

# InterfaceFLOR<sup>®</sup>

## COMPANY OVERVIEW

InterfaceFLOR is the world's largest manufacturer and marketer of modular carpet. Modular carpet represents approximately 20% of the world's carpet market, and of that, InterfaceFLOR's share approaches 50%.

InterfaceFLOR is renowned in the industry for high quality design and innovation. It is also recognised as a global leader in the green business movement.

In 2006, GlobeScan's Survey of Sustainability Experts<sup>1</sup> ranked Interface, Inc., InterfaceFLOR's parent company, as number one globally for Leading Corporate Social Responsibility, with Toyota and BP coming in second and third respectively.

InterfaceFLOR employs almost 5,000 associates worldwide, and maintains a global network of suppliers and distributors.

In Australia, InterfaceFLOR has sales and marketing offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

A new, state-of-the art carpet factory is being built in Picton, NSW, to enhance production and energy efficiency.

InterfaceFLOR's global head office is located in Atlanta, Georgia, USA. The company's shares are publicly traded on the NASDAQ.

## MISSION ZERO

InterfaceFLOR has been committed to sustainability and environmental responsibility long before the arrival of the current green trend.

In 1994, Founder and Chairman Ray Anderson recognised that business could no longer continue to use up the earth's natural resources without regard for the future. This epiphany has shaped the company's development ever since, and has positioned InterfaceFLOR as a global leader in sustainability.

"Mission Zero" represents InterfaceFLOR's promise to eliminate any negative impact it may have on the environment by the year 2020.

In the last 14 years, InterfaceFLOR has reduced its global environmental footprint by 40%.

Internationally, InterfaceFLOR has:

- **Reduced water usage by 79%:** InterfaceFLOR uses solution-dyed nylon, eliminating all water from the dyeing process.
- **Reduced energy consumption by 41%:** The new factory in Picton, NSW, is being designed to reduce energy consumption. Initiatives include using natural gas in the production process rather than electricity, as it has four times less greenhouse effects; motion-triggered light sensors; and time-based hot water and air-conditioning systems to reduce unnecessary heating/cooling at night.
- **Reduced greenhouse gas emissions by 60%:** The most effective way to reduce greenhouse gas emissions is to cut energy usage. Compared to 14 years ago, InterfaceFLOR is able to

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<sup>1</sup> GlobeScan's Survey of Sustainability Experts is published twice yearly. Each report is based on the strategic insights and predictions provided by a selected panel of experts across mainly OECD countries. The panel represents all industry sections, as well as leaders of major policy institutes and non-government organisations.

manufacture an equivalent amount of carpet using only half the energy. The upgrades to the Picton factory are expected to further reduce energy requirements by approximately 50% by 2010.

- *Reduced total waste by 34%:* InterfaceFLOR uses a carpet- backing product called GlasBac RE. This incorporates recycled backing from old carpets and uses it as fresh raw material. This represents just one of InterfaceFLOR's many waste reduction projects.
- *Reduced use of fossil fuel by 35%:* InterfaceFLOR is a pioneer in the use of landfill gas as a renewable energy source for its manufacturing operations. It has partnered with the City of LaGrange, Georgia, USA to develop a landfill gas project that benefits both InterfaceFLOR and the local economy.
- *Increased total energy sourced from renewable energy by 16%:* Seven InterfaceFLOR facilities are now using 100% renewable electricity, through a combination of green electricity from the grid (where available), on-site generation and the purchasing of renewable energy credits.
- *Reduced use of petroleum based materials by 28%:* InterfaceFLOR has developed an installation process which uses 40 times less glue.
- *Increased the use of recycled or bio-based product by 19.5%:* InterfaceFLOR is using more and more corn-based biopolymers (PLA). Other biopolymers are also being evaluated.

In Australia, InterfaceFLOR has:

- Reduced greenhouse gas emissions by 24.3%, despite substantial increases in production.
- Reduced energy consumption by 56% per unit of production.
- Reduced non-renewable energy usage by 55.7%.
- Reduced water intake per unit of production by 48%.

InterfaceFLOR was the first manufacturer to receive a Good Environmental Choice Certificate in 2006<sup>2</sup>.

Read more about Mission Zero and InterfaceFLOR's results: <http://www.interfacesustainability.com>

## **MISSION ZERO LIFTS THE BOTTOM LINE**

Sustainability is good for business.

By reducing wastage, energy usage and water consumption, InterfaceFLOR has streamlined its operations, become more efficient and reduced costs.

Through waste reduction measures alone, InterfaceFLOR has saved USD\$34 million in Australia (approximately AUD\$40 million). Worldwide, the savings total USD\$336 million (approximately AUD\$397 million).

The marketplace is recognising InterfaceFLOR's commitment to sustainability, and the positive impact this commitment has on the company's bottom line.

Interface's share price has moved from USD\$3 to USD\$19 in four years, and has more than doubled during the past eighteen months.

Globally, InterfaceFLOR's sales grew by 15% in 2006.

In Australia and New Zealand specifically, the annual average sales growth has been 25% each year, since 2004.

InterfaceFLOR's experience in the marketplace proves that organisations can 'do well by doing good'.

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<sup>2</sup> Good Environmental Choice Australia is an independent environmental certifier of products and services. The certification process is a comprehensive environmental impact and environmental performance evaluation, and includes the associated production processes.

## **THE GREEN RIPPLE EFFECT**

InterfaceFLOR is taking a global leadership position on sustainability and proactively influencing the behaviour of its supply chain.

InterfaceFLOR is developing a global tender protocol whereby sustainable behaviour, which complies with InterfaceFLOR's stringent global environmental standards, is a heavily weighted component of any bid.

Recent negotiations with Australian transport companies, for example, have seen them begin the process of reducing their emissions to win part of InterfaceFLOR's business.

In the USA, InterfaceFLOR has had such an impact on other organisations (their clients, their supply chain vendors, and through word of mouth) that it has set up InterfaceRAISE, an environmental consulting organisation, to consult and educate other interested organisations on the necessary steps towards becoming a sustainable enterprise.

## **1 JULY 2007 – A SIGNIFICANT MILESTONE FOR INTERFACEFLOR**

On 1 July 2007, InterfaceFLOR will become the first manufacturing company in Australia or New Zealand to offer Climate Neutral products.

100% of InterfaceFLOR products will be Climate Neutral. All carbon emissions generated during the manufacture and distribution of its products will be offset.

InterfaceFLOR has achieved this by both changing its operations and technologies to reduce greenhouse gas emissions, as well as purchasing carbon offset credits.

Interface, Inc., InterfaceFLOR Australia's USA-based parent, negotiates the purchase of carbon offset credits at a global level for cost efficiency. This creates a 'carbon bank' for Interface companies to offset their respective emissions as necessary.

InterfaceFLOR is also offsetting greenhouse gases beyond the product lifecycle.

On 1 July 2007, InterfaceFLOR is introducing an initiative called COOL CO<sub>2</sub>MMUTE. Under this program, InterfaceFLOR pays to offset all carbon emissions generated by its employees travelling to and from work. The company is also offering to pay 50% of the cost associated with offsetting the non-work travel of InterfaceFLOR employees and their families.

## **RAY ANDERSON – FOUNDER, CHAIRMAN, AND GREEN ENTREPRENEUR**

InterfaceFLOR founder Ray Anderson is recognised as one of the world's most environmentally progressive leaders, and is world renowned for his views on the necessity of sustainable commerce.

During the Clinton Administration, Anderson was Co-Chairman of the President's Council on Sustainable Development, during which he was a key advisor to the White House on environmental policy.

His many honours include the prestigious George and Cynthia Mitchell International Prize for Sustainable Development, 2001; the SAM-SPG Sustainability Leadership Award, 2001; and being recognised by Mikhail Gorbachev with a Millennium Award from Global Green, 1996.

He appeared in 'The Corporation', the multi award-winning documentary on the nature and spectacular rise of big business. He featured alongside 40 other global leaders and economists including Noam Chomsky, Naomi Klein and Milton Friedman.

## **MORE INFORMATION**

Scott McFarlane, Wilkinson Media, Ph: 02 8001 8888, M: 0407 265 053