

# LEADING A CORPORATE ECOLOGICAL TRANSITION: THE EXAMPLE OF INTERFACE, INC.

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Eric Rampelberg studied economics and management and holds an MBA from EM Lyon Business School. He has over 20 years of experience in business development, international trade and sustainable industry.

Eric Rampelberg joined Interface in 2018. He is in charge of defining and rolling out the company's growth strategy in France, Southern Europe, India and South-East Asia. His role includes creating development plans for legacy products such as carpet tiles while launching new flexible floorings like LVT (Luxury Vinyl Tile), rubber floorings, and other products currently in the pipeline. He also leads the Mission Zero corporate project, shares Interface's experience and results as part of the previous Interface's mission to achieve carbon neutrality by 2020 and promotes Climate Take Back, Interface's new mission to help reverse global warming.

Interface, Inc. was founded by Ray Anderson in 1973 and specializes in manufacturing carpet tiles for commercial clients, a sector where it is world leader with 2019 revenue of 1.2 billion dollars. The company became aware of the scale of its environmental impacts, and of the fact that it is part of the problem, as early as 1994. At the time, Ray Anderson instigated a top-to-bottom review with the company's various stakeholders to transform the company mission and focus on transitioning to a more sustainable approach. In 1996, the company adopted Mission Zero, a new corporate project targeting the year 2020: the goal was to move to zero environmental impact by 2020. A new and even more ambitious roadmap, called Climate Take Back, has been put in place for the period up to 2040.

In terms of circularity, a range of targets and actions have progressively emerged: incorporation of recycled and bio-sourced materials when designing products, and development of products with designed-in sustainability that are longer-lasting and easier to reuse. In addition to actions in the product design sphere, the company's circular strategy also covers its business models, with the development of service-led solutions such as reuse and a function-led model based on usage rather than product-led solutions based on volumes.

## Interface has the reputation of being one of the pioneers of the ecological and circular transition. Can you talk us through the key stages of this transition?

In 1996, when the company adopted its new Mission Zero strategy, the question we asked ourselves was "where do we start when trying to tackle this?" We began by analyzing the life cycles of our carpet tiles to identify where our environmental impacts were.

This process led us to rethink how our products were designed (does carpet really have to be glued down? Can we change materials to reduce the impacts?), but also the manufacturing, logistics chain and end-of-life processes (how can we give our products a second life? How can they be recycled?). When you have an eco-design mindset, you have to consider the total lifecycle all the way to the end: you must be able to dismantle the product, sort it and recover the material. For example, we created self-grip pads to replace the use of adhesives, so that carpet tiles could be easily removed for reuse or recycling.

We then included a series of quantified commitments as part of the Mission Zero roadmap, designed to combine innovation with our mission (to reduce environmental impacts). We painstakingly worked to reduce our environmental footprint at every stage in the lifecycle, not just within the company but also with our suppliers and those responsible for end-of-life management. Over 25 years,

this has allowed us to cut the amount of waste we produce, our water use and CO<sub>2</sub> emissions by 90% or more.

Our business model centers on occupying a premium position selling high quality products. The products we sell are long-lasting, good to look at and innovative, backed by quality services and respect for the environment. Everything is linked. The environment is not our customers' number one criterion when making their choice, but it is becoming an increasingly important factor, especially in France, as people become more and more aware of the climate emergency.

## What is your strategy for the circular economy?

Many of our stakeholders think the circular economy is simply a question of recycling. This is far from the truth. We've established a ranking of the most environmentally friendly circular solutions. If you mean what you say about environmental impact then you have to make certain that your products will last. Our carpet tiles are designed to last at least 15 years, and they can last twice as long. But customers change their carpets on average every seven years. Our carpets can be repaired and reused. From a circular standpoint, the best strategy is to reuse them locally. Other local customers may want to reuse them. We are trying to develop this strategy because the modular and removable design of our carpet tiles makes it a deliverable solution. The trickiest aspect of reuse is to get the entire industry in alignment so that flows can be managed. We will be able to recover our products now that an extended producer responsibility system operates in France's construction sector.

We are also training our customers to make sure they look after their carpet correctly, as this is one of the factors that ensure their durability. If a product is damaged, we will take it back and recycle it. It is returned to our factory. This is one of our commitments. We try to do everything possible to prevent any of our products going to a landfill site.

## What do you hope to do to take this circularity approach to another level?

You need to think about product and process innovations as a whole if you are interested in the circular economy. In terms of product innovation, our top priority is randomized design inspired by biomimetics. This is not simply a matter of aesthetics; it is also designed to minimize environmental impacts, since the patterns can be laid in any direction. Which is a tremendous advantage in terms of reuse because a damaged tile can be replaced by any other tile without having to swap out the entire carpet, as happens in hotels, for example, where most of the carpet used comes in rolls. In this case, as soon as a fault appears, a stain for example, then the entire carpet is changed.

Synthetic fibers account for 69% of our carbon footprint. We are working to introduce bio-sourced materials, as they have a far lower impact and also help to capture carbon. They will be coming on sale next year. The challenge this



innovation poses lies in improving our sourcing to reduce the environmental impacts. The idea is to increase the possibilities for them to be reused. We are also working on adding recycled material sourced from shredding our carpets to the backing layer, with the aim of closing the loop.

These product innovations make the production process more complex as they are far more difficult to master. For our new-generation products, we will be moving from using weaving machine technologies to fusion-extrusion production lines. This is a radical change.

We are also on the point of shifting from a transaction-based approach, where we sell products in terms of square meterage, to a use-based approach where we sell a service, a function-led model. Reuse really comes into its own with a function-led model in B2B. This involves a totally different business model because we have to pivot to a new position where we operate lease or management systems for our products. We need to train our staff, particularly our sales people, so they can adapt to the change of model. And we need to change our management and incentive systems as well as the entire value chain (logistics, maintenance and site work). You have to prepare at least three years in advance to be able to put all these changes in place and adjust to the shift from a transactional model to a model based on recurring revenue.

## What are your projects and goals for the future?

We have set out a new roadmap for 2040, called Climate Take Back. Its goal is to play a regenerative role and help improve the state of the planet. Doing this requires a networked approach to developing innovations. An example of this is carpets that capture carbon, part of a new approach we're calling Love Carbon. For example, we pinpointed the fact that the nylon 6 we use to make our carpets is the same material used to make fishing nets. And fishing nets drifting in the oceans are a major source of pollution. We have set up a partnership with local nonprofits in Africa and the Philippines to recover old fishing nets that we then reuse completely. We have recovered 250 metric tons so far, but we hope this is just the start.

Our goal is very much to take our regenerative strategy, recently honored with a 2020 UN Global Climate Action Award, to new levels.