

# Interface<sup>®</sup>

## Qualifying Explanatory Statement

In support of PAS 2060:2014 third-party certification of Carbon Neutral Floors and Carbon Neutral Enterprise

Third Period: January 1, 2023 to December 31, 2023

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## 1. Declaration of carbon neutrality commitment

Starting in 1994, Interface focused on reducing the environmental impacts of its operations and products. In 1996, Interface began to measure our operational and product footprints and we have reported publicly on progress to reducing impacts since 1997. In 2003, Interface launched a pilot program to make products carbon neutral, and expanded that program globally in 2018 to make all products carbon neutral through a third-party verified process.

As our next step toward becoming a more sustainable business, we declare our commitment to being a Carbon Neutral Enterprise across all scopes of our business and to selling exclusively Carbon Neutral Flooring. We commit that this claim will be revalidated on an annual basis.

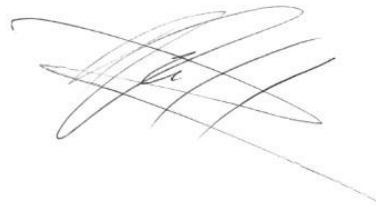
### 1.1. Carbon Neutrality Declaration

Our claims will be the following, as prescribed by the PAS 2060:2014 Specification for the demonstration of carbon neutrality.

- Carbon neutrality of Interface, Inc achieved by Interface, Inc in accordance with PAS 2060 for the year of 2023 (January 1, 2023 – December 31, 2023), third-party verified by WAP Sustainability for PAS 2060 certification.
- Carbon neutrality of all products sold by Interface achieved by Interface, Inc in accordance with PAS 2060 for the year of 2023 (January 1, 2023 – December 31, 2023), third-party verified by WAP Sustainability for PAS 2060 certification.



**Liz Minné, Ph.D.**  
Head of Global Sustainability Strategy



**Nigel Stansfield**  
Chief Innovation and Sustainability Officer

## 2. Introduction

This Qualifying Explanatory Statement (QES) demonstrates Interface’s commitment to achieve and maintain carbon neutrality of its Scope 1, 2, and 3 emissions, including all flooring product emissions, in accordance with PAS 2060:2014.

The complete QES checklist supporting Interface’s commitment to carbon neutrality can be found in Appendix A.

Entity making PAS 2060 declaration	Interface, Inc.
Individual(s) responsible for the evaluation and provision of data necessary for the substantiation of the declaration (including that of preparing, substantiating, communicating, and maintaining the declaration)	Liz Minné, Head of Global Sustainability Strategy
Subject of the declaration	All emissions related to the Interface Enterprise globally and sales of all products; Scope 1, 2, & 3
Function of the subject	Interface is a global leader in modular flooring, offering an integrated collection of carpet tiles and resilient flooring that includes luxury vinyl tile (LVT), vinyl sheet, rigid core and nora® rubber flooring.
Activities required for the subject to fulfill its Function	Scope 1 & 2 emissions for Interface come from manufacturing operations, leased facilities, and company cars. Scope 3 emissions related to our business include all applicable categories (1, 2, 3, 4, 5, 6, 7, 9, 11, and 12), as defined by the GHG Protocol. See Section 5 for more details.
Rationale for the selection of the subject	The subject reflects all emissions related to Interface, Inc. doing business with no exceptions.
Type of conformity assessment undertaken	I3P-2 – independent third-party certification – achievement
Baseline dates for PAS 2060 program	January 1, 2019 – December 31, 2019
Achievement period	January 1, 2021 – December 31, 2023
Commitment period	January 1, 2023 – December 31, 2023

## 3. Interface progress to reduce carbon emissions

Since 1994, Interface has measured the carbon impact of our operations and product footprints, constantly adapting our methodologies to the most rigorous standards available.

We started measuring our GHG emissions in operations and products in 1996 and have been measuring our progress ever since. When we started measuring, rigorous standards and publicly available protocols did not exist, but as they were released, Interface adapted to meet the most relevant standards available. Interface delivered our first sustainability results in 1996, including our GHG inventory, through the EcoMetrics program, and released our first publicly accessible [global sustainability report](#) in 1997. Interface now reports our GHG inventory annually through the [UN Global Compact\\*](#) and in our annual [ESG Report](#). Our product carbon footprint and greenhouse gas inventory data has been consistently third-party verified since 2003 and 2012, respectively, and the most recent year's [verification reports](#) are also posted to our website.

Using our baseline of 1996, Interface has made significant progress in reducing our company's global carbon footprint, including reducing the cradle-to-gate carbon footprint of our carpet by 79%, increasing the use of renewable energy at our global manufacturing sites to 79%, and reducing our market-based emissions from our carpet manufacturing sites by 97% in intensity and by 96% in absolute terms.

We moved beyond GHG reductions to carbon neutrality, starting with selling select products that were full life-cycle carbon neutral flooring in 2003 – a program we now call Carbon Neutral Floors™. This program was expanded in 2018 to include all products. Since the program began in 2003, we have sold more than 502 million square meters of carbon neutral flooring and offset their impact by retiring 6.5 million tonnes of verified emission reduction credits. Today, Interface sells all its flooring products (carpet tile, multi-layered resilient flooring, and rubber flooring) as carbon neutral for the product's full life cycle. In 2020, we launched our first carbon negative commercial flooring products as we work toward our goal of being a Carbon Negative Enterprise by 2040. In 2022, we also expanded our carbon negative offerings to our FLOR consumer brand with the introduction of three carbon negative carpet tile styles.

\*The 2023 UN Global Compact Communication on Progress (CoP) submission was delayed due to technical issues. Submitting the CoP is voluntary, and information will be accepted until December 31<sup>st</sup>, 2023.

## 4. Current GHG emission reduction commitments and long-term approach

### 4.1. Carbon neutrality commitments and verifications

In 2018, Interface committed and then verified that all of its products were carbon neutral. Interface has maintained this commitment and annual verification for all product introductions, last verified for 2022.

Interface will maintain this carbon neutral products commitment for 2023.

In 2021, Interface verified to the PAS 2060: 2014 Specification for the demonstration of carbon neutrality standard that its full value chain and operations are carbon neutral through a combination of GHG emission reductions and verified carbon offsets. Interface will maintain this commitment for 2023.

Assurance reports are provided in Appendix B for Carbon Neutral Enterprise and Carbon Neutral Floors for the previous year.

### 4.2. Long-term commitments

Interface has a [science-based target](#) validated by the [Science Based Targets Initiative](#) to reduce its Scope 1 and 2 absolute emissions 50% by 2030 from a 2019 baseline. It has a further commitment to reduce absolute emissions 50% from Scope 3, Category 1: Purchased goods and services and 30% from Scope 3 categories 6 and 7, air travel and employee commuting, respectively.

Lastly, Interface has committed to be [carbon negative by 2040](#).

## 5. Carbon measurement methodology

### 5.1. Baseline year

The baseline year for our carbon measurements for this plan is 2019. The year of 2019 was chosen because it was the first year that we reported data from our acquisition of nora® rubber and the first year that we reported our Scope 3 emissions. Additionally, the year of 2020 does not serve as a representative baseline year due to the impacts of the COVID-19 pandemic, resulting in lower sales and production volumes.

### 5.2. Scope of carbon neutral claims

This plan covers two carbon neutral claims and the scope of each is described below.

#### 5.2.1. Carbon Neutral Floors™

The Carbon Neutral Floors™ program uses the carbon impacts from the full Life Cycle Assessment (LCA) for all flooring products sold by Interface to determine the carbon attributed to our flooring products and then offsets the full life cycle impacts for all of our products.

Reference Standard:

- GHG Protocol Product Life Cycle Accounting and Reporting Standard

The boundaries of the LCAs covered in the Carbon Neutral Floors™ program are as follows:

- Manufacturing Stage includes raw material extraction and processing, transport to Interface, process wastes, Interface internal processing and packaging.
- Delivery and Installation Stage includes transport to the end user, ancillary installation materials, disposal of installation wastes.
- Use Stage includes daily vacuuming and intermittent extraction cleaning of carpet for seven years, and the cleaning of rubber flooring for 20 years. The electricity, water, and soap are included.
- End of Life Stage includes transport to disposal, recycling, landfill, or incineration impacts depending upon the common practices for flooring in the region of use.
- Support functions including the calculated emissions from its offices and warehouses, and mobile emissions.

The flooring products covered by this program are:

- For all flooring products, first quality, excess inventory, over-runs, and unsold custom products are covered in the sales reports and off-quality products are covered by a factor in the life cycle assessment.
- Carpet – All carpet.
- Rubber – All rubber flooring and stair treads, including accessories such as stair nosing and angles, skirting and joint sealers sold.

- MRF –All Multi-layered Resilient Flooring, including Luxury Vinyl Tile (LVT) and Vinyl Sheet (VS), sold.

The boundaries of the carbon footprint for this claim covers the full product lifecycle emissions for all products sold in the reporting year.

## 5.2.2. Carbon Neutral Enterprise

The Carbon Neutral Enterprise claim covers all Scope 1, 2 (market-based), and 3 emissions attributed to Interface based on our verified GHG Emissions Inventory results. Under this claim, we offset 100% of the emissions attributed to Interface, with most emissions offset as a part of the Carbon Neutral Floors™ program and the remainder offset as a part of the Carbon Neutral Enterprise achievement.

The boundary of the Carbon Neutral Enterprise carbon footprint covers all Scope 1, 2 (market-based), and 3 emissions associated with our enterprise, excluding emissions covered by the Carbon Neutral Floors™ program to avoid double-counting. Interface's GHG inventory is verified on an annual basis by a third-party auditor. Our 2022 calendar year was audited by WAP Sustainability, with our most recent verification posted publicly [here](#). Interface seeks to meet the most rigorous standards internationally available, as noted in PAS 2060: 2014, which in order of preference are International Standards (ISO), standards that have international acceptability (regional or national standards) or recognized, proprietary industry or trade methods.

Criteria against which verification/assurance is conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2)
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3)

Reference Standard:

- ISO 14064-3: Greenhouse gases -- Part 3: Specification with guidance for the validation and verification of greenhouse gas statements

Level of Assurance and Qualifications:

- Reasonable (Scope 1 and 2).
- Limited (Scope 3)
- This verification used a materiality threshold of  $\pm 5\%$  for aggregate errors in sampled data for each of the above indicators.



## 5.3. Carbon data collection and calculation

The scope of the data that we collect on carbon is for facilities under our operational control and products that we sell.

We currently have seven trained employees that enter data into the cloud-based Pinnacle 2 system, hosted by Sphera Cloud. Using the system, we are able to easily collect energy data for all of our global facilities around the world, along with additional metrics we track as a part of our EcoMetrics reporting process. Data is stored on the cloud, reducing risk of data loss, and data is locked on a yearly basis after auditing is completed to ensure historical data is kept consistent over time. The Pinnacle 2 system tracks trends in our GHG inventory for operations after data for each quarter is entered, allowing us to have quarterly checkpoints to ensure we are making progress on our carbon goals.

Interface's financial team provides information on a quarterly basis related to sales volume for each of our sales regions globally. The sustainability team tracks this data along with the carbon footprint results from the previous year to track approximate values for the GHG inventory throughout the year and ensure a sufficient supply of carbon offsets is available at year-end.

### 5.3.1. Scopes 1 and 2

Interface's Scope 1 and Scope 2 emissions come from manufacturing, leased facilities, company vehicles, and refrigerants.

#### 5.3.1.1. Manufacturing data

Utility bills for energy use at each manufacturing location are collected, including electricity, natural gas, propane, steam, diesel, chilled water, and compressed air. Energy use is entered and reviewed on a quarterly basis into a cloud-based system to digitally store our data.

The energy data is sorted appropriately between Scope 1 and Scope 2, then emission factors are applied to calculate the greenhouse gas emissions based on the energy use by energy type. The emission factors come from the EPA, the World Resources Institute, IEA, and other standards as appropriate to their emission type and location. Calculations for the energy use multiplied by their location-based emission factors provide our Scope 1 and 2 location-based emissions attributed to manufacturing.

To calculate our Scope 1 emissions, net of certifications, and Scope 2 market-based emissions, we use environmental attributes from Green Gas Certificates, renewable instruments (RECs, I-RECs, and GOs), renewable electricity provided by utilities, and self-generated renewable electricity and then calculate the remaining energy that is not renewable. The emissions are then based on the remaining energy multiplied by their market-based emission factors, resulting in our Scope 1 emissions, net of certifications, and Scope 2 market-based emissions for manufacturing.

#### 5.3.1.2. Leased facility data

The process for calculating leased facility data includes collecting up-to-date real estate information from our procurement team, which includes location, subtype (office, showroom, warehouse), and floor area leased. Energy usage for each location is then calculated using the US EIA CBECs and RECS intensity factors, which are categorized by subtype, and floor area of the space. The emissions are then calculated

using the location-based and market-based emission factors for their given location. The calculated emissions represent our leased facility Scope 1 and Scope 2 emissions.

### 5.3.1.3. Company vehicle emissions data

Interface's mobile combustion emissions come from company vehicle fuel use. Fuel use and/or distance traveled data is collected from the business units. This data is then input into the Greenhouse Gas Protocol's Transport Tool to calculate the total mobile GHG emissions for Interface.

### 5.3.1.4. Refrigerant emissions data

Interface has refrigerant emissions from refrigerant recharges and leakage that occurs at our manufacturing and leased facilities. Manufacturing refrigerant recharge and leakage information is tracked at each factory and reported to the Global Sustainability Department on an annual basis. For refrigerant emissions factors, we input the total weight of each refrigerant that was required to be recharged and refrigerant leakage into the Refrigerant GHG Inventory Summary worksheet developed for the GHG Protocol Initiative to produce the emissions related to refrigerants lost. Refrigerant emissions for leased facilities are estimated by extrapolating our actual manufacturing refrigerant emissions data. This is performed by first calculating the square footage percentage of leased facilities compared to manufacturing facilities. This percentage is then multiplied by the total emissions from each type of refrigerant used at our manufacturing facilities. The emissions from leased facility refrigerants added to manufacturing refrigerant emissions sum to our total impact for refrigerant recharge and leakage.

## 5.3.2. Scope 3

Interface includes all applicable Scope 3 emissions in accounting for total emissions. We have Life Cycle Assessments (LCAs) for 99% of our products by sales. Data collected for these LCAs cover most of the categories and about 90% of the emissions from the GHG Inventory within Scope 3. LCAs follow the GHG Product Life Cycle Accounting and Reporting Standard to ensure quality and consistency. Detailed information from our suppliers informs our LCAs, and when information is not directly available, industry averages are used. Within the LCAs, life cycle stages relevant to Interface emissions are identified as Manufacturing, Transportation and Installation, Use, and End-of-Life. Total impacts of our products are calculated using the results from these LCAs multiplied by the sales weighted average for the top 90% of our product sales globally, then scaled to cover 100% of our global sales volume.

### 5.3.2.1. Category 1: Purchased goods and services

Per the GHG Protocol, Category 1 includes raw materials extraction, unit production, and transportation of goods and services purchased or acquired by Interface within the reporting year, which are not included in Categories 2-8. We calculate purchased goods impact using total GHG emissions from the manufacturing life cycle stage of our products, and then subtract the impact for activities already being accounted for in other areas of Interface's GHG inventory. Specifically, those activities include energy impacts from LCA accounted for within Scope 1 and 2, upstream energy impacts from LCA already accounted for within Category 3, upstream transportation impact accounted for within Category 4 (discussed later), and emissions from waste in manufacturing operations (attributed to Category 5).

Interface's purchased services impact is calculated by using purchasing data captured in financial tracking software and applying emissions factors from the EPA's EEIO model – a comprehensive set of supply chain emission factors covering all categories of goods and services in the US economy. Before applying the EPA's EEIO emissions factors to spending for purchased services, spending for the reporting year is adjusted to the 2018 USD to account for inflationary changes from 2018 to the reporting year. This adjustment is necessary because the EPA's EEIO spend-based emissions factors are based on the 2018 USD (more details about how the EPA's EEIO emission factors are calculated can be found here). Inflation rates are provided by the US Bureau of Labor Statistics.

Once spending is in real terms or adjusted for inflation, dollars spent for purchased services are multiplied by the appropriate EPA EEIO spend-based emissions factors (in kilograms of CO<sub>2</sub>e/dollar spent). The cumulative impact across all relevant spending is Interface's purchased services impact.

Purchased goods calculated value added to the purchased services calculated value sums to our total Category 1 impact.

#### 5.3.2.2. Category 2: Capital goods

Interface's capital goods impact is calculated using internal capital expenditure reports from all facilities, the EPA's EEIO spend-based emission factors, inflation rates from the US Bureau of Labor Statistics, and currency exchange rates from the IRS. Capital expenditure spending data for US facilities is adjusted for inflationary changes from 2018 to reporting year to align with the EPA's EEIO spend-based emission factors. Capital expenditure spending data for all non-US facilities is converted to USD before adjusting for inflationary changes from 2018 to the reporting year. Once spending data for capital expenditures is in real terms and/or converted to USD, dollars spent for capital expenditures are multiplied by the appropriate EPA EEIO spend-based emission factors (in kg of CO<sub>2</sub>e/\$) to calculate impact.

In 2022, there was a difference in total capital expenditure from the provided internal reports and total reported capital expenditure in Interface's 10-K financial report. The impact of this difference is estimated by calculating the average kg of CO<sub>2</sub>e per dollar spent on capital expenditures from internal facility reports and multiplying it by the difference in spending reported in the 10-K.

The cumulative total of Interface's calculated impact for capital expenditure purchases and estimated impact from differences in reported capital expenditure represents Interface's Category 2 impact.

#### 5.3.2.3. Category 3: Fuel- and energy-related activities

Impacts from fuel- and energy-related activities are included in the manufacturing life cycle stage within our LCA data. Using the methodology detailed for the Quantis tool, Category 3 impacts can be calculated using the Scope 1 emissions multiplied by 0.25 and Scope 2 emissions multiplied by 0.20. Using our total location-based Scope 1 and Scope 2 data, we can calculate the impact for Category 3. As mentioned in the Category 1 section, this impact is then subtracted from the total manufacturing life cycle stage impact to calculate the purchased goods impact to avoid double counting of those associated emissions.

#### 5.3.2.4. Category 4: Upstream transportation and distribution

Impacts from upstream transportation and distribution are also included in the manufacturing life cycle stage within our LCA data. To calculate the portion of the manufacturing impact that should be attributed to Category 4, our LCA expert provides the percentage of the manufacturing impact that upstream transportation and distribution represents. This impact is then subtracted from the total manufacturing life cycle impact in calculating the purchased good impact in Category 1.

#### 5.3.2.5. Category 5: Waste generated in operations

Data on total waste in weight and disposal type is collected by each manufacturing facility. This data is reviewed and entered on a quarterly basis into a cloud-based system to digitally store the data. Using the global waste data and factors from the EPA GHG emissions factors hub, we were able to calculate the carbon impact of each disposal method by multiplying weight by the emissions factor. The remaining emissions for this category are attributed to waste from offices and other general waste disposal. This is estimated by first calculating the square footage percentage of leased facilities compared to manufacturing facilities. This percentage is then multiplied by the total waste emissions from manufacturing waste to calculate waste emissions from leased facilities. The calculated waste emissions from manufacturing value added to estimated waste emissions from leased facilities value sum to our total Category 5 impact.

#### 5.3.2.6. Category 6: Business travel

We are able to collect flight mileage for business travel data from some, but not all, of our business units. Where data is available, we work with our regional businesses to separate rental car emissions from company car emissions (Scope 1), with our most material impacts coming from the Americas (AMS), as well as our Australian business. Detailed air travel data is available in regions which constitute the majority of business travel (over 90% by mileage in 2022), so other regions may be conservatively calculated as a smaller portion of the total travel. Emissions are calculated based on distance traveled and emissions factor for the remainder of the business to ensure we overestimate emissions.

In addition to emissions from business travel, Interface also attributes emissions associated with hotels in total Category 6 impact. Emissions from hotel stays are calculated by using purchasing data captured in financial tracking software and spend-based emissions factors from the EPA's EEIO model. Total spend on lodging is adjusted for inflationary changes between 2018 and the reporting year to align with the EPA's EEIO spend-based emissions factors before total lodging spend is multiplied by the appropriate emission factor.

The cumulative total of calculated emissions for air and rental car travel and calculated emissions for lodging sum to our Category 6 impact.

#### 5.3.2.7. Category 7: Employee commuting

In 2022, we introduced an employee commuting survey to improve our data in this category. We asked all of our employees across our global business to provide information on their mode of transportation to their usual work location and distance traveled in that mode, selecting multiple modes if needed. We used the distance-based method, as described in the GHG Protocol's Scope 3 Technical Calculation Guidance for Category 7, using the EPA Emission Factors for Greenhouse Gas Inventories for the

AMS/Corporate regions and DEFRA conversion factors for the EMEA/APAC regions. Using our responses in each region as the average, we extrapolated to match the total number of employees in each region to calculate our global employee commuting emissions.

#### 5.3.2.8. Category 8: Upstream leased assets

Emissions from Interface's upstream leased assets (company car emissions and leased facility emissions are included in Scope 1 and Scope 2).

#### 5.3.2.9. Category 9: Downstream transportation and distribution

The transportation and installation life cycle stage impacts in the LCAs cover category 9 within Scope 3. To calculate the portion of the transportation and installation impact that should be attributed to Category 9, our LCA expert provides the breakdown of the impact that downstream transportation of sold products represent.

#### 5.3.2.10. Category 11: Use of sold products

The emissions for the use of our sold products come from the use phase of the life cycle. This includes customer cleaning for the expected lifetime of carpet and LVT (7 years), as well as rubber (20 years). Additionally, we allocated our installation impacts to this category. In reviewing Category 10, where we had previously allocated installation impacts, we found Category 10 is more appropriate for a supplier that produces an intermediary product, such as a sugar company that is an exclusive supplier to a company making candy. The use phase impact of the LCA combined with the installation impact give us our total Category 11 totals.

#### 5.3.2.11. Category 12: End-of-life treatment of sold products

Emissions for the end-of-life of sold products comes from the end-of-life phase of the life cycle.

#### 5.3.2.12. Category 10: Processing of Sold goods, Category 13: Downstream leased assets, Category 14: Franchises, and Category 15: Investments

Interface does not manufacture intermediary goods, have downstream leased assets, franchises, or investments as defined by the GHG Protocol; therefore, these categories do not contribute emissions to our overall carbon footprint.

## 5.4. Uncertainties in carbon data

Although we work to collect as much actual data as is available, we recognize there are areas of uncertainty in our data. Emission data for our leased facilities is based on an intensity factor for the subtype of the space and its location. Additionally, refrigerant emission data for leased facilities are estimated based on actual refrigerant emissions from manufacturing facilities. Similarly, waste emissions for offices, showrooms, and other general waste are estimated based on actual waste emissions from manufacturing facilities. As detailed within Section 5.3, we currently rely on the Quantis tool to help us calculate our impact in the following Scope 3 category 3: Fuel and energy related activities.

Additionally, when there is a distribution of impacts between several categories, such as between Categories 1, 3, 4, and 5, the exact emissions attributed to each category may vary slightly, but the total impact is highly accurate based on the life cycle data.

Emission factors are subject to uncertainty, as well. We update our emission factors on at least a biennial basis to ensure we are capturing changing electrical grid factors around the world.

With these considerations noted and thinking of materiality, 99% of our total carbon impact is calculated, 1% being estimated, with 100% of the GHG Inventory being quantified with the best available methods.

## 5.5. Materiality

We studied the materiality of our leased facility emissions as it is related to purchasing offsets to cover our carbon footprint rather than RECs or similar for these locations.

According to PAS 2060:2014, Section 5.2.4.e) “Any Scope 1, 2, and 3 emissions sources estimated to be material i.e., more than 1% of the total carbon footprint, shall be taken into consideration unless evidence can be provided to demonstrate that such quantification would not be technically feasible, practicable or cost effective. Emissions sources estimated to constitute less than 1% may be excluded on that basis alone. All decisions to exclude shall be subject to the following conditions:

- The quantified carbon footprint shall cover at least 95% of the emissions from the subject.
- Where a single source contributes more than 50% of the total emissions, the 95% threshold applies to the remaining sources of emissions.
- Any exclusion and the reason for that exclusion shall be documented.”

The conditions stated around materiality will be applied to Scope 2 emissions for leased facilities. In 2022, the total Scope 1 and 2 market-based emissions for leased facilities was 2,508 tonnes of CO<sub>2</sub>e and location-based emissions was 2,487 tonnes of CO<sub>2</sub>e. Total scope 1, 2 and 3 (including biogenic content) emissions were 462,809 tonnes of CO<sub>2</sub>e (using S1 emissions net of certifications and S2 market-based emissions), meaning leased locations comprised only 0.54% of the total emissions when comparing market-based numbers. Using gross S1 and location-based S2 emissions, total emissions are 498,461 tonnes of CO<sub>2</sub>e, and leased locations comprised only 0.5% of total emissions.

This total is then made up of hundreds of small locations. If we were to look at the location with the highest emissions from electricity use (425 tonnes) or the highest total for all of one country’s locations, the US, (931 tonnes), the percentage of total emissions are 0.09% and 0.2%, respectively. Based on the materiality statement above and the feasibility and costs of acquiring small quantities of RECs and other renewable electricity attributes in numerous locations, we have thus far chosen to offset the carbon at these locations with carbon offsets rather than renewable electricity credits. This calculation will be reviewed on an annual basis to confirm the materiality of Scope 2 emissions from leased facilities.

## 6. Progress and current carbon footprint activities

Interface has been working to improve our energy efficiency and carbon footprint for decades. Below are some of the key areas we are currently investing in to continue to make advancements.

### 6.1. Product carbon reduction activities

Interface has reduced the carbon footprint of our carpet by 79% since 1996. Much of that progress comes from dematerialization, reduced manufacturing energy and waste, a shift from virgin raw materials to recycled materials, and a shift from fossil fuels to renewable energy at our factories. Additionally, our work with suppliers to acquire more accurate data has led to the reductions of the MRF footprint by 24% since 2018. We also reduced our rubber footprint by 17% since 2019, mostly from a shift to the inclusion of higher natural rubber content in our products.

Interface has identified suppliers with the most significant carbon footprints and is working to obtain detailed LCA data for their materials. Of the top 24 identified suppliers, Interface has specific product LCA data from 8, with a goal to receive data from the remaining 16. Over 50% of the carpet cradle-to-gate carbon footprint is from supplier specific data. Along with our work to get more and better emissions data from our most significant suppliers, our current activities on reducing carbon in our products include, maintaining and expanding our commitment to source renewable electricity and natural gas to our factories where feasible, working with existing resilient flooring suppliers to incorporate more recycled and low carbon recycled raw materials, and continuous design improvement, including reduced material use and using materials with lower embodied carbon.

### 6.2. Operational carbon reduction activities

Interface has reduced the impact of our GHG Inventory since 1996 for our carpet operations by 96% on an absolute basis through energy efficiency measures and renewable energy procurement. In 2022, 79% of the energy used at Interface's owned manufacturing sites came from renewable sources, with 100% of electricity coming from renewable sources. Green/biogas is used at our European and US carpet manufacturing sites. For the remaining 21% of our energy, we are continuing to look for renewable solutions, but these are currently not feasible. Reducing energy in operations and reducing our energy source-types are being explored as well.

### 6.3. Carbon offsets

Reduce first. Our focus is firstly on reducing the carbon footprint of our products across their whole life cycle. However, as we are currently unable to reduce our GHG emissions to zero through only efficiency and reduction measures alone, we compensate for our remaining carbon emissions through verified carbon offsets. In 2022, we retired approximately 418 thousand tonnes of verified carbon offsets for our Carbon Neutral Floors program. In 2022, we retired an additional 45 thousand tonnes to cover the remaining carbon associated with Interface's Scope 1, Scope 2, and Scope 3 GHG Inventory, for a total of 463 thousand tonnes, to be verified as a Carbon Neutral Enterprise that sells exclusively Carbon Neutral Floors.

## 7. Plan of action to achieve carbon neutrality

### 7.1. Moonshot goal setting

Interface has a history of setting moonshot goals, starting with Mission Zero in 1994. The process of setting moonshot goals has taught us that we should be ambitious in goals to motivate both change within the business as well as change in the industry.

Interface plans to continue to reduce its own direct and indirect GHG emissions through a series of measures including improved energy efficiency and more extensive use of renewable energy. We also plan to work with suppliers to reduce their GHG emissions. In August 2021, Interface set goals through the Science Based Targets Initiative (SBTi) that align with a 1.5-degree ambition. Our SBTi goals include a 50% absolute reduction for Scopes 1 and 2 by 2030, a 50% absolute reduction for Scope 3, Category 1: Purchased goods and services by 2030, and a 30% absolute reduction for Scope 3: Employee commuting and Category 6: Business travel by 2030. Given that Interface has already reduced the cradle-to-gate carbon footprint of our carpet by 76% and reduced our market-based emissions from our carpet manufacturing sites by 95% in absolute terms, our ambitious SBTi goals confirm that we are continuing our climb of Mount Sustainability to be a more sustainable company.

Our SBTi goals will serve as a midpoint to our even more ambitious goal to be a Carbon Negative Enterprise by 2040. Through innovating carbon negative products and continued efforts to reduce our absolute carbon emissions, Interface is already working toward these moonshot goals.

### 7.2. Intended plan and actions to reduce emissions

In the quickly evolving area of sustainability, we expect that our approach to reducing emissions will continue to evolve in the coming years with new technologies and strategies. Starting in Q4 of 2021, Interface had kick-off conversations around the business about our SBTi goals and began development of our activation plans within the business. Based on the work, we plan to work in the following areas to reduce our company's emissions:

#### 7.2.1. Category 1: Purchased goods and services

Data from previous years shows us that Category 1: Purchased goods and services makes up close to 50% of our enterprise's total emissions. Interface has made significant improvements in the carbon footprint of its products over the past few decades. We expect to see a decreasing carbon footprint with increased sales of our lowest carbon products and continued research and development of lower carbon products, as well as through partnership with key suppliers and thanks also to their own GHG emissions reduction commitments. As compared to 2019, our emissions in this category are 22% lower in absolute terms and 19% lower in intensity terms based on revenue.

#### 7.2.2. Carpet tile

Interface launched the first Carbon Negative Carpet tile for sale in 2020. The carpet tile stores more carbon than is emitted across its entire cradle-to-gate life cycle. Along with the introduction of carbon negative carpet tiles, Interface expanded its CQuest™ line of backings. These backings represent a significant improvement in the carbon footprint of our carpet tile products. Interface intends to expand CQuest backings to all carpet tile products, and in September 2021 shifted European carpet tile products



away from a bitumen-based backing to the carbon negative backing, CQuestBio, as the standard backing. In 2022, the shift away from virgin petrochemical to carbon negative backing, CQuest GB and CQuest Bio was also initiated. Our R&D team is looking to bring carbon negative backing options to all of our applicable carpet manufacturing locations, working with our current machinery and looking for solutions to integrate into current systems, if possible. Achieving 100% production and sales for carpet tile on CQuest backing would reduce our global footprint for carpet by over 50%, getting us significantly closer to our Science Based Target. Over 50% of our Category 1 impact comes from carpet tile, so full conversion would lead to over a 25% reduction for Purchased goods and services, without accounting for growth.

We are also pursuing additional paths within the carpet tile product family for reduction. Yarn is the highest material contributor to our global carpet tile footprint and is an area of focus. Currently, over 80% of our yarn comes from recycled content and we continue to communicate our need for lower carbon footprint materials with yarn suppliers. We are monitoring innovation in biobased materials, including mass/bio balanced materials, such as yarns, as well as continuing to increase the overall recycled content of our carpet tiles. R&D is simultaneously looking for breakthroughs in other chemicals and materials that comprise our carpet tile while continuing to partner with potential and existing suppliers for quantified carbon footprints and greater material transparency.

#### 7.2.2.1. Rubber products

Interface acquired the nora rubber business in 2018. Within our rubber products, there is a focus on finding lower footprint raw materials. We have reduced our footprint significantly in a short period by substituting a portion of synthetic rubber for natural rubber. Other areas of investigation include looking for redesign options for our noraplan™ product, which would allow for higher recycled content, amongst other potential advancements, investing in a dedicated compounder for the noracare™ line, and research into lower footprint and carbon negative materials to integrate into our rubber products. We expect to achieve carbon emissions reduction of about 40% for our rubber product lines through these innovations, without growth, with rubber comprising about 20% of our Category 1 emissions. This leads to another 8% reduction in Category 1.

#### 7.2.2.2. MRF product lines

Reductions in the carbon footprint of our MRF products have come from substituting recycled content for virgin materials and partnering with our suppliers for more detailed life cycle data. Moving forward, Interface wants to continue to increase the use of recycled content and increase incorporation of lower carbon raw materials that meet our performance needs, such as a bio-plasticizers and recycled polymers. R&D is working to apply our CQuest (carbon negative) know how to our MRF products. Our product teams are also investigating the introduction of cellulosic or other natural materials products which would have carbon negative footprints. We are expecting significant growth in the MRF category, but before growth these options help us chart an MRF portfolio with a significantly lower carbon footprint. Without accounting for growth, we would expect to achieve over 50% reduction in this category, with LVT comprising about 15% of our Category 1 impacts, resulting in a 9% in our overall Category 1.

### 7.2.2.3. Partnership with suppliers

Interface has asked our most material suppliers for carbon footprint data for decades to improve the quality of our Life Cycle Assessments. As we use conservative data when supplier data is unavailable, obtaining more granular life cycle data almost always leads to a lower product footprint. We will continue to work with suppliers to support their LCAs and continue to collaborate with them to produce more data with increasing accuracy for our LCAs. As noted in Section 6.1, over 50% of the carpet's cradle-to-gate footprint is from supplier specific data, and we are continuing to ask our most material suppliers for information to continue improving upon this number.

Interface will continue to engage in conversations related to our suppliers' use of renewable energy. The cost of many renewables is decreasing making this an option for some suppliers. Additionally, RECs and other renewable attributes may be purchased to account for energy used.

We hope to achieve additional reductions in Category 1 from these partnerships, but as these are out of our control, we have not placed an expected value on the reduction.

### 7.2.2.4. Purchased services improved data

Interface has recently onboarded software that improves financial tracking, OneStream. With increased insight into spending, we are undertaking an initiative to improve data quality for purchased services. It is unclear if improved data accuracy will change the impact of purchased services, which currently represents 9% of our Category 1 impacts. With better data, we plan to reach out to our top suppliers to see if they can provide more accurate data on their activities, which we would expect to lower our purchased services impact, though it is unclear by how much.

## 7.2.3. Scope 1

As compared to 2019, our emissions in Scope 1 are 27% lower in absolute terms and 24% lower in intensity terms based on revenue.

### 7.2.3.1. Invest in biogas for factories

Interface is looking into options for acquiring biogas credits at more of our facilities, as well as bringing biogas on-site, where possible. Our facility in Thailand closed in 2022, with production ended in March, which is expected to reduce Scope 1 impacts by approximately 10%, though the volume produced at that facility will be produced at our facilities in China and Australia. Based on the scale of natural gas use, we are looking to source biogas or biogas credits for our rubber operation in Germany and our carpet factory in Australia. Early exploration has begun to bring biogas to our facilities in Troup County, Georgia, which currently use biogas credits to cover natural gas usage. Our facilities in Scherpenzeel, Netherlands and Craigavon, UK also currently use biogas credits to cover natural gas usage. The combined efforts in biogas would lead to about a 30% reduction in our Scope 1 carbon emissions.

### 7.2.3.2. Company cars converted to EVs

About 30% of our Scope 1 emissions come from burning fuel for our company cars. As electric vehicles and the supporting infrastructure become increasingly available, Interface will be encouraging employees with company cars to drive electric vehicles through incentives. Converting all of our company cars to electric by 2030 would result in a 30% reduction in our Scope 1 emissions, though some emissions would be added to Scope 2 depending on the electric grid where the vehicles are charging.

### 7.2.4. Scope 2

As compared to 2019, our emissions in Scope 2 are 25% lower in absolute terms and 23% lower in intensity terms based on revenue.

#### 7.2.4.1. Invest in renewable energy for factories

All of our manufacturing facilities use a mix of renewable electricity and renewable energy attributes to meet their total electricity demand. We are looking at projects to bring renewable electricity on-site in Australia in 2023, though these projects will not reduce our current market-based Scope 2 emissions due to increasing energy costs and increasing costs of renewable energy attributes. The price for renewable energy infrastructure continues to decrease, and we plan to resume explorations into the potential for increased renewable energy at our manufacturing sites. The most material contributor to our Scope 2 emissions is the steam energy used at our facility in Germany for rubber production. We are investigating biogas sourcing and other alternatives, such as hydrogen, for steam creation for that facility. Conversion to biogas or coverage through biogas credits would lead to a 60% reduction in our market-based Scope 2 emissions.

#### 7.2.4.2. RECs for leased facilities

The second biggest contributor to our Scope 2 emissions is electricity used at leased facilities. Purchasing RECs for 100% of the electricity usage of our leased facilities would lead to a 35% reduction in our Scope 2 emissions.

### 7.2.5. Categories 6 and 7: Employee commuting and Business travel

Interface has set the goal to reduce our GHG emissions from employee commuting and business travel by 30% by 2030 on an absolute basis. As compared to 2019, our emissions related to employee commuting are 16% lower in absolute terms and 13% lower in intensity terms based on revenue, and for business travel are 78% lower in absolute terms and 77% lower in intensity terms.

#### 7.2.5.1. Better tracking

The first item to undertake for these Scope 3 categories is better tracking. In the case of both employee commuting and business travel, some or all of the carbon impact is based on an estimation. We cannot make improvements until we are better able to measure our actual impact, so advances in both areas will start with creating better measurement systems. For business travel, this will come through getting better data from our travel booking sites, which vary region by region. In the case of employee commuting, we have initiated surveys of employees' current commuting habits. The next two solutions are options but may evolve as we look within the business for ideas.

### 7.2.5.2. Incentivize cleaner commutes

Where possible, we would like to incentivize better commuting, including use of public transit, walking, biking, and car/vanpooling. We expect solutions will be widely varied based on location, but we plan to work with our employees to find solutions that work for them. Additionally, a set amount of work from home days may be possible in some positions, which would eliminate a portion of commuting impacts. We expect these solutions to help us meet our 30% reduction target by 2030.

### 7.2.5.3. Decreased business travel

Living through the pandemic has taught many businesses and employees that a portion of business travel occurring prior to the pandemic was not necessary. We expect that while some amount of business travel will resume, all levels of the business will have a more acute sense of what travel is necessary and work to eliminate unnecessary travel through means of virtual meetings. We expect this change is travel philosophy to help us meet our 30% reduction target by 2030.

## 7.3. Offset strategy

Interface maintains a portfolio of verified carbon offsets sourced from diverse suppliers to meet its product and company-wide carbon neutrality commitments. For 2022, Interface retired about 420 thousand tonnes of verified emission reduction credits. We expect our need for offsets will be on this order for the next few years as the business grows and we simultaneously improve efficiency. Interface generally purchases offsets annually but does use multi-year purchase agreements to maintain its offsets pricing over multiple years. Interface sources offsets only from projects that meet third-party verified carbon offset standards such as the [Gold Standard](#) (GS), the [California Climate Action Reserve](#) (CAR), the [American Carbon Standard](#) (ACR), or the [Verified Carbon Standard](#) (VCS) with some projects having additional certifications such as the Climate, Community & Biodiversity Standard (CCB). This assures that the carbon credits we use are real (have happened), additional (beyond business-as-usual activities), measurable and permanent. Once purchased, Interface retires the carbon offsets annually equivalent to the annual company and product emissions. You can read more about our last offset projects [here](#). We published our position on carbon offsets, which can be found publicly [here](#). All projects we retire were generated within five years of the year we are compensating for, and generally are within three years. Appendix C includes carbon offset projects from the previous year.

Interface has implemented an internal carbon tax on products based on their carbon footprint to increase incentives within the business to reduce the carbon footprint of all our products. By doing this, we are also able to collect funds throughout the year to support the program based on sales.

Interface purchases and periodically retires offsets throughout the calendar year to balance out its company and product-specific carbon neutral claims. Offsets are retired in multiple registries and this retirement process is third-party reviewed under the annual assurance process for both our Carbon Neutral Floors and Carbon Neutral Enterprise process. Generally, the bulk of the offsets needing to be retired (~90%) are retired after the end of the year (e.g., 2023) data is collected as Interface begins the third-party audit and assurance process in Q1 of the following year (2024). Through the audit process, any over or under calculations are corrected and the necessary carbon offsets are retired before assurance is issued. All offsets are retired well within the required 12 months of the declaration of

achievement as we ensure enough offsets are retired as a part of our assurance process. The assurance timeline may change from year-to-year but is generally completed in the March – May timeframe.

### 7.3.1. Future offset strategy evolution

As Interface moves beyond carbon neutrality to becoming net zero, it will change the criteria of the carbon offsets it requires, shifting from avoidance-based offsets to carbon removals. The company is currently exploring plans for how to transition toward more carbon removal-based offsets either by direct project investment or purchase of credits meeting a carbon removal definition.

### 7.4. Measuring progress

Interface intends to verify its Carbon Neutral Enterprise and Carbon Neutral Floors claims on an annual basis. To ensure that we are meeting the requirement of the program on a continuous basis, we check and track trends for our Scope 1 and Scope 2 manufacturing impacts on a semi-annual basis using the cloud-based system. Tracking progress will involve a review by the Global Sustainability Analyst of energy trends and a presentation of this information to the Head of Global Sustainability Strategy, as well as a member of the executive leadership team on at least a semi-annual basis.

To ensure that our carbon footprint is accurate, we will have our Scope 1, Scope 2, and Scope 3 GHG Inventory third-party verified on an annual basis. When the Inventory has been verified, Interface will provide documentation to ensure that 100% of the enterprise emissions have been offset. Note that in selecting offset projects, Interface sources offsets only from projects that meet third-party verified carbon offset standards such as the Gold Standard (GS), the California Climate Action Reserve (CAR), the American Carbon Standard (ACR), or the Verified Carbon Standard (VCS).

## 8. Maintaining Carbon Neutral Floors™ and Carbon Neutral E3nterprise

As a part of the plan and validation process, Interface affirms that claims will be validated on an annual basis before proclaiming achievement for the stated year.

### 8.1. Corrective action

- Should any change or event occur that could invalidate the declaration, corrective action shall be taken to restore validity, or declaration will be withdrawn.
- Should the validity of either declaration be allowed to lapse, Interface agrees to remove immediately all declarations and qualifying statements regarding carbon neutrality associated with the subject until such time that it can again demonstrate conformance with this specification.

As noted in PAS 2060:2014 Section 4.2.2, the evidence used to substantiate declarations contained within this PAS shall be fully documented and Interface will take commercially reasonable efforts to retain documentation for the period that the status of carbon neutrality is valid, and for a period of six years thereafter.

## Appendix A: Checklist for QES supporting declaration of achievement of carbon neutrality<sup>1</sup>

<sup>1</sup>British Standards Institution, PAS 2060:2014 Specification for the demonstration of carbon neutrality. BSI Standards Limited, 2014.

#	ITEM DESCRIPTION	STATUS
1	Define standard and methodology used to determine its GHG emissions reductions.	<input checked="" type="checkbox"/>
2	Confirm that the methodology used was applied in accordance with its provisions, and principles set out in PAS 2060 were met.	<input checked="" type="checkbox"/>
3	Provide justification for the selection of the methodologies chosen to quantify the reductions in the carbon footprint, including all assumptions and calculations made and any assessments of uncertainty.	<input checked="" type="checkbox"/>
4	Describe the means by which reductions have been achieved and any applicable assumptions or justifications.	<input checked="" type="checkbox"/>
5	Ensure that there has been no change to the definition of the subject.	<input checked="" type="checkbox"/>
6	Describe the actual reductions achieved in absolute terms.	<input checked="" type="checkbox"/>
7	State the baseline/qualification date.	<input checked="" type="checkbox"/>
8	Record the percentage economic growth rate for the given application period used as a threshold for recognizing reductions in intensity terms.	<input checked="" type="checkbox"/>
9	Provide an explanation for circumstances where a GHG reduction in intensity terms is accompanied by an increase in absolute terms for the determined subject.	<input checked="" type="checkbox"/>
10	Select and document the standard and methodology used to achieve carbon offset.	<input checked="" type="checkbox"/>



11 Confirm that:

- Offsets purchased or allowance credits surrendered represent genuine, additional GHG
- Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage and double counting. (See the WRI Greenhouse Gas Protocol for definitions of additionality, permanence, leakage, and double counting)
- Carbon offsets are verified by an independent third-party verifier
- Credits from carbon offset projects are only issued after emission reduction has taken place
- Credits from carbon offset projects are retired within 12 months from the date of the declaration of achievement
- Credits from carbon offset projects are supported by publicly available project documentation on a registry which shall provide information about the offset project, quantification methodology and validation and verification procedures
- Credits from carbon offset projects are stored and retired in an independent registry

12 Document the quantity of GHG emissions offset and the type and nature of offsets actually purchased including the number and type of credits used and the time period over which credits were generated including:

- Which GHG emissions have been offset
- The actual amount of carbon offset
- The type of offset and projects involved
- The number and type of carbon offset credits used and the time period over which the credits have been generated
- Information regarding the retirement/cancellation of carbon offset credits to prevent their use by others including a link to the registry where the offset has been retired

13	Specify the type of conformity assessment. <ul style="list-style-type: none"><li>• Independent third-party certification;</li><li>• Other party validation;</li><li>• Self-validation.</li></ul>	<input checked="" type="checkbox"/>
14	Include statements of validation where declarations of achievement of carbon neutrality are validated by a third-party certifier or second-party organizations.	<input checked="" type="checkbox"/>
15	Date the QES and have it signed by the senior representative of the entity concerned.	<input checked="" type="checkbox"/>
16	Make QES publicly available and provide a reference to any freely accessible information upon which substantiation depends (e.g., via websites).	<input checked="" type="checkbox"/>

## Appendix B: Carbon Neutrality assurance reports



## **Verification Statement related to Interface, Inc. Carbon Neutral Enterprise Claim for Calendar Year 2022**

### **Terms of Engagement**

This Verification Statement has been prepared for Interface, Inc. (Interface) in accordance with ISO 14064-3: 2019 Part 3.

WAP Sustainability (WAP) was commissioned by Interface to assure its Carbon Neutral Enterprise claim was prepared in accordance with PAS 2060:2014 Specification for the demonstration of carbon neutrality.

Interface's management was responsible for preparing the Qualifying Explanatory Statement for the claims of carbon neutrality (QES), and for maintaining effective internal controls over the data and information disclosed. WAP's responsibility was to carry out a Verification engagement on the QES in accordance with the contract with Interface.

Ultimately, the QES have been approved by, and remain the responsibility of, Interface.

### **Scope of the Verification**

- Global operations
- Time period: January 1, 2022 to December 31, 2022
- Types of GHGs: CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, HFCs

### **WAP Sustainability's Approach**

Our verification has been conducted in accordance with ISO 14064-3: 2019 Part 3 and WAP's internal verification procedures to provide assurance on the Carbon Neutral Enterprise claim made by Interface.

The following activities formed the basis of the Verification and informed the decision reached by the Verifier:

- Completed a pre-engagement agreement with the organization to confirm all aspects of the engagement;
- Discussed reporting content with relevant staff members responsible for managing the QES;
- Reviewed the underlying systems and process used to collect, analyze and review the information contained within the QES;
- Performed a site visit to obtain data and information related to the claim;
- Performed further evidence-gathering activities as informed by the data and information provided related to the claim, as necessary;
- Checked the QES and supporting data and information to ensure the accuracy, completeness, and transparency of the reporting;
- Ensured an appropriate quantity of carbon offset products were purchased and retired on behalf of Interface to attain a carbon neutral status for all greenhouse gas emissions under scope; and
- Assessed the disclosure and presentation of claims made in relation to the subject matter under assessment.

### **Limitations and Exclusions**

The scope of the Carbon Neutral Enterprise claim is limited to the emissions Boundaries as identified in Exhibit I. The Carbon Neutral Enterprise claim for CY2022 excludes all scope 3 emissions attributed to the Carbon Neutral Floors claim, based on Interface's verified greenhouse gas emissions inventory for CY2022.



**WAP Sustainability's Opinion**

Based on WAP's approach, nothing has come to our attention that would cause us to believe that Interface's Carbon Neutral Enterprise claim has not been prepared in conformance with PAS 2060:2014 Specification for the demonstration of carbon neutrality.

A handwritten signature in black ink, appearing to read "Natalie Duncan", with a stylized, flowing script.

Natalie Duncan  
Lead Verifier, Carbon Neutral Claims  
WAP Sustainability Consulting, LLC

May 16, 2023



**Exhibit I Summary of Interface, Inc. Carbon Neutral Enterprise claim based on Calendar Year 2022**

Aspect	Carbon Neutral Enterprise (CNE) Claim based on Calendar Year 2022
Subject for claim	Activities
Boundaries	<ul style="list-style-type: none"> <li>• Time period: January 1, 2022 – December 31, 2022</li> <li>• Emissions scope: including biogenic emissions &amp; removals</li> <li>• Scope 1</li> <li>• Scope 2 (Market-based)</li> <li>• Scope 3 Categories not attributed to Carbon Neutral Floors (see Carbon footprint quantification)</li> </ul>
Exclusions	<ul style="list-style-type: none"> <li>• Purchased goods in Scope 3 Category 1 are covered in the Carbon Neutral Floors claim</li> <li>• Manufacturing waste in Scope 3 Category 5 is covered in the Carbon Neutral Floors claim</li> </ul>
Carbon footprint management plan and action to reduce carbon footprint	The Qualifying Explanatory Statement Version 1.1 was determined by WAP Sustainability to be a fair representation of the carbon footprint management plan and action to reduce carbon footprint as it relates to the CNE claim.
Carbon footprint quantification (Verified Emissions Data)	Total carbon footprint of subject for claim: 53,617 MT CO <sub>2</sub> e <ul style="list-style-type: none"> <li>• Equivalent to CY2022 Scope 1 + Scope 2 + Scope 3 emissions (471,892 MT CO<sub>2</sub>e) less 418,275 MT CO<sub>2</sub>e attributed to Carbon Neutral Floors</li> </ul>
Offset of residual footprint	WAP Sustainability has confirmed that a total of 53,617 MT CO <sub>2</sub> e of offsets were retired on behalf of Interface’s CNE claim. This includes the retirement of the equivalent of 9,083 MT CO <sub>2</sub> e of green gas credits.
Declaration of achievement of carbon neutrality	"Carbon neutrality of Interface, Inc. achieved by Interface, Inc. in accordance with PAS 2060 at 2022 (January 1, 2022 – December 31, 2022) with commitment to maintain, third-party certified by WAP Sustainability."
Representative statement	"Carbon neutral enterprise certified to PAS 2060 - on-going"



## **Verification Statement related to Interface, Inc. Carbon Neutral Floors Claim for Calendar Year 2022**

### **Terms of Engagement**

This Verification Statement has been prepared for Interface, Inc. (Interface) in accordance with ISO 14064-3: 2019 Part 3.

WAP Sustainability (WAP) was commissioned by Interface to assure its Carbon Neutral Floors claim was prepared in accordance with PAS 2060:2014 Specification for the demonstration of carbon neutrality.

Interface's management was responsible for preparing the Qualifying Explanatory Statement for the claims of carbon neutrality (QES), and for maintaining effective internal controls over the data and information disclosed. WAP's responsibility was to carry out a Verification engagement on the QES in accordance with the contract with Interface.

Ultimately, the QES have been approved by, and remain the responsibility of, Interface.

### **Scope of the Verification**

- Global operations
- Products covered: all flooring products, inclusive of carpet tile, rubber (nora®) flooring and resilient flooring
- Time period: January 1, 2022 to December 31, 2022
- Types of GHGs: CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, HFCs

### **WAP Sustainability's Approach**

Our verification has been conducted in accordance with ISO 14064-3: 2019 Part 3 and WAP's internal verification procedures to provide assurance on the Carbon Neutral Floors claim made by Interface.

The following activities formed the basis of the Verification and informed the decision reached by the Verifier:

- Completed a pre-engagement agreement with the organization to confirm all aspects of the engagement;
- Discussed reporting content with relevant staff members responsible for managing the QES;
- Reviewed the underlying systems and process used to collect, analyze and review the information contained within the QES;
- Performed a site visit to obtain data and information related to the claim;
- Performed further evidence-gathering activities as informed by the data and information provided related to the claim, as necessary;
- Checked the QES and supporting data and information to ensure the accuracy, completeness, and transparency of the reporting;
- Ensured an appropriate quantity of carbon offset products were purchased and retired on behalf of Interface to attain a carbon neutral status for all greenhouse gas emissions under scope; and
- Assessed the disclosure and presentation of claims made in relation to the subject matter under assessment.

### **Limitations and Exclusions**

The scope of the Carbon Neutral Floors claim is limited to the emissions Boundaries as identified in Exhibit I. The Carbon Neutral Floors claim for CY2022 excludes all scope 1, 2, and 3 emissions attributed to the Carbon Neutral Enterprise claim, based on Interface's verified greenhouse gas emissions inventory for CY2022. This verification does not include a verification of the life cycle assessment (LCA) performed to quantify the Carbon Neutral Floors carbon footprint nor a verification of the LCA supplier data.



**WAP Sustainability's Opinion**

Based on WAP's approach, nothing has come to our attention that would cause us to believe that Interface's Carbon Neutral Floors claim has not been prepared in conformance with PAS 2060:2014 Specification for the demonstration of carbon neutrality.

A handwritten signature in black ink, appearing to read "Natalie Duncan", with a long horizontal flourish extending to the right.

Natalie Duncan  
Lead Verifier, Carbon Neutral Claims  
WAP Sustainability Consulting, LLC

May 16, 2023





**Exhibit I Summary of Interface, Inc. Carbon Neutral Floors  
claim based on Calendar Year 2022**

Aspect	Carbon Neutral Floors (CNF) Claim based on Calendar Year 2022
Subject for claim	Product
Boundaries	<ul style="list-style-type: none"> <li>• Time period: January 1, 2022 – December 31, 2022</li> <li>• Products covered: all flooring products, inclusive of carpet tile, rubber (nora®) flooring and resilient flooring</li> <li>• Emissions scope: including biogenic emissions &amp; removals, no land use change (LUC)</li> <li>• Life cycle phases covered: Manufacturing Stage, Delivery and Installation Stage, Use Stage, and End of Life Stage</li> </ul>
Exclusions	None
Carbon footprint management plan and action to reduce carbon footprint	The Qualifying Explanatory Statement Version 1.1 was determined by WAP Sustainability to be a fair representation of the carbon footprint management plan and action to reduce carbon footprint as it relates to the CNF claim.
Carbon footprint quantification (Verified Emissions Data)	Total carbon footprint of subject for claim: 418,275 MT CO <sub>2e</sub>
Offset of residual footprint	WAP Sustainability has confirmed that a total of 418,275 MT CO <sub>2e</sub> of offsets were retired on behalf of Interface's CNF claim.
Declaration of achievement of carbon neutrality	"Carbon neutrality of all products sold by Interface, Inc. achieved by Interface, Inc. in accordance with PAS 2060 at 2022 (January 1, 2022 – December 31, 2022) with commitment to maintain, third-party certified by WAP Sustainability."
Representative statement	"Carbon neutral product certified to PAS 2060 - on-going"

Appendix C: Carbon Neutral offset projects



# Carbon Neutral Floors

## 2022 Offset Projects

Global warming impacts everyone. Interface's Carbon Neutral Floors™ program helps lower your carbon footprint with one positive step.

All the flooring products that we sell — carpet tile, multi-layered resilient flooring and nora® rubber — are carbon neutral across their full lifecycle. To compensate for the full life cycle carbon emissions that we are unable to eliminate, we purchase carbon offsets. In selecting offset projects, Interface sources offsets only from projects that meet thirdparty verified carbon offset standards such as the Gold Standard (GS), the California Climate Action Reserve (CAR), the American Carbon Standard (ACR), or the Verified Carbon Standard (VCS) with some projects having additional certifications such as the Climate, Community & Biodiversity Standard (CCB).

This assures that the carbon credits we use are real (have happened), additional (beyond business-as-usual activities), measurable and permanent. The quantity and retirement of offsets are verified under our third-party verification for Carbon Neutral Floors on an annual basis.

### Carbon Credits Retired by Account and Project for 2022

Project Name	Location	Type	Standard
ECO2 Rubber Forests Guatemala	Guatemala	Forestry	VCS
Large scale grid connected solar PV Project in Toujounine (Nouakchott)	Mauritania	Renewable Energy	VCS
Nouakchott 30 MW Wind Power Plant	Mauritania	Renewable Energy	VCS
Kasigau Corridor REDD+ Project - Phase II The Community Ranches	Kenya	Forestry	VCS + CCB
The Mai Ndombe REDD+ Project	DR Congo	Forestry	VCS + CCB
Hebei Guyuan County Dongxingying 199.5 MW Wind Power Project	China	Renewable Energy	VCS
Keo Seima Wildlife Sanctuary REDD+ Project	Cambodia	Forestry	VCS + CCB
The Purus Project	Brazil	Forestry	VCS + CCB
Southern Cardamom REDD+ Project	Cambodia	Forestry	VCS + CCB
CECIC HKC Gansu Changma Wind Power project	China	Renewable Energy	VCS