About Our Cover

“The biggest challenges require the greatest teamwork.”

Opening of 25th Anniversary Re-Release of Everest

Milliken and Polartec are the global presenting sponsors of the 25th anniversary re-release of the documentary Everest, when MacGillivray Freeman Films captured the first-ever IMAX images from the top of Mount Everest. Narrated by Academy Award nominee Liam Neeson and featuring the music of George Harrison, Everest is the dramatic true story of a team of four climbers who ascended Mount Everest. The film is a story of hope, strength, and triumph, showing the true power and resilience of the human spirit. At Milliken, we accept our responsibility to address the challenges associated with climate change knowing that we must harness this same power and resilience of the human spirit to preserve the natural beauty and ecological health of Mount Everest and other sensitive ecosystems. Learn more about our resources to raise awareness of issues impacting Mount Everest.

OUTDOORS ARE FOR EVERYONE

We create sustainable performance fabrics so that more individuals can find their own mountains to climb and stories to tell. We believe that opportunity and access are crucial steps to inclusion and inspiration. We also believe education is necessary for protecting and accessing the outdoors. Learn more about how we are supporting these ideas through the Polartec “Outdoors are for Everyone” campaign.
MESSAGE FROM HALSEY COOK, PRESIDENT AND CEO

We embrace the responsibilities of being Milliken.

At Milliken we offer safe, reliable jobs to support families and communities. We tackle decarbonization across our value chain. We advance the circularity of plastics, chemicals, and textiles. And we care for our people and our communities who are the heart of our business.

In a world that is constantly changing, we face the challenges of today while working together to ensure we’re ready for tomorrow.

With the release of our fourth annual Sustainability Report, I’m pleased to share that we’re making marked progress towards our 2025 Sustainability Goals.

Here are a few examples of what our team has accomplished:

PEOPLE: Throughout 2021, we maintained focus on our people, our communities, and our suppliers. We achieved zero safety incidents from COVID-19 and increased the diversity of our U.S. management team. And as a team, we amassed more volunteer hours than ever before.

PRODUCT: Our products provide the opportunity to impact real change in circularity, but we will not move the needle alone. In 2021, we continued bringing voices together to find ways to advance our work and to reach and motivate a broader audience toward circularity.

PLANET: We’ve completed nearly 40% of the more than 400 projects identified to reduce our environmental footprint. In 2021, we officially eliminated coal as our primary fuel source by implementing cogeneration.

The world is always changing. But our Purpose and Values have not.

Together, we will make a positive impact that will last for generations.

We are always in pursuit of solutions to the biggest challenges facing our world. We don’t have all the answers, but we’ll never stop searching for opportunities to collaborate and scale our efforts and impacts across our full value chain.
2021 Highlights

RECOGNIZED FOR LIVING OUR VALUES

• Milliken is one of six companies awarded World’s Most Ethical Companies® for 15 consecutive years.
• Our associates earned us a spot on America’s Best Midsize Employers list, presented by Forbes.
• We received Ethisphere’s Ethics Inside® Certification, an endorsement of the way we do business—with our purpose and values at the heart of our work.

EXPANDING OUR LEADERSHIP

Encapsys, LLC

• We’re expanding as a global leader in microencapsulation with the acquisition of Encapsys, LLC.
• Recently acquired Zebra-chem expands our portfolio of solutions to improve and increase manufacturing with recycled plastics.

Sustainability Highlights

PEOPLE

Even in the middle of a pandemic and with many associates working remotely, our people logged 23,000 volunteer hours—the greatest number recorded in company history.

Through our inclusion efforts and implementation of best practices, we have increased U.S. diverse management by 8% since 2018.

We recorded zero lost-time safety incidents from COVID-19.

PRODUCT

We launched our global carbon neutral flooring portfolio as part of our M/PACT initiative.

We joined Accelerating Circularity to share our innovative materials research with the broader textile industry.

With the help of National Geographic Partners, we enlisted experts from around the world to address solutions for plastic waste.

PLANET

We eliminated coal as a primary fuel source with our investment in cogeneration.

Through thermal drying of sludge, a waste product of our water treatment process, we’re set to reduce waste by 6%, and we’re just getting started.

We are working on more than 400 projects to help us reach our Planet Goals.
Our Approach to Reporting

This report provides a comprehensive summary of our approach to environmental, social, and governance reporting and our performance for calendar year 2021. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We also used other recognized frameworks to inform the content of this report, including the United Nations (U.N.) Global Compact, U.N. Sustainable Development Goals, the Task Force on Climate-Related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB) Standards.

STAKEHOLDER ENGAGEMENT

We conducted a materiality assessment in 2021 to determine material issues for all stakeholders. We surveyed more than 180 Milliken associates and more than 140 external stakeholders, including customers, representatives in local and state government, nongovernmental organizations, trade associations, scientists, and sustainability subject matter experts. We engaged with our customers in a number of ways, including direct engagement, formal materiality assessments, monitoring public commitments, and insights from customer surveys.

Our sustainability strategy is driven by an understanding of the interconnectedness of materiality topics and a commitment to putting people first. Our reporting approach is driven by transparency and a commitment to align with global standards.
2025 SUSTAINABILITY GOALS
TOGETHER FOR TOMORROW
Creating a healthy future

PEOPLE
Our sustainability work starts with putting people first. Our People Goals recognize that it’s what we do together, today, that will make for a better tomorrow.

- ZERO LOST-TIME SAFETY INCIDENTS
- COMMIT TO AN INCLUSIVE ASSOCIATE COMMUNITY
- ZERO DATA PRIVACY BREACHES
- 100,000 VOLUNTEER HOURS

PRODUCT
Building a circular economy requires a systems approach to change the way we look at design, waste, and materials. Our Product Goals advance circularity through internal assessments and industry-wide collaborations.

- ANALYZE NEW PRODUCTS WITH SUSTAINABILITY ASSESSMENTS
- CONVENING ON SOLUTIONS FOR PLASTICS END-OF-LIFE

PLANET
Protecting the planet starts with responsible operations. Our Planet Goals help us reduce our environmental footprint as we grow our global impact.

- REDUCE INDEXED GREENHOUSE GAS EMISSIONS BY 25%
- REDUCE INDEXED SOLID WASTE BY 25%
- ZERO WASTE TO LANDFILL
- REDUCE INDEXED WATER USAGE BY 25%
- INCREASE RENEWABLE ENERGY USE TO 100,000 MWH
- ZERO ENVIRONMENTAL VIOLATIONS
Sustainability Goals Progress

**2025 PEOPLE GOALS**

- **ZERO LOST-TIME SAFETY INCIDENTS**
  - 2018: 21% against 2018 baseline
  - 2019: 15% against 2018 baseline
  - 2020: 13% against 2018 baseline
  - 2021: 10% against 2018 baseline
  - 2025: Zero

- **COMMIT TO AN INCLUSIVE ASSOCIATE COMMUNITY**
  - 2018: 15% of U.S. diverse salaried associates
  - 2019: 26% of U.S. diverse salaried associates
  - 2020: 27% of U.S. diverse salaried associates
  - 2021: 29% of U.S. diverse salaried associates
  - 2025: 50% of U.S. diverse salaried associates

- **ZERO DATA PRIVACY BREACHES**
  - 2018: 0 absolute reportable breaches
  - 2019: 0 absolute reportable breaches
  - 2020: 2% absolute reportable breaches
  - 2021: 0 absolute reportable breaches
  - 2025: Zero

- **100,000 VOLUNTEER HOURS IN OUR COMMUNITIES**
  - 2018: 24% of 100,000 total hours
  - 2019: 19% of 100,000 total hours
  - 2020: 15% of 100,000 total hours
  - 2021: 13% of 100,000 total hours
  - 2025: 100% of 100,000 total hours

**2025 PRODUCT GOALS**

- **ANALYZE NEW PRODUCTS LAUNCHED USING SUSTAINABILITY ASSESSMENTS**
  - 2018: 22% of 100,000 new products
  - 2019: 22% of 100,000 new products
  - 2020: 41% of 100,000 new products
  - 2021: 39% of 100,000 new products
  - 2025: 100% of 100,000 new products

**2025 PLANET GOALS**

- **REDUCE INDEXED GREENHOUSE GAS EMISSIONS BY 25%**
  - 2018: -5% against 2018 baseline
  - 2019: -25% against 2018 baseline
  - 2020: -1% against 2018 baseline
  - 2021: +2% against 2018 baseline
  - 2025: +7% against 2018 baseline

- **REDUCE INDEXED SOLID WASTE BY 25%**
  - 2018: -8% against 2018 baseline
  - 2019: -25% against 2018 baseline
  - 2020: -1% against 2018 baseline
  - 2021: +1% against 2018 baseline
  - 2025: +7% against 2018 baseline

- **REDUCE INDEXED WATER USAGE BY 25%**
  - 2018: -52% against 2018 baseline
  - 2019: -100% against 2018 baseline
  - 2020: +83% against 2018 baseline
  - 2021: +14% against 2018 baseline
  - 2025: +19% against 2018 baseline

- **ZERO WASTE TO LANDFILL**
  - 2018: 53% of 10,000,000MWh/yr
  - 2019: 26% of 10,000,000MWh/yr
  - 2020: 15% of 10,000,000MWh/yr
  - 2021: 9% of 10,000,000MWh/yr
  - 2025: Zero

- **REDUCE INDEXED SOLID WASTE BY 25%**
  - 2018: -60% against 2018 baseline
  - 2019: -100% against 2018 baseline
  - 2020: -60% against 2018 baseline
  - 2021: -60% against 2018 baseline
  - 2025: -60% against 2018 baseline

- **ZERO ENVIRONMENTAL VIOLATIONS**
  - 2018: 98% of 100,000MWh/yr
  - 2019: 50% of 100,000MWh/yr
  - 2020: 10% of 100,000MWh/yr
  - 2021: 0% of 100,000MWh/yr
  - 2025: Zero

For more information on our scorecard, see our GRI™ Index Disclosures, SASB Disclosures, TCFD Disclosures, and UNSDG Alignment.
Our sustainability work starts with putting people first.

PEOPLE

Our sustainability work starts with putting people first.

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People

Our 2025 People Goals recognize that it’s what we do together, today, that will make for a better tomorrow.

2021 PEOPLE GOALS PROGRESS

ZERO LOST-TIME SAFETY INCIDENTS
We recorded four more lost-time incidents in 2021 than the previous year. In our quest for zero, we are expanding behavioral audits and finding new ways to involve associates in our safety processes.

COMMIT TO AN INCLUSIVE ASSOCIATE COMMUNITY
We have increased diversity in our U.S. management team by 8% since 2018, achieving 35% gender diversity and 14% racial/ethnic diversity.

ZERO DATA PRIVACY BREACHES
Our focus on Privacy by Design contributes to our consistent record of zero data privacy breaches.

100,000 VOLUNTEER HOURS IN OUR COMMUNITIES
We are 53% of the way to our goal of 100,000 volunteer hours, thanks to associates’ continued focus on supporting our communities.

2025 GOAL: ZERO LOST-TIME SAFETY INCIDENTS

Our progress will not always be linear, and the past year brought new challenges. We are focusing on new hire training, faster integrations of acquisitions into our safety-first culture, and proactively reducing risks in our top three lost-time incident categories.

“At Milliken, we put safety first; we do that by involving our production associates in the process, proactively mitigating risk, and driving continuous improvement toward our goal of zero lost-time injuries.”
Charles Young, Safety Director

Saftey Certifications

Our Hatch and Golden Valley plants were our first sites in the North Carolina Safety Program. In 2021, these sites were recertified recognizing them for effective safety and health systems and are now the longest-tenured plants in the program.

Four Milliken Plants — Allen, Hatch, Golden Valley, and Alma — received reapproval for the rigorous safety standards outlined in the OSHA VPP Star Certification.

<table>
<thead>
<tr>
<th>SITES</th>
<th>LOST-TIME, INJURY-FREE RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>Lost time injury free for the year 2021</td>
</tr>
<tr>
<td>37</td>
<td>Lost time injury free for the past 2 years</td>
</tr>
<tr>
<td>14</td>
<td>Lost time injury free for over 1 million exposure hours since last lost time</td>
</tr>
<tr>
<td>3</td>
<td>Lost time injury free for over 5 million exposure hours</td>
</tr>
<tr>
<td>1</td>
<td>Lost time injury free for over 12 million exposure hours</td>
</tr>
</tbody>
</table>

An event may get upgraded from a recordable to a lost time after a reporting year ends.

2021 MILLIKEN SUSTAINABILITY REPORT
Driving Toward Inclusion
At Milliken, we believe that the brightest ideas are born from a diverse and empowered network of associates. We value an inclusive workplace and know that the success of our company relies on the success of our people.

**IN 2021, WE**

- Launched the Minority Men’s Council to enhance engagement, advancement, and reduce turnover
- Expanded Affinity Networks to include a new Wellness Affinity Network to emphasize the importance of mental health during these challenging times
- Continued courageous conversations like our Milliken Pride Affinity Network’s conversation on religion and LGBTQ+
- Expanded allyship training internally and in our communities

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**150+**
Trained in community in unconscious bias

**800+**
Trained in allyship

**6**
Affinity networks

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**We live, we work, as a team.**
Gary Newman, Plant Manager, Longleaf
Recipient of the 2021 Milliken Honors Roger Milliken Award
2025 GOAL: ZERO DATA PRIVACY BREACHES

Milliken strives to protect data and incorporate privacy as part of daily operations because it is the right thing to do. Privacy and data security only increase in importance in our interconnected, digital world. Since the launch of our sustainability reporting in 2019, privacy has been a material topic and one of our four People Goals.

2,500+ associates trained in at least seven safety courses, including privacy
900+ associates trained in interactive privacy awareness workshops
2,500+ associates trained in online cyber and privacy protection compliance courses

2025 GOAL: 100,000 VOLUNTEER HOURS IN OUR COMMUNITIES

Milliken has over halfway to our volunteering goal - 53,000 hours, thanks to our 2021 Volunteer Olympiad. While supporting the Human Resources team, Sous Chef Nicholas Sanders was challenged to develop a new way to encourage associates to log volunteer hours. He designed our first Volunteer Olympiad, which resulted in the most volunteer hours logged ever.

“How Competition drives people, but so does doing the right thing.”
Nicholas Sanders, Sous Chef, Milliken Guest House

How We Helped

SUPPLIES FOR FLOOD VICTIMS

Central Henan province had more rainfall in four days than an average year, killing dozens and affecting more than 1.2 million people. We donated blankets made with Polartec® fabric, storage bins incorporating Millad® NX® 8000, and cleaning supplies.

Polartec blankets donated to Central Henan (China) flood victims

SUPPORT FOR SCIENCE

Milliken continued our support for science, technology, engineering, and mathematics learning in our communities by investing in the Spartanburg Science Center to open the Milliken Learning Studio.

Milliken Learning Studio at the Spartanburg Science Center (U.S.)

INITIATIVES TO BUILD HOMES

Milliken-Ontera engaged in fundraising initiatives and volunteer programs to help build homes for homeless youth in Australia. Together, we developed the “purpose-orientated” product pathway initiative to proactively to raise funds for homeless youth through some of our collections. A portion of revenue from designated collections is donated to the Property Industry Foundation.

1.4 Avg hours per volunteer
27,000 Total 2021 hours
271 Volunteer count
CHAMPIONING OUR PEOPLE

Every day, we focus on providing new ways to earn and develop trust. This commitment begins with offering our associates learning and development opportunities that enable them to feel confident speaking up, advancing our safety culture, and coming to work each day as their authentic selves. By empowering each of our associates to be champions, we can create a brighter future.

Investing in Learning

As a company, we are committed to investing in our associates and providing opportunities for continuous learning, peer mentorship, training, and development.

Milliken Performance System Success

Some of the best ideas for making our operations more sustainable come from Milliken associates without sustainability in their title. That’s why we approach sustainability the same way we look at opportunities for operational improvements, through the lens of the Milliken Performance System (MPS). MPS emphasizes training and education across our organization, driving sustainable operations through operational emphasis.

Six Sigma, a project-based improvement methodology included in MPS, focuses on a disciplined approach to project management. We added 44 Six Sigma Green Belts and two Master Black Belts in 2021.

13,000+ MPS training hours
370+ MPS Projects
44 Added Six Sigma Green Belts

New Leadership Programs

At Milliken, we know that advancing our values means developing strong leaders. Milliken University offers four different development programs based on our Milliken Leadership Model:

1. LEAD ORGANIZATIONS: Taught in partnership with the faculty of the University of Virginia’s Darden School of Business, this five-day program uses case studies, readings, and exercises to help develop the awareness and skills our business and functional leaders need to drive our 2025 Strategy.

2. LEAD IN MANUFACTURING: This program is designed specifically for manufacturing managers and supervisors to support unique leadership challenges in the manufacturing environment.

3. LEAD TOGETHER: For those who manage teams, this program focuses on building foundational management skills: communicating corporate values, managing employees’ performance, building strong teams, and supporting individuals’ career development.

4. LEAD BY INFLUENCE: This program equips current and future leaders with skills such as working with different generations, setting SMART goals, and managing change throughout their career.

“At Milliken, no matter what you do in the company, you have the chance to lead and make an impact.”

Courtney Meeks
Human Resource Manager, Textile
Global Compliance Education

We provide our associates with a comprehensive online compliance training program—the Awareness in Compliance and Ethics (ACE) curriculum. Training modules are assigned based on roles, geographic location, and responsibilities. The ACE curriculum is established each year with our Compliance Federation based on risks, trends, compliance requirements, and our strategy.

Milliken University offers additional on-demand courses as well as tailored, in-person training.

No Toleration for Corruption

As a participant in the United Nations Global Compact, Milliken supports Principle 10 on Anti-Corruption. We do not tolerate bribery, corruption, or unethical practices of any kind.

Our Code Guides Us

Our success depends on each of us doing the right thing. We each agree to live our values and meet these important commitments:

• Understand our values and use them in our job
• Promote an inclusive community
• Speak up regarding concerns
• Know and follow our Code and policies that apply
• Support a strong culture of ethics
• Ask for help
• Cooperate with investigations

100% Completion of online compliance training by global management associates

100% Associates and board of directors affirm code of conduct

100% Completion of anti-corruption training by global management associates

Ethics Scoring Framework

Culture of Ethics 35%
Environmental and Societal Impact 20%
Governance 20%
Leadership and Reputation 15%
Ethics and Compliance Program 10%

1 of 6

15-Time Honorees

134 Companies in 2021 designated as the World’s Most Ethical Companies

Milliken scored 10 Points Higher than the average 2021 honoree
Our Culture Depends on Speaking Up

We are all responsible for upholding our Code of Conduct. We encourage associates and suppliers to ask questions and report concerns. We make it clear that speaking up is the right thing to do, and retaliation of any kind for making a good-faith report is prohibited.

Our HelpLine is available 24/7 and is operated by a third party. Our Code explains that leaders have a special responsibility to listen and act.

Protecting Human Rights


We train our team to identify and address potential human rights violations. There have been no known human rights violations within our operations or supply chain, but we remain vigilant.

Strengthening Supply Chains

Our Supplier Code of Conduct addresses people, labor, integrity, health, safety, and the environment and provides our suppliers with additional resources for implementing principles and guidelines.

We encourage our suppliers to report externally about their social and environmental impact in line with the principles set forth in our Supplier Code of Conduct. In 2021, we launched a cloud-based platform to strengthen our supplier sustainability monitoring, including assessments and social media monitoring.

Enterprise Plant (U.S.) Textile associate

Daike Wang, Principal Scientist, Floor Covering (U.S.)

100% New suppliers affirm Supplier Code of Conduct

YOUR VOICE MATTERS

1. Something doesn’t seem right or concerns you
2. Report it—can use Milliken’s HelpLine—in your language and to a third party
3. Milliken investigates confidentially
4. Investigation leads to action
5. Outcomes
   • You are never retaliated against for making good-faith reports
   • You had the courage to do the right thing and to protect our ethical culture

Our Culture Depends on Speaking Up

We are all responsible for upholding our Code of Conduct. We encourage associates and suppliers to ask questions and report concerns. We make it clear that speaking up is the right thing to do, and retaliation of any kind for making a good-faith report is prohibited.

Our HelpLine is available 24/7 and is operated by a third party. Our Code explains that leaders have a special responsibility to listen and act.

MILLIKEN LEADERS

Lead by example
Listen carefully
Elevate concerns appropriately
Promote speaking up
Treat all concerns seriously
Never cover up or ignore
Never retaliate

From our Code of Conduct
Building a circular economy requires a systems approach to change the way we look at design, waste, and materials.
Product

Our 2025 Product Goals advance circularity through internal assessments and industry-wide collaborations.

2025 GOAL: ANALYZE 100% OF NEW PRODUCTS USING A SUSTAINABILITY ASSESSMENT

We’ve restated our goal from “Analyze 100% of New Products using Life Cycle Analysis principles” to “Analyze 100% of New Products using a Sustainability Assessment”.

Life Cycle Analysis principles remain important, but we want to incorporate other factors that allow us to look at the impact of our products holistically. For example, design of our new products considers contributions to the U.N. Sustainable Development Goals and the associated social impacts in addition to environmental impacts. Our diversified product portfolio requires qualitative and quantitative sustainability assessments to expand our positive impacts and take an honest view of our negative impacts.

39% of new products assessed in 2021

Introducing Carbon Neutral Flooring

All Milliken carpet, luxury vinyl tile, and entryway tile are part of our M/PACT carbon neutral program. These products offset their raw materials and manufacturing carbon footprint using third-party Verified Carbon Standard Credits that support renewable energy and carbon reduction technologies to help fight climate change.

“At Milliken, we look beyond our day-to-day business and consider the positive impact we can have on the world.”

Deidre Sandrock Ph.D., Director of Sustainability, Chemical
Luxury, Dematerialized

Our D/LUX series of carpet tile uses innovative yarn and tufting technology to deliver the same texture and aesthetics with less raw material, reducing embodied carbon.

From Bottles to Uniforms

We integrated REPREVE® fiber—a fiber using post-consumer plastic bottles—into the uniform fabric for the Girl Scouts (of America) and Waste Management. Additionally, our Textile Business donated 200 Daisy and Brownie uniforms to the Girl Scouts of South Carolina—Mountains to Midlands, the local council that serves the community around our global headquarters.

Garments That Go the Distance

Jointly developed with Procter & Gamble, we launched the Solvite Garment Rejuvenator. Solvite whitens and brightens clothes in cold water without bleach, which reduces energy consumption and landfill contribution and extends the life of the garment.

Manufacturing With More Recycled Materials

Replacing virgin materials with pre- and post-consumer recycled polypropylene (rPP) in the manufacturing process helps progress toward a circular economy. DeltaFlow™ Viscosity Modifiers increase the melt flow rate of rPP, making it a more viable production material and enabling manufacturers to incorporate more rPP.

Out With PFAS, In With Polartec® DWR

We’ve eliminated per and polyfluoroalkyl substances (PFAS) from our durable water repellent treatments (DWR) without affecting functional performance of the application.

Microbial Reduction With a Mint Twist

We launched a metal-free, odor-reducing treatment made from natural peppermint oil. Polartec® Fresh Face is bluesign® Certified and shows a 99.9% reduction in microbes that cause odors.
A Better Path for Plastics

Milliken & Company enlisted National Geographic to convene a group of experts to share ideas and create a platform for consumers to learn how to create a Better Path for Plastics.

Collaborating With PureCycle

PureCycle returns polypropylene to virgin-like material and drives the transition to a circular economy.

“Polypropylene is one of the most used common plastics in the world, and yet, it is one of the least recycled. That changes with PureCycle and our collaboration with Milliken. Milliken’s active commitment to transforming how products are made ensures that the consumer sees no marked difference in quality. This is a game changer in the fight to end plastic waste pollution. Brands can deliver sustainable products without sacrificing quality. It’s the differentiator we need globally to tackle plastic waste.”

- Mike Otworth, Co-Founder and Chairman of the PureCycle Board

Digital Recycling Passport

Proper sorting of packaging, at scale, to improve recycling rates is not a simple task. As a member of the Digital Watermarks Project, Milliken is working to simplify that task. The Digital Watermarks Project is testing the use of barcodes that are imperceptible to the human eye, but detectable with a camera for computing devices, to add a digital recycling passport to packaging. Once scanned, it can help direct a package to the appropriate recycling process for its best next life.

Global Effort to Reduce Plastic Waste

Milliken associates from every region have joined in the effort to stop plastic waste by improving waste collection, sorting and processing, and addressing plastic waste already in the environment. Alliance to End Plastic Waste projects have touched 29 countries and more than 80 cities.
The Science of Sustainable Fabric

More than 700 people representing over 100 global brands and more than 40 countries came together to develop the products and processes that have the best chance of success to implement circular textile supply systems with existing capabilities. Also, our Floor Covering business continues to partner with U.S. recyclers to deconstruct Milliken’s carpet tile and separate nylon fibers. Our post-consumer carpet tile is repurposed into a durable synthetic exterior siding product with a high recycled content, providing an alternative to wood.

Textiles in our Gillespie Plant (U.S.)

Textiles End-Of-Life

Milliken joined Accelerating Circularity in 2021. Accelerating Circularity brings the entire supply network together to develop the products and processes that have the best chance of success to implement circular textile supply systems with existing capabilities. Also, our Floor Covering business continues to partner with U.S. recyclers to deconstruct Milliken’s carpet tile and separate nylon fibers. Our post-consumer carpet tile is repurposed into a durable synthetic exterior siding product with a high recycled content, providing an alternative to wood.

In addition to our 2025 Product Goals, and informed by the insights of our materiality assessment, our sustainability strategy prioritizes sustainable innovations. At Milliken, we continue to provide solutions to our customers that deliver on sustainability. We continuously expand our existing sustainable innovations into new applications while unlocking the future needs of our customers.

DeltaFlow™ Viscosity Modifiers

Textiles in our Gillespie Plant (U.S.)

DeltaFlow™ Viscosity Modifiers

Life Cycle Analysis on 90% of flooring products globally

Majority of Polartec products are Bluesign® Certified, which monitors materials from factory to finished product

All modular carpet tiles manufactured in the Americas, APAC, and Australia, and some manufactured in Europe are Cradle to Cradle® Certified Silver

UL certification for four grades of Hyperform® MPN®, which enables 5-8% energy savings for injection molding of plastics

UL certification for Millad® NX™ 8000, which enables an average of 10% energy savings for production of clarified polypropylene parts

The Association of Plastic Recyclers

RecyClass

Millad® NX™ 8000 technology is fully compatible with the polypolypropylene recycling processes in Europe and poses no recyclability issues, according to the findings of an independent laboratory testing.
Designing Products With Recycling in Mind

Increasing consumer recycling starts with designing products that are easily converted into reusable material. Known for creating unique packaging for brands, APC Packaging sought to create a mono-material dropper and bottle system that would compete for consumer attention against traditional glass bottles.

Using polypropylene enhanced with Millad® NX® UltraClear® allowed APC to challenge the clarity of glass. This innovation helps APC support a brand’s mission for sustainable packaging while still delivering a product unique to the brand.

Creative departments are no longer limited to just picking a color for the bulb and dropper collar. The pipette can now have transparent colors or tints added for a new effect or to aid in visualization. These innovations make these droppers highly sought by beauty brands all around the globe, as they provide valuable additions to any product line with their easy recyclability and unique customizations.

Sustainable Packaging for Ferrero Rocher®

Ferrero Rocher and Milliken share a passion for enhancing packaging sector circularity. Ferrero turned to Milliken to help find a sustainable packaging material for their Ferrero Rocher boxes. Milliken custom-designed a formulation to find the right box made from polypropylene, a clear, lightweight, and highly recyclable material. Milliken was able to demonstrate measurable performance improvement, including lower resource consumption and reduced greenhouse gas emissions. The companies worked collaboratively to meet Ferrero’s demanding specifications to maintain the iconic Ferrero Rocher box’s transparency and guarantee the same high-quality product that their consumers know and love.

Helping Advil® Reduce Plastic

In partnership with GSK, the maker of Advil, Milliken will help reduce the plastic content of 80 million Advil brand bottles by 20%—the equivalent of 500,000 pounds of weight. Our UltraGuard® additive strengthens the polyethylene barrier, keeping out permeants (e.g. moisture, O2), meaning less plastic is needed to maintain the quality of the product inside.

Bringing Clarity to Polypropylene

Millad® NX® 8000 ECO clarifier is the latest addition to our market-leading Millad® NX® 8000 product line, which is used to produce the durable, fully transparent, highly recyclable material known as NX® UltraClear® polypropylene.

Millad® NX® 8000 ECO helps manufacturers use an average of 10% less energy by increasing production rates and is compatible with plastics packaging recycling in the U.S. and Europe.

Enabling More Recycled Content

Incorporating recycled polypropylene (rPP) into product manufacturing helps customers and consumers meet sustainability goals. However, in many cases, rPP is an unreliable component due to batch variations and frequent contamination.

Milliken’s DeltaMax® Performance Modifier improves rPP quality, increasing melt-flow rate and improving impact resistance. Integrating DeltaMax® helped Infiltrator Water Technologies increase the amount of rPP used in manufacturing without compromising product quality.
**Floor Covering for Better Acoustics**

Flooring is one of the biggest contributors to interior acoustics. Milliken’s WellBAC® cushion-backed carpet tiles absorb 50% more noise than hardback carpet, which in turn absorbs three times as much noise as hard flooring.

Where designers seek smooth flooring, Milliken’s FlexForm Sound™ luxury vinyl tile is a game-changer to addressing noise, one of the biggest factors affecting indoor quality of life.

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**Biodegradable Encapsulation**

In 2021, Milliken acquired Encapsys, LLC, a world leader in microencapsulation. Encapsys produces capsules with renewable carbon sourced materials that naturally biodegrade, meeting the definition of readily biodegradable as established by the European Chemicals Agency (ECHA).

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**Working Together to Help Heal, Protect, and Support Patients by Reducing Visit Frequency**

When in-person visits are limited due to patient mobility or safety concerns, it can be challenging to provide patients with the care they need. Milliken helps to manage wounds and edema related to venous insufficiency despite these limitations by offering high quality, comfortable dressings that require fewer changes. Our Optimal Extended Wear Solution featuring TRITEC® and CoFlex® TLC has shown to increase patient compliance and reduce visit frequency.

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**Eliminating Cobalt and Reducing VOCs**

Cobalt has long been used to help coatings dry faster and more evenly. As the toxicology of cobalt has come into question, manufacturers are looking for alternatives. Borchi® Dragon catalyst is a cobalt-free drier that improves coating performance, brightness, and adhesion. Borchi Dragon can also reduce the amount of volatile organic compound (VOC) required in coating formulations.

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**Reducing Energy Use in Asia**

Our work brings the plastic value chain together to raise awareness for energy reductions that can be achieved by using Underwriters Laboratories (UL)-certified products. Already more than 45 companies in Asia have signed UL certifications across the value chain, from polypropylene producers to brand owners to converters. This collaborative work advances the market by working together to establish industry benchmarks.

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**Enabling Renewable Content**

We are improving raw material consumption during wind turbine production. Our stabilizing technology, Milliguard® AOX, reduces scrap rates during the foam production of the core material of the turbine blades by preventing discoloration and cracking of the foam blocks.

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**Floor Covering QuietLife LVT**

Encapsys uses cutting-edge technology to create unique microencapsulation products.
Protecting the planet starts with being responsible in our operations.

- Reduce indexed greenhouse gas emissions by 25% .................................. 45
- Reduce indexed solid waste by 25% .......................................................... 48
- Zero waste to landfill .............................................................................. 48
- Reduce indexed water usage by 25% ......................................................... 50
- Increase renewable energy use to 100,000 MWh .................................. 50
- Zero environmental violations ................................................................. 51

Milliken Guest House garden seedlings
Eliminating Coal With Cogeneration

Built in 1964, our Blacksburg, South Carolina, campus relied on coal as fuel for steam generation. To transition to a coal-free operation, we invested $25 million into cogeneration, which combines steam and power generation. Thanks to the work of our engineering team, the project went online in December 2021, eliminating coal as a primary fuel source and reducing our overall costs, emissions, and waste.

Our cogeneration graphic highlights the process of moving to cogeneration to eliminate coal as a primary fuel source and the benefits to our 2025 Planet Goals.

Prior to 2021
Separate steam and power at one location help manufacture our additives, workwear, and flame-resistant fabrics.

Today
By combining steam and power at one manufacturing location, our energy efficiency improves.

$25M+ Investment
$4M Projected Saving/Year
Eliminates coal as a primary steam fuel source

GHG Offsets (MT)
0 0 2,215 19,512

GHG Reduction Waste Reduction
2025 Goal Impact Projections
Eliminates coal as a primary fuel source

Since announcing our 2025 goals in 2019, we have identified more than 400 projects that will help us reduce our environmental footprint. To date, we have completed 145, or 36%, of those projects.
### Upgrading to LED

We’re halfway to our goal of 100% LED at all Milliken manufacturing facilities by the end of 2023.

**IN 2021, WE**

- Upgraded lighting at 13 plants
- Invested $2.3 M
- Reduced GHG emissions by 3,000 M TONS

### Optimizing Air Compressor Horsepower

We tested a fresh technology that optimizes air compressor horsepower to reduce GHG emissions at our weave and yarn plants. After a successful activation at our Cedar Hill Plant in Union, South Carolina, we implemented similar projects at our Limestone Plant in Gaffney, South Carolina, and the Cushman Plant in Williamston, South Carolina.

**IN 2021, THE COSTS AND IMPACTS**

- Total capital investment: $730,000
- Annual energy savings: $495,000
- Total GHG reduction (MT): 3,850

### Attention on Reducing GHG Emissions

Maintaining our focus on continuous improvement is critical to reducing our overall GHG emissions. This means paying attention to the smaller-scale projects alongside large investment projects like cogeneration.

Mike Reardon of our Kingsley Plant in Thomson, Georgia, took on several smaller projects and has succeeded in cutting GHG emissions by 13% since 2018. Our Kingsley Plant cut emissions 13% by upgrading and maintaining air compressors, installing LED lighting, and upgrading 45 new weave machines.
2025 GOAL: REDUCE INDEXED SOLID WASTE BY 25% AND SEND ZERO WASTE TO LANDFILL

SUSTAINABILITY PLANET GOALS

<table>
<thead>
<tr>
<th>PLANET GOAL</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2025 GOAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Generation (lb/klb)</td>
<td>117.78</td>
<td>119.03</td>
<td>116.90</td>
<td>108.70</td>
<td>88.34</td>
</tr>
<tr>
<td>Waste Generation Intensity % Change from 2018</td>
<td>N/A</td>
<td>1%</td>
<td>-1%</td>
<td>-8%</td>
<td>-25%</td>
</tr>
<tr>
<td>Landfill Waste (lb/klb)</td>
<td>7.99</td>
<td>14.61</td>
<td>9.52</td>
<td>3.80</td>
<td>0.00</td>
</tr>
<tr>
<td>Landfill Waste Intensity % Change from 2018</td>
<td>N/A</td>
<td>83%</td>
<td>19%</td>
<td>-52%</td>
<td>-100%</td>
</tr>
</tbody>
</table>

SUSTAINABILITY PLANET GOALS

<table>
<thead>
<tr>
<th>ABSOLUTE METRICS</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Generation (lb)</td>
<td>128,487,924</td>
<td>120,300,597</td>
<td>96,499,331</td>
<td>96,344,435</td>
</tr>
<tr>
<td>% Change from 2018</td>
<td>N/A</td>
<td>-6%</td>
<td>-25%</td>
<td>-25%</td>
</tr>
<tr>
<td>Landfill Waste (lb)</td>
<td>8,718,507</td>
<td>14,765,399</td>
<td>7,859,053</td>
<td>3,364,809</td>
</tr>
<tr>
<td>% Change from 2018</td>
<td>N/A</td>
<td>-69%</td>
<td>-10%</td>
<td>-69%</td>
</tr>
</tbody>
</table>

Thermal Drying

We struggled to find suitable disposal options for wastewater biosolids in 2019 and decided to take matters into our own hands, looking for management solutions to reduce waste. In 2021, we built our first biosolids dryer, reducing the amount of waste we transport and dispose of by nearly eight million pounds per year. We're looking for ways to incorporate thermal drying at other biosolid generation sites in 2022 and beyond.

New Life for Textile Waste

When a new non-woven process for molded automotive wheel wells started in 2020, associates at our Gillespie Plant in Union, South Carolina, embraced the opportunity to reinvent the way scrap waste would be handled.

Processing nearly 10,000 pounds per month, our new recycling system converts scrap back into fiber that can be used to remake the original product. This keeps disposal trucks off the road and reduces our use of virgin material.

Building on what they’ve learned from this innovation, the Gillespie team is scaling in-house recycling to handle more waste in the future.

Increasing Recycled Content

Our teams based at the Middleton Plant in Manchester, England, used the Product Management Improvement methodology of Milliken Performance System to increase product recycled content from 81% to 96%, reduce off quality by 60%, and improve machine efficiency by 25%.
We reached 50% of our renewable energy goal in 2020 and took that number to 98% in 2021 by expanding our renewable energy procurement.

**2025 GOAL: INCREASE RENEWABLE ENERGY USE TO 100,000 MWH**

**97,608 MWh/year**

We've cut environmental violations by 80% since 2018 and continue our commitment to zero incidents through select annual external audits and internal risk assessments for each manufacturing site.

**Solar Power in Australia**

Our Northmead Plant in Australia recently installed a 337 kW solar power system.

“The Northmead solar installation will generate up to a third of our electricity on site and will have a significant impact on our emissions reduction.”

Shaneel Deo VP, Managing Director Milliken Australia

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**Evaluating Water Stress**

In 2021, we evaluated 100% of our manufacturing sites for water stress risks. We’re learning that our water strategies must be customized based on local conditions. We’ve been able to cut water use at two of our three water-stressed locations: Zhangjiang by 20% (indexed) and Ghent by 2% (indexed).

We currently draw 99% of our water from non-stressed watersheds. We continue to focus on water-reduction projects, including:

- Modernizing aging water infrastructure—900,000 gallons reduced per year at our Pendleton Plant in Pendleton, South Carolina
- Reducing well water used in cooling towers—40 million gallons reduced per year at our Hickory Plant in Owensboro, Kentucky
- Revising processes to reduce water usage in textile piece dye and finishing—28 million gallons reduced per year at several Upstate South Carolina plants

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**2025 GOAL: ZERO ENVIRONMENTAL VIOLATIONS**

We've cut environmental violations by 80% since 2018 and continue our commitment to zero incidents through select annual external audits and internal risk assessments for each manufacturing site.

**PLANET GOAL**

<table>
<thead>
<tr>
<th>Environmental Violations</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Violation% Change from 2018</td>
<td>N/A</td>
<td>-60%</td>
<td>-60%</td>
<td>-60%</td>
</tr>
</tbody>
</table>

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**PLANET GOAL**

<table>
<thead>
<tr>
<th>Renewable Consumption (MWh)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2025 GOAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of 100,000 MWh/year Goal</td>
<td>N/A</td>
<td>10%</td>
<td>50%</td>
<td>98%</td>
<td>100%</td>
</tr>
</tbody>
</table>

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**Evaluating Water Stress**

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Indices

CAUTIONARY STATEMENT
Certain statements in this report, including, but not limited to, information regarding the operating activities of Milliken & Company and its subsidiaries, the plans and objectives of management and assumptions regarding future performance and plans, expected growth and economic and all other information relating to matters that are not historical facts, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continues,” “anticipate,” “intend,” “expect,” “projected” and similar expressions identify these forward-looking statements, although not all forward-looking statements contain such identifying words. Factors that could cause actual results to differ or that could have a material adverse effect on the Company’s profitability, business, financial position, results of operations or cash flows, include, among others: the Company’s inability to successfully compete in the global marketplace, given the uncertainty of such markets, the significant level of global competition faced by the Company and the diverse industries in which the Company operates; risks related to U.S. or international government policies or changes in U.S. or international laws or regulations, such as trade regulations; the loss of business from one or more major customers; the volatility of raw material and energy costs as well as any disruption in their supply; the Company’s inability to obtain certain specialty materials or sourced product on a timely basis; the Company’s inability to keep and protect its intellectual property rights; growth initiatives may not achieve desired business or financial objectives and may require a significant use of resources; potential exposure to litigation, claims and other legal proceedings in the ordinary course of business relating to the Company’s products; government contracting risks and significant government regulation of our products and processes; potential financial liability and increased operating costs related to the variety of environmental, health and safety and product registration laws that affect the Company; downturns in certain industries and general economic downturns; disruptions in transportation or significant changes in transportation costs related to third party transportation providers on which the Company relies; risks related to the Company’s operations outside the U.S.; significant losses from natural disasters, catastrophes, fire or other unexpected events; and cyber-security risks related to customer, employee, vendor and other Company data. Readers are cautioned not to place undue reliance on past performance or forward-looking statements.

Report Scope

The information in this Sustainability Report represents that of Milliken & Company and all of our subsidiaries, from the 2021 calendar year, unless otherwise noted. This report supersedes our previous Sustainability Report, released April 2021. Historical data may have been updated in line with changes in internal or external reporting methodology, and data estimation and extrapolation may be used where necessary.

INDEPENDENT LIMITED ASSURANCE GHG EMISSIONS DATA
WAP Sustainability Consulting was contracted by Milliken & Company to provide limited assurance over Scope 1 and Scope 2 emissions data for calendar years 2018 and 2021. The aim of the assurance is to provide assurance to Milliken’s stakeholders over the accuracy, reliability, and objectivity of the GHG emissions data. The definitions for Milliken’s GHG reporting are aligned with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. WAP Sustainability Consulting performed its limited level of assurance in accordance with ISO 14064-3:2019 Greenhouse Gases - Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertions. Based on the methodology and activities for the agreed scope of Scope 1 and Scope 2 emissions for calendar years 2018 and 2021, nothing came to the attention of WAP Sustainability Consulting to indicate that the GHG emissions data as stated within this Sustainability Report are not fairly stated in all material respects.

INDEPENDENT VERIFICATION OF GLOBAL REPORTING INITIATIVE ALIGNMENT
WAP Sustainability Consulting (WAP) was contracted by Milliken & Company to verify its 2021 Sustainability Report in accordance with the GRI Standards for calendar year 2021 (CY 2021). The verification was conducted to review the GRI in Accordance, Core Option (2016) and at a materiality level based on the professional judgment of the verifier. Based on WAP’s approach, nothing came to the attention of WAP that would cause WAP to believe that the information included with Milliken’s Sustainability Report is not materially correct. Based on a review of the Report and the GRI Standards, the Report has been prepared in conformance with the GRI Standards.

Report Frameworks

GRI
The Global Reporting Initiative (GRI) is an independent international organization that helps businesses, governments, and other organizations understand and communicate their sustainability impacts. This report has been prepared in accordance with the GRI Standards: Core Option (2016), unless otherwise noted.

SASB
This report aligns with the framework of the Sustainability Accounting Standards Board (SASB). Our SASB disclosures respond to similar metrics listed for the following SASB’s Sustainable Industry Classification System: Building Products and Furnishings, Apparel, Accessories and Footwear, Containers and Packaging, and Chemicals. In this report, we have aligned with the SASB framework for the first time, and because Milliken is a diversified material science manufacturer, working across industries, for all standards, we report enterprise-wide disclosures.

TCFD
The Task Force on Climate-Related Financial Disclosures (TCFD) provides a consistent framework by which companies can provide climate-related risk disclosures to their stakeholders. In this report, we have aligned with the TCFD framework for the first time.

UN GLOBAL COMPACT
The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles. As a participant, we report on our progress annually and joined the Early Adopter Programme for the new Communication on Progress digital platform.

UNSDGS
We have aligned with the United Nations Sustainable Development Goals (UNSDGs) and mapped individual UNSDGs against our material topics and 2025 Sustainability Goals.
2021 Milliken Global Reporting Initiative Index Disclosures

Our 2021 Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards—Core (2016) to support international efforts toward transparency and accountability. The Global Reporting Initiative (GRI) is an independent international organization that helps businesses, governments, and other organizations understand and communicate their sustainability impacts.

GRI STANDARD | DISCLOSURE LANGUAGE | MILLIKEN 2021 RESPONSE
---|---|---
102-1 | Organization Name | Milliken
102-2 | Brands, Products, Services | A research company with deep material science expertise, we offer solutions in chemicals, textiles, floor covering, and consulting/training services.
102-3 | Headquarters Location | Spartanburg, South Carolina, USA
102-4 | Operations Location | 75+ global locations across 14 countries including 64 plants, 18 offices, 56, 6 distribution centers, 17 showrooms.
102-5 | Ownership/Legal Form | Milliken is a private company.
102-6 | Markets Served | We serve global markets via our manufacturing facilities in the United States, Mexico, United Kingdom, Belgium, France, China, and Australia. Our sales offices, showrooms, development laboratories, and technical service centers extend our global market reach into diversified markets based primarily in chemicals, textiles, flooring, and healthcare industries.
102-7 | Scale/Number of Employees | 9,000+ total suppliers globally. 8,300+ associates globally. 886,348,822 total lbs of production: 886,348,822 operated with a healthy balance of debt to equity.
102-8 | Employee Information | Permanent Employees
| Temporary (includes third party) | 88 | 90
| Gender | 37 | 36
| % Male | 62 | 68
| % Not Captured | 1 | 1
| Region | Europe, Middle East, Africa | 31 |
| Asia-Pacific | 6 | 2

Note: All times, total percentages do not add exactly to 100, based on rounding.

102-9 | Supply Chain | 8,950+ total suppliers globally. Approximately 75% of our global spend is with suppliers in the US, 15% with suppliers in China, 7% with EU countries, 5% with the U.K., and 4% from other countries. By vendor count, approximately 56% are U.S. suppliers, 15% EU, 5% China, 8% U.K., 2% Brazil, 2% India, 2% Australia, 7% Canada, and 7% Mexico. 100% of new suppliers affirm our Supplier Code of Conduct, which is available in 6 languages. Approximately 75% of total suppliers are direct suppliers, meaning they provide raw materials that go directly into finished products. The remaining indirect suppliers provide a variety of support services and materials.

102-10 | Changes to Company | Acquisition of ZebuChem, Ecarpyc, and divisions of Nalco Care.
102-11 | Precautionary Principle | We apply the precautionary approach to identifying and addressing longer-term environmental, social, and governance issues that may impact our business, customers, and communities, including climate risk. Our Audit Committee of the Board of Directors has oversight responsibility for risk assessment and risk management practices. Our policies and procedures, including our Environmental Policy, Safety Policy, Quality Policy, Responsible Care Policy as well as our Code of Conduct and Supplier Code of Conduct provide additional guidance on our approach to sustainability. Our commitment to these specific policies and codes, as well as industry best practices, is communicated in our Code of Conduct, Supplier Code of Conduct, Company websites, posters in our production facilities, and in other training communications. Reports can be made anonymously where permitted by law. Reports can communicate with our investigations anonymously throughout the process if desired to share new information or pose follow-up questions. Milliken adheres to a strict non-rejection policy for good faith claims and reports twice a year to the Audit Committee of the Board of Directors on misconduct investigations.


102-13 | Association Memberships | We are members of numerous organizations, including Alliance to End Plastic Waste, Association of Plastic Recyclers (APR), Plastics Recyclers Europe, The Recycling Partnership, Plastics Industry Association (PLASTICS), Sustainable Packaging Coalition, U.S. Green Building Council, and Accelerating Circularity.

102-14 | Senior Decision Maker Statement | CEO Letter

102-15 | Key Impacts, Risks, Opportunities | Our Sustainability Materiality Assessment identifies and covers Milliken’s primary social, economic, and environmental impacts, including impacts on our stakeholders. Our approach to continuous improvement across these areas is driven by our 2025 Sustainability Goals, which includes goals related to people, product, and planet. The goals are supported by strong governance which includes quarterly evaluation among senior leaders, the CEO, and the Board. Milliken also has a robust enterprise risk management approach and in 2021 Milliken conducted a climate risk assessment and integrated findings with the broader enterprise approach. Strong data, robust governance, and the integration of risk management allows Milliken to adapt and improve our sustainability work.

102-16 | Values, Principles, Standards | Our purpose, values, and vision as well as our principles and expectations are communicated to our associates and our directors in our Code of Conduct and to our suppliers in our Supplier Code of Conduct.

102-17 | Mechanisms for Ethics Concerns | We promote a “speak up culture.” A third-party helpline is available year-round for ethical concerns. Anyone can report a concern either online or via a phone number that is available 24 hours a day in multiple languages. This reporting mechanism is communicated in our Code of Conduct, Supplier Code of Conduct, Company websites, posters in our production facilities, and in other training communications. Reports can be made anonymously where permitted by law. Reports can communicate with our investigations anonymously throughout the process if desired to share new or pose follow-up questions. Milliken adheres to a strict non-rejection policy for good faith claims and reports twice a year to the Audit Committee of the Board of Directors on misconduct investigations.

102-18 | Governance Structure | Milliken’s Board provides oversight to our 2025 Strategy and its enablers, which include sustainability. Our Board reviews critical sustainability concerns as they arise (through 5 board meetings annually) and formally reviews economic, environmental, and social risks twice annually. The Board is actively engaged with management on related topics, such as management of human capital, sustainability goals, and diversity and inclusion. There are four board committees (Finance, Audit, Human Resources & Compensation, Nominating & Governance), each chaired by a director of the board and committee members are all directors. The Audit Committee oversees effective internal controls.

102-19 | List of Stakeholder Groups | A materiality assessment was performed in 2021 to determine material issues for all stakeholders. Internal stakeholders included our associates, 180+ of whom responded to internal sustainability surveys. The external survey went to 140+ external stakeholders including customers, representatives in local and state government, nongovernmental organizations, relevant trade associations, as well as other scientists and sustainability subject matter experts. For our customers, we determine priorities in a variety of ways including through direct engagement, a formal materiality assessment, monitoring public commitments, and insights from customer surveys.

102-20 | Collective Bargaining Agreements | 3.7% of associates covered by collective bargaining agreements.

103-42 | Identifying and Selecting Stakeholders | To help guide our decision-making process for this report, Milliken in 2021 conducted our third materiality assessment and surveyed customers, nongovernmental organizations, and sustainability subject matter experts along with a cross-functional group of global Milliken associates to provide honest and open feedback on Milliken’s impacts on the economy, the environment, and people, including impacts among external stakeholders were 44%, and it was 64% for Milliken associates. The sustainability materiality assessment included questions on our current sustainability work and impact, as well as on emerging sustainability priorities. Valuable quantitative data is summarized in the Milliken & Company Materiality Matrix and these topics are prioritized throughout our report and will drive our future sustainability efforts. The rank and placement of other topics in the matrix should not be interpreted as low priority items, rather the rankings suggest respondents were less concerned with these items as current priorities to sustainability, and imply different tactics, ranging from a focus on continuing important work and communicating, to internal improvement, or continued focus on compliance, and monitoring.

MILLIKEN.COM/SUSTAINABILITY 2021 MILLIKEN SUSTAINABILITY REPORT
Approach to Stakeholder Engagement

Milliken’s commitment to sustainability is based on continual learning and meaningful collaboration. We work with our stakeholders to define what we report, with the intent to hold ourselves accountable and involve important dialogues within our industries. Although important, results from our formal sustainability assessment are only one source of data among many that shape Milliken’s sustainability priorities and strategy. Establishing our priorities in sustainability is a complex process involving a combination of tactics: corporate introspection, environmental and community impacts, existing ESG reporting standards and expectations, engagement across our industries, and stakeholder engagement beyond traditional business analytics. Through this process, Milliken is working to mitigate risks while leveraging opportunities that improve our business, our world, and well-being for all in our value chain.

Our approach to stakeholder engagement focuses on:

- **INCREASING INNOVATION:** Business as usual is not enough. We must continue our heritage of innovating and excelling where we believe it is possible.
- **STRATEGIC CUSTOMER FOCUS:** Milliken succeeds when we keep the customer foremost in our mind, linking our initiatives with efforts that provide our customers with the greatest value.
- **HIGHLIGHTING GLOBAL UNDERSTANDING:** Our activities must be viewed with a global lens, from managing a complex supply chain to understanding and appreciating the different cultures with which we interact.
- **MAINTAINING LOCAL PERSPECTIVE:** Our impacts must be understood at the community level, creating the possibility of tailored solutions for on-the-ground sustainability challenges.
- **ENHANCING TRANSPARENCY AND ACCOUNTABILITY:** Our ongoing strategy reporting will clarify our impacts and help us monitor progress each year.
- **ENGAGING IN MEANINGFUL COLLABORATION:** To achieve our aspirations at the necessary scale, we need to seek out driven, curious collaborators.
- **EMBRACING MATERIALITY:** Advancing Milliken’s sustainability strategy includes moving beyond our normal business considerations to engage with broader material issues.
- **INCLUSIVE PARTICIPATION:** Milliken is better positioned to address sustainability challenges when problem definition and problem solving are inclusive processes.

Key Topics and Concerns Raised

- Diversity, equity, and inclusion
- Workforce health and safety
- Ethics and human rights
- Community engagement
- Data protection and privacy

PRODUCT
- Circular economy
- Product sustainability impacts
- Carbon emissions of value chain
- Product material traceability and sourcing

PLANET
- Carbon emissions of operations
- Waste and recycling
- Climate risk
- Water risk
- Hazardous waste

In the Report, "Milliken" refers to the entire global business operations for the 2021 calendar year of privately owned Milliken & Company and all of its wholly-owned subsidiaries, including its key businesses Milliken Textiles, Milliken Chemical, Milliken Floor Covering, and Milliken Healthcare; and its brands Performance Solutions by Milliken, Origa Milliken, Wesby by Milliken, Science, LLC, Polartec, and Andover Healthcare. This report also includes participating in the following within the boundary of this Report's metrics. Encapsys, LLC, and Zebra-Chemie are included within the boundary of this Report’s metrics. Milliken’s 2021 Sustainability Report has been prepared in accordance with GRI Standards: Core Option (2016), unless otherwise indicated.

Evaluation of Management Approach

Milliken’s ethics policies are available in an online policy hub, including anti-corruption and conflict of interest policies. Milliken annually trains new managers as well as online training for all exempt associates on anti-corruption. Milliken’s ethics policies are available in an online policy hub, including anti-corruption and conflict of interest policies. Milliken annually trains new managers as well as online training for all exempt associates on anti-corruption. Milliken’s ethics policies are available in an online policy hub, including anti-corruption and conflict of interest policies. Milliken annually trains new managers as well as online training for all exempt associates on anti-corruption.
Our Environmental Policy commits Milliken to operating our plants and facilities in a manner that protects the quality of our environment and to conserve our natural resources. In 2021, we continued to expand our planet program to include both corporate and key business planet impact projects. We standardized reporting and performance tools to better aggregate impact and enable uniform tools to track and report progress. For purposes of tracking environmental violations for our Sustainability Report, we define an environmental violation as any consent order or fine issued to a Milliken facility or any spill or release to the environment that requires immediate regulatory tracking. Our sustainability goals reflect the impact of acquired companies one year after acquisition and remove divested companies from Milliken’s measured performance. Some of our product mixture changes and light weighting trends negatively impact our efforts to reduce intensity metrics. Temporary plant closures during the COVID-19 pandemic had similar impacts since volume processed is our preferred denominator.

Our Environmental Policy commits Milliken to reducing Greenhouse Gas Emissions by 25% and increasing renewable energy to 100,000 MWh by 2025. Our energy management program focuses on implementing energy-reduction initiatives. Business review and select projects and efficiency improvements to achieve energy and greenhouse gas emissions reductions and report them in centralized databases.

Our boundary includes our operations.

Manufacturing is energy intensive. Carbon emissions of our operations and value chain are material topics identified from our stakeholder engagement process. Our boundary includes our operations.

Our Environmental Policy commits Milliken to operating our plants and facilities in a manner that protects the quality of our environment and to conserve our natural resources. In 2021, we continued to expand our planet program to include both corporate and key business planet impact projects. We standardized reporting and performance tools to better aggregate impact and enable uniform tools to track and report progress. For purposes of tracking environmental violations for our Sustainability Report, we define an environmental violation as any consent order or fine issued to a Milliken facility or any spill or release to the environment that requires immediate regulatory tracking. Milliken’s Planet Goals, targets, and associated baselines are adjusted to reflect the impact of acquired companies one year after acquisition and remove divested companies from Milliken’s measured performance. Some of our product mixture changes and light weighting trends negatively impact our efforts to reduce intensity metrics. Temporary plant closures during the COVID-19 pandemic had similar impacts since volume processed is our preferred denominator.

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Our boundary includes our operations.

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Our boundary includes our operations.
Our Environmental Policy commits Milliken to operating our plants and facilities in a manner that protects the quality of our environment and to conserve our natural resources. In 2021, we continued to expand our planet program to include both corporate and division planet impact projects. We standardized reporting and performance improvements to achieve energy and greenhouse gas emissions reductions and report them into centralized databases. Milliken uses an operational control approach.

### Material Topic and its Boundary

Manufacturing is energy intensive. Carbon emissions from our operations and value chain are material topics identified from our stakeholder engagement process. Our boundary includes our operations.

### Management Approach

Our Planet Goals include reducing indexed Greenhouse Gas Emissions by 25% and increasing renewable energy to 100,000MwH by 2025. Our energy management program focuses on implementing energy-reduction initiatives. Businesses review and select projects and efficiency improvements to achieve energy and greenhouse gas emissions reductions and report them into centralized databases, and share best practices at regular meetings.

### Evaluation of Management Approach

Our Environmental Policy commits Milliken to operating our plants and facilities in a manner that protects the quality of our environment and to conserve our natural resources. In 2021, we continued to expand our planet program to include both corporate and division planet impact projects. We standardized reporting and performance tools to better aggregate impact and create uniform tools to track and report progress. For purposes of tracking program to include both corporate and division planet impact projects. We standardized reporting and performance improvements to achieve energy and greenhouse gas emissions reductions and report them into centralized databases. Milliken uses an operational control approach.

### Direct GHG Emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>2018 Restated</th>
<th>2019 Restated</th>
<th>2020 Restated</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 GHG Emissions (MT CO₂e)</td>
<td>323,886</td>
<td>302,811</td>
<td>249,401</td>
<td>280,304</td>
</tr>
<tr>
<td>Biogenic Emissions (MT CO₂e)</td>
<td>121,25</td>
<td>115,59</td>
<td>12,376</td>
<td>12,654</td>
</tr>
</tbody>
</table>

### Indirect GHG Emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>2018 Restated</th>
<th>2019 Restated</th>
<th>2020 Restated</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 GHG Emissions (MT CO₂e)</td>
<td>6,65</td>
<td>6,66</td>
<td>6,67</td>
<td>7,0</td>
</tr>
<tr>
<td>Scope 2 GHG Emissions Market-based Intensity (MT CO₂e/MT)</td>
<td>0.03</td>
<td>0.05</td>
<td>0.06</td>
<td>0.52</td>
</tr>
<tr>
<td>Scope 2 GHG Emissions Location-based Intensity (MT CO₂e/MT)</td>
<td>0.02</td>
<td>0.05</td>
<td>0.06</td>
<td>0.69</td>
</tr>
<tr>
<td>TOTAL SCOPE 1+2 GHG EMISSIONS (MT CO₂e)</td>
<td>1,28</td>
<td>1,31</td>
<td>1,27</td>
<td>1,22</td>
</tr>
</tbody>
</table>

### Waste Withdrawal by Source

<table>
<thead>
<tr>
<th>Source Type</th>
<th>2018 Restated</th>
<th>2019 Restated</th>
<th>2020 Restated</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Water (Gal)</td>
<td>1,640,024</td>
<td>1,664,064,024</td>
<td>1,302,04,024</td>
<td>1,450,064,024</td>
</tr>
<tr>
<td>Public Water Supply (Gal)</td>
<td>942,110,437</td>
<td>971,118,513</td>
<td>768,002,750</td>
<td>840,660,322</td>
</tr>
<tr>
<td>Groundwater (Gal)</td>
<td>774,759,405</td>
<td>903,083,006</td>
<td>679,003,941</td>
<td>828,003,480</td>
</tr>
<tr>
<td>TOTAL WATER WITHDRAWAL (Gal)</td>
<td>3,386,773,066</td>
<td>3,382,089,063</td>
<td>2,749,015,061</td>
<td>3,179,035,128</td>
</tr>
</tbody>
</table>

### GHG Emissions Intensity

<table>
<thead>
<tr>
<th>Year</th>
<th>2018 Restated</th>
<th>2019 Restated</th>
<th>2020 Restated</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Water Intensity (Gal/lb)</td>
<td>1.53</td>
<td>1.55</td>
<td>1.58</td>
<td>1.64</td>
</tr>
<tr>
<td>Public Water Supply Intensity (Gal/lb)</td>
<td>0.86</td>
<td>0.91</td>
<td>0.93</td>
<td>0.97</td>
</tr>
<tr>
<td>Groundwater Intensity (Gal/lb)</td>
<td>0.71</td>
<td>0.89</td>
<td>0.82</td>
<td>0.93</td>
</tr>
<tr>
<td>TOTAL WATER WITHDRAWAL INTENSITY (Gal/lb)</td>
<td>3.10</td>
<td>3.35</td>
<td>3.33</td>
<td>3.54</td>
</tr>
</tbody>
</table>

## Emissions

### GHG Emissions Intensity

<table>
<thead>
<tr>
<th>Year</th>
<th>2018 Restated</th>
<th>2019 Restated</th>
<th>2020 Restated</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 GHG Emissions Intensity (MT CO₂e/MT)</td>
<td>0.05</td>
<td>0.06</td>
<td>0.07</td>
<td>0.09</td>
</tr>
<tr>
<td>Scope 2 GHG Emissions Intensity (MT CO₂e/MT)</td>
<td>0.03</td>
<td>0.05</td>
<td>0.06</td>
<td>0.52</td>
</tr>
<tr>
<td>TOTAL SCOPE 1+2 GHG EMISSIONS INTEENSITY (MT CO₂e/MT)</td>
<td>1.28</td>
<td>1.31</td>
<td>1.27</td>
<td>1.22</td>
</tr>
</tbody>
</table>
306-3 Evaluation of Management Approach
Milliken site report data on waste in a corporate, centralized database with specific reporting requirements. We report annually on our 2025 Planet Goals, including waste reduction and environmental violations. We also report annually on our 2025 Product Goals, which include new product sustainability assessments and convening thought leaders on end-of-life solutions for plastics. Our Environmental Policy commits Milliken to operating our plants and facilities in a manner that protects the quality of our environment and to conserve our natural resources.

306-1 Water Discharge by Destination

<table>
<thead>
<tr>
<th></th>
<th>2018 Restated</th>
<th>2019 Restated</th>
<th>2020 Restated</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Discharged to Receiving Stream (Gal)</td>
<td>2,768,058,792</td>
<td>2,838,507,039</td>
<td>2,278,288,975</td>
<td>2,438,597,654</td>
</tr>
<tr>
<td>Water Applied to Land (Gal)</td>
<td>5,305,711</td>
<td>4,758,305</td>
<td>5,023,332</td>
<td>3,646,671</td>
</tr>
<tr>
<td>Water Discharged to Off-Site Treatment (Gal)</td>
<td>432,328,288</td>
<td>387,206,837</td>
<td>334,856,732</td>
<td>480,368,238</td>
</tr>
<tr>
<td>Water Discharged to Other (Gal)</td>
<td>181,030,751</td>
<td>152,856,882</td>
<td>131,593,582</td>
<td>217,755,825</td>
</tr>
<tr>
<td>TOTAL WATER DISCHARGED (Gal)</td>
<td>3,384,773,066</td>
<td>3,382,829,063</td>
<td>2,749,761,561</td>
<td>3,319,935,128</td>
</tr>
</tbody>
</table>

Note: Water discharged to "other" includes water lost by evaporation, etc.

306-2 Waste by Type and Disposal Method

<table>
<thead>
<tr>
<th></th>
<th>2018 Restated</th>
<th>2019 Restated</th>
<th>2020 Restated</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled and Reused Waste Intensity (lb/1000-lb)</td>
<td>2,721,897</td>
<td>2,750,380</td>
<td>2,298,518</td>
<td>1,476,042</td>
</tr>
<tr>
<td>Waste to Energy Waste Intensity (lb/1000-lb)</td>
<td>1,138,739</td>
<td>1,362,504</td>
<td>934,930</td>
<td>1,641,182</td>
</tr>
<tr>
<td>Mass Treated Waste Intensity (lb/1000-lb)</td>
<td>407,188</td>
<td>527,526</td>
<td>520,676</td>
<td>553,219</td>
</tr>
<tr>
<td>Landfill Waste Intensity (lb/1000-lb)</td>
<td>343,478</td>
<td>620,605</td>
<td>303,403</td>
<td>127,027</td>
</tr>
<tr>
<td>Composted Waste Intensity (lb/1000-lb)</td>
<td>199,155</td>
<td>196,774</td>
<td>187,879</td>
<td>191,198</td>
</tr>
<tr>
<td>Wastewater Biosolids Mass Change (lb)</td>
<td>206,961</td>
<td>280,712</td>
<td>(335,466)</td>
<td>(211,801)</td>
</tr>
<tr>
<td>TOTAL WASTE INTENSITY (lb/1000-lb)</td>
<td>5,061,968</td>
<td>5,164,927</td>
<td>3,909,941</td>
<td>3,783,266</td>
</tr>
</tbody>
</table>

Note: Water discharged to "other" includes water lost by evaporation, etc.

2021 MILLIKEN SUSTAINABILITY REPORT
MILLIKEN.COM/SUSTAINABILITY 62 | INDICES | GRI DISCLOSURES
Diversity and Equal Opportunity

We are expected by our stakeholders to demonstrate our values, including our commitment to people. Diversity, equity, and inclusion was identified as a material topic in our stakeholder engagement process. Our boundary includes our suppliers and our operations, as well as our local communities where we work and operate.

At Milliken, we believe that creating a diverse and inclusive workplace is not only the right thing to do, but also a critical contributor to our business growth and success. It can be a differentiator in the global competitive marketplace. One of our 2025 Sustainability Goals is a commitment to create a more-inclusive associate community, using the same continuous improvement skills that have been so vital to Milliken’s legacy and reputation in manufacturing excellence. In October 2017, Milliken launched a Diversity and Inclusion Council. The Council is led by our Senior Director, Human Resources, who reports directly to the Chief Human Resources Officer and strives to intentionally foster an authentic culture where all associates are valued, respected, engaged, and feel a sense of belonging.

Our goal is to provide an injury-free workplace by following strict safety and health rules and practices including: (1) Requiring every company location to have an active, associate-led safety program that is strongly supported by its senior management team; (2) Rigorously adhering to established safety procedures, following safety practices, and avoiding shortcuts; (3) Providing a secure working environment and responding quickly to any internal or external threats; (4) Prohibiting the possession of weapons at any time on company property unless specifically authorized; and (5) Prohibiting substance abuse.
2021 Milliken Sustainability Accounting Standards Board (SASB) Disclosures

Our 2021 SASB disclosures respond to metrics listed below for the SASB's Sustainable Industry Classification System categories: Building Products and Furnishings; Apparel, Accessories and Footwear; Containers and Packaging; and Chemicals. In this report, we have aligned with the SASB framework for the first time, and because Milliken is a diversified material science manufacturer, working across industries, for all standards, we report enterprise-wide disclosures.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>SASB Code</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse Gas Emissions</td>
<td>Gross global scope TCO2-e emissions</td>
<td>RT-CH-140a.1 RT-CP-140a.1</td>
<td>280.364 (MTCO2e)</td>
</tr>
<tr>
<td></td>
<td>Percentage covered under emissions limiting regulations</td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>Energy Management</td>
<td>Total energy consumed</td>
<td>RT-CH-140a.1 RT-CP-140a.1</td>
<td>2,095,968 GJ</td>
</tr>
<tr>
<td></td>
<td>Percentage grid electricity</td>
<td></td>
<td>28.92%</td>
</tr>
<tr>
<td></td>
<td>Percentage renewable</td>
<td></td>
<td>4.96%</td>
</tr>
<tr>
<td></td>
<td>Total self-generated electricity</td>
<td></td>
<td>43,135 GJ</td>
</tr>
<tr>
<td>Water Use and Management</td>
<td>Total water withdrawn</td>
<td></td>
<td>11,886 thousand m³</td>
</tr>
<tr>
<td></td>
<td>Total water consumed</td>
<td></td>
<td>824 thousand m³</td>
</tr>
<tr>
<td></td>
<td>Percentage of water withdrawn from regions of high or extremely high water stress</td>
<td>RT-CH-140a.1 RT-CP-140a.1</td>
<td>5.6%</td>
</tr>
<tr>
<td></td>
<td>Percentage of water consumed from regions of high or extremely high water stress</td>
<td></td>
<td>2.7%</td>
</tr>
<tr>
<td>Hazardous Waste Management</td>
<td>Amount of hazardous waste generated</td>
<td>RT-CH-140a.1 RT-CP-140a.1</td>
<td>2,413 MT</td>
</tr>
<tr>
<td></td>
<td>Percentage recycled</td>
<td></td>
<td>0.03%</td>
</tr>
<tr>
<td>Workforce Health &amp; Safety</td>
<td>Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks</td>
<td>RT-CH-130a.1</td>
<td>All Milliken manufacturing sites have a new chemical approval process in place to ensure applicable safety and environmental regulations are followed. When functionality can be maintained, Milliken substitutes less hazardous materials in our processes and products.</td>
</tr>
<tr>
<td></td>
<td>Milliken dedicates resources to ensure that professional industrial hygiene services are available to assess and recommend mitigation methodologies related to potential hazardous exposures that may pose long-term health risks for associates. Milliken conducts annual health exams to monitor the success of prescribed mitigation techniques including, for example, hearing conservation and pulmonary function testing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity Metrics</td>
<td>Number of Tier 1 suppliers and number of suppliers beyond Tier 1</td>
<td>CG-AA-000.1 RT-CP-000.1</td>
<td>Milliken has 574 Tier 1 or direct suppliers that provide the raw materials needed for company products. Reliable data on suppliers beyond Tier 1 is not available at this time.</td>
</tr>
<tr>
<td></td>
<td>Number of employees</td>
<td>CG-AA-000.2 RT-CP-000.2</td>
<td>Approximately 8300+ associates globally.</td>
</tr>
</tbody>
</table>
Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.

While our climate risk assessment process occurred as a stand-alone process, indicators for financial impact, velocity, and probability aligned with those used in our current Enterprise Risk Management process. This allowed our climate risk assessment to be integrated into our risk register and managing climate-related risks and opportunities. Specific opportunity drivers include development of new products or services through research and development, and carbon pricing as an emerging regulation as a long-term risk and opportunity. We identified changing customer behaviors as a medium-term risk and opportunity.

Our climate risk assessment included risks and opportunities along Milliken’s value chain for both transitional and physical risks. We assessed risks associated with customer expectations and regulations, and physical risks, such as disruptions in supply chains, energy price volatility, and potential flood damage at facilities. Identified potential impacts on Milliken’s business, strategy, and financial planning included increased capital expenditures, increased indirect (operating) costs, impacts to revenues due to changes in demand for certain products and services, returns on investment in low-emission technology, and impacts to revenues based on access to new and emerging-markets.

Risk Management

Methods and Targets

Risk Management

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management process.

Through an iterative process, our climate risks and opportunities were presented to our Enterprise Risk Management Steering Committee, senior leadership team, and the Board of Directors. The risks have been integrated into our established risk register and will be monitored throughout the year.

Metrics and Targets

Describe the metrics used by the organization to assess climate-related risks and opportunities in the execution of its strategy and risk management process.

Our climate risk assessment informs our 2025 sustainability strategy, including our climate-related targets, specifically reducing GHG emissions and scaling renewable energy. By tracking our performance across these metrics and continuing to understand where and how we might scale our climate-related targets, we can reduce our potential climate risks and advance our climate-related opportunities.

<table>
<thead>
<tr>
<th>Metric</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Metrics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1 Emissions</td>
<td>323,886</td>
<td>300,817</td>
<td>294,401</td>
<td>280,304</td>
</tr>
<tr>
<td>% Change from 2018</td>
<td>N/A</td>
<td>-7%</td>
<td>-23%</td>
<td>-13%</td>
</tr>
<tr>
<td>Scope 2 Market Based Emissions (MT CO2e)</td>
<td>309,372</td>
<td>298,429</td>
<td>236,008</td>
<td>205,493</td>
</tr>
<tr>
<td>% Change from 2018</td>
<td>N/A</td>
<td>-6%</td>
<td>-27%</td>
<td>-32%</td>
</tr>
<tr>
<td>Scope 1 &amp; 2 Emissions</td>
<td>633,258</td>
<td>599,232</td>
<td>475,409</td>
<td>469,447</td>
</tr>
<tr>
<td>% Change from 2018</td>
<td>N/A</td>
<td>-5%</td>
<td>-25%</td>
<td>-28%</td>
</tr>
<tr>
<td>Scope 3 Emissions (MT CO2e)</td>
<td>1,601,152</td>
<td>1,464,787</td>
<td>1,479,063</td>
<td>1,624,475</td>
</tr>
<tr>
<td>GHG Intensity % Change from 2018</td>
<td>2%</td>
<td>-7%</td>
<td>-5%</td>
<td>-25%</td>
</tr>
<tr>
<td>GHG Emissions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MT CO2e</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We have a 2025 target to reduce our Scope 1 and Scope 2 GHG emissions intensity by 25% from our 2018 baseline. The assessment of the intensity metrics is metric-tonnage per million dollars. Our Scope 3 emissions are market-based and include reductions from renewable energy credits. We plan to achieve our 2025 GHG emissions reduction target by improving energy use-efficiencies and replacing high carbon fuels with lower carbon ones. We also have a 2035 target to increase renewable consumption to 100,000 MWh/year. We plan to meet the target by sourcing on-site solar, purchasing offsets, transitioning to lower carbon energy credits and by evaluating new applicable opportunities or technologies. Planning and implementation of Scope 3 calculations, potential targets, and preparation for additional reporting began in 2021. We also implemented an enterprise system for capturing GHG impacts from all sizes of initiatives on our operations.

Strategy

Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.

While our climate risk assessment process occurred as a stand-alone process, indicators for financial impact, velocity, and probability aligned with those used in our current Enterprise Risk Management process. This allowed our climate risk assessment to be integrated into our risk register and managing climate-related risks and opportunities. Specific opportunity drivers include development of new products or services through research and development, and carbon pricing as an emerging regulation as a long-term risk and opportunity. We identified changing customer behaviors as a medium-term risk and opportunity.

Our climate risk assessment included risks and opportunities along Milliken’s value chain for both transitional and physical risks. We assessed risks associated with customer expectations and regulations, and physical risks, such as disruptions in supply chains, energy price volatility, and potential flood damage at facilities. Identified potential impacts on Milliken’s business, strategy, and financial planning included increased capital expenditures, increased indirect (operating) costs, impacts to revenues due to changes in demand for certain products and services, returns on investment in low-emission technology, and impacts to revenues based on access to new and emerging-markets.

Governance

Describe the organization’s risk management framework, including leadership and oversight responsibilities.

Our climate risk assessment process occurred as a stand-alone process, indicators for financial impact, velocity, and probability aligned with those used in our current Enterprise Risk Management process. This allowed our climate risk assessment to be integrated into our risk register and managing climate-related risks and opportunities. Specific opportunity drivers include development of new products or services through research and development, and carbon pricing as an emerging regulation as a long-term risk and opportunity. We identified changing customer behaviors as a medium-term risk and opportunity.

Our climate risk assessment included risks and opportunities along Milliken’s value chain for both transitional and physical risks. We assessed risks associated with customer expectations and regulations, and physical risks, such as disruptions in supply chains, energy price volatility, and potential flood damage at facilities. Identified potential impacts on Milliken’s business, strategy, and financial planning included increased capital expenditures, increased indirect (operating) costs, impacts to revenues due to changes in demand for certain products and services, returns on investment in low-emission technology, and impacts to revenues based on access to new and emerging-markets.

Strategy

Describe the organization’s risk management framework, including leadership and oversight responsibilities.

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UNSDG Alignment and U.N. Global Compact Commitment

We know our 2025 Sustainability Strategy must align both with global priorities and our material topics identified from our stakeholder engagement. We both reaffirm our commitment to the United Nations Global Compact and our alignment with the United Nations Sustainable Development Goals. The United Nations Sustainable Development Goals (UNSDGs) are 17 goals that make up the core of the 2030 Agenda for Sustainable Development, adopted by the Member States of the United Nations. The goals intend to end poverty, protect the planet, and ensure prosperity for all.

United Nations Global Compact

The UN Global Compact is a call to companies to align their strategies and operations with ten universal principles related to human rights, labor, environment, and anti-corruption, and take actions that advance societal goals and the implementation of the SDGs. As a participant since 2019, Milliken reports on our progress in our commitments to the UN Global Compact in our Communication on Progress (CoP).

ANNUAL CEO COMMITMENT TO U.N. GLOBAL COMPACT

To our stakeholders:

I am pleased to confirm that Milliken & Company reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption.

In our annual Communication on Progress which we are submitting in accordance with the UN Global Compact early adopter program, we disclosed our continuous efforts to integrate the Ten Principles into our business strategy, culture, and daily operations, and contribute to United Nations goals, including the Sustainable Development Goals.

Sincerely yours,

Halsey Cook
President and CEO

United Nations Sustainable Development Goals Alignment

We aligned our 2025 Sustainability Strategy with the United Nations Sustainable Development Goals (UNSDGs) and mapped individual UNSDGs against our material topics and 2025 Sustainability Goals.

<table>
<thead>
<tr>
<th>Milliken Material Topic</th>
<th>UNSDG</th>
<th>UNSDG Relevant Targets</th>
<th>Milliken Sustainability Goal Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate risk</td>
<td>3.5</td>
<td>Strengthen the prevention and treatment of substance abuse</td>
<td><img src="alignment_icon" alt="Alignment" /></td>
</tr>
<tr>
<td></td>
<td>3.9</td>
<td>Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination</td>
<td><img src="alignment_icon" alt="Alignment" /></td>
</tr>
<tr>
<td>Product sustainability impacts</td>
<td>6.3</td>
<td>Improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials</td>
<td><img src="alignment_icon" alt="Alignment" /></td>
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<tr>
<td>Hazardous waste</td>
<td>7.2</td>
<td>Increase substantially the share of renewable energy in the global energy mix</td>
<td><img src="alignment_icon" alt="Alignment" /></td>
</tr>
<tr>
<td>Waste and recycling</td>
<td>9.5</td>
<td>Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries</td>
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</tr>
<tr>
<td>Workforce health and safety</td>
<td>5.1</td>
<td>End all forms of discrimination against all women and girls everywhere</td>
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</tr>
<tr>
<td>Diversity, equity, and inclusion</td>
<td>5.5</td>
<td>Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life</td>
<td><img src="alignment_icon" alt="Alignment" /></td>
</tr>
<tr>
<td>Ethics and human rights</td>
<td>7.3</td>
<td>Promote universal access to safe, inclusive, and accessible, green, and public spaces</td>
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</tr>
<tr>
<td>Carbon emissions of operations</td>
<td>12.2</td>
<td>Achieve the sustainable management and efficient use of natural resources</td>
<td><img src="alignment_icon" alt="Alignment" /></td>
</tr>
<tr>
<td>Carbon emissions of value chain</td>
<td>12.4</td>
<td>Achieve the environmentally sound management of chemicals and all waste throughout their life cycle</td>
<td><img src="alignment_icon" alt="Alignment" /></td>
</tr>
<tr>
<td>Climate risk</td>
<td>12.5</td>
<td>Substantially reduce waste generation through prevention, reduction, recycling, and reuse</td>
<td><img src="alignment_icon" alt="Alignment" /></td>
</tr>
<tr>
<td>Circular economy</td>
<td>13.3</td>
<td>Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</td>
<td><img src="alignment_icon" alt="Alignment" /></td>
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</tbody>
</table>