

2019

Sustainability Report

TOGETHER WE STRIVE

Milliken®



SOLVING FOR A BETTER TOMORROW

Seeing possibilities wherever we look

At Milliken, we know the smallest details can have the biggest impact—which is why we are inspired by our journey toward a more sustainable world. Driven by an endless curiosity and world-class collaboration, together, our team seeks the discoveries that spark tomorrow's breakthroughs. Our innovations solve customer and industry-specific sustainability challenges from increasing the amount of recycled content in plastics and textiles to creating interior environments that support wellness, to protecting our first responders with safer uniforms and turnout gear.



Our expertise in research, design, and sustainable manufacturing is driven by our four divisions: Textile, Flooring, Chemical, and Healthcare.

MILLIKEN LOCATIONS



📍 Location of Global Headquarters: Spartanburg, South Carolina, United States

📍 Location of Operations: United States, United Kingdom, Belgium, France, China, Mexico, and Australia with additional sales and service operations throughout the Americas, Europe, and Asia

8,800+
TOTAL SUPPLIERS

1,500+
NEW SUPPLIERS

42 MANUFACTURING LOCATIONS:
28 TEXTILE
8 FLOORING
4 CHEMICAL
2 HEALTHCARE

PURPOSE

Together we strive to positively impact the world around us for generations to come.

VALUES



Integrity
Do the right thing



Excellence
Set a high bar for performance



Innovation
Reward big thinking



Sustainability
Create a healthy future



People
Empower exceptional teams

VISION

Be a values-based company with depth in materials science, customer intimacy, and operational excellence that delivers profitable growth and superior shareholder returns.



In 2019, Milliken joined the UN Global Compact,

the largest global sustainability effort



IMPROVING PATIENT LIVES

Our acquisition of Andover Healthcare, a leading manufacturer of cohesive bandages and compression systems spanning medical, animal health, and sports medicine markets, strategically aligns us with another respected brand in patient care. Milliken's new Healthcare division aims to improve patient lives and treat challenging, chronic, and hard-to-heal wounds.



Milliken is 1 of 8 companies awarded World's Most Ethical for

13 consecutive years



2019 ACQUISITION



We expanded our portfolio of outdoor performance textiles with the acquisition of Polartec, a global brand known for innovation and sustainability.



NEW AGRICULTURAL LAB IN BRAZIL

With the opening of the Milliken Agricultural Lab in Sao Paulo, Brazil, we took one more step in our journey to help the agriculture industry develop sustainable solutions by applying advanced research to localized application and performance testing for seed coatings, fertilizers, and crop protection.

We are living at this pivotal moment in history. Maybe for the first time, we understand both the problems and the solutions.

Brian Skerry, National Geographic Photographer, Milliken, October 30, 2019



15,055

HOURS LOGGED IN RECENTLY LAUNCHED VOLUNTEER PORTAL

Ed Zhao, Senior Vice President of Milliken's Growth & Strategy for the Asia region volunteers for a Milliken coastal cleanup at Binjiang Forest Park, China.



Milliken and its partners in the Alliance to End Plastic Waste are enabling meaningful, lasting solutions that will protect our ocean and environment while also elevating the quality of life in communities that struggle most with unmanaged plastic waste today.

Jacob Duer, CEO, Alliance to End Plastic Waste

CEO ACTION FOR DIVERSITY & INCLUSION



We joined the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

PROCTOR & GAMBLE SUPPLIER EXCELLENCE AWARD

Milliken was one of 30 companies awarded the P&G Supplier Excellence Award for sustained business contributions. P&G's supply network includes more than 50,000 diverse suppliers from around the world.



Moving forward together

At Milliken, we've always proudly cared for the environment. Our first recycling policy was implemented in 1900—long before many were making efforts toward sustainability. Today, however, we are all driven by a singular sustainability focus: making the world a healthier place, both now and for generations to come. That focus shaped our work to lay the foundation for our journey to 2025.

Sustainability is part of what we do every day throughout all levels of our business and across the globe. At Milliken, we're making a positive impact on the world around us—and we're doing that work in sync with our customers, associates, partners, and communities.

That said if I could sum up 2019 in one word, it would be "Together." From finding efficiencies in our supply chain to investing in our communities through volunteer work, we are tackling our sustainability goals as one united team. Year one for us concentrated on laying the groundwork, solidifying our efforts, and setting the stage for the next five years of our journey, together.

In 2019, we:

- Formalized our purpose, values, and vision, our north star for our business strategy and sustainability objectives
- Established goals and identified the teams, governance structure, and strategies needed to meet them
- Acquired two companies, Andover Healthcare and Polartec, that share our values and buoy our environmental and human impact
- Developed a content platform with National Geographic to spotlight our commitment and convene thought-leaders in a broader dialogue for sustainability solutions
- Joined the United Nations Global Compact, reaffirming our public commitment to work with global leaders to positively impact the world
- Signed the CEO Diversity and Inclusion pledge, reinforcing my personal commitment to check my biases and lead with inclusivity

We've set our goals. We've created a plan. The right team is in place. While our 2025 sustainability journey is only just beginning, we're already making progress. I, for one, can't wait to see where the road will take us as we forge a healthier future for our planet and our people—together.

Halsey
HALSEY COOK
 President & CEO

DRIVEN BY INSIGHT, INFORMED BY GLOBAL PRIORITIES

Gaining insight to set our sustainability priorities

- SCIENTISTS
- ASSOCIATES
- COMMUNITY LEADERS
- CUSTOMERS
- ACADEMICS
- PUBLIC OFFICIALS

Listening to what is material to our stakeholders

PLANET	PRODUCT	PEOPLE
Carbon Emissions	Circular Economy	Health, Wellness, and Safety of Associates
Waste Disposal	Product Life Cycle Impacts	Diversity and Inclusion
Water Use	Chemical and Ingredient Safety	Technology and Innovation
	Material Traceability and Sourcing	
	Recycled Content	
	Health, Wellness, and Safety	

SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

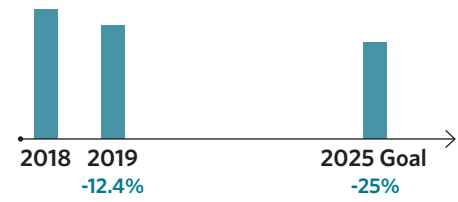


Our 2025 sustainability goals support nine of the seventeen United Nations Sustainable Development Goals. Together, with established global priorities, we aim to positively transform our world.

PROGRESS TOWARD 2025 GOALS

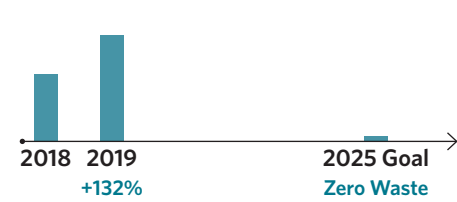
Planet Reducing our global footprint to increase our global impact

Reduce indexed greenhouse gas emissions by 25%



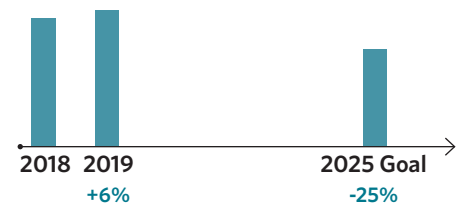
2018 Baseline: 1.45 MT/MT
2019: 1.27 MT/MT

ZERO waste to landfill



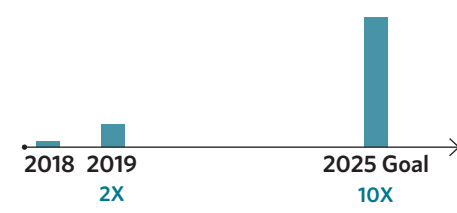
2018 Baseline: 6.2 lb/klb
2019: 14.4 lb/klb

Reduce indexed water usage by 25%



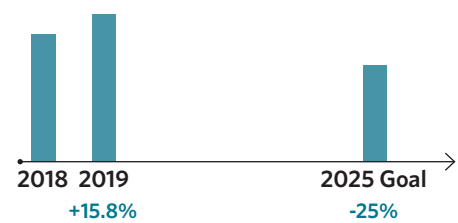
2018 Baseline: 2.94 gal/lb
2019: 3.12 gal/lb

Increase renewable energy use 10X



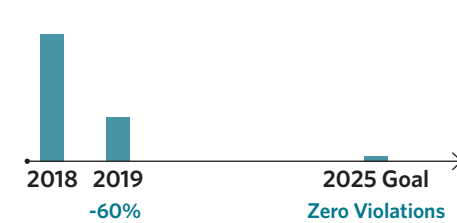
2018 Baseline: 9,009 MWh
2019: 18,049 MWh

Reduce indexed solid waste by 25%



2018 Baseline: 101 lb/klb
2019: 117 lb/klb

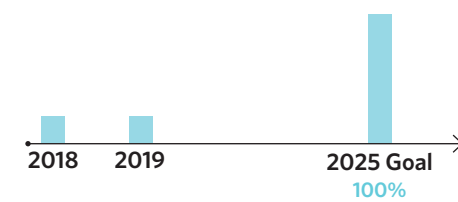
ZERO environmental violations



2018 Baseline: 5 violations
2019: 2 violations

Product Creating circular economies with internal assessments and industry-wide collaborations

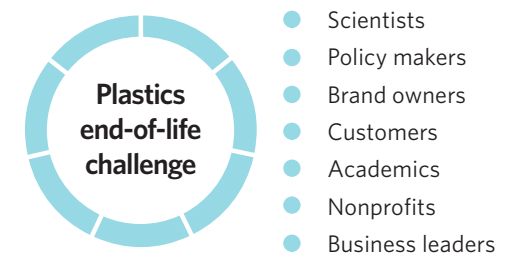
Analyze new products launched using Life Cycle Analysis principles



2018 Baseline: 22% new products analyzed
2019: 22% new products analyzed

- LCA-principles framework in design across all divisions
- Green chemistry curriculum scheduled
- Flooring expanding LCAs/EPDs with a focus on detailed embodied carbon

Convene scientists and thought leaders to advance the goal of solving the plastics end-of-life challenge



- Committed to sponsor National Geographic 2020 Circular Economy Forum
- Joined the Alliance to End Plastic Waste
- Assembled the first South Carolina Department of Commerce Regional Recycling Matchmaker

People Developing cutting-edge innovations starting with cared-for communities

Commit to an inclusive associate community



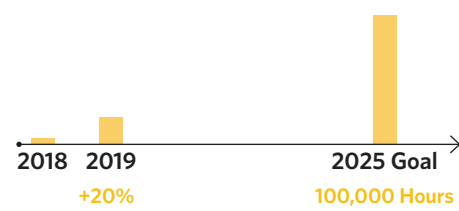
2018 Baseline: 36% diverse managers
2019: 39% diverse managers

ZERO data privacy breaches



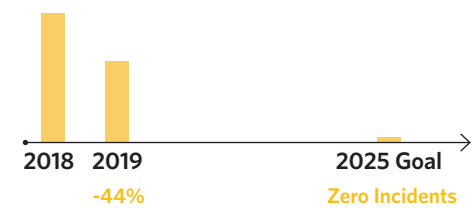
2018 Baseline: 0 breaches
2019: 0 breaches

100,000 volunteer hours in our communities



2018 Baseline: 3,446 hours
2019: 15,055 hours

ZERO lost time safety incidents



2018 Baseline: 25 lost time incidents
2019: 14 lost time incidents



The nationally recognized Milliken Arboretum includes over 600 acres and more than 250 cultivars.

PLANET

SMALL STEPS TO PREPARE FOR BIG LEAPS

We focused on capability building to position ourselves for progress on our planet goals. Proudly in 2019, we reduced our GHG emissions through our steps to eliminate coal as a fuel source. We continue to explore more solutions, including how to advance management of biosolids and prepare for big leaps in our waste reduction goals.

STRIVING TOWARD PROGRESS

Working to uncover the solutions necessary to achieve our planet goals

In our first year since announcing our 2025 sustainability goals, we focused on improving our environmental management approach to best position ourselves for progress, including:

- **New Oversight:** New Executive Vice President of Operations
- **Enhanced Focus:** Increased focus on Milliken Performance System
- **Expanded Team:** New team members across businesses focused on continuous improvement
- **Sharpened Approach:** Renewed approach on waste management

INVESTMENT IN COMBINED HEATING AND POWER

\$25M+
INVESTMENT IN COGENERATION

Combined heating and power enables us to reduce energy consumption by capturing wasted heat and increasing energy reliability by generating electricity onsite—with the aim of reducing total greenhouse gas emissions by 10% and reducing waste by 5%.



Combined Heating and Power (CHP) is an efficient, reliable, and resilient energy system and is promoted by both the U.S. Department of Energy and Environmental Protection Agency. The CHP system allows Milliken to eliminate coal as a fuel source and significantly reduce air pollutant emissions.

Barry Beck, Vice President, IC Thomasson Associates



ENVIRONMENTAL UPGRADES AT GLOBAL HEADQUARTERS

DOUBLED SOLAR CAPACITY ▶

495 METRIC TON

reduction in GHG emissions and 1,070,000 kWh reduction in energy with our \$1,000,000 LED lighting upgrade

13,338 POUNDS

of compost diverted from landfills with our new composting initiative—which reclaimed 648 square feet of cropland and saved 53,356 gallons of water



34 GLOBAL MANUFACTURING SITES ARE ISO 14001:2015 CERTIFIED FOR ENVIRONMENTAL COMPLIANCE

3 ADDITIONAL U.S. FACILITIES ARE RC14001® CERTIFIED BY THE AMERICAN CHEMISTRY COUNCIL FOR RESPONSIBLE CARE IN ENVIRONMENTAL MANAGEMENT SYSTEMS

4,000,000 GALLONS/YR

water usage reduced thanks to an initiative to optimize a piece dyeing procedure led by our Pendleton Dye and Finishing Plant

M P S MILLIKEN® PERFORMANCE SYSTEM

We enhanced our focus on Milliken Performance System, a methodology that embraces leadership principles and problem-solving tools to create sustainable organizational improvement in our operations.



Milliken's eco-elegant fabric collection, Breathe by Milliken™ is sustainably designed using natural or recycled fibers and a remarkable plant-based water repellent.

PRODUCT

TOWARD GREATER CIRCULARITY

A shared spirit connects us as we align our thinking on how Milliken products can advance more positive society-wide benefits, including designing out waste and pollution while increasing safety and well-being.



I'd like to bring groups together and educate across governments, NGOs, communities, and consumers to work together to leave this world a better place for my son and future generations.

Scott Trenor, Ph.D., Principal Scientist, Milliken

CIRCULARITY SOLUTIONS

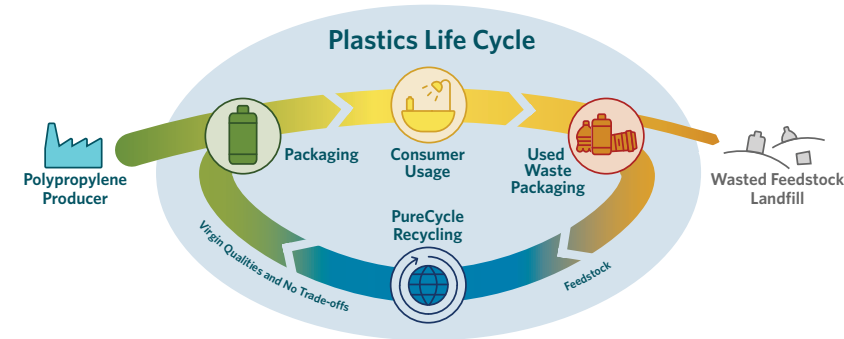
Solving a global plastics waste problem, one pound of polypropylene at a time

United by a shared passion for solutions that make a positive impact on the world, Scott Trenor and his longtime friend, John Layman, the initial inventor of PureCycle technology, collaborated to improve the recycling process for polypropylene plastics by incorporating the use of Milliken's additives.

The first PureCycle plant is expected to purify and recycle **119-million pounds** of polypropylene to produce **105-million pounds** each year. PureCycle Technologies recently announced ambitious plans to build 25 plants over the next 15 years—producing nearly four billion pounds of purified post-consumer polypropylene per year and making a significant contribution to solving a global plastics problem.

RECYCLING IN THE PLASTICS LIFE CYCLE

We are breaking the linear "take-make-dispose" approach to recycle plastics.



1.5 BILLION PLASTIC BOTTLES

diverted to date from landfills into recycled Polartec fabrics

5-8% ENERGY SAVINGS

enabled by Hyperform HPN during injection molding of plastic products

100% RECYCLED CONTENT

enabled in plastics using Deltamax performance modifiers

50% LONGER LIFE EXPECTANCY

provided by our cushion-backed carpet

IMPROVING PLASTICS RECYCLABILITY

NX-8000, a clarifier additive innovated by Milliken, earned the Association of Plastic Recyclers Design® Critical Guidance Recognition. This protocol helps innovators make informed choices that benefit worldwide recycling efforts.



THIRD PARTY PRODUCT SUSTAINABILITY CERTIFICATIONS



All of our carpet tile products are Red List Free and are renewed annually.



Certain Milliken and Polartec products are certified STANDARD 100 by OEKO-TEX®, one of the world's best known labels for textiles tested for harmful substances, ensuring high product safety. Verifiable certificate numbers are listed with the specific products.



The majority of Polartec products are BlueSign Certified. BlueSign monitors the complex journey of materials from factory to final product and their team includes experts in chemistry and textile production.



FIVE QUALITY CATEGORIES



Assessed by five sustainability categories, all our global carpet tiles are certified Cradle to Cradle Silver, a globally recognized measure of safer, more sustainable products.

INCREASING TRANSPARENCY

Expanding Life Cycle Analysis to improve sustainable impact

Milliken Flooring is in the process of doubling its Environmental Product Declarations and asking suppliers for more transparency in order to increase the accuracy of our Life Cycle Assessment data beyond the generic information that models previously provided. We realize the need to understand the impact of embodied carbon in our flooring products particularly in the building environment. In order to reduce our carbon footprint, we continually seek to improve data and reduce the carbon impacts of our products.

EMBRACING GREEN CHEMISTRY

Our community of scientists and engineers are expanding the use of Green Chemistry principles to design materials that are both circular and reduce or eliminate hazardous substances. Green Chemistry's approach aims to reduce or eliminate the use and/or generation of hazardous substances in the design phase of materials development.



INFORMED PRODUCT CHOICES

All Milliken Flooring products are now listed in mindful Materials—a vetted platform with aggregated information on human health and environmental impacts.

IMPROVING WELL-BEING

Educating the global community, raising standards, and pursuing product innovations to advance our commitment to safety and wellness



WELLNESS TRAINING

7 NEW WELL-ACCREDITED PROFESSIONALS

5K+ PEOPLE TRAINED GLOBALLY

140 WELL-SPECIFIC CONTINUING EDUCATION UNITS WERE PROVIDED TO ARCHITECTS AND DESIGNERS

FLAME RESISTANT AND ARC RATED FABRIC TRAINING



Our goal at the UMC Burn Center is to provide the best patient care possible. By utilizing Milliken's advanced burn care dressings, we are able to achieve outstanding patient outcomes while saving time and money.

Jeffrey E. Carter, MD, University Medical Center New Orleans, Burn Center

CONTRIBUTING TO GREEN AND WELLNESS STANDARDS

Our products contribute to LEED v4, a standard driving meaningful reductions in GHG emissions associated with building construction, building operations, and putting a stronger emphasis on human health and well-being.

IMPROVING AIR QUALITY

All Milliken Flooring is certified annually for CRI Green Label Plus or SCS Global FloorScore to certify low emissions of VOCs to improve air quality and comply with stringent indoor air quality emissions.

PREVENTING SLIPS AND FALLS

D2 Dynamic Design is a two-part system that utilizes adaptex Active Surface Technology to lock a textile top and adhesive magnetic base together. It is the first of its kind to maximize both stability and design, which simultaneously prevents slips, trips, and falls while enhancing the space's aesthetic.



Charles Whitesides, Drawing Operator, Golden Valley Plant, Milliken

PEOPLE

CARING FOR OUR ASSOCIATES

We believe caring for our people is an important step in empowering exceptional teams. From expanding diversity and inclusion training to our associates and communities to developing work environments that support health and safety, we work together to advance new solutions and create a better tomorrow for everyone.



Robert Freeman, Finishing Support Operator, Pendleton Plant, Milliken

“
We empower exceptional teams
by focusing on our people.”

Craig Haydamack, SVP,
Chief Human Resource Officer, Milliken



EXPANDING OUR CERTIFIED
HEALTHIER WORKPLACES



SAN FRANCISCO CERTIFIED IN DECEMBER

2019

New York City and Chicago certified in 2018.

INCREASING MENTAL HEALTH
AWARENESS IN A GLOBAL WORKFORCE

At Milliken, we recognize the value of mental health awareness and offer unlimited access to employee assistance programs for associates and their families, regardless of benefits enrollment status. In 2019:

UNITED STATES	21	U.S. ASSOCIATES CERTIFIED AS MENTAL HEALTH FIRST AID RESPONDERS
	56	U.S. ASSOCIATES COMPLETED A MENTAL HEALTH COURSE
UNITED KINGDOM	19	UK ASSOCIATES ACCREDITED VIA MENTAL HEALTH FIRST AID ENGLAND
	352	UK ASSOCIATES ATTENDED LIVE MENTAL HEALTH SESSIONS



A FOCUS ON SAFETY

In 2019, the Johnston Plant:

- Underwent a significant machinery upgrade
- Trained more than 165 new hires
- Maintained a world-class safety record
- Earned VPP Star site recertification

VOLUNTARY PROTECTION PROGRAMS

25 VPP CERTIFIED FACILITIES

7 FACILITIES RE-CERTIFIED IN 2019

39% OF SOUTH CAROLINA OSHA VPP SITES ARE MILLIKEN PLANTS



HONORING OUR
CHAMPIONS OF SAFETY

SL Ford, chair of our Magnolia Plant safety directors, was recognized at the 2019 Milliken Honors celebration.



ENVISIONING NEW
SAFETY SOLUTIONS

When the stop-off mechanism on a yarn twister machine failed, Robert "Cotton" Webb, a Cushman plant associate, presented a new braking system that when installed offered greater operational efficiency and improved safety.



MOVING TOWARD GREATER INCLUSION

Valuing and embracing our differences and perspectives

Applying the same continuous improvement principles that better our operations, we seek to become more diverse and inclusive each year.

This past year we celebrated many milestones:

- Committed to the CEO Pledge for Diversity and Inclusion
- Promoted complex diversity and inclusion conversations in trusted places
- Expanded unconscious bias training
- Shared diversity and inclusion best practices
- Reported diversity and inclusion strategy to Board of Directors

EMPOWERING EXCEPTIONAL TALENT

180+ MENTORED

supporting diverse groups in career navigation, development, and networking with senior leaders

\$10K+ IN DIVERSITY AND INCLUSION SPONSORSHIPS

building a diverse talent pipeline

25+ COMMUNITY EVENTS

promoting Milliken as an employer of choice in partnership with our associate networks



CELEBRATING DIVERSITY AND INCLUSION LEADERSHIP

We recognized Lakessa Wright, Sr. Sales Executive-Performance Colorants & Ingredients, with our Diversity and Inclusion award for her outstanding leadership of the Minority Associate Network.

AWARENESS OF DIVERSITY AND INCLUSION

We appreciate the value of training and education to move us from unconscious to conscious, and from bias to inclusion.

EXPANDING UNCONSCIOUS BIAS TRAINING

900 PEOPLE TRAINED IN UNCONSCIOUS BIAS (2018)

1270 PEOPLE TRAINED IN UNCONSCIOUS BIAS (2019)

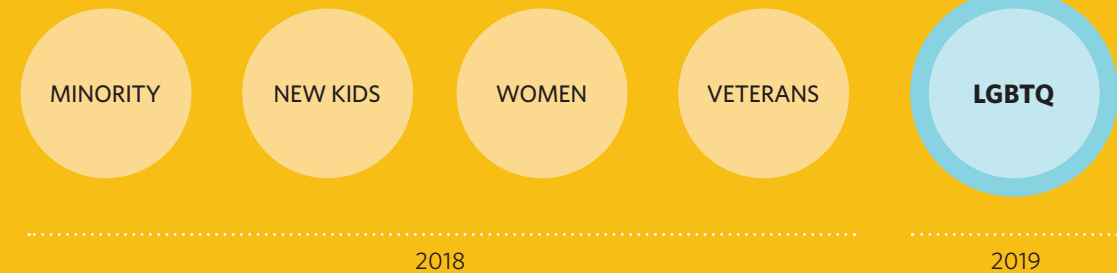
250+ PEOPLE TRAINED IN UNCONSCIOUS BIAS IN OUR LOCAL COMMUNITIES (2019)

EVOLVING ALLYSHIP TRAINING

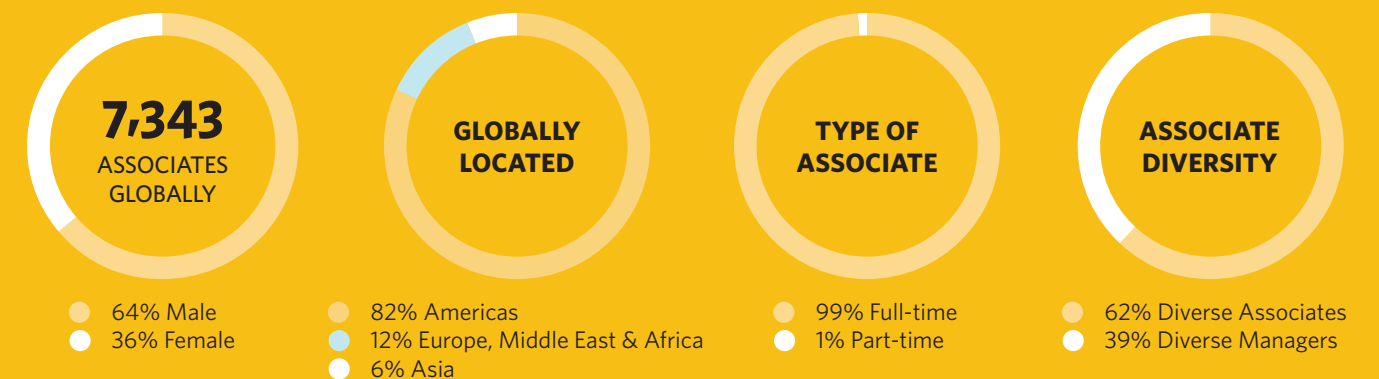
Creating positive change by inspiring each of us to be an ally:

- A**cknowledge and address barriers
- L**isten intently to understand
- L**earn through diverse interaction
- Y**ou speak up and support

EXPANSION OF ASSOCIATE NETWORKS



OUR ASSOCIATE COMMUNITY



LEADERS FOCUSED ON SUSTAINABILITY

I believe that successful companies of the future will have a commitment to an ethical culture as well as a focus on environmental, economic, and societal sustainability for the global community. It is a privilege to serve with a company that not only sees this for the future but lives it for today and has exemplified it throughout its history.

Dr. Freda Lewis-Hall, Life Sciences Leader and Milliken Board of Directors



LED BY SENIOR EXECUTIVES

Guiding our enterprise-wide sustainability management with our global senior leadership team

- Each executive responsible for a sustainability goal
- Performance on sustainability integrated into compensation
- New CapEx projects analyzed for sustainability impacts
- Sustainability Steering Committee led by Chief Administrative Officer

2 BOARD REVIEWS OF ECONOMIC, ENVIRONMENTAL, AND SOCIAL RISKS

4 MANAGEMENT REVIEWS BY SUSTAINABILITY STEERING COMMITTEE

13 STRATEGY EXECUTION REVIEWS OF SUSTAINABILITY PROGRESS

INTEGRATED IN OUR VALUES AND STRATEGY

SUSTAINABILITY

One of Milliken's Core Values



Enabler of 2025 Milliken Strategy

CODE OF CONDUCT

100%
AFFIRMATION OF SUPPLIER CODE OF CONDUCT BY NEW SUPPLIERS

100%
NEW SUPPLIERS AFFIRM SUPPLIER CODE OF CONDUCT

100%
COMPLETION OF ONLINE TRAINING BY MANAGEMENT ASSOCIATES

6
LANGUAGES AVAILABLE FOR OUR ASSOCIATE CODE OF CONDUCT

2
LANGUAGES AVAILABLE FOR OUR SUPPLIER CODE OF CONDUCT

ANTI-CORRUPTION COMMITMENT

0 INCIDENTS OF CORRUPTION 100% new suppliers confirmed commitment to anti-corruption.



INTEGRITY DEPENDS ON SPEAKING UP

Our comprehensive and confidential reporting tool provides a safeguard for anyone wishing to report ethical concerns.

- Anonymous reporting allowed
- Local dialing instructions for many countries
- No retaliation for good faith reports
- Always available
- Third-party managed

LEARN MORE ABOUT GOAL PROGRESS AND THIS
REPORT: [MILLIKEN.COM/SUSTAINABILITYREPORT](https://www.milliken.com/sustainabilityreport)

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