



## **THE JOURNEY OF ETHICS AND TRANSPARENCY**

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*Floor Covering Division  
Global Sustainability Report*

**Edition Four**

*Milliken*<sup>™</sup>

# LETTER FROM JIM McCALLUM

Milliken Floor Covering Division President

Nearly two years ago, we started on a journey to redefine how we conduct business with our suppliers, in how we design our products and in how we think differently about materials and ingredients.

We've made significant progress with collecting, measuring, reporting, disclosing, verifying, and certifying the component ingredients that go into our products. We've done all of this to reach the point where we can now focus on optimization.

It is in this spirit of optimization that we bring you the fourth edition of our Sustainability Report. But as we continue to optimize our supply chain, materials, ingredients, and products it's important to remember why we are doing this in the first place.

For Milliken, this isn't just an exercise to get a certification or check a box, we do this with the intent to create flooring solutions that enhance the health, well-being and performance of the people within the built environment where our products are used.

So as the industry transitions into the Second Wave of sustainability, with the focus shifting from minimization and protection to one of optimization and a re-focus on the people within the built environment – we are eager to lead the way by leveraging our legacy of deep science and commitment to innovate with intent, in order to increase the positive effects and performance of Milliken's products on the people who make them, use them, and on the larger environment within which we all live.

Ultimately, providing products that have a positive impact on the environment as well as the health and well-being of the people who live and work in our buildings yields a myriad of benefits. We look at this as both an opportunity and a responsibility and look forward to sharing our progress and insights, tell you our stories and accomplishments, and learn about your concerns, aspirations, and hesitations along the way. Together we can do more, together we can be better.



Sincerely,

Jim McCallum  
President of the global Milliken floor covering division



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Third Party Verified Red List Free  
Motionscape, on Universal Fibers Nylon 6,6

*"We want to **WIN AT WELLNESS**. We see our ability to **DRIVE COMPETITION** in the Flooring marketplace as a good thing. Who doesn't want companies competing on **HEALTHIER MATERIALS, SAFER ALTERNATIVES AND INNOVATIVE GREEN CHEMISTRIES?**"*

## LETTER FROM PHILIP IVEY

Milliken Floor Covering Division Strategic Sustainability Leader

We appreciate you taking time to visit our fourth annual sustainability report for the Milliken floor covering division. As the Global Strategic Sustainability Leader, I am privileged to work with a company who is committed to adding true value to people's lives.

We are excited to share the work we have been doing to advance our company's values of ethics and transparency. We have been hard at work implementing significant corporate and product specific material health initiatives to improve the performance of our flooring solutions. We have long been committed to meaningful innovation and acting ethically throughout every facet of our business. We feel we have achieved significant results to date in safety, ethics, transparency, and wellbeing. In turn, our stakeholders have prompted us to publicly share these accomplishments and how we believe we are acting ethically, allowing you to fully understand our multifaceted initiative. We strive for transparency in the way we approach large-scale sustainability, so we can share our successes, but also open ourselves up to critique, feedback and even collaboration.

In this report, we share more about the programs we use to measure and track biodiversity and environmental impacts through life cycle assessment. We also share how we approach material transparency with third-party partnerships including Cradle to Cradle and The Chemical Footprint Project. We will continue to share how we are positively changing our supply chain with the LEED v4 credit for MR Building Product Disclosure and Optimization - Material Ingredients (Option 3), and continuing our expansion of chemical transparency reporting in the form of Declare labels and Health Product Declarations (HPDs).

By gaining a better understanding of our supply chains, we are enabled to innovate better, healthier, and more sustainable products for the future.

We hope this report inspires you to think differently about sustainable architecture and design, as this annual process has challenged us to do so.



Sincerely,

Philip Ivey  
Strategic Sustainability Leader for the global  
Milliken floor covering division



Milliken's San Francisco, California, IL showroom is WELL Certified® Registered

"We have been hard at work **IMPLEMENTING** significant product specific **MATERIAL HEALTH INITIATIVES.**"

## ABOUT MILLIKEN FLOOR COVERING

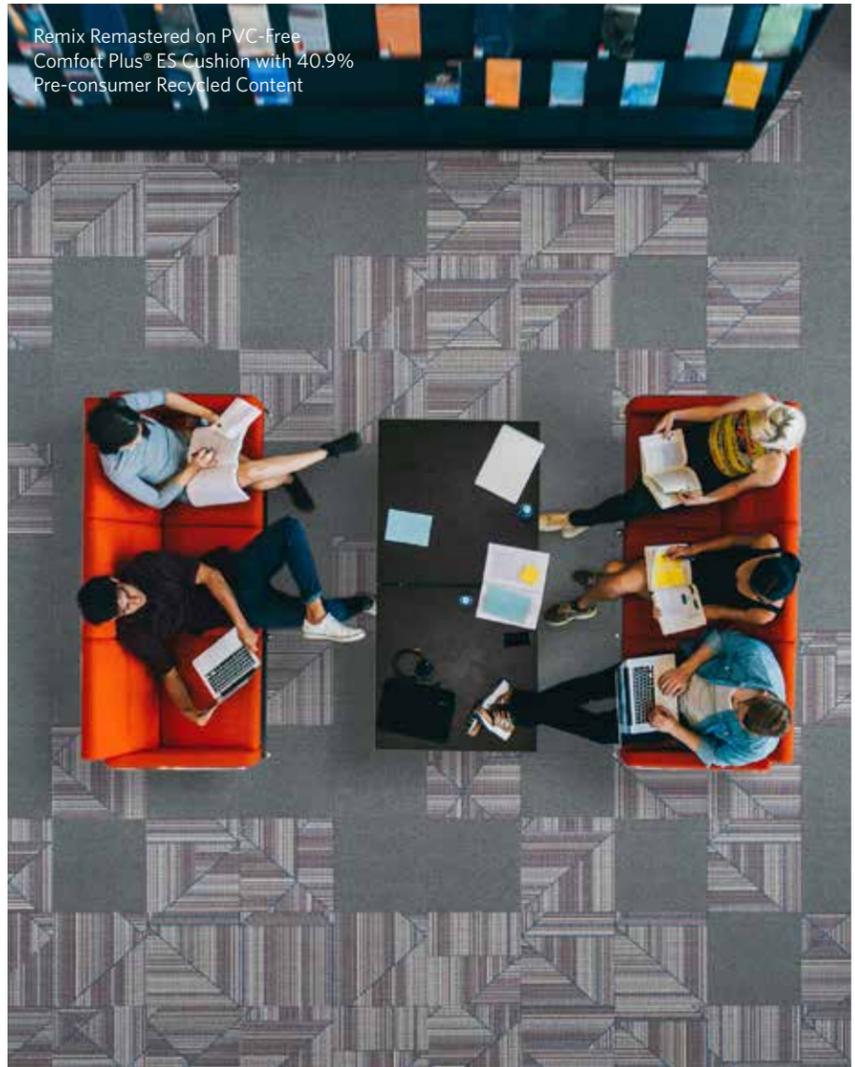
The Milliken floor covering division is part of Milliken & Company, an innovation company that has been exploring, discovering and creating ways to enhance people's lives since 1865. One of the largest privately held companies in the world, the Milliken & Company community of innovators developed one of the larger collections of United States patents held by a private U.S. company. Designers, facility managers and homeowners are inspired by Milliken's innovative broadloom and modular carpet, luxury vinyl tile, and entry flooring solutions, which are carried under the Milliken brand and designed with superior aesthetics and functionality to enhance work environments, hotels, airports, homes and other global commercial interiors.

Milliken\* is a privately held for-profit corporation divided into three regions: Americas, EMEAAsia Pacific. The company is headquartered in Spartanburg, South Carolina, and operates design and manufacturing facilities in the United States, United Kingdom, Australia and China. The floor covering division is a business unit of Milliken & Company, which is governed by an independent board of directors. The chairman of the board is also the company president and CEO.

\*All references to Milliken here forward refer to the global floor covering division of parent company Milliken & Company.

**OUR FLOORING INCLUDES**  
*Commercial and residential carpet, rug, entryway and luxury vinyl tile solutions.*

Textured Sky, The Best of NeoCon 2018 Editors's Choice Award Winner and Stone LVT



## ABOUT THIS REPORT

As the fourth annual sustainability report for Milliken, this report encompasses key performance indicators from fiscal year 2017 across the company's global commercial, residential, hospitality, entryway and mats markets. All facilities and operations associated with this business are included.

This report is limited to the global operations of Milliken with organizational data from floor covering operations in the United States, China, United Kingdom and Australia. Data from Milliken & Company, the parent company, is not included.

This report meets the requirements of LEED v4 MRc3 credit by providing: Option 1: Raw Material Source and Extraction Reporting.

Milliken is providing this report as a third-party reviewed corporate sustainability report, which includes environmental impacts of extraction operations and activities associated with Milliken's products and product supply chain. This report was created using the Global Reporting Initiative (GRI) Sustainability Reporting framework. Our GRI Index is located on page 46.

For any questions about this report, please contact [millikencarpet@milliken.com](mailto:millikencarpet@milliken.com)



Unearthed, Mantle, manufactured using up to 43% renewable energy through hydroelectric credits and capturing methane gas from the LaGrange, GA landfill.

## HOW WE ENGAGE STAKEHOLDERS

At Milliken, we rely on our network of stakeholders to help shape our conversation on sustainability. In preparation for this report, we engaged a panel of stakeholders to share feedback on our sustainability performance to date and help craft our sustainability's report, our activities for years to come. Over the course of more than 50 conversations, our stakeholders provided insights into the strengths, weaknesses and opportunities for our sustainability program.

Our stakeholders represent groups and organizations that are directly or indirectly affected by our operations, have a direct interest in our activities, and/or have the ability to influence outcomes and decision-making processes. For this report, our stakeholders comprise customers, architecture and design firm sustainability leaders, competitors, academics with flooring knowledge, flooring installers, environmental nonprofits, industry associations, and local community members.

We approached our conversations with these five key stakeholder groups using the following principles:

### CUSTOMERS

Ensure customer satisfaction with our products and our long-term sustainability strategy by inviting open feedback.

### SUPPLIERS

Maintain close interaction to deliver high-performance, sustainable products.

### ASSOCIATES

Establish regular engagement on performance, policies and issues relating to meeting personal and business needs.

### NEIGHBORS

Invite open discussions regarding safety with those who live around Milliken manufacturing sites.

### EXTERNAL ORGANIZATIONS

Collaborate within and outside of our industry to further our understanding of issues affecting the sustainability of our business.

Indirect stakeholder feedback was supported through Milliken's involvement in various organizations and associations, which are listed on page 45. These annual industry-wide involvements help us identify, map, prioritize and engage with a variety of local, national and international stakeholders on integral topics related to our operations.



Guided by Stakeholder Feedback, this report centers on how Milliken believes ethics and transparency influence each other and the results that can occur when they work in harmony.

## ACTING ETHICALLY

- Using resources responsibly
- Taking action to reduce our environmental impact
- Conducting global business reputably
- Being an employer of choice
- Creating products with the environment in mind
- Designing flooring solutions with human health in mind
- Working to resolve conflicts between environmentally preferable products with questionable human health impacts and vice versa
- Partnering with suppliers who adhere to and behave with similar ethical behavior

## BEING TRANSPARENT

- Publicly reporting resource consumption
- Communicating Milliken's role in protecting the environment
- Sharing our employment practices and metrics related to being an employer of choice
- Verifying the environmental performance of our products
- Providing the human health performance of our products
- Demanding transparency in our supply chain through traceability, transparency and accountability
- Maintaining open lines of communication for feedback

Acting ethically and being transparent begins with a corporate culture rewarding behavior that goes beyond business as usual. Milliken's values and policies, centered on environmental stewardship, quality, safety, chemical use, and employee and supplier codes of conduct, demonstrate how ethics and transparency are deeply integrated into our corporate culture and imperative to our success as a values-based business.

*"Ethics and transparency are deeply integrated into our corporate culture and imperative to our success as a values-based business."*

## OUR VALUES

How Milliken achieves success is as important as the success we achieve. We believe ethical behavior is the right thing to do as an organization and as a community. As a long-held, core value of our company and of our shareholders, it is the foundation of our lasting business success.

Honesty, integrity and ethical behavior are the personal responsibility of every Milliken associate. We must conduct ourselves in accordance with the highest business standards, provide safe environments for our associates and manufacture with sustainable practices.

The Milliken & Company Code of Conduct is our guide to ethical business behavior. It cannot address every situation or circumstance, but it can be summarized in one simple idea: "Do what is right."

## Milliken & Company **ENVIRONMENTAL STATEMENT**

Designing innovative products and solutions for our customers is of the utmost importance. Through meaningful design, deep science and unique insights, we advance product development to the next level while supporting Milliken's efforts to increase sustainable results and minimize environmental impact of all products.

Milliken's holistic approach to innovation encompasses all stages of the life cycle - from material sourcing and manufacturing practices to end-of-life management. Our commitment to transparency, health, safety, quality and sustainability allows us to put our customers, associates and communities first.

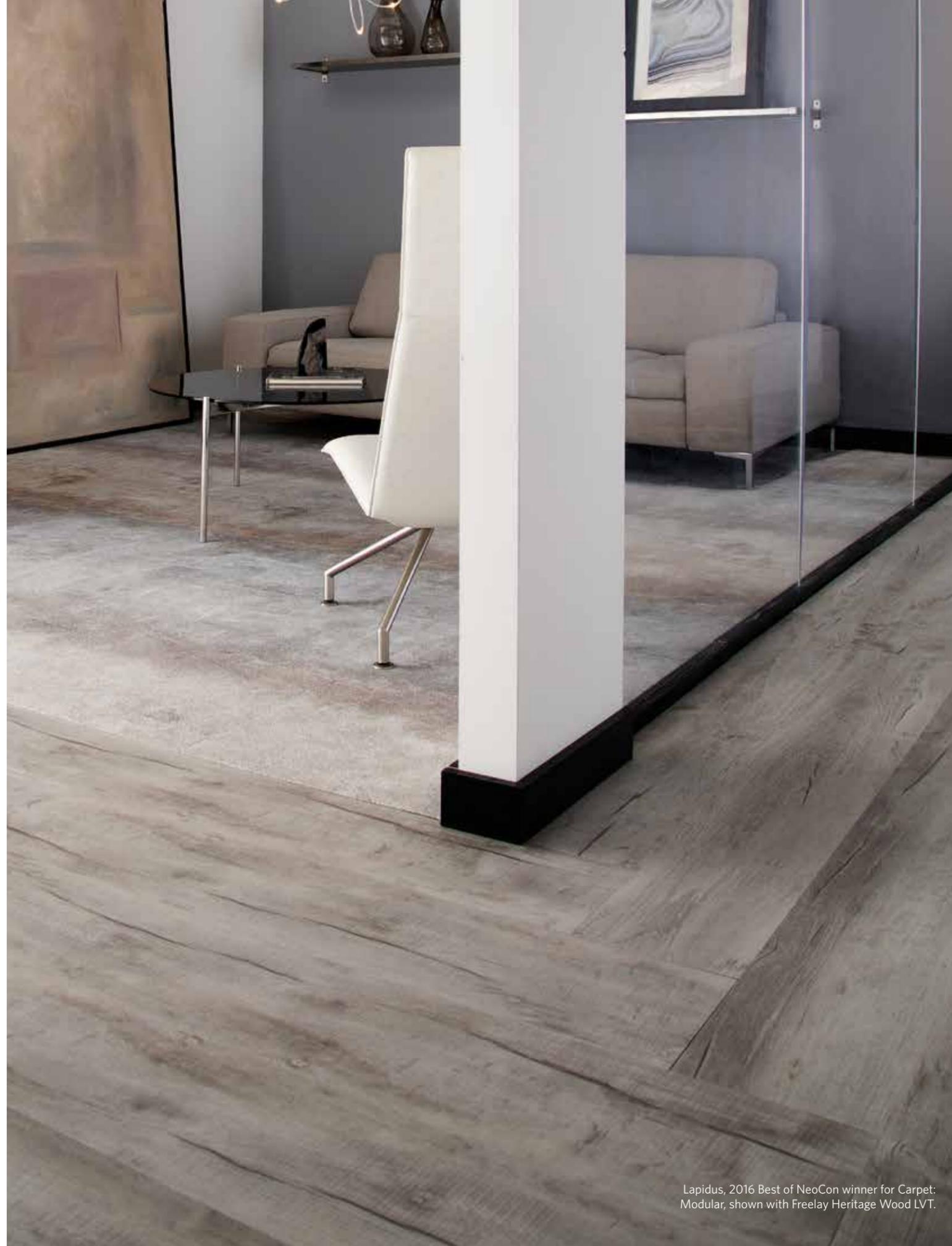
## Milliken & Company **ENVIRONMENTAL POLICY**

Milliken & Company is committed to operating our plants and facilities in complete compliance with all applicable environmental regulations and to operate in a manner that protects the quality of our environment and the health and safety of our associates and the public.

We are committed to strive for a goal of zero waste generation to all media—land, air, water—to be achieved by continual improvement in all of our operations. This goal will guide the conduct of our manufacturing operations, the development of new products and our interaction with our suppliers and customers. Recycling of materials is an integral part of this ongoing effort.

We are committed to encouraging our families, our associates and our communities, through education and leadership, to conserve our natural resources and protect the environment in our daily lives.

We reaffirm our commitment to work with local, state and federal authorities to develop effective environmental solutions that meet tests of practicality and feasibility.



## Milliken & Company **QUALITY POLICY**

Milliken & Company is dedicated to the continuous improvement of all products and services through the total involvement of all associates.

All associates are committed to the development and strengthening of partnerships with our external and internal customers and suppliers.

We will continually strive to provide innovative and better quality products and services to enhance our customer's continued long-term profitable growth by understanding and exceeding their requirements and anticipating their future expectations.

## Milliken & Company **SAFETY POLICY**

The safety and health of all its people is of primary importance to Milliken & Company.

Milliken will devote resources to train our people to perform their jobs safely, to ensure equipment can be operated in a safe manner, to eliminate workplace hazards, and to comply with applicable safety and health laws and regulations.

Milliken believes that all injuries are preventable, all health risks are controllable and management is accountable.

## Milliken & Company CHEMICAL POLICY

Milliken & Company is committed to operating in a manner that protects the quality of our environment and the health and safety of our entire value chain, including suppliers, associates, customers and the public. We seek to offer customers and organizations of all sizes products that are inherently safer for human and environmental health throughout their life cycle.

We are committed to a goal of zero human health impacts to anyone who comes into contact with any aspect of Milliken & Company's operations and products. This is to be achieved through a continual improvement process that includes the evaluation of all existing, new and proposed products and processes.

Furthermore, we are committed to being a leader in safer chemistries and in the development of products that do more good than harm. We are committed to considering our families, our associates and our communities as we design and develop new products, and we must consider the environment and human health in those decisions. Specifically, we adhere to the following principles:

1. Fully Understand Product Chemistry Risks and Hazards, and Embrace the Appropriate Disclose of Product Chemistry. We will identify the substances associated with and used in our products across their life cycle, and we will increase the transparency of the chemical constituents of our products, including public disclosure of chemicals of high concern and third-party certification(s).

2. Intentionally Assess and Avoid Hazards. We will do this through the following actions:

1) We will determine the hazard characteristics of chemical constituents and formulations in our products using publicly available third-party methodologies.

2) We will strive to use chemicals identified as having inherently low hazard potential.

3) We will prioritize chemicals of high concern for elimination and minimize exposure and risk when hazards cannot be prevented.

4) We will allocate resources towards the redesign of products and processes in an effort to eliminate the use and generation of hazardous chemicals.

3. Commit to Continuous Improvement. We will establish operational governance structures, policies and practices to create a framework for the regular evaluation of product and process chemistry and work to redesign products with inherently lower hazard potential.

4. Support Public Policies and Industry Standards. We will support the advancement of policies and standards that are aligned with the principles above, that support the development of comprehensive, accurate and public hazard data and that take action to eliminate or reduce known hazards and promote a green chemistry research and education.

The above four principles shall be managed and acted upon within our ISO 14001 structure and audited accordingly for ongoing compliance.

This policy shall include all floor covering products, all manufacturing operations that produce floor covering products, all suppliers that produce and/or sell goods used in the manufacturing of floor covering products and all packaging used in the internal and external distribution of floor covering products.

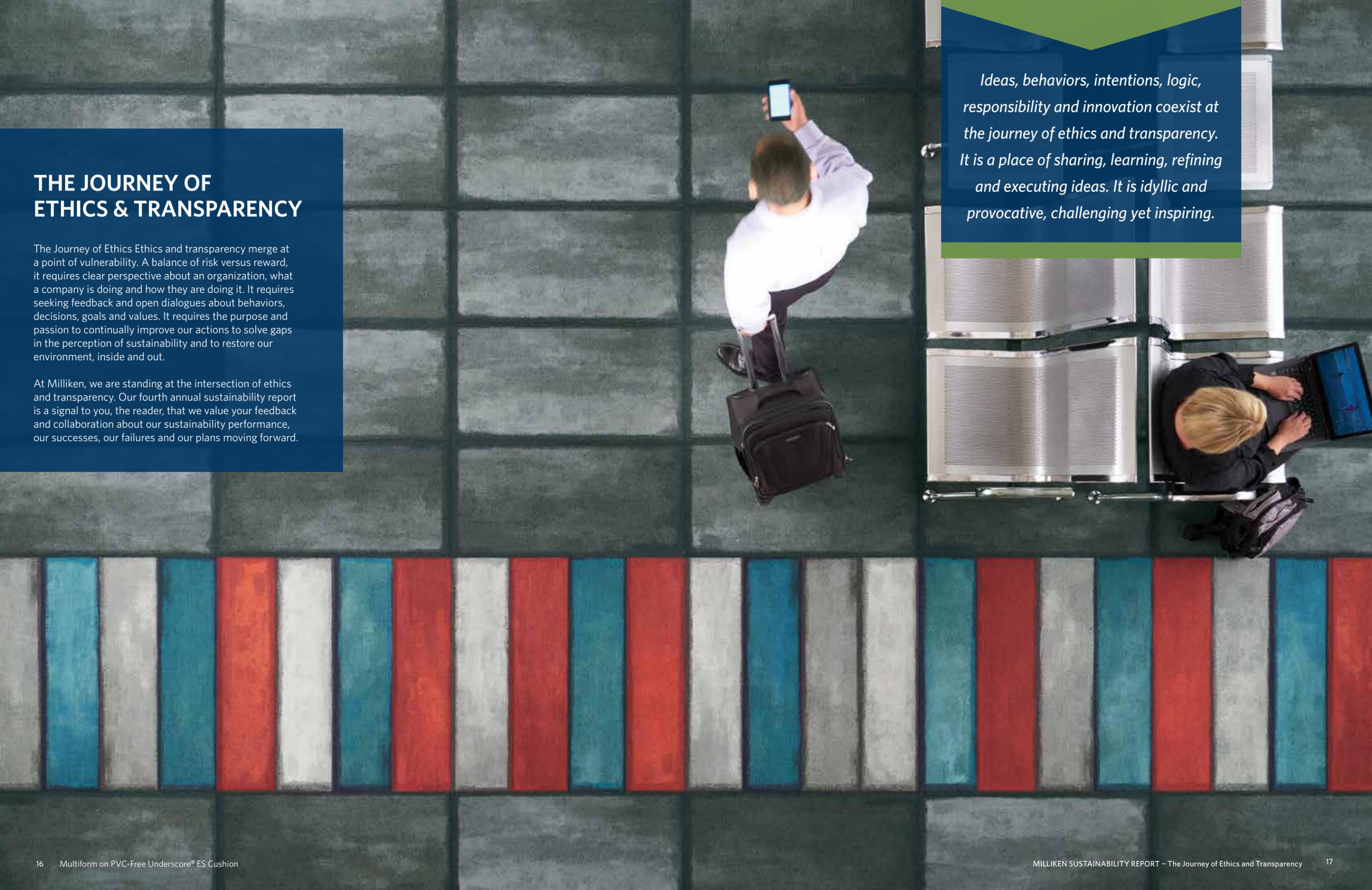
## Milliken & Company ASSOCIATE CODE OF CONDUCT

The Milliken Code of Conduct is reviewed by 100% of our associates. It has been translated into the languages of every country in which we do business and is evaluated annually by Milliken's internal Committee on Compliance and Ethics and the Milliken & Company Board of Directors.

In addition to top-down oversight, associates within the floor covering division serve as compliance and ethics points of contact for the entire Milliken family of companies.

The Milliken Code of Conduct includes policies on how associates should approach:

- Conflicts of interest
- Information security
- Policy management
- Gifts and entertainment
- Anti-corruption / bribery
- Environmental protection
- Antitrust / competition
- Workplace harassment
- Equal employment opportunity / diversity / discrimination
- Fair employment / fair labor standards
- Company asset protection
- Social media
- Financial integrity and fraud
- Data privacy
- Misconduct investigations
- Procurement integrity / interacting with suppliers / supply
- Chain oversight
- Intellectual property
- Workplace health and safety
- Non-retaliation



## THE JOURNEY OF ETHICS & TRANSPARENCY

The Journey of Ethics Ethics and transparency merge at a point of vulnerability. A balance of risk versus reward, it requires clear perspective about an organization, what a company is doing and how they are doing it. It requires seeking feedback and open dialogues about behaviors, decisions, goals and values. It requires the purpose and passion to continually improve our actions to solve gaps in the perception of sustainability and to restore our environment, inside and out.

At Milliken, we are standing at the intersection of ethics and transparency. Our fourth annual sustainability report is a signal to you, the reader, that we value your feedback and collaboration about our sustainability performance, our successes, our failures and our plans moving forward.

*Ideas, behaviors, intentions, logic, responsibility and innovation coexist at the journey of ethics and transparency. It is a place of sharing, learning, refining and executing ideas. It is idyllic and provocative, challenging yet inspiring.*



Milliken believes acting ethically is  
**USING RESOURCES RESPONSIBLY**

Unearthed, Bedrock 2, manufactured using up to 43% renewable energy through hydroelectric credits and capturing methane gas from the LaGrange, GA landfill.

Milliken believes behaving ethically encompasses responsibly using resources, such as energy, waste and water. In 1990, Roger Milliken authored our first environmental policy, which directs us “to strive for a goal of zero waste generation to all media—land, air, water—to be achieved by continual improvement in all of our operations.” This goal still guides the conduct of Milliken manufacturing operations, the development of new Milliken products and our interaction with our suppliers and customers.

As a global flooring manufacturer, we are actively engaged and committed to reducing our environmental impact. Milliken executives routinely interact with the states of Georgia and South Carolina regarding environmentally responsible manufacturing practices, because we firmly believe that Milliken can grow our business while decreasing our environmental footprint. In fact, Milliken emphasizes that many practices to help protect our environment are also good for business, such as making operations more efficient.

As the U.S. affiliate of Green Cross International, Global Green’s signature programs include greening affordable housing, schools, neighborhoods and cities, as well as rebuilding communities that have suffered from the impacts of climate change, sea level rise and environmental degradation.

Within Milliken Floor Covering, we have been diligently working to reduce our operational footprint with four lofty goals: achieving a 20% reduction in carbon emissions, energy use, water consumption and waste generation by 2020, as compared to our 2010 baseline. We are also in the process of updating our sustainability goals to become Science Based Targets.

Milliken believes acting ethically is  
**CONDUCTING GLOBAL BUSINESS REPUTABLY**

Every day our associates make millions of decisions, each one hinging on a shared set of values that has been ingrained into their decision-making framework. This collective system of decisions positively or negatively impacts our ability to act ethically and conduct a socially and environmentally responsible business in a global economy.

Many companies make claims about ethical behavior, but Milliken’s approach to values-based business has been consistently recognized and honored. In 2017, Milliken celebrated its 11th consecutive year of being named to Ethisphere® Institute’s list of the World’s Most Ethical Companies®. This designation recognizes organizations around the world that have a material impact on the way business is conducted by fostering a culture of ethics and transparency at every level of the company. Designation is based on scores generated in five key categories: ethics and compliance program (35%), corporate citizenship and responsibility (20%), culture of ethics (20%), governance (15%), and leadership, innovation and reputation (10%).

Milliken makes a conscious effort to instill strong ethical values throughout its daily business practices. The World’s Most Ethical Company designation has even prompted our associates to start using the question, “What would the World’s Most Ethical Company do in this situation?” as a decision-making framework.



**ETHICS HELP LINE DIALING INSTRUCTIONS**

CALLING FROM	PHONE NUMBER
United States .....	1-866-327-8419
Australia .....	1-800-316-385
China .....	400-600-2617
France (Telecom) .....	0-800-99-0011 + 866-327-8419
France (Telecom Development) .....	0-805-70-1288 + 866-327-8419
India .....	000-117 + 866-327-8419
Mexico .....	001-844-367-1592
United Kingdom .....	0-500-89-001 + 866-327-8419

- Accessing the Ethics Help Line from any other country is a two-step process:
1. Dial the country-specific direct access code. A list of access codes for each country can be found at the following site: <https://www.business.att.com/bt/access.jsp>.
  2. After dialing the direct access code, you should hear a prompt. You should then dial 866-327-8419.



Glazed Gray, featuring Aquafil ECONYL® 100% regenerated nylon yarn, at Office Twelve, Leicester, U.K.

Milliken believes being transparent is  
**PUBLICLY REPORTING  
RESOURCE CONSUMPTION**

For Milliken, being transparent means being held accountable for our performance. While we have made great strides in reducing our consumption of resources like energy, waste, water and carbon, we are still working to achieve our stated goals. By being transparent with our performance to date, we hope to hold ourselves to a higher level of accountability.

additional KPIs with normalized production numbers to help us track emissions performance based on our growing level of production. We also plan to use these normalized KPIs to help define our specific science-based targets. Combined the tracking of this data on a quarterly basis is helping us to be mindful of consumption and continue to improve our responsible use of resources.

Being a good steward of the natural resources we consume is a core value for Milliken & Company. The floor covering division continues to perform favorably in reducing resource consumption and trending toward our 2020 goals.

Milliken intends to do our part to protect the environment by using resources responsibly. New this year, we have created

**2017 MILLIKEN RESOURCE CONSUMPTION AND CARBON EMISSIONS**

	SCOPE 1 EMISSIONS (MT CO2e)	SCOPE 2 EMISSIONS (MT CO2e)	ENERGY (MMBtu)	WATER (m3)	WASTE (tonnes)
Base Year 2010	31,032	56,379	952,258	1,811,782	8,330
2017	31,113	47,096	912,430	904,761	8,365
2016	30,381	56,150	890,389	876,946	7,101
2015	27,900	50,506	822,654	923,598	7,241
Percent Reduction 2017	+ .26%	-16.47%	-4.18%	-50.06%	+ .42%
Percent Reduction 2016	-2.09%	-0.4%	-6.50%	-51.60%	-14.75%
Target Number	24,825	45,103	761,806	1,449,426	6,665
Unit per MT of Production 2017	.295	.446	8.638	8.566	12.63

Milliken believes acting ethically is  
**DESIGNING FLOORING SOLUTIONS WITH HUMAN HEALTH IN MIND**

Milliken is committed to understanding 100% of the chemical ingredients used in the materials we select for Milliken flooring solutions. Whether commercial or residential, our belief is that every product should be made with the safest ingredients possible. We go above and beyond federal and state regulations to evaluate chemical and ingredient information from all of our suppliers. We have audited and verified procedures in place to ensure that collecting ingredient information takes place before we ever purchase materials for production. As of 2017, Milliken has completed supply chain data collection for 100% of our materials globally.

Designing flooring solutions with human health mindfulness requires us to take advantage of industry leading tools. Milliken uses the GreenScreen® for Safer Chemicals methodology, the Healthy Building Networks Red List, the California Proposition 65 List and the Green Science Policy Institutes Six Classes, to screen and assess the chemicals used in Milliken flooring materials. If we identify any issues during this assessment process, we either search for safer chemicals or further explore risks from exposure. Regardless of the outcome, Milliken is committed to being transparent about the chemicals and ingredients used in our products, while also working to promote and advance material science with new levels of safe products. Milliken's goal to phase out any hazardous Red List chemicals used currently in our flooring products by 2020, at the latest. Currently, we have one identified Red-Listed ingredient, polyvinyl chloride (PVC), used in manufacturing select Milliken products, including entry solutions and luxury vinyl tile.



New Slant on PVC-Free Comfort Plus® ES Cushion with 41.7% Pre-consumer recycled content.



**WELL LIVING LAB PARTNERSHIP**



Alliance  
Founding  
Member

Milliken & Company became a founding member of the Well Living Lab in 2017, a collaborative research initiative led by Delos and Mayo Clinic dedicated to studying the impacts of our indoor environments on health and wellness. Milliken joins 18 other building science and medical research leaders in coming together to creating healthier spaces in which to live and work.

The first of its kind, the Well Living Lab is an exclusively human-centered research initiative focused on understanding the interaction between health and well-being, and indoor environments. The Well Living Lab believes that our society performs better in all aspects of life when people are at their healthiest – a tenant Milliken has championed for decades through its work with safety and wellness programs.

Milliken believes being transparent is

# COMMUNICATING OUR ROLE IN IMPROVING HUMAN HEALTH

Milliken wants to demonstrate we have the innovation, expertise and intentions to play our part in the international efforts to limit chemicals of concern.

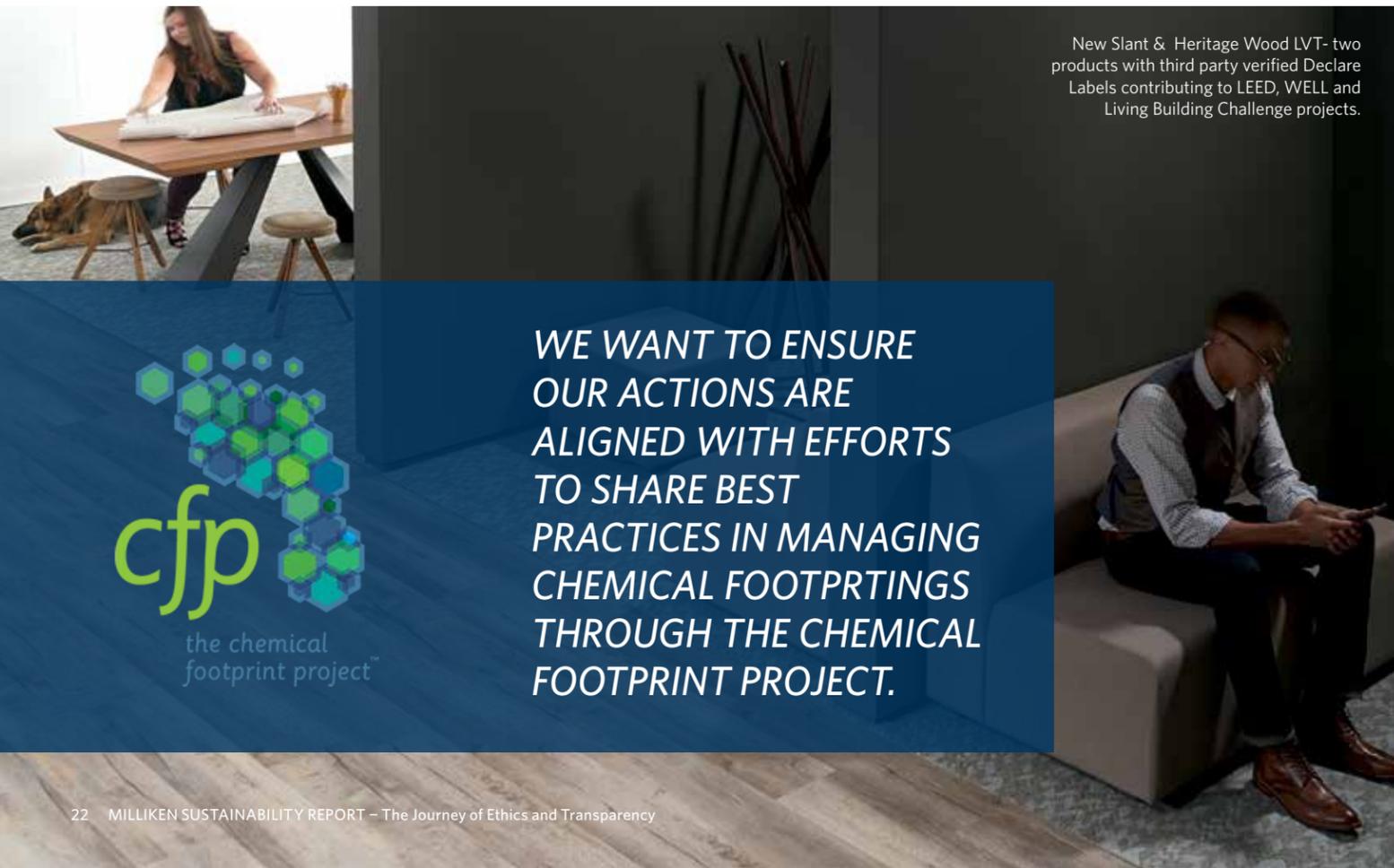
We commit to transparently communicate our efforts to reduce our chemical footprint—and we want to ensure our actions are aligned with efforts to share best practices in managing chemical footprints through The Chemical Footprint Project.

The Chemical Footprint Project provides benchmarking metrics for Milliken to use as we reduce we eliminate chemicals of concern and select safer alternatives.

Milliken's 2017 response answered 20 key questions that were scored to 100 points. Each question seeks to evaluate companies on their chemicals management policies and practices based on four key pillars:

- Management Strategy - The policies and strategies companies put into place to manage chemical
- Chemical Inventory- The information companies collect on chemicals in products and supply chains
- Footprint Measurement- The baseline data companies have on chemicals of high concern to human health and the environment (CoHCs) in products and their tracking of progress to safer alternatives
- Public Disclosure and Verification- The sharing of information on chemicals in products with the public, disclosure of scores and responses to the CFP Survey, and steps taken to verify responses to the Survey.

Milliken will revisit its CFP response every year to ensure our goals are within the parameters of latest chemical footprint science, to report publicly on how well we are achieving our targets, and to track progress towards achieving our long-term goals.



Milliken's concern for human health impacts extends beyond the end users of our products.

We place equal emphasis on the human health impacts of our associates and the communities in which we operate, our suppliers' associates, the truck drivers who transport our raw materials, the communities where our raw materials travel, and those who are exposed to our products at the end of their useful life. We evaluate the whole life of flooring when we assess our product's human health performance and use the following tools to communicate the results.



## HEALTH PRODUCT DECLARATION®

Health Product Declaration® (HPD) denotes the potential human health risks and hazards of products produced by Milliken. HPDs disclose product components and include environmental and human toxicity components to signal health-related product implications.



## DECLARE<sup>SM</sup>

Declare<sup>SM</sup> is a voluntary labeling program and database operated by the International Living Future Institute<sup>SM</sup>. Third Party Verified Declare labels are offered for all modular carpet collections residential and commercial. Notably, Milliken was the first carpet manufacturer to offer Declare labels in China and one of the first with third party verified Declare Labels.



## CRADLE TO CRADLE™

Cradle to Cradle is a product certification which considers five pillars, one of which is Material Health. Through the C2C Certification Process Milliken Flooring Products in the US, UK China and Australia were found to not contain any C2C Banned List chemicals above the relevant thresholds based on supplier declarations and were 75% assessed (by weight) using ABC-X rating method.



## MRC4 OPTION 3 W/ GREENCIRCLE CERTIFIED

Milliken piloted the MRc4 Option 3 credit as one of the first manufacturers to contribute to Optimized Material Health Transparency. This credit rewards manufacturers who engage in validated safety, health, hazard and risk programs that ensure processes are in place to communicate and transparently prioritize chemical ingredients throughout the the supply chain.



## DESIGN FOR HUMAN HEALTH (DFHH)

To manage the impacts of our materials on human health, we evaluate all new and existing supplier materials to understand their human health impacts before purchasing. We do so using our Design for Human Health approach, using WAP Sustainability's Value Chain Chemical Management System (VCCM®).



## MINDFUL MATERIALS®

Milliken also makes its product transparency documentation including those referenced above available for download from the mindful Materials database on Origin.

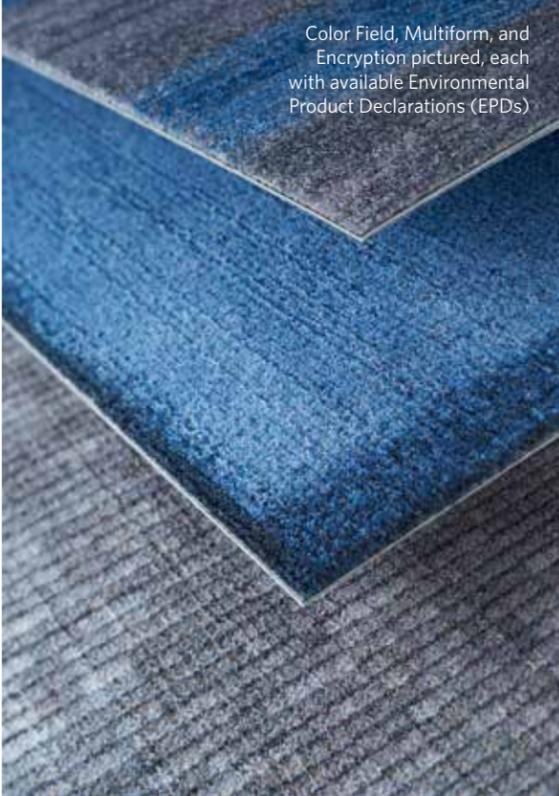
Milliken believes being transparent is

## PROVIDING THE HUMAN HEALTH PERFORMANCE OF OUR PRODUCTS

### REVOLUTIONIZING VALUE CHAIN TRANSPARENCY WITH MRC4 SUPPLY CHAIN OPTIMIZATION

Being transparent about 100% of the chemicals and ingredients in products requires a significant shift in managing supplier relationships. Upstream and downstream of Milliken Flooring are opportunities to engage in conversations around healthier materials. We are firm believers that a communication-forward approach to material discussions with suppliers can result in a more educated, informed, and healthier supply chain.

Milliken began our journey to become more communication-forward with our Suppliers when Piloting the United States Green Building Council's (USGBC) MRc4 Credit, Option 3 which is named Supply Chain Optimization. The credit rewards manufacturers who establish a formal process to review chemical performance of products with the suppliers of those products. Through the Pilot project and initial certification with GreenCircle Certified, Milliken accelerated its material health journey by knowing what information it should be asking suppliers for, witnessing the need to create governing procedures and work flows for supplier management going forward. This approach included:



Color Field, Multiform, and Encryption pictured, each with available Environmental Product Declarations (EPDs)

Milliken believes acting ethically is

## SUPPLIERS WHO ADHERE TO & BEHAVE WITH SIMILAR ETHICAL BEHAVIOR

Milliken maintains direct relationships with more than 50 global suppliers and more than 200 tier 2+ suppliers. Since we do not control 100% of our supply chain, Milliken's Supplier Code of Conduct defines our ethical business expectations for our Tier 1 suppliers, which they must review and sign before entering into a business arrangement with us.

Milliken expects our suppliers will operate in an environmentally responsible manner. At a minimum, suppliers should comply with all applicable environmental laws, regulations and standards, including requirements governing chemical and waste management and disposal, recycling, industrial wastewater treatment and discharge, air emissions controls, environmental permits and environmental reporting.

Each supplier is also required to implement an environmental management system, which may include: goals to reduce environmental impact, measures and controls (including audits), reporting and training. Milliken Suppliers are also expected to meet requests for material and ingredient information through WAP Sustainability's Value Chain Chemical Management (VCCM®) System which provides suppliers a confidential third party platform for sharing chemical and ingredient data.



Color Field, Multiform, and Encryption pictured, each with available Environmental Product Declarations (EPDs)

1 Creating specific processes for how to collect information from new suppliers.

2 Understanding what to do when a supplier changes a formulation.

3 Determining the stage in research and development when we evaluate chemicals and ingredients in a new product.

We continue to ask our supply chain to confirm they have the appropriate chemical, environmental, health and safety management processes in place, and we plan to further communicate with our suppliers currently using flagged hazard materials. Our intent is to collaborate with the suppliers who report select products contain chemicals with associated hazards. We expect our suppliers to develop management systems and plans, which address chemical safety and health with specific targets and goals. These plans should include how the supplier intends to eliminate the use of hazardous ingredients, to minimize the use of hazardous ingredients when elimination is not possible, to transition to more effective control measures where hazardous ingredients remain, and to manage those remaining hazardous ingredients responsibly with a goal of zero exposure and discharge to humans and the environment.

As part of this certification and Milliken's communication forward approach to supply chain relationships, we also developed a feedback process governed by internal procedures for how Milliken and our material health team provides transparent feedback to suppliers on the chemical performance of their materials and ingredients. The goal of this process is to ensure suppliers learn from the same material transparency and hazards assessment programs guiding the healthier materials movement.

- MILLIKEN'S SUPPLIER SUSTAINABILITY PROGRAM REQUIRES ALL SUPPLIERS AND VENDORS TO:**
- Execute Milliken's Supplier Code of Conduct
  - Provide Milliken a material safety data sheet (SDS) for every material
  - Provide chemical and ingredient information to 100 parts per million
  - Provide packaging information with each specific product shipment
  - Sign a written agreement assuring no forced or child labor is used
  - Create a general plan for community involvement
  - Commit to comply with all environmental and safety regulations
  - Complete a signed and legally binding procurement policy



Milliken believes acting ethically is  
**CREATING PRODUCTS WITH  
THE ENVIRONMENT IN MIND**

At Milliken, we deeply understand we only have one planet Earth, which is why we aim to do everything possible to consider it when we manufacture products, when our customers use our products, and when our products reach the end of their useful life.

We are constantly seeking more information about the environmental impacts of the raw materials we select, looking to better understand the impacts of our products in their installation and use, and to design and redesign for recyclability.

For Milliken, acting ethically means employing a holistic perspective: assessing the entire life of our products when evaluating environmental responsibility, and using Life Cycle Assessments and Environmental Product Declarations to measure and communicate product performance.

We collaborate with our major suppliers to provide more accurate data for LCAs, so our environmental impact evaluations are, in turn, more accurate. By 2020, we aim to expand this throughout our supply chain to all Tier 1 suppliers, to achieve a value chain filled with high-quality LCAs. The result is streamlined data to enable informed decisions about our product ingredients, constructions, applications, installations and cleaning methods.

*As Milliken works to promote transparency for our customers, we are also partnering with our suppliers to promote both healthier materials and lower impact ingredients.*

We implemented a program to provide suppliers feedback on the chemical and ingredient performance of products they provide to Milliken, and we have a mechanism to facilitate dialogues on product substitutes and replacements.

Making demands to our suppliers is a two-way street. Milliken is committed to treating our suppliers with the highest level of integrity and respect, and this commitment is reflected in our strong supplier relationships. Milliken acknowledges and respects the differences in culture and legal requirements throughout our global supply chain. In addition to demanding more than producing supplies and performing services in strict compliance with all applicable laws, we require supplies and services be produced or performed in an ethically, socially and environmentally responsible manner.



*Simply by recommending the appropriate flooring and installation requirements, we can*  
**PREVENT 75% TO 95% OF FUTURE ENVIRONMENTAL IMPACT** *- reducing waste and the need to replace floor covering with new products.*

### Life Cycle Assessments (LCA)

LCAs allow us to evaluate the environmental impacts of Milliken flooring from raw material sourcing through the end of their usable life. LCAs measure the carbon impact of our products, total embodied energy, and contribution to smog, acidification and eutrophication to help identify areas where we can fine tune green attributes. At the time this report was published, we have conducted LCAs for 100% of the commercial flooring solutions we produce globally and are in the process of completing LCAs for all new products, including those for residential interiors.

Our LCA strategy includes evaluating any new products or any major changes to existing products, and reviewing current collections every three to five years. Our goal is to maintain completed LCAs on 100% of our products with greater than 95% of those are already complete.

### Environmental Product Declarations (EPD®)

EPDs communicate the results of our LCAs in a 12-15 page summary. EPDs act as a nutrition label of sorts, to highlight the stages across our products' value chains that have the largest environmental impact. Milliken has 29 EPDs available, which cover all standard Milliken modular carpet collections in the Americas, EMEA and Asia Pacific. We are committed to providing EPDs for 100% of Milliken flooring solutions by 2020.

To manage the life cycle impacts of constructing and producing Milliken floor covering, we utilize our Design for the Environment (DfE) framework, which ensures responsible material selection and production processes.

We use LCAs to determine both positive and negative outcomes of using new products and ingredients. Our LCA data shows us that between 75% and 95% of our products' environmental impacts result from the sourcing and manufacturing of raw materials. When possible, we develop relationships with suppliers providing locally sourced raw materials or materials with positive environmental attributes, such as bio-based ingredients or those containing high percentages of recycled content.

Milliken's DfE framework also guides product design and application evaluation. We have found the single most environmentally impactful action we can take is to correctly specify flooring solutions for their ideal application. Simply by recommending the appropriate flooring and installation requirements, we can prevent 75% to 95% of future environmental impact - reducing waste and the need to replace floor covering with new products. In addition, we can provide innovative solutions to mitigate or resolve past product issues from other manufacturers—flooring failure from subfloor moisture issues as a primary example.

One significant way we promote the proper product for the correct application is by keenly focusing on the carpet backing.

The type of carpet backing, rather than fiber type or face weight, is the chief factor in creating carpet that performs with longevity and durability.

Milliken cushion-backed carpet is designed for a longer usable life, meaning there will be fewer needs to replace it over the long term.

Further, our cushion-backed products are among the industry's best to manage subfloor moisture, which is a common challenge in installing modular carpet.

Moisture management issues in interior environments can become very messy, costly and extremely difficult to repair. In most cases, our modular carpet with cushion backing uniquely safeguards environments and reduces the potential for mold and mildew issues, which could otherwise require total replacement.



Milliken believes being transparent is  
**VERIFYING THE ENVIRONMENTAL  
 PERFORMANCE OF OUR PRODUCTS**

Milliken shares the environmental impacts of its products using Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs). These standardized processes allow Milliken to calculate and communicate the environmental impacts for each product across seven life cycle impact categories.

Beyond LCAs and EPDs, we want to be transparent about the primary materials in our flooring solutions, and where those materials come from. The following table highlights the amount of materials by weight (between 90-95%) of our commercial and residential carpet products made globally, and the raw material extraction location by country. EMEAI raw material extraction information is available by request.

**MILLIKEN CARPET RAW MATERIALS BY WEIGHT & COUNTRY OF EXTRACTION**

CARPET LAYER	RAW MATERIALS	WEIGHT	RAW MATERIAL EXTRACTION LOCATION*
Tufted Face Fiber	Nylon 6 or nylon 6,6	20-30%	United States, China, Poland, Italy, United Kingdom, Thailand, India, Canada
Primary Backing	Polypropylene or polyethylene terephthalate (PET), nylon 6 and recycled PET	4-6%	United State, Germany, Canada, Netherlands, United Kingdeom, China
Primary Coating	Combination of calcium carbonate and polymer adhesives	10-14%	United States, United Kingdom, China
Secondary Backing	Polypropylene-based thermoplastic layer with rheology modifiers that vary by region	35-45%	United States, Canada, United Kingdom, Luxembourg, China
Fiberglass Layer	Fiberglass	1-5%	United States, United Kingdom, China

**MILLIKEN LVT RAW MATERIALS BY WEIGHT & COUNTRY OF EXTRACTION**

CARPET LAYER	RAW MATERIALS	WEIGHT	RAW MATERIAL EXTRACTION LOCATION*
Adámas™ Polyurethane Coating	Polyurethane Acrylate	1%	China
Transparent Wear Layer	Soybean Oil, Calcium Stearate, Zinc Stearate	2%	China
Printed Layer	Carbon Black	< 1%	China
Core Layer	PVC	34%	China
Backing Layer	Calcium Carbonate	55%	China
Non-Skid Backing	DOTP	4%	China

**MILLIKEN FLOORING SOLUTIONS CONTAIN A RANGE OF  
 POST- AND PRE-CONSUMER RECYCLED MATERIALS**

The table below details product lines containing recycled content, and the percentages of post-industrial and post-consumer materials used within the products.

**RECYCLED CONTENT IN MILLIKEN MODULAR FLOORING**

BACKING	BACKING TYPE	POST-INDUSTRIAL RECYCLED CONTENT	POST- CONSUMER RECYCLED CONTENT
ES/ESP Comfort Plus®	Polyurethane cushion backing	10-46.5%	0-13%
ES/ESP Underscore®	Polyurethane cushion backing	10-46.5%	0-13%
Comfort Plus® / Comfort Lite*	Polyurethane cushion backing	10-18%	0-13%
Function Plus™*	Polymer modified bitumen hard back	0-5%	0-1%
B2®*	Thermoplastic	0%	0%
Luxury Vinyl Tile	Vinyl core and backing layers	0%	0%

\*Not available in all regions

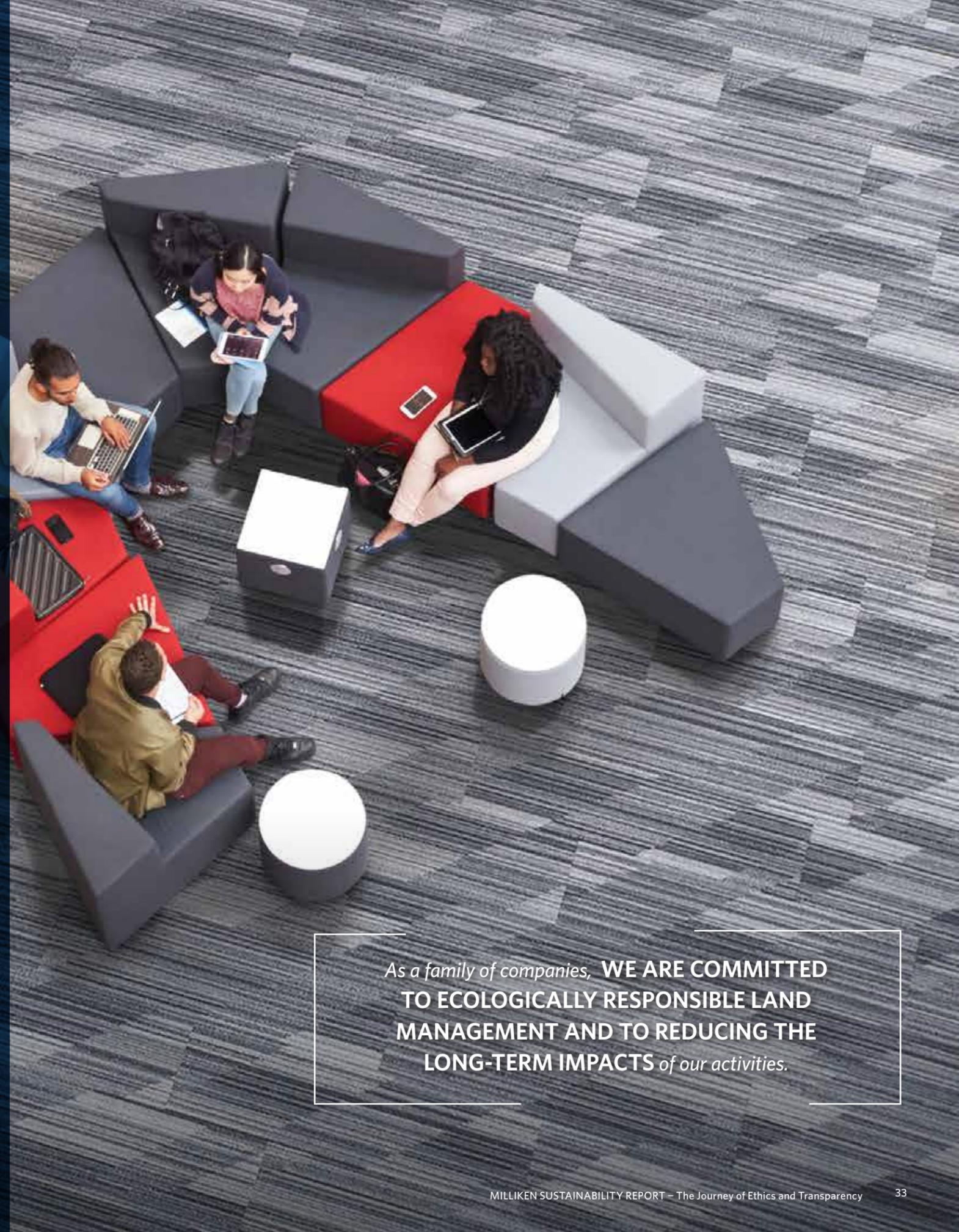
## MILLIKEN CONSIDERS THE ENVIRONMENTAL IMPACTS OUR PRODUCTION PROCESSES AND RAW MATERIAL EXTRACTION LOCATIONS HAVE ON BIODIVERSITY

As a family of companies, we are committed to ecologically responsible land management and to reducing the long-term impacts of our activities.

Within our LCA process, we measure the ecological impacts of our products through eutrophication, acidification, and contribution to smog and ozone depletion. We recognize the ecological impacts of these categories, and we are working to reduce these categories as part of our LCA and product optimization strategy. We review these impact categories every five years, as well as when we evaluate new products, materials, ingredients or manufacturing processes.

BACKING	EUTROPHICATION POTENTIAL (kg (PO4)3-Eq.)	ACIDIFICATION POTENTIAL (kg (SO2-Eq.))	SMOG FORMATION POTENTIAL (kg (Ethen Eq.))	OZONE DEPLETION POTENTIAL (kg (CFC11-Eq.))
ES/ESP Comfort Plus® SDN 6,6 (ES Version)	4.6E-03 to 8.10E-03	3.1E-02 to 4.89E-02	4.9E-03 to 7.72E-03	1.3E-08 to 1.41E-08
ES/ESP Underscore® SDN 6,6 (ES Version)	4.3E-03 to 7.78E-03	2.9E-02 to 4.63E-02	4.5E-03 to 7.33E-03	1.30E-08 to 1.39E-08
Comfort Plus2®* SDN 6,6, 900-1000 gsm version	5.7E-3	3.69E-2	6.23E-3	4.72E-8
Function Plus™*	No Data	No Data	No Data	No Data
B2®* Digital Dye 6,6 Version	5.94E-03	4.50E-02	4.04E-03	2.65E-08
TractionBack®*	No Data	No Data	No Data	No Data
Luxury Vinyl Tile	8.52E-03	1.25E-01	6.17E-03	1.63E-07

\* As described by A1-A3 in Milliken's Environmental Product Declarations \*\* Not available in all regions



As a family of companies, **WE ARE COMMITTED TO ECOLOGICALLY RESPONSIBLE LAND MANAGEMENT AND TO REDUCING THE LONG-TERM IMPACTS** of our activities.

## EUTROPHICATION

The Environmental Protection Agency defines eutrophication as the “enrichment of an aquatic ecosystem with nutrients (nitrates, phosphates) that accelerate biological productivity (growth of algae and weeds) and an undesirable accumulation of algal biomass.”

In short, it is the scientific term for the environmentally detrimental effects of fertilizer runoff, phosphate-rich detergents and sewage. Although eutrophication happens naturally, human activity can rapidly speed up the process. For example, agricultural activity applies natural and synthetic substances with high nitrate and phosphate content to land. Only a portion of these substances remain on the land on which they are applied. The portion that does not remain is often carried by rain to neighboring water bodies, where it accumulates and serves as a dense source of nutrients for algae, weeds and other plant life. This plant life grows at such a rapid rate that the aquatic animals and fish cannot feed on the plant life fast enough to keep its growth in check. The result is a water body low in oxygen with limited biodiversity.



Whimsy Traditions, covered by an available Environmental Product Declaration (EPD)

## ACIDIFICATION

Relevant Generic Material Sourcing Declaration Categories for LEED: Biodiversity, Local Water Quality, Habitat

Acidification occurs predominantly through the increase of hydrogen ions (H+) in the environment, due to the direct release of acids (such as nitric acid or sulfuric acid), or by the addition of substances that chemically react to transform other air pollutants into acids. These acids are then deposited onto the soil or into water bodies causing severe

imbalances in the environment that can limit the biodiversity of plant and animal life. A few examples of negative biodiversity impacts of acidification include coral bleaching, death of acid-sensitive plants, and negative changes in the reproduction potential of organisms such as frogs, fish and salamanders.

## SMOG FORMATION POTENTIAL

Relevant Generic Material Sourcing Declaration Categories for LEED: Biodiversity, Habitat

Many people who live in industrial regions are familiar with smog. Smog is created in the layer of the atmosphere that is closest to the ground, and it is produced when VOCs and nitrogen oxides react with sunlight. Significant sources of these VOCs and nitrogen oxides are coal-burning power plants and combustion engines.

Smog is also referred to as ground-level ozone. Although ozone high in the atmosphere serves to protect humans,

animal life and plant life from UV radiation, ozone near the ground has detrimental ecological effects on biodiversity. For instance, smog has been shown to reduce the photosynthetic rate of many important tree species. It has also been shown to increase plants' sensitivity to disease, severe weather and insect damage. By reducing the durability and growth rate of plants, smog serves to negatively change overall habitat quality and reduce the overall efficiency of ecological water and nutrient cycles.

## OZONE DEPLETION

Relevant Generic Material Sourcing Declaration Categories for LEED: Biodiversity, Habitat

As previously discussed above, ozone near the ground is harmful to the environment; however, ozone at higher levels of the atmosphere is a good thing. This good ozone, sometimes referred to as “stratospheric ozone,” protects humans, animals and plants from extremely harmful solar radiation. Stratospheric ozone is depleted through the atmospheric release of many industrial chemicals.

Without a protective layer of ozone in the stratosphere, health issues such as skin cancer and cataracts in humans would increase significantly. From a biodiversity perspective, stratospheric ozone depletion shifts the solar UV balance plants and

animals have evolved with for millions of years. This causes the developmental and nutrient cycles of plants to change, ultimately slowing or impeding growth. Another major ecological change of ozone depletion occurs in the oceans. Changes in UV radiation from ozone depletion reduce the productivity of phytoplankton. Phytoplankton are small plant-like animals that serve as the food web foundation of ocean ecosystems. A strong phytoplankton base promotes biodiversity and thus, without a phytoplankton base, ocean ecosystems would begin to crash. A similar effect can happen in terrestrial aquatic systems and their adjacent land ecosystems.



Milliken believes acting ethically is  
**WORKING TO RESOLVE CONFLICTS  
BETWEEN ENVIRONMENTALLY PREFERABLE  
PRODUCTS WITH QUESTIONABLE HUMAN  
HEALTH IMPACTS—AND VICE VERSA**

Like many manufacturers addressing sustainability, we struggle with what to do when a slightly healthier product has a much larger environmental burden, and vice versa.

A product's sustainability, as well as health and wellness attributes, are broad and complicated topics. Though the talking points may be simple, the reality is far from black and white. To have an honest conversation about how green or how healthy any given product or company is, we have to account for the fact that competing, and sometimes contradictory, factors are inherent to any holistic environmental or health and wellness strategy.

One example of this conflict can be seen in Milliken's commitment to eliminate Red List Chemicals within our flooring products where possible, such as polyvinyl chloride (PVC) in broadloom and modular carpet. Currently Red-Listed, PVC is used to manufacture select Milliken products, including entry matting and luxury vinyl tile. PVC has long been debated in the carpet industry, and while PVC does have a low carbon intensity compared to similar products, it is difficult to control 100% of the product at the end of its life. Therefore, we use virgin PVC in our performance-driven luxury vinyl tile to ensure stable construction and consistent materials, and to keep the most visible supply chain.



At Milliken, we marry chemical evaluation with LCA, providing the information necessary to make the most ethical, responsible and informed environmental and health decisions.



## Milliken believes acting ethically is **BEING AN EMPLOYER OF CHOICE**

Ethical behavior begins with our associates, which is why we hire exceptional people and invest in their growth. Milliken has a culture of oneness, trust and continuous learning, enabling our associates to grow their personal capabilities and reach their full potential. One of our greatest strengths is the diversity of our associates' talents and ideas. We seek innovators to lead in our quest for discovery, scientists and engineers to lead in our quest for continuous improvement, and strategic thinkers to lead in our quest for future growth.

While no day is the same at Milliken, every day is spent with a purpose and passion for making the world a better place, in ways both big and small. It is a way of being that combines deep science, meaningful design and unique insights to open our minds to the possibilities all around us; to consider challenges with fresh approaches and vigor. It is the way we solve problems and what makes our company unique.

Milliken & Company is an equal opportunity employer. All qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age, status as a protected veteran or status as a qualified individual with a disability.

## Milliken believes being transparent is **SHARING EMPLOYMENT PRACTICES & METRICS RELATED TO BEING AN EMPLOYER OF CHOICE**

At Milliken, we aspire to be a company for which people want to work. We recognize associates ultimately choose their employer, and we want to be every associate's first choice. We encourage our global community of innovators to redefine the status quo by pushing the limits of innovation, even if it means failing. It is that bold, unafraid spirit that moves innovation forward. The floor covering division employs 1,713 associates around the world, and 20% of those associates (352) joined our team in 2017. Milliken celebrated the return of 80% of our work force in 2017, signifying we are an employer of choice for those 1,361 associates.

A key performance indicator for being an employer of choice is if our associates chose to return to work after taking parental leave. In 2017, we had 12 females and two males take parental leave. All 14 associates returned to work.

Gender equality is another important indicator regarding employer of choice, and Milliken creates equal opportunities for all regardless of gender, race or sex. Of our 1,713 total associates, 63% are male and 37% are female. While the majority of Milliken associates are

male, women occupy more than 37% of our management roles, with almost four out of every 10 management roles led by women. Of the 352 new hires in 2017, 66% were male and 34% were female.



Milliken's Chicago, IL, USA showroom is the first WELL Certified™ Platinum space in Chicago

In 2017, 1,713 associates participated in the Personal Responsibility: Code of Conduct ACE compliance training, representing 5,625 training hours. This means 100% of our 2017 employees were trained on how Milliken associates should approach:

- |                           |   |   |
|---------------------------|---|---|
| Conflicts of interest     | Workplace harassment                                      | Data privacy  |
| Information security      | Diversity / equal employment opportunity / discrimination | Misconduct investigations   |
| Policy management         | Fair employment / fair labor standards                    | Procurement integrity / dealing with suppliers / supply chain oversight |
| Gifts and entertainment   | Company asset protection                                  | Intellectual property   |
| Anti-corruption / bribery | Social media  | Workplace health and safety   |
| Environmental protection  | Financial integrity and fraud                             | Non-retaliation   |
| Antitrust / competition   |   |   |



Milliken Customer Center in Spartanburg, SC, USA. Design by M Moser Associates. Photography by Eric Laignel.

### Milliken is committed to being a fair and equitable employer.

We provide excellent benefits, including health, dental and vision coverage. We offer group life insurance, temporary disability insurance for injuries or sickness, long-term disability insurance and death benefits, which cover certain causes of death. To help provide a stable financial situation for associates later in their lives, we also offer employer-provided retirement plans, defined benefit pension plans and defined contribution pension plans.

Promoting fair business practices is important to Milliken, as our associates are free to organize and associate; however, only 22 associates are covered by collective bargaining agreements. Milliken obtained those 22 associates through its acquisition of Ontera Modular Carpets Pty Ltd in Australia.

Milliken also encompasses associate actions when defining elements of employer or choice, ensuring colleagues conduct themselves in accordance with Milliken's shared values. Every year, 100% of our associates review the Milliken Code of Conduct. It is translated into the languages of every country in which we do business, and it is reviewed annually by Milliken's Internal Committee on Compliance and Ethics and the Milliken & Company Board of Directors.

As a direct result of this annual training, Milliken is pleased to report that in 2017, we saw no incidences of discrimination and no grievances related to human rights.

Part of holding ourselves to the highest ethical employment standards is caring deeply about the health and well-being of those who manufacture Milliken products.

Our emphasis on safety has positioned Milliken as one of the nation's top three United States companies for the number of sites receiving the coveted OSHA Voluntary Protection Program (VPP) STAR Certification. Our truck fleet, owned by Milliken & Company, is repeatedly recognized for its safety record by organizations such as the National Safety Council and the National Private Truck Council. Moreover, we have one of the lowest total incidence and injury rates of North American manufacturers.

In 2017, All incidents were recorded and investigated to understand the root cause and reduce future risk. Incidents range in severity, though there were no operational fatalities during 2017. In fact, Milliken has never had a fatality in our global floor covering division since it started in 1973.

Recordable incidence rate per 200,000 work hours by manufacturing operation:

#### GLOBAL MANUFACTURING AND WAREHOUSE LOCATIONS

Live Oak	0.17
Alma	2.50
Middleton	0.34
Beech Hill	0.34
Zhangjiagang	0.45
Ontera	0.48

\*Incidence rate per 200,000 work hours.

# 2017 MILLIKEN AWARDS

## PRODUCTS



#MetropolisLikes at NeoCon Winner recognizing Encryption (Milliken floor covering division) | Presented by Metropolis Magazine



Product Innovations Grand Award Winner recognizing Moraine (Milliken floor covering division) | Presented by BUILDINGS Magazine



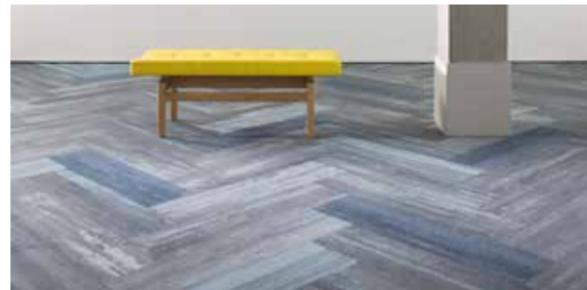
HiP at NeoCon Awards Finalist for Workplace: Carpet recognizing Encryption (Milliken floor covering division) | Presented by Interior Design Magazine



Mixology Award for Product of the Year, Flooring recognizing Colour Compositions (U.K. office of Milliken floor covering division) | Presented by Mix Interiors Magazine



2017- Mixology 2017- Manufacturer of the Year award



2017- Best Office Awards- Russia for Colour Compositions and Artistic Liberties

Starnet Dream Team Celebration Award  
(Milliken Floor Covering & Allegheny Contract Flooring partnership) | Presented by Starnet

2017- Best Office Awards- Russia for Colour Compositions

2017- Best Office Awards- Russia for Artistic Liberties

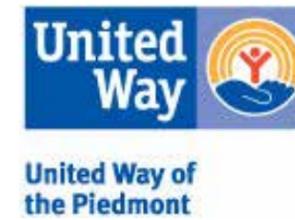
## MILLIKEN & COMPANY AWARDS



2017 World's Most Ethical Companies® by Ethisphere® Institute, 11th consecutive year



Inaugural SC Branded Legends Award recipient | Presented by the SC Chamber of Commerce and The Brand Leader



Corporate Philanthropist of the Year | Presented by the United Way of the Piedmont



Inaugural America's Safest Companies Hall of Fame Inductee | Presented by EHS Today Magazine

## AWARDS SPONSORED BY MILLIKEN



America's Safest Companies | Presented by EHS Today Magazine



Top Global Franchise (milliCare) | Presented by Entrepreneur Magazine

# MILLIKEN MEMBERSHIPS AROUND THE WORLD



### THE AMERICAS

Carpet and Rug Institute (CRI™)  
 Carpet America Recovery Effort (CARE)  
 Health Product Declaration® (HPD) Collaborative  
 International Living Future InstituteSM (ILFI)  
 International Interior Design Association (IIDA)  
 International Facility Management Association (IFMA™)  
 Interior Designers of Canada (IDC)  
 Joint Committee on NSF-140  
 U.S. Green Building Council (USGBC)\*  
 Well Living Lab- Founding Member

### EMEA1

British Standards Institution (BSI)  
 BCFA British Contract Furnishing Assoc 124/0603/B  
 BTTG Membership  
 Carpet Recycling U.K. (CRUK)  
 European Carpet & Rug Association (ECRA)  
 Gemeinschaft umweltfreundlicher Teppichboden (GUT)\*  
 International Facility Management Association (IFMA™)  
 Spain Green Building Council® (SpainGBC)  
 U.K. Green Building Council (UKGBC)  
 Union Francais Tapis et Moquette (UFTM)  
 DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen  
 German Sustainable Building Council) No 13534

### ASIA PACIFIC

China Carpet Standardization Technical Committee  
 Green Building Council of Australia (GBCA)  
 New Zealand Green Building Council (NZGBC)  
 Carpet Institute of Australia

## BUILDING A BETTER FUTURE AROUND THE GLOBE

### Milliken Community Impact Campaign in the U.S.

Milliken's Corporate Impact Campaign took a new form in 2017, looking to broaden philanthropic endeavors in Spartanburg, South Carolina—our global headquarters. Milliken associates had the opportunity to designate their donation to the Strategic Community Impact Organizations of their choosing with missions that align with core Milliken & Company values: vibrant culture, health and safety, and quality education.

### DesigningFutures@CDW in the U.K.

### STANDARD DISCLOSURES

Page	Standard Disclosures	Page	Standard Disclosures
2	1.1 Statement from the most senior decision-maker of the organization	8	3.5 Process for defining report content
11	1.2 Description of key impacts, risks and opportunities	7	3.6 Boundary of the report
6	2.1 Name of the organization	7	3.7 State any specific limitations on the scope or boundary of the report
6	2.2 Primary brands, products and/or services	47	3.12 Table identifying the location of the Standard Disclosures in the report
6	2.3 Operational structure of the organization, main divisions, operating companies, subsidiaries and joint ventures	7	3.13 Policy and current practice with regard to seeking external assurance for the report
6	2.4 Location of organization's headquarters	8	4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body
6	2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	33	4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided
6	2.6 Nature of ownership and legal form	12, 13, 14, 15	4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance, and the status of their implementation
6	2.7 Markets served, including geographic breakdown, sectors served and types of customers/beneficiaries	21	4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses
7	2.8 Scale of the reporting organization	46	4.13 Memberships in associations and/or national/international advocacy organizations
None	2.9 Significant changes during the reporting period regarding size, structure or ownership	9	4.14 List of stakeholder groups engaged by the organization
45	2.10 Awards received in the reporting period	9	4.15 Basis for identification and selection of stakeholders with whom to engage
7	3.1 Reporting period for information provided	8	4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group
2016	3.2 Date of most recent previous report	10, 11	4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns
7	3.3 Reporting cycle		
7	3.4 Contact point for questions		

### ENVIRONMENTAL

Page	Performance Indicators	Page	Performance Indicators
34, 35	EN1 Materials used by weight or volume	36	EN12 Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas
35	EN2 Percentage of materials used that are recycled input materials	30	EN16 Total direct and indirect greenhouse gas emissions by weight
30	EN3 Direct energy consumption by primary energy source	30	EN22 Total weight of waste by type and disposal method
30	EN4 Indirect energy consumption by primary energy source	36	EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation
30	EN8 Total water withdrawal by source		

### HUMAN RIGHTS

Page	Performance Indicators	Page	Performance Indicators
28	HR1 Percentage and total number of significant investment agreements and contacts that include clauses incorporating human rights concerns, or that have undergone human rights screening	32	HR5 Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights
28	HR2 Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	28	HR6 Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
33	HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	28	HR7 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor
33	HR4 Total number of incidents of discrimination and corrective actions taken	33	HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms

### LABOR PRACTICES & DECENT WORK

Page	Performance Indicators	Page	Performance Indicators
32	LA1 Total workforce by employment type, employment contract, and region, broken down by gender	32	LA4 Percentage of employees covered by collective bargaining agreements
32	LA2 Total number and rate of new employee hires and employee hires and employee turnover by age group, gender, and region	33	LA7 Rates of injury, occupational disease, lost days, and absenteeism, and number of work related fatalities by region and by gender
32	LA15 Return to work and retention rates after parental leave, by gender		

### PRODUCT RESPONSIBILITY

Page	Performance Indicators
23, 36	PR1 Lifecycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services subject to such procedures

### SOCIETY

Page	Performance Indicators	Page	Performance Indicators
33	SO3 Percentage of employees trained in organization's anti-corruption policies and procedures	31	SO5 Public policy positions and participation in public policy development and lobbying
15	SO4 Actions taken in response in incidents of corruption		

Edition Four

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