

Interface[®]

Qualifying Explanatory Statement

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

Second Period: January 1, 2022 to December 31, 2022

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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

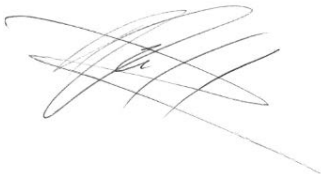
Our claims will be the following, as prescribed by the PAS 2060:2014 Specification for the demonstration of carbon neutrality.

- Carbon neutrality of Interface, Inc achieved by Interface, Inc in accordance with PAS 2060 for the year of 2022 (January 1, 2022 – December 31, 2022) with commitment to maintain, 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 2022 (January 1, 2022 – December 31, 2022) with commitment to maintain, third-party verified by WAP Sustainability for PAS 2060 certification.

Liz Minné, Ph.D., Director Global Sustainability



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, Director Global Sustainability
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 cover Categories 1-12, as defined by the GHG Protocol, with Category 8 emissions covered with Scope 1 & 2. 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-3 – independent third-party certification – unified
Baseline dates for PAS 2060 program	January 1, 2019 – December 31, 2019
Achievement period	January 1, 2021 – December 31, 2022
Commitment period	January 1, 2022 – December 31, 2022

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 76%, increasing the use of renewable energy at our global manufacturing sites to 76%, and reducing our market-based emissions from our carpet manufacturing sites by 96% in intensity and by 95% 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 551 million square yards of carbon neutral flooring and offset their impact by retiring 6.1 million metric 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 3 carbon negative carpet tile styles.

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 intends to maintain this commitment and annual verification for all future product introduction or new categories. Assurance reports are provided in Appendix B for Carbon Neutral Enterprise and Carbon Neutral Floors for 2021.

Interface will maintain this carbon neutral products commitment for all current and future products.

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 plans to maintain this commitment as we transition toward being a net zero enterprise and ultimately a carbon negative enterprise by the year 2040.

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 cover the following emissions:

- Scope 1 and 2
- Scope 3 Categories
 - 1: Purchased goods (Purchased services covered in Carbon Neutral Enterprise program)
 - 3: Fuel- and energy-related activities
 - 4: Upstream transportation and distribution
 - 5: Waste generated in operations (manufacturing)
 - 9: Downstream transportation and distribution
 - 10: Processing of sold goods
 - 11: Use of sold products
 - 12: End of life of sold products

5.2.2. Carbon Neutral Enterprise

The Carbon Neutral Enterprise claim covers all Scope 1, 2, 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 emissions not already covered by the Carbon Neutral Floors™ program so as to cover all Scope 1, 2, and 3 emissions associated with our enterprise without double-counting, which include Scope 3 categories as follows:

- Category 1: Purchased services (Purchased goods covered in the Carbon Neutral Floors™ program)
- Category 2: Capital goods
- Category 5: Waste generated in operations (non-manufacturing)
- Category 6: Business travel
- Category 7: Employee commuting

Interface’s GHG inventory is verified on an annual basis by a third-party auditor. Our 2019, 2020, and 2021 calendar years were audited by Apex Companies, LLC, 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 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 market-based emissions for Scope 1 and 2 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 emission data

Interface has refrigerant emissions from refrigerant recharges and leakage that occurs at our manufacturing facilities. Refrigerant recharge and leakage information is tracked at each factory and reported to the Global Sustainability Department on an annual basis. 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.

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, minus the Category 3 and 4 impacts (discussed later), emissions from waste in manufacturing operations (attributed to Category 5), and the Scope 1 and Scope 2 impacts from manufacturing.

Purchased services impact is estimated using the Quantis Scope 3 Evaluator tool, a tool developed in alignment with the GHG Protocol for estimating Scope 3 data where direct data is unavailable.

Purchased services are a portion of our Selling, General, and Administrative (SG&A) expenses and the estimated money spent on various services is used to calculate emissions from purchased services.

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

5.3.2.2. Category 2: Capital goods

Interface's capital goods impact is estimated based on our capital expenditures using the Quantis tool.

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

Waste that is generated in manufacturing is part of the manufacturing life cycle stage in the LCA. Our LCA expert provides the process waste impact of our highest volume products at each location, as calculated in the LCAs, and the total emissions from all locations are attributed to Category 5 to comprise the waste from manufacturing operations emissions. The remaining waste in operations is

from office and other general waste disposal and treatment. The amount spent on this waste is estimated and input into the Quantis tool, then added to the waste from manufacturing operations to generate our 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. Working with our regional businesses, we are working to separate emissions from rental cars from company car emissions (Scope 1), starting with the most material impacts which come from the Americas (AMS) business. Detailed data is available in regions which constitute the majority of business travel (over 80% by mileage in 2021), 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.

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 and Category 10: Processing of sold products

The transportation and installation life cycle stage impacts in the LCAs cover Category 9 and Category 10 within Scope 3. To calculate the portion of the transportation and installation impact that should be attributed to Category 9 and Category 10, our LCA expert provides the breakdown of the impact that downstream transportation and distribution and processing (installation) of sold products represent.

5.3.2.10. Category 11: Use of sold product

The emissions for the use of our sold product comes from the use phase of the life cycle. This includes customer cleaning for the expected lifetime of carpet and MRF (7 years), as well as rubber (20 years).

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 13: Downstream leased assets, Category 14: Franchises, and Category 15: Investments

Interface does not 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. As detailed within Section 5.3, we currently rely on the Quantis tool to help us calculate our impact in the following Scope 3 categories:

- Category 1 (partial): Purchased services
- Category 2: Capital goods
- Category 3: Fuel- and energy-related activities
- Category 5 (partial): Waste generated in operations; non-manufacturing

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, about 90% of our total carbon impact is calculated, with 10% 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 2021, the total Scope 1 and 2 market-based emissions for leased facilities was 4,022 tons of CO₂e and location-based emissions was 3,960 tons of CO₂e. Total scope 1, 2 and 3 emissions were 486,869 tons of CO₂e (using market-based S1 and S2 emissions), meaning leased locations comprised only 0.83% of the

total emissions when comparing market-based numbers. Using location-based S1 and S2 emissions, total emissions are 521,165 tons of CO₂e, and leased locations comprised only 0.76% 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 (756 tons) or the highest total for all of one country's locations, the US, (1,052 tons), the percentage of total emissions are 0.16% and 0.22%, 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 76% 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 21% 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 16 identified suppliers, Interface has specific product LCA data from 7, with a goal to receive data from the remaining 9 over the course of the next three years. 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 95% on an absolute basis through energy efficiency measures and renewable energy procurement. In 2021, 76% 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 24% 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 2021, we retired approximately 442 thousand tonnes of verified carbon offsets for our Carbon Neutral Floors program. In 2021, we retired an additional 44 thousand tonnes to cover the remaining carbon associated with Interface's Scope 1, Scope 2, and Scope 3 GHG Inventory, for a total of 486 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.

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. Our R&D team is looking to bring this backing option 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 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, and 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, investing in a dedicated compounder for the noracare™ line, and research into 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. R&D is working to apply our CQuest (carbon negative) technology to our MRF products. Our product teams are also investigating the introduction of wood 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 60% reduction in this category, with LVT comprising about 18% of our Category 1 impacts, resulting in a 10% 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 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

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. 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

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 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 out GHG emissions from employee commuting and business travel by 30% by 2030 on an absolute basis.

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. In 2019, Interface retired about 550 metric 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](#). 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 company process. Generally, the bulk of the offsets needing to be retired (~90%) are retired after the end of the year (e.g., 2022) data is collected, but before Interface begins the third-party audit and assurance process in Q1 of the following year (2023). 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 a net zero company, 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 quarterly basis using the cloud-based system. Tracking progress will involve a review by the Director Global Sustainability of

energy trends and a presentation of this information to 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 Enterprise

As a part of the plan and validation process, Interface affirms that we intend to revalidate and renew our claims on an annual basis.

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 commitment of carbon neutrality¹

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

#	ITEM DESCRIPTION	STATUS
1	Identify the individual 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.	<input checked="" type="checkbox"/>
2	Identify the entity responsible for making the declaration.	<input checked="" type="checkbox"/>
3	Identify the subject of the declaration.	<input checked="" type="checkbox"/>
4	Explain the rationale for the selection of the subject. (The selection of the subject should ideally be based on a broader understanding of the entire carbon footprint of the entity so that the carbon footprint of the selected subject can be seen in context; entities need to be able to demonstrate that they are not intentionally excluding their most significant greenhouse gas [GHG] emissions [or alternatively can explain why they have done so]).	<input checked="" type="checkbox"/>
5	Define the boundaries of the subject.	<input checked="" type="checkbox"/>
6	Identify all characteristics (purposes, objectives, or functionality) inherent to that subject.	<input checked="" type="checkbox"/>
7	Identify and take into consideration all activities material to the fulfilment, achievement or delivery of the purposes, objectives, or functionality of the subject.	<input checked="" type="checkbox"/>
8	Select which of the 3 options within PAS 2060 you intend to follow.	<input checked="" type="checkbox"/>
9	Identify the date by which the entity plans to achieve the status of “Carbon Neutrality” of the subject and specify the period for which the entity intends to maintain that status.	<input checked="" type="checkbox"/>
10	Select an appropriate standard and methodology for defining the subject, the GHG emissions associated with that subject and the calculation of the carbon footprint for the defined subject.	<input checked="" type="checkbox"/>
11	Provide justification for the selection of the methodology chosen. (The methodology employed shall minimize uncertainty and yield accurate, consistent, and reproducible results.)	<input checked="" type="checkbox"/>
12	Confirm that the selected methodology was applied in accordance with its provisions and the principles set out in PAS 2060.	<input checked="" type="checkbox"/>

13	<p>Describe the actual types of GHG emissions, classification of emissions (Scope 1, 2, or 3) and size of carbon footprint of the subject exclusive of any purchases of carbon offsets. All greenhouse gases shall be included and converted into tCO₂e. 100% Scope 1 (direct) emissions relevant to the subject shall be included when determining the carbon footprint. 100% Scope 2 (indirect) emissions relevant to the subject shall be included when determining the carbon footprint. Where estimates of GHG emissions are used in the quantification of the subject carbon footprint (particularly when associated with Scope 3 emissions) these shall be determined in a manner that precludes underestimation. Scope 1, 2 or 3 emission sources estimated to be 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 or cost effective. (Emission sources estimated to constitute less than 1% may be excluded on that basis alone.) 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.</p>	☑
14	<p>Where the subject is an organization/company or part thereof, ensure that: Boundaries are a true and fair representation of the organization’s GHG emissions (i.e., shall include all GHG emissions relating to core operations including subsidiaries owned and operated by the organization). It will be important to ensure claims are credible – if an entity chooses a very narrow subject and excludes its carbon intensive activities or if it outsources its carbon intensive activities, then this needs to be documented. Either the equity share or control approach has been used to define which GHG emissions are included. Under the equity share approach, the entity accounts for GHG emissions from the subject according to its share of equity in the subject. Under the control approach, the entity shall account for 100% of the GHG emissions over which it has financial and/or operational control.</p>	☑
15	<p>Identify if the subject is part of an organization or a specific site or location and treat as a discrete operation with its own purpose, objectives, and functionality.</p>	☑
16	<p>Where the subject is a product or service, include all Scope 3 emissions (as the lifecycle of the product/service needs to be taken into consideration).</p>	☑
17	<p>Describe the actual methods used to quantify GHG emissions (e.g., use of primary or secondary data), the measurement unit(s) applied, the period of application and the size of the resulting carbon footprint. (The carbon footprint shall be based as far as possible on primary activity data.) Where quantification is based on calculations (e.g., GHG activity data multiplied by greenhouse gas emission factors or the use of mass balance/lifecycle models) then GHG emissions shall be calculated using emission factors from national (Government) publications. Where such factors are not available, international or industry guidelines shall be used. In all cases the sources of such data shall be identified.</p>	☑

18	Provide details of, and explanation for, the exclusion of any Scope 3 emissions.	<input checked="" type="checkbox"/>
19	Document all assumptions and calculations made in quantifying GHG emissions and in the selection or development of greenhouse gas emission factors. (Emission factors used shall be appropriate to the activity concerned and current at the time of quantification.)	<input checked="" type="checkbox"/>
20	Document your assessments of uncertainty and variability associated with defining boundaries and quantifying GHG emissions including the positive tolerances adopted in association with emission estimates. (The statement could take the form of a qualitative description regarding the uncertainty of the results, or a quantitative assessment of uncertainty if available [e.g., carbon footprint based on 95% of likely greenhouse gas emissions; primary sources are subject to variation over time; footprint is best estimate based on reasonable costs of evaluation]).	<input checked="" type="checkbox"/>
21	Document Carbon Footprint management plan: Make a statement of commitment to carbon neutrality for the defined subject. Set timescales for achieving carbon neutrality for the defined subject. Specify targets for GHG reduction for the defined subject appropriate to the timescale for achieving carbon neutrality including the baseline date, the first qualification date and the first application period. Document the planned means of achieving and maintaining GHG emissions reductions including assumptions made and any justification of the techniques and measures to be employed to reduce GHG emissions. Specify the offset strategy including an estimate of the quantity of GHG emissions to be offset, the nature of the offsets and the likely number and type of credits.	<input checked="" type="checkbox"/>
22	Implement a process for undertaking periodic assessments of performance against the Plan and for implementing corrective action to ensure targets are achieved. The frequency of assessing performance against the Plan should be commensurate with the timescale for achieving carbon neutrality.	<input checked="" type="checkbox"/>
23	Where the subject is a non-recurring event such as weddings or concert, identify ways of reducing GHG emissions to the maximum extent commensurate with enabling the event to meet its intended objectives before the event takes place and include post event review to determine whether the expected minimization in emissions has been achieved.	N/A
24	For any reductions in the GHG emissions from the defined subject delivered in the period immediately prior to the baseline date and not otherwise taken into account in any GHG emissions quantification (historical reductions), confirm: (a) the period from which these reductions are to be included; (b) that the required data is available and that calculations have been undertaken using the same methodology throughout; and (c) that assessment of historical reduction has been made in accordance with this PAS, reporting the quantity of historical reductions claimed in parallel with the report of total reduction.	<input checked="" type="checkbox"/>

25	Record the number of times that the declaration of commitment has been renewed without declaration of achievement.	N/A
26	Specify the type of conformity assessment: <u>independent third-party certification</u> other party validation self-validation	<input checked="" type="checkbox"/>
27	Include statements of validation where declarations of commitment to carbon neutrality are validated by a third-party certifier or second-party organizations.	<input checked="" type="checkbox"/>
28	Date the Qualifying Explanatory Statement (QES) and have it signed by the senior representative of the entity concerned (e.g., CEO of a corporation; Divisional Director, where the subject is a division of a larger entity; the Chairman of a town council or the head of the household for a family group).	<input checked="" type="checkbox"/>
29	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"/>
30	Update the QES to reflect changes and actions that could affect the validity of the declaration of commitment to carbon neutrality.	<input checked="" type="checkbox"/>

Appendix B: Carbon Neutrality assurance reports



INDEPENDENT REASONABLE ASSURANCE STATEMENT

To: The Stakeholders of Interface, Inc.

Introduction and objectives of work

Interface, Inc. (Interface) has hired Apex Companies, LLC (Apex) to independently review and verify claims made for its **2021 Carbon Neutral Enterprise** reporting. Apex has been engaged by Interface to provide reasonable assurance of its **2021 Carbon Neutral Enterprise** claim. This includes the specific claim that carbon neutrality of Interface has been achieved across its global operations and supply chain in accordance with PAS 2060 for the year 2021. Interface has achieved this through its implementation of the Interface Carbon Footprint Management Plan (Plan) and the *Specification for the demonstration of carbon neutrality PAS 2060:2014*. Additionally, Apex has been engaged to review Interface's energy data and provide assurance of their renewable energy claims.

This assurance statement applies to the **2021 Carbon Neutral Enterprise** program data (Subject Matter) included within the scope of work described below.

Boundaries of the 2021 Carbon Neutral Enterprise claim covered by the verification:

This is the fourth consecutive year Apex (formerly Bureau Veritas HSE) has verified that all of Interface's global products are carbon neutral via the Carbon Neutral Floors™ program. This extension of a carbon neutral enterprise claim excludes the ongoing Carbon Neutral Floors™ program and extends carbon neutrality to the entire business enterprise. The **2021 Carbon Neutral Enterprise** claim covers 2021 Scope 1, 2 and 3 emissions attributed to Interface based on Interface's verified 2021 greenhouse gas emissions inventory results, which include Scope 3 categories as follows:

- Scope 3 Category 1: Purchased services (Purchased goods are covered in the Carbon Neutral Floors™ program)
- Scope 3 Category 2: Capital goods
- Scope 3 Category 5: Waste generated in operations, including office and general waste (Manufacturing waste is covered in the Carbon Neutral Floors™ program)
- Scope 3 Category 6: Business travel
- Scope 3 Category 7: Employee commuting

Exclusions

The **2021 Carbon Neutral Enterprise** claim excludes all 2021 Scope 1, 2 and 3 emissions attributed to Interface that are already attributed to the verified 2021 Carbon Neutral Floors™ program, based on Interface's verified 2021 greenhouse gas emissions inventory results.

Emissions Data Verified

Apex has verified that a total 44,941 metric tons of CO₂ equivalents were retired for Interface's 2021 Carbon Neutral Enterprise claim, which, combined with the verified CO₂ equivalents retired for the 2021 Carbon Neutral Floors™ program, result in zero net emissions for Interface's 2021 Carbon Neutral Enterprise claim.



Source	Global Greenhouse Gas Emissions	Offsets Retired
2021 Carbon Neutral Floors™ program	441,920 metric tons CO ₂ equivalent	441,920 metric tons CO ₂ equivalent
2021 Carbon Neutral Enterprise (Scopes 1, 2 and 3 as defined above)	44,941 metric tons CO ₂ equivalent	44,941 metric tons CO ₂ equivalent
2021 Interface Enterprise global total*	486,861 metric tons CO ₂ equivalent	486,861 metric tons CO ₂ equivalent
Interface 2021 Carbon Neutral Enterprise Net Emissions**		0 metric tons CO ₂ equivalent

*Includes 2021 Carbon Neutral Floors™ program

**2021 Carbon Neutral Enterprise – Offsets retired on behalf of 2021 Carbon Neutral Floors™ program plus offsets retired on behalf of 2021 Carbon Neutral Enterprise claim

Energy Data Verified

As part of this verification, Apex reviewed and verified Interface’s energy data, including the amount of energy consumed in manufacturing operations for 2021.

Interface Energy Data	
Total global energy consumption in 2021	503,055 MMBtu
Total renewable energy produced and procured through on-site solar generation and renewable energy attribute certificates for purchased renewable energy in 2021	382,351 MMBtu
Percent renewable energy used in global manufacturing operations in 2021	76%

Scope of Work

The scope of our work was limited to assurance over the following information included within the Report for the period of January 1, 2021 to December 31, 2021. Interface requested Apex to include in its independent assurance the following:

- Data and calculations included in the **2021 Carbon Neutral Enterprise** claim for the calendar year 2021 reporting period as presented in the Plan and in the 2021 greenhouse gas inventory.
- Adequate carbon offset products were purchased and retired to attain a carbon neutral status for all greenhouse gas emissions attributed to Interface not already covered under the separately verified 2021 Carbon Neutral Floors™ program
- Based on the Interface Carbon Footprint Management Plan, carbon neutrality of Interface, Inc. has been achieved by Interface in accordance with PAS 2060 at May 5, 2022 for the year of 2021, Apex Companies, LLC certified.

- Alignment of the Interface Carbon Footprint Management Plan with the requirements described within the PAS 2060:2014 standard.
- Interface has prepared its carbon neutrality claim for the **2021 Carbon Neutral Enterprise** claim in accordance with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD)'s Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2) and the WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).
- Verification of the product GHG emissions data at a reasonable verification level following Apex's standard procedures and guidelines for third party verification and ISO 14064-3 Second edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

Reporting Criteria

The Subject Matter needs to be read and understood together with the GHG Protocol Product Life Cycle Accounting and Reporting Standard, as presented in the www.ghgprotocol.org, and the Specification for the demonstration of carbon neutrality PAS 2060:2014.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period
- Positional statements (expressions of opinion, belief, aim or future intention) by Interface and statements of future commitment

This reasonable assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Subject Matter in the Report are the sole responsibility of the management of Interface.

Apex was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- obtain reasonable assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Stakeholders of Interface.

Assessment Standards

- We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability Reports and International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of ± 5 -percent was set for the assurance process.



Summary of Work Performed

As part of our independent verification, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
2. Reviewing the data collection and consolidation processes used to compile Subject Matter, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Interface;
4. Assessing the disclosure and presentation of the Subject Matter to ensure consistency with assured information.

Conclusion

On the basis of our methodology and the activities described above, it is our opinion that:

- Interface's statement that the Subject Matter is presented in accordance with the Reporting Criteria is, in all material respects, fairly stated.

It is our opinion that Interface, Inc. has established appropriate systems for the collection, aggregation and analysis of quantitative data relating to the underlying data management system to support that enough carbon offset products were purchased and retired to attain a carbon neutral status for greenhouse gas emissions attributed to Interface company operations.

Statement of Independence, Integrity and Competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

No member of the assurance team has a business relationship with Interface, Inc. its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

Handwritten signature of John Rohde in blue ink.

John Rohde, Lead Verifier
National Practice Leader
Apex Companies, LLC
Lakewood, Colorado

Handwritten signature of Trevor Donaghu in blue ink.

Trevor Donaghu, Technical Reviewer
Program Manager
Apex Companies, LLC
Pleasant Hill, California

May 13, 2022



INDEPENDENT REASONABLE ASSURANCE STATEMENT

To: The Stakeholders of Interface, Inc.

Introduction and objectives of work

Interface, Inc. (Interface) has hired Apex Companies, LLC (Apex) to independently review and verify claims made for its **2021 Carbon Neutral Floors™** program. Apex has been engaged by Interface to provide reasonable assurance of its **2021 Carbon Neutral Floors™** program. This includes the specific claim that the products sold under this program are carbon neutral (as defined by PAS 2060) in accordance with the Interface-supplied Carbon Footprint Management Plan and 2021 Interface GHG Protocol Product Life Cycle Accounting Standard Report (the Report), as well as the *Specification for the demonstration of carbon neutrality PAS 2060:2014*. Additionally, Apex has been engaged to review Interface's energy data and provide assurance of their renewable energy claim.

This assurance statement applies to the **2021 Carbon Neutral Floors™** program data (Subject Matter) included within the scope of work described below.

Boundaries of the Life Cycle Assessment covered by the verification:

- 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 for seven years for legacy carpet tile and multi-layered resilient flooring to twenty years for nora rubber products. The electricity, water, and soap are included.
- End of Life Stage includes transport to disposal or recycler and landfill or incineration impacts dependent 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.

Flooring products covered by this verification:

- **Carpet** – All carpet including rad-stock/overruns sold.
- **Rubber** – All rubber flooring and stair treads, including accessories such as stair nosing and angles, skirting and joint sealers sold.
- **Multi-layered Resilient Flooring (MRF)** – All MRF including Luxury Vinyl Tile, vinyl sheet and rigid core sold.

Emissions data verified:

Apex has verified that Interface's **2021 Carbon Neutral Floors™** program resulted in 441,920 metric tons of CO₂ equivalent greenhouse gas emissions generated. Apex verified that Interface retired 441,920 metric tons of CO₂ equivalent offsets to offset total CO₂ equivalent emissions.



As part of this verification, Apex reviewed and verified Interface's energy data, including the amount of energy consumed in manufacturing operations for 2021.

Total global energy consumption in 2021	503,055 MMBtu
Total renewable energy produced and procured through on-site solar generation and renewable energy attribute certificates for purchased renewable energy in 2021	382,351 MMBtu
Percent renewable energy used in global manufacturing operations in 2021	76%

Scope of Work

The scope of our work was limited to assurance over the following information included within the Report for the period of January 1, 2021 to December 31, 2021. Interface requested Apex to include in its independent assurance the following:

- Data and calculations included in the **2021 Carbon Neutral Floors™** program for the calendar year 2021 reporting period as presented in the Report.
- Adequate carbon offset products were purchased and retired to attain a carbon neutral status for the life cycle of carpet, MRF and rubber flooring products sold in 2021.
- Based on the 2021 Interface GHG Protocol Product Life Cycle Accounting Standard Report and the Interface Carbon Footprint Management Plan, carbon neutrality of products sold by Interface has been achieved by Interface in accordance with PAS 2060 at May 5, 2022 for the year of 2021, Apex Companies, LLC certified.
- Alignment of the Interface Carbon Footprint Management Plan with the requirements described within the PAS 2060:2014 standard.
- Interface has prepared their carbon neutrality claim for the **2021 Carbon Neutral Floors™** program in accordance with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD)'s Greenhouse Gas Protocol, Product Life Cycle Accounting and Reporting Standard, September 2011
- Verification of the product GHG emissions data at a reasonable verification level following Apex's standard procedures and guidelines for third party verification and ISO 14064-3 Second edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

Reporting Criteria

The Subject Matter needs to be read and understood together with the GHG Protocol Product Life Cycle Accounting and Reporting Standard, as presented in the www.ghgprotocol.org, and the *Specification for the demonstration of carbon neutrality PAS 2060:2014*.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period
- Positional statements (expressions of opinion, belief, aim or future intention by Interface and statements of future commitment)

This reasonable assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Subject Matter in the Report are the sole responsibility of the management of Interface.

Apex was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- obtain reasonable assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Stakeholders of Interface.

Assessment Standards

- We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability Reports and International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of ± 5 -percent was set for the assurance process.

Summary of Work Performed

As part of our independent verification, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
2. Reviewing the data collection and consolidation processes used to compile Subject Matter, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Interface;
4. Assessing the disclosure and presentation of the Subject Matter to ensure consistency with assured information.

Conclusion

On the basis of our methodology and the activities described above, it is our opinion that:

- the Interface's statement that the Subject Matter is presented in accordance with the Reporting Criteria is, in all material respects, fairly stated.
- It is our opinion that Interface, Inc. has established appropriate systems for the collection, aggregation and analysis of quantitative data relating to the underlying data management system to support that enough carbon offset products were purchased and retired to attain a carbon neutral status for the life cycle of carpet, MRF, and rubber flooring products sold.



Statement of Independence, Integrity and Competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

No member of the assurance team has a business relationship with Interface, Inc. its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

A handwritten signature in blue ink, appearing to read 'John Rohde'.

John Rohde, Lead Verifier
National Practice Leader
Apex Companies, LLC
Lakewood, Colorado

A handwritten signature in blue ink, appearing to read 'Trevor Donaghu'.

Trevor Donaghu, Technical Reviewer
Program Manager
Apex Companies, LLC
Pleasant Hill, California

May 11, 2022

Appendix C: Carbon Neutral offset projects



Carbon Neutral Floors

2021 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 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. 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 2021

Project Name	Location	Type	Standard
Kariba REDD+ Project	Zimbabwe	Forestry	VCS + CCB
Ningxia Lingwu Baitugang Solar Generation Project	China	Renewable Energy	GS
Kasigau Corridor REDD+ Project	Kenya	Forestry	VCS + CCB
Wenchang Rural Methane Digesters Project	China	BioGas	GS
Rimba Raya Biodiversity Reserve REDD+ Project	Indonesia	Forestry	VCS + CCB
Toujounine Solar Farm	Mauritania	Renewable Energy	VCS
CECIC HKC Gansu Changma Wind Power Project	China	Renewable Energy	VCS
Keo Seima REDD+ Project	Cambodia	Forestry	VCS + CCB
National Bio Energy Tongliao Biomass Power Plant Project	China	BioGas	GS
Guanaré Forest Plantations on Degraded Lands Afforestation Project	Uruguay	Forestry	VCS + CCB
ECO2 Rubber Forests	Guatemala	Forestry	VCS
Hebei Guyuan County Dongxinying Wind Power Project	China	Renewable Energy	VCS
Nouakchott Wind Farm	Mauritania	Renewable Energy	VCS
Paradigm Healthy Cookstove and Water Treatment Project	Kenya	Cook Stove	VCS
Katingan Peatland Restoration and Conservation Project	Indonesia	Forestry	VCS + CCB
The Mai Ndombe REDD+ Project	DRC	Forestry	VCS + CCB