



COLLINS & AIKMAN  
FLOORCOVERINGS

PATH  
to  
Sustainability



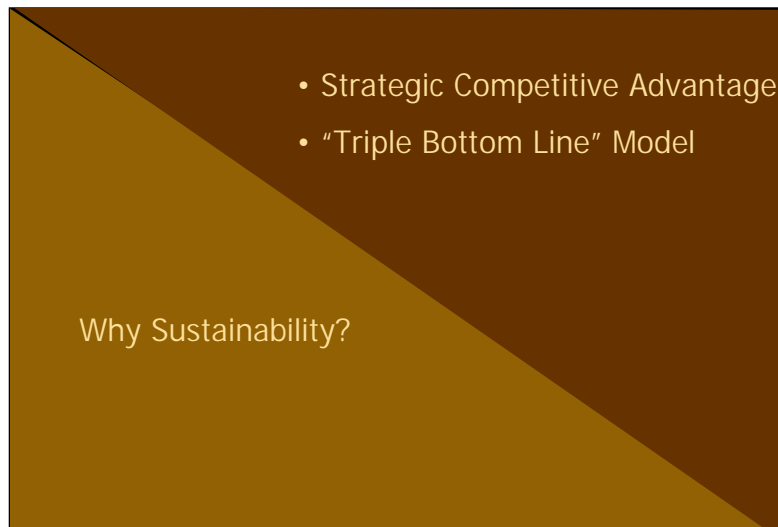
COLLINS & AIKMAN  
FLOORCOVERINGS



## C&A Floorcoverings



- Founded in 1964
- Headquarters – Dalton, GA
- Leading international manufacturer of high-performance, commercial flooring systems
- Principal Markets - Corporate, Education, Healthcare, Retail, Government
- 1997 LBO



Those of you who attended EnvironDesign 4 in Baltimore two years may recall Allen Hammond's thought-provoking keynote presentation during the closing night dinner. Dr. Hammond described a future with three possible World scenarios

1. **Market World**, in which economic and human progress is driven by the liberating power of free markets and human initiative;
2. **Fortress World**, in which unattended social and environmental problems diminish progress and further restrict millions of people to lives of greater conflict and poverty; and
3. **Transformed World**, in which human ingenuity and compassion succeed in offering a better life, not just a wealthier one, and in extending those benefits to everyone.

Dr. Hammond also discussed the historical role of private -sector corporations in meeting the daunting technological and social challenges. While government agencies, NGOs, and other institutions all make contributions, they can only do so much and that true innovation and efficacy comes when the private sector becomes engaged.

Further, Dr. Hammond made a very compelling case that realizing Transformed World is very achievable but it will take a widespread redefining of the private sector's and industry's role in embracing the principles of sustainability.

*(notes for slide continued on next page)*

## DYNAMICS

### The Customer

- Evaluation
- Products
- Processes

### Conditions

- Landfill Reductions



Thanks to great thinkers and communicators like John Elkington, who we heard from earlier this afternoon, industry has started to live up to a new standard for performance, The Triple Bottom Line.

Before this new business model, many companies, including my own, held the spheres of social equity and environmental accountability separate from financial performance.

DECISION



- Tangible Solution-Product
- Develop Closed-Loop Recycling System for Floorcoverings
  - High-performance
  - Aesthetics
  - Same cost
  - Environmental
- Examine Manufacturing Processes

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## THE CHALLENGES



- No prior science
- Said it couldn't be done
- Capital investment
- Future demand
- Creating the "buy in"

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STRATEGIC  
COMPETITIVE  
ADVANTAGE



ER3™

- Performance/cost/aesthetics/  
environmental
- Infinite product life
- High recycled content
- Solid waste management
- Patents/warranty

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TOP LINE  
Bottom Line



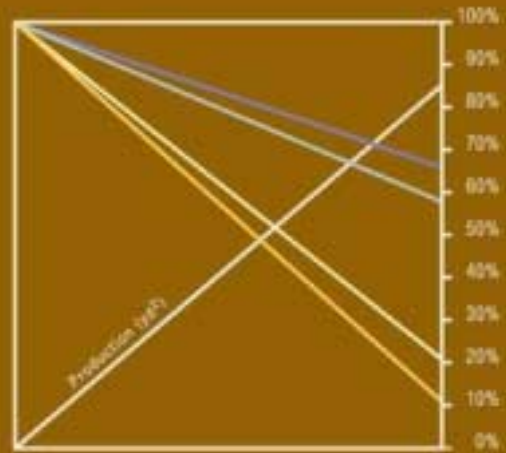
- Customer Acceptance-Product  
– Fortune 500
- Global-Technology  
– Europe/Japan
- Reduction in cost
- Growth-12.8% CAGR (8 years)
- Earnings-20% EBITDA

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# HOLISTIC PROGRAMS

- Energy Usage / yd<sup>2</sup>
- Water Usage / yd<sup>2</sup>
- Waste / yd<sup>2</sup>
- Air Emissions / yd<sup>2</sup>





NEW  
TECHNOLOGIES  
CHALLENGE



Performance

Footprint



Looking at external issues, I believe industry has started to understand that they need to be positive “social” stewards of their products and services. In many respects, companies are a little more advanced in recognizing their responsibility of being environmental stewards of their products.

We hear so much about major industries and corporations “reacting” to product safety or compliance issues, but we’re starting to see companies thinking about their products in more progressive and unconventional ways.

For example, can new products and services be designed to positively influence standards of living or quality of life issues?

## CULTURE CHALLENGES



- Acquisition Integration
- Complacency

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