

001225-May2019 - University of California Systemwide Flooring RF

Questionnaire Name: *	Value Add
Questionnaire Description:	Payment, Rebate, Recycling & Cost Evaluation

SECTION NAME	QUESTION NUMBER	QUESTION TITLE	QUESTION WEIGHT	RESPONSE OPTIONS	Tarkett USA Inc.
-	1	* Please describe how your company can help offset the cost associated with AB2398 whether through discount, exchange, or recycling credits.	16.67%	-	Tarkett USA Inc. is willing to discuss these options; however, at this time, we do not have a determined rebate or volume discount program in place for AB2398.
-	2	* Please outline rebate or volume incentives you are willing to provide the University.	16.67%	-	Tarkett USA Inc. is willing to discuss these options.
-	3	* Please indicate your preferred invoice delivery method.	16.67%	Electronic Invoice via Transcepta; cXML; EDI; Traditional Invoice in Paper or Email Format	Traditional Invoice in Paper or Email Format

-	4	* Please indicate your preferred payment and settlement terms	16.67%	Preferred - Payment Plus (Virtual Credit Card) Net Due; ACH 2%10 Net 30; ACH 1%10 Net 45; ACH Net 60; Paper Check Net 60	Preferred - Payment Plus (Virtual Credit Card) Net Due
-	5	* What additional services, not outlined within this solicitation, can your company provide in delivering greater value to the University?	16.67%	-	Tarkett (formerly Tandus Centiva & Johnsonite) is able to provide virtual product installation renderings, perspectives, axonometric drawings, and floor-plan renderings available at no cost. In addition, we can assist with design consultation and master project planning lead by our Award Winning Design Team. Tarkett is the only manufacturer to offer a 6-foot cushion backed soft surface coordinate to our modular carpet tile offering that is warranted for the installation of stairs and auditoriums. Products across all categories are designed to coordinate so a complete flooring and accessory package can be specified with ease. If a project has very specific design needs, Tarkett offers custom pattern and color coordinates with the utilization of our patented on-line tool enabling clients to co-create branded, custom designs. We also provide, on-site maintenance assessment, training, and custom maintenance programs, in addition to installation and repair training. Tarkett has distribution warehouses in Northern and Southern California that are utilized for inventory stocking programs. Tarkett will also provide a portal system for the UC to check stock, product pricing and approved contract items.
-	6	* How can your organization support the educational, research, and career development initiatives of our campus communities?	16.67%	-	Tarkett (formerly Tandus Centiva & Johnsonite) looks forward to supporting the UC's campus development initiatives. We can provide student internships throughout the year in North America, as well as student summer work programs in our plant operations. Tarkett also looks forward to creating useful resources for students, faculty, and staff to make choices in line with UC's sustainability initiatives such as a checklist of 10 things you could do to conserve resources. Tarkett also looks forward to providing Continuing Education Unit Webinars for faculty and staff, as well as sponsor a yearly sustainability focus group on each campus.

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE**

**NEW JERSEY BUSINESS COMPLIANCE**

Suppliers intending to do business in the State of New Jersey must comply with policies and procedures required under New Jersey statutes. All offerors submitting proposals must complete the following forms specific to the State of New Jersey. Completed forms should be submitted with the offeror's response to the RFP. Failure to complete the New Jersey packet will impact OMNIA Partners' ability to promote the Master Agreement in the State of New Jersey.

- DOC #1      Ownership Disclosure Form
- DOC #2      Non-Collusion Affidavit
- DOC #3      Affirmative Action Affidavit
- DOC #4      Political Contribution Disclosure Form
- DOC #5      Stockholder Disclosure Certification
- DOC #6      Certification of Non-Involvement in Prohibited Activities in Iran
- DOC #7      New Jersey Business Registration Certificate

New Jersey suppliers are required to comply with the following New Jersey statutes when applicable:

- all anti-discrimination laws, including those contained in N.J.S.A. 10:2-1 through N.J.S.A. 10:2-14, N.J.S.A. 10:5-1, and N.J.S.A. 10:5-31 through 10:5-38;
- Prevailing Wage Act, N.J.S.A. 34:11-56.26, for all contracts within the contemplation of the Act;
- Public Works Contractor Registration Act, N.J.S.A. 34:11-56.26; and
- Bid and Performance Security, as required by the applicable municipal or state statutes.

**OMNIA PARTNERS EXHIBITS  
EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE**

DOC #1

**OWNERSHIP DISCLOSURE FORM  
(N.J.S. 52:25-24.2)**

Pursuant to the requirements of P.L. 1999, Chapter 440 effective April 17, 2000 (Local Public Contracts Law), the offeror shall complete the form attached to these specifications listing the persons owning 10 percent (10%) or more of the firm presenting the proposal.

**Company Name:** Tarkett USA Inc.

**Street:** 30000 Aurora Road

**City, State, Zip Code:** Solon, OH 44139

**Complete as appropriate:**

I \_\_\_\_\_, certify that I am the sole owner of \_\_\_\_\_, that there are no partners and the business is not incorporated, and the provisions of N.J.S. 52:25-24.2 do not apply.

**OR:**

I \_\_\_\_\_, a partner in \_\_\_\_\_, do hereby certify that the following is a list of all individual partners who own a 10% or greater interest therein. I further certify that if one (1) or more of the partners is itself a corporation or partnership, there is also set forth the names and addresses of the stockholders holding 10% or more of that corporation's stock or the individual partners owning 10% or greater interest in that partnership.

**OR:**

I Jeff Fenwick \_\_\_\_\_, an authorized representative of Tarkett USA Inc. \_\_\_\_\_, a corporation, do hereby certify that the following is a list of the names and addresses of all stockholders in the corporation who own 10% or more of its stock of any class. I further certify that if one (1) or more of such stockholders is itself a corporation or partnership, that there is also set forth the names and addresses of the stockholders holding 10% or more of the corporation's stock or the individual partners owning a 10% or greater interest in that partnership.

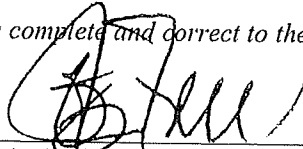
**(Note: If there are no partners or stockholders owning 10% or more interest, indicate none.)**

Name	Address	Interest
Tarkett Finance Inc.	Corporation Trust Center 1209 Orange Street Wilmington, DE 19801	100%

I further certify that the statements and information contained herein, are complete and correct to the best of my knowledge and belief.

August 13, 2019

**Date**

  
**Authorized Signature and Title**  
 Jeff Fenwick, President & CEO



OMNIA PARTNERS EXHIBITS  
EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE

DOC #2

NON-COLLUSION AFFIDAVIT

Company Name: Tarkett USA Inc.

Street: 30000 Aurora Road

City, State, Zip Code: Solon, OH 44139

State of Ohio

County of Cuyahoga

I, Jeff Fenwick of the Solon  
Name City

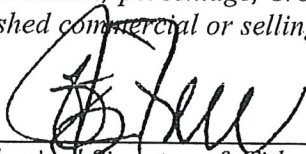
in the County of Cuyahoga, State of Ohio  
of full age, being duly sworn according to law on my oath depose and say that:

I am the President & CEO of the firm of Tarkett USA Inc.  
Title Company Name

*the Offeror making the Proposal for the goods, services or public work specified under the attached proposal, and that I executed the said proposal with full authority to do so; that said Offeror has not directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in connection with the above proposal, and that all statements contained in said proposal and in this affidavit are true and correct, and made with full knowledge that relies upon the truth of the statements contained in said proposal and in the statements contained in this affidavit in awarding the contract for the said goods, services or public work.*

*I further warrant that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by*

Tarkett USA Inc.  
Company Name

  
Authorized Signature & Title  
Jeff Fenwick, President & CEO

Subscribed and sworn before me

this 13 day of August, 2019

Maria Chavarria

Notary Public of \_\_\_\_\_  
My commission expires \_\_\_\_\_, 20\_\_\_\_

MARIA CHAVARRIA  
NOTARY PUBLIC, WHITFIELD COUNTY, GA  
MY COMMISSION EXPIRES JULY 30, 2023



SEAL

**OMNIA PARTNERS EXHIBITS  
EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE**

DOC #3

**AFFIRMATIVE ACTION AFFIDAVIT  
(P.L. 1975, C.127)**

**Company Name:** Tarkett USA Inc.

**Street:** 30000 Aurora Road

**City, State, Zip Code:** Solon, OH 44139

**Proposal Certification:**

Indicate below company's compliance with New Jersey Affirmative Action regulations. Company's proposal will be accepted even if company is not in compliance at this time. No contract and/or purchase order may be issued, however, until all Affirmative Action requirements are met.

**Required Affirmative Action Evidence:**

Procurement, Professional & Service Contracts (Exhibit A)

Vendors must submit with proposal:

1. A photo copy of their Federal Letter of Affirmative Action Plan Approval

OR

x 2. A photo copy of their Certificate of Employee Information Report

OR

3. A complete Affirmative Action Employee Information Report (AA302)

**Public Work – Over \$50,000 Total Project Cost:**

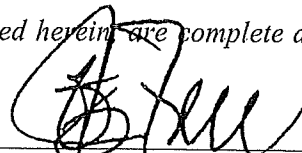
A. No approved Federal or New Jersey Affirmative Action Plan. We will complete Report Form AA201-A upon receipt from the

B. Approved Federal or New Jersey Plan – certificate enclosed

*I further certify that the statements and information contained herein are complete and correct to the best of my knowledge and belief.*

August 13, 2019

*Date*



*Authorized Signature and Title*  
Jeff Fenwick, President & CEO

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE**

DOC #3, continued

P.L. 1995, c. 127 (N.J.A.C. 17:27)  
**MANDATORY AFFIRMATIVE ACTION LANGUAGE**

**PROCUREMENT, PROFESSIONAL AND SERVICE**  
**CONTRACTS**

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. The contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this non-discrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisement for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation.

The contractor or subcontractor, where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time and the Americans with Disabilities Act.

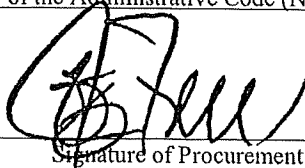
The contractor or subcontractor agrees to attempt in good faith to employ minority and female workers trade consistent with the applicable county employment goal prescribed by N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, C.127, as amended and supplemented from time to time or in accordance with a binding determination of the applicable county employment goals determined by the Affirmative Action Office pursuant to N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, C.127, as amended and supplemented from time to time.

The contractor or subcontractor agrees to inform in writing appropriate recruitment agencies in the area, including employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the state of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

The contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and lay-off to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and conform with the applicable employment goals, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor and its subcontractors shall furnish such reports or other documents to the Affirmative Action Office as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Affirmative Action Office for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code (NJAC 17:27).



Signature of Procurement Agent

Jeff Fenwick, President & CEO

Requirements for National Cooperative Contract  
Page 30 of 44

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE**

DOC #4

**C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM**  
**Public Agency Instructions**

This page provides guidance to public agencies entering into contracts with business entities that are required to file Political Contribution Disclosure forms with the agency. **It is not intended to be provided to contractors.** What follows are instructions on the use of form local units can provide to contractors that are required to disclose political contributions pursuant to N.J.S.A. 19:44A-20.26 (P.L. 2005, c. 271, s.2). Additional information on the process is available in Local Finance Notice 2006-1 ([http://www.nj.gov/dca/divisions/dlgs/resources/lfns\\_2006.html](http://www.nj.gov/dca/divisions/dlgs/resources/lfns_2006.html)). Please refer back to these instructions for the appropriate links, as the Local Finance Notices include links that are no longer operational.

1. The disclosure is required for all contracts in excess of \$17,500 that are **not awarded** pursuant to a "fair and open" process (N.J.S.A. 19:44A-20.7).
2. Due to the potential length of some contractor submissions, the public agency should consider allowing data to be submitted in electronic form (i.e., spreadsheet, pdf file, etc.). Submissions must be kept with the contract documents or in an appropriate computer file and be available for public access. **The form is worded to accept this alternate submission.** The text should be amended if electronic submission will not be allowed.
3. The submission must be **received from the contractor and** on file at least 10 days prior to award of the contract. Resolutions of award should reflect that the disclosure has been received and is on file.
4. The contractor must disclose contributions made to candidate and party committees covering a wide range of public agencies, including all public agencies that have elected officials in the county of the public agency, state legislative positions, and various state entities. The Division of Local Government Services recommends that contractors be provided a list of the affected agencies. This will assist contractors in determining the campaign and political committees of the officials and candidates affected by the disclosure.
  - a. The Division has prepared model disclosure forms for each county. They can be downloaded from the "County PCD Forms" link on the Pay-to-Play web site at <http://www.nj.gov/dca/divisions/dlgs/programs/lpcl.html#12>. They will be updated from time-to-time as necessary.
  - b. A public agency using these forms **should edit them to properly reflect the correct legislative district(s)**. As the forms are county-based, **they list all legislative districts in each county. Districts that do not represent the public agency should be removed from the lists.**
  - c. Some contractors may find it easier to provide a single list that covers all contributions, regardless of the county. These submissions are appropriate and should be accepted.
  - d. The form may be used "as-is", subject to edits as described herein.
  - e. The "Contractor Instructions" sheet is intended to be provided with the form. It is recommended that the Instructions and the form be printed on the same piece of paper. The form notes that the Instructions are printed on the back of the form; where that is not the case, the text should be edited accordingly.
  - f. The form is a Word document and can be edited to meet local needs, and posted for download on web sites, used as an e-mail attachment, or provided as a printed document.
5. It is recommended that the contractor also complete a "Stockholder Disclosure Certification." This will assist the local unit in its obligation to ensure that contractor did not make any prohibited contributions to the committees listed on the Business Entity Disclosure Certification in the 12 months prior to the contract (See Local Finance Notice 2006-7 for additional information on this obligation at [http://www.nj.gov/dca/divisions/dlgs/resources/lfns\\_2006.html](http://www.nj.gov/dca/divisions/dlgs/resources/lfns_2006.html)). A sample Certification form is part of this package and the instruction to complete it is included in the Contractor Instructions. **NOTE:** This section is not applicable to Boards of Education.

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE**

Doc #4, continued **C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM**

**Contractor Instructions**

Business entities (contractors) receiving contracts from a public agency that are NOT awarded pursuant to a "fair and open" process (defined at N.J.S.A. 19:44A-20.7) are subject to the provisions of P.L. 2005, c. 271, s.2 (N.J.S.A. 19:44A-20.26). This law provides that 10 days prior to the award of such a contract, the contractor shall disclose contributions to:

- any State, county, or municipal committee of a political party
- any legislative leadership committee\*
- any continuing political committee (a.k.a., political action committee)
- any candidate committee of a candidate for, or holder of, an elective office:
  - of the public entity awarding the contract
  - of that county in which that public entity is located
  - of another public entity within that county
  - or of a legislative district in which that public entity is located or, when the public entity is a county, of any legislative district which includes all or part of the county

The disclosure must list reportable contributions to any of the committees that exceed \$300 per election cycle that were made during the 12 months prior to award of the contract. See N.J.S.A. 19:44A-8 and 19:44A-16 for more details on reportable contributions.

N.J.S.A. 19:44A-20.26 itemizes the parties from whom contributions must be disclosed when a business entity is not a natural person. This includes the following:

- individuals with an "interest" ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit
- all principals, partners, officers, or directors of the business entity or their spouses
- any subsidiaries directly or indirectly controlled by the business entity
- IRS Code Section 527 New Jersey based organizations, directly or indirectly controlled by the business entity and filing as continuing political committees, (PACs).

When the business entity is a natural person, "a contribution by that person's spouse or child, residing therewith, shall be deemed to be a contribution by the business entity." [N.J.S.A. 19:44A-20.26(b)] The contributor must be listed on the disclosure.

Any business entity that fails to comply with the disclosure provisions shall be subject to a fine imposed by ELEC in an amount to be determined by the Commission which may be based upon the amount that the business entity failed to report.

The enclosed list of agencies is provided to assist the contractor in identifying those public agencies whose elected official and/or candidate campaign committees are affected by the disclosure requirement. It is the contractor's responsibility to identify the specific committees to which contributions may have been made and need to be disclosed. The disclosed information may exceed the minimum requirement.

The enclosed form, a content-consistent facsimile, or an electronic data file containing the required details (along with a signed cover sheet) may be used as the contractor's submission and is disclosable to the public under the Open Public Records Act.

The contractor must also complete the attached Stockholder Disclosure Certification. This will assist the agency in meeting its obligations under the law. **NOTE: This section does not apply to Board of Education contracts.**

\* N.J.S.A. 19:44A-3(s): "The term "legislative leadership committee" means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly or the Minority Leader of the General Assembly pursuant to section 16 of P.L.1993, c.65 (C.19:44A-10.1) for the purpose of receiving contributions and making expenditures."

OMNIA PARTNERS EXHIBITS  
EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE

**C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM**

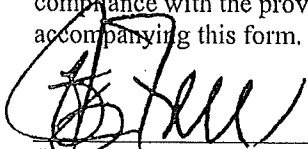
Required Pursuant to N.J.S.A. 19:44A-20.26

This form or its permitted facsimile must be submitted to the local unit no later than 10 days prior to the award of the contract.

Part I – Vendor Information

Vendor Name:	Tarkett USA Inc.		
Address:	30000 Aurora Road		
City:	Solon	State: OH	Zip: 44139

The undersigned being authorized to certify, hereby certifies that the submission provided herein represents compliance with the provisions of N.J.S.A. 19:44A-20.26 and as represented by the Instructions accompanying this form.



Signature

Jeff Fenwick

Printed Name

President & CEO

Title

**Part II – Contribution Disclosure**

Disclosure requirement: Pursuant to N.J.S.A. 19:44A-20.26 this disclosure must include all reportable political contributions (more than \$300 per election cycle) over the 12 months prior to submission to the committees of the government entities listed on the form provided by the local unit.

Check here if disclosure is provided in electronic form

Contributor Name	Recipient Name	Date	Dollar Amount
			\$

Check here if the information is continued on subsequent page(s)

**OMNIA PARTNERS EXHIBITS  
EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE**

**List of Agencies with Elected Officials Required for Political Contribution Disclosure  
N.J.S.A. 19:44A-20.26**

**County Name:**

State: Governor, and Legislative Leadership Committees

Legislative District #s:

State Senator and two members of the General Assembly per district.

County:

Freeholders

{County Executive}

County Clerk

Surrogate

Sheriff

Municipalities (Mayor and members of governing body, regardless of title):

**USERS SHOULD CREATE THEIR OWN FORM, OR DOWNLOAD  
FROM THE PAY TO PLAY SECTION OF THE DLGS WEBSITE A  
COUNTY-BASED, CUSTOMIZABLE FORM.**



OMNIA PARTNERS EXHIBITS  
EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE

DOC #5

STOCKHOLDER DISCLOSURE CERTIFICATION

Name of Business:

I certify that the list below contains the names and home addresses of all stockholders holding 10% or more of the issued and outstanding stock of the undersigned.

OR

I certify that no one stockholder owns 10% or more of the issued and outstanding stock of the undersigned.

Check the box that represents the type of business organization:

Partnership       Corporation       Sole Proprietorship

Limited Partnership       Limited Liability Corporation       Limited Liability Partnership

Subchapter S Corporation

Sign and notarize the form below, and, if necessary, complete the stockholder list below.

Stockholders:

Name: Tarkett Finance Inc.	Name:
Home Address: Corporation Trust Center 1209 Orange Street Wilmington, DE 19801	Home Address:
Name:	Name:
Home Address:	Home Address:
Name:	Name:
Home Address:	Home Address:

Subscribed and sworn before me this 13 day of August,  
2019  
(Notary Public)

Maria Chavarria  
(Affiant)

Maria Chavarria  
(Print name & title of affiant)

My Commission expires: \_\_\_\_\_  
MARTA CHAVARRIA  
NOTARY PUBLIC, WHITFIELD COUNTY, GA  
MY COMMISSION EXPIRES JULY 30, 2023  
(Corporate Seal)





**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE**

DOC #6

**Certification of Non-Involvement in Prohibited Activities in Iran**

Pursuant to N.J.S.A. 52:32-58, Offerors must certify that neither the Offeror, nor any of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32 – 56(e) (3)), is listed on the Department of the Treasury’s List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in N.J.S.A. 52:32 – 56(f).

Offerors wishing to do business in New Jersey through this contract must fill out the Certification of Non-Involvement in Prohibited Activities in Iran here:

[http://www.state.nj.us/humanservices/dfd/info/standard/fdc/disclosure\\_investmentact.pdf](http://www.state.nj.us/humanservices/dfd/info/standard/fdc/disclosure_investmentact.pdf)

Offerors should submit the above form completed with their proposal.



**OMNIA PARTNERS EXHIBITS  
EXHIBIT G- NEW JERSEY BUSINESS COMPLIANCE**

DOC #7

**NEW JERSEY BUSINESS REGISTRATION CERTIFICATE  
(N.J.S.A. 52:32-44)**

Offerors wishing to do business in New Jersey must submit their State Division of Revenue issued Business Registration Certificate with their proposal here. Failure to do so will disqualify the Offeror from offering products or services in New Jersey through any resulting contract.

<http://www.state.nj.us/treasury/revenue/forms/njreg.pdf>

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT F- FEDERAL FUNDS CERTIFICATIONS**

**FEDERAL CERTIFICATIONS**  
**ADDENDUM FOR AGREEMENT FUNDED BY U.S. FEDERAL GRANT**

**TO WHOM IT MAY CONCERN:**

Participating Agencies may elect to use federal funds to purchase under the Master Agreement. This form should be completed and returned with proposal.

The following certifications and provisions may be required and apply when a Participating Agency expends federal funds for any purchase resulting from this procurement process. Pursuant to 2 C.F.R. § 200.326, all contracts, including small purchases, awarded by the Participating Agency and the Participating Agency's subcontractors shall contain the procurement provisions of Appendix II to Part 200, as applicable.

**APPENDIX II TO 2 CFR PART 200**

**(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.**

Pursuant to Federal Rule (A) above, when a Participating Agency expends federal funds, the Participating Agency reserves all rights and privileges under the applicable laws and regulations with respect to this procurement in the event of breach of contract by either party.

Does offeror agree? YES     *ff*     Initials of Authorized Representative of offeror

**(B) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)**

Pursuant to Federal Rule (B) above, when a Participating Agency expends federal funds, the Participating Agency reserves the right to immediately terminate any agreement in excess of \$10,000 resulting from this procurement process in the event of a breach or default of the agreement by Offeror in the event Offeror fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments owed; or (3) otherwise perform in accordance with the contract and/or the procurement solicitation. Participating Agency also reserves the right to terminate the contract immediately, with written notice to offeror, for convenience, if Participating Agency believes, in its sole discretion that it is in the best interest of Participating Agency to do so. Offeror will be compensated for work performed and accepted and goods accepted by Participating Agency as of the termination date if the contract is terminated for convenience of Participating Agency. Any award under this procurement process is not exclusive and Participating Agency reserves the right to purchase goods and services from other offerors when it is in Participating Agency's best interest.

Does offeror agree? YES     *ff*     Initials of Authorized Representative of offeror

**(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 CFR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."**

Pursuant to Federal Rule (C) above, when a Participating Agency expends federal funds on any federally assisted construction contract, the equal opportunity clause is incorporated by reference herein.

Does offeror agree to abide by the above? YES     *ff*     Initials of Authorized Representative of offeror

**(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted**

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT F- FEDERAL FUNDS CERTIFICATIONS**

Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

Pursuant to Federal Rule (D) above, when a Participating Agency expends federal funds during the term of an award for all contracts and subgrants for construction or repair, offeror will be in compliance with all applicable Davis-Bacon Act provisions.

Does offeror agree? YES JK Initials of Authorized Representative of offeror

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Pursuant to Federal Rule (E) above, when a Participating Agency expends federal funds, offeror certifies that offeror will be in compliance with all applicable provisions of the Contract Work Hours and Safety Standards Act during the term of an award for all contracts by Participating Agency resulting from this procurement process.

Does offeror agree? YES JK Initials of Authorized Representative of offeror

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Pursuant to Federal Rule (F) above, when federal funds are expended by Participating Agency, the offeror certifies that during the term of an award for all contracts by Participating Agency resulting from this procurement process, the offeror agrees to comply with all applicable requirements as referenced in Federal Rule (F) above.

Does offeror agree? YES JK Initials of Authorized Representative of offeror

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended— Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT F- FEDERAL FUNDS CERTIFICATIONS**

Pursuant to Federal Rule (G) above, when federal funds are expended by Participating Agency, the offeror certifies that during the term of an award for all contracts by Participating Agency member resulting from this procurement process, the offeror agrees to comply with all applicable requirements as referenced in Federal Rule (G) above.

Does offeror agree? YES     *JF*     Initials of Authorized Representative of offeror

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Pursuant to Federal Rule (H) above, when federal funds are expended by Participating Agency, the offeror certifies that during the term of an award for all contracts by Participating Agency resulting from this procurement process, the offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

Does offeror agree? YES     *JF*     Initials of Authorized Representative of offeror

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Pursuant to Federal Rule (I) above, when federal funds are expended by Participating Agency, the offeror certifies that during the term and after the awarded term of an award for all contracts by Participating Agency resulting from this procurement process, the offeror certifies that it is in compliance with all applicable provisions of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). The undersigned further certifies that:

(1) No Federal appropriated funds have been paid or will be paid for on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all covered sub-awards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

Does offeror agree? YES     *JF*     Initials of Authorized Representative of offeror

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**RECORD RETENTION REQUIREMENTS FOR CONTRACTS INVOLVING FEDERAL FUNDS**

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When federal funds are expended by Participating Agency for any contract resulting from this procurement process, offeror certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. The offeror further certifies that offeror will retain all records as required by 2 CFR § 200.333 for a period of three years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

Does offeror agree? YES     *JF*     Initials of Authorized Representative of offeror

**OMNIA PARTNERS EXHIBITS  
EXHIBIT F- FEDERAL FUNDS CERTIFICATIONS**

**CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT**

When Participating Agency expends federal funds for any contract resulting from this procurement process, offeror certifies that it will comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.; 49 C.F.R. Part 18).

Does offeror agree? YES     *JF*     Initials of Authorized Representative of offeror

**CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS**

To the extent purchases are made with Federal Highway Administration, Federal Railroad Administration, or Federal Transit Administration funds, offeror certifies that its products comply with all applicable provisions of the Buy America Act and agrees to provide such certification or applicable waiver with respect to specific products to any Participating Agency upon request. Purchases made in accordance with the Buy America Act must still follow the applicable procurement rules calling for free and open competition.

Does offeror agree? YES     *JF*     Initials of Authorized Representative of offeror

**PROCUREMENT OF RECOVERED MATERIALS REQUIREMENTS FOR – 2 C.F.R. §200.322**

Participating Agency and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Does Vendor agree? YES     *JF*     Initials of Authorized Representative of Vendor

**CERTIFICATION OF ACCESS TO RECORDS – 2 C.F.R. § 200.336**

Offeror agrees that the Inspector General of the Agency or any of their duly authorized representatives shall have access to any books, documents, papers and records of offeror that are directly pertinent to offeror's discharge of its obligations under the Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to offeror's personnel for the purpose of interview and discussion relating to such documents.

Does offeror agree? YES     *JF*     Initials of Authorized Representative of offeror

**CERTIFICATION OF AFFORDABLE CARE ACT**

Offeror understands and agrees that it shall be solely responsible for compliance with the patient Protection and Affordable Care Act, Public Law 111-148 and the Health Care and Education Reconciliation Act 111-152 (collectively the Affordable Care Act "ACA"). The Offeror shall bear sole responsibility for providing health care benefits for its employees who provide services as required by Federal law.

Does offeror agree? YES     *JF*     Initials of Authorized Representative of offeror

**CERTIFICATION OF APPLICABILITY TO SUBCONTRACTORS**

Offeror agrees that all contracts it awards pursuant to the Contract shall be bound by the foregoing terms and conditions.

Does offeror agree? YES     *JF*     Initials of Authorized Representative of offeror

Offeror agrees to comply with all federal, state, and local laws, rules, regulations and ordinances, as applicable. It is further acknowledged that offeror certifies compliance with all provisions, laws, acts, regulations, etc. as specifically noted above.

Offeror's Name:     Tarkett USA Inc.

Address, City, State, and Zip Code: 30000 Aurora Road, Solon, OH 44139

Phone Number: 706-281-2791 Fax Number: 706-259-2657

Printed Name and Title of Authorized Representative: Jeff Fenwick, President & CEO

Email Address: jeff.fenwick@tarkett.com

Signature of Authorized Representative:  Date: August 13, 2019

# Capabilities

## **Q3 – What is your standard response time to initial customer service calls?**

Tonya Sharma, UC's assigned Account Executive, is available 24/7 via phone or text to assist with any emergencies. In addition, Tarkett will designate a tenured Customer Service Representative as a back-up to assist. The typical response time is by the end of the business day, or within 24 hours.



**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

**1.0 Scope of National Cooperative Contract**

Capitalized terms not otherwise defined herein shall have the meanings given to them in the Master Agreement or in the Administration Agreement between Supplier and OMNIA Partners.

1.1 Requirement

- The University of California (hereinafter defined and referred to as “Principal Procurement Agency”), on behalf of itself and the National Intergovernmental Purchasing Alliance Company, a Delaware corporation d/b/a OMNIA Partners, Public Sector (“OMNIA Partners”), is requesting proposals for FLOORING PRODUCTS & INSTALLATION SERVICES. The intent of this Request for Proposal is any contract between Principal Procurement Agency and Supplier resulting from this Request for Proposal (“Master Agreement”) be made available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit (“Public Agencies”), through OMNIA Partners’ cooperative purchasing program. The Principal Procurement Agency has executed a Principal Procurement Agency Certificate with OMNIA Partners, an example of which is included as Exhibit D, and has agreed to pursue the Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with OMNIA Partners as a Participating Public Agency in OMNIA Partners’ cooperative purchasing program. Registration with OMNIA Partners as a Participating Public Agency is accomplished by Public Agencies entering into a Master Intergovernmental Cooperative Purchasing Agreement, an example of which is attached as Exhibit C. The terms and pricing established in the resulting Master Agreement between the Supplier and the Principal Procurement Agency will be the same as that available to Participating Public Agencies through OMNIA Partners.

All transactions, purchase orders, invoices, payments etc., will occur directly between the Supplier and each Participating Public Agency individually, and neither OMNIA Partners, any Principal Procurement Agency nor any Participating Public Agency, including their respective agents, directors, employees or representatives, shall be liable to Supplier for any acts, liabilities, damages, etc., incurred by any other Participating Public Agency. Supplier is responsible for knowing the tax laws in each state.

This Exhibit A defines the expectations for qualifying Suppliers based on OMNIA Partners’ requirements to market the resulting Master Agreement nationally to Public Agencies. Each section in this Exhibit A refers to the capabilities, requirements, obligations, and prohibitions of competing Suppliers on a national level in order to serve Participating Public Agencies through OMNIA Partners.

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

These requirements are incorporated into and are considered an integral part of this RFP. OMNIA Partners reserves the right to determine whether or not to make the Master Agreement awarded by the Principal Procurement Agency available to Participating Public Agencies, in its sole and absolute discretion, and any party submitting a response to this RFP acknowledges that any award by the Principal Procurement Agency does not obligate OMNIA Partners to make the Master Agreement available to Participating Procurement Agencies.

**1.2 Marketing, Sales and Administrative Support**

During the term of the Master Agreement OMNIA Partners intends to provide marketing, sales and administrative support for Supplier pursuant to this section that directly promotes the Supplier's products and services to Participating Public Agencies through multiple channels, each designed to promote specific products and services to Public Agencies on a national basis.

The OMNIA Partners marketing team will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through channels that may include:

- A. Marketing collateral (print, electronic, email, presentations)
- B. Website
- C. Trade shows/conferences/meetings
- D. Advertising
- E. Social Media

The OMNIA Partners sales teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through initiatives that may include:

- A. Individual sales calls
- B. Joint sales calls
- C. Communications/customer service
- D. Training sessions for Public Agency teams
- E. Training sessions for Supplier teams

The OMNIA Partners contracting teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through:

- A. Serving as the subject matter expert for questions regarding joint powers authority and state statutes and regulations for cooperative purchasing
- B. Training sessions for Public Agency teams
- C. Training sessions for Supplier teams
- D. Regular business reviews to monitor program success
- E. General contract administration

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

Suppliers are required to pay an administrative fee of three percent (3%) of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under this Request for Proposal. Supplier will be required to execute the OMNIA Partners Administration Agreement (Exhibit B).

**1.3 Estimated Volume**

The dollar volume purchased under the Master Agreement is estimated to be approximately \$9,000,000 annually. While no minimum volume is guaranteed to Supplier, the estimated annual volume is projected based on the current annual volumes among the Principal Procurement Agency, other Participating Public Agencies that are anticipated to utilize the resulting Master Agreement to be made available to them through OMNIA Partners, and volume growth into other Public Agencies through a coordinated marketing approach between Supplier and OMNIA Partners.

**1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will, at OMNIA Partners option, be the basis of award on a national level through OMNIA Partners. If multiple Suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same Suppliers will be required to extend the Master Agreement to Participating Public Agencies through OMNIA Partners. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and OMNIA Partners shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). It shall be the responsibility of the Supplier to comply, when applicable, with the prevailing wage legislation in effect in the jurisdiction of the Participating Agency. It shall further be the responsibility of the Supplier to monitor the prevailing wage rates as established by the appropriate department of labor for any increase in rates during the term of this contract and adjust wage rates accordingly. Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the Supplier (Contract Sales are reported to OMNIA Partners).

All purchase orders issued and accepted by the Supplier may survive expiration or termination of the Master Agreement. Participating Agencies' purchase orders may exceed the term of the Contract if the purchase order is issued prior to the expiration of the Contract. Supplier is responsible for reporting all sales and paying the

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

applicable administrative fee for sales that use the Master Agreement as the basis for the purchase order, even though Master Agreement may have expired.

**1.5 Objectives of Cooperative Program**

This RFP is intended to achieve the following objectives regarding availability through OMNIA Partners' cooperative program:

- A. Provide a comprehensive competitively solicited and awarded national agreement offering the Products covered by this solicitation to Participating Public Agencies;
- B. Establish the Master Agreement as the Supplier's primary go to market strategy to Public Agencies nationwide;
- C. Achieve cost savings for Supplier and Public Agencies through a single solicitation process that will reduce the Supplier's need to respond to multiple solicitations and Public Agencies need to conduct their own solicitation process;
- D. Combine the aggregate purchasing volumes of Participating Public Agencies to achieve cost effective pricing.

**2.0 REPRESENTATIONS AND COVENANTS**

As a condition to Supplier entering into the Master Agreement, which would be available to all Public Agencies, Supplier must make certain representations, warranties and covenants to both the Principal Procurement Agency and OMNIA Partners designed to ensure the success of the Master Agreement for all Participating Public Agencies as well as the Supplier.

**2.1 Corporate Commitment**

Supplier commits that (1) the Master Agreement has received all necessary corporate authorizations and support of the Supplier's executive management, (2) the Master Agreement is Supplier's primary "go to market" strategy for Public Agencies, (3) the Master Agreement will be promoted to all Public Agencies, including any existing customers, and Supplier will transition existing customers, upon their request, to the Master Agreement, and (4) that the Supplier has read and agrees to the terms and conditions of the Administration Agreement with OMNIA Partners and will execute such agreement concurrent with and as a condition of its execution of the Master Agreement with the Principal Procurement Agency. Supplier will identify an executive corporate sponsor and a separate national account manager within the RFP response that will be responsible for the overall management of the Master Agreement.

**2.2 Pricing Commitment**

Supplier commits the not-to-exceed pricing provided under the Master Agreement pricing is its lowest available (net to buyer) to Public Agencies nationwide and further commits that if a Participating Public Agency is eligible for lower pricing through a national, state, regional or local or cooperative contract, the Supplier will match such lower pricing to that Participating Public Agency under the Master Agreement.

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

**2.3 Sales Commitment**

Supplier commits to aggressively market the Master Agreement as its go to market strategy in this defined sector and that its sales force will be trained, engaged and committed to offering the Master Agreement to Public Agencies through OMNIA Partners nationwide. Supplier commits that all Master Agreement sales will be accurately and timely reported to OMNIA Partners in accordance with the OMNIA Partners Administration Agreement. Supplier also commits its sales force will be compensated, including sales incentives, for sales to Public Agencies under the Master Agreement in a consistent or better manner compared to sales to Public Agencies if the Supplier were not awarded the Master Agreement.

**3.0 SUPPLIER RESPONSE**

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through OMNIA Partners.

**3.1 Company**

A. Brief history and description of Supplier.

**Tarkett Group leadership is the result of 130 years of flooring experience, thanks to the talent, values and commitment of generations of entrepreneurs. Initially known as Allibert and Sommer, the company's story begins with the ideas, energy and commitment of its founding entrepreneurs. The rich legacy of people, values, expertise and ambition made Tarkett the company it is today; a company that reflects the spirit of these entrepreneurs in Europe and North America. They launched hardwood flooring in Sweden, linoleum in Canada, vinyl felt and backing in France. Tarkett has grown in strength by smoothly integrating industry leaders such as Desso, Sintelon, Johnsonite and FieldTurf and, more recently, Beynon, Fadamac, Aspen, Centiva, MET, Marty and, in 2012, Tandus.**

**Tandus Centiva, a Tarkett Company has been in business as a soft surface flooring provider since 1964. Tandus Centiva offers a unique line of Powerbond®, Modular, Broadloom, Woven and LVT flooring products with an approach to enhance spaces for learning, working, healing and living. With industry-leading product design, unrivaled service and a commitment to environmental and social stewardship, Tandus Centiva provides the ultimate flooring experience for our customers.**

B. Total number and location of sales persons employed by Supplier.

**We have approximately 225 Sales team members, broken in to 21 regions across North America**

C. Number and location of support centers (if applicable) and location of corporate office.

**Customer Service is located in Dalton, Georgia and can be reached at 800-241-4085**

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

D. Annual sales for the three previous fiscal years.

To view Tarkett's annual sales information for the three previous fiscal years, please click [here](#).

E. Submit FEIN and Dunn & Bradstreet report.

**FEIN: 63-1185575 DUNS: 02-916-3741**

**As a matter of policy, we cannot provide our Dunn & Bradstreet report. We can only provide our DUNS number.**

F. Describe any green or environmental initiatives or policies.

**Tarkett, applies Cradle to Cradle principles to analyze our environment impact - Material Health, Material Reutilization, Renewable Energy, Water Stewardship, and Social Fairness. Tarkett is a member of the Circular Economy 100 (CE 100) - an innovation program to help organizations realize their circular economy ambitions faster. We actively contribute to the World Economic Forum (a partner company since January 2016). Our production facilities' World Class Manufacturing Teams focus on our Sustainability Initiatives and 2020 Initiatives/objectives - Increase the share of abundant, renewable and recycled material /75% of the materials at the source of our supply chain do not contribute to resource scarcity; Reduce usage of fresh and potable water / 100% of our manufacturing sites to have implemented closed loop water circuits; Decrease energy consumption and greenhouse gas emissions / 20% reduction of GHG emissions against a 2010 baseline; Ensure all manufacturing waste enters into a biological or technical cycle / zero industrial waste going to landfill. And, in the spirit of collaboration, we are working with the US Chamber of Commerce Foundation in developing a Circular Economy Tool Kit. This tool will support identifying key factors and allow for consistent reporting.**

**Whole Life Cycle Carbon Costing - Renewable Energy & Carbon Management (products assembled and manufactured with renewable, non-polluting energy) are elements of review within Cradle to Cradle - a multi attribute, continuous improvement standard, where products are also evaluated for Material Health, Material Reutilization, Water Stewardship and Social Fairness.**

**Eco-efficiency for Materials and Packaging - Tarkett assures excellence in process management across its operations. Tarkett has been implementing the World Class Manufacturing (WCM) program worldwide in all its 48 of 79 factories. WCM provides methods and training for continuous improvement in Best Manufacturing Practices to increase competitiveness, improve customer satisfaction, and demonstrate excellence in terms of safety and respect of the environment. The central Purchasing team has a responsibility for the strategic raw materials and some outsourced finished goods in order to**

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

develop long-term supply and industrial partnerships which are vital to the company. Local teams (at division and site levels) are responsible for a large base of services, materials and products. Tarkett's mission is to build strong relationships with suppliers, conduct tenders and organize supplies for best results.

**Carbon Footprint Reduction -** Our whole vision is geared to drawing on innovation and human ingenuity to transform our business towards a collaborative circular economy model, positively impacting people, planet and profits and for this reason, we had no hesitation in supporting this vital climate change initiative, as we believe that a long-term commitment, extending beyond COP 21, is required to tackle these issues. Smart businesses of the future will have to reduce their carbon footprint, one of the key goals of the circular economy. In this way, we can innovate and drive economic growth that is both profitable and fully sustainable.

**Energy Required to Manufacture/Transport Purchased Materials -** Tarkett tracks usage of energy, green gas emissions, works to increase use of local suppliers, and in North America- the Tarkett Commercial Resilient Division utilizes 'pool trucks' - consistent/full use of trailer loads across the North America

**Environmental Impact of Material Disposal -** 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. Tarkett's 2020 objective is 0 industrial waste going to landfill. And, ReStart (take-back program) collects and recycles product samples, post installation waste and post-consumer flooring.

Since 2010, one measure of corporate responsibility is Tarkett's progress in fulfilling the Ten Principles of the United Nations Global Compact. We are committed to adopt and implement robust policies and procedures in the areas of human rights, labor standards, the environment, and business ethics to counter corruption. Tarkett encourages its suppliers to respect the UN Global Compact principles. We practice sustainability through our closed loop circular design model which is our way of best applying the Cradle to Cradle® principles to support the development of the circular economy. Our Closed Loop Circular Design incorporates:

**Good Materials -** choosing materials that respect health and the environment and can be recycled.

**Resource Stewardship -** Optimizing the use of resources such as water and energy and limiting greenhouse gas emissions during the production phase of our manufacturing activities.

**People Friendly Spaces -** Contributing to the health and wellbeing of our products' users during the usage phase.

**Reuse -** Recycling products at end of use to eliminate waste and restart a product cycle with quality materials.

G. Describe any diversity programs or partners supplier does business with and how Participating Agencies may use diverse partners through the Master

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

Agreement. Indicate how, if at all, pricing changes when using the diversity program.

**Tarkett actively seeks to contract with small, minority and women owned businesses where possible in procurement of raw materials, commodities and services. We utilize small, minority, and women owned firms as suppliers as well as Source One® subcontractors performing turnkey installation services for our clients. Additionally, two women-owned businesses have designed many of our product offerings – Suzanne Tick and Jhane Barnes. We are also very involved in the “Wounded Warrior” efforts. Procedures are already in place for locating small, women and minority suppliers are evolving to better utilize more of these suppliers. We ask all suppliers to complete a “Vendor Business Profile” form. Small, minority and women owned companies are then coded in our Purchasing system. Reports are generated noting which suppliers are small, women and minority owned companies. The companies that meet these requirements are on file as such and we encourage more business, where applicable, with these suppliers. When information is forwarded to us on new minority companies, we log them by commodity type and appropriate departments are encouraged to use these companies as opportunities arise. We currently have several customers that we work with on small, minority and women owned utilization. Reports are provided for some on a quarterly basis and others only yearly. These reports are configured to each customer’s specification. Our Purchasing department maintains a database and tracking system of all small, women and minority owned businesses. Our Source One® department maintains a separate database of all installation partners, noting all small and minority business firms in various locations throughout the United States.**

H. Describe any historically underutilized business certifications supplier holds and the certifying agency. This may include business enterprises such as minority and women owned, small or disadvantaged, disable veterans, etc.

**Tarkett is not a minority, women, veteran, LGBT, and/or service disabled-owned and certified business. However, through our Source One® Turn-Key Installation Services Department that services national and global accounts with local independent service providers -- from the design and manufacture of products to installation and maintenance training. Source One® maintains a separate database of all installation partners that qualify as small-, women-, and minority-owned businesses throughout the United States. Through our Source One® Turnkey Services division, we can provide Tier 2 Diversity reporting when contracting with minority, women, veteran, LGBT, and/or service disabled-owned and certified business.**

**Source One® allows independent companies to compete for business that they would not otherwise have access to locally. We continuously and consistently measure our progress to support local business through global**



**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

accounts. We locate and confirm minority certification of small businesses, women and minority service providers to ensure they are given the opportunity to participate in contract and procurement for supplies and services. In addition, Tarkett will maintain the following records: Record 1 (Diverse supplier certification); Record 2 (Number of diverse suppliers contacted); Record 3 (Diverse supplier NAICS codes); Record 4 (Spend by diverse supplier)

I. Describe how supplier differentiates itself from its competitors.

**With the world's largest portfolio of flooring solutions and drawing on over 130 years of experience in the flooring industry, Tarkett is perfectly positioned to offer the most adapted solution for any type of flooring need and within any of the different market segments. No other flooring manufacturer in the world offers such a large range of different flooring types in as many countries as Tarkett. Differentials:**

- **Global market leadership**
- **Global Services**
- **Implementation**
- **Contract Intranet Sites**
- **Reporting (Quarterly and Yearly)**
- **Inventory Management**
- **Strategic Account Facilitator**
- **Order Tracking, Delivering and Sampling**
- **Project Management and Installation**
- **Diversified product range**
- **Balanced geographic and end-market exposure for resilience to cycles**
- **Scale and execution excellence across the value chain: innovation, price competitiveness, design and customer service**
- **Regional design centers that anticipate local trends**
- **Optimization of industrial and logistics set-up**
- **Commercial sales forces with longstanding client relationship.**
- **Global leverage, creating more negotiating power**
- **Reclamation/Recycling**
- **Best-in-class industrial processes**

J. Describe any present or past litigation, bankruptcy or reorganization involving supplier.

**There are no past, present or threatened litigation that would adversely affect Company's ability to perform under this or any Agreement.**

K. Felony Conviction Notice: Indicate if the supplier

- a. **is a publicly held corporation and this reporting requirement is not applicable;**
- b. is not owned or operated by anyone who has been convicted of a felony;  
or

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

c. is owned or operated by and individual(s) who has been convicted of a felony and provide the names and convictions.

L. Describe any debarment or suspension actions taken against supplier

**There have been no debarment or suspension actions taken against Tarkett.**

**3.2 Distribution, Logistics**

A. Describe the full line of products and services offered by supplier.

**Modular tile, Powerbond, Broadloom, woven, HE and HO Sheet Vinyl, LVT, Rubber tiles, VCT, VET, SVT, sports flooring, wall base, stairwell management, accessories.**

B. Describe how supplier proposes to distribute the products/service nationwide.

**We've worked hard to develop a dealer base that reflects the communities where we do business. A strong and diverse dealer network is vital to the successful distribution, and service of our floorcovering products to help keep customers satisfied; we have the honor of working with some of the finest dealers in the business who help to foster collaborations and an entrepreneurial spirit within local communities.**

**Currently we support more than 250 community-based dealers who are either small or minority status businesses. Together they represent more than a \$1 million of product sales through distribution. As an extension of our global business our dealer partners generate profit that helps fund local community stimulus. Almost 100% of our business outside of North America is generated through local Authorized Business Partners supported by local national Tarkett employees.**

C. Include any states where products and services will not be offered under the Master Agreement, including U.S. Territories and Outlying Areas.

**Tarkett can provide products and services in all of the geographical locations included in the Master agreement.**

D. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.

**Tarkett process and ships all products, we also utilize over 100 Distributor Partners nationwide for getting products to customers as needed.**

E. Provide the number, size and location of Supplier's distribution facilities, warehouses and retail network as applicable.

**Tarkett 1735 Cleveland Hwy Dalton GA 30721**

**Tarkett USA 16077 Industrial Parkway, Middlefield OH 44062**

**Tarkett Truro 435 Willow St, Truro, NS B2N 6T2, Canada**

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

**Tarkett 800 Middle Tennessee Blvd, Murfreesboro, TN 37129**  
**\*Plus global warehouse and distribution centers outside of North America**  
**for both commercial and residential collections**

**3.3 Marketing and Sales**

**Please see attachment for answers to this section**

- A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as supplier's primary go to market strategy for Public Agencies to supplier's teams nationwide, to include, but not limited to:
- i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days
  - ii. Training and education of Supplier's national sales force with participation from the Supplier's executive leadership, along with the OMNIA Partners team within first 90 days
- B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Public Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:
- i. Creation and distribution of a co-branded press release to trade publications
  - ii. Announcement, contract details and contact information published on the Supplier's website within first 90 days
  - iii. Design, publication and distribution of co-branded marketing materials within first 90 days
  - iv. Commitment to attendance and participation with OMNIA Partners at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, Regional Cooperative Summits, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement
  - v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by OMNIA Partners for partner suppliers. Booth space will be purchased and staffed by Supplier. In addition, Supplier commits to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by OMNIA Partners.
  - vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement
  - vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)
  - viii. Dedicated OMNIA Partners internet web-based homepage on Supplier's website with:
    - OMNIA Partners standard logo;
    - Copy of original Request for Proposal;

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

- Copy of contract and amendments between Principal Procurement Agency and Supplier;
  - Summary of Products and pricing;
  - Marketing Materials
  - Electronic link to OMNIA Partners' website including the online registration page;
  - A dedicated toll-free number and email address for OMNIA Partners
- C. Describe how Supplier will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through OMNIA Partners. Include a list of current cooperative contracts (regional and national) Supplier holds and describe how the Master Agreement will be positioned among the other cooperative agreements.
- D. Acknowledge Supplier agrees to provide its logo(s) to OMNIA Partners and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of OMNIA Partners logo will require permission for reproduction, as well.
- E. Confirm Supplier will be proactive in direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by OMNIA Partners. All sales materials are to use the OMNIA Partners logo. At a minimum, the Supplier's sales initiatives should communicate:
- i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
  - ii. Best government pricing
  - iii. No cost to participate
  - iv. Non-exclusive
- F. Confirm Supplier will train its national sales force on the Master Agreement. At a minimum, sales training should include:
- i. Key features of Master Agreement
  - ii. Working knowledge of the solicitation process
  - iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through OMNIA Partners
  - iv. Knowledge of benefits of the use of cooperative contracts
- G. Provide the name, title, email and phone number for the person(s), who will be responsible for:
- i. Executive Support
  - ii. Marketing
  - iii. Sales
  - iv. Sales Support
  - v. Financial Reporting
  - vi. Accounts Payable
  - vii. Contracts
- H. Describe in detail how Supplier's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

**OMNIA PARTNERS EXHIBITS**  
**EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

- I. Explain in detail how the sales teams will work with the OMNIA Partners team to implement, grow and service the national program.
- J. Explain in detail how Supplier will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set-up, timely contract administration, etc.
- K. State the amount of Supplier's Public Agency sales for the previous fiscal year. Provide a list of Supplier's top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.
- L. Describe Supplier's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.
- M. If the Supplier wants to guarantee sales, provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that Supplier will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

\$ \_\_\_\_\_ .00 in year one  
\$ \_\_\_\_\_ .00 in year two  
\$ \_\_\_\_\_ .00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

- N. Even though it is anticipated many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.
  - i. Respond with Master Agreement pricing (Contract Sales reported to OMNIA Partners).
  - ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to OMNIA Partners under the Master Agreement.
  - iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to OMNIA Partners).
  - iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail Supplier's strategies under these options when responding to a solicitation.

# Capabilities

## Q3.3 – Marketing and Sales

### Section A

*Within the first 10 days:*

- Tarkett executive leadership will immediately announce to the 200 person North American sales team information about the award of this Master Agreement.
- The Tarkett North American Distribution network will also receive this announcement from Tarkett executive management.
- Social Media Posts will be sent out to announce this award.

*Within the first 90 days:*

- Training and education of Tarkett's national sales team with the participation from the Tarkett executive leadership will roll out, along with the OMNIA Partners team through multiple webinars and sales collateral.
- An eBlast will be done announcing the award.

*Ongoing Actions:*

- Marketing strategy to be organized and executed with the Tarkett sales team in each of the OMNIA Partners regions.
- Identify mutual conference and tradeshow opportunities for 2020 - 2021
  - Trade show collaboration
  - Develop marketing materials to be used at public agency trade shows for both Omnia partners and Tarkett.
  - Provide flooring for trade show booths as needed or desired.
  - Host joint events or sponsorships at public agency conferences
- Tarkett to send quarterly eBlasts featuring new products, coop highlights, platform explanations, etc. to the Omnia Partners sales team.

### Section B

The Tarkett 90 day plan to market the Master Agreement to current Participating Public Agencies, existing Public Agency customers of Tarkett, as well as to prospective Public Agencies nationwide immediately upon award are:

*Within the first 10 days:*

- Creation and distribution of a co-branded press release.

*Within the first 90 days:*

- Meet with Omnia Partners to create a co-marketing vision and strategy.

# Capabilities

- Identify Tarkett and Omnia Partners regional management and account executives per region to encourage joint marketing on a local level.
- Create emailable flyer as an “easy button” to show benefits of Omnia Partners
- Host a Tarkett destination for our agreement on our website and send out the link, including an Omnia Partners portal for our distribution partners for easy of pricing and ordering.
- Design and distribute co-branded marketing materials to existing public agency customers as well as prospective clients.
- Identify larger public agencies where Tarkett is already doing business and where there is potential to become the “preferred” supplier. Create a strategic plan for new targets.
- Mass mailings of the promotional items (fuzzy mailer, contract cut sheet, etc.) with co-branded identification.
- Joint tours of Manufacturing facilities offered to prospective joint customers.

## Section C

We hold agreements with Sourcewell, E & I, CMAS, GSA, and others like GPO’s the positioning of this agreement will be based on the needs of the customer and best value assed.

## Section D/E/F

Confirm will comply with statements

## Section G

Executive Support – Kathy Kohler, 619-314-0278 [kathy.kohler@tarkett.com](mailto:kathy.kohler@tarkett.com)  
Marketing, Sales – Tonya Sharma, 925-404-4143 [Tonya.sharma@tarkett.com](mailto:Tonya.sharma@tarkett.com)  
Sales Support, Contracts – Noah Corbin, 706-281-279, [Noah.Corbin@tarkett.com](mailto:Noah.Corbin@tarkett.com)  
Financial Reporting Sylvia Weiss, 706-259-2178, [Sylvia.Weiss@tarkett.com](mailto:Sylvia.Weiss@tarkett.com)  
Accounts Payable – Vernie Doss, 706-259-2655, [Vernie.Doss@tarkett.com](mailto:Vernie.Doss@tarkett.com)

## Section H

Our Salesforce is broken into 21 regions with a Regional VP in each. These are sectioned into 3 Divisions with a Division VP for each. In addition to that we have multiple Segment VP in the areas of Education/Government, Workplace, Healthcare, and Retail.

Kathy Kohler would be your executive in charge.

# Capabilities

## Section I

The Sales team will position OMNIA Partners for their customer needs and utilize the OMNIA Partners to look for opportunities to foster new relationships and grow where they can.

## Section J

Please see the answer to section A/B as these will be ways we will coordinate marketing and sales efforts and keep the position of this agreement to the needs of the end-use customer.

## Section K

This information is confidential.

## Section L

We accept and orders through email, and once we process we send confirmation through email. We accept payment via mail, credit card or ACH transfers. We also can use supplier portals to acknowledge orders, send invoices, and receive payments.



2018  
Corporate  
Social &  
Environmental  
Responsibility  
Report



## Tarkett at a glance

# A world leader in flooring and sports surface solutions

Because great moments deserve great spaces, Tarkett helps create great spaces and deliver an easy customer experience by understanding customer needs, offering expertise brought by 135 years of experience, and being obsessed with execution. This is our commitment to our clients to help create "Great spaces. One surface at a time". As one of the world's leaders in flooring and sports surface solutions, our teams are mobilized to act as "One Tarkett, agile and performance driven" and to represent our brand values by being committed, collaborative, creative and caring.

### A BROAD RANGE OF SOLUTIONS

We offer one of the largest portfolios of flooring and sports surface solutions, and we share with our customers our expertise in multiple market segments.



Vinyl



Linoleum



Carpet



Wood



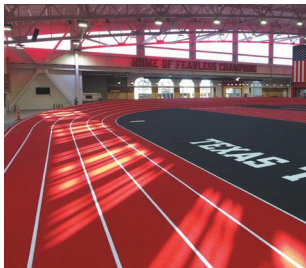
Laminate



Rubber & Accessories

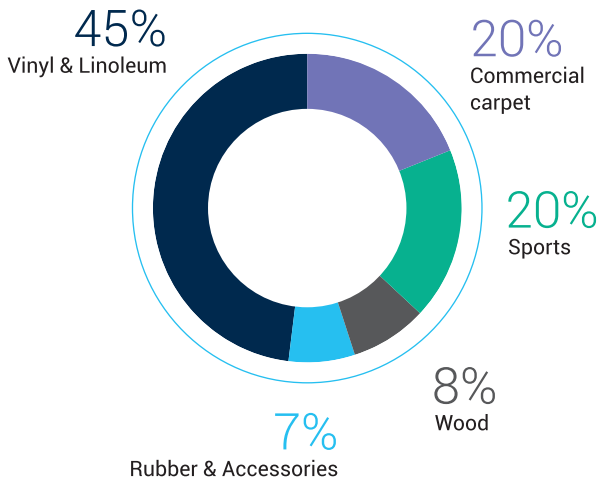


Artificial Turf



Athletic Tracks

-   
 EDUCATION
-   
 HOME
-   
 WORKPLACE
-   
 HEALTH CARE  
& AGED CARE
-   
 STORES  
& SHOPS
-   
 HOSPITALITY,  
TRAVEL & LEISURE
-   
 MARINE, AVIATION  
& TRANSPORT
-   
 INDUSTRY
-   
 SPORTS  
& WELLNESS



% of 2018 net sales

## TARKETT WORLDWIDE

- 24**  
R&D laboratories
- 
- 1**  
research & innovation center
- 
- 4**  
design centers
- 
- 36**  
industrial sites
- 
- 7**  
recycling centers



**€2.8 billion**

2018 net sales

**13,000**

employees

**No. 1**

in vinyl worldwide

### ATTRACTIVE END-MARKET EXPOSURE

~ 70%  
Commercial

~ 30%  
Residential



### SALES DRIVEN BY RENOVATION

~ 80%  
Renovation

~ 20%  
New construction



% of 2018 net sales

**1.3 million**

m<sup>2</sup> of flooring sold every day in over 100 countries

## OUR COMMITMENT: "DOING GOOD. TOGETHER."

"Doing Good. Together." means connecting our sustainability efforts with what our customers value and our world needs, in collaboration with all our stakeholders: creating healthy living spaces and wellness, responsible stewardship of our planet's resources and combating climate change.



Eco-design by applying Cradle to Cradle® principles



Build a circular economy model



Contribute to global debates and combat climate change\*



Comply with the 10 United Nations principles



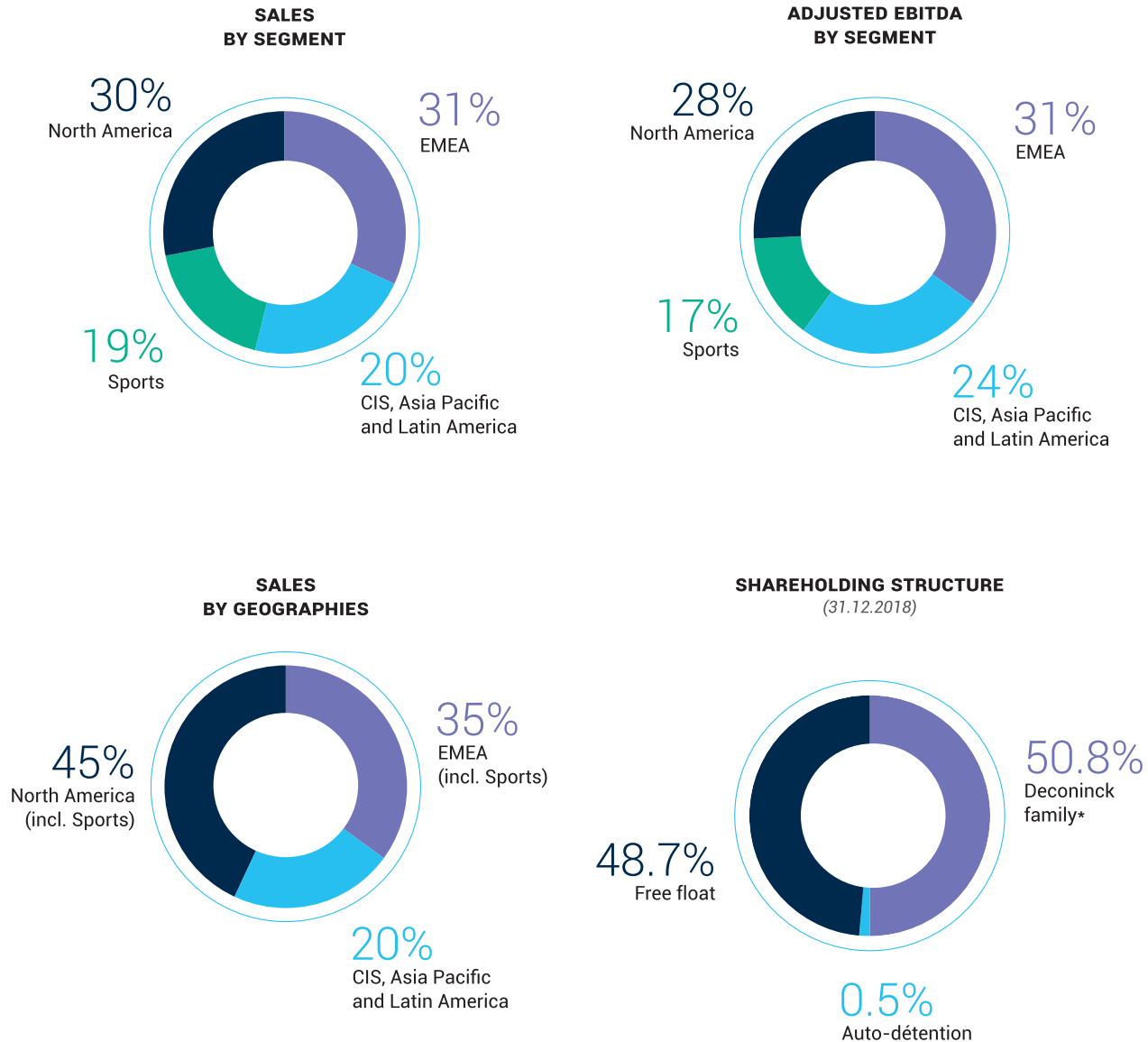
**THE GLOBAL GOALS**  
For Sustainable Development

Contribute to the Sustainable Development Goals defined by the United Nations

\* Member of World Economic Forum between 2016 and 2018

## Tarkett in figures

Tarkett benefits from its global geographical presence and balanced economic model, which reinforce the stability and robustness of the Group.



Tarkett is listed on Euronext Paris (compartment A, ISIN: FR0004188670, ticker: TKTT) and is a constituent of the SBF 120 and CAC Mid 60 indexes.

The Management Board will propose to the General Meeting of 26 April, 2019 the payment of a dividend of **€0.60** per share for the 2018 financial year. This dividend will be paid, at the shareholder's option, in cash or in new shares.

\* Deconinck Family includes Société Investissement Deconinck, members of the Deconinck family and companies related to them. More details in section 7.3.1.

The breakdown of 2018 net sales and EBITDA is calculated pro forma for the full year, including Lexmark activity (acquisition made in September 2018). Adjusted EBITDA: adjustments include expenses such as restructuring, acquisitions and share-based payment expenses.

## Gouvernance

### Supervisory Board

Tarkett's Supervisory Board is composed of nine members, five of whom represent the Deconinck family, the majority shareholder, the remaining four members being independent\*. The Board complies with standards and regulations regarding the proportion of independent members, men / women, and diversity of expertise.



**Éric La Bonnardière**  
Deconinck family  
Chairman  
Member since 2015

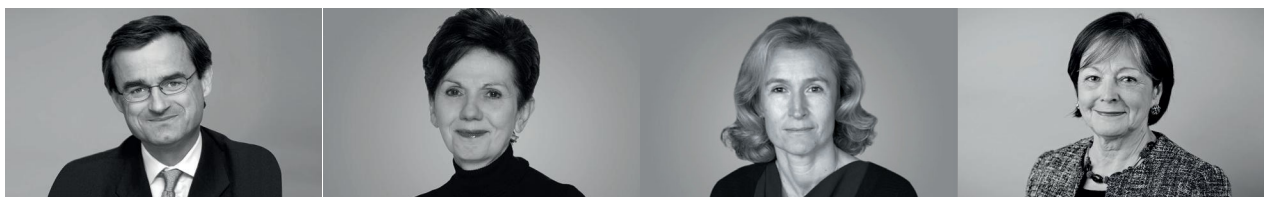
**Didier Deconinck**  
Vice-Chairman  
Member since 2011



**Éric Deconinck**  
Member since 2001

**Julien Deconinck**  
Member since 2018

**Agnès Touraine**  
Member since 2016



**Jacques Garaïalde**  
Member\*\* since 2007

**Françoise Leroy**  
Member\*\* since 2013

**Sabine Roux de Bézieux**  
Member\*\* since 2017

**Guylaine Saucier**  
Member\*\* since 2015

#### Audit, risks and compliance committee:

- Guylaine Saucier (President)\*\*
- Françoise Leroy\*\*
- Julien Deconinck

#### Observers:

- Bernard-André Deconinck
- Nicolas Deconinck

#### Nominations, compensations and governance committee:

- Françoise Leroy (President)\*\*
- Sabine Roux de Bézieux\*\*
- Agnès Touraine

\* Two observers also attend the meetings of the Supervisory Board.

\*\* Independent Member

## Gouvernance

### Group Executive Committee

(as of March 15, 2019)

The Group Executive Committee is led by Fabrice Barthélemy, CEO. This international and entrepreneurial team is composed of experienced leaders who share the Group's interest and values, while ensuring operational agility through a decentralized organization.



**Fabrice Barthélemy<sup>(1)</sup>**  
CEO

President EMEA & LATAM  
(acting)



**Eric Daliere**  
President Tarkett Sports



**Jeff Fenwick**  
Interim President & CEO  
of Tarkett North America



**Slavoljub Martinovic**  
President Tarkett Eastern  
Europe



**Pierre Barrad**  
EVP Strategic Marketing,  
Digital & Innovation



**Raphaël Bauer**  
Chief Financial Officer



**Wendy Kool-Foulon**  
General Counsel



**Gilles Lebret**  
VP Customer Operations and  
Chief Information Officer



**Sharon MacBeath<sup>(1)</sup>**  
EVP Human Resources and  
Communications



**Antoine Prevost**  
EVP Research & Development  
and Operations

<sup>(1)</sup> Members of Tarkett's Management Board



## A Word from the CEO

---

Tarkett experienced a challenging and unstable business environment in 2018, but was able to show resilience as well as good organic growth. 2019 shall mark a first step in the improvement of our profitability.

It is in this context that I took the Group's leadership in January 2019 as Chief Executive Officer. With over ten years experience at Tarkett, I have a deep knowledge of our business and of the challenges the Group is facing.

I also know the depth of our talent and the commitment of our teams worldwide, and their dedication to the success of the Group and of our customers. I know their pride in contributing with our clients to create great and unique spaces that respect people's health and the environment.

Finally, I share with the members of the Supervisory Board and the Executive Committee a common ambition to transform the Group, to make it more agile and performance driven, able to both adapt to complex economic environments and seize growth opportunities, while contributing to societal and environmental challenges.

In order to achieve a sustainable improvement in the Group's financial performance, we have initiated a transformation plan focused on innovation in products and solutions, optimization of our industrial set-up, digital transition and continued commitment to circular economy.

Our long-lasting relationships with our clients and our renowned expertise in various segments such as hospitality, health care, education, workplace, home or sports, are major assets to succeed. In addition, we also want to accelerate the digitalization of our customer journey and distribution channels.

Beyond our World Class Manufacturing program for improvement of our operational performance, we have also initiated a review of our industrial set-up to improve its profitability and further increase the level of excellence in terms of safety, quality and environmental impact.

Lastly, we also strongly believe that we must move further and faster with our commitment to a circular economy. This is a major challenge for the construction and flooring industry in order to reduce the use and the reliance on natural resources. It is also a factor of differentiation with our customers, to offer an efficient take-back and recycling service. Above all, it is an inspiring commitment for our teams and partners.

Our commitment to the Ten Principles of the Global Compact and to the Sustainable Development Goals defined by the United Nations, along with our partnership with the "Circular Economy 100" initiative of the Ellen MacArthur Foundation, demonstrate our willingness to contribute, at our scale, to tomorrow's worldwide challenges by "Doing Good. Together."

With the support of the Supervisory Board and the Deconinck family, our long-time majority shareholder for four generations, and thanks to our committed, collaborative and creative teams, I am confident that Tarkett has strong assets to start its transformation and successfully face today's and tomorrow's challenges.



Fabrice Barthélemy  
Chief Executive Officer

## Doing Good. Together.



### Designing for Life

Improving indoor air quality & contributing to healthy spaces

Stewarding water, energy and resources



#### QUALITY MATERIALS

98%

of our raw materials (representing more than 3,000 materials) are third-party assessed (by EPEA) for their impact on people's health and the environment based on Cradle to Cradle® criteria.

#### SUSTAINABLE RESOURCES

70%

of our materials do not contribute to resource scarcity, being abundant, rapidly renewable or recycled.

#### GOOD INDOOR AIR QUALITY

97%

of our floorings are low VOC\*.

\* Total Volatile Organic Compounds

#### WATER CONSUMPTION

68%

of our production sites are equipped with closed loop water circuits or do not use water in their process.



#### CLIMATE IMPACT

-8.5%

of greenhouse gas emissions (kgCO<sub>2</sub>e/m<sup>2</sup>) between 2010 and 2018.



#### HEALTHY SPACES

100%

of our vinyl production sites in Europe, in North America, in Serbia and in China use a phthalate-free\* technology by end 2018.

\* Except recycled content for certain products.

#### RENEWABLE ENERGY

27%

of energy consumption comes from renewable energies.



## Our commitment to sustainable development



### Closing the Loop

Recycling to turn waste in high quality materials

Implementing take-back program

**RECYCLED RESOURCES**

**134,000**

tons of recycled materials used as raw materials, representing 10% of our purchased raw materials (in volume).

**RESTART® PROGRAM**

**102,000**

tons of collected floorings from 2010 to 2018.



### Driving Collaboration



Building a circular economy business model.



WE SUPPORT

Compliance with the 10 principles of United Nations Global Compact



Nearly 1,300 employees involved in over 170 charity initiatives at the world scale.



23,000 professionals or students trained as professional installers or in flooring installation techniques from 2012 to 2018.



# TABLE OF CONTENTS

*This document is an extract of the Registration Document (chapter 3).*

<b>3.1</b>	<b>Tarkett's business model</b>	<b>11</b>
<b>3.2</b>	<b>Tarkett's CSR ambition and commitment</b>	<b>13</b>
3.2.1	A word from the CEO	13
3.2.2	Our CSR approach dedicated to serving our clients	14
3.2.3	Our CSR performance and our progress towards 2020 Objectives	15
<b>3.3</b>	<b>CSR governance</b>	<b>17</b>
3.3.1	A CSR governance integrated at all levels of the Group	17
3.3.2	A robust reporting process to drive CSR performance	17
3.3.3	A CSR approach aligned with international standards	18
3.3.4	A Commitment to high ethical standards	18
<b>3.4</b>	<b>CSR risks and opportunities</b>	<b>20</b>
3.4.1	Our risk identification and assessment process	20
3.4.2	Challenges, risks and opportunities mapping	21
3.4.3	Our risk management process	23
3.4.4	Our materiality assessment	24
<b>3.5</b>	<b>Duty of care/Vigilance plan</b>	<b>25</b>
<b>3.6</b>	<b>Stakeholder engagement</b>	<b>26</b>
<b>3.7</b>	<b>"Designing for Life" &amp; "Closing the Loop": A healthy circular economy approach to best serve our clients</b>	<b>28</b>
3.7.1	Our collaborative approach towards eco-conception and circular economy	29
3.7.2	Our careful choice of materials and our products evaluation	30
3.7.3	Our flooring products contributing to healthy and people-friendly spaces	33
3.7.4	Our commitment to limiting waste and closing the loop	35
3.7.5	Our preservation of natural capital: water & energy	39
3.7.6	Our greenhouse gas emissions and our commitment to combating climate change	40
<b>3.8</b>	<b>"Driving Collaboration" in value chain and in communities</b>	<b>43</b>
3.8.1	A responsible and collaborative supply chain	43
3.8.2	Our impacts and support towards local communities	44
<b>3.9</b>	<b>Developing Talents</b>	<b>47</b>
3.9.1	Make employees' safety our number one commitment	48
3.9.2	Ensuring the health and well-being of our workforce	50
3.9.3	Promoting equality, diversity and non-discrimination	50
3.9.4	Recognizing and developing talents	50
3.9.5	Engaging in proactive social dialogue	54
<b>3.10</b>	<b>Social and Environmental Report</b>	<b>56</b>
3.10.1	CSR indicators dashboard	56
3.10.2	CSR methodological note	62
3.10.3	GRI and DPEF concordance table	69
3.10.4	Report of an Independent third-party Organization	73

# 3.1 Tarkett's business model

## A world leader in flooring and sports surface solutions

Because great moments deserve great spaces, Tarkett helps create great spaces and deliver an easy customer experience by understanding customer's needs, offering expertise brought by 135 years of experience, and being obsessed with execution. This is our commitment to our clients to help create "Great Spaces. One Surface at a Time". Our business model is summarized below – for more details refer to Chapter 1 "Presentation of the Group".

## Our business model dedicated to serving our customers...

### Our Inputs: Sustainable Capital



#### Capital financier

- Listed on Paris Stock Exchange (SBF120)
- Family shareholder (50.8%)
- Free float (48.7%)
- Debt financing



#### Manufacturing capital

- 36 production sites in 17 countries worldwide (Europe, North America, CIS, China, Brazil, Australia)
- 7 recycling facilities



#### Intellectual capital

- Reputed brands (Tarkett, FieldTurf...)
- 15 patent families active in 42 countries
- 24 R&D labs, 1 research & innovation center, 4 design centers
- Network of internal experts and methodology (World Class Manufacturing, Design Thinking, Cradle to Cradle®, Talent Philosophy...)
- Scientific partnerships (universities, Environmental Protection Encouragement Agency - EPEA, suppliers...)



#### Human, social and relationship capital

- 13,000 employees in 30 countries, 40 nationalities
- Diversified B2B2C clients in over 100 countries (sales forces, showrooms...)
- Diversified suppliers, from international key raw materials suppliers (PVC, plasticizers...) to local suppliers
- Local communities close to our industrial sites



#### Natural capital

- Energy from renewable and non-renewable sources
- Water
- Renewable (wood, jute, cork, ...) and non-renewable (fossil and mineral) raw materials, from recycled and virgin sources



#### Governance and compliance capital

- Management Board, Supervisory Board and 2 specialized committees
- Executive Committee
- Code of ethics and conduct
- Whistleblowing procedure
- Code of Conduct Securities Markets

#### Our Mission

*Great Spaces.  
One Surface  
at a Time.*

#### Our Values

*Committed  
Collaborative  
Creative  
Caring*

#### Our Culture

*One Tarkett,  
agile &  
performance  
driven*

### OUR VALUE PROPOSITION

*Tarkett helps create great spaces and delivers an easy customer experience by understanding customer needs, offering expertise brought by 135 years of experience, and being obsessed with execution.*

### SOLUTIONS

**A comprehensive and coordinated offer of flooring and sports surfaces:**



- Resilient flooring (vinyl, linoleum...)
- Commercial carpet
- Wood and laminate
- Rubber and accessories
- Artificial turf and athletic tracks

### SEGMENTS

**A recognized expertise in specific segments, in renovation and new construction:**



- Home
- Workplace
- Health care
- Education
- Hospitality, Stores & Shops
- Sports

### CHANNELS

**A local service tailored to our different clients and regions:**



- Specifiers (architects, designers)
- Installers, contractors
- Distribution, DIY
- Key accounts
- End-users, facility managers

## and our stakeholders

### Our Outputs: Sustainable Performance

#### Distributing value

€2,836 million  
Net sales

€249 million  
Adjusted EBITDA

€49 million  
Net profit (Group share)

€671 million  
Remunerations

€128 million  
Investments

€0.60 dividend  
per share  
Shareholders

€25 million  
Income tax paid

€0.8 million  
Support to local  
communities (Tarkett Cares)

#### Growing and strengthening our positions

2.1%  
Organic growth

3<sup>rd</sup>  
largest flooring supplier  
worldwide

1.3 million  
m<sup>2</sup> flooring sold daily in  
over 100 countries

No. 1  
in vinyl  
flooring

#### Developing talents

2.14<sup>FR1t</sup>  
Recordable Lost Time Accident  
Frequency Rate (FR1t) for employees and  
external workers in production sites

##### Safety

60%  
employees trained  
in the last year

##### Training

88%  
participation in biennial employee  
feedback survey

##### Dialogue

Diversity  
27%  
management positions filled  
by women

Performance  
53%  
permanent employees had  
a Performance & Development Review

Acknowledgement  
>200 projects  
submitted to Tarkett Awards

#### Designing for life and preserving the natural capital

- Assess raw materials (for health and environmental impacts) according to **Cradle to Cradle® - C2C principles** (98%)
- Contribute to well-being through our products: indoor air quality (low volatile organic compounds emissions), healthy spaces (phthalate-free plasticizers), comfort (visual, acoustics, installation, maintenance...)
- Select raw materials not contributing to resource scarcity (70% - renewable, abundant or recycled)
- Reduce greenhouse gas emissions (Scope 1 & 2, 27% renewable energies)
- Equip our plants with closed loop water systems (68%)

#### Closing the loop towards a circular economy model

- Use recycled materials (134,000 tons, 10% of purchased raw materials in volumes)
- Recycle our production waste internally and externally
- Collect flooring via the **ReStart® program** (102,000 tons between 2010 and 2018)
- Design products and installation systems for **easy recyclability**

#### Driving collaboration

- Engage with responsible suppliers ("responsible sourcing program", 76% committing to United Nations Global Compact, C2C eco-design)
- Share our products information with our clients (Material Health Statements - MHS, Environmental Product Declarations - EPD)
- Support local communities through **Tarkett Cares** and employees involvement
- Train students and professionals in flooring profession and installation techniques via Tarkett Academy (23,000 people trained from 2012 to 2018)





## 3.2 Tarkett's CSR ambition and commitment

### 3.2.1 A word from the CEO



**Fabrice Barthélemy**  
CEO of Tarkett

"At Tarkett, we are committed to serving our customers through our innovation capabilities and longstanding sustainability dedication and achievements. We are deeply convinced that there is an urgency to shift models to preserve the world's finite natural resources and capital. Our goal for the next years is to establish a healthy circular economy in the flooring industry and we invite our stakeholders to join our efforts on this journey. In 2018, we have not only reduced our environmental footprint but also contributed positively to global societal challenges, inspired by the United Nations' Sustainable Development Goals (SDGs) and by the 10 principles of UN Global Compact."

### 3.2.2 Our CSR approach dedicated to serving our clients

At Tarkett, social and environmental Responsibility is a long-standing commitment and a lever for business growth. This commitment for a sustainable and responsible development is at the heart of our strategy. It is integrated in all our activities, such as talent development via our Talent Philosophy, our circular economy and eco-design approach according to Cradle

to Cradle® principles, and our operational excellence program via World Class Manufacturing (WCM). Every day, we strive to combine these elements not only to best serve our clients, but also to anticipate and respond to the expectations and requirements of our different stakeholders – employees, customers and users, investors, NGOs, public authorities.

#### Our client's expectations and requirements regarding sustainable and responsible development

Our clients face various challenges and have continually increasing expectations regarding sustainable and responsible development, for example:

- > installers and contractors: install and remove quickly, collect and recycle post-installation and post-consumer flooring waste;
- > architects and designers: select materials responding to more and more stringent certification and label criteria regarding indoor air quality, healthy spaces and recycling, and transparently understand the composition of our products;
- > distributors: offer products responding to market trends, obtain support for sales force notably regarding products' technical and environmental characteristics, and guarantee a quick availability of the products;
- > final users, who live on our flooring and sports surfaces on a daily basis: make no compromise between price, design (visual aspect), performance (comfort, resistance, acoustics, safety, easy maintenance) and respect for health and the environment.

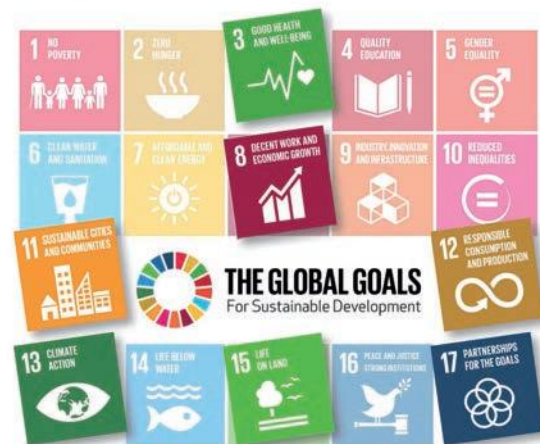
Our CSR/sustainability ambition is expressed by “Doing Good. Together.”. The objective is to go beyond simply “doing better” through improvements to the existing model, to actually “doing good” by building a sustainable business model that integrates the challenges of tomorrow's world. This approach is based on the main constituents of Tarkett's sustainable development approach: Designing for life, Closing the loop, Driving collaboration, Supporting communities, and Developing talents.

In 2015, the United Nations adopted a set of sustainable development Goals. This framework defines global ecological, social, and humanitarian changes that must be implemented and which benefit all. The action plan aims to address key issues in areas such as poverty eradication, environmental protection, and economic development. Through its ambitious CSR approach implemented since 2010, Tarkett contributes to several of the UN sustainable development Goals.

#### Tarkett contributes to sustainable development Goals (SDG) defined by the United Nations through our “Doing Good. Together.” approach

- > **Designing for life:** respect the planet's natural capital by reducing our environmental footprint (SDG 15) and fighting climate change (SDG 13); develop products that contributed to people-friendly spaces, with good health and well-being in working, leisure, and living spaces (SDG 3).
- > **Closing the loop:** building a circular economy inclusive of programs and business models that encourage take back, reuse, recycling and elimination of waste (SDG12).
- > **Driving collaboration:** inspiring others to join us in “Doing Good. Together.” through education, collaboration, transparency, and communication (SDG17).
- > **Supporting communities:** contributing to the development of communities and territories in which we are active, and making sure our business is inclusive by bringing together various stakeholders, including suppliers, and encouraging them to take part in our responsible value chain (SDG 11).

- > **Developing talents:** making sure that every employee adheres to our approach, which we consider crucial for the successful implementation of our projects, therefore creating a safe, respectful, inclusive and rewarding work environment (SDG 8).



### 3.2.3 Our CSR performance and our progress towards 2020 Objectives

#### Using good materials for people's health and the environment

##### Materials assessment



98%

of our raw materials are third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria (Objective 2020: 100%).

##### Indoor air quality



97%

of our floorings have low levels of volatile organic compounds<sup>(1)</sup> emissions, i.e. 10 to 100 times lower than the strictest standards (Objective 2020: 100%).

##### Healthy indoor environment



by end 2018,

100%

of our vinyl production sites in Europe, North America, Serbia and China use non-phthalate plasticizer technology<sup>(2)</sup>. At Group level, 65% of our vinyl flooring are phthalate-free<sup>(3)</sup> (Objective 2020: 100%).

#### Fighting climate change

##### Renewable energy



27%

of energy consumption comes from renewable energies.

##### Greenhouse gases



-8.5%

decrease of GHG emissions (per m<sup>2</sup> of manufactured product) compared to 2010: 0.92 kgCO<sub>2</sub>e (scope 1 & 2)/m<sup>2</sup> (Objective 2020: -20% vs. 2010).

#### Respecting resources through circular economy

##### Materials selection



70%

of our raw materials do not contribute to resource scarcity, being abundant in the nature, rapidly renewable or recycled (Objective 2020: 75%).

##### Recycled resources



134,000 tons

of recycled materials<sup>(3)</sup> are used as raw materials, representing 10% of the volume of purchased raw materials.

##### Flooring take-back



102,000 tons

of flooring have been collected from 2010 to 2018 by Tarkett ReStart® program in Europe and North America (collection of post-installation and post-consumer flooring: vinyl, linoleum and carpet). In 2018, 3,300 tons were collected (Objective 2020: 38,000 tons per year – double volume vs. 2010).

##### Production waste



67%

of our industrial waste is effectively recycled.

##### Water consumption



68%

of our production sites are equipped with closed-loop water circuits or do not use water in their process (Objective 2020: 100%).

(1) Total volatile organic compounds < 100 µg / m<sup>3</sup> (% of m<sup>2</sup> produced, flooring only).

(2) Except recycled content for certain products.



### Respecting and developing our teams

#### Safety



2.14

Recordable Lost Time Accident Frequency Rate (FR1t<sup>(1)</sup>) in production sites, compared to 1.87 in 2017 (Objective 2020: 0 Lost Time Accident).<sup>(2)</sup>

#### Diversity



27%

of members of the Executive Committee are women; 27% of management positions are filled by women.

#### Training



60%

of employees trained at least 1 day during the year.

#### Social dialogue



88%

participation in biennial employee feedback survey.

### Supporting local communities

#### Tarkett Cares



2

days of volunteer activity for charity initiatives possible for all employees.

1,300

employees involved

170

initiatives.

€800k

contributions<sup>(3)</sup> to community initiatives.

#### Tarkett Academy



23,000

professionals or students trained as professional installers or in installation techniques from 2012 to 2018.

(1) Number of accidents with lost time more or less than 24 hours per million hours worked of employees and external workers at Tarkett production sites.

(2) Despite the efforts made in terms of safety since 2010, we faced a fatal accident at one of our manufacturing sites.

## 3.3 CSR governance

### 3.3.1 A CSR governance integrated at all levels of the Group

At Tarkett, we are convinced that the successful transition of the Group towards circular economy and the successful implementation of our sustainable development strategy will essentially depend on two factors: engaging all our employees, and integrating CSR considerations on a daily basis at all levels of the Group, within each of the divisions and cross-business functions, as well as at production sites.

Several bodies, networks and stakeholders are thus involved in CSR/sustainability governance:

- **our CSR strategy is developed and monitored by the CEO and the Executive Committee**, involving the divisions' Presidents (EMEA & LATAM, TNA, TEE, Sports) and the functions' Executive Vice Presidents/Chief Officers. The Executive Committee meets monthly to review the Group's operational and financial performance and to discuss strategic projects and key business matters, including CSR/sustainability topics and related 2020 objectives as relevant;
- **this strategy is rolled-out, driven and implemented at divisions, functions, sites and networks level** in every country where we operate. The divisions' and functions' management committees develop and monitor roadmaps depending on priorities and specificities of the concerned sites, countries and divisions and on the Group's 2020 objectives;
- **the dedicated environmental committee**, created in 2011 and overseen by the Executive Vice President of Research, Innovation & Environment (Member of the Executive Committee), also participates in the definition and implementation of the environmental strategy and of best practice sharing. This committee consists of a network of environmental/sustainability experts from the divisions and of members from different functions (research and innovation, operations/WCM, communication, marketing), and meets on a monthly basis. The proposals of this committee, notably in terms of objectives and indicators, are presented to the Executive Committee for validation;
- the CSR strategy, along with progress achieved and objectives, are **shared with company employees**, in particular via the internal newsletter (special edition on sustainability in October 2018), intranet news, and communications and training organized at divisions level. Progress and challenges are also shared with the senior executives as part of quarterly results presentations and during the annual seminar;
- our commitment and results are also **presented to the shareholders and the financial community** during the annual Shareholders Meeting, and to all our stakeholders via our different publications (CSR report, 2017 Activity and sustainability report, Tarkett in brief).

Furthermore, two committees support the Supervisory Board and are involved in our CSR approach:

- **the Audit, Risks and Compliance Committee** ensures the effectiveness of risk-monitoring and internal control procedures, which cover CSR-related topics;
- **the Nominations, Compensations and Governance Committee** determines and regularly reviews the compensation and benefits awarded to the Company's top executives, for whom some CSR objectives have been included in the criteria for awarding a variable compensation. For example in 2018, one of the CEO's four main objectives was to strengthen the leadership on sustainability, while other members of the Executive Committee, depending on their areas of responsibilities, had objectives related to safety, compliance, talent management, circular economy, deployment of Cradle® principles and contribution to 2020 environmental objectives.

### 3.3.2 A robust reporting process to drive CSR performance

The reporting process of CSR/sustainability indicators is managed and consolidated since 2018 by the Financial department with the support from the different concerned functions (including Operations/WCM, HR, Legal, Research & Innovation & Environment...), divisions and sites. The CSR report, managed by the Communication & CSR department, is included in the Registration Document. The reported indicators and the CSR report are audited by a third-party independent organization (see section 3.10.4 Report of Independent third-party Organization).

**A detailed, rigorous and audited reporting process:** Since 2017, the reporting process has been strengthened with the drafting and diffusion of an accurate and comprehensive CSR reporting guide, which provides the Group with a foundation of common knowledge shared by all people involved in CSR reporting at all levels of the organization. This guide describes in detail CSR reporting principles, the scope, the definition of indicators, as well as the tools/calculation methods and controls carried out by contributors at the local level, and consolidation of data at the Group level. The process and the indicators are audited by internal audit teams and by a third-party independent organization. This formalization of the reporting process with the existing rules demonstrates the commitment of the Group to being rigorous and transparent towards its stakeholders.

**Dashboards enabling to empower and to drive CSR performance at each level:** the Group follows a dashboard, which notably includes environmental indicators for which 2020 objectives have been defined as early as 2012. Divisions and functions also have dashboards with all indicators, allowing the different entities to drive their performance and focus their efforts on the material challenges associated with their activities. The analysis of the evolution of indicators over time is crucial to measure progress achieved, identify room for improvement and the challenges which still need to be tackled, and implement ambitious and pragmatic action plans.

**Progress review meetings** are also jointly organized at different levels: Group, divisions, functions and sites, and as part of "networks" (WCM, HR, environmental committee, etc.).

### 3.3.3 A CSR approach aligned with international standards

Tarkett's commitment, as well as the CSR report, the indicators dashboard, the 2020 objectives and the strengthened reporting process, meet the European and French regulatory obligations, and are in line and consistent with the requirements of internationally recognized standards:

- › the European Union Directive and the French regulations on non-financial statement, known as the extra-financial performance declaration (DPEF – formerly known as Grenelle II);
- › the French duty of care ("*Devoir de Vigilance*") and anti-corruption law ("*Loi Sapin 2*"), which are applicable in France since 2017 and 2016 respectively;
- › the Global Reporting Initiative (GRI) Standards – see in particular section 3.10.3 "GRI and DPEF concordance table";
- › the Ten Principles of the United Nations Global Compact (UNGC), to which we communicate our results to comply with the "Advanced" level standard;
- › several sustainable development Goals (SDGs) defined by the United Nations;
- › the Task-force on Climate-related Financial Disclosures (TCFD);
- › the Carbon Disclosure Project (CDP) climate change questionnaire;
- › the calculation and reporting of greenhouse gas (GHG) emissions in line with the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) GHG Protocol;
- › the Afep-Medef recommendations, notably regarding corporate governance and DPEF.

### 3.3.4 A Commitment to high ethical standards

#### 3.3.4.1 Our approach to ethics and integrity

Among our most important company assets are our reputation and credibility for high standards of ethics and integrity. We consider that adherence to these principles as well as compliance with applicable laws and regulations are "non-negotiable" and central to how we do business every day and in every country. This corporate responsible commitment is evident in our core values, and we urge every Tarkett employee to follow and act according to these principles.

These principles are transcribed in **several Group's Codes and Policies**, for example:

- › **the Code of Ethics** was originally developed in 2009. It defines essential principles which guide employees, as well as fundamental principles which should not be infringed, in terms of fair competition, selection of suppliers and service providers, conflict of interest, safeguarding of company property and information, and truth and accuracy of accounts;
- › **the Competition Policy** complements the Code of Ethics on the topic of compliance with competition laws. It provides essential principles and rules to be respected in terms of relationship with competitors (horizontal agreements, exchange of information, membership and participation in trade associations), relationships with suppliers and customers, good practices to avoid abuse of dominance, misleading advertising, etc.;
- › **the Anticorruption Code of Conduct** was in turn deployed in 2018 in replacement of the Anticorruption Policy which was

in effect since 2012 (see section 3.3.4.2 "Prevention of Corruption").

To ensure that all Tarkett employees are aware of and respect the values and behaviors that we wish to share, we have implemented **several training and monitoring programs**:

- › **compliance training**: we have launched in 2018 a new compliance training program focused on fair competition and anti-corruption. The program consists of six tailored e-learning modules which have to be completed every year by all Tarkett employees who have computer access (covering approximately 5,000 employees worldwide). A significant investment was made for the development of the new compliance e-learning modules. Face-to-face training sessions have also been reinforced via dedicated compliance workshops tailored to groups more exposed to the previously mentioned risks, notably the sales and procurement functions, and groups performing strengthened controls, such as the internal audit team;
- › **participation in trade associations**: Guidelines of good behavior practices when joining trade associations and more generally when attending meetings where competitors are present have been developed in 2018 and are included in the training sessions;
- › **Code of Ethics training**: The new compliance e-learning program comes in addition to the existing training program on the Code of Ethics, which has to be completed every other year by all Tarkett employees (either via e-learning or face-to-face session);
- › **cybercrime and fraud training**: We have also implemented training sessions to raise awareness and empower teams on cybercrime and fraud;
- › **Compliance Hotline**: While a professional alert mechanism, the Ethics Hotline, was already available for our activities in North America, we implemented in 2018 a second similar tool, the Compliance Hotline. This system enables Tarkett's employees and business partners worldwide to raise their concerns and/or report potential violations they may witness within Tarkett, including in an anonymous way if they wish to.

#### Example



#### Our Compliance Hotline: a new tool that enables raising concerns to Tarkett

- › Easy access on the web or by phone from 103 countries in 52 languages.
- › Accessible to Tarkett's employees and business partners (suppliers, clients, etc.).
- › To report any type of violation, for example regarding accounting, anti-trust, conflict of interests, corruption, fraud, harassment, discrimination, environmental damage, etc.
- › Presented for consultation to Tarkett's Works Councils and Health, Safety and Working Conditions Committees in countries where local law enforces it.
- › Supported by a Whistleblowing Procedure to ensure the protection of whistleblowers.
- › Guaranteeing the confidentiality of cases.

## Tarkett's CSR ambition and commitment

The compliance section of Tarkett's intranet has moreover been updated and completed in 2018 to provide all employees who have intranet access with readily-available information on ethics, competition, anti-corruption, the whistleblowing procedure and Tarkett's professional alert mechanisms (Compliance Hotline and Ethics Hotline). Similar information has moreover been publicly disclosed on Tarkett's website.

Compliance risks have been included in the controls and work programs of the internal audit department, and in 2018, all internal controllers and auditors were trained on compliance issues.

**Data privacy:** the Group is committed to ensuring the responsible use of the personal data it processes, in compliance with the applicable regulations, notably the EU General Data Protection Regulation ("GDPR"). In this context, the Group has developed an action plan overseen by the Group legal department, whose main features are presented in Chapter 6 "Risk factors and internal control" of the 2018 Registration Document.

**Cybersecurity:** the Group uses complex information systems (notably for production management, sales, logistics, accounting and reporting), which are essential for conducting its commercial and industrial activities. Recognizing that a failure of any one system could have a material adverse effect on the Group's business, financial position, results, or prospects, Tarkett has procedures, tools and trainings in place to continually strengthen the security of its information systems, as detailed in Chapter 6 "Risk factors and internal control" of the 2018 Registration Document.

**Responsible tax practices:** As part of its activities, Tarkett does not resort to complex financial arrangements aiming at obtaining a tax benefit conflicting with the purpose or the aim of applicable tax law. Tarkett does not have legal entities in any of the five countries of the European Union (EU) black-listed tax havens, which include countries refusing to engage a dialogue with the EU or to remedy shortcomings in terms of good tax governance. With regard to the 65 countries of the EU grey-listed tax havens, which include countries committed to comply with international standards but having signed less than twelve agreements, Tarkett has commercial legal entities in four countries (Hong Kong, Serbia, Switzerland and Turkey) and one production subsidiary in Serbia. The list of these countries, updated as of 4th December 2018, is available at the following link: <https://ec.europa.eu/taxation-customs/sites/taxation/files/eu-list-update-04-12-2018-en.pdf>.

In the EU, Tarkett operates in Luxembourg since 1961 (where it has a vinyl flooring manufacturing site and a research and innovation center employing over 500 employees) and in the Netherlands (where it has two carpet manufacturing sites and sales activities employing close to 400 employees). Finally, it is specified that the Tarkett Group has not signed any tax rescript with tax authorities in its different countries of operation.

### 3.3.4.2 Prevention of corruption

In line with the requirements of the French anti-corruption law ("Loi Sapin 2") and the guidelines of the Anticorruption French Agency (AFA), Tarkett has implemented a Corruption Prevention Program, which provides a framework to our teams and business partners globally and which includes the following components:

› a corruption risk mapping exercise was initiated in 2017 for Tarkett activities. The risk identification and assessment process was based on interviews of 70 internal stakeholders covering the whole range of Tarkett activities worldwide.

The risk mapping is continually expanded and updated annually based on elements gathered through additional interviews and/or potential alerts or incidents and/or NGO reports we have been informed about. The granularity of the assessment is thus refined as these elements are collected by Tarkett;

- › the Anticorruption Code of Conduct, which was developed and rolled-out in 2018 in replacement of the Anticorruption Policy, defines clear guidelines allowing our teams to understand, identify and prevent inappropriate behavior in terms of corruption and influence peddling. This code lists prohibited practices (illegal payment, facilitation payments and political contributions), practices governed by strict rules (gifts and invitations, donations to charities, interest representation and/or lobbying action), and required practices internally (proper and exact accounting, declaration of conflict of interest) and with our business partners (anti-corruption contractual clauses, implementation of due diligence procedures, use of intermediaries);
- › the Compliance Hotline implemented in 2018, and the Ethics Hotline deployed in 2016 in the United States and in Canada, supported by the Whistleblowing Procedure, enable employees and business partners to report any corruption-related concern;
- › the assessment of our supplier's status is part of our Responsible Sourcing Program (see section 3.8.1.1 "Engaging with responsible suppliers") as well as part of due diligence procedures as mentioned in the new Anticorruption Code of Conduct;
- › control procedures on corruption risk are included in the work program of the internal audit department;
- › the new compliance training program, launched in 2018 and targeting all Tarkett employees who have internet access, includes three annual e-learning modules on corruption, covering anti-corruption practices in general, and reminding our teams of good practices in this regard, with a particular focus on use of intermediaries, gifts and invitations, and donations to charities. Anti corruption workshops have moreover been delivered to specific publics;
- › every employee is fully informed that non-compliance with any one of the provisions listed in the Anticorruption Code of Conduct may give rise to disciplinary sanctions, including dismissal.



## 3.4 CSR risks and opportunities

At our scale and with our resources, we are committed to positively contributing to tomorrow's changes and challenges:

### World's Changes

By 2050, more than one third of the world's population will be over 60 years old according to the World Business Council for Sustainable Development (WBCSD), and nearly two thirds of this population will live in cities, according to the United Nations.

With a global population expected to reach 9 billion people by 2050, according to the WBCSD, and aspiring for a better quality of life, the pressure on natural resources will continue to rise and become an even greater critical issue in the future. The Organization for Economic Co-operation and Development (OECD) estimates that worldwide raw materials consumption will double by 2060 compared to current levels.

COP21 set out a course of action aimed at keeping the rise of global temperature below two degrees. This commitment implies a drastic reduction in the use of fossil fuels and more reliance on alternative energies

The society is constantly evolving, and so are its expectations: generational shift with the Millennials, requirements for increased transparency, importance of diversity, insertion into the economic fabric, etc.

### Challenges Tarkett can contribute to

**Increase of the population** and of the share of **elderly people in the cities**, along with expectations and challenges regarding **quality of life** (indoor air quality, healthy spaces, comfort, acoustics, spaces flexibility and modularity, etc.).

**Scarcity of natural resources and waste management**, issues which challenge the linear economy model (based on production, use and destruction of a product) and call for the **development of a circular economy model**, where waste becomes a resource, and where a product can be reused or transformed several times.

**Reduce greenhouse gas emissions**, not only in our production cycle, but also along the whole value chain, **notably by using recycled materials** which are less energy intensive than extraction and transformation of virgin materials, by fostering waste recycling, and by having production sites close to our clients (thus reducing transportation requirements).

**Play a role as a responsible economic player**, respecting ethical and compliance values, and promoting transparency and proximity with local communities, and the development and diversity of talents.

As one of the world's leading flooring companies, Tarkett is committed to contribute, at its scale, in achieving the fundamental changes required to address these challenges, which generate various risks and opportunities.

### 3.4.1 Our risk identification and assessment process

Our primary tool for CSR risks identification is Tarkett's Risk Mapping, which is managed by the internal audit department and which covers the range of financial and extra-financial risks applicable to our activities. This mapping exercise was initiated in 2011 with the external expertise and assistance of a major audit and consulting firm and is updated every other year. It is developed by interviewing key internal stakeholders at all levels of the Group (25 people covering all the Divisions and Functions were interviewed for the last update in 2017), and by using the outcomes from other initiatives to identify and evaluate risks conducted at various levels of the Group:

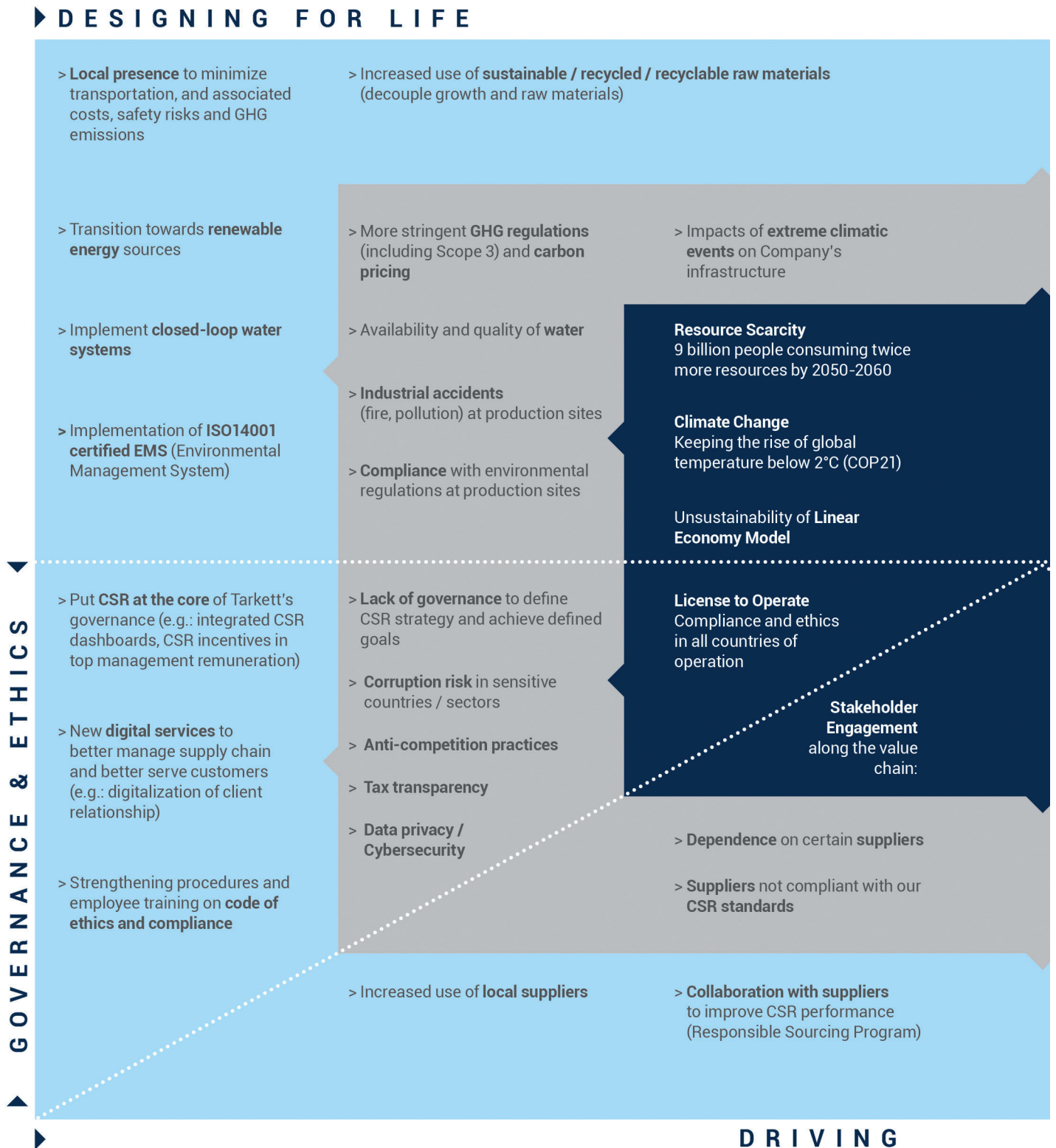
- at manufacturing sites, Health, Safety and Environmental (HSE) risks are identified and evaluated as part of the World Class Manufacturing program (which includes annual site audits by a third-party consultant – ERM) and of the management systems for health and safety (OHSAS18001), environment (ISO14001) and energy (ISO50001), which are implemented at most of our sites;
- at supply chain level, a procurement CSR risk mapping covering the vast majority of our suppliers was initiated in 2018 in partnership with Ecovadis (see section 3.8.1.1 “Engaging with responsible suppliers”);

- a specific corruption risk mapping was developed in 2017 and continued in 2018 in line with the requirements of the “Loi Sapin 2” (as previously described in section 3.3.4.2 “Prevention of corruption”);
- finally, Tarkett participated in an assessment, conducted by Trucost (S&P Global), of its performance in light of the sustainable development Goals (SDG) defined by the United Nations. This provided insight to our exposure, risk mitigation and positive impact regarding the most relevant SDGs for our activities.

The methodology for developing Tarkett's Risk Mapping is reviewed every other year. This led for example to improving the methodology for risk quantification in 2017, making it more objective and straightforward: risk evaluation is now based on the importance of the risk (level of impact in terms of strategy, finance, operation, compliance and reputation) and the level of control in place to mitigate the risk. Further to the 2017 update, a total of 40 financial and extra-financial risks were identified and evaluated, amongst which a dozen are directly linked to CSR issues, such as safety, product compliance, environmental accident, corruption, talent management, raw material availability, natural disaster or climate change.

### 3.4.2 Challenges, risks and opportunities mapping

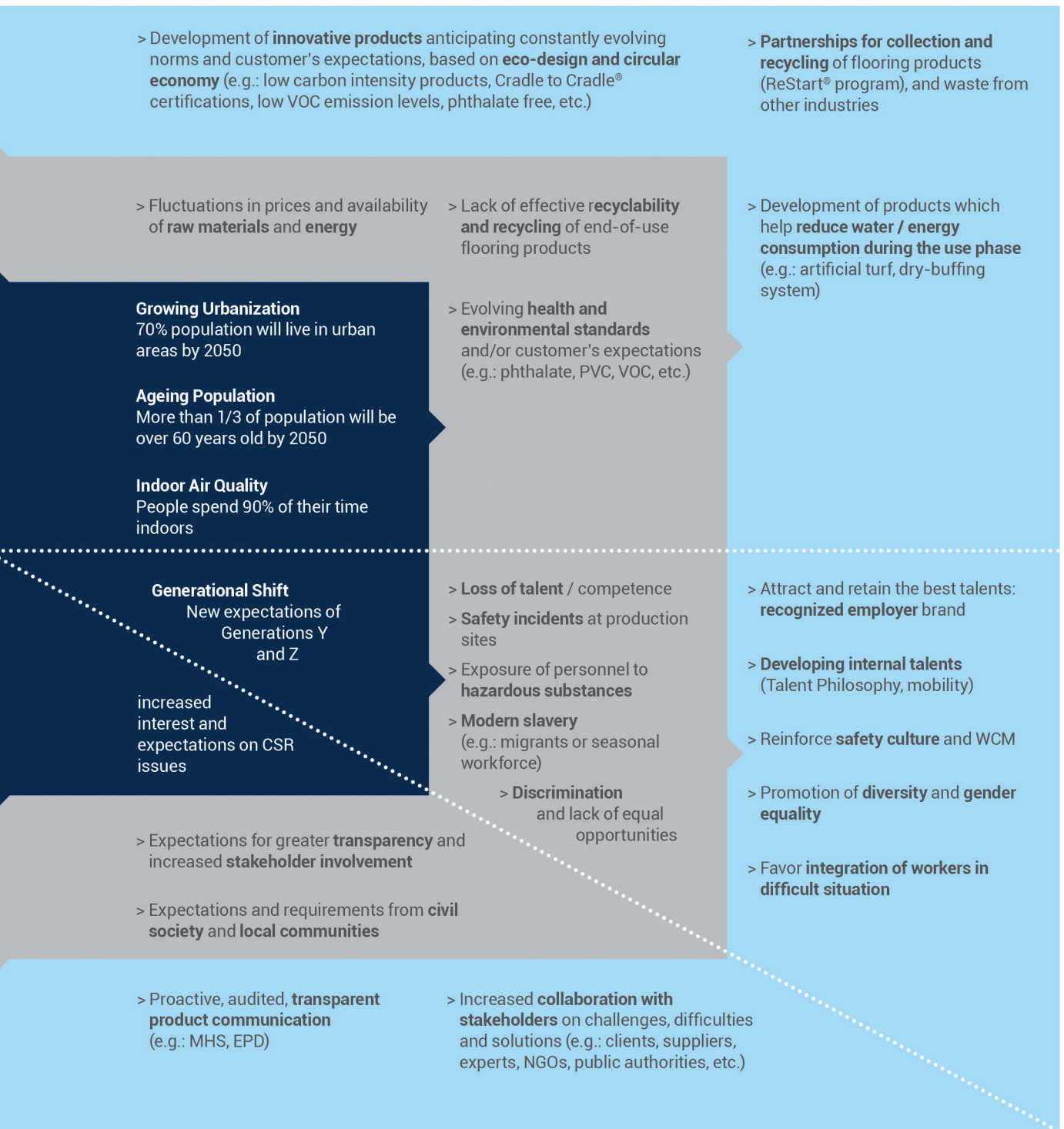
## Mapping of major challenges, risks and opportunities



The main worldwide challenges and CSR risks applicable to Tarkett (as identified by Tarkett's Risk Mapping and other risk identification and evaluation initiatives previously described), along with resulting opportunities, are summarized in the above graph.

- Worldwide Challenges
- Risks for Tarkett
- Opportunities for Tarkett

**CLOSING THE LOOP** ◀



> Development of **innovative products** anticipating constantly evolving norms and customer's expectations, based on **eco-design and circular economy** (e.g.: low carbon intensity products, Cradle to Cradle® certifications, low VOC emission levels, phthalate free, etc.)

> **Partnerships for collection and recycling** of flooring products (ReStart® program), and waste from other industries

> Fluctuations in prices and availability of **raw materials and energy**

> Lack of effective **recyclability and recycling** of end-of-use flooring products

> Development of products which help **reduce water / energy consumption during the use phase** (e.g.: artificial turf, dry-buffing system)

**Growing Urbanization**  
70% population will live in urban areas by 2050

**Ageing Population**  
More than 1/3 of population will be over 60 years old by 2050

**Indoor Air Quality**  
People spend 90% of their time indoors

> Evolving **health and environmental standards** and/or customer's expectations (e.g.: phthalate, PVC, VOC, etc.)

**Generational Shift**  
New expectations of Generations Y and Z

increased interest and expectations on CSR issues

> **Loss of talent / competence**  
> **Safety incidents** at production sites

> Exposure of personnel to **hazardous substances**

> **Modern slavery** (e.g.: migrants or seasonal workforce)

> **Discrimination** and lack of equal opportunities

> Attract and retain the best talents: **recognized employer brand**

> **Developing internal talents** (Talent Philosophy, mobility)

> Reinforce **safety culture** and WCM

> Promotion of **diversity and gender equality**

> Expectations for greater **transparency** and increased **stakeholder involvement**

> Expectations and requirements from **civil society and local communities**

> Favor **integration of workers in difficult situation**

> Proactive, audited, **transparent product communication** (e.g.: MHS, EPD)

> Increased **collaboration with stakeholders** on challenges, difficulties and solutions (e.g.: clients, suppliers, experts, NGOs, public authorities, etc.)

**DEVELOPING TALENTS**

**COLLABORATION**

### 3.4.3 Our risk management process

Our systematic and integrated approach towards risk management, which now includes CSR risks, is based on the following steps:

- presentation of the biennial update of the Tarkett's Risk Mapping to the Executive Committee for approval and empowerment;
- regular presentation to the Audit, Risks and Compliance Committee, which is in charge of ensuring the effectiveness of risk-monitoring and internal control procedures;
- integration of the review of risks and controls into the work programs of the internal audit department.

The Group CSR strategy and policies developed to manage our material CSR risks and issues are defined at the Executive Committee level, adapted at Division's level and Function's level, and finally rolled-out at sites/networks level in each country. Different programs are implemented in order to deploy these CSR policies, such as World Class Manufacturing (WCM) for operations, Cradle to Cradle® (C2C) principles for eco-design, ReStart® program for circular economy, or Talent Philosophy for talent management.

Our policies and initiatives intended to manage CSR risks and challenges, their objectives and results, and the related key performance indicators are described in detail in the relevant sections of this CSR Report 2018, namely:

- section 3.3 "CSR governance", for risks and issues related to governance and ethics;
- section 3.7 "Designing for Life" & "Closing the Loop": A healthy circular economy approach to best serve our clients, for risks and issues related to our product's impacts on health and the environment along the value chain (from raw materials supply to end-of-use of flooring products, through manufacturing and use of our products);
- section 3.8 "Driving Collaboration" in value chain and in communities, for risks and issues related to our suppliers and our activities within local communities;
- section 3.9 "Developing Talents" for risks and issues related to our employees.

#### Example



#### Focus on our World Class Manufacturing (WCM) operational excellence program

For many years now, the Group has implemented the WCM program for manufacturing sites with the following objectives: improving employee's safety, reinforcing customer service and quality, reducing the impact of the Group's operations on the environment while optimizing resource management, and improving industrial performance.

A central dedicated team at Group level defines objectives and provides the required support to the WCM network for on-site deployment of the program. It also facilitates experience and best practices sharing. Completion of internal WCM audits enables the teams to monitor the progress of production sites and to define action plans.






### 3.4.4 Our materiality assessment

The materiality assessment helps identify and specify the material CSR issues and challenges for Tarkett, in other words the most important issues in the context of the Group's activities, their impact on our business model and our stakeholders' expectations.

In 2016, a survey was completed to determine the material topics for Tarkett and ensure that our CSR strategy and our objectives were aligned with them. A stakeholders' mapping was completed followed by a survey that was sent to both external stakeholders (customers, suppliers, sales partners, NGOs, trade organizations, experts, research and educational institutions, etc.) and internal stakeholders (members of the Tarkett

Supervisory Board and the Executive Committee, Tarkett employees). The survey involved stakeholders based in France, Germany, the Netherlands, Serbia, Sweden, Russia, the United Kingdom and the United States. The survey covered key topics included in the GRI Standards and Cradle to Cradle® principles, organized into five categories: the environmental impacts of production, responsible products, work, human rights, and societal issues.

Four specific issues emerged from the 2016 survey and are still considered to be among the most material CSR topics for Tarkett: health and safety at work, health and safety related to products and materials, the environmental impact of products, and responsible use of materials and resources.

	 Environmental impacts of production	 Product Stewardship	 Labor, Human Rights & Societal issues
Priority topics for both external and internal stakeholders, and relevant for Tarkett's activities		Environmental impact of products Health & Safety of products and materials Resource and material use	Health & Safety at work Child Labor (a key priority for external stakeholders, but not a potential risk for Tarkett activities)
Other priority topics for internal stakeholders	Energy Consumption Production waste	Cradle to Cradle® principles Recyclability of products	Training and talent development Anti corruption
Other topics of importance	Air emissions from production Waste water from production Assessment of suppliers on environmental topics	Transparent marketing communication	Support for local job and income Assessment of suppliers on human rights Forced Labor Diversity, equality, non-discrimination, labor rights

When comparing the materiality matrix with our CSR risk mapping, it is clearly visible that priority topics and other topics of importance identified by the materiality assessment in 2016 are covered by and consistent with the identification of our CSR risks and opportunities.

## 3.5 Duty of care/Vigilance plan

In line with the requirements of Article L.225-102-4 of the French Commercial Code (*Code de commerce*), Tarkett develops and implements a vigilance plan enabling to identify risks and prevent serious violations towards human rights and fundamental liberties, health and safety of people, and the environment. This vigilance plan must cover the Company's activities, as well as activities of our contractors and suppliers. At Tarkett, the vigilance plan is incorporated into the Group's CSR strategy and policies, as described hereafter.

### Risk mapping

Our CSR risk identification process and mapping are described in detail in section 3.4 "CSR risks and opportunities". From a high-level perspective, the Tarkett's Risk Mapping covers risks related to environment, health and safety, and human rights. More specifically:

- at manufacturing sites level, HSE risks are identified and evaluated as part of the WCM program and the management systems implemented at most of our sites: OHSAS18001 for health and safety aspects, ISO14001 and ISO50001 for environmental aspects. Human rights risks have not been assessed as significant for activities at our production sites to date. We are however aware that current geopolitical trends can generate new risks (e.g. risk of modern slavery due to the influx of migrants in Europe), which we endeavor to identify and take into consideration as they appear;
- at supply chain level, a procurement CSR risk mapping covering the vast majority of our suppliers was initiated in 2018 in partnership with Ecovadis, and includes environmental, health and safety risks, as well as those related to a potential violation of human rights, among others (see section 3.8.1.1 "Engaging with responsible suppliers").

### Assessment procedures

At manufacturing sites level, the assessment of status in terms of HSE risk management and performance is conducted internally on a continual basis via our WCM program (see section 3.4.3 "Our risk management process"). In addition, all our sites are audited annually by a third-party (ERM), and most of our sites are subject to surveillance and re-certification audits for OHSAS18001, ISO14001 and/or ISO50001.

At supply chain level, the evaluation of our suppliers will be initiated in 2019 as part of our responsible sourcing program based on the outcomes of the procurement CSR risk mapping, in parallel to the deployment of a new Supplier's Code of Conduct (see section 3.8.1.1 "Engaging with responsible suppliers").

### Alert mechanism

The Compliance Hotline implemented in 2018 and accessible from 103 countries, and the Ethics Hotline deployed in 2016 in the United States and in Canada, enable Tarkett's employees and business partners (including our suppliers) worldwide to raise any concerns and/or report potential violations they may witness within Tarkett, in particular regarding human rights, environment, health and safety (see section 3.3.4.1 "Our approach to ethics and integrity").

### Actions and monitoring scheme

Our objectives and actions/initiatives implemented to prevent risks covered by the vigilance plan, as well as the related key performance indicators enabling to assess the efficiency of implemented measures and their results, are described in details in the relevant sections of this CSR Report 2018, namely:

- section 3.7 "Designing for Life" & "Closing the Loop: A healthy circular economy approach to best serve our clients", for risks and issues related to our product's impacts on health and the environment along the value chain (from raw materials supply to end-of-use of flooring products, through manufacturing and use of our products);
- section 3.9 "Developing Talents" for risks related to our employees' health and safety;
- section 3.8 "Driving Collaboration in value chain and in communities", for risks related to our suppliers.

## 3.6 Stakeholder engagement

“Driving Collaboration” is a key feature of our “Doing Good. Together.” CSR approach: we seek to enhance internal and external collaboration by building partnerships that help us achieve our objectives and by collaborating with key stakeholders, including NGOs, experts and public institutions, to face together global challenges and find innovative solutions.

This stakeholder engagement and collaboration approach is summarized in the below table for 2018.

Stakeholder Groups	Examples of engagement and collaboration in 2018 on CSR topics	CSR Report section
Shareholders/Investors	<ul style="list-style-type: none"> <li>&gt; Shareholder’s Annual General Meeting</li> <li>&gt; Financial statements/Registration Document</li> <li>&gt; Roadshow presentations to asset management companies, e.g. Française Asset Management, Sycomore, Amundi</li> </ul>	-
SRI Community	<ul style="list-style-type: none"> <li>&gt; Participation in SRI rating agencies analysis: Vigeo, Gaia, MSCI, etc.</li> <li>&gt; Participation in Trucost (S&amp;P Global) UN SDG assessment</li> <li>&gt; Response to the Carbon Disclosure Project (CDP) questionnaire</li> </ul>	-
Employees	<ul style="list-style-type: none"> <li>&gt; Biennial employee feedback survey</li> <li>&gt; Group Intranet Tarkett-Inside</li> <li>&gt; Sustainability web application for Tarkett Eastern Europe</li> <li>&gt; Internal newsletter ‘Experiences’ (including a special edition on sustainability in October 2018)</li> <li>&gt; Relationship/dialogue with trade unions, including Tarkett Forum in Europe</li> <li>&gt; Tarkett Awards, recognition program to reward employees’ best contributions</li> <li>&gt; Annual meeting for senior executives (“Focus Meeting”) and quarterly conference call on financial, safety and environmental results</li> </ul>	3.9.4.4 3.9.5.1
Customers/end-users	<ul style="list-style-type: none"> <li>&gt; Transparent product information, via Material Health Statements (MHS), specific Environmental Product Declarations (EPD in Europe, FDES in France, PhD in Australia), environmental tags in Europe</li> <li>&gt; Certifications and labels meeting customer’s expectations, e.g. Cradle to Cradle® (C2C – which positively contributes to achieving LEED certification), asthma and allergy friendly™, Living Product Challenge Imperative, etc.</li> <li>&gt; Tarkett Academy to train professional installers and architects</li> <li>&gt; Green Tours presenting our sustainability approach and initiatives on our production sites in Narni (Italy), Clervaux (Luxembourg), Ronneby (Sweden) and Otradny (Russia)</li> <li>&gt; Showrooms, such as Atelier Tarkett in Paris (France) or San Francisco (US)</li> <li>&gt; Participation in conferences and exhibitions, e.g. Greenbuild in Chicago (US), Sustainable Brands New Metrics 2018 in Philadelphia (US), EuPC Building &amp; Construction Forum 2018 in Milan (Italy) as part of the EU Green Week, Stockholm Furniture Fair (Sweden), Building Green conference in Oslo (Norway), Indoor Air Quality Symposium at the FRONT construction exhibition in Sydney (Australia), Revestir Exhibition (Brazil)</li> <li>&gt; ReStart® program for collection of post-installation and post-use flooring</li> <li>&gt; Customer awards, e.g. ReStart® Reclamation Awards for flooring waste sorting and recycling in the US, sponsorship of the Architecture &amp; Design Sustainability Awards for the commercial segment in Australia</li> <li>&gt; In Australia, Loop circular economy training and demonstration center in Adelaide, and partnership with Supply Chain Sustainability School, an online learning forum designed to help the property and construction sectors improve their knowledge of broad sustainability issues</li> <li>&gt; Participation with Progroup in NESTO, a collaborative social housing project built using circular economy principles and using Tarkett’s flooring products</li> </ul>	3.7.2.2 3.7.4.3 3.8.2.2
Suppliers	<ul style="list-style-type: none"> <li>&gt; Responsible sourcing program</li> <li>&gt; Suppliers involved in materials selection, e.g. work with suppliers to provide phthalate-free plasticizers in the US and in Russia</li> <li>&gt; Suppliers involved in materials assessment and C2C approach, e.g. partnerships with suppliers to propose C2C flooring maintenance and installation option; assessment of the inks and pigments portfolio with key suppliers in 2018; partnership between a strategic supplier and EPEA to develop a C2C assessment tool for the design of new materials</li> </ul>	3.7.2.2 3.8.1.1 3.8.1.2
Industrial Partners	<ul style="list-style-type: none"> <li>&gt; Purchase waste or recycling-based transformed materials from industrial partners for use as raw materials, e.g. Econyl® fibers from Aquafil in Italy and calcium carbonate from a drinking water distribution company in the Netherlands for carpet, recycled PVB safety films from windshields and used protective glass in the US and in Europe</li> <li>&gt; Collaboration for implementation of the ReStart® program logistics, e.g. with Veolia in France and Germany</li> </ul>	3.7.4.2 3.7.4.3

## Stakeholder engagement

Stakeholder Groups	Examples of engagement and collaboration in 2018 on CSR topics	CSR Report section
Public Institutions/ Standardization Groups	<ul style="list-style-type: none"> <li>&gt; Participation in European Commission consultations and in standardization works on topics such as hazardous substances, waste or plastics in circular economy</li> <li>&gt; Contribution to the “circular economy roadmap” overseen by the Ministry of Ecology and Solidarity Transition in France</li> <li>&gt; Contribution to the Centre for European Policy Studies (CEPS) task force report on “The Role of Business in the Circular Economy – Markets, processes and enabling policies”</li> <li>&gt; Participation in a working group developing guidelines on circular economy indicators driven by the National Institute on Circular Economy and the French association for environment EPE in France</li> <li>&gt; Participation in the COP24 (24th Conference of the Parties to the UNFCCC) in Katowice (Poland) to promote the REDD+ Business Initiative</li> <li>&gt; Contribution to the Swedish Government mission on environmental impact from plastics</li> <li>&gt; Participation in Almedalen Week, Sweden’s biggest political meeting, during which sustainability and climate change were at the heart of the discussions</li> <li>&gt; Discussion with the City of San Francisco in the US on their specifications for carpet procurement</li> </ul>	3.7.3.1. 3.8.2.4
Academic Institutes/ Experts	<ul style="list-style-type: none"> <li>&gt; Work with EPEA (<i>Environmental Protection Encouragement Agency</i>) scientific institute for material health assessment and C2C certifications</li> </ul>	3.7.2.2 3.7.2.3
Associations/ Organizations	<p>Tarkett is an active member of various associations/organizations, where we contribute to discussions and working groups on sustainability and circular economy:</p> <ul style="list-style-type: none"> <li>&gt; World Economic Forum: participation in Davos 2018 meeting and in the Alliance of CEO Climate Leaders</li> <li>&gt; “Circular Economy 100” (CE100) initiative of the Ellen MacArthur Foundation</li> <li>&gt; European Plastics Converters (EuPC), the professional representative body of plastics converters in Europe, and the Vinyl Foundation to support VinylPlus®, the sustainable development programme of the European PVC industry</li> <li>&gt; GLOBE EU, a think tank of European parliamentarians making reflections and political proposals regarding the environment</li> <li>&gt; EU Business @ Biodiversity Platform, a dialogue and policy interface with the aim to help businesses integrate biodiversity considerations into business practices</li> <li>&gt; Natural Capital Coalition, an international collaboration to conserve and enhance natural capital</li> <li>&gt; Cradle to Cradle Products Innovation Institute (C2C PII), a non-profit organization created to guide product manufacturers and designers in making safe and healthy products</li> <li>&gt; Carpet America Recovery Effort (CARE) in the US, an organization that fosters recycling of carpets and rugs</li> <li>&gt; Chair of the V-Cycle PVC recycling initiative of the Vinyl Sustainability Council in the US, to enable value chain wide recycling efforts</li> <li>&gt; U.S. Green Building Council (USGBC), an organization committed to transforming how buildings are designed, constructed and operated through LEED (Leadership in Energy and Environmental Design), the most widely used green building rating system in the world</li> <li>&gt; Oslo Renewable Energy and Environment Cluster (OREEC) in Norway</li> <li>&gt; Circular Sweden and Cireko, two networks promoting recycling and circular business in Sweden</li> </ul>	-
Non-Governmental Organizations (NGOs)	<ul style="list-style-type: none"> <li>&gt; Tarkett co-financed a study by NGO Healthy Building Network (HBN) on suppliers and technologies used for chlorine and PVC production</li> <li>&gt; Dialogue with organizations Changing Markets and Zero Waste on carpet composition and recycling, and regulatory tools required for implementing systems of extended responsibility for carpet producers within the EU</li> </ul>	3.7.2.1 3.7.3.1 3.8.1.1
Local and Worldwide Communities	<ul style="list-style-type: none"> <li>&gt; Initiatives and donations as part of Tarkett Cares, e.g. partnership with Habitat for Humanity in the US, flooring donations in Serbia and Canada, trees planting in Brazil, education and support around asthma and allergy issue in Australia, Tarkett Cares Day in Sedan (France)</li> <li>&gt; Support to development projects worldwide, e.g. REDD+ Tambopata Project in Peruvian Amazon, partnership with EarthEnable in rural Rwanda and Uganda</li> </ul>	3.8.2.3. 3.8.2.4
Schools/Universities/ Potential Candidates to join Tarkett	<ul style="list-style-type: none"> <li>&gt; Campus recruiting partnerships with local schools/universities, e.g. between the “École des Mines de Nancy” and the Clervaux industrial site (Luxemburg)</li> <li>&gt; Participation in job fairs, such as Expo CIEE 2018 (Brazil).</li> <li>&gt; Tarkett Positive Legacy Design Award with the University of Melbourne (Australia) to support the most sustainable project of the year developed by university students.</li> <li>&gt; Advertisement, e.g. recruitment ads, TV commercials on sustainability at Tarkett broadcasted in Russia</li> </ul>	3.9.4.1.

“Designing for Life” & “Closing the Loop”: A healthy circular economy approach to best serve our clients

## 3.7 “Designing for Life” & “Closing the Loop”: A healthy circular economy approach to best serve our clients

Our policies and actions, along with their objectives and results/key performance indicators, intended to manage risks and respond to opportunities related to our product’s impacts on health and the environment along the value chain (as identified in section 3.4 “CSR risks and opportunities”) are summarized in the below table and further detailed in the sub-sections of this chapter.

Opportunities/Risks	Policies/Actions	Key Performance Indicators	2018	2017	Objective 2020	CSR Report section
Compliance with environmental regulations at production sites. Industrial incidents (fire, pollution) at production sites	<ul style="list-style-type: none"> <li>&gt; World Class Manufacturing (WCM) program</li> <li>&gt; ISO14001 certified Environmental Management System (transition to 2015 version)</li> </ul>	Percentage of production sites certified to ISO14001	89%	89%	-	-
	<ul style="list-style-type: none"> <li>&gt; Emergency response plans implemented at production sites</li> <li>&gt; Annual audits and follow-up of industrial sites by third party (ERM)</li> </ul>					
Fluctuations in prices and availability of raw materials and energy	<ul style="list-style-type: none"> <li>&gt; Materials selection as part of New Product Development Process (NPDP)</li> <li>&gt; Maximize recycled content in our products: post-installation/post-consumer flooring; waste from other industries</li> </ul>	Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)	70%	71%	75%	3.7.2.1
		Percentage of recycled raw materials <sup>(1)</sup>	10%	12%	-	3.7.4.2
	<ul style="list-style-type: none"> <li>&gt; Energy reduction and efficiency projects at production sites</li> </ul>	Energy consumption per m <sup>2</sup> of manufactured product	4.29 kWh/m <sup>2</sup>	4.17 kWh/m <sup>2</sup>	-	3.7.5.2
	<ul style="list-style-type: none"> <li>&gt; Development of renewable energy sources at production sites</li> </ul>	Percentage of energy consumption coming from renewable energies	27%	28%	-	3.7.5.3
Availability and quality of water	<ul style="list-style-type: none"> <li>&gt; Implementation of closed-loop water systems at production sites</li> </ul>	Percentage of production sites equipped with closed loop water circuits (or not using water in their process)	68%	67%	100%	3.7.5.1
More stringent GHG regulations (including Scope 3) and carbon pricing. Impacts of extreme climatic events on Company’s infrastructure	<ul style="list-style-type: none"> <li>&gt; Scope 1 &amp; 2 GHG: energy efficiency projects, development of renewable energies.</li> <li>&gt; Scope 3 GHG: analysis of Scope 3, raw materials selection, post-consumer flooring take-back and recycling (ReStart® program).</li> <li>&gt; Emergency response plans implemented at production sites.</li> <li>&gt; Annual audits and follow-up of industrial sites by third party (ERM)</li> </ul>	Percentage reduction of Scope 1 & 2 GHG emissions per m <sup>2</sup> of manufactured product compared to 2010	-8.5%	-8.9%	-20%	3.7.6
Effective recyclability and recycling of end-of-use flooring products	<ul style="list-style-type: none"> <li>&gt; New Product Development Process (NPDP) to ensure recyclability of new flooring products.</li> <li>&gt; Post-installation and post-consumer flooring take-back and recycling (ReStart® program)</li> </ul>	Tons of collected post-installation and post-consumer flooring through the ReStart® program	3,300 tons	4,100 tons	38,000 tons	3.7.4.3
Evolving health and environmental standards and/or customer’s expectations for flooring products (e.g. Phthalate-free plasticizers, alternative to PVC, VOC <sup>(2)</sup> emission levels, etc.). Expectations for greater product’s transparency	<ul style="list-style-type: none"> <li>&gt; Systematic materials assessment based on C2C criteria</li> <li>&gt; Transparent product information, e.g. Material Health Statements, Environmental Product Declarations</li> <li>&gt; C2C certifications of our products</li> </ul>	Percentage of raw materials third-party assessed for their impact on people’s health and the environment based on C2C criteria	98%	96%	100%	3.7.2.2 3.7.2.3
	<ul style="list-style-type: none"> <li>&gt; Materials selection and assessment as part of NPDP to develop products with low levels of VOC emissions</li> </ul>	Percentage of flooring with low VOC emission levels	97%	96%	100%	3.7.3.1
	<ul style="list-style-type: none"> <li>&gt; Use of non-phthalate plasticizer technology for our vinyl flooring</li> </ul>	Percentage of phthalate-free vinyl flooring <sup>(3)</sup>	65% <sup>(4)</sup>	57%	100%	3.7.3.1

(1) Recycled materials: Materials that would otherwise have been sent for waste disposal; internal post-manufacturing recycled volumes are included.

(2) Volatile Organic Compounds.

(3) Except recycled content for certain products

(4) 100% of our vinyl production sites in Europe, in North America, in Serbia and in China use a phthalate-free technology by end 2018.

“Designing for Life” & “Closing the Loop”: A healthy circular economy approach to best serve our clients

### 3.7.1 Our collaborative approach towards eco-conception and circular economy

Actively engaged in a circular economy, Tarkett applies Cradle to Cradle® (C2C) principles for the design of its products, from materials selection and products manufacturing, to installation, use, maintenance, end of use and products recovery. Tarkett has developed a “closed-loop circular design” eco-design methodology which strives, right from the upstream phase of a design process, to integrate various aspects – economical, performance, respect for the health and the environment – throughout different stages of the product’s life cycle<sup>(1)</sup>. All impacts on health and the environment are studied and assessed and the approach requires the engagement of many functions within the company: research & development, marketing, procurement, production and quality, among others.

**Example** +

**The New Product Development Process (NPDP)**

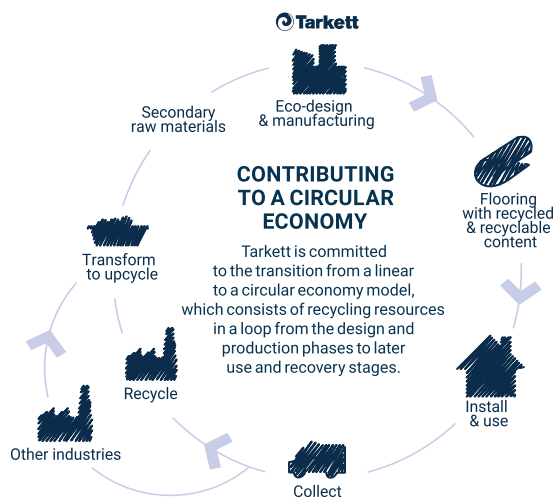
Our NPDP has been in place for several years. Sustainability and circular economy criteria, in line with the Cradle to Cradle® methodology, have been integrated from the design and development phase of a new flooring product. This process encourages on the one hand the selection of “good” raw materials (i.e. positively defined according to C2C assessment) for the product composition, and on the other hand the product design to ensure it is recyclable and potentially “ReStart® ready” (i.e. eligible to post-installation and post-consumer collection as part of our ReStart® program, to be later recycled in one of Tarkett’s recycling centers).

The NPDP is included into our World Class Manufacturing (WCM) program and has been improved in 2018 to further enhance its applicability and efficiency, thus facilitating communication and coordination between the different functions involved in the development of a new product (research and development, marketing, CSR, procurement, operations, etc.), while guaranteeing a quality process from product’s design to manufacturing.

We also use life cycle analysis (LCA), one of the methodologies to assess the environmental impact of a product. This standardized method (ISO 14040 and ISO 14044) identifies and compares the environmental impacts of a system throughout its lifecycle, from extraction of raw materials through its fabrication and processing up to its end-of-life or end-of-use (landfill, recycling...) including use phases, maintenance and transportation. In 2018, to strengthen our capacity and to answer the growing demand of customers and prime contractors, the EMEA Division was equipped with dedicated software to systematically perform LCA and develop specific environmental product declarations.

All these principles applied by Tarkett are part of the same concept and are based on the following pillars:

- > good materials: selecting materials that respect health and the environment (e.g. recycled, renewable, not contributing to resource depletion);
- > resource stewardship: promoting optimized, sustainable use of resources in all phases of production, while protecting the environment (minimization of use of water and energy, and of generation of waste during manufacturing; reduction of scope 1 to 3 greenhouse gas emissions);
- > people-friendly spaces: contributing to the health and well-being of people during the product use and maintenance phase (e.g. products with low VOC emissions, phthalate free);
- > recycling: recycling no longer used products (e.g. post-installation/post-consumer flooring wastes, wastes from other industries) to eliminate waste, while helping to design new products with quality recycled materials.



The ultimate purpose of this approach is to design products which contribute to the health, comfort, well-being and safety of people while also preserving the natural capital of the planet.

(1) Standard NFX30- 264 Environmental management – Assistance to the implementation of an eco-design approach, 2013.



**Example****Our new flooring product iD Revolution, an example of our comprehensive eco-conception approach**

In September 2018, Tarkett launched iD Revolution in Europe, a modular resilient flooring comprised of 83% raw materials not contributing to resource scarcity: abundant minerals such as calcium carbonate, bio-plastics and recycled materials. To create this innovative product, Tarkett uses recycled PVB from windshields and safety glasses for incorporation into the product formula.

Not only is iD Revolution's product composition sustainable but the manufacturing process also respects the earth's natural capital: 99% of the water used during the production is recycled, and 50% of the electricity needed comes from renewable sources, while the remaining 50% are offset via carbon credits through Tambopata, a project supporting biodiversity in the Amazon. 100% free from phthalate and solvents, the collection also contributes to good indoor air quality as its levels of volatile organic compounds (VOC) emissions are lower than the strictest standards.

To close the loop, the product has been designed to be 100% recyclable at its end of use. Through ReStart®, Tarkett's take-back programme, iD Revolution's tiles and planks will be eligible to be collected and sent back to the manufacturing site to be re-engineered as a new product.

iD Revolution is thus the first Cradle to Cradle® Gold certified modular resilient flooring made with recycled materials and natural fillers.

Shortly after its launch, iD Revolution received in France the “Innovation Team Best Practices 2018” award, organized by Paris Sorbonne University and Paris Directors of Innovation Club. In addition, iD Revolution has received the UK-based Green World Award where iD Revolution became Global Gold Winner in the Innovation category. These awards demonstrate Tarkett's commitment towards sustainable and innovative flooring solutions.

In a highly competitive sector like flooring, this approach and evolution involve many technical, logistic and economic challenges. In light of Tarkett's circular economy goals, and the complexity of projects to be achieved, we have chosen to adopt a collaborative approach, working with partners involved in our value chain.

Hence, we work closely with institutions such as the Ellen MacArthur Foundation and its Circular Economy 100 program, the EPEA (Environmental Protection Encouragement Agency) scientific institute, and companies and organizations specialized in the field such as Veolia in France and in Germany for our ReStart® program, Carpet Recycling UK, the AGPR in Germany, a recycling site for used vinyl flooring, or Carpet America Recovery Effort (CARE) in the United States, a non-profit trade organization that fosters recycling of carpets and rugs, and of which Tarkett is a founding member.

### 3.7.2 Our careful choice of materials and our products evaluation

#### 3.7.2.1 Good materials selection

Choosing quality materials is one of the pillars of our eco-design approach according to Cradle to Cradle® principles, with the objectives to respect people's health, preserve resources and protect the environment.

From an environmental point of view, Tarkett strives to privilege raw materials sourced from abundant sources (for example calcium carbonate), rapidly renewable (such as cork or faster-growing wood species e.g. pine and spruce) and recycled (including waste from other industries), so that the materials used for our products do not contribute to resource scarcity.

As an example, Tarkett Sports offers a wide range of performance infill layers for FieldTurf artificial field, either based on recycled rubber granules from tires which would otherwise have been landfilled, or based on rapidly renewable or recycled natural materials: PureFill uses organic cork granules and sand, PureSelect uses locally-sourced olive cores in the United States and PureGeo uses coconut peat.

Another example is the Eco Shell rubber flooring developed in North America, which includes as a component leftover walnut shells from local walnut tree culture.

We also purchase waste or recycling-based transformed materials from many industrial partners that we use as raw materials (for more details, see section 3.7.4.2 “Re-use of waste from other industries”).

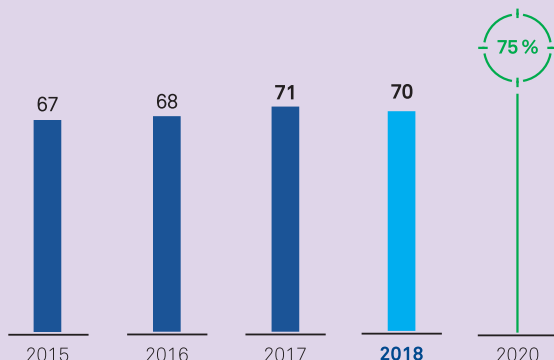
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### Zoom on key indicators

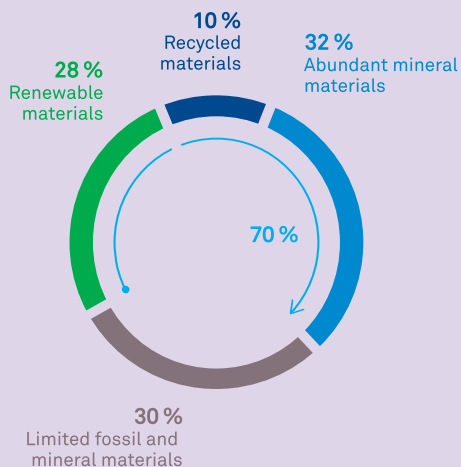
#### Selection of quality materials

In 2018, 70% of our raw materials did not contribute to resource scarcity (being abundant, rapidly renewable or recycled).

Share of raw materials which do not contribute to resource scarcity (%)



Breakdown of raw materials used in 2018 (%)



A subject of discussion in terms of materials selection is the responsible use of PVC (polyvinylchloride), a plastic resin of which the building industry is the first consumer. Since 2010, we have initiated a transparent dialogue with various stakeholders on the topic, defining conditions for sustainable design and production, usage and recycling of PVC for long-term applications such as flooring.

Our current approach in this regard is to develop the use of phthalate-free plasticizers, to favor suppliers using newer, less polluting manufacturing technologies, and to promote the recycling of PVC-containing flooring notably through our ReStart® program.

Tarkett also pays attention to the upstream production of PVC, one of our main raw materials. In 2018, Tarkett co-financed a study by NGO Healthy Building Network (HBN) on suppliers and technologies used for chlorine and PVC production (technologies with/without mercury or asbestos) to obtain a better understanding on which PVC suppliers use which technology, to encourage suppliers to improve their technologies, and to steer raw materials purchase in the future.

One of the main conclusions of this study is that, while most chlorine produced in Europe comes from more recent membrane technology, approximately 45% of chlorine production capacity in the Americas, including 8 of the 12 largest plants in operation, still use asbestos diaphragms.

### 3.7.2.2 Assessment of materials and their impact on health and the environment

Tarkett works closely with the EPEA (Environmental Protection and Encouragement Agency), a research institute founded in 1987 which promotes the Cradle to Cradle® approach. The goal is to evaluate our products and materials based on health and environmental impact criteria, so as to optimize the composition and manufacturing of our products. The results of these assessments enable us to better understand the impact of our products and to more carefully select our raw materials by sharing our specifications with our suppliers.

With 36 plants worldwide and an active pipeline of new and improved products, there are always new materials that we need to evaluate. For example, in 2018, we assessed our portfolio of inks and pigments with key suppliers, and over 60 wood accessories for installation and maintenance in the Eastern Europe division.

### Zoom on key indicators

#### Materials assessment

98% of our raw materials (representing more than 3,000 materials) are third-party assessed (by EPEA) for their impact on people's health and the environment based on Cradle to Cradle® criteria, bringing us closer to the Group objective to reach 100% in 2020.

This materials assessment work with the EPEA is the origin of the creation of a new transparency tool, the Material Health Statements (MHS) launched in 2016 in North America and expanded to Europe in 2018. More than a simple list of ingredients, an MHS accurately describes the composition of a product and provides information related to ingredient concentration (chemical molecules), their role in the product, and any health or environmental risks in case of exposure to these substances, notably for the user of the flooring and for those who install the floors. The MHS process encompasses several steps:

- material inventory: in collaboration with our suppliers, we compile an inventory of the raw materials used in our products, down to 100ppm (parts per million/0.01%);
- material Screening: the hazard rating of individual chemicals is analyzed according to European REACH and CLP<sup>(1)</sup> regulations, the Green Screen List Translator (GSLT), and based on more than 100 other chemical hazard lists and scientific sources of toxicological information used by EPEA;
- material assessment: materials are assessed over their lifecycle including sourcing, production, use and post-use handling. The safety of every chemical ingredient is assessed using eco-toxicological information, scientific literature, supplier data and analytical testing. The chemical role in the finished product and its effect on occupant exposure is also evaluated;

(1) REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals; CLP: Classification, Labelling and Packaging of substances and mixtures.



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- > verification: MHS are verified by an independent third-party organization;
- > optimization: we then strive to reformulate our products using Cradle to Cradle® principles, by selecting materials that are safer and healthier for people and the environment and can be recycled.

At the end of 2018, in North America we had published MHS for a range of products and references, including vinyl flooring, vinyl tiles and strips, carpet, linoleum and rubber. After North America, the MHS information tool is being deployed at the global scale, with EMEA having published MHS for 12 products by end 2018.

The MHS tool was developed to promote product transparency, making available to our customers easy to read and easy to understand information tools.

### How to understand and use the MHS

Unique numerical identifier assigned by the Chemical Abstracts Service (CAS) to every chemical substance described in the open scientific literature

Rate of the component in the formula

Colour-coded rating given by the EPEA

- No concern
- Moderate concern
- High concern – Task for material optimization
- Unknown concern - Task for knowledge development

Comment of the EPEA on the use or the exposure to this component

GreenScreen List Translator Score and GreenScreen Benchmark Score according to Toxnot classification, an American classification of chemicals (<https://toxnot.com/>) More information in the legend

REACH is the European Community Regulation on chemicals and their safe use.  
 ✓ Non hazardous substance or <0,1%

Function	Component	CAS	Content	Rating	Comment	GS-LT GS-BM	REACH
Filler	Calcium carbonate	1317-65-3	< 50%	Green		LT-UNK	✓
Polymers	Polyvinyl butyral	27360-07-2	< 40%	Green	Polymers contributing to the build-up of the different layers, partially with a prehistory of use in former applications	LT-UNK	✓
	Polylactic acid	9051-89-2		Green		N.I.	✓
	Additional polymers with minor contributions	Proprietary 2		Green		N.I.	✓
Plasticizers	2-Ethylhexanoic acid diester with triethylene glycol	94-28-0	< 10%	Green	Plasticizers and additives with an annex role as plasticizers have for a part an agricultural origin and for another part a prehistory of use in former applications	LT-UNK	✓
	Glycerides, castor-oil mono-, hydrogenated, acetates	736150-63-3		Green		N.I.	✓
	Soybean oil, epoxidized	8013-07-8		Green		LT-UNK	✓

Abstract of the MHS of iD Revolution

We also use other product information and transparency tools, depending on the regions and countries where we operate:

- > environmental Product Declarations (EPDs) are developed in Europe on the basis of life cycle analysis (LCA), according to a standardized framework and process for development, verification and communication. There is a strong demand for EPDs in Europe, in particular because it enables the clients to earn points for sustainable building labels (such as BREEAM, LEED, HQE). Generic EPDs have been issued by professional associations based on consolidated information from manufacturers since 2013, and in 2018 Tarkett started developing specific EPDs for some of its products so as to provide more specific and transparent information: by end of 2018, 13 specific EPDs had been issued for various vinyl, linoleum, wood, laminate and carpet products;

- > in France, the EPDs are available as Health and Environmental Product Declaration (Fiches de Déclaration Environnementale et Sanitaire – FDES), adding health information to the environmental ones;
- > in Australia, Tarkett utilizes the Global GreenTag Product Health Declaration™ PhD, a certification tool that recognizes manufacturers who fully disclose with 100 percent transparency the toxicity information of their product;
- > since 2011, most of our products in Europe moreover have an environmental labeling system, which specifies the percentage of recycled content, usage or not of plasticizers containing phthalates, as well as the total VOC emissions.



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### 3.7.2.3 Our product certifications

Within the scope of product assessments carried out by EPEA, Tarkett has obtained several Cradle to Cradle® certifications. The C2C – Cradle to Cradle® Certified™ validates the eco-design approach on the basis of five criteria: material health, material reutilization, renewable energy and carbon management, water stewardship, and social fairness. Each criterion is given a score from Basic to Platinum (from the lowest to the highest: Basic, Bronze, Silver, Gold and Platinum) and the lowest ranked criterion defines the global score.

Tarkett was in particular one of the first flooring manufacturers to obtain C2C Gold level certifications for certain product categories. Our latest product to achieve C2C Gold certification was our new modular resilient flooring iD Revolution launched in September 2018.

**In 2018, Tarkett had 22 C2C certifications, the largest number of C2C certifications in the flooring sector, covering a wide range of product categories**, including carpet, linoleum, rubber, wood, artificial turfs and adhesives. The detailed list of products covered by C2C certifications is provided in appendix to the CSR report.

Some of our products also hold other certifications, such as Living Product Challenge Imperative in North America. We moreover ensure that Tarkett obtains a range of third-party certifications to prove that our products can help architects and project developers reach the highest standards in green building – whether LEED (international), BREEAM (UK), or HQE (France).

#### Example



#### Tarkett Achieves Living Product Challenge Imperative Certifications in North America

The Living Product Challenge (LPC) is a rigorous certification encouraging manufacturers to use healthy materials, optimize the chemistries of products, create environments that promote well-being, drive circular economy, and support a just and sustainable world. The LPC is organized into seven performance areas called Petals: Place, Water, Energy, Health & Happiness, Materials, Equity, and Beauty. Each Petal subsequently has more detailed requirements, called Imperatives. Imperative certification requires the achievement of at least seven of the twenty imperatives.

Our rubber tile collection and all our products with ethos® Modular carpet backing earned the International Living Future Institute (ILFI) LPC Imperative certification, both collections being able to achieve twelve of the twenty imperatives. **In North America, Tarkett is thus the first flooring manufacturer to achieve an LPC Imperative certification for both resilient and soft surface flooring products.**

## 3.7.3 Our flooring products contributing to healthy and people-friendly spaces

### 3.7.3.1 Contributing to healthy spaces and indoor air quality

#### Flooring with low VOC emissions

For the past twenty years, both new and renovated buildings are more and more effective in terms of insulation, and consequently in terms of energy efficiency. One consequence of this progress is a possible degradation of indoor air quality, if provisions are not made to counterbalance the insulation levels that do not foster renewal of air. Yet, we spend nearly 90% of our time indoors, which makes indoor air quality a major public health issue. Tarkett is committed to designing products which help create healthy indoor spaces and preserve indoor air quality. This challenge is especially critical for the most sensitive populations such as the elderly, young children, or people with allergies or asthma.

Since 2011, Tarkett has been a pioneer in developing flooring with low or ultra-low levels of Volatile Organic Compounds (VOC) emissions in nearly all of its product ranges. Tarkett offers products with total VOC emissions that are 10 to 100 times lower than the most stringent world standards, at levels that are so reduced they are non-quantifiable<sup>(1)</sup>. This effort had been recognized by several certifications:

- the modular vinyl Starfloor Click was recommended by the Swedish association against asthma and allergies in 2015;
- the Asthma and Allergy Foundation of America (AAFA) awarded the asthma and allergy friendly™ certification to all FiberFloor® vinyl ranges as well as to other products (I.D. Inspiration™, Acczent, and several laminated ranges);
- in 2018, several linoleum ranges manufactured in the Narni factory received the label Allergy UK Seal of Approval from the British association Allergy UK, which is valid in 135 countries;
- several vinyl and linoleum ranges manufactured in Europe are subject to regular plant audits by Eurofins (an international laboratory network conducting consumer product testing) to ensure that our products have low or very low levels of VOC emissions (Tarkett labels “Indoor Air Quality Gold” and “Indoor Air Quality Platinum”).

#### Phthalate-free flooring

Phthalates are mainly used in the plastics industry, in order to give the plastic a certain flexibility. The potential impact on human health of certain phthalates in this group of chemical products is the subject of scientific debate and is regularly featured in regulatory news and general public news stories, notably through work carried out by health agencies that assess the impact of substances on health and the environment (ANSES in France and EFSA at the European level); at the level of ECHA (European Agency for Chemical Products), within the framework of evolutions in REACH and CLP regulations<sup>(2)</sup>; or in information campaigns run by health and environmental protection non-profit organizations.

(1) Total VOC at 28 days < 100 µg/m<sup>3</sup> or even < 10 µg/m<sup>3</sup>.

(2) REACH: Registration, Evaluation, Authorization and Restriction of Chemicals; CLP: Classification, Labelling and Packaging of substances and mixtures.

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Tarkett has been proactively seeking alternatives, in collaboration with its suppliers. We have considerably invested in research and development and consequently have been able to modify our formulas and our processes to manufacture vinyl flooring with phthalate-free plasticizer technology. 100% of our vinyl production sites in Europe, in North America, in Serbia and in China use a phthalate-free technology<sup>(1)</sup> by end 2018. At some sites, we also use recycled contents in addition to virgin raw materials for some products which may then contain traces of plasticizers with phthalate. EMEA sites have however stopped using recycled materials with residual phthalate content during the course of 2018, and consequently produce 100% phthalate-free vinyl flooring by end 2018, recycled content included. The phthalate-free plasticizer technology has been gradually deployed in Brazil, Ukraine and Serbia since 2016, and development tests are underway for the site of Otradny in Russia.

The entire flooring industry gradually follows our example in the interest of flooring customers and users: for example, in North America, certain DIY and decoration retailers have changed their supplier specifications to exclude phthalate products.

#### Zoom on key indicators



##### Indoor air quality:

Our 2020 objective is to reach 100% of our flooring with low total VOC emissions (< 100 µg/m<sup>3</sup>). In 2018, the percentage of m<sup>2</sup> of products with low VOC emissions rate slightly increased to reach 97%, bringing us closer to our 2020 objective.

##### Phthalate-free flooring:

Our 2020 objective is to reach 100% of phthalate-free vinyl flooring (except recycled content). 100% of our vinyl production sites in Europe, in North America, in Serbia and in China use a phthalate-free technology by end 2018. At global level, we reached 65% in 2018, compared to 57% in 2017, taking into consideration that deployment also depends on availability of plasticizers alternatives (in volumes and in quality).

#### Dust retaining flooring

Tarkett has developed carpet tiles which retain dust particles: the Desso AirMaster<sup>®</sup> carpet tile combined with the EcoBase<sup>®</sup> backing range is designed using a patented technology which retains four times more fine dust particles than traditional carpets. Since 2015, this product is the first worldwide to be certified with a GUI Gold Plus Label, the highest possible accreditation awarded by GUI, Germany's leading independent air quality testing organization.

#### Example



##### City of San Francisco – Raising the bar on sustainable carpet

In 2018, the city of San Francisco adopted comprehensive carpet specifications with minimum recycled content requirements and prohibitions on a long list of hazardous chemicals, including highly fluorinated compounds. San Francisco's strict new requirements cover every detail throughout a carpet's lifecycle, from manufacturing to installation and maintenance. Tarkett, with its non-PVC, low VOC, Cradle to Cradle<sup>®</sup> certified ethos<sup>®</sup> Modular carpet with Omnicoat Technology<sup>™</sup>, was one of the only two flooring companies meeting or exceeding every requirement.

#### Example



##### Airmaster identified as one of few carpet products where no toxics were detected according to a report by Changing Markets Foundations

The report titled “Testing for Toxics – How chemicals in European carpets are harming health and hindering circular economy” published in October 2018 by Changing Markets Foundation, in collaboration with independent researchers and academics, shed light on specific issues related to carpet manufacturing and recycling in Europe. According to this report, of the 15 European carpet samples tested, no toxics were detected in only three carpets, including Tarkett's Desso Airmaster carpet. Changing Markets concludes that “*it is encouraging to see that cleaner carpets already exist on the market. Additionally, as two of the three products [including the Desso range of Tarkett] contain recycled content and are also marketed as being designed for a circular economy, this lends weight to the argument that the goals of a circular economy and non-toxicity can be realized in parallel.*”

### 3.7.3.2 Contributing to wellbeing

Tarkett products have the qualities which create pleasant spaces, improving people's well-being and comfort.

#### Color perception

Tarkett products created for educational organizations (schools, day-care centers, etc.) and nursing or retirement homes are specifically designed with colors and patterns that stimulate mobility and cognitive capacities.

A 2017 study, carried out by Tarkett in collaboration with color specialists, designers and educational specialists, focused on the impact of colors on the development and well-being of children, in educational environments. The results of the study show that children and adolescents develop their learning capacities differently depending on their ages but always with a strong interaction with the world surrounding them, and with the colors of which it is composed. Hence, for example, memory

(1) Phthalate-free products: except recycled content for certain products.

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capacities are 55 to 78% greater when the child is in an environment where he or she likes the colors<sup>(1)</sup>.

Already in 2012, Tarkett carried out a scientific study involving doctors and Alzheimer’s specialists, in order to analyze the sensory and psychological impact of flooring on patient quality of life. In addition to hygiene, safety and other regulatory aspects, the patterns and colors of flooring provoked emotions that can stimulate or calm patients with Alzheimer’s disease, thereby helping to better manage the effects of the disease. Flooring also influences the biological rhythms and acoustic comfort of patients<sup>(2)</sup>.

#### Lighting and Acoustics

Tarkett has developed carpet products which help improve the lighting and acoustic environment of buildings: the Desso Light Reflection Master® carpet has the ability to enhance brightness on interior walls and ceilings by up to 14%, leading to reductions of as much as 10% in artificial lighting; while the Desso SoundMaster® carpet can improve impact sound insulation by up to +10 dB<sup>(3)</sup> compared to standard carpets.

#### Health and Safety

In areas with a high risk of hospital-acquired infections – such as operating theatres, medical laboratories and cleanrooms – floors must meet the highest hygiene standards to ensure infection control and air cleanliness. To this end, our floors provide sealed surfaces and fewer joints, and are resistant to stains and chemicals. They also prevent electrostatic discharges, so that the risk of equipment malfunction or discomfort during surgeries is drastically reduced. Our solutions, including several homogeneous vinyl products from our iQ range and our static control linoleum products, thus offer durable and easy-to-maintain flooring options that meet the health and safety requirements of the healthcare sector.

Tarkett has also developed seamless, anti-slip vinyl flooring solutions specially designed to reinforce health and safety conditions in bathrooms (“Wetroom System”).

In the sports area, Tarkett develops artificial turfs for sports grounds with the objective to improve quality gameplay and athlete safety.

### 3.7.4 Our commitment to limiting waste and closing the loop

#### 3.7.4.1 Production waste

Tarkett is committed to avoiding the generation of waste where possible and in other cases to closing the loop by recovering and by recycling waste. As such we have developed systems to minimize, recover and recycle our production waste.

On several sites we have installed systems for collecting and recycling manufacturing waste from our different plants, including both nonconforming products and production scraps. These collected wastes are either directly recycled in one of our seven recycling centers and reinjected into our manufacturing process, or sent to other industries for external recycling. Other industrial waste generated at our manufacturing sites (such as metal, paper, cardboard, electronic waste, used oils, etc.) are sorted and managed using the 4 R’s approach (reduce, reuse, recycle, recover), with disposal to landfill being used in last resort.

#### Zoom on key indicators



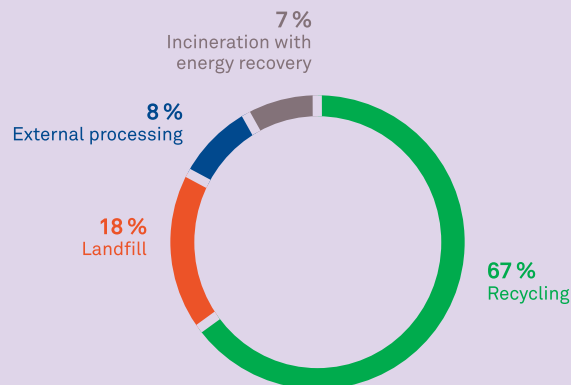
##### Waste

67% of our industrial waste is effectively recycled, and 12 plants already do not dispose any production waste to landfill.

Compared to 2017, our production of industrial waste (including hazardous waste) disposed to landfill has increased by 26% in 2018, from 13,600 tons to 17,000 tons, mainly due to operational efficiency and waste recycling difficulties faced at one of our sites in North America (notably in relation with stocks of obsolete materials). If we exclude this particular site (which alone accounts for 74% of the Group’s waste disposed to landfill), the total volume of industrial waste disposed to landfill by all the other production sites of the Group has decreased by 26% between 2017 and 2018 (from 6,000 tons to less than 4,500 tons), and only 6% of industrial waste from these sites is disposed to landfill, while 76% is sent to external recycling.

Despite our continual efforts, reaching our objective of zero production waste to landfill by 2020 will be challenging, primarily due to the lack of recycling facilities or other alternative options than landfilling in some countries where we operate.

##### Share of production waste (hazardous and non-hazardous) by type of processing (%)



(1) <http://kidsstudy.tarkett.co.uk/>

(2) [https://professionals.tarkett.com/en\\_EU/node/designing-facilities-for-alzheimer-s-and-dementia-patients-830](https://professionals.tarkett.com/en_EU/node/designing-facilities-for-alzheimer-s-and-dementia-patients-830)



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### 3.7.4.2 Re-use of waste from other industries

We also purchase waste or recycling-based transformed materials from many industrial partners that we use as raw materials. An emblematic example of this approach is the Desso carpet that we are manufacturing in Europe:

- > we buy Econyl® fibers from Aquafil, an Italian company, which are composed of 100% regenerated nylon threads from discarded fishing nets and used fiber waste from Desso carpets;
- > we have developed, in partnership with a drinking water distribution company in the Netherlands, a technique to recover calcium carbonate from water treatment. This calcium carbonate is then used as a raw material for EcoBase® carpet backings.

In North America, the ethos® carpet tile backing is made from recycled PVB (polyvinyl butyral) security films from windshields and used protective glass. From 2004 to 2018, we reused close to 23,500 tons of PVB films from 22.8 million windshields.

#### Example



#### Turning waste into resources in Brazil

At our Jacarei plant in Brazil, we began studying alternative sources of material as early as 2012. We identified the potential of using medical blister packaging and mobile SIM cards, and following trials began working on incorporating these into our VCT (vinyl composite tile) product formulation and in the core layer of LVT (luxury vinyl tile). We now have a smooth-running supply from two local producers less than 100km away. These materials are four times less expensive than virgin raw materials and we can include up to 50% of recycled content in our products, while avoiding 960 tons of waste per year to landfill.

One of the main challenges of initiatives to promote the use of recycled materials is to trace the precise composition of materials that we incorporate into our manufacturing processes, and to guarantee their health and environmental quality. In addition to recycling our own products, we only work with partners able to provide this traceability, and which can guarantee a consistent level of quality in line with our specifications.

#### Zoom on key indicators



#### Recycled Materials

In 2018, we used nearly 134,000 tons of recycled materials<sup>(1)</sup> as an alternative to virgin materials, which represents over 10% of our raw materials in purchased volumes.

### 3.7.4.3 Post-installation and post-consumer flooring waste

#### Integrating flooring waste into our products

In addition to production scraps, we have developed our capacity to recycle post-installation flooring scrap and post-used flooring in our own manufacturing processes, which required developing on-site recycling units. Tarkett has seven recycling centers on its production sites all over the world: Florence (US), Dalton (US), Ronneby (Sweden), Clervaux (Luxembourg), Otradny (Russia), Jacarei (Brazil) and Narni (Italy). For instance, the recycling center located in Luxembourg, on the Clervaux site, treats both production loss from other European sites, and flooring post-installation scraps. The backing produced using this recycled material is used at several vinyl flooring manufacturing sites in Europe and on the vinyl production line in Clervaux. In the United States, the Tarkett “Dalton Environmental Center” operates on the same principle and its recycled products are used to manufacture “ER3” backings for carpets. Clervaux and Dalton recycling centers are moreover certified for their recycling process (EuCertPlast certification for Clervaux, SCS Recycling Facility certification for Dalton).

#### Example



#### EuCertPlast certification in Clervaux recycling center

Our recycling center in Clervaux achieved EuCertPlast certification recognizing its environmentally-friendly and traceable plastics recycling process. It shows our suppliers and customers that the vinyl off-cuts collected via our take-back program ReStart® as well as other sources of recycled materials are treated according to best sustainable practices.

#### Collection of post-installation and post-consumer flooring: the ReStart® program

ReStart®, a flagship Tarkett program on collection, meets a double goal:

- > increase collection of post-consumer and post-installation Tarkett flooring products (or in some cases from other flooring manufacturers), in order to use fewer virgin resources and develop a circular model with quality and economically viable products; and
- > offer our customers a responsible solution to avoid incineration or landfilling.

Flooring products collected via ReStart® are primarily meant to be reinjected into our manufacturing cycle, but we also evaluate other recycling opportunities when relevant. For example, in Australia, we participate with Vinyl Council Australia and other flooring manufacturers in a government funded recycling project, with the objective to reuse granulated post-consumer homogenous vinyl flooring as filler material in masonry products.

(1) Recycled materials: Materials that would otherwise have been sent for waste disposal; internal post-manufacturing recycled volumes are included.

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Today, the ReStart® program exists in several formats in different countries in Europe (France, Nordics, United Kingdom, Belgium, Germany, Spain, Netherlands, Italy, Portugal) and North America:


- > in Sweden, a system for collection of post-installation products, free for the customer, has existed since the 90’s for vinyl flooring;
- > in France, ReStart® has been in place since 2010. Since 2016, a partnership with Veolia has been aiming to optimize collection and sorting logistics of post-installation scraps from vinyl and linoleum products;
- > in 2018, ReStart® was launched for vinyl flooring in Italy, Spain and Germany, in collaboration with local partners such as Geodis in Spain or Veolia in Germany;
- > in Belgium and in the Netherlands, a palette system to recover carpet tiles, or RollerDoc™, has been specifically developed to simplify their removal, handling and collection, and in particular to adapt to the needs of renovation worksites;
- > in North America, the program has existed since the end of the nineties for collection and recycling of carpet tiles and was expanded to vinyl flooring in 2010.

continue a few more years, before strongly reversing itself to the advantage of more recent products, for which we more efficiently control recycling (both technically and economically);

- > in Europe, we have reduced the collection of used carpets due to technical difficulties in recycling. Separation technologies of different layers and materials employed are being improved through our Refinity® recycling facility which can separate the yarn and other fibers from the backing. In addition, we deploy for all of our carpet tile ranges the EcoBase eco-designed backing, which allows more comprehensive, easier recycling of these products when they arrive at end-of-use;
- > finally, the ReStart® program for vinyl and linoleum flooring has been redeployed in 2018 in France and in other European countries. We hope to accelerate our customers’ engagement by offering an enticing, economically viable and easy to implement reversed logistics service.

We are also experimenting alternative models, such as leasing options for short cycle products (typically 4-5 years), ensuring that Tarkett, which remains the owner of the product, can collect the flooring at end of use.

**Zoom on key indicators**



**Flooring collection program ReStart®**

From 2010 to 2018, Tarkett has collected 102,000 tons of flooring (post-installation and post-consumer flooring: vinyl, linoleum, carpet). In 2018 however, only 3,300 tons of installation scrap and used flooring were collected through the ReStart® program, far from our objective for 2020 to collect 38,000 tons per year, i.e. double volume compared to 2010.

The main reasons for this decrease are commercial (end of key client contracts including collection and recycling activities in North America), technical (difficulties for separating the different layers to be recycled, materials traceability...) as well as structural (reverse logistics, regulations lacking incentives, level of client’s maturity...) – see below for more explanations and the challenges of circular economy.

In spite of Tarkett’s commitment to the circular economy, collected volumes in 2018 are comparable to 2017 and represent a significant decrease compared to preceding years, which sets us back from our 2020 objective of doubling the volume collected (38,000 tons) compared to 2010 (18,900 tons).

This situation can be explained by technical reasons, but also by structural issues linked to the challenges of circular economy:

- > first of all, the main decrease in volume concerns North America, where the products collected after several years of use (mainly carpets) no longer correspond to materials used in manufacturing of new ethos® carpet. In sum, the former carpets are no longer compatible with the compositions of new eco-designed carpets. Unfortunately, this trend should

**Example**

**Recycling wood flooring: the Lignum Aeternam project**

Wood flooring is currently not included in our ReStart® program, and post-consumer wood flooring is generally incinerated rather than recycled. In 2018, we conducted a pilot project for wood recycling in collaboration with Bouygues at the occasion of the former 3 Suisse warehouse decommissioning in Northern France. We took back 1,000 m² of old solid oak parquet, reprocessed it and reengineered it to make a new wood flooring product, thus testing and demonstrating the feasibility of recycling wood flooring in our manufacturing process. Nordic customers from both project and distribution sides are particularly interested in this newly created recycled-based wood flooring, which we called Twirl. We are now working on building a robust intake process to allow us to acquire more volumes of old parquet in the future, with the objective to go into production from 2019 onwards in our Orzechowo (Poland) and Hanaskog (Sweden) production sites.

**Example**

**Carpet replacement and recycling for the California Environmental Protection Agency (EPA) building in the United States**

In 1999-2000, our Tandus ER3 carpet was selected by the State of California for the EPA building. After 18 years, the space is now ready for renovation, and our ethos® carpet was chosen for its high recycled content and its recyclability. In 2018, we have thus started to remove the 65,000 m² of used ER3 carpet and send it to our Dalton facility for recycling, while we install our new ethos® product in the EPA building.



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### Eco-designing the flooring installation system for easy removal and effective recycling

Tarkett endeavors to integrate easy removal right from the design stage, ultimately allowing more efficient collection, sorting and recycling. Beyond the flooring product itself, the challenge is to design flooring systems including products, installation and removal methods, which facilitate the collection of flooring at end of use while allowing the separation of different layers.

For example, the modular vinyl ranges in freestanding installation and with clip-on system do not require any adhesives, enabling the flooring to be very easily removed. Cementi Click,

our new category of premium mineral tiles and planks produced from 95% clay, also uses the click system for easy installation and removal. In North America, Tarkett has launched the modular range ProGen™, a new generation of flooring which is waterproof, and resistant to shocks, traffic and heavy use, while being easy to install and remove thanks to a fast lock mechanism. Quick-Fix carpet tiles (produced in partnership with Velcro®) and the Tape+/Tape products offer solutions so that carpets can be installed, re-installed, and recycled easily, without damaging the flooring surface. Our new modular resilient flooring iD Revolution can also be installed with a tackifier, enabling quick installation and removal.

#### Tarkett feedback: the challenges of collection and reuse of flooring

Thanks to its experience of several years with the ReStart® program and circular economy initiatives, Tarkett has identified several key challenges in terms of collection and reuse of flooring:

- > **ensuring product traceability**, as well as that of collected, recycled materials. In view of recycling, it is essential to know exactly the composition of products that have been collected, in order to use good and healthy recycled materials. It is also as part of this approach that Tarkett has developed the MHS (see section 3.7.2.2 “Assessment of materials and their impact on health and the environment”) and positions itself in favor of the implementation of “**products passport**”;
- > **implementing reverse logistics** with a dense network of collection points, near building or renovation sites, to facilitate the process for customers sorting and returning their installation off-cuts and post-use flooring waste;
- > **developing an enticing, economically viable ecosystem for the different stakeholders:**
  - urge the prime contractors or architects/designers to demand and prescribe floorings made from recycled and recyclable products, and compliant with established standards and labels,

- encourage the installers or the construction managers to sort and carry away their waste rather than paying for it to be sent to landfill or incineration,
- facilitate for the intermediaries the collection and sorting of waste to optimize the quality of volumes collected and ensure its traceability,
- commit the flooring manufacturers to eco-design and use recycled materials on the one hand, and to train their sales teams and customers to collection and recycling on the other hand,
- implement regulations and a taxation system favoring circular economy (at national and territorial levels): penalize landfilling and incineration, promote recycled, recyclable and/or reusable products in public tenders,
- strengthen consistency between public policies related to circular economy, in particular regulations on waste management and chemicals (such as REACH), with products regulations,
- develop research programs and inter-industry dialogue to transform waste from one industry into quality resources for another industry.

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### 3.7.5 Our preservation of natural capital: water & energy

#### 3.7.5.1 Reducing water consumption

Aware of the critical importance of preserving this vital resource, Tarkett has been managing water responsibly on its production sites for many years as part of its World Class Manufacturing program. Our 2020 water consumption goal is ambitious: all our industrial sites should not use water in their industrial process, or should be equipped with a closed loop water system, in other words reusing a minimum of 98% of the water used.

In 2018, we kept working on improving water management and increasing the number of closed loop water systems at our production sites, for example:

- > the Jacarei vinyl site (Brazil) reduced its water consumption by 46% in 2018 compared to 2017 by implementing a 100% plant mapping with electronic flow sensors, thus improving water consumption monitoring and enabling to immediately identify and tackle losses. This project brought the Jacarei site around 98% water recycling rate, which is the closed loop target;
- > the Dalton carpet site (US) reduced its water consumption by 26% between 2017 and 2018, by eliminating the jet dye process and improving water monitoring.

Some of our flooring and sports surface solutions moreover contribute to reduce water and chemicals consumption during the use phase of our products.

For example, cleaning the iQ range vinyl flooring by using our dry buffing cleaning system can reduce the consumption of water by 18% and the requirement for detergents by a factor 2.3.

The use of our artificial turfs instead of natural grass for sports grounds also helps reducing water consumption by removing the need for watering, thus saving up to 4,000 m<sup>3</sup> water per year and per field, in addition to eliminating the use of fertilizers.

#### 3.7.5.2 Improving energy efficiency

Since 2011, the ISO 50001 standard has recognized the engagement of companies towards better energy management. In 2018, all Tarkett European sites that employ more than 250 people are ISO 50001 certified. Independent from certification systems, some of our production sites already engage in practices that meet standards similar to ISO standards. This provides us with our own feedback and enables us to identify best practices to implement.

In 2018, our production sites have kept working, as part of the WCM program, on optimizing their manufacturing processes and improving their energy efficiency, to reduce their energy consumption per square meter of manufactured product, for example:

- > at the Sedan vinyl site (France), a daily maintenance routine was implemented, which enables to improve plant performance and energy efficiency;
- > at the Narni linoleum site (Italy), optimization of the trigeneration system and biomass boiler through a collaborative effort between operations and maintenance teams helped further improve energy efficiency;
- > at the Dalton carpet facility (US), the ongoing replacement of battery-powered forklifts with hydrogen forklifts (11 forklifts replaced in 2018, around 30 remaining forklifts expected to be replaced in 2019), and the installation of timer switches and motion sensor lights participate in the reduction of energy consumption.

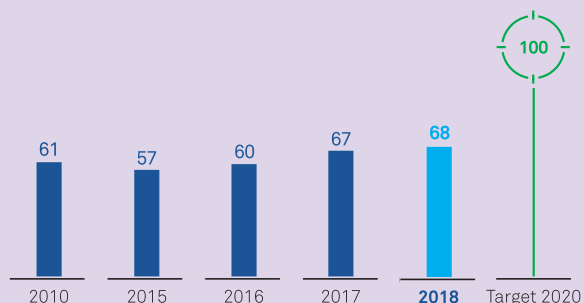
#### Zoom on key indicators

##### Water consumption

The proportion of sites using closed loop water systems or not consuming any water in their manufacturing process has increased in the past years, from 57% in 2015 to 68% in 2018. The goal of the Group is to reach 100% in 2020.

Thanks to these actions, Tarkett was able to reduce by 11% water consumption in absolute value between 2017 and 2018 (0.85 million m<sup>3</sup> in 2018, against 0.96 million m<sup>3</sup> in 2017), and improved by 5.6% water consumption per m<sup>2</sup> of manufactured product (2.91 l/m<sup>2</sup> in 2018, compared to 3.09 l/m<sup>2</sup> in 2017).

Share of sites which have implemented a closed loop water system, or which do not use water in their manufacturing process (%)



#### Example

##### Optimizing energy to produce more FieldTurf fiber

The FieldTurf synthetic fiber production process for sports surfaces at our Absteinach plant in Germany involves several high-energy intensive steps (extrusion process). As part of our ISO 50001 energy management certification process, our main goal has been to optimize energy efficiency of our processes by increasing output from 200kg to 500kg of fiber produced for the same amount of energy. Over the past 7 years we have been able to triple our production while decreasing our energy consumption by 20% and our production costs by 50%.

## Zoom on key indicators

**Energy efficiency**

Since 2010, we have made some progress in terms of energy efficiency, with a slight decrease in average energy consumption per m<sup>2</sup> of manufactured product (-1.1% from 2010 to 2018).

Between 2017 and 2018, the energy consumption per m<sup>2</sup> of manufactured product has however increased (4.29 kWh per m<sup>2</sup> in 2018, compared to 4.17 kWh per m<sup>2</sup> in 2017), in relation with the decrease in production volumes at Group level, which automatically results in a degradation of energy efficiency.

Some of our flooring solutions moreover contribute to reduce energy consumption during the use phase of our products. For example, cleaning the iQ range vinyl flooring by using our dry buffing cleaning system can reduce the consumption of electricity by 20%.

**3.7.5.3 Developing renewable energy**

Developing the use of renewable energy sources on our sites represents one solution to combat climate change. In this area, different initiatives have been implemented which continue to produce and use renewable energy:

- > wood waste from our production is used as biomass for energy production at nine of our factories;
- > geothermal and solar energies are used at some administrative buildings and factories, such as carpet sites in Dendermonde (Belgium) and in Waalwijk (The Netherlands), as well as at the linoleum site in Narni (Italy).

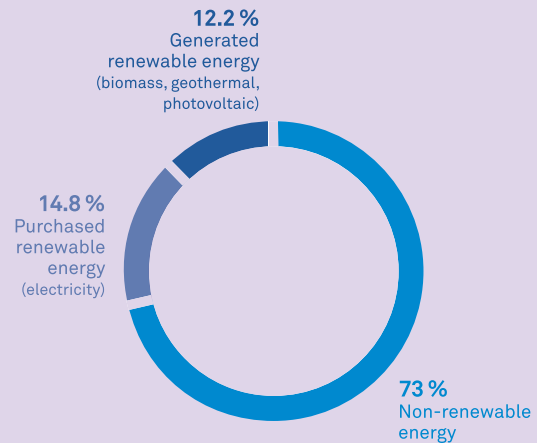
In addition to on-site actions, Tarkett also encourages the use of green energy sources produced by third parties, such as hydraulic, wind or solar energies, as well as purchasing certified renewable electricity.

Worldwide, seven of our factories buy 100% renewable electricity: Chagrin Falls (United States), Middlefield (United States), Narni (Italy), Dendermonde (Belgium), Goirle and Waalwijk (The Netherlands) and Jacarei (Brazil). This prevents 22 ktCO<sub>2</sub>e per year (base 2018 for these factories) of greenhouse gas emissions.

## Zoom on key indicators

**Renewable energies**

The share of renewable energies has slightly decreased between 2017 and 2018, accounting for 27% of the Group's total energy consumption.

**Share of renewable energies in energy consumption (%)****3.7.6 Our greenhouse gas emissions and our commitment to combating climate change**

Industrial activity is only one of the main contributors to greenhouse gas (GHG) emissions. To achieve the objectives of reducing these emissions, defined at the national and international levels, industrial companies must act beyond the scope of their direct responsibility, and impact the entire life cycle of their products. This involves not only the reduction in energy requirements (production, transport, etc.) and an increased use of renewable energy, but also eco-design, use of recycled raw materials, and implementation of waste recycling in a circular economy approach. In the scenarios detailed by experts, more effective use of resources is a key factor to attenuate climate change.

Tarkett is committed to fighting climate change, notably through its WCM program on production sites, through its initiatives in favor of circular economy, but also through its assessment of the positive and negative impact of its activities and products on the environment.

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### 3.7.6.1 Greenhouse gas emissions at our production sites (Scope 1 and 2)

As detailed in sections 3.7.5.2 “Improving energy efficiency” and 3.7.5.3 “Developing renewable energy”, our approach to continually reduce our Scope 1 and 2 GHG emissions from fuel and electricity consumption at our production sites is based on the following hierarchy:

- > improve energy efficiency through changes and optimization of our manufacturing processes;
- > develop on-site renewable energy production (e.g. biomass, geothermal, solar);
- > purchase 100% renewable electricity.

### 3.7.6.2 Greenhouse gas emissions throughout the value chain (Scope 3)

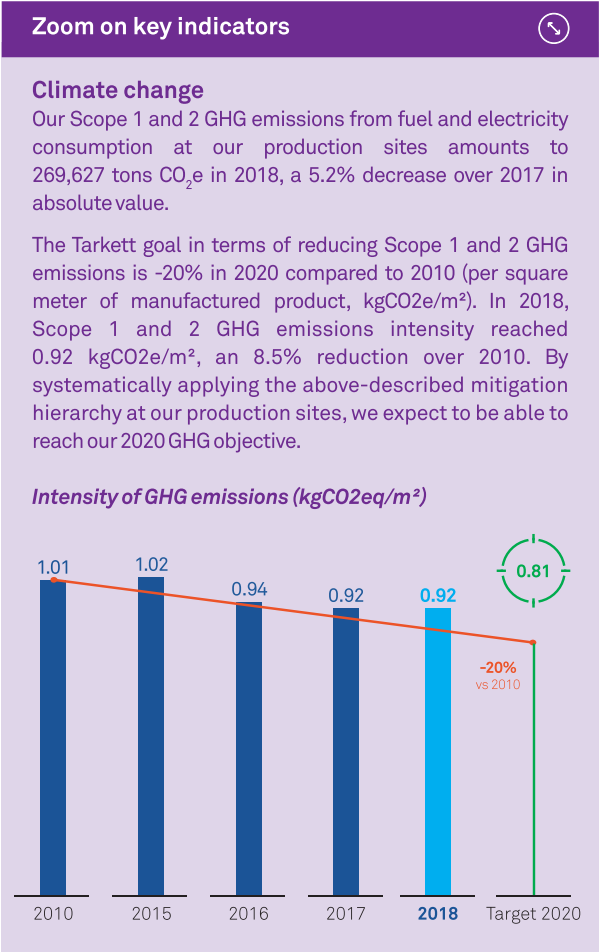
A Scope 3 GHG assessment project was launched in 2018 in order to obtain a better understanding of our impact on climate change across the entire life cycle of our products and our activities. Based on the methodology of the “GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard”, we estimated Scope 3 GHG emissions for the following categories:

- > upstream: purchased goods and services, waste generated in operations, and business travel;
- > downstream: transportation and distribution, processing (i.e. installation) of sold products, use of sold products, and end-of-life treatment of sold products.

Other categories such as employee commuting, leased assets, franchises or investments were excluded from the assessment, as they were determined to be either not relevant to Tarkett’s activities or not material based on a preliminary analysis. Using actual and estimated Tarkett’s activity data for 2015, and conversion factors from various sources (e.g.: generic datasets such as GHG Protocol, Ecoinvent, European Life Cycle database; or supplier specific data), Scope 3 GHG emissions were calculated for each category.

This study enabled to identify four main sources of Scope 3 GHG emissions along the value chain, as summarized in the below table. Our main efforts on Scope 3 are already and will keep focusing on our circular economy initiatives:

- > raw materials selection;
- > product eco-design to ensure recycled content and recyclability;
- > collection and recycling of post-consumer flooring.



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Scope 3 Category	Emissions (tCO <sub>2</sub> eq/year)	Share of Scope 3 Emissions(%)	Comments/Actions	CSR Report section
Use of sold products (use phase)	2,900,000	49%	<ul style="list-style-type: none"> <li>&gt; Estimated GHG emissions during the use phase include emissions related to the use of water, detergent and electricity for cleaning, considering a 10 years lifetime of the flooring.</li> <li>&gt; We recognize the importance of potential GHG emissions arising from the cleaning of our flooring products during their life, and some of our products contribute to reduce water and energy consumption during their lifetime.</li> <li>&gt; However, considering the uncertainties of the assessment (variability of conversion factors, assumptions on flooring lifetime, lack of conventional cleaning procedures, etc.) which can lead to very different results (emission levels up to five times higher or lower depending on assumptions), and the fact that Tarkett has no control and limited influence on the type of equipment and cleaning protocol used by its diverse customers (floor cleaning is only an indirect use of the product, while being necessary for all types of flooring), we do not consider this category as the most critical compared to other sources of emissions on which Tarkett has greater leverage.</li> </ul>	3.7.5
Raw materials purchases	1,200,000	20%	<p>Upstream, Tarkett can have an impact on GHG emissions resulting from raw materials by:</p> <ul style="list-style-type: none"> <li>&gt; assessing and selecting raw materials which have a lower contribution towards GHG;</li> <li>&gt; increasing recycled content in our products, as recycled materials contribute less to GHG compared to extraction and transformation of virgin materials.</li> </ul>	3.7.2 3.7.4.2
End-of-use of sold products	1,000,000	17%	<p>Tarkett contributes to reducing GHG emissions resulting from the end of use of its products through:</p> <ul style="list-style-type: none"> <li>&gt; design to ensure recyclability of flooring products;</li> <li>&gt; flooring take-back ReStart® program;</li> <li>&gt; recycling of post-installation and post-consumer flooring (in our manufacturing process or by other industries).</li> </ul>	3.7.4.3
Products transportation and distribution	300,000	5%	<ul style="list-style-type: none"> <li>&gt; Favor local presence</li> <li>&gt; Use rail transportation (e.g.: Otradny in Russia)</li> </ul>	-

“Driving Collaboration” in value chain and in communities

## 3.8 “Driving Collaboration” in value chain and in communities

Our policies and actions, along with their objectives and results/key performance indicators, intended to manage risks and respond to opportunities related to our suppliers and our activities within local communities (as identified in section 3.4 “CSR risks and opportunities”) are summarized in the below table and further detailed in the sub-sections of this chapter.

Opportunities & Risks	Policies/Actions	Key Performance Indicators	2018	2017	CSR Report section
<ul style="list-style-type: none"> <li>&gt; Engaging suppliers to meet required CSR standards</li> <li>&gt; Dependence on certain suppliers</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Responsible sourcing program</li> <li>&gt; Suppliers involved in materials selection, materials assessment and C2C approach</li> <li>&gt; Diversification of supplier’s portfolio and use of local suppliers</li> </ul>	Percentage of raw materials purchased from suppliers committing to United Nations Global Compact	76%	74%	3.8.1
<ul style="list-style-type: none"> <li>&gt; Expectations and concerns from local communities</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Tarkett Academy</li> <li>&gt; Tarkett Cares.</li> <li>&gt; Support to worldwide development projects</li> </ul>	Total value of contributions to Tarkett Cares community initiatives (financial, product and employee hours donations)	€808k	€508k	3.8.2

### 3.8.1 A responsible and collaborative supply chain

#### 3.8.1.1 Engaging with responsible suppliers

The commitment of Tarkett to shifting to a circular economy model, founded on the Cradle to Cradle® principles, necessarily depends on the engagement and cooperation of the different stakeholders throughout the entire value chain. To this end, we carefully select suppliers with whom we can develop genuine partnerships and we also seek to develop long-term sales relationships with companies that share our ethical values. In particular:

- > we commit our main suppliers to respecting the principles of the United Nations Global Compact (UNGC), which cover the themes of human rights, working conditions, the fight against corruption and respect for the environment;
- > we have established partnerships with wood suppliers that are either FSC® (Forest Stewardship Council®) and/or PEFC™ (Program for the Endorsement of Forest Certification) certified, which enhances the sustainable management of forests and respect for human rights throughout the value chain. Since the late 1990s in EMEA we have annually maintained our Chain of Custody certification that today covers 12 production sites and sales subsidiaries; more than 60% of our wood is FSC® (FSC® C008972) or PEFC™(PEFC™/05-35-125) certified. In Eastern Europe division, 10% of the purchased wood is covered by FSC® certification. Finally, in North America, on the maple wood ClutchCourt range, used for production of basketball courts, we offer an FSC® certified product;

- > we have obtained the Social Responsibility SA 8000 certification for our linoleum manufacturing plant in Narni (Italy).

#### Zoom on key indicators



#### Responsible suppliers

In 2018, we purchased 76% of our raw materials from suppliers that respect UNGC principles (compared to 74% in 2017). They commit to respect these principles within the scope of our contractual terms and conditions.

To further strengthen our responsible supply chain approach, we started in 2018 an initiative to formalize and deploy a **responsible sourcing program**, which includes the following components:

- > a **procurement CSR risk mapping covering the majority of our suppliers** (87% of our total purchase value) is being performed in partnership with Ecovadis. It will allow us to identify the main environmental, social and ethical risks along our supply chain, based on procurement categories, countries of operation, availability of products/services, potential dependability on certain suppliers, etc. This mapping constitutes a new starting point enabling Tarkett to develop and deploy a responsible sourcing program, with a primary focus on the identified high-risk suppliers;



- **the Code of Conduct for Tarkett Suppliers** was developed in 2018 and sets out Tarkett’s Social Responsibility expectations for its suppliers on modern slavery, child labor, freedom of association, discrimination, health and safety, working conditions, business ethics, and environmental compliance. It is consistent with the UNGC principles and International Labor Standards as defined by the International Labor Organization (ILO). The Code of Conduct will be tested with a few suppliers and progressively deployed in 2019;
- **suppliers will be evaluated** using various tools such as self-assessment questionnaires or on-site audits. This evaluation process is expected to start in 2019 with identified high-risk suppliers and will form the basis for determining improvement action plans to be implemented by the suppliers, in order to meet our CSR requirements and ensure that CSR risks along the supply chain are properly mitigated;
- **alert mechanisms** are in place via our Compliance Hotline and our Ethics Hotline (see section 3.3.4.1 “Our approach to ethics and integrity”).

#### Example



##### Methodology and results of our procurement CSR risk mapping

Tarkett appointed Ecovadis, an international reputable CSR ratings consultant, to perform a procurement CSR risk mapping covering most of Tarkett’s suppliers worldwide. The results of this mapping have been shared and analyzed internally.

The EcoVadis methodology covers 21 criteria across four themes: environment, fair labor & human rights, ethics (including corruption), and sustainable procurement. It is built on international CSR standards including the Global Reporting Initiative, the UNGC, and the ISO 26000, and uses a comprehensive database covering over 50,000 companies, 190 spend categories and 150 countries.

#### Example



##### Progressing thanks to NGO reports and dialogue

We collaborate with NGOs and are constantly on the lookout for NGO reports relevant to our activities, as ways to help us better identify, assess and mitigate our supply chain risks. For example, in 2018, Tarkett co-financed a study by NGO Healthy Building Network (HBN) on suppliers and technologies used for chlorine and PVC production, in order to obtain a better understanding on which PVC suppliers use which technology (for more details see section 3.7.2.1 “Good materials selection”).

### 3.8.1.2 Involving suppliers in our eco-design approach

We involve our suppliers in the development and assessment of new materials, in line with the Cradle to Cradle® (C2C) principles or when we need data for the lifecycle analysis of our products.

For example, in 2018, we closely worked with key suppliers to assess and optimize our portfolio of inks and pigments and over 60 wood accessories for installation and maintenance in the Eastern Europe division.

Tarkett was also instrumental in the development of a partnership between a strategic material supplier and EPEA to develop a C2C assessment tool for the design of the supplier’s new materials, which we use as raw material in our flooring products.

From flooring product design to installation and maintenance, Tarkett does not limit its research to its products. Using a holistic approach, we also are interested in the entire system, in other words the impact of our products on health and the environment during the installation, use and maintenance phase. Within the scope of our C2C commitment, we strive to develop partnerships with other industrial firms engaged in the same approach so as to be able to recommend complete C2C product solutions, installation and maintenance.

In North America, for example, Tarkett has worked closely with supply chain actors, in particular Royal Adhesives & Sealants, to ensure that the adhesives we provide are assessed and certified using the C2C methodology.

### 3.8.2 Our impacts and support towards local communities

#### 3.8.2.1 Locally rooted activities

The nature of Tarkett activities, its development through acquisition of local companies and the Group’s decentralized structure contribute to the development of local economic activity. Tarkett sells its products in over 100 countries and has a worldwide presence through its 36 industrial sites, its commercial networks and local branches, as well as its research and design centers. Products are manufactured in 17 countries (France, Italy, Luxemburg, United Kingdom, Poland, Belgium, Sweden, the Netherlands, Germany, Russia, Serbia, Ukraine, USA, Canada, Brazil, China and Australia), located in the heart of commercialization areas to serve our highly fragmented and diverse customer base.

Tarkett develops relationships with local stakeholders including installers, sub-contractors, and distributors, while respecting local cultures: in its way, Tarkett is Russian in Russia, American in the United States and Chinese in China. While benefiting from a global presence, the Group has always striven to anchor its activities locally, favoring the quality and sustainability of its relationships with its customers, in order to offer local service. We adapt our products as well as their technical characteristics, in particular their designs (colors, patterns, formats, materials) to the tastes and local habits of our customers and to local regulations. In addition to our production sites, we have a solid distribution network to guarantee fast, efficient delivery and sufficient volumes to our local customers. From local manufacturing sites in China and in Brazil, to customer service and distribution centers in Russia, as well as a strong presence in North America and Europe, the Tarkett network is the right choice for many flooring installation projects in the world, both for local customers and for key international accounts.

“Driving Collaboration” in value chain and in communities

### 3.8.2.2 Sharing expertise: the Tarkett Academy

The *Tarkett Academy* trains professionals and future flooring installers in techniques for installing and laying floors. The training programs are delivered at 12 Tarkett Academy centers in 8 countries: Australia, Brazil, China, France, Poland, Sweden, Russia and Serbia. The training is designed for both young professionals and experienced installers. Sessions last a few hours to a week and mainly focus on flooring installation and maintenance.

In North America, Tarkett experts directly train architects and designers, via their trade organizations, allowing them to earn a certain number of continuous education credits. In France, Tarkett Academy, created as early as 1993 in the Sedan factory, trains professionals or future professionals in vinyl, linoleum, wood and carpet flooring installation techniques. The training is validated by a degree (CAP flooring-carpet installer) recognized by the Ministry of National Education or a professional degree (flooring-carpet installer) recognized by the Ministry of Employment.

#### Zoom on key indicators



#### Tarkett Academy

From 2012 to 2018, Tarkett trained over 23,000 professionals and students in the flooring profession and in installation techniques at Tarkett Academy centers all over the world, including 3,669 people in 2018.

### 3.8.2.3 Engaging with and helping local communities: Tarkett Cares

In 2016, the Tarkett Cares program formalized the Group's and employees' engagement with local communities in many countries. One of the main goals of this program is to help improve people's lives in communities in which we are based, and more generally to help meet local needs. Tarkett Cares is a flexible program that provides this support in different ways, corresponding to our corporate values and our sustainable development approach:

- > volunteer work: Tarkett encourages each employee to spend up to two days a year of his or her work time on a charitable initiative and to share his time and expertise on a volunteer basis. This can be done individually or as part of a team;
- > donations: Tarkett entities can also support local initiatives through making financial, material or product donations and involving employees in these projects.

There are many, diverse local initiatives: helping to build or beautify living areas, improving the quality of life and health of local populations, sharing expertise and developing talents, encouraging entrepreneurship or protecting the environment. For Tarkett teams, these voluntary initiatives offer invaluable opportunities to share common values, in particular generosity, solidarity, and team spirit.

#### Zoom on key indicators

#### Tarkett Cares in 2018



- > 2 days of volunteer activity for charity initiatives possible for all employees;
- > nearly 170 initiatives worldwide;
- > nearly 1,300 employees involved;
- > 978 work days, the equivalent of 6,846 hours of work;
- > 17,560 m<sup>2</sup> of flooring donated;
- > a total value of more than €800k (values of financial and product donations and employee hours donated).

In 2018, Tarkett Cares supported many communities through different initiatives, a few examples of which are provided below:

- > FieldTurf strengthened a partnership initiated in 2016 with the community of Longueuil in Montreal (Canada) by donating and installing a new 3,200 m<sup>2</sup> artificial turf at a primary school;
- > employees from Tarkett Serbia installed 600 m<sup>2</sup> of donated vinyl flooring for a Serbian kindergarten funded by the Foundation Novak Djokovic. Computers were also donated in November 2018 to four schools in Serbia to facilitate access to digital tools for pupils;
- > as part of the World Environment Day, more than 40 Tarkett volunteers took part in “environmental” activities (cleaning a park and playground, planting flowers) near the Bačka Palanka site (Serbia);
- > at the occasion of Tarkett North America's 2018 reUNION Sales Meeting in New Orleans (United States), over 300 volunteers participated in a charity day to help several nonprofits organizations focused on assisting families and children of the local communities;
- > in the Netherlands, Tarkett employees teamed up with environmental organizations, local schools and families to clean up a beach at the Dutch seaside town Katwijk aan Zee;
- > Tarkett supported the “Tour of Friendship”, a 1,000-kilometer fundraising cycling tour between Germany and France to gather donations for two humanitarian projects in Madagascar and Argentina, and in which one of our employees participated;
- > in La Défense (France), Tarkett donated old computers to the association “Travailler et Apprendre Ensemble” (Work and Learn Together), which helps professional reintegration. Teams have also collected clothes and accessories for “La Cravate Solidaire” (The Supportive Tie), an association helping people looking for a job;
- > Tarkett Asia made a donation to Mocaboc Island, an island located in a very poor area of the Philippines where most of the income is from fishing and rice agriculture. The donation enabled to acquire a generator to continuously supply electricity to the island. Our Singapore team moreover helped the Willing Hearts charity to prepare meals for low income families. Our sales team in India also donated and installed LVT flooring in a class room in the small Himalayan town of Manali in Himachal Pradesh;
- > teams of our Jacare' plant (Brazil) were involved in tree plantation activities, and in the installation of flooring and renovation of a nursery in Jacare'.

## Example


**Tarkett North America develops partnership with Habitat for Humanity with flooring product donations worth approximately US\$ 400,000**

In 2018, Tarkett North America has donated flooring products worth approximately US\$400,000 to the nonprofit housing organization Habitat for Humanity: one part to help with habitat’s disaster recovery and rebuilding efforts in Texas and Florida (United States), and another part for the Home Builders Blitz. Tarkett teams participated in the Home Builders Blitz initiative that enlists help from thousands of professional home builders who help families to repair and renovate their homes.

## Example


**Tarkett Sedan holds day-long Tarkett Cares event to lend a helping hand to local associations**

Tarkett Sedan (France) held in October 2018 a day-long Tarkett Cares event, helping local associations and participating in workshops organized in 11 towns with 14 associations. Over 140 employees committed to help local communities (senior citizens, children) and participated in activities supporting Handi’sport (“Disabled Sports”), Road Safety (“Sécurité Routière”), the local hospital (“Centre Hospitalier de Sedan”), a primary school and sports clubs.

### 3.8.2.4 Supporting development projects worldwide

The Group and its employees also get involved in economic and social development projects worldwide.

## Example


**Combating climate change and improving livelihoods in the Peruvian Amazon**

Tarkett is one of seven companies who are supporting a sustainable agro-forestry project in the Peruvian Amazon as part of the REDD+ Business Initiative. The Tambopata-Bahuaja Biodiversity Reserve project aims to protect local biodiversity (including over 30 high conservation value species), conserve endangered forests in a 591,000-ha area and restore 4,000 ha of damaged land, while supporting the livelihoods of 288 farmers by cultivating high quality cacao in a sustainable way – offering them a better income and avoiding further deforestation. Stopping deforestation is one of the most effective measures in the fight against climate change. Tarkett and the other companies in REDD+ Business Initiative are buying carbon credits through this project which is expected to avoid over 4 million tons of carbon emissions by 2021.

## Example


**Contributing to health and well-being in Africa**

Since February 2018, Tarkett has partnered with EarthEnable, a social enterprise that aims to improve health and housing in low-income communities in rural Rwanda and Uganda (Africa). Tarkett provides its flooring expertise to help EarthEnable replace dirt floors with affordable, sanitary flooring that can be washed, cleaned and used to create healthy home environments. EarthEnable’s earthen floors, made of local natural materials, will be tested at our R&D facilities in Narni (Italy) and Wiltz (Luxembourg).

## Example

**Tarkett supports NESTO, a collaborative social housing project built using circular economy principles**

Tarkett has participated in an innovative social housing project in Luxembourg, helping to create a modular apartment block that can be disassembled and rebuilt elsewhere, when it reaches end of life. The three-storey NESTO building in Wiltz comprises six affordable apartments for underprivileged families and is the first of its kind to be built fully using circular economy principles. The building benefits from two healthy, environmentally-friendly Tarkett flooring solutions. First, 330 m<sup>2</sup> of the Cradle to Cradle® Gold-certified resilient modular flooring solution, iD Revolution, and second, 230 m<sup>2</sup> of our new mineral-based tile, Cementi Click. NESTO was conceived by renewable energy specialist Heliosmart and engineering consultancy ProGroup. Its name refers to birds' ability to build nests using only the materials they need from nature, with no waste. In particular, the project has been designed to prioritize residents' wellbeing, while respecting natural resources and optimizing the total cost. The building's economic viability has thus enabled to rent NESTO to Luxembourg's social housing agency (*the Agence Immobilière Sociale*) at a lower than market rate.

## 3.9 Developing Talents

Our policies and actions, along with their objectives and results/key performance indicators, intended to manage risks and respond to opportunities related to our employees (as identified in section 3.4 "CSR risks and opportunities") are summarized in the below table and further detailed in the sub-sections of this chapter.

Opportunities/Risks	Policies/Actions	Key Performance Indicators	2018	2017	Objective 2020	CSR Report section
Safety at production sites.	> World Class Manufacturing (WCM) program	Percentage of production sites certified to OHSAS 18001	69%	69%	-	3.9.1 3.9.2
Exposure of personnel to dangerous substances	> OHSAS 18001 certified Health and Safety Management System (transition to ISO 45001)	Recordable Lost Time Accident Frequency Rate (FR1t <sup>(1)</sup> ) in production sites	2.14	1.87	0	
Non-discrimination, diversity and equal opportunities	> Non-discrimination policies > Promotion of gender equality > Employment of people with disabilities	Percentage of management positions filled by women	27%	27%	-	3.9.3
Management of talent/competence (attraction, retention)	> Recognized employer brand	Percentage of employees trained at least 1 day during the year	60%	56%	-	3.9.4
	> Talent Philosophy					3.9.5
	> Performance and Development Review	Percentage of permanent employees who had a Performance & Development Review (or equivalent) during the year	53%	56%	-	
	> Learning and development programs					
	> Career mobility					
	> Tarkett Awards					
	> Biennial employee feedback survey	Percentage of open management positions filled by internal candidates	53%	52%	-	
		Absentee rate (employees)	2.7%	2.5%	-	
		Permanent employee turnover rate	16%	13%	-	



### “One Tarkett, Agile and Performance-driven”

We have developed our Human Resources 2021 Vision based on four pillars: Tarkett recognized employer brand, Entrepreneurial leaders, Organizational agility, and High-performance culture. Our objectives are to increase our ability to accelerate our development and to strengthen our customer centric capability by being “One Tarkett, Agile and Performance-driven”, with four priority actions:

- > apply our Talent Philosophy;
- > promote and develop Tarkett’s seven entrepreneurial leadership traits: Think business, Accountable, Risk for results, Kind to customers, Empowers collaboration, Talent developer and Thorough;
- > have the best talents in critical positions; and
- > implement a compelling employee value proposition, based on three promises: “Expand your horizons, Change the game, Design the future of society. Together.”

Our 2021 Vision is translated into actions through a Group roadmap and a detailed action plan, while a Tarkett HR indicators dashboard has been developed to monitor progress and measure performance.

### 3.9.1 Make employees’ safety our number one commitment

Beyond regulatory compliance, the Tarkett Group considers safety as its number one commitment, and sets a zero-accident rate as its objective.

Over the past ten years, Tarkett has made substantial progress in terms of safety and has significantly reduced the number of accidents on production sites. This progress results from the commitment of all employees, from managers and supervisors to operators, and from the implementation of the safety pillar as part of our World Class Manufacturing (WCM) program, which brought methodologies, procedures, objectives and key performance indicators. The feedback survey covering all employees completed in 2018 showed that 84% of our employees consider that Tarkett provides a safe working environment. In addition, 83% of the latter consider that managers lead by example in the area of safety (a 9% improvement over 2016).

This progress is encouraging but far from being sufficient.

Indeed, in 2018, Tarkett had to face a fatal accident on a production line at our Ronneby manufacturing site in Sweden. Further to this tragic event which deeply affected the Group, Tarkett’s Executive Committee decided to implement an action plan to strengthen safety measures and to mobilize all employees around safety. The main actions launched are the following:




- > the top 100 leaders of the Group signed a Safety Pledge during the annual seminar in December 2018: “Safety is our #1 commitment. Every day. Everywhere”;
  - > a Global Safety Day was organized for most of Tarkett plants worldwide (in December 2018) with a video from the Chief Executive Officer and the Executive Vice President Operations (Member of the Executive Committee), training workshops, experience and knowledge sharing, and the signature on each site of the Safety Pledge. The objective is to increase awareness on equipment risks and to empower employees to identify and report risk areas for themselves and for their colleagues;
  - > a strict action plan was launched in each plant, notably concerning the assessment of risks specific to Tarkett production lines. This plan is monitored at Executive Committee level;
  - > a number of WCM safety procedures and standards have been reviewed and strengthened, in particular regarding personal protective equipment, clothing rules, hazardous installations and machine guarding.
- The challenge is to reinforce safety culture in the plants, but also for all Group employees (sales force, offices, headquarters), and to train and empower each employee to have safe behavior at any time, in every situation. In addition to the above specific action plans, Tarkett further proceeds with the measures already implemented at different levels of the organization, including:
- > **safety results (including fire risks) are monitored and analyzed during the Group’s Executive Committee meetings, as well as Tarkett’s Supervisory Board;**
  - > they are also **presented and discussed with senior executives** as an introduction to each Quarterly Information Session;
  - > **the safety topic is also evaluated by all employees** during the biennial internal employee feedback survey;
  - > **competency development** in terms of safety on production sites is a major focus of the WCM safety pillar, thanks to complementary measures: regular employee training, frequent audits of practices on our sites (via our Safety Management Audit Training – SMAT process), open and continuous dialogue between managers and employees on risks and safety behaviors at work stations, testing and implementation of best practices shared after annual site audits;

Developing Talents

- > an active global network of safety experts facilitates knowledge sharing among sites and encourages dialogue on risk identification and reduction, audit conclusions and outcomes of measures tested and implemented at site. This network also enables to relay safety news and information to all plants. In addition to monthly conference calls, the extended safety network meets annually at the occasion of a global safety forum;
- > after each incident or accident, a rigorous assessment of causes (“root cause analysis”) is carried out. Action plans are then developed and deployed, within the scope of our WCM continual improvement approach. Safety alerts summarizing the incident’s causes, its outcomes and the corrective actions implemented to prevent re-occurrence are systematically prepared and shared with all manufacturing sites.

By the end of 2018, 69% of the Group’s manufacturing sites had obtained the OHSAS 18001 health and safety certification and are transitioning to the ISO 45001 standard. These international standards are benchmarks in managing workplace health and safety.


**Example** 

**Tarkett’s Global Safety Day**

Following the fatality that occurred in Ronneby in November 2018, the Executive Committee has decided, among others, to dedicate one full day to safety in all Tarkett plants to raise employee awareness about safety risks.

On this occasion, the Chief Executive Officer and the Executive Vice President Operations both emphasized the importance of safety as our number one commitment at Tarkett. They reminded all of us that there is no compromise on safety and that safety is the responsibility of each of us, firstly for ourselves, but also for our colleagues, for our family and friends. The CEO also invited each employee to join the top 100 Leaders who signed the Tarkett Safety Pledge: “Safety is our #1 commitment. Every day. Everywhere”.

During this Global Safety Day held on December 14th 2018 for most plants, our employees participated in numerous activities and were trained on safety topics: equipment representing a risk (such as forklifts, rolling parts...), the new global safety policy for personal protection equipment, the risk assessment WCM methodology and the awareness of operators on workplace risks. They also listened to testimonies from injured plant employees.

**Example** 


**Implementation of a new lock-out tag-out procedure in our manufacturing sites**

A new 7-steps lock-out tag-out (LOTO) process was developed and rolled out for any maintenance activity on energized equipment at our manufacturing sites, in order to ensure that energy sources (electrical, pneumatic, hydraulic, etc.) are properly identified, shut off and isolated prior to starting work. All our plants have already or are implementing this new LOTO procedure, which involves an inventory and risk assessment of all concerned equipment and activities, an update of relevant site maintenance and work procedures, and training of personnel accordingly.

**Example** 

**Family Safety Day in Bačka Palanka (Serbia)**

Under the slogan “Safety – My Priority”, our Bačka Palanka plant in Serbia organized their first Family Safety Day in September 2018. Over 460 visitors consisting of employees and their families were informed about Tarkett and our commitment to safety, as well as participating to various activities related to health and safety throughout the day.

**Zoom on key indicators** 

**Safety**

In 2018, we recorded one fatality at one of our plants (Sweden).

The Recordable Lost Time Accident Frequency Rate FR1t for our plants (number of accidents with days off work less or more than 24h per million hours worked for employees and external workers at Tarkett’s plants) was otherwise 2.14 (compared to 1.87 in 2017), a 14% deterioration over 2017, but a 64% improvement over 2013.

The Recordable Lost Time Accident Frequency Rate FR1t for the whole Tarkett Group employees (plants, sales force, headquarters...) was 2.18 (compared to 2.07 in 2017).

We also monitor accidents concerning our teams outside of factories (in administrative buildings and for the sales network). In 2018 Tarkett’s WCM experts cooperated more closely with Division teams to share best practice and guidance on safety in the sales networks. In EMEA a dedicated safety community for the sales network and offices was created on the company intranet to share information and in North America a Sales Safety Force was created to drive safety initiatives. This work will continue over the coming years as Tarkett looks to develop the same safety culture outside its manufacturing sites.



### 3.9.2 Ensuring the health and well-being of our workforce

Professional health risks, such as exposure to hazardous materials, musculoskeletal disorders, etc. are identified and mitigated via the WCM program and the OHSAS 18001 certified health and safety management systems implemented at our manufacturing sites. The occupational illness frequency rate for Tarkett employees has significantly decreased in 2018 (at 0.13, compared to 0.90 in 2017).

The way that work is organized on the Group's sites varies depending on the regulatory framework of the country and the specific needs of each production site. A large part of work organization is established through collective bargaining and agreements have been signed in areas such as working hours, part-time work and teleworking. However, beyond collective agreements, Tarkett is also concerned about psycho-social risks, and pays attention to sources of stress and issues related to work life balance.

Promoting health and improving wellbeing at work comes in addition to the measures related to occupational health and work-life balance. The initiatives are engaged locally and focus on raising the awareness of all employees through prevention and assistance programs in the areas of work-related stress, diet, physical activity, and tobacco use, among others.

#### Example



#### Medical prevention in Jaslo (Poland)

A medical prevention information campaign targeting female employees was organized at our Jaslo plant (Poland) in 2018. Leaflets and educational materials were distributed and female employees were invited to attend a meeting with a women's health problem specialist and workshops on the subject of medical prophylaxis for women, including diagnosis of breast and cervical cancer. In addition, female employees were offered to attend medical checks fully covered by Tarkett.

A medical questionnaire was also sent to the employees and led to the purchase of a medical equipment (including a blood-pressure measuring device) available for use by employees when needed.

### 3.9.3 Promoting equality, diversity and non-discrimination

The fundamental principles of non-discrimination and equality are an integral component of our Code of Ethics and our Human Resources policies, for use on a daily basis by all employees. These principles cover issues including equality between men and women, respect for the rights of disabled people, age diversity, maternity rights and benefits, as well as non-discrimination on the basis of sexual orientation, ethnical background, nationality or religion.

Tarkett cares deeply about the principle of diversity and inclusion, and defends equal treatment for men and women.

We are striving to implement concrete measures in the field to further promote the role of women within the company, notably through internal mobility or during the external recruitment process. We follow progress by monitoring the share of women among different categories of managers.

#### Zoom on key indicators



#### Parity between men and women

Several indicators allow us to monitor the number of women managers in the company. After achieving a certain stability in recent years, we noted an increase in the share of women among senior executives since 2017 (27% in 2018, or 22 women out of 82 top senior executives for the Executive Committee and those reporting to them, compared to 24% in 2017 and 18% in 2016).

In terms of managers, the share of women is stable at 27% (in other words 468 women out of 1,759 managers), considering the fact that there are generally less women than men working in industrial and building sectors.

It should be noted that the share of women in the governing bodies is stable with 44% of women in the Supervisory Board (in compliance with French regulations and AFEF-MEDEF principles) and 27% of women in the Executive Committee in 2018.

Depending on the country, the local regulations permit or not the identification and tracking of people with disabilities within the company. For this reason, it is difficult to determine a unique global indicator to track progress in this area. In 2018, the share of Tarkett's disabled employees identified as such was 1.2%.

Tarkett is working to facilitate the integration of disabled employees in the work environment, through the implementation of concrete measures at the local level. For example, on the Sedan site in France, certain work areas have been tailored to allow disabled workers to perform the same work as other employees. In addition, certain entities are working in collaboration with companies which encourage the employment of people with disabilities. Since 2010, our Eiweiler plant in Germany has been working with the non-profit organization AWO, in which about 17 people with disabilities cut around 700 laminate floor samples every day.

### 3.9.4 Recognizing and developing talents

#### 3.9.4.1 Identifying and promoting talents

Tarkett has experienced continuous growth for the last ten years. Because our 13,000 employees are an essential asset and the leading actors in this growth, the Human Resources function is highly strategic. While Tarkett has grown as a result of many acquisitions, the sense of belonging to the Group is very strong. This is the result of a Human Resources policy that has both preserved entrepreneurial spirit in the field, and the advantages of an international group.

## Developing Talents

To further support Tarkett's growth and talent development, we have strengthened our Human Resources management and talent development by structuring our **Talent Philosophy approach**, which is based on five main pillars:

- > talent acquisition: systematically promote internal mobility, recruit outside high potential candidates, always foster talent diversity;
- > accountability: to develop our people, to role model the values and drive performance;
- > performance: expect and enable high performance with ambitious goals and regular feedback;
- > differentiation: value high standards, where level of reward will reflect contribution; and
- > development: promote continuous learning and anticipate developmental career moves.

## Example



### Promote our employee value proposition

To promote the expertise of its teams, the career development opportunities and the work experience within the Group, Tarkett decided to launch in 2017 a plan to promote its employer brand, both internally and externally. The objective is to attract the best talents and to value the teams within the Group. A specific career website was created with employee testimony videos to inform about company's jobs and culture. Three Tarkett promises as an employer were defined for this new policy:

- > "Expand your horizons. Together." – Because Tarkett offers a rich working environment through the diversity of its clients, its range of jobs and its geographic coverage, creating development opportunities for its teams;
- > "Change the game. Together." – In line with our entrepreneurial roots, we expect our employees to actively take initiative and we create a trust-based, empowering environment so that they can fully express their talents and personalities, directly contributing to the success of the Group;
- > "Design the future of society. Together." – By having a long-term vision, Tarkett invites its employees to make CSR and sustainable development issues a part of their decisions, their operations and activities, to design sustainable economic models.

In 2018, we deployed our employee value proposition in 10 major countries of Tarkett's operations through communication plans including information booklets, mini-websites and active communication on social media.

Sustainability, which is an integral component of Tarkett's work experience and of our brand, is increasingly becoming an element of attractiveness to recruit and retain talent. In Russia, we produced and broadcasted TV commercials solely focused on sustainability at Tarkett, while in Australia our recruitment ads highlight Tarkett's sustainability focus.

## Example



### Our campus recruiting program with the 'École des Mines de Nancy' in Clervaux (Luxemburg)

In Luxembourg, Tarkett has adopted since 2013 an internship policy to offer students about to graduate the opportunity to lead one project of our improvement plans – the ultimate objective being to invite the best students to join Tarkett. As an industrial company, we have targeted top engineering schools, and in particular the 'École des Mines de Nancy' due to its good reputation and geographical proximity. After having accommodated interns for several years and appreciated the quality of their work, we decided to go further by establishing a special partnership with the 'École des Mines de Nancy': beyond simply offering internships, we wish to share our industrial expertise through conferences, plant visits by students and teachers, and implementation of common projects. Since 2013 we have hosted 87 long-term interns from several engineering schools including 'École des Mines de Nancy', and 16 of them have been hired as permanent employees. Our successful internship and recruitment approach has now been extended to other Tarkett plants such as Sedan (France), Konz (Germany) and Lenham (UK) in EMEA, and similar programs exist in Eastern Europe and in the United States.

Having a proactive talent management approach is our priority. A formal process for resource and talent planning ensures that resources match needs both on the quantitative level (jobs) and the qualitative level (skills). The process anticipates the needs of the company for the next three years and is based on the vision of the future presented in the strategic plan of the Group. This formal approach is articulated through a set of initiatives, described below:

- > **the Performance and Development Review:** this annual interview is the foundation of our performance management system. It is an opportunity for managers and their teams to spend valuable time together to engage in a constructive, attentive dialogue. From the company's perspective, this allows us to understand the career goals of our employees and to assess their progress;
- > **Talent Inside, a career management digital platform,** was deployed in 2016 to complete the Performance and Development Review process. Easy to use, the platform makes it possible to monitor and manage the Performance and Development Review and the definition of each employee's career goals. The system allows employees to track their own progress (annual assessments, objectives, development plans...). As for managers, they can monitor the progress of employees and inform them about team requirements. In this way, managers directly participate in the HR performance monitoring process, and career management. The system also makes it possible to consolidate action plans concerning talent management and to effectively monitor them;

- › **the Talent Review** is a structured process which aims to assess career opportunities against the company's long-term needs and the mobility options for our employees. It involves people from the management and Human Resources team during regular meetings where anticipated organizational changes are examined in accordance with the needs and business environment of the company, and in light of the skills, potential and career development goals of employees. The Talent Review, which mainly concerns managers, experts and critical positions essential for the Group's operations and expertise, makes it possible to define succession planning and internal mobility. In 2018, 1,490 employees were included in the Talent Review process carried out by HR teams and supervisors. Talent Forums focused on international mobility were in particular organized for all functions at Group level in 2018 and will be completed in 2019, providing the forum for divisions and functions to exchange on short- and mid-term job and mobility opportunities;
- › **the WCM program development plan** has the objective to identify key skills for implementation of the WCM program and achievement of industrial objectives. Structured WCM training programs are implemented in factories in the light of the priorities there, with the aim of developing the growth potential of all employees, whether they are senior executives or workers.
- › Tarkett's management was **trained on talent management**, notably during preparatory meetings as part of the Performance and Development Review and Talent Review campaigns, as well as via a Talent Developer mobile learning application for the top 150 Tarkett managers;
- › various **trainings on health, safety and environmental topics** are delivered on the plants as part of the WCM program;
- › we have developed **targeted training programs on sustainability**, mainly for our sales force, in order to leverage our approach and the sustainability features of our products. In the EMEA division, we have implemented a program of webinars, training sessions and roadshows, and we trained in 2018 over 260 employees on sustainability topics such as Cradle to Cradle® principles, product's transparency and Tarkett products' sustainability benefits – an initiative that will continue in 2019. Tarkett North America has moreover trained 12 sales professionals to become sustainability ambassadors;
- › a new **compliance training** program focusing on fair competition and anti-corruption was launched, consisting of six tailored e-learning modules which have to be completed every year by all Tarkett employees who have internet access (see section 3.3.4 "A Commitment to high ethical standards");
- › we moreover train our employees and **develop their competences through experience**, by having them participate in cross-functional initiatives and multidisciplinary projects, and by encouraging best practice sharing and knowledge transfer (for more details see section 3.9.4.4 "Sharing expertise and recognizing achievements").

#### Zoom on key indicators



##### Performance and Development Review

53% of Tarkett permanent employees had a Performance and Development Review (or equivalent) in 2018, compared to 56% in 2017.

### 3.9.4.2 Strengthening learning & development programs

We are convinced that training programs, whether for experienced employees or new hires, must be tailored to people's specific needs. Several learning and development programs were newly developed or strengthened in 2018, for example:

- › **the BusinessLeader@Tarkett program**, launched in 2016 in partnership with the London Business School (LBS), aims to train tomorrow's leaders by developing their in-depth understanding of the Tarkett entrepreneurial culture, and their strategic skills in an ever-changing economic context. The program alternatively delivers a complete week of training at LBS, plenary sessions and group workshops: for example, in 2018, strategic execution workshops were organized in the Tarkett Eastern Europe division. By end 2018, 137 people from 22 different countries participated in this advanced managerial improvement program;
- › other targeted training programs on **management skills**, launched in previous years, continue to be deployed, such as Manager@Tarkett and the COACH program for middle management (around 1,400 managers involved, mainly in manufacturing plants) or the Operations Leadership program for future plant directors. In addition, a Leadership development program and an Early career program have been designed in 2018 and will be launched in 2019;

## Example

**A complete Operations Leadership Training program for plant managers**

Plant managers from different countries have been participating in the Operations Leadership Program, consisting of three sessions of training organized at three different Tarkett's production sites. The first session was dedicated to the challenges of developing a World Class Manufacturing culture and to the role of management beyond the WCM methodological and technical aspects. The safety dimension is of course included in this program. The second session is based on essential features from the Manager@Tarkett training and from project management techniques, adapted to the role of plant manager. The third session enables to put the training in practice through workshops, notably on project management, problem-solving methodology, leadership role, performance evaluation, and action plans resulting from internal employee feedback surveys.

## Zoom on key indicators

**Training**

60% of Tarkett employees were trained (at least 1 day) in 2018, compared to 56% in 2017.

**3.9.4.3 Fostering career mobility**

The growing international dimension of the Group makes career mobility of great importance and offers employees motivating career perspectives. To foster career mobility opportunities, Tarkett has set up the appropriate processes and tools:

- > **Tarkett Careers**, a platform for international mobility and recruitment: employees who join the platform can be informed about internal job opportunities and may recommend or communicate this information to their professional network. The platform is also used by managers to post job offers and follow-up associated recruitment processes;
- > **the Talent Review process** focuses on internal career mobility, and in particular international mobility, as described previously;
- > **orientation documents** are available, such as the Internal Mobility Charter available to all employees via intranet, and the Mobility Guide, a reference document used by the Human Resources network.

## Zoom on key indicators

**Internal mobility**

53% of open management positions were filled by internal candidates in 2018, compared to 52% in 2017 and 45% in 2016.

**3.9.4.4 Sharing expertise and recognizing achievements**

The development of "collective expertise" is a key element to anticipate the changes needed in order to fulfil the company strategy. It involves sharing of expertise which also allows employees to improve their know-how, their employability and their mobility. The company can thus value its talent pool and improve results.

Many initiatives and networks promote **expertise sharing and competency development**, for example:

- > we strongly encourage multidisciplinary team work, by bringing together employees from diverse backgrounds on projects taking place at the Group or division scale;
- > we also encourage networking, best practice sharing, internal benchmark forums (comparative analysis), as well as knowledge transfer;
- > within the scope of the WCM program, we organize every year a series of specific meetings on one of the Tarkett manufacturing sites. The objective is to develop the skills of our experts in manufacturing processes and share knowledge in terms of operational excellence. Since 2012, benchmark initiatives have been organized within the Group's factories;
- > the WCM program also encourages factory operators to commit themselves and bring innovative ideas to improve processes, hence becoming actors in the development of their own work environment;
- > the Tarkett Expert Network, launched in 2015, capitalizes on the technical expertise of our Research & Innovation and Operations teams. Our objective is to use the know-how of our technical experts, and to help them develop their long-term career development, via tutoring, training and knowledge sharing.

Tarkett also recognizes its teams, successful initiatives and best practices through its renowned **Tarkett Awards** program implemented in 2010. The goal of the awards is to encourage exceptional achievements and the ambitious projects of each team.

The 2018 edition in particular distinguished people dimension and collaboration. Out of more than 200 projects submitted, seven teams were celebrated for their impressive, inspiring achievements, such as:

- > the implementation of a Virtual Reality Empathy Platform, a tool intended for architects and designers to better understand space perception by elderly people and thus help them create tailored spaces;
- > the organization of a Family Day on the Jacarei site in Brazil, which hosted over 600 participants to promote and strengthen employees' team work and engagement.



### 3.9.5 Engaging in proactive social dialogue

#### 3.9.5.1 Listening: the internal employee feedback survey

To efficiently organize on-going dialogue with all employees, across all our sites, we conduct an internal employee feedback survey every two years. The survey covers all of the Group's divisions and functions and includes all employees worldwide. It is translated into 17 languages, is totally anonymous and entirely overseen by an independent third party to prevent any bias. It consists of 69 questions organized in 15 different categories: employee engagement, employee enablement, loyalty and engagement, empowerment and accountability, performance management, communication, management, training and development, entrepreneurial leadership, teamwork and collaboration, work organization, ethics and integrity, leadership, company image, World Class Manufacturing.

In 2018, 88% of employees, representing 10,635 people, participated in the survey (vs. 89% in 2016). The high participation rate reflects employee commitment and confidence in the independent nature of the survey, and in the fact that results are acted upon.

For the 2018 edition of the internal employee feedback survey, while some results may significantly differ depending on the divisions, functions or countries of operation, Tarkett's employees generally appear to be rather satisfied with their work situation, which is demonstrated by some significant progress:

- out of 54 comparable questions between 2016 and 2018, 26 have improved significantly, primarily around management (notably regarding the ability by managers to develop and empower their teams, the care and concern they demonstrate for their teams, and how they provide feedback), communication of the Group's strategy and commitment to the success of Tarkett;
- results are moreover generally higher than the industrial benchmark: out of 44 questions having a benchmark, 29 are above the industrial norm, especially on the topics of safety, Environmental Responsibility, interest in work, ability to make good use of skills, understanding of how performance is evaluated, belief in the success of the company and intention to stay a long time;
- some items however showed a decrease between 2016 and 2018 in some entities, such as the feeling that Tarkett has changed for the better or the collaboration between departments. Some results are moreover behind the industry benchmark, for example those regarding the definition of responsibilities.

At both the scale of the Group and locally, the Tarkett employee satisfaction survey is an invaluable and used management tool. Based on the analysis of the survey results, each site/entity develops a customized action plan to be implemented at the local level. These local plans are reinforced by action plans determined at the Group and division levels, and consistently implemented.

#### 3.9.5.2 Organizing social dialogue

The regulatory scope of dialogue between employers and employee representatives varies from one country to another. However, in addition to respecting local labor legislation, Tarkett applies in all the countries in which it operates the same respect for its fundamental values and principles of freedom of association, and in particular respect for trade unions.

The Tarkett Forum, the Group's European works council, has been created to foster social dialogue in Europe. Several times per year, this council brings together trade union representatives of our main European sites to dialogue with Group Management, including our CEO. This council strengthens cooperation and social dialogue and focusses on issues pertaining to the general functioning of the company and discusses HR issues common to different sites and countries in Europe.

In Tarkett Eastern Europe, representatives of the trade union JSO Tarkett (Serbia) participated in two national conferences supported by the Friedrich Ebert Foundation. The main goal was to share best practices among Sweden, Serbia and other countries, to improve social dialogue and consider the migration of workforce, as an actual and important topic.

#### 3.9.5.3 Collective agreements

Tarkett is committed to respecting, in addition to the legal obligations specific to each country, employee freedom of association, collective bargaining and representation. We apply these principles without exception and in the same way in all countries where the Group operates whether in Europe, the United States, Russia, Serbia, Ukraine, Kazakhstan, Brazil, China or India.

In line with this policy, 144 collective agreements are in place at Tarkett (agreements identified as of 2017), 100 of which concern the Group or the sites as a whole and 15% of which cover issues related to occupational health or safety. The agreements cover a wide range of topics such as compensation and benefits, overall work time, work organization, and employment classification. They apply in 20 countries where Tarkett engages in sales and/or industrial activity.

#### 3.9.5.4 Changes and adjustment of the workforce to activity

Tarkett has a mid and long-term vision of its development plan and strives to ensure profitable, sustainable growth. The Group is committed to growing the skills and employability of its employees, not only to allow each individual to contribute and to grow within the company, but also to anticipate and support the evolution of the organization. Whenever possible, the Group strives to anticipate the consequences of variations in activity. In case of reduction in activity, the Group may be called to occasionally or structurally downsize. Adapting work organization to the activity level, downsizing or restructuring plans are carried out in compliance with local regulations and the principles of the Tarkett Code of Ethics, in consultation with employee representatives. Within the scope of measures to adjust to reduced activity, Tarkett seeks above all to adapt work organization (taking paid vacation, reorganization of work time, partial unemployment, etc.), reduce temporary employees

Developing Talents

(interim and fixed term contracts), favor internal re-employment solutions, and include social criteria for people leaving the company (retirement, age, career or personal projects).

In 2018, Tarkett made some adjustments to the workforce based on local activity. Due to the significant drop of the vinyl business and its profitability in Ukraine, the Kalush site laid off 63 employees in 2018 and early 2019. In Serbia, the decline of textile business led the Bačka Palanka manufacturing plant to lay off 31 employees in 2018 to maintain its profitability. In the United Kingdom, as part of the transfer of the Abingdon customer service (former Desso) to Lenham, Abingdon

employees were offered to transfer to Lenham, but most of them refused due to the distance, thus having their contracts terminated by end 2018 or early 2019. Support was provided to the 11 concerned employees in their new job search. In Poland, the automation of a manufacturing line at the Orzechowo production site led to some job reductions, which were managed mostly through the termination of temporary contracts and by bringing back some outsourced activities. Taken as a whole, these departures are the main cause of the degradation of the permanent employee turnover rate in 2018 (16% in 2018 against 13% in 2017).



## 3.10 Social and Environmental Report

### 3.10.1 CSR indicators dashboard

#### Social Indicators

GRI	Indicator	Variation 2018 vs. 2017	Variation 2018 vs. base year	2018	2017	2016
<b>Workforce</b>						
102-7a	Total number of employees (as of 31/12)	3.4%	-	13,255	12,819	12,428
102-8a	Total number of permanent contract female employees	9.3%	-	3,520	3,221	
102-8a	Total number of permanent contract male employees	3.3%	-	8,855	8,576	
102-8a	Share of permanent employees	+1.3pts	-	93%	92%	
102-8a	Total number of fixed-term contract female employees	-44%	-	215	385	
102-8a	Total number of fixed-term contract male employees	4.4%	-	665	637	
102-8a	Share of fixed-term employees	-1.3pts	-	7%	8%	
102-8b	Total number of permanent contract employees	4.9%	-	12,375	11,797	
102-8b	Total number of fixed-term contract employees	-13.9%	-	880	1,022	
102-8d	Number of external workers (FTE)	50%	-	572	381	
102-8d	Share of external workers (% of total FTE)	+1.4pts	-	4.3%	3.0%	
-	Total compensation and benefits (€m)	-0.1%	-	671	672	639
<b>New Employee Hires and Employee Turnover</b>						
401-1a	Number of employee hires	-0.8%	-	2,690	2,713	1,883
401-1a	Rate of employee hires	-0.1pts	-	21%	21%	
-	Number of permanent contracts ended by employee (e.g. resignation, retirement)	22%	-	1,311	1,073	1,102
-	Number of permanent contracts ended by employer (e.g. lay-off)	32%	-	624	474	589
-	Permanent employee turnover rate	+3.1pts	-	16%	13%	14%
401-1b	Total number of employee departures	16%	-	2,873	2,470	
401-1b	Total employee turnover rate	+3.2pts	-	22%	19%	
<b>Diversity</b>						
405-1a	Percentage of female administrators in Tarkett Supervisory Board	+0.0pts	-	44%	44%	33%
405-1a	Percentage of administrators in Tarkett Supervisory Board below 30 years	+0.0pts	-	0%	0%	
405-1a	Percentage of administrators in Tarkett Supervisory Board between 30 to 50 years	+11pts	-	22%	11%	
405-1a	Percentage of administrators in Tarkett Supervisory Board above 50 years	-11pts	-	78%	89%	
405-1b	Percentage of females in Executive Committee (EC)	-2.7pts	-	27%	30%	20%
405-1b	Percentage of female top senior executives (EC to EC-1)	+3.0pts	-	27%	24%	18%
405-1b	Percentage of female senior executives (EC to EC-2)	+0.4pts	-	25%	24%	28%
405-1b	Percentage of female managers	-0.6pts	-	27%	27%	26%
405-1b	Percentage of female other employees	-0.5pts	-	28%	28%	
405-1b	Percentage of female employees	-0.5pts	-	28%	28%	28%

GRI	Indicator	Variation 2018 vs. 2017	Variation 2018 vs. base year	2018	2017	2016
405-1b	Percentage of employees below 30 years	-0.8pts	-	14%	15%	14%
405-1b	Percentage of employees between 30 to 49 years	+0.1pts	-	56%	56%	57%
405-1b	Percentage of employees above 50 years	+0.7pts	-	30%	29%	29%
405-1b	Percentage of employees with disabilities	-0.1pts	-	1.2%	1.3%	1.4%
<b>Training and Development</b>						
-	Share of employees having received training [base year 2011]	+3.9pts	+23.3pts	60%	56%	54%
-	Training hours (thousand hours)[base year 2013]	-22.1%	34.4%	268	345	255
412-2a	Total number of hours of employee training on Code of Ethics	9.9%	-	11,422	10,396	
412-2b	% of employees who have received training on Code of Ethics	+4.1pts	-	45% <sup>(1)</sup>	41%	99%
404-1	Average number of training hours per employee	-22%	-	21	27	
404-3	% of employees who had a PDR, Polyvalence Matrix or equivalent appraisal	-3.0pts	-	52%	55%	
-	% of permanent contract employees who had a PDR, Polyvalence Matrix or equivalent appraisal	-3.3pts	-	53%	56%	56%
-	% of open management positions filled with an internal candidate	+0.8pts	-	53%	52%	45%
203-2	Number of external people who received Tarkett Academy training	35%	-	3,669	2,723	3,575
<b>Proactive Internal Communication and Social Dialogue</b>						
-	Progress on "Listen to employees and engage in social dialogue" in employee feedback survey [base year 2010]	-6pts	+0.5pts	54.0	-	60.0
-	Progress on "Communicate proactively towards all employees" in employee feedback survey [base year 2010]	+4.3pts	+10.3pts	66.0	-	61.7
<b>Occupational Safety &amp; Health</b>						
403-9a	Injury frequency rate – LTA only [FR0t] – employees	-6.1%	-	1.46	1.55	1.25
403-9a	Injury frequency rate – LTA and lost time < 24 hours [FR1t] – employees	5.7%	-	2.18	2.07	
403-9a	Lost day rate due to LTA – accident severity rate [TG0t] – employees	-25%	-	0.055	0.073	0.045
403-10a	Occupational illnesses (OI) frequency rate – employees	-86%	-	0.13	0.90	
403-9a	Absentee rate % – employees	+0.2pts	-	2.7%	2.5%	2.3%
403-9a	Absentee rate % – employees and external workers – plants only [base year 2014]	+0.2pts	+0.5pts	2.8%	2.6%	2.5%
403-9a	Injury frequency rate – LTA only [FR0t] – employees and external workers – plants only [base year 2010]	2.2%	-67%	1.41	1.38	1.46

(1) The objective is to train all employees to the Code of Ethics over 2 years and newcomers within their first year of joining.

GRI	Indicator	Variation 2018 vs. 2017	Variation 2018 vs. base year	2018	2017	2016
403-9a	Injury frequency rate – LTA and lost time < 24 hours [FR1t] – employees and external workers – plants only [base year 2013]	14%	-64%	2.14	1.87	3.68
403-9a	Injury frequency rate – LTA, lost time < 24 hours & first aid [FR2t] – employees and external workers – plants only [base year 2013]	-13%	-49%	12.38	14.32	18.98
403-9a	Lost day rate due to LTA – accident severity rate – employees and external workers – plants only [base year 2013]	-26%	-13%	0.066	0.088	0.059
403-9a	Number of fatal accidents	-	-	1	0	0
403-9b	Injury frequency rate – LTA only [FR0t] – external workers	19%	-	7.90	6.62	
-	% of formal agreements covering health & safety topics	-	-	-	15%	
-	Progress on “Ensure respect and integrity through adhesion to Tarkett values” in employee feedback survey [base year 2010]	+6.5pts	+12pts	68.0	-	61.5
<b>Tarkett Cares</b>						
203-1	Number of community initiatives supported through time, flooring, other material or funding contributions	19%	-	168	141	
203-1	Number of employees involved in community initiatives	-8%	-	1,288	1,398	
203-1	Number of days of donated time through volunteering (based on 7 hours per day)	40%	-	978	700	
203-1	Quantity of flooring products donated to community initiatives (m <sup>2</sup> )	8%	-	17,560	16,322	
203-1	Total value of contributions to community initiatives (in k€)	59%	-	808	508	

## Environmental Indicators

GRI	Indicator	Variation 2018 vs. 2017	Variation 2018 vs. base year	2018	2017	2016
<b>Good Materials</b>						
416-1	Share of raw materials for which material assessment following Cradle to Cradle® principles has been performed (% of purchase volume)[base year 2011]	+2.4pts	+91pts	98%	96%	95%
-	Share of materials at the start of supply chain which do not contribute to resource scarcity (% of purchase volume) [base year 2011]	-0.3pts	-0.7pts	70%	71%	68%
301-1	Share of renewable and recycled materials	-1.0pts	-	38%	39%	31%
301-2	Share recycled materials (% of raw material purchasing)	-1.4pts	-	10%	12%	6%
<b>Resource Stewardship</b>						
303-5	Water consumption (liters/m <sup>2</sup> )[base year 2010]	-5.6%	-43%	2.91	3.09	3.33
303-5	Water consumption (million cubic meters)	-11%	-	0.85	0.96	1.00
-	Share of manufacturing sites that have implemented closed- loop water circuits (or do not use water in their process) [base year 2010]	+1pts	+7pts	68%	67%	60%
302-3	Energy intensity (kWh/m <sup>2</sup> )[base year 2010]	2.8%	-1.1%	4.29	4.17	4.09
302-1a	Non-renewable fuel energy consumption (GWh)	-1.0%	-	577	583	
302-1b	Renewable fuel energy consumption (GWh)	-4.2%	-	153	160	
302-1c	Purchased electricity consumption (GWh)	-3.9%	-	526	547	
302-1d	Generated electricity sold (GWh)	-	-	5	0	
302-1e	Total energy consumption (GWh)	-3.0%	-	1,251	1,290	
305-4a	GHG market-based emissions intensity (Scope 1 & Scope 2) (kgCO <sub>2</sub> e/m <sup>2</sup> )[base year 2010]	0.4%	-8.5%	0.92	0.92	0.94
305-1a	Gross direct (Scope 1) GHG emissions (tCO <sub>2</sub> equivalent)	-0.8%	-	112,108	112,972	
305-1c	Biogenic CO <sub>2</sub> emissions (tCO <sub>2</sub> )	-5.3%	-	53,071	56,057	
305-2a	Gross location-based indirect (Scope 2) GHG emissions (tCO <sub>2</sub> equivalent)	-10.9%	-	198,159	222,479	
305-2b	Gross market- based indirect (Scope 2) GHG emissions (tCO <sub>2</sub> equivalent)	-8.2%	-	157,519	171,549	
<b>People-friendly Spaces</b>						
416-1	Share of non-phthalate products (% of m <sup>2</sup> produced) [base year 2010]	+8pts	+65pts	65%	57%	57%
416-1	Share of low Volatile Organic Compound (VOC) emission products (% of m <sup>2</sup> produced)[base year 2010]	+1pts	+76pts	97%	96%	92%

GRI	Indicator	Variation 2018 vs. 2017	Variation 2018 vs. base year	2018	2017	2016
<b>Recycling and Reuse</b>						
-	Non-recycled waste intensity (g/m <sup>2</sup> )[base year 2015]	24%	-14%	108	86	105
306-2a	Hazardous waste (thousand metric tons)	7%	-	10.1	9.5	
306-2b	Non-hazardous waste (thousand metric tons)	26%	-	84.1	66.6	
306-2	Total waste to landfill (thousand metric tons) [base year 2015]	26%	-16%	17.0	13.6	18.4
306-2	Share of total waste sent to landfill	+0.2pts	-	18%	18%	
306-2	Share of total waste sent to external recycling	+1.8pts	-	67%	65%	
306-2	Share of total waste sent for energy recovery	-0.9pts	-	7%	8%	
306-2	Share of non-recycled waste sent to landfill [base year 2015]	+3pts	-9pts	54%	51%	58%
301-3	Post-installation or post-consumer products collected (metric tons)[base year 2010]	-20%	-83%	3,300	4,100	8,900

### Other CSR Indicators

GRI	Indicator	Variation 2018 vs. 2017	Variation 2018 vs. base year	2018	2017	2016
-	Share of raw materials purchased with suppliers committing to UN Global Compact (% of purchase value)[base year 2011]	+2.2pts	+33pts	76%	74%	64%
-	Audited entities [base year 2011]	-10pts	+34pts	86%	96%	97%

## Social Indicators by Region

GRI	Indicator	2018	Europe <sup>(1)</sup>	North America <sup>(2)</sup>	Rest of World <sup>(3)</sup>
<b>Workforce</b>					
102-7a	Total number of employees (as of 31/12)	13,255	36%	34%	30%
102-8b	Total number of permanent contract employees	12,375	4,495	4,162	3,718
102-8b	Total number of fixed-term contract employees	880	326	331	223
<b>New Employee Hires and Employee Turnover</b>					
401-1a	Number of employee hires	2,690	756	1,302	632
401-1a	Rate of employee hires	21%	16%	32%	16%
401-1b	Total number of employee departures	2,873	727	1,381	765
401-1b	Total employee turnover rate	22%	15%	34%	19%
<b>Occupational Safety &amp; Health</b>					
403-2a	Injury frequency rate – LTA and lost time < 24 hours [FR1t] – employees	2.18	3.80	1.22	1.32
403-2a	Lost day rate due to LTA – accident severity rate [TG0t] – employees	0.055	0.065	0.061	0.036
403-2a	Occupational illnesses (OI) frequency rate – employees	0.13	0.24	0.14	0.00
403-2a	Absentee rate (%) – employees	2.7%	3.3%	2.0%	2.5%
403-2b	Injury frequency rate – LTA only [FR0t] – external workers	7.90	12.35	2.77	0.00

(1) Europe: Corporate, EMEA &amp; Tarkett Sports EMEA.

(2) North America: Tarkett North America &amp; Tarkett Sports North America.



### 3.10.2 CSR methodological note

Since becoming a listed company in 2013 Tarkett publishes, as required by French regulatory requirements, information on the social, environmental and societal aspects of its activities in its annual management report (Registration Document). This information includes Tarkett's Corporate Social Responsibility (CSR) Key Performance Indicators (KPIs) taken from Tarkett's Sustainability Dashboard. The Dashboard is an essential tool for monitoring and guiding performance. Its principal objective is to provide the Group with relevant indicators to evaluate the deployment of its strategy and fulfil its regulatory obligations. Progress is measured against a base year set for each indicator.

In accordance with French regulatory requirements, the corporate environmental and social information has been verified by an independent third-party organization (the report on corporate, environmental and social information by one of the Statutory Auditors, appointed as an independent third-party organization).

#### Guiding frameworks

Tarkett's CSR reporting and sustainability dashboard have been developed based on the following frameworks:

- the Group's sustainable development strategy: each strategic initiative relies on one or more quantified indicators, certain of which are the subject of long-term objectives (2020);
- the European Union Non-Financial Reporting Directive 2014/95/EC and the French regulations on non-financial statement, known as the extra-financial performance declaration: the social, environmental and societal information required by Article L.225-102-1 of the French Commercial Code is included in the form of indicators or quantified statistics in the dashboard (the qualitative information is presented in other sections of the management report);
- the UN Global Compact: in connection with the Group's voluntary commitment, the dashboard is a tool for managing performance in every dimension of the Global Compact;
- the Global Reporting Initiative (GRI) Standards 2016: this report discloses as far as is currently possible the GRI Standards: Core option. A GRI content table (see section 3.10.3 "GRI and DPEF concordance table") indicates where the relevant standard disclosures can be found in this report;
- the Greenhouse Gas Protocol: Greenhouse emissions are quantified and reported according to the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) GHG Protocol.

The sustainability dashboard is built around three dimensions: Social Responsibility, Environmental Responsibility, and corporate governance.

#### Methodological Procedures

In 2017 Tarkett reviewed and improved the documentation of its CSR reporting procedures. This work aimed to further align its reporting with the new 2016 GRI Standards: core option and to incorporate learnings from its 2016 reporting campaign. The new CSR Reporting Handbook sets out:

- the aims of Tarkett's CSR reporting and its 2020 objectives for certain indicators;
- the reporting principles, reporting scope, reporting tools, internal controls and consolidation rules;
- the reporting organization, responsibilities and planning; and
- the detailed definitions, specific guidelines and control points of all reported indicators.

The CSR Reporting Handbook was prepared in consultation with the different internal CSR topic owners and involved gathering feedback during a trial run with the end of June 2017 reporting. The finalized version of the Handbook was presented to and approved by the Executive Committee. The Handbook is reviewed each year taking into account feedback and any changes in reporting requirements or objectives.

The following is a summary from the CSR Reporting Handbook:

#### Reporting principles

##### Stakeholder Inclusiveness

Tarkett is committed to meeting the expectations of its stakeholders by investing in long-term relations. Tarkett engages with stakeholders through diverse means to ensure that its strategies and reporting account for their expectations.

##### Sustainability Context

Tarkett is determined to contribute, wherever its business activities allow, to addressing several of the most important and pressing challenges that face society in the 21st century (combating climate change, managing scarce natural resources sustainably and promoting people's well-being and the development of healthy living spaces)

##### Materiality

Tarkett conducted a stakeholder survey in 2016 to identify Tarkett material topics and ensure that its Sustainability policies are aligned with stakeholder expectations

##### Completeness

Tarkett's CSR report covers the same scope as the consolidated financial report. Topics covered in the report reflect the organization's significant economic, environmental and social impacts. Material CSR topics are not omitted. Furthermore, Tarkett strives to explore new and upcoming topics in appropriate detail.

##### Accuracy

Tarkett strives to ensure the accuracy of reported data, with clearly documented definitions and procedures in its CSR Reporting Handbook and with multiple controls.

## Social and Environmental Report

**Balance**

Tarkett tracks performance in order to report on progress as well as challenges, thus reflecting in a transparent manner both positive and negative aspects of its CSR performance.

**Clarity**

CSR information is presented by Tarkett in a clear manner, with sufficient detail, that can be easily understood by stakeholders.

**Comparability**

Tarkett promotes consistent reporting through well documented procedures and presents indicators with comparisons to previous periods and base years

**Reliability**

Reported data is documented and traced to source with internal controls and third-party external verification providing additional confidence in the veracity of published content.

**Timeliness**

Tarkett publishes CSR information annually with financial reports in March/April.

**Reporting period**

The annual reporting period is aligned with the financial year which is the calendar year from 1st January to 31st December. This report concerns the period 1st January 2018 to 31st December 2018.

**Reporting frequency**

CSR reporting for external publication needs is conducted annually. Intermediary reporting for internal purposes is conducted for certain topics (e.g. monthly reporting of WCM industrial KPI). Following the implementation of the new CSR Reporting Handbook, Tarkett carries out a complete intermediary reporting exercise at the end of October. This helps to prepare for the end of year campaign.

**Scope of reporting**

The scope of reporting is Group-wide, covering all activities over which the Group has operational control, except for Cuzorn, where production ceased in 2014. This includes, with certain limitations detailed below, the following entities acquired in 2018: Lexmark carpets in Georgia, US; Tennis & Track in Utah, US and Grassman in Sydney, Australia.

Social reporting covers:

- > the workers (employees and external workers) at all entities in the consolidated financial scope. This includes all manufacturing plants, sales network and administrative offices;
- > safety & absenteeism are reported for 2 scopes:
  - 1) plants only = all manufacturing plants in Tarkett WCM Industrial program (all manufacturing operations) including both Tarkett payroll employees and external workers,
  - 2) Group = all Tarkett payroll employees (except where specific limits to scope of reporting are given).

Environmental reporting covers:

- > the manufacturing activities at all plants in the consolidated financial scope, excluding the newly acquired Lexmark carpets plant and the Grassman plant;
- > the flooring and sports surface finished goods produced at all plants in the consolidated financial scope.

**Rules for Joint Ventures and participations less than 100%**

Tarkett currently has one participation less than 100% and one Joint Venture (Laminate Park). For social reporting both entities are consolidated at 100% (Headcount figures in other chapters of Tarkett's management report exclude the headcount at Laminate Park). For environmental reporting at the Laminate Park plant at Eiweiler, Germany, the MDF line is consolidated at the relative share of the production. This means the plant environmental indicators for the MDF line are consolidated pro rata to the Tarkett share of the MDF semi-finished goods production volume. Plant environmental indicators for the laminate line at the same plant are consolidated at 100%, corresponding to the 100% Tarkett share of the laminate finished goods production volume.

**Reporting organization**

The reporting process of CSR/sustainability indicators is managed and consolidated since 2018 by the Financial department with the support from the different concerned functions (including Operations/WCM, HR, Legal, Research & Innovation & Environment...), divisions and sites. Each CSR topic and its relevant indicators are owned by a member of the Tarkett Executive Committee (EMC). The clear ownership and responsibility ensure accurate, reliable and timely reporting of CSR data and indicators.

**Reporting tools**

**HR CSR scorecard:** data on workforce, headcount, diversity, etc. topics collected in a specific reporting Excel scorecard and consolidated by the Group.

**Tarkett Cares scorecard:** data compiled in a specific reporting Excel scorecard and consolidated by the Group.

**Employee satisfaction:** measured every two years through the internal employee satisfaction survey.

**Compliance:** data on compliance topics training (e.g. competition) collected in a specific reporting Excel scorecard and consolidated by the Group.

**Academy:** data on Tarkett Academy training collected in a specific reporting Excel scorecard and consolidated by the Group.

**WCM environmental, safety and absence indicators:** data reported in a dedicated scorecard for each manufacturing plant with data uploaded monthly to a Group data repository.

**People Friendly Spaces:** phthalate free, low VOC emission and production volume data collected from plants in a specific reporting Excel scorecard and consolidated by the Group.

**Good materials:** indicators on resource scarcity and Cradle to Cradle® assessment compiled from raw material purchase data and material classification and consolidated by Group in a specific reporting Excel scorecard.

**ReStart® & re-use:** data on post-installation, post-consumer and post-manufacturing waste collection and re-use collected in a specific reporting Excel scorecard and consolidated by the Group.

**UN Global Compact supplier commitment:** data compiled from raw material supplier purchase data.

### Specific limits to scope of reporting

**Managers:** excluding Lexmark.

**Hirings, departures and turnover:** excluding Lexmark.

**Safety:** excluding FieldTurf North America & Sales Network, FieldTurf USA Sales Network, Beynon Sales Network, Tennis & Track and Lexmark (these entities represent approximately 9% of Tarkett's headcount).

**Absence:** excluding the following entities in the US, where hours lost for unplanned absence are not tracked according to Group rules: FieldTurf North America & Sales Network, FieldTurf USA Sales Network, Beynon Sales Network, Tennis & Track and Lexmark (these entities represent approximately 9% of Tarkett's headcount).

**Training hours:** excluding FieldTurf EMEA HQ & Sales Network and Lexmark. Not all training hours were tracked and reported in 2018 by Sweden Sales Network and by Tarkett entities in the Netherlands (Goirle, Waalwijk & Oss). These entities are working on improving their monitoring of training hours.

**Share of employees receiving training:** excluding FieldTurf EMEA HQ & Sales Network and Lexmark.

**Annual performance appraisal:** excluding FieldTurf EMEA HQ & Sales Network and Lexmark (these entities represent approximately 5% of Tarkett's headcount).

**Internal management positions filled internally:** excluding FieldTurf EMEA HQ & Sales Network and Lexmark.

**Raw material assessment & resource scarcity:** All raw materials purchased for the production of finished and semi-finished flooring and sports surface products, excluding outsourced finished goods, process chemicals and packaging.

**Environmental manufacturing indicators:** Water, energy, greenhouse gas emissions and waste indicators are reported for all industrial sites within the scope of reporting.

**People Friendly Spaces indicators:** Share of phthalate free, share of low VOC emission and share of non-quantifiable VOC emission products exclude all semi-finished production volume, the production volume for automotive industry at Clervaux and the laminate flooring branded Hornitex and Easium produced by Laminate Park.

**Supplier commitment to UN Global Compact:** All raw materials purchased for all sites worldwide for the production of finished and semi-finished flooring products, including packaging materials where these are included in the Bill of Materials including main outsourced finished goods (LVT), excluding sports surface products.

### CSR indicator definitions (extract from Tarkett CSR Reporting Handbook)

#### Social

**Full time equivalent (FTE):** used to measure the effective workforce during the reporting period as opposed to the headcount which is the number of employees present at the end of the reporting period. Reported for both Tarkett payroll employees and external workers.

**Headcount:** number of Tarkett payroll employees at the last day of the month of reporting period.

**Tarkett payroll employees:** All workers who are engaged by Tarkett and are on the Tarkett payroll, including interns/trainees and apprentices if on payroll. Excluding non-active staff (employees on leave greater than 6 months).

**Permanent contract:** Employee engaged by Tarkett for no specified duration (i.e. indefinite contract for an indeterminate period). Exception for China where employees on 2 or more years fixed-term contract are considered as permanent.

**Fixed-term contract:** Employee on Tarkett payroll engaged for a specified limited duration (i.e. employee temporary contract).

**Geographical zones:** EMEA comprises Tarkett EMEA, Tarkett Sports EMEA & corporate; North America comprises Tarkett North America & Tarkett Sports North America; Rest of World comprises Tarkett Eastern Europe, Asia Pacific, Latin America and Tarkett Sports Australia.

**External workers:** Any worker who does not have an employment contract with Tarkett/is not on Tarkett payroll (e.g. external workers on contract with a temporary staff employment or leasing agency hired to support regular operations).

**Manager:** A manager is an employee with at least one direct report at the date of reporting (e.g. 31.12), including blue collar workers (e.g. shift leaders, group leaders, extension supervisors and team managers are considered as managers).

**Other employees:** All employees other than managers at the date of reporting.

**Disabled employees:** Reported according to local labor laws where permitted.

**Top senior executives (EC to EC-1):** CEO, members of Executive Committee (EC) and the senior executives reporting to them (with or without direct report).

**Senior executives (EC to EC-2):** Top senior executives and the senior executives directly reporting to them (with or without direct report).

**Employees hired:** Number of employees (with permanent or fixed-term contracts) added to the payroll including employees hired on the final day of reporting period.

**Rate of employee hires:** employees hired/headcount

**Total number of employee departures:** Number of employees (with permanent or fixed-term contracts) removed from the payroll.

**Total employee turnover rate:** employee departures/headcount.

**Permanent employee turnover rate:** permanent contract employee departures/permanent employee headcount.

**Share of employees having received training:** An employee is considered as "having received training" if the cumulative number of training hours received over the full year exceeds 1 full day (8 hours).

**Training hours:** Training in Tarkett as considered as development activity, with specific support, and confirmation of attendance.

**PDD, Polyvalence Matrix or equivalent appraisal:** The annual appraisal ("Performance and Development Dialogue" and "Polyvalence Matrix") is an annual exchange between the employee and his/her manager to discuss achievements, skills, opportunity for improvement and development program.

**Open management positions filled with internal candidate:** A management position is a position (manager) with at least one direct report. An internal candidate is a candidate already a Tarkett employee.

**Number of external people who received Tarkett Academy training:** Number of people (excluding employees and external workers) having completed a Tarkett Academy technical training session/programme in the Tarkett Academy network.

**Tarkett Academy network:** The Tarkett Academy organizes and provides specific technical training programs (in flooring installation and maintenance) at dedicated training centers and at other locations.

**Dedicated Tarkett Academy technical training center:** A Tarkett facility that is dedicated to giving technical training (including training to external people).

**Number of injuries – employees:** Excluding accidents to visitors and commuting accidents which are tracked separately; where visitors may include Tarkett employees visiting other sites.

**LTA:** A Lost Time Accident (including fatality) where the individual is more seriously injured and as a result, they are unavailable to attend work for a period greater than 24 hours.

**Injuries with lost time < 24hours:** A workplace injury which is sufficiently serious to mean that the injured person is unable to attend work for the remainder of the day, however are available to return to work the next day.

**Injuries with first aid:** A workplace minor injury where the injured party is able to return to work following a brief period of minor treatment from an occupational nurse or trained staff member.

**Injury frequency rate – LTA only [FR0t]:** # LTA x 1 000 000/worked hours, where the number of LTA include fatal accidents.

**Injury frequency rate – LTA and lost time < 24 hours [FR1t]:** # LTA + # Injuries with lost time < 24 hours x 1 000 000/worked hours, where the number of LTA include fatal accidents.

**Injury frequency rate – LTA, lost time < 24 hours & first aid [FR2t]:** # LTA + # Injuries with lost time < 24 hours + # injuries with first aid x 1 000 000/worked hours, where the number of LTA include fatal accidents.

**Lost day rate due to LTA – accident severity rate [TG0t]:** # of working days lost for LTA x 1000/worked hours. [Restatement: 2017 values (Group & Plants only) restated to include lost days for an accident occurring before 2017 at one plant]

**Occupational illnesses:** An occupational illness (or disease) is defined as, "any abnormal condition or disorder, other than one resulting from an occupational injury, caused by exposure to factors associated with employment."

**Occupational illnesses frequency rate:** # Occupational illnesses/worked hours x 1 000 000.

**Hours lost for absence:** Worked hours lost for unplanned absence (i.e. illness, worked-related accidents, strikes or other unexcused absence) of all employees during the reporting period up to 30 days. Excluding "planned sick leave" absence (e.g. in North America where certain categories of workers, such as office workers, have pre-determined quota of "paid sick days" that they can take without justification and where actual sick days are not tracked).

**Absentee rate %:** # hours lost for absence/# total scheduled hours.

**Progress on "Ensure respect and integrity through adherence to Tarkett values":** Average score to 2 questions in the biennial (every two years) employee feedback survey: "Tarkett has clearly communicated its standards of business conduct and operates in an ethical manner" and "Senior leader's actions and behaviors are consistent with Tarkett's values, including standards of business conduct and ethics".

**Progress on "Listen to employees":** Score to the following question in the biennial employee feedback survey: "Sufficient effort is made to get the opinions and thinking of people who work in Tarkett". This replaces the previous indicator based on the average of 2 questions.

**Progress on "Communicate proactively towards all employees":** Average score to 2 questions in the biennial employee feedback survey: "My manager does a good job of keeping me informed about matters that affect me" and "I am kept informed about matters that affect me". In previous editions this was the average of 3 questions.

**Total compensation and benefits:** Total of short-term employee benefits (as per Group Accounting Manual): wages, salaries and social security contributions; paid annual leave and paid sick leave; profit-sharing and bonuses payable within twelve months of the end of the period; non-monetary benefits, such as medical care, housing, cars and free or subsidized goods or services.



### Tarkett Cares

**Community initiatives:** The Tarkett Cares programme promotes the participation of Tarkett employees and Tarkett entities in local community initiatives which help the community for better living and contributes to local community's needs. As per Tarkett Cares guidelines the initiative should be connected to Tarkett's values, core business or sustainability commitment and carried out with an officially recognized non-profit organization (including public services such as schools).

**Employees involved:** The total number of employees who have volunteered 1 or more hours to community initiatives.

**Hours volunteered:** The total number of hours volunteered during working hours. As per Tarkett Cares rules, each employee can volunteer (share time and talent) between 1 hour and 2 days per year during working hours. Hours volunteered outside of working hours (e.g. evenings, weekends, holidays) are not included.

**Flooring products donated:** Total square meters of flooring products donated to community initiatives.

**Total value of contributions to community initiatives:** Value of flooring products donated based on standard factory price (cost of production) + value of other in-kind contributions (cost of purchased materials) + cash donations + value of volunteered hours (calculated using total employee compensation and FTE).

### Code of Ethics

**% of employees who have received training on Code of Ethics:** share of employees (total headcount) who have completed the Tarkett online e-learning module on Tarkett's Code of Ethics, or who have received "in-person"/face to face training on Tarkett's Code of Ethics.

**Total number of hours of employee training on Code of Ethics:** based on a standard duration for online e-learning or in-person training on Tarkett's Code of Ethics of 2 hours.

### Environmental

**Indicators on raw materials:** purchases of raw materials only (i.e. materials included in the Bill of Materials) (excluding indirect purchases and finished products). Most raw material purchase data comes from Tarkett's global SAP data warehouse. The remaining (21%) is reported by plants.

**Share of raw materials for which material assessment has been performed (% of purchase volume):** Share of materials purchased (in metric tonnes), for which an impact study was carried out pursuant to Cradle-to-Cradle® principles "Product Standard Material Health Methodology Nov. 2013" available at [www.c2certified.com](http://www.c2certified.com). Tarkett uses ABC-X classification, which evaluates risks related to the impact of chemical substances on the environment and human health. For raw materials in SAP the ratings A, B, C, [], X and [X] are considered as assessed at a SKU level. For other raw materials the ratings A, B, C, [], X, [X] and Grey are considered as assessed by raw materials family. For PVC materials, an evaluation has been performed among the supply chain to verify use of BAT (Best Available Techniques) technology on chloralkali process as well as additives involved. PVC has been rated according to specific EPEA criteria. For those PVC suppliers that have not yet provided information a precautionary approach is taken and pre-assessed [X] until information will be provided.

**Share of materials at the start of supply chain which do not contribute to resource scarcity (% of purchase volume):** Materials characterized based on resources used in their production process (fossil, limited minerals, abundant minerals, renewable, recycled). The 3 categories not contributing to resource scarcity are: mineral abundant, renewable and recycled.

**Fossil origin:** Every resource synthesized from fossil fuel, especially oil, but also sulphates. The category excludes fossil minerals like Calcium carbonate. Polyvinyl Chloride (PVC) is considered as 43% fossil (petrol) and 57% mineral abundant (sea salt).

**Mineral origin:** A chemical element or inorganic combination of chemical elements occurring naturally, extracted from the ground or water and used in economic activities. The category includes fossil-formed minerals like charcoal or limestone. Mineral abundant resource – that is not threatened by scarcity. It can have important reserve (sea salt – sodium chloride, limestone – calcium carbonate...), very good recycling process (like Aluminium) or be virtually inexhaustible (chlorine in sea water). Mineral limited resource – that is threatened by exhaustion in a short term (as defined by selected models) and that is to be substituted in priority.

**Renewable origin:** A resource of which reserves can be replenished in the same or less time than the one needed for its consumption.

**Recycled origin:** Materials that would otherwise have been sent for waste disposal including post-consumer and post-installation flooring waste collected by Tarkett (e.g. ReStart®) and effectively recycled and used in Tarkett products, recycled post-manufacturing waste (including regrind) from Tarkett used in Tarkett production, recycled (post-consumer and/or post-manufacturing) waste procured by Tarkett from other industries for Tarkett production and recycled content of other procured raw materials.

**Manufacturing environmental intensity indicators:** Tarkett tracks and reports its environmental performance per square meter of floor covering. These intensity ratios are calculated by dividing the (numerator) environmental manufacturing indicators (water, energy, greenhouse gas emissions and non-recycled waste) by the (denominator) volume of finished goods – floor covering in square meters. The volume of semi-finished goods is not included.

**Water consumption:** All water consumed in the production/technical process, including for cooling as well as water not consumed in the production process, but consumed on site (e.g. in sanitary, in canteens). Water sources are groundwater, surface water and municipal water. Excluding rainwater consumption (21,7 k cubic meters).

**Share of manufacturing plants that have implemented closed-loop water circuits (or do not use water in their process):** Closed-loop water circuit considered as when water is recycled and reused in a closed loop. The only make-up normally required is that needed to replace small water losses. Each plant calculates % of reused water using flow data and formula  $A/A+B+C$  where A = volume of water re-used or recycled; B = volume of water consumed and discharged directly and C = volume of water consumed to refill the loop. Plants considered as having closed-loop water circuit when results > 98%.

**Non-renewable fuel consumption:** Includes the consumption of fuel oil, natural gas, liquefied petroleum gas, propane and/or butane, other petroleum gas (e.g. ethane).

**Renewable fuel consumption:** Includes the consumption of biomass, biofuel, geothermal, solar thermal and solar photovoltaic energy. Excluding the purchase of renewable electricity reported separately as part of purchased electricity.

**Purchased electricity consumption:** Renewable and non-renewable purchased electricity consumption.

- > **non-renewable electricity:** share of electricity purchased from a supplier using a non-renewable energy source to generate the electricity supplied during the reporting period. Including a small amount (0,3%) of purchased heat from a district heating network;
- > **renewable electricity:** share of electricity purchased from a supplier using a renewable energy source to generate the electricity supplied during the reporting period.

**Generated electricity sold:** renewable electricity generated and sold to the grid (currently a negligible quantity).

**Total energy consumption:** renewable fuel + non-renewable fuel + purchased electricity consumption. Steam consumption is excluded (15 GWh in 2018 at one plant).

**Greenhouse gas (GHG) emissions reporting:** Since 2017 Tarkett aligned its inventory of GHG emissions with the GHG Protocol and GRI 2016 standards. As such it now includes the CH<sub>4</sub> and N<sub>2</sub>O biomass scope 1 emissions) as well as reporting separately the outside of scope biogenic CO<sub>2</sub> emissions. Furthermore, it now reports both market-based and location-based scope 2 GHG emissions (which also now include CH<sub>4</sub> and N<sub>2</sub>O as well as CO<sub>2</sub> emissions).

**Gross direct (scope 1) GHG emissions:** Natural gas, fuel oil, LPG, propane, butane, other petroleum gas (e.g. ethane) and biomass consumption multiplied by their respective emission factors (for biomass consumption this relates only to scope 1 CH<sub>4</sub> and N<sub>2</sub>O emissions, out of scope biogenic CO<sub>2</sub> emissions are reported separately).

**Biogenic CO<sub>2</sub> emissions (out of scope):** CO<sub>2</sub> emissions arising from the combustion of biomass or biofuel are reported outside of scope 1, scope 2 and scope 3 GHG emissions. These emissions are reported outside of the scope because the Scope 1 impact of these fuels has been determined to be a net '0' (since the fuel source itself absorbs an equivalent amount of CO<sub>2</sub> during the growth phase as the amount of CO<sub>2</sub> released through combustion).

**Gross location-based indirect (scope 2) (GHG) emissions:** Total electricity consumption multiplied by the location-based emission factors, where the location-based method reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data.

**Gross market-based indirect (scope 2) (GHG) emissions:** Electricity consumption multiplied by a market-based emission factor which corresponds to the characteristics of the electricity purchased. For purchased renewable electricity the factor is 0 kgCO<sub>2</sub>e/kWh. In other cases, the supplier specific emission factor communicated by the electricity provider or in the absence of a specific supplier factor the emission factor based on the regional electricity generation mix or finally the default location-based emission factor.

**Source of emission factors:** Scope 1 and out of scope biogenic emission factors (kgCO<sub>2</sub>e per kWh) are taken from Defra's 2018 – UK Government GHG Conversion Factors for Company Reporting. Scope 2 location-based emission factors (kgCO<sub>2</sub>e per kWh) are taken from 3 sources: Defra 2018 for UK purchased electricity; US EPA: eGRID 2014v2 – Subregion Emissions – Greenhouse Gases for US regional purchased electricity and IEA "Emissions Factors (2018 edition considering 2016 results)" all other countries purchased electricity.

**Phthalate free products:** Products "without added phthalates" mean that no phthalate plasticizers (DOP or DINP) are contained in virgin raw material (not greater than 0.1% in mass) in the product composition, but recycled material content could contain some residual phthalates.

**Share of phthalate free:** Share of production volume (m<sup>2</sup>) of products potentially containing phthalates, i.e. all vinyl products (including LVT outsourced) and all other products containing PVC parts (e.g. certain carpets produced in North America).

**VOC:** volatile organic compounds.

**Low VOC emission products:** Products with TVOC emissions ≤ 100 µg/m<sup>3</sup> according to ISO 16000-9 guidelines (emission chamber) and local test methods (wood floorings: excluding natural emissions coming from wood itself).

**Non-quantifiable VOC emissions products:** Products with TVOC, SVOC and formaldehyde emissions ≤ 10 µg/m<sup>3</sup> according to ISO 16000-9 guidelines (emission chamber) and local test methods.

**Share of low VOC emission:** Share of production volume (m<sup>2</sup>) of indoor flooring and indoor sports surface products potentially releasing VOCs, i.e.: all products excluding outdoor grass and outdoor track surfaces.

**Waste:** All waste removed from the manufacturing plants, (e.g. industrial waste, office waste, waste from canteens,...) removed by a contracted service provider (this may exclude certain non-industrial waste removed by municipal authorities who do not provide any tracking information such as quantity and type of waste removed). Tarkett splits waste by hazardous and non-hazardous and by destination: landfill, incineration with energy recovery, incineration without energy recovery, other treatment and recycling. Non-hazardous waste-water is excluded.



**Hazardous waste:** Hazardous waste as defined by national legislation at the point of generation.

**Non-hazardous waste:** Waste not classified as hazardous as defined by national legislation at the point of generation.

**Non-recycled waste:** All waste excluding waste sent for external recycling or/and sent to other Tarkett plants for internal recycling.

**Waste to landfill:** All waste sent to landfill.

**Waste sent for external recycling:** Waste sent for external recycling, including waste sent to other Tarkett plants for internal recycling. Also including carpet waste sent to cement industry as a source of calcium carbonate as well as a replacement to fossil fuel.

**Post-installation or post-consumer products collected:** Post-consumer waste includes flooring and sports surface products that have been used and are removed for disposal (e.g. old products retrieved from the floor during a renovation project, potentially with remaining concrete and/or glue) and other waste material (e.g. Polyvinyl butyral (PVB) resin from recycled vehicle windscreens/windshields). Post-installation flooring waste incurred during the installation of flooring and sports surface products (e.g. not used pieces of clean flooring, reclaimed from installers during installation). Collected through Tarkett organized collection of post-consumer or post-installation waste (e.g. through ReStart® program).

#### Other CSR indicators:

**Supplier commitment to UN Global Compact:** Share of direct purchases made with suppliers who have committed to UN Global Compact. Tarkett started in 2011 to integrate in all its supply agreement a clause requiring suppliers to "maintain a corporate policy that will respect the commitments of the United Nation Global Compact by applying in their company and to their own suppliers the ten principles of the Global Compact which the Supplier undertakes to abide by". Therefore, the suppliers who have signed a formal supply agreement or UN Global Compact clauses with Tarkett are accounted as committing to UN Global Compact principles.

**Internal audit:** Share of operating assets audited over the course of the last 4 years.

**Environmental risks:** amount (in '000s euros) of provisions and warranties for risks related to the environment (provided the publication of the information is not creating a serious prejudice to the company as part of a potential ongoing litigation).

### 3.10.3 GRI and DPEF concordance table

Tarkett has developed a reporting system that follows and goes beyond the French extra-financial performance declaration (DPEF), based on challenging frameworks and guidelines published by international bodies such as the Global Reporting Initiative (GRI).

GRI Standard Disclosure/Description	Registration Document sections	Correspondence DPEF
<b>102 General Disclosures</b>		
<b>Organizational Profile</b>		
102-1 Name of the organization	3.1	
102-2 Activities, brands, products, and services	1.4, 1.6, 3.1	
102-3 Location of headquarters	7.1.1	
102-4 Location of operations	1.5, 1.6, 3.1	
102-5 Ownership and legal form	7	
102-6 Markets served	1.5, 3.1	
102-7 Scale of the organization	1, 3.1	
102-8 Information on employees and other workers	3.10.1	Art. R225-105 II. A. 1° a)
102-9 Supply chain	3.8.1	Art. R225-105 II. A. 3° b)
102-10 Significant changes to the organization and its supply chain	1	
102-12 External initiatives	3.6	
102-13 Membership of associations	3.3.3, 3.6	
<b>Strategy</b>		
102-14 Statement from senior decision-maker	3.2.1	
102-15 Key impacts, risks, and opportunities	3.4, 6.1	Art. R225-105 I. 1°
<b>Ethics and Integrity</b>		
102-16 Values, principles, standards, and norms of behavior	3.3.4	
102-17 Mechanisms for advice and concerns about ethics	3.3.4	
<b>Governance</b>		
102-18 Governance structure	2.1, 2.2, 3.3.1	
102-19 Delegating authority	2.1, 2.2, 3.3.1	
102-20 Executive-level responsibility for economic, environmental, and social topics	3.3.1	
102-21 Consulting stakeholders on economic, environmental, and social topics	3.6	
102-22 Composition of the highest governance body and its committees	2.1	
102-23 Chair of the highest governance body	2.1	
102-24 Nominating and selecting the highest governance body	2.2	
102-25 Conflicts of interest	2.2.6.1	
102-26 Role of highest governance body in setting purpose, values, and strategy	2.2	
102-27 Collective knowledge of highest governance body	2.1	
102-28 Evaluating the highest governance body's performance	2.2	
102-29 Identifying and managing economic, environmental, and social impacts	3.4, 6.1	
102-30 Effectiveness of risk management processes	3.4, 6.2	
102-31 Review of economic, environmental, and social topics	3.3.1	
102-32 Highest governance body's role in sustainability reporting	3.3.2	

GRI Standard Disclosure/Description	Registration Document sections	Correspondence DPEF
102-35 Remuneration policies	2.3, 2.6	
102-36 Process for determining remuneration	2.2, 2.6	
102-37 Stakeholders' involvement in remuneration	2.6	
<b>Stakeholder Engagement</b>		Art. R225-105 II. A. 3° a)
102-40 List of stakeholder groups	3.6	
102-41 Collective bargaining agreements	3.9.5.3, 3.10.1	Art. L225-102-1 III.
102-42 Identifying and selecting stakeholders	3.6	
102-43 Approach to stakeholder engagement	3.6	
102-44 Key topics and concerns raised	3.6	
<b>Reporting Practice</b>		
102-45 Entities included in the Consolidated Financial Statements	3.10.2, 5	Art. L225-102-1 III.
102-46 Defining report content and topic boundaries	3.10.2	
102-47 List of material topics	3.4.4	
102-48 Restatements of information	3.10.1, 3.10.2	
102-49 Changes in reporting	3.3.2, 3.10.2	
102-50 Reporting period	3.10.2	
102-51 Date of most recent report	3.10.2	
102-52 Reporting cycle	3.10.2	
102-53 Contact point for questions regarding the report	3.10.2	
102-55 GRI content index	3.10.3	
102-56 External assurance	3.10.4	Art. L225-102-1 V.
<b>103 Management Approach</b>	<b>3.2, 3.7, 3.8, 3.9</b>	<b>Art. R225-105 I. 2° &amp; 3°</b>
<b>200 Economic</b>		
<b>201 Economic Performance</b>		
201-1 Direct economic value generated and distributed	3.1, 4, 5	
201-2 Financial implications and other risks and opportunities due to climate change	3.4	Art. L225-102-1 III.
<b>203 Indirect Economic Impacts</b>		
203-1 Infrastructure investments and services supported	3.8.2	
203-2 Significant indirect economic impacts	3.8.2	Art. R225-105 II. A. 3° a)
<b>205 Anti corruption</b>		Art. L225-102-1 III. Art. R225-105 II. B. 1°
205-1 Operations assessed for risks related to corruption	3.3.4.2, 3.4	
205-2 Communication and training about anti corruption policies and procedures	3.3.4.2	

GRI Standard Disclosure/Description	Registration Document sections	Correspondence DPEF
<b>300 Environmental</b>		Art. L225-102-1 III.
		Art. R225-105 II. A. 2° a)
<b>301 Materials</b>		Art. R225-105 II. A. 2° c) ii)
301-1 Materials used by weight or volume	3.7.2.1, 3.10.1	
301-2 Recycled input materials used	3.7.4.2, 3.10.1	
301-3 Reclaimed products and their packaging material	3.7.4.3, 3.10.1	
<b>302 Energy</b>		Art. R225-105 II. A. 2° c) ii)
302-1 Energy consumption within the organization	3.7.5.2, 3.10.1	
302-3 Energy intensity	3.7.5.2, 3.10.1	
302-4 Reduction of energy consumption	3.7.5.2	
302-5 Reductions in energy requirements of products and services	3.7.5.2	
<b>303 Water and Effluents</b>		
303-5 Water consumption	3.7.5.1, 3.10.1	Art. R225-105 II. A. 2° c) ii)
305 Emissions		Art. R225-105 II. A. 2° b) & d)
305-1 Direct (Scope 1) GHG emissions	3.7.6.1, 3.10.1	
305-2 Energy indirect (Scope 2) GHG emissions	3.7.6.1, 3.10.1	
305-3 Other indirect (Scope 3) GHG emissions	3.7.6.2, 3.10.1	
305-4 GHG emissions intensity	3.7.6.1, 3.10.1	
305-5 Reduction of GHG emissions	3.7.6	
306 Waste		Art. R225-105 II. A. 2° c) i)
306-2 Waste by type and disposal method	3.7.4.1, 3.10.1	
308 Supplier Environmental Assessment		Art. R225-105 II. A. 3° b)
308-1 New suppliers that were screened using environmental criteria	3.8.1.1	
308-2 Negative environmental impacts in the supply chain and actions taken	3.8.1.1	

GRI Standard Disclosure/Description	Registration Document sections	Correspondence DPEF
<b>400 Social</b>		<b>Art. L225-102-1 III.</b>
<b>401 Employment</b>		
401-1 New employee hires and employee turnover	3.10.1	Art. R225-105 II. A. 1° a)
<b>402 Labor/Management Relations</b>		
402-1 Minimum notice periods regarding operational changes	3.9.5.4	
<b>403 Occupational Health and Safety</b>		<b>Art. R225-105 II. A. 1° c)</b>
403-1 Occupational health and safety management system	3.9.1	
403-2 Hazard identification, risk assessment, and incident investigation	3.4, 3.9.1	
403-3 Occupational health services	3.9.2	
403-5 Worker training on occupational health and safety	3.9.1, 3.9.4.2	
403-6 Promotion of worker health	3.9.2	
403-8 Workers covered by an occupational health and safety management system	3.9.1	
403-9 Work-related injuries	3.9.1, 3.10.1	Art. R225-105 II. A. 1° c)
403-10 Work-related ill health	3.9.2, 3.10.1	Art. R225-105 II. A. 1° c)
<b>404 Training and Education</b>		<b>Art. R225-105 II. A. 1° e)</b>
404-1 Average hours of training per year per employee	3.10.1	
404-2 Programs for upgrading employee skills and transition assistance programs	3.9.4.2	
404-3 Percentage of employees receiving regular performance and career development reviews	3.9.4.1, 3.10.1	
<b>405 Diversity and Equal Opportunity</b>		<b>Art. L225-102-1 III. Art. R225-105 II. A. 1° f)</b>
405-1 Diversity of governance bodies and employees	3.9.3, 3.10.1	
<b>407 Freedom of Association and Collective Bargaining</b>		<b>Art. R225-105 II. A. 1° d)</b>
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.9.5.3	
<b>412 Human Rights Assessment</b>		<b>Art. L225-102-1 III. Art. R225-105 II. B. 2°</b>
412-2 Employee training on human rights policies or procedures	3.3.4, 3.10.1	
<b>413 Local Communities</b>		<b>Art. R225-105 II. A. 3° a)</b>
413-1 Operations with local community engagement, impact assessments, and development programs	3.8.2, 3.10.1	Art. L225-102-1 III.
<b>414 Supplier Social Assessment</b>		<b>Art. R225-105 II. A. 3° b)</b>
414-1 New suppliers that were screened using social criteria	3.8.1.1	
414-2 Negative social impacts in the supply chain and actions taken	3.8.1.1	
<b>416 Customer Health and Safety</b>		<b>Art. R225-105 II. A. 3° c)</b>
416-1 Assessment of the health and safety impacts of product and service categories	3.7.2, 3.7.3, 3.10.1	
<b>417 Marketing and Labeling</b>		
417-1 Requirements for product and service information and labeling	3.7.2.2	

### 3.10.4 Report of an Independent third-party Organization

*This is a free English translation of the Statutory Auditors' Report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the shareholders,

In our capacity as Statutory Auditor, appointed as an independent third party, of Tarkett S.A., certified by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049<sup>(1)</sup>, we hereby report to you on the consolidated non-financial performance statement for the year ended 31 December 2018 (hereinafter the "Statement"), included in the Group Management Report, in accordance with the legal and regulatory provisions of Articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

#### Responsibility of the Company

It is the Board of Directors' responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the Company (specify where appropriate), (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement and available upon request at the Company's headquarters).

#### Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

#### Statutory Auditor's responsibility

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- › the Statement complies with the provisions of Article R.225-105 of the French Commercial Code (*Code de commerce*);
- › the information provided (hereinafter the "Information") is fairly presented in accordance with Article R.225-105-I (3) and II of the French Commercial Code (*Code de commerce*) concerning policy outcomes, including key performance indicators and actions relating to the main risks;

However, it is not our responsibility to express an opinion on:

- › the Company's compliance with any other applicable legal and regulatory provisions, relating, in particular, to the duty of care requirement and the fight against corruption and tax evasion;
- › the compliance of products and services with applicable regulatory provisions.

#### Nature and scope of our work

We performed our work described below in compliance with Article A.225-1 *et seq.* of the French Commercial Code (*Code de commerce*), defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes* or CNCC) relating to this engagement, and with ISAE 3000 (International standard on assurance engagements other than audits or reviews of historical financial information).

We conducted work to form an opinion on the Statement's compliance with legal and regulatory provisions and the fair presentation of the Information therein:

- › We gained an understanding of the activity of all companies in the consolidation scope, of the Entity's exposure to the main social and environmental risks relating to the business activity and, if applicable, of its effects on respect for human rights and the fight against corruption and tax evasion, including any related policies and their outcomes;
- › We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- › We verified that the Statement covers every category of information required under Article L.225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- › We verified that the Statement presents the business model and the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, in accordance with the disclosures required under Article R.225-105-I, and policies, due diligence procedures and outcomes, including key performance indicators;
- › We verified that the Statement presents the disclosures required under article R.225-105-II if they are relevant given the main risks or policies presented;
- › We obtained an understanding of the process for identifying, prioritizing and validating the main risks;
- › We enquired about the existence of internal control and risk management procedures implemented by the company;
- › Where applicable We verified that the Statement includes a clear, substantiated explanation of the lack of policy for one or more of

(1) Scope available at [www.cofrac.fr](http://www.cofrac.fr).



these risks;

- Where applicable We verified that the Statement covers all companies in the consolidation scope in accordance with Article L.233-16 within the limits specified in the Statement;
- We assessed the data collection process implemented by the entity to ensure the completeness and fair presentation of the policy outcomes and key performance indicators that must be mentioned in the Statement;
- For key performance indicators and the other quantitative outcomes<sup>(1)</sup> that we considered the most important, we set up:
  - analytical procedures to verify that data collected are correctly consolidated and that any changes to the data are consistent;
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of entities contributing<sup>(2)</sup> to the reported data and represents between 17% and 34% of consolidated data of key performance indicators and outcomes selected for these tests;
- We referred to documentary sources and conducted interviews to corroborate the due diligence procedures that we deemed the most important<sup>(3)</sup> (organization, policies, actions, qualitative outcomes);
- We assessed the overall consistency of the Statement based on our understanding of the Company.

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the Statement cannot be totally eliminated.

#### Means and resources

Our work drew on the skills of six individuals.

To assist us in conducting our work, we called on our firm's sustainable development and corporate Social Responsibility specialists. We conducted around twenty interviews with the individuals responsible for preparing the Statement.

#### Opinion

Based on our work, and given the scope of our responsibilities, we have no material misstatements to report that would call into question the Statement's compliance with the applicable regulatory provisions, or the fair presentation of the information, taken as a whole, in accordance with the Guidelines.

Paris-La Défense, February 7, 2019.

The Statutory Auditors/French original signed by KPMG S.A.

**KPMG S.A.**

Fanny Houlliot  
Partner  
Sustainability Services

Philippe Grandclerc  
Partner

(1) **Quantitative social information:** Total number of employees (as of 31/12/2018) split by gender, age and geographical region; Number of employee hires; Total number of employee departures including layoffs; Training hours; Absentee rate; Injury frequency rate – LTA only; Lost day rate due to LTA – accident severity rate; Percentage of female top senior executives.  
**Quantitative environmental information:** Energy consumption (electricity, gas, fuel); Greenhouse Gas emissions; Water consumption; Quantity of non-recycled waste and split by type of treatment; Post-installation or post-consumer products collected; Production volume; Share of non-phthalate products; Share of low Volatile Organic Compound (VOC) emission products; Share of raw materials for which material assessment following Cradle to Cradle® principles has been performed; Share of materials at the start of supply chain which do not contribute to resource scarcity; Share of renewable and recycled materials.

(2) Tarkett Inc. (Canada); Tandus Centiva Limited (Canada); FieldTurf USA Inc. (USA); Tandus Centiva Inc. (USA); Tarkett USA Inc. Chagrin Falls and Solon & Resilient (USA) – social information only; Tarkett AB Ronneby (Sweden) – information on energy consumption only.

(3) Talent development; Health & Safety at work; Measures implemented to reduce waste and enhance the recyclability of products; Environmental impact of products; CSR assessment of suppliers; Action implemented against corruption.

**Appendix**

[List of Cradle to Cradle® \(C2C\) certifications](#)

**C2C Certifications**

Product categories	Product References	Certification Level
Carpet	Desso®PA6 Solution Dyed Carpet Tiles Gold	Gold
	EcoBase® Carpet Tile Backing	Gold
	Desso® Axminster Gold	Gold
	Ecobase™ PA 6 Continuous Dyed Carpet Tiles	Silver
	Ecobase™ PA 6 Solution Dyed Carpet Tiles	Silver
	Ecobase™ PA 6.6 Continuous Dyed Carpet Tiles	Silver
	Tandus Centiva ethos® Modular	Silver
	Continuous Dyed Broadloom	Bronze
	Desso®PA6 Continuous Dyed Carpet Tiles	Bronze
	Desso®PA6 Solution Dyed Carpet Tiles	Bronze
	PA6 Solution Dyed Carpet Tiles	Bronze
	Solution Dyed Broadloom	Bronze
Resilient flooring	iQOne	Gold
	iD Revolution	Gold
Linoleum	Linoleum Originale Collection	Gold
	LinoWall	Silver
	Tarkett Linoleum Flooring	Silver
Rubber	Johnsonite Rubber Wall Base (BaseWorks®)	Silver
	Johnsonite Rubber Tile and Sheet	Bronze
Artificial turf	FieldTurf	Bronze
Wood	Parquet	Silver
Adhesives	Tandus Centiva C-14e Pressure Sensitive Adhesive	Silver

**C2C Material Health Certificates**

Product categories	Product References	Certification Level
Anti-soil	Eco-Ensure	Gold
Adhesives	Tandus Centiva B-19 Adhesive	Platinum
	Tandus Centiva C-56 Floor Primer	Platinum
	Tarkett 959 Vinyl Tile and Plank Adhesive	Platinum
	Tarkett 901 Resilient Flooring Spray Adhesive and Sports HS Spray Adhesive	Platinum
	Tarkett Resilient Flooring Adhesives	Platinum
	Tandus Centiva C-12e Pressure Sensitive Adhesive	Silver
	Tandus Centiva C-14e Pressure Sensitive Adhesive	Silver
	Tandus Centiva C-TR Adhesive	Silver
	Tarkett C-EX Pressure Sensitive Adhesive	Silver
	Tarkett RollSmart Adhesive	Bronze

**ICPE Production Sites in France (Classified Installations for Environmental Protection) – Sedan and Auchel sites**

In France, ICPE refers to 'Installations Classées pour la Protection de l'Environnement' – Classified Installations for Environmental Protection.

The vinyl production facility in Sedan, France is ranked as an Authorization-level Classified Installation by a Prefectural Decree of July 2008 in particular for sections with regard to the processing and storage of plastic materials. Hence the site is subject to "Authorization" for sections:

- > 2450-2-a – Rotogravure printing;
- > 2663-2-b – Storage of polymers (for its finished products);
- > 2662-2 – Storage of polymers (for its raw materials).

The Sedan site has entrusted its regulatory watch to a specialized firm which in particular allowed it to identify evolutions in ICPE regulations. In particular, the site communicated all elements to the authorities concerning the new 3000 and 4000 ICPE sections. The site is organized in case of a major fire or pollution disaster thanks to a POI (Internal Operation Plan) and an internal team of firemen capable of intervening 24 hours a day and 7 days a week.

The site organization complies with the highest standards. Hence, the site is certified for the following standards: ISO 9001 (Quality), ISO 14001 (Environment), ISO 50001 (Energy) and OHSAS 18001 (Health & Safety), and has maintained the bronze WCM level in July 2018.

Thanks to the site's deliberate policy, it has considerably reduced its environmental impact. Since 2011, VOC (Volatile Organic Compounds) industrial emissions and water consumption have been reduced by a factor 3, and non-recyclable waste has been reduced 5 times.

To achieve this, the site uses a structured method for analyzing and reducing environmental impacts.

Finally, to protect the environment from accidental pollution, the site has set up oil separators on storm water discharges and a system that continually analyzes the pollution level on industrial water outputs.

**Artificial turf production facility in Auchel:** The authorization request to operate the Auchel site (France) was validated by the Préfecture (territorial authorities) on 22/08/2016 and the final report was issued on 25/08/2016. The report was completed by the firm ENVIRO CONSEIL. The Auchel site factory installations are subject to the registration scheme. The nomenclature version considered to carry out this classification is version 27.01 (October 2015). Accordingly, the site is now subject to registration for sections 2661.1 and 2661.2 – Transformation of polymers. The following sections were moreover classified as being subject to declaration (the regulatory level below Registration):

- > 2662 – Storage of polymers;
- > 2663.2 – Storage of tires and products of which a minimum of 50% of the total unit weight is composed of polymers;
- > 4719 – Acetylene storage;
- > 2910.A – Combustion except for facilities subject to sections 2770 and 2771 (classified as being subject to declaration with periodic controls).

**List and justification of non-material CSR topics**

The CSR topics listed in the below table are not highly material for Tarkett and were therefore not developed in the CSR report.

CSR Topic	Justification of Low Materiality for Tarkett
Biodiversity	Tarkett does not operate in areas of high biodiversity value such as natural protected areas, and does not develop new activities in pristine areas. As such, our activities do not have a direct impact on sensitive biodiversity features. We can however have an indirect impact on biodiversity, e.g. through natural resources consumption, air emissions or waste generation – topics which are duly addressed in the CSR report.
Air emissions (other than greenhouse gases)	Our main focus in terms of air emissions is on greenhouse gas (GHG) due to its global impact on climate change. Some actions implemented to reduce GHG emissions (such as improvement of energy efficiency, development of renewable energies, etc.) in turn reduce emissions of other air pollutants such as nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ) or particulate matters (PM). Most of our direct emission sources (e.g. boilers) at our manufacturing sites use natural gas as fuel, thus leading to minimal SO <sub>x</sub> and PM emissions. We monitor our air emissions as per regulatory requirements to confirm compliance with applicable emissions standards for other pollutants such as NO <sub>x</sub> .
Wastewater discharges	Our main focus is to reduce water consumption, by implementing closed-loop water systems or manufacturing processes which do not consume any water (topic addressed in the CSR report). This in turn minimizes the volume of wastewater discharges at our manufacturing sites. In terms of pollutants, we monitor our wastewater discharges as per regulatory requirements to confirm compliance with applicable standards.
Noise and other nuisances	At our manufacturing sites, we measure boundary noise as per regulatory requirements to confirm compliance with applicable standards and to ensure that we minimize the nuisances for our neighbors. Complaints regarding noise or other nuisances (e.g. odors, lighting, smoke), which very rarely occur, are discussed with the complainant, investigated and subject to appropriate corrective actions as relevant.
Food wastage	Food waste is limited to restaurant services and is managed by external suppliers with their own action plan.
Environmental incidents	Our activities are not likely to generate catastrophic environmental incidents such as a significant oil or chemical spill. We however have emergency response plans in place at our manufacturing sites, which include environmental emergencies. We systematically report and investigate environmental incidents.
Child labor	Tarkett does not operate in countries with a high risk of child labor. Our internal policies and our Code of Ethics completely prohibit child labor.
Rights of indigenous people	Tarkett activities do not involve direct impact or relationship with indigenous people (such as resettlement, land acquisition, etc.).
Combat against food insecurity, respect of animal welfare, responsible fair and sustainable food supply	These topics are not applicable to Tarkett activities (topics included in the French regulations on non-financial statement – DPEF further to the publication in October 2018 of law n° 2018-938 on balanced trade relations in the agricultural and food sectors and on healthy and sustainable food supply accessible to all).







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## Tarkett

Head Office  
1 Terrasse Bellini - Tour Initiale  
92919 Paris La Défense - France

[www.tarkett.com](http://www.tarkett.com)





**ADDITIONAL REMARKS SCHEDULE**

AGENCY Willis of Pennsylvania, Inc.		NAMED INSURED Tarkett USA Inc. 30000 Aurora Road Solon, OH 44139 USA	
POLICY NUMBER See Page 1		NAIC CODE See Page 1	
CARRIER See Page 1		EFFECTIVE DATE: See Page 1	

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

The Regents of the University of California is included as an Additional Insured as respects to General Liability and Auto Liability policy, as respects to the liability arising out of ongoing and completed operations required within the contract.

It is further agreed that such insurance as is afforded shall be Primary and Non-contributory with any other insurance in force for or which may be purchased by the Additional Insured, where required by written contract executed prior to loss and permitted by law.

Contractual Liability is included under General Liability policy.

INSURER AFFORDING COVERAGE: XL Specialty Insurance Company NAIC#: 37885  
 POLICY NUMBER: US00091894BL19A    EFF DATE: 05/01/2019    EXP DATE: 05/01/2020

TYPE OF INSURANCE:	LIMIT DESCRIPTION:	LIMIT AMOUNT:
Employee Theft @ Client Premises	Money, Securities & Limit:	Other Property \$2,500,000
	Deductible:	\$750,000

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
<p>Any person or organization that you are required in a written contract or written agreement to include as an additional insured provided the "Bodily Injury" or "Property Damage" occurs subsequent to the execution of the written contract or written agreement.</p>	<p>As required per written contract</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;  
whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Any person or organization that you are required in a written contract or written agreement to include as an additional insured provided the "Bodily Injury" or "Property Damage" occurs subsequent to the execution of the written contract or written agreement.	As required per written contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BLANKET ADDITIONAL INSURED-PRIMARY AND  
NON-CONTRIBUTORY WITH OTHER INSURANCE**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

**PROVISIONS**

1. The following is added to Paragraph **A.1.c., Who Is An Insured, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:**

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in **SECTION II.**

2. The following is added to Paragraph **B.5., Other Insurance of SECTION IV – BUSINESS AUTO CONDITIONS:**

Regardless of the provisions of paragraph **a.** and paragraph **d.** of this part **5. Other Insurance**, this insurance is primary to and non-contributory with applicable other insurance under which an additional insured person or organization is the first named insured when the written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, requires this insurance to be primary and non-contributory.





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
08/12/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Willis of Pennsylvania, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	<b>CONTACT NAME:</b> Willis Towers Watson Certificate Center <b>PHONE (A/C. No. Ext):</b> 1-877-945-7378 <b>E-MAIL ADDRESS:</b> certificates@willis.com		<b>FAX (A/C. No.):</b> 1-888-467-2378
	<b>INSURER(S) AFFORDING COVERAGE</b>		
<b>INSURED</b> Tarkett USA Inc. 30000 Aurora Road Solon, OH 44139 USA	<b>INSURER A:</b> XL Insurance America Inc		<b>NAIC #</b> 24554
	<b>INSURER B:</b> Travelers Property Casualty Company of Ame		25674
	<b>INSURER C:</b> Travelers Indemnity Company of America		25666
	<b>INSURER D:</b> Charter Oak Fire Insurance Company		25615
	<b>INSURER E:</b> XL Specialty Insurance Company		37885
	<b>INSURER F:</b>		

**COVERAGES** **CERTIFICATE NUMBER:** W12287607 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			US00010327LI19A	05/01/2019	05/01/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> AUTOS ONLY Comp Ded \$1000 <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY Coll Ded \$1000			TJ-CAP-823K312A-TIL-18	09/28/2018	09/28/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> EXCESS LIAB DED RETENTION \$						<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE EACH OCCURRENCE \$ AGGREGATE \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N		TC2HUB-823K310-6-18	09/28/2018	09/28/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	<b>Workers Compensation &amp; Employer's Liability</b> Work Comp - Per Statute			TROUB-823K311-8-18	09/28/2018	09/28/2019	E.L. Each Accident \$1,000,000 E.L. Disease-Pol Lmt \$1,000,000 E.L. Disease-Each Emp \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Services provided by Tarkett USA Inc.

WC Policies:

Policy #TC2HUB-823K3106-18- covers all other states.

Policy #TROUB-823K3118-18 - covers AZ,MA,OR,WI only.

SEE ATTACHED

### CERTIFICATE HOLDER

The Regents of the University of California  
 C.J. Caudle - Sourcing - Facilities & Maintenance  
 University of California Office of the President  
 260 Cousteau Place, Suite 150  
 Davis, CA 95616

### CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

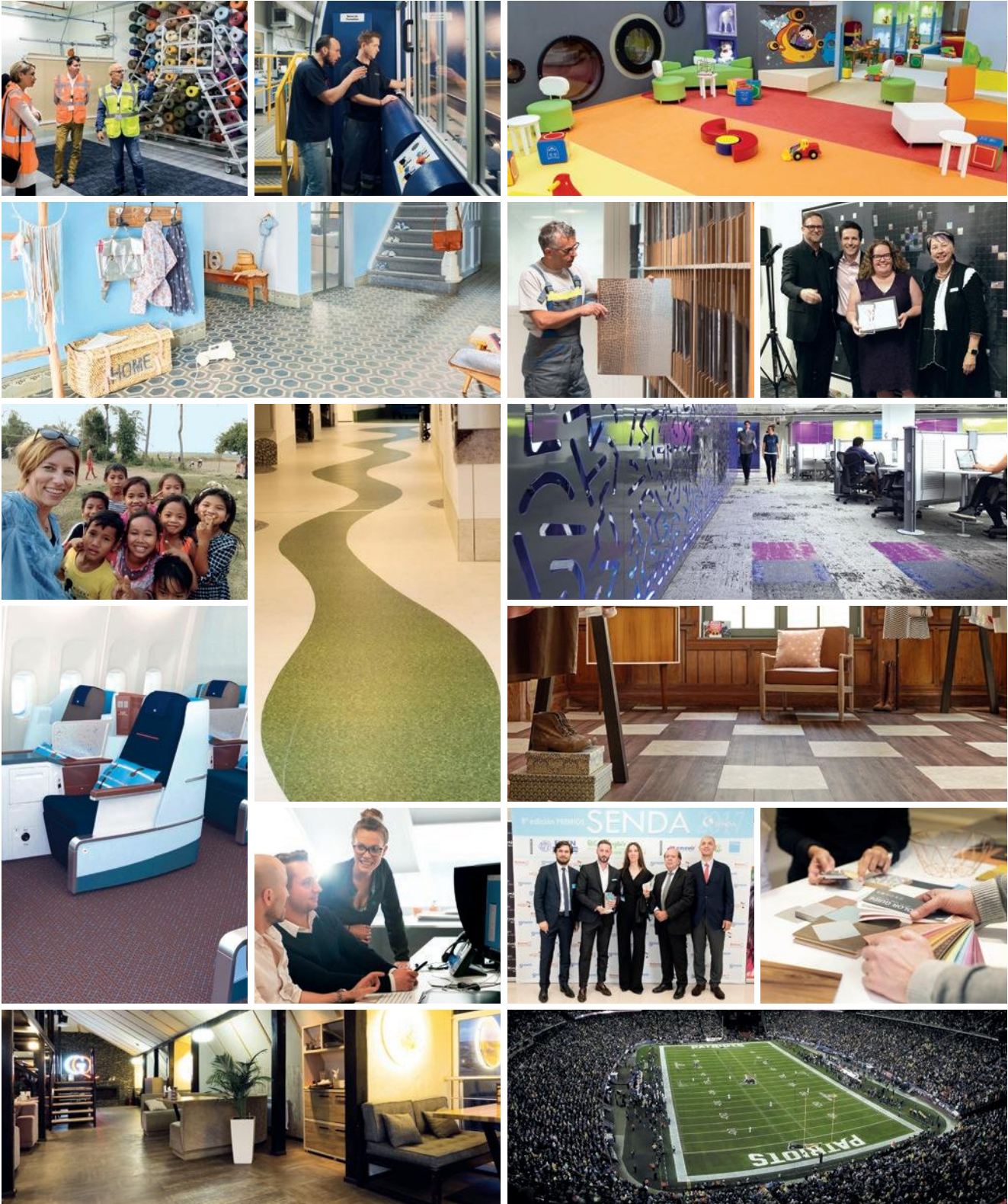
AUTHORIZED REPRESENTATIVE

# Sustainability

## **Q12 – Are you currently registered with EcoVadis, or similar 3<sup>rd</sup> party, to track sustainability efforts within your organization?**

At the beginning of 2019, Tarkett selected EcoVadis to perform CSR risk mapping covering most of our suppliers worldwide. Phase one of this assessment is complete (response/data gathering.) Tarkett is now working on mapping the suppliers based on Environmental, Social, and their long term viability risk.

What we believe in  
drives the choices  
we make every day  
and makes us  
who we are.  
Together.



2017-2018 ACTIVITY AND SUSTAINABILITY REPORT

# What we believe in, what we do

At Tarkett, we make a bold promise to our customers, our co-workers, and our partners: to be the easiest and nicest company to interact with. It stems from core beliefs that impact everything we do to build an inspiring customer and employee experience, generating sustainable value for everyone.

We believe in the power of collaboration to go further together. We believe in taking care of our people, our customers, and our planet. We believe in commitment to operational excellence and talent development. We believe in leading in design and innovation through creativity and agility. And we believe that all of this counts more when we take our environment and social responsibility seriously by "Doing Good. Together."

For our diverse, entrepreneurial team worldwide, building the best possible future comes from uniting and empowering all those dedicated to creating happier, healthier, and more productive spaces. All together, we can make a difference in people's lives.

## **Contents**

- 02** Tarkett at a glance
- 04** Interview with  
Glen Morrison, CEO
- 06** Governance
  
- 08 Doing Business**  
Reinventing the customer  
experience with best practices  
worldwide
  
- 22 Doing Good. Together**  
Designing solutions that  
create sustainable value  
through collaboration



# A world leader in flooring and sports surface solutions

We are committed to designing innovative solutions to make a positive impact on people and the planet. Because our floors are part of people's daily lives, we collaborate with our customers to create living spaces that combine well-being, health, performance and design. With a history stretching back more than 130 years, Tarkett is a world leader in flooring and sports surface solutions.

## A BROAD RANGE OF SOLUTIONS

We offer our customers—architects, designers, installers, distributors, home-owners and end-users—one of the largest portfolios of flooring and sports surface solutions, and we share with them our expertise in multiple market segments.



Vinyl



Linoleum



Carpet



Wood



Laminate



Rubber & Accessories



Artificial Turf



Athletics Tracks

### SEGMENTS



EDUCATION



HOME



WORKPLACE



HEALTH CARE  
& AGED CARE



STORES  
& SHOPS



HOSPITALITY,  
TRAVEL & LEISURE



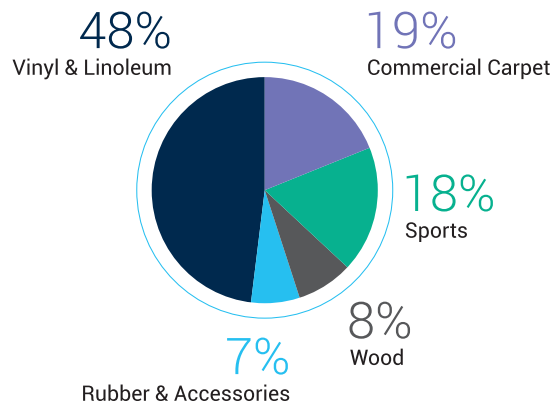
MARINE, AVIATION  
& TRANSPORT



INDUSTRY



SPORTS  
& WELLNESS



% of 2017 net sales



## TARKETT WORLDWIDE

- 24**  
R&D laboratories
- 
- 1**  
research & innovation center
- 
- 4**  
design centers
- 
- 34**  
industrial sites
- 
- 7**  
recycling centers



**€2.8 billion**  
2017 net sales

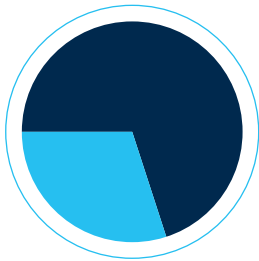
**~13,000**  
employees

**No.1**  
in vinyl worldwide

### ATTRACTIVE END-MARKET EXPOSURE

~ 70%  
Commercial

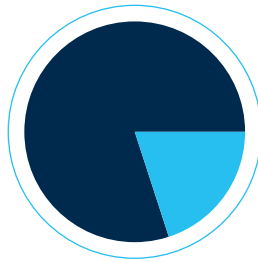
~ 30%  
Residential



### SALES DRIVEN BY RENOVATION

~ 80%  
Renovation

~ 20%  
New construction



% of 2017 net sales

**1.3 million**  
square meters of flooring  
sold every day in over  
100 countries

## OUR COMMITMENT: "DOING GOOD. TOGETHER."

Doing Good means connecting our sustainability efforts with what our customers value and our world needs, in collaboration with all our stakeholders: healthy living spaces and wellness, responsible stewardship of resources of our planet and climate change.



Eco-design by applying Cradle to Cradle® principles.



**CE100**

Building a circular economy business model.



Contributing to global debates and combating climate change.



Compliance with the 10 United Nations principles.



**THE GLOBAL GOALS**  
For Sustainable Development

Contributing to the Sustainable Development Goals defined by the United Nations.

## Interview with Glen Morrison, CEO

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### What were the highlights for Tarkett in 2017?

We are a company with track records of growth and profitability, and in 2017 we demonstrated the strength of our business model again, delivering strong organic growth and a healthy level of profitability in line with our historical performance. We did this despite significant headwinds from raw material price increases and currency fluctuations.

It is our robust business model that fuels this growth and profitability, based upon a balanced geographic presence and a broad product portfolio (vinyl, linoleum, wood, carpet, and sports surfaces) for diversified end-user markets (offices, healthcare, education, hospitality, stores & shops, housing and sports).

**“I am convinced that the customer experience starts with a caring employee experience, because what underpins a company’s performance is people.”**

**“Our consistent performance stems from a deep understanding of our customers’ needs, our passion for developing people and our commitment to sustainable growth.”**

We also have a strong track record of leveraging acquisitions that help us maintain and accelerate our position. We know how to bring teams together to make our business stronger geographically and to extend our product portfolio. Underpinning this model is a company with strong values and a Code of Ethics that guide what we do and provide a solid foundation for success.

**How do you feel about 2018?**

I'm excited by our focus on delivering the best possible customer experience thanks to innovative products and services that our customers truly value. We have launched multiple new products fitting market trends and meeting customers' expectations for modularity, customization and solutions mixing materials, design and formats. I can see that our teams are passionate about our ambition to become the partner of choice in our industry.

Our Customer Centric Innovation program allows us to better understand our customers' needs, what they really value in their business life as architects and designers, distributors, and installers. We have many examples, including quick online ordering for rugs, design service on demand, 48 hour delivery, digital printing of personalized designs for small quantities, and turnkey projects for sports surfaces.

Furthermore, we consider end-users who live on our floors to design solutions that contribute to healthier, more beautiful spaces and a better quality of life, whether it be easy-to-install vinyl tiles or low VOC products for good indoor air quality, as just two of our many possibilities.

Our widely deployed World Class Manufacturing program continues to drive our operational excellence, which enables us to deliver the right products and the best quality at the right time and to the right place.

Both programs are the backbone of our ability to offer an inspiring customer experience and to lead in design and innovation, differentiating us from our competitors. We measure progress through our “customer promoter” scores and see the results in our organic and profitable growth.

**What is the key to the success of Tarkett's model?**

Our consistent performance stems from our talent. I am convinced that the customer experience starts with a caring employee experience, because it is people who determine a company's performance. People are the only long-term differentiator a business has and I am proud to lead the most energized, committed group of employees. I want Tarkett to be a talent magnet to attract the best people, retaining them through a diverse and inclusive culture and exciting career opportunities. I want the business to be a place where people can truly bring their whole selves to work, where what counts is ability and ambition, where everyone understands what success looks like and has access to the tools and resources they need to make a difference every day.

**How Tarkett fits into the global community?**

Collaboration is part of our commitment to corporate social responsibility. We believe that we must actively work together to meet the world's challenges, such as resource scarcity, climate change, quality of life in cities, and diversity. We take a very collaborative approach with NGOs and with experts in the field, which allows us to simultaneously nurture our ambition and progress. We are contributing to discussions within the World Economic Forum and we are participating in the Alliance for CEO Climate Leaders. We are also following the UN Global Compact principles and we are aligned with UN Sustainable Development Goals. This collaboration is challenging us and guiding our commitment to make a positive contribution to addressing global challenges.

This is the essence of our “Doing Good. Together.” philosophy, which guides our day-to-day choices and decisions and transforms our commitment into practical actions: designing solutions for people's wellness, being a good steward of the world's resources through circular economy models, and acting as a trusted partner to the communities in which we live and work around the world.

## Governance

### Executive Committee and Management Board

Led by Glen Morrison, CEO, Tarkett's Executive Committee is composed of 11 experienced leaders. This international and entrepreneurial leadership team shares common Group interests and values, while ensuring operational agility thanks to a decentralized organization.

**Glen Morrison<sup>(1)</sup>** ①  
Chief Executive Officer

**Fabrice Barthélemy<sup>(1)</sup>** ②  
President Tarkett EMEA and LATAM

**Wendy Kool-Foulon** ③  
Group General Counsel

**Éric Dalieri** ④  
President Tarkett Sports

**Gilles Lebre<sup>(1)</sup>** ⑤  
VP Customer Operations and Group CIO

**Anne-Christine Ayed** ⑥  
EVP Research, Innovation and Environment

**Antoine Prevost** ⑦  
EVP Operations

**Slavoljub Martinovic** ⑧  
President Tarkett Eastern Europe

**Raphaël Bauer** ⑨  
Group Chief Financial Officer

**Sharon MacBeath<sup>(1)</sup>** ⑩  
EVP Human Resources and Communications

**Andrew Bonham**  
President Tarkett North America<sup>(2)</sup>



(1) Members of Tarkett's Management Board  
(2) President Tarkett North America since March 2018

### Supervisory Board

Tarkett's Supervisory Board is composed of nine members, five of whom represent the Deconinck family, the majority shareholder, the remaining four members being independent. The Board complies with standards and regulations regarding the proportion of independent members, women, and diversity of expertise.

In line with standard governance practices, the Supervisory Board has set up two committees: the Audit, Risks and Compliance Committee and the Nominations, Compensations and Governance Committee.

## Strong governance, risk management and compliance

Tarkett's corporate governance processes aim to ensure uncompromising business ethics, robust and transparent corporate supervision, and risk management.

### GOVERNANCE

In line with standard governance practices, the Supervisory Board has two committees with advisory roles:

- The Audit Committee has a total of three members, two of which are independent. It assists the Supervisory Board in reviewing financial information, internal auditing, and ensuring independence of the statutory auditors.
- The Nominations and Compensation Committee has a total of three members, two of which are independent. Its main function is to assist the Supervisory Board in reviewing compensation for the Group's executive management, succession planning, and independence of the Board members.

Tarkett has chosen to follow the Afep/Medef<sup>(3)</sup> code of corporate governance.

### RISK MANAGEMENT

Tarkett considers risk management to be closely linked to internal auditing. Risk management methods, procedures, and actions identify, analyze and control material risks; oversee operational efficiency and efficient use of resources; and ensure reliability of financial information.

Tarkett's Internal Control and Audit Department coordinates the Group's risk management and internal auditing processes, which are implemented throughout the Group.

These include:

- Risk-mapping exercises and implementation of related action plans.
- Internal monitoring of process-related risks (other than operations).
- Regular internal audits.
- Insurance coverage for identified exceptional risks.

(3) Afep/Medef: Association française des entreprises privées (the French Association of Private Companies), Mouvement des entreprises de France (the largest association of employers in France).

### COMPLIANCE

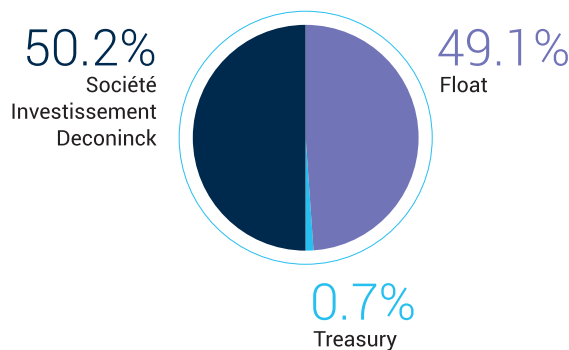
Compliance is one of the Group's core values. It is implemented through a formal program and continuing policies and guidelines, as well as training based on the Code of Ethics, fair competition practices, anti-corruption, fraud prevention, data protection and insider information.

## Shareholders

Tarkett is listed on Euronext Paris and is included in the following indices: SBF 120, CAC Mid 60.

### BREAKDOWN OF SHARE CAPITAL

at December 31, 2017



### Regular audits

**96%**  
Group perimeter audited over the last four years (% of operations assets)

### Responsible sourcing

**74%**  
Raw material purchased with suppliers committing to UN's Global Compact (% of purchase value)

**Éric La Bonnardière**  
Chairman as of April 2018\*  
Member since 2015

**Didier Deconinck**  
Vice-Chairman as of April 2018\*  
Member since 2001

**Éric Deconinck**  
Member since 2001

**Julien Deconinck**  
Member since 2018\*

**Agnès Touraine**  
Member since 2016

**Jacques Garaïalde**  
Member\*\* since 2007

**Françoise Leroy**  
Member\*\* since 2013

**Sabine Roux de Bézieux**  
Member\*\* since 2017

**Guylaine Saucier**  
Member\*\* since 2015


**Observers:**  
- Bernard-André Deconinck\*  
- Nicolas Deconinck

\* As of April 2018, subject to the final vote at the Annual General Meeting. Éric La Bonnardière is a Deconinck family member.  
\*\* Independent Member.









What does it mean for a worldwide company to be easy and nice to do business with? It means leveraging local knowledge and deploying our customer-centric innovation program to anticipate exactly what customers want. And it means applying our best practices around the globe to deliver high quality solutions on time and meet expectations.

# Doing Business.

## EDUCATION

### Contributing to an optimal learning environment



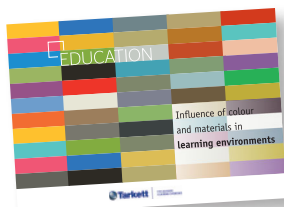
#### Visual and acoustic comfort

Educational institutions seek to create spaces that inspire learning, are safe, and are healthy. Children and teenagers develop their learning abilities and well-being by interacting with the world around them, and color plays a specific role in this learning process, having a direct impact on creativity and concentration. On top of visual comfort, acoustic comfort contributes to better learning environments.

#### Tarkett solutions

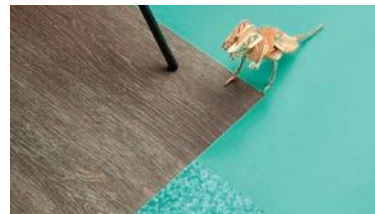
From nurseries and schools to universities, we have expert knowledge of the educational space and we offer a wide range of full solutions. We carried out a study on the influence of color and materials in learning environments<sup>(1)</sup>, which demonstrates how color impacts human development and well-being.

(1) [kidsstudy.tarkett.co.uk](https://kidsstudy.tarkett.co.uk)



The new Vinyl collections - Excellence, Platinum, ProtectWall and Tapiflex Stairs collections offer a large choice of colours, designs and acoustic options. These 100% phthalate-free collections<sup>(2)</sup> can be combined to create bespoke ambiances from floor to wall and create perfectly matched educational environments.

Originale is the first Cradle to Cradle® Gold certified™ linoleum, with 100% natural and renewable raw materials, providing acoustic options with a gently marbled or linear design. To complement our floor offering, we have launched LinoWall, the only linoleum to be approved for use on walls.



## HOME

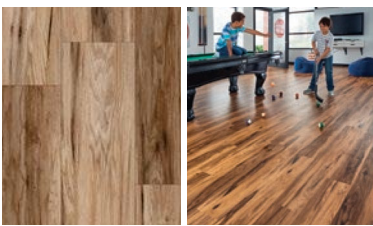
# Turning houses into sweet homes

### Design, modularity, and ease of installation

Today, people want their homes to stand out. They want a different solution for every room in the house. One that is theirs alone. And one that is easy to change—because people want to renovate more often. In a quest for greater comfort and well-being, people are seeking authenticity through products that are natural, simple and bring warmth and a friendly atmosphere.

### Tarkett solutions

To provide for everyone's needs and tastes, we offer products for every room in the house, dry and wet, in all kinds of colors, patterns and format, whether it be modular flooring with exclusive colors and patterns, cushion vinyl with a wide range of designs, or the authenticity of wood. We also design flooring with low VOC emissions and non-phthalate<sup>(2)</sup>, thus contributing to healthy interiors.



Our brand new ProGen modular rigid flooring combines top-notch design, high performance, and easy installation.



Starfloor Click 55 and Starfloor Click 55 Plus luxury vinyl tiles offer a selection of soft colors and authentic-looking materials to create subtle and polished decorations.



Our resilient vinyl product, Diva, features a trendy tile motif and makes use of the unique unrepeatable design technology. We have crafted it with homeowners in mind, and it is particularly well suited for kitchens and dining areas.

<sup>(2)</sup> Non-phthalate: Except recycled content for certain products  
VOC: Total Volatile Organic Compounds



## WORKPLACE

# Creating healthy, inspiring work environments to improve performance

### Design and well-being

The workplace as we know it is changing forever. In a hyper-connected world, people are free to work any time, anywhere. The lines between home and work are blurring, and employees are increasingly interested in health and well-being. Rethinking the working environment to boost employee satisfaction and improve productivity starts with good design. We help our customers create a relaxed, informal, creative setting

with sustainable flooring in an array of colours and textures, designed to contribute to people's health and well-being.

### Tarkett solutions

Our extensive workplace portfolio contributes to employee health and well-being by improving indoor air quality, acoustics and comfort. It includes multiple product ranges including vinyl, wood, carpet rolls and tiles, and linoleum.



To promote healthy, sustainable materials and conserve natural resources, we follow Cradle to Cradle® design principles. Our Tandus Centiva ethos® carpet is made of PVB, a high-performance polymer recycled from end-of-life windshields and safety glass. Tandus Centiva ethos® carpet backing by replacing PVC with PVB, a high-performance polymer recycled from end-of-life windshields and safety glass. Ethos® Modular is the first American modular carpet tile to be Cradle to Cradle® Silver Certified™.



Among the innovative Desso carpet collections, AirMaster® carpet tiles feature patented, globally recognized technology to capture and retain fine dust, contributing to better indoor air quality. Soundmaster® tiles deliver state-of-the-art sound insulation. And Light Reflection Master® enhances the brightness of your work space.



Produced in both tile and plank format across a range of patterns, colours and styles, Luxury Vinyl Tiles (LVT) offer diverse layout options thanks to their modular format, to create customized spaces.

## HEALTHCARE AND AGED CARE

Helping to care  
for people



### Safety, comfort, infection control

As populations grow older around the world, healthcare facilities and nursing homes strive to improve patient and resident experiences in controlled environments where air cleanliness, infection control, and cost control are all essential in contributing to patient recovery and medical staff efficiency.

### Tarkett solutions

We have extensive expertise in healthcare flooring and constantly work with experts to fully understand the specific needs from clean rooms to patient rooms, corridors, and wet rooms. In addition to ergonomic environments conducive to healing, our solutions offer top indoor air quality and hygiene, and provide walking, rolling and acoustic comfort.

Flooring and walls with impervious surfaces and minimal watertight joints are cost-effective from installation to upkeep, which is compatible with cleaning chemicals and frequent disinfection procedures.

To create the best living environment for the elderly, choosing the right floors with the right properties and designs is crucial. We have conducted field research and published a White paper on "Designing supportive care homes for aged care and dementia" showing how flooring can contribute to the best home care design for elderly people's well-being.

All iQ vinyl ranges come with a next-generation surface treatment that sets new standards in performance. Exclusive to Tarkett, it brings best-in-class protection against marks and stains, even from chemicals like Iodine and Betadine. Combined with our unique dry-buffing technology, it keeps iQ flooring new for life.

The Multisafe vinyl ranges, for use in wet areas, and Safetred vinyl ranges have exceptional, durable slip-resistance properties.

Tactile flooring and contrasting colors are available for orientation and accessibility.





## STORES & SHOPS

Helping stores enhance customer experience



iD Mixonomi is a modular vinyl tile flooring, it introduces a fully customizable concept, and enables to shape unique customer experiences through flooring.

### Design and customization

Flooring plays a vital role in choreographing and enhancing the customer experience. Floors can create an instantly recognizable brand identity using modular flooring options and custom solutions. Retail store designers can play with a wide range of materials such as vinyl, wood, laminate, linoleum and carpet for custom design options, all with sound absorption and surface treatments to withstand wear and tear. Flooring solutions must withstand high traffic and be easy and quick to install.

### Tarkett solutions

Tarkett's modular flooring options and custom solutions offer unique possibilities to architects and designers to personalize spaces. Retail store designers can play with a wide range of materials such as vinyl, wood, laminate, linoleum and carpet. From edgy boutique to mass-market chains, Tarkett helps stores and shops to create a lasting impression on how people experience space.

iD Supernature & Tattoo is a new modular vinyl tiles collection, it comes in exclusive fine textures of wood and stone, has a non-repeat pattern effect and it is available in 12 formats. In addition to the choice of the base design, it is also possible to tattoo it with one of the 10 tattoo designs, available in 5 hues.

Tarkett Digital Lab allows architects and designers to digitally print patterns and images on their wood flooring, providing them with full rein to express their creativity. By offering unlimited color-matching possibilities, our digital printing technology enhances natural materials and textures like never before. Through this service, we are actively collaborating with architects and designers to help them create unique spaces.





## HOSPITALITY, TRAVEL & LEISURE

# Inspiring exclusive experiences to build loyalty and customer base

### Unique design concepts

From hotel lobbies and luxury bedrooms to restaurants and bars, floors play a key role in building a unique, immersive experience. Hotels are destinations where guests want to feel at home. Some hotels are going further, offering unexpected experiences, with a remarkable personality signed by a designer/architect.



Collection Infinies™ is a digitally printed luxury vinyl tile (LVT) featuring designs from five internationally renowned artists and offer a co-creation tool enabling architects and designers to personalize designs.

### Tarkett solutions

Acoustic vinyl, wood, laminate, and carpet can create singular spaces and reduce noise for more comfort. We offer a one-stop shop for all types of hotels, restaurants and cultural establishments, with various flooring and customization options to fully create unique designs. Tarkett flooring creates memorable guest experiences and conveys brand identity.



Luminous flooring integrates Philips LED technology to greet, impress, and inform people in new ways.



Mix wood and carpet make it possible to play with zoning to signal or guide customers or simply for visual effect. Here, it contributes to providing a feeling of comfort through the contrasting wood and carpet textures.



We imagine **game-changing solutions**

## MARINE, AVIATION, TRANSPORT & INDUSTRY

Meeting the highest standards of quality and durability



### Innovative products and services

Airlines need light-weight products that are durable with full design options. The marine industry is looking for global services offering high quality products, design flexibility and technical support.

### Tarkett Solutions

Tarkett offers a whole range of floorings specifically designed to be resistant to heavy traffic. As a major player in flooring solutions for the aviation, marine, automotive, bus and coach, and train industries, we offer many solutions with unified design that meet the strictest requirements. We have dedicated teams to support projects from start to finish, committed to delivering carpets, vinyl floors and linoleum that meet the highest standards.

Desso Hook'nFly™ is an innovative carpet refurbishment concept for the aviation industry. Our solution makes it easier and significantly faster to replace carpets in aircrafts.



Homogeneous vinyl flooring provides tough and ultra durable solutions for heavy and very heavy traffic areas. Composed of a single compact layer of vinyl they are glued to the sub floor and welded for optimal durability and hygiene.





## SPORTS & WELLNESS

# Enhancing performance and safety on sports fields and in gymnasiums

### Performance and Safety

Athletes want to perform to their full potential in safe facilities, and stadiums want to give a unique experience as they expand and renovate. Omnisports installations have increased in popularity since people are more and more concerned with their well-being.

### Tarkett solutions

From vinyl and linoleum to wood surfaces, tracks, and artificial turf, we offer a full range of sports solutions to fulfill the needs of all levels of practice, from leisure to competition-level sports.



We offer the most advanced artificial turf systems with FieldTurf and hybrid grass technology with GrassMaster® and Playmaster®. FieldTurf CoolPlay is a leading field cooling technology infill material composed of extruded composite. The hybrid grass, GrassMaster, reinforces a natural grass surface with artificial fibers for improved stability and performance.



In addition to exceptional longevity and performance for running tracks with Beynon, we also have several types of sports hall flooring designed to enhance performance, absorb shocks, and prevent injuries. We have also launched Rise-N-Run which upgrades existing technology in indoor banked hydraulic tracks to improve performance and facility management.



We have sports hall flooring designed to enhance performance, absorb shock, and prevent injuries. We offer GreenLay semi-loose lay installation for omnisport gymnasium installations, which can lower refurbishment costs.

## Customer Centric Innovation: anticipating customer needs

In today's fast-paced and highly competitive world, it is key to innovate and monetize quickly. But the real competitive advantage comes from having a deep understanding of the customer to anticipate needs and offer differentiated services and products specific to their challenges as architects, designers, installers, distributors or end-users of our flooring.

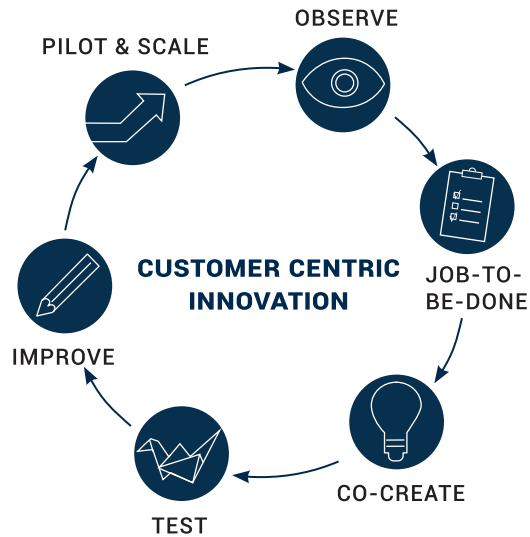
Success stems from finding a sweet spot between what people want, what is technically feasible, and what is viable as a business. For this, we use customer-centric innovation (CCI). As part of an overall approach to improve the customer experience, we started adapting Design Thinking to Tarkett in 2015. This led to the CCI approach we are deploying around the world.

The CCI approach is our way of ensuring that what we design is actually desirable from a user's point of view.

The methodology mixes design thinking and agility, so we do things quickly. Empathy is key to design, and the process starts with discovery. The principle is first observe, identify

the essence of the need, then co-create and experiment with our customers, and then if it works, scale it or if it fails, drop it.

This methodology empowers teams to solve customer challenges. All the while, this process is very human-centric, focused on people getting to the heart of what customers need.



### Net Promoter Score

A qualitative approach such as Customer Centric Innovation is best complemented by quantitative measurement. NPS helps to measure how well customers' needs are satisfied and their willingness to recommend Tarkett.



“Today, customers have never been more eager to participate in design and test new concepts. This creates new ways of collaborating, which is part of customer experience and helps build stronger relationships. Design Thinking is a way to start from the user point of view and only later add the internal filters of feasibility (can we do it) and viability (can we sustain it?).”

**Benjamin Huneau**, Customer Experience Transformation Director



## Enhancing the retail experience

By better understanding their needs, the team developed new displays and services making the customer selection process easier. In Serbia, our retail chain Galerija Podova's team applied the CCI methodology directly with end-consumers' decorative shops.

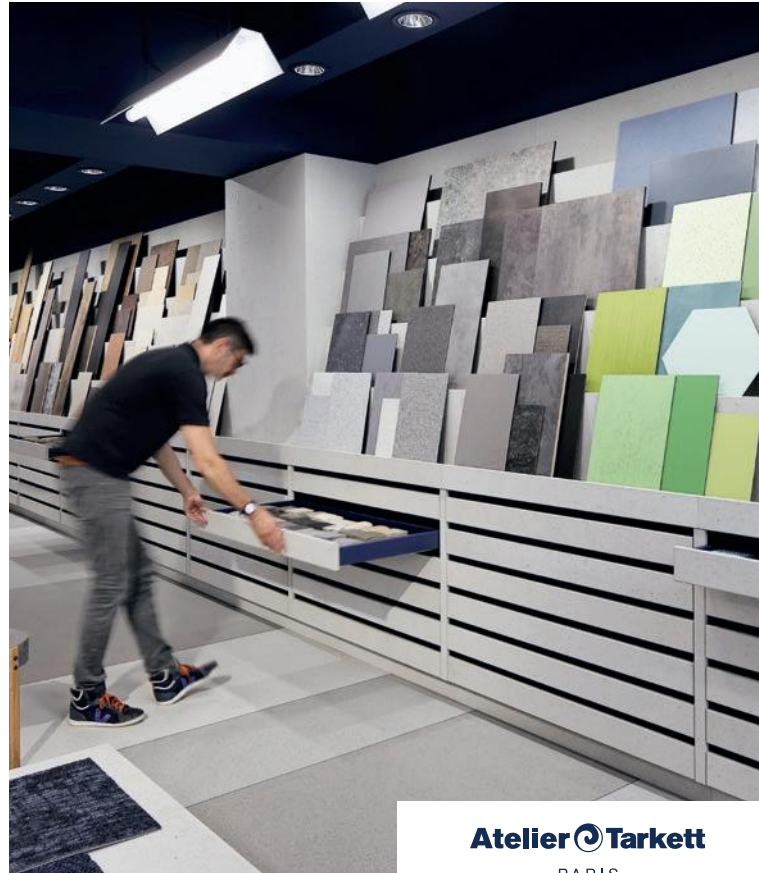
## A simplified ordering process

In the United States, commercial area rugs are a growing market, just as modular vinyl flooring is growing. And there's a link between the two: the more vinyl flooring installed, the greater the opportunity for area rugs. We used CCI to simplify area rug creation and ordering, making things easier for customers—it only takes some steps to select and order on-line area rug and fifteen days to receive it.



## A new generation workspace in Paris

In Paris, Tarkett opened up a new showroom concept called the Atelier Tarkett, in collaboration with design studio 5.5. More than just a showroom, it is a co-working space, a new destination for architects, designers and their clients to accelerate interior design projects, and serve as a source of inspiration, discovery and creativity.



## Supporting architects and designers



A design support and live chat system has been created for architects and designers in North America. By being available during and after business hours, it makes it easier and quicker for them to submit projects and design beautiful renderings.



## Excellence through World Class Manufacturing

We have a focused program to deliver operational excellence with a focus on safety, quality, customer service, environment and cost optimization.

Being a global company offers an opportunity to share best practices and set worldwide operational excellence goals. Being easy and nice to do business with means we need to deliver high quality products on time everywhere. We drive our efforts to do so with our World Class Manufacturing (WCM) program. This continuous improvement program inspired by lean manufacturing focuses on eliminating waste, loss, and anything that does not contribute to adding value for the customers or for the company. At Tarkett, WCM is a global program, applied in almost all our plants and distribution centers. The target is to improve industrial performance in terms of safety, customer service, quality, environment, and cost.

### OPERATIONAL EXCELLENCE

Our approach is structured and progressive, based on sharing best practices and ideas, and internal benchmarks through a network of experts. WCM coupled with customer experience initiatives enable tremendous improvements in product availability and quality, commercial excellence, and

responsive customer service, in addition to improving efficiency and safety. As an example of our commitment to caring for our customers by improving customer satisfaction, we reduced claims by 30% year on year, while also reducing cost.

### SAFETY

Safety is our top priority. Via the WCM program, we share best safety practices throughout all our sites, aiming to continually improve our performance. The WCM safety pillar also promotes training, risk assessment, and safety behavior acquisition.

### PRODUCTIVITY AND ENVIRONMENT

In addition to sharing best practices, we monitor key indicators, implement action plans and cost reduction plans, thus continually improving operational efficiency and competitiveness. We also focus on reducing energy consumption, water use, and waste. One result in 2017 was a decrease of energy consumption per square meter manufactured in half of our sites, thus reducing greenhouse gas emissions.

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**Customer service**  
Our OTIF (on-time, in-full delivery) is consistently at **95%**

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“Using WCM, we are now reaching best-in-class safety performance. In five years, we have divided the number of accidents by 4.5 at our plants. We also improved our customer service performance. And lastly, we are very proud to deliver consistent productivity savings above 2% of production cost\*.”

**Antoine Prevost**, Executive Vice President Operations

\* Cost of sales minus depreciation of industrial assets.

## A Tarkett Award for the installation of a new production line in Jasło (Poland)

This award commends a pluridisciplinary team which implemented a new LVT (Luxury Vinyl Tiles) production line on the Jasło site, to meet growing market demand for modular flooring. By applying the ProjectManagement@Tarkett methodology and tools, the teams met the different strategic objectives of cost, production efficiency, and product quality.



## The third world forum on professional maintenance

The aim of professional maintenance is to set up an effective maintenance system to increase availability of equipment while reducing costs to maintain them in operational order. The third Tarkett Professional Maintenance Forum organized by the WCM team brought together experts from 21 sites on the Bačka Palanka site (Serbia) sharing experiences and best practices.



## Develop a safety culture worldwide

Tarkett organized a two and a half day safety seminar with managers and Environmental Health & Safety experts from North American production sites and distribution centers. The WCM team brought on-site support and coaching on the safety pillar in Beijing and Suzhou production sites in China. WCM experts from 20 sites also shared their expertise on early equipment management at the Ronneby (Sweden) site.



**89%**  
of Tarkett production sites apply the WCM program.









At Tarkett, we believe that together, we can make a positive impact on people and the planet. That's why we are "Doing Good. Together." connecting our sustainability efforts with what our customers value and our world needs. We do so through collaboration, by designing for life, closing the loop, developing and sharing talents, and supporting communities. It is an active living commitment to create a future where people and the planet prosper in balance.

Doing  
Good.  
Together.



## We are committed to creating sustainable value through collaboration

Today, the world is undergoing profound changes at an unprecedented pace. The population is growing and ageing and becoming more urban, seeking for healthy interiors, wellness and an inclusive environment. The climate is changing. The natural capital of our planet is under stress and resources are becoming scarce. At Tarkett, we are committed to addressing these global challenges and developing sustainable solutions, by "Doing Good. Together."



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Urban population  
**70%**  
of the world's population  
living in urban areas  
by 2050

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Resources  
**3 billion**  
additional middle-class  
people consuming more  
resources by 2050

---

Climate change  
**+4°C**  
of the global  
temperature by 2050

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Sources: World Business  
Council for Sustainable  
Development (WBCSD), World  
Meteorological Organization.

By "Doing Good. Together.", we strive to contributing to the ambitious Sustainable Development Goals set by the United Nations.



“We take a very collaborative approach with NGOs and experts in the field. We can only do that if we really want to build a business that has corporate responsibility, good governance and sustainability at its core. We don't believe we know all the answers, but we believe if we collaborate with others we will constantly improve our business and help drive the industry on this journey.”

**Glen Morrison**, CEO of Tarkett at the World Economic Forum's annual meeting in Davos in January 2018.



# Doing Good. Together.

By Doing Good. Together. we believe we can have a positive impact on people and the planet by:



## DESIGNING FOR LIFE

Developing products based on Cradle to Cradle® principles that contribute to people friendly spaces and respect the planet's natural capital and the climate.



## CLOSING THE LOOP

Building an inclusive circular economy in which resources are responsibly stewarded, encouraging take-back, reuse, recycling and elimination of waste.



## DEVELOPING TALENTS

Promoting a safe, diverse and inclusive work environment, and supporting local communities.



## DRIVING COLLABORATION

Inviting our customers and partners to join us in "Doing Good" through education, collaboration, transparency and communication.

### DRIVING COLLABORATION

We are collaborating with our customers and suppliers, with NGOs and scientific experts, as well as public institutions, to figure out how we can all together have a positive impact on people and the planet throughout the value chain.

Through on-going dialog with our stakeholders and a materiality analysis, we ensure that our sustainability priorities meet their expectations and global challenges.

We are also inspired by the best standards such as the GRI<sup>(1)</sup> and the 10 principles of the UN Global Compact, and the Cradle to Cradle® principles, all of which help us to continuously progress in our journey.

We also openly share our results and challenges with our various stakeholders<sup>(2)</sup>.

### PARTNERING FOR GOOD

From our membership in the World Economic Forum and the Alliance of CEO Climate Leaders since the COP 21 in 2015 to partnering with Circular Economy 100 from the Ellen MacArthur Foundation since 2013 or the Cradle to Cradle Products Innovation Institute, and the scientific institute EPEA (Environmental Protection and Encouragement

Agency), we are contributing to debates on the built environment including healthy buildings, on circular economy, climate change and diversity.

Furthermore, we are engaging our teams on our sustainability journey thus contributing to Tarkett's 2020 environmental targets: 83% of employees "believe that Tarkett is an environmentally responsible company<sup>(3)</sup>".

(1) GRI: Global Reporting Initiative.

(2) Consult our CSR Report 2017 audited by a third-party—tarkett.com

(3) 2016 Employee Engagement Survey.





## We are designing for life

At Tarkett, Doing Good means designing for life – a life where good materials contribute to people’s wellness and where we are good stewards of resources. We consider the impact of everything we do, on people and on the planet. To do so, we develop products based on Cradle to Cradle® (C2C) principles that contribute to people-friendly homes, workplaces, healing and leisure spaces and respect the planet’s natural capital.

### ECO-DESIGN WITH GOOD MATERIALS FOR LIFE

We prioritize the health and well-being of the people who live, work, play, and learn on our products. We start by focusing on materials health, evaluating the ingredients that go into our products by third parties. Using the Cradle to Cradle® methodology helps us gain a deeper understanding of the many ingredients we use, thus selecting good materials for human and planet health and improving our products step-by-step with new formulations and alternative ingredients.

We work with the scientific institute EPEA to apply the Cradle to Cradle® principles throughout our activities, starting from the conception of our product, over its life cycles, and at our plants. Since we started applying C2C principles, we have assessed several thousand ingredients for their impact on our health and the planet.

We also share with our customers comprehensive information about the composition of our products, and their impact on human health and the broader ecosystem.

In North America, we’ve started to develop a transparent tool easy to understand for our customers—the Material Health Statements developed with EPEA based on the Cradle to Cradle® criteria.

### DESIGNING FOR PEOPLE-FRIENDLY SPACES

As we spend up to 90% of our time living in buildings, indoor air quality is crucial. In addition, the focus on buildings’ energy efficiency increases thermal insulation and building air tightness, but limits air renewal with a negative impact on indoor air quality. We are also seeing more people suffering from asthma and allergies.

At Tarkett, we create flooring products for good indoor air. We changed the industry standard developing products with low volatile organic compound (VOC) emissions, 10 to 100 times better than the strictest standard in the world.

#### Good materials

96%

of raw materials are third-party assessed for their impact on people’s health and the planet, based on Cradle to Cradle® criteria.

#### Good indoor air

96%

of our floorings are low VOC\*.

\* Total Volatile Organic Compounds



“At Tarkett, we believe the future is good—healthy, safe, beautiful with enough for all. And the way to get to that good future is by Doing Good. For all our customers and with the Cradle to Cradle principles in mind, we are designing our products for life—a life where good materials contribute to good health and where we are good stewards of resources that are continually re-used.”

Anne-Christine Ayed, EVP Research, Innovation and Environment



In 2017, Tarkett introduced Originale, a new linoleum range, the first ever Cradle to Cradle® Gold Certified linoleum collection, made from 100% natural and renewable raw materials, and recyclable.

We design products for healthier buildings. We started many years ago to develop alternatives to phthalate plasticizers, adapting our product formulations and our production process.

We think beyond our products because a floor is much more than flooring. We eco-design our products considering the installation and the maintenance. We also take into account the positive impact of our flooring within a space in terms of acoustic, lighting, and color perception (see pages 10-17).

**PRESERVING OUR PLANET'S NATURAL CAPITAL**

Our natural capital—the ground beneath our feet, the resources we derive from nature—and the climate we rely on are both valuable and finite.

To preserve it, we responsibly steward water, energy, and resources at our plants, continuously improving our production process thanks to our World Class Manufacturing program. 67% of our production sites are equipped with closed loop water circuits (or do not consume any water in their production process).

We also take positive climate action as we strive to replace fossil fuels by renewable energy.

Our effort to reduce emissions are multifold—from energy efficiencies at our factories to renewable energy like wind, solar and biomass.

In addition, using recycled materials instead of virgin materials helps us to reduce greenhouse gas emissions.

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**Good resources**  
**71%**  
**of our materials do not contribute to resource scarcity, being abundant, rapidly renewable or recycled.**

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**Good climate**  
**-9%**  
**of greenhouse gas emissions (kgCO<sub>2</sub>e/m<sup>2</sup>) between 2010 and 2017.**

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## We are closing the loop to build a circular economy

At Tarkett, we believe in a positive and collaborative circular economy. This means going beyond recycling and reducing waste. It means developing inclusive programs and business models that encourage not only take-back, reuse, recycling and elimination of waste, but where everything we design begins with the end in mind. We believe we have a role to play in building a healthy circular economy throughout the entire supply chain and with all our partners.

The transition to a circular economy pushes us to rely more on materials that are recycled while being good for people's health. We recycle our production scrap and flooring, and we also source recycled materials from other industries. We also eco-design our flooring to close the loop at the end of their use.

### RECYCLING AT OUR SITES

Our plants also contribute to our circular approach, included in the environmental pillar of our WCM program. We optimize the production cycle in our manufacturing

sites, where we recycle our own production scraps. We have been recycling vinyl production since 1957 at our Sweden site and we have now 7 recycling centers across the world. In addition, 65% of our manufacturing waste is recycled externally and only 18% goes to landfill.



### TAKE-BACK AND CLOSING THE LOOP WITH FLOORING

We've built our take-back ReStart® program in Europe and North America to collect not only our own flooring but also flooring from our competitors. ReStart helps our customers to manage their flooring waste from job installation, collecting off-cut and used vinyl, linoleum and carpet flooring. Then we sort and select flooring that can be used as a source of quality raw materials in our own production process.

ReStart program  
**99,000**  
tons of collected  
floorings from 2010  
to 2017.



“We are working on two main drivers to boost our ReStart program: collaborating with partners to implement cost-effective local take-back logistics, making it easy to sort and recycle for our customers; eco-designing our flooring systems that contribute to creating healthy interior spaces, keeping good materials and recycling in mind.”

**Myriam Tryjefaczka**, Director, Sustainability and Public Affairs EMEA



## TURN WASTE INTO RESOURCES FROM OTHER INDUSTRIES

We also look for resources in other waste streams, which means exploring new opportunities, testing new materials, collaborating with different industries.

Recycled resources

**160,000**

tons of recycled materials  
12% of our raw materials.

## ECO-DESIGNING TO CLOSE THE LOOP

It starts with eco-designing flooring, keeping in mind end of use to be able to disassemble and recycle separately the various components: we have developed loose-lay and click vinyl tiles systems and taped and adhesives carpet systems to make flooring easy to install, remove, take-back, separate and recycle.



Since 2004, we have been harnessing the PVB film in windshields and safety glass, thus creating a responsibly sourced alternative from post-consumer materials to traditional carpet backing polymers. In North America, our ethos® backing used over 18,500 tons of PVB—18 million windshields from 2004 to 2017—that otherwise would have gone to landfill.



In Brazil, in addition to recycling our own production scraps, we also use recycled materials from various industries such as medicine blister packaging and mobile cards for our vinyl floor production, avoiding 960 tons of waste per year going to landfill.



The Desso Ecobase backing is eco-designed based on C2C principles: we first have developed, in partnership with a drinking water distribution company in the Netherlands, a technique to recycle calcium carbonate from water treatment. This calcium carbonate is used as a raw material for EcoBase® carpet backings.



## Healthy materials for healthier buildings

In 2017, 100% of our European\*, North American and Chinese vinyl production sites used non-phthalate plasticizer technology. Year after year, we are extending it to the rest of our sites, including for recycled materials. On a global level, carpet production in Europe and in North America does not use fluorine, as it has been replaced by safer alternatives. In North America, we now apply Eco-Ensure soil treatment, a fluorine-free protection for our Tandus Centiva carpets, woven and tufted rugs.

\* EMEA Division



## Good air for good health

In addition to offering flooring with low VOC emissions, we also develop installation and maintenance systems using Cradle to Cradle® adhesives, glue-free modular flooring, dry-buffing and neutral cleaning products, all of which contribute to preserving the quality of indoor air.

Our Desso Air Master carpet tiles also use a patented technology to retain fine dust particles from circulating in the air and has received Gold Plus certification from GUI, the German Institute specialized in indoor air quality.



## Inspired by Cradle to Cradle® principles

We apply the C2C principles across our activities. In addition, year after year, we renew and extend our C2C certified product portfolio. In various flooring materials, we have obtained Cradle to Cradle® level Gold certification, such as iQ One and Evolay multi-polymer based materials, Desso Ecobase backing for carpet tiles, Tandus Centiva carpet adhesives and Linoleum Essenza.

The C2C certification covers five key dimensions: healthy and recycled materials, renewable energy, water, and social criteria.



## Protecting from asthma and allergies

We were the first North American flooring manufacturer to offer both commercial and residential products that are certified Asthma and Allergy Friendly by the Asthma & Allergy Foundation of America. The Swedish association against asthma and allergies had been recommending our modular vinyl Starfloor Click since 2015. And the British Allergy Foundation also granted several linoleum ranges the Allergy UK Seal of Approval used in 135 countries worldwide.

## Good partnership for recycling



We partner with Veolia in France and in Germany to offer a take-back service to our customers, thus collecting and sorting post-installation flooring off-cuts to be recycled at our flooring production sites in Europe.

## Recycling award

The 2017 Tarkett North America ReStart Reclamation Award went to Katy Independent School District, in Texas, which has been partnering with Tarkett for nearly 10 years, allowing Tarkett to collect and recycle more than 110,000 square meters of post-installation and post-used flooring from 17 different schools.

## Switching to renewable energies

More than 28% of the energy Tarkett consumes comes from biomass, geothermal, solar or purchased "green" electricity, a positive step for climate change.

Our 9 plants using biomass increased the total of produced biomass energy in 2017 by 14%. Our Hanaskog wood plant in Sweden uses now 80% of renewable energy from biomass combustion and green electricity. And our team at the Bačka Palanka plant in Serbia implemented a thorough energy management plan, including producing energy from wood scraps used for the vinyl unit. Now, 52% of the plant's total energy needs come from self-produced or renewable energy sources.

**100%**

renewable electricity powers our factories, distribution centers and headquarters sites in Ohio (USA), through a contract with Engie Resources.

**100%**

"green" electricity purchased by our carpet and linoleum facilities in Europe and vinyl site in Brazil.

## Cross-border collaboration promoting a circular economy

Tarkett actively contributes to debates and panel discussions focusing on the transition to the circular economy:

- Luxembourg Circular Economy Hotspot 2017 and Green tour at our Clerveaux vinyl site.
- Almedalen Week, Sweden's biggest political meeting (see photo below).
- World Circular Economic Forum in Helsinki, Finland.
- European Commission's conference on "Reinventing plastics, closing the loop".
- The French Government's Circular Economy roadmap.
- The "Alliance for cities in transition" conference held at the HEC business school in Paris.
- The New York University conference about "Frugal innovation: co-building sustainable world with fewer resources".



## Green Tour - Sharing sustainability best practices

Tarkett's Green Tour presents our sustainable actions to encourage partners to commit alongside us, and to engage employees on our sustainability journey. After Clerveaux (Luxembourg), Narni (Italy) and Ronneby (Sweden), our largest vinyl site in Otradny (Russia) opened in June 2017 its Green Tour.

Participants discovered initiatives ranging from separation of residual raw materials and recycling PVC scraps, to water and energy savings initiatives.





## We are committed to people

“Our teams are the most powerful and long-term differentiator we have. In the end, the best customer experience starts with the best employee experience.” These are the words of Tarkett’s CEO Glen Morrison.

### THREE REASONS TO WORK FOR TARKETT

In 2017, we talked to our people through focus groups and interviews to better define the Tarkett employee experience and clearly articulate what we aspire to for the future. The outcomes are expressed as three promises which Tarkett can offer and which differentiates us:

- **Expand horizons** through a broad range of jobs and geographies, from manufacturing to marketing & sales, from research to design. Our teams are encouraged to be best in class whether it be through WCM or Customer centric innovation and the learning opportunities are real.

Our teams also take part in multiple expertise networks, contribute to global initiatives to ultimately satisfy a wide variety of customers.

- **Change the Game** through initiatives which have a direct impact on our business, take risk for results and contribute to Tarkett’s success. In line with our entrepreneurial roots, we trust our people and empower collaboration. We expect accountability for results while learning from failure as part of innovation and development process.

- **Design the future of society** through taking a long term view and build sustainable practices from product design to recycling, in collaboration with our multiple partners. We engage our teams in a journey to do good for all stakeholders, including the communities in which we work through our Tarkett Cares program.

#### Gender diversity

**27%**  
of our Executive  
Committee members  
and our managers  
are women

#### Tarkett Academy

**19,500**  
professionals or students  
trained in flooring and  
installation techniques  
from 2012 to 2017



Tarkett launched a new website to share our employee value proposition with interested candidates and to invite them to discover Tarkett, through testimonial videos from employees, the CEO and Executive members.



## OUR TALENT PHILOSOPHY

Because people are central to our success, we have defined a Talent Philosophy to guide all managers in their efforts to attract, develop and reward our employees, managers and teams across the Group. It sets out our commitment to employees and what they can expect from Tarkett during their career with us.

### GUIDING PRINCIPLES OF OUR TALENT PHILOSOPHY TALENT ACQUISITION

We are committed to the principle, "inside first, outside with potential, diversity always." We believe in developing our talents through internal mobility and giving people the opportunity to work in different parts of the business. We value having a variety of perspectives and look to broaden the diversity of our already international teams.

### DEVELOPMENT

Since 80% of what people learn is on-the-job, we aspire to give individuals opportunities to develop through stretch assignments, involvement in specific projects and expert networks, or exploring internal promotion. We also combine local training initiatives and signature programs, such as Manager@Tarkett or the new Operations program.

### PERFORMANCE

We expect and enable high performance through setting powerful goals and providing regular and open feedback from managers.

### DIFFERENTIATION

We believe in ambitious goals and high standards and reward our top achievers based on the contribution they've made. But reward isn't only financial, we also acknowledge teams which have good ideas and achievements through the annual Tarkett Awards.

## ACCOUNTABILITY

We believe managers play a vital role in Talent management, developing the contribution of others and the performance of individuals leading by example.

### Tarkett Awards

# 241

projects submitted in 2017  
to celebrate successful initiatives  
and best practices across  
the entire company



## Giving back to our communities



Our corporate volunteering program, Tarkett Cares, mobilizes teams worldwide to share their time and talents with local communities. Based on the company's values and sustainable development approach, employees are encouraged to spend 2 days a year during their working time supporting local communities. Tarkett Cares also includes financial and product donations.



"I believe it is important to be very clear about the employee experience we aspire to offer, that means creating the conditions so people can expand their horizons, change the game and design the future of society, all together. Our Talent Philosophy provides a common framework which includes our commitment to the way we manage our teams every day."

**Sharon MacBeath**, EVP Human Resources & Communications

## Developing manufacturing talents

In the framework of our World Class Manufacturing program, we have developed a specific talent management approach focused on teams working at our plants, from managers to operators. COACH and Problem Solving training programs are also good examples of how we develop managerial skills on an operational level in our plants. In 2017, we developed a new program dedicated to the plant managers covering various management dimensions in manufacturing sites including WCM, team coaching and project management.



## Online career management

Talent Inside is an online career management tool to follow and manage individual annual reviews and define professional objectives. This input fuels our Talent Review and people development process to ensure we proactively offer career opportunities and develop all talents.

“For companies, the most important challenge is winning the war for talent, attracting and retaining the best people. As business leaders, our role is to create an inclusive environment where people feel comfortable bringing their whole selves to work each day. In my experience, developing diversity and fostering a culture of inclusion unleashes employees’ potential and engagement thus accelerating company’s performance.”

**Glen Morrison**, CEO of Tarkett, at the World Economic Forum, during a 2018 Davos conference focused on “Decoding biases: diversity be design”.

## Sharing our flooring expertise



Tarkett Academy trains professionals and future installers in flooring installation. Courses are provided in twelve Tarkett Academy centers located in eight different countries—Australia, Brazil, China, France, Poland, Sweden, Russia, and Serbia. In France, about 370 young people have obtained official installation certification in our Tarkett Academy since 1993, and we train 180 professionals a year. In the UK, partnership with Floorskills trains flooring installation at the highest standards. In North America, experts from Tarkett train architects and designers, who can get continuing education credits.



“I started in the technical department 4 years ago, first as a manager of maintenance and a few years later taking responsibility over the engineering department. Today I’m the plant manager of Jacarei vinyl site in Brazil. Tarkett offered me a great opportunity to expand my skillset in quality, production, maintenance, and management. Being part of Tarkett’s World Class Manufacturing network also provides me with valuable insights and support from multiple experts across the globe.”

**Hugo Silva**, Plant Manager of Jacarei vinyl site in Brazil



## Caring around the world

In 2017, Tarkett Cares supported a variety of different initiatives. The Tarkett India sales team cleaned up the mile-long, crescent-shaped Palolem Beach in South Goa. Tarkett Hong Kong volunteered to join the Food Angel team to serve underprivileged communities. In Serbia, 7,000 children learned about safe behavior. Tarkett North America sales teams participated in building & decoration community programs, while teams also celebrated the Earth Day. In France, 170 employees volunteered to distribute meals with Les Resto du Cœur.



## Comprehensive training programs

2017 saw a new Group e-learning platform. This platform promotes individual easy-training as well as collaborative learning, connecting with experts, trainers and tutors. The goal is to accelerate the sharing of best practices and the transfer of knowledge. Tarkett also launched an online training for its environmental strategy, and reinforced its compliance and code of ethics training programs.

Other signature development programs continue, including BusinessLeader@Tarkett, in partnership with London Business School. In 2017, about 80 managers from 12 different countries benefited from this Leadership program.



## International mobility

After deployment in North America, in 2017 Tarkett extended to Europe the Tarkett Careers platform for international mobility and hiring. Employees have access to job opportunity alerts and can recommend people. Managers can post job offers and follow the hiring process.



## A recognized employer

In Serbia where Tarkett has an historical presence, we have been actively cooperating with universities since 2008 to offering internships and developing training programs for young talents. Over time, Tarkett in Serbia has built a solid employer reputation to attract and develop talents: 80% of managerial positions are filled internally.



# Doing Good. Together.

## Designing for Life

### Natural Capital

#### Good resources

71%

of raw materials do not contribute to resource scarcity, being abundant, rapidly renewable or recycled

#### Good for water

67%

of our production sites are equipped with closed loop water circuits (or do not use water in their process)

#### Good climate

-9%

of greenhouse gas emissions (kgCO<sub>2</sub>e/m<sup>2</sup>) between 2010 and 2017

#### Good energy

28%

of energy consumption comes from renewable energies

### People Friendly Spaces

#### Good materials

96%

of raw materials are third-party assessed for their impact on people's health and the planet, based on Cradle to Cradle® criteria

#### Good indoor air

96%

of our floorings are low VOC\*

\* Total Volatile Organic Compounds

#### Healthy Materials

100%

of our vinyl production sites in Europe, North America and China use non-phthalate plasticizer technology\*

\* Except recycled content for certain products. Europe is equivalent to Tarkett EMEA division.



## Closing the Loop

### Recycling

#### Recycled resources

160,000

tons of recycled materials are used as raw materials  
12% of our raw materials (in volume)

#### Production waste

-31%

of non-recycled industrial waste vs 2015

### Take-Back

#### ReStart program

99,000

tons of collected floorings from 2010 to 2017



## Developing Talents

### Safe and inclusive work environment

#### Safety at work

1.87

Record safety year at our plants

\*Recordable Lost Time Accident Frequency Rate (number of accidents/millions of hours worked)

#### Gender diversity

27%

of our Executive Committee members (in 2018) and our managers are women

### Supporting local communities

#### Tarkett Academy

19,500

professionals or students trained in flooring and installation techniques from 2012 to 2017

#### Charity program

2 days/year

opportunities for all employees to support local communities  
1,400 employees involved  
140 initiatives worldwide



2017 Figures

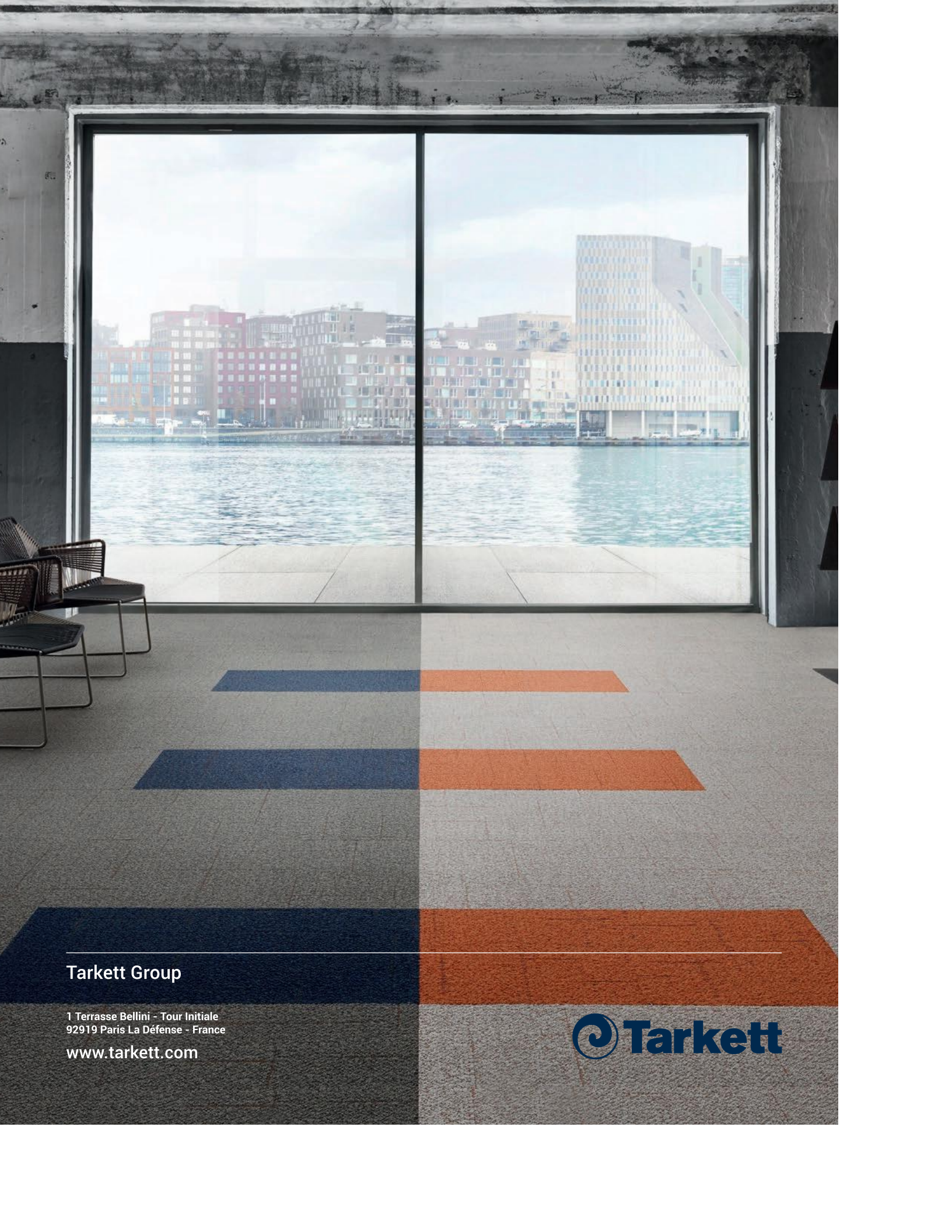




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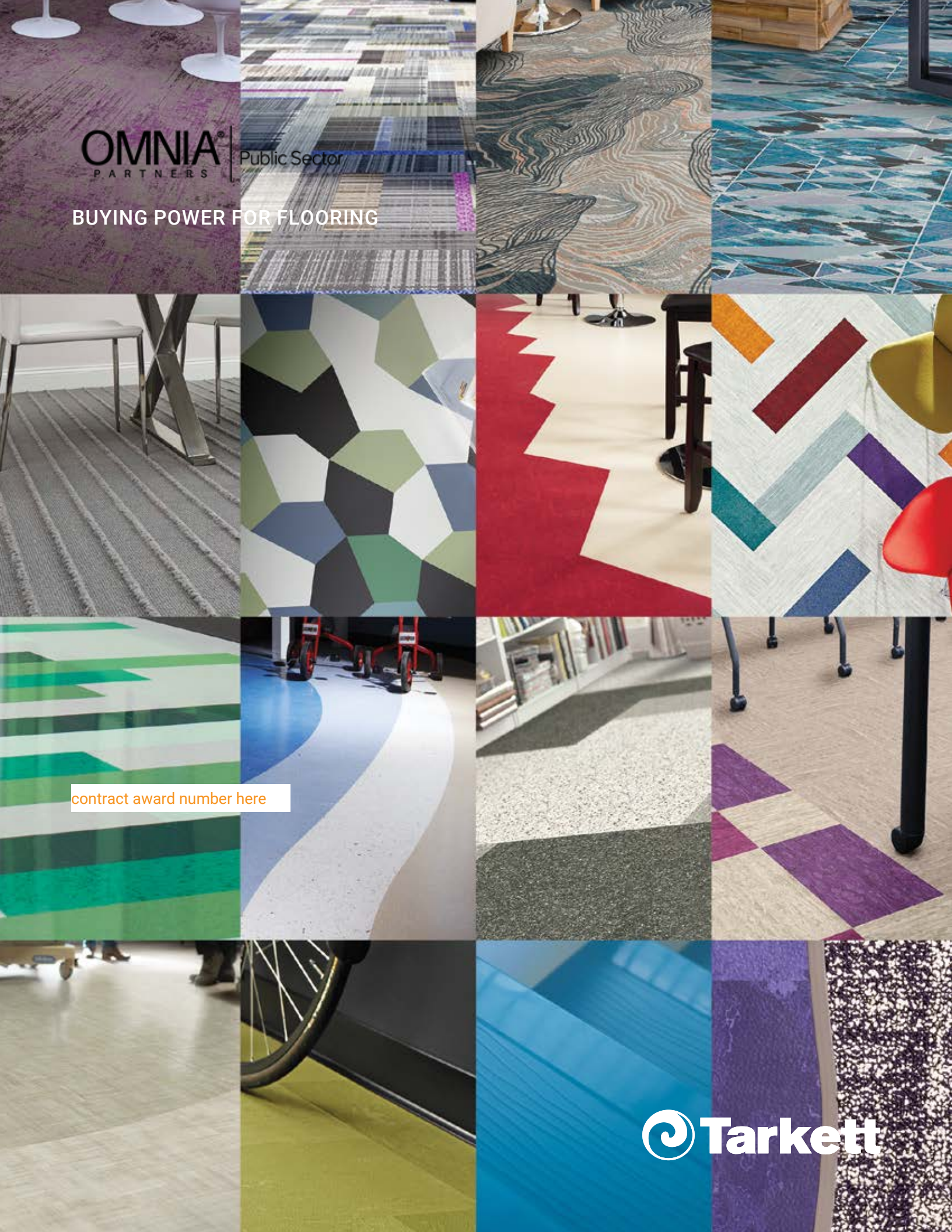




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contract award number here

 **Tarkett**



## ABOUT OMNIA Partners

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- Saves time and money with the combined buying

## ABOUT TARKETT

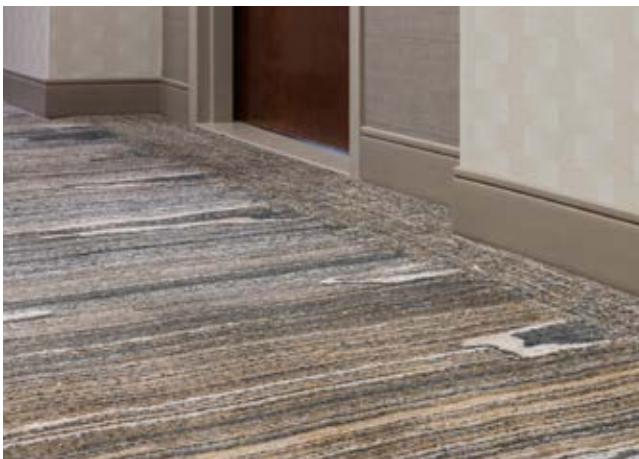
- Evidence-based solutions for employee and customer safety and performance specific to workplace, healthcare, education, and multiple other spaces.
- The industry's most sustainable and healthy material flooring offerings that meet the most stringent LEED, WELL, CHPS, and many other building performance criteria like C2C.
- We offer full turn-key services through our dealer partners nationally.



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[www.omniapartners.com](http://www.omniapartners.com)

[Contract #here](#)



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## Tarkett North America

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August 12, 2019

Dear Madam/Sir:

Thank you for your interest in our product lines

I am in receipt of your request regarding a copy of our Duns & Bradstreet report. Unfortunately as a matter of policy, we can only provide our Duns#.

It is as follows:

02-9163741

I appreciate your understanding

Cordially

A handwritten signature in blue ink, appearing to read "Rod Hefner", with a long horizontal stroke extending to the right.

Rod Hefner

Director of Credit & Accounts Receivable---Tarkett North America