CARPET AMERICA RECOVERY EFFORT

Developing market-based solutions for the recycling and reuse of post-consumer carpet

www.carpetrecovery.org
# Table of Contents

CARE Mission Statement, Vision and Core Values .......................................................... 4  
CARE 2011 Leaders ........................................................................................................... 5  
Message from the CARE Chairman of the Board ......................................................... 6  
Message from the CARE Executive Director ............................................................... 7  
Key Results for 2011 ........................................................................................................ 8  
Annual Survey Results .................................................................................................. 9  
Evaluation of Progress, 2011 ....................................................................................... 10  
Qualitative Results from Annual Survey .................................................................... 18  
Summary ......................................................................................................................... 19  
Survey Methodology ..................................................................................................... 20  
CARE Outreach Results, 2011 .................................................................................... 22  
CARE Web Site Traffic ................................................................................................. 24  
Carpet Industry Initiatives ............................................................................................ 25  
Appendix 1, CARE Annual Survey ............................................................................. 34  
Appendix 2, Definitions ................................................................................................. 44  
Appendix 3, 2011 California Results ............................................................................ 47  
CARE Board of Directors, 2012 .................................................................................. 51
Mission Statement

The mission of CARE is to advance market-based solutions that increase landfill diversion and recycling of post-consumer carpet, encourage design for recyclability and meet meaningful goals as approved by the CARE Board of Directors.

Vision

Post-consumer carpet diversion and recycling are economically, socially and environmentally sustainable for all stakeholders.

Core Values

We believe in:

- Market-Based solutions
- Entrepreneurship
- Hierarchy of Waste Management
- Sustainable practices (economic, social and environmental)
- Resource conservation
- Transparency
- Multi-stakeholder collaboration
- Professional ethics and integrity
- Anti-trust compliance
CARPET AMERICA RECOVERY EFFORT

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CARE 2011 Leaders

Sustainability Leaders
Aquafil USA
Beaulieu of America
Interface FLOR Commercial
J&J / Invision
Milliken
Mohawk Industries
Shaw Industries Group, Inc.
Tandus Flooring, Inc.
Universal Fiber Systems, LLC
Wellman Plastics Recycling

Friend of CARE
Fiber-Loop

CARE Members
Please go to www.carpetrecovery.org for a complete list of CARE members
Dear CARE Members,

As I prepare for my first Annual Meeting as Chairman of the CARE Board of Directors, I find that, in the words of New York Jet Tim Tebow, I am “honored and humbled” to be part of this groundbreaking organization and thankful to be serving the mission of CARE.

With the support of an excellent Board and the input from Vice Chairman Brendan McSheehy, I look forward to strong growth and increased value for all CARE members in 2012.

CARE had a good year in 2011. Although our members did not see growth versus 2010, we did achieve comparable carpet diversion levels to 2010, in spite of a soft second half of the year.

Earlier this year, the CARE BOD met in a strategic planning session, where we updated and re-committed ourselves to the CARE Mission, Vision and Core Values. You can find these updates on the CARE web site, www.carpetrecovery.org and also in the front of the Annual Report.

Excellent progress was achieved in raising the performance standards for CARE collectors through the CARE Certified Collectors’ program.

Perhaps most importantly, CARE has shown that Product Stewardship managed by the industry can achieve measurable results, strengthen the business health of collectors and processors, and lead to market-based solutions, as demonstrated in the AB 2398 results to date.

In the years ahead, our challenge will continue to be improving the financial stability of carpet collection and recycling and creating more demand for products made with recycled carpet content.

Sincerely,

Werner Braun
Chairman, CARE
Dear Fellow CARE Members,

2011 was a year of change for CARE. CARE began the year in a new role, that of the Carpet Stewardship Organization for AB 2398. With the help and collaboration of many people within CARE, CalRecycle, local NGOs, other California government representatives such as local counties and countless others, CARE was able to achieve conditional approval of the CARE California Carpet Stewardship Plan. The Plan was submitted on behalf of 80 carpet manufacturers who are registrants in the CARE Plan. This was an enormous effort, which continues. CARE is pleased to report that we completed two reporting periods, from July 1 through December 31, 2011, and distributed AB 2398 funds to eligible processors who diverted and recycled post-consumer carpet from California landfills to meet the goals of AB 2398.

In addition, CARE continued its other strategic programs to grow the organization (now over 400 members) and provide more value to our membership, including programs such as the CARE Certified Collectors’ Program (check out our new Collectors map on the web), and our partnership with BizUnite, which offers significant discounts of business products and services to our members.

CARE is financially sound and continues to operate effectively within its budget.

From a leadership perspective, CARE bid a fond farewell to Frank Hurd, who retired at the end of 2011, after more than ably serving as the Chairman of CARE since its founding in 2002.

CARE also participated in the MOU 2012 negotiations with key stakeholders, and while the MOU Joint Committee agreed to suspend negotiations last fall, a full summary report was approved by the Joint Committee in September and is posted on the CARE website.

The CARE BOD has updated its Mission and Vision Statements, as well as its Core Values, (included in the Annual Report) as part of the process of completing the original MOU 2002 and moving onto its next chapter of growth.

Our members diverted 333 million pounds of carpet from the landfill, which is very close to the amount diverted in 2010 (-1%), and recycled 250 million pounds (-8%). The CARE BOD adopted a new formula for calculating diversion and recycling rates based on actual sales. This formula, also adopted by the MOU Joint Committee, gives a much more accurate accounting of carpet diversion and recycling, and is a significant improvement from prior reporting and comparisons, which were based on forecasts made in 2002.

Finally, respondents to the CARE Survey employed 1462 people in local communities across the United States. We are proud of our economic, environmental and social contributions and thank you for your support of CARE.

I will close by letting you know that I am moving on from CARE. I thank Anthony Cline, CARE Operations Manager, and the CARE Board of Directors for their support and hard work. I have thoroughly enjoyed my three years with this wonderful organization and wish you all the best for a prosperous future.

Sincerely,

Georgina W Sikorski
Executive Director, CARE
Key Results For Care In 2011


Revenues above Expenses through December, 2011 were $136,050, an increase of +$123,227, or +961% versus 2010, primarily due to increased membership income.

Balance Sheet:

- Total Assets at end of December 2011 were $1,782,147, due to the addition of $1,401,431 from AB 2398 assessments.
- Members’ equity increased by $137,110 (+63%) versus December, 2010.
  - Net Income increase of +$123,227 (+961%) was the major contributor to Member Equity in 2011.

2011 Business Results

- CARE now has over 400 members, an increase of 17% versus 2010.
- Respondents to the CARE Survey employ 1462 people in local communities across the United States, an increase of 29% versus 2010.
- In 2011, the CARE BOD adopted a new formula for calculating diversion and recycling rates based on actual sales. This formula, also adopted by the MOU Joint Committee, gives a much more accurate accounting of carpet diversion and recycling, and is a significant improvement from prior reporting and comparisons, which were based on forecasts made in 2002. See further explanations of the formula in this 2011 Report.
- In 2011, CARE members diverted 333 million pounds of carpet from the landfill, which is very close to the amount diverted in 2010 (-1%), and recycled 250 million pounds (-8% versus 2010).
- Since its founding in 2002, CARE members have diverted over 2.3 billion lbs. of post-consumer carpet from landfills in the United States.
- The CARE Certified Collector Program launched at the CARE Annual Conference in April, 2012. Currently, about 75 collectors and processors have signed up as CARE Certified Collectors, and can be found at http://carpetrecovery.org/collector-finder/index.html.
- We are excited to announce that CARE has partnered with BizUnite to launch the CARE Marketplace! The CARE Marketplace is full of discounted business service programs for members as a FREE added benefit of membership. On average, members are saving 20% annually on their bottom line expenses using the CARE Marketplace programs.
- CARE participated in the MOU 2012 negotiations with key stakeholders, and while the MOU Joint Committee agreed to suspend negotiations last fall, a full summary report was approved by the Joint Committee in September and is posted on the CARE website.
- The CARE BOD updated its Mission and Vision Statements, as well as its Core Values, (included in the Annual Report) as part of the process of completing the original MOU 2002 and moving onto its next chapter of growth.
California Results for 2011

- CalRecycle gave conditional approval to the CARE California Carpet Stewardship Plan. Final Plan will be submitted by December 31, 2012.

- Sales of carpet into California for 2011 were estimated to be 107 million square yards, which is 6 million square yards (-5%) lower than the estimated 2010 sales.

- In 2011, 385 million lbs of post-consumer carpet were discarded in the state of California, which was 25 million pounds lower than (-6%) estimated discards in 2010.

- Of the 385 million lbs of carpet discards, 60 million lbs were diverted from the landfill, and 36 million lbs were recycled.

- The California carpet diversion rate for 2011 was 15% (+4% versus 2010) and the recycling rate was 9% (+2% versus 2010).

- In comparison to the goals in the conditionally approved CARE Plan for 2011, carpet diversion was 8 million lbs lower than Plan and the diversion rate was 0.3% below Plan. Recycled Output was 11 million lbs below plan and the rate was 2% below Plan.

AB 2398 Specific Data, July 1- December 31, 2011 (Full Report will be given to CalRecycle at the required date of July 1, 2013 as stated in the AB 2398 Statute)

- 80 Carpet Manufacturers participated in the CARE Stewardship Plan. The manufacturers reported actual sales and shipments of carpet into California for July 1- December 31, 2011 of 50,059,517 square yards.

- Total reported remittances were $2,525,228.

- Processors requesting funds from AB 2398 diverted 34,400,000 lbs.

- Processors recycled 12,807,990 lbs. (recycled output)

- Qualified Processors received $703,454.

- Expenses (actual and accrued) total $446,765.

- Unused funds remaining at the end of 2011 were $1,432,676.

CARE 2011 Annual Survey Results

Each year, as required by the CARE Bylaws, CARE prepares an Annual Survey to report on carpet diversion and recycling results achieved by the respondents to the Annual Survey. All information from respondents is confidential. The collected information is aggregated and analyzed for the Annual Report.

Annual Survey Methodology

In order to form a complete picture of the Carpet Recycling Industry, CARE asked respondents to the Annual Survey to report on the following:
• Amount of post-consumer carpet diverted and recycled
• Recycling versus other end-uses for the material diverted (i.e. reuse, end-product manufacturing, alternative fuel, cement kiln, waste-to-energy, landfill)
• End products manufactured from recycled material
• Steps in the recycling process performed by the respondent
• Types and amounts of carpets recycled, by fiber type
• Geographical locations and employment information
• International versus domestic customers

In addition to the quantitative information sought, CARE also requested input on CARE’s organizational performance and the value of CARE to the respondents. This information was used to improve CARE’s operations and resources.

For the 2011 CARE Annual Survey, CARE contacted 80 members. Of those contacted, 52 responded, for a response rate of 65%.

As noted previously, the response rate of 65% for the survey was high, providing good confidence in data quality. However, it is important to recognize that even with a higher response rate, data is missing from a number of companies involved in carpet recycling. Because we received responses from most of the major businesses engaged in carpet recycling, we estimate that the survey includes more than 90% of the volume of carpet diverted and recycled in the U.S. in 2011. Thus, as in all previous years, it is likely that the survey captures the majority of the post-consumer carpet recycling that occurred in 2011.

A copy of the survey tool is attached at the end of the Annual Report.

As always, CARE assessed the responses received and followed up as needed to ensure the minimizing/eliminating double-counting wherever possible. By so doing, the reported data is more accurate and reflects a truer picture of the amount of carpet diverted and recycled in 2011.

Evaluation of Progress in 2011

Carpet Discard Methodology Changes in 2011

In 2011, the CARE BOD adopted a new formula for calculating carpet discards, which more accurately reflects actual sales and carpet discards in the United States. This formula replaced the MOU forecasts developed in 2002, which did not include updated information on sales of carpet, and therefore, carpet discards, in the United States.

Thus, the new formula will give a truer picture of both diversion and recycling rates for future reports. Further, this formula was approved for use by the MOU 2012 Joint Committee while it was in session.
Methodology Used for Estimating the amount of carpet discards

The methodology used to calculate the amount of carpet discards is based on the methodology in the MOU 2012 Joint Committee Summary Report of 2011.

The purpose of the methodology is to be able to update the discards on an annual basis, using actual sales, upgraded by factors that influence the calculation. Those factors include changes in imports/exports, percent of the market that is replacement, average weight, and demolition.

The factors used to calculate the amount of carpet available for diversion include:

\[ S = \text{Carpet sales for the reporting period} \]

i. Carpet Sales data will come from an outside market research firm

\[ R = \text{Percent of carpet that is replacement, or carpet replacing existing carpet. Replacement carpet is the carpet destined for the landfill. For 2011, the replacement percent was 85%} \]

\[ P = \text{Average weight of carpet per square yard. In 2011, the average weight was 4.2 lbs/square yard.} \]

\[ D = \text{Pounds of carpet from demolition projects not replaced. For 2011, the demolition rate was 1.3%.} \]

Formula Used for Calculating the Carpet Discards

\[ \text{Discards} = ((S \times R) \times P) + D \]

Post-Consumer Carpet Diversion Reaches 333 Million lbs. in 2011, a Diversion rate of 9%

250 Million lbs of Post-Consumer Carpet Recycled in 2011 or 7% Recycling rate

Table 1 shows a comparison by pounds and percentage of the quantity of post-consumer carpet recycled and diverted from landfill from 2002 through 2011, using the new methodology for measuring carpet discards.

Table 1: Post-Consumer Carpet Recycling and Diversion, 2002–2011

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Discards</td>
<td>4409</td>
<td>4396</td>
<td>4588</td>
<td>4916</td>
<td>4687</td>
<td>4560</td>
<td>4228</td>
<td>3718</td>
<td>3373</td>
<td>3816</td>
</tr>
<tr>
<td>Reuse</td>
<td>9</td>
<td>0</td>
<td>0.3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>12</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>High Value Recycled</td>
<td>247</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Value Recycled (Filler)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Total Recycled</td>
<td>46</td>
<td>87</td>
<td>98</td>
<td>194</td>
<td>239</td>
<td>275</td>
<td>243</td>
<td>246</td>
<td>271</td>
<td>250</td>
</tr>
<tr>
<td>TOTAL Reuse and Recycle</td>
<td>55</td>
<td>87</td>
<td>99</td>
<td>194</td>
<td>239</td>
<td>275</td>
<td>247</td>
<td>258</td>
<td>273</td>
<td>251</td>
</tr>
<tr>
<td>Waste-to-Energy</td>
<td>1.9</td>
<td>7</td>
<td>9</td>
<td>27</td>
<td>21</td>
<td>19</td>
<td>41</td>
<td>47</td>
<td>38</td>
<td>46</td>
</tr>
<tr>
<td>CAAF or Cement Kiln Feedstock</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>12</td>
<td>26</td>
<td>36</td>
</tr>
<tr>
<td>TOTAL Diverted from Landfill</td>
<td>57</td>
<td>94</td>
<td>108</td>
<td>225</td>
<td>261</td>
<td>296</td>
<td>292</td>
<td>311</td>
<td>338</td>
<td>333</td>
</tr>
<tr>
<td>Recycling Rate</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Diversion Rate</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>
For definitions of the terminology used in this report, please see Appendix 2.

**Table 2: Post-Consumer Carpet Reuse and Recycling and Diversion, 2002 - 2011**

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
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<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Reuse and Recycle</td>
<td>55</td>
<td>87</td>
<td>99</td>
<td>194</td>
<td>239</td>
<td>275</td>
<td>247</td>
<td>258</td>
<td>273</td>
<td>251</td>
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<td>Total Diverted from Landfill</td>
<td>57</td>
<td>94</td>
<td>108</td>
<td>225</td>
<td>261</td>
<td>296</td>
<td>292</td>
<td>311</td>
<td>338</td>
<td>333</td>
</tr>
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**Figure 1: Post-Consumer Carpet Reuse and Recycling and Diversion, 2002 - 2011**

Because 2012 is the last year of the existing MOU (MOU 2002), it is also important to note the actual results versus the goals established in the MOU 2002 as shown in Table 3.

**Table 3: MOU 2002 Forecasts and Goals compared to Actual Results, 2002-2011, and 2012 Forecast**

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</tr>
</thead>
<tbody>
<tr>
<td>Total Discards</td>
<td>4678</td>
<td>4828</td>
<td>4537</td>
<td>5038</td>
<td>5261</td>
<td>5590</td>
<td>5642</td>
<td>5887</td>
<td>6020</td>
<td>6605</td>
<td>6772</td>
</tr>
<tr>
<td>Recycling Rate</td>
<td>3.80%</td>
<td>3.80%</td>
<td>7%</td>
<td>10%</td>
<td>11%</td>
<td>19%</td>
<td>27-34%</td>
<td>20-25%</td>
<td>15%</td>
<td>23%</td>
<td>20-25%</td>
</tr>
<tr>
<td>Diversion Rate</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>9%</td>
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</tbody>
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<tbody>
<tr>
<td>Actual Discards</td>
<td>4409</td>
<td>4396</td>
<td>4588</td>
<td>4916</td>
<td>4687</td>
<td>4560</td>
<td>4228</td>
<td>3718</td>
<td>3373</td>
<td>3816</td>
<td>3854</td>
</tr>
<tr>
<td>Recycling Rate</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Diversion Rate</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>13%</td>
</tr>
</tbody>
</table>

CARE has established goals for 2012-2016 for both post-consumer carpet diversion and recycling. These goals may also be found in the MOU 2012 Summary Report.
Table 4: CARE Goals, 2012-2016

<table>
<thead>
<tr>
<th>MILLIONS OF POUNDS</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>2012 2013 2014 2015 2016</td>
</tr>
<tr>
<td>Total Discards</td>
<td>3854 3892 3931 3971 4010</td>
</tr>
<tr>
<td>Reuse</td>
<td>351 401 432 461 481</td>
</tr>
<tr>
<td>High Value Recycled</td>
<td></td>
</tr>
<tr>
<td>Lower Value Recycled (Filler)</td>
<td></td>
</tr>
<tr>
<td>Total Recycled</td>
<td></td>
</tr>
<tr>
<td>TOTAL Reuse and Recycle</td>
<td></td>
</tr>
<tr>
<td>Waste-to-Energy</td>
<td></td>
</tr>
<tr>
<td>CAAF or Cement Kiln Feedstock</td>
<td></td>
</tr>
<tr>
<td>TOTAL Diverted from Landfill</td>
<td>493 596 664 735 802</td>
</tr>
<tr>
<td>Recycling Rate</td>
<td>9% 10% 11% 12% 12%</td>
</tr>
<tr>
<td>Diversion Rate</td>
<td>13% 15% 17% 19% 20%</td>
</tr>
</tbody>
</table>

The data in Figure 2 shows that 75% of post-consumer carpet collected in 2011 was sent to processors to be recycled.

**Figure 2: Destination of Post-Consumer Carpet collected in 2011**

Differences due to rounding

![Pie chart showing destination of post-consumer carpet](image)

**Companies Handling Post-Consumer Carpet**

Survey respondents were asked to characterize the nature of their businesses into one or more of the following categories (which are listed and defined below):
**Collection Point** – A company that collects used carpet from the point of generation and transports it to a sorting, processing or waste management facility.

**Collector/Sorting Facility** – A facility that separates waste materials (including used carpet) from a mixed waste stream. The end result of this process is used carpet that is separated from other materials.

**Processor** – A company or facility that takes used carpet (whether handled by a sorting facility or brought directly by a collector) and processes it for use as a feedstock in a manufacturing facility.

**Manufacturer** – A company or facility that utilizes processed carpet materials and transforms them into other products, or uses them as raw materials in a manufacturing process.

The breakdown of services provided by CARE Annual Survey Respondents is shown in Figure 3.

**Figure 3: Services Provided by CARE Annual Survey Respondents, 2011**

![Pie Chart]

C=Collector, P=Processor, S=Sorter, M=Manufacturer

(Percentages reflect percent of total post-consumer diversion)

It can be seen from Figure 3 that there is significant diversity in the types of companies contributing to the diversion of post-consumer carpet in 2011. In 2011, companies continued to diversify their service offerings to include more than one step in the carpet recycling process.

**Engineered Resins: The Most Common End Product Manufactured from Post-Consumer Carpet**

Respondents indicated that 58% of the recycled post-consumer carpet is manufactured into engineered resins. 27% of the recycled post-consumer carpet is manufactured back in post-consumer carpet either as carpet fiber (20%) or carpet backing (7%).
U.S. Continues to Be Primary Market for Post-Consumer Carpet Material

In 2011, 97% of the post-consumer carpet material processed was used within the U.S.

Nylon 6 and Nylon 6, 6 Fibers Were 71% of the Fiber Type Sorted in 2011

The CARE survey included information on the types of carpet face fiber collected or sorted by Survey respondents. In 2011, N6 and N6, 6 fibers accounted for 67% of the total sorted carpet fiber. The percentage breakdown between the two fiber types was almost equal, with Nylon 6 accounting for 35% of the total and Nylon 6, 6 accounting for 32% of the total. Polypropylene fiber represented 10% and PET 19% of the total.
The distribution of carpet fiber sorted is illustrated in the figures below.

**Figure 6: Post-Consumer Carpet Sorted by Fiber Type, 2011**

![Pie chart showing carpet fiber distribution](chart.png)

NOTE: N6=Nylon 6; N6,6=Nylon 6,6; PP=Polypropylene; PET=Polyethylene terephthalate

**Table 5: Post-Consumer Carpet Sorted by Fiber Type, 2008-2011**

<table>
<thead>
<tr>
<th>Year</th>
<th>N6,6</th>
<th>N6</th>
<th>PP</th>
<th>PET</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>32%</td>
<td>35%</td>
<td>10%</td>
<td>19%</td>
<td>4%</td>
</tr>
<tr>
<td>2010</td>
<td>35%</td>
<td>36%</td>
<td>12%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>2009</td>
<td>27%</td>
<td>49%</td>
<td>11%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>2008</td>
<td>36%</td>
<td>44%</td>
<td>8%</td>
<td>8%</td>
<td>4%</td>
</tr>
</tbody>
</table>

**CARE Carpet Recycling Survey Respondents Employ 1462 People in Local Communities in 2011**

The 52 respondents to the CARE Annual Survey employed 1,462 people in local communities in 2011, an increase of 333 people or 29% versus 2010.
Collection of Carpet is Highest in Southeast, Southwest, and California

Respondents were asked to report the volume of carpet collected by region. See Figure 8 for the U.S. regional map.

Figure 8: Reporting Regions in the U.S.
Examining the amount of carpet collected by region, it is noted that carpet collection is highest in the Southeast, followed by Southwest and California. Opportunities exist to increase carpet recycling in other areas in the US, such as the Northwest.

**Figure 9:** Collection of Carpet by Region, 2011

![Bar chart showing carpet collection by region, with the Southeast at 35%, followed by Southwest at 23%, California at 18%, and Canada at 0%. Other regions are represented by various percentages.]

Qualitative Feedback from Carpet Recovery

In addition to the quantitative data gathered during the survey, respondents were asked what specific activities CARE had undertaken to assist the carpet recycling industry. A summary of the results follows:

**Figure 10:** Areas where CARE assisted members in 2011

![Bar chart showing various assistance activities, with the highest being CARE Entrepreneur Meeting at 30%, followed by CARE Monthly Entrepreneur Calls at 25%, and other activities at various lower percentages.]

We also asked respondents what business opportunities they felt needed additional CARE support.

**Figure 11: Areas where members would like more support from CARE, 2011**

Summary

- In 2011, respondents to the CARE Annual Survey diverted 333 million pounds from the landfill and recycled 250 million pounds of that carpet.

- Reported diversion and recycling rates were 9% percent and 7% percent of discards, respectively, in 2011.

- Since its inception in 2002, CARE members have recycled over 2.3 billion lbs. of post-consumer carpet in United States.

- There are two factors that resulted in a relatively high quality of data reported in 2011. First, the response rate was again very high, with 52 companies providing some level of quantitative data. No extrapolation of data or use of secondary sources was required. Second, through extensive follow-up effort beyond the survey, access was provided to information that allowed for a highly specific determination of double counting when it did occur and an accurate adjustment that eliminated any potentially significant sources of double counting.

- There is a great deal of diversity in the types of companies reporting post-consumer carpet recycling. As has been true in the past, the largest fraction of recycling is attributed to companies that perform more than a single recycling function: collection, sorting, processing and manufacturing.

- Manufacturers indicated that 58% of the post-consumer carpet was recycled into engineered resins. 27% of the post-consumer carpet went into new carpet, as either carpet fiber (20%) or carpet backing (7%).

- Approximately 97% of the material reported to be recycled was sent to facilities in the U.S.
• This data shows a focus on the collection and sorting of nylon face fibers. In 2011, N6 and N6, 6 fibers accounted for 67% of the total carpet fiber recycled. The percentage breakdown between the two fiber types was similar, with Nylon 6 accounting for 35% of the total and Nylon 6, 6 accounting for 32% of the total. Polypropylene fiber was 10% of the total and PET was 19%.

• Respondent to the CARE Survey employed 1462 people in local communities in 2011. We are extremely proud of the impact this employment has on local communities across the United States.

Survey Methodology

In developing a survey methodology to establish quantitative estimates of recycling of a particular waste stream, two key factors must be taken into account: 1) participation; and 2) double-counting. Participation is essential in any surveying process, and even more so in this type of survey, where there is no logical or reliable way to extrapolate results from respondents to the general population. This means that respondents’ survey responses will represent the complete and total results. Thus, every effort must be made to maximize participation.

However, with increasing participation comes another potential problem: double-counting. Since a given pound of used carpet may pass through several different entities on its way from the point of generation to its ultimate disposition (reuse, recycling or disposal), and, since all of these different types of entities (collectors, sorting facilities, processors and manufacturers) are included in the survey, the chance exists that the same pound of carpet could be counted more than once. As participation increases, the likelihood of double-counting increases, since there is a greater chance that more than one company may be reporting on their handling of the same material.

A number of features were built into the surveying process to address these two key issues:

Confidentiality of data is often the key to participation, and all aspects of the survey were designed to preserve confidentiality. In particular, a web-based surveying tool was used to allow respondents to provide data completely anonymously, if they desired. In addition, all written and verbal communication with potential survey respondents stressed the confidentiality of data.

Simplicity and ease of response was also a key to participation rates. The survey questions were streamlined to the maximum extent possible so that only the most critical data requirements were included, based upon the philosophy that it is much better to have the basic data from many respondents than detailed information from a few (particularly since there is no basis for extrapolation).

Participation rates can also be boosted through the use of multiple means of contact (as well as repeated contacts). Thus, e-mail, telephone and face-to-face communication were all used to contact potential survey respondents.

To maximize the value of those survey responses received, and to minimize chances of double counting, it was determined that it would be best to focus resources on all recipients who received an invitation to participate in the survey. All types and sizes of companies involved in carpet recycling were contacted initially with a request to respond to the survey; resources for telephone follow-up were prioritized and assigned follow-up targets.
To reduce the chances of double counting, survey respondents were asked to identify the geographic sources of their material to the extent they were known. The notion behind this is that if the nature of the survey responses is such that there is a sense that information from two or more companies might reflect handling of the same material, the geographic sources of these companies could be reviewed to determine if that was likely.

In another attempt to reduce the chances for double-counting, survey respondents were asked about the type of companies that received the material their company shipped out after they finished handling it. This information not only allows for identification of possible double counting, but also serves to provide a more complete picture of the overall flow of used carpet through the collection and recycling process.

With those basic principles in mind, the surveying process was implemented, using the steps outlined below, which are described in general chronological order:

1. The survey form used in the 2011 survey was slightly updated based on respondents’ feedback. The 2011 survey form is shown in Appendix 1 to this Report.

2. Once again, the survey form was web-based and posted on the Internet. The survey was accessed by going to a specific URL address that housed the survey, and results were submitted via the Internet, without the need for e-mail or paper-based responses. The results were password protected and available solely to two CARE staff, to preserve confidentiality.

3. Based upon past experience with this survey process, the surveying was focused solely on those companies for which specific individuals have been identified as points of contact.

4. Companies with specific contacts and e-mail addresses were notified via e-mail about the survey and provided the URL so that they could respond electronically. A total of about 80 different companies were sent e-mail notifications of the survey (more than one individual was contacted from an individual firm in several instances). The e-mail notification stressed the confidentiality of the information they were asked to provide.

5. Approximately two weeks after the initial e-mail was sent, follow-up activities were initiated. These included follow-up e-mails to those companies that had not responded, as well as telephone calls to prompt responses and answer questions some potential respondents had raised.

6. All survey responses were reviewed for any internal inconsistencies or unclear responses. The survey responses were also reviewed to determine if there were any questionable responses (e.g. data that appeared to be off by orders of magnitude with regards to company size). In those instances where there was some question about the responses provided and the respondents had provided their names (respondents can choose to respond entirely anonymously), follow-up was performed to clarify the responses.

7. Data from survey responses were transferred to a spreadsheet-based database. This database contains all of the quantitative responses, as well as summaries of any descriptive information provided by the companies.

8. Data to eliminate potential double counting was received and appropriate adjustments made to the data compilations.

9. The data in the database were compiled and analyzed to produce the results described herein.
Assessment of Survey Approach and Results

As noted previously, there are two key factors that led to the conclusion that this year’s survey results are high in quality (i.e. believed to be more representative of real-world conditions):

Response rate was again very high, meaning that a greater proportion of the total number of companies involved in post-consumer carpet recycling responded by submitting survey results.

A significant portion of the carpet recycled was handled by manufacturers who reuse the material internally within their own manufacturing process, thus eliminating the possibility for double counting of this material.

For these reasons, double counting does not appear to be a significant issue with the data presented herein.

Care Outreach Results, 2011

9th Annual CARE Conference

In 2011, 152 members and colleagues of CARE gathered at its 9th Annual Conference at Amelia Island Resort, Amelia Island, Florida. For two and a half days, attendees networked with professional colleagues, to learn more about new products and technologies that can help them in their businesses.

CARE also recognized the outstanding individuals and companies who made significant contributions to the CARE organization. The following awards were given:

2010 Recycler of the Year – Los Angeles Fiber

Los Angeles Fiber was recognized by CARE for its continued work in diverting post consumer carpet from the nation’s landfills. Established in 1983 by Stan & Ronald Greitzer, Los Angeles Fiber quickly became one of the largest recyclers of carpet in the world. If the Pasadena Rose Bowl was a land fill, Los Angeles Fiber diverts enough material to fill three Rose Bowls in one year.

Los Angeles Fiber Co. accepts post consumer carpet and recycles it into synthetic carpet cushion through its sister company Reliance Carpet Cushion, which is also owned and operated by Ron Greitzer. Reliance Carpet Eco-Cushion produced by Reliance, is manufactured from 100% post consumer carpet and is completely recyclable.

The recovered carpet material processed by Los Angeles Fiber that does not find its way into carpet cushion will be used in other noteworthy applications. These applications include carpet fibers, carpet backing, filler materials and engineered resins for automotive parts.
2010 Person of the Year – Eric Nelson, Interface

In recognition of his exemplary leadership as a CARE Board of Director member and carpet recycling advocate, Eric Nelson, Vice President of Interface Americas was named CARE Person of the Year. Since joining CARE’s Board of Directors in 2008, Eric has devoted numerous man hours to CARE in the form of committee and workgroup participation.

As the lead for Interface’s ReEntry 2.0, a closed loop process that recycles all types of carpet yarn and carpet backing into new products, Eric’s effort’s has increased the amount of material diverted each year. The new business recycles roughly 40 million pounds of old carpet annually with plans for expansion in the future.

Susan Lewis, Interface, accepted the award on behalf of Eric Nelson, from CARE and the former CARE Person of the Year Award winners.

The 9th Annual CARE Conference Agenda and copies of the presentations may be found at carpetrecovery.org.
CARE thanks the sponsors of the 9th Annual Meeting, including:

**Sustainability Leader Sponsors:** Beaulieu of America, Interface FLOR Commercial, Mohawk Group, and Shaw Industries Group, Inc.

**Green Sponsors:** Aquafil, Inc., and 1-800 Pack-Rat

**Corporate Sponsors:** Carpet and Rug Institute, NSF International, Republic Machines, Sellers of America, Starnet Worldwide Commercial Flooring Partnership, and Universal Fibers Systems, LLC.

**8th Annual Entrepreneur Meeting, Atlanta, Georgia**

Eighty seven (87) CARE entrepreneurs and members gathered in 2011, to discuss common opportunities and challenges facing them and the growing carpet recycling industry.

The meeting agenda and copies of the presentations may be found at carpetrecovery.org.

Many thanks from CARE to the sponsors of the 8th Annual Entrepreneur Meeting: Interface FLOR Commercial, Republic Machines, Shaw Industries Group, Inc., Starnet Worldwide Commercial Flooring Partnership, and Tandus Flooring Inc.

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**CARE Website Traffic**

CARE’s website, carpetrecovery.org, is the leader in internet search engine’s results for keywords related to carpet recycling. In fact, CARE’s website returns at the top of Yahoo and Google when an internet search is conducted on “carpet recycling.” Despite a decrease in web traffic in 2010, CARE’s web traffic increased in 2011.

CARE’s website traffic for 2011 was 198,452 versus 153,053 visits in 2010, a 30% increase versus 2010. With CARE being the stewardship organization for AB 2398, many consumers used the website to gain information about the program. An overall increase in economic conditions for 2011 could have also contributed to an increase in visits.
Carpet Industry Initiatives

AQUAFIL, USA

In 2011 the Aquafil Group commissioned the Econyl Process, a twenty five million pound nylon 6 recycling operation in Slovenia. The Econyl process purifies nylon 6 waste materials without degrading the polymer, delivering to the industry a sustainable closed loop polymer fiber system. With a global reach, Aquafil is procuring post-consumer and post industrial nylon 6 wastes of many types and sources to recycle into Econyl polymer. This includes many purified post consumer nylon 6 carpet sources.

The core business of the Aquafil Group is the production of nylon 6 polymer for carpet yarns. With headquarters in Italy, we employ more than 1,900 people and have operations on three continents. The North American operation, Aquafil USA, is a BCF factory in Cartersville, Georgia.

2011 was a year of expansion for Aquafil USA. We increased the BCF capacity by 60% and installed and commissioned an Engineering Plastics resin compounding module. The Engineering Plastic operation allows Aquafil USA to consume additional carpet industry polymer waste sources outside our core nylon 6 polymer.

Aquafil USA is actively implementing energy efficiency projects. In 2011 we estimate an 8% electrical energy reduction in yarn production operations, from implementing reduced energy lighting and Reactive Power Correction technology. Currently we are installing 400 Kw of photovoltaic power generation on our roof that is the largest rooftop solar installation in Georgia. The aim is to reduce our overall business impact by continuously reducing energy consumption in our production and increasing recycled and reclaimed raw material sources for our products.

Aquafil’s philosophy is closing the loop. Econyl Solution Dyed Yarn is generated from 100% recycled nylon 6 waste. It has the same high quality technical performance and brilliant color possibilities Aquafil is well known for. The big difference is Econyl has a substantially lower environmental impact in all important measured attributes, compared to traditional polymers. This delivers to the industry a sustainable fiber system that can be reclaimed over and over. Econyl yarn offers Extended Producer Responsibility stewardship for the carpet industry. This means designing products with the end of life in mind by using
nylon 6 based face fiber in carpet construction going forward. We will take the nylon 6 post consumer fiber back, in a continuous cycle forever, displacing natural resources and relentlessly reducing environmental impacts in our production. Econyl based products add significant value to LEED and NSF-140 certifications.

**BEAULIEU GROUP**

Beaulieu Group LLC diverted over 8,300,000 pounds of Post-Consumer (1,400,000 lbs) and Post-Industrial (6,900,000 lbs) carpet waste from landfills during 2011. All material was reprocessed in shredding operations for use in other industries or processed and re-extruded for yarn or injection molding.

Internal use of reprocessed materials decreased in 2011 due to consolidation of plants and reduction of demand. Polypropylene waste continues to be recycled internally with some external polypropylene being handled in our re-extrusion operation. Beaulieu Group LLC remains one of the largest users of recycled PET bottles (over 90 million lbs) for yarn production consuming 2 pounds of waste PET bottles for every pound of waste generated in manufacturing.

The Nexterra product line by Beaulieu Commercial Division continues to be the gem in our environmentally friendly carpet tiles. With a minimum of 53% total recycled post-consumer content by overall product weight and 85% backing recycled post-consumer content, use of 100% Green Energy in production, and engineered to use no water during tile production, this product continues to provide an innovative sustainable growth. Nexterra products have also led the way in source reduction with a 23% reduction in total footprint. Other products are being reviewed for similar action.

Beaulieu Group LLC continues to look for innovative ways to use post consumer carpet products.

**INTERFACE**

Interface has reclaimed more than 230 million pounds of carpet since 1994 when we began measuring our collection. Our recycling business, called ReEntry 2.0 reclaims all types of carpet (commercial and residential) regardless of face fiber type or backing used. The Interface technology allows the materials in old carpets to be cleanly separated to ease the recycling process.

Separated nylon fiber is recycled into new nylon fiber and plastics (6 and 6, 6), while separated vinyl backing is recycled into new vinyl backing using Interface’s Cool Blue backing technology, all with a remarkably low energy footprint. Recycling partners have been identified for other reclaimed carpet materials to ensure that no reclaimed carpet ends up in landfills. Through ReEntry 2.0 and our fiber extrusion partners, Interface has introduced more than 100 post consumer fiber colors in solution dyed nylon.

The system has a number of unique qualities, including extremely small physical and energy footprints and its flexibility. Through ReEntry 2.0, Interface is now able to reclaim all types of carpet, reducing waste sent to landfills and further reducing the company’s reliance on virgin materials. Interface can process more than 30 million pounds of carpet annually through this system in Georgia, and has begun to execute a regionalization plan. Knowing the importance of regional collection and processing, we are partnering with businesses around North America to help the industry grow and help secure the necessary post consumer raw materials to close the loop in our supply chain and de-couple ourselves from petroleum.
INVISTA SURFACES

At INVISTA Surfaces, we believe that Sustainability Begins with Products that Last™.

Our vision is to create long-term value for society by using resources more efficiently, protecting the environment and safety and health of our employees and others; consistently applying good science; and employing our Market Based Management® business philosophy. Together, these contribute to the overall quality of life. INVISTA pursues this vision with investment and efforts in its manufacturing facilities, with its products, and in the communities in which it operates.

We strive to maintain a safe and healthy workplace, serve the needs of our markets and work to create additional value with three sustainability focus areas: Manufacturing Excellence, where we seek innovative technologies and cost-effective ways to further improve manufacturing processes; Product Sustainability, where we minimize waste and improve the environmental, health and safety aspects of our products and processes; and Corporate Citizenship, where we help create and support effective local stewardship initiatives and communicate with external audiences regarding environmental, health and safety performance and strive to be a good corporate citizen in the communities in which we operate.

We believe that delivering life cycle advantages through product innovations can help us progress toward our sustainability vision and goals. All of our high quality, durable nylon 6,6 fibers can be reclaimed and recycled, and our array of longer-lasting products help to benefit the environment by reducing the need for additional manufacturing to produce replacement product, as well as less waste to landfill.

A few examples: because our carpets of Antron® fiber and STAINMASTER® carpet fibers last longer, they conserve resources through fewer replacements, leading to less energy consumption and fewer greenhouse gas emissions. And, our ANTRON® Lumena™ solution dyed nylon with TruBlend™ fiber technology contains a total of 30% pre-consumer and post-consumer recycled content. In mid-2011, our business received approval for a capital project expansion to increase production capacity of TruBlend™ fiber technology to help it evolve as a primary polymer platform for all colors of Antron® Lumena™ solution dyed nylon. Another example of a product that helps to extend the life of carpet is our STAINMASTER® EcoSoft® carpet cushion, which is made with over 90% recycled materials, and is 100% recyclable.

In 2009, INVISTA was the first to obtain third-party EPP Certification for certain STAINMASTER® and ANTRON® carpet fibers under their new national standard: Scientific Certification Systems (SCS)-002. Environmentally Preferable Products are defined by U.S. Executive Order 13101 (replaced by EO13423) as products that have a lesser or reduced effect on the environment when compared to competitive products that serve the same purpose. Currently, the following INVISTA fibers are EPP certified: ANTRON® Lumena™ and ANTRON® Legacy™ carpet fibers, STAINMASTER® Tactesse® and STAINMASTER® Luxerell® carpet fibers, and COMFOREL® bath rug fibers.

INVISTA’s commitment to stewardship excellence is central to our Market Based Management® culture, which guides every decision we make. Keeping workers and neighbors safe and using resources efficiently as we work to make people’s lives better – this is value creation, and it is our constant aim. We remain committed to developing technologies and materials that will minimize the environmental footprint of our fibers and enhance the performance of carpets while safeguarding the health and safety of our employees and the communities in which we operate.

1At this time, does not include brand extensions with TruBlend™ fiber technology.
J+J/INVISION

J&J Industries considers conservation at the core of sustainability. Preventing excessive or inefficient use of natural resources along with the preservation of the environment are foundations to J&J’s environmental stewardship. Our Stewardship Focus also embraces our landfill diversion initiatives which include CARE. And as a founding member and Sustainable Leader at CARE, we take pride in each of J&J Industries’ recycling and reclamation actions.

As far back as 1997 we created the EnAct® program which is a continually evolving suite of sustainability initiatives. EnAct® is a powerful program at J&J which helps empower efforts such as the creation of eKo® friendly products, our on-campus green initiatives, our internet-based sustainable building solutions, our post-consumer carpet reclamation efforts, and now our new water reclamation practices.

One of the initiatives of EnAct® is our Carpet Reclamation program. The J&J Industries’ Carpet Reclamation Program facilitates the reclamation of used carpet and guarantees that it will not reach a landfill. This program is available to all customers, regardless of whether or not they purchase or specify J&J Industries’ products. Since the program began in 2008, we have diverted over 5,800,000 lbs of carpet from landfills. In 2011 alone, we facilitated the reclamation of over 1,665,000 lbs of carpet!

In 2007, we developed a new EnAct® initiative we call R4® - Reduce, Reuse, Recycle, and Return. The R4® program was developed specifically for our customers and allows customers to easily recycle all J+J/Invision carpet samples and architect folders. On average we recycle/reuse 4,000 pounds of samples per month or over 49,175 lbs of waste diverted from the landfills each year. The R4® idea of Reduce, Reuse, Recycle, and Return is also carried throughout the J&J campus on a daily basis. For example, an EnAct® initiative called Campus Green has consistently resulted in the recycling of 23 times more material than we landfill. In other words, for every pound we throw away, we recycle 23 pounds.

Following the principles of Sustainability, we’re proud that in addition to the 1.7MM lbs of carpet diverted from landfills in 2011, we also commissioned a first of its kind process in the industry called the J&J Aquafinity™ Water Reclamation Project. The new system, which uses a blend of filters and reverse osmosis filtration processes, allows J&J to recover 80 to 90% of dyehouse wastewater. For 2012, J&J anticipates 20 to 25 million gallons to be recycled by the Aquafinity™ system.

Whether it is post-consumer carpet recycling, water recycling, or basic product stewardship, the folks at J&J are and will remain proud supporters of what CARE has done in the past and will do in the future! Together, let’s challenge ourselves to be good stewards of this wonderful planet.

MANNINGTON

Mannington has long driven investment and research into reducing manufacturing waste and increasing efficiency. By evaluating our products and processes against our corporate goal of becoming a net-user-of-waste, we have been able to make significant company-wide improvements to allow us to attain that goal at multiple locations. Also, by implementing ISO 14001 at both our Georgia carpet operation and other company locations, we have proven that our entire process exceeds these stringent environmental standards.
An initial carpet product that enables us to meet these environmental hurdles was Artcraft carpet tile which has been a great success both for its colorful aesthetics and smart re-use of 100% post-production yarn. The next improvement was Artworks, which added a dominant high recycled yarn to the Artcraft look, and is available with our Infinity RE recycle backing. In 2011 we announced yet another upgrade to this innovative line with the Renaissance tile which accentuates this post-production yarn product with an innovative over-dyeing technique. All other commercial carpet tile products are available for use with the Infinity RE backing system, which contains both pre and post-consumer recycled content and routinely exceeds a total of 30% by total product weight. The minimum amount of post-consumer recycled content exceeds 10% and most of this is reclaimed post-use carpet through LOOP, our nation-wide carpet reclamation system. Also, we have significantly increased our carpet reclamation activities through LOOP over the past several years, showing we are certainly heading in the right direction. For example, the most current two years of 2010 & 2011 exceeded the reclamation totals of the 2008 & 2009 by over 38%. All Infinity RE backed carpet meets the Platinum level of NSF/ANSI-140 - Sustainability Assessment for Carpet. Additionally our UltraBac RE and Integra HP RE broadloom carpets are Platinum rated to NSF/ANSI-140, as well as rEvolve modular tile.

Regarding our recycling expertise and the technical framework of carpet-to-resilient and resilient-to-carpet, Mannington continues to be the only company able to reuse reclaimed carpet into Relay RE. It is the first and only hard-surface flooring to contain recycled carpet. Relay RE is 35% total RC – 20% post-consumer and 15% pre-consumer content – all from carpet. Mannington will continue to invest and research new technologies and processes to increase recycled content and reduce waste. We will continue to work with progressive organizations like CARE who are working to improve environmental performance in our industry, because after all, actions speak.

MILLIKEN

At Milliken, sustainability is core to our culture. We believe a healthy enterprise and healthy earth are vitally linked. We care about and respect each other, our customers and the world we share. While we hold ourselves accountable to the highest ethical standards, we derive our greatest satisfaction from creating innovations that help solve the world’s problems at a human level – adding value to people’s lives, improving health and safety, and making this world more sustainable.

Milliken has created five pillars of sustainability – to support initiatives that hold our organization accountable to the global community for the impact we have on the Earth. The five pillars are: Products; End of Life; Operations; Environmental, Health and Safety; and Transparency.

Products

Milliken is dedicated to designing innovative products and solutions for our customers that minimize environmental impact. Milliken strives to increase the durability, longevity and sustainability results on all products from the merging of meaningful design, deep science and unique insights.

Milliken designs:

- Products with the maximum amount of recycled content
Products and services that maximize their useful life

Products that are easily recycled at the end of their useful life

Additionally, Milliken is utilizing the world’s first and only 100% recycled polymer in our Solution Dyed Nylon collections. Our Sound and Fury collection which utilizes this yarn system received the 2011 Bloom Award from ASID and Interiors and Sources.

End of Life

End of Life Promise: Milliken takes responsibility for the end of life of our products and for any competitors’ products we replace. We work with our strategic partners to divert old carpet from landfills and into the most appropriate application, while reducing the impact on our Earth.

To support our “No Carpet to Landfill” Pledge, which we established in 2002, we evaluate the condition of the carpet being replaced by Milliken and select the highest form of recovery possible. Milliken became a founding member of the Carpet American Recovery Effort in 2002 – and is an active board member of CARE.

Operations

Milliken manufactures products via methods that are beyond compliance to regulation by continual reduction of the environmental impact of our operations.

We continue to strive to

- Reduce our carbon footprint and our consumption of non-renewable resources
- Send zero waste to landfill
- Reduce our manufacturing environmental footprint by 25% by 2013

With our global environment management team in its fourth decade, Milliken is focused on reducing our total impact. As a 2011 recipient of the Made in the USA Foundation’s “Hall of Fame Award,” we are continually committed to USA manufacturing.

Environmental, Health and Safety

The safety and well-being of the associates in our workforce is paramount. We exceed expectations in compliance around the globe and establish industry benchmarks for efficiency and safety. All of our associates are engaged in safety and resource management initiatives as well as career development. We will not expose our associates or our customers to hazardous materials in our manufacturing processes, products or services. Milliken continues to define and eliminate all potentially hazardous materials from our products and our operations, throughout the life of products and services we provide.

In 2012, Milliken was recognized – for the sixth consecutive year – by Ethisphere Magazine as one of the “World’s Most Ethical Companies.”

Transparency

Milliken’s operations and products remain transparent through industry-respected third party certifications. Our customers know who we are and trust what we do, evidenced by the highest achievement of environmental, quality and safety standards.
• Milliken is certified as a carbon neutral manufacturer without purchased carbon credits for the seventh consecutive year, based on quantified emissions that include energy reduction, renewable energy and carbon sequestration delivered by its forests.

• In 2011, Milliken began sequestering methane gas from an additional landfill, effectively “extinguishing the flame” at that site.

• In 2011, Milliken won the Sunoco Sustainability Star Award, Gold Level.

MOHAWK GROUP

Mohawk’s industry-leading sustainability programs include a focus on transforming waste streams to value streams, implementing renewable technologies and reducing our impact on the planet. With sustainability as part of our core values, Mohawk is proud to be a founding member of CARE.

Sustainability is a strategic business imperative that permeates all aspects of Mohawk’s operations. We are dedicated to providing our customers and consumers with safe and environmentally friendly flooring products. We continue to implement sustainable business initiatives that have a quantifiable return, as we believe such initiatives offer the best opportunity to yield a significant impact and create a lasting success.

Our strategy focuses on maximizing the amount of recycled or renewable content in all products. We are committed to developing processes that make it easier for end users to recycle products that are at the end of their useful application.

As an example of our commitment to sustainability, Mohawk ranks among the world’s largest recyclers of plastic bottles, creating EverStrand™ fiber from approximately 20% of all post-consumer bottles in North America (more than 3 billion bottles each year) and diverting millions of pounds of PET plastic from the nation’s landfills.

Mohawk’s GreenWorks Center also reflects that commitment. This leading-edge facility applies a unique, patent-pending process to extract any nylon 6 & 6.6; polypropylene, polyester, and Triexta post-consumer carpet face fiber and then use that fiber to manufacture new carpet.

We perpetually seek new ways to translate our commitments into action. For instance, we are increasing our recycling and re-use initiatives to further reduce our total waste to landfill intensity by 25 percent by 2020 when compared to 2009 levels.

At Mohawk, we take pride in a tradition rich in sustainable innovation, and we look forward to building on those programs in the future.

Mohawk: Sustainability that works.

SHAW INDUSTRIES GROUP, INC.

Through its commitment to Sustainability through Innovation™ – the Shaw Green Edge®, Shaw Industries has long served as a model of sustainable, responsible business practices. In 2011, Shaw demonstrated
its dedication to environmental excellence, corporate governance and social responsibility, and innovative product and process design through a combination of new and ongoing initiatives and investments – all with the same intent: to create the most beautiful, and sustainable, flooring in the world.

Shaw’s 2011 sustainability highlights include:

• Reclaiming more than half a billion pounds of post-consumer carpet since 2006 – including more than 111 million pounds in 2011, the majority of which was recycled back into new carpet.

• The introduction of LokDots™, an innovative pressure-sensitive adhesive system for installing Shaw’s EcoWorx carpet tile. Designed for use in any installation space, including high moisture environments, the non-toxic and odorless system provides a viable alternative to wet adhesive and virtually eliminates the issue of VOCs. Cradle to Cradle Silver certified for installation with EcoWorx, LokDots also significantly dematerializes the installation process: using LokDots represents a 97% materials reduction compared to wet adhesive.

• Increasing recycled content in Eco Solution Q, Shaw’s premium-branded Cradle to Cradle Silver certified carpet fiber, to 45 percent, including 20 percent pre-consumer recycled content and 25 percent post-consumer recycled content. Eco Solution Q fiber is produced in part from nylon that has been recycled through Evergreen, the company’s Nylon 6 recycling facility in Augusta, Georgia. More than 742 products made with Eco Solution Q are available through the Shaw Contract Group, Patcraft and Philadelphia/Queen commercial brands.

• More than 50% of total sales from Cradle to Cradle certified products – including Cradle to Cradle certified residential carpet, rugs and hardwood, and commercial carpet tile, broadloom and hardwood.

• Winning a 7th consecutive California Waste Reduction (WRAP) award from CalRecycle, California’s leading authority on recycling, waste reduction and product reuse.


TANDUS FLOORING

For nearly half a century, Tandus Flooring has been a pioneer in the areas of research and development of innovative solutions while continually advancing business practices to meet the critical environmental challenges facing our industry. Consistent with this heritage of innovation, Tandus Flooring established the INFINITY INITIATIVE.

The Infinity Initiative encourages the forward thinking and risk taking that leads to the breakthrough technology that will fix the environmental problems of today and serve as the springboard to answer the challenges of tomorrow. The collective energy within the Tandus Flooring community has led the progression of historic milestones in environmental and social responsibility and sets the stage for future successes.

Tandus Flooring has recycled more than 215 million pounds of flooring and waste through the industry’s first closed loop recycling program since it was launched in 1994. The Infinity Initiative has led to absolute
transparency to environmental claims with the world’s first third party certified flooring reclamation center and third party certified recycled products. These tangible advancements provide an infinite opportunity to improve environmental stewardship and socially responsible initiatives in a collaborative environment.

Initiatives toward product solutions include a clear responsibility towards landfill avoidance with continuous increases in post-consumer content in our products while decreasing our carbon footprint. We challenge the industry and ourselves to simplify the recycling process, continue to practice source reduction and provide product solutions with the lowest embodied energy and the highest proven performance. A longer perspective is to ensure that we continue to engage communities, insure accountability and an unwavering dedication to enhance spaces for learning, working healing and living.

There is an infinite capacity to improve everything exponentially through responsible leadership. Leadership does not begin and end with simply recycling more. It’s about investing in new ideas and implementing new practices that lead to change, helping to improve the human condition. Tandus Flooring’s Infinity Initiative continues beyond the next innovation; the process is infinite.

**UNIVERSAL FIBERS**

*Source Reduction*

Universal Fibers continues its certification under ISO 14001. As such, it must determine its significant environmental impacts, prioritize them, initiate efforts, and demonstrate reduction results. Universal’s two largest impacts are: a) petroleum sourced raw materials, and b) use of electrical energy. In 2012, Universal increased its use of non-petroleum sourced polymer to 30% in its carpet products. In spite of a continuing trend towards finer yarns sold [which process less energy efficiently], electrical usage was held in the vicinity of 1,600 kJ/kg.

*Design for Recyclability*

As a leading supplier of solution dyed Nylon-6,6 yarns to the carpet market, Universal supports the goal of end of life recovery and designs its yarn composition accordingly.

*Recycling*

For over 15 years, Universal has “captured” its internal yarn waste and reprocessed it for first quality yarn re-use. For over 5 years, the same dedication and commitment is driving Universal technology towards closed loop recycling of post consumer carpet fiber. Recognizing that there are “plusses and minuses” in each technology among decontamination, dissolution, and depolymerization – Universal has pursued each – applying concurrent criteria of being a) market driven, b) economic, and c) technically supportive of fiber-making. Improvements in face fiber quality have enabled PC volume and content to show continued growth.
APPENDIX 1

Carpet America Recovery Effort (CARE) Survey, 2010
1.

Dear CARE Carpet Reclamation and Recycling Partner,

Thank you for taking the time to complete the 2011 Carpet America Recovery Effort (CARE) Annual Survey. Your complete answers to this survey will allow us to perform quantitative analysis on the carpet recycling stream and create a detailed Annual Report for the stakeholders of CARE.

Please report only the quantity of post-consumer carpet managed through your business. For purposes of the CARE Annual Report, we will NOT include information on post-industrial carpet, ONLY POST-CONSUMER CARPET.

The survey is 21 questions long and should take less than 15 minutes to complete. To minimize the amount of time spent on completing the survey, we recommend that you read through the survey and have your data available before completing the survey.

If you need any assistance or have questions while completing this survey, please contact Anthony Cline, CARE's Operations Manager, at acline@carpetrecovery.org or 706-428-2127.

Due to the time sensitive nature of this survey, please complete survey by close of business on Tuesday, February 28, 2012.

Note - All Company information and answers to this survey will be CONFIDENTIAL, and will only be seen and used by CARE's Executive Director (Georgina Sikorski) and Operations Manager (Anthony Cline).

All data collected will be reported to outside agencies in the aggregate, thus removing any references to individual companies.

Thank you

Georgina Sikorski
Executive Director, Carpet America Recovery Effort (CARE)

* Of your total employees, how many are associated with the diversion/recycling of post-consumer carpet?

* Please select the type of company from the list below, based upon the descriptions provided. If your company performs more than one function, check all boxes that apply.

☐ Collector - A company that consolidates and temporarily stores recovered commercial and/or residential carpet.

☐ Sorting Facility - A facility that segregates collected carpet into the various backing types (PVC, BBR Latex, etc.) and/or fiber types (e.g., Nylon 6, Nylon 6.6, Polypropylene and Polyester).

☐ Processor - A company or facility that receives post-consumer carpeting (whether handled by a sorting facility or brought directly by a collector) and processes it for use as a feedstock in a manufacturing facility.

☐ Manufacturer - A company or facility that utilizes processed carpeting materials and transforms them into other products, or uses them as raw materials in a manufacturing process.

To assist you in answering the next series of questions, please see the attached flow chart, definitions and example.
Carpet as Alternative Fuel (CAAF): Fuel that has been produced from source-separated carpet and processed, including (1) extraction of components if at all possible; (2) size reduction, shredding, and/or blending with coal fines, etc.

Cement Kiln: Cement production facility that may use CAAF as a source of energy and/or as an additive for cement production.

Inclination: Complete burning of material to ashes, with no energy recovery

Landfilling: Landfilling includes the placement of post-consumer carpet and/or the residuals from a post-consumer carpet management method into a landfill disposal facility.

Reuse: Refurbishing and donating/selling recovered carpet back into the market for its original intended use. The reuse of recovered carpet retains the original purpose and performance characteristics of the carpet.

Waste-to-Energy: Process of recovering thermal energy from MSW through combustion.

Example: A recycling business person collects 1 million lbs of carpet. The recycler sorts and shears this material and sends it to a processor. Along the way, some of the post-consumer carpet is reused, and some is not able to be recycled, for various reasons, and is either sent to a CAAF or a cement kiln facility, waste-to-energy, or the landfill. The recycler tracks the amount of material as it progresses through the process. For this example, the recycler would answer the next questions as follows:

Collected 1 Million lbs of post-consumer carpet, of which:

- 900,000 lbs sent to Sorting Facility
- 50,000 lbs sent to Waste-to-Energy
- 10,000 lbs were reused
- 40,000 lbs went to Landfill

900,000 lbs of post-consumer carpet was available for sorting:

- 700,000 lbs went to the Processor
- 100,000 lbs were reused
- 0 lbs went to CAAF or cement kiln
- 50,000 lbs went to waste-to-energy
- 50,000 lbs went to the landfill

700,000 lbs of post-consumer carpet was available for Processing:

- Produced 210,000 lbs of sheared material
- 100,000 lbs went to CAAF or cement kiln
- 100,000 lbs went to waste-to-energy
- 290,000 lbs went to the landfill

Using the example to help you, please answer the following questions:

If you are a collector, please indicate how many pounds of postconsumer carpet you have collected:
Of the post-consumer carpet that you have collected, how much of it was:

(Please ensure the total volumes equal amount collected)

<table>
<thead>
<tr>
<th>Reused</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent to a Sorting Facility</td>
<td></td>
</tr>
<tr>
<td>Sent to Waste-to-Energy</td>
<td></td>
</tr>
<tr>
<td>Sent to an incinerator</td>
<td></td>
</tr>
<tr>
<td>Sent to the Landfill</td>
<td></td>
</tr>
</tbody>
</table>

If you are a sorting facility, please indicate how many pounds of postconsumer carpet you received from a collector:

(you may have collected the material yourself or you may have received collected material from someone else)


If you are a sorting facility, please indicate how many pounds of post-consumer carpet you have:

(Please ensure the total volumes equal amount sorted)

<table>
<thead>
<tr>
<th>Reused</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent to a Processor</td>
<td></td>
</tr>
<tr>
<td>Sent to CAAF Facility</td>
<td></td>
</tr>
<tr>
<td>Sent to Cement Kiln</td>
<td></td>
</tr>
<tr>
<td>Sent to Waste-to-Energy</td>
<td></td>
</tr>
<tr>
<td>Sent to an incinerator</td>
<td></td>
</tr>
<tr>
<td>Sent to the Landfill</td>
<td></td>
</tr>
</tbody>
</table>
For the sorting facility, indicate the percentage of post-consumer carpet that you handle by fiber type:

Note - Total must equal 100%

NSS  
NE  
PP  
PET  
Other

If you are a processor, please indicate how many pounds of postconsumer carpet you have received from a sorting facility:

(you may have sorted the material yourself or you may have received sorted material from someone else)

If you are a processor, please indicate how many pounds of post-consumer carpet you have:

(Please ensure total volumes equals amount processed)

Reused  
Processed Fiber Shipped to Manufacturer (i.e. shredded, sheared, hammer milled)  
Carpet Filler Manufacturing Facility  
Sent to CAAF Facility  
Sent to Cement Kiln  
Sent to Waste-to-Energy  
Sent to an Incinerator  
Sent to the Landfill
If you are a manufacturer, please indicate how many pounds of postconsumer carpet you received from a processing facility:

(you may have processed the material yourself or you may have received processed material from someone else)

If you are a manufacturer, please indicate how many pounds of processed post-consumer carpet material you have:

(Please ensure total volumes equal amount manufactured)

<table>
<thead>
<tr>
<th>Manufactured</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent to CAAF Facility</td>
<td></td>
</tr>
<tr>
<td>Sent to Cement Kiln</td>
<td></td>
</tr>
<tr>
<td>Sent to Waste-to-Energy</td>
<td></td>
</tr>
<tr>
<td>Sent to Incinerator</td>
<td></td>
</tr>
<tr>
<td>Sent to the Landfill</td>
<td></td>
</tr>
<tr>
<td>Sent to another</td>
<td></td>
</tr>
<tr>
<td>Manufacturer/Feedstream</td>
<td></td>
</tr>
<tr>
<td>Carpet Filler Manufacturing Facility</td>
<td></td>
</tr>
</tbody>
</table>

If you are a manufacturer, please indicate pounds of post-consumer carpet material used in the production of:

<table>
<thead>
<tr>
<th>Engineered Resins</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Molded/Extruded Products</td>
<td></td>
</tr>
<tr>
<td>Carpet Fiber</td>
<td></td>
</tr>
<tr>
<td>Carpet Backing</td>
<td></td>
</tr>
<tr>
<td>Filler for Carpet or other Products</td>
<td></td>
</tr>
<tr>
<td>Carpet Cushion</td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
</tr>
</tbody>
</table>
US Regional Map

Northwest
(Including Alaska and Hawaii)

California
*Counted Independently

Southwest
(Excluding California)

Midwest
To the extent known, identify what percent of the material received came from each geographic area:

Note - Totals must equal 100%

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast</td>
<td></td>
</tr>
<tr>
<td>Southeast</td>
<td></td>
</tr>
<tr>
<td>Midwest</td>
<td></td>
</tr>
<tr>
<td>Southwest (excluding California)</td>
<td></td>
</tr>
<tr>
<td>Northwest (including Alaska and Hawaii)</td>
<td></td>
</tr>
<tr>
<td>California</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td></td>
</tr>
</tbody>
</table>

To the extent known, please indicate the percentage of the output from your facility that is sent to customers in the U.S. versus customers overseas. Answers should total to 100%.

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td></td>
</tr>
<tr>
<td>Other/Unknown</td>
<td></td>
</tr>
</tbody>
</table>

Indicate areas where CARE has provided support that would help your business:

- CARE Entrepreneur Meeting
- CARE monthly entrepreneur calls
- CARE Annual Conference
- CARE Annual Report
- Presentations to Local Governments
- Research on Separation Technology
- Research on Processing Equipment
- Facilitate Meetings with Other Carpet Recyclers
- Additional Research on Regional Carpet Recycling Levels
- End Product Development
- Other (please specify)
Indicate areas where CARE should provide support that would help your business:

- Extended Producer Responsibility (EPR) Legislation
- Presentations to Local Governments
- Research on Separation Technology
- Research on Processing Equipment
- Facilitate Meetings with Other Carpet Recyclers
- Additional Research on Regional Carpet Recycling Levels
- End Product Development
- Other (please specify)

*What are the key issues or opportunities that your business faces in the next 12 months?

How can CARE assist you in addressing your highest priority issue or opportunity?

I affirm that the answers provided in this survey are accurate and complete to the best of my knowledge.

Print Name:
Appendix 2

Definitions Used in the CARE 10th Annual Report

**Carpet**: A manufactured article that is used in commercial or residential flooring applications as a decorative or functional feature and that is primarily constructed of a top visible surface of synthetic or natural face fibers or yarns or tufts attached to a backing system derived from synthetic or natural materials.

(2) “Carpet” includes, but is not limited to, a commercial or a residential broadloom carpet or modular carpet tiles.

(3) “Carpet” does not include a rug, pad, cushion, or underlayment used in conjunction with, or separately from, a carpet.

**Carpet as Alternative Fuel (CAAF)**: Fuel that has been produced from source-separated, and sorted post-consumer carpet and processed, including (1) extraction of components for recycling if at all possible; and (2) size reduction, shredding, and/or blending with coal fines, etc.

**Carpet America Recovery Effort (CARE)**: A nationwide, 501(c) (3) non-profit organization whose focus is on post-consumer carpet stewardship.

**Carpet Industry**: The universe of participants involved in the production of carpet, including carpet manufacturers, fiber manufacturers, material suppliers, etc. It includes, but is not limited to, members of the Carpet and Rug Institute (CRI).

**Cement Kiln**: Cement production facility that may use CAAF as a source of energy and/or as an additive for cement production.

**Collection**: Any method of consolidating and temporarily storing recovered commercial and/or residential carpet.

**Disposal Diversion**: Carpet removed from the waste stream that was destined for the landfill or incineration, for the purpose of reuse, recycling, CAAF or waste-to-energy.

**Disposal Facility**: Facilities that are licensed and permitted to provide final disposal for the specific wastes they accept, including waste-to-energy, incineration, and landfilling.

**Entrepreneur**: Individual or privately-held company which is not a carpet manufacturer, who actively, collects, sorts, processes or manufactures products made from post-consumer carpet.

**Filler**: Materials such as calcium carbonate, etc. used in the production of carpet backing.

**Higher Value Recycling Material**: Output of the materials with the most benefits to manufacturers of finished products. Examples of higher value recycling materials include post-consumer carpet fiber, post-consumer carpet backing, engineered resins and material for carpet cushion.

**Incineration**: Complete burning of material to ashes, with no energy recovery to reduce waste volume.

**Input**: The post-consumer carpet that is collected, sorted and readied for processing.
Landfilling: Landfilling includes the placement of post-consumer carpet and/or the residuals from a post-consumer carpet management method into a landfill disposal facility.

Lower Value Recycling Material: output of the materials with benefit to manufacturers of finished products, but a lower value than higher value recycling materials. Examples of lower value recycling materials include carpet filler and non-functional filler.

Memorandum of Understanding (MOU) for Carpet Stewardship: An agreement entered into by multi-stakeholders, including carpet industry, entrepreneurs, government entities and non-governmental organizations.

Output: the material that results from the processing (shredding, shearing, hammer milling) of post-consumer carpet from the processor. Examples of output are: fiber, shredded carpet tile, depolymerized chemical components, and carpet filler.

Recycled Content: Also known as recovered material content, is the percentage of material, by weight, a product is made from that has been recovered from consumers in the municipal solid waste stream (post-consumer content) plus any industrial materials salvaged for reuse (pre-consumer/post industrial content).

- Post-Consumer Recycled Carpet Content: The amount or percent of carpet, by weight, that is no longer used for or has served its manufactured purpose, that is incorporated into the manufacturing process of the same or a different product.

- Post-Industrial/Pre-Consumer Recycled Carpet Content: The amount or percent of carpet material, by weight, generated by manufacturers or product converters, such as trimming, overruns, and products returned to the mills, that are incorporated back into the manufacturing process of the same or a different product.

Post-Consumer Carpet Materials: Carpet that has completed its life cycle as a consumer item or is no longer used for its manufactured purpose.

Post-Industrial/Pre-Consumer Carpet Material: Carpet materials generated in manufacturing and conversion processes, including, but not limited to manufacturing scrap and trimmings/cuttings.

Processing: Preparing carpet material for reuse, recycling, CAAF, WTE, or disposal.

Recycling: Transforming or remanufacturing discarded carpet materials into usable or marketable materials, rather than for landfill disposal, incineration, WTE, CAAF, or reuse.

Reuse: Refurbishing and donating/selling recovered carpet back into the market for its original intended use. The reuse of recovered carpet retains the original purpose and performance characteristics of the carpet.

Rug: A loose laid (not installed or attached at wall base soft floor covering manufactured from natural or synthetic fiber, including carpet cut into room or area dimensions that is not intended to cover the entire floor.

Sorting: The method used for segregating collected carpet into the various backing types (PVC, SBR Latex, etc.) and/or fiber types (e.g., Nylon 6, Nylon 6.6, Polypropylene and Polyester).
**Source Reduction:** The result of using less product or material in manufacturing and use of carpet, and/or reducing the amount of discarded carpet generated.

**Source Separation:** The process by which carpet is separated/segregated from all other materials at the end of its useful life (or when discarded).

**Waste-to-Energy:** Process of recovering thermal energy from solid waste through combustion.
Appendix 3

CARE California Report, 2011

With the help and collaboration of many people within CARE, CalRecycle, local NGOs, other California government representatives such as local counties, and countless others, CARE was able to achieve conditional approval of the CARE California Carpet Stewardship Plan in January, 2012. The Plan was submitted on behalf of 80 carpet manufacturers who are registrants in the CARE Plan.

The following is a top-line report of carpet diversion and recycling in the state of California for the year 2011. A complete report will be submitted to CalRecycle by July 1, 2013 as stipulated in the adopted Product Stewardship for Carpet regulations.

California Carpet Diversion and Recycling Results, 2011

Beginning in 2010, CARE reported the diversion and recycling of post-consumer carpet from California landfills. The 2010 report set the baseline for AB 2398 Annual Reports. For 2011, CARE will use the total year data as reported by respondents to the CARE Annual Survey (See Appendix 1).

This California Report also includes specific data supplied by CARE Carpet Stewardship Plan participants and recycler reporting from carpet processors requesting AB 2398 funds for the July 1- December 31, 2011 reporting periods.

Measurement Methodology

Data presented in this report come from 2 sources:

1. CARE Annual Survey (Appendix 1). See report for more detailed description on respondent reporting.

2. July 1- December 31, 2011 reports from Manufacturers; and Recyclers Reports from processors requesting funds from AB 2398

Carpet Discard Methodology

Carpet discards data for the state of California came from 2 sources:

1. Carpet Sales data for 2011 from Torcivia Market Insights (calculated from US sales data, and adjusted for time period of January 1- June 31, 2011)

2. Actual sales and shipment data from Manufacturers for July 1- December 31, 2011

The methodology for calculating carpet discards is summarized in this report (see Carpet Discard Methodology section of the CARE Annual Report)) and is consistent with the methodology outlined in the CARE Carpet Stewardship Plan.

California Results for 2011

• Sales of carpet into California for 2011 were estimated to be 107 Million square yards, which is 6 million square yards (-5%) lower than the estimated 2010 sales.
Table 6: Carpet Discards in California, 2010-2011

<table>
<thead>
<tr>
<th></th>
<th>2010 (millions of lbs)</th>
<th>2011 (millions of lbs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Total Yards Available</td>
<td>113</td>
<td>107</td>
</tr>
<tr>
<td>Replacement %</td>
<td>0.85</td>
<td>0.85</td>
</tr>
<tr>
<td>Average weight of carpet (lbs/sq yd)</td>
<td>4.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Total lbs of carpet available for Diversion before adding demolition lbs (millions of lbs)</td>
<td>405</td>
<td>380</td>
</tr>
<tr>
<td>Demolition %</td>
<td>1.30%</td>
<td>1.30%</td>
</tr>
<tr>
<td>Demolition (millions of lbs)</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Carpet Discards (millions of lbs)</td>
<td>410</td>
<td>385</td>
</tr>
</tbody>
</table>

- In 2011, 385 million lbs of post-consumer carpet were discarded in the state of California, which 25 million pounds lower than (-6%) estimated discards in 2010.
- Of the 385 million lbs of carpet discards, 60 million lbs were diverted from the landfill, and 36 million lbs were recycled.
- The California carpet diversion rate for 2011 was 15% (+4% versus 2010) and the recycling rate was 9% (+2% versus 2010).
- In comparison to the goals in the conditionally approved CARE Plan for 2011, carpet diversion was 8 million lbs lower than Plan and the diversion rate was 0.3% below Plan. Recycled Output was 11 million lbs below plan and the rate was 2% below Plan.

Table 7: Historic Comparisons to California Carpet Stewardship Plan Goals

<table>
<thead>
<tr>
<th></th>
<th>Discards</th>
<th>Recycled</th>
<th>Diverted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>millions of lbs</td>
<td>millions of lbs</td>
<td>% of total discard</td>
</tr>
<tr>
<td>2010</td>
<td>410</td>
<td>30</td>
<td>7%</td>
</tr>
<tr>
<td>Reported</td>
<td>427</td>
<td>30</td>
<td>7%</td>
</tr>
<tr>
<td>Goal</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Difference</td>
<td>-17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>385</td>
<td>36</td>
<td>9%</td>
</tr>
<tr>
<td>Reported</td>
<td>385</td>
<td>36</td>
<td>9%</td>
</tr>
<tr>
<td>Goal</td>
<td>431</td>
<td>47</td>
<td>11%</td>
</tr>
<tr>
<td>Difference</td>
<td>-46</td>
<td>-11</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Note: Percentages were rounded
Table 8: Carpet Discards, Recycling and Diversion in the State of California, 2010-2011

<table>
<thead>
<tr>
<th>MILLIONS OF POUNDS</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>2010</td>
</tr>
<tr>
<td>Sales and Shipments into California</td>
<td>113</td>
</tr>
<tr>
<td>Total Discards</td>
<td>410</td>
</tr>
<tr>
<td>Reuse</td>
<td>0.1</td>
</tr>
<tr>
<td>High Value Recycled</td>
<td>29</td>
</tr>
<tr>
<td>Lower Value Recycled (Filler)</td>
<td>1</td>
</tr>
<tr>
<td>Total Recycled</td>
<td>30</td>
</tr>
<tr>
<td>TOTAL Reuse and Recycle</td>
<td>30</td>
</tr>
<tr>
<td>Waste-to-Energy</td>
<td>15</td>
</tr>
<tr>
<td>CAAF or Cement Kiln Feedstock</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL Diverted from Landfill</td>
<td>47</td>
</tr>
<tr>
<td>Diversion Rate</td>
<td>11%</td>
</tr>
<tr>
<td>Recycling Rate</td>
<td>7%</td>
</tr>
</tbody>
</table>

The data in Figure 12 show that 60% of post-consumer carpet collected and sorted in 2011 was recycled.

Figure 12: Destination of California Post-Consumer Carpet collected in 2011

Differences due to rounding
AB 2398 Specific Data, July 1- December 31, 2011 (A complete report will be submitted to CalRecycle by July 1, 2013 as stipulated in the adopted Product Stewardship for Carpet regulations).

- Manufacturers participating in the CARE Stewardship Plan reported actual sales and shipments of carpet into California for July 1- December 31, 2011 of 50,059,517 square yards.
- Total reported remittances were $2,525,228.
- Processors requesting funds from AB 2398 diverted 34,400,000 lbs.
- These processors recycled 12,807,990 lbs. (recycled output)
- Qualified Processors received $703,454.
- Expenses (actual and accrued) total $446,765.
- Unused funds remaining at the end of 2011 were $1,432,676.

**Employment in California**

Respondents to the CARE Annual Survey reported employing 204 people in California in 2011, an increase of 4 people versus 2010.

**Summary, Carpet Diversion and Recycling in California, 2011**

- In 2011, California discarded an estimated 385 million pounds of carpet.
- Respondents to the CARE Annual Survey and processors requesting funds from AB 2398 diverted 60 million lbs. of carpet, of which 33 million lbs. was recycled.
- The diversion rate for California was 15% and the recycling rate was 9%.
- Respondents to the CARE Survey, who collected and/or recycled California carpet, reported employing 204 people in 2011.
Established in 2002, CARE is a 501 (C) 3 non-profit organization. Carpet America Recovery Effort (CARE) is a joint industry-government effort to increase the amount of recycling and reuse of post-consumer carpet and reduce the amount of waste carpet going to landfills.

CARE Board of Directors, 2012

Werner Braun - The Carpet and Rug Institute
Larry Cook - Beaulieu of America
Russ Delozier - J&J/Invision
Sheri Gorman - RD Weis
Ron Greitzer – LA Fibers and Reliance Carpet Cushion
Thomas Holland - Texas Carpet and Construction Recycling
Glen Hussmann - Tandus Flooring
Dick Kruse - Kruse Carpet Recycling
Jim Lindsey - Aquafil, Inc.
Brendan McSheehy, Jr. - Universal Fiber Systems LLC
Paul Murray - Shaw Industries Group, Inc.
Eric Nelson – Interface
Glenn Odom - Wellman Plastics Recycling
Sean Ragiel – CarpetCycle
Lauren Travis - Georgia Department of Natural Resources
Steve Williams - Milliken
Fred Williamson - StarNet Worldwide Commercial Flooring Partnership
Joe Yarbrough - Mohawk Group
Carpet America Recovery Effort

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