



Interface

Sustainability Report



S U S T A I N A B I L I T Y R E P O R T

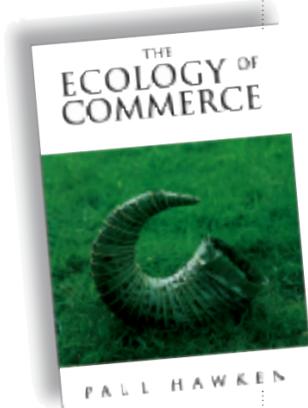
I N T E R F A C E

This publication is a first for our company, perhaps a first for the world. Although there are many corporate environmental reports, as far as we know this is the first corporate Sustainability Report. There are no federal agencies regulating sustainability, no charts or graphs to tell you or us whether or not we're succeeding. We had to create this ourselves. And it wasn't easy. Sustainability is complex. It involves the thousands of ways our company connects to society and the natural world. More than anything else, this report describes our road map to sustainability—as we see it. If it helps you, use it. If you can show us a better way, please do. We're all in this together.



It is astonishing that I am writing this today. Three years ago, the word sustainability meant little or nothing to me. For the first twenty-one years of Interface's existence, I never gave one thought to what we took from or did to the Earth, except to be sure we obeyed all laws and regulations. That is, until August of 1994. At that time, our research division organized a task force with representatives from all our worldwide businesses to review Interface's environmental position. They asked me to give a keynote address to kick off the task force's first meeting and give the group an environmental vision. Frankly, I didn't have a vision, except "comply, comply, comply." I had heard statesmen advocate "sustainable development" as a galvanizing force in the post-Cold War era of peace, but I had no idea what it meant. I sweated for three weeks over what to say to that group.

Sustainability



"Business is on the verge of a transformation, a change brought on by social and biological forces that can no longer be ignored or put aside, a change so thorough and sweeping that in the decades to come business will be unrecognizable when compared to the commercial institutions of today. We have the capacity and ability to create a remarkably different economy, one that can restore ecosystems and protect the environment while bringing forth innovation, prosperity, meaningful work and true security. The restorative economy unites ecology and commerce into one sustainable act of production and distribution that mimics and enhances natural processes. It proposes a newborn literacy of enterprise that acknowledges that we are all here together, at once, at the service and mercy of nature and each other."
— *The Ecology of Commerce*

Then, through what seemed like pure serendipity, somebody sent me a book: Paul Hawken's *The Ecology of Commerce*. I read it, and it changed my life. It was an epiphany. I wasn't halfway through it before the vision I sought became clear, along with a powerful sense of urgency to do something. Hawken's message was a spear in my chest that remains to this day. In preparing that kick-off speech, I went beyond mere compliance in a heartbeat. | In the speech, I incorporated many of Hawken's examples of global environmental degradation: rapid depletion of the Ogallala aquifer, a great underground body of fresh water in the American Midwest; annual loss of 25 billion tons of topsoil worldwide; increase of world population by nearly 80 million a year; usurpation by humans of 40% of Net Primary Production (the usable product of photosynthesis); alarming increase in the rate of species extinction to between 1,000 and 10,000 times the average rate since the mass extinction of the dinosaurs 65 million years ago ("The death of birth," Hawken called it. Think about that term. The phrase brought tears to my eyes when I first read it); destruction of tropical forests to raise soybeans that feed cows in Germany, which produce surplus butter and cheese piling up in warehouses, while displaced forest people live in squalor in the favelas (ghettos) of Rio de Janeiro (I was shocked and saddened to actually see favelas on a recent visit to Rio); and illnesses from pesticide poisoning numbering in the millions each year, resulting in uncounted deaths. | I borrowed Hawken's ideas shamelessly. And I agreed with his central thesis: while business is part of the problem, it can also be a part of the solution, and its power is more crucial than ever in organizing and efficiently meeting the world's needs. Business is the largest, wealthiest, most pervasive institution on Earth, and responsible for most of the damage. It must take the lead in directing the Earth away from collapse, and toward sustainability and restoration. I gave the task force a kick-off speech that, frankly, surprised me, stunned them, and galvanized all of us into action. | I made other speeches in the months that followed, patterned after that first address, to people within Interface. My first outside, public speech was before a group of Georgia Tech alumni and faculty. Afterward, one of the professors in the audience sent me a copy of Daniel Quinn's book, *Ishmael*. I read it once, then read it again. I've now read it six times, and I've bought and given away more than 400 copies. I'm here to tell you that Hawken and Quinn together, will not only change your life, but make you understand why it should change. They did both for me. | Deep into *Ishmael*, author Daniel Quinn speaks through a most improbable teacher, a large silver-back gorilla named Ishmael, who uses a metaphor to describe our civilization emerging from the first Industrial Revolution and the Agricultural Revolution that preceded it. *Ishmael* likens this civilization to our early attempts at building a pedal-powered airplane—men trying to fly without understanding the laws of aerodynamics. They sent their planes off high cliffs for the sensation of flying, only to crash to the ground. | In this metaphor, the high cliff symbolizes the seemingly unlimited resources we started with as a species, resources available to us as we abandoned hunting and gathering, and began to shape our modern agricultural and industrial civilization. No wonder it took a while for the ground to come into sight.



~~"With gorilla gone will there be hope for man?"~~

~~"With man gone will there be hope for gorilla?"~~

"As long as the people of your culture are convinced that the world belongs to men and that their divinely-appointed destiny is to conquer and rule it, then they are of course going to go on acting the way they've been acting for the past ten thousand years.

They're going to go on treating the world as if it were a piece of human property and they're going to go on conquering it as if it were an adversary. You can't change that with laws. You must change people's minds... the world doesn't need to belong to man—but it does need man to belong to it." — *Ishmael*

"Our would-be airman has been pushed off the edge of the cliff and is pedaling away, and the wings of his craft are flapping like crazy. He's feeling wonderful, ecstatic. He's experiencing the freedom of the air. What he doesn't realize, however, is that this craft is aerodynamically incapable of flight. It simply isn't in compliance with the laws that make flight possible...The law we're looking for is like the law of gravity: There is no escaping it, but there is a way of achieving the equivalent of flight—the equivalent of freedom of the air. In other words, it is possible to build a civilization that flies." —Ishmael

Quinn says that our civilization is in a free fall because we have become "takers" all. From a three million year legacy of "leavers"—thousands of diverse cultures who understood they belonged to Earth—the dominant culture today believes the Earth belongs to it. Pedaling harder will not prevent disaster if the aircraft can't fly. Running industrial civilization faster will have a similar outcome. We are trying to fly this civilization without first mastering the laws of sustainability. We need to discover the principles that will allow us to build a civilization that can stay aloft, a civilization that flies. | In 1994, I offered the task force a vision: to make Interface the first name in industrial ecology worldwide through actions, not words. I gave them a mission: to convert Interface to a restorative enterprise; first by reaching sustainability in our practices, and then becoming truly restorative—a company returning more than we take—by helping others reach sustainability. I suggested a familiar strategy including: reduce, reuse, reclaim, recycle (later we added a very important one, redesign); adopt best business practices and then advance and share them; develop sustainable technologies and invest in them when it makes economic sense; and challenge our suppliers to follow our lead. I encouraged the task force to pick the year by which Interface would achieve sustainability. After two days, they chose the year 2000. I'll be 66 that year, and would love to see it happen by then. In truth, I think it may be a bit ambitious and will probably take a good deal longer. We named this effort EcoSense.™ | I then asked the original task force who would lead the effort to sustainability, not just here in the United States, but worldwide? They didn't have an answer, so I asked, "Why not us?" Their response marked a tidal wave of change in our company. With the momentum of the original task force, we are energizing and encouraging our whole company to step up to our responsibility and lead the changes you will read about in this report.



"At Interface, we seek to become the first sustainable corporation in the world, and, following that, the first restorative company. It means creating the technologies of the future—kinder, gentler technologies that emulate nature's systems. I believe that's where we will find the right model." —Ray Anderson

I believe we have come to the threshold of the next industrial revolution. I didn't coin that phrase. Paul Hawken and Bill McDonough did, and I have latched onto it because it so aptly describes what we are trying to do here at Interface. As I write this, there is no industrial company on Earth that meets its current needs without, in some measure, depriving future generations of the means to meet theirs. When Earth runs out of finite, exhaustible resources, or ecosystems collapse, our descendants will be left holding the empty bag. But maybe, just maybe, the next industrial revolution can change this. I fervently hope so. | At Interface, we seek to become the first sustainable corporation in the world, and, following that, the first restorative company. It means creating the technologies of the future—kinder, gentler technologies that emulate nature's systems. I believe that's where we will find the right model. For example, when we examine a forest ecosystem and apply its myriad of symbiotic relationships analogously to the design of industrial systems, we'll be on the right track. Like a tree dependent on solar energy, new technologies will enable us to operate our factories on renewable energy as well. A step in the right direction may be fuel cell or gas turbine technologies. But ultimately, I believe we must learn to depend solely on available income the way a forest does, not on our precious stores of natural capital. | Future technologies will enable us to feed our factories with recycled raw materials harvested from the billions of square yards of existing carpets and textiles, including: nylon face pile recycled into new nylon yarn for new carpet; backing material recycled into new backing materials for new carpet; and in our textile business, Guilford of Maine, polyester fabrics recycled into polyester fiber for the manufacture of new fabrics. We can close the loop by using those precious organic molecules over and over in cyclical fashion, rather than sending them to landfills or downcycling them into lower-value forms through the linear processes of the first Industrial Revolution. Linear practices must be replaced by cyclical ones. That's nature's way. In nature, there is no waste; one organism's waste is another's food. For our industrial process, so dependent on petro-chemical, man-made raw materials, this means technical "food" reincarnated by recycling into the product's next life cycle. Of course, the recycling operations will have to be driven by solar energy, too. Otherwise we will consume more petro-material for the energy to recycle than we can hope to save in virgin raw materials. | We look forward to the day when our factories have no smokestacks and no effluents. If successful, we'll spend the rest of our days harvesting yesteryear's carpets, recycling old petro-chemicals into new materials, and converting sunlight into energy. There will be zero scrap going into landfills and zero emissions into the biosphere. Literally, our company will grow by cleaning up the world, not by polluting or degrading it. We'll be doing well by doing good. That's the vision. Is it a dream? Certainly, but it is a dream we share with our 7,000 associates, our vendors, and our customers. Everyone will have to dream this dream to make it a reality, but until then, we are committed to leading the way. In the following pages, you will see our progress, meet some of the people guiding the effort, and hopefully learn what one company is doing to become sustainable.

Ray C. Anderson
Chairman, Interface, Inc.
Co-Chair, President's Council on Sustainable Development

restoration



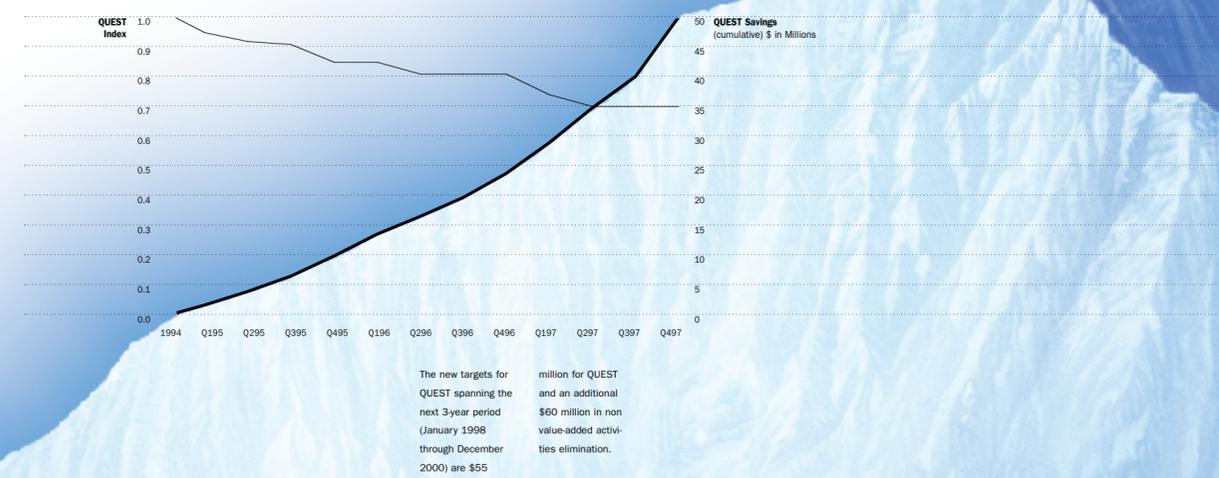
Industrialism developed in a different world from the one we live in today: fewer people, less material well-being, plentiful natural resources. What emerged was a highly productive, take-make-waste industrial system that assumed indefinite supplies of resources and infinite sinks in which to place our industrial wastes. In the United States, thirty-two truckloads of waste are created for every truckload of goods produced. Industry moves, mines, extracts, shovels, burns, wastes, pumps and disposes of four million pounds of material in order to provide one average, middle-class American family their needs for a year. Although this figure may sound high to some, others argue that this has made America great: the capacity to move mountains of material with a resultant lifestyle that is the envy of the world. That may have been true once, but today just the opposite is true: the rate of material throughput is endangering our prosperity, not enhancing it. At Interface, we recognize that we are part of the problem. In order to reduce the amount of material we take and the waste we create, we first need to analyze all of our material flows—everything that comes in and goes out. Only then can we begin to address the task at hand.

We believe the cure to resource waste is profitable, creative and practical. We will create a company that addresses the needs of society and the environment by developing a system of industrial production that decreases our costs and dramatically reduces the burdens placed upon living systems. This also makes precious resources available for the billions of people who need more. If this sounds like a win-win solution, it is, but not in a superficial, “clean is green” sloganeering way. For us, sustainability is not the veritable low-hanging fruit of recycling or changing light bulbs, although those are certainly important steps. What we call the next industrial revolution is a momentous shift in how we see the world, how we operate within it, what systems will prevail and which will not. At Interface, we are completely reimagining and redesigning everything we do, including the way we define our business. While there is no one solution to the impact we now have on Earth and its ecosystems, the company shares one vision: to lead the way to the next industrial revolution by becoming the first sustainable corporation, and eventually a restorative enterprise. We know, broadly, what that means for us. It is daunting. It’s a mountain to climb that is higher than Everest.

Interface is a resource-intensive company. Our largest divisions are petroleum dependent. With sales in approximately 110 countries and manufacturing facilities at 29 sites on four continents, our company makes a significant impact on the planet’s commerce and ecology. | Our first effort towards sustainability focused on waste reduction. Our goal is to be a zero waste company. We define waste as any cost that does not produce value to our customers. This means scrap, which is the traditional meaning of waste, but it also includes what we don’t do right the first time—a misdirected shipment, an incorrect invoice, a defective product. To address this challenge, we are engaging all 7,300 of our associates in a common purpose called QUEST™ (Quality Utilizing Employee Suggestions and Teamwork). There are QUEST teams operating throughout the world in every plant and division. Since 1994, cumulatively we’ve taken \$49.7 million out of our costs versus a targeted savings goal of \$66 million by the end of 1997. This number was calculated to be 50% (or an index of 0.5) of the total waste estimated for this time period if no progress was made. The savings from QUEST are paying for early investments in the sustainable revolution at Interface. | Internal initiatives like QUEST go a long way towards waste reduction, but achieving sustainability requires a corporate-wide, cultural and operational shift, as well as access to advanced technology. To that end, in 1996 Interface reinvented its R&D arm, Interface Research Corporation. IRC is the guiding intelligence for our myriad efforts toward sustainability. Led by Dr. Michael Bertolucci, IRC creates product and process solutions for all Interface business units. IRC helps our businesses examine every step of their manufacturing processes, from procurement to outbound logistics, analyzing and understanding the impact of each step on product quality, process efficiency, and the environment. | EcoSense,™ a program managed by Interface Research, provides us with a way to measure progress. A well-defined point system rewards each business unit when objectives are reached. In February 1996, we brought these two efforts, QUEST and EcoSense, together. We merged our two task forces into one, and formed 18 teams with representatives from all of our businesses worldwide, each team with an assigned scope of investigation and implementation. Today there are more than 400 sustainability initiatives active in our company. In a key new initiative, we are treating all fossil fuel energy as waste that is to be eliminated through efficiencies and shifts to renewable energy sources. | On the following pages, you will see how far we have come through these initiatives, and in some cases, how far we have to go.

Within Interface, we have laid out a path designed to achieve sustainability on these seven ambitious fronts:

- 1 Eliminate Waste** The first step to sustainability, QUEST is Interface’s campaign to eliminate the concept of waste, not just incrementally reduce it.
- 2 Benign Emissions** Prioritized focus on the elimination of molecular waste emitted to natural systems that have negative or toxic effects.
- 3 Renewable Energy** Reducing the energy demands of Interface processes while substituting non-renewable sources with sustainable ones.
- 4 Closing the Loop** Redesigning Interface processes and products into cyclical material flows.
- 5 Resource Efficient Transportation** Exploring methods to reduce the transportation of molecules (products and people) in favor of moving information. This includes plant location, logistics, information technology, video conferencing, e-mail, and telecommuting.
- 6 Sensitivity Hookup** Creating a community within and around Interface that understands the functioning of natural systems and our impact on them.
- 7 Redesign Commerce** Redefining commerce to focus on the delivery of service and value instead of the delivery of material. Engaging external organizations to create policies and market incentives encouraging sustainable practices.



eliminate waste

Problem: Industrial processes generate enormous amounts of waste which cannot be assimilated by nature or reused by industry. The volume of waste reflects inefficiencies which degrade the environment, harm the economy and reduce customer value.

Solution: Our goal is to create zero waste. To accomplish this, we are reexamining our current sources of waste and creating programs to first reduce and then eliminate them. We are redesigning products and processes to reduce and simplify the amount of resources used in production. Waste can then be remanufactured into new resources, becoming technical "nutrients" for the next cycle of production.

If we compare the United States with a biological system, the material flows required to maintain our industrial production can be likened to metabolism. Metabolism is not an economic term. It describes the array of biochemical processes required by a cell or living organism in order to maintain life. The input consists of energy, metals and minerals, water, forestry products and agricultural production. The output consists of product, solid waste—degradable, hazardous and toxic—and gases which are a form of molecular garbage. The solid waste goes to landfills, backyards, junkyards and the ocean. The molecular waste goes into the atmosphere, oceans, rivers, streams, wildlife, ground water, soil and plants.

The successful functioning of an industrial society requires constant flows of materials to factories and citizens. Like the bloodstream, most of these flows are invisible, or only partly visible. And like our bodily functions, we tend to take these industrial functions for granted. We see some of the flow in our supermarkets, shopping malls, gas stations, pipelines, trucks, railways, or in stacked shipping containers along docks and rivers. The most visible items are the goods we buy or use everyday: soap, food, clothing, cars, etc. Though highly visible, household goods comprise only a fraction of the material required to maintain our standard of living. A greater amount is needed for buildings, roads and infrastructure. Even taken together, however, these are dwarfed by the largely unseen flows of waste materials, including: tailings, gangue, fly ash, slurry, sludge, slag, flue gases, construction debris, methane and much more.

For every pound of product delivered to the consumer in the United States, another 32 pounds of waste is created. Most of this waste is created somewhere else. For example, 8,000 pounds of hazardous waste water result from the production of one tiny micro-processor in your computer. We do not know the exact footprint of our company in terms of total waste, nor can we directly control how raw materials are produced.

At present, Interface wastes 0.16 pounds of raw materials for every pound of product produced. We continue to reduce the amount of raw materials we use, as well as the resulting waste. Whether each pound of raw material received by Interface creates 2 or 20 pounds of waste upstream, reducing our reliance on them has a dramatic effect.



Measuring and Monitoring

Interface companies are using state-of-the-art technologies to closely monitor both consumption and waste of material and energy. We have developed techniques to analyze waste streams and feedback progress to employees. Numerous teams have also been formed to reduce the volumes of materials purchased through process efficiency improvements.

Recycling Internal Waste

■ Guilford of Maine has an extensive recycling program, diverting from landfills 1,028 tons of waste fiber as well as over 300 tons of other materials in 1996. ■ Prince Street recycled 480 tons of construction waste in one year, saving over \$35,000. ■ Bentley Mills recycled enough post-industrial waste to save \$162,000. ■ Interface Architectural Resources recycled concrete waste to save 54% of their total waste by weight. ■ Interface Europe has created teams to find ways to reuse or recycle 25 types of waste streams. ■ Interface Flooring Systems' waste teams are attempting to divert waste from the landfill by testing reusable cardboard yarn boxes and switching to reusable polypropylene yarn tubes.

Product Change

Interface's goal is to create more with less. Carpet tile manufacturers are redesigning their products to reduce waste: metric sizing, reduced standard face and backing weight, and decreased yarn usage have all reduced the input of material and energy. Interface's corporate office is coordinating a global monitoring program to develop best practices for product redesign, accomplishing more with less. ■ Interface Flooring Systems made construction changes and thousands of small steps toward waste reduction which saves 2.5 million pounds of nylon from being purchased ("nega-nylon") each year. The embodied energy of this unconsumed nylon could power their manufacturing and administrative facilities for the year. ■ Interface Flooring Systems converted to a metric tile sizing system which reduced trim waste (20,000 square yards) and energy consumption (enough to power 140 homes). ■ Interface Europe reduced face weight by 0.5kg per square meter on new products and reduced overall adhesive usage by 20%. ■ Interface Flooring Systems in the U.S. and Canada have reduced the standard tile backing weight by up to 15%, saving both materials and energy, and improving quality.

Process Change

Interface's subsidiaries are implementing major process redesign to achieve the same high quality products with better methods and more efficient technologies. Broadloom and fabric manufacturers are working with Interface Research Corporation to develop technologies for dyewater treatment and reuse—reducing water and chemicals consumption. Flooring Systems manufacturers are "designing out" scrap and excess by gaining more control over their production lines. ■ Interface Architectural Resources and Interface Flooring Systems Canada installed more efficient water chillers, reducing water use by over 65% and 40%, respectively. ■ Interface Architectural Resources also eliminated over 500 gallons of solvent waste a year by modifying the adhesive application process for Tec II Panels, while doubling productivity. ■ Interface Europe reduced total fiber use 10% by eliminating polypropylene scrims from needle-punch products. ■ Pandel has installed a new vinyl mat line that produces no trim waste during production, avoiding more than 350,000 pounds of vinyl scrap each year. A plastisol process change has further reduced their waste stream by 12,700 pounds in two months.

■ Pandel also reduced a 640 cubic yard per year waste stream by purchasing resin in bulk and eliminated 133,000 pounds of casting paper saving \$192,000 a year. ■ Rockland React-Rite eliminated the need for disposable packaging on their largest product line through use of batch-compatible bags. ■ Re-Source Americas offers seminars to train their carpet installers on practices to minimize waste.

Solid Waste Reduction for 1996

Company	%	tons
Canada	58	60
Interface FS	48	1715
Interface Europe		
Shelf	44	551
Craigavon	9	83
Scherpenzeel	21	683
Pandel	41	182
RRR	80	21
Bentley	19	255
IAR	42	676*
Total		2874

*Indicates a net increase in annual waste

benign emissions

Problem: Though less visible, industry creates more molecular garbage than solid waste. Small concentrations of poisons, persistent man-made chemicals, greenhouse gases and localized heating are affecting all living systems, accumulating in animal tissue, fouling water and air systems, affecting reproductive cycles and changing our climate.

Solution: Interface will proceed toward eliminating all harmful releases into the ecosphere, striving to create factories with no smokestacks, effluent pipes or hazardous waste. Because it is difficult to safeguard against such releases, toxic emissions will be eliminated at the source. Ultimately, the only substances emitted from our plants should be valuable products, such as carpet and fabric, and clean air and water.

Carbon Monoxide (CO) is a colorless, odorless, toxic gas produced during incomplete combustion of carbon fuels—natural gas, oil, coal, wood, etc. It inhibits the blood's capacity to carry needed oxygen to organs and cells.

Burning fossil fuels generates between 70-80% of man-made carbon dioxide (CO₂) emissions. The carbon cycle has been thrown out of balance by industrial emissions. Because additional CO₂ is not absorbed by the environment, carbon-based fuel emissions are having profound, long-term effects. As CO₂ builds up in the atmosphere, it acts as a blanket trapping heat that would otherwise radiate into space, promoting global warming.

Sulfur oxides (SO_x) result from fuel combustion and impact environmental and human health. In small amounts, they are harmless natural components of the atmosphere. However, large-scale burning of oil and coal produces high concentrations with deadly potential. SO₂ is one of the primary causes of acid rain, forming sulfuric acid when mixed with moisture in the atmosphere.

Nitrous Oxides (NO_x) are highly reactive greenhouse gases that result from carbon-based fuel combustion, and contribute to acid rain. Acid rain often falls to the ground hundreds or even thousands of miles away from its origin, often in another country. Bird, fish, insect and animal populations decline in acidified areas. Nitrogen oxide (NO₂) reacts with volatile organic compounds on hot, humid days to generate ground-level ozone—a serious health hazard.

Acid Rain is produced when SO_x and NO_x pollutants react with water in the atmosphere—rain, snow, fog or mist—forming sulfuric and nitric acids that fall to the Earth as a corrosive liquid. Acid rain can eat away at steel or rock, destroy lakes, and cause forest die-off. The chief sources of such emissions are coal-fired electric generating plants, industrial boilers and smelters. Gases vented in tall smokestacks are carried by prevailing winds where they are potentially transported far from their source.

Particulate Matter 10 (PM10) describes matter 10 microns or less in diameter that, because it can penetrate lung tissue, represents a significant health hazard. Although far fewer particles are discharged into the atmosphere by human activity than by natural processes, the man-made particles are generally finer in size, slower to settle out of the air, and therefore more dangerous.

Volatile Organic Compounds (VOCs) are organic chemicals that volatilize readily from manufacturing processes and escape as gases into the air. Vinyl Acetate and other VOCs are emissions common to the carpet industry, released both in the manufacturing process and from the product itself, contributing to indoor air pollution.

Photochemical smog can be formed when ground-level ozone and certain chemicals such as peroxyacetyl nitrate are present. These substances are formed when a mixture of strong sunlight, nitrogen oxides and hydrocarbons combine. Photochemical smog can be extremely harmful to plants and injurious to young and old people.

Benign Air Emissions

Interface has identified 192 stacks as point sources for air pollution in North America, Europe and Asia. Each is being actively monitored and prioritized for cleaning by scrubbers and fuel-burning equipment modifications. All Interface companies are in compliance with environmental legislation, but our goal is to move beyond compliance and eliminate the emissions of "molecular garbage" completely. ■ Guilford of Maine installed a computerized boiler to increase waste wood-burning combustion efficiency, reduce particulate emissions and reduce carbon monoxide emission potential by 98%. ■ Bentley Mills replaced their flat goods dryer with a low NO_x, high efficiency dryer, reducing NO_x emissions by approximately 50%. They are investigating scrubbers for other stacks that would reduce NO_x emissions by up to 98%. ■ Rockland React-Rite installed a water-cooled stack, a condenser and a refrigerated box on their emissions stack, reducing hexane emissions by 75%. ■ Interface Flooring Systems Canada reduced air emissions by 30% based on 1995 figures. ■ Interface Europe installed high efficiency fume scrubbers, significantly reducing VOCs in plant emissions.

Benign Water Effluent

In 26 manufacturing locations there are only 13 effluent pipes. While not all Interface subsidiaries produce waste water, those that do are working toward

reducing and reusing this water, and treating the effluent released into the environment. ■ Interface Flooring Systems Canada eliminated all sources of water emissions through redesign of the printing process. ■ Prince Street reduced chemicals by 40% and water consumption by 800,000 gallons per month through dyebath water reuse. ■ Two of Interface Europe's facilities eliminated latex effluent by recycling water and wash-downs, eliminating 264 gallons of waste water per week. ■ Guilford of Maine built a state-of-the-art waste treatment plant to reduce water effluent by at least 50 million gallons annually. ■ Guilford has also reduced phosphorus levels in water effluent from 10 ppm to trace amounts through careful product substitution. ■ Rockland React-Rite installed an evaporator process to eliminate 170 tons per year of waste water. ■ Bentley Mills, in collaboration with UC Davis and Edison Electric, is testing a method for cleaning and reusing drain waste water.

Toxics Elimination

Through product redesign and material reformulation, Interface is striving to eliminate all toxic elements of their products and manufacturing processes. ■ Bentley Mills' backing facility has eliminated all four of their hazardous

waste sources through substitution of cleaning agents. ■ Interface Europe has reduced or completely eliminated dyestuffs containing heavy metals. ■ Interface Flooring Systems completely eliminated the need for antimony flame retardant in carpet tile. ■ Interface Architectural Resources eliminated all toxics by refining the adhesive system on the Panel Assembly and Finish lines, resulting in a reduction of 610 gallons of solid waste per year, and 15 tons of VOCs per year. ■ Interface Flooring Systems Canada reformulated the plasticizer and resin inputs to their solid backing compound, significantly reducing the consumption of these potentially hazardous materials. ■ Guilford of Maine switched to VOC-free, biodegradable, aqueous degreasing solvents. ■ Two of Guilford of Maine's facilities reduced hazardous waste enough to be reclassified from "Small Quantity Generators" to "Very Small Quantity Generators." ■ Guilford of Maine has conducted promising trials with natural dyes. ■ Pandel eliminated all lead, cadmium and barium stabilizers used in their foam products.

Indoor Air Quality

■ Intersept® antimicrobial is being used in a wide variety of interior finishes to control Indoor Air Quality effects of microbial contamination. ■ Interface Flooring Systems Canada's products were tested and approved for the Envirodesic Lung Association label. ■ Interface Research Corporation coordinates the EnviroSense® Consortium, Inc., a forum of companies dedicated to improving Indoor Air Quality through product, services, building design and education.

Emissions from industrial manufacturing processes are primarily the result of oil combustion. They poison the air we breathe, disrupt food chains, damage vegetation and contaminate soils. Since the Clean Air and Water Acts were established in the 1970s, progress has been made to reduce levels of harmful air emissions and water pollutants, with a particular focus on the problems of global climate change and acid rain. Interface is focused beyond compliance to eliminate all toxic releases into air and water from our facilities around the world.

Industrial waste water is often returned directly to streams and rivers. Elevated levels of total suspended solids and metals can lead to water quality problems and potential risks to public health. The temperature and pH of effluent can also have a negative impact on the biological and chemical oxygen demand and therefore on life systems of the receiving water.

renewable energy

Number 3

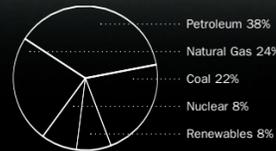
Problem: Modern industry has become dependent on the availability of seemingly inexpensive energy from fossil fuels: oil, coal and natural gas. Their combustion destroys a valuable source of feedstock and is the main cause of global climate change.

Solution: We are focusing on improving production methods and equipment to consume less energy, thereby reducing demand. At the same time we are pursuing renewable energy supplies; this includes installing alternative technologies at our facilities, as well as contracting with power companies to provide us with energy from renewable sources.

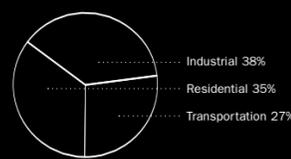
The Sun provides the Earth with 173,000 terawatts ($173,000 \times 10^{12}$ watts) of energy every day. Over 99% of the flow of energy to and from the Earth's surface comes from solar radiation. Heat from the Earth's core and gravitational forces supply the rest. The solar radiation striking the Earth is equivalent to 173 million enormous power stations running 24 hours a day. Of this, 30% is reflected back to space by the Earth's atmosphere, 47% is absorbed by the atmosphere, land and sea, and 24% powers the hydrologic cycle, the winds and ocean currents. Plants use only 0.02% for photosynthesis. At present, human generated energy from all sources—gas, coal, oil, dams, nuclear, wood, wind and solar—totals about 14 terawatts, equivalent to only 1/8,000th of the solar energy captured by the Earth.

The United States relies on fossil fuels, primarily oil, for 76% of its energy. Experts estimate that there are about 300 billion tons of recoverable oil in the world. We have used 90 billion tons already. Current reserves stand at 120 billion tons and it is estimated that another 90 billion tons remain to be discovered, which would provide the world oil for 50-70 years. Coal is more abundant, but far more polluting. Estimating total reserves, however, is academic, for if we were to combust all available coal, gas and oil, the CO₂ concentrations in our atmosphere would increase 6-10 times over. We would not survive the journey.

U.S. Energy Use by Fuel Type



U.S. Energy Use by Sector



Sun's diameter — 870,000 miles
 Core — 27,000,000° F
 Photosphere — 10,000° F surface temp
 Chromosphere — thin layer of gases
 Corona — 3,000,000° F outer atmosphere
 Age — 4.6 billion years
 Life expectancy — 10 billion years

Reducing Demand

by Increasing Efficiency
 Interface, Inc. signed a Memorandum of Understanding with the EPA's Energy Star Buildings Program and Climate Wise, committing the corporation to improving overall energy efficiency. Interface joined E Source, a consortium of energy experts promoting energy efficiency in industry. A full time Vice President for Sustainable Energy has been named to work with the energy managers at each business unit to help them get the most value out of these resources and to bring innovative and best practices to them. Many of the manufacturing facilities and offices have already conducted lighting and machinery retrofits and installed motion sensors to reduce energy consumption. Further, a great deal of research has been committed to modifying formulas to decrease process energy requirements.

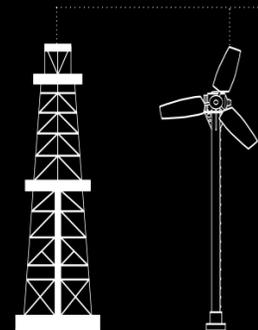
■ Interface Europe/Asia-Pacific achieved enormous energy savings through smart engineering design in the layout of the new facility in Shanghai. By reducing friction using large pipes and small motors, instead of small pipes and large motors, and laying out pipes before setting up equipment, they cut the necessary pumping power from 95 to 7 horsepower. The initial cost was slightly higher but this was paid back within one month's time.
 ■ Interface Flooring Systems Canada received the Canadian Energy Innovator award for manufacturing process changes which resulted in significant decreases in temperature requirements. In 1996, overall energy consumption per m² of production was reduced by 16% and 47% for electricity and natural gas respectively. In 1995, they used 3.4Kwh/yd² hydro power and 0.6Kwh/yd² gas power, compared to 2.9Kwh/yd² and 0.3Kwh/yd² respectively, in 1996.
 ■ Interface Flooring Systems discovered an energy savings opportunity of 61% by conducting an energy study and correcting improperly installed fans. By closely tracking BTUs per m² of carpet production, they achieved their lowest energy consumption in history in June of 1997.

■ Bentley Mills and Interface Europe installed high-efficiency dryers, reducing gas consumption by 25% and 30%, respectively.
 ■ Bentley Mills and Interface Research Corporation are participants in EPA's Green Lights Program and have conducted significant lighting retrofits.
 ■ Several of Interface's flooring companies are working toward capturing excess machinery heat for reuse in ovens and space heating.

Renewable Energy Supply

■ Bentley Mills is designing a photovoltaic solar array to produce the world's first solar tufted carpet.
 ■ Interface Flooring Systems Canada is the first customer of wind-generated, certified "Green Power" from Ontario Hydro.
 ■ Guilford is utilizing over 13,000 tons of reclaimed waste wood from a local wood-products manufacturer to fuel their boilers.
 ■ Interior Fabric's Intek plant installed a 9 kilowatt, grid-connected, photovoltaic array with battery storage made possible by a partnership with North Carolina State's Solar Center.
 ■ New or expanded facilities at Prince Street, Interface Europe and Interface Flooring Systems made maximum use of skylights to reduce the need for fossil fuel generated lighting energy.

Earth's diameter — 7,913 miles
 Average surface temperature — 57° to 61° F
 Earth orbits at 93,000,000 miles from the Sun
 Age — 4.6 billion years
 Life expectancy — unknown



A key to Interface's conversion to renewable energy is the competitive availability of these energy sources. At present, fossil fuels receive large direct and indirect subsidies, but their cost does not reflect the pollution, acid rain and climate change they cause. Renewable energy, on the other hand, receives scant sup-

port in the form of subsidies, and is not given credit for being safer. All things considered, renewable energy is far less expensive. Until there are changes in policy and more efficient markets, Interface will reduce its overall energy demand and switch to available renewable energy sources in stages.



A living planet is a rare thing,
 perhaps the rarest thing in the universe.

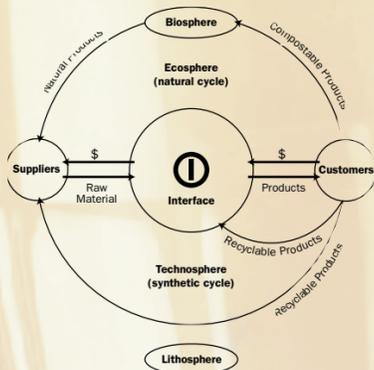
Kenneth Brower

Number 4

closing the loop

Problem: Industrial systems are linear, take-make-waste systems. Natural, cyclical, living systems are destroyed when resources are depleted and waste accumulates in the biosphere.

Solution: Interface is redesigning its processes and products into cyclical material flows where "waste equals food." We are reducing use of raw materials and working to get the most value out of the materials that we employ. This includes careful recycling of man-made materials so that waste materials from industry and from society become valuable raw materials in industry. It also means using more organic materials and using them in such a way that allows them to safely return to their natural cycles.



The use of naturally occurring products as materials for industrial textiles has been displaced by fossil fuel based synthetics. As we recognize the environmental impact of this trend, Interface is working hard to redefine high performance products based on natural raw materials which, at the end of their useful life, can freely reenter the biosphere through composting, i.e. a natural cycle.

Manmade products are being redesigned to enhance our capability to recapture the value of their raw materials for new products in technical cycles, i.e. recycling processes. In this process flow scheme, Interface is the industrial change agent, where products are used as raw materials thus avoiding taking anything from the Earth and doing no harm.

Interface Research Corporation and its sister company, Interface Flooring, are actively pursuing carpet constructions based on renewable organic materials. Natural rubber latices and fibers, such as industrial grade hemp and flax, are being evaluated as compostable raw materials compatible with Earth's natural cycles. The potential role for natural dyestuffs grown/harvested and processed with sustainable technologies are also being evaluated.

Interface Research Corporation has sponsored the experimental growth of 100 acres of industrial grade hemp in Canada. We also actively support U.S. state initiatives to create experimental agriculture projects to reevaluate the commercial viability of industrial grade hemp fibers.

This year, Guilford of Maine will complete the transition from virgin polyester staple to 100% recycled fiber manufactured from PET soda pop bottles. Guilford used several million pounds of polyester fiber in 1997, 80% of which is currently derived from recycled sources. They have introduced the Terratex™ label for their new line of 100% recycled textiles. This represents a dramatic change for Guilford, a change which they are now taking to their suppliers. It follows a successful introduction of the industry's first 100% recycled product by Intek and will soon be expanded to include the Toltec line of fabrics. This commitment to closing the loop will significantly reduce the environmental impact of the panel fabric manufacturing system by reducing consumption of non-renewable materials, saving the energy used to process oil into polyester (embodied energy) and reducing loads on landfills. The energy savings alone from recycling a million pounds of polyester is equivalent to 4,000 barrels of oil.

In the Technosphere

Interface has many ongoing research projects to convert waste products into technical input—turning fiber into fiber, backing into backing—to truly recycle their components. Recycling (as opposed to downcycling) reduces the quantity of material which needs to be purchased and down the line, landfilled, saving resources and money. Interface Research Corporation is working extensively with the flooring companies to create technologies for recycling post-consumer carpet, reextruding post-industrial fibers and reusing PVC backing. The other companies are actively pressuring suppliers to increase the recycled content of raw materials. ■ Interface Europe produced the first fusion-bonded carpet made of 100% post-consumer, recycled yarn in October 1997, pioneering closed-loop products. Interface Flooring Systems is working to achieve the same product, currently testing carpet manufactured from 30% post-industrial yarn. ■ Guilford of Maine can now re-spin post-consumer fabric with the development of a specialized garnetting machine which combs post-consumer fabric into usable fibers. They also use a Recyclemaster to reincorporate hundreds of thousands of pounds of yarn waste into future fiber every year.

In the Ecosphere

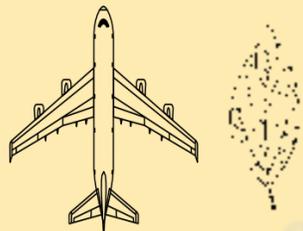
Interface's ultimate vision is to create completely benign and renewable products which do not depend on nonrenewable petrochemicals, and to minimize our footprint on the Earth due to our facilities' locations. ■ Prince Street cultivated a natural landscape of native vegetation throughout their property, xeriscaping and encouraging wildlife habitat. This vision is being duplicated globally under the direction of the Wildlife Habitat Council and Bernadette Cozart. ■ Guilford of Maine is scaling up successful trials in naturally treating waste water: installing 3,000 square feet of reed beds to assimilate biosolids from the municipal treatment plant (mature reeds are harvested and composted), irrigating a local golf course with treated waste water, and composting organic waste and biosolids for nutrient-rich lawn topsoil. They have saved over 25 cubic yards of biosolids per week from going to the landfill. ■ Pandel is in the process of converting a non-renewable, aluminum static dissipator to a carbon based (organic) fiber.

Interface Europe manufactures needle-punch products with 40-75% recycled material content in the ground layer. Adding recycled polymers to the Graphlex backing system saves Craigavon 15,000 kgs per week of raw materials, and utilizing a cone-stripping machine saves 34,000 kgs of excess yarn, usable in the specially designed Nylfloor Select Range. ■ Interface Flooring Systems in the U.S. and Canada recycle their vinyl trim waste into vinyl paste and also their ground powder from other trim waste into backing material. At Interface Europe, edge trim is downcycled to produce road cones. ■ Interface Architectural Resources has begun to reuse concrete waste material, and is developing a system for refurbishing or recycling aluminum forms. ■ Interface floorcoverings companies have all implemented projects to recycle post-industrial, nylon yarn waste back into yarn.

resource-efficient transportation

Problem: Dependence on readily-available fossil fuels worldwide has led to centralized manufacturing facilities and long supply lines. This is not a viable model for sustainable transportation if the goal is resource efficiency.

Solution: Transportation includes moving people, products, information and resources. Interface is working to make its transportation more ecologically efficient by changing packaging so products weigh less, manufacturing closer to the customer, and moving information instead of matter.



On average, every airborne mile generates a half-pound of carbon dioxide per passenger. Each tree planted by the *Trees for Travel* program absorbs 50 pounds of carbon dioxide per year after the first year, so one ton of carbon dioxide is absorbed over a 40-year period. This means that one tree should be planted for every 4,000 passenger miles traveled.

- Interface Home Page www.ifsia.com
- Bentley
- EcoSense
- EnviroSense
- Guilford of Maine
- InterfaceAR
- Interface Asia-Pacific
- Interface Europe
- Interface Flooring Systems
- Interface Research Corp.
- Pandel
- Prince Street
- Rockland React-Rite
- Stevens Linen
- Toltec
- EcoSense
- EcoSense NetLetter

The EcoSense NetLetter is available on the World Wide Web and on computer kiosks in Interface's facility lobbies. The purpose of the publication is to keep Interface associates informed about projects in the company, and give them tips for reducing their impact on the environment.

People
Current methods of transportation for associates and clients consume a great deal of energy and material, and contribute to air pollution and global climate change. ■ Interface encourages and provides teleconferencing and video conferencing technologies to reduce travel. ■ Interface joined the "Trees for Travel" program which plants trees in the tropics, absorbing carbon dioxide in sufficient quantity to offset the emissions from air travel. ■ Interface Research Corporation is experimenting with natural gas powered fleet cars to reduce air emissions.

Product
Interface is actively increasing the efficiency of product transportation by shipping via transcontinental rail, by locating manufacturing facilities closer to our global customers, and by reducing packaging (and therefore, product weight) and material requirements. ■ Bentley Mills is replacing 34 propane powered forklifts with electric lifts and handling equipment, reducing annual repair costs by \$50,000. The next step is to charge the electric machine batteries with solar power.

Information
Interface is maximizing the efficiency of information transfer by upgrading and standardizing the corporation on new information technologies. A global network has been installed to encourage electronic communication over paper. This initiative extends information beyond Interface through use of worldwide internet sites. ■ Interface is maximizing the efficiency of communication and learning through use of new information technologies. A global network of shared software, electronic messaging, and internet access is being installed as all Interface internet sites are updated and expanded.

Play to Win® is an experiential program that teaches employees how to face their fears and conquer them. Through ropes courses and classroom sessions, employees are challenged to open up emotionally to their colleagues. People take different risks. Some have an easy time scaling the pole, yet find it painful to talk about their life goals with others. The people who created Play to Win at Pecos River Learning say that the object isn't to beat someone or reach a goal, it's to "go as far as you can using all that you've got." It's seeing change as a challenge. It's taking risks and getting out of the comfort zone. It's letting go of old patterns and behaviors. It's breaking through fear. Playing to Win is learning, growing, and continuously improving. By experiencing this program with peers from work, associates learn to support each other, especially when someone is taking a risk. They learn to relate to co-workers and gain respect for them by watching them push their own limits. Back in the workplace, this results in risk taking, innovation and a sense of honesty and teamwork that promotes creativity and hard work.

Play to Win is a registered trademark of Aon Consulting, Inc.

sensitivity hook-up

Problem: Most of society does not understand the basic principles of natural systems or how individual and collective human actions affect them.

Solution: To progress toward sustainability we will help all of our associates and business partners gain a better understanding of the environment and the challenge that lies ahead. We hope to demonstrate to our customers, suppliers and friends—even our competitors—that it is not only the right thing to do, it is the smart thing to do.

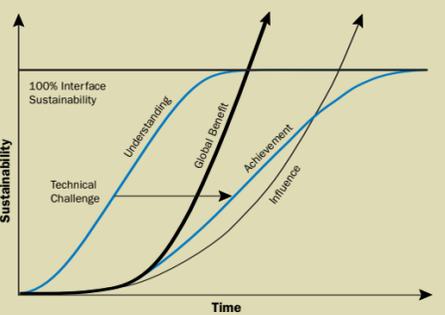


Employees Need More
Interface created an internal, employee learning team called One World Learning (OWL), which implements corporate-wide learning opportunities based on The Natural Step and "Playing to Win" philosophies. An internal EcoSense/QUEST task force of over 80 Interface associates meets twice a year to share progress and ideas among the many environmental and waste-reduction teams they represent. Interface is gradually increasing employee environmental awareness through an EcoSense NetLetter (on the World Wide Web), information kiosks, and an employee environmental awareness survey designed specifically to monitor progress in this area. ■ Interface Architectural Resources is involving employees in restoring the wildlife habitat around their plant for a recreational area and a "Play to Win" ropes course which encourages teamwork and trust. ■ Interface Flooring Systems Canada encourages employees to take environmental conservation attitudes home by implementing a Home Energy Savings Plan and subsidizing energy conservation audits and retrofits. ■ Prince Street and Interface Architectural Resources have joined local "Adopt-A-Stream" programs, taking responsibility for the waterways which border their properties. They are involving employees and local schoolchildren in efforts to restore and monitor the health of the streams. ■ Bentley Mills formed their own "Green Team" of top managers from manufacturing, sales, finance, maintenance, purchasing and environmental areas. ■ Interface Flooring Systems offers to pay employees to complete a Graduate Equivalency Diploma (GED) course for their high school diplomas.

Community
■ Interface Research Corporation created the Southeast Regional Office for The Natural Step in Georgia Tech's Center for Sustainable Technology. ■ Interface Europe in Northern Ireland established a challenge program for local high schools to submit environmental projects. Winners received funding to further their work. ■ Guilford of Maine manages the water rights associated with 2 reservoirs and 3 dams in Massachusetts, giving the company flexibility to control the water flow through thousands of acres of watershed. The health of the stream has improved both upstream and downstream since the takeover. ■ Interface Flooring Systems Canada is actively working with local community leaders to promote The Natural Step in the local government, industries and institutions through their "Quinte Initiative." ■ Prince Street is using their facility as a teaching tool to educate 8th grade students on career opportunities relating to manufacturing and the environment. ■ Interface Flooring Systems participated in an initiative to raise school children's awareness of pollution in the local Chattahoochee River. They also helped a local elementary school win a statewide grant for environmental education and supported the effort with matching funds.

World Meeting
Interface held its first ever World Meeting in Maui, Hawaii in April 1997, designed to "hook-up" the diverse international businesses of Interface. Sustainability themes permeated the entire conference with events and activities created by the "Dream Team." Interface hooked up with global associates from 34 countries on 6 continents; local organizations and needs through a Sustainable Maui Conference attended by nearly 400 guests from Hawaii; and the creation of the Ho'okupu Trust, a non-profit foundation dedicated to the native children (the first \$200,000 of which was raised by Interface and the meeting attendees). The Grand Wailea Resort and Spa, through pre-event ecoaudits, drastically reduced the ecological footprint of the conference, including: 21% reduction in electricity consumption, 48% reduction in propane consumption, 48% reduction in water consumed by the laundry (equivalent to the annual rainfall on the hotel property), and a 34% reduction in solid waste to the landfill.

Customers and Suppliers
Interface sponsors a number of events to develop strong relationships with customers and suppliers that combine concepts of "Play to Win" and sustainability. The "Why Conference" focuses on the "Play to Win" process with consistent sustainability overtones. "Power of One" events focus on the environment and the power of individual action multiplied by many. These non-sales events are designed to help Interface external associates become more effective and successful professionals in their own companies.



Interface's mission is to become a restorative enterprise, striving to understand and achieve sustainability and influence others to see the opportunity of "Doing Well by Doing Good." If we can inspire others to change their practices, Interface can truly have a restorative effect worldwide.

Number 7

redesign commerce

Problem: Existing business practices are focused on producing and distributing goods and services. A multitude of economic distortions make it difficult, if not impossible, for markets to recognize the true cost of what they produce.

Solution: Interface is creating new methods of delivering value to customers, changing its purchasing practices and supporting initiatives to bring about market-based incentives for sustainable commerce. It is focusing on the services delivered by multiple life cycles of its products. It is working to shift taxation away from economic and social benefits—such as labor, income and investment—to detriments including pollution, waste and the loss of primary resources.

Ten THE ECOSENSE INITIATIVES

Service

■ Interface established the Evergreen™ Lease as an embodiment of the “Product of Service” concept brought to the United States by McDonough Braungart Design Chemistry. Through its manufacturing and service arms, Interface bundles the products and services necessary to completely handle a customer’s flooring needs. Customers pay by the month for the services they actually desire from flooring systems: color, texture, warmth, beauty, acoustics, flexibility, comfort under foot, cleanliness, safety and healthier indoor air. Interface delivers these benefits with a total satisfaction warranty but continues to own the means of delivery—theoretically for as long as the building stands. ■ Interface has invested over \$100 million in the creation of a U.S. based value-added services network, Re:Source Americas. This network focuses on the delivery of the services of flooring products, not the products themselves. Re:Entry is a significant new initiative establishing Re:Source Americas as a major provider of reverse logistics, reusing or recycling used products. ■ From a brainstorming exercise designed to develop sustainable business opportunities, Interface established One World Learning (OWL), a company that delivers “learning services” to growing Interface companies and outside clients. OWL blends concepts of sustainability and learning in high energy, experiential programs. ■ Bentley Mills developed a new computer graphics program called “Images” which simulates custom carpet design electronically, providing the customer with color printouts for review and selection, while reducing the amount of material and energy to produce samples.

Business Methods

■ Interface’s new EcoSense Bonus Supplement Program gives managers financial incentives for progress on sustainability goals. The individual companies are working toward “green” or “buy recycled” purchasing policies for all future supply orders. Interface Flooring Systems has tied hourly employees’ bonuses to the annual goals set by the QUEST and EcoSense task forces. ■ Environmental Management Systems are critical to the ongoing management of global operations. Interface has set a goal for each facility to become registered to a globally recognized environmental management system such as ISO14001 (International Standards Organization) or BS7750 (British Standard). ■ Six Interface manufacturing facilities in the UK, Holland and Canada have been awarded ISO14001 or BS7750 certification. The Shelf Mills and Providence facilities were the world’s first carpet manufacturing facilities to achieve registration to BS7750 and ISO14001. ■ Nearly all Interface manufacturing facilities have performed the initial ISO 14001 evaluation. ■ Interface Europe at Scherpenzeel was the first manufacturer in Holland to achieve approval of the Health and Safety Management System in the Dutch P190 standard.

Organizations

Interface and its subsidiaries are involved in a large number of external organizations promoting social or environmental sustainability issues. The common thread in these organizations is their mission of re-inventing how business conducts its affairs. Interface is drawn toward these organizations to influence their vision of sustainability and to learn best practices from others. ■ Interface founder and Chairman, Ray Anderson, has been appointed co-chair of the President’s Council on

Sustainable Development. President Clinton has asked this council of business, environmental organizations and government to forge consensus on policy options, demonstrate implementation of policy, conduct outreach and constituency building, and evaluate and report progress. ■ Interface Europe signed an agreement between the Union of Dutch Carpet Manufacturers and the Dutch government to improve the energy efficiency of the carpet industry by 20% between 1989 and 2000. ■ Interface Europe’s Ed van Went is the Chairman of GuT (Gemeinschaft Umweltfreundlicher Teppichboden). GuT is an organization of environmentally friendly carpet manufacturers, which since 1992 have had their products independently tested for contaminants and VOCs. ■ Interface Europe Scherpenzeel is a founding member of EURICA, a program for carpet recycling in Europe. Its main objective is to ensure the best solution for the recycling of both Nylon 6 and Nylon 6,6 at the end of its useful life. It also has two covenants with the Dutch government: to reduce its air, water and landfill emissions and to reduce its energy usage. ■ Interface Europe is also co-sponsoring the Green Business Club with Dacorum and Middlesex Universities and the Green Business Network with Kirklees and Calderdale Council. ■ Interface has joined many sustainable development organizations to compare progress, learn from best practices and influence the direction of the movement. Organizations include: the President’s Council on Sustainable Development, the World Business Council for Sustainable Development, the US Green Building Council, Business for Social Responsibility, the World Resources Institute and the Wildlife Habitat Council.

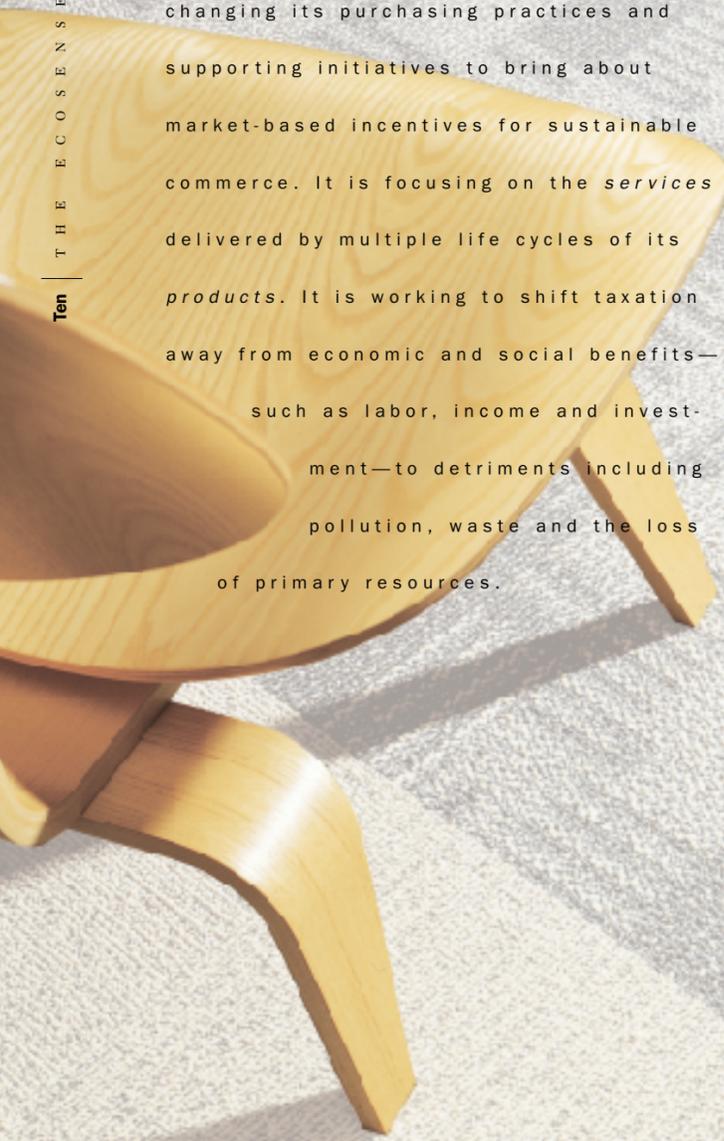
Evergreen Lease

The key to resource efficiency is a shift from thinking of products as things, to understanding products as a means to deliver a service to the customer. Service products are usually durables. They are never literally sold, but are “licensed” in the same way that software is today. Unlike software, however, the product always belongs to the manufacturer and is eventually returned. In such a system, manufacturers must design and create their products with components that will retain value when they return, and not just when they leave the factory.

Interface has taken the “service products” concept to heart. The Evergreen™ Lease is Interface’s first attempt to transform a durable commercial product (our products) into a service.

Whereas carpet tiles are usually sold and installed, Interface has implemented a program to lease the services of the carpets to the building owner. As carpet tiles wear out and are replaced, the old ones would be broken down and remanufactured into new tiles as part of the lease fee. The customer would not pay an installation cost, only a monthly fee for constantly fresh-looking and functional carpeting. Over time the amount of raw materials used would drop, but employment would increase while saving the customer money and providing a superior product. As in nature, the product becomes part of a cycle, either decomposing or breaking down into parts or molecules to become “food” in an organic cycle, or being synthetically broken down into a technical nutrient for a new product.

Every year, 920 million square yards of carpeting are thrown away into landfills in the United States. This is equivalent to all the carpeting used in office buildings in a city like San Francisco for thirteen centuries. When all companies have moved to closed-loop systems of remanufacturing, it will remove 3.5 billion pounds of material from the waste stream.



In order to achieve sustainability, Interface must do two things: proceed in the proper direction and build shareholder value. Each

step towards sustainability needs to build a platform for future steps, and must be confirmed by economic results as well as positive



ecological effects. Interface is committed to shifting from linear industrial processes to cyclical ones. To do this, we use a

compass to guide us, and a set of tools to help us. They are both the result of The Natural Step, an ongoing scientific

consensus process begun in Sweden under the leadership of Dr. Karl-Henrik Robèrt, and spreading to the rest of the

world, including Ray Anderson's alma mater, Georgia Tech. | A simple challenge: We need to understand the basic laws of nature

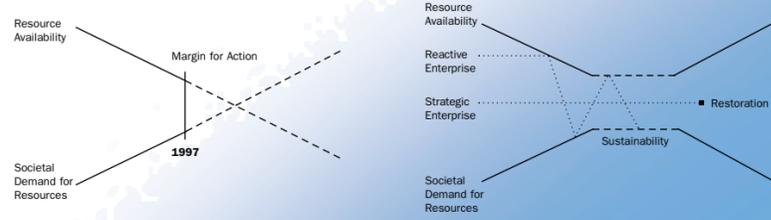
and how they will affect the future of this and all companies. Just as we watch for long-term trends that could adversely impact our

employees and shareholders, we have studied the consequences of our continued assault on nature and have determined that unless we

change, we may be responsible for catastrophic losses to ourselves and others. Our concern for the environment is not a short-term

attempt to improve our image, but a strategic change necessary to guide our corporation into and through the 21st Century.

the natural step



The Science
The Natural Step teachings are rooted in four fundamental principles of science. **The first principle** states that matter and energy cannot be created or destroyed. Practically speaking, the waste products of industrial metabolism do not disappear; the concept of waste disposal is an illusion. The billions of tons of resources we consume every year are not actually consumed, but rather, they are converted systematically into industrial and molecular waste. **The second principle** says that matter and energy tend to disperse over time, becoming less concentrated and therefore less valuable. Natural resources mined and concentrated for societal needs eventually dissipate back into nature. As their structure and concentration is dispersed and lost, they become waste, and their value drops precipitously. **The third principle** addresses consumption. Society consumes the quality, purity or structure of matter, not the matter itself. The availability and maintenance of this quality of matter determines the prosperity of humankind. If societal metabolism is systematically increasing waste in the world, then we are becoming not richer, but poorer.

The fourth principle is about wealth. On Earth, sun-driven processes produce increases in order, or net quality, primarily through photosynthetic production. Since what we consume (and need) is material 'quality,' the rate and capacity of the Earth to provide quality depends on natural, not human-made, processes. In order to bring societal metabolism into alignment with natural cycles, we must do two things: create a balance between the amount of material 'quality' consumed and the amount of material 'quality' produced in nature; and confine the amount of waste produced to well within the capacity of the Earth to usefully and safely re-absorb it. These objectives are inter-linked to form the fundamental basis for the cycles on Earth. Over-consumption of material quality causes an excess build-up of waste, which in turn compromises the conditions for life. Thus, our cycles of production and consumption must be integrated into natural cycles, not the other way around. These laws of nature will not yield regardless of how we think, what we wish, or for whom we vote.

The Funnel and our Future
All institutions and businesses are violating the principles of a cyclical society. Waste is accumulating in all living systems in the world. Resources are being used up at a rate greater than they can be replenished, and unchecked population growth is increasing our impact on the environment. Imagine a funnel whose walls close in as a measure of escalating demands on resources, growing population and increasing metabolic waste. As the funnel narrows, there is less room to maneuver and fewer options available. If this funnel describes the present long-term conditions facing the world, then a responsible corporation will direct its activities and investments towards the center of the funnel rather than towards the wall representing the limits described by scientific principles.

We believe that institutions that continuously violate these principles will suffer economically. The walls of the funnel will continue to impose themselves in the form of environmentally concerned customers,

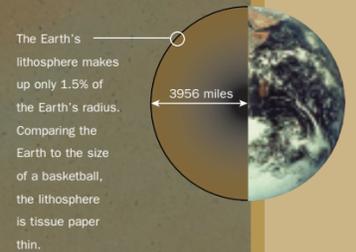
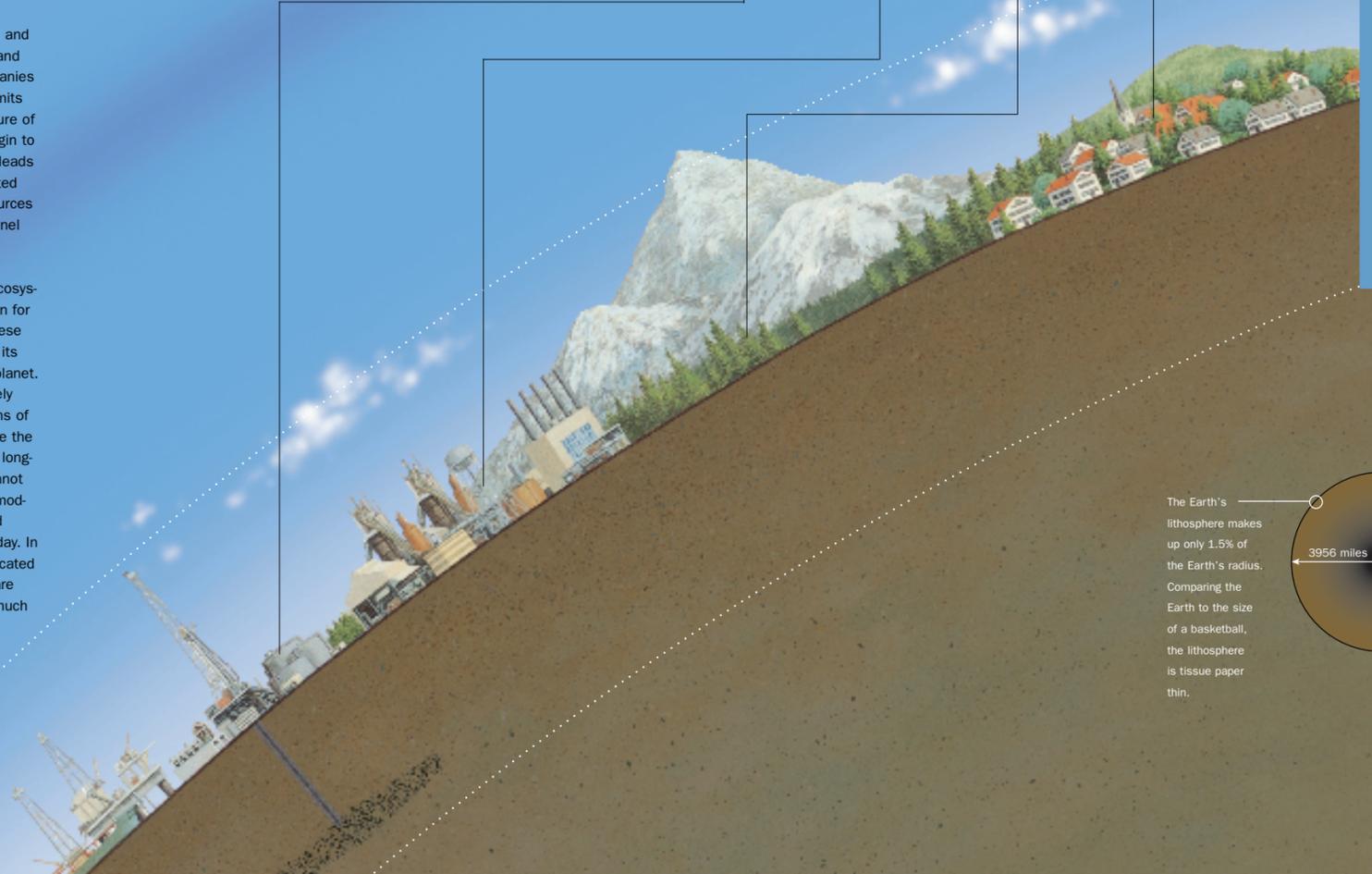
stricter legislation, higher costs and fees for resources and waste, and tougher competition from companies who anticipate the narrowing limits and adjust accordingly. The failure of institutions and business to begin to address sustainability not only leads to hitting the funnel wall—wasted effort, energy, money and resources—but further constricts the funnel itself in the long run.

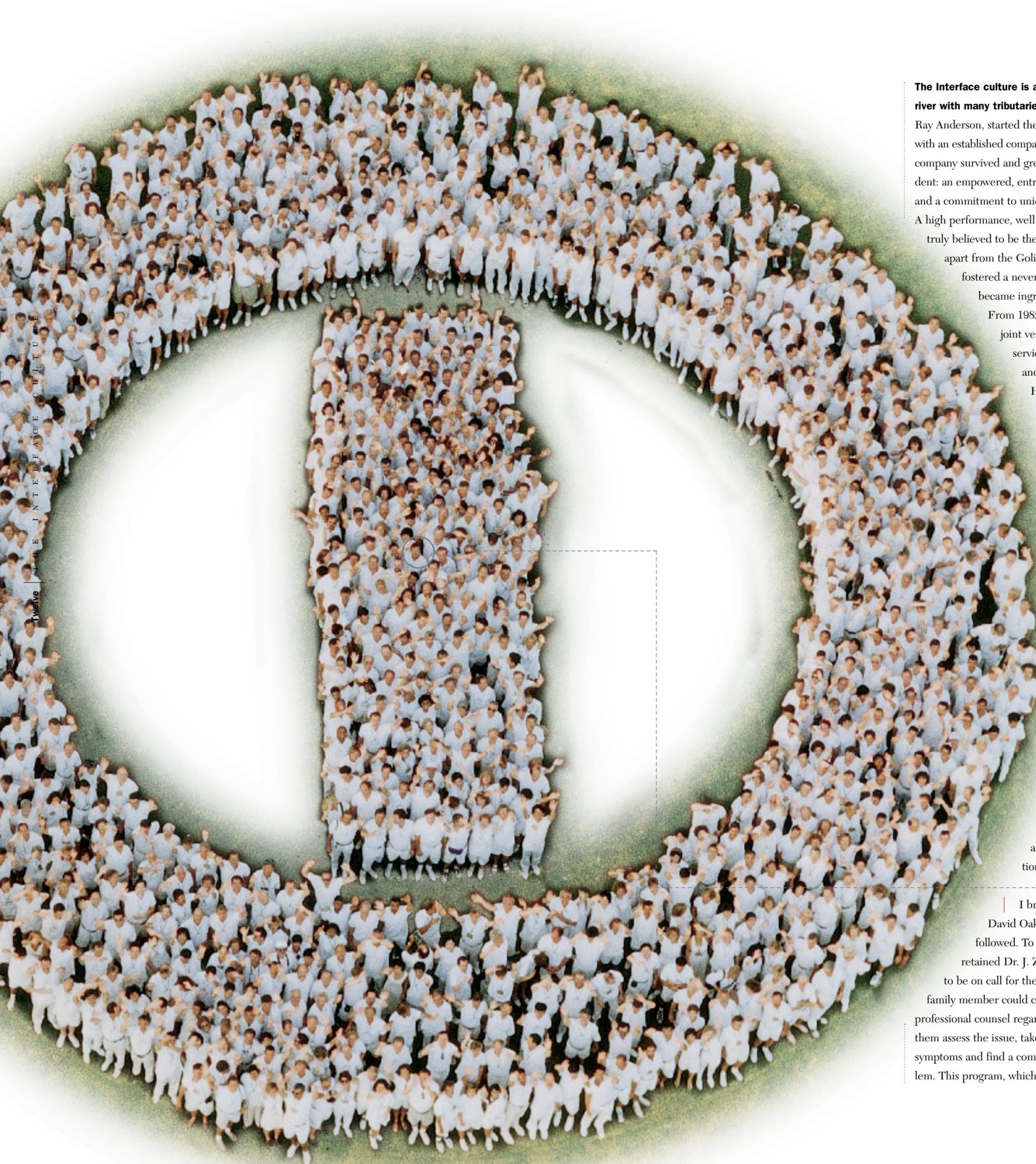
We see the cyclical nature of ecosystems as providing a clear design for our future. Interface will use these principles as a guide to reduce its impact and footprint upon the planet. At the same time, we will actively and creatively design new means of manufacturing that will eliminate the waste we now create. This is a long-term commitment, one that cannot succeed overnight. It took the modern textile industry two hundred years to come to where it is today. In our new life as a company dedicated to sustainable production, we are only three years old. We have much to do, but much to work with.

The Four System Conditions for Sustainable Human Society
Based on the principles of cycles and basic principles of physics, we can derive four conditions that need to be met to maintain the quality of living systems on Earth. The first three conditions describe non-negotiable ecological conditions governing human interaction with natural systems. The fourth condition outlines the economic state that must be achieved for the ecological conditions to be maintained. Although all four describe limits, together they form a compass to positively guide human activity on all levels of society. The four systems conditions provide a descriptive framework for society that can be applied on any scale—households, companies, communities or countries. Individuals or institutions can immediately begin to modify their behavior to fit into this framework of understanding. All measures, large or small, can be perceived and understood within this larger frame of reference. In this way, sustainability and sustainable development become clear, working definitions that can be conceptually and physically incorporated in incremental and *natural steps* on all levels of a system. Together, they provide a concrete model—a compass—pointing the way to sustainability for all participants of an organization. Interface is using this compass to guide us on our journey up the mountain higher than Everest—the one named "Sustainability."

- 1 Substances from the Earth's crust (lithosphere) must not systematically increase in nature. In a sustainable society, metals, fossil fuels and other minerals must not be extracted at a rate faster than they can be redeposited and re-absorbed by the lithosphere. The increase and dispersion of waste from the lithosphere into nature may have already reached limits beyond which irreversible damage and changes will occur.
- 2 Substances produced by society must not systematically increase in nature. Man-made materials must not be produced at a faster pace than they can be broken down and integrated back into the cycles of nature, or deposited into the Earth's crust and turned back into nature's building blocks. This requires decreased production of human-made substances that are accumulating beyond natural levels, and phasing out persistent compounds not found in nature. If persistent compounds systematically accumulate, the concentration of these substances in nature will eventually reach limits, often unknown, beyond which irreversible changes occur.
- 3 The physical basis for the productivity and diversity of nature must not be systematically deteriorated. Human health and economic prosperity depend on the capacity of nature to reconstitute and restructure waste into resources. Therefore, we must not diminish the quality or quantity of the productivity of the biosphere, nor harvest more from nature than can be sustainably recreated. We must harvest resources in a manner that does not reduce their productive capacity, or threaten diversity of life.
- 4 Human needs must be met by a fair and efficient use of natural resources. All people require an acceptable standard of living, and this standard must be based on limits described by the first three conditions. It is only within this framework that human societies can exist under politically acceptable conditions. This implies improving strategies for limiting population growth, and developing a vision of the future attractive and desirable to people in need. In practical terms, it requires a global increase in technical and organizational efficiency, particularly in the affluent parts of the world.

- Stratosphere:** 30 miles, -225°F at top.
- Ecosphere:** Directly maintains its structure using the energy flow from the Sun. Contains the biosphere, atmosphere (including protective ozone layer), hydrosphere and pedosphere.
- Ozone:** 50°F. Ultraviolet rays from the Sun are absorbed in the ozone layer. The ozone makes up only .005% of the total stratosphere, so even minor depletions can have profound effects.
- Troposphere:** 10 miles, -75°F at top. Weather as experienced on Earth occurs in the troposphere.
- Biosphere:** Where plant and animal life exist: approximately 5 miles above and 5 miles below Earth's surface.
- Lithosphere:** Comprised of the crust and upper mantle extending 60 miles below the Earth's surface. Contains minerals, fossil fuels and soil chemicals (nutrients) needed to support plant life.





Twelve | THE INTERFACE CULTURE

The Interface culture is a blend of many diverse cultures, like a river with many tributaries. Its headwaters arose when founder, Ray Anderson, started the company in 1973, leaving a good job with an established company to go out on his own. As the original company survived and grew rapidly, two qualities became evident: an empowered, entrepreneurial attitude in its sales force, and a commitment to unique technology in its manufacturing. A high performance, well compensated sales force selling what it truly believed to be the best products in the world set David apart from the Goliaths of the day. This unshakable belief fostered a never-say-die, determined will-to-win that became ingrained throughout the organization. | From 1982 to this day, 40 acquisitions and two joint ventures have added people, products, services and customers, as well as plant sites and other facilities to the Interface mix. How have these diverse cultures come to be integrated today into a truly coherent whole? The answer is through a remarkable reinvention of the company. When the company hit hard times in 1991, the attributes of customer intimacy, entrepreneurial selling, unique technology and never-say-die attitude were simply not enough. | A worldwide recession overtook the company's primary market place, the corporate sector. Dramatic market shifts ensued, coupled with shifts in product preference to lower-priced products from new companies and established competitors. The founder, faced with massive changes in the marketplace and an over-extended management team, made a bold move. Ray hired me, the leader of his toughest competitor, as COO and asked me to reinvigorate the organization with new, experienced, proven talent.

| I brought in Gordon Whitener, John Wells, David Oakey, Jeff Goldberg and others that followed. To deal with the intensity of change, I retained Dr. J. Zink, a well known family therapist, to be on call for the company. Any employee or employee family member could call him at any time and receive his professional counsel regarding a family problem. Dr. J. helped them assess the issue, take initial steps to relieve the emotional symptoms and find a competent local therapist to treat the problem. This program, which continues today, convinced Interface

employees that the company was serious about getting them and their families the best available help to deal with the stresses of modern life. | One of the most significant changes at Interface was the "Play to Win" program brought to us by Pecos River Learning. Developed by corporate guru Larry Wilson, Pecos teaches, through experiential learning and a formidable ropes course, effective and open communication, the sharing of feelings, the need to eliminate comments which hurt and reject teammates, the need for support and acceptance and the possibility that we can create the finest company in the world. | Throughout these changes, our dedication to our customer remains our hallmark. We are reinventing technology to lead us through these dramatically changing times. | We are a company not based on fear, but one that has the courage to look in the shadows for truth. We have abandoned bad habits, such as the need to be right, look successful, be emotionally comfortable—the symptoms of "Playing Not to Lose." In their place is a receptivity, even a yearning, for change and the willingness to learn and search for a better way. We then add support, openness, sensitivity, optimism, confidence and compassion, especially for the children of today and tomorrow, and you have Interface, an organization that has become "hooked up" worldwide by these common, shared values. | Do these soft issues have a place in modern business? The Interface management team, beginning with Ray Anderson and myself, think so. Ray has devoted himself to seeking a higher purpose for the people of Interface to embrace—and they have. The vision of a petrochemically-intensive company becoming an environmentally-sustainable leader captures us all. The idea of achieving our goals of taking nothing from the Earth that is not renewable (not another drop of oil, for example) and doing no harm to the biosphere compels the company. Thus, to our devotion to **product** (the best in the world) and **people** (empowered, motivated, and productive) and to our customer-intimate persona has been added the devotion to an extraordinary **place** called planet Earth.

people product place



Charlie Eitel
President & Chief Operating Officer

Charlie Eitel

the dream team

This is the Dream Team, a collection of experts and friends who have joined with me to remake Interface into a leader of sustainability. I met John Picard in the Summer of 1994 and he became an instant friend. He was helping Southern California Gas Company build the Energy Resource Center as a demonstration "green building." I wanted him advising Interface too, so John became our first environmental consultant. Then after reading the Ecology of Commerce, I arranged to meet author Paul Hawken. I was further impressed, so much so that I asked him to become a consultant to Interface to help us draw our "map" to sustainability—to be a voice of conscience. Reading Daniel Quinn's *Ishmael* led to a similar meeting and outcome. Soon after we put John, Paul and Daniel together in a meeting with a group of customers and asked them who else should be there. Their answer was David Brower, the patriarch of the American environmental movement. Other names kept recurring because of their outstanding expertise: Bill McDonough, Amory Lovins, Bill Browning, Jonathon Porritt in the UK, and Bernadette Cozart. One by one I met them, liked them, and felt each brought a unique perspective to our journey toward sustainability. What a marvelous team they have become; the Interface Eco Dream Team.

—Ray Anderson

David Brower

is without question the preeminent leader of the environmental movement in North America, fighting on behalf of the environment since 1926. Outdoorsman, mountain climber, conservationist, organizer, visionary, David has to his credit 70 first ascents of mountain peaks, saving the Grand Canyon from becoming a reservoir and leading an organization of 2,000 members to become the largest environmental organization at the time, The Sierra Club. His intensive lobbying helped create many national parks and seashores including those in Kings Canyon, the North Cascades, the Redwoods, Great Basin, Alaska, Cape Cod, Fire Island and Point Reyes. He has founded the League of Conservation Voters, Friends of the Earth, the Earth Island Institute, Trustees for Conservation and the John Muir Institute for Environmental Studies.

Bill Browning

is one of the leading practitioners and spokespersons in the world for green architecture. Before getting his M.S. at MIT in Real Estate Development, Bill worked with Buckminster Fuller and helped organize the Global Games Project at the Windstar Foundation. Bill presently directs Rocky Mountain Institute's Green Development Services, a program on environmentally responsive real estate development. Projects have included the Greening of the White House, The Pentagon, the Grand Canyon National Park and the Sydney Olympics in 2000. He has just finished co-authoring *Green Development, Integrating Ecology and Real Estate*, published in the fall of 1997. He presently serves as National Real Estate Advisor to The Nature Conservancy and serves on the board of the US Green Building Council and Greening of America.

Bernadette Cozart

is one of the most important community and social activists in America. She has worked as a community organizer around such diverse but related issues as housing, hunger, institutional racism, violence, employment and the environment. In 1990, while working with the New York City Department of Parks, she founded the Greening of Harlem Coalition. Working with teenagers and the unemployed, Greening has grown to include twenty community organizations operating thirty garden projects all across Harlem, ranging from schoolyard vegetable patches to urban farms providing food for soup kitchens and the homeless. Bernadette was the only gardener invited to participate in the Greening of the White House project. In 1996, she was the first recipient of Global Green's Millennium Award for Individual Environmental Activism.

Paul Hawken

is a businessman, environmentalist and author. He is author of several books including *Seven Tomorrows*, *The Next Economy* and the best-sellers *Growing a Business* and *The Ecology of Commerce*. His books have been published in over 50 countries in 27 languages. *Growing a Business* became the basis of a 17-part PBS series which Mr. Hawken hosted. He is Chairman of The Natural Step, US and co-chairs The Natural Step, International. He has served on the boards of the Point Foundation (publisher of the Whole Earth Catalogs), Center for Plant Conservation, Friends of the Earth, Trust for Public Land and National Audubon Society. Presently, he is writing *Natural Capitalism: The Coming Efficiency Revolution* with Amory and Hunter Lovins and *The Natural Step* with Karl-Henrik Robèrt, both to be published in 1998.

Amory Lovins

is widely regarded as the most articulate spokesperson on the issue of energy and the environment in the world today. He is a consulting physicist, a MacArthur Fellow, the youngest person to become a don at Oxford University and the co-founder, with his wife Hunter, of the Rocky Mountain Institute in Snowmass, Colorado. RMI is a nonprofit resource policy center that focuses on resource efficiency and global security. RMI staff explore the links between energy, water, agriculture, transportation, security and development. Amory has been elected a Fellow of the American Association for the Advancement of Science and the World Academy of Arts and Sciences. *The Wall Street Journal's* Centennial Issue named him among 28 people in the world most likely to change business in the 1990s.

L. Hunter Lovins, Esq.

is President and Executive Director of Rocky Mountain Institute (RMI). Hunter holds a BA in Political Studies, along with a BA in Sociology from Pitzer College, a JD from Loyola University School of Law and an honorary LHD from the University of Maine. She has co-authored several books and papers, and, as a member of the California Bar, helped establish an innovative urban forestry and environmental education group called the California Conservation Project and for six years served as Assistant Director. She has won numerous recognitions and awards, one being the 1983 Right Livelihood Award (often called the "alternative Nobel Prize"). Hunter has appeared on several television shows, such as "60 Minutes," "Good Morning America," and the "700 Club." She serves on several business Boards and has enjoyed teaching environmental studies at Dartmouth College. Interface and RMI are joining together in partnership to search for new ways to reduce our environmental footprint.

Bill McDonough

is the leading designer of sustainable industrial systems in the United States. He is principle of William McDonough + Partners and is Dean of the School of Architecture at the University of Virginia. His firm has designed the corporate campus for The Gap, a new production facility for Herman Miller and the environmental prototype store for Wal-Mart in Lawrence, Kansas. Bill consults directly with corporations who are applying ecological principles to products and manufacturing, including Monsanto and Steelcase. In preparation for the World's Fair in the year 2000, the city of Hannover, Germany commissioned Bill to author the *Hannover Principles: Design for Sustainability*, design guidelines for the first fair dedicated to the environment. His latest venture, McDonough Braungart Design Chemistry, is a collaboration with leading green chemist, Michael Braungart.

John Picard

was the first member of the Interface Dream Team. He is a contractor, a building energy systems expert and general environmental consultant. His clients include Sony Pictures, Dreamworks, Southern California Edison, The Gap and Compaq Computers. He has worked with Interface from the beginning of Ray's commitment to the environment, networking, working with sales staff, cheerleading and providing a stream of ideas, data, people and resources to Interface. Without John, there would be no Dream Team. John works through E2 Environmental Enterprises building the capacity with corporations to move towards sustainability. He has created an extensive database on products for green buildings, and is now working vigorously to convince corporations to employ the Internet as a means to radically reduce their environmental impact.

Jonathon Porritt

is quite probably the best known spokesperson for the environment in the United Kingdom today. His influence began when he assumed the co-chair position of the Ecology Party in 1980, later to become the Green Party. After writing *Seeing Green* in 1984, he directed Friends of the Earth for six years, transforming it into one of the most powerful lobbying and research organizations in the UK. His most recent book, *Save the Earth*, was produced prior to the Earth Summit and included writings from environmentalists around the world. Jonathon is Environmental Advisor to the Prince of Wales's Business Leaders Forum and a Trustee of World Wildlife Fund-UK. Last year he launched Forum for the Future, a new foundation which works exclusively on identifying and implementing solutions to environmental problems.

Dr. Karl-Henrik Robèrt

is one of Sweden's foremost research oncologists who, in 1989, initiated an environmental movement called *The Natural Step*. Dr. Robèrt received his MD in 1975, his Ph.D. in 1979 and in 1982 became a Professor of Internal Medicine. His research on damaged human cells provided a platform for his interest in environmental questions. Later, with Dr. John Holmberg, he developed system conditions for ecological sustainability. Major Swedish companies as well as the majority of Swedish municipalities have begun to incorporate the system conditions into their business practices. He has lectured at international conferences, authored numerous scientific publications and written many books and articles on the environment and sustainability which encourage an understanding of the linkage between ecology and economy. Interface and Dr. Robèrt have been associated since June 1996, when Dr. Robèrt visited Atlanta at Interface's invitation and lectured on *The Natural Step* to the community at Georgia Tech.

Walter Stahel

works as a consultant in the field of business management and industry analysis and has authored books and numerous articles on resource efficiency and job creation. Walter has been a deputy secretary-general of the International Association for the Study of Insurance Economics, Geneva, since 1988, and a secretary of the European Branch of the International Science Policy Foundation, London. He is a founding member of the "Factor 10 Club," and is one of the founder-directors of the Product-Life Institute, Geneva. He was appointed member of the first Environmental Council of the German Railways, Berlin and serves on the Societal and Scientific Advisory Board for Modeling a Socially and Environmentally Sustainable European Union, DG XII Brussels. Walter joins Interface as a key advisor to our European operations and is helping us worldwide with our sustainability initiatives.

Daniel Quinn,

author, educator, cultural anthropologist and philosopher, spent twelve years writing his first book, an unusual tale of a simian named Ishmael who will turn your world upside down. *Ishmael* won the Turner Tomorrow Fellowship, a half-million dollar award established by Ted Turner to encourage authors to seek creative and positive solutions to global problems. Daniel has written another most unsettling book on western culture, entitled *Story of B* and has just released the sequel to *Ishmael*, entitled *My Ishmael*. *Ishmael* is used in high schools and colleges across the country, including courses in anthropology, biology, ecology, environmental studies, ethnology, geography, global problems, history, humanities, literature, peace studies, philosophy, psychology and sociology. Daniel meets with thousands of readers across the country in lectures, salons and *Ishmael* talking circles. He has just formed a new organization, *Future Positive*, to evaluate application of his ideas.

evolution

Today Interface is a global company. We produce in 29 manufacturing sites, located in the United States, Canada, the United Kingdom, Holland, Australia, and Thailand. We sell our products in more than 110 countries. We manufacture and sell 40 percent of all the carpet tiles used in commercial buildings today, enjoying the largest market share in nearly every one of those 110 countries. We also produce commercial broadloom carpet, textiles, chemicals, and architectural products, specifically access floor systems.

- Interface, Inc. Worldwide Office Locations**
- Epping
 - Greenwith
 - Picton*
 - The Gap
 - West Moonah
 - Schwanberg
 - Brussels
 - Minsk
 - Sao Paulo
 - Sofia
 - Belleville*
 - Calgary
 - Granby
 - Halifax
 - Ottawa
 - Montreal
 - Toronto
 - Richmond
 - Vancouver
 - Winnipeg
 - Shanghai*
 - Bogota
 - Prague
 - Roadovre
 - Hertfordshire
 - West Yorkshire*
 - Paris
 - Saclay
 - Krefeld
 - Hong Kong
 - Budapest
 - Dublin
 - Milan
 - Osaka
 - Tokyo
 - Seoul
 - Kuala Lumpur
 - Amersfoort
 - Craigavon*
 - Scherpenzeel*
 - Oslo
 - Warsaw
 - Lisbon
 - Bucharest
 - Moscow
 - Singapore
 - Mirfield*
 - Ljubljana
 - Southdale
 - Barcelona
 - Bilbao
 - Madrid
 - Goteborg
 - Eriembach
 - Luzern
 - Bangkok
 - Chonburi*
 - Kiev
 - Dubai
 - Aberdeen*
 - Athens*
 - Atlanta
 - Boston
 - Beltsville
 - Branchburg
 - Cartersville*
 - Chatham*
 - Chicago
 - Columbia
 - Columbus
 - Dallas
 - Dudley*
 - East Douglas*
 - Eastport
 - Grand Rapids*
 - Greensboro*
 - Guilford*
 - Highpoint
 - Houston
 - LaGrange*
 - Los Angeles*
 - Minneapolis
 - New York
 - Newport*
 - Oklahoma City
 - Phoenix
 - Philadelphia
 - Portland
 - Resaca
 - Rockmart*
 - Royal Oak
 - San Diego
 - San Francisco
 - Saddlebrook*
 - Seattle
 - Sterling
 - St. Louis
 - Tulsa
 - Washington, D.C.
 - West Point*
 - Whippany
 - Winston-Salem
- * manufacturing facilities



Time
Revenues (\$)
Interface, Inc.
Floor Coverings
Fabrics
Specialty Resources

Carpets International Georgia

Carpets International-Georgia, Inc. founded by Ray Anderson April 6, 1973

Compact Carpets

Compact Carpets Ltd. of Canada acquired and named Interface Flooring Systems (Canada), Inc.



TUCA

Tufted Carpet Tile Ltd. (Tuca Tile) of Craigavon, Northern Ireland acquired

Willingworth Carpets

Willingworth Carpets of Yorkshire, England acquired

Tuca Tile and Willingworth Carpets joined to create **Interface UK**

EnviroSense

EnviroSense Consortium of Kennesaw, Georgia formed, a nonprofit consortium of companies concerned with indoor air quality



HEUGA

Heuga Holding B.V. of Scherpenzeel, Holland acquired, making Interface, Inc. the world's largest and only global producer of carpet tiles

PANDEL

Guilford Industries, Inc., dba Guilford of Maine acquired, manufacturing the majority of fabric used by US office systems furniture



GUILFORD OF MAINE

Les Textiles Esmond acquired

Stiel, Inc. acquired and renamed **Textile Resources**

Pandel, Inc. of Cartersville, Georgia acquired, producing carpet tile backing, specialty mats and foam products



Interface Americas Re:Source Technologies, Inc. of Rockmart, Georgia acquired, producing process- and performance-enhancing chemicals

Interface BENTLEY

Bentley Mills, Inc. of City of Industry, California acquired, producing high-performance broadloom carpet

Interface UK and Heuga join to create **Interface Europe, Inc.**

Charlie Eitel joins Interface Flooring Systems as president and CEO and introduces the concept of mass customization

Stevens Linen

Stevens Linen Associates, Inc. of Dudley, Massachusetts, acquired, producing decorative, upscale upholstery

RRR

Intercell Flooring acquired from French Company, **Servoplan, S.A.**



Interface Research Corporation



Interface Research Corporation takes the lead in stewarding the company's vision of sustainability

Prince Street Technologies, Ltd. moves into new environmental showcase factory in Cartersville, Georgia

Carpet Tile joint venture formed with **Modernform** in Bangkok, Thailand

Re:Source Americas Enterprises, Inc. formed to acquire and license leading floor covering contractors across the US

Toltec Fabrics, Inc. of Greensboro, North Carolina, acquired, specializing in high-end jacquard fabrics

Intek, Inc. of Aberdeen, North Carolina, acquired, providing lightweight, piece-dyed fabrics

Interstitial Flooring acquired and joins with Intercell to create **Interface Architectural Resources, Inc.**

C-Tec, Inc. acquired and joins with Intercell and Interstitial to enlarge **Interface AR**

EcoSense initiatives formed

First **Evergreen™ Lease** signed

QUEST formed

Interface, Inc. commits to **The Natural Step**, under which all 6,300 employees will be trained on environmental principles

Interface Europe, Inc. headquarters moves to Berkhamsted, England

Nineteen owned service providers added to the **Re:Source Americas** network

Carpet Solutions of Australia acquired

Joint venture carpet tile facility opened in People's Republic of China under the name **Shanghai Interface Carpet Co., Ltd.**

Interface Interior Fabrics Group becomes umbrella for all fabric subsidiaries

Acquired **Readicut International PLC** in the UK

Interface Interior Fabrics becomes umbrella for all U.S. fabric subsidiaries

World Meeting Maui Eco Conference

Ray Anderson named co-chair of President's Council on Sustainable Development

Interface, Inc. named President and Chief Operating Officer for Interface, Inc.

Ray Anderson named co-chair of President's Council on Sustainable Development

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One World Learning, Inc. (OWL) formed

World Meeting Maui Eco Conference

Ray Anderson named co-chair of President's Council on Sustainable Development

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Re:Source Americas renovations

Nineteen owned service providers added to the **Re:Source Americas** network

Carpet Solutions of Australia acquired

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Interface Interior Fabrics Group becomes umbrella for all fabric subsidiaries

Acquired **Readicut International PLC** in the UK

Interface Interior Fabrics becomes umbrella for all U.S. fabric subsidiaries

Interface Interior Fabrics becomes umbrella for all U.S. fabric subsidiaries

CAMBORNE

Camborne Fabrics, Ltd. of West Yorkshire, England, acquired

Acquired **Readicut International PLC** in the UK

Interface Interior Fabrics becomes umbrella for all U.S. fabric subsidiaries

Interface Interior Fabrics becomes umbrella for all U.S. fabric subsidiaries

Interface AR

Interface AR

If we understand that design leads to the manifestation of human intention, and if what we make with our hands is to be sacred and honor the earth that gives us life, then the things we make must not only rise from the ground but return to it, soil to soil, water to water, so that everything that is received from the earth can be freely given back without causing harm to any living system. This is ecology. This is good design. It is of this we must now speak.

William McDonough



Our Mission

Interface will be the first name in commercial and institutional interiors worldwide through its commitment to people, product and place. We will strive to create an organization wherein all people are accorded unconditional respect and dignity, one that allows each person to continuously learn and develop. We will focus on product through constant emphasis on quality and engineering which we will combine with superior attention to our customers' needs. We will honor the places where we do business by endeavoring to become the first name in industrial ecology, a corporation that cherishes nature and restores the environment. Interface will lead by example and validate by results, leaving the world a better place than when we began.



April 12, 1997
Proclamation of the Board

Whereas, Interface was founded by Ray C. Anderson 24 years and 1,000 days before the beginning of the third millennium of the modern era;

Whereas, Interface, under the leadership of Anderson and other talented officers and associates that he assembled, has in the 24 succeeding years metamorphosed from a startup domestic manufacturer of a single office floor covering product — fusion-bonded carpet tile — into a true multi-national producer of a brand integrated range of textile and architectural products for commercial interiors;

Whereas, Interface today is a corporation with more than \$1 billion in sales, with 6,300 employees in more than 110 countries;

Whereas, Anderson and Charles R. Eitel, whose vision and skill Anderson brought to Interface in 1993, have conceived of a new corporate paradigm for the future — of a corporation with a commitment to its people, its products and its place in the universal ecosystem unprecedented in the world to this time;

Whereas, they are determined to lead Interface through a new metamorphosis so that Interface will dramatize this new business model as the corporate leader at the dawn of the new millennium;

Whereas, they organized and have now concluded on the island of Maui a worldwide meeting allowing the Interface family of associates to capture this new concept and to hook the individual power of each member of Interface's family into a single unified vision;

Whereas, the meeting has drawn upon the talents of Interface officers and associates, of an environmental dream team, of external consultants in a

variety of disciplines, of an enlightened resort hotel staff, and of a roster of the world's foremost speakers and entertainers;

Now, therefore, be it resolved,

that Interface, Inc., acting by and through its Board of Directors, with grateful thanks:

commends Ray C. Anderson and Charles R. Eitel for their insight that the business corporation that our descendants of the seventh generation will require to employ, supply and protect them must break from the traditions of the past, and that Interface and the Interface associates must be the leaders;

commends the Interface environmental dream team for their aid in conceptualizing and communicating the implications of the new corporate model;

commends all of the Interface associates and consultants who developed the programs and materials of the Maui meeting;

commends the people of Maui and the management and staff of the Grand Wailea hotel for their hospitality and enthusiastic participation;

commends the dedicated suppliers who contributed essential financial support to the Maui conference;

and commends each person in attendance at the Maui conference for his or her participation, for hooking it up at Interface worldwide, and for implementing for posterity — in the next 1,000 days and thereafter — the new Interface model of a corporate citizen of the universe.

Board of Directors

- | | |
|---|--|
| Mr. Ray C. Anderson
Chairman of the Board and CEO,
Interface, Inc. | Mr. J. Smith Lanier II
Chairman, J.Smith Lanier & Co. |
| Mr. Brian L. DeMoura
Senior Vice President, Interface, Inc. | Mr. Donald H. Lee (Emeritus)
Senior Vice President, Retired,
Interface, Inc. |
| Ms. Dianne Dillion-Ridgley
President, Zero Population Growth | Mr. Donald E. Russell
Senior Vice President, Interface, Inc. |
| Mr. Charles R. Eitel
President and Chief Operating
Officer, Interface, Inc. | Mr. Leonard G. Sauter
Senior Vice President, Retired,
Interface, Inc. |
| Carl I. Gable, Esq.
Attorney at Law,
Troutman Sanders LLP | Mr. Clarinus C. Th. van Andel
Law Partner, Retired,
Schut and Grosheide |
| Mr. Daniel T. Hendrix
Senior Vice President, Chief Financial
Officer and Treasurer, Interface, Inc. | Mr. John H. Walker
Senior Vice President, Interface, Inc. |
| Dr. June M. Henton
Dean of the School of Human
Sciences, Auburn University | Mr. Gordon D. Whitener
Senior Vice President, Interface, Inc. |

When you are through with this report, please do not throw it away. There is no "away." Please pass it on to a friend or colleague that you think might appreciate, learn and/or be inspired by this material.
Thank you.

Interface, Inc.

Atlanta, GA
770-437-6800

Interface Americas, Inc.

Cartersville, GA
770-606-3900

Bentley Mills, Inc.
City of Industry, CA
800-423-4709

Interface Americas Re:Source
Technologies, Inc.
Rockmart, GA
770-684-6626

Interface Architectural Resources
Grand Rapids, MI
616-243-2211

Interface Flooring Systems
Canada, Inc.
Belleville, Ontario, Canada
800-267-2149

Interface Flooring Systems, Inc.
LaGrange, GA
800-336-0225

Pandel, Inc.
Cartersville, GA
770-382-1034

Prince Street Technologies, Ltd.
Cartersville, GA
800-221-3684

Re:Source Americas
Cartersville, GA
770-607-7400

Interface Europe, Inc.

Berkhamsted, UK
44-1442-285000

Interface Asia-Pacific, Inc.

Wanchai, Hong Kong
852-2802-0838

Interface Interior Fabrics Group

Guilford, ME
800-762-3331

Guilford of Maine, Inc.
Guilford, ME
800-762-3331

Guilford of Maine
Component Technologies
Grand Rapids, MI
616-285-4510

Intek
Aberdeen, NC
910-944-4300

Stevens Linen
Dudley, MA
508-943-0600

Toltec Fabrics, Inc.
New York, NY
212-684-2380

Camborne Fabrics, Ltd.
West Yorkshire, England
44-1924-490491

Interface Research Corp.

Kennesaw, GA
770-421-9555

One World Learning, Inc.

Atlanta, GA
770-437-6800

Shanghai Interface Carpet Co., Ltd.

Shanghai, People's Republic of China
86-215-972-0012

Interface Modernform Company, Ltd.

Bangkok, Thailand
66-38-214-30-25

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a minimum of 5%
banana fibre. Banana
fibre is a 230,000 ton
per year by-product of
banana harvesting and
an ecological threat
to the region. A per-
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