

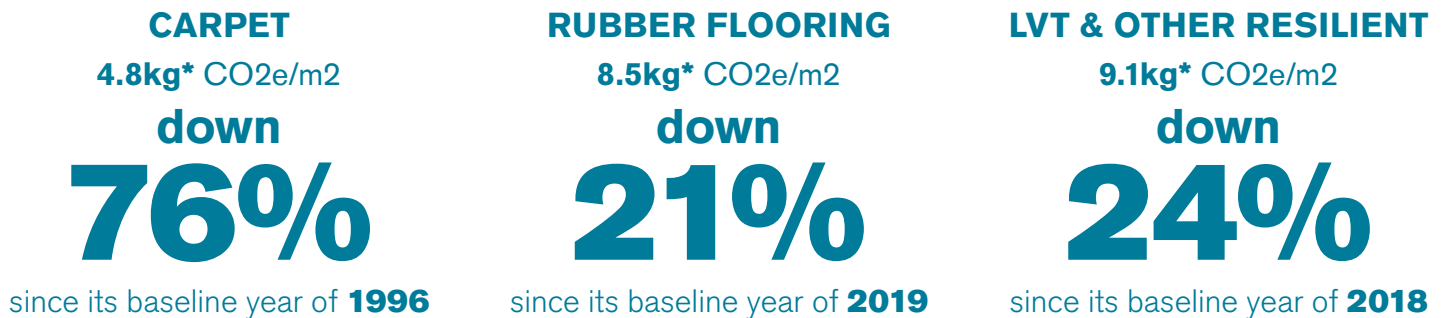
# Interface Position on Carbon Offsets

How and When We Use Carbon Credits

**The choice of how and when to use carbon offsets (also called carbon credits) is different for every company. Interface uses carbon offsets to support both our [Carbon Neutral Floors™ program](#) and our [Carbon Neutral Enterprise certification](#).**

## Reduce First...And Keep Reducing

At Interface, we have been reducing our carbon emissions for decades. Based on publicly available data, we believe that we have the lowest carbon footprint carpet tile flooring products on the market, when measured cradle-to-gate, without the use of offsets. Below we highlight our global product carbon footprint reductions.



*\*Global sales-weighted averages, cradle-to-gate*

**We are not done yet.** In 2021, our aggressive 2030 absolute reduction goals for our Scope 1, 2, and 3 emissions from a 2019 base year were [recognized as science based](#) by the SBTi, the global body enabling businesses to set emissions reduction targets in line with climate science.

We also have an objective to become a carbon negative enterprise by 2040. To do this, we must store more carbon than we emit across our operations, products, and supply chain – without using carbon offsets. And we're making incredible progress. As a first step, we transformed our carpet tile backing system and launched the industry's first cradle-to-gate carbon negative carpet tile products that store more carbon than they emit – without the use of carbon offsets. We have plans to scale carbon negative products within our carpet tile business, and to further reduce the carbon footprint of our resilient products.

## Balance with Credits Last

Today, carbon credits are a necessary part of our carbon neutral strategy – a part that we believe will become less and less necessary over time, as we continue to find innovative carbon storing raw materials and succeed in reducing our carbon emissions through decarbonizing our supply chain, investing in renewable energy, and reducing our operational emissions.

At Interface, we purchase carbon credits to offset the remaining global carbon emissions, over 95% of which are outside of our direct control in Scope 3.

**Interface®**

## Ensuring Our Credits Are Credible

As a sustainability leader, it's essential to us that we have an established procurement process to source and purchase credible carbon offsets. We only purchase carbon credits from projects that are verified according to internationally recognized standards, including the Verified Carbon Standard (VCS), the Gold Standard (GS), the California Action Reserve (CAR), and the American Carbon Standard (ACR). These standards assure that the carbon credits we use are:

- *real (have happened) and not speculative,*
- *additional (beyond business-as-usual activities),*
- *measurable, and*
- *permanent.*

By purchasing only carbon offsets that meet one of the internationally recognized standards, we're verifying through independent third parties that we purchase valid offsets.

In addition to the requirements of the internationally recognized standards, we purchase offsets that have already happened, generally within the past three years. We retire offsets with historical vintages that are as close as practicable to the year in which our emissions occurred.

## Verify and Share Details

In addition to our carbon offsets being third-party verified to meet credible, market-based standards, they undergo additional review through our third-party verification process to the leading international standard for carbon neutrality, PAS 2060, for both our [Carbon Neutral Floors program](#) and our [Carbon Neutral Enterprise certification](#).

Interface has been at the forefront of driving transparency in the sustainability space for decades. The same is true with our carbon credit purchases. We are transparent about what projects we support and what projects are applied to our claims by sharing an annual [Offset Project Report](#).

## And Be Ready to Adapt as the Market Evolves

As with any open (voluntary) market, the carbon offsets market has evolved over time. We agree that carbon credits are not the only solution to our climate change problem, and that we need to adapt and evolve how we use them over time. We continue to facilitate constructive discussions around best practices in this area and confidently stand by our programs and our processes. And we will evolve as this market does while remaining transparent.

We'll participate where possible to improve the standards, sharing our views and experience. We remain committed to only purchase carbon offsets meeting credible standards until we reach our goal to be carbon negative without the use of offsets.

## Our Journey to Becoming a Carbon Negative Enterprise

At Interface, we began by measuring our environmental impacts, identifying our highest priorities for reducing our carbon footprint, which was the first crucial step in our carbon journey -- a journey that will continue with us further reducing our footprint with the ultimate objective to become a carbon negative enterprise without the need for offsets. Along that journey, we have incorporated credible carbon offsets to ensure we are balancing our carbon impact. We ensure those credits are verified to meet internationally recognized standards, as well as verified to support our overall carbon neutral programs. On our way to reverse global warming through Climate Take Back™, we will continue to be transparent about the best practices we use as a business to create a climate fit for life.