MANNINGTON AND THE ENVIRONMENT

EIGHT VALUE STATEMENTS

ACTIONS SPEAK

A Brief Industry Overview

Despite claims to the contrary, true environmentalism in the floor covering industry only began in the last 15 years, and most progress has occurred since the late '90s.

Today, largely because designers, architects and others are increasingly aware of and concerned with manufacturing and disposal issues, the concepts of sustainability, life cycle analysis and design for the environment are finally becoming concrete corporate goals within our industry.

One major step was the 2002 National Carpet Recycling Agreement, a voluntary initiative signed by Mannington and other manufacturers, state governments and the EPA. It established a 10-year schedule to increase recycling and reuse while decreasing waste carpet slated for landfills.

How Should You Look at Mannington? Straight On.

We're proud of what we do.

We are one of the oldest floor covering manufacturers and have a diverse collection of soft and hard surface products. All of our products are attractive, durable and provide value to our customers.

Mannington makes beautiful floor coverings. Our pride in this is also mixed with a dash of humility. We recognize that what we do and who we are carries important environmental responsibilities that we fully accept.

A History of Positive Behaviors (And a Few Notable Mistakes)

Mannington began in 1915 in Salem, New Jersey, as a small manufacturer of felt-back floor covering. Vinyl technology was added in the 1940s; we acquired a commercial carpet company in 1967; and later added companies to produce wood flooring, laminate and ceramic tile.

Mannington Commercial was formed in 1991. A small family business begun over four generations ago has grown to include five plant locations and a diverse product line.

In the early '90s, we voluntarily switched technologies from solvent- to water-based inks for our resilient printing, for a dramatic reduction in hazardous waste, reduced fire risk, and improved air quality for our associates. We were one of the first flooring companies to eliminate solvent inks. That was a good idea.

In 1993, when we added vinyl composition tile (VCT), we started using the waste from our other operations as raw material for our VCT. The result is better use of raw materials, significant reduction to landfill and important cost savings. That's simply smart business, but not all our ideas have been so smart...

...In 1990 we launched a product that wasn't up to our customers or our own high standards. That was a mistake. We recognized it as such and at a considerable cost in both energy and capital we put the situation right. Simply put, it was the right thing to do.

On another occasion, we sued the State of New Jersey over what we thought were inappropriate environmental mandates. At the time we thought it was the correct approach. It wasn't, negotiation and creative thinking were. An alternative was found and our relationship is now that of healthy communications and working towards common goals.

Like each of us, companies sometimes have to learn things the hard way.

We examine every step in every process for every product. Our goal is to reduce energy consumption and raw material use, to reduce or eliminate waste, to extend product life and recyclability, to maintain the integrity of our ecosystems, to minimize the impact of our operations, and to help our supply chain partners do the same.

Our website, mannington.com, details the things we're working on, and we'll continue to share what we learn with our community and our industry.

Value 1:
We talk publicly
about our environmental initiatives.

The Mannington Environmental Vision

Here it is, all 20 words:

> *We will exceed the environmental expectations of the people we care deeply about: our customers, our neighbors and our associates.*

We simply work hard to do the right thing, as we've done for decades. We don't pretend or imagine that by producing flooring we're saving the planet.

Doing right by the environment makes good sense and is good business. Best accomplished with careful actions, and best explained with clear, accurate words. We don't overclaim and we don't mislead.

Value 2:
We don't "greenwash."

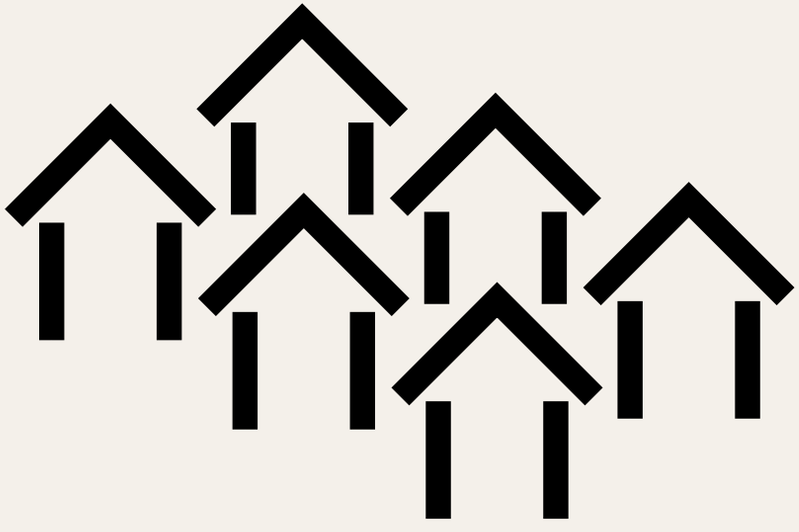
How We Think About Things

It's a Mannington attitude that in business, "good enough" isn't good enough. We do what we do as well as we can do it, knowing that real progress requires money, time, hard work and diligence.

That's especially true when it comes to the environment. And if anyone in this industry promises overnight change or a seemingly easy fix, they're wishful thinkers, at best.

In this age of short attention spans, there's little glamour in tedious testing and evaluation. Or consistently investing in careful, step-by-step progress. Or commitment that lasts for decades. But we think it's the only real way to improve. Our investments in several state-of-the-art energy technologies is an example of this and a secure investment for our future.

Value 3:
We invest in technology and resources to assure environmental improvement.



We Live Here, Too

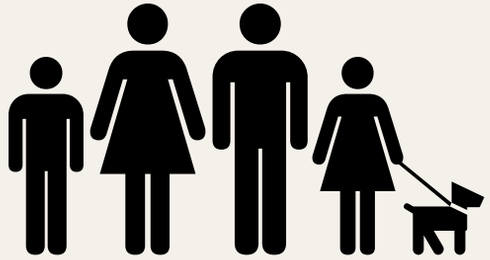
It's better to keep things clean in the first place.

In 1915, we opened our headquarters on the edge of unspoiled wetland. Now, nearly 90 years, expansion after expansion and literally millions of miles of floor covering later, two things remain: a healthy wetland and the Campbell family who founded, and still own, Mannington. It's our neighborhood and our home. We're not about to spoil it. In fact, we're working on improving it by increasing wetland acreage and incorporating natural property and habitat enhancements.

The same can be said for our commercial operation in Calhoun, GA and our folks in Alabama and North Carolina. And for the waterways and air they impact.

Our "Good Neighbor" policy is on our website at mannington.com/policy.html. It spells out, topic by topic and line by line, our commitment to our neighbors as well as our neighborhoods.

Value 4:
We are good neighbors.



The Responsibilities of Family

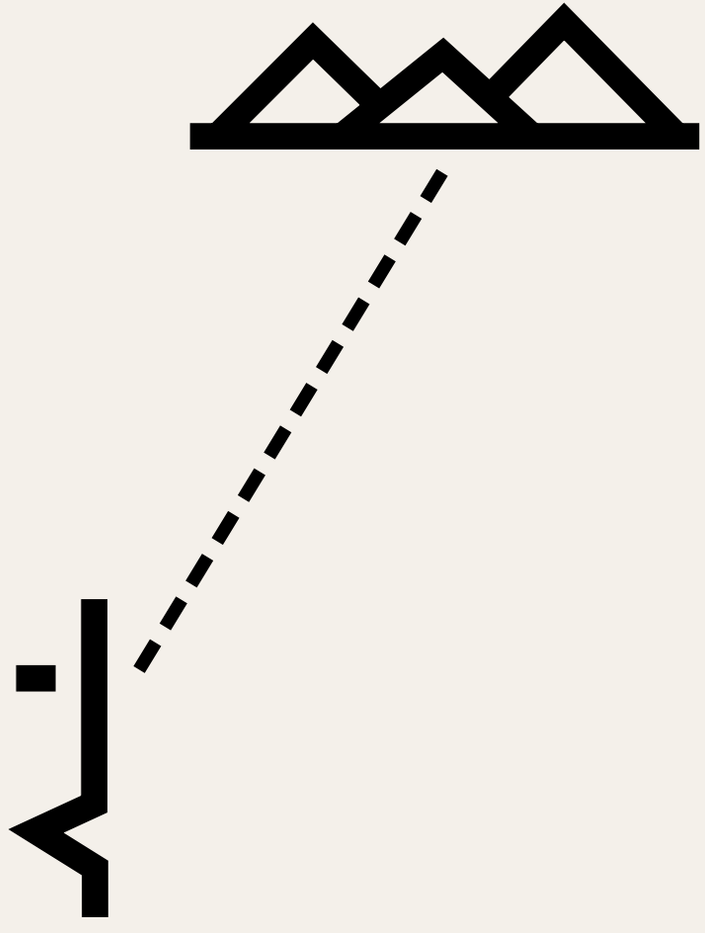
What happens when you're part of a family?

You think, plan and build beyond your own lifetime. You honor your family by honoring your word. And you recognize and work harder to fulfill your obligations to be both economically and environmentally responsible.

At Mannington, the concept of family is far more than being a 4th generation family-owned business, notable as that is. It's about trust and respect for all the people with whom we work, in and out of the company. We respect each other, and we've earned our reputation for good faith and high standards.

Our financial and volunteer contributions are extensive in the communities in which we operate. Whether it's celebrating the talents of young artists in the Calhoun area or young scientists around Salem, at Mannington we continuously look to the future of our neighbors and neighborhoods.

Value 5:
We are good people
with whom to do business.



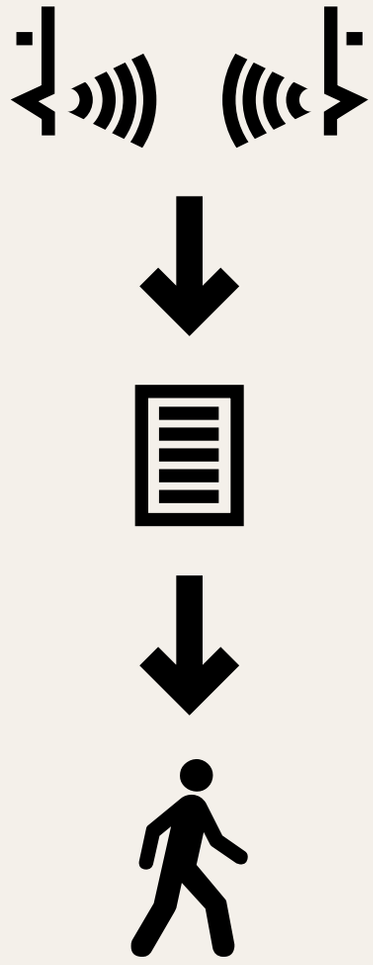
A Long View

Unlike many of our competitors, Mannington is privately owned. So we're not at the mercy of the next quarterly earnings statement. We don't much care what "the Street" thinks. And we're not about to sacrifice long-term plans to meet anyone's short-term expectations.

Instead, we're free to take and maintain the long view. To repeatedly bring up issues of moral and ethical obligations. To continually search for and invest in proven technologies that are right for our company and our customers. And to measure the total environmental impact of every decision.

Many innovative waste reduction and pollution prevention initiatives, that originally seemed like a long shot, have been recognized by our peers, neighbors, and regulators. A perfect example of this is the millions of dollars invested to go beyond the regulations and voluntarily install state-of-the-art air emission control technologies at our plants.

Value 6:
We make continuous environmental improvements because it's the right thing to do.



A Calm Response

Being a one-family business has several key advantages. For one thing, we're not afraid to speak our minds.

So at Mannington, major decisions are tempered with alternative viewpoints, and knee-jerk responses are few. This contributes to a united, clear-sighted perspective.

And as a result, we're more honest with ourselves. Receptive and ready to listen, we discuss and incorporate improvements in the way we do things.

All product development now goes through our rigorous Stage Gate process. Specific environmental hurdles are in place, assuring close team scrutiny. This peer review and opportunity for discussion by our scientists, engineers and managers guides us in the right direction.

Value 7:
We engage in constructive discussions on environmental issues.

We then move from discussion to strategy to action.

IV

A Single Focus

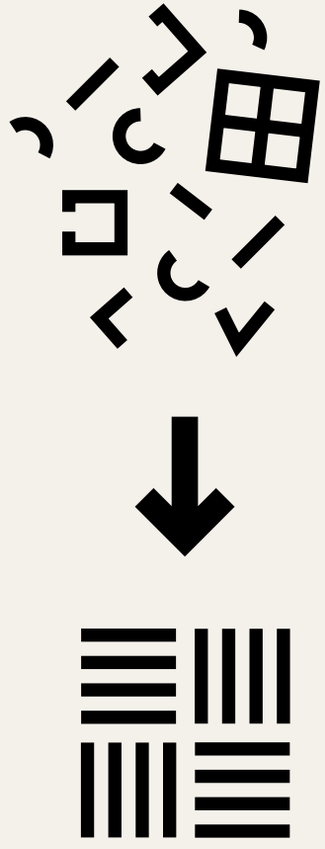
Being one company with several major product lines, we can maintain a strong, centralized research and development team to coordinate our product development. Instead of retrofitting old systems to comply with regulations, we research, implement and change our processes to meet our own standards, which are well beyond governmental mandates.

Mannington has and is actively driving toward higher recycled content in many of our commercial products across the board. Because it's the right thing to do.

In addition, all our engineered wood products are made with solvent-free water-based adhesives, plus solvent-free stains and top coats. And we still maintain the highest quality standards in the industry.

When it comes to environment, safety and health standards, we're not afraid to be first, and not about to play catch-up.

Value 8:
We meet or exceed all regulations.



Well Beyond Compliance

There are those who claim that nothing less than industry upheaval will lead to sustainability. We don't agree. While our rate of progress continues to accelerate, we maintain our determination to improve carefully, steadily – and surely.

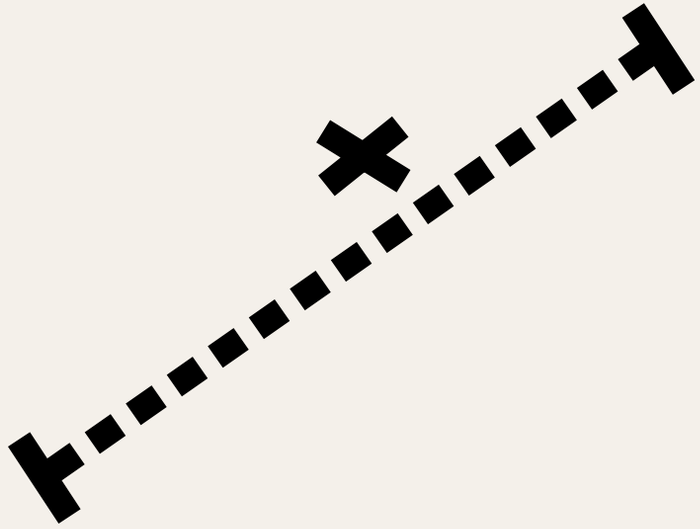
Our own goal is more modest. But because it's do-able, it may be more radical.

We intend to become one of the industry's largest net users of waste.

That is, we will create no more waste than we take in. And we'll do this by simultaneously reducing our waste and increasing the internal and external materials we reuse. It sounds simple. It isn't. But it's realistic, well beyond compliance, and worth pursuing. To see how we plan to achieve it, see our website at mannington.com/netuser.html.

Our 8 values have led us to this Operations Strategy:

> *Our environmental management systems will transform guidance from our customers, neighbors and associates into continuous environmental improvements.*



Continual Improvement

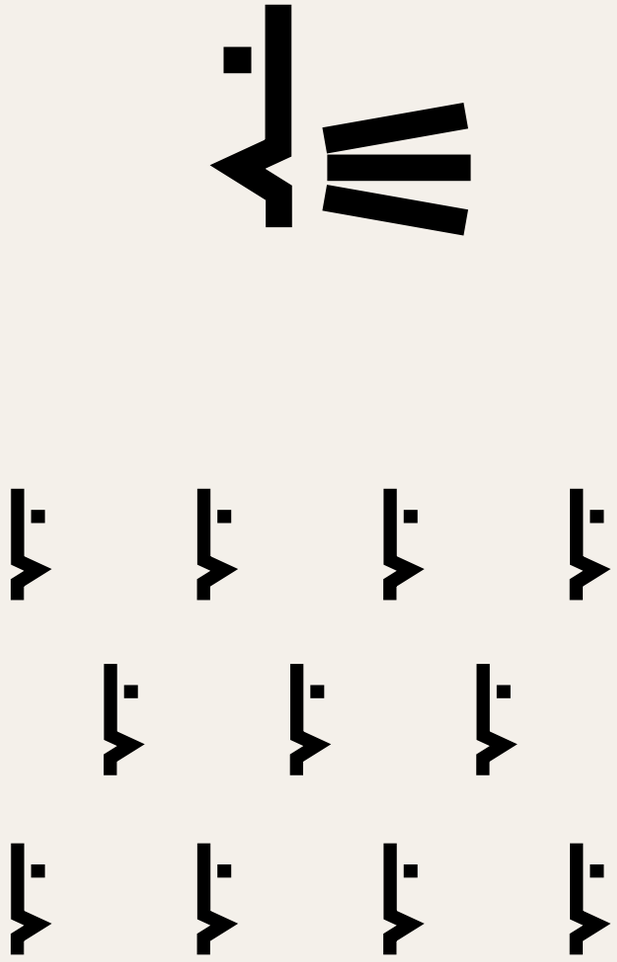
It's often been said that environmental sustainability is a journey, rather than a destination, but perhaps it's more like being in a boat in a strong current. We're riding in this boat, it's ours for the journey, and our continual care will determine how fast and how easily we proceed.

The point is that way back in 1915, Mannington was founded by a principled businessman who recognized and honored his obligations to his family, his neighborhood, his employees and his community. In the intervening five generations of his family, that hasn't changed.

And because Mannington is still privately held, we're free to accomplish what we set out to.

Our 8 values result in this Product/Services Strategy:

> *We continually invest in exploring environmentally sound products, operating processes and work practices, with guidance from our customers, neighbors and associates.*



Share the Story

We've been engaged in constructive discussions with environmental regulators, non-government organizations, consultants and other professionals for years now. Our joining the USGBC, and working with the IIDA, among others, have shown us numerous perspectives and all sides of the environmental debate.

Until now, we haven't seen the need to publicize what we were doing as a company. In retrospect, it was a mistake not to have shared more of our progress on environmental initiatives with our internal and external audiences. And now that's changing.

Our 8 values have led us to this new Communications Strategy:

> *We actively collaborate with our customers to continuously improve our environmental performance, and openly and honestly communicate our progress.*

What This Means to You

First, this document is worthless if it's not true. If you know of any action at Mannington that runs counter to these values, send us an email from our website at www.mannington.com/contactUs/.

Second, while we rely on some of the best minds in the business to develop our major environmental initiatives, we rely on each of you to help us improve our stewardship and reduce waste at every opportunity. If you see a new solution, large or small, please share it.

Our family is the sum of all our people, and our stewardship is the sum of all our actions.

When it comes to environmental sustainability, Mannington is not looking for a quick fix. Our position is considered and careful, and we continuously work towards real and lasting results.

DETAILS OF OUR PROGRESS AND THE PROJECTS

WE'RE UNDERTAKING IN OUR EFFORT TO EXCEED

OUR ENVIRONMENTAL RESPONSIBILITIES ARE POSTED,

AND WILL CONTINUE TO BE UPDATED, AT:

WWW.MANNINGTON.COM/ENVIRONMENTAL.HTML.

BECAUSE WE BELIEVE THAT ACTIONS SPEAK.

MANNINGTON

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