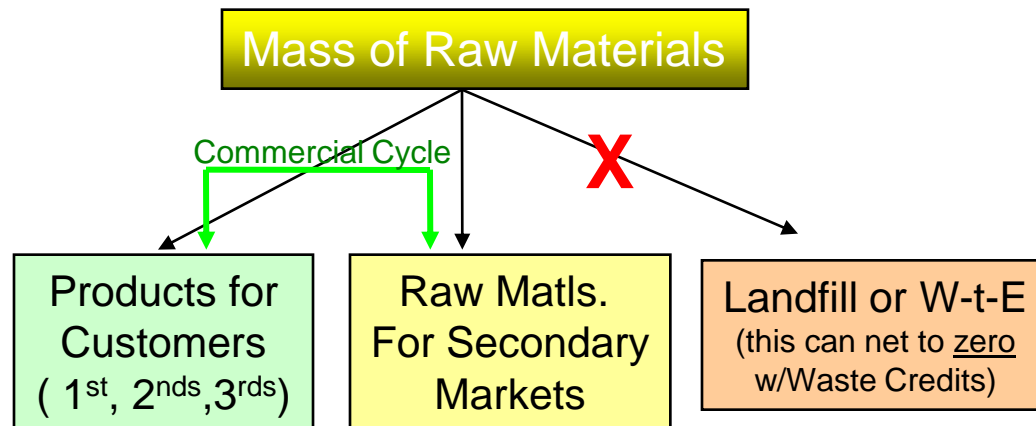
Physical Waste

Definition:

Any material sent to landfill or incinerated.

2020 Goal:

Keep all raw materials in the commercial cycle.



Front 1 – Eliminate Waste

Success in 2020

Financial Waste (QUEST)

Today:

\$63 Million in waste cost

2020:

\$13 Million in waste cost

Physical Waste (weight)

Today:

8 Million lbs to landfill

11 Million lbs to incineration

2020:

Net zero lbs to landfill

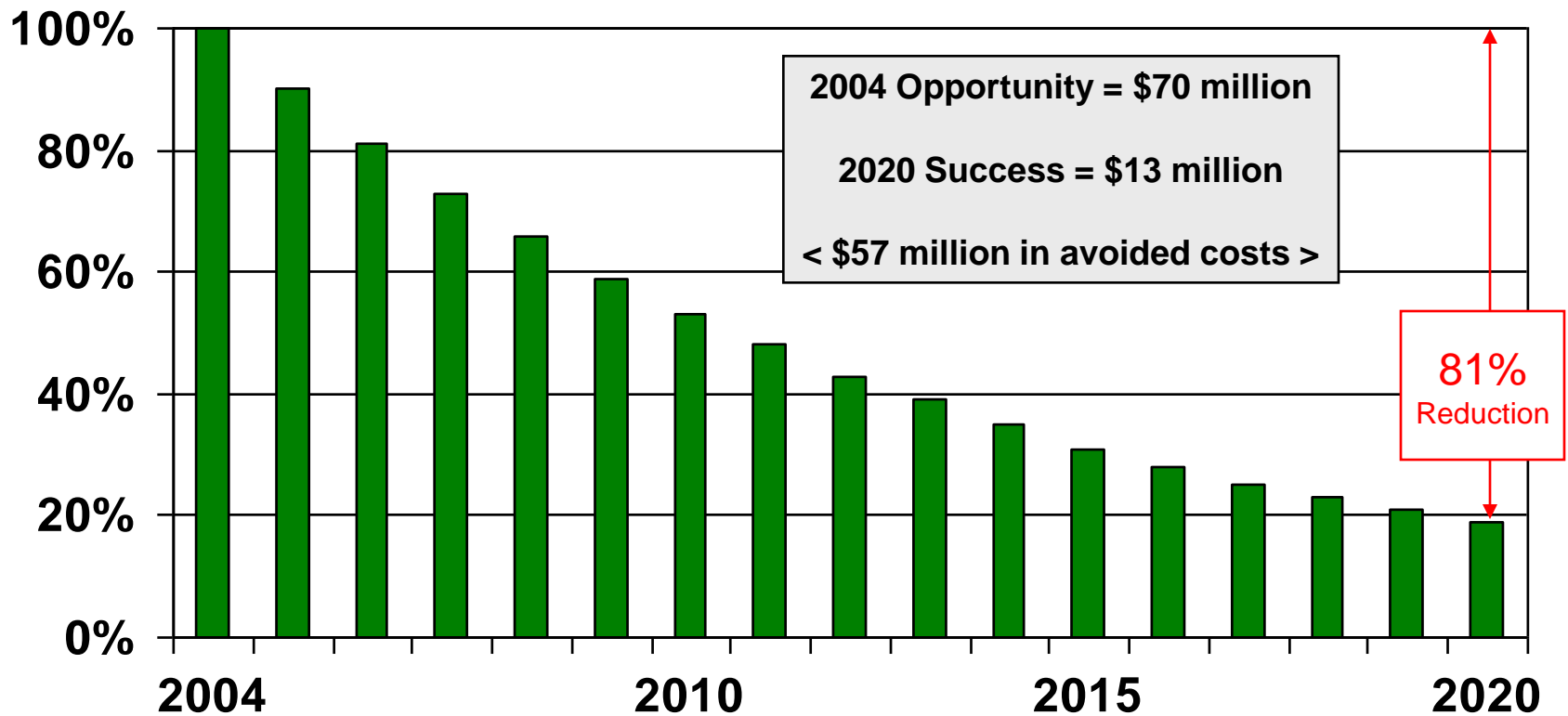
Net zero lbs to incineration

(net zero can be achieved
with Waste Credits)

2020 Target - Financial Waste

Financial Waste Targets - QUEST

(Waste Cost per Unit of Production)

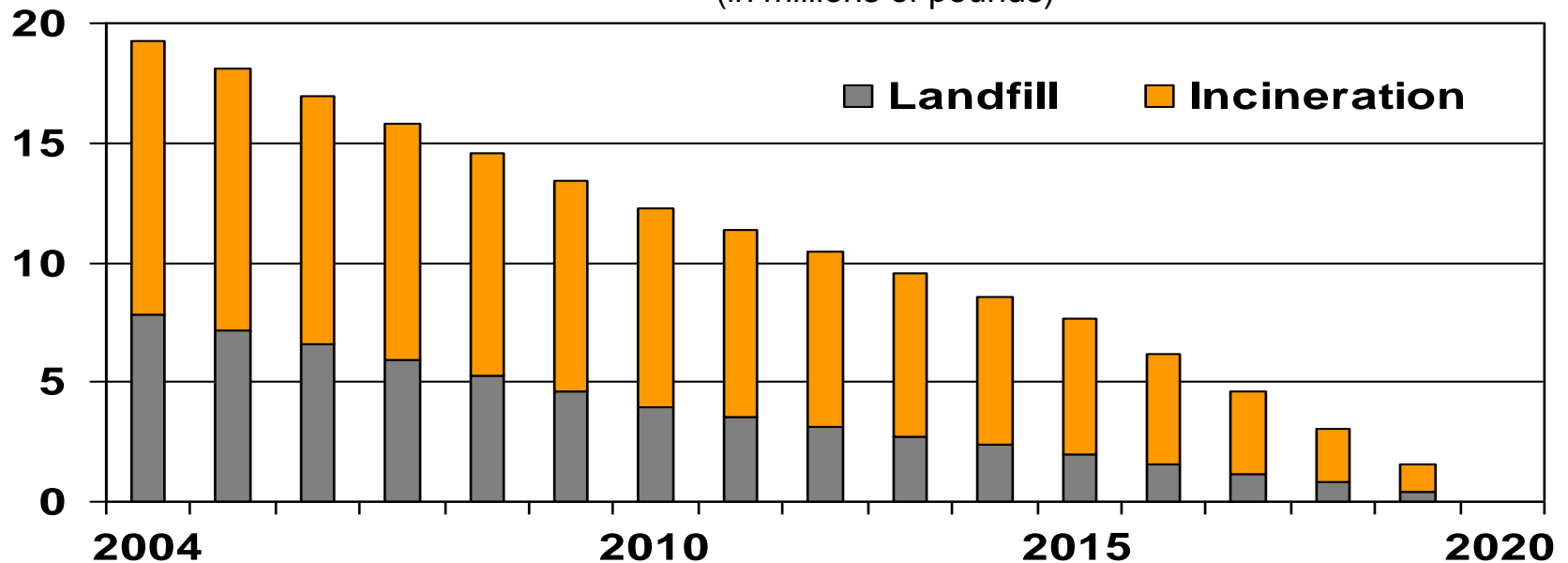


Target - 10% annual reduction in waste cost per unit of production from 2004
Baseline

2020 Target - Physical Waste

Net Physical Waste Targets

(in millions of pounds)



Targets - 2010: reduce waste to landfill by 50%,
2015: reduce waste to incineration by 50%,
2020: Net Zero physical waste

* Net reductions can come from actual waste reductions, or from waste off-sets (if/when validated).

EcoMetrics

Our Metabolism

EcoMetrics

EcoMetrics is used to measure our metabolism:

- ✓ what we make,
- ✓ what we take,
- ✓ and what we waste.

It is also an important data source for other initiatives such as:

- ✓ Physical Waste - Front 1
- ✓ GHG Emissions - Front 2
- ✓ Renewable Energy - Front 3
- ✓ Renewable & Recycled materials - Front 4
- ✓ Transportation - Front 5

What we Make

2005 Output by segment:

Carpet	\$771 million sales 42 million square yards
Fabric	\$199 million sales 29 million linear yards
Specialty	\$16 million sales 657 thousand sq. feet

What we Make

2005 Output by segment:

Carpet **\$771 million sales**
 42 million square yards

Fabric **\$199 million sales**
 29 million linear yards

Specialty **\$16 million sales**
 657 thousand sq. feet

Enough to carpet
a path one yard
wide from
NYC to LA
8.6 times

What we Take

2005 Materials/Utilities use company wide:

Total	445 million pounds of materials
	1.3 trillion BTUs of energy
	657 million gallons of water

What we Take

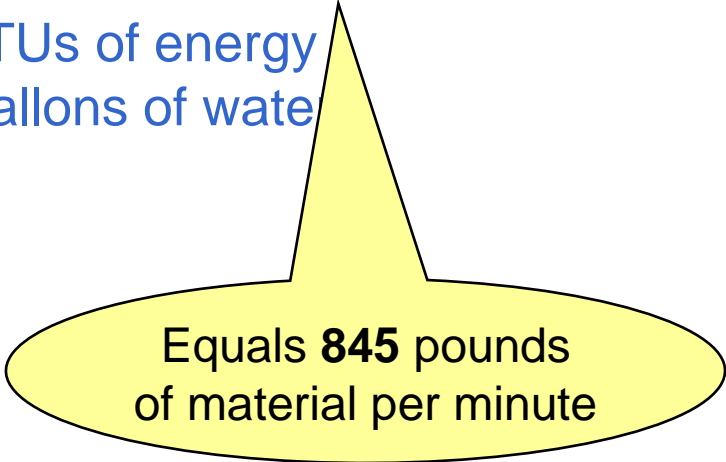
2005 Materials/Utilities use company wide:

Total

445 million pounds of materials

1.3 trillion BTUs of energy

657 million gallons of water



Equals **845** pounds
of material per minute

What we Take

2005 Materials/Utilities use company wide:

Total

445 million pounds of materials

1.3 trillion BTUs of energy

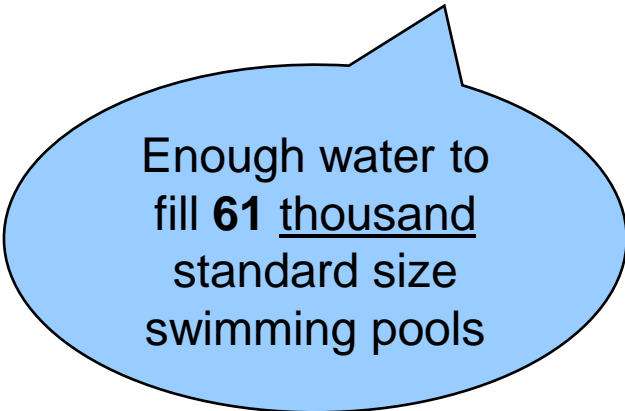
657 million gallons of water

Energy content in
10.5 million gallons
of gasoline, or
224 thousand
barrels of oil.

What we Take

2005 Materials/Utilities use company wide:

Total 445 million pounds of materials
 1.3 trillion BTUs of energy
 657 million gallons of water



Enough water to
fill **61 thousand**
standard size
swimming pools

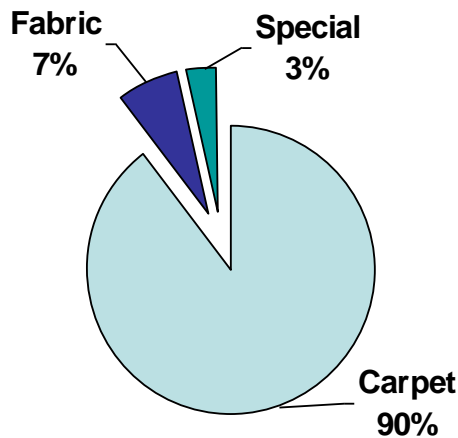
What we Take

2005 Materials/Utilities use by segment:

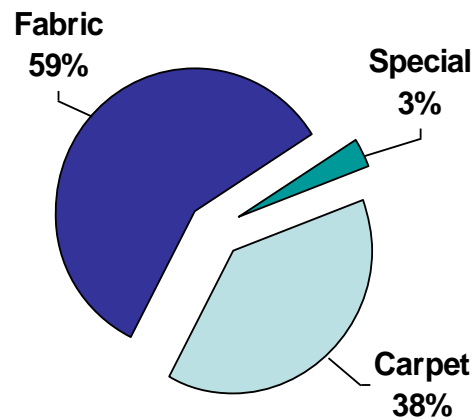
Total

445 million pounds of materials
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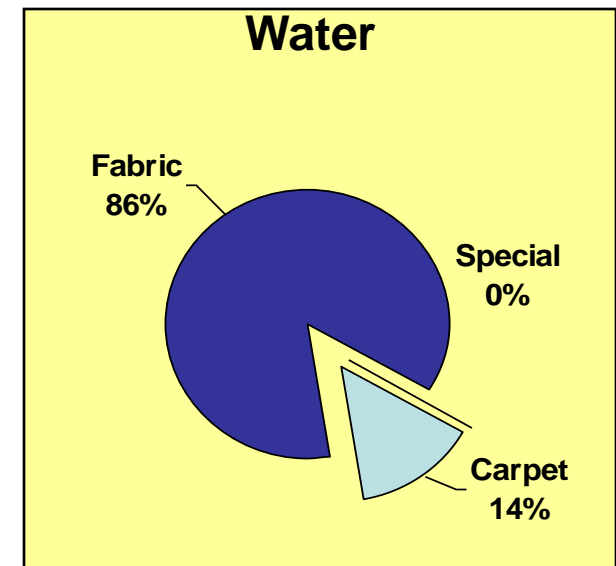
Raw Materials



Energy



Water



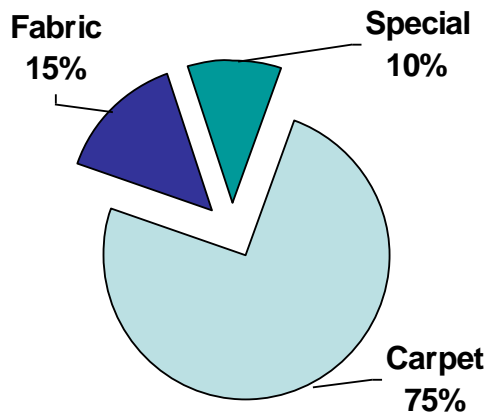
What we Waste

2005 Waste by segment:

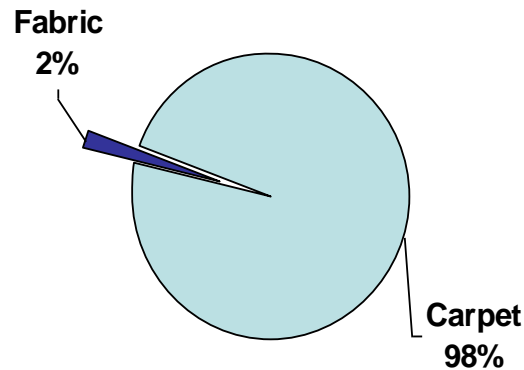
Total

8 million pounds to landfill
11 million pounds to W-t-E
20 million pounds recycled

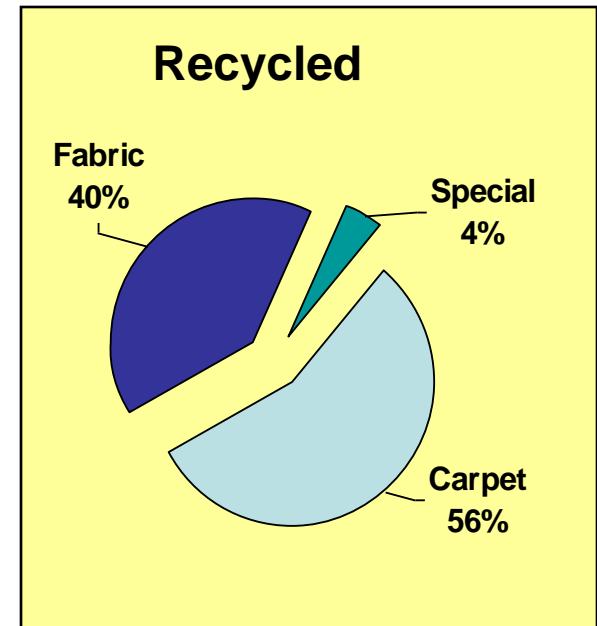
Landfilled



Waste to Energy



Recycled



What we Waste

2005 Waste company wide:

Total **8 million pounds to landfill**
11 million pounds to W-t-E
20 million pounds recycled

8.3% of the raw materials purchased
are not going to our customers

\$35 - \$40 MILLION

EcoSense

The EcoSense Program was originally developed in 1995 to provide a roadmap to guide our company towards sustainability.

EcoSense allows us to define, benchmark, establish goals, track and report our company-wide sustainability activities.



EcoSense Details

The eight components of EcoSense:

1. Environmental Management Systems
2. Quality Management Systems
3. Sustainability Awareness Education
4. Sensitizing Stakeholders
5. Employee - Safety and Education
6. Resource Efficient Transportation
7. Metrics and Indicators
8. Eco-Efficiency

EcoSense Details

1. Implement Environmental Management Systems:

- ✓ Certify to ISO 14001, and maintain certification
- ✓ Participate in EPA's Environmental Performance Tracking Program (or equal program)

2. Implement Quality Management Systems:

- ✓ Certify to ISO 9001, and maintain certification

EcoSense Details

3. Improve Sustainability Awareness:

- ✓ Educate all employees on the principles of sustainability -
 - Environmental,
 - Social, and
 - Economic

4. Sensitize Stakeholders:

- ✓ Show stakeholders how our company and our employees are involved in sustainability through -
 - External communications
 - Participation in restorative projects
 - Community outreach

EcoSense Details

5. Improve Safety and Employee Education:

- ✓ Improve safety performance
- ✓ Implement health and safety projects
- ✓ Achieve educational “milestones”

6. Support Resource Efficient Transportation:

- ✓ Implement employee commute programs such as carpooling, non-motorized transport, telecommuting
- ✓ Track and reduce business related travel
- ✓ Track and reduce raw material and product transport

EcoSense Details

7. Compile Metrics and Indicators:

- ✓ Compile and submit EcoMetrics Report
- ✓ Compile and submit SocioMetrics Report

8. Become more Eco-Efficient:

- ✓ Reduce use of non-renewable materials
- ✓ Reduce use of non-renewable energy
- ✓ Reduce solid waste
- ✓ Reduce water use
- ✓ Reduce environmental impact of materials and processes
- ✓ Develop and use LCAs to drive continuous improvement

EcoSense Scorekeeping

EcoSense Points

2005

Locations	2005			Total To Date
	Actual	Goal	% of Goal	
IFS - USA	88.0	50.0	176.0%	517.5
IFS - Canada	61.5	74.0	83.1%	498.0
Bentley / Prince Street	113.5	91.0	124.7%	442.5
Pandel	21.0	17.5	120.0%	128.0
Total Americas	284.0	232.5	122.2%	1,586.0
Scherpenzeel	74.5	56.5	131.9%	401.5
Shelf / N. Ireland	94.0	67.5	139.3%	439.5
Total Europe	168.5	124.0	135.9%	841.0
Picton - Australia	84.0	75.0	112.0%	405.5
IMCL - Thailand	31.0	30.0	103.3%	222.0
Total Asia Pacific	115.0	105.0	109.5%	627.5
Guilford	24.0	49.5	48.5%	337.0
Newport	19.0	15.5	122.6%	40.0
Saulter	13.0	18.0	72.2%	38.5
East Douglas	15.0	22.0	68.2%	40.0
Grand Rapids	21.0	31.5	66.7%	45.0
Elkin	28.0	42.5	65.9%	112.0
Interface Fabrics Ltd.	47.0	28.0	167.9%	283.0
Total Fabrics	167.0	207.0	80.7%	895.5
All Locations	734.5	668.5	109.9%	3,950.0

What we Take

2005 Materials/Utilities use by segment:

Total	445 million pounds of materials
	1.3 trillion BTUs of energy
	657 million gallons of water

Carpet	399 million pounds of materials
	511 billion BTUs of energy
	93 million gallons of water

Specialty	15 million pounds of materials
	54 million BTUs of energy
	138 thousand gallons of water

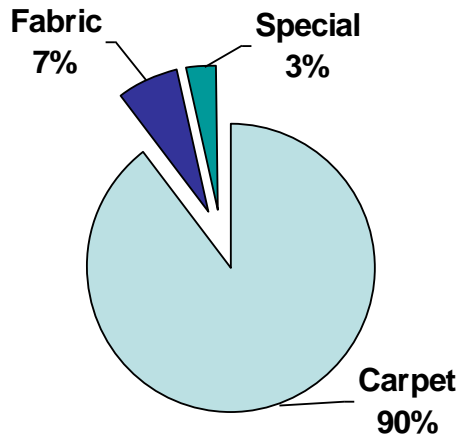
What we Take

2005 Materials/Utilities use by segment:

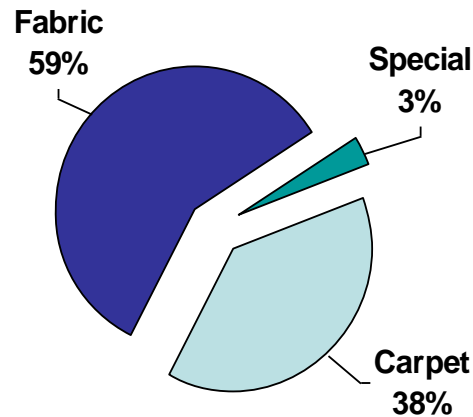
Total

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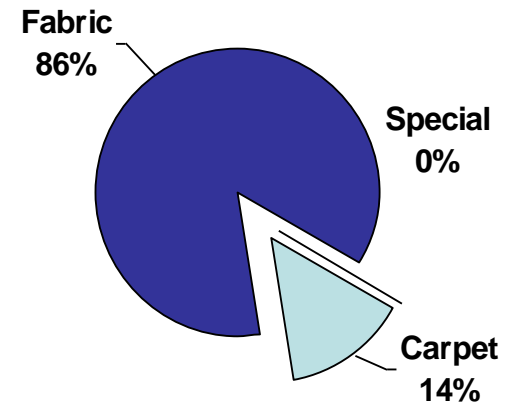
Raw Materials



Energy



Water



What we Waste

2005 Waste by segment:

Total	6 million pounds to landfill 11 million pounds to W-t-E <hr/> 20 million pounds recycled
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Carpet	5 million pounds to landfill 10 million pounds to W-t-E 11 million pounds recycled
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Fabric	1 million pounds to landfill 0.2 million pounds W-t-E 8 million pounds recycled
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Specialty	657 thousand pounds to landfill 865 thousand pounds recycled
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Mt Sustainability

7

Redesign Commerce

6

Sensitizing Stakeholders

5

Resource-Efficient Transportation

4

Closing the Loop

3

Renewable Energy

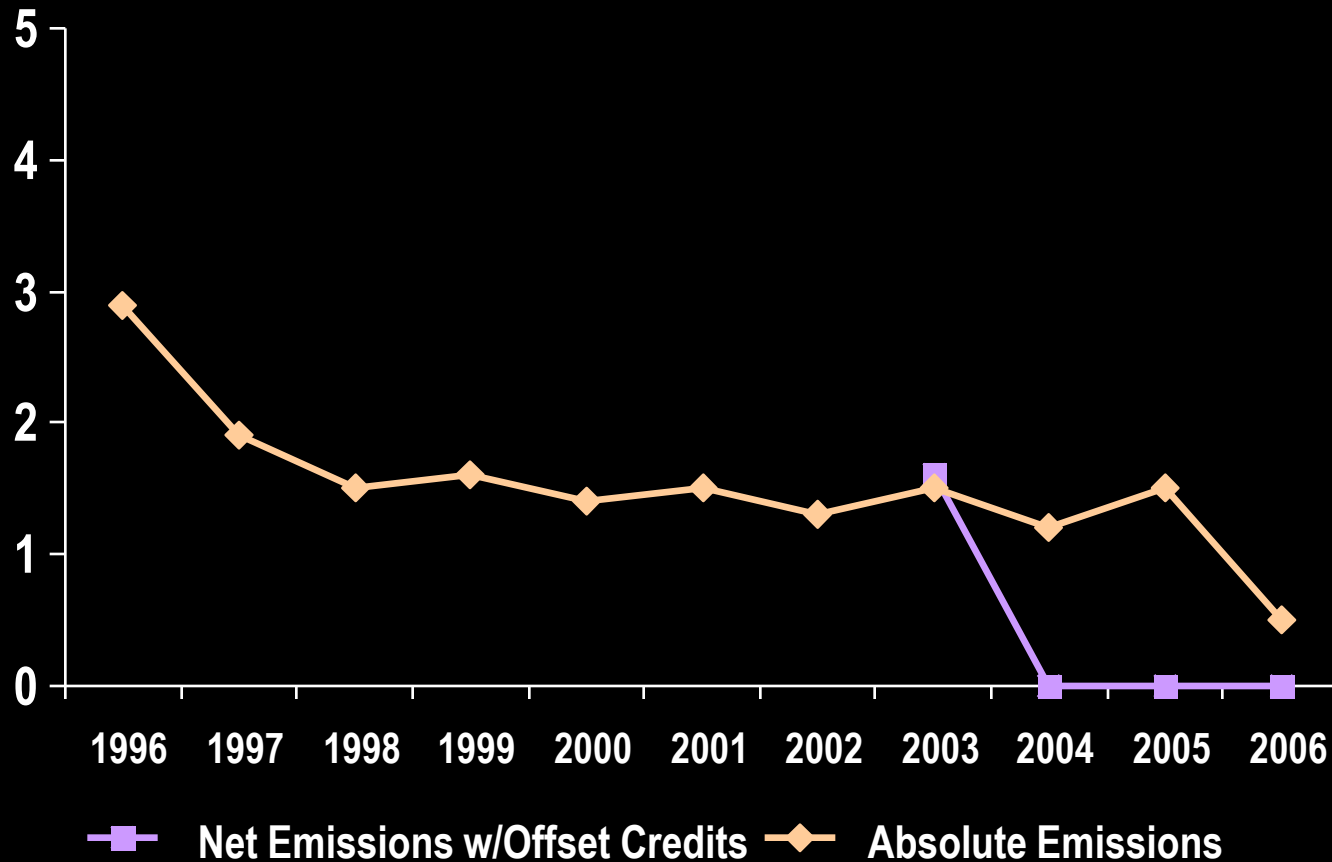
2

Benign Emissions

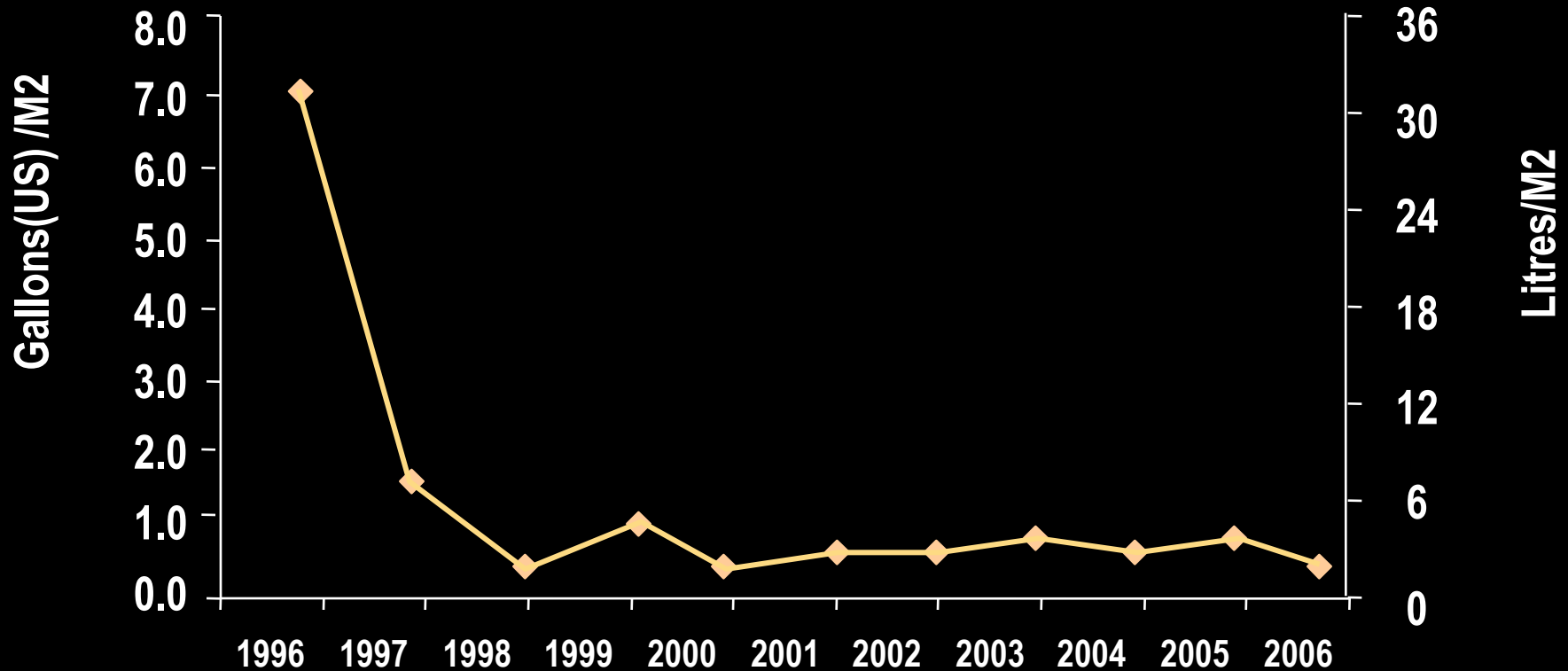
1

Zero Waste

Green House Gas Emissions From Process Energy Per Unit of Product

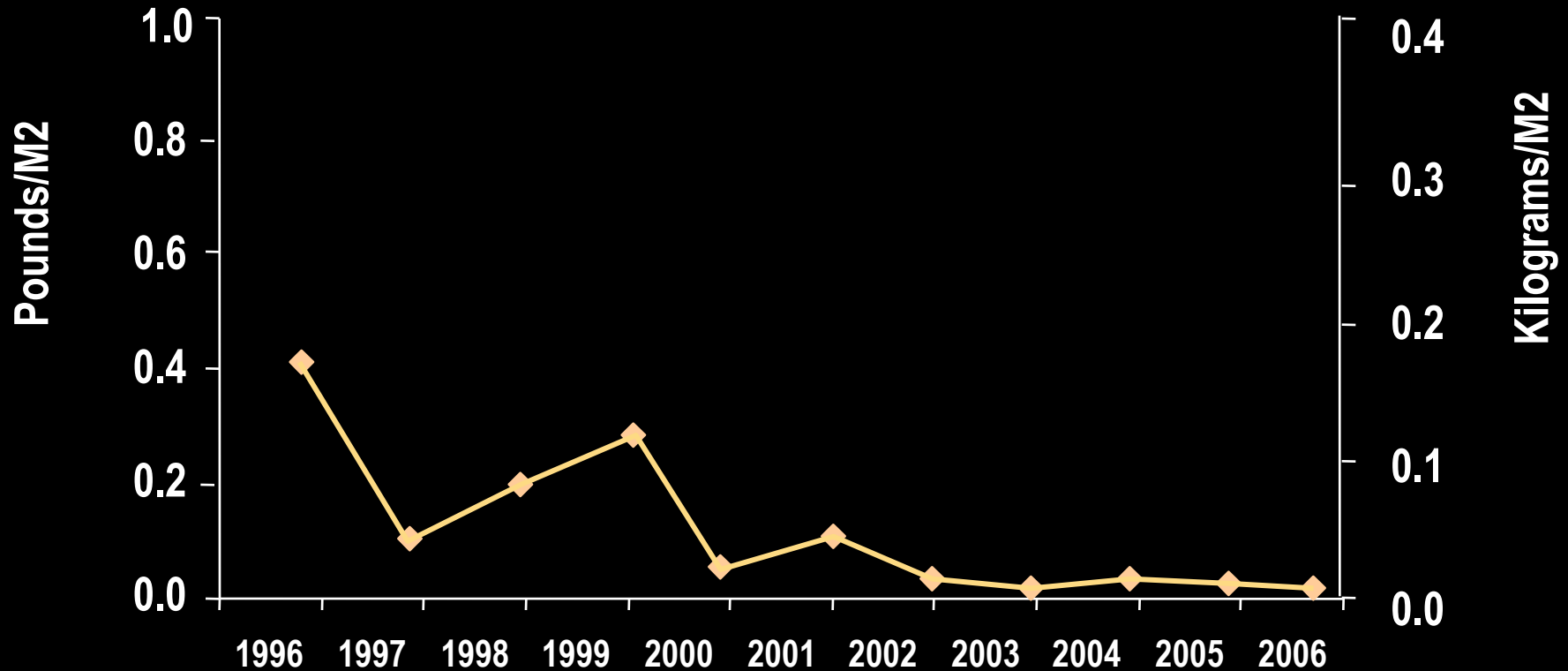


Total Water Intake Per Unit of Product



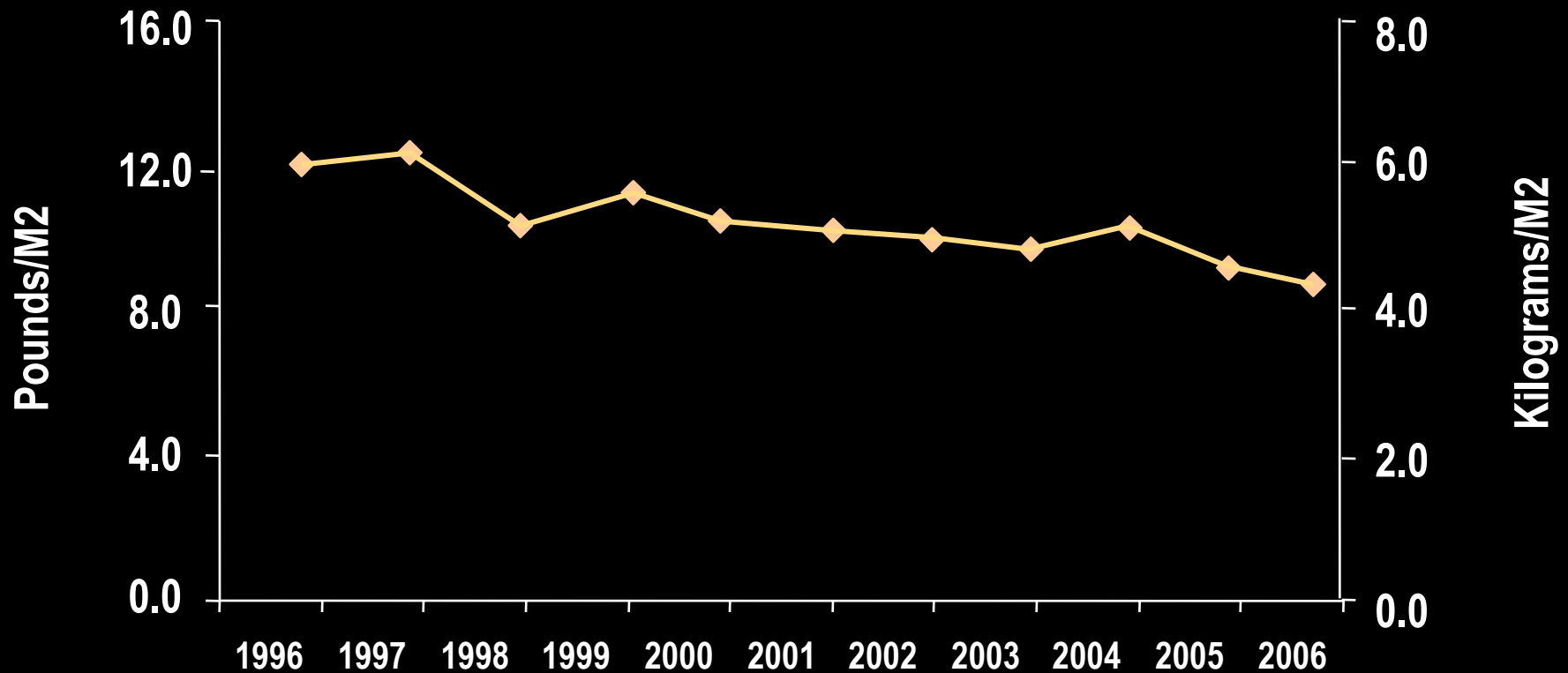
Belleville, Ontario, Canada Facility

Solid Waste Generated Per Unit of Product



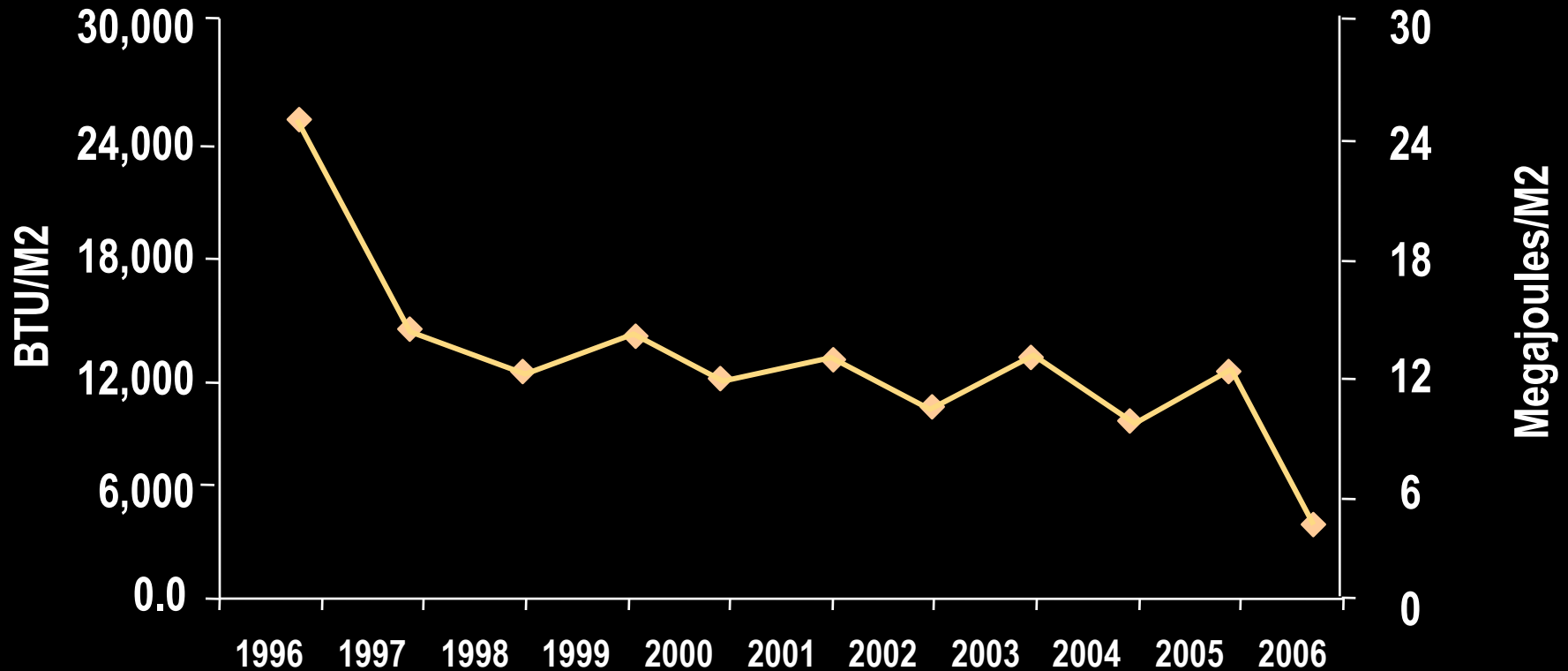
Belleville, Ontario, Canada Facility

Non-Sustainable Materials to Make One Unit of Product



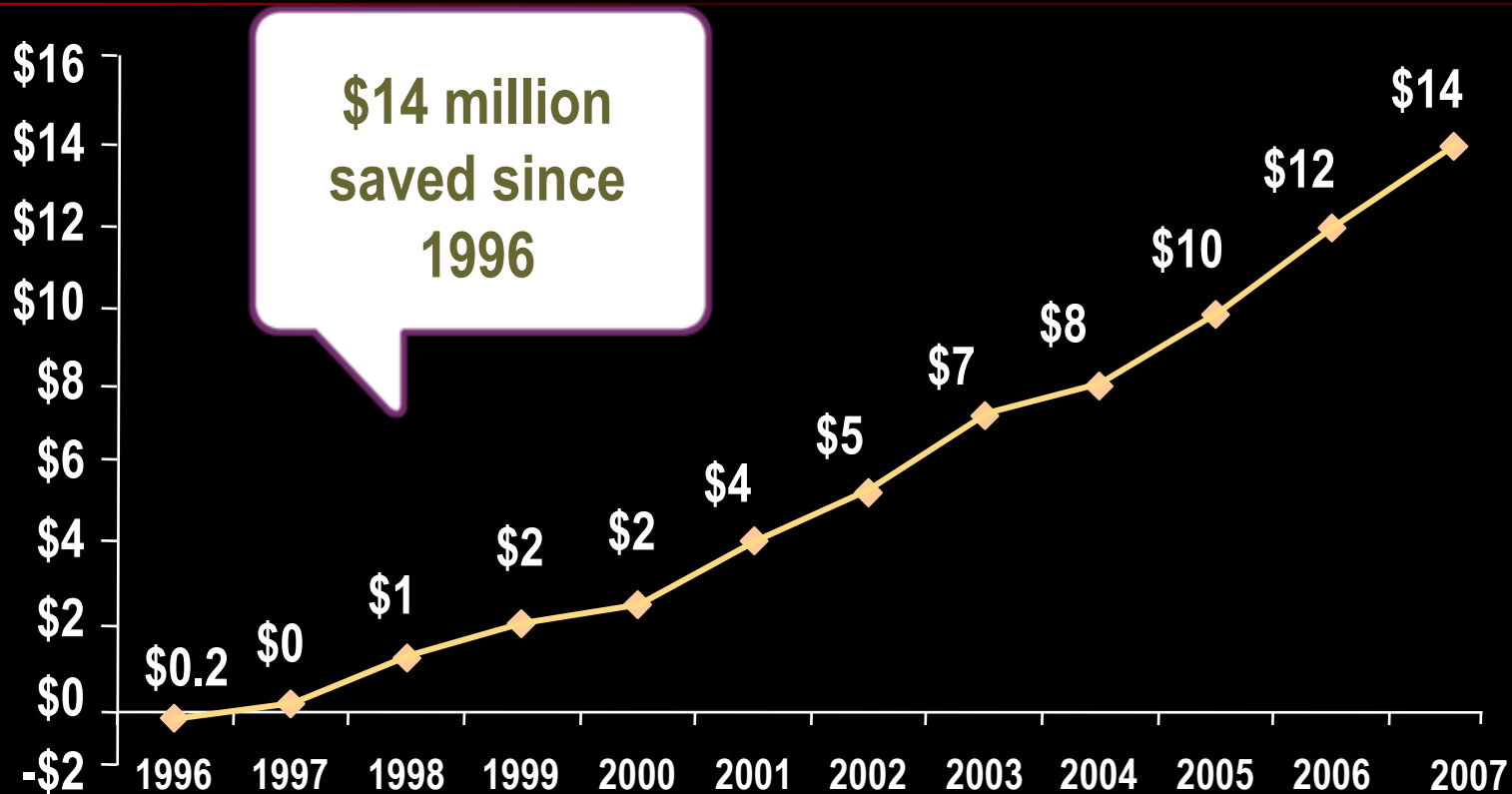
Belleville, Ontario, Canada Facility

Non-Renewable Energy Used to Make One Unit of Product



Belleville, Ontario, Canada Facility

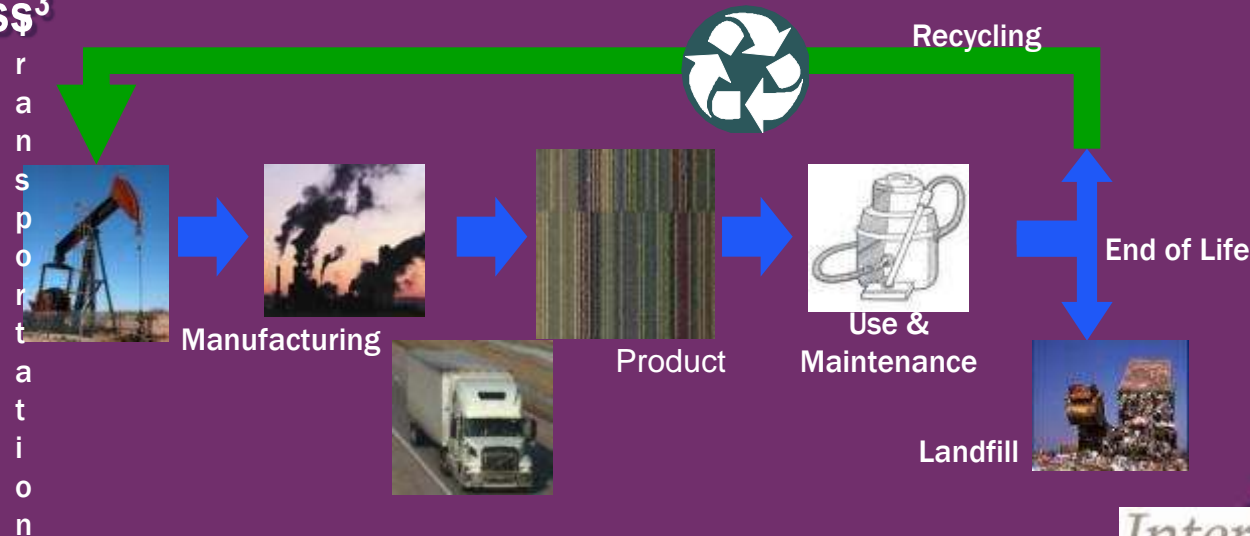
QUEST – Cumulative Avoided Cost From Waste Elimination Activities



Belleville, Ontario, Canada Facility

LCA... so what is it?

- ∅ Systematic set of procedures for compiling and examining the inputs and outputs of materials and energy and the associated environmental impacts directly attributable to the functioning of a product or service system throughout its life cycle²
- ∅ a quantification of the level of energy and raw materials used as well as the solid, liquid and gaseous wastes produced at every stage of a product's life or process. LCA can be conducted for a whole process or for part of a process³



LCA Impact Categories

- ∅ GWP-Global Warming Potential (100 years) lb CO₂ Equivalents
– **Climate Change**
- ∅ **Embodied Energy** – net total energy requirement Btu
– Total Energy used to convert Oil to finished product
- ∅ ODP – Ozone Depletion Potential lb CFC – 11 equivalents
– **Systemic Thinning of the Atmosphere**
- ∅ AP – Acidification Potential lb SO₂ equivalents - **Acid Rain**
- ∅ EP – Eutrophication Potential lb Phosphate Equivalents
- **Health of Fresh Water Systems and Supply**
- ∅ POP – Photochemical Oxidant Potential lb ethylene equivalents
– Creation of Summer **smog**

LCA Impact Categories

- ∅ HTP – Human Toxicity Potential lb 1,4-DiChlorobenzene (DCB) equivalents – **Human Health effects from air, land and water**
- ∅ **Eco Toxicity** – Aquatic Toxicity and Terrestrial Toxicity Potentials lb DCB equivalents – toxic emissions to the air, land or water which effect natural environment and resources
- ∅ RI – Resource index - Abiotic Resource Depletion – (unit of resource consumption) **depletion of renewable and non-renewable mineral resources and energy carriers as well as water depletion**

Simply Put, it is a Way to Step Back and Look at The Big Picture...

Is this the right decision overall?

Where should I focus my efforts?

Energy or Materials?

How can I improve?

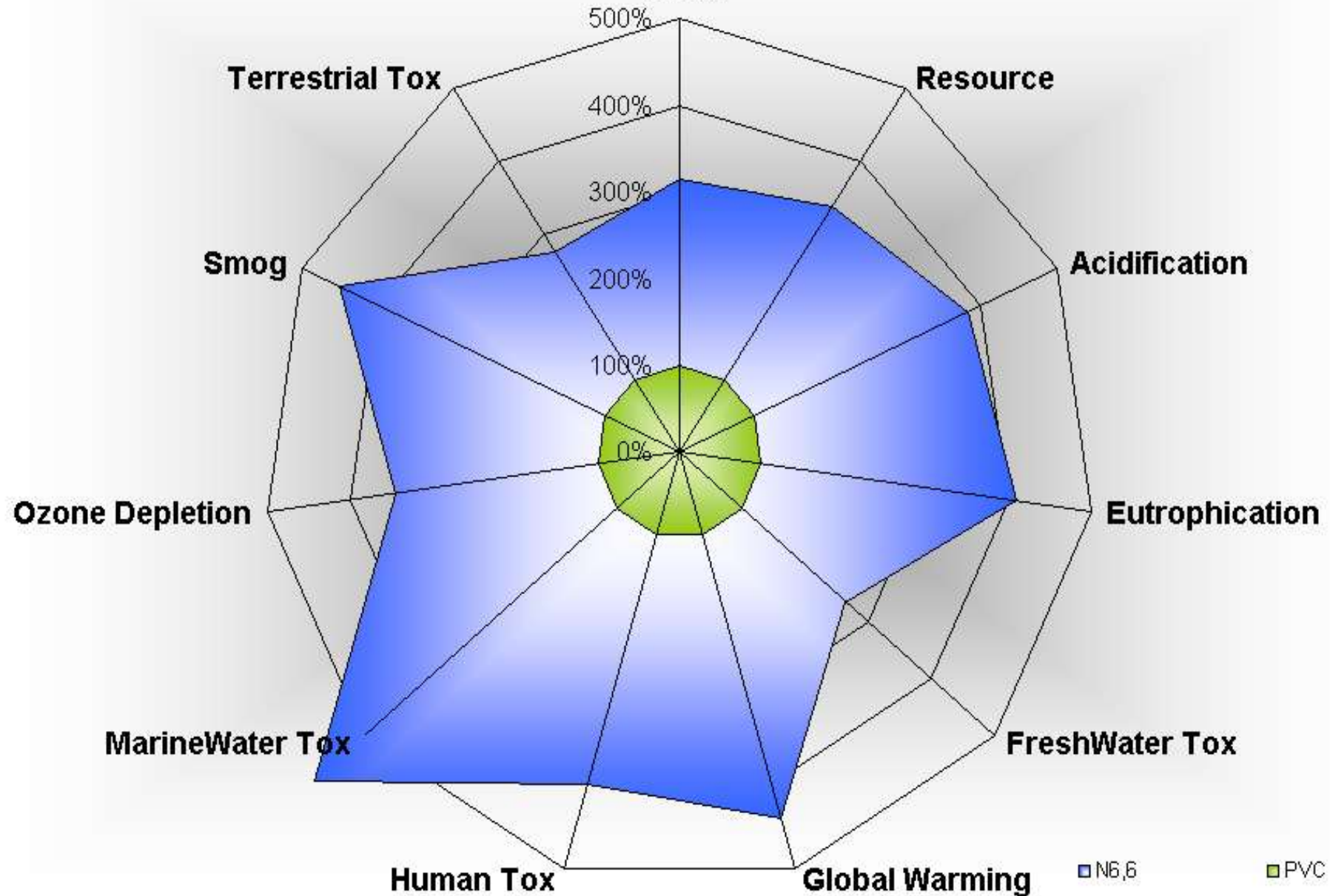
Am I really moving towards sustainability?

Are there trade-offs?



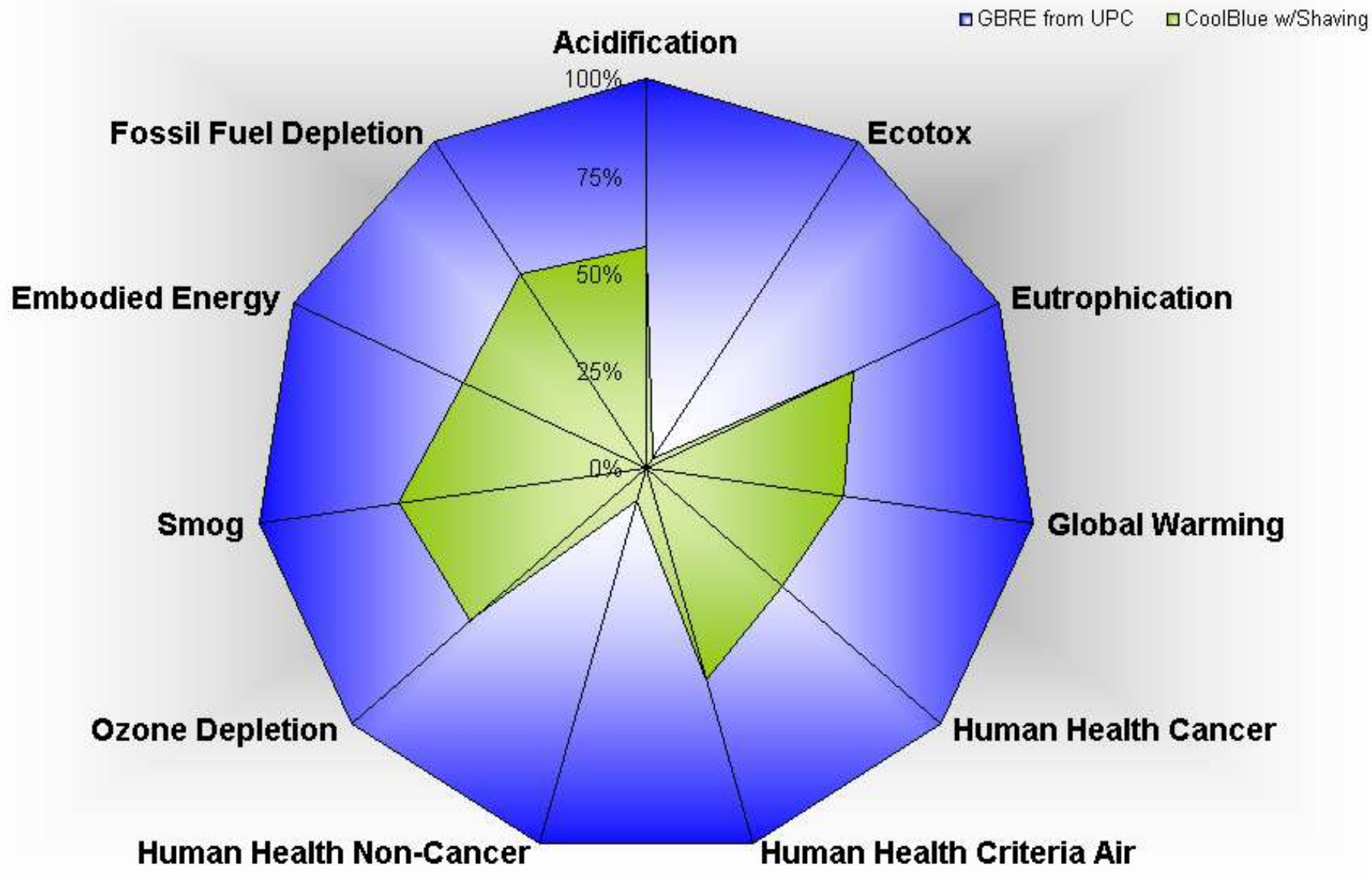
Environmental Footprint

Nylon 6,6 vs. PVC Energy



Environmental Footprint

GlasBacRE vs CoolBlue



Environmental Footprint

Traditional Glue vs TacTiles

