

Interface®

This Communication on Progress provides updates on actions Interface, Inc. is taking to address the United Nations Global Compact Principles on human rights, labor, the environment, and anti-corruption. Some of the information in this report is taken from [published sustainability progress reports on our website](#) and from sections [on our investor website](#).

This report highlights relevant actions and progress **between January 1, 2021 and April 15, 2022**.

CEO STATEMENT

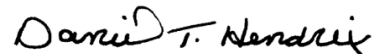
April 15, 2022

To Our Interface Stakeholders,

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

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

Sincerely yours,



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



Interface Annual Communication on Progress

Period: January 1, 2021 to April 15, 2022

OVERVIEW

Interface is committed to creating a more sustainable world. As a recognized sustainable business leader for over two decades, we know business can help create a more just and sustainable world. We also recognize the extended impact business can have when collaborating with governments and non-governmental organizations to solve collective sustainable development challenges.

Interface is supportive of and committed to the United Nations Sustainable Development Goals (SDGs) as a pathway to bring about sustainable development that addresses shared global challenges. The SDGs provide a roadmap for how the world can develop in a way that is equitable and sustainable. Knowing that the SDGs are primarily a roadmap for governments - we nevertheless recognize the contribution businesses must make to help governments achieve them. Businesses are a valuable part of our economies and our society, and it will take business acting alongside, and in collaboration with, governments and non-profits, to achieve these ambitious goals.

To generate the impact needed to help achieve the SDGs, business must align to the SDGs in both ambition and action by:

- Adopting aspirations for sustainability in their enterprises that match the ambition laid out in the SDGs
- Mirroring this ambition in their public goals and targets, and ultimately their policies, practices and actions, ensuring that the sector can meaningfully contribute toward more sustainable development.

At Interface we do this through our ambitious sustainability mission, Climate Take Back™, and its goals and targets specified below. We also mirror the ambition and goals of the SDGs in our company policies and practices, including the adoption, training and enforcement of our Company Code of Conduct and Ethics and other policies, and in our public commitments to climate, human rights, diversity, equity, and inclusion.

Interface has been aligned with the ambition of SDGs since their inception through our ambitious sustainable business approach established in 1994. Interface created its first long-term sustainable business goals in 1996 after adopting a company commitment to have zero negative environmental impact by the year 2020. Interface's actions to reduce its company footprint, reduce the impact of its products and supply chain, to create safe and fair working environments, and its efforts to promote a more circular economy support many of the SDGs. The company's efforts in these areas have contributed to not only the reduced impacts of our business and supply chain, but also have impacted others in our industry and extended supplier base by bringing solutions to the rest of the industry, for example, by making more sustainable raw materials available for them.

Our current company policies, goals, and actions goals align with and support the SDGs including SDGs 3, 5, 8, 11, 12, and 13 in particular. Regarding our company's actions and impact within this reporting year, we briefly highlight the activities that generate impact in these SDG goals below.

SDG 3 - Good Health and Wellbeing.

Within our business, Interface has historically had a focus on creating fair and safe working conditions. Our specific safety priorities, programs, and metrics appear below. Further, we have extended this focus on safe working conditions to our suppliers and include employee safety as

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criteria in supplier selection, and supplier onboarding. We also include employee safety as a priority in our supplier agreements, and in the Interface Supplier Code of Conduct. Lastly, we have a focus on the wellbeing of our employees reflected in our workplaces and employee programs. For example, we have achieved WELL Gold certification at sites in the US, Europe, Asia, and Australia, including at our headquarters in Atlanta, Georgia.

SDG 5 - Achieve gender equality and empower all women and girls.

Interface is committed to creating a more inclusive business. We have focused our Diversity, Equity & Inclusion efforts on building a business where all team members feel included, and we are taking steps to reflect the diversity of the communities in which we operate. Our commitment to diversity extends beyond our employees to include our Board of Directors and our suppliers. We are focused on achieving gender equality through hiring practices, unconscious bias training, and activity promoting awareness and dialogue to support female workers. Our specific actions and practices are reported below.

SDG 8 - Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all.

Interface is a purpose-driven organization. Many of our core operating beliefs and principles focus on creating a work experience that aligns with SDG 8, including:

- Our focus on safety and wellness in our workplaces
- Our intentions to create an inclusive and diverse company, and
- Our focus on healthier materials and reduced environmental impacts in our factories

Because our purpose to Lead Industry to Love the World underpins all that we do, we offer employees the opportunity to be a part of a multi-stakeholder business focused on goals beyond just the creation of beautiful products. At Interface, our employees contribute to a business that aims to create value for shareholders, employees, customers, and the environment.

SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable.

Interface is focused on making safe, circular, and low carbon products that help create cleaner and safer built spaces. We're also focused on leading the industry to adopt more sustainable practices by sharing lessons learned, creating tools, promoting learning, and educating our stakeholders on how to implement more sustainable solutions. Whether its encouraging flooring competitors to disclose their materials, increase recycled materials, or offer low carbon footprint products that can be recycled, we've been at the forefront of pioneering sustainability and then working to support and influence the rest of the industry to follow our lead. We focus on building awareness in the built environment space through customer focused learning presentations, presence at industry events to educate and share our pathway and progress, partnering with green building organizations, and convening industry collaborations like Materials Carbon Action Network.

SDG 12 - Ensure sustainable consumption and production patterns.

Interface is committed to developing a circular economy. Through our use of recycled and biobased materials, and our creation of ReEntry™ programs to take back products for repurposing and recycling, we have taken many steps to facilitate a circular economy for flooring products. We've also worked with local governments to advocate for standards to promote product take back and recycling in our industry.

SDG 13 - Take urgent action to combat climate change and its impacts

Interface has been focused on reducing the greenhouse gas emissions (GHGs) of its operations and products since 1996, reaching an impressive 95% GHG absolute reduction in two decades. Interface has set goals to further cut its greenhouse gas emissions another 50% on an absolute

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basis by 2030 from its Scopes 1 and 2 and its Scope 3 Purchased goods and services category. We have a further goal to be a carbon negative enterprise by 2040. We've made substantial progress already to reduce our operational footprint, and we have reduced the carbon footprint of our carpet tile products 69% since 1996. We pioneered the creation of carbon neutral flooring products in 2003. Today all products Interface makes and sells globally are third-party verified as carbon neutral. In 2020 Interface introduced the first carbon negative flooring products to the market and in 2021 we expanded the launch of our carbon negative products to be available in our global markets.

Beyond the alignment of our work to the Sustainable Development Goals, Interface's policies and actions support action on Human Rights, Labor, the Environment, and Anti-corruption. The rest of this Communication on Progress highlights actions and results in these respective areas for the period of January 1, 2021 through April 15, 2022.

HUMAN RIGHTS

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

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

The majority of our existing global supply contracts incorporate the Supplier Code of Conduct as part of the contract. This Code is also being incorporated into all new global contracts and will be added to contract renewals that currently do not incorporate the Code as contracts are renewed. In 2021, Interface began expanding the use of this Code in Purchase Order Terms and Conditions, first implementing updated Purchase Order Terms and Conditions in our China business. We plan to continue this effort across all of our regional businesses in 2022.

This Supplier Code of Conduct is socialized through ongoing training and compliance, and it is included as part of periodic audits with suppliers. These audits focus on ensuring our suppliers have robust programs to protect the health and safety of their employees, as well as addressing broader business terms like quality and environmental compliance. Interface maintains copies of these supplier audits. Although no such audits were conducted in the reporting period due to the pandemic, Interface anticipates resuming this practice with its key suppliers once pandemic-based restrictions on travel and in-person gatherings are lifted; two supplier audits are planned in 2022.

Global Safety Programs Summary, Actions and Impacts

The health and safety of our employees is a key priority at Interface. We've implemented programs that empower our employees to identify potential hazards, minimize risk, and help us to ensure we maintain safe and healthy working conditions. The health and safety management systems at all of our carpet manufacturing operations in Europe, Australia, Thailand, and China are certified to ISO 45001.

Interface is committed world-class safety measures to protect the health and safety of our employees. Interface adopted its first global Safety Vision in 2014, at which time it implemented our industry-leading Safety Connections, Corrections & Critical Risk Survey safety program. This program, which applies to all employees worldwide, provides a foundation to ensure that our global

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workforce is (a) continuously conscious of health and safety risks, (b) fully engaged in minimizing risk of injuries, and (c) trained on proper and up-to-date safety procedures.

We refreshed and reintroduced the safety program to our global workforce in 2018 following the acquisition of our rubber flooring business. Our program requires monthly reporting on demonstrable metrics as we work toward our ultimate goal of zero safety incidents. Our manufacturing operations leaders and safety staff host monthly Safety Meetings to share and learn from safety incidents, and discuss safety improvements and related projects currently underway. This has served to drive more transparency and collaboration for shared learning and improvement.

We also compile and circulate a global monthly safety report to the company's senior leaders, detailing any incidents, our progress towards our internal leading indicator metrics, and an update as to the company's TRIR (total reportable incident rate), a best-in-class measurement metric across the globe. This allows us to benchmark our performance against other similarly-organized companies around the world.

We publish [our TRIR on our website](#). From 2016 to 2020, our TRIR ranged from 0.6 to 1.0. In 2021, our TRIR increased to 1.3 due to a marginal increase in various incidents, particularly in manual cutting processes in our rubber manufacturing. As a result, we are working to automate some of these processes to improve safety and reduce similar incidents in the future.

COVID-19 Safety – Actions and Ongoing Management

When COVID-19 escalated to a global pandemic in 2020, Interface took immediate steps at enterprise and local levels to support and protect the health and safety of our employees, while maintaining the continuity of our business. As we continued to address COVID throughout 2021, Interface maintained existing procedures and established new procedures and policies as needed.

We implemented COVID-19 Guidelines for all employees, which established protocols for managing COVID exposures and quarantine among team members, offered prevention and cleaning protocols, and defined expectations around conducting safe meetings and events. We have continuously updated these employee and facility COVID guidelines to follow best practice recommendations from global health authorities and as the nature and severity of the pandemic have evolved.

Interface adopted a flexible telecommuting policy for Americas office-based employees in 2020 and maintained this “hybrid-work” model throughout 2021 as the pandemic began showing signs of receding. While the COVID-19 pandemic has proven that we can maintain productivity outside of the office, there are numerous benefits to gathering in-person and Interface believes in the value of bringing our teams back together when it is safe to do so.

As our locations worldwide started reopening and welcoming employees back into the office, we implemented a series of additional strategies intended to reduce virus transmission, and will maintain them for the foreseeable future. These strategies include, but are not limited to, the following:

- Installed and provided disinfecting wipe stations for employee use.
- Provided hand sanitizer throughout offices for employee and visitor use.
- Installed hands-free door-openers in restrooms.
- Established and maintained enhanced cleaning protocols across facilities, focused on repeated cleaning of shared equipment and surfaces (stair rails, door handles, shared touch screens, microwaves, break room and coffee station counters, etc.).
- Reorganized workstations and installed desk reservation technology to create a minimum 6-foot distance between individuals in select locations.
- Used electrostatic fogging to deep clean and sanitize buildings after reported cases of COVID-19.

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- Enhanced our technology resources in offices to help employees feel comfortable and sustain productivity.
- Provided masks to employees and visitors.

Materials and Chemicals of Concern Safety

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

Through the actions Interface takes to eliminate ingredients or materials that could harm or threaten human life or health during the manufacture of products, we are reducing potential risks to employees. Our approach to the materials we use to make our products is founded on the health of people and the planet. A working goal for Interface and its supply chain is to have **zero chemicals of concern** in our products. To accomplish this Interface has several processes to assess and manage the risks and hazards associated with chemicals and materials in our products.

We determine chemicals of concern based on rigorous review of medical and scientific literature, regulations and market trends, and adopt global goals for their substitution and phase out. Using this approach, Interface has phased out the use of the following material categories: ortho-phthalate esters, formaldehyde, fluorocarbons, flame retardants, fly ash, alkyl phenols, and bitumen. Determination of future materials for phase out is ongoing and is integrated into Interface's research and development efforts. As Interface develops or launches new products we assess them with these goals in mind.

We are continuously assessing our current product portfolio to reduce or eliminate materials or chemicals of concern. In 2021 Interface eliminated several of these materials from our product portfolio, most notably fly ash and several materials in our rubber and resilient product group.

In 2021, Interface also made progress to reduce virgin raw materials used in the backing of our carpet tile products and replaced them with recycled and biobased materials. To achieve this, Interface created and launched a new standard backing system, CQuest™GB, which has 99% combined biobased and recycled content. The new CQuest backed products are United States Department of Agriculture Bio-preferred certified. Additionally, in 2021, our European business eliminated its bitumen-based backing system for carpet tiles, replacing those non-virgin petroleum derived materials with bio-based materials.

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

To share the progress we've made to remove chemicals of concern and increase our use of recycled and biobased materials, we are committed to product transparency using disclosure methods like Environmental Product Declarations (EPDs) and by obtaining market based sustainable product certifications for many of our products globally. We voluntarily disclose environmental impacts and product ingredients through EPDs for our global product portfolio. Over 90% of our products in carpet tile, resilient, and rubber are covered by EPDs.

We also provide additional ingredient detail through other product level certification programs including Health Product Declarations (HPDs), products certified to Cradle to Cradle standards and Declare labels. In addition, all Interface flooring and adhesives are certified to meet stringent low VOC emissions standards. You can learn about our Product Transparency and certifications at https://www.interface.com/US/en-US/sustainability/product-transparency/product-transparency-en_US.mention C2Cv4

Human Rights Resources	
Social Responsibility Overview	https://investors.interface.com/corporate-responsibility-esg/social/default.aspx
Supplier Code of Conduct	https://s22.g4cdn.com/139673446/files/doc_downloads/social/Supplier_Code_of_Conduct_2020.pdf
Global Safety: Total Reportable Injury Rate	https://investors.interface.com/corporate-responsibility-esg/social/default.aspx
Product Transparency	https://www.interface.com/US/en-US/sustainability/product-transparency/product-transparency-en_US.mention C2Cv4

LABOR

Freedom of Association

Interface recognizes its employees' lawful right to freedom of association and rights under applicable law to choose a collective bargaining representative, if desired. Employees of several of our global business subsidiaries, including our business units in Germany, the Netherlands, Northern Ireland, and Australia, have organized themselves in Works Councils and/or Enterprise Bargaining Units (EBU). Interface maintains positive, productive relationships with those groups through our company leadership teams to the benefit of our employees. Approximately 34% of our total employees are covered through a Works Council or other EBU.

Slave Labor and Human Trafficking

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

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

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

- Provided ongoing employee training about the importance of adhering to these principles.
- Published commitments to these requirements internally (via internal communication platforms) and externally (customer-facing websites; marketing materials).
- Periodically reviewed procurement policies and key documentation (purchase orders, etc.) to ensure compliance with these requirements and makes periodic revisions as necessary or prudent.

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

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

Our Australian business continues to progress on its Reconciliation Action Plan (RAP) endorsed by Reconciliation Australia. Interface has progressed through two of the four RAP stages. The first stage, Reflect, focused on learning about Aboriginal and Torres Strait Islander peoples through collaboration with the Aboriginal Education Consultative Group. Our business worked with schools to create spaces which brought to life the teachings of First Nations peoples and implemented Acknowledgment of Country protocols throughout business practices to demonstrate the significance of traditional owners of the land.

Interface Australia has progressed to [Stage two of our RAP process, Innovate](#). The business will build upon existing community relationships and engagement, increase awareness of indigenous culture through learning and collaboration on product development, and focus on the establishment of employment opportunity across Interface’s operations.

Discrimination

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

In the United States, Interface files an EEO-1 report annually in accordance with federal regulation, providing employment data categorized by race/ethnicity, gender and job category. US Workforce composition data is available on [our investor site](#).

In the United Kingdom, Interface reports annually on its efforts to reduce any differential in pay between employee gender populations. As a transparent, values driven employer, committed to equal opportunities and fair remuneration for all, Interface knows that operating in an inclusive environment makes for healthier business performance and happier, more accomplished people. Annual reports are published on [our UK website](#).

Diversity, Equity & Inclusion Actions

Interface is a purpose driven company and our purpose, Lead Industry to Love the World, drives us to pursue a multi-stakeholder approach to our business that focuses on delivering value to employees, customers, the environment, and investors. As part of our focus on employees we want to create a culture of inclusion and belonging at Interface, and operate a fair and equitable workplace where every employee can thrive. As we address this at Interface, we will share our progress to inspire others in our industry, and our communities. Following the initial establishment of our Global DEI Task Force and Steering Committee in 2020, we continue to make significant progress against our DEI objectives. In 2021, we established a foundational framework, procured

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and deployed best-in-class tools and platforms, and leveraged internal and external communications channels to amplify our messages.

Our key accomplishments in this area during the reporting period include:

- Implemented Workday human capital management system for improved data visibility
- Implemented global Great Place to Work survey to gather employee feedback on DEI and belonging at Interface
- Member-Just Business Roundtable, business group focused on collaboration
- Launched an internal DEI-focused group on the company intranet (Workplace) to foster and encourage dialogue and awareness of critical DEI issues and topics; Created communication and shared info to build awareness and engagement through this group
- Published our DEI Commitment statement
- Updated Family Leave Benefits for United States employees
- Updated Paid Time Off Policy for United States employees, offering greater flexibility
- Evolved our product naming process to include DEI review
- Created guidelines for Inclusion Networks, our approach to employee resource groups
- Launched Women@Interface, our first Inclusion Network, in March 2022

This work follows on our initial commitment by our leadership team and board of directors to more visibly and meaningfully prioritize and address Diversity, Equity & Inclusion (DEI), including [an external statement by our CEO in 2020](#).

We are working to develop a long-term DEI strategy, plan, and metrics for success guided by a DEI framework, which has support from the Interface Executive Leadership Team and Board of Directors. In addition to a focus on our employee-centered practices, we will also develop a strategy for external engagement with our suppliers in this area to expand on our Supplier Code of Conduct. We believe that supplier diversity is an integral part of an effective approach to DEI.

To build our long term strategy we are focused on three key areas: (1) Employee Feedback, (2) Employee Engagement, and (3) External Engagement. We are driving efforts in those focus areas to support strategy development, while also creating opportunities for Interface employees to participate in discussions around racial and social justice issues, aligned to observances such as Black History Month, Women's History Month, and more. While we develop a long-term strategy, we know that Interface's strength comes from our people. As a global company, we appreciate and celebrate people from cultures around the world – employees, customers and suppliers.

Our United States Workforce composition data is available on [our investor site](#). We anticipate that our next EEO-1 report will be published in May 2022 with current United States employment data by race/ethnicity, gender, and job category. As of December 27, 2021, our United States workforce minority representation was 12.6% at the manager level and above, and 54.5% for non-management positions. From a gender standpoint, our United States workforce was 43% female and 57% male at the manager level and above, and 55% female and 45% male in non-management positions.

Interface completed the implementation of a global human capital management system that provides data regarding the diversity of our global workforce in markets in which it is legally allowed for employers to ask for demographic data from employees. A key priority for 2022 is to leverage this information to publish a global benchmark, and begin to track trends and identify gaps and opportunities.

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Labor Resources	
Social Responsibility Overview	https://investors.interface.com/corporate-responsibility-esg/social/default.aspx
UK Modern Slavery Act Statement	https://www.interface.com/EU/en-GB/about/index/uk-modern-slavery-act-en_GB
Transparency in Supply Chains Statement	https://interfaceinc.scene7.com/is/content/InterfaceInc/Interface/EMEA/WebsiteContentAssets/Documents/Legal/wc_eu-uk-modern-slavery-act-2020.pdf
Australia – Innovate RAP	https://interfaceinc.scene7.com/is/content/InterfaceInc/Interface/AsiaPac/WebsiteContentAssets/Documents/Sustainability/wc%5Fap%5Fau%2DInterface%2DAustralia%2DInnovate%2DReconciliation%2DAction%2DPlan%2DRAP.pdf
US Workforce Composition Data	https://investors.interface.com/corporate-responsibility-esg/social/default.aspx
UK Gender Pay Gap Report	https://www.interface.com/EU/en-GB/about/modular-system/uk-gender-pay-gap-en_GB

ENVIRONMENT

Summary, Actions and Impact

In 1994, inspired by our customers and led by the fundamental mindset shift of our Founder, Ray Anderson, Interface began a radical transformation of our business to reduce our environmental impacts. We called this effort Mission Zero® with a goal to eliminate all negative impacts the company had on the environment by the year 2020. Mission Zero caused the company to institute aggressive programs to reduce the operational footprint of the company in areas including waste, energy, greenhouse gas emissions and water. This necessitated new programs to measure and report our operational footprint. Mission Zero also focused on reducing the environmental impacts of the company's carpet tile products through new design efforts, manufacturing, and operational efficiencies, and using more sustainable raw materials. Many of these efforts continue to this day in Interface's legacy carpet tile business and Interface is focused on integrating similar work into its resilient and rubber businesses.

Mission Zero helped Interface shift toward a circular model including using recycled materials to make products and invest in new technology to process repurposed materials. It also focused Interface on establishing product take back programs in its global markets. In 2016, Interface adopted an ambitious new mission, Climate Take Back®. Climate Take Back is Interface's commitment to run the business in a way that reverses global warming and creates a climate fit for life. It's no longer enough to limit the damage we do as a business, we want to leave a positive impact.

New in 2021, as part of our plan to achieve Climate Take Back, Interface has committed to reduce its Scope 1 and Scope 2 absolute greenhouse gas emissions by 50% by 2030 from a 2019 baseline. Interface has further committed to reduce its Scope 3, Category 1 absolute emissions by 50% by 2030, from a 2019 baseline and our Scope 3 emissions from business travel and employee commuting 30% by 2030 from a 2019 baseline. These targets were recognized in 2021 as science based consistent with a 1.5 degree pathway by the Science Based Targets Initiative. See <https://sciencebasedtargets.org/companies-taking-action#table>.

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By 2040, Interface has committed to be a carbon negative enterprise, storing more carbon in our business and supply chain than we emit across all scopes of our business operations.

In 2021, Interface continued to work to reduce its operational footprint and the environmental impacts of its products, including the launch of the world's first carbon negative carpet tile product. After more than two decades of commitment, design leadership, product innovation and supplier partnership, we now have some of the lowest average carbon footprints for carpet tile in the industry. Interface also made strides to build awareness in our industry and with our customers on the importance of reducing embodied carbon in the built environment through educational outreach efforts, customer trainings and support of tools and partnerships like Materials Carbon Action Network.

To achieve our sustainability and climate goals, Interface undertook the following actions to reduce the operational impacts of our company in 2021:

- Continued programs to reduce waste and use post-industrial materials in its products.
- Purchased renewable energy at all factory sites
- Continued its efforts to bring back products at the end of their useful life by supporting product take back programs and expanding collection options through our ReEntry® programs
- Continued its efforts to both reduce water use in manufacturing and put in place technologies to harvest rainwater for use in manufacturing and toilets.
- Submitted and received third-party validation of our greenhouse gas emission reduction targets for 2030 by the Science Based Targets Initiative

Our results for calendar year 2021 in key environmental areas are as follows:

- Energy efficiency at carpet manufacturing sites has improved by 36% since 1996.
- 76% of energy used at all manufacturing sites in 2021 came from renewable energy sources through a combination of green electricity purchases from utilities, renewable energy credits, purchase of green gas and green gas credit purchases.
- 91% of all energy used at carpet manufacturing sites is from renewable energy and 48% of the energy at our rubber flooring manufacturing site is from renewable sources.
- 100% of the *electricity* usage at all of our manufacturing sites globally is sourced from renewable sources.
- Water intake intensity at carpet manufacturing sites in 2021 is down 86% since 1996.
- Total water intake for all manufacturing sites is 53.5 million liters, this includes 39.3 million liters at carpet manufacturing sites and 14.2 million liters at our rubber flooring manufacturing site.
- In 2021, Interface increased the accuracy and transparency of our water metric by expanding our water collection beyond usage to also include water consumption and disposal values from each manufacturing facility and had these numbers third party verified for 2021.
- Waste discarded at carpet sites is down in 2021 by 23% since 1996, and waste sent to landfills has declined by 85% since 1996. Waste discarded from all manufacturing sites is 8,707 tonnes, this includes 6,229 tonnes at carpet manufacturing sites and 2,478 tonnes at our rubber flooring manufacturing site.
- Market-based greenhouse emissions at carpet manufacturing sites in 2021 are down 96% in intensity and 95% in absolute terms since 1996.

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Carbon Footprint Reduction Efforts

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

Interface reports our total carbon footprint as an enterprise releasing our annual greenhouse gas emissions for Scopes 1-3. This accounts for all the carbon we're responsible for putting into the atmosphere as a result of our full business – including our operational carbon emissions, our product emissions, and emissions from our supply chain and extended activities.

In 2021 Interface's greenhouse gas emissions across all Scopes of our business totaled 486,889 tonnes. Global market-based GHG emissions for Scopes 1 & 2 were 14,100 tonnes – (7,370 MT for carpet businesses and 6,730 MT for rubber flooring business). Total Scope 3 emissions in 2021 were 472,789 metric tonnes.

The majority of our company's carbon footprint comes from our Scope 3 emissions, close to 97%. Of that, the most significant source of our Scope 3 emissions comes from our purchased raw materials, making up 45%. We have set a science-based target to reduce these emissions by 50% in absolute terms by 2030.

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

To achieve our product sustainability goals Interface undertook the following actions in 2021 to reduce the environmental impacts of our products and supply chain.

- Investments in technology and new raw materials to reduce the carbon footprint of our carpet tile products and to incorporate more recycled and biobased materials into our products.
- Continued to purchase and introduce into its products lower carbon footprint recycled raw materials and carbon storing raw materials.
- Focused innovation efforts to reduce the carbon footprint of resilient and rubber flooring products.
- For our carpet tile products Interface invested in new technology to produce lower carbon footprint recycled PVC backings and bio-based backings that are carbon negative from cradle to gate and can, in limited styles, create carbon negative products.
- In 2021 Interface's research and innovation teams began working with suppliers of our resilient products and with our rubber flooring business to incorporate similar materials into those products.
- For our resilient products Interface is continuing to replace virgin raw materials with recycled options. We have initiated several projects to increase the recycled content incorporated into our luxury vinyl tile (LVT) and luxury vinyl sheet (LVS) products.
- In 2021 Interface started the implementation of projects in our rubber flooring business focused on dematerialization, switching to recycled from virgin materials and use of recycled or recovered materials, including:
 - Reducing high carbon footprint materials used to achieve color in our rubber products
 - Replacing synthetic rubber with natural rubber in certain formulas including some of our noraplan® products

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- Adding post-industrial recycled materials in the form of material sanded from our rubber backings during their manufacture into our norament® products. This material was previously discarded in our waste stream
- Working to redesign the noracare™ sheet material to incorporate bio-based materials that store carbon

Recycled Content in Interface Products

Globally in 2021, **50%** of the raw materials used to make our products came from recycled or bio-based sources.

Recycled content by product type in 2021:

Carpet Tile	64% of the raw materials came from recycled or biobased sources, with 82% of the yarn and 62% of the backing materials sourced from recycled materials
Rubber	8% of the raw materials came from recycled or biobased materials with natural rubber and recycled fillers contributing the most
LVT	39% of the product came from pre-consumer recycled content

Product Metrics – Carbon Footprint of Products

Cradle-to-gate carbon footprint by product type in 2021:

Carpet Tile	4.8 kg CO _{2e} /m ² , down 76% since its baseline year of 1996
Rubber	8.5kg CO _{2e} /m ² , down 21% since 2019
LVT	9.1 kg CO _{2e} /m ² , down 24% since 2018

Carbon Neutral Floors™ Program.

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

In 2018 Interface made all flooring products sold globally carbon neutral as a standard attribute under our [Carbon Neutral Floors program](#), which covers the full life cycle of products. We have continued this commitment consistently since then. Our Carbon Neutral Floors program is third-party verified annually to ensure our calculations of the carbon impact are balanced with credible carbon offsets. The latest Apex verification report is available on [our website](#).

In 2021 all flooring products Interface sold across our full carpet tile, resilient, and rubber flooring portfolio were third-party verified as carbon neutral. In 2021 Interface sold approximately 41 million square meters of Carbon Neutral Floors and retired 441,920 metric tonnes of verified emission reduction credits. Since the program began in 2003, more than 460 million square meters of carbon

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neutral flooring have been sold globally, and 6.1 million metric tonnes of verified emission reduction credits have been retired.

In November of 2021 Interface initiated a process to independently certify its carbon neutral product claims under its Carbon Neutral Floors program to an internationally recognized carbon neutral standard, [PAS 2060](#). Interface expects to receive proof of certification in May 2022.

In November 2021 Interface also undertook to independently certify our entire company and supply chain as a carbon neutral enterprise across Scopes 1, 2 and 3, under the PAS 2060 Standard. Interface expects to receive proof of this in May of 2022.

Product Take Back Efforts

To create a circular approach to the manufacture and end of life for our products, Interface continued to make progress to recycle our products and identify and establish ways to reuse and repurpose them. In 2021 Interface collected 2,751 tonnes/6.1 million pounds of post-consumer carpet through our ReEntry program. Based on the material's condition and composition, returned products were diverted to their most sustainable option: reuse, recycle or energy recovery. 556 tonnes were reused and 1,830 tonnes were recycled.

Over the last 5 years from 2017-2021, Interface recovered 53 million pounds or 24,119 tonnes of post-consumer carpet. From that total, 70% was given a second life through reprocessing internally or was reused or recycled through one of our ReEntry partners.

Interface provides take back and recycling of used carpet tiles at the end of their life in regions where about 82% of our global sales take place. This includes the Americas region in which approximately 97% of our sales region is covered by the ReEntry program and in our European and Asia-Pacific regions combined, almost 69% of our sales region is covered by regional ReEntry programs.

Actions to Influence Industry and the Broader Business Community

Interface knows that we can't achieve our Climate Take Back mission alone. Global warming is a huge and complex problem and first we have to reduce greenhouse gas emissions in our business, remove excess carbon from the atmosphere and then influence other organizations to do the same. This influencing starts by building awareness in our immediate circles, within our industry, with our customers, and among the built environment community.

Interface continues to invest in and support the **Materials Carbon Action Network** (materialsCAN), members of the global building industry that are acting to reduce embodied carbon in building materials. This organization is working to improve embodied carbon awareness through industry partnerships, by promoting tools, and by creating prioritization of embodied carbon goals in specifications.

In addition to providing carbon neutral and carbon negative products, Interface actively supports the creation and launch of tools that help the built environment community select lower embodied carbon materials through our funding and promotion of the Embodied Carbon In Construction Calculator (or EC3) and other procurement tools. Educating and then providing tools to our customers and others to help identify the lowest carbon materials can influence the adoption of lower carbon procurement practices in the sector.

Actions to Influence Market Standards and Government Policy

In many of the markets where Interface does business, we are actively working to influence and change green building standards to recognize and reward decisions and actions to reduce embodied carbon in buildings. We have also lobbied to pass legislation at the state level in the United States to

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encourage States to set global warming potentials (GWPs) for interiors products including flooring, and to incorporate these GWPs into their government procurement efforts.

In 2021, Interface joined other business voices as a signatory to letters to President Biden regarding the need to set aggressive climate targets. Interface did this on multiple occasions on issues related to climate policy and climate targets for the United States federal government.

Interface sent a representative to the COP 26 Conference in Glasgow, Scotland where we participated in panel discussions sharing our success in decarbonizing our business and sharing our strategies. We spoke to media to make the case for aggressive climate action and commitments to come out of the COP 26 meetings.

In early 2022, Interface joined fellow business leaders Netflix, Trane Technologies, Lyft and others in an advertisement in the New York Times, paid for by Project Drawdown, expressing support for United States government investment in climate solutions. The ad was advocating for the government to invest in climate solutions, particularly investments to scale technologies that lower carbon emissions.

Engaging our Supply Chain on carbon

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

Interface has identified the most significant suppliers from a carbon perspective and has prioritized capturing more detailed life cycle assessment (LCA) data for their materials to understand the carbon impacts of their raw materials better. We have currently identified 26 suppliers as priority candidates to provide us with more data, and we have currently specific product LCA data from 6, with a goal to receive data from the remaining over the course of the next two years. These LCAs will form a baseline that will allow our supply chain team to develop a strategy to reduce carbon in the supply chain.

Through Interface's Suppliers to Negative program, Interface's supply chain team is also working to engage the company's global and region-specific suppliers through education and partnership. We have partnered with [Manufacture 2030](#), a platform that provides tools to suppliers to identify projects to reduce operational impacts, enter those projects, track progress, and estimate the carbon reductions of those projects. Interface now has 13 suppliers currently participating in the program, 6 global and 4 regional supplier companies. In addition, 3 Interface manufacturing locations are participating in the program.

Interface was recognized for our actions to reduce the environmental impacts of our business and for our actions designing and manufacturing making more sustainable and carbon neutral products.

Awards recognizing our environmental sustainability during the reporting period include:

- **GlobeScan SustainAbility Leaders Report 2021.** Interface was recognized by sustainability professionals as a company who has led the way to integrate sustainability into its business model. The company was ranked **fifth** overall in the top ten companies globally who are integrating sustainability into their business. See report at <https://globescan.com/2021/07/28/2021-sustainability-leaders-report/>
- **Edie Sustainability Leaders Awards 2022** - Product Innovation Of The Year Award, See <https://event.edie.net/awards/2022-winners/>
- **Sustainable Brand Index NL – Initiative of the Year** – See <https://www.sb-index.com/>
- **German Sustainable Building Council (DGNB). Innovation Award 2021.** <https://www.eurodecor.de/news/interface-gewinner-der-dgnb-sustainability-challenge>

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- **FX Awards 2021** - <https://fxdesignawards.co.uk/FX-Winners-list-2021.pdf>
- **MIAW Award 2021- Carbon Negative Products.** <https://www.muuz.com/en/index.php>
- **Fortune Change the World 2021.** Interface was listed as a company tackling today's biggest challenges with innovative responses. We ranked 25th. The list can be viewed here: <https://fortune.com/company/interface/change-the-world/>
- **EDIE's Product Innovation of the Year.** Interface's carbon negative carpet tiles won Product Innovation of the Year at the Sustainability Leaders Awards. More here: <https://www.edie.net/news/7/Sustainability-Leaders-Awards-2022--Winners-revealed-at-dazzling-ceremony/>
- **BUILDINGS and Interiors+Sources 2021 Purpose Awards** winner. Our Embodied Beauty collection was named one of the winners of the inaugural Purpose Awards, which highlight the power of great design to affect positive change. Full list here: <https://iands.design/articles/45217/purpose-awards-winners-2021>
- **America's Most Responsible Companies 2022.** Interface was listed as #134 on Newsweek's annual list of America's Most Responsible Companies, measured across ESG factors. The full list is here: <https://www.newsweek.com/americas-most-responsible-companies-2022>

Environment Resources	
Interface Sustainability Overview	https://www.interface.com/US/en-US/sustainability/our-journey-en_US
Interface Sustainability History	https://www.interface.com/US/en-US/sustainability/our-history-en_US
Carbon Negative Carpet Tile Innovation	https://www.interface.com/US/en-US/sustainability/carbon-negative-en_US
Science Based Targets	https://www.interface.com/US/en-US/about/press-room/GBT-release-en_US
Carbon Neutral Floors™ program	https://www.interface.com/US/en-US/sustainability/carbon-neutral-floors-en_US
Carbon Neutral Floors Apex Verification Report	https://interfaceinc.scene7.com/is/content/InterfaceInc/Interface/Americas/WebsiteContentAssets/Documents/CNF%20Certification/wc_am-carbonneutralfloorsverification.pdf
Materials Carbon Action Network	https://www.interface.com/US/en-US/campaign/transparency/materialsCAN-en_US

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ANTI-CORRUPTION

Interface's business practices are governed by The [Interface Code of Business Conduct and Ethics](#), an acknowledgement of which is signed by every Interface associate and with which all employees must agree to comply.

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

Other relevant documents can be found in the [Governance Documents Section of the Interface Investor relations website](#).

Interface also has taken action to ensure our global suppliers comply with our positions on corruption and bribery via the Interface Supplier Code of Conduct (which covers issues such as Human Rights and Environmental Practices).

Actions Taken within the relevant reporting period include:

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

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

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

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

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

The scope of reporting available via the hotline includes the following enterprise risk management areas:

- Financial: Accounting & Auditing, Financial Misappropriation or Misuse, Securities Violations
- Human Resources: Discrimination or Harassment, Employee Misconduct (may include an employee's violation of company code or policy), Labor Issues and Retaliation.

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- Legal: Conflict of Interest, Misconduct or Violation of Law or Policy or other violations
- Environmental & Occupational Safety: Environmental Protection, Health or Safety Law, Sabotage or Vandalism, Unsafe working conditions or Other

During the reporting period of January 1, 2021 to January 1, 2022, the company received one allegation from the company's fraud and ethics hotline regarding potential corrupt activity; however, the allegation was confirmed to be a fraudulent phishing scam and the case was closed. There were no other hotline reports regarding corruption during the reporting period.

Anti-Corruption Resources	
Interface Code of Business Conduct and Ethics	https://s22.q4cdn.com/139673446/files/doc_downloads/gov_doc/2020/Code-of-Business-Conduct-and-Ethics-2020.pdf
Anti-Corruption and Anti-Bribery Policy	https://s22.q4cdn.com/139673446/files/doc_downloads/gov_doc/2020/Anti-Corruption-and-Anti-Bribery-Policy-2020.pdf
Governance Documents	https://investors.interface.com/corporate-governance/governance-documents/default.aspx
Global Ethics Hotline	www.interface.ethicspoint.com