

Activity and
sustainability report
2016-2017



Tarkett

THE ULTIMATE FLOORING EXPERIENCE

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OPENNESS

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OUT IN THE OPEN

Tarkett shares its vision, ambitions and accomplishments—fully out in the open and transparent in our passion to offer the ultimate customer experience and our commitment to deliver a positive impact on people and the environment.

In tune with current trends, real user needs, and environmental and societal changes, Tarkett works to create unique, sustainable solutions; pushing the limits of what's possible.

From eco-design and installation to recycling and reuse, Tarkett is committed to continuously innovating for the future—designing products for the well-being of people and our environment. At Tarkett, we are focused on building a better tomorrow, with our eyes open to the future.

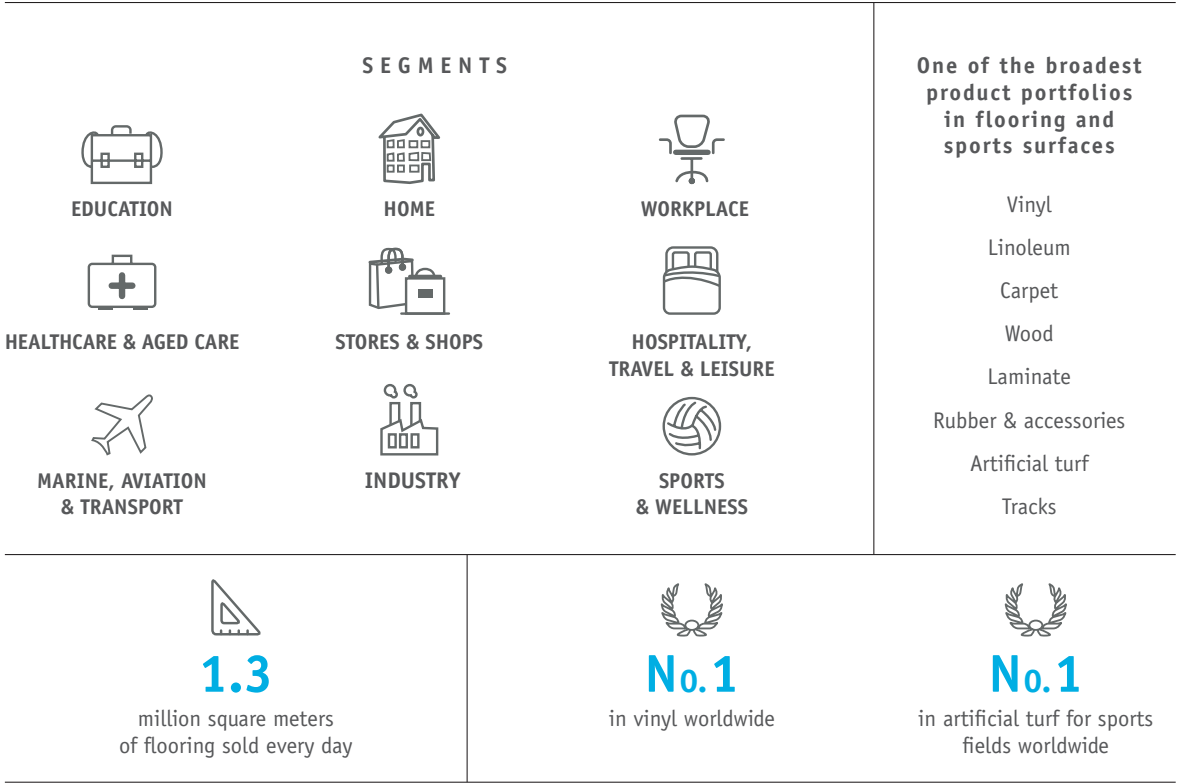
USA, Georgia—
St. Mary's Good
Samaritan Hospital
in Greensboro.

OPENNESS

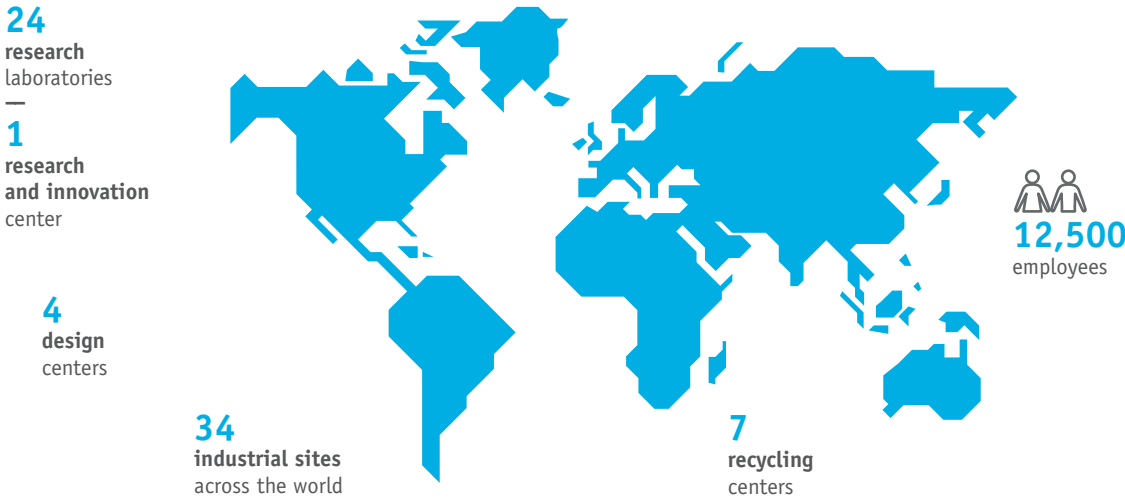
Tarkett has a clear vision, with eyes wide open to the needs of our customers and our planet. Serving a wide range of segments with a breadth of products, we are dedicated to delivering excellence and generating value in innovative and sustainable ways.

TARKETT AT A GLANCE

FOR 130 YEARS, INNOVATION, DEDICATION TO EXCELLENCE, AND A LONG-LASTING COMMITMENT TO SUSTAINABILITY HAVE MADE TARKETT A GLOBAL LEADER IN CUTTING-EDGE FLOORING SOLUTIONS, AND SPORTS SURFACES FOR ALL MARKET SEGMENTS.



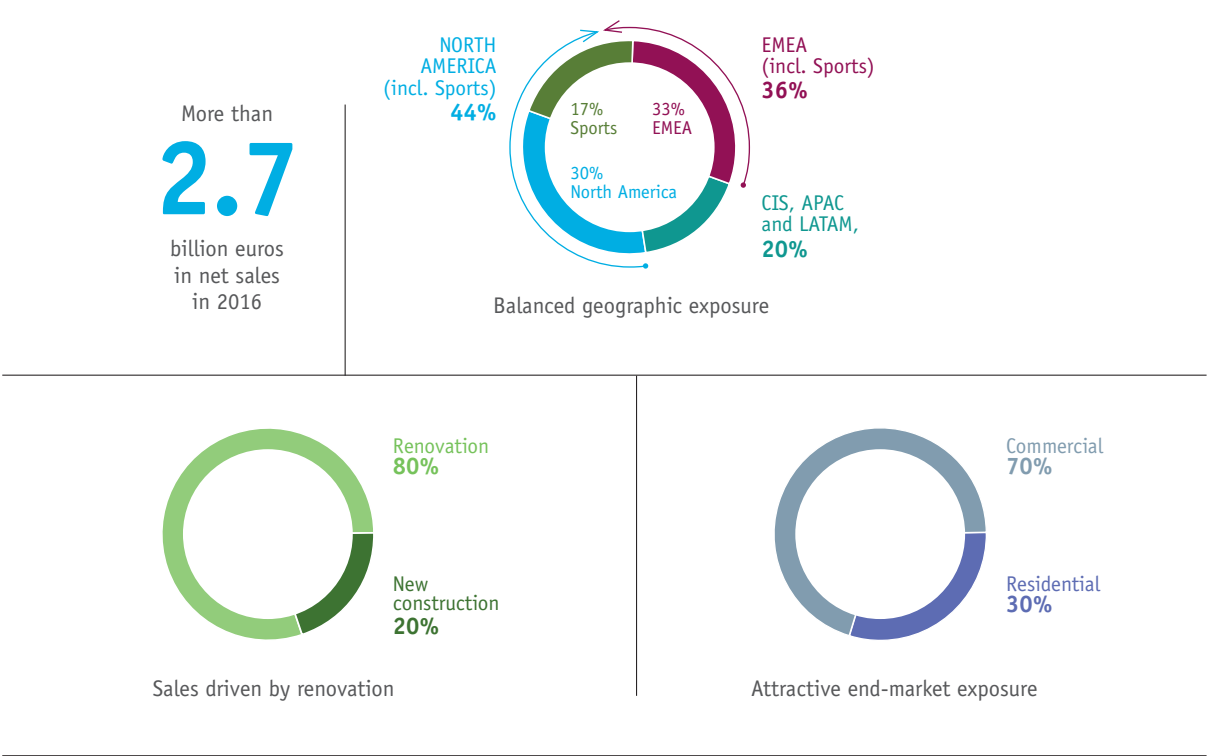
TARKETT WORLDWIDE



Tarkett’s balanced business model leverages its global scale. Local strengths and entrepreneurial spirit create a competitive advantage and deliver integrated and coordinated solutions to professional and residential end-users all over the world.

SALES IN OVER 100 COUNTRIES

based on 2016 net sales



DEDICATED TO GENERATING VALUE IN A SUSTAINABLE WAY



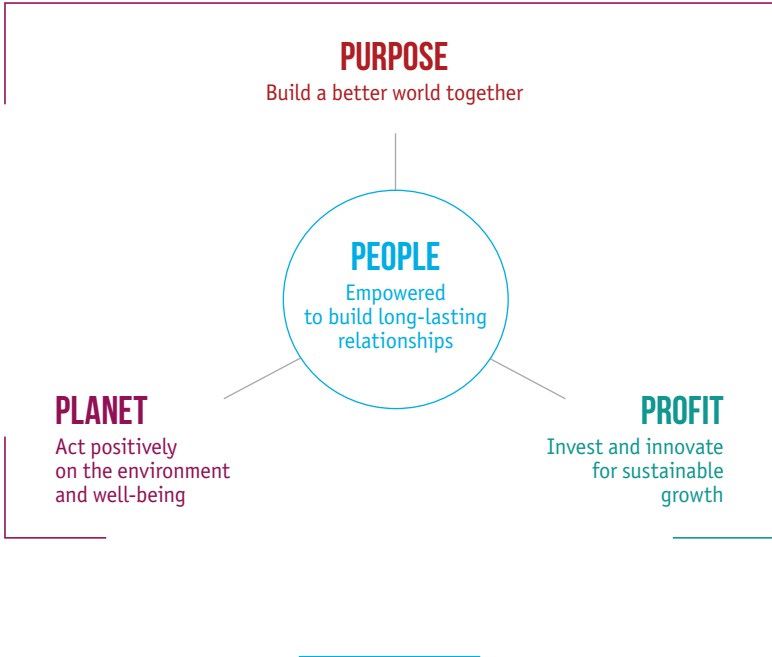
INTERVIEW—MICHEL GIANNUZZI



“A great company is about great people—entrepreneurial and agile teams focusing on customer needs and profitable growth.”

TARKETT’S CUSTOMER FOCUS, EXECUTION OF A CLEAR VISION, AND COMMITMENT TO PEOPLE AND THE ENVIRONMENT CONTINUE TO ENSURE THE LONG-TERM SUCCESS OF THE GROUP. CEO MICHEL GIANNUZZI DISCUSSES THE GROUP’S STRENGTHS, MILESTONES, AND CHALLENGES.

OUR 4P STRATEGY
TO ADDRESS ENVIRONMENTAL AND SOCIETAL CHALLENGES



What were the highlights in 2016?
Michel Giannuzzi: Our broad product offering contributed to record sales of 2.739 billion euros in 2016. Our adjusted EBITDA also reached a high of 334 million euros. A strong, balanced geographic footprint allowed us to overcome macroeconomic shifts, such as the challenges faced in Eastern Europe in recent years, which were offset by solid organic growth in other regions. Another highlight of the year was the level of commitment and engagement we saw through our global employee survey—participation reached a record 89%.

What achievements did you make in sales and operations?
M. G.: In 2016, we continued to improve sales tools to better manage the customer relationship, with a state-of-the-art CRM system deployed first in Europe. We also continued to develop World Class Manufacturing improvements in safety, quality, operational excellence, and customer service. Our efforts resulted in cost reduc-

tions of 2.3% in 2016, overreaching our annual goal of 2%. We also achieved towards the end of year in almost all our regions our supply-chain excellence goal of 95% on-time in-full delivery. Safety is our top priority, and we continue to make 35% year-on-year improvements. In 2016, Tarkett moved toward its zero-accident goal with a lost time accident frequency of 1.17 accident per million hours worked.

Creating value through acquisitions is a key strategic pillar. What happened in 2016?
M. G.: Acquisitions drive growth in our business model, with 21 of them in the last 10 years. The goal of each is to create value for customers, employees, and shareholders. An acquisition requires a good strategic and financial fit, along with the right people and values. In 2016, we did not identify any opportunity that fits all our criteria, so we made no acquisitions. We then focused on organic growth and continued strengthening the organization following the integra-

tion of Desso’s carpet and artificial turf businesses, which performed extremely well.

What vision drives Tarkett forward?
M. G.: Our vision is to be the global leader in innovative solutions that generate value for our customers in a sustainable way. We moved from selling a product to providing a solution. Now, we strive to go further by offering a broad, complete customer experience, being the easiest and nicest flooring company to interact with. ●●●

“Compared to 2013, the Group benefits from an even more balanced geographical footprint, offering both resilience and opportunities.”

“Tarkett has been in business for 130 years. So we are always thinking long term.”

••• And everything we do is based on a strong commitment to design, innovation, and sustainability at social, environmental, and business levels.

How was 2016 a milestone year in the execution of this vision?

M. G.: Driven by our vision, we accelerated how we innovate to improve the customer experience with our

Customer Experience program (CX2.0). We set up training and pilot teams, combining Design Thinking with best practices in fast, agile innovation with one goal in mind: to serve customers better with more relevant solutions and services thanks to the inputs of the digital world we live in. One of the key challenges today in innovation is going beyond R&D to innovate in other areas such as customer relationship, customer digital experience, and new business models.



21

acquisitions
in the last
10 years

heart of our sustainability strategy, fostering innovation. As a result, we are breaking ground with extremely low Volatile Organic Compounds (VOC) emission products, non-phthalate plasticizer technology, recycling services, and by supporting a responsible use of PVC.

What led you as an individual, and Tarkett as a group, to be such a driving force in sustainability?

M. G.: My personal epiphany came when I read a report from the World Business Council for Sustainable Development predicting the major consequences of a planet with 9 billion people in 2050 and a boom in the middle class. These megatrends will put a phenomenal pressure on resources and climate change. Business models need to transition to be more frugal and respectful of the environment. It is my responsibility and my duty as a leader to act on these concerns, for the future generations.

What challenges do you foresee in leadership?

M. G.: The world is facing a new era of environmental challenges, disruptive

As a global Group, how do you meet local customer needs?

M. G.: We focus on getting to know our customers better locally and serve them with local design and a regional industrial footprint. At the same time, we are a global group, with sales in more than 100 countries. We leverage size to benefit the entire Group in terms of purchasing, innovation, and World Class Manufacturing best practices. Balancing global while remaining local is a long-term strategy for Tarkett and key to our customer-centric approach.

How does this customer focus tie in with design, innovation, and sustainability?

M. G.: Throughout their lives—from nursery to aged-care facility, at home, at work, at school—people walk, play, and live on our floors. So our starting point is human-centric: we take care of people to provide better, friendlier, and healthier living spaces. This starts with product design. We begin by looking at the positive impact on people and on the environment as a whole. Circular eco-design is at the



“By transitioning to a new business model based on a circular economy powered by the Cradle to Cradle® principles, Tarkett is making its humble contribution to a better world.”

STRATEGY

- Deliver outstanding customer experience
- Lead in design, innovation and sustainability
- Excel in sales and operations
- Create additional value with acquisitions

OBJECTIVE

- Continue to grow faster and be more profitable than our competitors

VISION

- Be the global leader in innovative solutions that generate value for customers in a sustainable way

VALUES

- Positive customer attitude
- Team spirit
- Respect and integrity
- Empowerment and accountability
- Commitment to the environment

“Boosting our customers’ experience means that all stakeholders not only feel good in interacting with Tarkett, but also live well on our floors.”



2020 target:

3.5

billion euros net sales
including acquisitions

technology, and macroeconomic uncertainties. Business models are changing. In such a context, it is important to focus on what is essential and long-lasting: our DNA is embedded in our values and our vision. We encourage an entrepreneurial spirit, empowering people to make decisions, and as a counterpart, holding them accountable. As a leader, my goal is to ensure that Tarkett continues to work toward its long-term vision and hone its values. This is reassuring for our customers and our employees, like a lighthouse in a storm.

What do you see in the future of Tarkett?

M. G.: Although Tarkett has introduced breakthrough innovations, such as digital printing for customized design or connected flooring solutions, the biggest challenge will come from cus-

tomers experience. We strive to take the lead by reinventing the customer experience in our industry, so that it becomes easier and nicer to work with Tarkett. We will also continue to lead on the environmental front, with a strong focus on the circular economy model and hoping to convince others to move in the same direction.

KEY POINTS

- 2016 held growth and profitable growth for Tarkett.
- Tarkett is reinventing the customer experience.
- Tarkett is leading the industry towards a circular economy.

TARKETT IN NUMBERS

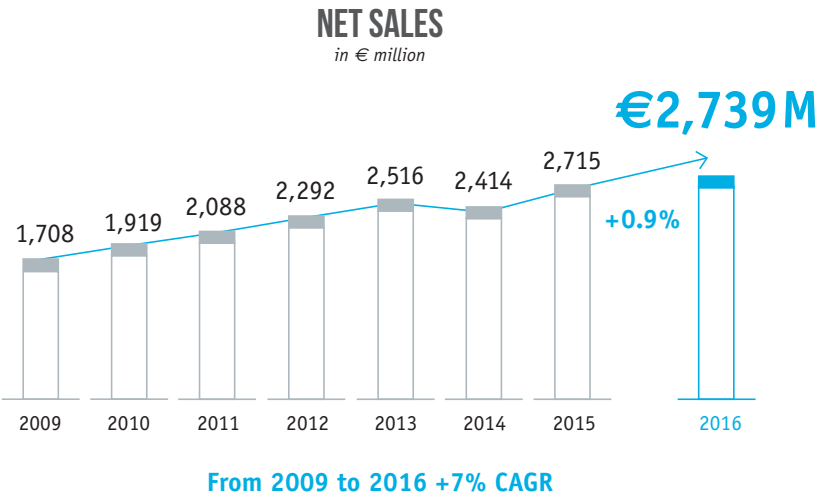


Tarkett has fully benefited from its balanced business model and achieved a year of profitable growth.

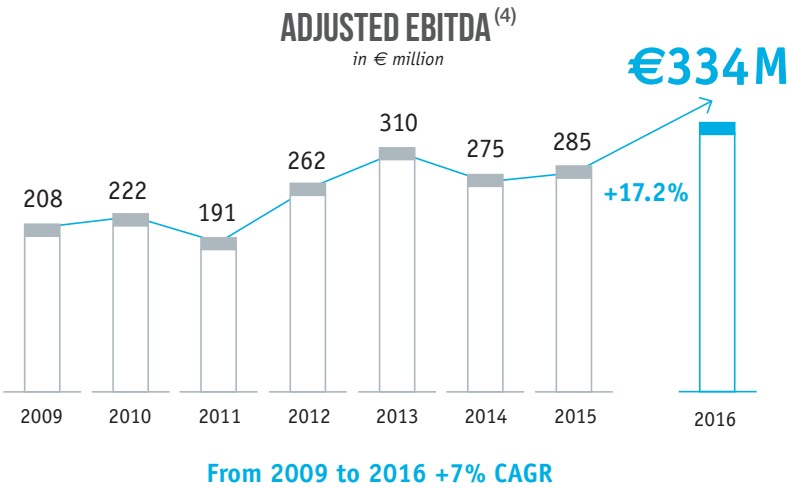
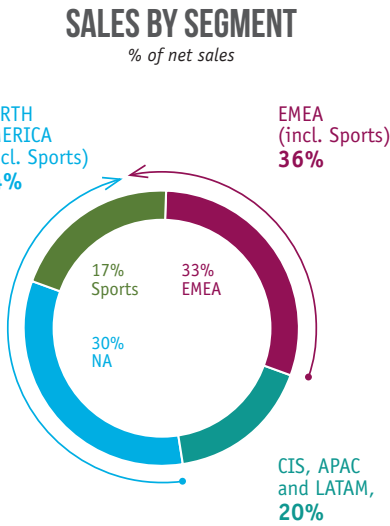
Raphaël Bauer,
Chief Financial Officer

The year was marked by high productivity performance in all divisions. Increased sales and additional profitability resulted in strong cash flow generation and low debt. The result is a powerful platform to make further acquisitions in order to combine organic and external growth.

2016 WAS A RECORD YEAR FOR BOTH SALES AND EBITDA, WITH ALL DIVISIONS AND ALL GEOGRAPHIES CONTRIBUTING TO IMPROVED PROFITABILITY.

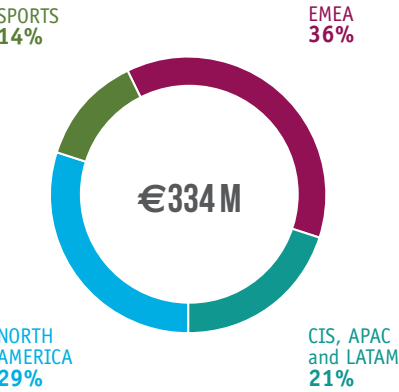


Net sales showed organic growth of 1.7%⁽¹⁾. North America and Sports made a strong contribution. CIS countries continued to experience headwinds due to macroeconomic factors. Some countries in EMEA experienced fast growth. From 2009 to 2016, Tarkett experienced +7% Compound Annual Growth Rate (CAGR).



Adjusted EBITDA reached a record high, with a more balanced contribution than in previous years. All Tarkett divisions contributed to improved performance through increased productivity. Additional volumes and tight management of selling prices resulted in operating leverage, which was also boosted by an erosion in raw material prices. From 2009 to 2016, Tarkett experienced +7% Compound Annual Growth Rate (CAGR).

ADJUSTED EBITDA BY SEGMENT
breakdown by segment



NET CASH FLOW FROM OPERATIONS⁽²⁾

€206 M
+7% vs 2015

NET PROFIT⁽³⁾

€119M
+42% vs 2015

NET DEBT/ADJUSTED EBITDA

1.1X
1.7X in 2015

(1) Organic growth: At constant scope of consolidation and exchange rates (Note: in the CIS, price increases implemented in order to offset currency fluctuations are not included in organic growth. As a result, organic growth reflects only the effects of volumes and product mix. Including price increases in the CIS, organic growth would total +2.9%).
(2) Net cash flow from operations defined as cash generated from operations less on-going capital expenditures.
(3) Net profit attributable to owners of the Company, unadjusted.
(4) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.

2016 KEY EVENTS

REINVENTING THE CUSTOMER EXPERIENCE

Teams and tools are in place bettering the customer journey.



NEW SHOWROOM IN ROMANIA

In January, Tarkett opened a new showroom in the Romanian market. Bucharest now has 330 square meters showcasing wood, vinyl, laminate, linoleum and textile, alongside wall protection and wetroom concepts.

BRANCHING OUT IN MOROCCO

Tarkett opened an office in Casablanca, Morocco, the country that represents the largest market in the region. This branch will strengthen Tarkett's presence across Morocco, Tunisia, and Algeria.

NEW DIGITAL PLATFORM

"The new website we launched in the United Kingdom and in France sets the foundation for a seamless digital experience offering immediate access to relevant information."

GILLES LEBRET,
VP Customer Operations and Group CIO



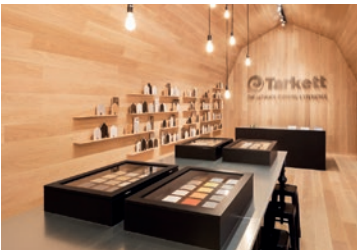
INSPIRING PROFESSIONALS WITH LVT

The "Floor is the New Playground" concept sets out to inspire architects and designers to explore and play with luxury vinyl tiles (LVT). Thanks to an online platform in EMEA, flooring designs and recipes, and an inspiration book of emerging trends, professionals can get the creative juices flowing.



CUSTOMERS FIRST THROUGHOUT TARKETT

In Customer-Centric Innovation @Tarkett, the customer is the starting point for innovation, which makes resulting solutions relevant to them. For this idea to permeate all of Tarkett, a step-by-step program inspired by Design Thinking has started by training a few teams, who in turn are training others, spreading the customer-centric mindset to all Tarkett employees.



THE ULTIMATE WOOD EXPERIENCE IN SWEDEN

At Stockholm's popular Furniture and Light Fair, a barn made out of Vintage Oak Montpellier flooring paid tribute to Tarkett's long history and expertise in wood flooring.



OPENING THE WAY

Cutting-edge digital printing technology used in LVT solutions such as Collections Infinies™ is challenging the status quo in flooring. Mass customization and co-creation are becoming a reality.

NEW VINYL PRODUCTION IN CHINA

A new homogeneous vinyl line opened up in the Beijing factory. Tarkett is the reference for vinyl flooring in China. Professionals associate the brand with high technical performance and design. This new production line enables Tarkett to improve lead times, supplying customers faster, and reducing warehouse inventory.

TAKING GOLD AT NEOCON

Among a record-breaking number of entries, Tarkett stood out at this year's NeoCon Trade Show in North America. Four prestigious Best of NeoCon awards, two Metropolis Likes, one HiP Winner, and four HiP Honoree awards recognize the Group's innovative products and design.



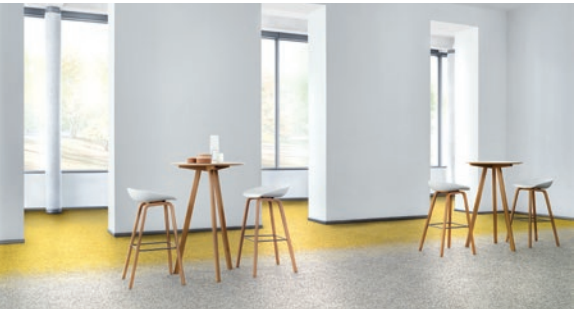
TARKETT CARES IN ACTION

Tarkett's community and charity program is mobilizing teams worldwide to help people live better. Initiatives involve volunteers, who donate time and talent to local communities, and financial or material support for local projects aligned with Tarkett's values.



RED DOT WINNERS

The Red Dot Award: Product Design was given to two Desso Transitions carpet tiles: Fuse and Fuse Create. These tiles merge different shades creating new color combinations to link two products, all with the look and feel of hand-woven textile.



TARKETT IN THE WORLD

NORTH
AMERICA

SPORTS

EMEA

CIS

ASIA
PACIFIC

LATIN
AMERICA

EMEA

No.1
in vinyl

4,400
employees

13
production
sites



Fabrice Barthélemy,
President Tarkett
EMEA

"In a highly fragmented market, we leveraged our leading position across the territory to drive growth, especially in the luxury vinyl tile category."



Tarkett offers creative LVT for Stores & Shops.

- Tarkett experienced solid sales growth in carpet, continuing the integration of Desso.
- The broad product and service offering strengthened the stores & shops sales teams.
- A new production unit for luxury vinyl tiles opened in Poland to support further growth in this category.
- The division continued to grow its wood business, particularly in Nordic countries, despite raw material challenges.

NORTH AMERICA

No.1
rubber and
accessories

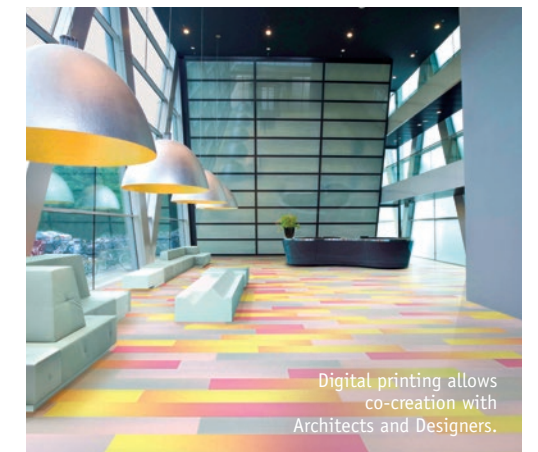
3,100
employees

8
production
sites



Glen Morrison,
President Tarkett
North America

"We've accelerated our growth and profitability in North America by combining innovation, outstanding customer experience and operational excellence, deployed by passionate, energized people."



Digital printing allows co-creation with Architects and Designers.

- The division is firmly positioning Tarkett as an innovation leader, garnering a total of 11 design awards at NeoCon.
- World Class Manufacturing deployment is delivering a competitive advantage and enhanced profitability.
- Digital printing technology is positioning Tarkett as an innovative leader in luxury vinyl tile.

CIS



No.1
in vinyl

3,300
employees

4
production
sites



Slavoljub Martinovic,
President Tarkett
Eastern Europe

"Despite a challenging economic situation in CIS countries, Tarkett teams managed to maintain its leadership, optimizing cost structure and increasing productivity."



The Home segment is one of the key levers in Russia.

- Tarkett is well positioned to take advantage of the Russian refurbishment market for 2 bn square meters of flooring, which is mainly concentrated on home owners.
- With a differentiated, multi-brand strategy, Tarkett has a strong presence in all distribution channels.
- The division implemented Tarkett Points, a voluntary program with a special bonus system, enabling Tarkett to maintain a strong presence in independent retail.
- Tarkett will invest in a new parquet production line in Mytishchi (Russia), and continues the development of local wood production capacities and local raw material sourcing.

LATIN AMERICA



No.1
in vinyl
in Brazil

260
employees

1
production
site in Brazil



Walter Gonçalves,
Vice President
Latin America

"Tarkett keeps showing high resilience and growth, consolidating a leadership position in vinyl products for the health and education segments."



Modular flooring has seen a strong growth in Latin America in 2016.

- Brazil saw growth in the luxury vinyl tile market thanks to a strong local manufacturing presence.
- The new Tarkett Link B2B e-commerce platform is improving the customer journey, making it easier to do business with Tarkett.
- Cross-selling of the Desso, Tandus Centiva, and Tarkett brands is boosting sales in the healthcare, hospitality, stores & shops, and workplace sectors.

ASIA PACIFIC



420
employees

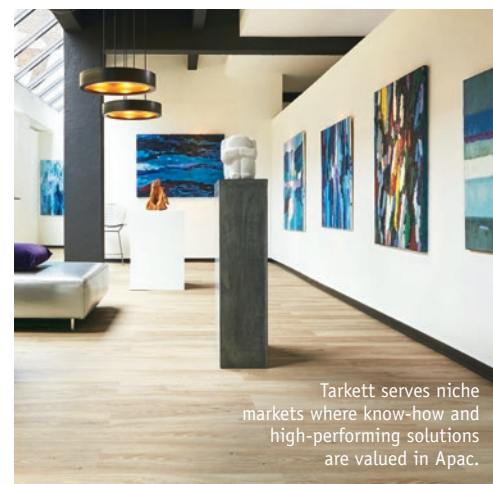
2
production
sites

8
distribution
centers and
warehouses



Benoît Miquel,
Vice President APAC
and Middle East

"In 2016, Tarkett strengthened its position as a quality player in Asian countries, setting the basis for future development. In Asia, primary needs such as healthcare and aged care are still developing, and this is Tarkett's DNA."



Tarkett serves niche markets where know-how and high-performing solutions are valued in Apac.

- The Beijing factory expanded its vinyl capacity, boosting the company's presence on the Chinese market.
- The division extended its carpet-tile design offer in its Suzhou factory.
- In Australia, Tarkett continues to develop in the hospitality segment with carpet and vinyl tiles, and introduced a new luxury vinyl tile offer.

SPORTS



No.1
in artificial
turf for
sports fields
worldwide

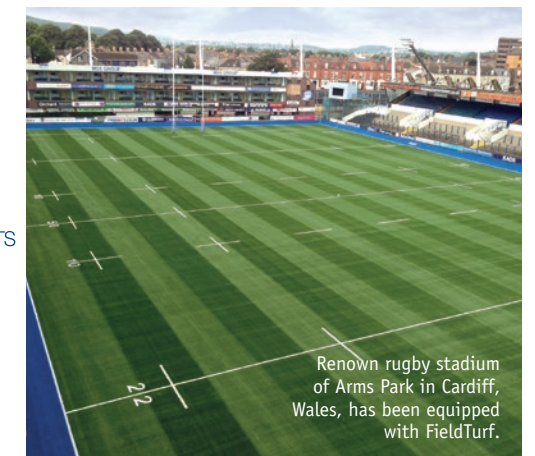
No.1
in tracks in
North America

1,000
employees



Eric Dalieri,
President
Tarkett Sports

"We are delivering a differentiated experience for our users with high-performance turf, track and indoor solutions, driving growth and incremental margins with innovation and improving cost structure."



Renown rugby stadium of Arms Park in Cardiff, Wales, has been equipped with FieldTurf.

- The replacement cycle of previously installed pitches is driving growth in the core sports surface markets.
- Tarkett continues to extend its leadership in hybrid turf, anticipating accelerated growth.
- A strong innovation pipeline successfully commercialized solutions such as CoolPlay artificial turf and Rise-N-Run banked hydraulic tracks.
- The division continues its international expansion by leveraging strong turf and track brands.

CUSTOMER EXPERIENCE

THE CUSTOMER EXPERIENCE 2.0 PROGRAM FOCUSES ON MAKING TARKETT THE EASIEST AND NICEST COMPANY TO INTERACT WITH IN THE FLOORING INDUSTRY.

REAL VALUE FOR CUSTOMERS

In the same way that Tarkett has been developing value-added flooring solutions for end users, the Customer Experience 2.0 program focuses on bringing simplicity to our business partners such as architects and designers, installers, contractors, and distributors and helps them grow their business.

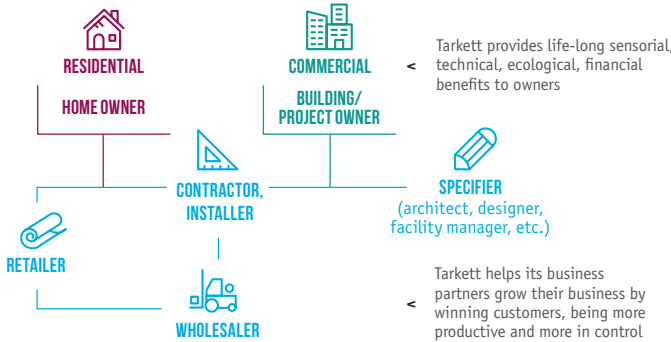
CHANGE WHERE IT COUNTS

Tarkett ramped up its efforts to understand its partners and what would truly make their business life easier and more successful. From there, CX2.0 teams came up with concrete actions—some simple, others more complex, but all critical to their customers. These changes impact their daily life online and offline, such as the way for a designer to convince his or her end customer to select a product, tracking an order or organizing deliveries for complex projects for installers or a claim for retailers.

MORE SERVICES, MORE VALUE

In addition to process simplification, Tarkett also developed innovative services, such as Designer On Demand. This online service provides designers with the custom 3D visualization that they need for a project but have no time to prepare.

BRINGING VALUE TO ALL STAKEHOLDERS



A NEW MINDSET

Small cross-functional teams work to understand customer issues. The Customer Centric Innovation@Tarkett methodology combines Design Thinking, Innovation and Agile methodologies, identifying outcomes, ideating, testing prototypes, and quickly launching pilots like a start-up would. Tarkett involves customers in this process from start to finish.

SUPPORTING DIGITAL PLATFORMS

CX2.0 benefits from significant IT investment. Most tangible to customers is a new customer centric digital platform being rolled-out globally. It aims to provide online, personalized services as well as immediate access to relevant information, with smooth and seamless navigation whether for designers searching a specific design, project managers looking for lead time, or contractors checking technical characteristics. New tools are being set up for personalized omni-channel interactions, along with CRM, back-office and data management solutions.



"Tarkett worked closely with its broad range of partners to identify specific areas to improve the customer journey and overall experience."

Gilles Lebre, VP Customer Operations and Group CIO



KEY POINTS

- Tarkett combines a Design Thinking approach with Agile methodology to launch, test, and improve quickly.
- From online portals to customer service, Tarkett is implementing services and tools to meet specific customer experience needs.

OPERATIONAL AND SALES EXCELLENCE

TARKETT'S WORLDWIDE REACH WITH LOCAL PRESENCE IS KEY TO EXCELLING IN SALES AND OPERATIONS.



Being global creates synergies in research, innovation, and best-in-class industrial processes. Having a strong local presence allows Tarkett to optimize design, logistics, and customer relationships on each market.

WORLD CLASS MANUFACTURING

Tarkett has been deploying World Class Manufacturing (WCM) since 2009, identifying and sharing best practices, ideas, and internal benchmarks. Local and central teams continue to improve safety, work environment, customer service, quality, and competitiveness. With 84% of the 34 manufacturing sites now using WCM, Tarkett is achieving a minimum product cost savings per annum of 2% of sales without compromising quality and service. Tarkett also reached an all-time low number of lost-time accidents (LTA), working toward its zero-accident objective in industrial sites. Since 2010, the number of LTA per million hours in plants dropped by 69% to 1.34.

BEST PRACTICES

Sharing best practices contributes to creating a culture of continuous learning, as exemplified by the numerous forums held in 2016. In Europe, WCM events provided opportunities for people from plants across the continent to meet and discuss best practices, while in North America, safety blitzes gathered Environment, Health, and Safety teams.

BOOSTING CUSTOMER SATISFACTION

In 2016, the Group deployed a new state-of-the-art Customer Relations Management system and a sales force excellence program. Supply chain efficiency is another area of continuous improvement. In 2016, on-time in-full delivery (OTIF) reached 95%, which is close to the best-in-class for the industry. Tarkett is also improving real-time order-delivery information for customers with a harmonized delivery block, email automation, easier order book views, and online pre-order confirmation.



"We are particularly proud of 2016 performance of the plants in regards to safety and cost savings."

Antoine Prevost, Executive Vice President Operations

"Our WCM objective is to continuously improve industrial performance by developing people's skills and know-how. Our ambition remains to leverage WCM and people skills to become the reference in the industry in terms of safety and customer service."



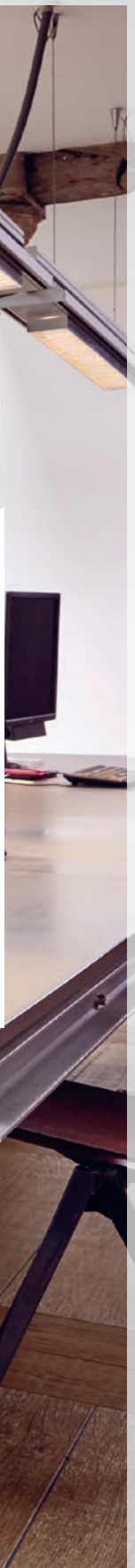
KEY POINTS

- Operational excellence comes from setting worldwide standards in safety, customer service, quality and cost.
- Improved customer relations, sales force development, and supply chain efficiency all contribute to customer satisfaction.



OPENING POSSIBILITIES

In every segment, Tarkett is leading the way with unique solutions in design, innovation and sustainability that transcend current trends, opening our customers' eyes to what's possible.





EDUCATION

FROM NURSERIES AND SCHOOLS TO UNIVERSITIES, TARKETT HAS EXPERT KNOWLEDGE OF THE EDUCATIONAL SPACE AND OFFERS A WIDE RANGE OF FULL SOLUTIONS FOR A HEALTHY, OPTIMAL LEARNING ENVIRONMENT.

TURKEY, Istanbul,
Birikim Hayat school—
heterogeneous vinyl.

*Quiet, comfortable
and visually
appealing floors
can help students
and staff focus.*

TRENDS

Educational institutions seek to create spaces that inspire learning, are safe and healthy, and are cost effective in a context of increasing diversity of activities and connectivity.

TARKETT SOLUTIONS

Tarkett knows that quiet flooring in the right color can positively impact learning. Similarly, indoor air quality and well-being are key for both students and teachers—it is achieved with the low VOC⁽¹⁾ emissions below regulation and non-phthalate plasticizer⁽²⁾ technology flooring offered in Tarkett's iQ, Tapiflex, Acczent, iD Inspiration, and Safetred ranges. The iQ technology and restorative performance offers best-in-class durability and can reduce maintenance costs by up to 30%.

SOME REFERENCES

- REUNION ISLAND, Saint-Denis de la Réunion, *North High School* – 10,000 sqm of homogeneous vinyl
- USA, West Lunn, Oregon, *Trillium Creek Primary School* – carpet
- BELGIUM, Antwerp, *Karel De Grote College*, 8,000 sqm of vinyl and carpet
- NETHERLANDS, Rotterdam, *Melanchton School* – 2,000 sqm of vinyl

THE FUTURE

Renovation and modernization of the educational system will be priorities in the future, as schools adapt to mobile devices, movable furniture, team-teaching styles, and more collaborative project work. More and more, schools need a full range of flooring, wall, and accessory solu-

tions—from design concept and product selection through order, delivery, installation, cleaning, maintenance and takeback for all types of spaces, from classrooms and hallways to labs and gymnasiums.

- (1) Volatile Organic Compounds.
(2) Except recycled content.

KEY POINTS

- Tarkett provides the right range of colors, sound absorption and air quality for school.
- The Group's resistant solutions can significantly reduce maintenance costs.



DESIGN

Tarkett led a study on children's perception of color and space, which confirmed the impact of colors on creativity and concentration. This led to the development of four color emotion groups—Basic and Natural, Fresh and Optimistic, Cool and Calming, and Warm and Inviting. In educational environments, the right floor materials and colors can influence a room's mood and radiance.

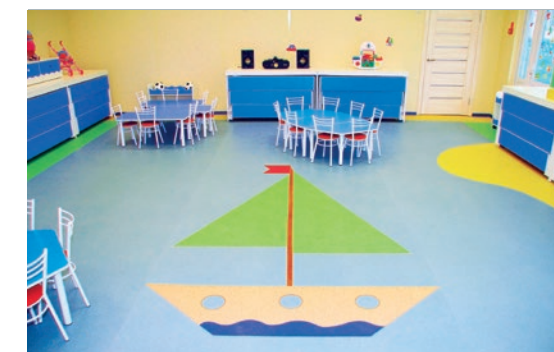


USA, Huntsville, Alabama,
Hereford Elementary
School—carpet.



SUSTAINABILITY

Tarkett recently partnered with Coppin State University (CSU) for recovery, recycling, and reuse of campus carpet. Overall in North America since 2010, over 116,000 metric tons of carpet, LVT and waste have been reclaimed and recycled to date—that's the equivalent of 7,700 tractor trailer trucks.



RUSSIA,
Crimea region,
kindergarten.



SUSTAINABILITY

Tarkett has vinyl flooring solutions with Volatile Organic Compound (VOC) emissions that are at least 10 times lower than the strictest standards in Europe, and its laminate and vinyl sheet are certified asthma and allergy friendly in North America.

On average
floors are
renovated every
7
years

TRENDS

Today, people want their homes to stand out. They want a different solution for every room in the house. One that is theirs alone. And one that is easy to change—because people want to renovate more often. In a quest for greater comfort and well-being, people are seeking authenticity through products that are natural, simple and bring warmth and a friendly atmosphere.

TARKETT SOLUTIONS

Whether it is luxury vinyl tiles (LVT) with exclusive colors and patterns, cushion vinyl with a wide range of designs, the authenticity of wood or Tarkett's new product, Easium—an innovative construction assembling the best of vinyl and laminate flooring while being easy

to install—Tarkett offers products for every room in the house, dry and wet in all kinds of colors, patterns and formats to answer everyone's needs and taste. Tarkett's wide range of flooring turns houses into homes.

THE FUTURE

While connectivity is now part of our social life, the countermovement for disconnection in our personal lives is a growing trend that will probably influence architects and interior designers in the coming years. People are looking for more authenticity: homeowners look for more natural materials like wood, along with abstract designs made possible with innovative vinyl. In parallel they want products that will make their life easier: really easy to install while being more and more durable.

SOME REFERENCES

- FRENCH POLYNESIA, Papeete, *Renovation of social habitat* – 15,000 sqm of heterogeneous vinyl
- RUSSIA, Moscow, *Renovation of apartment complex* – 7,000 sqm of laminate

KEY POINTS

- **Modularity and ease of installation drive the housing market.**
- **Extremely low VOC emissions and non-phthalate plasticizer⁽¹⁾ technology fit home settings.**

⁽¹⁾ Except recycled content.



DESIGN

Beauty. Durability. Simplicity. Tarkett's Starfloor Click 55 luxury vinyl flooring comes in 28 exclusive designs with a professional fold-down click installation system, commercial—grade wear resistance, and a 20-year warranty.



The new Tarkett Look vinyl collection offers unlimited creativity to home owners.



Tarkett flooring are also appropriate for wet rooms with waterproofed and resistant vinyl products.

HOME

COLORFUL DESIGNS, ACOUSTIC COMFORT, AND EASY INSTALLATION ARE TARKETT TRADEMARKS, MAKING EVERY ROOM IN THE HOUSE AN ENJOYABLE LIVING SPACE.

WORKPLACE

CREATIVE, SUSTAINABLE FLOORING SOLUTIONS FOR THE WORKPLACE CAN ALSO SUPPORT PEOPLE'S EFFICIENCY AND WELL-BEING BY IMPROVING AIR QUALITY, ACOUSTICS, AND OVERALL COMFORT.

USA, Chicago, *Pandora Radio*—2,000 sqm of carpet, Vinyl Composition Tile (VCT) and Wall base.

A healthy, inspiring environment improves staff performance and productivity, reducing absenteeism.

TRENDS

In a connected world, where people work from anywhere, the workplace is changing. Its design is closer to home, more informal and relaxed with modular flooring and combined colors and materials. Physical and emotional well-being are rising priorities, along with the use of healthy and sustainable materials.

TARKETT SOLUTIONS

Tarkett's extensive offering provides many options to create an inspiring workplace. These include heterogeneous and homogeneous vinyl, wood, carpet rolls and tiles, and linoleum, enabling good acoustics, indoor air quality and comfort.

Customization opportunities give the ability to create intuitive spaces using sustainable materials. Design

carpet tiles and modular vinyl solutions, such as iD Inspiration and its 75,000 potential combinations, give flexibility to play with perceptions of space, light, and effects.

SOME REFERENCES

- GUIANA, Kourou, *Renovation of Guiana Space Center* – 6,000 sqm of heterogeneous vinyl
- FRANCE, Paris La Défense, *Allianz Office* – 42,000 sqm of LVT and carpet
- RUSSIA, Moscow, *Offices in the famous Red October chocolate factory* - 1,125 sqm of LVT
- ISRAEL, Tel Aviv, *Cisco Systems headquarters* – 3,500 sqm of carpet
- USA, New York, *United Nations' headquarters* – carpet

THE FUTURE

Health and well-being will be at the heart of dynamic and connected workplaces with forward-thinking designs offering an ecosystem of interconnected zones and settings, where people will have choice and control over where and how they work.

KEY POINTS

- The design of an office impacts the health, well-being and productivity of its occupants.
- Solutions enable better acoustics, and indoor air quality.
- Creative design and customization allow for intuitive spaces and internal branding.



SUSTAINABILITY

Tandus introduced *ethos*® backing, which uses the PVC alternative, PVB, a high-performance polymer recycled from disposed windshields and safety glass. Additionally, *ethos Modular* is the first American modular carpet tile to be Cradle to Cradle® Certified™ Silver.



INNOVATION

Desso's innovative carpets can improve workplace comfort. *AirMaster*® has patented technology to capture and retain fine dust. *Soundmaster*® offers state-of-the art sound insulation. And *Light Reflection Master*® increases room brightness.



Desso *AirMaster*® carpet contributes to a healthier living and working space.



DESIGN

At Desso's Design Center™, tailored carpet tiles can be created in any color and dimension for an entirely custom-made design. Similarly, *Luxury Vinyl Tiles (LVT)* offer a full range of customization options.

People spend

90%

of their time indoors

HEALTHCARE & AGED CARE

TARKETT IS A LEADER IN HELPING CARE FOR PEOPLE THROUGH COMFORTABLE, HYGIENIC HEALING ENVIRONMENTS FOR STAFF AND PATIENTS AT HOSPITALS AND NURSING HOMES.

NETHERLANDS, Leiderdorp,
ActiVite De Ommedijkv
(Nursing home).

One hospital out of two in Europe is equipped with Tarkett flooring.

TRENDS

As populations grow older around the world, healthcare facilities and nursing homes strive to improve patient and resident experiences in controlled environments where air cleanliness, infection control, electrostatic discharge evacuation, and cost control are all essential.

TARKETT SOLUTIONS

Tarkett is the worldwide leader in healthcare flooring and constantly works with experts to fully understand the specific needs of the sector. It offers full solutions, from clean rooms to patient rooms, corridors, and wet rooms. Flooring and walls with impervious surfaces and minimal watertight joints are cost-effective from installation to upkeep, which is compatible with cleaning chemicals and frequent disinfection procedures.

In addition to ergonomic environments conducive to healing, Tarkett solutions offer top indoor air quality and hygiene, and provide walking, rolling and acoustic comfort. The Multisafe and Safetred vinyl ranges have exceptional, durable slip-resistance properties. Tactile flooring and contrasting colors are available for orientation and accessibility. Tarkett has also innovated with FloorInMotion™, a connected solution that allows retirement homes to monitor falls and night movements.

SOME REFERENCES

- TURKEY, *Yozgat hospital* – 100,000 sqm homogeneous vinyl
- SOUTH AFRICA, Cape Town, *Military hospital* – 14,000 sqm of homogeneous vinyl
- NEW CALEDONIA, *Koné hospital* – 10,000 sqm of homogeneous vinyl

THE FUTURE

Hospitals and aged care facilities will seek to harness technological advances to increase efficiency and patient satisfaction.

KEY POINTS

- The right flooring and wall protection means energy, water, maintenance and labor cost savings.
- Tarkett continues to push standards forward for higher performance and more comfort.



DESIGN

Colors, light, and contrasts contribute to the well-being and safety for Alzheimer's patients. Tarkett has conducted an extensive study among medical doctors and Alzheimer specialists to understand how flooring influences patient behavior and mood in medical facilities.



FRANCE, St Laurent Blangy,
EPHAD Soleil d'Automne.



INNOVATION

iQ One is a new generation of homogeneous non-PVC flooring that contains no plasticizers. Like all iQ products, it's an ideal choice for high traffic areas that require resilient flooring and simplified cleaning and maintenance while being environmentally responsible. This gives iQ One a low life cycle cost and a quicker return on investment.



NETHERLANDS,
Haren, UMCG Beatrixoord.

*Good design can create
a lasting impression on
how people experience
a space.*

People need only

1/10

of a second to get
their first impression
of a store

TRENDS

In the highly competitive retail world, interactive, experiential spaces are essential to attracting and keeping customers. Stores need to provide a unique experience that supports brand identity, improves the customer journey, and generates value. These solutions must withstand high traffic and be easy and quick to install.

TARKETT SOLUTIONS

Floors can create instantly recognizable brand identity using Tarkett's modular flooring options and custom solutions. Retail store designers can play with a wide range of materials such as vinyl, wood, laminate, linoleum and carpet. Thanks to its modular vinyl and carpet offer, Tarkett also provides custom design options.

There can be solutions dedicated to each step in the customer's itinerary, all with sound absorption and surface treatments to withstand wear and tear.

From product selection to installation and maintenance, Tarkett has a global support network of dedicated professionals there to assist every step of the way. This includes inspiration books for designers and step-by-step installer guides.

THE FUTURE

As stores offer interactive and personalized experiences, promotion of transparency and sustainable solutions will contribute to brand identity.

SOME REFERENCES

- UK, London, *Marks & Spencer Oxford Street* – vinyl
- RUSSIA, different cities, *Leroy Merlin shops* – 5,150 sqm of homogeneous vinyl
- USA, Denver, CO, *NFL Denver Broncos store* – custom rubber tiles
- USA, nationally *Academy SPORTS + OUTDOORS* – 4,200 sqm of vinyl composition tile (VCT) and 1,400 sqm of Powerbond carpet + accessories

KEY POINTS

- **Custom flooring boosts brand identity and shapes the customer experience.**
- **Easy installation and removal leave more time for business.**



DESIGN

Luxury vinyl tiles (LVT) are a perfect medium for playing with formats and colors. "Floor is the New Playground" is a new user-friendly site providing professionals with a gallery of photos for inspiration along with access to many flooring designs to play with formats, colors, and combinations.



From edgy boutiques to large chains, Tarkett supplies a wide range of textures, shapes, and colours to enhance the customer experience.



Tarkett renovated legendary American motorcycle "Harley-Davidson" showroom in Moscow with design features supporting the spirit and mood of the brand.

Tarkett co-created one of the Infinies designs with Georgianna “Georgie” Stout—founding partner and creative director of 2x4 design firm.

HOSPITALITY, TRAVEL & LEISURE

TARKETT HELPS HOTELS, RESTAURANTS AND CULTURAL ESTABLISHMENTS CREATE EXCLUSIVE EXPERIENCES TO BUILD BRAND LOYALTY AND GROW THEIR CUSTOMER BASE.

Desso collaborated with leading Dutch design artist Hella Jongerius for KLM’s flagship “World Business Class” cabin.

MARINE, AVIATION, TRANSPORT & INDUSTRY

TARKETT IS A MAJOR PLAYER IN FLOORING SOLUTIONS FOR THE AVIATION, MARINE, AUTOMOTIVE, BUS & COACH, AND TRAIN INDUSTRIES.

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DESIGN

Launched in 2016, Collections Infinies™ is a digitally printed luxury vinyl tile (LVT) featuring designs from five internationally renowned artists and a co-creation tool enabling architects and designers to personalize designs.

TRENDS

In a world of online reviews and extreme levels of competition, hotels and restaurants need to stand out, whatever their size or clientele.

TARKETT SOLUTIONS

Floors play a key role in building a unique, immersive experience. Acoustic vinyl, wood, laminate, and carpet can create singular spaces and also reduce noise for more comfort. Tarkett offers a one-stop shop, from eco to high end hotels, with various flooring options—wood, carpet, vinyl or laminate solutions, along with customization options to fully create your own design.

THE FUTURE

The hotel becomes a destination that the client wants to already feel and book from home. Some hotels are going further, offering unexpected experiences, with a remarkable personality signed by a designer/architect. Exclusive interior design concepts and customization services will definitely contribute to provide a memorable experience for the customers.

Modular and custom-design solutions help create memorable spaces.

SOME REFERENCES

- SPAIN, Barcelona, *Hotel Catalonia Ainyó (PLAZA)* – 2,000 sqm of LVT
- RUSSIA, St. Petersburg, *Hermitage museum* – 5,200 sqm of homogeneous vinyl
- CANADA, Alberta, *Edmonton International Airport* – Powerbond carpet

KEY POINTS

- Flooring can help create immersive experiences that guests will remember.
- Architects and designers can fully personalize designs for unique results.



INNOVATION

Luminous flooring integrates Philips LED technology to greet, impress, and inform people in new ways.

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INNOVATION

Tarkett is broadening its marine portfolio with additional International Maritime Organization-certified materials in the carpet, vinyl and linoleum categories.

TRENDS

Airlines need light-weight products that are durable with full design options. The marine industry is looking for global services offering high quality products, design flexibility and technical support.

TARKETT SOLUTIONS

Tarkett offers many solutions with unified design respecting the strict requirements of the marine industry: from cruise ships to ferries and the off-shore industry. This approach applies as well for the aviation, bus & coach and train industries. Dedicated teams support projects from beginning to end, committed to delivering carpets, vinyl floors and linoleum that meet the highest standards in quality and durability.

SOME REFERENCES

- Ocean cruise ship *Koningsdam* for Holland American Line – carpet



DESIGN

Tarkett offers an annual trend book and conceptual forecast for both the marine and aviation industries.

KEY POINTS

- Tarkett’s multiple solutions meet the most challenging technical specifications.
- Dedicated and expert teams offer added services for key customers.



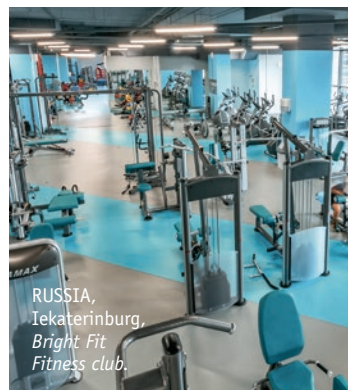
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SPORTS & WELLNESS

TARKETT STRIVES TO CONTRIBUTE TO PERFORMANCE AND SAFETY IN SPORTS AND LEISURE, INDOORS AND OUT.

USA, Massachusetts, Gillette Stadium (home of the New England Patriots, 2017 NFL Champion)—FieldTurf.

Tarkett has over 25 years of experience in artificial turf.



RUSSIA, Iekaterinburg, Bright Fit Fitness club.

TRENDS

Athletes want to perform to their full potential in safe facilities, and stadiums want to give a unique experience as they expand and renovate. Omnisports installations are becoming more common, and people in general more aware of their wellness.

TARKETT SOLUTIONS

Tarkett offers the most advanced artificial turf systems with FieldTurf, and has unmatched references for GrassMaster® and Playmaster hybrid turf. In addition to exceptional longevity and performance for running tracks with Beynon. Tarkett adds several types of sports hall flooring designed to enhance performance, absorb shocks, and prevent injuries. Tarkett is the first manufacturer to offer GreenLay semi-loose

lay installation for omnisport gymnasium installations, which can lower refurbishment costs.

SOME REFERENCES

- FRANCE, Paris, *Stade de France* – GrassMaster®
- UK, London, *Twickenham stadium* – GrassMaster®
- ITALY, Milano, *AC Milan and Inter Milan San Siro Stadium* – GrassMaster® for pitch and FieldTurf for stadium surroundings
- RUSSIA, Sochi, *Olympic game facilities (Athletes' village and some operational areas)* – 10,160 sqm of homogeneous vinyl
- USA, New Jersey, *Rider University student recreation center* – Omnisports vinyl sports surface solution
- USA, Oregon, *Oregon University Hayward field* - tracks

- BRAZIL, *Olympic games facilities* (Media and press centers, the Athlete's village and some operational areas) - vinyl

THE FUTURE

This competitive market is driven by renovations and replacements and is seeing increased adoption of hybrid turf and alternative infills.

KEY POINTS

- Tarkett focuses on improving performance for indoor and outdoor sports.
- Tarkett Sports has a strong innovation pipeline.



SUSTAINABILITY

Aware of environmental preservation, turf solutions require no pesticides, nor water, and benefit from Tarkett's recycling program.



DESIGN

Tarkett customization solutions allow indoor and outdoor branding on sports hall flooring and artificial turf, boosting team visual identity.



USA, Greenwich, Connecticut, Whitby School.

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INNOVATION

Tarkett places a priority on innovation:

- CoolPlay offers a composite infill based on natural materials that reduces surface temperatures.
- Rise-N-Run upgrades existing technology in indoor banked hydraulic tracks to boost safety.
- GrassMaster® is a 100% natural grass surface reinforced by 20 million artificial fibers for more stability for a sport field.



Beynon Rise-N-Run, one of Tarkett latest sport innovation.

OPEN TO THE WORLD

Tarkett knows that in order to meet the needs of tomorrow, we must be open to new ideas and think differently today. It is our responsibility to address global sustainability challenges—a responsibility that is core to our values, culture and story. At Tarkett, sustainability and social responsibility are not simply nice to have—it is embedded in our day-to-day life, integrally part of how we operate.

ADDRESSING
GLOBAL CHALLENGES

TARKETT IS COMMITTED TO HAVING A POSITIVE IMPACT ON SOCIETY BY
ADDRESSING GLOBAL CHALLENGES WITH A MODEL THAT ENGAGES ALL
STAKEHOLDERS, FROM TEAMS TO CUSTOMERS, SUPPLIERS AND SHAREHOLDERS.

For Tarkett, tomorrow's sustainable business models must go beyond financial performance in order to welcome the expected world population of 9 billion people by 2050 while offering quality of life and preserving the planet. Driven by the purpose of building a sustainable future together, Tarkett is determined to address the major challenges society faces today, focusing on:

- combating climate change;
- managing scarce natural resources sustainably;

- promoting people's well-being and the development of healthy living spaces.

Tarkett has a deep commitment to sustainability and social responsibility, which is embedded in its steps to empower employees to make life better and in solutions that stem from eco-design based on a circular economy powered by the Cradle to Cradle® principles. In addition to the environmental dimension, Tarkett's values and Code of

Ethics commit the Group to respecting and promoting people's fundamental rights and the 10 principles of the United Nations Global Compact.

Aligned with the 17 UN Sustainable Development Goals, Tarkett has been contributing for many years to five of them, deploying its 2020 sustainability roadmap throughout the entire organization.

SUSTAINABILITY STRATEGY BASED ON ADVANCED "CLOSED-LOOP CIRCULAR DESIGN"



Tarkett focuses on selecting good materials for human health and the environment, and strives to improve indoor air quality and contribute to healthy spaces.

- 95% of raw materials assessed according to Cradle to Cradle® criteria.
- 92% of flooring with low VOC emissions.
- 57% of vinyl flooring made with non-phthalate plasticizer technology⁽¹⁾.

⁽¹⁾ Except recycled content.



For Tarkett, a collaborative circular economy model is key to ensuring sustainable consumption and production.

- 68% of materials purchased from mineral abundant, rapidly renewable and recycled material.
- ~80,000 metric tons of recycled materials used as resources (6% of purchased raw materials).
- 8,900 metric tons collected (post-installation and post-consumer flooring) via ReStart.
- 60% of manufacturing plants with closed-loop water circuits⁽¹⁾.

⁽¹⁾ Or do not use fresh water in their processes.



Tarkett is committed to combating climate change, through energy management in industrial sites and the use of recycled materials.

- 25% of energy consumption from on-site renewable energy and renewable electricity suppliers
- -3% of energy consumption vs 2015 at 4.09 kWh/m²
- -8% greenhouse gas emissions⁽¹⁾ vs 2015.

⁽¹⁾ 3.8% thanks to Tarkett initiatives and 4.2% due to real emission factor/ country.

ENTREPRENEURIAL SOCIAL
RESPONSIBILITY



Tarkett's contribution stems from a safe and diverse workplace, encouraging dialogue, and engagement with local communities.

- 1.17: record safety result in lost time accident frequency rate⁽¹⁾ at Group level.
- 89% of employees participated in the employee feedback survey.
- ~11,300 young professionals and experienced installers trained at the Tarkett Academy in the last three years.

• Tarkett Cares: a volunteering employees program to share time and talents with local communities.

⁽¹⁾ Safety - absence more than 24 hours per million hours worked – FROt.

FOSTERING STAKEHOLDER
ENGAGEMENT



As a reliable recognized leader, Tarkett is spearheading an industry-wide dialogue over responsible use of resources and sustainability.

- Partner of the World Economic Forum on circular economy, climate change, and quality of life in urban environment.
- Member of the CEO Climate Leaders network since the COP 21 in 2015.
- One of the first companies joining the Circular Economy 100 from Ellen MacArthur Foundation.
- Sharing vision and experience with the civil society, leaders and public authorities, as well as with the financial communities.
- Collaboration with recognized universities and scientific experts (EPEA, Cradle to Cradle® community), and with multiple industry players.

"Committed to better living, we put sustainability at the heart of our vision, our business strategy and our operations, which provides an inspiring Purpose for all of us. It reconciles People, Planet and Profit to achieve profitable and sustained growth which is shared among employees, customers, business partners, and shareholders."

Michel Giannuzzi

ONGOING DIALOGUE WITH STAKEHOLDERS

In 2016, Tarkett undertook a materiality analysis—a survey to ensure that its sustainability policies are aligned with external and internal stakeholders' expectations. Four key topics stood out unanimously: Health and

safety at work, Health and safety of products and materials, Environmental impact of products, and Resource and material use. These results are fully aligned with our sustainability principles and strengthen Tarkett's strategic

directions, which aim to develop eco-innovation fostering indoor air quality, healthy spaces, responsible use of resources, and the circular economy, while applying high standards of ethics principles across its value chain.

Materiality analysis	Environmental impacts	Product Stewardship	Labor, Human Rights & Societal issues of production
	Priority topics for both external and internal stakeholders, and relevant to Tarkett's activities	• Environmental impact of products • Health & Safety of products and materials • Resource and material use	• Health & Safety at work • Child labor (a key priority for external stakeholders, but not a potential risk for Tarkett activities)
	Other priority topics for internal stakeholders	• Energy consumption • Production waste	• Training and talent development • Anti-corruption
Other topics of importance	• Air emissions from production • Waste water from production • Assessment of suppliers on environmental topics	• Cradle to Cradle® principles • Recyclability of products • Transparent marketing communication	• Support for local jobs and income • Assessment of suppliers on human rights • Forced labor • Diversity, equality, non-discrimination, labor rights

Over 190 answers were collected from Tarkett's managers, customers, suppliers, partners and investors, and from NGOs & civil society members, in the main countries where Tarkett operates.

EMBEDDED SUSTAINABILITY

TARKETT HAS BEEN DEPLOYING A COMPREHENSIVE SUSTAINABILITY STRATEGY BASED ON ADVANCED “CLOSED-LOOP CIRCULAR DESIGN”, AND TODAY IS LEADING TRANSFORMATION WITHIN THE FLOORING INDUSTRY TOWARDS CIRCULAR ECONOMY INSPIRED BY CRADLE TO CRADLE® PRINCIPLES.

Based on Cradle to Cradle® (C2C) principles, Tarkett’s closed-loop design strategy aims to develop solutions that contribute positively to people’s quality of life and to the planet at each step of the product life cycle: from eco-design to production, during the usage phase and at end of use.

Since 2011, Tarkett has been applying the Cradle to Cradle® principles to the full spectrum of its activities.

31 C2C certifications, Tarkett has the highest number of C2C certifications⁽³⁾, covering multiple product categories

2,700+ ingredients assessed according to C2C criteria

- Responsible use of PVC: Tarkett leads the industry in developing responsible use of PVC for durable goods such as flooring, using safe materials and implementing a post-use recycling chain.

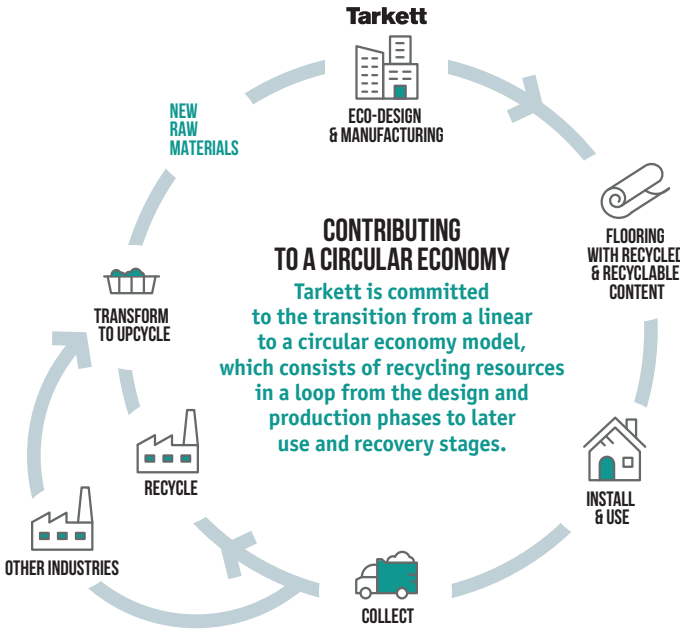
RESOURCE STEWARDSHIP
Through its WCM program, Tarkett encourages industrial sites to reduce water consumption, increase energy efficiency and the use of renewable energy sources, thus reducing the impact on climate change.
- **Energy:** Tarkett uses multiple sources of renewable energy (biomass, geothermal, solar energy). In North America, Tarkett partners with Engie to offset all electricity usage with renewable energy certificates at Ohio sites.

PEOPLE-FRIENDLY SPACES
As a pioneer in eco-innovation, Tarkett continues to develop flooring solutions that contribute to improved indoor air quality and a healthier indoor environment.
- **Non-phthalate plasticizer technology⁽²⁾** for vinyl flooring deployed in all European, North American and Chinese production plants; extended to some collections in Brazil, Serbia and Ukraine.

GOOD MATERIALS
Driven by eco-design, Tarkett selects healthy and safe ingredients and aims at using mineral abundant, rapidly renewable and recycled materials. Tarkett’s goal is to design recyclable products with healthy materials today that will become the raw materials of tomorrow.
- **Responsible sourcing:** Tarkett partners with wood suppliers that are certified by FSC® or PEFCTM⁽¹⁾.

- Flooring with a very low level of VOC⁽⁴⁾ emissions: from 10 to 100 times below the strictest standard in the world.
- **Flooring systems:** Desso AirMaster® carpet technology to capture fine dust; vinyl StarFloor Click® with non-glue installation system recommended by the Swedish Asthma & Allergies Association; vinyl flooring (FiberFloor, iD inspiration, etc.) recognized by the Asthma and Allergy Foundation of America.

The five dimensions of the Cradle to Cradle® principles: material health, material reutilization, renewable energy and carbon management, water stewardship, social fairness.



REUSE
To close the loop fostering a circular economy approach, Tarkett strives to manage the end of use of products and aims at transforming waste into high quality resources avoiding the use of virgin raw materials. Tarkett manufactures flooring using recycled materials from its own production sites, from post-installation and post-used flooring, and from other industries.
Partnerships for recycled sourcing:
- Upcycle calcium carbonate from a water company into Desso EcoBase® carpet backing (C2C Gold) and regenerated yarns from used carpet and fishnet in Europe.
- Recycled PVB from windshields and safety glass for Tandus ethos® carpet backing in the USA.
- Medicine blister packaging and post-used mobile cards for vinyl flooring in Brazil.



6% of materials purchased (in vol.) are recycled

The ReStart® program helps customers to manage their flooring waste from job installation, collecting off-cut and used vinyl, linoleum and carpet flooring. In order to boost this program, Tarkett is working on two main drivers: implement with partners cost-effective local take-back logistics; eco-design flooring systems that can be easily uninstalled and disassembled for cost-effective sorting.

(1) Forest Stewardship Council, Program for the Endorsment of Forest Certification.
(2) Except recycled content for some products.
(3) Source: as mentioned on the Cradle to Cradle® Products Innovation Institute (C2CPII) website in January 2017.
(4) Total Volatile Organic Compounds, below 100 µg/m³ or below the limit of detection of 10 µg/m³. Testing based on regional and product requirements.



“It all starts with our customers. We do it for them.”

Anne-Christine Ayed, EVP Research, Innovation and Environment

Circular design is a pillar of our strategy and we are proud to see that it contributes to the new UN Sustainable Development Goals. Innovation and sustainability already differentiate us from others in our industry. But what makes us stand out is that sustainability is so embedded in our organization. It drives new product development, but also reaches operations, marketing, and our partnerships with suppliers and customers. What inspires this holistic approach is people’s health, well-being and quality of life on our planet. As a result, we’ve influenced the industry for indoor air quality standards and healthy spaces. We are also at the forefront of circular economy, collaborating with multiple partners to implement innovative solutions that protect the planet’s resources.

KEY POINTS

- Tarkett’s strategy is aligned with the UN Sustainable Development Goals and challenges of resource scarcity, climate change and people’s well-being.
- Eco-innovation and circular economy inspired by Cradle to Cradle® principles drive Tarkett’s environmental strategy.
- Tarkett influences industry standards, pushes for a collaborative circular economy and involves all stakeholders in this sustainable journey.

2016 ENVIRONMENTAL HIGHLIGHTS

CRADLE TO CRADLE® COMMUNITY

Tarkett introduced its strategy for optimizing raw materials to the Cradle to Cradle certified™ community in the USA. Tarkett's goal is to design products today to be raw materials of tomorrow, applying the first Cradle to Cradle® principle (Waste = Food) to select healthy and safe materials that can be perpetually cycled.

TRANSPARENCY

In the framework of its C2C ingredients assessment program run with the support of the scientific institute EPEA⁽¹⁾, Tarkett has launched in North America the Material Health Statement (MHS), transparently sharing with customers meaningful and easy-to-read detailed information. The MHS is a verified product ingredient disclosure and material assessment declaration.

(1) Environmental Protection Encouragement Agency.



TARKETT AT THE VENICE BIENNIAL

The world's largest architectural event, the 15th International Architecture Exhibition in Venice, focused on improving the quality of the built environment and people's quality of life. It was the occasion for Tarkett to showcase its renewable-based linoleum products (linseed oil, jute and cork) made in Narni, Italy, and to discuss how companies and architects can work together to create a true circular economy based on Cradle to Cradle® principles.



TARKETT AT THE WEF

Partner of the World Economic Forum for more than two years, Tarkett is actively involved in discussions on climate change, circular economy model, and innovation for sustainable cities. In January 2017, CEO Michel Giannuzzi signed the compact for a "Responsive and Responsible Leadership."

GREEN FACTORY

Tarkett's largest vinyl production site located in Russia (Otradny) reduced its environmental footprint with solar batteries, rainwater treatment, closed-loop cooling processes, use of biodegradable products, and assessment of raw materials. The results included saving 284 m³/year of water, 4,000 kWh/year in electricity, 0% process wastes going to landfill, and 85 metric tons per year of reused or recycled materials.



CIRCULAR AND POSITIVE ECONOMY

At the 2016 Positive Economy Forum, Tarkett CEO Michel Giannuzzi outlined how the Group integrates sustainable development in the heart of an eco-innovation and sustainable growth strategy.

RESPONSIVE AND RESPONSIBLE LEADERSHIP

"Since I firmly believe that business has social, societal and environmental responsibilities, I pledge that Tarkett and each of our 12,500 employees will show entrepreneurial, responsible and collaborative leadership together and with our various partners.

In an uncertain and rapidly evolving world, it is crucial for us to share and uphold our values and our long-term vision of sustainable and responsible growth in our day-to-day activities."

MICHEL GIANNUZZI, Chief Executive Officer

GREEN TOURS MULTIPLY

After Narni and Clervaux, employees at Ronneby, in Sweden, hosted Nordic sales teams in a third Green Tour plant visit. The tour highlighted transport initiatives that reduce Tarkett's carbon footprint and the unique production set-up that optimizes material use, reduces energy consumption, and integrates recycled content directly on the line.



RECYCLING PARTNERSHIP

Tarkett partnered with Veolia in France, a leading French company in recycling, to accelerate its flooring recovery and collection program ReStart®. Veolia collects and sorts resilient post-installation flooring off-cuts from Tarkett's customers in the building industry. The flooring collected and sorted is recycled in Tarkett's production sites. This partnership sets out to double collecting centers in France and develop into other geographical areas. In addition, further research is ongoing with other industry and research partners.



BRAZILIAN RECYCLING UNIT

In Brazil, Tarkett has extended its recycling center at the Jacarei production plant. Per month it handles more than 90 metric tons of recycled scraps and trimming for re-use in vinyl tiles production. In addition, the "Powered by Sustainability" initiative boosted the use of recycled materials from various industries (medicine packaging, mobile cards), avoiding 960 metric tons of waste per year going to landfill.



NEW GENERATION FLOORING

iQ One is a new generation of resilient flooring, based on multi-polymers, that has low VOC emissions and is 100% recyclable and launched in Nordic countries and Germany. This non-PVC flooring is the first homogeneous product Cradle to Cradle certified™ Gold level, combining high technical and air quality features, that are well suited to healthcare spaces.

ENTREPRENEURIAL SOCIAL RESPONSIBILITY

TARKETT HAS A HISTORY OF STRONG ENTREPRENEURIAL SPIRIT, EMPOWERING PEOPLE TO EXPRESS THE BEST OF THEMSELVES FOR BETTER LIVING.

Tarkett's vision of social responsibility lies in empowering people to be innovative and entrepreneurial to develop sustainable solutions. People want to work for an organization that has purpose and vision. For a Group like Tarkett, this starts with recognizing and developing talent, so people experience fulfillment and success at work.

It means developing an inclusive culture based on respect and integrity, team spirit, and a customer-centric mindset. It also means developing a sense of community, which fosters a sense of belonging and pride.

DEVELOPING AND RECOGNIZING TALENT

Tarkett Awards is a worldwide recognition program that rewards contributions to the Group's success. This year's numerous submissions demonstrated how people embrace community-based initiatives addressing customers' needs. Notable projects included:

- EMEA's "Floor is the New Playground" offer, a whole new ecosystem around a product that allows customers to create highly individual spaces with flooring increasingly playing a leading role in architecture and design;
- A team in Brazil donating and installing flooring themselves in a local hospital;

- A North American team developing a best practice to use social media for seasonal hiring.

FROM VISION TO EXECUTION

Tarkett's employee survey has shown that good management is a clear driver for improvements throughout the Group. A focal point of Tarkett's training is fostering a management style that recognizes entrepreneurial spirit. A new training course called Business Leader@Tarkett focuses on going from vision to execution. This program, run with the London Business School, targets senior management.

2016 also marked the fifth employee survey, which is carried out every two years, with increasing participation each time. This group-wide undertaking is designed to give all Tarkett employees the opportunity to express their opinion and allows management

People make a difference when they contribute and act purposefully to help others live better.

Tarkett empowers people to give their best creative and entrepreneurial selves at work and in the community.



to assess progress and identify strengths and areas for improvement. This year's tremendous response rate (89%) shows in itself a high level of commitment and trust.

CUSTOMER-ORIENTED MINDSET

Human resources also play a role in spreading the customer-oriented mindset throughout the Group in alignment with the Customer Experi-

ence 2.0 program, which includes new Customer-centric Innovation training that will strengthen this focus throughout the organization.

COMMUNITY PRIDE AND MOTIVATION

Tarkett also runs the Tarkett Academy, a program that trains installers and young graduates. Installation is key to an end-user's perceived quality. Yet this training serves more than just the business, it serves the community by qualifying unqualified young people. Many other community efforts come under Tarkett Cares, a group-wide program designed to promote local charity initiatives and other acts of solidarity. The program allows people to dedicate part of their work time or talent to charity for projects in line with Tarkett's values. The program was branded in 2016 and given a framework to help grow initiatives so employees can give the best of themselves not only at work but also in the community.

11,300+

people trained in Tarkett Academies in three years



The eight teams awarded during the 2016 Tarkett Awards ceremony.



"Tarkett knows that business performance depends on people."

**Sharon MacBeath,
EVP Human Resources**

Tarkett's human resources function is considered as strategic and related to both sustainability and success. Taking a long-term approach means that the Group has a solid foundation and is best-in-class in a number of areas. In a Group that is made up of many acquisitions, there is a very strong sense of belonging that comes from the step-by-step approach used to build a robust strategy that both preserves the entrepreneurial spirit in the field and leverages being part of an international Group. At Tarkett, the attitude is: If we take care of our customers and our people, the business results will take care of themselves. This is critical to sustainable development and success.

KEY POINTS

- Tarkett promotes an entrepreneurial spirit throughout the organization.
- Management and employees show a high level of trust in Tarkett.
- Community involvement via training and charity work develops pride and motivation.

2016 SOCIAL/SOCIETAL HIGHLIGHTS



TARKETT AWARDS

There were six categories in this year's Tarkett Awards program: Share Vision and Ambition, Explore New Ways, Be the Solution, Make it Happen, Care about Environmental Sustainability, Power up People. The program started in 2010 with 100 entries. In 2016, 260 projects were submitted representing the teamwork of 1,816 employees.

260
projects

TECHNICAL EXPERT
WORLD CLASS NETWORK

Tarkett identified 150 technical experts from throughout the Group to be part of the Technical Expert World Class Network. The goal is to develop their skills and recognize them, in addition to using their expertise to better support Tarkett innovation and operations. The network currently covers manufacturing and R&D and will soon expand to other fields of expertise.

150
technical experts



ENTREPRENEUR@TARKETT EXPANDS

The Entrepreneur@Tarkett program helps managers to grow as entrepreneurial leaders and coach their teams, as if they were running their own company. This training program, which began in 2014, has now expanded to Eastern Europe.

175+
managers have already
been trained



TARKETT CHARITY PROGRAM

Tarkett Cares allows employees to give the best of themselves both at work and in the community. Some highlight projects this year included purchasing teams from headquarters in Paris sharing their professional expertise with two charities. Bačka Palanka hosted its annual Festival of Ecological Theater for young people and Tarkett organized educational workshops for local children. In North America, the FieldTurf team in Montreal designed, delivered and installed a new artificial grass pitch for schoolchildren who love soccer but had no place to play.



EMPLOYEE
FEEDBACK SURVEY

The 2016 survey contained 70 questions translated into 17 languages, and attained an astounding 89% participation. That translates as over 10,500 employees who participated. Such a high level of participation demonstrates trust that the company is listening. Employees know their opinion matters.

INCLUSION

"I think that respecting diversity of mankind is essential, but not enough. We need to go one step further and not only value diversity but actively engage and include people that are different in our thought, decision or action processes."

MICHEL GIANNUZZI, Chief Executive Officer

99%

of targeted employees completed
Tarkett's Code of Ethics e-learning

TALENT INSIDE

Talent Inside is a shared worldwide solution that supports performance and talent management and talent reviews. It is a transparent and user-friendly tool to help managers include everyone in the process and help employees manage their careers. This IT tool was launched this year and 2016 recorded 3,500 talent reviews, which is nearly 25% more than last year. The tool provides a full view across the organization, in order to also leverage mobility.

3,500

talent reviews achieved for
the first year of deployment

SAFETY FIRST

Through Tarkett, more and more focus is being given to safety via World Class Manufacturing techniques and local campaigns. In North America, the "Safe Today, Alive Tomorrow" campaign involved two dedicated days during which the Florence West (Alabama factory) closed for safety training involving managers from other sites as well. This is an example of a clear objective playing out in a local initiative.

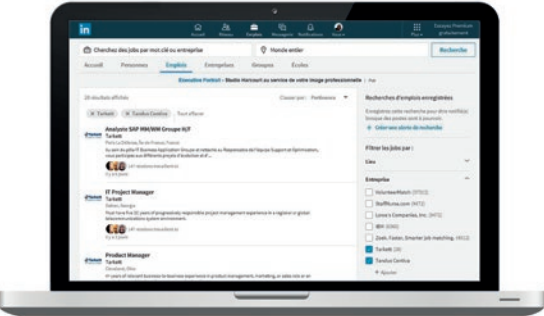
WELL-BEING WORLDWIDE

Worldwide, Tarkett has initiatives promoting employee well-being, from annual flu vaccinations in Russia, the United States and Canada to breast cancer screening in Serbia. The Netherlands Waalwijk site has a holistic well-being program, and in Sweden, there is a strong emphasis on company-led leisure activities such as running and fishing. At the Farnham site in Canada, there are in-house yoga and meditation programs, and various US sites promote physical, nutritional, emotional and financial well-being.



ATTRACT TALENT

Tarkett North America is expanding best practices related to using a dedicated information system and social media to attract the best talents. A number of initiatives are in the process of being deployed elsewhere that will also be beneficial for internal mobility.



ENVIRONMENTAL INDICATORS

TARKETT TRACKS ENVIRONMENTAL INDICATORS RELATED TO ITS CIRCULAR ECONOMY MODEL, ENGAGING ITS TEAMS THROUGHOUT THE GROUP TO WORK TOGETHER TO REACH THE 2020 OBJECTIVES.

ENVIRONMENTAL RESPONSIBILITY	2014	2015	2016	Variation 2016 vs 2015	Variation 2016 vs base year	2020 Objective
Good materials						
Share of raw materials for which material assessment has been performed (% of purchased volume)	75%	80%	95%	+15pts	+87pts (2011)	100%
Share of materials at the start of supply chain which do not contribute to resource scarcity (% of purchased volume—mineral abundant, renewable, recycled materials)	68%	67%	68%	+1pt	-3pts (2011)	75%
Resource stewardship						
Fresh water consumption (liters/m²)	3.56	3.32	3.33	+0.26pt	-35% (2010)	
Share of manufacturing sites that have implemented closed-loop water circuits (or do not use water in their process)	61%	57%	60%	+3pts	-1pt (2010)	100%
Energy consumption (kWh/m²)	4.37	4.21	4.09	-3%	-6% (2010)	
Greenhouse gas emissions (kgCO2e/m²)	1.04	1.02	0.94	-8%	-7% (2010)	-20% vs 2010
People-friendly spaces						
Non-phthalate products (% of m² produced, vinyl flooring only)	38%	55%	57%	+2pts	+57pts (2010)	100%
Low VOC emission products (% of m² produced, flooring only—<100µg/m³ after 28 days)	90%	92%	92%		+71pts (2010)	100%
Recycling and Reuse						
Non-recycled waste sent to landfill, to external incinerators or sent for other external treatment (g/m²)	-	125	105	-16%	-	0 waste to landfill
Post-installation or post-consumer products collected (metric tons)	13,500	9,900	8,900	-10%	-53% (2010)	Double volume vs 2010

SOCIAL INDICATORS

SAFETY AND VALUES, TALENT, DIALOGUE AND COMMUNITIES ARE KEY STRATEGIC AREAS FOR TARKETT, WHICH APPLIES THESE INITIATIVES AT EVERY LEVEL OF THE ORGANIZATION.

SOCIAL RESPONSIBILITY	2014	2015	2016	Variation 2016 vs 2015	Variation 2016 vs base year
Safety and Integrity					
Lost time accident frequency rate (FROt) – Plants only # LTA per million hours worked	2.30	2.32	1.34	-42%	-69% (2010)
Recordable LTA frequency rate (FR1t) – Plants only	6.01	6.26	3.56	-43%	-41%
Progress on “Ensure respect and integrity through adhesion to Tarkett values” in employee feedback survey	63%		61.5%	-1.5pt	+5.5pts (2010)
Talent and Diversity					
Share of women in top management positions (CEO -1 and -2 executive positions)	16%	18%	18%	-	+2pts (2011)
Share of women in management positions	-	25%	26%	+1pt (2015)	
Share of employees having received training	57%	58%	54%	-4pts	+17pts (2011)
Internal dialogue					
Progress on "Listen to employees and engage in social dialogue" in employee feedback survey	59%	-	60%	+1pt	+6.5pts (2010)
Progress on "Communicate proactively towards all employees" in employee feedback survey	63.3%	-	61.7%	-1.6pt	+6pts (2010)
Local communities					
Number of external people who received Tarkett Academy training	3,754	3,974	3,575	Total of external people trained (2014-2016) 11,303	

The Floor is
the new
Playground
thanks to
modular LVT.

GOVERNANCE

EXECUTIVE COMMITTEE
AND MANAGEMENT BOARD

Led by Michel Giannuzzi, CEO, Tarkett’s Executive Committee is composed of 11 experienced managers. This international and entrepreneurial leadership team shares common Group interest and values, while ensuring operational agility thanks to a decentralized organization.



Michel Giannuzzi*
Chief Executive Officer



Fabrice Barthélemy*
President Tarkett
EMEA



Slavoljub Martinovic
President Tarkett
Eastern Europe



Glen Morrison
President Tarkett
North America



Eric Daliere
President Tarkett
Sports



Anne-Christine Ayed
EVP Research,
Innovation and Environment



Raphaël Bauer
Chief Financial Officer



Wendy Kool-Foulon
Group General Counsel



Gilles Lebret
VP Customer Operations
and Group CIO



Sharon MacBeath*
EVP Human Resources



Antoine Prevost
EVP Operations

SUPERVISORY
BOARD

Tarkett’s Supervisory Board is composed of nine members, five of whom represent the Deconinck family, the majority shareholder. The remaining four members are independent. The Board complies with standards and regulations regarding the proportion of independent members, women, and diversity of expertise.



Didier Deconinck
Chairman since September 2005
and member since January 2001



Jacques Garaïalde
Vice-Chairman since
June 2007, and independent
since November 2016



Gérard Buffière*
Independent member since
November 2013



Bernard-André Deconinck
Member since January 2007



Éric Deconinck
Member since January 2001



Éric La Bonnardière**
Deconinck family,
member since April 2015



Françoise Leroy*/**
Independent member since
November 2013



Guylaine Saucier**
Independent member
since July 2015



Agnès Touraine*
Member since
December 2016

* Members of Tarkett’s Management Board.

* Member of the Nominations and Compensation Committee. ** Member of the Audit Committee.

STRONG GOVERNANCE,
RISK MANAGEMENT AND COMPLIANCE

TARKETT’S CORPORATE GOVERNANCE PROCESSES AIM TO ENSURE UNCOMPROMISING BUSINESS ETHICS, ROBUST AND TRANSPARENT CORPORATE SUPERVISION, AND RISK MANAGEMENT.

GOVERNANCE

In line with standard governance practices, the Supervisory Board has two dedicated committees with advisory roles:

- The Audit Committee has a total of three members, two of which are independent. It assists the Supervisory Board in reviewing financial information, internal auditing, and ensuring independence of the statutory auditors.
- The Nominations and Compensation Committee has a total of three members, two of which are independent. Its main function is to assist the Supervisory Board in reviewing compensation for the Group’s executive management, succession planning, and independence of the Board members.

Tarkett has chosen to follow the Afep/Medef⁽¹⁾ code of corporate governance.

RISK MANAGEMENT

Tarkett considers risk management to be closely linked to internal auditing. Risk management methods, procedures, and actions identify, analyze and control material risks; oversee operational efficiency and efficient use of resources; and ensure reliability of financial information. Tarkett’s Internal Control and Audit Department coordinates the Group’s risk management and internal auditing processes, which are implemented throughout the Group.

These include:

- Risk-mapping exercises and implementation of related action plans
- Internal monitoring of process-related risks (other than operations)
- Regular internal audits
- Insurance coverage for identified exceptional risks.

COMPLIANCE

Compliance is one of the Group’s core values. It is implemented through a formal program and continuing policies and guidelines, as well as training based on the Code of Ethics, fair competition practices, anti-corruption, and fraud prevention.



“Tarkett’s entrepreneurial values of responsibility and accountability find their expression in open and transparent governance.”

Wendy Kool-Foulon,
Group General Counsel

(1) Afep/Medef: Association française des entreprises privées (the French Association of Private Companies), Mouvement des entreprises de France (the largest association of employers in France).

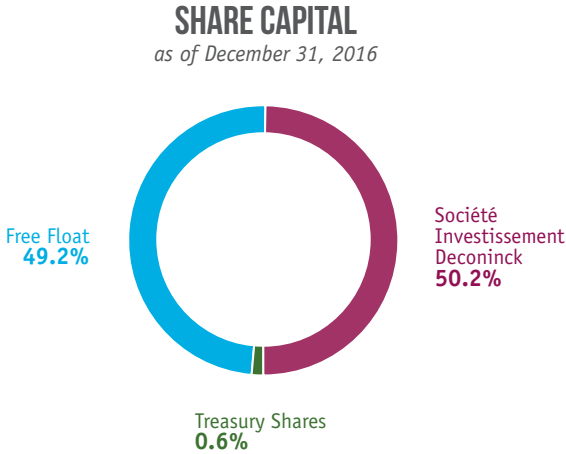
CORPORATE
GOVERNANCE

TARKETT’S KEY INDICATORS DEMONSTRATE A STRUCTURED AND MONITORED GOVERNANCE PROCESS USED TO EMPOWER AND ENCOURAGE ACCOUNTABILITY THROUGHOUT THE ORGANIZATION, ENGAGING ALL STAKEHOLDERS TO DRIVE THE GROUP’S STRATEGY.

CORPORATE GOVERNANCE		2014	2015	2016	Variation 2016 vs 2015	Variation 2016 vs base year
Promote Code of Ethics to employees	% of targeted employees who completed the e-learning on Code of Ethics	73%	73%	99%	+26pts	+26pts (2014)
Promote Corporate Sustainability values to stakeholders	Raw material purchased with suppliers committing to UN Global Compact (% of purchase value)	59%	72%	64%	-8pts	+22pts (2011)
Ensure regular audits of business	Group perimeter audited over the last four years (% of operations assets)	85%	92%	97%	+5pts	+45pts (2011)

SHAREHOLDERS

TARKETT IS LISTED ON EURONEXT PARIS AND IS INCLUDED IN THE FOLLOWING INDICES: SBF 120, CAC MID 60.
(COMPARTMENT A, ISIN: FR0004188670, TICKER TKTT)





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