

Our Green Claims Policy





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Introduction

As signatories of The Anti-Greenwash Charter, we are committed to upholding good standards of responsible marketing practice. The purpose of this policy is to define the standards we adopt throughout our organisation to ensure green claims made about our products/services are fair and substantiated.

This policy applies to all the forms of marketing and advertising we use, including television, radio, online marketing (including social media and influencer marketing), direct marketing, shopper marketing, packaging, events, trade/sales and other professional promotions and communications.

In addition to this policy, all marketing and communications must at all times comply with the relevant local laws and regulations.

Our standards

We commit to the standards of communication set out in <u>The Anti-Greenwash Charter</u>, which are as follows:

Transparency

We commit to clear communication of what sustainability benefit our product or service offers and don't conceal or omit information.

Accountability

We substantiate our sustainability claims with accurate and regularly evaluated empirical evidence. We commit to sharing facts, figures and statements that can be checked.

Fairness

We commit to using fair, clear and unambiguous language when providing comparisons with other products or organisations.

Honesty

We ensure we make specific statements about our organisation's sustainability efforts and that our actions match those promises.

Consistency

Our environmental claims are consistent across all channels, including packaging, promotional materials, and digital content.

Plans for improvement

We are committed to continuous improvement in our sustainability practices. Each year, we conduct a thorough assessment of our operations to identify areas where we can further reduce our environmental impact.



Our practices

We implement the following practices and procedures to ensure we uphold our standards:

- Clearly define the green terms we use
- Set standards for authentic and accurate visual representation
- Outline a clear editorial process
- Clarify our approach to evidence and testing
- Detail the training we provide our employees
- Introduce our escalation procedure
- Share our approach to customer education
- Explain how we support partners and collaborators
- Commit to regular reviews and effective governance

Definitions

We define all the key 'green' terms, acronyms and simplify the scientific concepts that form the language of sustainability to ensure our claims are clear and transparent:

Carbon footprint

A measure of carbon dioxide emissions from products, manufacturing, business operations, etc.

Carbon negative

Absorption and removal of carbon dioxide is greater than the amount of carbon dioxide that is being emitted; better for the environment than being carbon neutral.

Carbon neutral

The amount of carbon dioxide emitted is negated – ie: neutralised – by the amount reabsorbed by trees and oceans.

Closed loop

Sustainable supply chains that reuse raw materials, conserving natural resources and diverting waste from landfills; sometimes referred to as "circular economy."

CO₂e

Carbon dioxide equivalent is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.

EPD

<u>Environmental Product Declarations</u> report objective third-party-verified (<u>SCS Global Services</u>) data about a product's environmental impact across its life cycle.

ESG

Environmental, social and governance assesses an organisation's practices and performance based on sustainability and ethics. Some investors use ESG criteria in evaluating opportunities.



GHGs

Greenhouse gases trap heat in the atmosphere and contribute to climate change. They include carbon dioxide, which enters the atmosphere through burning fossil fuels (coal, natural gas, oil), and methane, which is emitted during production and transport of fossil fuels.

Global GreenTag™

Recognised by major green rating schemes, <u>Global GreenTag</u>[™] is a globally trusted certification program that provides evidence-based assurance for environmentally conscious product selections.

Greenwashing

A marketing tactic used to make misleading claims about the environmental benefits of a product or service.

ISO

The <u>International Organisation for Standardisation</u> is an independent, non-governmental organisation that develops standards to support innovation and provide solutions to global challenges. ISO certification verifies adherence to best practices.

Karndean Evolve™

As part of the Karndean ethos, Karndean has a comprehensive environmental, social and governance (ESG) programme, which is called Karndean Evolve™. This consists of six focus areas that will influence how we operate as a company from the very top of the organisation: confronting climate change, individual health and wellbeing, sustainable resource use, inclusion and diversity, supply chain transparency and education. More information can be accessed on our <u>commercial website</u> and residential website.

LCA

Life cycle assessments provide the foundation for an <u>EPD</u>, evaluating a product's environmental impact over its entire life cycle: material extraction, manufacturing, usage and end of life.

Net zero

Refers to cutting greenhouse gas emissions from human activity to as close to zero as possible, with any remaining emissions reabsorbed from the atmosphere by oceans and forests.

Off-gassing

Off-gassing is the release of chemicals from new products into the air. Often found with new mattresses and carpets, these chemicals can cause allergic reactions in humans. Our products have very low emissions and achieve the highest ratings for indoor air quality.

Phthalates

Chemicals used to make plastics more durable. Our products are certified "phthalate-free," meaning they are free from ortho-phthalates that can affect human health. Our products do not contain the plasticiser DEHP/DOP.



The products do contain a different group of phthalates, terephthalates, which have not been found to affect human health.

Post-consumer recycled content

Material from products at the end of their life cycle that otherwise would go to a landfill.

Post-industrial recycled content

Material that's recycled after the manufacturing process but before being used. It can come from trimmings, byproducts or defective items produced during manufacturing.

PVC

Polyvinyl chloride is the primary raw material in luxury vinyl flooring. Its exceptional durability makes PVC the most widely used polymer in building and construction, and it also is used in medical products such as dialysis tubing and heart- and lung-bypass tubing.

Renewable energy

Energy from natural sources such as sunlight and wind that are replenished more quickly than they are consumed. Renewable energy can be used for electricity generation, heating, cooling and transportation.

Resiloop

ResiLoop is a not-for-profit scheme backed by major suppliers in the resilient flooring industry to promote a circular economy for floorcoverings in Australia. Initiated by the <u>Australian Resilient Flooring Association</u> (ARFA) in 2021 and established independently in 2024, ResiLoop intends to recover flooring waste for local recycling. With the commitment of leading product suppliers and collaboration with supply chain participants to expand collections, ResiLoop will invest in R&D efforts to identify new applications for recycled materials and to improve recycling infrastructure and processes, reducing landfill waste and advancing circularity across the industry.

Science-based targets

Science-based targets are a formal way for a company to define emissions reduction targets. They focus on the quantity of emissions that need to be reduced to meet the targets set out in the Paris Climate Agreement. This is to limit global warming to 1.5°C/34.7°F. The process is administered by the <u>Science Based Targets Initiative</u> (SBTi).

Sustainability

The integration of environmental, social and economic concerns to create healthy, diverse and resilient products and communities for generations to come.

VOCs

Volatile organic compounds (VOCs) are emitted as gases that can affect indoor air quality. Annually, our factories are audited, and our products are tested by an independent 3rd party to maintain our stringent air quality standards. All our flooring products achieve <u>Eurofins Indoor Air Comfort</u> (Gold) certification.



If you come across a term you don't understand and can't find it on this list, please email, Evolve Champion Network at EvolveChampionNetwork@karndean.com.au or the AU marketing team at marketing@karndean.com.au for clarification.

Verified claims

We collaborate with trusted third-party verifiers to ensure our claims are specific, relevant, and aligned with lifecycle principles. These details are available on our websites in Data Sheets, the EPD sections, and the Karndean Evolve™ sections.

If you come across a claim you don't understand and can't find it on this list, email marketing@karndean.com.au for clarification.

Use of images and colour

In our commitment to transparent and honest communication regarding our sustainability efforts, we recognise the powerful impact of visual representation in shaping perceptions. Therefore, we uphold the following principles related to the use of imagery and colours in our marketing materials:

Authentic Imagery

We commit to using genuine and representative images of our products and services, avoiding the use of stock photos that may mislead or give an exaggerated impression of our green efforts.

Avoidance of Greenwashing through Colours

The use of green or earth tones in marketing materials can evoke feelings of environmental friendliness. We ensure that such colours are used responsibly and are not misleading. If a product or service is represented with green colours, it must have substantiated green credentials to back up such representation.

Highlighting Actual Efforts

When showcasing our sustainability roadmap or initiatives visually, we will only use images from actual initiatives we have undertaken, avoiding generic or unrelated imagery that may give a false sense of our environmental impact or efforts.

Transparency in Photo Alteration

Any alterations or edits to photos that may change the reality or context of our green initiatives will be clearly disclosed. This includes photoshopped elements, exaggerated effects, or other changes that might give a misleading impression.

Cultural & Environmental Sensitivity

We ensure that any imagery used respects the cultural, environmental, and socio-economic context of the regions or communities depicted. This includes avoiding imagery that may be perceived as appropriating or misrepresenting cultural or environmental elements.

Educative Infographics

Where possible, we will use visual aids such as infographics to simplify and convey complex sustainability data or concepts. These visuals will always be based on substantiated facts and will be designed in a manner that is easy to understand without misrepresenting the information.

For any concerns or questions regarding the imagery and colours used in our marketing materials, or if you believe we are not adhering to the standards set out in this section, please email the



marketing team at marketing@karndean.com.au. We appreciate feedback and are dedicated to continuous improvement in our visual communications.

Editorial processes

All sustainability marketing materials and communications, including the Karndean Evolve™ plan and our glossary of terms, are housed on our intranet and accessible to all team members. All files are named to include the approval date to easily identify outdated content. All files are named to include the approval date to easily identify outdated content. Content creation begins with referencing approved copy, terms, and images from this folder.

Any sustainability content undergoes a thorough review by the Marketing Team for final approval. The development of new sustainability-focused marketing materials involves collaboration between our AU and/or Global Sustainability Lead and the Marketing Team from the briefing stage onwards. Once the content is agreed with the Sustainability Leads, it is then reviewed in its final format to review the copy in context, in collaboration with feedback and approval from marketing leadership prior to publication.

All claims that are made are independently verified. When making claims, we will always refer to the certification we have received that is linked to the claim.

The sales team exclusively uses approved content from the Marketing Team and Sustainability Leads for their sales tools and presentations. This expectation is regularly reinforced during sales meetings to emphasise its importance.

We actively encourage staff members to raise questions or concerns regarding our green claims, fostering a culture of accountability and transparency around the business.

All staff can access the Social Media Policy and the Employee Code of Conduct on our intranet, which outline guidelines for responsible social platform behaviours and ethical workplace behaviour.

Training

All new employees receive training on our Green Claims Policy and The Anti-Greenwash Charter so they fully understand the issues and benefits. Alongside our Karndean Evolve Training: Climate Change e-learning module, to give colleagues the knowledge and expertise to talk to customers about our sustainability approach and challenge any green claims made by colleagues that do not align with our approach.

Our Green Claims Policy is hosted on KNET for colleagues to access whenever they need a refresher. Each year, all customer-facing employees complete a mandatory refresher training session on greenwashing.

Use of Al

We utilise AI tools to assist in the creation of content, particularly for data analysis, report generation, and content personalisation. To maintain the integrity of our green claims, all AI-generated content is rigorously reviewed by our human editors before publication.



Our editorial team ensures that the content aligns with our sustainability values, verifies the accuracy of any green claims, and cross-checks the use of key terms against our defined list. We also provide transparency by disclosing the use of AI where it has significantly contributed to the creation of content.

Additionally, we conduct regular audits to assess the impact and accuracy of Al-generated content, ensuring continuous alignment with The Anti-Greenwash Charter's standards.

All staff can access the Al Policy on our intranet, which outlines guidelines for the responsible use of Al in content creation, ensuring accuracy, transparency, and alignment with our sustainability commitments.

Customer engagement

We know our customers are invaluable in our fight against greenwashing, which is why we commit to answering any emails about our sustainable claims within seven working days. We regularly conduct user research to find out how our customers interpret our sustainable claims to ensure that they are clearly understandable. Additionally, we regularly conduct user research to understand how our customers interpret our green claims, ensuring they are communicated clearly and effectively.

To support this, we include our Certified Signatory Declaration (see below) at the bottom of all relevant campaigns to highlight our commitment to transparency and invite feedback. The declaration encourages stakeholders to review our Green Claims Policy and outlines how they can escalate concerns for independent review.

If you have any questions or feedback on this policy or our green claims, please email marketing@karndean.com.au for clarification. Or the Head of Product & Marketing via customerservice@karndean.com.au. Alternatively, you can submit any greenwashing concerns directly to The Anti-Greenwash Charter for independent review here.

As proud signatories of **The Anti-Greenwash Charter**, we are dedicated to upholding its standards in all our sustainability communications. If you have any feedback or concerns, please review our escalation procedure in our **Green Claims Policy**.



Customer education

Our strategy for customer education involves creating content that informs customers about sustainability issues, including the environmental impact of our products life cycle and the key focus areas that make up our sustainability roadmap. This content is designed to be accessible and engaging, helping to raise awareness and understanding of key sustainability topics.



Commercial

We educate our commercial customers through CPDs on demand or carried out by our Commercial Business Managers. We explain our approach to sustainability on our website, in our product materials, and our global sustainability report. www.karndeancommercial.com/evolve

Retail

We have Karndean Evolve links on our customer portal and a training module carried out by our Retail Business Manager so retailers can access our sustainability materials on our website, in our product materials, and in our global sustainability report. www.karndean.com/evolve

Consumers

We explain our approach to sustainability on our website and in our product brochures. www.karndean.com/evolve

Partnerships and collaborations

We are dedicated to promoting sustainability and responsible marketing practices across our network of manufacturers and partners.

We actively engage with our partners to encourage alignment with our sustainability values and the principles outlined in this policy. This engagement involves referencing The Anti-Greenwash Charter, whilst also sharing knowledge and resources to enhance their understanding and implementation of responsible marketing practices.

We uphold transparency in all our partnerships. Clear communication about the sustainability efforts of our collaborators is essential. We inform our stakeholders about the sustainability credentials of our partners, reinforcing our commitment to upholding our sustainability goals and public commitments, and encouraging a broader adoption of responsible marketing practices.

Reviews of content

We carry out internal audits of our content and check that our references are up to date. During this audit, we also check for new developments in the industry that we can benchmark against.

Being a signatory of The Anti-Greenwash Charter is a continuous process; as such, we review our marketing practices annually to ensure we are still compliant with any changes to the Charter.

Legal compliance

Our commitment to legal compliance is unwavering, particularly in the area of sustainable claims. We have established a comprehensive legal compliance framework that includes internal audits, ongoing employee training, and collaboration with external legal experts.

Our marketing and communications content is thoroughly reviewed to ensure it complies with all relevant local and international laws, including those related to environmental advertising and data privacy. In Australia, this includes adherence to regulations set by the <u>Australian Competition & Consumer Commission (ACCC)</u>. We also stay informed about regulatory changes and update our practices accordingly to ensure continuous compliance. Any instances of non-compliance are promptly addressed, and corrective actions are taken to prevent future occurrences.



Governance of this policy

Marketing leadership is responsible for ensuring that our compliance with this Green Claims Policy is reviewed annually. Any non-compliance with this policy will be brought to the attention of the Executive Team (ET) and Global Sustainability Lead, who will decide on further actions and whether the matter should be escalated further.

Business area heads are responsible for establishing and following practices, instructions and operating models in line with the Green Claims Policy.

Before entering into new partnerships with third parties, such as suppliers, we share our Green Claims Policy with them to encourage adoption of similar standards.

Application to related entities

While this Green Claims Policy applies directly to Karndean Designflooring Australia, we recognise that our products are also marketed and sold in New Zealand by an independent Distributor operating under its own brand and communications strategy.

Where the Distributor references Karndean products or associated sustainability claims in relation to Karndean Designflooring Australia, we will work collaboratively to ensure that such communications align with the principles of this policy and The Anti-Greenwash Charter. Although the entity is not governed by this policy, we will provide access to our approved claims, definitions, and substantiating evidence to support consistency and prevent unintentional greenwashing.

We will continue to engage with the Distributor's team to encourage alignment with our standards of responsible marketing and will review joint communications periodically as part of our governance process.

Independent reviews

As a signatory of <u>The Anti-Greenwash Charter</u>, we actively endorse independent reviews to validate our Green Claims Policy practices & procedures. These periodic evaluations ensure our commitment to responsible marketing practice. We understand that any non-compliance could lead to a revocation of our certified signatory status.

Karndean Designflooring Australia

Customer Service team: $\underline{\text{customerservice@karndean.com.au}} \text{ or } 1800 \text{ } 331 \text{ } 170$

Website: karndean.com, and karndeancommercial.com