

# Interface - Case Study

---

## Background to Interface

Interface manufactures carpets, textiles, chemicals, architectural products and access flooring systems. The company supplies more than 40 percent of all new carpet tiles fitted in commercial buildings world-wide. A truly global company, it has 27 manufacturing sites and 37 offices located across the UK, United States, Canada, Northern Ireland, Netherlands, Australia and Thailand, and with retail outlets in more than 110 countries. Turnover is \$1.1 billion.

---

## Sustainable development policy

Interface aims to be the first company that, by its deeds, shows the entire industrial world what sustainability is in all its dimensions - people, process, product, place and profits - by 2020, and in doing so we will become restorative through the power of influence.

*"Interface will become the first name in commercial and institutional interiors world-wide through its commitment to people, process, product, place and profits. We will strive to create an organisation wherein all people are accorded unconditional respect and dignity; one that allows each person to continuously learn and develop. We will focus on product (which includes service) through constant emphasis on process quality and engineering, which we will combine with careful attention to our customers' needs so as always to deliver superior value to our customers, thereby maximising all stakeholders' satisfaction. We will honour the places where we do business by endeavouring to become the first name in industrial ecology, a corporation that cherishes nature and restores the environment. Interface will lead by example and validate by results, including profits, leaving the world a better place than when we began, and we will be restorative through the power of our influence in the world."*

### Drivers for the policy

- Believing it is the right thing to do. "For the sake of humankind's continued survival, enjoying acceptable and healthy life styles for all, industrialised civilisation must recognise and accept an imperative" Ray Andersen.
- Increasing the company's competitiveness through sustainability innovation of products, activities and services, both through improved efficiency and by reflecting the consumer's increasing desire for "greener" products.
- Improving efficiency and achieving cost savings through waste minimisation and reduction programmes.
- Improving the company's image and reputation to gain market place advantage - setting Interface apart from "the rest of the pack" by embracing sustainable development.

### Social sustainability

Social sustainability has only been placed at the core of the vision since 2000. It focuses on the development of programs and processes that promote social interaction and cultural enrichment. It emphasises protecting the vulnerable, respecting social diversity and ensuring that we all put priority on social capital.

Social sustainability is related to how we make choices that affect other humans in our "global community" — the Earth. It covers the broadest aspects of business operations and the effect that they have on employees, suppliers, investors, local and global communities and customers. Social sustainability is also related to more basic needs of happiness, safety, freedom, dignity and affection.

---

## Sustainable development in practice

Recycling alone is not enough - it is one-dimensional. Interface has expanded its concerns to the Seven Fronts of Sustainability and is determined to:

1. Eliminate Waste: Eliminating the concept of waste, not just incrementally reducing it;

2. Benign Emissions: Focusing on the elimination of molecular waste emissions. Eliminating waste streams that have negative or toxic effects on natural systems
3. Renewable Energy: Reducing the energy demands of Interface processes while substituting non-renewable sources with sustainable ones;
4. Closing the Loop: Redesigning Interface processes and products into cyclical material flows;
5. Resource-Efficient Transportation: Exploring methods to reduce the transportation of molecules (products and people) in favour of moving information. This includes plant location, logistics, information technology, video conferencing, e-mail, and telecommuting;
6. Sensitivity Hookup: Creating a community within and around Interface that understands the functioning of natural systems and our impact on them; and,
7. Redesign Commerce: Redesigning commerce to focus on the delivery of service and value instead of material. Encouraging external organisations to create policies and market incentives promoting sustainable practices.

A company-wide waste reduction programme has delivered total annual cost savings of \$185 million, with the majority of savings achieved by encouraging employees to take responsibility for 'good housekeeping' measures. Specific projects have included

- Reducing last 1cmcm from the edging of either side of the carpet to help it run through machinery has produced annual cost savings of \$0.8million,
- A new income stream worth \$25 per tonne has been created by diverting 150 tonnes of waste yarn per year from landfill for recycling into underfelt.
- UK carbon sequestration project in which the net carbon emissions associated with raw materials extraction, product manufacturing and transport for Interface's Heuga range of carpet tiles sold through B&Q stores are offset through payments to the Climate Care organisation;
- The three UK sites rely entirely on renewable energy to meet their electricity needs;
- Development of low environmental impact products and processes. For example, the Entropy product has 16 designs and the carpet tiles are laid randomly, a decision inspired by the pattern of fallen leave. The tiles can be laid 25% more quickly and waste is reduced to 1%. Tiles can be rotated, replaced and reused after their lives;
- Evaluation of the commercial opportunities to manufacture carpet from a new material developed by Cargill Dow Polymers. The new material is derived from maize and is both compostable and recyclable.

Other projects include:

- Implementing QUEST (Quality Using Employee Teamwork and Suggestions), a world-wide initiative focused on identifying, measuring, and eliminating waste at a local scale, and sharing the knowledge for global application and results.
- Holding a "Greening the Supply Chain" conference where suppliers' technical personnel were exposed to Ray Andersen's vision of sustainability and were asked to join us on our journey. We asked them to build new partnerships with Interface by creating innovative ways of supplying us with environmentally conscious products.
- Creation of the Interface Sustainability Report; the first publication of its kind.

Over the period 2001-2003 Interface is developing a set of dialogue processes with different stakeholder groups and a set of 'hard' internal measurements that will help Interface to understand where it needs to target improvements. In Europe/Asia-Pacific an employee dialogue programme has been running since 2000. In 2001 Interface launched 'SocioMetrics' to measure social performance using hard data in a comparable way to the environmental measurement system 'EcoMetrics'.

The company accepts responsibility for the entire life cycle of its products.

---

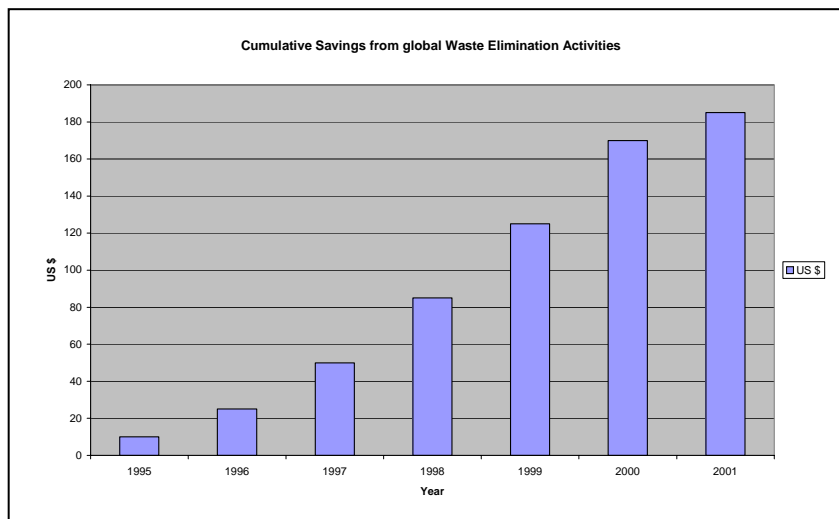
## **Business costs and benefits**

---

*"We at Interface believe that by striving for sustainability we are discovering better ways to make a bigger profit."* Dan Hendrix.

The progress to date indicates that the main business benefits to Interface Europe include:

1. Cumulative annual cost savings resulting from waste reduction initiatives of \$185 million across the company.
2. Use of water down since 1966 by 35% in the fabric business and 68% in the modular flooring business per unit of production.
3. Perception of Interface and its products as "green" and environmentally responsible. Interface won the Queen's Award for Enterprise (Sustainable Development) in 2002 for its sustainability vision and progress. As the consumer demand for "greener" products grows. Interface is well positioned to take advantage of this market.
4. Continual improvement in reducing waste on our production lines reaps significant savings, for example, a recent survey found that 200/0o of Interface's shareholders chose to invest capital with the company directly in response to the company's sustainable development strategy. A further 300/0 of shareholders stated that they were influenced by this factor when making their investment decision.
5. Inclusion in socially responsible investment portfolios because of our commitment to work towards sustainability.
6. The corporate philosophy has served as tiebreaker in numerous commercial contracts. There have been numerous instances where Interface matched competitors in terms of price and quality, and the efforts and leadership in sustainability became the deciding factors.
7. The staff learning programmes are widely admired.




---

## The Future

Sustainability is complex. It involves the thousands of ways the company connects to society and the natural world. The largest and most difficult problem to overcome has been existing laws and regulations governing commerce. The current infrastructure subsidises unsustainable industrial processes. To make significant progress, businesses will need the co-operation of government and other industrial partners to shift taxation away from economic and social benefits, (labour, income and investment) to detriments, (pollution, waste, and the loss of primary resources).

---

## Further information

For further details refer to the website at <http://www.interfaceflooring.com/sustain/>