

ecore™

# Sustainable Performance Flooring

ENVIRONMENTAL, SOCIAL, & GOVERNANCE REPORT  
2020



### MESSAGE FROM OUR PRESIDENT & CEO

I would like to provide you with information about Ecore's Environmental Social and Governance (ESG) practices. At Ecore, we take pride in our mission statement to "transform reclaimed materials into performance surfaces that make people's lives better." I hope this document provides more context on how Ecore incorporates ESG practices across our business.

Sincerely,

A handwritten signature in white ink, appearing to read "Art Dodge, III". The signature is stylized and fluid.

Art Dodge, III  
President & CEO, Ecore

# ESG

## Environment

Ecore has been transforming reclaimed materials into performance products since the company's inception in 1871.

In 2019, Ecore's process reclaimed more than 112 million pounds of tires from the waste stream that otherwise would likely have been burned. Ecore completed its first CDP assessment in 2020 and received a B rating. Ecore also took the additional step to offset all its Scope 2 emissions (with RECs) for all the carbon associated with manufacturing and office energy use.

While Ecore has not yet filed a water disclosure statement, Ecore does track our water footprint and intends to file a water footprint disclosure in future years.



Ecore is also in the process of submitting for a zero-waste certificate. Teams are reviewing the submissions processes for UL and intends to submit for certification in 2021.

As part of this process and commitment to Zero Waste, we are also conducting a Waste Audit program with the goal of further reducing waste. By actively engaging our employees in the measurement and idea generation of how to further reduce waste, Ecore is confident that we will continue to expand our commitment to zero waste practices.

### **In 2020, Ecore implemented some internal changes to operations:**



- Switched out over 90% of lighting to LED in its primary manufacturing plant



- Officially phased out single-use plastic utensils in exchange for reusable utensil sets



- Switched to bio-degradable plates/bowls



- Installed a new water irrigation system to conserve water



- Upgraded printing paper to recyclable paper and set all printers to default to black and white and double-sided printing

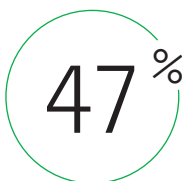
Ecore also actively supports an employee-led "Green Team," which has helped catalyze the creation of a community employee garden, a pollinator garden, internal waste reduction initiatives and is currently working on challenging Ecore waste haulers to even further reduce waste that isn't currently being recycled.

# ESG

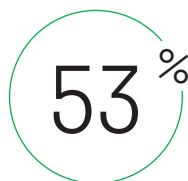
## Social

When it comes to social criteria, Ecore has a diverse workforce that features people from many nationalities.

We have a culture that prides itself on inclusion and diversity. Forty-seven percent of our employees are black/African American, Native Hawaiian or Pacific islander, Asian, American Indian or Native Alaskan, or two or more races, while 53% of our workforce is white.



Percentage of non-white employees



Percentage of white employees

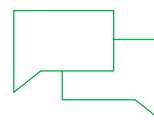
Ecore encourages feedback from all its employees and, as such, has suggestion boxes placed throughout our plants and office locations. Ecore also supports employee-led initiatives, such as the Green Team, which strive to improve the work environment for employees.

Regarding suppliers, Ecore developed a survey and started measuring our supply base to understand what percentage of our suppliers are minority-owned. We are also engaging in dialog with our suppliers around their sustainability programs and goals through Ecore's Supplier Relationship Management process.

Ecore encourages the formation of committees and currently features three: Communications, Community Outreach, and Green Team. To help our native Spanish-speaking employees and others within the company, the Communications Committee began offering an English as a Second Language (ESL) class in 2020.

Ecore's Community outreach team offers in-kind flooring donations and volunteer support (<https://www.ecoreintl.com/About/Community-Outreach>), and the Green Team generates initiatives that lessen Ecore's impact on the environment.

When it comes to Ecore customers and their feedback, we have a Director of Customer Experience (CX), who is tasked with this effort and leads Ecore's CX Governance Team. This group meets monthly to address customer needs, voice of our employees, voice of our customers, cultural connections, and the political climate.



Communications Committee  
*Provides an ESL class*



Community Outreach Committee  
*Offers in-kind flooring donations & volunteer support*



Green Team  
*Generates initiatives that lessen Ecore's impact on the world*



# ESG

# Governance

At Ecore, Governance refers to the set of rules, controls, policies, and resolutions put in place to dictate corporate behavior.

Ecore's corporate leadership is comprised of its executive leadership team (CEO, CFO, COO, and EVP Sales/Marketing), its nine member board of directors, which features five men and four women—and its corporate governance, including its committee charters and governance documents, such as bylaws, stock ownership guidelines and articles of incorporation.

Ecore's CEO leads the CSR Committee, which designs the CSR policy with input from the COO. The CSR policy includes measures that cover all environmental impacts and management for the company, including climate change and GHG management. The CFO is responsible for financially tracking initiatives and management initiatives. The COO is responsible for overseeing environmental key performance indicators, including recycling and upcycling of materials, operational efficiency, energy management, and GHG emissions. The CFO and COO report progress to the CEO, and together set refinements in CSR policies

Ecore's corporate governance demonstrates good corporate citizenship through environmental awareness, ethical behavior, and sound corporate governance practices. Ecore's corporate governance creates a transparent set of rules and controls in which its shareholders, directors, and officers have aligned incentives.

The Ecore Board of Directors is pivotal in governance. Ecore's Board of Directors is the primary direct stakeholder influencing corporate governance. Directors are elected by shareholders, and they represent shareholders of the company. The Board is tasked with

making important decisions, such as corporate officer appointments, executive compensation, and dividend policy.

Ecore's Board of Directors is made up of inside and independent members. Insiders are major shareholders, founders, and executives. Independent directors do not share the ties of the insiders, but they are chosen because of their experience managing or directing other companies.

Ecore's corporate governance policies incorporate the corporate strategy, risk management, accountability, transparency, and ethical business practices. External audits are performed annually by the Grant Thornton Certified Public Accounting (CPA) firm and result in an auditor's opinion, which is included in the audit report.

Ecore's external audit has resulted in an unqualified, or clean, audit opinion which means that the auditor has not identified any material misstatement, because of their review of the financial statements. The external audit includes a review of both financial statements and a company's internal controls.

When it comes to career advancement, Ecore offers opportunities to all employees. Ecore has established formal job grades, and every position has a job description and is priced via a purchased market survey (ERI). Ecore also runs a salary exception report monthly to ensure that employees positions remain inside the range of their salary grade. Any discrepancies are researched and addressed. Ecore also has a compensation policy and offers market pay compensation and benefits. Benefits are priced based on the current market offering.

For more information about Ecore visit, <https://www.ecoreintl.com/>.

## Can a floor make people's lives better?

Yes.

A floor can be more than just a passive surface. By harnessing the attributes of recycled rubber, we've designed innovative ways to give you

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### Ergonomics

Mitigating negative stress of impact and fatigue. Force Reduction & Energy Restitution



### Safety

Mitigating injury related to impact through shock absorption & slip resistance.



### Acoustics

Mitigating structure borne noise and Floor Impact Sound.

## Can a company impact environmental change?

Yes.

A company can be more than just a manufacturer of floors. By harnessing the attributes of waste, we've designed innovative ways to be

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### Circular

Mitigating negative environmental impact by eliminating product waste.



### Upcycling

Transforming materials at the end of their life into something greater than its original purpose.