



NOVALIS[®]

INNOVATIVE FLOORING

2020 SUSTAINABILITY REPORT



TABLE OF CONTENTS

CEO LETTER	4
COMPANY OVERVIEW	6
PRODUCT	14
PLANET	30
PEOPLE	40
REPORT DETAILS	47

JOHN WU



CEO LETTER

At Novalis, sustainability is at the core of everything we do. As a family-run business with operations around the globe, we know the importance of keeping humans healthy and the earth habitable for generations to come. As our Novalis family expands, so do our responsibility and commitment to improving planetary and human health.

This is the first year that Novalis is publishing a Sustainability Report. Novalis has been setting the global benchmark in LVT quality and performance for over 35 years, and we are excited to share the innovations we have been pioneering in resilient flooring sustainability.

The Novalis operational and product sustainability initiatives work in conjunction to reduce our environmental impact and improve material health. The Novalis China factory was constructed to enable the reuse of all production water and scrap, and in 2020 alone, the factory reused 145,000 tons of water and diverted 27,850 tons of scrap waste from landfill. Meanwhile, resource consumption at the factory declined from 2018 to 2019 and again from 2019 to 2020. The factory also retained the services of a third-party social auditor in 2020 to conduct a robust 4-pillar Sedex Members Ethical Trade Audit to demonstrate adherence to international best practices.

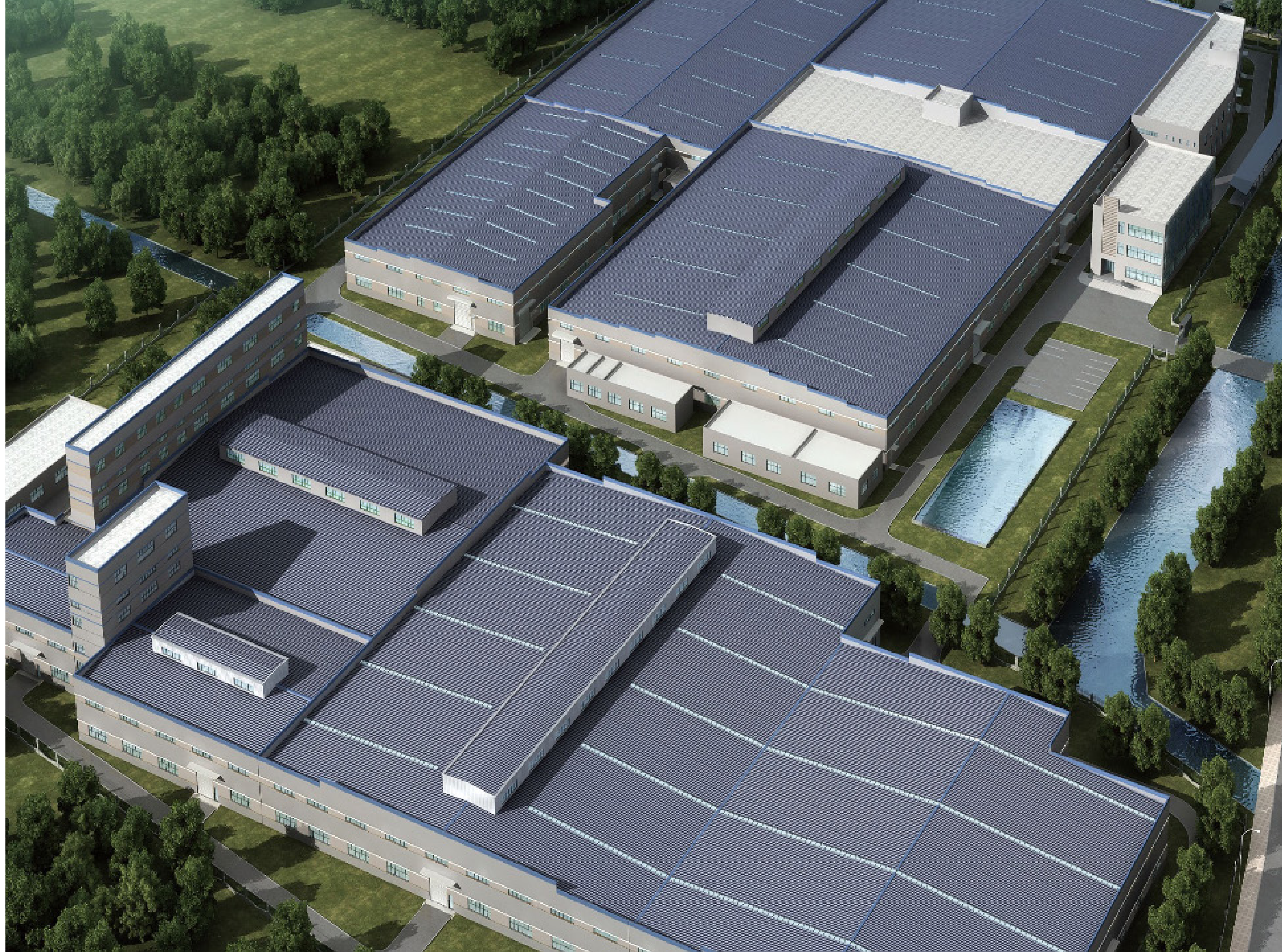
On the product side, Novalis High Density Core, an SPC construction, attained the stringent Eurofins Indoor Air Comfort Gold certification and became one of the first 4 products on the market to achieve the ASSURE Certified multi-attribute standard for rigid core flooring. Also in 2020, the Novalis commercial line AVA was named a Leader in the Marriott Supplier MindClick Sustainability Assessment Program (MSAP), reserved for products demonstrating an exemplary use of environmentally and socially responsible practices.

2020 was also a pivotal year for Novalis as we began production at the Novalis Innovation Center, our new North American headquarters in Dalton, Georgia. In the midst of the turmoil of the global pandemic, the Novalis family of employees pulled together and developed unique solutions to the unexpected obstacles of the year. Between choosing to modernize an existing building rather than incur the environmental costs of new construction, retrofitting the entire building with LED lights, and procuring a fleet of all-electric forklifts, the team is ensuring sustainability is integrated into every aspect of operations at the Novalis Innovation Center.

2020 presented us all with many unprecedented challenges and reinforced just how connected and interdependent our modern world is. As we move forward into this next decade, Novalis remains rooted in our commitment to improving the health of the communities and planet that we all share and setting new standards of sustainability in resilient flooring.

John Wu
Chief Executive Officer

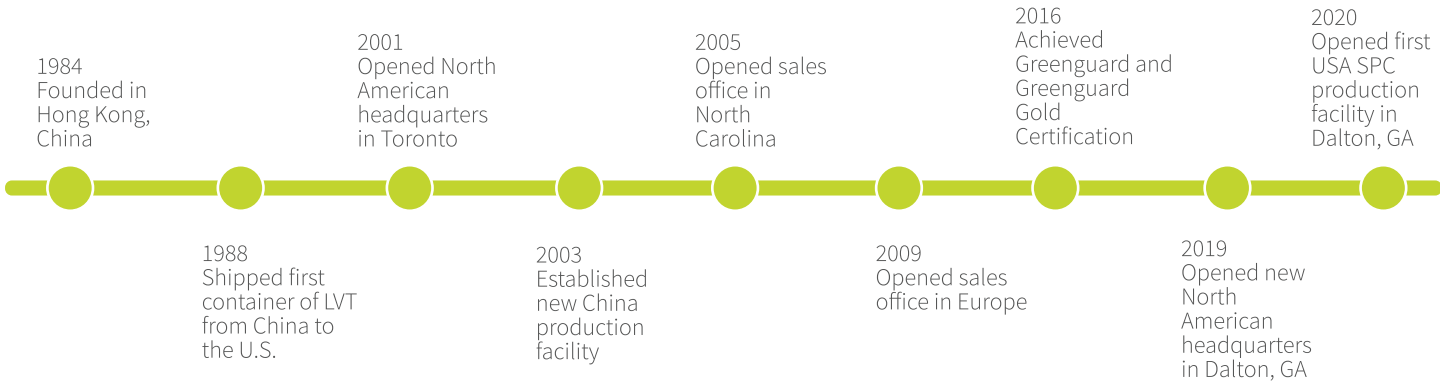
COMPANY OVERVIEW



ABOUT US

Novalis Innovative Flooring is an industry leader in the design and manufacturing of sustainable and innovative Luxury Vinyl Tile (LVT). With over 30 years of experience, we have developed a variety of designs and products that have set the global benchmark in LVT quality and performance. Established in 1984, Novalis has grown worldwide with sales offices and distribution partners in North America, Europe, Asia Pacific, and Africa. Novalis continues to be a private, family-owned company.

BRIEF HISTORY



LOCATIONS



Global
2021

NOVALIS BRANDS



AVA brings unsurpassed quality in its aesthetic design and manufacturing for the commercial market.
avaflor.com



NovaFloor by Novalis Innovative Flooring is the most complete line of luxury vinyl flooring for today’s home.
novafloor.us



ProCore floors, available at Lowe’s Home Improvement stores, are the beautiful, durable, easy-to-install, low maintenance solution for your busy household.
procorefloors.com



DuraDecor, available at The Home Depot, is improving home improvement with our peel-and-stick planks. Our products are made for DIY’ers and weekend warriors, so you can transform your space in an afternoon — no experience or contractor required.
duradecor.com

VISION

INSPIRATION

An international specialist in luxury vinyl flooring for more than 30 years, Novalis Innovative Flooring designs flooring with style, quality and innovation in mind. Our team of talented designers takes cues from nature, architectural trends, high-fashion textiles and runways around the world to bring customers the most beautiful, versatile flooring in the industry.

INNOVATION

A family-owned and operated business, Novalis got its start in the 1980s when it became the first manufacturer to ship luxury vinyl flooring to the United States from China. Thanks to a history filled with revolutionary product innovation, Novalis flooring is now sold in over 50 countries across six continents in a variety of award-winning commercial spaces and homes. We continue to take pride in our ability to utilize cutting-edge technologies to deliver world-class products to our customers around the globe.

RESPONSIBILITY

As an industry leader, we take seriously our commitment to keeping people healthy and the earth habitable. Long before sustainability was a key focus in our industry, Novalis founder Dr. Z.L. Wu sought to create a durable, versatile flooring option and began the research and development of luxury vinyl tile. Today, environmental responsibility remains a cornerstone of our business.

MANAGEMENT STRUCTURE

The Sustainability Manager is responsible for overseeing the implementation of the global sustainability strategy and reports to the Chief Executive Officer. In China, the Senior Quality Engineer is responsible for overseeing factory standards and auditing and reports to the Vice President, Business Development and ultimately the Chief Operating Officer. In Europe, the Product Manager oversees product testing and certification and reports to the Vice President, Europe. In the United States, the Safety Supervisor oversees health and safety issues and reports to the Human Resources Manager and ultimately the Senior Vice President, North America.

INTERNAL AND EXTERNAL ENGAGEMENT

INTERNAL

Novalis is committed to connecting all employees to our sustainability mission. We conduct regular internal education sessions on product and operational sustainability efforts. The feedback from these sessions has been positive and sparked a desire for greater employee-driven engagement. Therefore, Novalis established an internal, company-wide Sustainability Committee. The Committee is made up of members from various geographies and business unities and meets quarterly. The goal of the Committee is to bring together employees from across the globe to internally share updates on Novalis sustainability initiatives and solicit ideas on how to more deeply integrate sustainability into our products and day-to-day operations.

EXTERNAL

Novalis seeks to increase market awareness of the value of sustainable practices, good indoor air quality, and material and environmental transparency. This involves conducting and participating in informational sessions for distributors, architects and designers, and the wider building community. The topics vary widely in accordance with what is most topical through a given market, including general sustainability education sessions, product material and environmental health deep dives, facility tours, and community events.

MEMBERSHIPS AND ASSOCIATIONS

Novalis® proudly supports and actively participates in these organizations that uphold the highest standards in the floor covering and building industries.

- Deutsche Gesellschaft für nachhaltiges Bauen (DGNB)
- Emissions In The Air A+ (France)
- US Green Building Council (USGBC)
- Green Idea Green Action (GIGA)
- Resilient Floor Covering Institute (RFCI)
- World Floor Covering Association (WFCA)
- Multilayer Modular Flooring Association (MMFA)
- European Floor Covering Association (EUFCA)
- North American Association of Floor Covering Distributors (NAFCD)
- American Society for Testing and Material (ASTM)

Sustainability is a core value for Novalis, and that begins with environmentally conscious employees, is reflected in external communications of progress, and ends with the end users who value this commitment.



PRODUCT





Improving the quality of life is the first and the only priority for AVA. Made by Novalis Innovative Flooring, a worldwide leader in luxury vinyl flooring since 1984, AVA brings unsurpassed quality in its aesthetic design and manufacturing for the commercial market. This attention to quality also extends to our care for the environment, bringing green processes, standards and environmental protection into our category-leading sustainability program.



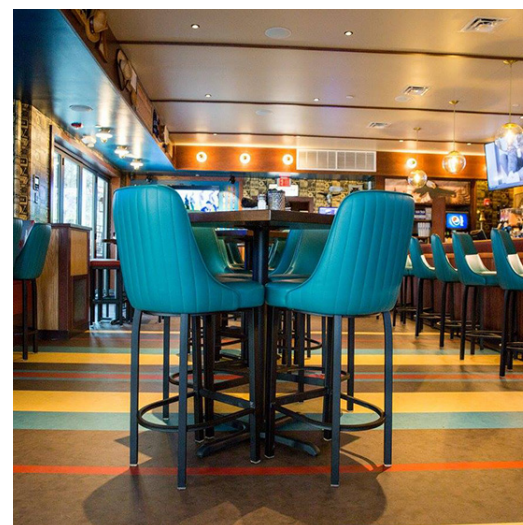
AVA 2STYL



Clariant Corporation, China



The Anthony Hotel, The Netherlands



Hopsmith Tavern, U.S.



NovaFloor is authentic, inspirational, and modern, with a passion for originality and sustainability at the heart of every message. Our team takes cues from nature, architectural trends, high-fashion textiles and runways around the world to bring NovaFloor customers the most beautiful, versatile flooring in the industry. The target audience is a discerning customer who is passionate about interior design and home décor. She strives to balance the ever-changing needs of her family without ever sacrificing style. Whenever possible, she selects clean, eco-friendly products she feels good about bringing into her home.



Dansbee French Oak, Fawn



Lyndon Plus Apple, Caramel



Serenbe Urban Oak, Grange



Maybree Barrel Oak, Henley

PROCORE[®]

SURFACES[®]

This easy to install floor covering is perfect for active households. The installation does not require any messy adhesive application with trowels and rolling, making it a fantastic do-it-yourself product. The simple (angle, drop & tap) installation method is simple, fast, and yet provides superior joints to a floor covering that will last for many years. ProCore is 100% waterproof, so it is unaffected in water-prone indoor areas, such as bathrooms, kitchens, laundry rooms, and entryways. This low maintenance, affordable, kid and pet friendly solution is perfect for busy and active lifestyles.



Elizabeth Oak



English Grove Oak

DuraDecor[®]

New to the market, these peel-and-stick decorative planks and tiles are so easy to install that you can do it yourself and immediately transform and beautify the look of any space in your home. They are made out of luxury vinyl and printed with high-definition images designed to replicate authentic hardwood planks and ceramic tiles (tiles coming soon). The product comes in a wide variety of sizes—meaning there is a stylish and flexible option for any wall or floor in your home. Environmentally, kid and budget-friendly, it's the perfect way to achieve the high-end update or renovation you are looking for, without a huge investment of time or money. Create the home you've always dreamed of—one wall or floor at a time.



Natural Hickory



Blazed Barnwood



Meadow Oak



English Grove Oak



Blazed Barnwood



Iced Barnwood

AVA ACHIEVES MARRIOTT SUSTAINABILITY LEADER LEVEL

Novalis is proud to announce that AVA products were named Marriott Sustainability Assessment Program (MSAP) Leaders this year. The assessment process has stringent requirements for measuring brands’ impacts across nine categories: Raw Materials, Supply Chain, Operations, Social Impact, Environmental Impact, Distribution, Guest Health, Hotel Impact, and Product End-of-Life. The assessment evaluates the performance of each product category on these nine metrics and awards them Starter, Achiever, or Leader status.

In the 2020 assessment, 5 AVA product families attained Leader status because of our the products’ environmental impact reductions, strict requirements around chemicals of concern, and integration of sustainability across the entire value chain.

The Marriott Sustainability Assessment Program, administrated by MindClick, is arranged to give specifiers designing Marriott and other projects confidence in specifying high-performing products that also meet Mariott’s Serve 360 sustainability goals.



ASSURE CERTIFIED

Novalis participated in the pilot program for the ASSURE CERTIFIED™ standard and was one of the first four manufacturers to attain the certification. ASSURE was established by the Resilient Flooring Covering Institute, RFCI, and SCS Global Services to create a uniform standard of quality for all Rigid Core LVT.

Certification under the standard allows manufacturers globally to demonstrate that their vinyl rigid core flooring has been manufactured to the highest standards and meets all requirements for indoor air quality and rigorous performance. The certification also tests for and affirms the product does not contain any heavy metals or ortho-phthalates.

Novalis High Density Core, an SPC (Solid Polymer Core) LVT rigid core construction, was among the first products to attain the ASSURE certification.



CERTIFICATIONS AND STANDARDS

Transparency is at the core of the Novalis sustainability strategy. Transparency is important to us because we want to give our customers and end users complete confidence in the actions we are taking to reduce the environmental impact and ensure the material health of all Novalis products. Where appropriate, we seek third-party certifications and pursue disclosure platforms to ensure we consistently set the highest standards in LVT sustainability.



ISO 9001 QUALITY MANAGEMENT SYSTEM CERTIFICATION
Novalis Innovative Flooring has an integrated Quality Management System that meets international best standards governing the management of facilities, people, training, services and equipment. Novalis was the first LVT manufacturer in China to attain ISO 9001 certification.

MATERIAL SELECTION

At Novalis, sustainability is about keeping people healthy and the planet habitable. Healthy material selection is a key priority. We work diligently with all our suppliers to ensure Novalis products are compliant with Prop 65 and REACH chemical regulations.

The use of polyvinyl chloride, or PVC, especially in flooring products, has become a topic of focus due to its inclusion on various health screening lists, including The International Living Future Institute’s Red List. We are conscious of these considerations and have taken steps to address many of these concerns and offer a product that delivers durability, recyclability, and performance.

One large concern around the use of PVC in luxury vinyl tile flooring is the use of ortho-phthalates. Ortho-phthalates, or phthalates, are commonly used as plasticizers to make plastics flexible, but concerns have arisen that they can cause reproductive and endocrine harm in humans. Novalis products are 100% free of ortho-phthalates and instead use DOTP, a phthalate-free plasticizer, epoxidized soybean oil, and a bio-based plasticizer.

Eco+ Phthalate-Free Bio-based Content



The Eco+ label designates that Novalis products are 100% phthalate-free. When potential health concerns arose around the use of ortho-phthalates, a class of compounds used as plasticizers, Novalis pioneered the development and use of a bio-based plasticizer. Novalis products use DOTP, a phthalate-free plasticizer, epoxidized soybean oil, and a bio-based plasticizer.

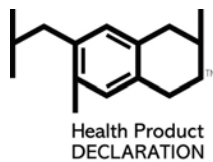
Because Novalis flooring is exceptionally long-lasting, it does not need to be replaced nearly as frequently as less durable products. Novalis commercial products have warranties up to 20 years, and many Novalis residential products have a lifetime warranty. Choosing materials that lengthen the product lifetime is a sustainable approach, requiring fewer products to be installed over the lifetime of a building.

In addition, Novalis flooring is recyclable. When recycled, LVT flooring can become the raw material for various products necessary in day-to-day life. Due to the strict quality control of the material composition of our flooring products, Novalis products can be broken down and returned directly back into new products in our factory, and by other LVT manufacturers, and by recycling partners.

While continuing to innovate on product developments that improve both environmental impact and product performance, we are committed to ensuring the material health of our products. Novalis flooring does not contain intentionally added formaldehyde, heavy metals, halogenated flame retardants, perfluorochemicals (PFCs), Bisphenol A (BPA), or Per- or polyfluoroalkyl substances (PFAS). Ultimately, the absence or presence of PVC does not alone define a sustainable product, and we are committed to ensuring our products are developed and manufactured in a holistically sustainable manner.

MATERIAL TRANSPARENCY

We highlight our commitment to healthy materials through public disclosures. All Novalis products have Health Product Declarations (HPDs) and Declare labels.



Health Product Declarations
Novalis publishes Health Product Declarations (HPDs) to transparently declare the contents of its products and any hazards of which consumers need to be made aware. Novalis products have Health Product Declarations declaring their contents to 0.01%.



Declare labels
Novalis also publishes Declare labels that give an overview of the product’s ingredients, origins, and percentage of recyclable content. All Novalis products’ contents are disclosed to 0.01% in Declare labels.

INDOOR AIR QUALITY

Novalis products undergo strict indoor air quality testing to make sure they contribute to healthy indoor air quality. Novalis flooring is ultra-low VOC-emitting. VOCs, or volatile organic compounds, are potentially harmful chemicals that can be emitted by furniture and furnishings. Novalis products meet some of the world’s strictest VOC emission limits, earning FloorScore, Indoor Advantage Gold, GREENGUARD Gold certifications, TÜV Profi Cert Premium Germany, and Eurofins Indoor Air Comfort Gold.



ENVIRONMENTAL TRANSPARENCY

We believe it is also important to transparently evaluate and share our products’ impacts on the environment. Therefore, Novalis products have been evaluated by a third party using Life Cycle Assessments (LCAs) and have their environmental lifetime impacts transparently disclosed in product-specific Type III Environmental Product Declarations (EPDs). These documents allow our customers to understand the entire lifecycle impacts of our products from raw material to end of life.



This commitment began 7 years ago in 2014, when Novalis was became the first LVT manufacturer to release EPDs with localized Chinese data.

In 2020, we released our second generation of Environmental Product Declarations and expanded their scope to include recently introduced rigid core product categories. These second-generation EPDs showcased massive reductions in embodied carbon and other impact metrics. These reductions reflect the improvements we have made in product design, material selection, and operational efficiencies, and this newest generation of EPDs maps the path forward for future reductions.

mindfulMATERIALS



All AVA by Novalis products and the corresponding certifications are publicly available in mindfulMATERIALS. This platform provides a searchable database for designers and architects to find building products that meet various sustainability attributes.

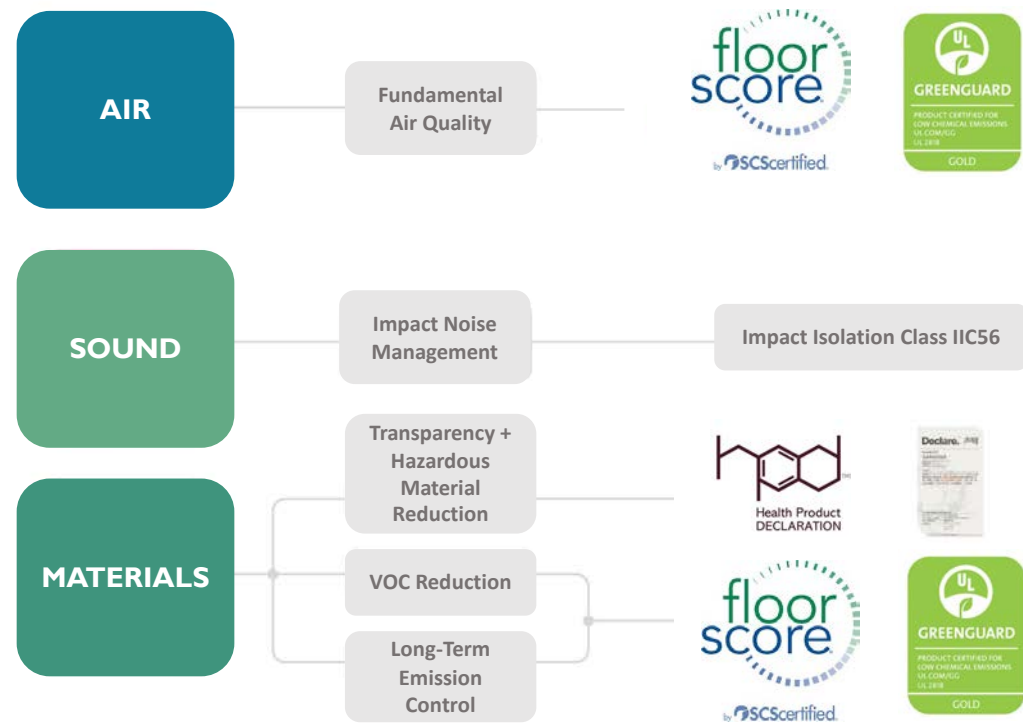
CONTRIBUTIONS TO BUILDING STANDARDS

Novalis products’ third-party certifications and transparency declarations not only ensure product quality and customer transparency, but also contribute to green building standards for our customers.

WELL BUILDING STANDARD

Administered by the International WELL Building Institute, the WELL building standard focuses on human health and well-being within the built environment. Novalis products contribute points to projects pursuing the WELL v2 standard.

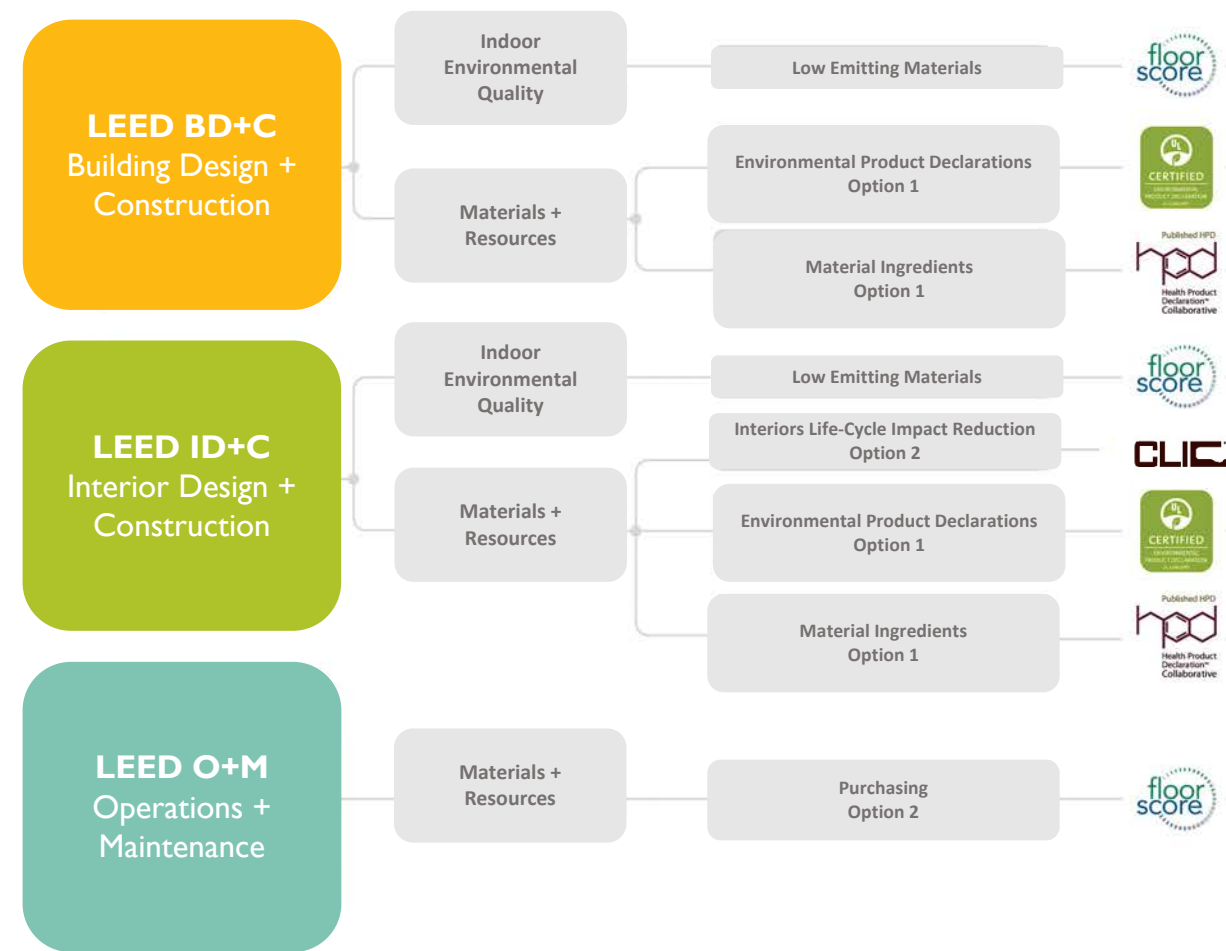
Novalis LVT WELL v2 Credit Contributions:



LEED – LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN

Administered by the U.S. Green Building Council (USGBC), LEED is a leading green building standard globally. Novalis products can contribute to multiple credits under the current version of LEED v4.1.

Novalis LVT LEED v4.1 Credit Contributions:



SOLUTIONS FOR PRODUCTS’ END OF LIFE

Novalis products are 100% reusable and/or recyclable after their useful life. Novalis non-glue down LVT products can be reused because they can be removed and re-installed elsewhere without the use of adhesive. Due to the strict quality control of the material composition of our flooring products, Novalis products can be broken down and returned directly back into new products in our factory and by other LVT manufacturers.

Novalis products are sold in many markets, each with distinct opportunities and constraints. We are committed to working in conjunction with each region’s recycling capabilities and contributing to the next generation of recycling infrastructure to develop a global LVT take-back program.

UNITED STATES

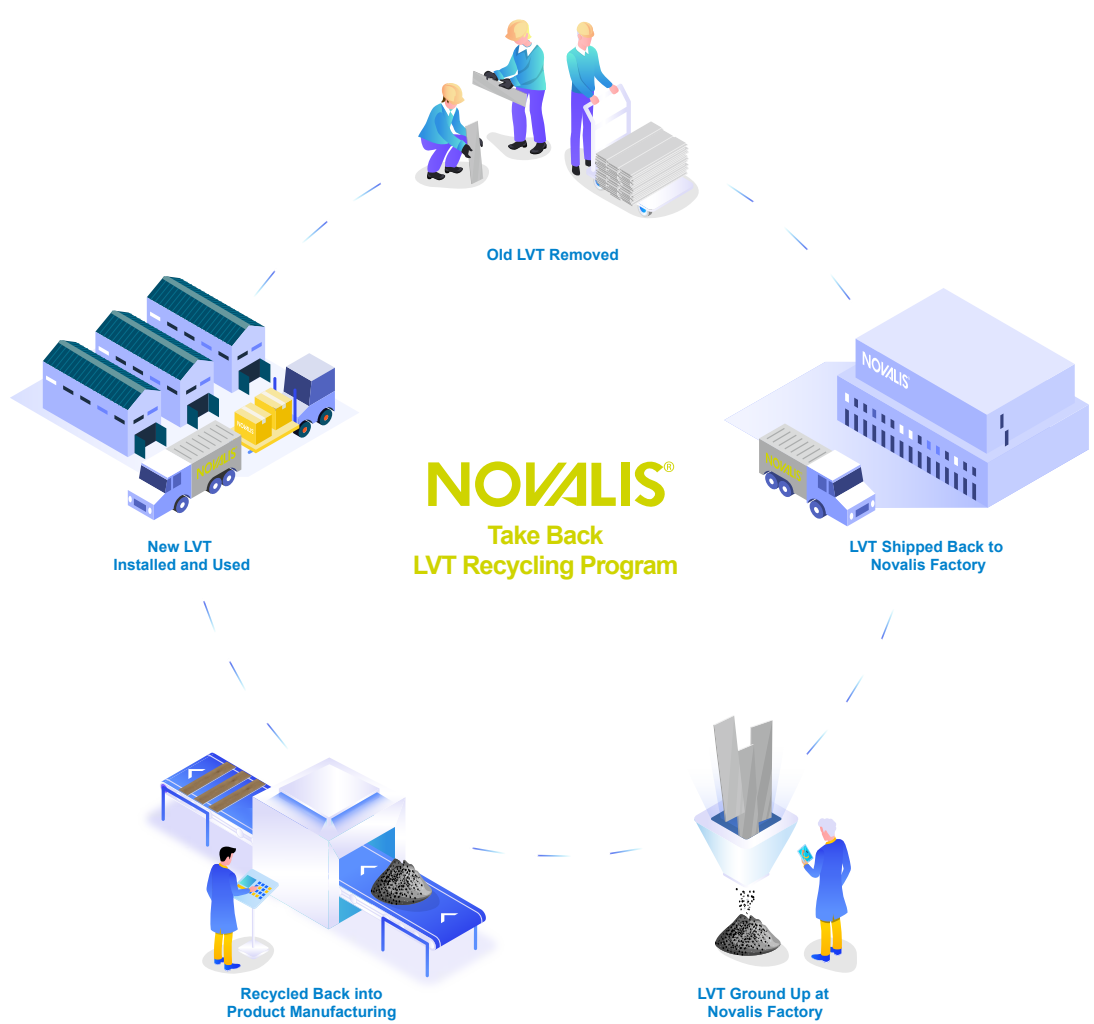
In the United States, Novalis is actively researching implementing a comprehensive program to take back large quantities of Novalis LVT at the end of its useful life from high-volume customers. In the past year, the company has contacted numerous recycling and grinding facilities to determine potential partnerships and create the infrastructure for taking back and grinding up LVT. Additionally, Novalis is committed to aiding industry research into developing collection and processing infrastructure. The goal is to identify end markets and establish take-back solutions for the majority of our products in the market.

EUROPE

Novalis operates across more than 50 different countries in the European and global markets. The Novalis Global team works to accommodate each country’s unique approach to product recycling and building a circular economy. For example, the team will provide information on the contents and recyclability of Novalis products to partners in certain countries that require localized collection and separation of building products at regional recycling centers. For larger quantities, Novalis works with recyclers that grind up the LVT and identify interested industrial customers. Novalis has the technology to provide information on product composition on the back of every individual panel and is actively working on an industry standard label to automatically divert the same group of polymers into the appropriate cycle of reuse. Additionally, Novalis is involved with the leading European flooring associations in the development of a European Union-wide recycling project co-founded by the EU government. Novalis is committed to advancing sustainable practices in the flooring industry across all of the continents on which it operates.

CHINA

In China, Novalis has developed a take-back program for which commercial customers are able to sign up. The program closes the loop on LVT production by returning post-consumer products to the Novalis factory in China where they were originally produced. At the factory, the LVT is ground up and recycled directly back into the manufacturing process for new LVT. To keep the Novalis commitment to always be free of phthalates, formaldehyde, heavy metals, and other harmful substances, the program currently only accepts LVT produced by Novalis.



PLANET



AVA H-Boat competes in the Novalis Cup German Championship

NOVALIS INNOVATION CENTER

In 2020, Novalis began production in Dalton, Georgia at the Novalis Innovation Center, the company’s new North American headquarters. The leafy campus is surrounded by forest and abuts a nearby pond which employees can enjoy lunch by at accessible picnic tables. Following the wisdom of former American Institute of Architects president Carl Elefante that “the greenest building is one that is already built,” Novalis opted to retrofit an existing building with state-of-the-art upgrades rather than incur the environmental costs of constructing a new facility.

LED LIGHT RETROFIT

An example of one such upgrade is recycling the aging fluorescent tubes in the building and replacing them with LED lights across the entire manufacturing and office areas. This saved approximately 400,000 kWh electricity annually. That single switch has saved approximately 625,000 pounds of carbon dioxide equivalent, or about 51 American homes’ electricity use for one year, from being emitted into the atmosphere annually.



ELECTRIC FORKLIFTS

Energy efficiency measures such as the LED light retrofit have been complemented by operational decisions guided by environmental principles. When determining what type of forklift fleet to deploy in the new factory, Novalis determined that it would make a significant environmental difference to use electric forklifts rather than internal combustion forklifts fueled by propane. Based on an assessment of typical use with both types of forklifts, the electric-powered versions annually save 125,700 pounds of carbon dioxide-equivalent emissions relative to those powered by liquified propane. That is the equivalent of 51 one-way trips by car between New York and Los Angeles. Additionally, internal combustion forklifts emit carbon monoxide, hydrocarbons, and nitrogen oxides. These compounds are key components of smog, particulate matter, and ground-level ozone and are directly linked to negative effects on lung, heart, kidney, and liver functioning. Electric forklifts do not emit these compounds, significantly reducing indoor air pollution and creating a safer work environment.



NOVALIS CHINA FACTORY

The Novalis factory in China was designed with an eye to impact reduction. The factory incorporates both infrastructure and processes to facilitate the reuse of water and excess material from production.

The data reported below represents the resource usage of the Novalis China factory, as that is where the majority of manufacturing took place in 2020. In the second half of 2020, Novalis also began production at a new facility in the United States. The data from this operation will be shared in next year’s report after the factory has been operational for 12 months.



ISO 14001 Environmental Management System
The Novalis China factory has achieved ISO 14001 certification for over 10 years, certifying the factory’s environmental management system meets stringent international standards. This environmental management system ensures the integration of resource reduction and other sustainability practices during the production process.

SOURCING

During the sourcing and procurement process, one of the factors Novalis takes into consideration is the distance a raw material will have to travel from its source to the factory. Novalis selects for the highest-quality raw materials and sources over 85% of products’ raw materials from within 500 km of the factory so as to reduce transportation-associated environmental impacts.



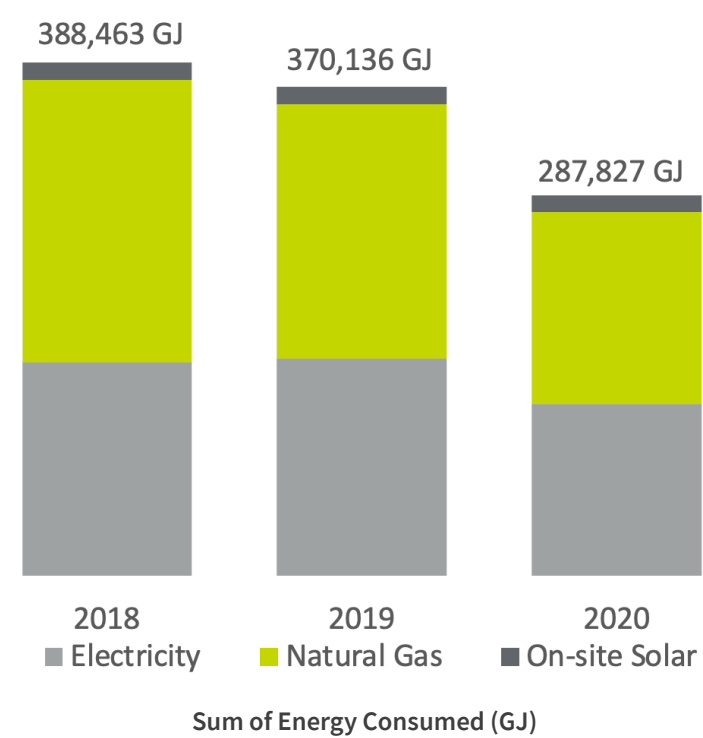
Novalis China Factory Solar Panels

RESOURCE CONSUMPTION

Managing the resource consumption of the Novalis China factory is ingrained into the facility infrastructure and workforce culture. An example of this is the retainer pool at the front of the factory. During the manufacturing process, post-production water is run through the cooling retainer pool and cycled back into the process. This feature ensures that there is no run-off, and saves energy that would otherwise be needed for cooling the water.

The Novalis China factory was originally designed to incorporate best practices in minimizing environmental impact, and we continue to take our commitment to being a responsible manufacturer seriously and make regular upgrades.

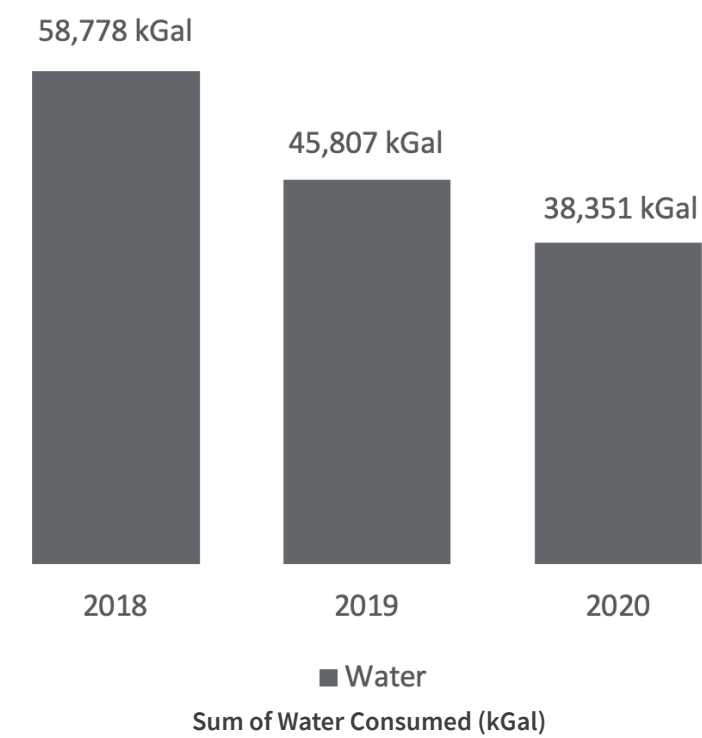
In 2014, the factory installed on-site solar panels. The electricity produced by the solar panels is used directly by the facility which reduces burden from the grid and decreases our carbon footprint. Roughly 3-4% of the total site energy is sourced from on-site solar panels annually. In 2020, the factory upgraded its lighting throughout the factory and offices with high-efficiency LED fixtures. This upgrade not only improved our energy usage, but also aided in maintaining facility safety due to improved illumination within the factory and adjacent offices. The resource usage at the China factory is closely tracked and monitored.



In 2020, the Novalis China factory used 287,827 gigajoules of energy and 38,351 kilogallons of water. In absolute terms, this was a 22.2% reduction in energy usage and 16.3% reduction in water consumption year over year compared to 2019. Much of this reduction we attribute to disruptions from COVID-19 precautions. Production from the China factory was reduced in the beginning of 2020. When normalized to production, the energy usage of the factory decreased 5.0% from 2019 to 2020.

From 2018 to 2020, there was a significant reduction in energy usage. In absolute terms we see a 25.9% reduction and normalized to production we see a 29.5% reduction. Although there are always improvements being made to the factory and equipment, we largely attribute this reduction with the lighting retrofit completed in 2018.

As consumer demand for LVT continues to grow, we expect production from the China factory to increase in the coming years. Without investment in innovations and attention to efficiencies, the absolute energy usage of the facility could increase due to organic growth of the business.



PRODUCTION WASTE

An ethos of resource conservation and reuse permeates the operations at the Novalis China factory. Scrap material generated during production is collected by employees and placed in the same bags in which raw materials originally arrived. These bags are then transported to the grinders, where the scrap is ground up and returned to raw material inputs. Rather than being sent to landfill, the scrap is reused in the production of new flooring. This process ensures that no production scrap is sent to landfill. The factory diverted nearly 28,000 tons of waste from landfill in 2020 alone due to this process.



EMBODIED CARBON

Although LCAs evaluate environmental impacts across several impact categories, Global Warming Potential (GWP), or Embodied Carbon, has received a great deal of attention due to the potential to contribute to climate change. We have quantified the embodied carbon for our products manufactured in China and publicly share this information. In addition to our EPDs, this information is disclosed on Declare labels as part of a pilot program with the International Living Future Institute (ILFI). Our products are also included in the Embodied Carbon in Construction Calculator (EC3) tool from the Carbon Leadership Forum. The Resilient Flooring category of EC3 is currently in pilot phase, and Novalis is excited to be involved in this initiative increasing the transparency of and access to embodied carbon data.

PRODUCT LIFETIME IMPACTS

In addition to the manufacturing footprint, we are also conscious of our products’ lifetime environmental impacts – from raw material extraction, manufacturing, use, through to the products’ end of life. As such we utilize Life Cycle Assessments (LCAs) for our products to quantify and evaluate the environmental impacts. These assessments were third-party verified and are summarized and publicly available in our Environmental Product Declarations (EPDs).

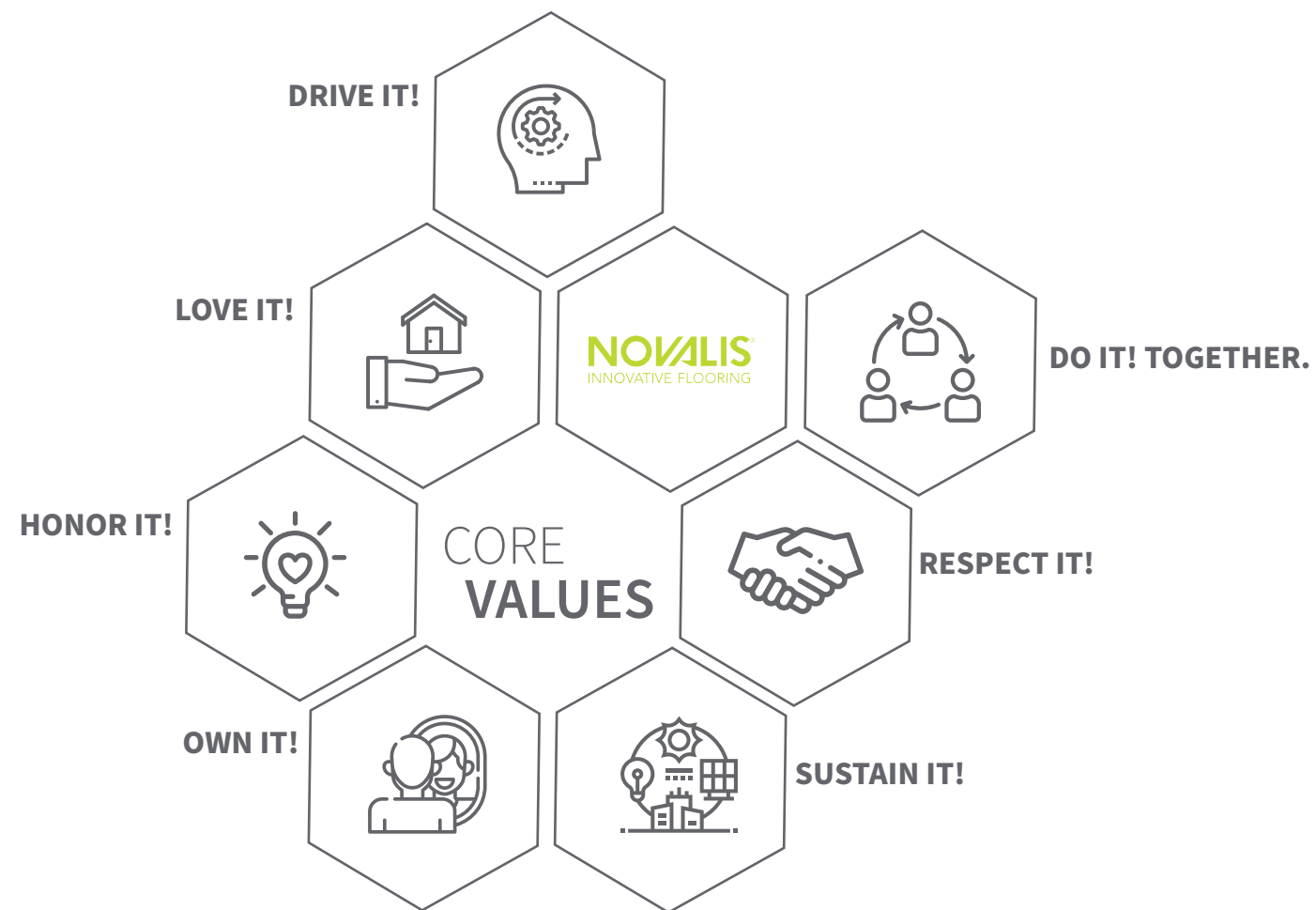
Novalis has led the way by being the first LVT manufacturer to publish EPDs with localized Chinese data back in 2014. In 2020, we reevaluated the assessments and issued our second generation of EPDs for products manufactured in China. Due to enhanced product design, operational efficiencies, and improved data collection, these disclosures demonstrate massive reductions in our products’ impacts.

These disclosures not only allow our customers to evaluate the environmental impact of our products, but also serve as a tool for Novalis to assess opportunities for improvements. In 2021, we are using these recent assessments to identify hotspot areas to better inform our product development strategies. Next year, we hope to share some of these identified areas and develop improvement pathways in the coming years.

PEOPLE



Duke Kunshan University, the first LEED-certified university campus in China



VALUES

DRIVE IT

While we all come from different backgrounds and have unique experiences, Novalis employees are GOAL-GETTERS! We are connected by our motivation, resourcefulness and eagerness to drive results. When faced with a hurdle, we can only do one thing—jump!

LOVE IT

Family is at the center of everything we do. Not only is Novalis a family-owned company, but we treat one another like family, too. We lift each other up with our words and actions, while simultaneously creating products that will be loved by families all over the world.

HONOR IT

We strive to act with integrity every day, in every way. We're committed to doing what's right by our customers and our internal stakeholders. Put simply: We do what we say we're going to do, when we say we're going to do it.

OWN IT

We take ownership of our work, and having good systems, procedures and lines of communication in place is key. Mistakes are not viewed as failures, but they are always learning opportunities. We use them to make our business better.

RESPECT IT

We encourage employees to be their most authentic selves. Our differences—when embraced with humility and respect—drive smarter decisions, increased innovation, stronger performances, and a culture where everyone can thrive.

SUSTAIN IT

We are laser-focused on keeping our people, our business, and our planet healthy. We prioritize making environmentally friendly products, giving back to the communities in which we live, and ensuring that we leave our planet better than we found it for the generations to come.

DO IT! TOGETHER

Together, we are Novalis.

SOCIAL AUDIT - CHINA

In the fall of 2020, Novalis elected to conduct the first third-party verified Sedex Members Ethical Trade Audit (SMETA) of the factory. SMETA is a globally recognized standard by which to conduct social audits, which are designed to ensure suppliers operate in an ethical manner. Novalis opted to undergo the full, 4-pillar audit that encompasses assessments of the factory’s practices against international best practices in labor, health and safety, environmental, and business ethics.

The audit was completed by SGS, and the auditor team observed conditions in the factory, reviewed documentation, and interviewed 42 employees in a combination of group and individual interviews. Through the independent review process, the auditors confirmed that the factory has an established management system to handle matters of social accountability, that the workers were all satisfied with their employment, and that the site was in good condition.

The audit also highlighted findings in areas in which the factory sets a “good example,” such as having ISO-certified environmental and occupational health and safety management systems. By going through this process, we are able to provide our customers with transparency and robust confidence in our workforce and ethical business practices.



ANTI-HUMAN TRAFFICKING POLICY

Novalis and all related entities comply with all local legal requirements regarding human trafficking and slavery in its many manifestations, including forced labor, child labor, domestic and indentured servitude, sex trafficking, and workplace abuse.

Novalis and all related entities take the matter of human trafficking seriously and have in place complaint procedures to report the violation of the local legal requirements, specifying that such complaints go directly to the high-level management or head of Human Resources, remain confidential, and will be investigated promptly and impartially.

OCCUPATIONAL HEALTH AND SAFETY



ISO 45001 Occupational Health and Safety Assessment System
Novalis achieves ISO 45001 certification for having a world-class occupational health and safety management system in place at the China factory. This comprehensive, global standard focuses on minimizing risks and preventing accidents during manufacturing and requires a dedicated team to prevent any matters of occupational health and safety concern.

AWARDS

Floor Covering Weekly GreenStep International Honoree

In 2020, Novalis was awarded International Honoree in the annual Floor Covering Weekly GreenStep awards. GreenStep International recognizes the sustainable initiatives happening around the globe. Novalis was selected as honoree in 2020 in recognition of the sustainable practices at the Novalis China factory, the material and environmental health considerations of Novalis products, and Novalis’ external sustainability education efforts.



REPORT DETAILS

COMMITMENT TO CONTINUAL IMPROVEMENT

Novalis strives to produce the highest quality, most environmentally friendly luxury vinyl tile. We demonstrate our commitment by pursuing industry-leading certifications, transparently disclosing all health and environmental information to our end users, and reducing the environmental impacts of Novalis products across their entire life cycle, from cradle to grave. Sustainability is a core value for Novalis that begins with environmentally conscious employees, is reflected in transparent communications of progress, and ends with the end users who value this commitment.

REPORTING PERIOD

This report covers calendar year 2020. This is our first sustainability report. In the future, we hope to report annually in accordance with GRI Standards.

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