

This Communication on Progress provides updates on actions Interface, Inc. is taking to address the United Nations Global Compact principles on human rights, labor, the environment and anti-corruption. Some of the information in this standalone report is taken from published sustainability progress reports on our [website](https://www.interface.com/US/en-US/sustainability/our-journey-en_US) (see https://www.interface.com/US/en-US/sustainability/our-journey-en_US) and from sections on our investor [website](https://investors.interface.com/corporate-responsibility-esg/default.aspx). See <https://investors.interface.com/corporate-responsibility-esg/default.aspx>.

This report highlights relevant actions and progress **between January 1, 2020 and April 15, 2021**.

CEO Statement

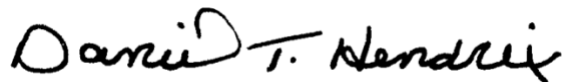
April 15, 2021

To Our Interface Stakeholders,

I am pleased to confirm that Interface, Inc. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in black ink that reads "Daniel T. Hendrix". The signature is fluid and cursive, with the first name "Daniel" being more prominent than the last name "Hendrix".

Daniel T. Hendrix
Chairman and Chief Executive Officer
Interface, Inc.

Interface is committed to creating a more sustainable world. As a recognized sustainable business leader for more than two decades, we know business can help create a more just and sustainable world. We also recognize the extended impact business can have when collaborating with government and non-governmental organizations to solve collective sustainability challenges. As part of our sustainability approach, Interface is supportive of and committed to the United Nations Sustainable Development Goals (SDGs) as a pathway to bring about sustainable development that addresses shared global challenges. The SDGs provide a roadmap for how the world can develop in a way that is equitable and sustainable. Knowing that the SDGs are primarily a roadmap for governments - we nevertheless recognize the contribution businesses must make to help governments achieve them. Businesses are a valuable part of our economies and our society, and it will take business acting alongside, and in collaboration with, governments and non-profits, to achieve these ambitious goals.

To generate the impact needed to help achieve the SDGs, business must align to the SDGs in both ambition and action. This means adopting aspirations for sustainability in their enterprises that match the ambition laid out in the SDGs. It also means business must mirror this ambition in their public goals and targets and ultimately their policies, practices and actions, ensuring that the sector can meaningfully contribute toward more sustainable development. At Interface we do this through our company policies and practices, the adoption, training and enforcement of our [Company Code of Business Conduct and Ethics](https://s22.q4cdn.com/139673446/files/doc_downloads/social/Code_of_Business_Conduct_and_Ethics_2020.pdf) (see https://s22.q4cdn.com/139673446/files/doc_downloads/social/Code_of_Business_Conduct_and_Ethics_2020.pdf and other policies, and our public commitments to sustainability, human rights and equality.

In the course of the reporting year Interface has taken the following actions to impact the Global Compact principles in the four issue areas of: human rights, labor, environment and anti-corruption.

Human Rights

Interface supports fundamental human rights for all people and is committed to complying with applicable employment laws in every country in which it operates. It is our responsibility to create an environment that embraces diversity, is free from discrimination and harassment, and is grounded in fair treatment and respect.

Our global [Supplier Code of Conduct](https://s22.q4cdn.com/139673446/files/doc_downloads/social/Supplier_Code_of_Conduct_2020.pdf) (see https://s22.q4cdn.com/139673446/files/doc_downloads/social/Supplier_Code_of_Conduct_2020.pdf) is an important tool in our efforts to ensure that our key suppliers and partners also adopt and adhere to these fundamental principles. It requires – as an ongoing condition of continuing to do business with us – that all suppliers comply with all applicable laws, rules and regulations, including but not limited to those in the areas of workplace health and safety. It further requires that all Interface suppliers institute and maintain appropriate health and safety measures designed to prevent work-related employee injury or illness.

The majority of our existing global supply contracts incorporate the Supplier Code of Conduct as part of the contract. This Code is also being incorporated into all new global contracts and will be added to contract renewals that currently do not incorporate the Code as contracts are renewed. Interface plans to expand the use of this Code in 2021 by incorporating this Code into Purchase Order Terms and Conditions across all of our global business units.

This Supplier Code of Conduct is enforced through ongoing training and compliance is included as part of periodic audits with suppliers. These audits focus on ensuring our suppliers have robust programs to protect the health and safety of their employees, as well as addressing broader business terms like quality, safety, and compliance. Interface maintains copies of these supplier audits. Although no such audits were conducted in the reporting period due to the pandemic, Interface anticipates resuming this practice with its key suppliers once pandemic-based restrictions on travel and in-person gatherings are lifted.

Global Safety Programs Summary, Actions and Impacts.

The health and safety of our employees is a key priority at Interface. We've implemented proactive programs that empower our employees to identify potential hazards, minimize risk, and help us to ensure we maintain safe and healthy working conditions. The health and safety

management systems at all of our carpet manufacturing operations including the United States, Europe, Australia, Thailand and China are certified to ISO 45001.

Interface is committed to leading our industry in the development and implementation of world-class safety measures to protect the health and safety of our employees. Interface adopted its first global Safety Vision in 2014, at which time it implemented our industry-leading Safety Connections, Corrections & Critical Risk Survey safety program. This program, which applies to all employees worldwide, provides a foundation to ensure that our global workforce is (a) continuously conscious of health and safety risks, (b) fully engaged in minimizing risk of injuries, and (c) trained on proper and up-to-date safety procedures.

This program – which we refreshed and reintroduced to our global workforce in 2018 as part of the integration of a new group of employees following an acquisition of our rubber flooring business – is highly visible and requires monthly reporting on demonstrable metrics as we work toward our ultimate goal of zero safety incidents. A global monthly safety report is compiled and circulated to the company's senior leaders, detailing any incidents, our progress towards our internal leading indicator metrics, and an update as to the company's TRIR (total reportable incident rate), a best-in-class measurement metric across the globe. This allows us to benchmark our performance against other similarly-organized companies around the world.

COVID-19 Safety – Actions and Progress.

When COVID-19 escalated to a global pandemic in early 2020, Interface took immediate, aggressive steps at enterprise and local levels to support our employees, while maintaining the continuity of our business.

The first step was to implement Global COVID-19 Guidelines for all employees. These guidelines established internal protocols for managing COVID exposures and quarantine among team members, presented prevention and cleaning protocols, and defined expectations around conducting safe meetings and events. These guidelines are consistently updated to support employee safety.

Interface also formally adopted a telecommuting policy for Americas office-based employees. With schools closing or going virtual, employees needed flexibility and support to help them juggle the many demands on their time. The telecommuting policy also served to keep office occupancy low when transmission levels in the local area were at their highest.

Additionally, when locations worldwide started reopening and welcoming employees back into the office, we implemented a series of additional strategies intended to reduce virus transmission. These strategies include, but are not limited to, the following:

- Installed and provide disinfecting wipe stations for employee use.
- Provide hand sanitizer throughout offices for employee and visitor use.
- Installed hands-free door-openers in restrooms.
- Provide masks for employees and visitors, along with requirements for wearing masks when minimum social distancing can't be maintained.
- Reviewed and revised daily cleaning protocols with janitorial service; established a focus on repeated cleaning of shared equipment and surfaces (stair rails, door handles, shared touch screens, microwaves, break room and coffee station counters, etc.).
- Installed antimicrobial film on elevator-buttons.
- Reorganized workstations and installed desk reservation technology to create a minimum 6-foot distance between individuals in select locations.

- Used electrostatic fogging to deep clean and sanitize buildings after reported cases of COVID-19.
- Enhanced technology resources in offices to help employees feel comfortable, sustain productivity, and maintain minimum social distances.
- Implemented daily on-site temperature screenings and daily electronic health assessments to encourage sick employees to stay home from work in select locations.

These guidelines will remain in place for as long as they are necessary to protect the health and safety of all of our global employees.

Interface has experienced no major interruptions to our operations, including manufacturing, and has maintained protocols that effectively prevented widespread workplace exposure.

Materials and Chemicals of Concern Safety

Interface is also focused on activities to eliminate the risk of employees' exposure to materials/chemicals of harm in products or supply chain.

Through the actions Interface takes to eliminate ingredients or materials that could harm or threaten human life or health during the manufacture of products, we are reducing potential risks to employees. Our approach to the materials we use to make our products is founded on the health of people and our planet. A working goal for Interface and its supply chain is to have zero chemicals of concern in our products. To accomplish this Interface has several processes to assess and manage the risks and hazards associated with chemicals in our products. We evaluate materials by measuring and managing trade-offs across three lenses, including green chemistry, embodied carbon, and circular economy.

We determine chemicals of concern based on a rigorous review of medical and scientific literature, regulations and market trends and adopt global goals for their substitution and phase out for all product inputs. Using this approach, Interface has phased out the use of numerous categories of chemicals. These activities are ongoing and are an integral part of our day-to-day research and development efforts as we develop new products with these goals in mind, as well as reassess our current product portfolio to reduce or eliminate these types of materials from our products. In 2020, Interface made notable progress in reducing or eliminating several of these materials from our product portfolio, most notably in our rubber and resilient product group. Starting in 2020, Interface has also made progress to move away from virgin raw materials used to back our carpet tile products. In 2021, our European business will complete its transition away from a bitumen-based backing system for carpet tiles to one with bio-based materials.

In addition to addressing the materials within our products, we are committed to low-impact, sustainable packaging. Our flooring products are packaged in materials that are made from recycled content or can be reused and recycled after use, including recycled cardboard, wooden pallets, and recyclable polyethylene foil.

At Interface, we are committed to product transparency. We voluntarily disclose environmental impacts and product ingredients through Environmental Product Declarations (EPDs) for our global product portfolio. We also provide additional ingredient detail through other programs like Health Product Declarations (HPDs) and Declare labels as needed. In addition, all Interface flooring and adhesives are certified to meet stringent low VOC emissions standards. You can learn about our Product Transparency and certifications [here](#).

Labor

Interface recognizes its employees' lawful right to freedom of association and rights under applicable law to choose a collective bargaining representative, if desired. Employees of several of our global business subsidiaries, including our business units in Germany, the Netherlands, France and Australia, have organized themselves in Works Councils and/or Enterprise Bargaining Units, and Interface maintains positive, productive relationships with those groups through our company leadership teams to the benefit of our employees.

Moreover, Interface is opposed to the use of slave labor or human trafficking. The company operates in a number of countries in which anti-slavery legislation has been adopted, and we have incorporated their respective guidelines and requirements into our daily practices in those countries. These include the following:

- UK Modern Slavery Act (United Kingdom)
- Child Labor Law (the Netherlands)
- European Commission regulations on anti-human trafficking
- Modern Slavery Regulations (New South Wales, Australia)

During the reporting period, Interface engaged in the following actions to fully adopt these principles and regulations into our global business:

- Interface provides ongoing training to its employees about the importance of adhering to these principles.
- The company publishes its commitments to these requirements internally (via internal communication platforms) and externally (customer-facing websites; marketing materials).
- Interface periodically reviews its procurement policies and key documentation (purchase orders, etc.) to ensure compliance with these requirements and makes periodic revisions as necessary or prudent.

Interface is also committed to ensuring our key suppliers are aware of and are taking active measures to comply with these requirements. We conduct periodic risk assessments of the activities of our key suppliers to identify potential risks to compliance. We have taken the following specific actions in this area:

- Interface has adopted a "Transparency in Supply Chains Statement" in support of its commitments under the Modern Slavery Act in the UK, and applies these core principles throughout its European operations, as well as its Australia and New Zealand business (where we have publicly endorsed these principles in furtherance of its commitments under local human rights legislation)
- Our Supplier Code of Conduct imposes specific requirements on all key suppliers and vendors to ensure Interface promotes the eradication of modern slavery, including requirements imposed on suppliers designed to ensure:
 - a) Neither child nor forced labor shall be used in any capacity
 - b) Threats of or actual physical abuse of employees is prohibited, and
 - c) The rights of works to freely associate and organize for their collective benefit are respected

Furthermore, our Australian business recently adopted their first Reconciliation Action Plan (RAP) endorsed by Reconciliation Australia. The RAP is endorsed as a Reflect RAP, which focuses the company's efforts on seeking to learn from Australia's first nations' people - with the intent of education and aspiration. Interface is working to achieve its Reflect RAP goals in 2021, and will then embark on an Innovate RAP.

Discrimination:

Interface is an equal opportunity employer. It is the policy of Interface to provide equal employment opportunity to all applicants and employees without regard to race, color, religion, sex, national origin, age, disability, protected veteran status, or any other protected characteristic. It is our responsibility to create an environment that embraces diversity, is free from discrimination and harassment, and is grounded in respect.

In the United States, Interface files an EEO-1 report annually in accordance with federal regulation, providing employment data categorized by race/ethnicity, gender and job category.

US Workforce composition data is available here: <https://investors.interface.com/corporate-responsibility-esg/social/default.aspx>

In the UK, the Company reports annually on its efforts to reduce any differential in pay between employee gender populations. As a transparent, values driven employer, committed to equal opportunities and fair remuneration for all, Interface knows that operating in an inclusive environment makes for healthier business performance and happier, more accomplished people.

UK Statutory Gender Pay Gap Report (2019) is available here: https://s22.q4cdn.com/139673446/files/doc_downloads/UK_Gender_Pay_2019.pdf

Diversity, Equity and Inclusion Actions

At Interface, we always try to do what is right, even when it is hard or when the path is unclear. Our purpose is to Lead Industry to Love the World, which gives us intention to pursue our sustainability objectives, and to ensure that we create a culture of inclusion and belonging at Interface -- a fair and equitable workplace where every employee can thrive. It is a social and moral imperative. As we address this at Interface, we can also share our progress to inspire others in our industry, our communities, and in the world more broadly.

In 2020, our leadership team and board of directors made a commitment to more visibly and meaningfully prioritize and address Diversity, Equity & Inclusion (DEI), including an external statement by our CEO. (See <https://blog.interface.com/a-message-from-our-ceo/>). We established a Global DEI Task Force to develop our long-term strategy. We are seeking input from our employees to identify specific areas of opportunity, while engaging in dialogue and making sure that underrepresented voices are being heard. In addition to a focus on our employee-centered practices, we will also develop a strategy for external engagement with our suppliers in this area to expand on existing efforts addressed in our Supplier Code of Conduct. We believe that supplier diversity is an integral part of an effective approach to DEI.

We have outlined our approach to develop our long-term DEI strategy, plan, and metrics for success in a DEI framework, which has support from the Interface Executive Leadership Team and Board of Directors.

Our primary objective in 2020 was to align on the process and people to create our long-term DEI strategy. With Executive Leadership accountability and the oversight of an Executive Director, we have assembled two important Global Task Force teams to pursue this work:

- **DEI Steering Committee** – this diverse global group of leaders is responsible for developing our corporate DEI strategy, defining global initiatives, driving internal/external communications, and setting and evaluating progress against DEI goals.
- **DEI Champions Network** – these motivated and passionate activators from all levels of the organization support our plan development, promote and facilitate implementation of global initiatives at the regional, department or project level, and help foster engagement around DEI related topics.

We are centering our strategy development and internal initiatives around three focus areas: (1) Employee Feedback, (2) Employee Engagement, and (3) External Engagement. The Global Task Force subcommittees are driving efforts in those focus areas to support strategy development, while also creating opportunities for Interface employees to participate in discussions around racial and social justice issues, aligned to observances such as Black History Month, Women's History Month, and more. While we develop a long-term strategy, we know that Interface's strength comes from our people. As a global company, we appreciate and celebrate people from cultures around the world – employees, customers and suppliers. Our workforce reflects our global connectedness and understanding that we are all part of one world.

In 2020 Interface joined the Just Business Roundtable Steering Committee, an initiative of the Partnership for Southern Equity focused on addressing racial inequity in the corporate sector, alongside leaders from other large multinationals and regional employers with a significant presence in the Atlanta, Georgia area. The committee work includes addressing talent acquisition and development gaps, as well as creating tools and resources such as a scorecard to help companies evaluate opportunities to improve DEI inside their organizations.

DEI Metrics

Our US Workforce composition data is available here: <https://investors.interface.com/corporate-responsibility-esg/social/default.aspx>. We anticipate that our next EEO-1 report will be published in July 2021 with current US employment data by race/ethnicity, gender and job category. As of 12/2/2018, our US workforce minority representation was 13% at the manager level and above and 52% for non-management positions. From a gender standpoint, our US workforce was 41% female and 59% male at the manager level and above, and 56% female and 44% male in non-management positions.

Interface is in the process of implementing a global human capital management system that will deliver invaluable data regarding the diversity of our global workforce in markets in which it is legally allowed for employers to ask for demographic data from employees. This will enable us to provide a global benchmark, track trends and identify gaps and opportunities. We will also be able to provide more detailed metrics in future reports

Environment Summary, Actions and Impact.

In 1994, inspired by our customers and led by the fundamental mindset shift of our Founder, Ray Anderson, Interface began a radical transformation of our business to reduce our environmental impacts. We called this effort Mission Zero® with a goal to eliminate all negative impacts the company had on the environment by the year 2020. Mission Zero caused the company to institute aggressive programs to reduce the operational footprint of the company in

areas including waste, energy, Greenhouse gas emissions and water. This necessitated new programs to measure and report our operational footprint. Mission Zero also focused us on reducing the environmental impacts of our products through new design efforts, manufacturing and operational efficiencies, and using new raw materials. Mission Zero helped Interface shift toward a circular model including using recycled materials to make our products, and investing in new technology to process repurposed materials. It also focused us on establishing product take back programs in our global markets. In 2019, we reached the 25th Anniversary of Mission Zero and declared success sharing progress to date and simultaneously adopting an ambitious new mission, Climate Take Back[®]. Climate Take Back is our commitment to run our business in a way that reverses global warming and creates a climate fit for life. It's no longer enough to limit the damage we do, as a business, we want to leave a positive impact. To achieve Climate Take Back in part, Interface has committed to be a carbon negative enterprise by 2040.

In 2021 Interface committed to set a Science Based Target in line with 1.5 degree ambition and is working toward submitting our targets for approval in 2021.

2020 was a year where Interface saw a reduced operational footprint and made and sold fewer products due to the impacts of the global pandemic. Interface continued in 2020 to work to reduce its operational footprint and the environmental impacts of its products, including the launch of the world's first carbon negative carpet tile product. After more than two decades of commitment, hard work, design leadership, supplier partnership, and product innovation, we now have some of the lowest average carbon footprints for carpet tile in the industry. Interface also made strides to build awareness in our industry and with our customers on the importance of reducing embodied carbon in the built environment.

To achieve our sustainability goals, Interface undertook the following actions to reduce the operational impacts of our company in 2020.

Interface continued its programs to reduce waste and to use its post-industrial materials back into its products. Interface purchased renewable energy at all its factory sites. Interface continued its efforts to bring back products at the end of their useful life by supporting product take back programs and expanding collection options through our ReEntry[®] programs. Interface continued its efforts to both reduce water use in manufacturing and put in place technologies to harvest rainwater for use in manufacturing and toilets.

Our results for calendar year 2020 in key environmental areas are as follows.

Energy efficiency at carpet manufacturing sites has improved by **37%** since 1996.

75% of energy used at all manufacturing sites in 2020 came from renewable energy sources through a combination of green electricity purchases from utilities, renewable energy credits, purchase of green gas and green gas credit purchases. **90%** of all energy used at carpet manufacturing sites is from renewable energy and 49% of the energy at our rubber flooring manufacturing site is from renewable sources. **100%** of the *electricity* usage at all of our manufacturing sites globally is sourced from renewable sources.

Water intake intensity at carpet manufacturing sites in 2020 is down **88%** since 1996. Total water intake for all manufacturing sites is 43.1 million liters, this includes 29.5 million liters at carpet manufacturing sites and 13.6 million liters at our rubber flooring manufacturing site.

Waste discarded at carpet sites is down in 2020 by **35%** since 1996, and waste sent to landfills has declined by **86%** since 1996. Waste discarded from all manufacturing sites is 7,134 tonnes, this includes 4,772 tonnes at carpet manufacturing sites and 2,362 tonnes at our rubber flooring manufacturing site.

Market-based greenhouse emissions at carpet manufacturing sites in 2020 are down **96%** in intensity and **95%** in absolute terms since 1996.

With a goal to become a carbon negative enterprise by 2040, Interface is particularly focused on efforts to reduce the carbon footprint of our business operations.

In 2019, Interface publicly reported our total carbon footprint as an enterprise. This accounts for all the carbon we're responsible for putting into the atmosphere annually as a result of our full business – including our operational carbon emissions, our product emissions, and emissions from our supply chain and extended activities. We continued this reporting in 2020.

In 2020 Interface's greenhouse gas emissions across all Scopes of our business totalled 498,811 tonnes. Global market-based GHG emissions for **Scopes 1 & 2** were **13,056** tonnes – (6,632 MT for carpet businesses and 6,424 MT for rubber flooring business) Total **Scope 3 emissions** in 2020 were **485,755** metric tonnes.

The majority of our company's carbon footprint comes from our Scope 3 emissions, close to 98%. Of that, the most significant source of our Scope 3 emissions comes from our purchased raw materials, making up 48%. You can see a report prior year report detailing our Scope 3 emissions and the distribution of them [here](https://s22.q4cdn.com/139673446/files/doc_downloads/Interface-Climate-Disclosure-Report-for-2019.pdf). See (https://s22.q4cdn.com/139673446/files/doc_downloads/Interface-Climate-Disclosure-Report-for-2019.pdf).

Based on the significance of the carbon emissions from our supply chain, Interface continues aggressive efforts detailed below to reduce the environmental impacts of our purchased raw materials and continues to identify lower footprint new raw materials for use in products. Interface is also working to engage our current suppliers in conversations and provide technical support for them to reduce the footprint of their manufacturing operations through initiatives described in the Supply Chain section below.

To achieve our product sustainability goals Interface undertook the following actions in 2020 to reduce the environmental impacts of our products and supply chain.

In 2020 Interface made significant investments in technology and new raw materials to reduce the carbon footprint of our carpet tile products and to incorporate more recycled and biobased materials into our products. Interface continued to purchase and introduce into its products lower carbon footprint recycled raw materials and carbon storing raw materials. Interface also focused innovation efforts to reduce the carbon footprint of resilient and rubber flooring products.

For our carpet tile products Interface invested in new technology to produce lower carbon footprint recycled PVC backings and bio-based backings that are carbon negative from cradle to gate and can, in limited styles, create carbon negative products. In 2020 Interface's research and innovation teams began working with suppliers of our resilient products and with our rubber flooring business to incorporate similar materials into those products.

For our resilient products Interface is continuing to replace virgin raw materials with recycled options. We have initiated several projects to increase the recycled content incorporated into our luxury vinyl tile (LVT) and luxury vinyl sheet (LVS) products.

In 2020 Interface started the implementation of projects in our rubber flooring business focused on dematerialization, switching to recycled from virgin materials and use of recycled or recovered materials. Specific initiatives include: reducing high carbon footprint materials used to achieve color in our rubber products, replacing synthetic rubber with natural rubber in certain formulas including some of our noraplan® products, adding post-industrial recycled materials in the form of material sanded from our rubber backings during their manufacture into our norament® products. This material was previously a waste. Lastly, we are working to redesign the noracare™ sheet material to incorporate bio-based materials that store carbon.

Recycled Content in Interface Products.

In 2020, **48%** of the raw materials used in the global business materials used to make the products came from recycled or bio-based sources.

For our carpet tile products **62%** of the raw materials came from recycled or biobased sources in 2020, with 83% of the yarn and 58% of the backing materials sourced from recycled materials.

For our rubber flooring products **7%** of the raw materials in 2020 came from recycled or biobased materials with natural rubber and recycled fillers contributing the most.

For our resilient flooring products, **39%** of the product in 2020 came from pre-consumer recycled content.

Product Metrics – Carbon Footprint of Products

In 2020 the global average cradle-to-gate carbon footprint of our carpet is **4.8 kg CO_{2e}/m²**, down **76%** since its baseline year of 1996. This represents industry leading low carbon footprint products.

In 2020 the average cradle-to-gate carbon footprint of our rubber flooring **9.3 kg CO_{2e}/m²**, down 14% since 2019.

In 2020 the average cradle-to-gate carbon footprint of LVT is **8.7 kg CO_{2e}/m²**, down 28% since 2018.

Carbon Neutral Floors™ Program.

In 2003, Interface began offering carbon neutral carpet tile to our customers in limited markets. Using Life Cycle Assessment, Interface measures the full carbon footprint of its products from raw materials extraction to end of life and makes sure to balance this entire footprint with carbon offsets. Through a combination of efforts to reduce the carbon footprint of our products through manufacturing efficiency, renewable energy use, increasing the use of recycled materials, and supply chain innovation, Interface has reduced the carbon footprint of these carpet tile products **over 76%**, allowing us to expand the carbon neutral products program over time.

In 2018 Interface made a commitment that all flooring products sold globally would be carbon neutral under its Carbon Neutral Floors [program](https://www.interface.com/US/en-US/sustainability/carbon-neutral-floors-en_US). See https://www.interface.com/US/en-US/sustainability/carbon-neutral-floors-en_US.

In 2020 all flooring products Interface sold across its full carpet tile, resilient and rubber flooring portfolio were third party verified as carbon neutral. In 2020 Interface sold approximately **40** million square meters of Carbon Neutral Floors and retired **425,000** metric tonnes of verified emission reduction credits. Since the program began in 2003, more than **419** million square meters of carbon neutral flooring have been sold globally, and 5.7 million metric tonnes of verified emission reduction credits have been retired. The Carbon Neutral Floors program is third party verified annually by Apex. The verification report for our Carbon neutral Floors program is available [here](https://interfaceinc.scene7.com/is/content/InterfaceInc/Interface/Americas/WebsiteContentAssets/Documents/CNF%20Certification/wc_am-carbonneutralfloorsverification.pdf). See https://interfaceinc.scene7.com/is/content/InterfaceInc/Interface/Americas/WebsiteContentAssets/Documents/CNF%20Certification/wc_am-carbonneutralfloorsverification.pdf

Product Take Back Efforts

In 2020 Interface collected 3,741 tonnes/8.3 million pound of post-consumer carpet through its ReEntry program and based on its condition and composition, diverted those returned products to their most sustainable option: reuse, recycle or energy recovery. 2,302 tonnes was reused and 705 tonnes was recycled.

Over the last 5 years from 2016-2020, Interface recovered 58 million pounds/26,162 tonnes of post-consumer carpet. From that total, 71% was given a second life through reprocessing internally or was reused or recycled through one of our ReEntry partners.

Interface provides take back and recycling of used carpet tiles at the end of their life in regions where about 74% of our global sales take place. This includes the Americas region where about 97% of our sales region is covered by Interface's ReEntry program and in our European and Asia-Pacific regions combined, almost 56% of our sales region is covered by regional ReEntry programs.

Actions to influence industry and the broader business community.

Interface knows that we can't achieve our Climate Take Back mission alone. Global warming is a huge and complex problem and first we have to act to reduce carbon in our business, remove carbon from the atmosphere and then influence other companies to do the same. This influencing starts by building awareness in our immediate circles, our industry, our customers and the built environment. As a first step, Interface co-founded **Materials Carbon Action Network** (materialsCAN), a collaborative which includes members of the global building industry that are ready to act on the prioritization of embodied carbon in building materials. This organization is working to improve embodied carbon awareness via client, industry, and external partnerships, by creating a methodology to enable analysis and prioritization of embodied carbon goals in specifications and sharing case studies on low carbon interiors. Learn more [here](https://www.interface.com/US/en-US/campaign/transparency/materialsCAN-en_US). See https://www.interface.com/US/en-US/campaign/transparency/materialsCAN-en_US.

Actions to influence market standards and government policy.

In many of the markets where Interface does business, we are actively working to influence and change green building standards to recognize and reward decisions and actions to reduce embodied carbon in buildings. We also worked in 2020 and currently in 2021 to pass legislation requiring States to set global warming potentials (GWPs) for interiors products including flooring, and to incorporate these GWPs into their procurement efforts.

Supply Chain Sustainability

Interface remains focused on educating and engaging our global suppliers to understand and reduce their environmental impacts, particularly the carbon footprint of their operations and materials.

Interface has identified the most significant suppliers from a carbon perspective and has prioritized capturing more detailed life cycle assessment (LCA) data for their materials to understand the carbon impacts of their raw materials better. Of our top 16 identified suppliers, we have specific product LCA data from 6, with a goal to receive data from the remaining over the course of the next three years. These LCAs will form a baseline that will allow our supply chain team to develop a strategy to reduce carbon in the supply chain.

Through Interface's Suppliers to Negative program, Interface's supply chain team is also working to engage the company's global and region-specific suppliers through education and partnership. We have partnered with [Manufacture 2030](#), a platform that provides tools to suppliers to identify projects to reduce operational impacts, enter those projects, track progress, and estimate the carbon reductions of those projects. Interface has 9 suppliers currently participating in the program, 5 global and 4 regional supplier companies. In addition, 3 Interface manufacturing locations are participating in the program.

Interface was recognized for our actions to reduce the environmental impacts of our business and for our actions designing and manufacturing making more sustainable and carbon neutral products. **Awards received during the reporting period include:**

- **GlobeScan SustainAbility Leaders Report 2020.** Interface was recognized by sustainability professionals as a company who has led the way to integrate sustainability into its business model. The company was ranked fourth overall in the top ten companies globally who are integrating sustainability see full report [here. See https://globescan.com/2020-sustainability-leaders-report/](https://globescan.com/2020-sustainability-leaders-report/).
- United Nations **Global Climate Action Award** Winner, **Climate Neutral Now** Category 2020.
- Fast Company's Most Innovative Companies - Energy Category (2020).
- Corporate Knights' Green 50 (2020).
- United Nations SDG Action Award, Connect Category Winner, NextWave Plastics

Interface is a founding member of [NextWave](#) Plastics, a collaboration group of businesses and non-profits convened by Lonely Whale committed to exploring ways to incorporate ocean plastic waste into business supply chains. Member companies include Dell Technologies, Interface, Humanscale, Trek Bicycle, General Motors, IKEA, and HP. In just two years this initiative has collectively prevented 1,300+ metric tons of plastic from entering the ocean and produced 23 use cases which demonstrate that it's possible to upcycle ocean plastics.

Anti-Corruption

Interface's business practices are governed by The [Interface Code of Business Conduct and Ethics](https://s22.q4cdn.com/139673446/files/doc_downloads/gov_doc/2020/Code-of-Business-Conduct-and-Ethics-2020.pdf), (see https://s22.q4cdn.com/139673446/files/doc_downloads/gov_doc/2020/Code-of-Business-Conduct-and-Ethics-2020.pdf) an acknowledgement of which is signed by every Interface associate and with which all employees must agree to comply.

Any bribe to a public official, made directly or indirectly, to influence that official to use his or her position to assist in obtaining or retaining business for Interface is prohibited. This is documented in the Interface [Anti-Corruption and Anti-Bribery Policy Statement](#), an acknowledgement of which is signed by every Interface associate worldwide and with which all employees must agree to comply. Commercial bribery is also prohibited by the Interface Code of Business Conduct and Ethics, referenced above, which provides in relevant part that associates shall not offer or pay rebates, bribes or kickbacks, or solicit or receive rebates, bribes or kickbacks, whether direct or indirect, when conducting business on behalf of Interface. Our Code also explicitly prohibits making or receiving bribes or kickbacks, or even offering to make or receive a bribe or kickback, that may be prohibited by applicable non-U.S. laws such as the UK Bribery Act of 2010.

Other relevant documents can be found in the [Governance Documents section of the Interface investor relations website](#). See <https://investors.interface.com/corporate-governance/governance-documents/default.aspx>. Interface also has taken action to ensure our global suppliers comply with our positions on corruption and bribery via the Interface [Supplier Code of Conduct](#) (which also covers issues such as Human Rights and Environmental Practices, as well as Compliance with Laws).

Actions Taken within the relevant reporting period include:

Interface updated its Supplier Code of Conduct in 2020 which covers anti-corruption as well as human rights and environmental practices.

In 2020 and 2021, the legal team delivered compliance training addressing anti-corruption both in-person and by video conference, to regional sales teams around the world, Interface's Executive Leadership Team, as well as to other Interface employees in identified, higher-risk jurisdictions including India and Asia Pacific.

Interface has signed a multi-year engagement with LRN Corporation, a global, industry leader in educational solutions in ethics and compliance training content and technology, to work with the company to design and implement a global compliance training program. This engagement represents a significant increase in Interface's budget allocation to compliance training over previous periods.

This new global training program using content provided by LRN launched in April 2021, when a foundational compliance training course on anti-corruption and anti-bribery was assigned to all digitally-enabled employees across the globe. Additional training sessions on other compliance-related topics will follow throughout the year and in 2022 and beyond.

In 2020, the legal team developed and launched "Compliance Corner," a section of the company's intranet (Workplace) dedicated to compliance and ethics. All company employees with access to the intranet are subscribed to that group and receive periodic messages related to Interface's global compliance efforts.

The Interface legal department engages in regular, periodic reporting to its Board of Directors regarding compliance-related matters.

Interface maintains a [global ethics reporting hotline](#) (available on the web and by phone), where interested parties can anonymously report ethics and compliance concerns to the company.

In 2019, the scope of reporting available via the hotline was expanded to include the following enterprise risk management areas:

- Financial: Accounting & Auditing, Financial Misappropriation or Misuse, Securities Violations
- Human Resources: Discrimination or Harassment, Employee Misconduct (may include an employee's violation of company code or policy), Labor Issues and Retaliation.
- Legal: Conflict of Interest, Misconduct or Violation of Law or Policy or other violations
- Environmental & Occupational Safety: Environmental Protection, Health or Safety Law, Sabotage or Vandalism, Unsafe working conditions or Other

During the reporting period, the hotline received zero reports of concern related to anticorruption.