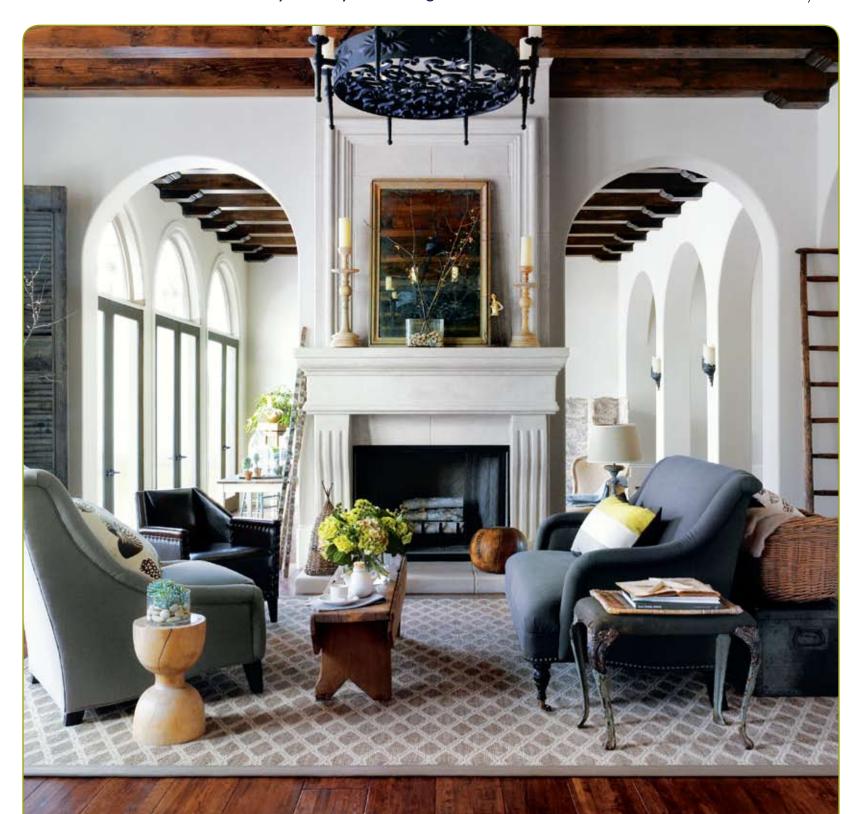


Where Environmentally Friendly Floors Begin

Sustainability v. I



A Commitment to Sustainability The **Shaw Green Edge**™





SHAW GREEN EDGE™

The Shaw Green Edge™ is an umbrella term that encompasses the company's social, economic, and environmental initiatives.

Sustainable practices are all part of what we identify as the three pillars of the Shaw Green Edge Sustainability Business Platform:

- 1 | Corporate leadership in social responsibility
- 2 | Operational and environmental excellence
- 3 | Unique products and services

Environmental stewardship is an integral part of Shaw's commitment to sustainability and an example of our leadership in corporate responsibility. While superior environmental performance is clearly an expectation today, we've been working for years on innovative ways to reduce waste, improve our manufacturing processes, and preserve our human, natural, and material resources.





Shaw Hardwood | Grand Canyon | Plateau Point | 8" wide plank Bound Carpet | Savvy Spaces Collection | Urban View | Cobblestone | made with Recyclable Anso® Nylon



The Shaw Green Edge:[™] A Commitment to Sustainability.

While many think of sustainability as a subject related solely to environmental initiatives, we at Shaw see it in a much broader sense. Simply put, sustainable progress is dependent upon doing the right things in all aspects of our business.

Sustainable business is business that continues to grow, while serving the interests of employees, customers, and stakeholders. It is focused on ensuring that our company is prepared for future business environments. Consequently, it is a sustainable policy to maintain the highest ethical standards, just as it is a sustainable approach to provide employee programs that safeguard their health and safety. It is a sustainable endeavor to conserve water and energy, and it is sustainable production to manufacture products that can be recycled.

It's one thing to claim to be "green," but quite another to be a true leader in environmental stewardship. Unfortunately, in response to today's growing environmental awareness, some manufacturers cite irrelevant or misleading information in an attempt to inflate their green credentials. This "greenwashing" is not only unfair to those with legitimate environmental achievements, it can damage the reputation of the industry and spark cynicism among consumers.

We believe that credibility must be a key ingredient of communicating our environmental message.



Shaw: Improving Tomorrow's Environment Today

Shaw is noted for its leadership, both in the flooring industry and the communities in which we operate. Environmental stewardship is an example of this leadership. While environmental awareness is clearly a trend today, we've been working for years on innovative ways of reducing waste, improving our manufacturing processes, and preserving our natural resources. It comes back to our commitment to our employees and customers, and the communities where we live and work. This brochure illustrates many of our accomplishments and explains our goals for the future.

Elements of Environmental Stewardship

Shaw has identified several fundamental elements of environmental stewardship on which we believe our industry, and many others, should focus. These are basic elements that support a comprehensive environmental program:





Water



Indoor Environmental Quality



Recycling and Reclamation



Social/Community Responsibility



Environmentally Friendly Products

Green. It's something we never forget.™



Energy

Energy use is a primary environmental concern in today's world, as well as a significant financial issue. Most manufacturers are dependent on fossil fuels in their operations, and Shaw has developed a number of innovative energy-saving processes that reduce fuel and electricity use. We even have a facility that uses waste material to create steam energy, the first of its kind in the industry.

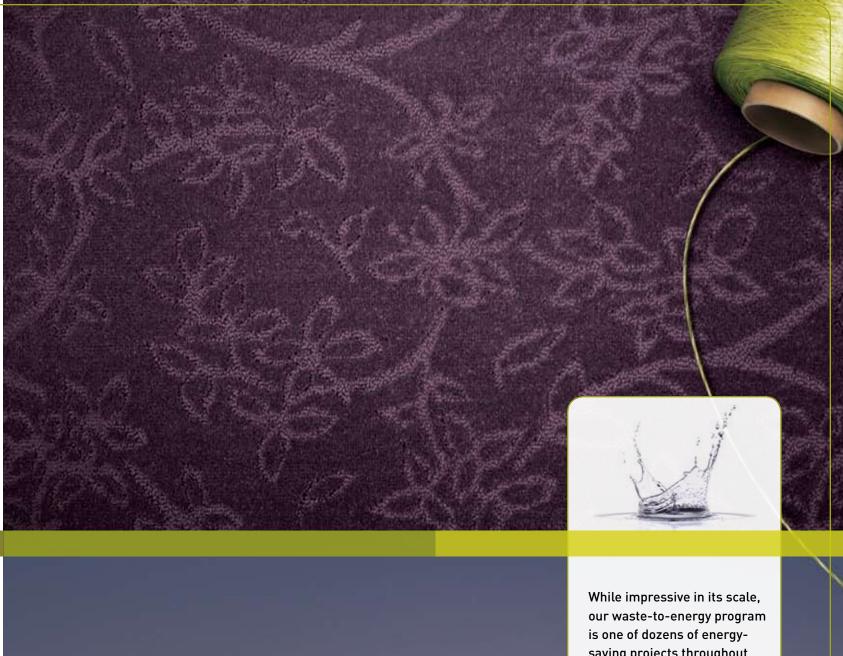
Our waste-to-energy (WTE) project converts carpet and wood waste to steam energy through a process called gasification. The facility converts waste to energy that would otherwise come from fossil fuels, sends less solid waste to landfills, and saves over 2.5 million gallons of fuel oil a year in just one of over sixty manufacturing facilities.



The WTE plant converts approximately 18,000 tons of combined post-industrial carpet waste and wood flour per year.

SHAW GREEN EDGE INITIATIVE™ 014 | Waste to Energy Facility

Developed in cooperation with Siemens Building Technologies, the gasification facility represents a huge savings in terms of landfill reduction and energy costs.





saving projects throughout our manufacturing plants. Other initiatives include the use of alternative fuels and recovering heat from waste water.

Recovering heat from waste water reduces heating requirements. This process accounts for an annual fuel consumption reduction of up to 360 billion Btu, or the equivalent energy required to run thousands of homes for an entire year.





Water

Shaw has always been a good steward of our communities' water supplies, and those supplies have traditionally been plentiful. Recently, however, many areas in which we operate in the Southeast have experienced drought conditions that have made conservation a more critical issue. Rather than being satisfied with being good stewards, we've found innovative ways to become great stewards.



Shaw manufacturing and engineering managers have made exceptional progress in water conservation and reuse. Most of the company's water use is related to dyeing, treating, and washing carpet during the manufacturing process.

Among the successful initiatives we've implemented are continuous dyeing; dye bath reuse; and recovery and reuse of post-treatment wash water used in applying stain and soil treatments.







Indoor Environmental Quality

Since we spend so much time indoors - in our homes or workplaces - good indoor air quality is essential. Modern building methods have made our homes and workplaces airtight to conserve energy, and this has unfortunately often lead to an increase in allergens and pollutants indoors. Carpet can actually contribute to better indoor air quality, as long as simple cleaning and maintenance guidelines are followed.

Fact vs. Fiction

It is simply a myth that carpet is linked to high levels of VOC (volatile organic compounds) emissions and the prevalence of mold growth. Research clearly demonstrates that new carpet is one of the lowest emitters of VOCs in the home environment. The harmless emissions associated with the smell of new carpet - similar to a "new-car smell" - quickly dissipate. In addition, mold only grows in a moist environment where dirt provides the nutrients necessary to thrive. Keeping the floor covering clean and dry, as should be done with any other surface, will prevent any outbreak of mold.

It is also a misperception that people with asthma and allergies should avoid carpet in the home. In fact, carpet acts as a trap for common household particles, such as dust, pollen, and pet and insect dander, keeping them out of the circulated air. Regular vacuuming with a suitable vacuum cleaner removes the dust and allergens from the carpet and minimizes their circulation in the air. Dusting and mopping of hard-surface floors will also reduce potential allergens.

Shaw products have undergone a lengthy testing process in order to measure chemical emissions, and have been certified safe and healthy for use by everyone.

All of Shaw's residential and commercial carpet styles meet the CRI's Green Label Plus certification, the most stringent testing standard in the industry.



Green Label Plus

The Carpet and Rug Institute (CRI) provides further assurance of carpet's role in a healthy indoor environment with its Green Label and Green Label Plus certification programs. The Green Label program is a testing and certification system designed to identify carpet, carpet backings, cushions, and adhesives that emit low VOCs. The strength of the CRI testing is evidenced in the American Lung Association's acceptance of Green Label Plus carpets in its Health Home program. Moreover, the rigid standards of the Green Label Plus program exceed the green building requirements of California's Collaborative for High Performance Schools (CHPS) for low emitting materials.





Recycling and Reclamation

Evergreen Nylon Recycling

The term "cradle to grave" describes the process by which consumer products are conventionally manufactured: we take raw materials from the earth, make products, and eventually send those products to overflowing landfills.

Cradle-to-cradle production means that products can be collected and returned to manufacturing of the original product again and again. This is Shaw's goal, and the company is well on the path toward achieving it.

Shaw is committed to investing in technologies that move us to a cradle-to-cradle future, such as our **Evergreen Nylon Recycling** facility that recycles post-consumer Nylon 6* carpets back into the raw material to make new carpet. Just as natural products can be returned to the earth for decomposition to make fertilizers in a cycle of renewal, cradle-to-cradle manufacturing mimics this process. The company believes that cradle-to-cradle is the path to true sustainability.

* There are two types of nylon fiber, Nylon 6 and Nylon 6,6. Currently, post-consumer Nylon 6,6 cannot be recycled into dyeable carpet fiber repeatedly; it is generally "down-cycled" into other products, such as automobile parts.

Shaw's nylon recycling is simply CARPET TO CARPET™



SHAW GREEN EDGE INITIATIVE ™ 002 | Evergreen



Evergreen Nylon Recycling, Shaw's nylon recycling operation in Augusta, Georgia, employs patented technology that converts post-consumer nylon carpet and recycles it back to its original material - the building block for nylon fiber. As a result of this technology, carpets of Nylon 6 are capable of being recycled into new carpet repeatedly without the loss of any aesthetic or performance properties. It is a true CARPET TO CARPET™ process.







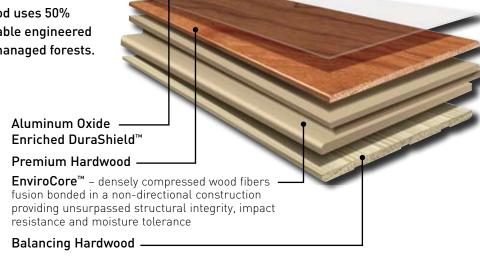
Recycling and Reclamation

Green solutions in hard surfaces

EnviroCore™, the high-density-fiber (HDF) core featured in Shaw's Epic™ hardwood and laminate products, is made from post-industrial recycled wood fiber. Use of this innovative core means consumption of fewer trees and less waste. In addition, 100% of the post-industrial laminate manufacturing waste from our Ringgold, Georgia facility is diverted from the landfill and used as fuel, mainly for Shaw's waste-to-energy process, the innovative technology that converts carpet and wood waste to steam energy through a process called gasification. Manufacturing waste from our West Coast operations is also sold for fuel.

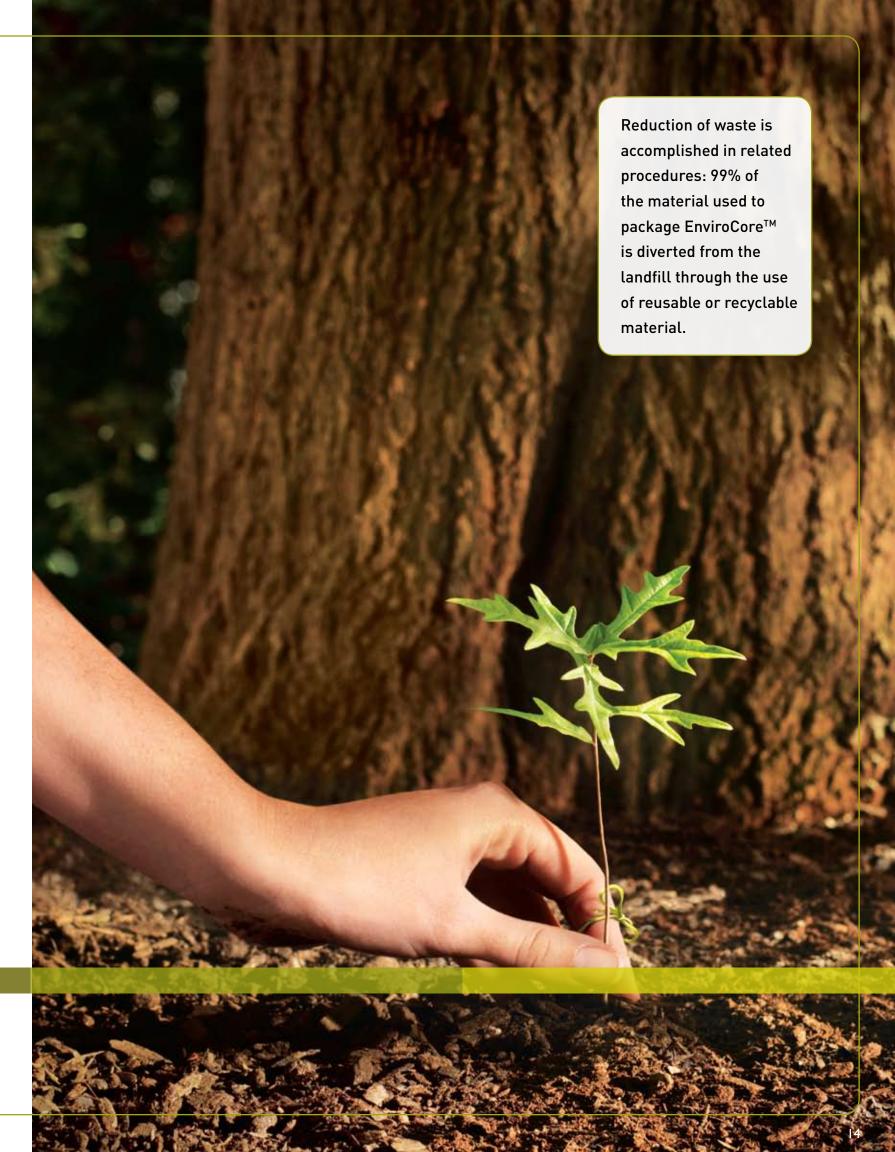
Epic Hardwood flooring features EnviroCore™, a high density fiber core derived from recycled wood fiber which means fewer trees are used with less waste. Epic 3/8" hardwood uses 50% less harvested wood than comparable engineered wood flooring and it comes from managed forests.







SHAW GREEN EDGE INITIATIVE [™] 009 | Epic Hardwood

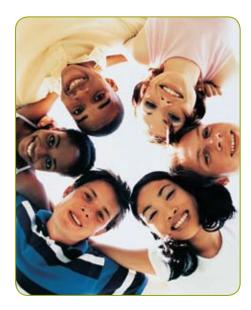






Social/Community Responsibility

Being a responsible corporate citizen is an integral part of environmental stewardship. The health and safety of our employees and the welfare of the communities in which we live and work have always been part of Shaw's overall commitment to improving the lives of those around us. There's really nothing greener than taking care of ourselves and others.



Employees of Shaw are active participants in a wide variety of organizations and programs that benefit their communities. For example, Shaw employees give generously to **United Way** each year, and the company makes a corporate gift on top of our employee contributions.

Year after year, Shaw heads the list of corporate donors, and the company's total contribution usually represents more than a third of all money collected in the yearly area campaign.

Other Shaw corporate and employee programs help improve the quality of life in our communities and elsewhere through conservation, recycling, diversity, mentoring, and fund-raising activities.

Diversity

Our Corporate Diversity initiative is another example of our corporate social responsibility which values, respects, and embraces the attributes of all employees and their contributions to our success and leadership.

Safety and well being of Shaw employees

In addition to community outreach, Shaw supports its employees through health programs and events and training opportunities, designed to enhance the health and well-being of all. Programs such as LifeBalance, Shaw's Smoking Cessation Program, and annual Health Fair, as well as enhanced skills training through Shaw Learning Academy, offer employees a wealth of opportunities for self-improvement and career advancement.







Environmentally Friendly Products by Shaw

All of our green programs and innovations notwithstanding, we must produce environmentally friendly products for our efforts to be meaningful to consumers. Of course, the most important consideration in purchasing any new carpet or floor covering is the level of quality it provides. With Shaw, you can be assured that you are getting the finest floor covering available. But isn't it good to know that some products you buy are also good for the environment?

Shaw offers a wide variety of environmentally friendly residential and commercial products. In carpet, Type 6 nylon styles include the following fiber brands:



Epic™ hardwood. 3/8" Epic uses 50% less newly harvested wood than conventional 3/8" thick engineered wood flooring, is made with EnviroCore™ — a dense, inner core composed of wood fiber by-products created in the manufacture of other products that are otherwise burned or put into landfills, and Epic premium veneers come from managed forests.



Shaw laminate. Shaw's laminate products are inherently good environmental choices in floor covering. Engineered to last, laminate offers a long life span that minimizes replacement. And while it simulates the upscale look of a natural product like an exotic hardwood or ceramic tile, the actual material isn't used and the natural resource preserved. Shaw laminates feature EnviroCore™ and use 98% less newly harvested wood than conventional engineered hardwood products.



Anderson Hardwood Floors. A member of the Forest Stewardship Council and Harwood Forestry Fund, Anderson Hardwood Floors, Shaw's latest acquisition, follows sound environmental practices. A recent introduction, Grand Canyon, is made from 100% wood by-products and represents one of the most environmentally responsible hardwood products available.



Shaw's new TripleTouch™ Cushion is environmentally responsible. TripleTouch is made with natural oils, reducing our dependency on petroleum-based products. In addition, the backing system's primary components are made from recycled content.



Shaw Living's **EcoMade™** rugs are recyclable and backed by a complete recycling program. Consumers may return used rugs to Shaw in a postage-paid rug return envelope at no charge.

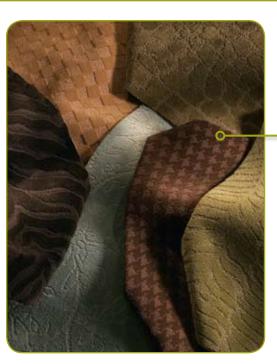


















Type 6 nylon. Type 6 nylon (Nylon 6) is used in such applications as residential and commercial carpet, as well as other products. It is the only residential carpet fiber capable of being recycled back into carpet fiber repeatedly. Carpets of Type 6 nylon are recycled at Shaw's Evergreen Nylon Recycling facility in Augusta, Georgia.



Anso® nylon is the longest standing, continuously marketed fiber brand in the residential floorcovering industry. Anso nylon is among the best fibers available, providing exceptional performance, and built-in stain and crush resistance. Carpets of Anso nylon contain recycled content and are made from Type 6 nylon, which is recyclable into new carpet.



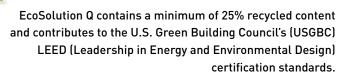
EverTouch® nylon products are also made from Type 6 nylon that can be recycled back into carpet fiber again and again, endlessly.



eco*solution Q

from Shaw Fibers

Eco Solution Q® nylon is a Type 6 nylon that has been used in commercial applications since 1995. EcoSolution Q is continuous filament fiber designed to meet the exacting criteria of the commercial market, from the aesthetic needs of the corporate office environment to the hygienic standards of health care installations. Post-end-user EcoSolution Q fiber



will be recycled at Evergreen Nylon Recycling.



Solution Q® nylon is a Type 6 nylon also used in commercial applications. Solution Q does not contain recycled content but can be recycled into new fiber repeatedly.



EcoWorx® Tile. EcoWorx is also the industry's first sustainable, non-PVC tile backing system. EcoWorx actually outperforms traditional PVC backings while it is 40% lighter in weight and is considerably more durable than PVC.

EcoWorx was awarded the EPA's Presidential Green Chemistry Challenge Award, the only time the award has been given to a carpet product, and the Best of NeoCon award, among many other acknowledgments.



EcoWorx® Broadloom. The introduction of fully recyclable economic EcoWorx Performance Broadloom brings the sustainability and proven performance of EcoWorx backing technology to the much larger broadloom market.

Because broadloom carpet occupies roughly two-thirds of the commercial market, an even greater amount of post-consumer carpet can be kept from landfills due to the recyclability of EcoWorx Performance Broadloom.







We are committed to sustainability as the business model which positions Shaw as the industry leader today and for the future in driving business performance, growth, innovation, and productivity across our value chain and that of our customers and partners.

That's the **Shaw Green Edge** I_{IM}

Recognition

In recognition for Shaw's environmental stewardship and support of numerous community causes (Social responsibility is also an important aspect of the Shaw Green Edge), the company has received many awards. Among the more notable:

2008 | A Founding Reporter of THE CLIMATE REGISTRY

2007 | Vendor Green Steps Award from Sherwin-Williams

2007 | Seal of Sustainability from the Sustainable Business Institute (SBI)

2006 | Global Society of Plastic Engineers Design for Sustainability Award

2005 | California WRAP (Waste Reduction Awards Program) Award

2005 | Environmental Protection Agency (EPA) Certificate for Cooperative Conservation

2005 | General Services Administration (GSA) Evergreen Award in the Furnishings Category

2005 | North Carolina Sustainability Award, Product Stewardship Category

2003 | EPA Presidential Green Chemistry Award

1999 | Governors Award of Pollution Prevention (Georgia)



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GREEN.

It's something we never forget.™



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