

ADDRESSING SUSTAINABILITY and Environmental Concerns:

A Masland Contract White Paper

Masland Contract is committed to environmental stewardship and sustainability in all aspects of our business. We strive to continually improve our environmental performance and to constantly look for new and innovative ways to reduce our environmental impact in four specific areas: Safety, Energy, Waste and Water.

GOALS, COMMITMENTS & ACHIEVEMENTS

Safety

Masland Contract is committed to providing a safe and healthy environment for both our associates and communities. It is important to Masland Contract that every associate leave work the same way they arrived, healthy, both mentally and physically. With this goal in mind, every associate is required to complete the SafeStart® program. SafeStart® is an advanced safety awareness training program which teaches critical error reduction techniques proven to reduce injuries by 50% or more.¹ The behavior based curriculum is not only designed for the workplace but passes down practical safety skills that are productive at the family level of all of our associates.

Through the implementation of the SafeStart program, our accident incident rating is over 14x better than the industry standard.

Green Energy

The goal of Masland Contract is to offset 100% of our energy consumption by purchasing Green-e® energy credits. The total energy used by Masland Contract was offset 88% in 2014. Through continued improvements in 2015 and 2016, 100% of our total energy usage was covered by Green-e® credits. As a Green Power Partner, Masland Contract is helping to support the development of new, renewable generation capacity nationwide while also helping to protect the environment.²

Evergreen Initiative

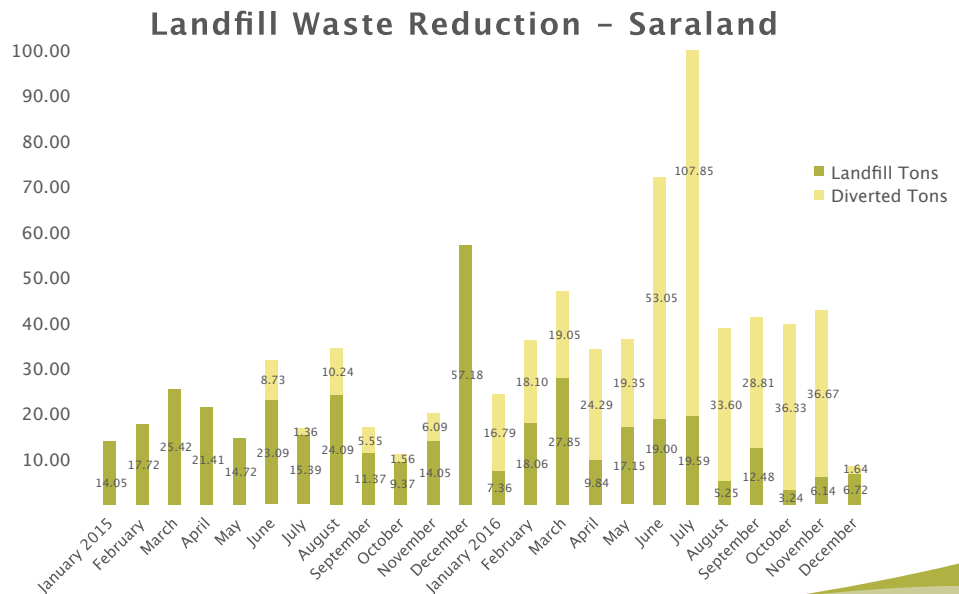
Masland Contract has implemented environmental processes we call the Evergreen Initiative to reduce our total energy consumption by developing environmentally friendly products. We use our Evergreen Initiative to reduce the amount of raw materials and energy used in the manufacturing of our products and to improve first time yields through the manufacturing processes. The Evergreen Initiative has resulted in the reduction of energy consumption, labor costs and material waste.

First time yields have improved from 84% to 97% since 2012. During the same time period we have reduced manufacturing process re-works by 10%. Masland Contract has reduced internal off-quality production by 79% with current off-quality levels at less than .25% of total square yards produced. Our overall total energy cost of carpet manufactured has reduced from \$0.23 per square yard in 2013 to \$0.087 per square yard in 2016. These improvements make a large impact reducing our total energy and raw-material usage while producing a better product for our customers.

Waste

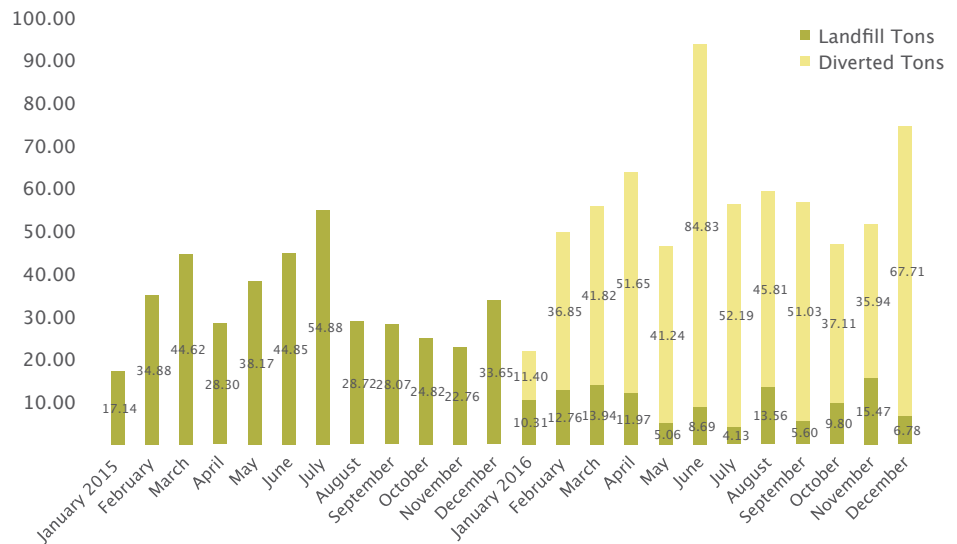
Landfill reduction- is defined as the percentage of waste that was going to the landfill and is now diverted to a recycler. Landfill avoidance- is the percentage of total waste that is diverted to a recycler.

During the year 2015, we initiated a plan in our Saraland, Alabama facility to track and divert any material that was going to the landfill that could be recycled. The plan was fully operational in our Saraland plant in 2016. In 2016 the goal for landfill reduction and avoidance was 70%. They finished out the year at 68% reduction and 72% was diverted.



The same initiative was implemented at our J.O. Sturdy Facility in Atmore, Alabama in 2016. Their goal for 2016 was 75% landfill reduction and they finished the year at 83%. The goal for the landfill avoidance was 75% and they finished the year with a diversion rate of 93%.

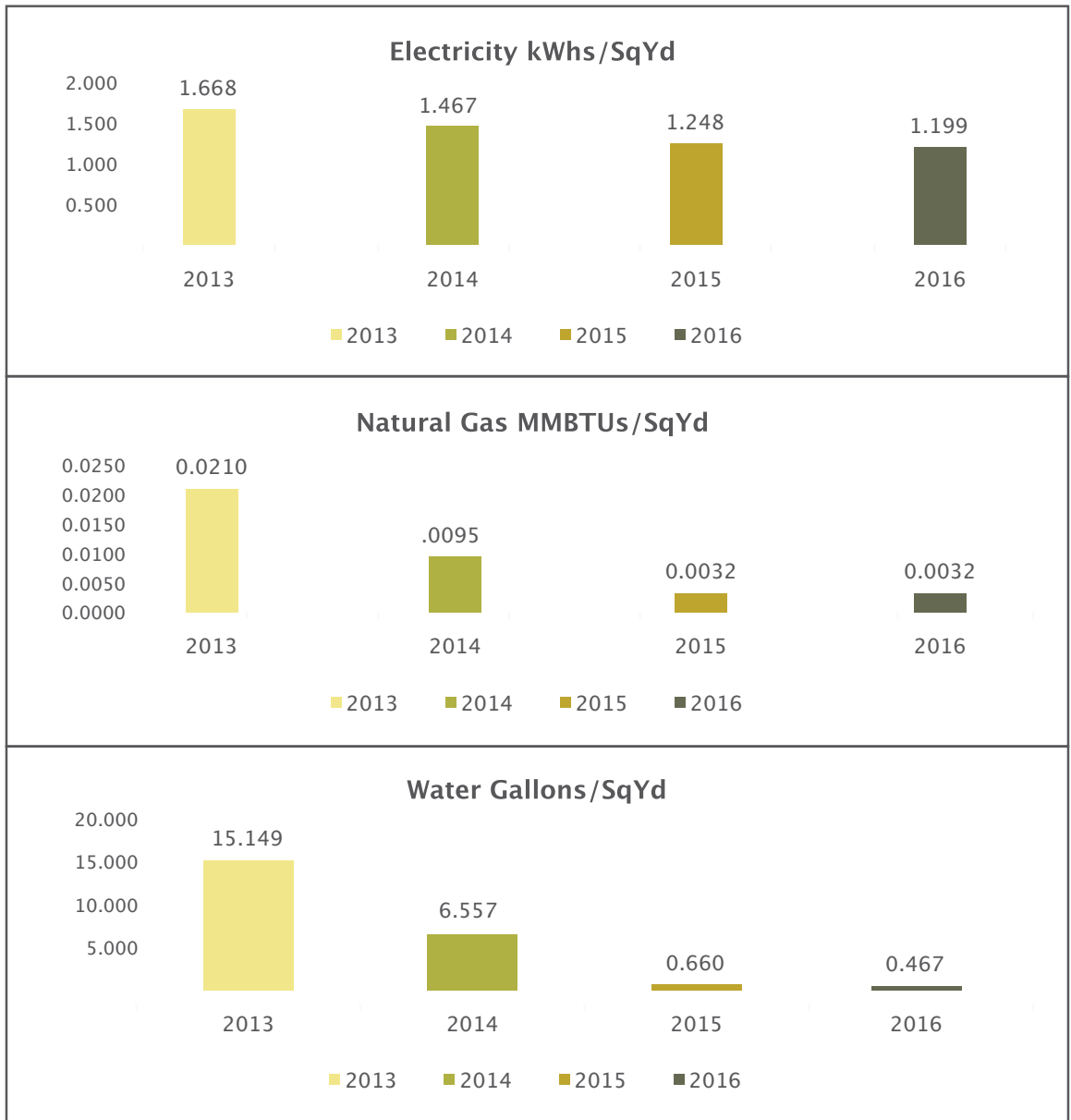
Landfill Waste Reduction – Atmore



Environmentally Friendly Products... means total energy reduction.

During our product development process, there is an emphasis on using raw materials that are comprised of recycled content and/or rapidly renewable resources as well as dematerialization. Masland Contract continually invests in technologies that will reduce and conserve energy, minimize and safely dispose of process-by-products, and comply with stringent air and water quality standards.

This type of new product design, with the environment as its foundational focus, has contributed to a substantial reduction in electricity, natural gas and water consumption over the last four years. Electricity usage dropped from 1.668 to 1.199 kWh/yd², natural gas was down from .0213 to .0032 MMBTU/yd² and water usage was down from 15.1 to .47 gal./yd².



End of Life Reclamation

Masland Contract is a Corporate Sponsor of the Carpet America Recovery Effort (CARE).³ CARE is a joint industry-government effort to increase the amount of recycling and reuse of post-consumer carpet and reduce the amount of waste carpet going into landfills.

Masland Contract also provides its customers with a carpet reclamation program. Masland Contract coordinates with customers purchasing our products for remodeling projects to arrange for the reclamation of the old carpet through certified recyclers. The carpet is then processed into reusable products.

Masland Contract also provides its customers with a sample recycling program. All of our samples may be returned to us at our cost to be reused as sample materials again or recycled as necessary.

Sustainability

Masland Contract monitors its environmental progress through annual independent third party audits of each of our facilities. These audits ensure we are in compliance with all applicable federal, state and local environmental laws and regulations and that we continue to reduce our environmental footprint.

Along with the sustained improvements that have been accomplished in the area of water, energy and waste, Masland Contract carries a NSF-140 gold rating for both solution dyed broadloom and modular products.

Masland Contract communicates these goals and commitments to our associates, customers, suppliers and other stakeholders.

These policies are on our website at <http://www.maslandcontract.com> and are available upon request.

1. SafeStart® Home & Family Edition <http://www.safestart.com/>, <http://safestart-home.com/>
 2. <https://www.epa.gov/greenpower/green-power-partner-list>
 3. <https://carpetrecovery.org/>
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