



# ACTION FOR HUMANKIND

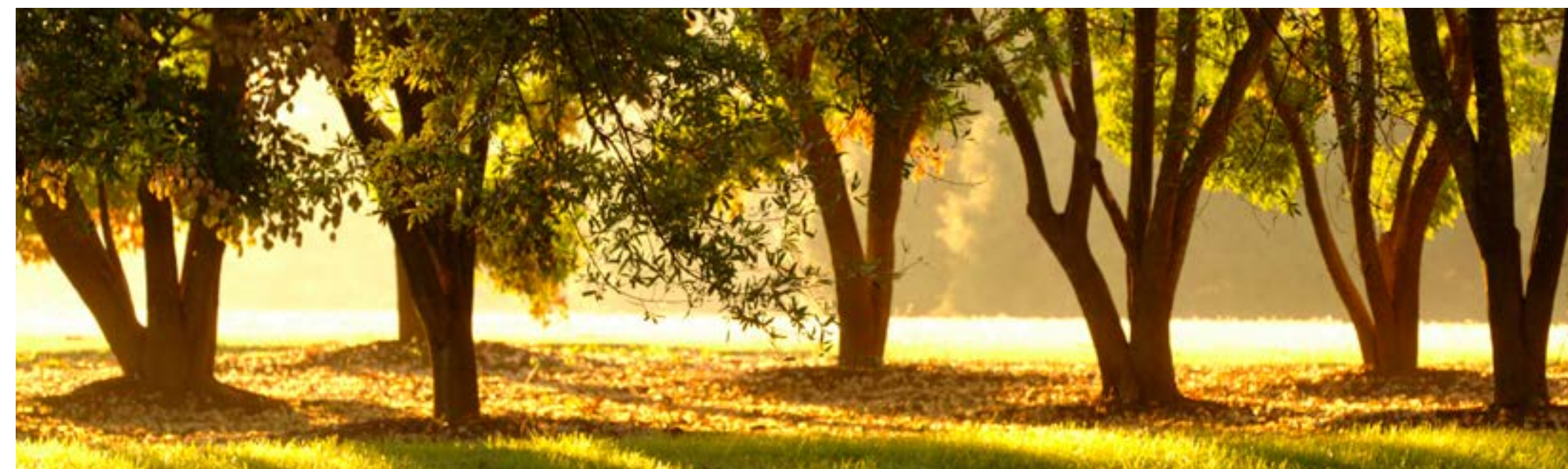
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Our Path to Net-Zero  
*October 2022*

*Milliken*



# CHANGE STARTS WITH US



Climate change has placed growing, daily pressure on communities, companies, countries, and our planet. For the benefit of all humankind, the time to take meaningful action is now.

To that end, Milliken will reach net-zero greenhouse gas emissions across our value chain by the year 2050 compared to our 2018 base year. We'll do this by reducing our scope 1, 2, and 3 emissions—all the direct and indirect emissions from the company.

We've established near-term targets for 2030 and long-term targets for 2050. Our targets have been approved by the Science Based Targets initiative, known as SBTi, a collective of international organizations dedicated to helping companies set emission reduction targets in line with climate science and the Paris Climate Agreement.

These science-based targets will impact everything we do—from how we make products and interact with our supply chains, to the ways we engage with our associates and reach out to the community. They will also empower our team of more than 8,000 to reduce risks, drive efficiency, control costs, and identify new ways to deliver innovative solutions.

I'm proud that Milliken is leading in this work.

We're among the first 50 companies in the world to achieve net-zero targets approved by SBTi and the first in South Carolina, the state our headquarters calls home. Our progress against these ambitious targets will make our company stronger and more secure and will also empower our customers to meet their own sustainability goals.

As we go, we will measure, monitor, and report on our progress as well as share our learnings. We will be transparent every step of the way. All of our words will be followed with substantive action.

**At Milliken, change starts with us.**

Our stakeholders, including our owners, our board of directors, our associates, and our customers stand together with us on this journey. And we invite you to join us.

A stylized, handwritten signature in black ink that reads "Halsey".

Halsey Cook, Jr., President and CEO, Milliken



"For the benefit of all  
humankind, the time  
to take meaningful  
action is now."

— Halsey Cook



# URGENCY FOR ACTION

Climate science tells us that the planet is at an inflection point. A recent report from the International Panel on Climate Change shows it is still possible to limit global temperature rise to 1.5°C, which climate scientists believe is the necessary threshold for human health and wellbeing.

But there is no time to spare.

And while work has already been underway at Milliken, these targets accelerate our changes. Changes to the ways we design, manufacture, and use products and materials. Changes to the ways we consume, generate, store, and distribute energy. Changes to the ways we think about our value chains, so we effectively mitigate risks while maximizing opportunities. Changes to the ways we partner with others, both by sharing ideas more freely and by holding each other accountable.

All of us must commit to doing what humanity requires of us now and in meaningful ways.

The needs are clear, and our values compel us.

**The time to act is now.**





# ALIGNED FOR 1.5

Our net-zero targets align to meet the goals of the Paris Climate Agreement and the Sustainable Development Goals.

They are approved to ensure Milliken achieves emissions reductions that are consistent with 1.5°C-aligned pathways to drive forward the global transition to net-zero. And they ensure that we neutralize the impact of any residual emissions to reach a state of no impact on the climate from greenhouse gas emissions.

As we considered what it means to commit to net-zero, we quickly realized that **not all targets or commitments are equal.**

Here's what we learned to look for.

- Validation by a third-party
- Include all material emissions
- Involve near-term commitments
- Require action now
- Prioritize direct emission reductions
- Do not count carbon credits
- Include long-term net-zero targets
- Remember beyond value chain mitigation
- Require regular reporting on progress

Milliken & Company is committed to science-based net-zero targets that utilize these important actions.







# SCIENCE IS IN OUR DNA

As a materials science company, Milliken is committed to scientific rigor. It informs our insights and helps align our values with our business strategy, innovation, and investments. That’s why we strongly believe that our approach to net-zero must be aligned with climate science and that science must be used to reduce our footprint.

This belief has driven our work to develop credible net-zero targets and it is the reason we chose to be in the first group of companies to receive approval for science-based net-zero targets through SBTi and the 2021 Corporate Net-Zero Standard.

Milliken’s approach is to follow the best available science, which we currently view as U.N.-backed and globally aligned SBTi for net-zero targets. As standards change and evolve, so will we.



### About the Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050.

The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, an independently assesses and approves companies' targets.

[Read the Net-Zero Standard](#)



# WHERE WE STARTED

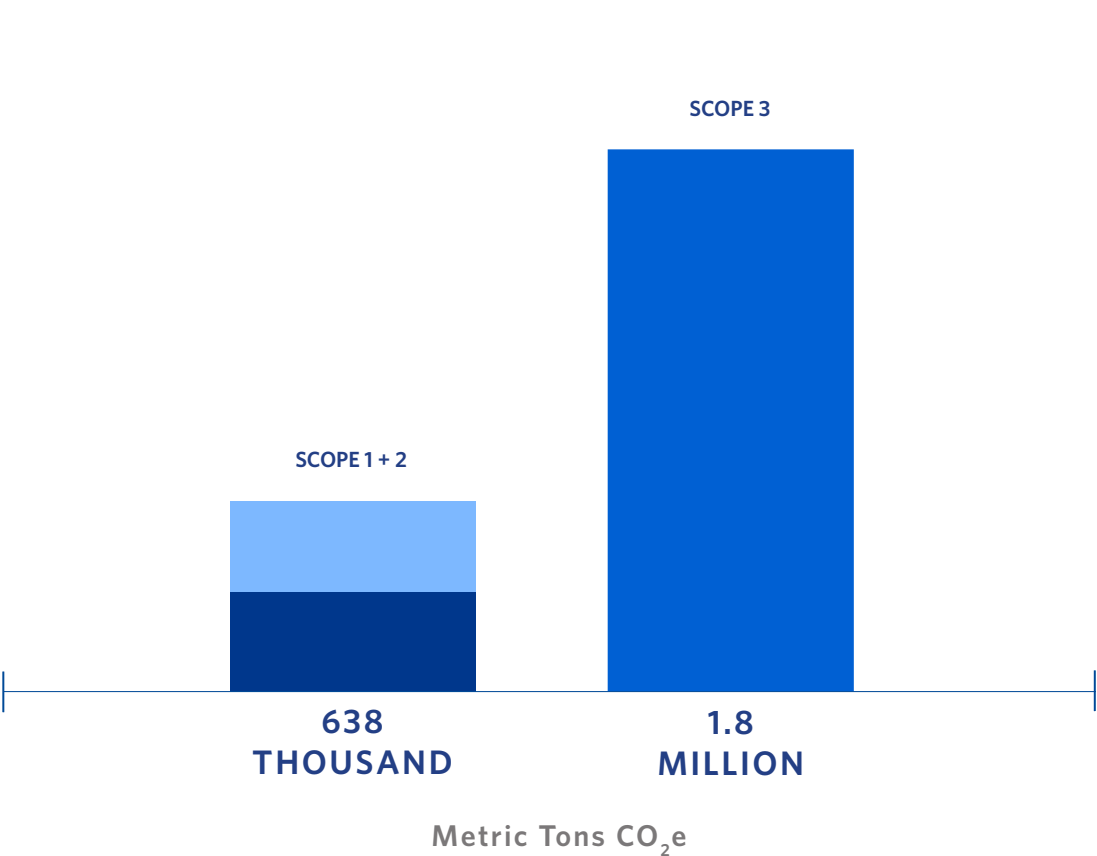
It was essential to have a clear and transparent baseline when establishing our net-zero targets, one to use as a starting point and establish a clear understanding of the work ahead of us.

For the base year, our 2018 total emissions are 2.4 MTCO<sub>2</sub>e, with scope 1 and 2 representing 27% and scope 3 representing 73% of total emissions.

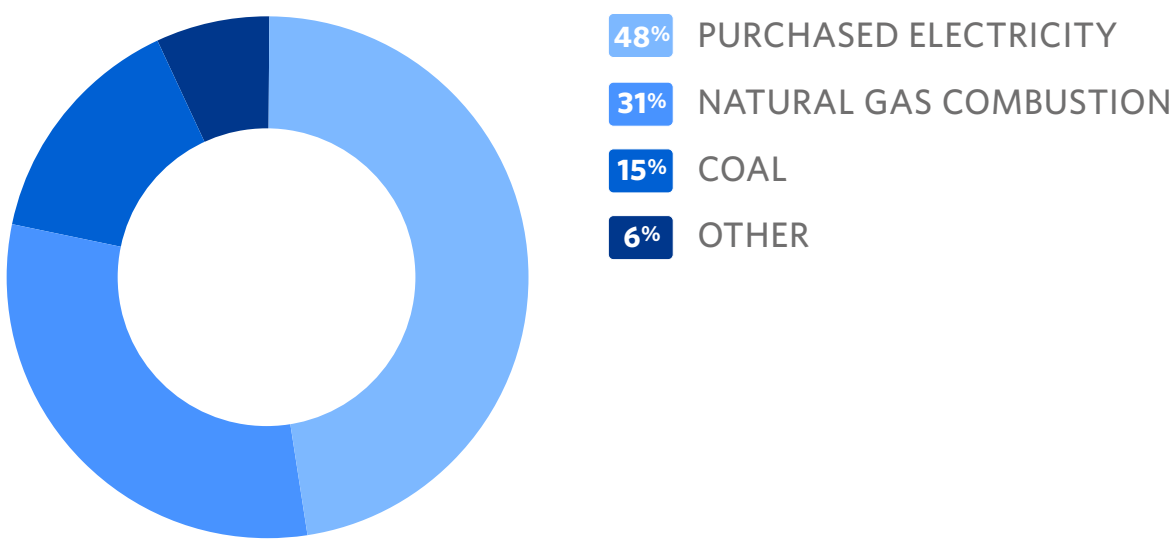
Our greenhouse gas emissions inventory covers all relevant greenhouse gas emissions, from all relevant sources and subsidiaries. Biogenic emissions have been reported alongside the greenhouse gas inventory and are also covered by the proposed targets.

Milliken & Company commits to reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2018 base year.

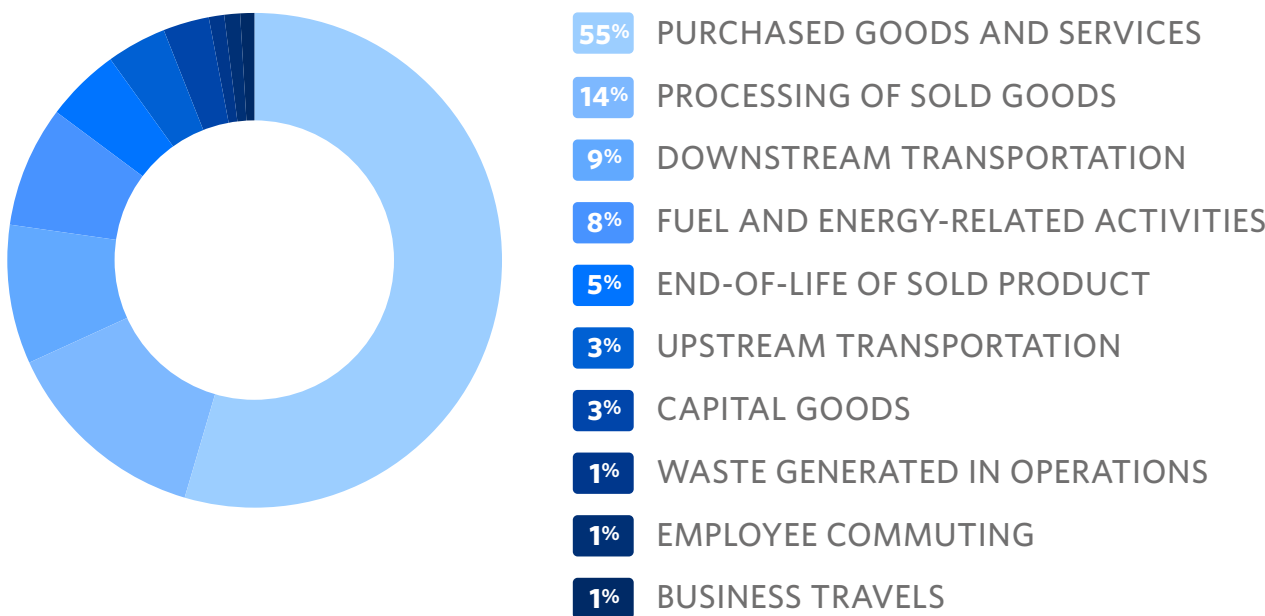
2018 EMISSIONS BASELINE



2018 SCOPE 1 + 2 EMISSIONS by source



2018 SCOPE 3 EMISSIONS by source





# RACE TO 2030

Recognizing the need for swift and measurable action, Milliken has worked diligently to align our near-term targets with climate science. We’re focused on deep emission cuts by the end of this decade.

Our commitments prioritize **near-term reductions** in direct emissions and involve making real, measurable strides towards decarbonization. No carbon credits will be used to reach our science-based targets.

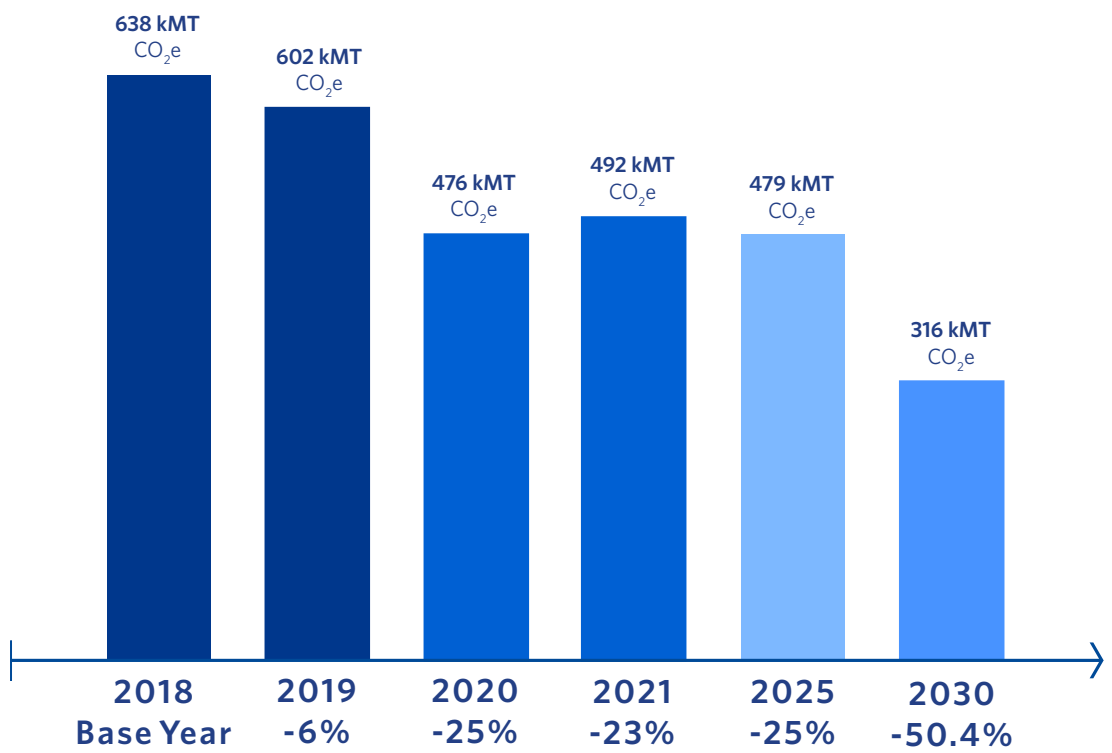


### Near-Term Targets

Milliken & Company commits to reduce absolute scope 1 and scope 2 GHG emissions 50.4% by 2030 from a 2018 base year.\*  
Milliken & Company also commits to reduce absolute scope 3 GHG emissions 30% by 2030 from a 2018 base year.  
\*The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

### SCOPE 1 + 2 ABSOLUTE

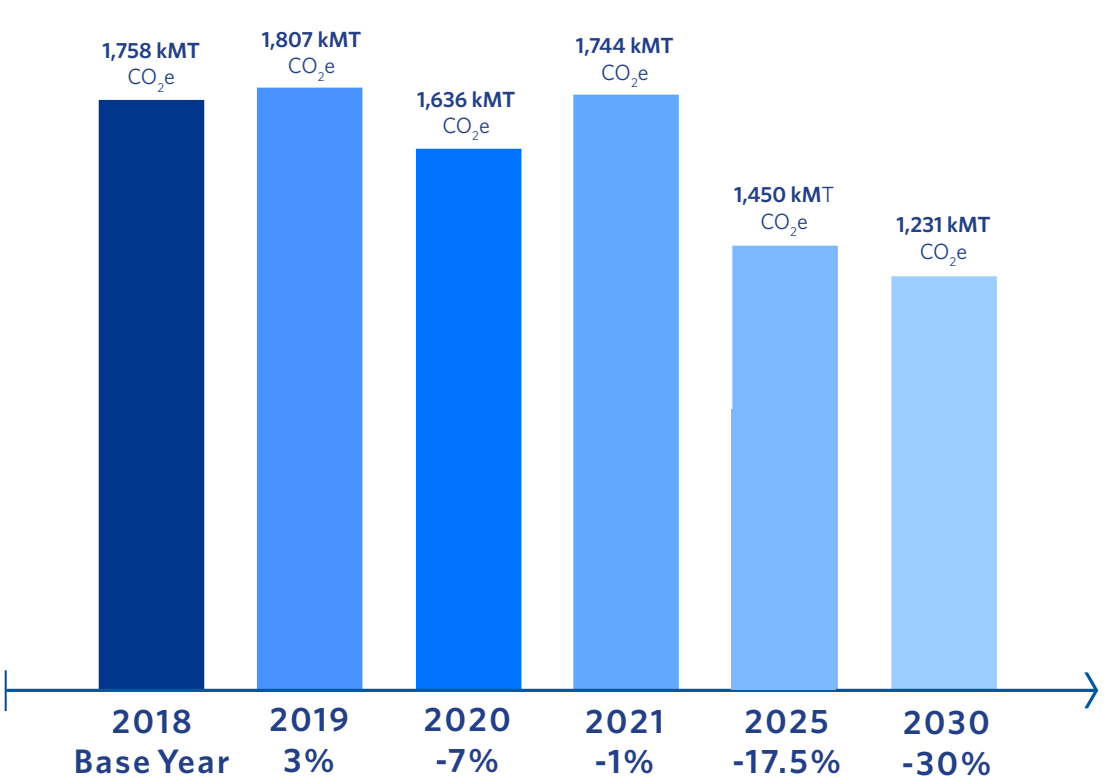
ACTION NOW: 50.4% LESS BY 2030



%s Against 2018 Baseline

### SCOPE 3 ABSOLUTE

ACTION NOW: 30% LESS BY 2030



%s Against 2018 Baseline

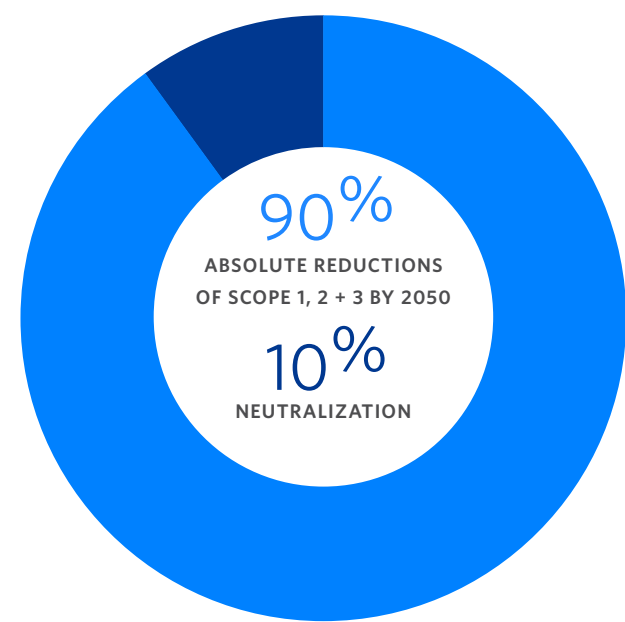




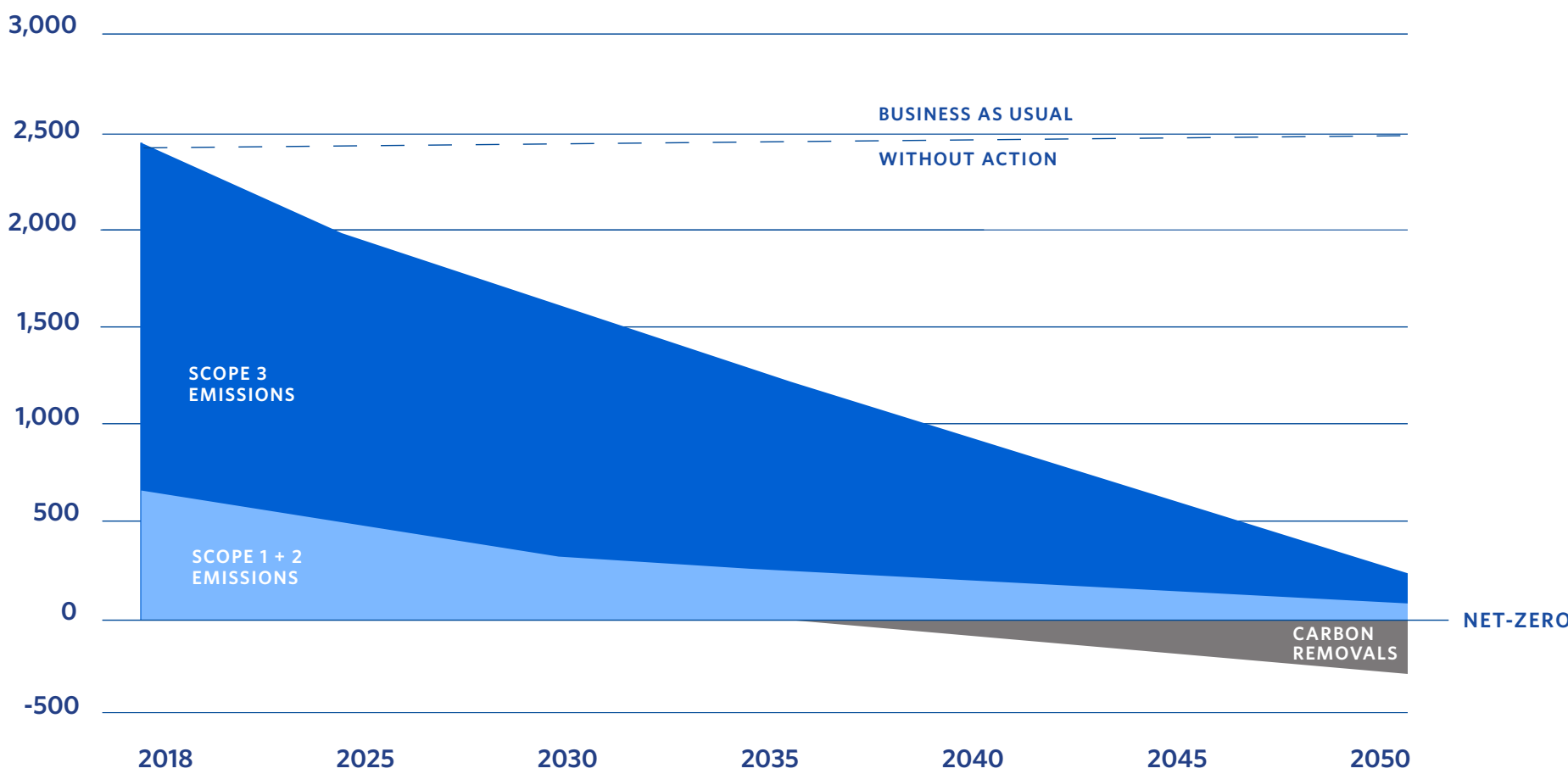
# PATH TO 2050

Given the nature of our industries, the scale of our operations, and the complexities of our value chains, we recognize the difficult but important work that lies ahead. However, with focused investments in innovation and partnerships with like-minded pioneers, we are committed to our path forward.

2050 SCOPE 1, 2 + 3 REDUCTIONS



MILLIKEN'S NET-ZERO PATHWAY



## Long-Term Targets

Milliken & Company commits to reduce absolute scope 1 and scope 2 GHG emissions 90% by 2050 from a 2018 base year.\*  
Milliken & Company also commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2018 base year.  
\*The target boundary includes biogenic emissions and removals from bioenergy feedstocks.



# AMBITIOUS TARGETS

The SBTi's Target Validation Team determined Milliken's scope 1 and scope 2 targets are 1.5°C aligned, currently the most ambitious designation available by SBTi.

SBTi continues to review its approach to near- and long-term scope 3 target setting to ensure alignment with 1.5°C. The ambition of our scope 3 target aligns with the SBTi Net-Zero Corporate Standard. Our near-term scope 3 target exceeds the minimum ambition for the 2°C pathway under the Absolute Contraction Approach and is therefore considered ambitious.

## PROGRESS TO DATE

Work is already underway to put our commitments into action.

To date, Milliken has invested more than US\$25 million in **cogeneration** solutions to help us get out of coal and get on track for achieving our near-term targets. We have increased our **renewable energy** procurement 5x since our base year and are working every day toward continued improvement. And our businesses have successfully launched numerous programs to advance the circularity of our products.

In addition, we're making strides to improve our **data**, build out a robust **innovation** strategy, increase **engagement** with our employees and our value chain, and share successes and lessons we are learning along the way.





# FORWARD TOGETHER

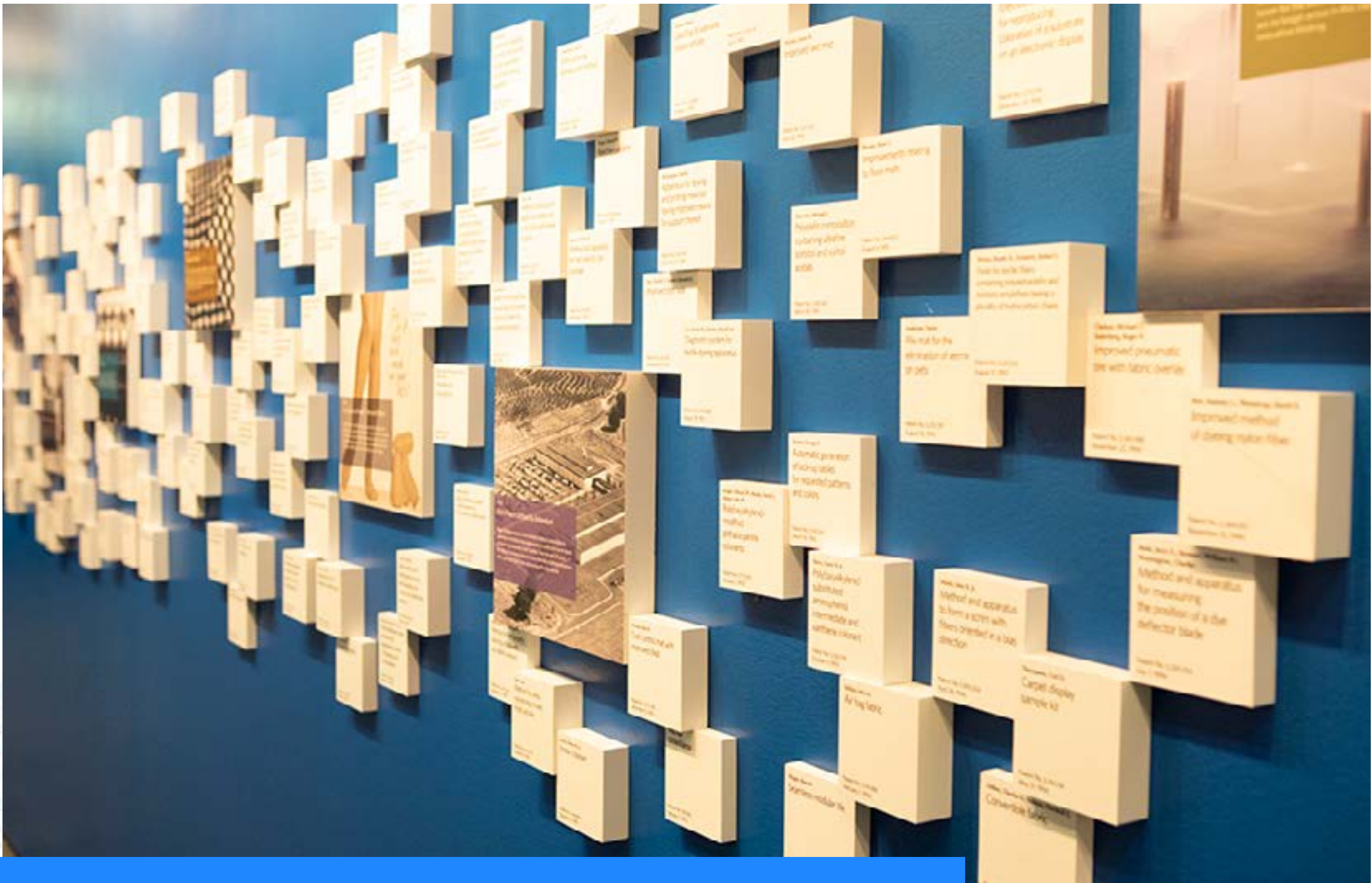
We realize that, in order to be successful, we must include all Milliken stakeholders, for the benefit of humankind.

**For us, this means:**

- Listening to our customers and communities
- Working externally with existing partners to drive progress
- Engaging our people through summits and trainings
- Empowering our teams to align on actions
- Collaborating across functions to generate big ideas and solve problems

**At Milliken, we’re committed to:**

- Facilitating collaboration
- Investing in innovation
- Focusing on transparency
- Reporting our progress
- Sharing our learnings



## Join us.

We encourage you to join us. Align with climate science, commit to 1.5°C ambitions, and do the work to establish, approve, and meet science-based net-zero targets; and then share your commitments, as well as your progress.

[Learn More](#)





## LEARN MORE

To learn more about Milliken's science-based net-zero targets and our progress, contact:

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For other inquiries about Milliken's sustainability strategy, or to partner with us in finding sustainable solutions, contact [sustainability@milliken.com](mailto:sustainability@milliken.com).

