

LANO
SPORTS

LANO
My kind of carpet!

LANO
Flooring Solutions

Environment

The
Green
signature
of Lano Carpets





The **Green** signature of Lano Carpets



Lano understands the importance of the environment to us all. In recent years, the manufacturer has taken positive steps towards conducting business in a more sustainable way.

We want to show our customers, suppliers and people that a sustainable way of business works for everyone and reduces the use of natural resources. This is reflected in our sustainability statement.



Sustainability Statement

Lano is committed to our environmental responsibilities throughout the entire sourcing, production and delivery process. Lano's clear objective is to minimize any negative impacts that our footprint might have on the environment, both through direct and indirect working practices.

Working closely together with our customers and suppliers, careful monitoring and analysis is a key responsibility of each business division of Lano. Each division is required to implement environmental systems and is fully responsible for environmental performance, reporting to the Board of Directors.

Accordingly, Lano will conduct its activities in line with the following principles:

- To source raw materials that comply with its environmental philosophy
- To reduce emissions during the manufacturing process
- To continuously improve environmental performance
- To conserve energy through its efficient use
- To recycle waste material
- To improve the lifecycle of the product through quality and longevity
- To initiate the best possible environmental practices in the manufacturing chain

* With the following attitude

- To develop open and constructive relationships with all government agencies
- To contribute constructively to all activities promoting environmental responsibility within the local community

* With the following ambition

- To move toward ISO 14001 certification
- To minimize virgin material inputs by maximizing the use of recycled material
- To minimize carbon emissions, energy usage, waste and water use
- To minimize post consumer waste by industry-led recycling initiatives



Reduce

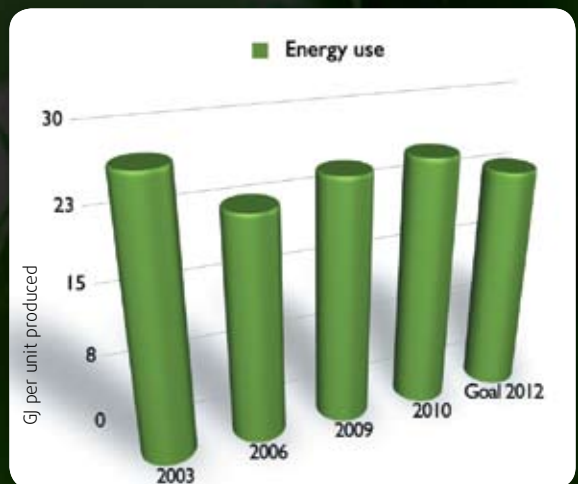
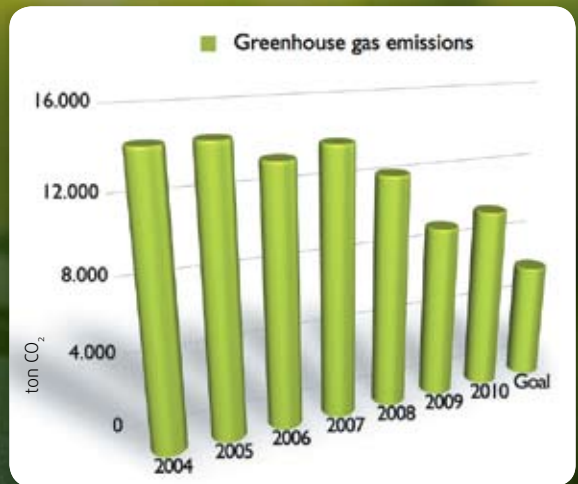
Reduction of Carbon Emissions

During the last six years, Lano Carpets' **greenhouse gas emissions** have been reduced by 40%. The target is to obtain an overall reduction of 60% by 2012.

As a participant in the Belgian Flemish Covenant, Lano has to reach benchmark energy efficiency and CO₂-emissions targets to the level of the best international standards by 2012.

Therefore, Lano commits to invest € 500.000 during the period 2008 – 2012 for the implementation of its energy plan.

Lano has installed solar panels on the roof of the buildings within its 12 ha production site, enabling it to realise carbon offsets by solar driven energy. Through this, Lano's office and manufacturing facilities consume less fuel and thereby produce less carbon emissions. The result is a positive increase in the use of green energy.



Reduce

Reduction of Waste Product

Using Lean Manufacturing Lano aims to reduce the amount of waste product in its manufacturing processes in the near future. A waste is any cost that does not add value to the customer. All waste flows such as latex silt, cutting and textile wastes are monitored on a monthly

basis with the target to reduce these flows by 20% by 2012. Lano is running an on-site waste program to drastically reduce the amount of waste that it disposes to landfill. Monthly measurements monitor the progression and compare actual results to the set targets.

Reduction of Wastewater

Through product mix optimization and water recycling projects, the amount of wastewater has been reduced by 15% during the last three years. The environmental impact of the wastewater is now about 20% lower than previous years through a program of banning heavy metals and the screening of all products used in the dyeing process. This reduces aquatic pollution.

A new wastewater treatment facility has enabled Lano to reduce the biochemical and chemical oxygen demand of its wastewater. This process improves wastewater quality indicators substantially (by up to 30%), having a direct and positive influence on the environment.

On a voluntary basis, Lano has also completely abandoned the use of deep groundwater for its processes. Instead it now uses industrial water coming from a purifying plant for surface water.

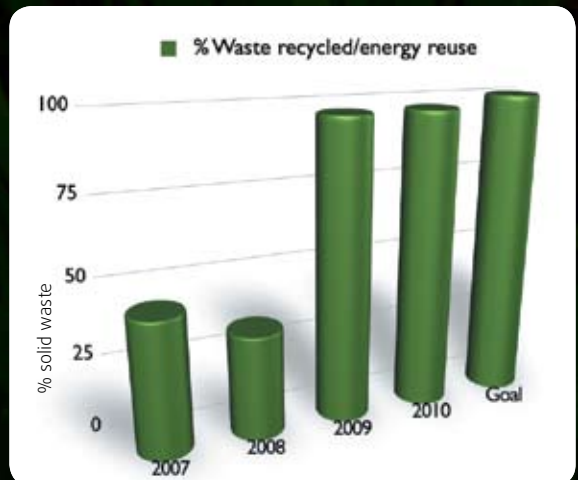
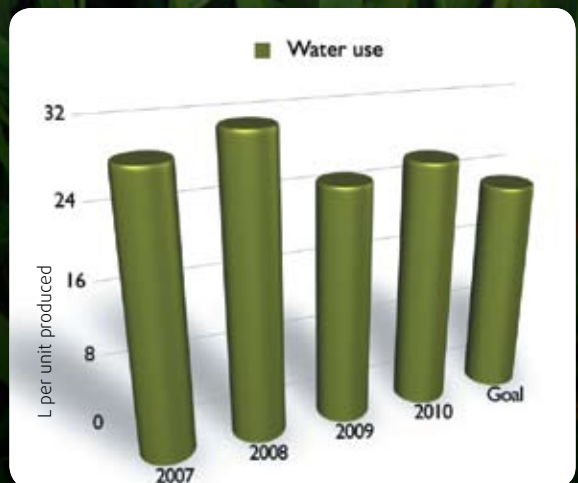
Reduction of Solid Waste

97% of solid waste is being separated in recyclable and combustible fractions. The final target is to reach a level of 100%.

The combustible fractions (65% of our waste) are transformed in pellets which are used as an alternative for fossil fuels in the cement industry.

The recyclable fractions (32%) of our waste are reused as raw material. The textile waste is reused as a filament in several applications including filter and automotive covering materials.

Recycled ecological yarns will increasingly be added to Lano's broadloom carpets, artificial grass, rugs and carpet tile ranges in both existing and new qualities or designs.



Recycle

Lano is actively seeking business partners to develop sustainable recycling options for both manufacturing and post-consumer waste from within the industries in which it operates. Lano is working closely with business partners to organize the possibility of returning post-use carpets, carpet tiles and artificial grass.

For this purpose Lano is a founding partner of the Optimum pilot project, launched by the UFTM in France. This project organizes the returning of post-use carpet tiles, their collection and recycling modalities. As a member of the UFTM, Lano works together with a business partner to recycle returned carpet tiles.



For artificial grass, Lano is developing a partnership with a recycling company that recycles end-of-life artificial grass in an environmentally positive way. The company collects the artificial grass system, cutting it into strips of 2 or 2.5 m width on-site and rolling it up with the sand and/or rubber infill still in the carpet. At the recycling plant the infill is then extracted from the carpet and the sand and rubber are separated. Sand is made dust free and packed to be reused, while the rubber infill is given a second life as an energy source in cement kilns and incineration plants. After unravelling of the artificial grass the synthetic element is separated from the backing. The synthetic part can be reused in the plastic industry (injection moulding or compounding) while the backing is prepared to serve as secondary energy source for incinerators. The SBR rubber infill used for certain artificial grass applications is also recycled from tyres.

Product packaging, recovery and recycling targets are achieved through membership of a Flemish Compliance Scheme (Val-I-Pack).

Rethink - Renew

Lano rethinks everything it does with the aim of becoming a more sustainable manufacturer. As its customers rethink their way of life, Lano rethinks its part, focusing on reducing, reusing and recycling initiatives to minimise its impact on the environment.

The manufacturer applies the principles of sustainability in its purchasing activities, production processes and product development, in order to offer innovative products with increased natural and ecological content.

Lano gives preference to those suppliers that operate according to environmental best practice. The choice of materials and their suppliers involves consideration of both the potential environmental effect of the raw material and an evaluation of the environmental performance of the supplier. Therefore Lano complies with REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). Under REACH, Lano's suppliers are committed to the fact that their materials or products do not contain any "Substances of Very High Concern" (SVHC).

These SVHC's are listed and this list is updated at regular intervals. Lano closely monitors any further evolution through its REACH Coordinator. REACH compliance is an integral part of Lano's purchasing conditions.

Within its production processes, Lano uses an increasing number of materials with ecological content. For instance, a higher number of carpet products use a 100% recyclable primary carpet backing. For artificial grass Lano focuses on its PU-Backing. This backing has several ecological advantages: there is no water used in the manufacturing and clean-up process; no volatile organic components or other emission issues; no anti-microbial or anti-fungal additives needed; up to 90% less energy consumption per m² than latex; up to 30% less raw material consumption; no odour; PU coating is fully cured, solid and chemically stable and inert.

In product development, the focus is on innovative products with an increasing natural content and positive ecological properties.

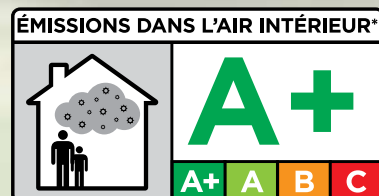
Lano continues to develop more qualities and designs using more sustainable raw materials, including nylon yarns that contain a minimum of 70% of post industrial recycled content. This is a milestone in Lano's progressive path towards complete sustainable products.

The importance of natural yarn content is also reflected in new developments with bamboo blend yarns. The bamboo yarn content is an alternative to oil-based yarns and is environmentally friendly. The bamboo stalks for these fibres are cultivated in selected plantations and their harvest does not damage natural bamboo forests. Therefore and because of its fast growing nature (1.5 metre in just a few months), it is an incredibly sustainable resource.

The carpets of Lano are certified GUT (Gemeinschaft Umweltfreundlicher Teppichboden). These certificates confirm that carpets are tested for a better living environment and that they comply with these tests. GUT issues also Environmental Product Declaration reports (EPD).



In France it is mandatory (Environmental law Grenelle) from the 1st of January 2012 on, to label the package of building and decoration products with the emission classes of the volatile organic compounds (from class A+ low emission to class C high emission). All carpets of Lano already meet, compared to other floorcoverings, the class with low VOC-emissions (Class A+). This applies both to the residential as to the contract range, which contribute to a good indoor air quality.



Life Cycle Analysis

A true environmental footprint of Lano products can only be detected when a detailed analysis is carried out.

The LCA helps Lano to understand the environmental impact of its products. With the LCA the manufacturer looks at every aspect of the life cycle of the carpet or artificial grass. Lano measures, quantifies and identifies opportunities for improvement of the environmental impact in all stages of the life cycle of the product.

The analysis is conducted by a third party and starts with the raw material, production, shipping and transportation, to use, reuse, recycling or disposal. All these stages contribute to an environmental impact and all these stages must be measured to ensure an accurate LCA.

After quantification of the environmental impacts, the stages for improvement are identified. The results are products with a high ecological content and optimum use of resources and without negative impact on the environment.

Life cycle



Partnerships in our environmental policy

GUT (Gemeinschaft Umweltfreundlicher Teppichboden). Lano is a member of GUT. EPD – certificates (Environmental Product Declaration) are developed by the GUT organization. This is a report of product ingredients and environmental impacts that occur during the production process and life of a product. Through EPD, customers can compare products and their environmental impacts and choose those products with low environmental impact. The EPD is based on the data provided by the LCA. This information is available in a standardized report, certified to a public standard and verified by a third party.

UFTM (Union Française des Tapis et Moquettes) Lano is a member of the UFTM that launched the Optimum pilot project in France. This project organizes the returning of post-use carpet tiles, their collection and recycling modalities.

HQE
In France, the UFTM (Union Française de Tapis et Moquettes) founded and runs a project to obtain environmental certificates (FDES) under the HQE-standard (Haute Qualité Environnementale).

Benchmark Covenant
In exchange for emission rights, Lano carries out an energy plan that is prepared together with government authorities.



Social Responsibility

Social responsibility is an integral part of environmental care and is reflected in Lano's core values and its local community activities.

Lano is committed to the highest standards of ethical behaviour. Core values that guide this commitment are:
Honesty: to deal fairly and honestly with employees, shareholders, customers, suppliers and competitors
Integrity: to conduct business in an ethical way and in accordance with applicable laws, rules and regulations
Respect: to respect all the attributes of employees
Dialogue: to build confidence through an open and transparent dialogue with each and every stakeholder
Accountability: to be responsible for its commitments

Lano is committed to providing training opportunities for employees to improve their safety and skills and to make them more effective both at home and at work. Using these resources wisely (reduce, reuse, recycle) and combined with health programs, will help employees to improve their quality of life. Lano's smoking cessation program in the office is also a part of this self-improvement.

Community. As a leading company Lano wishes to contribute constructively to all activities promoting environmental responsibility within the local community. It participates voluntary in the "Charter for sustainable entrepreneurship" an initiative of the Regional Authorities. Lano is also conducting an extended action plan for developing sustainability in different areas, some of which are linked to local residents and important stakeholders: Lano has an open dialogue with the local authorities, personnel and neighbours, and aims to minimize noise and vibration impact on the neighbourhood, as well as traffic around production sites. In addition to its efforts to have clear and open dialogue with the local community, Lano organizes guided mill visits for local organizations showing interest in how Lano deals with its environmental responsibility. During these visits, the different efforts made in processes to minimize ecological footprint are highlighted.

Family social events are regularly organized for employees and their families.

Lano also participates in business education partnerships with schools and mentors students to academic success.

Contribution to a better living environment

Lano products increase the quality of life for people. A carpet makes it easy for people to feel comfortable, by providing a quieter environment (absorption of noise and sounds) it considerably enhances the feeling of wellbeing.

Carpet is also a first-rate thermal insulator and contributes to reduction in energy consumption. With a carpet, indoor air quality is also improved: dust is trapped so that fewer dust particles flow in the air; fungal growth is easily kept under control with regular cleaning; and VOC-emissions from carpet are extremely low (GUT-control). Better indoor air quality results in a healthy environment. Because a carpet is slip-resistant and limits the number of falls, it gives people a secure feeling.

Synthetic grass is good for people because it is environmentally friendly and creates a wellbeing ambiance as it reduces the man-hours and power equipment operation needed to maintain a grass field. A significantly positive environmental impact is reflected through a decrease in water usage (no watering), elimination of toxic chemical treatments (no fertilizing, no ground water pollution) and a reduction of CO₂-emissions and energy consumption (no mowing).

Corporate Commitment

The commitment to sustainability is a core value of Lano Carpets. The company has set sustainability goals and has put the tools in place to reach significant milestones in the future.

Lano has created a company culture around the principles of sustainability. It sensitizes its stakeholders through internal newsletters with progress reports on sustainability projects.

The company keeps stakeholders alert and evaluates its efforts, collecting ideas on how to progress in its approach to sustainability.





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