

## UNITED NATIONS GLOBAL COMPACT



### 2015 Communication On Progress – Advanced Level

#### Correspondence table

May 2016

Tarkett supports the 10 principles of the Global Compact and reports its commitments according to the 21 criteria required by the COP guidance for advanced level.

Our 2015 Activity & Sustainability Report (ASR) should be regarded as our COP. This correspondence table below should help the reader navigate it, in directly linking the 21 criteria with its contents. The ASR is also publicly available on our corporate website.

UNGC Criteria (advanced level)		Contents in the 2015 ASR	Index in 2015 ASR
<b>Implementing the Ten Principles into Strategies &amp; Operations</b>			
1	The COP describes mainstreaming into corporate functions and business units	<ul style="list-style-type: none"> <li>- CEO's interview and statement supporting UNGC</li> <li>- 3 Executive Vice-Presidents (Research, Innovation, and Environment, Operations &amp; Human Resources) and the Group General Counsel are in charge of the execution of the sustainability strategy and duly incentivized on related KPIs</li> </ul>	<p>p. 4-5, 31</p> <p>p. 34-35, 38-39, 50-51, 56</p>
2	The COP describes value chain implementation	<ul style="list-style-type: none"> <li>- <u>Suppliers side</u>: contractual commitment to UNGC principles, audits including CSR criteria, partnerships with FSC and PEFC to select wood suppliers</li> <li>- <u>Customers side</u>: "Sustainability Tag" on products to inform on composition, ReStart take-back program to foster recycling practices in partnership with our customers</li> </ul>	p. 40

UNGC Criteria (advanced level)		Contents in the 2015 ASR	Index in 2015 ASR
<b>Robust Human Rights Management Policies &amp; Procedures</b>			
3	The COP describes robust commitments, strategies, or policies in the area of human rights	<ul style="list-style-type: none"> <li>- CEO's commitment to Declaration of Human Rights and fundamental social rights</li> <li>- Code of Ethics spelling out the business principles expected from every stakeholder: employees, customers, and suppliers</li> <li>- In 2015, Tarkett established and circulated its "Human Resources Policy &amp; Principles", describing the group's commitment in "Promoting the essential rights of our people", "Building a learning organization", "Engaging in talent development", "Ensuring fair compensation", "Encouraging dialog" - this charter will be added to the 2016 COP</li> </ul>	<p>p. 31</p> <p>p. 56</p> <p>p. 4*</p>
4	The COP describes effective management systems to integrate the human rights principles	<p>Multiple management systems to fully integrate human rights principles:</p> <ul style="list-style-type: none"> <li>- Employee feedback survey</li> <li>- Training programs (including Code of Ethics)</li> <li>- New collaborative intranet platform for people development (Talent Inside)</li> <li>- Open dialogue on diversity on inclusion</li> </ul>	p. 38-41, 58
5	The COP describes effective monitoring and evaluation mechanisms of human rights integration	<p>Human rights integration monitored with 8 themes and 11 KPIs in the Group's CSR dashboard:</p> <p>"Guarantee a safe place to work", "Ensure respect and integrity", "Foster diversity", "Develop talents and promote an entrepreneurial culture", "Listen to employees and engage in social dialogue", "Communicate proactively toward all employees", "Provide professional training to the community", "Promote Code of Ethics to employees"</p>	p. 58-59
<b>Robust Labour Management Policies &amp; Procedures</b>			
6	The COP describes robust commitments, strategies, or policies in the area of labour principles	<ul style="list-style-type: none"> <li>- Commitment to safety through "0 accident" objective</li> <li>- In 2015, Tarkett established and circulated its "Human Resources Policy &amp; Principles", describing the group's commitment in "Promoting the essential rights of our people", "Building a learning organization", "Engaging in talent development", "Ensuring fair compensation", "Encouraging dialog" - this charter will be added to the 2016 COP</li> </ul>	<p>p. 50, 58</p> <p>p. 4*</p>
7	The COP describes effective management systems to integrate the labour principles	<ul style="list-style-type: none"> <li>- WCM program deployed in 79% of manufacturing sites, targeting safety improvement in all manufacturing sites</li> <li>- Continuous training program on ethics and individual support with development plan</li> <li>- Tarkett Awards recognizing and promoting employee ideas and innovation</li> <li>- UNGC clause embedded in suppliers contracts to make them committed to labour management principles</li> </ul>	<p>p. 50</p> <p>p. 38, 56</p> <p>p. 41</p> <p>p. 40</p>
8	The COP describes effective monitoring and evaluation mechanisms of labour principles integration	<p>Integration of labour principles monitored with 5 themes and 13 KPIs in the Group's CSR dashboard:</p> <p>"Safety &amp; Values", "Talent", "Dialogue", "Communities", and "Corporate Governance"</p>	P. 58-59

\*A detailed description of the "HR Policy & Principles" can be found on page 4 of our 2015 Registration Document - Chapter 3 (publicly available and uploaded on our COP webpage)

UNGC Criteria (advanced level)		Contents in the 2015 ASR	Index in 2015 ASR
<b>Robust Environmental Management Policies &amp; Procedures</b>			
9	The COP describes robust commitments, strategies, or policies in the area of environmental stewardship	<ul style="list-style-type: none"> <li>- Description of Tarkett's commitment to the circular economy and Cradle to Cradle approach</li> <li>- 2020 objectives set in Sustainability Dashboard on the following topics: good materials, resource stewardship, people friendly spaces, reuse</li> </ul>	<p>p. 36-37</p> <p>p. 57</p>
10	The COP describes effective management systems to integrate the environmental principles	<ul style="list-style-type: none"> <li>- World Manufacturing Program rolled out across manufacturing plants with a focus on environmental management</li> <li>- Closed-loop circular design implemented for product development</li> </ul>	<p>p. 50</p> <p>p. 36</p>
11	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	<p>11 environmental-related KPIs monitored in the CSR Dashboard:</p> <p>3 of them (water consumption, energy consumption, waste generation) reviewed on a monthly basis through WCM management system</p>	p. 57
<b>Anti-Corruption Management Policies &amp; Procedures</b>			
12	The COP describes robust commitments, strategies, or policies in the area of anti-corruption	<ul style="list-style-type: none"> <li>- Statement from Group General Counsel</li> <li>- Worldwide compliance program including fair competition practices and anti-corruption, to train specific employee groups (sales force, purchasing and managers)</li> </ul>	p. 56
13	The COP describes effective management systems to integrate the anti-corruption principle	<ul style="list-style-type: none"> <li>- Mission of Internal Control &amp; Audit Department to implement: risk-mapping exercise, internal controls, regular internal audits, insurance coverage</li> <li>- Training on Code of Ethics to all employees, including anti-corruption practices</li> </ul>	p. 63
14	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	<ul style="list-style-type: none"> <li>- KPI on percentage of assets (subsidiaries) audited over the last 4 years</li> <li>- New KPI on deployment of Code of Ethics</li> </ul>	p. 59

UNGC Criteria (advanced level)		Contents in the 2015 ASR	Index in 2015 ASR
<b>Taking Action in Support of Broader UN Goals and Issues</b>			
15	The COP describes core business contributions to UN goals and issues	Tarkett contributes to meeting 3 global challenges: - Urbanization: promoting well-being, healthy, and safe living environments - Aging population: maintaining health, well-being and independence for seniors - Resource scarcity: solve the resource challenges	p. 30-33
16	The COP describes strategic social investments and philanthropy	Tarkett encourages employees' initiatives to support non-profit organizations' initiatives during working hours, via funding and product donation	p. 40
17	The COP describes advocacy and public policy engagement	Tarkett contributes to the World Economic Forum discussions to accelerate wider engagement with the circular economy and the "Future of Construction"	p. 31
18	The COP describes partnerships and collective actions	Various partnerships in relation to the 3 global challenges addressed by Tarkett. In link with urbanization and resource scarcity, our most important partnerships are with the following organizations: Environmental Protection and Encouragement Agency (EPEA), the Ellen MacArthur Foundation, the Circular Economy 100 program, Forest Stewardship Council (FSC), Pan European Forest certification (PEFC)	p. 31, 36, 40
<b>Corporate Sustainability Governance and Leadership</b>			
19	The COP describes CEO commitment and leadership	- "We support Global Compact" logo in "Tarkett in brief" section - CEO's inaugural interview outlining Tarkett's purpose and sustainability strategy - CEO's statement of continuous support to UNGC principles	p. 3-5 p. 31
20	The COP describes Board adoption and oversight	- In line with standard governance practices, the Supervisory Board has an audit committee in charge of monitoring risks in the company - In line with French Grenelle regulations, the Board validates the sustainability report of the company during the audit committee	p. 56
21	The COP describes stakeholder engagement	- CEO states public engagement to respond to 3 major long-term challenges: urbanization, aging population, and resource scarcity - The company encourages teams to build long-lasting relationships with customers, suppliers, and communities	p. 30-33 p. 40