

JON KHOO, HEAD OF SUSTAINABILITY (EAAA)

# Climate Take Back

Exploring Climate Action In Practice

Interface®





**THERE IS NO  
PLANET B**

rebellion  
rebellion.de

**#ACTNOW**





Interface®

**“WE HAVE A CHOICE TO MAKE  
DURING OUR BRIEF VISIT TO  
THIS BEAUTIFUL BLUE AND  
GREEN PLANET  
– TO HURT IT OR TO HELP IT”**

RAY ANDERSON (1934-2011)



# THE CLIMATE TAKE BACK

## LIVE ZERO

Aim for zero  
negative impact on  
the environment

## LOVE CARBON

Stop seeing carbon as  
the enemy, and start  
using it as a resource

## LEAD THE INDUSTRIAL RE-REVOLUTION

Transform industry  
into a force for the  
future we want

## LET NATURE COOL

Support our  
biosphere's ability to  
regulate the climate





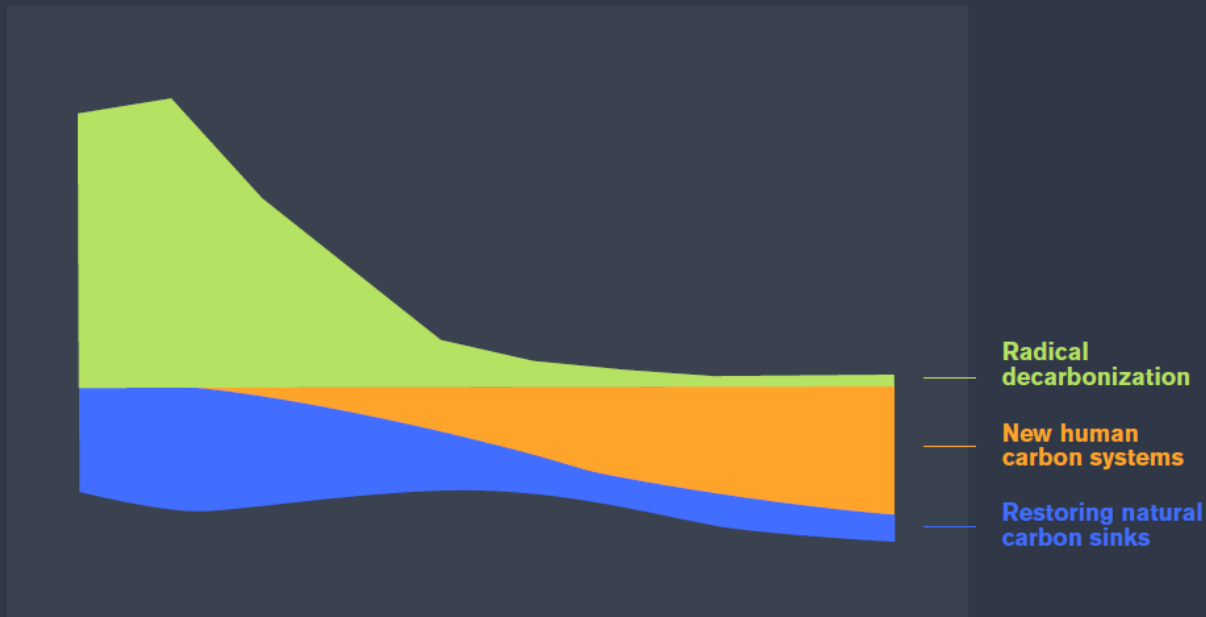




# BREAKING IT DOWN

Limiting global warming to 1.5 degrees within the next century will require an enormous amount of action, innovation and disruption across four major areas.

While we radically decarbonize our current systems, we'll also need to restore and protect natural carbon sinks, and scale up our own carbon drawdown technologies to support the biosphere. Finally, we'll need to develop a business system that allows all of this to happen.





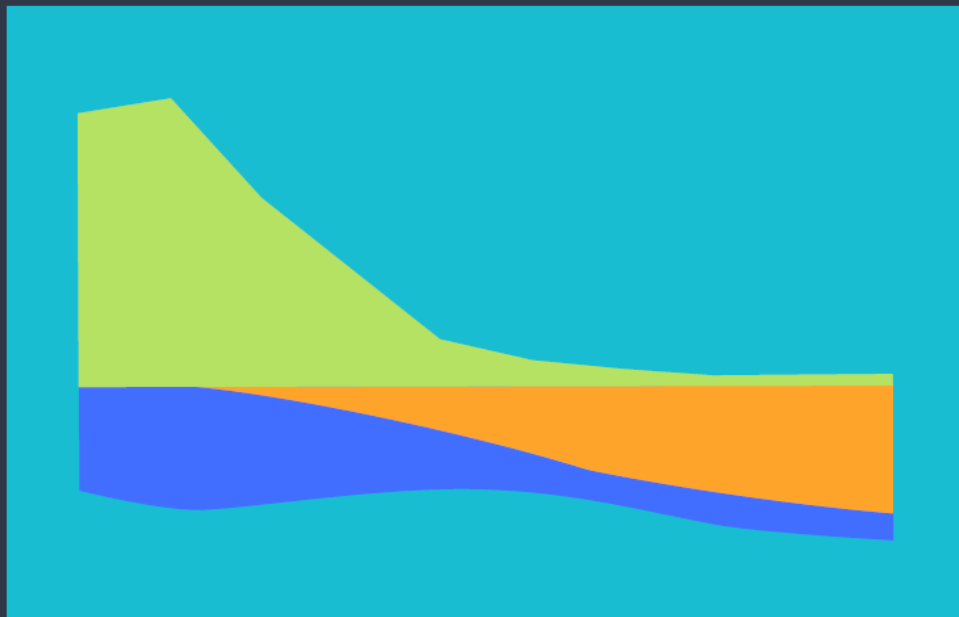


# HOW TO TAKE BACK THE CLIMATE

Science tells us we need three elements for a climate fit for life, which can be translated into principles.

We've also added a fourth: Industrial Re-Revolution. Because all the other three changes will need new business systems to make them work.

**LIVE  
ZERO**



**LEAD  
THE INDUSTRIAL  
RE-REVOLUTION**

**LOVE  
CARBON**

**LET  
NATURE COOL**



Interface is  
committing to  
science-based  
targets that support  
a 1.5°C future.

**Interface®**



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**Interface®**



SCIENCE  
BASED  
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DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**We're committing to reduce CO2  
emissions by 2030\*:**

**Reduce absolute Scope 1 & 2  
emissions by 50%**

**Reduce absolute Scope 3  
emissions from purchased goods  
and services by 50%**

*\*From a 2019 base year*

# Sustainability at Interface



## Climate Take Back™

Our mission is Climate Take Back. We commit to running our business in a way that helps reverse global warming and creates a climate fit for life — and we call on others to do the same.



## Carbon Neutral Enterprise

We are a carbon neutral company, that creates carbon neutral products.

We have neutralized our carbon impact across our entire business, including our operations, products and supply chain.



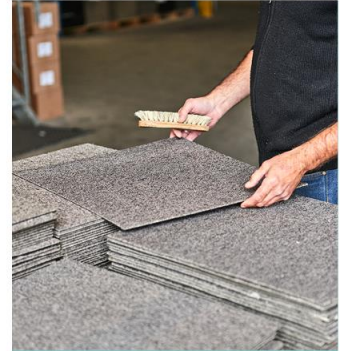
## Carbon Neutral Floors™

Interface was the first global flooring manufacturer to ensure its products are carbon neutral, across the globe. We'll even calculate the contribution your purchase is making toward tackling global warming.



## Our first carbon negative product

In 2021, Interface launched Embodied Beauty™, our first carbon negative carpet tile (cradle to gate) using our CQuest™ BioX backing



## Circularity and product take back

Our products are designed with reuse and recycling in mind.

Reuse sees used carpet tiles having a second life with charities, new businesses and even supporting social housing.



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# LESSONS FOR THE FUTURE

The Interface guide to changing your business to change the world



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## LESSON 2: A CHANGE IN MINDSET CAN CHANGE EVERYTHING

Embracing the need for change with heart and mind is essential. From the outset, be open and willing to see that there is always the possibility for a different approach and a better way.

### HOW WE LEARNED THIS

One simple question sparked a change in mindset that transformed our entire company. Twenty-five years ago, a customer asked: "What is your company doing for the environment?" That question started Interface founder Ray Anderson on a path of exploration, ultimately leading to a personal epiphany. His perspective change opened up a new way of thinking about the world and the role business has to play in it. With this mindset shift, he took action.

Ray gave Interface new focus: to become a company with zero negative impact. It was an ambition never before heard. And it set Interface on the road to becoming the company it is today. We can trace it right back to that question – and a willingness to be open to the challenge it posed.

We've seen the power that a change in mindset can have. It's why we create a culture that fosters new thinking and new approaches. In fact, we invest heavily in it. One of Interface's most significant cultural investments was the takeover of a planned global sales meeting in Maui, Hawaii in April 1997. We gathered over 1,100 people from 34 countries and instead of focusing on company strategy and sales growth, we focused on showing people the need for change – and inspiring them to start making it.

We created a program of ecological awareness and experiential learning aimed at inspiring employees to see the world's environmental challenges but feel empowered to act on them.

Visionary speeches from environmentalist and activist Paul Hawken, activist and first Executive Director The Sierra Club, David Brower and others, added context to this exercise and offered inspiring calls to action. The experience created large-scale buy-in among employees and leaders who attended, a breakthrough moment when the lightbulb went on and our people committed wholeheartedly to sustainability.

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## LESSON 5: TO CHANGE EVERYTHING YOU NEED EVERYONE

It's one thing to have a mission – but making progress means getting every single one of your people connected. This means inspiring everyone to feel personally invested in playing their part.

### HOW WE LEARNED THIS

Our progress wouldn't have been possible without the talented and passionate people of Interface. When our people in every part of the world embraced Mission Zero®, change started to happen. Fostering these connections has been crucial to our success and we've learned that there is not one approach to create buy-in, but many.

To connect everyone to the company's mission, we began by building awareness. Then we focused on improving understanding of our mission to reach zero impact. We invested in team building and knowledge development tools, but it was only after we learned how the mission was inspiring our employees personally that we realized the impact it could have.

We regularly communicated Interface's sustainability mission but our founder was skeptical that it was resonating

with employees. Surprise feedback in the form of a poem helped Ray realize the importance of connecting sustainability to employees' own values. After hearing Ray speak at our California factory, an employee named Glenn Thomas shared a poem with Ray that was written to "Tomorrow's Child", the future generation. The poem spoke of the environmental awareness that Ray and the Interface mission had created in that particular employee, the awareness that he could do something to impact the world he was leaving to the next generation. This showed us that employees would make their own powerful connections with the mission if we encouraged and created the space for those connections.

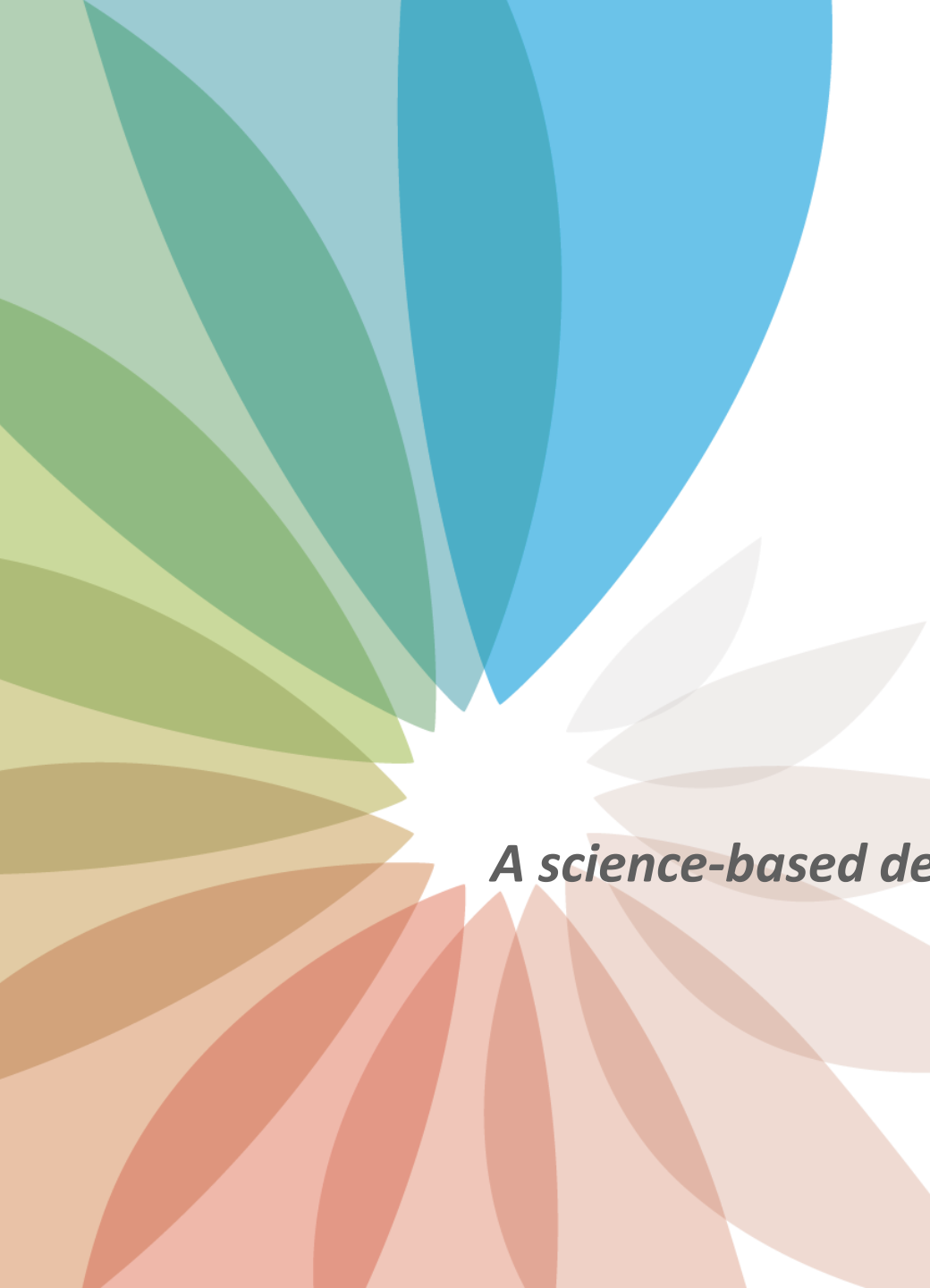
Some employees made their Mission Zero® connection through hearing Ray, or our team of environmental advisors, speak on sustainability, but others made the connection in other ways. We tried

different ways of enabling connections to create passionate employees. Another effort involved using cross-functional teams from all levels of the company to eliminate waste. The QUEST program focused employee teams on reducing waste in their factories using team learning and sharing best practices.

Setting aggressive targets tied to compensation, and encouraging teams to share knowledge, and the best ideas globally led to sustainability taking hold across the entire business. It also paid dividends financially. The cumulative impact of our QUEST program halved our manufacturing waste cost and saved hundreds of millions of dollars in avoided waste cost.

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**Thank you**



**To whom it may concern**

Munich  
July 2022

SUSTAINABILITY AND SYSTEMS THINKING

***A science-based definition of socio-ecological success***

Rüdiger Röhrig

Managing Associate Sustainable Growth Associates

Director & Advisor The Natural Step Germany

Keynote Sustainability | July 22

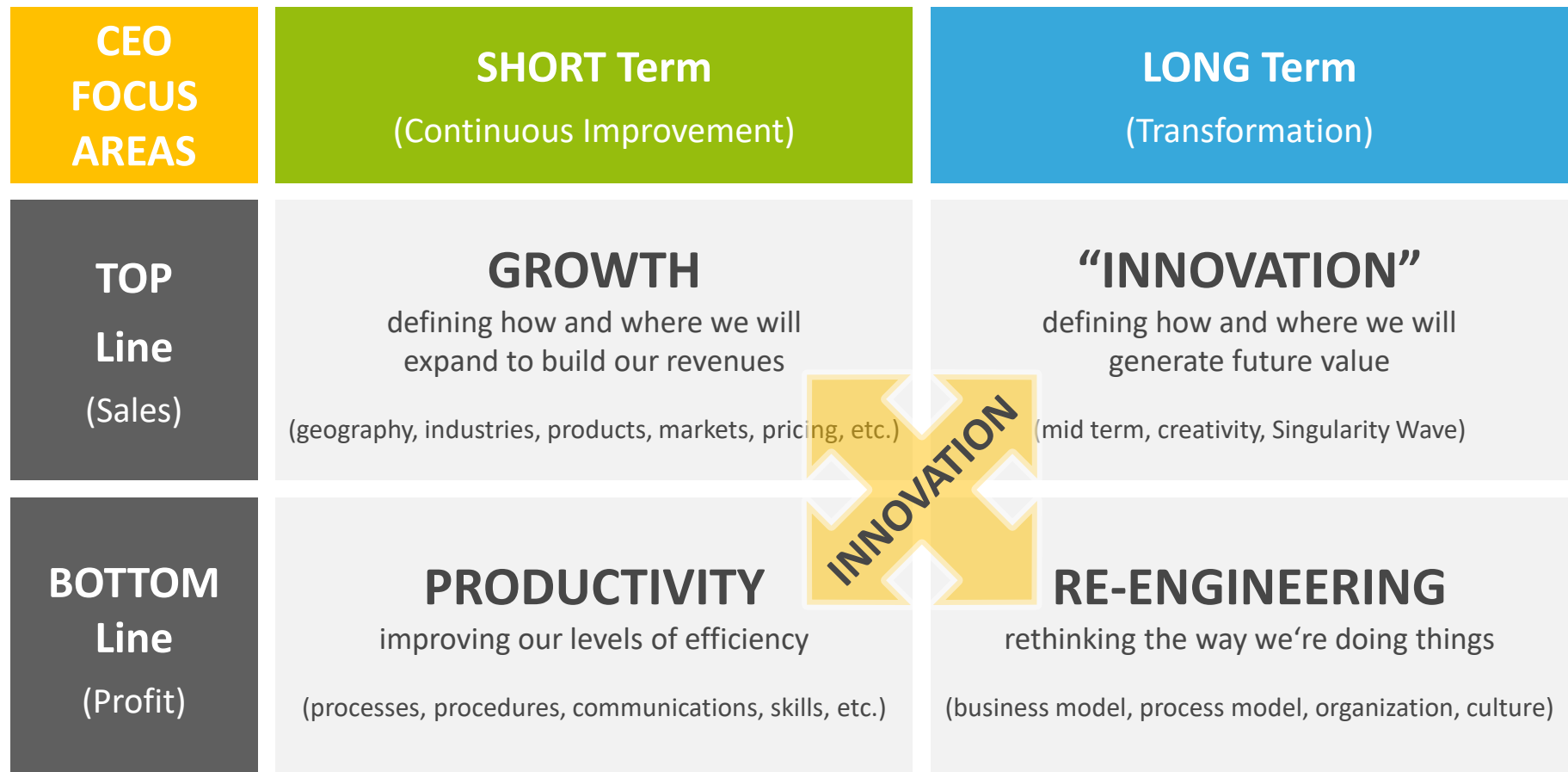
SGA 2022 | 





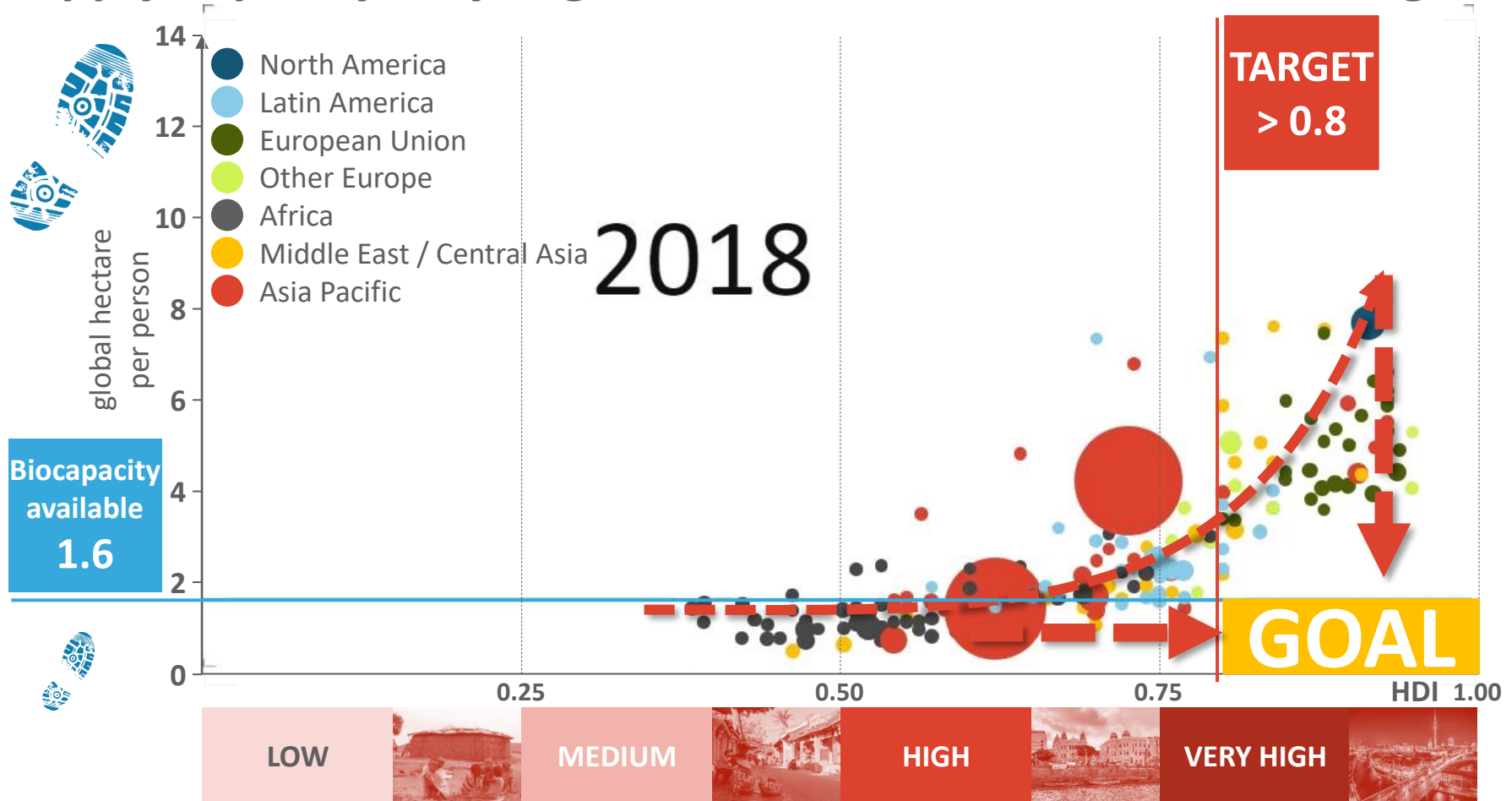
## CEO FOCUS AREAS

*The “CEO’s Focus Areas” usually comprise strategic short and long-term goals in four top and bottom-line relevant areas*



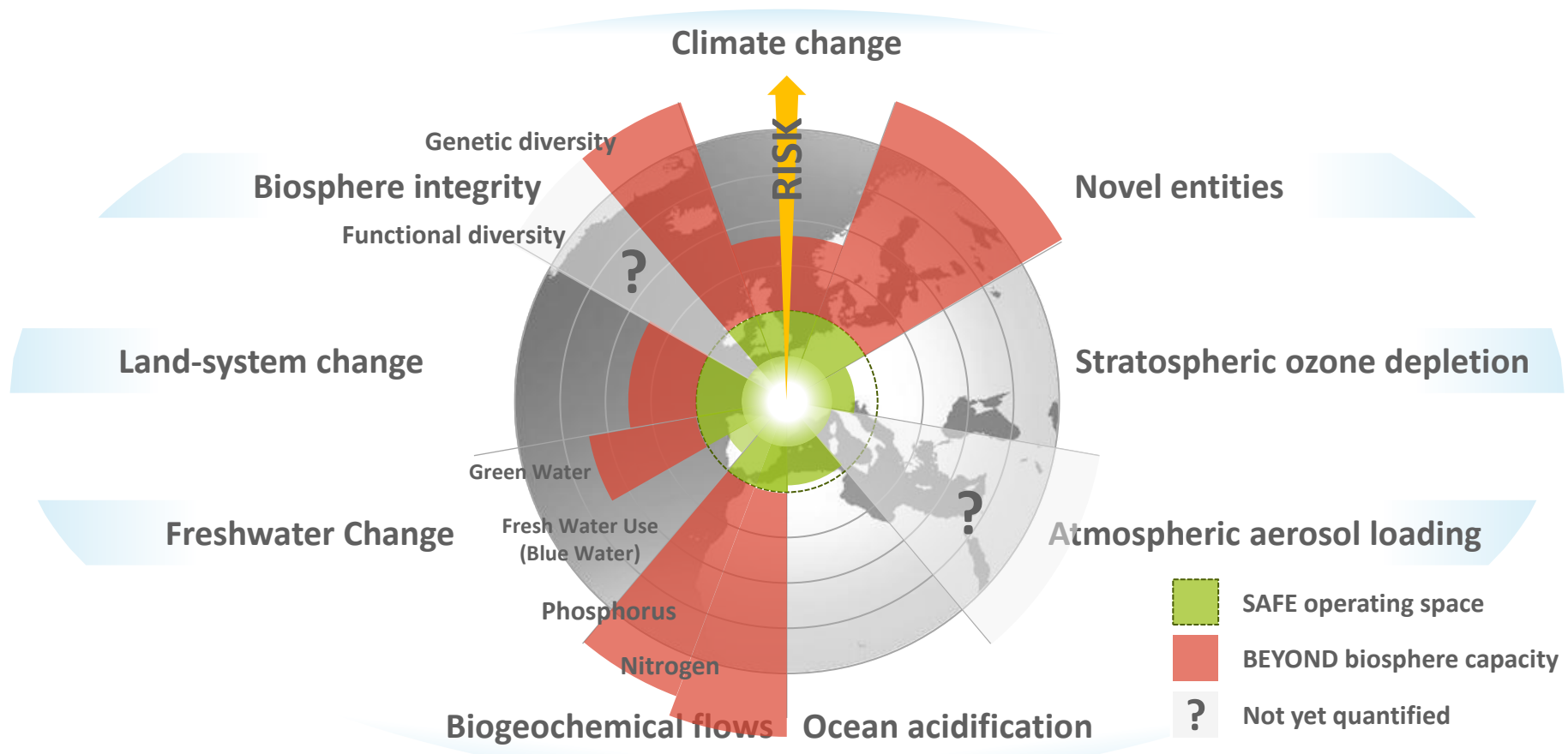
## DEVELOPMENT OF DEMAND FOR EARTH'S ECO SERVICES 1990 – 2018

*With demand for eco services exponentially exceeding earth's supply capacity, any organization must achieve the same goal*



## A SICK PLANET

*We are operating way beyond our biosphere's capacity to deal with the consequences of our economic behavior*





## THE PRIVATE PERSPECTIVE — ECOLOGICAL FOOTPRINT — EXAMPLE

*A typical German footprint is around 2.5 earths, heavily influenced by mobility and diet, demanding a drastic change*



Source: <https://www.footprintnetwork.org/resources/footprint-calculator/>

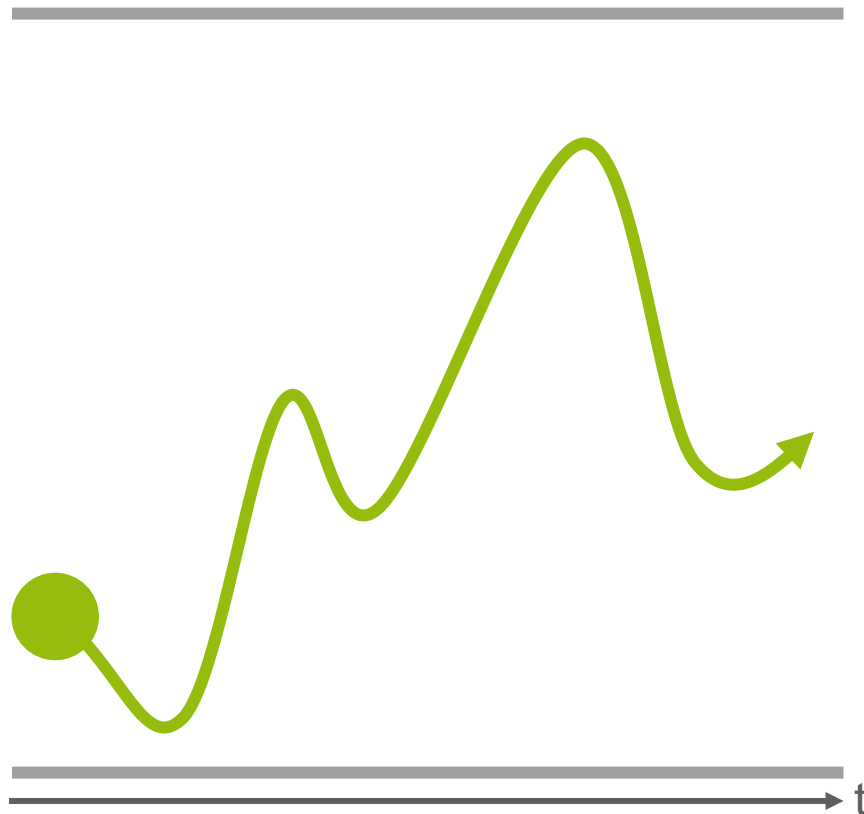
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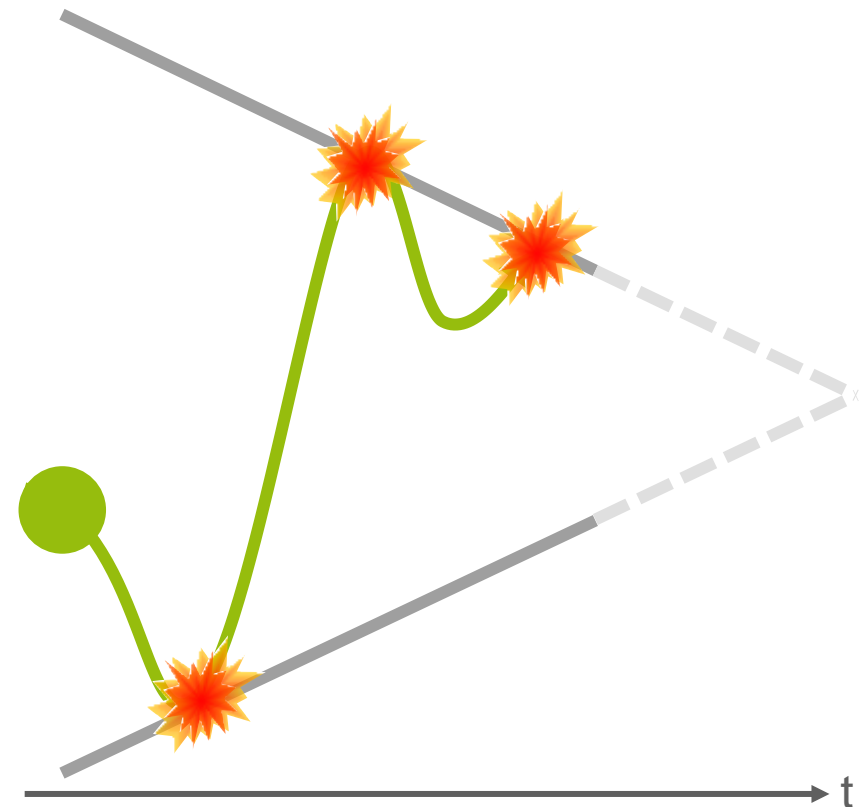
## THE (GLOBAL) SUSTAINABILITY CHALLENGE – PARADIGM SHIFT

***Your organization, as any other, is confronted with decreasing room to maneuver, demanding an immediate response***

The Cylinder Paradigm

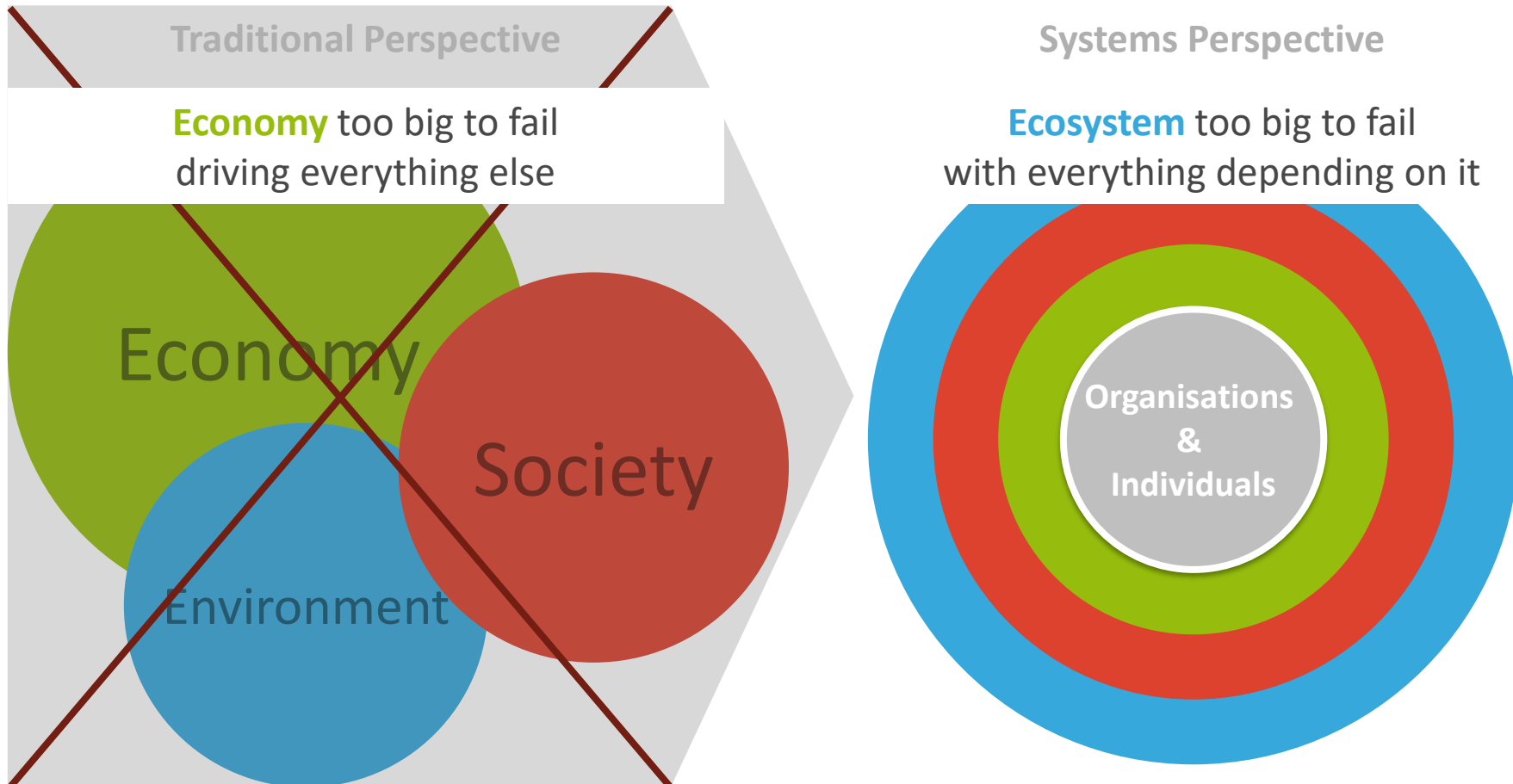


The Funnel Paradigm



## SYSTEMS THINKING – THE FRAMEWORK FOR FUTURE FITNESS

*The traditional perspective does not accurately characterize the system interdependencies, thus asking for a fresh view*

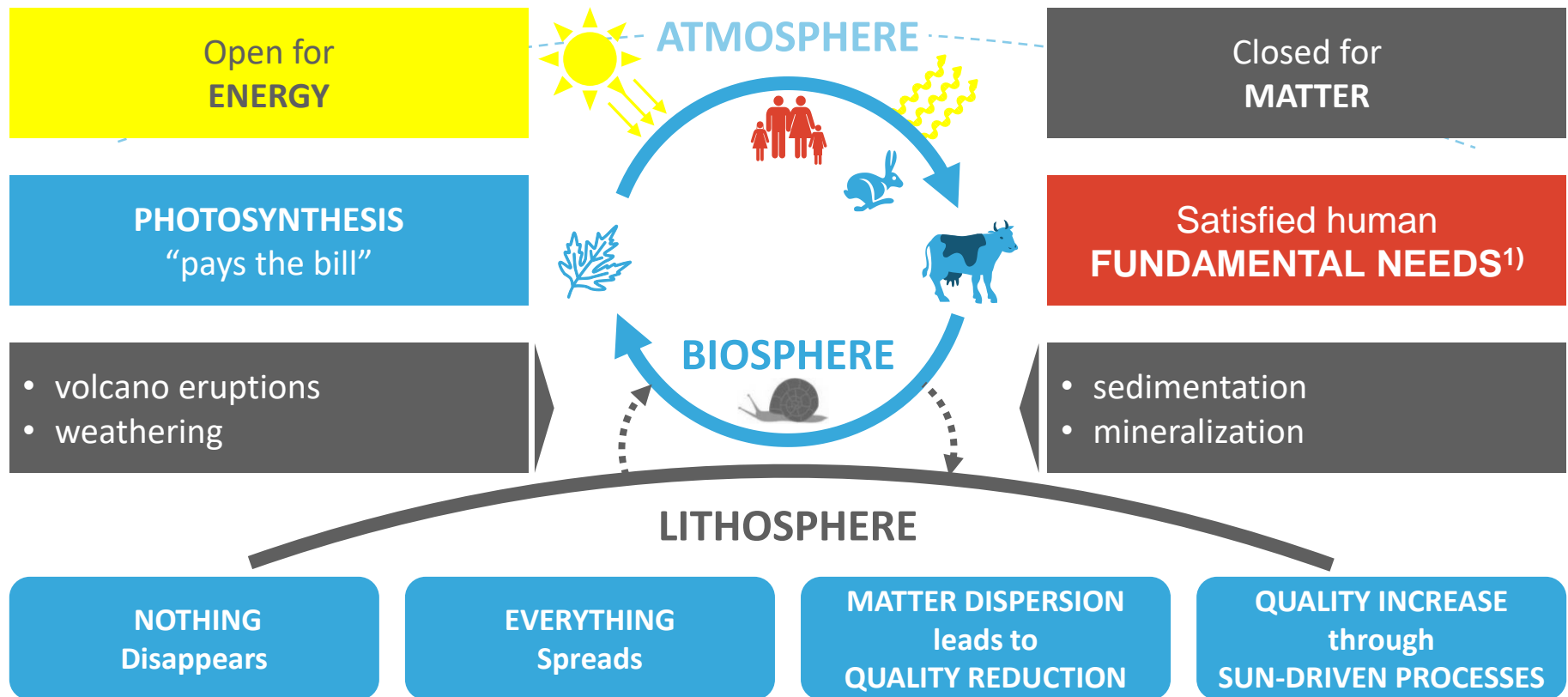




## UNDERSTANDING SCIENCE & FUNCTION OF THE SYSTEM

# Systems thinking is a prerequisite for understanding the cycles of nature and society within the biosphere

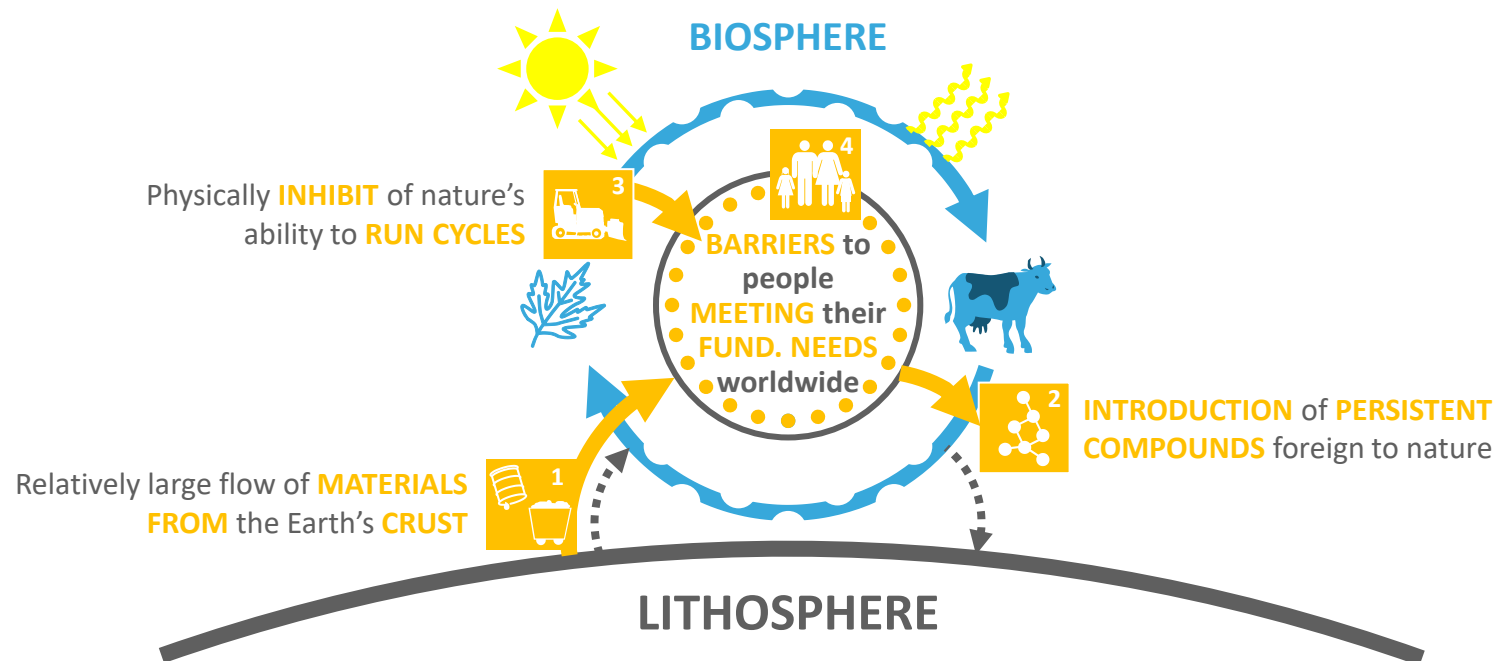
### Cycles of nature and society within the biosphere



## ROOT CAUSES OF UNSUSTAINABILITY

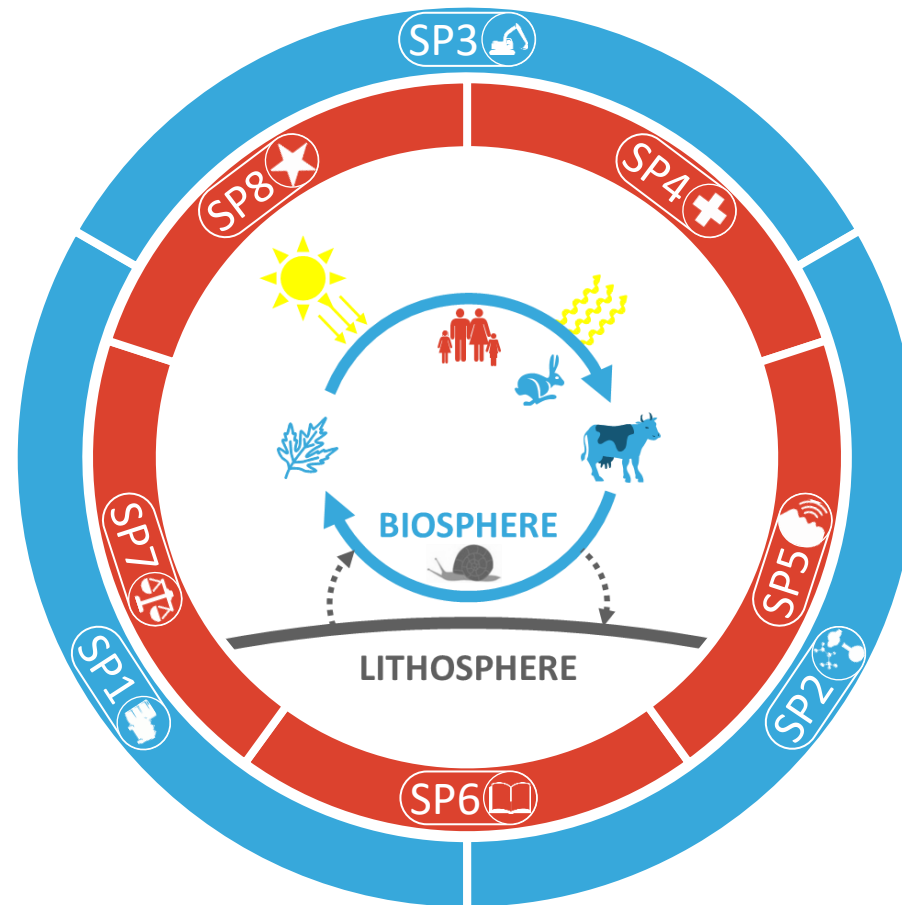
# *Mankind's influence on nature and society is by no means sustainable*

### Influence of mankind on cycles of nature



FSSD — ECOLOGICAL & SOCIAL SUSTAINABILITY

*Socio-ecological sustainability requires to meet 3 ecological and 5 social Sustainability Principles (SPs), translated into...*



## DEFINITION OF SOCIO-ECOLOGICAL SUSTAINABILITY

### *In a sustainable Society...*

**NATURE** is not subject to systematically increasing ... & **PEOPLE** are not subject to structural obstacles to ...



... **concentrations of substances extracted from the Earth's crust.** This means limited extraction and safeguarding so that concentrations of lithospheric substances do not increase systematically in the atmosphere, the oceans, the soil or other parts of nature; e.g. fossil carbon and metals;



... **concentrations of substances produced by society.** This means conscious molecular design, limited production and safeguarding so that concentrations of societally produced molecules and nuclides do not increase systematically in the atmosphere, the oceans, the soil or other parts of nature; e.g. NOx and CFCs;



... **degradation by physical means.** This means that the area, thickness and quality of soils, the availability of fresh water, the biodiversity, and other aspects of biological productivity and resilience, are not systematically deteriorated by mismanagement, displacement or other forms of physical manipulation; e.g. over-harvesting of forests and over-fishing;



... **health.** This means that people are not exposed to social conditions that systematically undermine their possibilities to avoid injury and illness; physically, mentally or emotionally; e.g. dangerous working conditions or insufficient rest from work;



... **influence.** This means that people are not systematically hindered from participating in shaping the social systems they are part of; e.g. by suppression of free speech or neglect of opinions;



... **competence.** This means that people are not systematically hindered from learning and developing competence individually and together; e.g. by obstacles for education or insufficient possibilities for personal development;



... **impartiality.** This means that people are not systematically exposed to partial treatment; e.g. by discrimination or unfair selection to job positions;

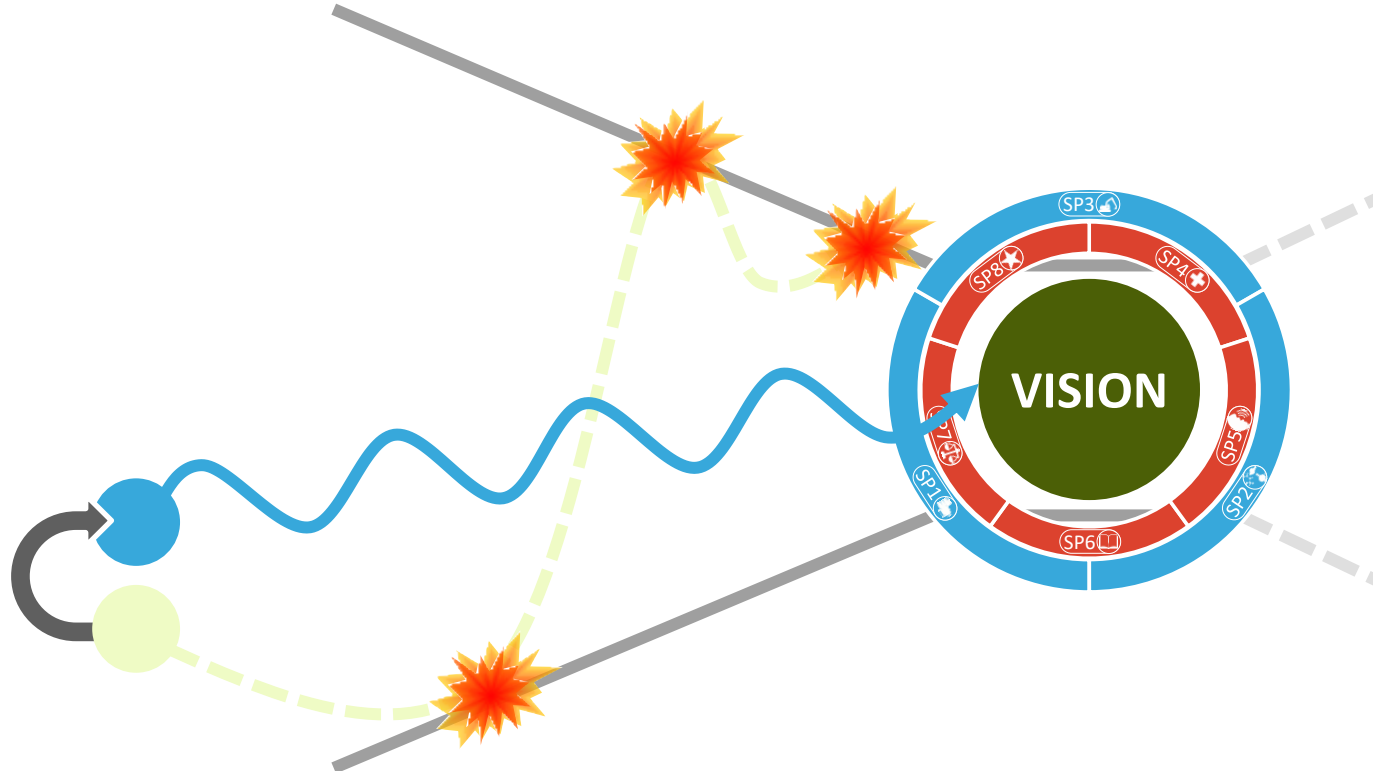


... **meaning-making.** This means that people are not systematically hindered from creating individual meaning and co-creating common meaning; e.g. by suppression of cultural expression or obstacles to co-creation of purposeful conditions.



## THE FUNNEL — STRATEGIC APPROACH TOWARDS SUSTAINABILITY

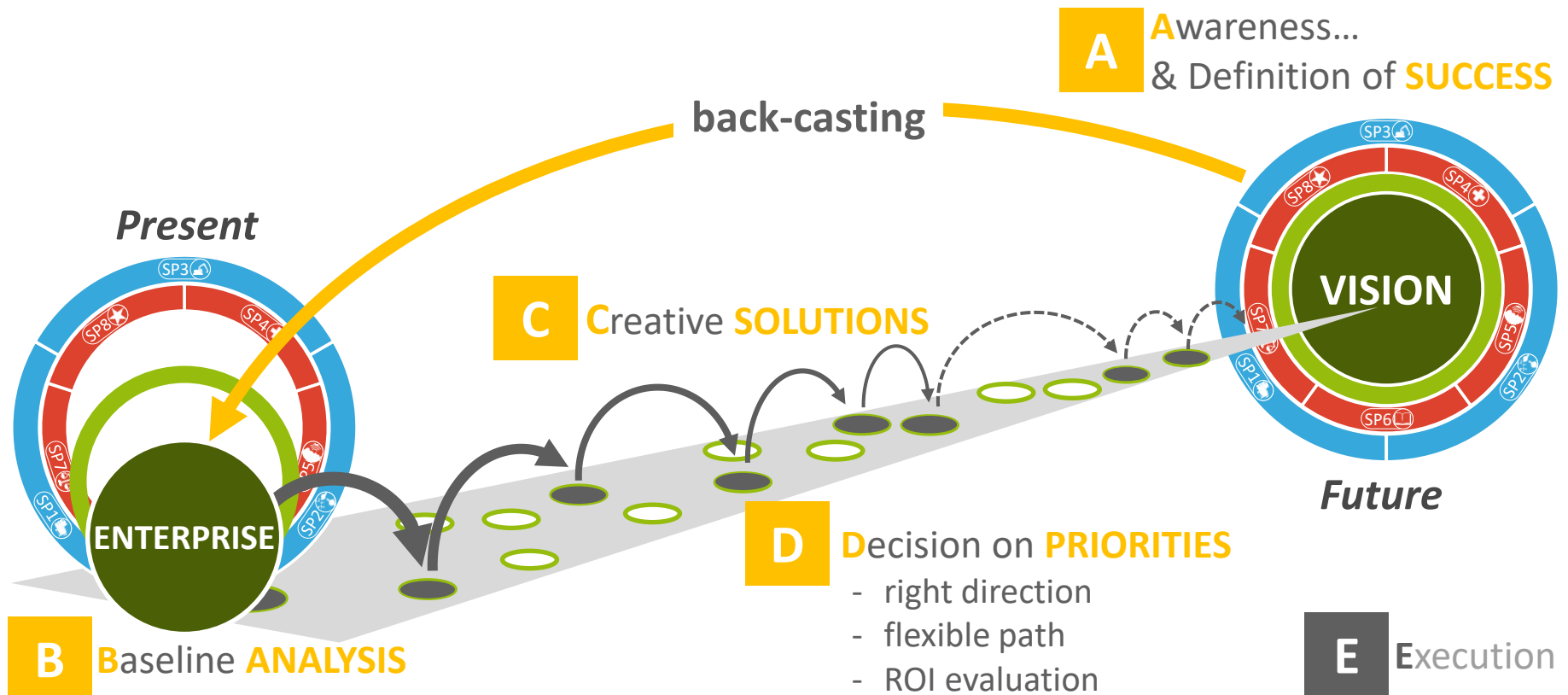
*This framework enables organizations to switch from a defensive path towards responsively moving towards success*



ADDRESSING SUSTAINABILITY STRATEGICALLY

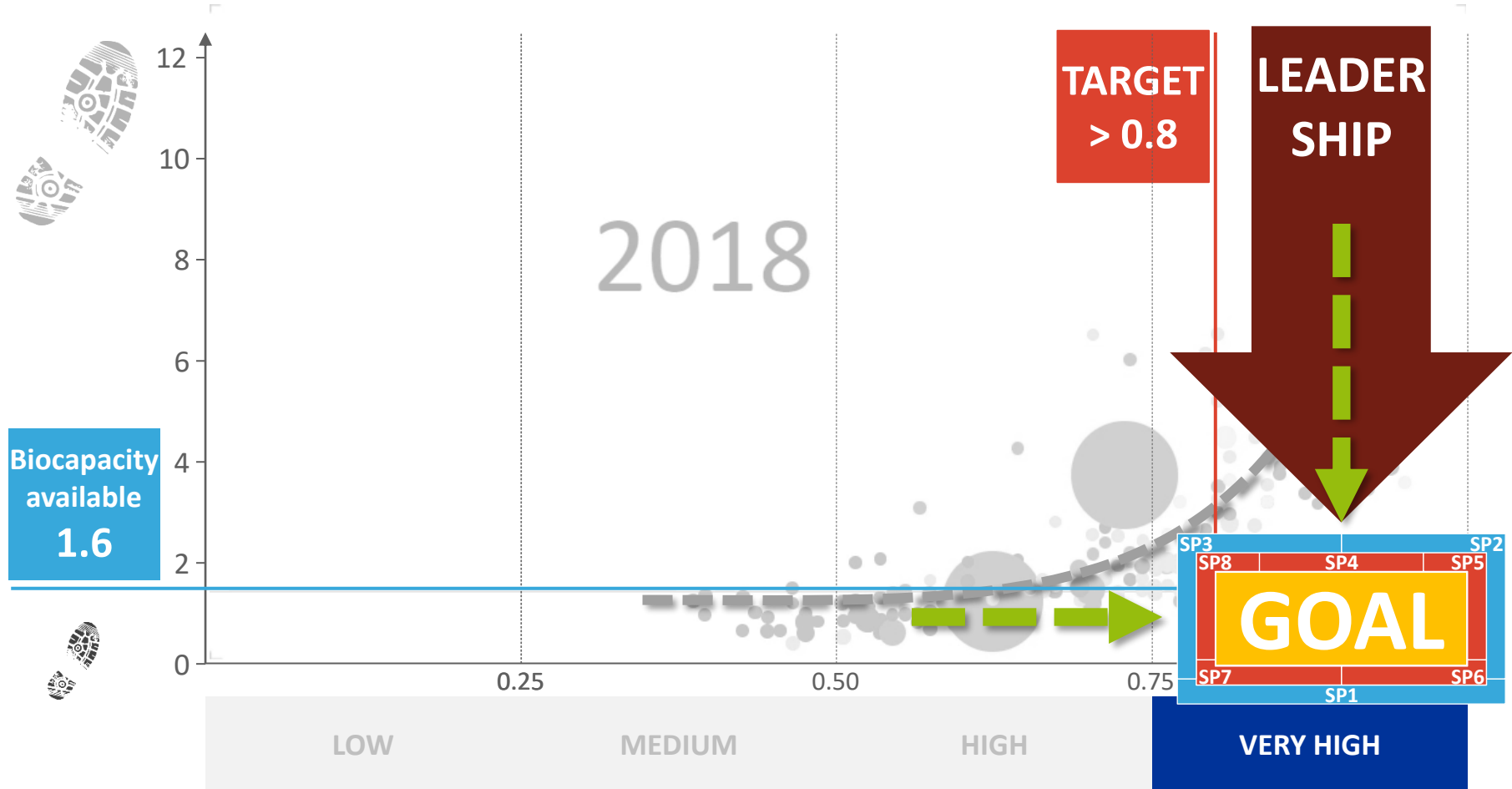
*Back-casting from a sustainable future in accelerating times allows for developing and implementing a sound strategy*

The ABCD planning process



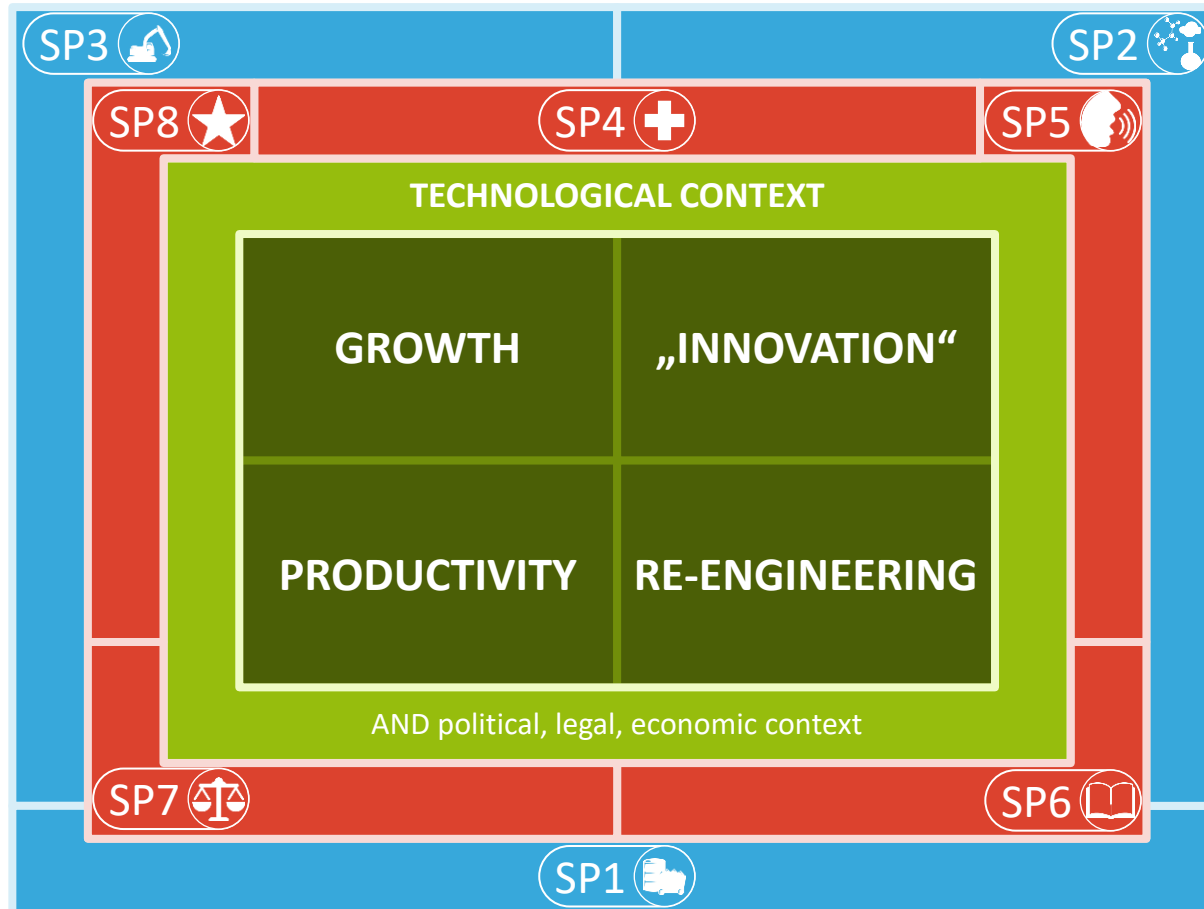
CONCLUSION

*Technology can help us to achieve this paramount goal, but  
ONLY conscious and responsible leadership will*



## CONCLUSION

***Hence, the CEO Focus Areas must be embedded WITHIN our socio-ecological limits, considering the technology acceleration***



## EXAMPLE ON PRODUCT LEVEL – STRATEGIC LIFE CYCLE ASSESSMENT

*Each cell summarizes the results\*) during the evaluation of the product, in relation to the principles of sustainability*



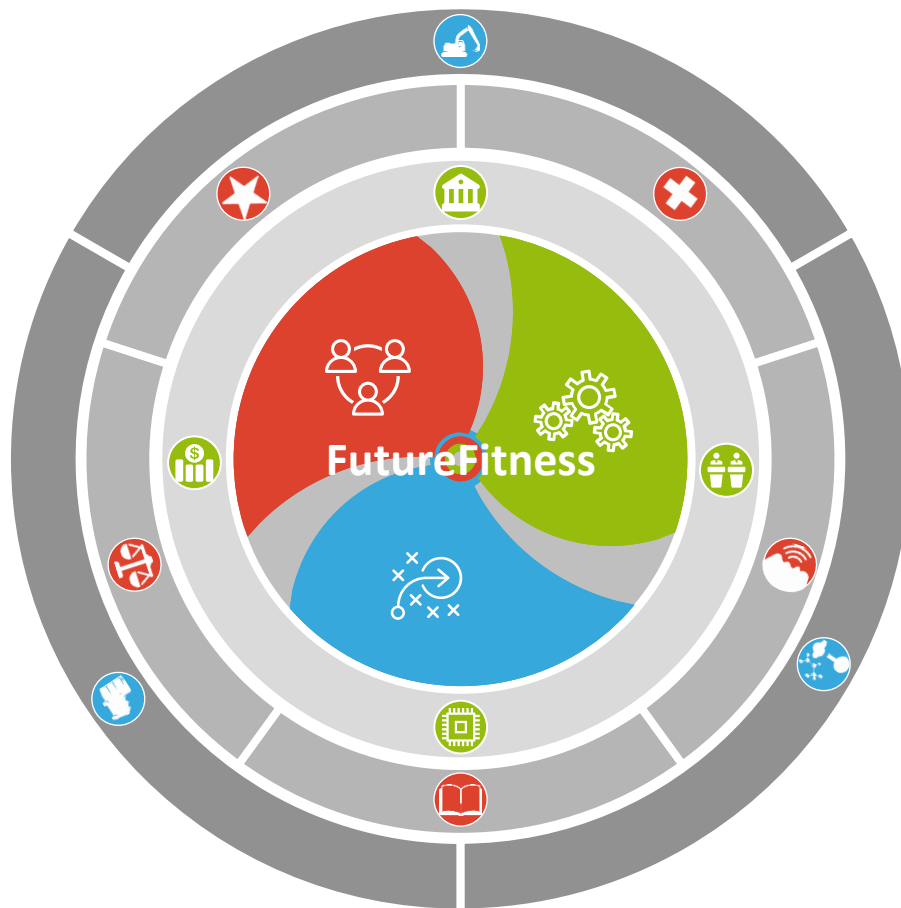
7 yes	6 yes	5 yes	4 yes	3 yes	2 yes	1 yes	0 yes/unkown	0 yes/ no
<i>Excellent</i>	<i>Very good</i>	<i>Good</i>	<i>Almost good</i>	<i>Ok</i>	<i>To improve</i>	<i>Quite bad</i>	<i>Bad</i>	<i>Unknown</i>
The sustain-ability principles are <b>all satisfied</b>	The sustain-ability principles are <b>almost all satisfied</b>	The sustain-ability principles are <b>mostly satisfied</b>	The sustain-ability principles are <b>partially satisfied</b>	Some sustain-ability principles are <b>satisfied</b>	<b>Few</b> sustain-ability principles are <b>satisfied</b>	<b>Most</b> sustain-ability principles are <b>not satisfied</b>	The sustain-ability principles are <b>not satisfied</b>	Insufficient knowledge to provide assessment

\*) score based answers of 7 questions per cell, 3 on impact, 4 on progress, 140 in total



OUR SYSTEMS PERSPECTIVE — DEFINITION OF FUTUREFITNESS

***Sustainable economic success requires a systems perspective on the development of leadership, operations and strategy***



**FutureFitness<sup>1)</sup> noun**

\'fyü-chär-'fit-näs\

futurefit, futureproof, fit for the future *adjective*

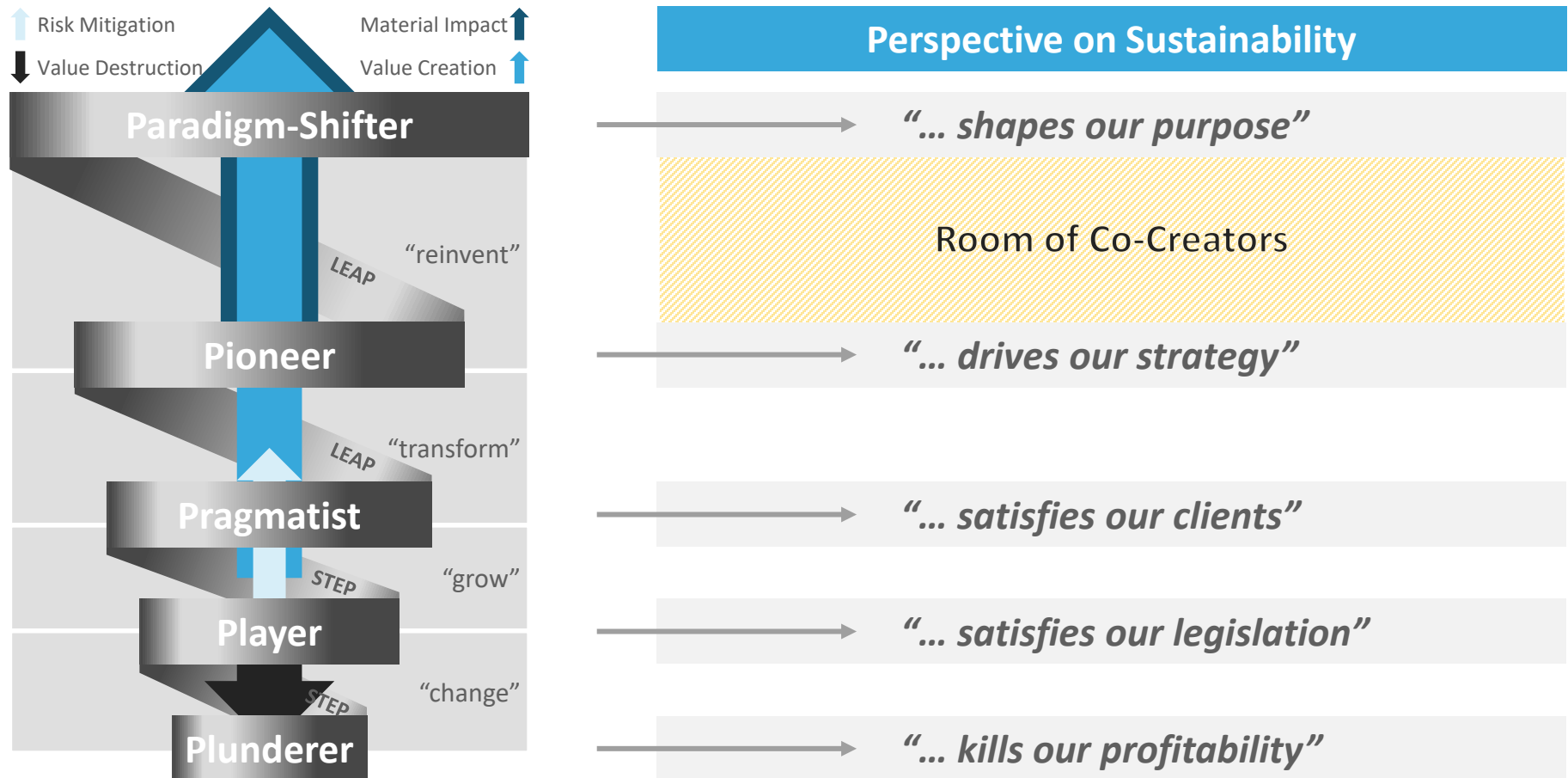
The **Condition** of a **Company**,  
when the interaction of  
**Leadership**, **Operations** and **Strategy**  
results in **Sustainable Economic Success**,  
without systematically violating the  
**Sustainability Principles<sup>2)</sup>**  
of the surrounding  
**Societal** and **Environmental** Systems  
we depend on,  
and preferably contributing to the regeneration  
and future thriving of these systems.

1) As defined by Sustainable Growth Associates

2) see Framework for Strategic Sustainable Development (FSSD) – [www.thenaturalstep.de](http://www.thenaturalstep.de)

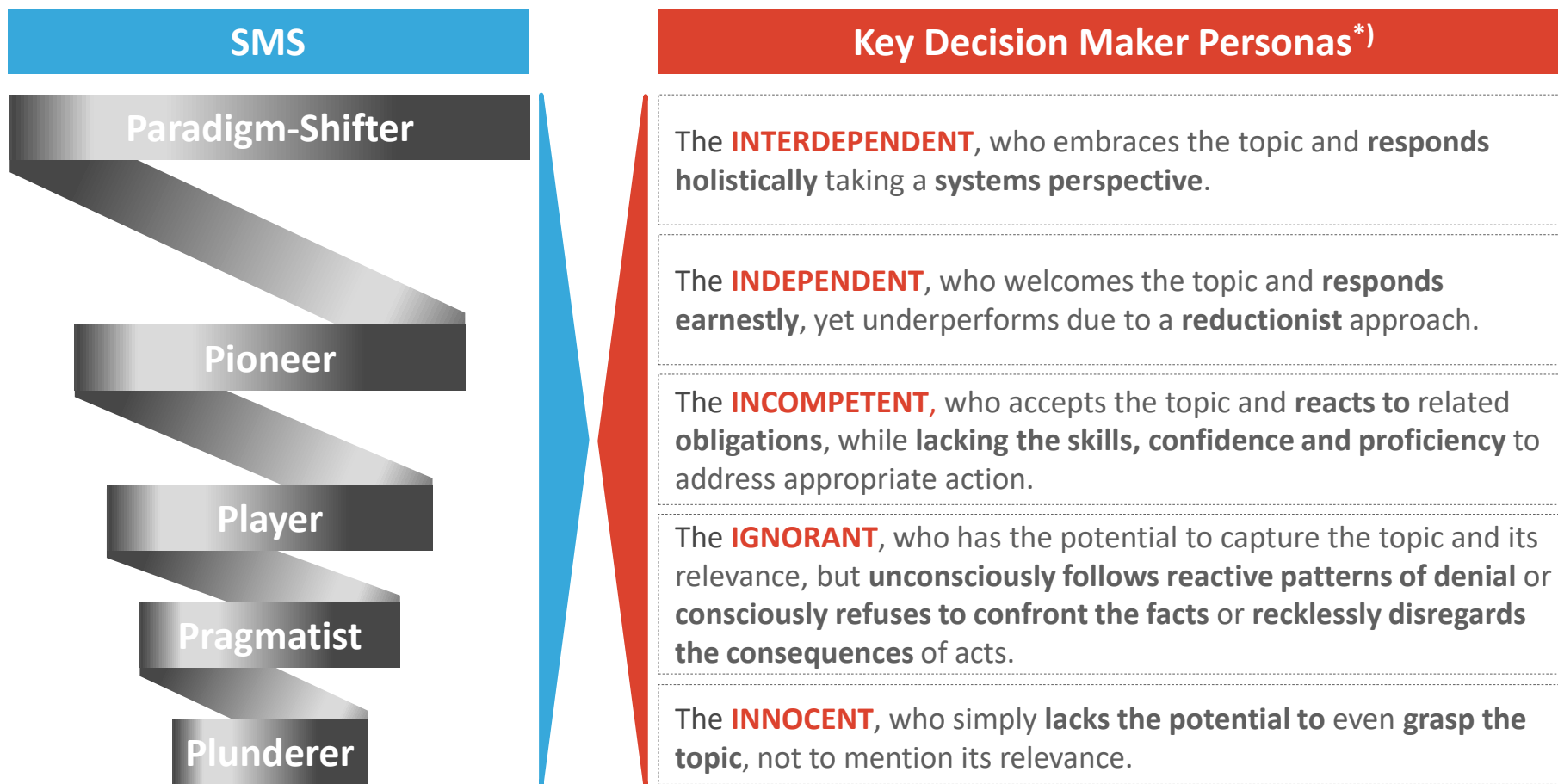
## SUSTAINABILITY MATURITY SPIRAL (SMS)

*The SMS categorises organisations regarding their perspective and their motivation regarding sustainability*



SMS — LEADERSHIP WORLDVIEWS - KEY DECISION-MAKER PERSONA'S

*Ambition and effort to advance on the SMS strongly depend on a company's key decision makers and their persona profiles*



<sup>\*)</sup> SGA R. Röhrig & E. Janssen (2019, Rethinking strategic management - Sustainability and Technology Acceleration: How to Surf the Killer Waves)

## SUSTAINABLE GROWTH ASSOCIATES — CONTACT

*Your access to our **People**, **Business** & **Enterprise** Developers*

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