Sustainability

A State of Mind at Tarkett

Tarkett
THE ULTIMATE FLOORING EXPERIENCE
Each Day, Create the Ultimate and Sustainable Flooring Experience

Flooring covers the world. In every space conceived and built by men and women, around the planet, wherever we live... flooring provides inspiration, comfort and safety, protecting health and well-being, and helping people lead better, happier lives.

A world leader in integrated flooring and sports surface solutions, Tarkett has been providing unique flooring experiences each day for over 130 years... in homes, schools, workplaces, hospitals, retail stores, hotels, and wherever sports are played.

Tarkett’s drive for flooring industry leadership through sustainable, profitable growth is based on key success factors that create value for all our stakeholders.

OUR VISION
Being the global leader in innovative flooring and sports surface solutions that generate value for customers in a sustainable way.
Tarkett’s global leadership is based on one of the broadest product portfolios in the industry

Tarkett’s expertise adds value in every market segment

- Housing
- Healthcare
- Offices
- Retail & Hospitality
- Sports
- Education
- Housing
- Healthcare
- Offices
- Retail & Hospitality
- Sports
- Education

- Vinyl
- Linoleum
- Rubber & Accessories
- Carpet
- Wood
- Laminate
- Artificial Turf
- Tracks
Sustainable Development is really the backbone of our strategy today because it is the only way to plan for continued profitable growth in a changing environment. Profitable growth is the source of new investments to sustain innovation for continuing growth. So it’s a virtuous cycle that we aim to maintain in all we do.

Through our commitment to best practices in sustainable growth, we are not only addressing the interests of all our stakeholders, we are creating an innovation engine for products and processes while respecting people and the environment. Sustainability at Tarkett is not considered as a constraint; it is seen as an inspiring source of innovation in all we do, starting with eco-design. We do this through the ‘Cradle to Cradle’ principles of design, production, use, and recycling of our products. We use good materials that are safe for people and the environment, we optimize use of energy, water and other resources, we contribute to create people-friendly spaces at Tarkett and for our customers, and we recycle products to an increasing degree. It is our way to contribute to the development of the circular economy.

Finally I am convinced that people make the difference in our commitment to sustainability. For our employees, we strive to manage in a way that addresses their interests in a great place to work, in training, and in mobility for job opportunities that make the most of their abilities over time. By doing that, we also make sure that Tarkett best benefits in developing entrepreneurship spirit and talent for the future.

“What does Sustainable Development mean for Tarkett?”

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Michel Giannuzzi
Chief Executive Officer
Eco-design as Innovation Engine

Based on the closed-loop circular design approach, and applying the Cradle to Cradle principles, we strive to eco-conceive our products taking into account each step of its life and the positive contribution it brings people, their quality of life, and the environment. This is the result of a close work with our suppliers to select materials to eco-design products that integrate a technical cycle or a biological cycle.

Industry leadership in Low VOC emissions and Phthalate-free vinyl flooring

- Tarkett has become the industry reference for extremely reducing Total Volatile Organic Compounds (TVOC) emissions to levels between ten to one hundred times lower than the strictest standards in the world for indoor air quality*.
- Tarkett is rolling out a new generation of phthalate-free products, by using non-phthalate plasticizers in its vinyl flooring production in Europe in 2014, continuing its deployment that had begun in North America in 2010.

Eco-innovate with renewable and recycled materials

- With iQ Natural, Tarkett launched in 2010 one of the first vinyl flooring products, made of 75% renewable raw materials, and using bio-based plasticizers.
- Tandus Centiva has eco-designed ethos®, a high performance hybrid resilient and modular carpet tile backing, made of recycled PVB film from disposed windshields and safety glass.

*Total Volatile Organic Compounds after 28 days.
OVERVIEW

Driving for Sustainability at Tarkett

Tarkett believes that driving daily for sustainability in all we do is the best way to assure our stakeholders long-term growth and profit which respect, simultaneously, people as well as the planet. It is part of our responsibility, deeply instilled in our values and integrated within our vision.

With nine billion people projected to live on our planet in the year 2050, resource constraints, and customer aspirations for quality of life, healthy living and complete trust could limit business activities unless we pro-actively work to take the future into account. There really is no other choice than thinking differently.

Instead of thinking in terms of constraints, we believe sustainability opens new territories. Tarkett wants to be ahead of the curve by integrating sustainability in all of our operations and in all of our approaches to our stakeholders (customers, employees, suppliers, shareholders, the communities in which we do business, and society at large).

We are convinced Tarkett has a role to play leading the market for sustainable solutions to business challenges. We are grateful that we are receiving awards which demonstrate that our sustainability drive is being recognized.

OUR CORPORATE GOVERNANCE STRATEGY SUPPORTS THE THREE PILLARS OF SUSTAINABLE DEVELOPMENT

- **PEOPLE**
  - make Tarkett a great place to work, integrated in local communities.

- **PLANET**
  - design product for reuse according to Cradle to Cradle principles, contributing positively to the environment and people well-being.

- **PROFIT**
  - needed for sustainable growth and investments.

Social Responsibility

Environmental Responsibility

Economic Responsibility
Robust Corporate Governance

Tarkett firmly believes that profit can only be short-term if it is not based on respect for ethical business practices, robust rules of transparent corporate governance, risk management and objectives of safeguarding the interests of People and Planet.

That daily commitment reflects our belief that being a recognized responsible corporate citizen is the best evidence that we are serving all of our stakeholders’ interests over the long term.

Tarkett’s commitment is transformed into measurable best practices defined by the United Nations Global Compact, France’s Grenelle Corporate Social Responsibility Principles as well as best corporate governance practices established by the AFEP/MEDEF (Association Française des Entreprises Privées/Mouvement des Entreprises de France) for public reporting on corporate social responsibility.

The “Grenelle” Corporate Social Responsibility Principles

Another measurement of corporate social responsibility is required for public companies in France. The ‘Grenelle’ law calls for corporate reporting each year on forty-two themes under three overall categories:

- Labor information
- Environmental information
- Information on corporate commitment to sustainable development

The United Nations Global Compact

One measure of corporate responsibility is Tarkett’s progress in fulfilling the Ten Principles of the United Nations Global Compact. That commitment requires companies to adopt and implement robust policies and procedures in the areas of human rights, labor standards, the environment, and business ethics to counter corruption.

Since 2010, we have supported and promoted the implementation of the Ten Principles of the United Global Compact within the Group as well as at our main suppliers.

Tarkett encourages its suppliers to respect the UN Global Compact principles, either through adhering to the Global Compact itself or apply its principles of human rights, working conditions, respect for the environment and on anti-corruption.

Michel Giannuzzi, Tarkett Chief Executive Officer

“Corporate responsibility is not something “nice to have” and which we add on to our operations. It is at the very heart of our vision and of our work to ensure a sustainable development of our Company, with a genuine concern for the future of the planet. Our relationships with our customers and suppliers, our employees, our shareholders and the communities in which we operate are based on respect and accountability for our actions towards them. As a responsible company, we are guided by the 10 principles of the United Nations Global Compact which inspire the way we operate and the way we do business.”

Learn more about Tarkett’s corporate governance on page 8
Tarkett embraces the principles of sustainability by putting people first, and starting with respect for its own employees as well as for the communities in which it operates.

Tarkett’s spirit of corporate social responsibility is reflected in four guiding principles:

• Safety, respect and integrity in relationships with people
• Encouraging talent development, empowerment and diversity
• Pro-active employee communication and dialogue
• Involvement with local communities

We show respect for people by striving to make Tarkett a great place to work.
This starts with safety and good working conditions, creating dialogue and communication where we listen to employees through opinion surveys and focus on developing their talent to assure their long-term employability.

We also aim to be good neighbors to our host communities by contributing to their welfare through activities such as local charity events, involving Tarkett teams.

Sharing common Tarkett values

• Positive customer attitude
• Entrepreneurial and Team Spirit
• Empowerment and accountability
• Respect and integrity
• Commitment to the environment

**EMPLOYEES 11,000**

- **SAFETY 26%** progress made on safety (Lost Time Accident) compared to 2012
- **DIVERSITY 17%** of women on “Top 100” Managers
- **TALENT 2,924** employees included in talent review
- **TRAINING 60%** of employees participated in training programs
- **DIALOGUE 17** different languages used for the last internal survey in 2014 (Employee Feedback)
- **RECOGNITION 83** projects were submitted by 530 employees worldwide for Tarkett Awards.
What kind of a year was 2013 for Human Resources at Tarkett?
It was a landmark year because we clearly saw the positive impact of a number of important Human Resources actions we have put into place over time.

In talent management, we increased 34% to reach 3,000 employees. “Talent Review”, our talent management process, assesses our employee’s strengths and areas for development while defining an action plan and encouraging training and mobility.

How do you keep the entrepreneurial spirit in the company?
We launched a major effort, which continues to encourage Entrepreneurial Leadership.

It seeks to improve daily work methods, to make process more fluid, and decision-making simpler and quicker.

How do changes in Society impact Tarkett Human Resources management?
It’s clear, for example, that people are motivated by teamwork as well as a balance between local empowerment and Group alignment. So we try to create work communities that feature the best of both, and we use technology such as the new Intranet to connect both worlds.

It’s also clear that employees want to take pride in the Corporate Social Responsibility objectives of their company. Diversity is one of Tarkett’s important objectives, and this includes having a large number of women in the top ranks of management. Tarkett has an industry-leading position in this regard and we hope to move forward with this accomplishment.

Vincent Lecerf
Executive Vice President
Human Resources

This is not only good for employees; it assures Tarkett having the right people ready in the right place. Training is a second key element. We have significantly invested in training and development over the years, in order to provide the right level of skills and growth opportunities for all our employees. Just one example: Thanks notably to a significant investment in World Class Manufacturing safety training we have recorded a 26% decrease in lost time accidents*, another milestone for the year.

*Total lost time accidents frequency rate (number of accidents per million hour worked)
Safety: no compromise

Safety is our highest priority, with safety training required for every employee in our production sites, such as the teaching of the World Class Manufacturing program.

Lost time accident frequency rate per million worked hours:

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**EVOLUTION**

- **2012/2013**: -26%
- **2010/2013**: -42%

In 2013, our production site in Narni (Italy) was rewarded with the “Working together for risks prevention” European Good Practice Award, seeking to identify and select the best working practices in order to prevent as many risks as possible at work.

47% of industrial units with 0 Lost Time Accident in 2013

“European Good Practice Award”
Develop Talent through Training, Diversity and Mobility

At Tarkett, we are committed towards employees talents, motivating them for satisfying careers, and empowering them through training, internal mobility and encouragement of diversity throughout the organization. By doing so, Tarkett also assures its capacity to have the right talents in the right place for sustainable growth.

At the heart of this process is the Performance and Development Dialogue that allows employees and managers to share feedback from work, assess performance and plan development needs and goals.

From their very first day, new employees participate in the Live Campus experience. This training module, running from one to four days, helps their integration into the business and welcomes them into the world of Tarkett products, principles and operations.

Our E-Campus digital training platform provides additional training.

Throughout their career, courses are offered to employees in key competencies, management development and in ethics. The World Class Manufacturing program’s success is due in part to the training which employees are provided for its implementation locally.

The Group created the International Mobility Committee, including HR managers of each division, in order to review Tarkett employees’ mobility interest in the context of company needs.

Tandus Training

Internally, we are innovative with new training tools. In 2013, Tandus-Centiva training teams in North America won a Tarkett Award for their new complete training concept. It brings together classroom, webinar and e-learning modules to offer education that motivates teams across the organization, from sales, office management, and manufacturing. Course categories are also comprehensive. They include training on selling, ethics, safety, the company, the market, products, computer use, personal development, and leadership.
Develop external talents thanks to our installers’ expertise

External talents have been developed thanks in large part due to the expertise of our installers. The Tarkett Academy has trained 2,900 business partners in flooring installation, with courses for both young professionals and experienced installers in sessions of two days to a week.

The Tarkett Academy in Sedan (France) celebrated its twentieth anniversary in 2013. In France, three training centers deliver flooring specialist diplomas recognized by the National Education Ministry.

2,900 external people graduated

14 Tarkett Academies in the world
Respect social partners and encourage dialogue

Through the “Tarkett Forum”, European Works Council, Tarkett promotes social dialogue at all levels of the company with quarterly meetings, either in departmental or informal meetings focused on common human resources topics. The Tarkett Forum is composed of the EVP Human Resources and 16 union representatives from 6 countries.

In 2014, Tarkett will run the internal Employee Feedback Survey, as every two years.

Award for social dialogue in Serbia

A good example is the award which Tarkett won in Serbia. The “27th April” prize of the Serbian Independent Trade Union recognizes Tarkett locally as a successful company where social dialogue takes place regularly, fully respecting the trade union as a partner and providing it with relevant information regarding employees and their work.
Involvement with local communities...

... means concrete actions to show you care. Tarkett supports local initiatives not only through flooring or donations but also through time and expertise, supporting employee initiative in participating in charities or in cultural events.

In Montreal, Tarkett through Fieldturf activities was a key sponsor of The Games of Hope/ Les Jeux de l’Espoir, a one-day multi-sport fundraiser which generated nearly 275,000 Canadian Dollars for three childrens’ charities. Over 2,000 people attended, including Tarkett employees and their families.

In North America, Tarkett is supporting SeriousFun Children’s Network. Starting in 2014 with North Star Reach, the SeriousFun Camp in Michigan, Tarkett will contribute a range of flooring products from its residential and commercial brands to outfit the entire camp. In addition, Tarkett will provide funds to the camp, which will enable ten children with serious illnesses to attend free of charge.

Johnsonite volunteers with the United Way of Ohio to raise funds to improve education, help people achieve financial stability, and to promote healthy lives. Tandus Centiva employees have also dedicated time and service in cleaning up state highways, participating in the American Cancer Society Relay for Life race, contributing to the American Heart Association, and most recently partnering with Suzanne Tick, Inc. to raise funding and awareness for the Publicolor Summer Design Studio.

In Serbia, Tarkett created the Tarkett Fund, a humanitarian institution helping the development of local communities and society by financing local sports competition and social activities.
Tarkett Sustainability in Practice: Protecting the Planet

By protecting the planet, Tarkett’s transition from the ‘linear economy’ model to the ‘circular economy’ model is under way. The linear cycle of taking resources to produce, using products and throwing them away, is giving way to infinite or repeated re-use of resources from the beginning to the end of use of products through closed-loop circular design. In addition, we believe that consumers and users should not be required to make a trade-off between quality of life, planet protection and performance and design. It is our responsibility and our commitment to address all of these values.

We choose **GOOD MATERIALS** that respect people and the environment and which can enter a manufacturing re-use cycle or can be biodegradable.

We practice **RESOURCE STEWARDSHIP** in our operations, optimizing the use of resources.

We provide **PEOPLE FRIENDLY SPACES** to assure the well-being during product use and maintenance.

We **REUSE** resources through recycling at the end of use to eliminate waste and to design new products with good materials.

Tarkett practices Sustainability through its ‘Closed Loop Circular Design’ model by applying the ‘Cradle to Cradle’ principles to support the development of the ‘circular economy’.

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**2020 Sustainability Roadmap**

Moving forward with its sustainability commitment towards the Circular Economy, the company has set its Environmental 2020 Roadmap, with detailed objectives for each of the four pillars. We also closely monitor progress and initiatives across the Group.
What were the highlights of 2013 in innovating for sustainability at Tarkett?

One key achievement was setting goals and objectives for 2020 for the first time, starting with Environmental indicators. This is a major step forward as it demonstrates a strong commitment to sustainability throughout the company. There is a real operational commitment because for each objective, we measure performance on an ongoing basis and we have developed a roadmap to get us there.

A second key achievement, aligned with our transparency value, is our decision to develop an Environmental Health Statement (EHS) for some products, unique in the flooring industry, certified by a recognized and independent third party, the EPEA. First deployed in North America, this tool provides details of product formulations and rates ingredients for chemical safety and has generated strong interest among architects and designers.

There were also new Cradle to Cradle certifications: Gold level for a linoleum product*, basic level for rubber and artificial turf. We also received additional “asthma and allergy friendly” certifications for our work on healthy environments made possible by our products.

During 2013, we have also been implementing the complex program with research, manufacturing, marketing and sales teams to deploy the phthalate-free technology combined with low VOC emissions across our North American and European sites, which launched a new generation of vinyl flooring in 2014.

How do you motivate people to work for Sustainability, which is so important in all the Tarkett does?

We have built a multi-disciplinary network of people committed to Sustainability at Tarkett and its importance is recognized for many reasons. To take just one example, our sustainability approach, helps to anticipate and better answer customer’s expectation for sustainable solutions. It’s also a key differentiator versus the competition.

There is major momentum at all levels. Michel Giannuzzi personally leads and promotes the effort, demonstrating that Tarkett CEO sees Sustainability as a priority and thus that it is a model for people to see. We all have been involved for several years in big and successful product launches under way, such as lowering emissions of Volatile Organic Compounds, phthalate-free product introductions in North America and Europe.

We are also encouraging people through involvement with our Sustainability partner programs such as the Circular Economy 100 initiative from the Ellen McArthur Foundation. People are trained and network with other enterprises to share best practices and identify new opportunities where we should be accelerating such as in recycling. In the US, awards are given to customers who allow us to recycle their used flooring.

External recognition also encourages us to go further. We received awards for innovation in Sustainability.

So, all in all, we are motivated to be the industry leader in terms of vision, commitment, deployment and real achievements in innovation for Sustainability.

Anne-Christine Ayed
Executive Vice President, Research, Innovation and Environment

* Veneto Essenza 100% linen.
Good materials

The challenge is to eco-design products at the very beginning with “good materials” that respect people and the environment, and that can be recycled to enter a manufacturing cycle (technical cycle) or that can be biodegradable to reenter the biosphere (biological cycle). We assess our ingredients with the support of the EPEA (Environmental Protection Encouragement Agency) and select them according to strict criteria. For us, “good materials” means: abundant, rapidly renewable, recycled and recyclable, respecting people health and the environment.

67% of our resources do not contribute to resource scarcity.

2020 Objective: 75%

63% of our materials have been assessed, vs 8% in 2011.

2020 Objective: 100%

Linoleum

In 2013, Tarkett launched Linoville, the new Linoleum xf2™ collection, a recyclable floor made of genuine and renewable ingredients (linseed oil, jute and cork flour). With its bright and trendy colors, and its technical attributes suitable for demanding applications including schools and hospitals, this eco-designed product is a good example of our ability to combine environment, aesthetics and performance. Tarkett has used the same original recipe and has selected materials according to the Cradle to Cradle methodology, while continually improving the performance of its flooring.

Supporting biodiversity

Tarkett aims at selecting types of wood that best respect natural cycle. For instance, for multilayer wood floorings, we use as a priority fast growing, renewable wood species such as spruce. With innovative and modern production methods, we limit the waste of wood.

We have developed partnerships with wood suppliers which are FSC (Forest Stewardship Council) or PEFC (Pan European Forest Certification) certified. Tarkett holds Chain of Custody certificates on both FSC and PEFC. We also implemented internal training program and conform to the European Union EU Timber regulation.
Resource Stewardship

Our objective is to reduce and optimize the use of resources during manufacturing process, to limit resource scarcity and reduce emissions. We aim to reduce fresh and potable water use, optimize energy consumption and reduce green house gas emissions.

Water

47% of our manufacturing sites have implemented closed-loop water circuits (or do not use water in their process) which allowed us to reduce water use to 2.69 liters/sqm of product manufactured.

Reduce usage of fresh and potable water (liters/m² of product manufactured)

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<td>2010/2013</td>
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Energy

Tarkett has decreased the energy consumption per square meter of product manufactured by 6% vs 2012 thanks to remarkable work done by plant teams to reduce energy consumption and increase efficiency, improve the manufacturing process and the implementation of biomass energy systems.

Reduce energy consumption (kWh/m²)

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<td>2010/2013</td>
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Greenhouse Gas emissions

Our plants reduced Greenhouse Gas emissions per square meter of product manufactured in 2013 by 5%.

Decrease green house gas emissions (kgCO₂/m² from sites)

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<td>2010/2013</td>
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Converting scraps into renewable green energy

Since 2012, Tarkett deploys in Poland, production of wood briquettes intended for dispatch to a nearby power plant to be converted into electricity. The material used to produce the briquettes is sawdust from the production process: when a wooden plank is sawed, dust is generated as well as scraps of wood not used in the final product. Prior to the production of briquettes, the sawdust was previously sent to an external recycling facility.

2020 Objective:

- 100% of our sites with closed-loop water circuits (or do not use water in their process)

- 20% vs 2010 baseline
People Friendly Spaces

People spend more time indoors and want a healthy, comfortable indoor environment. Tarkett works to improve indoor air quality and became a pioneer in 2011 by setting high standards in VOC requirements for its products. That’s why we eco-design solutions with “good materials” contributing to improved indoor air quality and with TVOC emissions 10 to 100 times lower than the strictest standards in the world*. Many products in North America are certified by the Asthma and Allergy Foundation of America (AAFA). In addition, we have decided to go one step further widely extending the use of alternative plasticizers (non-phthalate) already used for toys and food-packaging.

Protecting the air we breathe

With the ambition to lead eco-innovation in the flooring industry, Tarkett has decided to switch to phthalate-free plasticizer technology throughout the company. In 2014 it launched its new generation of residential vinyl flooring, which also combines extremely low VOC emissions and outstanding designs and patterns. Tarkett is deploying the use of phthalate-free plasticizers, in North America and Europe, as well as other countries.

Dry buffing

For professional use surfaces, Tarkett has developed flooring that can be cleaned and maintained with dry buffing, easy to use and environment-friendly, without use of detergents or water.

People Friendly Spaces

- 94% of products with low VOC emissions (TVOC below 100 µg/m³) vs 27% in 2010
- 41% of products with non-quantifiable VOC emissions (TVOC below 10 µg/m³) vs 0% in 2010
- 20% of vinyl products are phthalate-free (except recycled content), vs 0% in 2010
- 2020 Objective: 100% of flooring products are phthalate-free and have low TVOC emissions.

* Total Volatile Organic Compounds emissions in µg/m³ after 28 days
At Tarkett, products have no longer an end of life but an end of use. We aim to transform waste into resources or new products at equivalent or even better quality. We are also increasing our infrastructure to collect, reuse and recycle used flooring products.

At Tarkett, we ensure that manufacturing waste and scraps are reintegrated into the production process. We developed take-back programs (ReStart in North America and ReUse in Europe) to collect and recycle product samples, post-installation waste and post-consumer flooring, thanks to our seven in-house recycling centers as well as partnerships with installers and reclamation networks. To close the loop fostering the circular economy approach, we eco-design our new products with recyclable good materials that can enter into a production or biological cycle at the end of use.

**Reuse**

- **ONLY 30 GRAMS** of industrial waste (per m² of product manufactured) goes to landfill, -37.5% 2013 vs 2010.
- **2020 Objective:** 0 industrial waste going to landfill.
- **17,400 TONS** have been collected from post-installation and post-consumer flooring and Sports surface products, + 51% vs 2012 (including Tandus-Centiva).
- **2020 Objective:** double amount of flooring recycled vs 2010 baseline (32,000 tons vs 16,000)

**New Transparency tool with environmental authority**

Introduced in 2013 as a transparency tool for customers, the Environmental and Health Statement (EHS) is a third-party assessment of the material content of a product. The EHS addresses the environmental and human health risk of a finished product by providing valuable ingredient information along with associated environmental and health quality data. The ecological and toxicological assessment is performed and reviewed by a third party, the Environmental Protection Encouragement Agency (EPEA) founded by Professor Dr. Michael Braungart in 1987. The EHS is based on the Cradle to Cradle® material assessment methodology which is science based, widely accepted in the building and design industry, and easy to understand.

**Re-using materials in new products**

- Our vinyl flooring can contain up to 53% of recycled content (iD Freedom).
- Linoleum, wood and rubber products are **100% recyclable.**
- Tandus Centiva ethos® products are produced from pre- and post-consumer polyvinyl butyral (PVB) recovered from the recycling of automotive windshields and safety glass.

**“ReStart Awards”**

Tarkett’s annual ReStart Award honors the architect, designer, building owner, contractor/installer, and/or distributor whose project has successfully diverted the largest quantity of flooring from landfills using Tarkett’s ReStart Recycling and Reclamation Program.
The production site in Narni (Italy), where linoleum is produced, is a good example of Tarkett's commitment towards sustainability with the application of the Cradle to Cradle principles. In 2013, Tarkett inaugurated the Narni Green Tour, an innovative approach combining an educational tour and operational implementation. The objective is to show to customers and employees that Tarkett's environmental responsibility extends beyond recycled materials and recycling operations. Rather, it takes into account the entire product life cycle. This project was achieved thanks to effective communications within the site to understand and measure progress made on the 4 pillars of the sustainability strategy:

**GOOD MATERIALS**
Eco-design the new linoleum product line containing:
- from 74 to 77% of renewable materials (ex: linseed oil, pine resin, jute)
- from 30 to 36% of recycled content (ex: cork flour from post production scraps)

**RESOURCE STEWARDSHIP**
During the production step:
- Cold Water closed-loop circuit has been implemented
- The emissions from manufacturing units are abated and conveyed to a post combustor for generating energy

**PEOPLE FRIENDLY SPACES**
Well being and Quality of Life during the use phase:
VOC: Linoleum flooring now features an extremely low level of Volatile Organic Compounds emissions (inferior or equal to 100 µg/m³ after 28 days). This contributes to the quality of indoor air, a critical factor for schools, universities, and hospitals where linoleum is used extensively.

**REUSE**
Post production scraps are recycled.
PLANT

Recognition

The Circular Economy

Tarkett’s sustainable product design approach earned its recognition through its selection as one of the first companies to join the Ellen MacArthur Foundation’s ‘Circular Economy 100’ program in February, 2013.

Cradle to Cradle

Tarkett is working closely with the authoritative research institute EPEA (Environmental Protection & Encouragement Agency) to assess and select environment-friendly materials and apply the Cradle to Cradle principles at each step of the product’s life, where end of life becomes end of use. The approach aims at choosing product materials that can be reused in technical or biological cycles.

Cradle to Cradle certifications

In addition to the existing Cradle to Cradle certifications (Wood, Linoleum), Tarkett has been Cradle to Cradle Certified Gold for its Linoleum Veneto Essenza 100% linen produced in Narni (Italy), Basic for Artificial Turf produced in Auchel (France), Valls (Spain), and Calhoun (USA), and for Rubber produced in the USA. More recently, Tarkett has also been Cradle to Cradle Certified Silver for Tandus Centiva ethos® soft flooring.

Product labels and certifications

Many Tarkett product ranges have been recognized in the past years and in 2013 for their attention to the well-being of people and the environment including:

- Most resilient flooring products in North America have received the FloorScore certification for indoor air quality, which ensures they meet the California 01350 standard.
- Carpet & Rug Institute Green Label Plus certification guarantees that all carpet products and carpet adhesives meet emissions requirements for indoor air quality as set by California 01350 Specification.
- Several vinyl products for the home, hospitals, and for indoor sports have been certified “asthma and allergy friendly” by the Asthma and Allergy Foundation of America (AAFA).
- All heterogeneous vinyl products manufactured in Serbia have received the Vitality Leaf eco label for the use of good materials for people well-being and for the practice of resource stewardship.
- For its Beynon tracks, Tarkett received the Greenguard Gold Certification (for PolyTurf®, PolyTurf Plus®, PolyTurf Pad & Pour®, and BSS 1000®), after rigorous testing of processes ingredients and VOC emissions.

Long-lasting commitment and leadership on sustainability

- Recycling Homogeneous vinyl flooring in Sweden since 1957
- TVOC emissions 10 to 100 times lower than the strictest worldwide standards (µg/m³ after 28 days)
- Cradle to Cradle certifications (Linoleum, Wood, Artificial Turf, Rubber, Carpet)
- Flooring with a renewable plasticizer (iQ Natural)
- New generation of phthalate-free flooring in North America and Europe

The KKR Green Portfolio

Since 2010, Tarkett is a member of the “KKR Green Portfolio”. Designed in partnership with the non-governmental organization Environmental Defense Fund (EDF), the program is an opportunity for Tarkett to get guidance and share best practices to improve its environmental performance, including in the areas of greenhouse gas emissions, waste and water stewardship.

NSF-332 and NSF-140 certifications for resilient and carpet flooring

NSF certification is based on multi-attributes: product design, manufacturing, use phase, end of use and corporate governance.

PLANET
From linear economy to circular economy through technical cycle or biological cycle

**Before**
- Raw materials
- Transport
- Flooring production
- Transport
- Flooring installation
- Technical lifetime
- Transport
- Disposal

**Today**
- Tarkett
- Take
- Enrich
- Consume
- Return
- Use
- Make

**BIOLOGICAL CYCLE DESIGNED TO REENTER THE BIOSPHERE**

**TECHNICAL CYCLE DESIGNED TO CIRCULATE WITHIN THE TECHNOSPHERE**
Since 2009, Tarkett in North America has partnered with Walmart to recycle used flooring into new VCT tile for use by Walmart. The program demonstrates Cradle to Cradle principles by using VCT as a technical nutrient to produce more VCT in a closed loop cycle and reduces greenhouse gas emissions, the use of virgin resources, energy, and waste in landfills.

In Brazil, Tarkett has launched an innovative program to produce PVC floor tiles from materials used in other industries, a good example of eco-design with recycled good materials. Tarkett in Brazil obtains aggregates from medicine blisters for transformation into granulates used to producing new backing for flooring products. Using local recycled raw materials supplied close to the Tarkett plant, allows for the reduction of virgin materials use and energy consumption, but also improves the competitiveness of Brazilian products against other low-cost producers.

At Clairefontaine, outside of Paris, the France National Technical Football center decided to utilize Tarkett FieldTurf artificial turf for the surface of new training facilities in a project features the re-cycling or reusing of materials. The project exemplifies FieldTurf's TotalCare replacement program in Europe and North America, launched in 2013, and showcases Tarkett's assistance to stadiums for consulting, recycling, installation, maintenance and financing. The objective is to reuse or recycle as much as possible of each component of the field: rubber and sand from the infill, synthetic fibers and backing. In addition, using artificial turf field also saves water and pesticides and provides a cost-efficient, long-lasting sport installation.

In Europe, Tarkett’s ReUse program collects excess flooring materials following installation. Sent to Clervaux (Luxembourg) and Ronneby (Sweden) recycling centers, it is used to produce granulates to manufacture new vinyl flooring products.

All over the globe, Tarkett is contributing with its partners to the ‘Circular Economy’.
We have built Tarkett’s Sustainability dashboard to track our progress in achieving our environmental, social and corporate sustainability commitments. Designed as an internal management tool, the dashboard includes both qualitative and quantitative elements for all dimensions of our Corporate Sustainability Strategy.

<table>
<thead>
<tr>
<th>Environmental Responsibility Strategic Initiatives</th>
<th>Indicators</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Var 2010/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce usage of fresh and potable water</td>
<td>Fresh water consumption (liters/m²)</td>
<td>3.05</td>
<td>2.62</td>
<td>2.74</td>
<td>2.69</td>
<td>-12%</td>
</tr>
<tr>
<td></td>
<td>% of manufacturing sites that have implemented closed-loop water circuits (or do not use water in their process)</td>
<td>52%</td>
<td>47%</td>
<td>47%</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>Decrease energy consumption and greenhouse gas emissions</td>
<td>Energy consumption (kWh/m²)</td>
<td>3.71</td>
<td>3.77</td>
<td>3.55</td>
<td>3.32</td>
<td>-10%</td>
</tr>
<tr>
<td></td>
<td>Greenhouse gas emissions (kgCO₂e/m²)</td>
<td>1.13</td>
<td>1.17</td>
<td>1.14</td>
<td>1.08</td>
<td>-4%</td>
</tr>
<tr>
<td>Design solutions ensuring indoor air quality, health and well-being</td>
<td>Phthalate-free products (% of m² produced, vinyl flooring only)</td>
<td>16%</td>
<td>19%</td>
<td>20%</td>
<td></td>
<td>+20 pts</td>
</tr>
<tr>
<td></td>
<td>Low VOC emissions products (% of m² produced, flooring only)</td>
<td>27%</td>
<td>90%</td>
<td>96%</td>
<td>94%</td>
<td>+67 pts</td>
</tr>
<tr>
<td></td>
<td>Non-detectable VOC emissions products (% of m² produced, flooring only)</td>
<td>6%</td>
<td>41%</td>
<td>41%</td>
<td></td>
<td>+41 pts</td>
</tr>
<tr>
<td>Ensure that all manufacturing wastes enter into a biological or technical cycle</td>
<td>Industrial waste going to landfill (g/m²), including hazardous waste</td>
<td>48</td>
<td>46</td>
<td>36</td>
<td>30</td>
<td>-37%</td>
</tr>
<tr>
<td>Develop take-back programs for our flooring solutions, allowing to close the loop</td>
<td>Volume (metric tons) of collected post-installation or post-consumer products</td>
<td>16,100</td>
<td>13,800</td>
<td>11,500</td>
<td>17,400</td>
<td>+8%</td>
</tr>
</tbody>
</table>

(1) Restatements of Calhoun and Jacarei data: impact is +0.06 in 2012, +0.08 in 2011 and 2010
(2) Restatements of Calhoun, Houston, Lenham and Konz data: impact is +0.09 in 2012, +0.11 in 2011, +0.10 in 2010
(3) Restatement historical KPIs because of restatement of Calhoun volumes, addition of 2011 figures for Centiva, Absteinach and Valls sites, and exclusion of Kalush Wood (semi-finished goods production)
(4) Restatement of Calhoun data: impact is +1 in 2012, 2011 and 2010
### Social Responsibility Strategic Initiatives

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Var 2010/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee a safe place to work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost time accident frequency rate (a) (# LIA per million hours worked)</td>
<td>4.3</td>
<td>3.5</td>
<td>2.5</td>
<td></td>
<td>-42%</td>
</tr>
<tr>
<td>Ensure respect and integrity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Progress on Tarkett values adhesion in employee feedback (b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>% of women in top 100 positions (CEO to CEO-2 executive positions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+6% 2011/13</td>
</tr>
<tr>
<td>Foster diversity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of employees with disabilities (only in countries where disability is defined by law)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-6% 2011/13</td>
</tr>
<tr>
<td>Develop talents and promote an entrepreneurial culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of people trained (c) (at least 1 day in total during the year)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+62% 2011/13</td>
</tr>
<tr>
<td>Listen to employees and engage in social dialogue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Progress on related questions in employee feedback (d)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Communicate proactively towards all employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Progress on related questions in employee feedback (d)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Provide professional training to the community</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of external people having received Tarkett Academy training (e) (min 2 to 5 days professional training on installation and/or maintenance)</td>
<td>1,893</td>
<td>2,541</td>
<td>2,903</td>
<td></td>
<td>+53%</td>
</tr>
<tr>
<td>Corporate Governance Strategic Initiatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promote Corporate Sustainability values to stakeholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw material purchases base with suppliers committing to UN Global Compact principles (f) (% of purchase value)</td>
<td>42%</td>
<td>50%</td>
<td>60%</td>
<td></td>
<td>-60pts</td>
</tr>
<tr>
<td>Ensure regular audits of businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group perimeter audited during the last 4 years (g) (% of operating assets of audited entities)</td>
<td>52%</td>
<td>93%</td>
<td>74%</td>
<td></td>
<td>+42%</td>
</tr>
</tbody>
</table>

---

1. 2012 excluding Tandus
2. Employee survey not conducted in 2013
3. 2012 figures restated for Russia, impacting overall KPI: +61%>56%
4. Excluding textile
5. 2012 excluding Tandus. Change of perimeter
6. Excluding Tandus

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### Social & Corporate Sustainability Dashboard

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employees</td>
<td>Worldwide</td>
<td>10,850</td>
<td>10,670</td>
</tr>
<tr>
<td></td>
<td>EU another countries OECD</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td></td>
<td>North America</td>
<td>30%</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>Emerging countries</td>
<td>36%</td>
<td>34%</td>
</tr>
<tr>
<td>Diversity</td>
<td>Men / Women</td>
<td>74%/26%</td>
<td>73%/27%</td>
</tr>
<tr>
<td>Age</td>
<td>under 29 years</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>30/39 years</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>40/49 years</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>50/59 years</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>above 60 years</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Absenteeism</td>
<td>Absenteeism on industrial sites (h)</td>
<td>2.50%</td>
<td>2.40%</td>
</tr>
</tbody>
</table>