



SUSTAINABILITY

OUR STORY



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GREEN SMART REPRESENTS ENGINEERED FLOORS' SUSTAINABILITY PHILOSOPHY, BY REDUCING ENERGY USAGE, LIMITING WASTE, AND SUPPORTING RENEWABLE ENERGY CARBON OFFSET PROJECTS, WE ARE PURSUING OUR SHARED GOAL OF BETTERING THE PLANET, ONE FLOOR AT A TIME.



ROBERT E. SHAW

ENGINEERED FLOORS IS THE IDEAL SIZE TO PROVIDE FLEXIBLE, FAST PRODUCTION AND SHIPPING, WITHOUT SACRIFICING CRITICAL RESOURCES OR RELENTLESS CUSTOMER SERVICE.

MEET OUR FOUNDER ROBERT E. SHAW

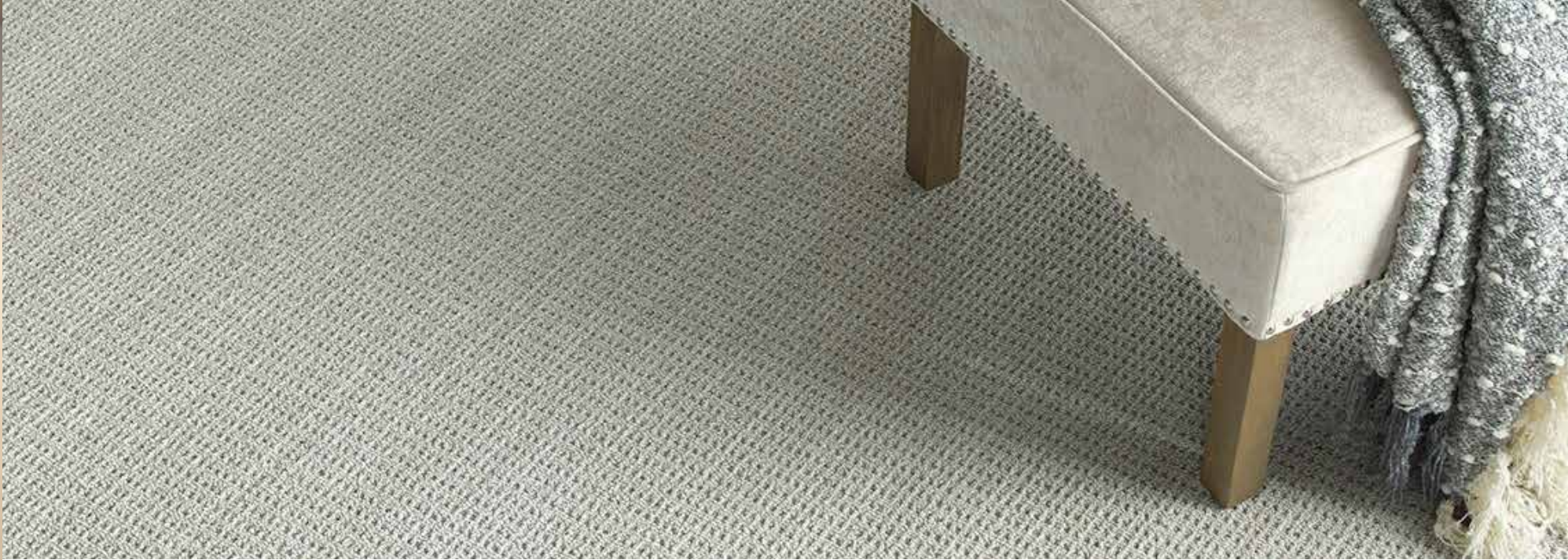


4,700+

EMPLOYEES ACROSS ENGINEERED FLOORS
FAMILY OF BRANDS IN NORTHWEST GEORGIA

Fifty years ago, Mr. Robert E. Shaw turned the flooring industry on its head when the company bearing his name became the first carpet manufacturer to break into the Fortune 500. He guided the company to further growth as CEO until his retirement in 2006. But that’s not the end of the story.

In 2008, during the teeth of the recession, Mr. Shaw had a vision for a new flooring company. Mr. Shaw’s vision was so compelling that he left retirement and invested in what he called ‘disruptive methods’ - innovative technology that changed the way carpet had ‘always been done’. Knowing that he was taking a risk, yet believing it would pay off, in 2009 he founded Engineered Floors, LLC.



OUR TEAM EFFORT

Dear Colleagues,

It is with genuine gratitude and pride that I present our report on the past year's commitments and outcomes that comprise our sustainability initiatives. The activities described on the following pages are unmistakably the result of aligned team efforts.

Our revolutionary residential production model has fueled our company's growth and also demonstrated reductions in energy and water and are both good for the environment and our company's bottom line. This is the truest test of sustain ability.

Although we believe we have one of the most energy efficient process in the industry, we will continue to search for ways to improve our process. We will never be satisfied with the status quo in our environmental initiatives.

The credit, in all these achievements, goes to our teams of dedicated associates. Their efforts are the crucial ingredients to our success, and we pledge them our support, and pledge their service to you.

James Lesslie, President & Chief Operating Officer
Engineered Floors

OUR COMPANY

SINCE OUR INCEPTION, ENGINEERED FLOORS HAS MAINTAINED A STEADFAST MISSION—TO SUPPORT OUR CUSTOMERS AND TO SERVE OUR COMMUNITY EVERY STEP OF THE WAY.

Our unique approach to carpet production, known as the Four Walls Process, involves all carpet production happening under one roof. This streamlined approach enables us to adapt quickly while also emphasizing sustainability and efficiency to the fullest extent.

Engineered Floors has three brands serving residential retailers, which enable our company to meet the needs of an array of residential market segments and product applications. The company serves residential retailers with its DreamWeaver® brand, new home builders with its Dwellings® brand, and property owners and multifamily housing managers with its Engineered Floors Multifamily brand. Our expansive product portfolio includes carpets, LVT, laminate, and rigid core, providing a range of flooring options for nearly any setting.

Our three residential brands and the advanced technology and scale of Engineered Floors' manufacturing capabilities enable us to significantly reduce our environmental footprint across distribution, material sourcing, operational efficiency, and energy usage. This concerted effort positively contributes to preserving our planet's health and well-being.

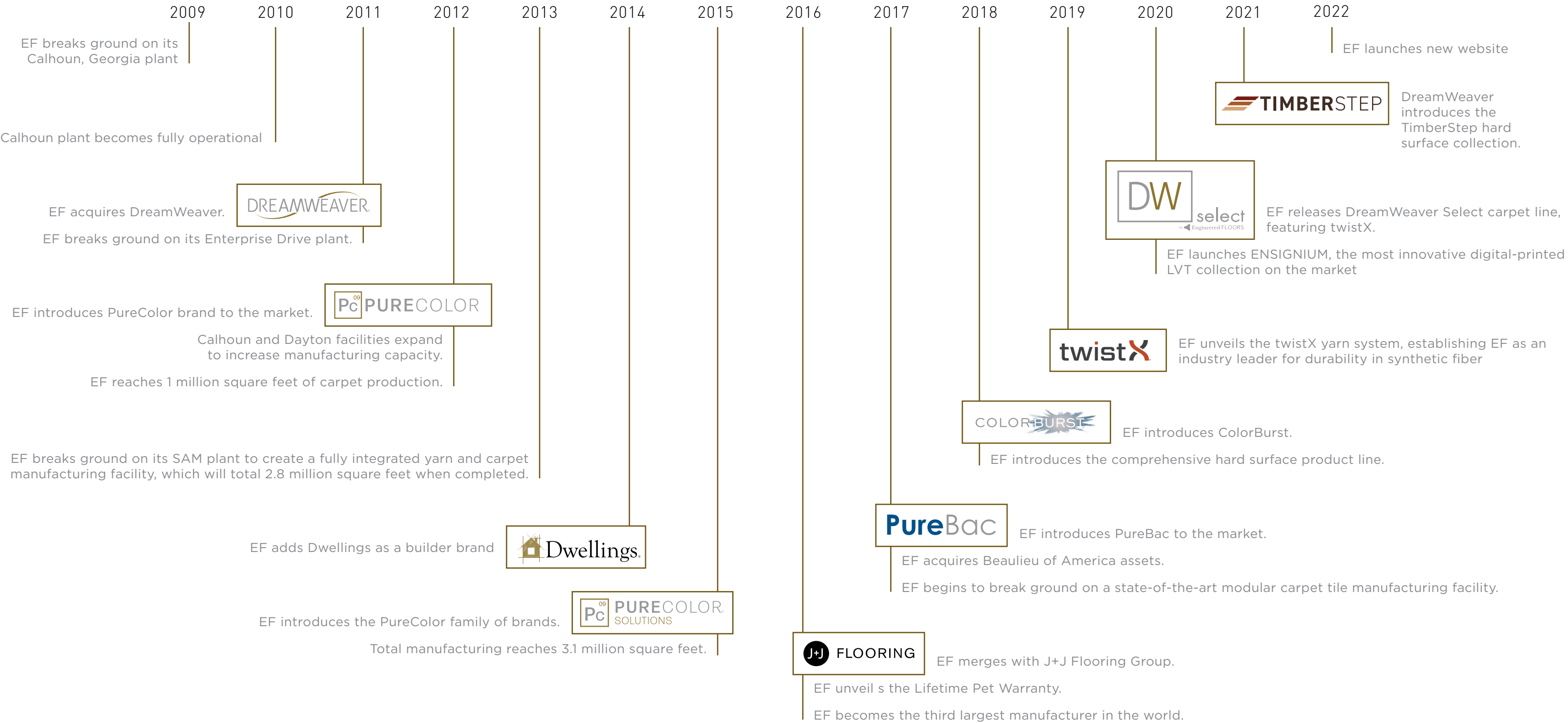
DREAMWEAVER®

 Dwellings®

 Engineered
FLOORS®
MULTIFAMILY

OUR HISTORY

TIMELINE



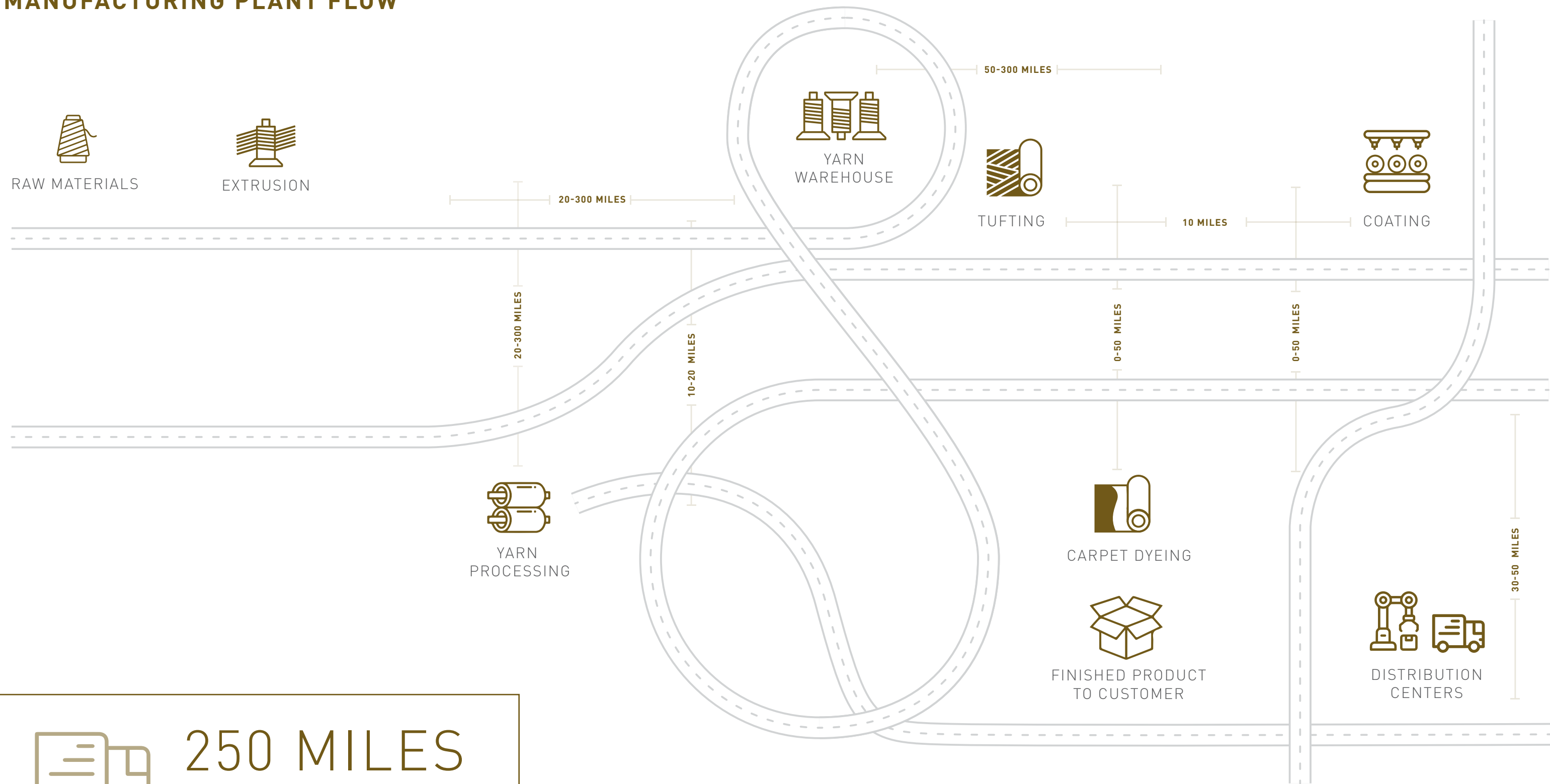


11,000,000

SQ. FT. OF MANUFACTURING FACILITIES



TYPICAL INDUSTRY MANUFACTURING PLANT FLOW



OUR MANUFACTURING PLANT FLOW



RAW
MATERIALS

.....



EXTRUSION
YARN PRODUCTION

.....



COATING
DISTRIBUTION

.....



FINISHED PRODUCT
TO CUSTOMER



2.5 MILES

OUR CARPET ONLY TRAVELS 2.5 MILES FROM
THE BEGINNING TO THE END OF PRODUCTION,
AND THAT IS GOOD FOR THE PLANET!

CONSERVATION

IS AT OUR CORE

AS RESPONSIBLE STEWARDS OF THE ENVIRONMENT, ENGINEERED FLOORS BELIEVES IN USING ALL RESOURCES AS EFFICIENTLY AND JUDICIOUSLY AS POSSIBLE, PRIORITIZING CONSERVATION AND CONSUMPTION REDUCTION BEFORE RECYCLING AND REUSE.

Conservation is at the heart of our sustainability philosophy and serves as a guidepost for Engineered Floors’ manufacturing and design operations. To manage our environmental impact, we emphasize finding alternatives for (and preventing the excessive use of) valuable resources.

We believe in embracing full accountability for the potential effects of all facets of our operations to achieve genuine sustainability. Like other leading companies, we gauge our progress and assess our impact by measuring our environmental and social performance with as much stringency as our financial performance.

TRANSPARENCY

IN ADDITION TO ENGINEERED FLOORS’ OWN MEASUREMENTS, WE RELY ON INDEPENDENT AUDITING AND CERTIFICATION AGENCIES TO ENSURE THE ACCURACY AND VERIFIABILITY OF OUR EFFORTS.

These neutral external services provide us with the credibility we know the marketplace deserves from us.



Material Health
We verify the material health of all carpet products through the Carpet and Rug Institute Green Label Plus Certification. The Green Label Plus Certification certifies products with very low emissions of Volatile Organic Compounds (VOCs). Additionally, we are currently assessing and verifying the material health of our soft surface and vinyl products through a robust material health screening.



Environmental Responsibility
We are currently assessing and verifying the impacts of our carpet products using Environmental Product Declarations (EPDs) based upon third-party verified Life Cycle Assessment data. EPDs for our products are expected to be published in 2025.



INNOVATION

“THE LATEST INNOVATION AND TECHNOLOGY HAS ALWAYS BEEN IMPORTANT TO US. WHETHER IT IS CARPET OR LVT, OUR CUSTOMERS CAN EXPECT HIGH-QUALITY, STYLISH PRODUCTS MADE WITH DISRUPTIVE TECHNOLOGY LIKE SOLUTION-DYED PET OR DIGITAL PRINT LVT. WE WILL CONTINUE TO INNOVATE.”
 - BOB SHAW

OUR PRODUCTS ARE ENGINEERED LIKE NO OTHER FLOORING. BOTH OUR HARD AND SOFT SURFACE OPTIONS INCORPORATE NEXT-GEN, CUTTING-EDGE TECHNOLOGY.

CARPET TECHNOLOGIES

PURECOLOR.

Solution-dyed fibers provide rich color that goes all the way through, so it won't fade, wear off, or stain.

PURECOLOR. twistX

A twist multiplier delivers extreme durability and more yarn and density in each square foot.

PURECOLOR. HIGH-DEF

More vibrant colors with more depth of shades provides layers of complexity that coordinates beautifully.



HARD SURFACE TECHNOLOGIES

PUREGRAIN HIGH-DEF

With color and grain scanned from real wood, you won't find a more realistic SPC flooring product.

PUREGRAIN COMFORT

A responsive foam core creates a quiet, warm, and luxuriously soft feel underfoot.

PUREGRAIN ENDURE

With a high-density rigid SPC core, PureGrain Endure® is the rugged flooring perfect for high-traffic areas.

PUREGRAIN RENEW

Manufactured from 90% recycled natural wood pulp, our most sustainable flooring option is durable and affordable.

PUREGRAIN FLEX

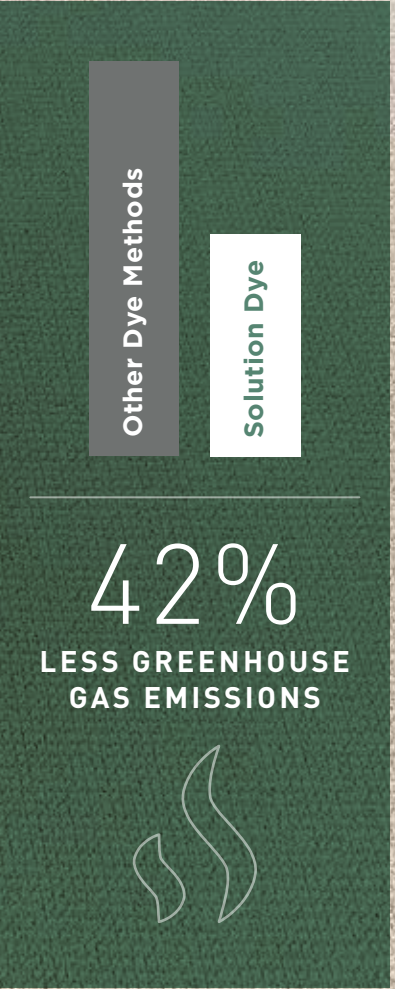
Designed to look great and perform even better, this easy-to-install PVC flooring provides style to fit any budget.

PRODUCT IMPACT HIGHLIGHT

THE ENGINEERED FLOORS COMMITMENT TO SUSTAINABILITY IS POINTEDLY REPRESENTED IN OUR PURECOLOR® FIBERS.

Engineered Floors stands out as a trailblazer in the flooring industry as one of the first flooring manufacturers to extrude their own solution dyed yarn, which reduces water usage, energy consumption and carbon emissions compared to other yarn dye techniques. Today, Engineered Floors is the largest extruder of solution dyed carpet fiber in the world.

PureColor®, launched in 2012, is our residential brand of solution-dyed fiber that is used in every carpet we make. Because it's solution-dyed, the color goes all the way through the fiber, like the color in a carrot, meaning the color won't fade, wear off, or stain. The result is color that is beautiful, vivid, and permanent for the life of the carpet, with virtually no inconsistencies or side matching issues. Additionally, our PureColor® fiber has Soilshield®, a soil and stain protection that is not only applied to the outside of each fiber but is also inside each fiber.



OUR IMPACT

We strive to embed conservation and sustainability into every aspect of our operations at Engineered Floors Residential. Over the past year, we have achieved commendable progress in sustainability reporting, which includes conducting our first scopes 1-3 greenhouse gas inventory, enhancing product material health assessments, and conducting product life cycle assessments. As we proudly present our inaugural sustainability report, we are excited to showcase the following metrics.



ENERGY INTENSITY (BTU/1000 YDS)

16,570



WATER INTENSITY (GALS/YD2)

1.65



GREENHOUSE GAS INTENSITY (MT CO2E/1000 YDS)

1.90

HISTORICAL SUCCESS

WHILE OUR RESIDENTIAL DIVISION HAS MADE GREAT STRIDES IN SUSTAINABILITY JOURNEY OVER THE PAST YEAR, OUR COMMERCIAL DIVISIONS (ENGINEERED FLOORS CONTRACT AND J+J FLOORING GROUP) BOAST A LONGSTANDING TRADITION OF SUSTAINABLE EXCELLENCE.

Since 2010, our commercial divisions have demonstrated noteworthy reductions in energy, water, and greenhouse gas emissions intensities, showcasing their unwavering commitment to conservation and sustainability. As our residential division continues to strengthen its sustainability reporting efforts, drawing insights from historical data and adopting best practices, we are confident that we have already achieved significant reductions in the past and are well-positioned to sustain this positive trend into the future.



CONTINUED REDUCTIONS

WHILE OUR PROGRESS HAS BEEN SIGNIFICANT, WE ALSO RECOGNIZE THAT MORE WORK NEEDS TO BE DONE GLOBALLY.

To further reduce our environmental footprint, we are currently assessing the environmental impact of select product lines with the plan to offset the emissions of these products by supporting high-quality renewable energy carbon offset projects. These projects support Engineered Floors common sense approach to sustainability and help the world to achieve its goal in lowering global GHG emissions.

For transparency, our offset purchases were calculated based on 100% of the A1-A3 GWP values reported publicly in our 3rd party verified Environmental Production Declarations (EPD) for all annual Kinetex and Nexus Cushion production. This commitment has allowed us to meet the verification requirements to offer these products as carbon neutral. Additionally, these carbon offsets incentivize us to push for further carbon reductions within our product lines by acting as an internalized cost to the carbon we are responsible for.

IN SUMMARY, THE SUSTAINABILITY PHILOSOPHY OF ENGINEERED FLOORS RESIDENTIAL DIVISION IS A COMMON SENSE APPROACH.

Our primary focus is to create the smallest environmental footprint possible through the engineering of our products, processes, and facilities. This approach begins with our investment in state-of-the-art, energy-efficient manufacturing facilities resulting in reduced energy usage, minimal waste, and unmatched product quality.

Our product design methodology also champions endurance, reducing long-term material consumption. Sustainability is ingrained in our operations through progressive initiatives, guided by continuous, measurable enhancements, strategic foresight, and absolute transparency.

Our dedication to sustainability through GREEN SMART drives us to reduce our impact on the environment and is fueled by a strong commitment to innovation, efficiency, and environmental stewardship.





P.O. BOX 2207
DALTON, GA 30722
P 800 241 4586
F 706 275 4433
JJFLOORING.COM

carpet | lvt | kinetex

