2015
SUSTAINABILITY
Report
<table>
<thead>
<tr>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>DESSO in brief</td>
</tr>
<tr>
<td>Foreword by Roland Jonkhoff</td>
</tr>
<tr>
<td>1. Our Vision</td>
</tr>
<tr>
<td>2. Target indicators, results and progress in 2014</td>
</tr>
<tr>
<td>3. Governance</td>
</tr>
<tr>
<td>4. Stakeholder dialogue</td>
</tr>
<tr>
<td>5. Materiality</td>
</tr>
<tr>
<td>6. Sustainability reporting within Desso</td>
</tr>
<tr>
<td>7. Sustainability report overview</td>
</tr>
<tr>
<td>8. Material health and management</td>
</tr>
<tr>
<td>10. Water Stewardship</td>
</tr>
<tr>
<td>11. Employment, Health &amp; Safety and Human Rights</td>
</tr>
<tr>
<td>12. Communications</td>
</tr>
<tr>
<td>13. Regulations and Compliance</td>
</tr>
<tr>
<td>14. Scope and reporting principles</td>
</tr>
<tr>
<td>15. Assurance report</td>
</tr>
<tr>
<td>16. GRI index</td>
</tr>
<tr>
<td>17. References</td>
</tr>
</tbody>
</table>
Desso, a Tarkett company, is a leading carpets and carpet tiles company, active in more than 100 countries. Desso products are supplied to corporate offices, education, healthcare, government, homes and also hotels, cruise liners and airlines. Desso’s brand mission is to develop unique products that deliver a much improved indoor environment, helping to maximise people’s health and wellbeing. This is driven by the company’s innovation program based on the three pillars of Creativity, Functionality and Cradle to Cradle® (C2C) design which underpins the shift to the regenerative circular economy.

Since 31st December 2014, Desso has been part of the Tarkett Group. With net sales of 2.7 billion euros in 2015, Tarkett is a global leader in innovative and sustainable solutions for flooring and sports surfaces. Offering a wide range of products including vinyl, linoleum, carpet, rubber, wood and laminate and synthetic turf and athletic tracks, the Group serves customers in more than 100 countries worldwide. With 12,000 employees and 34 industrial sites, Tarkett sells 1.3 million square meters of flooring every day, for hospitals, schools, housing, hotels, offices, stores and sports fields. Committed to sustainable development, the Group has implemented an eco-innovation strategy and promotes the circular economy. Tarkett is listed on Euronext Paris (compartment A, ticker TKTT, ISIN: FR0004188670). www.tarkett.com
This is our third Sustainability report, which provides the latest facts and figures on our sustainability progress. In this report, you can also read about our concrete vision and strategy for the short, medium and long term with regard to economic, environmental and social impacts. In line with these impacts, we fully recognize the broader trends which affect, not only our organization, but also our sustainability priorities.

On 31st December 2014, we benefited from becoming a part of the Tarkett Group, which is committed to responsible innovation and its 4 P’s strategy of purpose, people, planet and profits. We both share a belief that commercial success is connected to environmental and social responsibility. It’s not only the right thing to do, it’s also a driver of innovation and resilience.

Along with Tarkett, we continue to set ambitious goals towards the circular economy, inspired by Cradle to Cradle® principles. This has been our vision since 2008 and we continue to see the benefits of adhering to such a rigorous environmental and social business approach. In this report, we also give a clear view on our main targets leading up to 2020, and we also describe some of the challenges we have faced on our journey so far.

From a business perspective, we have also celebrated a number of key milestones. Our DESSO AirMaster® carpet, a C2C innovation engineered to improve indoor air quality, has celebrated its fifth anniversary with a new GUI Gold Plus certification and in September, Desso became the first carpet tile manufacturer in the world to achieve C2C Gold certification for a new range of carpet tiles. And we continue to update and recertify our products, underpinning our commitment to material health, reutilization, renewable energy, water stewardship and social fairness.

We look to the future with optimism, believing that our sustainability approach reinforces and strengthens our customer proposition and drives our success.

Roland Jonkhoff
Managing Director, Desso and Vice President Carpet EMEA, Tarkett
Sustainable Development Goals
The UN’s new 2030 Agenda for Sustainable Development sets highly ambitious goals (SDGs) to eradicate poverty and promote the environment. This includes ending poverty and upholding dignity and equality, sustainable consumption and production and tackling climate change. All whilst promoting inclusive wealth creation in line with nature, fostering a future of peace and implementing these goals through global cooperation and solidarity. Desso is fully committed to supporting the UN’s Sustainable Development Goals, underpinned by its sustainability strategy (for more information see page 14).

Desso and the UN Global Compact
Since 2011, Tarkett has been committed to respecting and promoting among various stakeholders the 10 United Nations Global Compact principles in addition to the principles of the Declaration of Human Rights and fundamental social rights.

New GRI guidelines
A new version of the Global Reporting Initiative guidelines for sustainability reporting was introduced in 2013. One of the main features of the new guidelines involves a materiality analysis of the areas of sustainability we focus on. Desso carried out a materiality analysis in 2015 and the results are published in this report. We will be working on developing this further in the coming years as part of Tarkett’s initiatives in this area and will welcome all our stakeholders to reflect on our materiality analysis. This report has been prepared in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI G4 core).

External assurance
Deloitte has performed a limited assurance review on 11 KPIs. In addition Deloitte has reviewed whether the Report has been prepared in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI G4 Core option).
OUR VISION
OUR VISION & STRATEGY

Since 31st December 2014, Desso has been part of Tarkett, which means we work according to the vision and strategy as defined by Tarkett. As a company, Tarkett is committed to addressing some of the world’s biggest environmental and societal challenges, which also describes our company’s Purpose whilst delivering results against the three key drivers of People, Planet and Profits.

- **People**: our employees are empowered and committed to building long lasting relationships with our key stakeholders, such as customers, communities, investors and suppliers.
- **Planet**: designing and making products that have a positive impact on the environment, in line with Tarkett’s Closed-Loop Circular Design model.
- **Profits**: delivering growth and profits powered by an innovative and sustainable business model, with circular goals inspiring new designs and added value for customers.

As a company, we are committed to managing resources responsibly, developing Cradle to Cradle® capabilities, and supporting the environment and people’s health and wellbeing.

Since 2008 Desso has been certifying products according to C2C criteria, developing healthy materials and innovations such as the DESSO AirMaster® which contributes to healthier indoor air quality. More than 90% of Desso’s carpet tile collection have been C2C certified against the criteria of material health and reutilization, energy and carbon management, water stewardship and social fairness.

Tarkett is committed to shaping its business model for a collaborative circular economy, in which products are designed with good materials for people and the environment and made to be brought back and recycled in closed loop systems.

By reconciling the People, Planet and Profit drivers Tarkett is able to achieve profitable and sustained growth which is shared among employees, customers, business partners and shareholders.

**Tarkett’s Closed Loop Circular Design Strategy**

Based on Cradle to Cradle® principles, Tarkett’s aims to develop products that can be brought back and recycled through the technical or biological spheres. The circular economy sees ‘waste’ as additional value to be captured and deals with some of the key challenges of our times: climate change, resource scarcity and people’s health. This is realised through Tarkett’s closed-loop circular design strategy, which is built on four pillars:

1. **Good Materials**: Choosing materials that are positive to the environment and people’s health. Ensuring products are made from materials that are abundant, rapidly renewable, recyclable and recyclable.
2. **Resource Stewardship**: Tarkett is managing resources more efficiently via renewable energy such as biomass and solar and is developing closed loop water circuits across all industrial sites.
3. **People friendly spaces**: Developing products that contribute to people’s health and wellbeing in the built environment. This has inspired Tarkett’s eco-innovation strategy to develop products with low VOC (Total Volatile Organic Compounds (and product requirements)) emissions and start phasing out phthalate plasticizers with the goal to extend this technology to all its vinyl products by 2020.
4. **Reuse**: Through its ReStart® collection and recycling program Tarkett is collaborating with suppliers and customers to maximise the recycling of flooring materials now and in the future.
The earth is a fragile eco-system which can nourish and supply our needs but these resources are finite. The Ellen MacArthur Foundation has published numerous reports, some with the management consultancy, McKinsey & Co., which develop further the reasons for and the practical routes to the circular economy. They have found that we could unlock some trillion dollars a year if world industry adopted circular economy methods.

What is clear is we have finite resources. In the coming decades the world’s population could increase further to nine billion plus. In an industrialised and globalised economy – fast pushing urbanisation to unprecedented levels – we are also seeing formerly impoverished people joining the middle classes for the first time, with money to spend on the goods and services the West has taken for granted for decades. This means more demand, which is clearly good for business everywhere and offers the promise of greater wealth spread more equally around the globe.

But logically, one planet cannot continue to endlessly provide resources for industry, if they are simply extracted, used and then mostly dumped or incinerated. Indeed, a new report from the Club of Rome, a global think tank, underlines why we need the circular approach. “It now takes the Earth almost one and a half year to regenerate what we use in a year. Both governments and businesses are beginning to realise that our linear systems of resource use expose both societies and businesses to a number of serious risks. Resource constraints as well as increasing volumes of waste and pollution are likely to impose increasing threats to welfare and wellbeing and, from a business point of view, to competitiveness, profits and business continuity.” The report adds later that, “if all citizens of the world would live by US standards for instance, we would need more than 4 planet Earths.”

The EU is now discussing a circular economy package which could unleash new European initiatives and regulations pushing towards a circular system. The 150 year old ‘take, make and waste’ linear model, once seemed to make sense. Now, this is no longer the case. One answer would be to curb economic growth and encourage everyone to spend less. However, we believe the circular economy powered by Cradle to Cradle principles offers the fairest and most sustainable way for everyone to reach their potential and enjoy the fruits of further growth and development.

As a company, we believe in the power of collaboration to drive forward circular business models. It is at the heart of our sustainability strategy, which is why we engage with our partners along the value chain and actively contribute to many collaborative platforms. (See pages 22-25 on stakeholder dialogue).

“If all citizens of the world would live by US standards, for instance, we would need more than 4 planet Earths.”
ID Inspiration - Antik Oak Dark Grey, with Parade Chanelle
TARGET INDICATORS, RESULTS AND PROGRESS IN 2015
**HIGHLIGHTS 2015**

*These figures are measured by mass percentage.*

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<th>75%</th>
<th>64%</th>
<th>50%</th>
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<td><strong>2020 goal recycled content</strong></td>
<td><strong>Positively defined materials</strong>*</td>
<td><strong>Defined recycled content</strong></td>
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<tr>
<td>We aim to reach the goal of using &gt;75% defined recycled content in our commercial carpet tiles by 2020.</td>
<td>All raw materials purchased by Desso are assessed against a set of C2C environmental and human health criteria. In 2015 64% of all raw materials were positively defined, above our 2015 target of 56%.</td>
<td>Due to a new C2C material stream in collaboration with local water companies, Desso’s products with EcoBase™ backing contain on average of 50% positively defined recycled content.</td>
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<tr>
<th>61%</th>
<th>93%</th>
<th>30%</th>
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<tr>
<td><strong>Recyclable materials</strong>*</td>
<td><strong>Commercial carpet tiles C2C certified</strong>*</td>
<td><strong>2020 goal for recycled water</strong></td>
</tr>
<tr>
<td>61% of all materials evaluated as recyclable, meaning the materials can be recycled in a non-toxic closed loop as assessed by C2C.</td>
<td>We aim to have all our products designed according to the Cradle to Cradle® principles by 2020. Today, 93% of our commercial carpet tiles collection is certified, which represent 78% of the volume of our sold products.</td>
<td>Desso has increased the recycled water amount from 11% in 2008 to 16% in 2015. In 2015, the special ozone treatment resulted in a 44 million litre saving on fresh water.</td>
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<tr>
<th>100%</th>
<th>54%</th>
<th>72%</th>
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<td><strong>Green electricity</strong></td>
<td><strong>Reduced carbon emissions</strong></td>
<td><strong>ReStart® volume increase</strong></td>
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<td>By 2011, Desso had switched over to 100% green electricity (hydropower generated in the Alps). As a result, 27% of its total energy usage is renewable. The remaining 73% comes from natural gas.</td>
<td>Desso reduced its carbon emissions (indirect and direct) by 54% between 2007 and 2015.</td>
<td>Post-consumer carpets taken back via the ReStart® program increased by 72% from 779 tonnes in 2011 to 1,342 tonnes in 2015.</td>
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<tr>
<th>100%</th>
<th>63%</th>
<th>1,100</th>
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<tr>
<td><strong>Commitment to UN Global Compact</strong></td>
<td><strong>Supplier assessment</strong></td>
<td><strong>Small farmers with improved livelihood</strong></td>
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<td>Desso confirmed its commitment to the UN Global Compact and reported on our progress via the annual ‘Communication on Progress’ (COP) for ‘advanced level’.</td>
<td>43 of Desso’s raw material suppliers signed our supplier Code of Conduct, thereby committing their organisations to the principles of the UN’s Global Compact. Those 43 suppliers represented 63% of Desso’s spend in 2015.</td>
<td>In 2013, Desso joined the UN’s REDD+ initiative (Reducing Emissions from Deforestation and Forest Degradation). As a result of this project, 1,100 small farmers will be able to improve their livelihoods and the project expects to reduce greenhouse gas emissions by 450,000 tonnes per year (see page 66).</td>
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Sustainable Development Goals
In September 2015, the UN and global heads of state committed to a new 2030 Agenda based on 17 Sustainable Development Goals and 169 targets. This far reaching plan of action for people, planet and prosperity has an ambitious goal at its heart: “to free the human race from the tyranny of poverty and want and to heal and secure our planet.” The goals embrace the following areas:

- People: ending poverty and upholding dignity and equality
- Planet: Sustainable consumption and production and tackling climate change
- Prosperity: promoting inclusive wealth creation in line with nature
- Peace: fostering a future of peace
- Partnership: implement the goals through global cooperation and solidarity

The 17 Sustainable Development Goals, which came into effect on 1 January 2016:
**Desso’s Cradle to Cradle® 2020 Roadmap**

Since 2008 Desso has been inspired by the goals of its 2020 Cradle to Cradle® Roadmap. In line with Tarkett’s 4 P’s vision, we aim to develop competitive products in a fully sustainable way. We list below the different targets in the roadmap and show which of the UN’s Sustainable Development Goals they contribute to.

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<thead>
<tr>
<th>Desso’s long-term targets</th>
<th>UN Sustainable Development Goals/SDGs (see page 14)</th>
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<td>By 2020, reach a level where more than 80% of all materials used in its products are positively defined according to Cradle to Cradle® criteria.</td>
<td>3, 12</td>
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<td>By 2020, use 75% defined recycled material to produce carpet tiles.</td>
<td>8, 12, 13</td>
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<tr>
<td>Reach the target of 100% renewable energy for processing and manufacturing.</td>
<td>7, 8, 13</td>
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<td>Ensure that factory effluent water is cleaner than the water it is discharged into.</td>
<td>12, 14</td>
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<tr>
<td>Further development of ReStart® and recycling programs.</td>
<td>8, 12</td>
</tr>
<tr>
<td>Further implementation Cradle to Cradle® supply-chain management.</td>
<td>8, 12</td>
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<tr>
<td>Maintain current commitment to the UN Global Compact, an initiative that promotes responsible corporate practices in the areas of the environment, labor, human rights and anti-corruption.</td>
<td>5, 10, 12, 16,</td>
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<tr>
<td>All Desso products to be designed according to Cradle to Cradle® design principles by 2020.</td>
<td>3, 5, 7, 8, 10, 12, 13, 14, 15, 16</td>
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<td>Maintain awareness in public and private circles for the case for Cradle to Cradle® and the circular economy with an emphasis on what businesses can do to move things forward, as well as governments in terms of public policy measures.</td>
<td>3, 5, 7, 8, 10, 12, 13, 14, 15, 16</td>
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GOVERNANCE
In December 2014, Desso was acquired by the Tarkett Group, a global leader in flooring and sports surfaces solutions, coming under the Group’s management supervision.

In April 2015, Roland Jonkhoff was appointed Managing Director of Desso and VP Carpet (EMEA). In this role, he is supported by the Desso Management Team.

Roland Jonkhoff reports to Remco Teulings, President of Tarkett EMEA Division who heads up the EMEA Divisional Executive Committee (DEC). Remco Teulings, a member of the Executive Management Committee, reports directly to Michel Giannuzzi, Chief Executive Officer of Tarkett.

Desso Holding BV is a subsidiary of Tarkett and conducts business through three main entities, Desso BV (carpet), Desso Refinity BV (recycling) and Desso Sports BV (Desso GrassMaster® hybrid grass and artificial turf installation). Desso BV consists of 6 subsidiaries, the details of these can be found on page 73.

While all entities are covered within the report the environmental and safety data is based on the below mentioned production locations, as these represent almost the full impact:

- Waalwijk, The Netherlands (carpet tiles and recycling) – headquarters (Desso BV)
- Goirle, The Netherlands (finishing broadloom carpets) (Desso BV)
- Dendermonde, Belgium (carpets and yarns) (Desso NV)

As part of the Tarkett group, Desso applies Tarkett’s governance principles.

Tarkett is a French public limited liability company (Société anonyme) legally structured with a Supervisory Board and a Management Board. Tarkett is listed on Euronext Paris (co partment A, ticker TKTT ISIN: FR0004188670).
Tarkett Governance
In line with standard governance practices, the Tarkett’s Supervisory Board has two dedicated Committees:

The Audit Committee
It is composed of two independent members of a total of three members. It assists the Supervisory Board with review of financial information, internal control and independence of the statutory auditors.

The nominations and compensation Committee
It is composed of two independent members of a total of four members. Its main function is to assist the Supervisory Board in reviewing various compensation aspects of the Group’s executive management, succession planning, and independence of the Board members. Tarkett has chosen to follow the Afep/ Medef code of governance.

Tarkett risk management
Tarkett considers risk management and internal control to be closely linked. The risk management uses a variety of methods, procedures and actions in order to:
- identify, analyze and control material risks.
- ensure operational efficiency and efficient use of resources.
- ensure reliability of financial information.

The Group’s risk management and internal control processes are coordinated by Tarkett Internal Control and Audit Department, which implements throughout the Group:
- risk-mapping exercise and implementation of related action plans.
- internal controls on process-related risks (other than operations).
- regular internal audits.
- insurance coverage for identified exceptional risks.

In 2010, Tarkett created a risk map that is updated every two years, or more frequently in the event of significant changes in the environment. In 2015, the risk map was fully updated through interviews with members of the Executive Committee and other key employees at the Group and divisional levels.

For further information on Tarkett’s Governance policy and structures visit online: www.tarkett.com and Tarkett Registration Document.
STAKEHOLDER DIALOGUE
Central to our sustainability strategy is maintaining an effective dialogue with our key stakeholders. It is important for us to listen and learn from the feedback we receive to ensure we deliver on our commitments and seek to meet the expectations we have created amongst our stakeholders in recent years. Desso’s stakeholder communications strategy remains focused on transparent relations, regular dialogue, clarity and high levels of ethics. We endeavour to engage in stakeholder feedback throughout the year.

**Stakeholder meetings**

Desso has been heavily involved in the work of Project MainStream, a circular economy cross-industry collaborative project, organised by the Ellen MacArthur Foundation, McKinsey & Co., and the World Economic Forum (MainStream was completed in 2016). As part of this involvement, it has led discussions on the project’s focus on driving new circular methods on global plastics and packaging, which currently causes pollution in the world’s oceans and where recycling is currently very low. 260 million tonnes of plastic is produced every year where only 1% is recycled globally. And, tragically, some 8 million tonnes leaks into the world’s oceans annually, causing unnecessary damage on wildlife and the environment. Project MainStream launched the Global Plastic Packaging Roadmap (GPPR), in which sustainable businesses and researchers work together to discover smarter packaging and waste management systems that are integrated and circular. Over the next few years this includes actual projects for deployment such as city-based pilots. Other companies involved in Project MainStream include: Brambles, Brightstar, BT, Royal DSM, Ecolab, Indorama, Kingfisher, Philips, Suez Environnement and Veolia. The first phase of Project MainStream was completed in 2016.

In 2015, Desso continued to participate as a full member of the Ellen MacArthur Foundation’s Circular Economy 100 (C2C) including acceleration and an annual summit. A Case Study on Desso’s C2C sustainability strategy was completed at the UK’s Cranfield School of Management and a pioneering case on Desso’s C2C vision by sustainability expert Ioannis Ioannou at London Business School, one of the world’s leading schools (ranked number one in Europe), reached its fifth year. In that time, hundreds of international MBA and executive education students studied the decision Desso made in 2008 to go C2C and the subsequent challenges and successes.

Since 2008, Desso has provided case material and leadership lessons to the Ellen MacArthur Foundation (EMF) which has been promoting a greater understanding of the need for and the transition to the circular economy since 2010. As part of this, Desso contributed to one of the EMF’s latest reports, Growth Within: A Circular Economy Vision for a Competitive Europe, produced with SUN (a not for profit body created by the Deutsche Post Foundation that supports research in this area) and the McKinsey Center for Business and the Environment. The report found that there was significant po-

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**Key stakeholders**

Our stakeholder network is extensive and it ranges from people we engage with on a regular basis through our operations to those who influence our activities by way of their specific function. Listed below are the key stakeholder groups we have identified as crucial to our continued business success (in alphabetical order):

- Academia
- Consultants
- Customers
- Employees
- Governments
- Industry and trade associations
- NGO’s
- Reporting agencies
- Shareholders
- Suppliers
potential to boost the EU economy through resource productivity by as much as €1.8 trillion annually.

Before that, the Ellen MacArthur Foundation and McKinsey teamed up to produce three volumes of Towards the Circular Economy, calculating that the circular economy offered the world a one trillion dollar per year commercial opportunity.

As a member of the steering committee of Project MainStream, Desso was one of the sources of information and guidance for the New Plastics Economy report.

The third report from the Ellen MacArthur Foundation, Towards the Circular Economy Volume 3, was delivered at a special session on the circular economy at the World Economic Forum’s summit in Davos in January 2014. This coincided with the launch of Project MainStream and culminated in the publication of the EMF report, The New Plastics Economy, launched at the annual World Economic Forum summit in Davos in January 2016. The report found that searching for radical and bold new circular methods to keep plastic materials flowing in healthy loops was more crucial than ever, especially given the fact that currently global plastic packaging is used only once. 95% of the value of plastic packaging material, worth $80-120 billion annually, is entirely lost to the economy. As a member of the steering committee of Project MainStream and leader of the Plastic Packaging Roadmap, Desso was one of the sources of information and guidance for this new report.

Since January 2016, Tarkett has a dual membership at the World Economic Forum, engaging in both the Global Challenge initiative on the ‘Environment and Natural Resource Security’ and as an Industry Partner for ‘Infrastructure and Urban Development’. In November 2015, Tarkett CEO Michel Giannuzzi joined a number of global CEOs in an Open Letter, organised by WEF, addressed to the UN’s Climate Change Conference in Paris at the end of that year. It underlined the business leaders’ sense of urgency with regard to stemming the climate change crisis and committed their businesses to doing their part in reducing greenhouse gas emissions. Mr. Giannuzzi subsequently attended the Davos summit in January 2016 along with Remco Teulings, President of Tarkett EMEA, where both participated in private and public sessions on climate change, future of construction, and the circular economy.

All footnote references can be found on page 82-83
Desso continued to reach a wide audience of business readers through articles and coverage.

Roland Jonkhoff and Remco Teulings have both published several blogs on two prestigious websites: the Huffington Post (a site with a total digital population of 79 million unique visitors\(^{14}\)) and the World Economic Forum’s Agenda website on topics related to the C2C/circular economy vision. It has also continued to get coverage in the broadsheet press in the UK.

Below is a sample of media coverage in 2015:

- Michel Giannuzzi, Why the circular economy is key to our low carbon future, World Economic Forum Agenda, 8 December 2015\(^{12}\)
- Roland Jonkhoff, The Urgent Need to Design for Health and Wellbeing, Huffington Post, 11 November 2015\(^{13}\)
- Roland Jonkhoff, Why Transparent Communications Is a Key Driver of the Shift to the Circular Economy, Huffington Post, 28 October 2015\(^{14}\)
- Roland Jonkhoff, Circular Economics: Generating Jobs for the Young in the Middle East and Africa, Huffington Post\(^{15}\), 27 May 2015
- Roland Jonkhoff, How can we create jobs for young people in the Middle East and Africa? World Economic Forum Agenda\(^{16}\), 29 April 2015
- How a new boss can breathe fresh life into sustainability, by Oliver Balch, The Guardian\(^{17}\), 18 May 2015
- Desso strikes a deal with the water company for calcium carbonate, by Nicolette Fox, The Guardian\(^{18}\), 30 April 2015
- Roland Jonkhoff, How the circular economy tackles climate change, World Economic Forum Agenda\(^{19}\), 29 April 2015
- Roland Jonkhoff, How the circular economy tackles climate change, Huffington Post\(^{20}\), 24 April 2015
- Remco Teulings, The next steps for a more sustainable world, World Economic Forum Agenda\(^{21}\), 21 January 2015

Desso continued to contribute knowledge at the following venues:

World Economic Forum
The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation and engages political, business, academic and other leaders of society in collaborative efforts to shape global, regional and industry agendas. At its prestigious annual summit at Davos it attracts some 1500 business leaders from among the biggest global companies and a thousand leaders in government and NGOs. As a long running member of Project MainStream and other discussions on the circular economy, Desso has participated in discussions and debates at WEF summits in Davos, China and other regions during 2014-2016 and onwards. From January 2016, Tarkett has become a full member of WEF at partner level and its leadership is taking a full part in discussions at Davos and other summits around the circular economy, the future of construction, clean energy and other areas relating to the future of business.

London Business School
London Business School (1st in Europe\(^{9}\)) has been teaching the Desso Case study since 2011 (Desso – Taking the Sustainability Challenge\(^{10}\)) to MBAs and global executives. The case is being updated in 2016 to include the circular economy vision set by Tarkett as a whole.

The University of Exeter Business School
In November 2012 the University of Exeter Business School published a Case Study on how Desso has been rethinking its supply chain to drive its Cradle to Cradle\(^{8}\) innovation platform. Led by Exeter Business School’s Professor Michael Howard, the study (Desso and the Cradle-to-Cradle\(^{6}\) Challenge: Rethinking Carpet as a Closed-loop Supply System\(^{11}\)). Ranked 2nd for business studies by the Sunday Times, Exeter Business School also launched the innovative One Planet MBA program with the WWF.

Cranfield Management School
Cranfield Management School, one of the top five research-intensive universities in the UK, alongside Oxford, Cambridge and London’s Imperial College, produced its Case Study on Desso’s Cradle to Cradle\(^{8}\) strategy in 2015.

Key communication channels:
www.tarkett.com and www.desso.com
Key events in 2015
In addition to the World Economic Forum’s Annual Meeting, Desso also attended other world events in 2015 focused on innovation, sustainability and the circular economy such as:

- Clerkenwell Design Week, London
- World Economic Forum’s Regional Summit in Latin America
- World Economic Forum’s Annual National Champions Summit, China
- Circular Economy 100 Annual Summit, London
- World Economic Forum on the Middle East and North Africa
- C2C What’s Next? Park 2020, Amsterdam
- C2C Cafe Ahrend, Rotterdam
- World Cafe C2C, Paris
- C2C Cafe Mosa, Amsterdam
- Building Holland
- Ratkaisun Paikka 2015, Helsinki
- World Resources Forum Asia Pacific - Sydney
- Building Financial Capacity for Circular Economy, Copenhagen
- C2C Cafe Desso, Waalwijk
- C2C Cafe, Hamburg
- Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (B.A.U.M.) e.V
- 10th annual sustainable supply chain summit, London
- World Forum on Natural Capital, Edinburgh

Key awards and recognitions:

2012
Winner: Red Dot product design award for its ‘Visions of’ carpet line 2012.

2013
Winner: Big Tick Award for Sustainability from Business in the Community (BITC) 2013.

2014
Finalist: Big Tick Award for Sustainability from Business in the Community (BITC) 2013.
Finalist: BPN Sustainability Awards Australia 2014.

2015
Winner: IWA Resource Recovery Award
Nominated: Mixology Awards UK.

All footnote references can be found on page 82-83
MATERIALITY
What is materiality?
As described in the Global Reporting Initiative’s (GRI) G4 Guidelines, material issues are “those that reflect the organisation’s significant economic, environmental and social impacts, or that substantively influence the assessments and decisions of stakeholders.” In other words, materiality is about identifying which issues are the most important to our business and to our stakeholders.

Stakeholder mapping
To ensure our sustainability policies are aligned with our real impacts and stakeholder expectations, we have defined our stakeholder groups based on their influence on the five capitals as described in the International Integrated Reporting Framework: financial, manufacturing, human, social and natural capital (For more information: www.integratedreporting.org). In addition, we have selected stakeholders both in terms of their geographical presence, in relation to our market coverage, and also according to their specific expertise on the above mentioned key topics.

Materiality Analysis
Desso always had a strong stakeholder interaction and sustainability requests have been recorded and evaluated for many years. However, this year a stakeholder survey has been conducted for the first time to identify material topics and prepare for the new Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI G4 Core option).

The key objectives of our materiality analysis are:
1. Maintaining a focus on any new risks and opportunities in relation to our business, ensuring our circular economy and sustainability goals are in line with stakeholder requirements.
2. Meeting the GRI’s requirements for materiality.
3. Meeting the requirements of our commitment to the United Nation’s Global Compact23) (UNGC) and its universal principles on human rights, labor, environment and anti-corruption.
### MOST MATERIAL INDICATORS

<table>
<thead>
<tr>
<th>MOST MATERIAL INDICATORS</th>
<th>GRI-G4</th>
<th>DESSO REPORT 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product responsibility &amp; Supply Chain</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product and Customer health and safety</td>
<td>G4-PR 1</td>
<td>X</td>
</tr>
<tr>
<td>Product environmental impact</td>
<td>G4-EN 27</td>
<td>X</td>
</tr>
<tr>
<td>Environmental impact of supply-chain</td>
<td>G4-EN 33</td>
<td>X</td>
</tr>
<tr>
<td><strong>Waste equals food</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design for recycling</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Material Health</td>
<td>G4-PR 1</td>
<td>X</td>
</tr>
<tr>
<td><strong>Economic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profitability</td>
<td>(G4-EC 1)</td>
<td>existence of specific legal prohibitions</td>
</tr>
<tr>
<td><strong>Natural &amp; Social Capital Accounting</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy &amp; emissions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewable energy</td>
<td>G4-EN 3</td>
<td>X</td>
</tr>
<tr>
<td><strong>Biodiversity &amp; Water</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biodiversity (our responsibility and impact)</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Impacts of water use</td>
<td>G4-EN 9</td>
<td>X</td>
</tr>
<tr>
<td>Waste water quality</td>
<td>G4-EN 22</td>
<td>X</td>
</tr>
<tr>
<td><strong>Social aspects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Labor</td>
<td>G4-HR 5</td>
<td>X</td>
</tr>
<tr>
<td>Supplier assessment</td>
<td>G4-HR 11 / G4-LA 15 / G4-SO 10</td>
<td>X</td>
</tr>
<tr>
<td>Occupational health &amp; safety</td>
<td>G4-LA 6</td>
<td>X</td>
</tr>
</tbody>
</table>

**Response**

In total, 198 surveys were sent out, of which 62 were completed. This represents a 31 percent response rate. We also received a well-balanced response across our key stakeholder groups, which is important to ensuring that we are able to draw the right conclusions from the analysis. The results have not been evaluated per stakeholder group as we consider the sample size too small to draw conclusions per group.

**Materiality matrix and conclusions**

We have created a Materiality Matrix to plot our stakeholder concerns against business impact (see figure 1) in which key areas like material health and design for recycling are high in terms of both measures.

In general, Desso reports on more topics than required by our stakeholders (see table above), which means that we are well positioned to meet their key demands. We plan to continue engaging with our stakeholders to explain our business impacts and how the implementation of our sustainability strategy is progressing. Our commitment to realising our sustainability goals, built around our C2C and circular economy aspirations, remains strong. The importance of this strategic direction is also affirmed by our stakeholders in the materiality analysis. This means that the strategic direction we took as a company in 2008 is seen as the right one.

Along with the Tarkett Group, Desso will continue placing a strong emphasis on communicating with key stakeholders to ensure we are up to date with the needs of our stakeholder groups and aligned with all of our responsibilities.
### Waste equals food

<table>
<thead>
<tr>
<th><strong>Design for Recycling</strong></th>
<th>Designing products that can be recycled infinitely and without quality losses, in a technical or biological loop. This affects material choices, their construction and the development of take-back and recycling systems.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Material Health</strong></td>
<td>Ensuring that the materials we use are made of positively defined chemical ingredients in accordance with C2C principles which makes it safe for human health and the environment during the use-phase and when being recycled.</td>
</tr>
<tr>
<td><strong>Recycled content</strong></td>
<td>Using secondary materials from circular product streams. In accordance with C2C principles all recycled materials should be positively defined and be safe for recycling.</td>
</tr>
<tr>
<td><strong>Take-back</strong></td>
<td>Reclaiming products in order to recover resources and/or safely dispose material fractions that are unsuitable for recycling.</td>
</tr>
</tbody>
</table>

### Energy & emissions

<table>
<thead>
<tr>
<th><strong>Renewable energy</strong></th>
<th>The transition to using more renewable energy sources for our business is a crucial aspect of our C2C strategy. Renewable energy sources that are acceptable with the C2C framework are sun, wind, water, geothermal and certain biomass streams.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self-generated renewable energy</strong></td>
<td>The self-generation of renewable energy positively affects the overall amount that is available to society and therefore directly contributes to a solution for climate change.</td>
</tr>
<tr>
<td><strong>Carbon emissions</strong></td>
<td>Reduction of carbon dioxide and other greenhouse gas emissions responsible for climate change. For Desso, the main contribution comes from energy use for production purposes.</td>
</tr>
</tbody>
</table>

### Product responsibility & supply-chain

<table>
<thead>
<tr>
<th><strong>Customer Health and Safety</strong></th>
<th>Making products that contribute to health and wellbeing in building interiors; this issue has a strong link to “Material health”. Material selection for flooring products is a major aspect, but Customer Health can also be influenced by other aspects (e.g. Airmaster’s ability to reduce the amount of harmful fine dust in the indoor air).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product environmental impact</strong></td>
<td>Continuously monitoring the environmental impact of our total portfolio and reducing the environmental impacts over the whole product life-cycle.</td>
</tr>
<tr>
<td><strong>Environmental impact of supply-chain</strong></td>
<td>Monitoring and challenging our suppliers to improve their environmental impacts accordingly.</td>
</tr>
<tr>
<td><strong>Transparent communications</strong></td>
<td>Communicating honestly and content based. At Desso, we call that “sustainability with substance”.</td>
</tr>
</tbody>
</table>

### Biodiversity & water

<table>
<thead>
<tr>
<th><strong>Biodiversity</strong></th>
<th>Understanding dependencies from and impacts on biodiversity and taking responsibility for these. Biodiversity is the world’s stock of natural assets, provider of ecosystem goods and services.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Biodiversity impacts of water use</strong></td>
<td>Understanding dependencies and impacts in order to take the right actions to conserve local water resources. The impacts of water withdraw and use are highly dependent on local hydrology.</td>
</tr>
<tr>
<td><strong>Waste water quality</strong></td>
<td>Ensuring that the water quality of factory effluent is as close as possible to the water quality of the water it is discharged into.</td>
</tr>
<tr>
<td><strong>Water recycling</strong></td>
<td>Saving water resources through purification and recycling of effluent water.</td>
</tr>
</tbody>
</table>

### Social aspects

<p>| <strong>Child labor</strong> | Identifying operations and suppliers considered to have significant risk for incidents on child labor and/or young workers exposed to hazardous work. |</p>
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupational Health &amp; Safety</strong></td>
<td>Fostering a safe and healthy work environment, targeting zero accidents and promoting safe and healthy behaviours.</td>
</tr>
<tr>
<td><strong>Supplier Assessments</strong></td>
<td>Assessing social aspects of companies supplying Desso, in order to continuously improving labor, human rights and fair business practices.</td>
</tr>
<tr>
<td><strong>Purchase of fair-label products</strong></td>
<td>Prioritising the purchase of products with fair-label certificate.</td>
</tr>
<tr>
<td><strong>Impacts on local communities</strong></td>
<td>Engaging in community development projects or programs with a positive impact on local communities, either in the social, ecological or economic field or optimum in all aspects.</td>
</tr>
<tr>
<td><strong>Social innovative projects</strong></td>
<td>The Cradle to Cradle® concept encourages businesses like ours to develop innovative, social projects and to initiate projects that will positively impact employee’s lives, the local community, the global community, the supply chain and recycling and reuse programs.</td>
</tr>
<tr>
<td><strong>Employee engagement</strong></td>
<td>This is about maximising employee involvement and job satisfaction, paying attention to the encouragement of workplace collaboration, the development of new opportunities, effective training and the development of leaders who inspire confidence. Employee engagement is a part of employee retention.</td>
</tr>
<tr>
<td><strong>Non-discrimination</strong></td>
<td>Preventing incidents of discrimination and/or taking corrective actions.</td>
</tr>
<tr>
<td><strong>Screening of investments</strong></td>
<td>Assessing probable human right issues involved by investment agreements and contracts.</td>
</tr>
<tr>
<td><strong>Anti-corruption</strong></td>
<td>Upholding ethical principles in the business and workplace.</td>
</tr>
<tr>
<td><strong>Economic Aspects</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Profitability</strong></td>
<td>Maintaining business growth whilst investing in environmental and social prosperity. Showing the business value of sustainability policies and practices.</td>
</tr>
<tr>
<td><strong>Natural &amp; Social Capital Accounting</strong></td>
<td>Considering the value of environment and society in business decision making and / or reporting by monetizing hidden costs or efforts for mitigation.</td>
</tr>
</tbody>
</table>
SUSTAINABILITY REPORTING WITHIN DESSO
This report is the third Sustainability report to be produced by Desso in accordance with the GRI guidelines, but the first in line with the G4 standard. We are currently in a transitional phase with respect to sustainability reporting and in future Desso will be included in the Tarkett Group report.

Having developed and followed an ambitious sustainability strategy based on Cradle to Cradle® principles since 2008 as a basis for moving towards the circular economy, it was considered important to find a rigorous reporting method that would encompass all aspects of the company’s sustainability goals and progress.

Sustainability reporting at Desso is led by the Sustainability & Communications department with support of the Legal Department, HR, Purchasing staff functions, and Production. Each production plant has an environmental coordinator and a health and safety officer. The central sustainability function is responsible for the governance and coordination of environmental issues.

**Environment and social reporting**

Most KPIs are continuously measured and reviewed by the responsible departments and regularly reviewed by the Management Team. Specific C2C KPIs as defined in the company’s roadmap are measured quarterly.

For every KPI there is a KPI owner and a KPI reporter. The Sustainability department determines the definition and scope of each KPI. The latter checks for consistency and plausibility during the reporting process. Communications lead on the profile disclosure and the drafting of the report. Internal review is made by the Sustainability department and all KPI reporters and owners (see Figure 2).

The used definitions, scoping, reporters, procedures for data collection, primary information sources and their owners are documented. Conversion factors are used in individual cases and documented as such. Concerning the environmental indicators the report covers the entities: Desso BV, Desso Refinity BV and Desso NV as those represent the production activities. At the production locations the major impacts occur. All other indicators refer to Desso Holding BV as a whole (for boundary and scoping see page 73).

**Location of Standard Disclosures**

- All information pertaining to strategy and analysis, organisational profile and governance commitments and engagement can be accessed online at: www.desso.com or at www.tarkett.com.
- For disclosure of management approach, core performance indicators and GRI indicators see pages 38-39. For our 2020 targets we refer to our Cradle to Cradle® Roadmap on page 15.

**External assurance**

Desso has commissioned Deloitte to provide an independent assurance review on 11 KPIs (see pages 38-39) and to assure that the sustainability report is in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI G4 Core option).

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**Code of Conduct: the basis for Sustainability reporting**

Tarkett’s Code of Conduct in the areas of the environment, health and safety and ethics applies to all employees, without exception. The Code of Conduct provides a basis for the internal sustainability process, and training in the Code of Conduct is mandatory for all employees.

**Figure 2:**

Sustainability Reporting at Desso
On the following, we provide information and commentary on the key areas of our sustainability program:

- Material health and management
- Energy and carbon management
- Water stewardship
- Employment, health and safety and human rights
- Communications
- Regulations and compliance

**Boundary and scope**

The first three areas are production related (excluding G4-EN 28 which covers ReStart® - the take back program). The remaining four areas cover total Desso health and safety indicators relating to all Desso employees, including temporary workers and on-site contractors.
Material Health & Management

Material health is a vital part of our sustainability journey. It involves ensuring that the materials we use are made of positively defined chemical ingredients which makes it safe for human health and the environment when the materials are in use and when they are being recycled. It underpins our goal to move towards the circular economy and always have a positive impact on human health and wellbeing as well as the planet. This section can be found on pages: 41-51.

We report here on:
- **G4-PR 1**: % of total raw materials purchased that are positively defined (as calculated by weight)
- **G4-EN 1**: Materials used by weight or volume (tonne)
- **G4-EN 2**: Percentage of recycled and rapidly renewable materials
- **G4-EN 28**: Carpet reclaimed per country excluding packaging materials (tonne), and percentage reclaimed referred to sold carpet
- **G4-EN 23**: Total weight of waste by type and disposal method (tonne)
- **G4-EN 27**: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

Energy & Carbon Management

Energy policy is also a crucial aspect of becoming a circular economy organisation as the transition to using more renewable energy sources for our business means that increasingly we will be able to be eco-effective: producing goods using green energy. That also means less carbon emissions. It is, we believe, the most sensible way to develop industry for the long-term so that we can produce more without adding to problems such as climate change and not being exposed to oil price hikes. This section can be found on pages: 53-55.

We report here on:
- **G4-EN 3**: Energy consumption within the organization (GJ)
- **G4-EN 15**: Direct greenhouse gas (GHG) emissions (Scope 1) (tonne CO₂)
- **G4-EN 16**: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Water Stewardship

Water is a precious resource and therefore improving the ability to recycle this resource is a critical goal; secondly, C2C principles are about ensuring that the water we send back into the source is at least as clean if not cleaner than the water it goes into. Therefore, this is also related to our commitment to the local community and the environment. This section can be found on pages: 57-59.

We report here on:
- **G4-EN 8**: Total water use by site (m³) and measured against sales (m³/sales M€)
- **G4-EN 9**: Water sources significantly affected by withdrawal of water
- **G4-EN 10**: Percentage and total volume water recycled (m³)
- **G4-EN 22**: Total water discharge by destination (m³) and quality (BOD, COD and TSS)
Communications
Clear and transparent internal and external communications are key to Desso’s business and sustainability strategies. Internally, communicating change to engage employees in the tough challenges ahead; external, to explain the reasons for the long term strategy embracing Cradle to Cradle®, connecting with suppliers, customers, the sustainability community, the media, governments, and investors. This section can be found on page: 69.

Employment, Health & Safety & Human Rights
Social responsibility is a key part of the Cradle to Cradle® philosophy. We have always been committed to engaging our workforce and maintaining responsible goals towards employees and communities directly linked to the business and through the supply chain. This data shows where we are today. This section can be found on pages: 61-67.

With regards to labor we report here on:
- G4-10: Employees per category (age groups, geographical regions and in gender)
- G4-11: Percentage of employees covered by collective bargaining agreements
- G4-LA 6: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

With regards to human rights, as outlined by our commitment to the UN Global Compact we report here on:
- G4-HR 4: Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights
- G4-HR 5: Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
- G4-HR 6: Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor
- G4-HR 9: Total number and percentage of operations that have been subject to human rights reviews or impact assessments

Regulations and Compliance
This section sets out our performance in regard to meeting environmental regulations. This section can be found on page: 71.

We report here on:
- G4-EN 29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations
- G4-SO 7: Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes
- G4-SO 8: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations
- G4-PR 9: Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services
MATERIAL HEALTH AND MANAGEMENT
Today, most people spend 90% of their time indoors. This makes it imperative that we create healthy interiors. As a supplier of carpets, we believe it is our responsibility to develop products that contribute to a healthier living and working space.

This vision is brought into action by the company’s focus on our three pillar innovation strategy (creativity, functionality and Cradle to Cradle®), all underpinned by a relentless focus on our customers and their needs.

As part of our circular economy and Cradle to Cradle® commitment, material health plays a crucial role. If you want to create healthy products, you need to know what goes into your products. Therefore we have set ourselves the target to have our products designed according to C2C design principles by 2020 and to achieve this it starts with being transparent about what we use in our materials.

Material health is one of the key tests of a good C2C product, alongside the ability to design in effective take back and recycling systems to preserve as much of the precious material as possible in its purer state, so that goods can be upcycled (made into high grade products again and again).

We also introduced a take back program named ReStart® and set-up a recycling facility called Refinity® (see page 48-51), in order to ensure we take responsibility for current and future material streams. With respect to future material streams, this is where our C2C philosophy plays a major role in designing a product which is made from healthy materials that can be disassembled and safely recycled.

This underpins the essential purpose of the circular economy – to create a regenerative system whereby materials are recycled in a non-toxic loop. One of our latest innovations relates to the development of a new C2C-approved material stream from the water industry – chalk from Dutch drinking water companies (see page 43).

Assessment of materials
At Desso, our commitment to Cradle to Cradle® design means that we always have aimed to lead by example. To achieve this we rigorously assess our materials in partnership with the C2C consultancy EPEA, led by Prof. Dr. Michael Braungart.

Materials in a product must be assessed using the ABC-X rating system. The Cradle to Cradle® chemical hazard profiling methodology uses 24 human health- and environmental criteria for chemical’s evaluation. The rating scheme used for this methodology follows a “traffic-light” hierarchy where the chemical’s hazard is communicated by a GREEN, YELLOW, RED, or GREY rating for each endpoint (see Figure 3).

After all the ingredients in the materials have been assessed, they are then optimised or if necessary replaced, with the aim of using only tolerable or optimal chemical ingredients or materials.

Material management
In 2015, Desso purchased 59,253 tonnes of various raw materials made up of heavy coating, latex compounds, fibres and yarns and some other materials. An increase in production in 2015 pushed up our demand for raw materials, while our material efficiency stayed at the same level as in previous years. Almost half (49%) of our raw materials did not contribute to resource scarcity in 2015, being either recycled, renewable or made up of minerals that are in abundant supply (see Figure 4).

In terms of ensuring that the materials we use are in accordance with C2C principles, we measure the amount of positively defined materials used in our products. Figure 5 shows our progress in this area. In 2015, we have been able to meet and exceed our targets. Of the total amount of raw materials used in 2015, in relation to our total business, some 64% were positively defined, exceeding our Roadmap target for 2015 (which is...
Developing a new C2C material stream with the water industry

One of the key goals of Cradle to Cradle® circularity is to develop purer material streams from existing flows as opposed to extracting virgin natural resources. As such our R&D team continually looks outside its industry for such new material flows. In this light, with the help of the local water industry, it discovered and developed a new stream for its calcium carbonate needs, an important stabilising material in carpet tiles.

The Challenge
Three years ago, Desso’s R&D led by Ludwig Cammaert, discovered that local water producers ended up with a residue of calcium carbonate as a by-product of their water softening processes. The question Desso and the water producers faced was whether they could develop this residue in such a way it could be used by Desso with its strict C2C requirements.

Finding the solution
Over the three years, Desso collaborated with Reststoffenunie, a collective shared service centre of the Dutch Water Supply Companies, finding a way to upcycle re-engineered calcium carbonate (chalk) from local drinking water companies such as Brabant Water and WML (Water Maatschappij Limburg).

One of the immediate challenges was that the water softening decalcifying process used sand to filter out the calcium carbonate. Sand would be problematic from the Desso manufacturing point of view as it would lead to the blunting of expensive cutting equipment and machinery.

The joint R&D teams managed to work out a different process that would use only calcium carbonate. The water companies committed to the circular goals and were prepared to invest in this new process for the sake of the project, leading to a successful outcome: calcium carbonate material that contained no sand material.

The other challenge was the price as the new residual material was twice as expensive as the chalk bought from French mining companies. Desso decided to absorb this cost, as it did not want to lose the opportunity to take this new step towards the circular economy.

The result
Desso began purchasing the new material in Q4 2014 which is positively defined in accordance with C2C criteria and used for the production of Desso’s carpet tiles with EcoBase™ backing. As a result, Desso’s products with EcoBase™ backing contain on average of 50% positively defined recycled content. Next to that, it will also be rolled-out for Desso’s ProBase carpet tiles during 2016.

With this new collaboration, Desso carpet tiles are also likely to earn more points from green building standards such as the US Green Building Council’s LEED (V4) rating system, where recycled content and C2C certification are amongst the key criteria.

60%). As Figure 5 shows the 2020 target is 84%. This is looking achievable as we are already above current target. With respect to commercial carpet tiles (representing 78% of total m² sold) we have made greater headway. This reflects the company’s decision back in 2008 to choose one part of the business to focus the greatest C2C effort on. Carpet tiles were chosen as the key focus, as the product category accounts for such a large part of the business, and would therefore have the greatest impact. As a result our most ambitious targets are in this area. For carpet tiles in 2015, 69% were positively defined (by weight). The target for 2015 was 56%. The target for 2020 is 90%.
NEW Gold Milestone
In 2015, Desso reached a new milestone in becoming the first carpet tile manufacturer in the world to be awarded C2C Gold certification for a new collection of carpet tiles, which contained: DESSO EcoBase® polyolefin carpet backing, ECONYL® 100% regenerated nylon and C2C re-engineered calcium carbonate from the water industry.

NEW GUI Plus Gold DESSO AirMaster®
Specially designed carpet tiles that are eight times more effective at capturing and retaining fine dust in the indoor air than smooth flooring solutions and four times more effective than standard carpet solutions. They contain up to 100% regenerated ECONYL® nylon yarn and are offered with DESSO EcoBase® backing.

In November 2015, Desso marked its fifth anniversary of the AirMaster with a ‘world first’: Combining the fine dust capturing functionality of AirMaster® with the Cradle to Cradle® EcoBase™ backing results in a unique flooring solution. For this particular product combination an additional test has been carried out with independent German test institute GUI to assess the product’s performance on three strict test criteria:

- Suitability for allergy sufferers because of the ingredients.
- High fine dust binding capacity.
- Low Volatile Organic Compound (VOC) emission properties.

DESSO SoundMaster®
A carpet designed to reduce the damaging impact of unwanted noise inside buildings. Using this product can potentially lead to improvements in employee productivity in the workplace and improvements in the learning atmosphere in schools. It offers better sound insulation up to +15 dB above the standard value and better sound absorption performance up to +0.15 (αw), equivalent to up to 100% improvement in comparison to standard carpet designs (αw value between 0.15 and 0.20). The backing is made from 100% polyester (80% recycled: 40% from PET bottles and 40% from used fibres).

DESSO Light Reflection Master®
Carpet designed to reflect back more light than the average flooring, thereby reducing energy usage for lighting – both an environmental and cost advantage. In fact, the use of DESSO Light Reflection Master® can increase the brightness of a room by up to 14% and can reduce lighting costs by up to 10%. ECONYL® yarn made from 100% regenerated nylon. Over 50% of Desso’s carpet tile range is available with ECONYL® yarn, also including post-consumer yarn waste from Desso’s Refinity® plant.

Luminous Carpets™
In November 2013, Philips and Desso, global leaders in lighting and carpets respectively, launched a partnership agreement to offer solutions that combined LED lighting with light transmissive carpet. This innovation unlocked the potential of LED integration into surfaces and adds an exciting dimension to interior design and space planning. The solution will transform the way people interact with information and their environment in offices, hotels, conference centres and other public buildings. These LED light emitting carpets will provide many benefits in the areas of information, direction, inspiration and safety such as guiding people around buildings; and, enhancing the ambiance and atmosphere of the interior of buildings combining lighting with design and colour.

DESSO EcoBase® carpet tile

= DESSO EcoBase® secondary backing. (The polyolefin based layer with stabiliser accounts for minimum 96% (in weight) of the total secondary backing and this layer is 100% fully recyclable).
The Cradle to Cradle Certified™ Product Standard is a framework for innovation which shows that ‘designing with purpose’ makes perfect business sense today and positively impacts the bottom line. It is administered by the Cradle to Cradle Products Innovation Institute based in the US.

The Cradle to Cradle Certified™ Product Standard guides designers and manufacturers through a continual improvement process that looks at a product through five quality categories:

1. Material health
2. Material reutilisation
3. Renewable energy and carbon management
4. Water stewardship
5. Social fairness

A product receives an achievement level in each category - Basic, Bronze, Silver, Gold, or Platinum - with the lowest achievement level representing the product’s overall mark.

Product assessments are performed by a qualified independent organization trained by the Institute. Assessment Summary Reports are reviewed by the Institute, which certifies products meeting the Standard requirements, and licenses the use of the Cradle to Cradle Certified™ word and design marks to the product manufacturer. Every two years, manufacturers must demonstrate good faith efforts to improve their products in order to have their products recertified.

Above mentioned categories and descriptions originate from: http://www.c2ccertified.org/get-certified/product-certification
Cradle to Cradle® recertification
Our commitment to Cradle to Cradle® principles includes the need to recertify products according to the C2C assessment process, which incorporates the five key elements: material health, material reutilization, carbon and energy management, water stewardship and social fairness (see left page). In line with this commitment a number of Desso product C2C certificates were recertified in 2015, valid until 2017. They include:

- PA 6 Carpet Tiles - Solution Dyed
- PA Continuous Dyed Broadloom
- PA Solution Dyed Broadloom
- PA 6.6. Carpet Tiles - Continuous Dyed
- PA 6 Carpet Tiles - Continuous Dyed
- The sports pitch product, GrassMaster reached Silver level during recertification moving up from bronze level
- DESSO EcoBase® Carpet Tile Backing reached Gold level certification up from Silver
- EcoBase™ PA6 Solution Dyed Carpet Tiles Gold was a new certification level awarded in 2015 and reached Gold level

All footnote references can be found on page 82-83
Our aspiration as a company is to build the foundations for a non-toxic closed-loop system. As mentioned earlier, this requires a stringent process of analysing the materials we use (as per C2C environmental and human health criteria). As part of our C2C assessment, our products are measured by how much of the material in our products are recyclable according to C2C material health standards.

Overall, in 2015, 61% of the materials in all our products were recyclable according to our C2C related standards. In regard to carpet tiles, it was 65% and in broadloom, where there is no heavy coating it was 75%. We’re aiming for more than 70% for all these areas by 2020.

As part of the Cradle to Cradle® certification process you must be able to identify the material streams that can be reutilised when the product is taken back after it has been used by the consumer or customer. These are fed back as nutrients either into the manufacturing process (technical sphere) or into the earth (biosphere).

Carpets are recycled using our innovative separation technique called Refinity®, which separates the yarn and other fibres from the backing. After an additional purification stage, the yarn (with the required purity) is returned to the yarn manufacturer for the production of new yarn. In the entire process, some virgin material is needed to compensate for losses and process inefficiency. Today’s bitumen carpet backing is recycled as a valuable raw material for the road industry. All non-recyclable fractions will be used as secondary fuel in the cement industry.

As already mentioned we believe it is critical to strive to use only positively defined recycled materials in accordance with the Cradle to Cradle® Product Standard for use and recycling, in order to contribute to a positive impact on human health and the environment.

This might mean it takes longer for us to develop the right procedures and materials to achieve this goal.

For example, we must work closely with our suppliers to ensure we get positively defined materials from the start. And this has to be looked at constantly in close cooperation with our R&D and at the purchasing departments to ensure we persuade our suppliers to help us achieve these goals.

The amount of defined recycled content for carpets, carpet tiles and sports pitches more than doubled from 5 percent in 2013 to 10.5 percent in 2014. It then doubled again in 2015 to 20%, owing to the combined impact of the recaptured chalk from the local water companies and the use of ECONYL® yarn (see Figure 6). We will continue to build on this rise in order to hit our target of at least 85% by 2020.

At the heart of the Cradle to Cradle® philosophy is the idea that ‘waste equals food’. 
However, as mentioned on page 43, thanks to our C2C chalk supply gained from our collaboration with the Restoffenunie, Desso’s products with EcoBase™ backing contain on average 50% defined recycled content.

Eco-effective design
The idea of being eco-effective is a very important element of the Cradle to Cradle® philosophy. It shows that you can start with a better design in the first place instead of trying to minimise the impact of traditionally designed goods on the environment and on human health. In that light, we put a lot of stress on the early phases of product design to ensure the materials are set up to be healthy for use and recycling.

Starting the process is relatively ‘easy’ but the further you get the more difficult it becomes. The complexity of the supply chain and the need to optimise the technology for ReStart® take back schemes and our Refinity® recycling center, as well as the day-to-day pressures of business in a highly competitive market, is making it one of the toughest business environments.
How to make take back and recycling more effective?

To develop an effective take back and recycling system as per C2C and circular economy standards you need to achieve two key things:

1. Ensure that the bulk of the materials coming back have been designed for disassembly, meaning the materials can be separated into their different streams without contamination and then processed through the technical stream.

2. The material must be positively defined so it can be up-cycled.

Our EcoBase™ backed products which are designed according to the C2C principles have yet to be returned in large volumes, however we would expect to see this starting to happen from 2018 onwards.

As Figure 7 on page 51 shows, the percentage of reclaimed carpets in comparison with the products sold increased from 2.7% in 2013 to 3.0% in 2015. Post-consumer carpet material taken back by Desso increased by 70% from 779 tonnes in 2011 to 1,342 tonnes in 2015. Our teams in the UK, France, Belgium, Scandinavia and the Netherlands continue to work hard on increasing the amount of carpet we take back. Our capabilities will be enhanced once our new Refinity® plant has reopened. The pilot project which has received support from the EU’s LIFE program (see boxout on the right) is scheduled for completion at the end of 2016, and we are aiming to have a full commercial operation running by mid-2017. Our overall goal is to collect 20,500 tons a year by 2020.

Waste Reduction

Next to our overall Cradle to Cradle® strategy we also have a strict focus on reducing the amount of waste we currently generate. In line with the aims of Cradle to Cradle® the key goal is to turn waste into ‘food’ – as nutrients for either the technical or the biological sphere. We live on a planet of finite resources and we need to develop ways to use the resources we extract in a more continuous flow, rather than having them dumped into landfill or burned in incinerators. This relates also to waste generated in our plants and offices.

We have stayed on course in regard to our waste processes. In 2015, some 34% of our waste was recycled via the technical loop or composted via the biological sphere, as per C2C criteria, and 45% was regenerated in the cement industry, most of which is used to generate fuel while some of the chalk content is used in the production of cement.

It looks like our waste recycling capabilities have declined from 2014 to 2015. However, the apparent negative changes (recycled waste down from 38% in 2014 to 34% in 2015; hazardous waste up from 0.4% to 1% in 2015) are due to organisational issues such as irregular intake (where waste has been accounted for in a later period) or incidental disposal (where a tidy up procedure has involved clearing waste generated previously). In relative terms, our waste amounts have actually gone down from 0.39 to 0.36 kg/m² from 2014 to 2015.

The LIFE Project aims to:

1. Develop a Cradle to Cradle® manufacturing process for carpets.
2. Produce recovered material for reuse in high-quality applications. This requires a sophisticated separation and purification line to ensure that the recovered materials, including polyamide (one of the main materials used in carpet manufacturing) can be reused.
3. Recycle each output material as much as possible into new high grade materials.

LIFE is the EU’s financial instrument supporting environmental, nature conservation and climate action projects throughout the EU. Since 1992, LIFE has co-financed some 4,171 projects, contributing approximately €3.4 billion to the protection of the environment and climate.

For more information: http://ec.europa.eu/environment/life/
Healthy Seas

In 2015, Desso continued with its support for the ocean protection project ‘Healthy Seas, a Journey from Waste to Wear’. The initiative aims to remove waste, in particular fishing nets for the purpose of creating healthier seas and recycling marine litter into regenerated yarn, some of which is being used to produce new Desso carpets.

According to a report from the Food and Agriculture Organization of the UN (FAO) and the United Nations Environment Program (UNEP), there are approximately 640,000 tonnes of abandoned fishing nets in the oceans, accounting to one tenth of all marine litter. These discarded nets can remain in the sea for centuries continuing to catch or injure marine life such as fish, dolphins, turtles and marine birds (known as ghost fishing).

Healthy Seas aims to provide a solution by bringing together businesses, NGOs, divers, fishermen and other stakeholders to recover the fishing nets and recycle them into Desso carpets, amongst others.

For more information visit: www.healthyseas.org
ENERGY & CARBON MANAGEMENT
The circular economy and Cradle to Cradle® has always called for the greater use of renewable energy. Inspired by nature it is about utilizing the natural power of the sun and wind, and respecting the environment. Fossil fuel burning also contributes to global greenhouse gases and the warming of the planet, leading to unsustainable climate change. Recognizing this problem, governments gathered in Paris at the COP21 UN climate change conference at the end of 2015 to discuss a global commitment to reducing carbon emissions. Tarkett CEO Michel Giannuzzi joined other global CEOs in writing an Open Letter to COP21, organized by WEF, in which they declared their commitment to the goal of reducing emissions. Meanwhile, C2C can make a difference by encouraging a greater usage of renewable energy sources.

In line with the aims of Cradle to Cradle® (C2C) and the circular economy, Desso decided in 2008 to start increasing the amount of renewable energy the company used to power its production sites in the Netherlands and Belgium. At that time the amount of renewable energy it used was close to zero.

**Renewable goals**

By 2011, Desso had completely switched its sourcing of electricity over to green electricity for its production plants by means of buying green certificates of hydropower electricity generated in the Alps35).

In 2011, Desso also invested in the installation of 25,000 m² solar panels for its factory in Dendermonde, Belgium and Waalwijk, the Netherlands. These solar cells generated 6% of Desso’s electricity use in 2015. This meant that 27% of its energy usage (that related to electricity) was renewable. The remaining 73% came from natural gas (see Figure 12).

We are currently reviewing how we can convert our gas based energy source in order to reach our 2020 target of 100% renewable energy.

Our shift away from fossil fuels to renewable has reduced the amount of CO2 emissions Desso produces. Between 2007 and 2015, Desso reduced its carbon emissions (indirect and direct) by 54%. Desso reports according to Scope 1 and 2 of the Green House Gas (GHG) Protocol and uses National (Dutch and Flemish) conversion factors36). As we use 100% renewable energy our indirect Green House Gas emissions (G4-EN 16) are zero. We are not reporting on company transport vehicles as these are not owned by Desso. However, where possible Desso hires a fleet of trucks based on LNG (liquefied natural gas fuel), leading to lower emissions of carbon, particulates and NOx, as well as being less noisy – all of which supports our commitment to environmental and societal benefits.

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**Figure 9: G4-EN 3**

Energy consumption within the organization

**Figure 10: G4-EN 3**

Energy consumption within the organization

**Figure 11: Renewable energy**

Renewable energy, total consumption

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Desso reduced its carbon emissions (indirect and direct) by 54% between 2007 and 2015.
Desso maintained a good level of energy efficiency. While production increased by 4% between 2014-2015, energy consumption went up by only 2% (Figure 10). Of total energy use, 27% was renewable in 2015 (see Figure 11), only a very slight decrease from the year before. Greenhouse gas emissions increased by 3% due to the increase in production, while carbon emissions per meter squared remained the same (Figure 12).
WATER STEWARDSHIP
C2C’s certification requires companies to excel in water stewardship, an area Desso had long been committed to. In line with these principles, the company’s long-term goal is to ensure that by 2020 all the water discharged from Desso’s plants is as clean as or cleaner than the source it is discharged into.

As a company, we see water as a valuable resource by applying effective management and use strategies. In carpet manufacturing, large quantities of water are used for dyeing. 98% of the water intake occurs at Desso’s Dendermonde plant in Belgium (see Figure 13).

Desso has decreased its water intake from 1,512 to 1,118 m$^3$ per M€ Sales in the period 2009 to 2015 (see Figure 13). This reduction can mainly be attributed to the fact that we buy more and more colored yarn (solution dyed products) instead of dyeing carpets (piece dyed products).

During this period, we had to increase our reliance on municipal water sources due to a malfunction in our groundwater treatment process. As a result, the amount of groundwater sourced declined from 90% in 2014 to 71% in 2015.

In 2011 Desso commissioned a study on the groundwater extraction for its production facility in Dendermonde. The study carried out by Vision on Technology (VITO) found that Desso’s water extraction in Dendermonde:

- Does not influence the permanent groundwater storage of the surrounding area.
- That the nature conservation area was not influenced by the facility’s direct intentional operations.
- That there was no risk from the facility’s direct operations to the immediate surroundings. In addition, it found that the risk that the surrounding ecosystem might be harmed was minimal.

As a company, we believe we have a duty to ensure we preserve as much as possible of this precious natural resource. To meet this challenge Desso has installed water treatment equipment at Dendermonde to recycle its water.

In 2015, the special ozone treatment resulted in a 44 million litre saving on fresh water.

In five years, it has increased the amount of water it recycles from 11% in 2009 to 16% in 2015. In 2014, the special ozone treatment resulted in a 54 million litre saving on fresh water, reduced to 44 million litres in 2015.

There are tough quality controls in the Netherlands and Belgium in terms of water discharged back into local sources and Desso in Dendermonde has more than 30 years’ experience of developing best practices to meet these requirements.

**Dendermonde (DDM)**
Since 1974, this site has managed an on-site biological water purification process and since 2006 it has added an ozone treatment process which enables Desso to discharge water of a higher quality than required by local regulations. The water is discharged into a local surface water stream which flows into the Schelde or Dender rivers.

**Goirle**
Before discharging its water into the local sewers, the site chemically pretreats the waste water. Then once discharged it is further biologically treated by the local municipality. This water ends up in the Dommel Basin.

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**Figure 13: G4-EN 8**
Total water use per site (m$^3$) and measured

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**Figure 14: G4-EN 21**
Total water discharge by destination (m$^3$)
Desso donates a portable water drilling unit in Gambia, Africa

Desso is supporting a young non-profit organisation that is helping Africa solve its water problem by providing simple technology to drill for water. The Holland Water Goes Africa Foundation has designed an ecofriendly, sustainable portable water drilling unit, called FloFlo.

It is a do-it-yourself drill tower that comes in a 70kg bag containing all the parts and guidance to help local people to drill multiple wells themselves. Desso has donated money for a FloFlo unit to help people living in the Gambia provide for their own water needs by drilling wells to grow crops and keep animals. It also enables them to establish a micro-business to bring water pumps to neighboring villages.

Desso has increased the amount of water it recycles from 11% in 2009 to 16% in 2015.

**Waalwijk (WW)**

This site discharges most of its waste water directly into the sewer system because it is sanitary waste water. The rest of it comes from the pre-coating process and contains some latex compounds which are sent back to the latex supplier (Synthomer) for chemical and biological treatment.

**Committed to water quality**

In 2015, the factory in Dendermonde biologically treated 197,737m³ waste water (see Figure 14).

The quality of the water exceeded and improved on local standards in the following areas:

- The Chemical Oxygen Demand (COD) in Desso's water has been no more than 63 mg/l, while the local standard sets 160 mg/l as the ceiling. (COD indirectly measures the amount of organic compounds in water).
- The Biological Oxygen Demand (BOD) has been no more than 5 mg/l, while the local standard is 25 mg/l. (BOD is the amount of dissolved oxygen needed by aerobic biological organisms in a body of water to break down organic material present in a given water sample at certain temperature over a specific time period).
- The Total Suspended Solids (TSS) has been no more than 21 mg/l; while the local standards ask for 60 mg/l. (TSS is a water quality measure of the weight of particles obtained by separating them from a water sample using a filter).

**NOTE:** Our waste water treatment plant suffered a malfunction during the reporting period. Therefore, the figures quoted above represent the averages across the year and do not show the temporary spike in high values that occurred during August whilst the treatment plant was being repaired.
EMPLOYMENT, HEALTH & SAFETY AND HUMAN RIGHTS
As an employer we consider it one of our top priorities to act responsibly towards our staff, providing the best environment for them to develop and excel in their work and to promote their health and wellbeing. This is one of our commitments as a responsible business. The scope of our social chapter covers the complete Desso Holding BV and not only our production locations.

We have built a high-performance culture in a global environment through our shared values and target-oriented leadership. We rely on all our employees to enable us to achieve our ambitious targets. It also ensures that we make use of the strength of the organization, drive developments in the right direction, maintaining the momentum and correctly allocate our resources. With strong expansion and growth plans, we know we need to ensure we can deliver on all levels: innovation, operational excellence, customer service and so on. We have a common sense approach to working and encourage people to be self-starting.

**Talent Management**

Performance reviews are planned for all of our employees and these take the form of coaching to encourage personal development, motivation and goal fulfillment. The reviews take place twice per year and are logged in an online database which was also introduced in 2008.

All new employees take part in an extensive and tailor-made introduction program. Next to that, individual training needs are identified on an ongoing basis during the performance reviews and training in the company’s Code of Conduct will continue for all new employees.

Employee surveys are also carried out every two years. The first one was done in 2013 and a follow-up survey has been done in April 2015. Both surveys showed a very high response rate, in 2015 it was 87%.

The survey also quantified our employee’s engagement and enablement with which you can measure the overall employee effectiveness. The 2015 survey showed a significant improvement in these areas. We paid special attention to the areas of: collaboration, development opportunities, training and confidence in the leaders. In these areas we have also been able to make considerable progress.

**Workforce**

There was minimal change in Desso’s employment trends. Of Desso’s 799 employees in 2015, some 94% were on permanent contracts and 83% employed full time.

The split between male and female employees remained at 68% and 32% respectively.

42% of Desso’s employees were over the age of 50 in 2015 (see Figure 15). The bulk of the workforce (84%) continues to be located in either the Netherlands or Belgium, where the company has its main facilities (see Figure 16).

**Community Project Supports Diversity and Equal Opportunities**

In line with our commitment to social fairness and the wellbeing of local communities, we decided to change our cleaning services at our facilities in Waalwijk. This, in order to provide employment for local people who were finding it hard to get into the regular job market. Contending with a range of physical or mental challenges, they were offered the opportunity to work for Desso as part of this new project.

A dedicated manager is in charge of the project, including training and managing of the new recruits. The insourcing project proved a great success: the new recruits were occupied in work, Desso added to the diversity of its workforce and supported equal opportunities and everyone at Waalwijk had an even cleaner workplace.

**Salary and reward**

To drive the best results we believe in encouraging a high performance culture and reward people accordingly. Since 2008, we have used the Hay Group Talent Management system to ensure we have a structured strategy for the entire business. As of 2016, we will switch to Talent Inside, the system which Tarkett deploys for talent management.

A reward system that recognizes our employees’ performance and stimulates their development is key to our future success. We aim to provide competitive salaries and rewards to attract the best talent and maintain their motivation and focus.

**Labor rights and relations**

In most cases, Desso staff are covered by collective bargaining agreements (84%), a similar figure to the year before. In some countries, our staff num-
bers are too small to warrant such arrangements. As a company we continue to support such arrangements and these are also supported by our commitment to the principles of the UNGC and the category Social Fairness within the Cradle to Cradle® principles. All of these areas are addressed in the Code of Conduct.

**Safety, Quality, Quantity**

Desso is dedicated to contributing to people’s health and wellbeing through our creativity and product innovation. This vision is just as important internally.

In our plants, offices and wherever our staff work, we aim to make absolutely sure we are adhering to the most stringent and up to date methods for providing the most effective and positive work environment and promoting health and safety.

We are relentless in our desire to satisfy our customers and therefore we make it a priority to continuously improve our operational performance. We must maintain the best capabilities to deliver what our customers need whenever they want it, however they need it and wherever they are. It’s about having the mind-set to deliver fast, flexible and focused customer solutions that are flawlessly executed and uphold the superior quality standard, which Desso has become known for. The business environment is changing fast all the

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**Figure 15:** Employees per age group

![Employees per age group](image)

- Age < 30: 6%
- Age 30 - 50: 42%
- Age > 50: 52%

- Total: 799 employees

**Figure 16:** Employees per region

![Employees per region](image)

- Netherlands: 41%
- Belgium: 2%
- Germany, France, UK: 43%
- Other European: 3%
- Other: 11%

- Total: 799 employees

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**Health & Vitality**

In line with our vision, a ‘Health & Vitality’ program was introduced for Desso employees at the beginning of 2015. This program offers ‘stop smoking’ classes, healthy food programs, mental health programs (such as relating to better time management and work-life balance) as well as encouraging employees to take up sports activities such as hockey and jogging, and it also provides discounted membership for fitness centres.
time and we must be able to adapt to the ever changing needs of our clients.

Our internal operations philosophy is centred on three key areas: Safety, Quality and Quantity. These criteria (in order of importance) form the backbone of how we manage our day-to-day operations.

Health and Safety
We are committed to eliminating hazards from the workplace, providing employees with a safe and healthy work environment and complying with all such applicable occupational safety and health laws and standards. Employees are required to comply with all such laws and related Desso policies. Employees are also required to appropriately report any adverse health or unsafe conditions, hazards, broken equipment or machinery, and accidents.

For Desso, health and safety has always been a top priority and an area where we aim to continuously improve. The most important actions around this topic are:

- Equipment and work station risk analysis to prevent injury or accident.
- Provision of safe access to and from all places of work.
- The safe storage of materials as directed by company policy.
- Sufficient signalling/routes/lighting to help show people where to go in case of evacuation.
- A health and safety committee of 40 volunteers kept up to date on methods and evacuation techniques.
- The right of every employee to report any unsafe working area, situation, environmental incidents or ergonomic problems. This reporting is analysed daily by operations and by the health & safety committee and if necessary corrected.
- Environmental and safety training course for all new employees and on-site contractors.

In 2015, Desso’s injury rate in Belgium and the Netherlands was 0.6, nine points lower than in 2014 and well below the industry benchmark of 4.4 (2014 Belgium). The rate of lost days defined as days lost due to a worker’s inability to perform the work – was 15 in 2015 compared to 44 in 2014, against a benchmark of 114 (Belgium, 2014). Lost days went down from 289 in 2014 to 96 in 2015 overall. Although the number of accidents has decreased significantly since 2014, we will naturally continue to focus on a further reduction. For us the only acceptable accident rate is zero.

In 2015, four accidents occurred among our employees, none related to on-site contractors. There were no fatalities as a result of these accidents. The absentee rate was consistently better than the industry benchmark.

In 2015, the overall sickness absentee rate was 5.8%, up on 2014’s 4.8%, most likely due to an ageing workforce in parts of the company. In order to address this, Desso has launched a ‘Health & Vitality’ program (see page 63).

Since 2009 Tarkett has been deploying the World Class Manufacturing (WCM) program at all of its production sites worldwide. Its objective is to increase competitiveness, improve customer satisfaction and deliver outstanding results in terms of safety and environment. The WCM program is composed of different pillars to target Safety, Customer Service, Quality and Cost improvements. Desso has already started deploying the WCM program.
In 2015, we continued our commitment to the principles of the UN Global Compact, which are also in line with the Group’s overall commitment to these principles. UNGC is an initiative that promotes responsible corporate practices in the areas of the environment, labor, human rights and anti-corruption. In October 2014, we confirmed our commitment to the principles of the UN Global Compact in an official letter to the UN Secretary General and with this report we are restating our support for these principles and are also reporting on our progress via the annual ‘Communication on Progress’ (COP) for ‘advanced level’.

Social Fairness is also one of the five elements of the Cradle to Cradle® philosophy we have been following since 2008. It covers all areas from ensuring high health and safety standards in our offices and plants to trying to ensure that no one in our supply chain around the world has any connection with the use of child labor or enforced labor.

For Desso, social fairness covers:
- Improve social risks and impacts of Desso’s own operations.
- Improve social risks and impacts of Desso’s suppliers.
- Collaborate to advance broad UN goals by community development projects.

To help us in this process we have been partnering with SEDEX, a non-profit data exchange organization dedicated to creating sustainable supply chains. Working with SEDEX has involved three steps:
1. Assessing potential risks of our own operations and across our supply chain, based on country and sector profiles.
2. Proceeding with self-assessment questionnaires (SAQ) sent to potential medium and high risk suppliers.
3. Carrying out audits in accordance to the standards set by the SEDEX Members Ethical Trade Audit (SMETA).

Desso signed up for a pilot phase with SEDEX, running from October 2014 to May 2015.

In order to cover minimum risk for all suppliers we have developed a Supplier Code of Conduct, integrating the UNGC’s principles (see boxout below). All our high and medium risk suppliers were contacted during the period October 2014 to May 2015 to sign our renewed supplier Code of Conduct. As a consequence in 2015, 43 of all raw material suppliers signed Desso’s supplier Code of Conduct and through this committed to the principles of UNGC. Those 43 suppliers represent 63% of Desso’s spend in 2015. More details about our supply chain management program follows below.

The Ten Principles of the UNGC

The UN Global Compact’s ten principles in the areas of human rights, labor, the environment and anti-corruption are as follows:

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. They should make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. They should uphold the elimination of all forms of forced and compulsory labor.
5. They should uphold the effective abolition of child labor.
6. They should uphold the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges.
8. They should undertake initiatives to promote greater environmental responsibility.
9. They should encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.
Supply Chain Management

Desso’s direct suppliers, numbering around 10% mainly from across Western Europe, supply the company several times a week with all the crucial ingredients it needs for production including yarn, chemicals, bitumen and resin. Its indirect suppliers, roughly 90% from across Europe, provide what the company needs for maintenance, repairs, operational products, services and utilities.

We fully understand the vital role our suppliers play in helping us to realise our vision. To meet our ambitious targets we seek business relationships with suppliers who share our vision, are dedicated to improve their products and operations towards environmental and social excellence, and promote the same values actively among those with whom they do business.

As described earlier, to implement social fairness along the whole value chain effectively, Desso has renewed its approach and decided to work together with SEDEX, a platform for assessment and management of ethical business practices along the value chain. For Material Health Assessment of products and services that are considered for procurement, Desso continues working together with EPEA Hamburg.

Product Declaration

For every product we purchase, we ask our suppliers to fill in a product declaration. The product declaration is the basis for a third party material health assessment by EPEA. As soon as the product is “positively defined” by EPEA, it is a purchasing option for Desso. (A positive assessment is a purchasing prerequisite).

Supplier assessment

In 2014, Desso’s purchasing department began to map out the company’s supply chain, focused on social risks and the possible impact of Desso’s own operations and those of its suppliers on employees and communities. The areas of labor, health & safety, environment and business

Social Fairness: supporting sustainable farming in the Peruvian tropical rainforest

Deforestation and forest degradation, through agricultural expansion, conversion to pastureland, infrastructure development, destructive logging, fires and more account for nearly 20% of global greenhouse gas emissions, according to the UN44). Tropical forests continue to disappear at an alarming rate, resulting in a devastating loss of biodiversity.

As part of our commitment to C2C’s Social Fairness principles, Desso aims to support sustainable farming practices in developing countries and the preservation of biodiversity where tropical forests are under threat and local farmers are discouraged from continuing with more sustainable practices.

In that light, we were delighted to be able to support mainly through a financial contribution, a project in the Tambopata region of Peru, with the aim of helping local cocoa farmers utilise their knowledge and skill to maintain sustainable agroforestry projects and in so doing discourage further deforestation and loss of biodiversity.

In 2013, we joined a new business group, linked to the UN’s REDD+ initiative (Reducing Emissions from Deforestation and Forest Degradation). As well as Desso, this partnership includes the Dutch sustainable energy companies Essent and Eneco, the Dutch Development Bank FMO and the Platform Biodiversity, Ecosystems & Economy (Platform BEE). In 2014, the members of the REDD+ business initiative agreed to make a major contribution to this project.

The resources goes towards supporting the work of the Peruvian Association for Research and Sustainable Development (AIDER), which has been awarded a 20 year concession to manage the Tambopata and Bahuaja-Sonene protected areas in the Madre de Dios region of the Peruvian Amazon, one of the world’s most important biodiversity hotspots.

In support of the area’s economic development, AIDER developed a REDD+ strategy building conservation alternatives to current subsistence agricultural practices such as slash and burn among the surrounding native communities and poor migrants from the Andes region.

In practice, the project has created a 4,000 hectare buffer zone of certified cocoa plantations where agroforestry systems are to be deployed. Through the intensification of their agricultural practices, 1,100 small farmers will be able to improve their livelihoods without a further deforesting of the primary forest. This project is also expected to reduce greenhouse gas emissions by 450,000 tonnes per year on average, contributing further to climate change mitigation.
integrity were chosen as a basis for the study, connected to the UNGC’s four pillars (human rights, labor, environment, and anti-corruption).

The first supplier assessment began in October 2014, in which a selection of vendors were used as base for this analysis. As a next step all active vendors were risk rated (based on region, type of industry and size of business).

Results of the supplier assessment
- Inherent Risk Analysis: 100% of our own operations and all of our active suppliers, in total 3,508.
- 57 suppliers out of the 3,508 were classified as ‘high risk’ based on their country and industry profile.
- Self-Assessment Questionnaires: SAQs were completed on social and environmental aspects by 59 out of 212 suppliers.

What we have learnt
- Our initial scope was too large, so some suppliers contacted were not relevant to our study.
- We were able to confirm that only a few of Desso’s tier 1 suppliers were labelled a potential high risk in the social area.
- Working with SEDEX is difficult if suppliers have chosen another system, as there is no standardized approach.
- There are new suppliers coming in all the time. This requires fast screening and a good understanding of where we need to investigate in depth.
- We are currently revising our approach based on our experience and set-up policy and due diligence procedures.

Code of Conduct and Business Ethics
We employ hundreds of people globally and need to ensure that every single employee and all those who work for us as contractors adhere to our Code of Conduct rules. Operating honestly, openly and with integrity is of key importance to us. Showing respect to other culture, following the rules and regulations in all locations, being a good business these are non-negotiable behaviours.

The actions of Desso and its directors, managers, officers, employees, agents, consultants and other representatives must be in compliance with applicable laws, the company’s values and Code of Conduct.

When there is any doubt as to the lawfulness of any proposed activity, we advise our employees to seek advice from the Human Resources department, the same is applicable in case of any grievances. In 2015, there have been no formal grievances or discrimination incidents recorded in this period.

Corporate Citizenship
Next to our management approach we consider ourselves a corporate citizen and want to take our responsibility for the larger society. To this end, we engaged in several projects serving community development and education. In particular, we would like to draw attention to the following:
- Project Mainstream (page: 22)
- CE100 (page: 22)
- REDD+ (page: 66)
- Healthy Seas (page: 51)
- Portable water drilling unit in Gambia (page: 59)

More details on each of these projects can be found on the above mentioned pages.

Future steps
As we have been acquired by Tarkett in December 2014, we are currently involved in an elaborate integration process. Tarkett is an ‘advanced’ member of UNGC, which means that our social commitment will only be further strengthened. During 2015, we reviewed the findings from our SEDEX pilot (see above) and aligned our social targets within the Tarkett organization. From there we will develop effective policies, strategies, procedures, targets and KPIs to drive our social performance to the next level.
At Desso, we are committed to clear, open and honest communications that enable us to achieve our strategic objectives. Reinventing a business means having to win the hearts and minds of a multitude of stakeholders, both internally and externally.

For these reasons, Desso believes that robust and open communications is one of the fundamental drivers of its long-term success. It is equally important that we make sure our communications is in line with our broad sustainability objectives, linked to Cradle to Cradle® and the circular economy.
Over the last five years (2009-2015) Desso has not received any fines or monetary sanctions for non-compliance with any general laws and regulations, environmental laws or regulations, or laws and regulations concerning the provision and use of products and services.

There were no legal actions for anti-competitive behaviour, anti-trust, or monopoly practices.
SCOPE AND REPORTING PRINCIPLES

Boundary of report

Desso operates its own vertically integrated production process in its factories in the Netherlands and Belgium. All stages of Desso’s carpet production are managed over these three sites:
- Waalwijk, The Netherlands (carpet tiles and recycling) - headquarter
- Goirle, The Netherlands (finishing)
- Dendermonde, Belgium (carpets and yarns)

Desso Holding BV is a subsidiary of Tarkett and conducts business through three main entities, Desso BV (carpet), Desso Refinity BV (recycling) and Desso Sports BV (Desso GrassMaster® hybrid grass and artificial turf installation). Desso BV consists of 6 subsidiaries:
- Desso NV
- Desso Ltd
- Desso SAS
- Tarkett Schweiz
- Desso Australia PTY
- Desso Inc

Concerning the environmental indicators the report covers the entities: Desso BV, Desso Refinity BV and Desso NV as those represent the production activities. At the production locations the major impacts occur. All other indicators refer to Desso Holding BV as a whole.

This set-up is crucial in enabling us to monitor quality as well as maintain flexibility in the support of our customer needs. Boundary of reporting:
2010: Acquisition Enia: Waalwijk, Dendermonde, Goirle, and Heerlen
2011: Waalwijk, Dendermonde, Goirle and Heerlen
2012: Waalwijk, Dendermonde, Goirle
2013: Waalwijk, Dendermonde, Goirle
2014: Waalwijk, Dendermonde, Goirle
2015: Waalwijk, Dendermonde, Goirle

Scope of reporting

Regarding the scope of Desso’s indicators, this is explained in detail on page 38. Desso’s environmental indicators are predominantly production and raw material usage related as this is where the biggest impacts occur. Hence the reporting of these are focused on Desso’s production sites. All other indicators cover total Desso. The scope has not changed compared with 2014.

Reporting Principles:
DESSO’s Sustainability Report for 2015 is drafted in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI G4 Core option).
Assurance report of the independent auditor with respect to the Sustainability Report 2015 of Desso Holding B.V.

To the stakeholders of Desso Holding B.V.

We have performed a limited assurance engagement on the Key Performance Indicators (EN1 Materials used by weight or volume, EN2 Percentage of materials used that are recycled input materials, EN3 Energy consumption within the organization, EN8 Total water withdrawal by source, EN10 Percentage and total volume of water recycled and reused, EN15 Direct greenhouse gas (ghg) emissions (scope 1), EN16 Energy indirect greenhouse gas (ghg) emissions (scope 2), EN22 Total water discharge by quality and destination, EN23 Total weight of waste by type and disposal method, EN28 Percentage of products sold and their packaging materials that are reclaimed by category, LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender), as listed in the 2015 Sustainability Report of Desso Holding B.V. (hereafter: “the KPIs”).

In addition we have reviewed whether the 2015 Sustainability Report ('Report') has been prepared in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI G4 Core option) with the objective to issue an assurance report that provides limited assurance.

Limitations in our scope
The Report contains prospective information, such as ambitions, strategy, targets, expectations and projections. There are inherent uncertainties in presenting prospective information. We do not provide any assurance on the assumptions and feasibility of this prospective information.

We did not perform assurance procedures on the KPIs of comparative periods.

Management’s responsibility
Management of Desso Holding B.V. is responsible for the preparation of the Report in accordance with the Sustainability Reporting Guidelines (GRI G4 Core option), including the identification of the stakeholders and the determination of material subjects. The disclosures made by management with respect to the scope of the Report are included in the section ‘Scope and reporting principles’ of the Report.

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to express a conclusion on the Report based on our review. We conducted our review in accordance with Standard NV COS 3810N “Assurance engagements relating to sustainability reports”. This requires that we comply with ethical requirements and that we plan and perform our work to obtain limited assurance about whether the Report is free from material misstatement.

A review is focused on obtaining limited assurance. The procedures performed in obtaining limited assurance are aimed at the plausibility of information which does not require the same exhaustive gathering of evidence as in engagements focused on reasonable assurance.
The procedures performed consisted primarily of making inquiries of management and others within the Company, as appropriate, applying analytical procedures and evaluating the evidence obtained. Consequently, a review engagement provides less assurance than an audit.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Procedures performed
Our procedures included the following:
- Performing an external analysis and obtaining an understanding of the sector, relevant sustainability issues, relevant laws and regulations and the characteristics of the organisation.
- Evaluating the design and implementation of the systems and processes for data gathering and processing of information as presented in the KPIs.
- Reviewing internal and external documentation to determine whether the information as included in the KPIs, including the presentation and assertions made in the report, is adequately supported.
- Performing analytical review procedures.
- Interviewing management and relevant staff responsible for the KPIs.
- Assessing whether the Report has been prepared in accordance with the Sustainability Reporting Guidelines (GRI G4 Core option) of the Global Reporting Initiative.

Conclusion
Based on our procedures performed, nothing has come to our attention that causes us to conclude that the Report and the assurance KPIs have not been prepared in all material respects in accordance with the Sustainability Reporting Guidelines (GRI G4 Core option) of the Global Reporting Initiative.

Rotterdam July 18, 2016

Deloitte Accountants B.V.
(signed on original)

P.J. Seegers
Desso’s Sustainability Report for 2015 is prepared in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI G4 Core option). The following index shows where information can be found, with links to the Sustainability report. Deloitte has conducted a limited assurance review on 11 KPIs (see marked below with √) and GRI has applied a Materiality Disclosures check and a SDG mapping of Desso’s Sustainability report 2015.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Page</th>
<th>UNGC</th>
<th>SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGY AND ANALYSIS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-1</td>
<td>4</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>ORGANIZATIONAL PROFILE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-3</td>
<td>3</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-4</td>
<td>3</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-5</td>
<td>73</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-6</td>
<td>72, 73</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-7</td>
<td>18</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-8</td>
<td>3, 72</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-9</td>
<td>3, 73</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-10</td>
<td>3, 63</td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td>G4-11</td>
<td>62</td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td>G4-12</td>
<td>65, 66</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-13</td>
<td>19</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-14</td>
<td>8, 9</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-15</td>
<td>5</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-16</td>
<td>22-25</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-17</td>
<td>18, 73</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>G4-18</td>
<td>28, 29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-19</td>
<td>28, 29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-20</td>
<td>29, 73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-21</td>
<td>29, 73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-22</td>
<td>n.a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-23</td>
<td>29, 73</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Total capitalization broken down in terms of debt and equity is not included because of specific legal prohibitions, since Desso is part of a listed company.

** Employee categories are not split by gender, due to the fact that our stakeholders have not requested us to do so.
<table>
<thead>
<tr>
<th>Indicators</th>
<th>Page</th>
<th>UNGC</th>
<th>SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAKEHOLDER ENGAGEMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-24 Stakeholder groups engaged by the organization.</td>
<td>28, 29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-25 Basis for identification and selection of stakeholders with whom to engage.</td>
<td>28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-26 Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group</td>
<td>28, 29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-27 Key topics and concerns that have been raised through stakeholder engagement</td>
<td>28, 29</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REPORT PROFILE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-28 Reporting period</td>
<td>34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-29 Date of most recent previous report</td>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-30 Reporting cycle</td>
<td>annual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-31 Contactpoint for questions</td>
<td>backcover</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-32 GRI Content Index</td>
<td>76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-33 External assurance for the report</td>
<td>74, 75</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-34 Governance structure of the organization</td>
<td>18</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td><strong>ETHICS AND INTEGRITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-56 Organization’s values, principles, standards and norms of behavior</td>
<td>8, 9</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specific standard disclosures</th>
<th>Page</th>
<th>UNGC</th>
<th>SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ECONOMIC PERFORMANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>8, 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EC1 Direct economic value generated and distributed</td>
<td>Existence of specific legal prohibitions</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>G4-EC4 Financial assistance received from government</td>
<td>none</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ENVIORNMENTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN1 Materials used by weight or volume</td>
<td>✓</td>
<td>43</td>
<td>x</td>
</tr>
<tr>
<td>G4-EN2 Percentage of materials used that are recycled input materials</td>
<td>✓</td>
<td>49</td>
<td>x</td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>34, 53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN3 Energy consumption within the organization</td>
<td>✓</td>
<td>54</td>
<td>7, 8, 12, 13</td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN8 Total water withdrawal by source</td>
<td>✓</td>
<td>58</td>
<td>x</td>
</tr>
<tr>
<td>G4-EN9 Water sources significantly affected by withdrawal of water</td>
<td>58</td>
<td>x</td>
<td>6</td>
</tr>
<tr>
<td>G4-EN10 Percentage and total volume of water recycled and reused</td>
<td>✓</td>
<td>58</td>
<td>x</td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)</td>
<td>✓</td>
<td>55</td>
<td>x</td>
</tr>
<tr>
<td>G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)</td>
<td>✓</td>
<td>54</td>
<td>x</td>
</tr>
<tr>
<td><strong>EFFLUENTS AND WASTE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>48, 58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN22 Total water discharge by quality and destination</td>
<td>✓</td>
<td>58, 59</td>
<td>x</td>
</tr>
<tr>
<td>G4-EN23 Total weight of waste by type and disposal method</td>
<td>✓</td>
<td>51</td>
<td>x</td>
</tr>
<tr>
<td>Specific standard disclosures</td>
<td>Page</td>
<td>UNGC</td>
<td>SDG</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------------</td>
<td>------</td>
<td>----------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>PRODUCTS AND SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>42, 43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN27 Extent of impact mitigation of environmental impacts of products and services</td>
<td>43</td>
<td>x</td>
<td>6,8,12,13,14,15</td>
</tr>
<tr>
<td>G4-EN28 Percentage of products sold and their packaging materials that are reclaimed by category</td>
<td>51</td>
<td>x</td>
<td>8,12</td>
</tr>
<tr>
<td><strong>COMPLIANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</td>
<td>71</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>SUPPLIER ENVIRONMENTAL ASSESSMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken</td>
<td>66</td>
<td>x</td>
<td>5</td>
</tr>
<tr>
<td><strong>ENVIRONMENTAL GRIEVANCE MECHANISMS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms</td>
<td>none</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>SOCIAL - LABOR PRACTICES AND DECENT WORK</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OCCUPATIONAL HEALTH AND SAFETY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>34, 64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities</td>
<td>64</td>
<td>3,8</td>
<td></td>
</tr>
<tr>
<td><strong>SUPPLIER ASSESSMENT FOR LABOR PRACTICES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken</td>
<td>66</td>
<td>5,8,16</td>
<td></td>
</tr>
<tr>
<td><strong>LABOR PRACTICES GRIEVANCE MECHANISMS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms</td>
<td>none</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td><strong>SOCIAL - HUMAN RIGHTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-HR4 Operations and suppliers in which the right to exercise freedom of association and collective bargaining may be violated</td>
<td>none</td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td><strong>CHILD LABOR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor</td>
<td>none</td>
<td>x</td>
<td>8,16</td>
</tr>
<tr>
<td><strong>FORCED OR COMPULSORY LABOR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor</td>
<td>none</td>
<td>x</td>
<td>8</td>
</tr>
<tr>
<td><strong>ASSESSMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA Generic Disclosures on Management Approach</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments</td>
<td>all</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>
### Specific standard disclosures

<table>
<thead>
<tr>
<th>Specific standard disclosures</th>
<th>Page</th>
<th>UNGC</th>
<th>SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUPPLIER HUMAN RIGHTS ASSESSMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
</tr>
<tr>
<td>G4-HR11</td>
<td>Significant actual and potential negative human rights impacts in the supply chain and actions taken</td>
<td>66</td>
<td>x</td>
</tr>
<tr>
<td><strong>HUMAN RIGHTS GRIEVANCE MECHANISMS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
</tr>
<tr>
<td>G4-HR12</td>
<td>Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms</td>
<td>none</td>
<td>x</td>
</tr>
<tr>
<td><strong>SOCIAL - SOCIETY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PUBLIC POLICY</strong></td>
<td></td>
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<tr>
<td>G4-DMA</td>
<td>Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
</tr>
<tr>
<td>G4-SO6</td>
<td>Total value of political contributions by country and recipient/beneficiary</td>
<td>none</td>
<td></td>
</tr>
<tr>
<td><strong>ANTI-COMPETITIVE BEHAVIOR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Generic Disclosures on Management Approach</td>
<td>65-67</td>
<td></td>
</tr>
<tr>
<td>G4-SO7</td>
<td>Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes</td>
<td>none</td>
<td></td>
</tr>
<tr>
<td><strong>COMPLIANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Generic Disclosures on Management Approach</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>G4-SO8</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td><strong>SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Generic Disclosures on Management Approach</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>G4-SO10</td>
<td>Significant actual and potential negative impacts on society in the supply chain and actions taken</td>
<td>66</td>
<td>x</td>
</tr>
<tr>
<td><strong>SOCIAL - PRODUCT RESPONSIBILITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CUSTOMER HEALTH AND SAFETY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Generic Disclosures on Management Approach</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>G4-PR1</td>
<td>Percentage of significant product and service categories for which health and safety impacts are assessed for improvement</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td><strong>MARKETING COMMUNICATIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Generic Disclosures on Management Approach</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>G4-PR6</td>
<td>Sale of banned or disputed products</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td><strong>COMPLIANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Generic Disclosures on Management Approach</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>G4-PR9</td>
<td>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</td>
<td>71</td>
<td></td>
</tr>
</tbody>
</table>
1) For more information go to: http://www.ellenmacarthurfoundation.org/circular-economy
5) http://www.ellenmacarthurfoundation.org/blog/project-mainstream
6) For more information go to: http://www.ellenmacarthurfoundation.org/business/ce100
14) http://www.ellenmacarthurfoundation.org/blog/project-mainstream
15) For more information go to: http://www.ellenmacarthurfoundation.org/business/ce100
17) http://www.ellenmacarthurfoundation.org/blog/project-mainstream
24) Rapidly renewable materials are natural, non-petroleum-based building materials that have harvest cycles under 10 years.
25) Based on tests performed by GUI, with DESSO AirMaster® versus a standard smooth floor and versus standard structured loop pile carpet (median values). GUI is an independent German test institute, which assess the extent to which a product has a positive effect on air quality indoors. It looks for both effectiveness in reducing fine dust and having low levels of VOCs (Volatile Organic Compounds).
25a) ISO 16000 test analysis, according AgBB evaluation scheme 2010 and in accordance with GUT emission criteria.
25b) Tests performed by GUI, with DESSO AirMaster® with EcoBase (polyolefin) backing (report no. 150424-01)
26) Tests performed at SWA (Schall- und Wämemessstelle Aachen GmbH) – Institut fuer schalltechnische und wärmetechnische Prüfungen-Beratung-Planung.
27) Tests performed at SWA (Schall- und Wämemessstelle Aachen GmbH) – Institut fuer schalltechnische und wärmetechnische Prüfungen-Beratung-Planung.
28) Data based on calculations made with DIALux software, based on closed cell office without furniture and without windows. The results depend on the size of the room, the height of the ceiling, the amount of light coming in from outside and the general nature of the surroundings.
29) 50% relates to the sales volume of products available with ECONYL® yarn in the commercial carpet tile collection. The total % of recycled content varies per product and per colour. Whether a colour contains ECONYL® yarn and the exact % thereof can be found on our website: www.desso.com.
30) Positively defined = all ingredients have been assessed as either Green (optimal) or Yellow (tolerable) according to the Cradle to Cradle® assessment criteria. As described in Cradle to Cradle® CertifiedCM Product Standard Version 3.1.
31) Desso’s Take Back™ and Refinity® programs will be re-branded to ReStart™ late 2015. ReStart™ is the recycling and Reclamation Program of Desso’s parent company Tarkett.
33) Rapidly renewable materials are natural, non-petroleum-based building materials that have harvest cycles under 10 years
34) http://healthyseas.org/
35) Hydroelectric power is generated by water flowing through a dam’s interior causing turbines to spin. As long as rainfall keeps the river full enabling it to replenish the water in the lake behind the dam, electricity will be generated without using a non-renewable fuel such as coal. Recently, some environmentalists have claimed that dams can alter nature’s river systems, with a possible impact on plant and
animal habitats leading to an imbalance in the ecosystem. Desso is aware of this debate and is in conversation with its energy supplier to ensure the hydropower energy it uses is generated in a sustainable way. http://www.sustainablehydropower.org; http://wwf.panda.org/what_we_do/footprint/water/dams_initiative/dams/energy/

C02 Conversion factors used: Dutch Emission Authority - Agency NL (gas NL = 56.5 kg CO2/GJ), Auditconvenant of the Flemish environmental agency - Vlaamse Milieumaatschappij VMM (gas B = 55.8 kg CO2/GJ, see: www.auditconvenant.be/nl/nl33_energieplan.asp); for renewable electricity38) no CO2 emissions have been accounted.

http://www.floflo.nl/

Injury rate = number of accidents with at least 24 hours absence, per 200,000 working hours. Lost day rate = accident related lost days per 200,000 working hours

Belgium official statistics – http://www.faofat.fgov.be/)

Calculated as Absent days divided by total worked days

For more information on SEDEX go online to: http://www.sedexglobal.com/about-sedex/

For classifications of social risks the MAPLECROFT database was deployed. This database classifies social risks based on country, sector and product profiles, on a scale from 1-2.5 (low risk), 2.6-5 (medium risk) and 5.1-10 (high risk).

All vendors with turnover in the period 2013 – 2014 May 20th and that are not flagged for ceasing contracts


Afep/Medef : Association francaise des entreprises privees (the French Association of Private Companies), Mouvement des entreprises de France (the largest association of employers in France).