

# Case Study

## Models for a Regenerative Economy: Built Environment Impacts in the Southeast

Shaw Industries Group, Inc., Headquartered in Dalton, Georgia - Founded in 1967

Prepared by Bailey Shea, Program Coordinator for Policy

### Overview

*Company Profile:* Manufacturer and seller of carpet, resilient vinyl, hardwood, laminate, tile and stone, synthetic turf and other specialty flooring products to residential and commercial markets worldwide

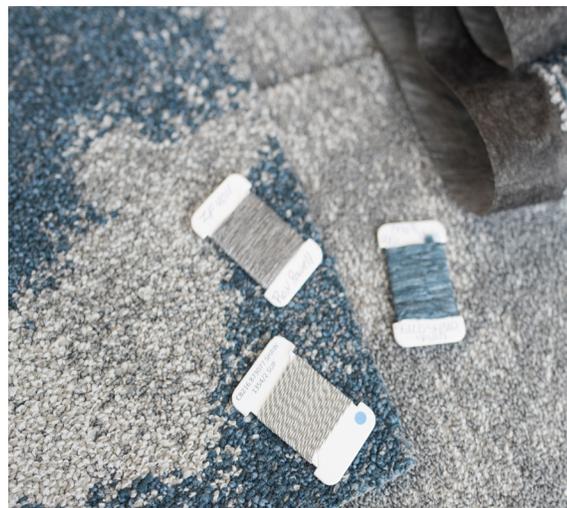
*Locations:* Additional locations outside of Dalton, Georgia, throughout the U.S. and in eleven countries

*Annual Revenue:* \$6 billion

*Employees:* 22,000 worldwide

*Builder:* Skanska USA

*Description of project:* The world's largest carpet manufacturer and a leading provider of a wide range of flooring, Shaw has centered its commitment to sustainability and circularity around its impact on people. This means supporting their staff across the globe and a keen focus on safety and wellbeing for the people who live, work and play on their flooring. Recognizing that people today spend approximately 90% of their lives indoors, Shaw recognized their products play a critical role in the wellbeing of people as well as the planet.<sup>1</sup>



A sample of Shaw Industries' EcoWorx recyclable carpet tiles, which come in a variety of colors. (Courtesy of Shaw Industries Group, Inc.)

### Built Environment Impact

- Today, nearly 90% of the products Shaw manufactures are Cradle to Cradle Certified™. As part of their certification process in 2019, Shaw assessed over 1.6 billion pounds of raw materials for the Cradle to Cradle material health standards, which ensure chemicals used in its products are as safe as possible for humans and the natural environment through rigorous assessment methods.<sup>2</sup> Shaw products also meet rigorous indoor air quality (IAQ) performance standards for volatile organic compounds (VOCs) through certification programs like Green Label Plus, FloorScore and GREENGUARD.<sup>3</sup> Providing sustainably manufactured and sourced products, Shaw supports regenerative design in the built environment across the globe.
- Shaw has recognized the large role it plays in the built environment sector globally and taken on the responsibility of reducing its impact. This is the mindset of a company which aims to be a part of a regenerative economy. In the 1990s, engineers at Shaw were inspired by the principles of green chemistry—a concept defined by the U.S. Environmental Protection Agency (EPA) as “design of chemical products and processes that reduce or eliminate the generation of hazardous substances.” The company innovated to create a carpet product which excluded PVC materials (a heavily scrutinized petroleum-based chemical material) and launched two product lines at one time—one with PVC and one without. The market quickly adopted the non-PVC line, and Shaw increased its production of this product sooner than was originally planned while rolling out a carpet reclamation program at the same time.<sup>4</sup> Today, EcoWorx carpet tiles, made from non-PVC and Cradle to Cradle Certified™ materials are celebrating their 22<sup>nd</sup> anniversary in production, and the reclamation program thrives. This rapid reimagining of a major product line speaks to the dynamism and strong commitment that a company must have to transform toward a regenerative business model.

<sup>1</sup> <https://shawinc.com/getattachment/61aada85-d714-4248-a0ae-22dc617de346/attachment.aspx>

<sup>2</sup> <https://www.c2ccertified.org/get-certified/product-certification>

<sup>3</sup> <https://shawinc.com/getattachment/61aada85-d714-4248-a0ae-22dc617de346/attachment.aspx>

<sup>4</sup> Interview with Kellie Ballew. Conducted by Shane Totten, Megan O'Neil and Bailey Shea on December 9, 2020.

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- Through the reclamation program, Shaw ensures that materials entering their workflows will be recycled over multiple times as part of their circular process. Shaw EcoWorx carpet tiles have a toll-free phone number printed on the backing, so that when old carpets are pulled up, contractors know how to get the material reclaimed at no cost. Furthermore, Shaw and other carpet manufacturers with reclamation programs work together: When one collects carpet made by another company, the organizations work together to exchange the material so that each company can reuse its proprietary materials.<sup>5</sup>
- Shaw continues to innovate. It is developing products that use fewer materials to cover the same area, enhance comfort through improving acoustical attenuation and imparting biophilic design elements into products to enhance wellbeing.<sup>6</sup>

### Connection to the Natural Environment

- Since 2010, Shaw has reduced its Scope 1 and 2 greenhouse gas emissions by more than 50% and reduced greenhouse gas intensity—the rate of emissions compared to the pounds of finished product produced—by nearly 37%. A combined heat and power (CHP) plant at in Columbia, S.C. has reduced the plant's GHG emissions by approximately 26,000 metric tonnes—that's equivalent to eliminating roughly 5,500 cars from the road annually! Across its commercial carpet manufacturing facilities globally, Shaw has achieved carbon neutrality, meaning on the whole, their commercial carpet manufacturing operations are not emitting a net positive amount of carbon emissions into the Earth's atmosphere.
- Since 2006, Shaw has reclaimed and recycled nearly 1 billion pounds of carpet, converting it into EcoWorx carpet tiles and valuable materials for Shaw and other industries.<sup>7</sup> Shaw also uses recycled green plastic bottles and recycled polyethylene terephthalate (PET) in some carpet products.<sup>8</sup> This reduction of waste impacts on the Earth's atmosphere is a testament to how manufacturing practices, when managed well and designed with a regenerative intention, can significantly reduce impacts on the natural environment.

### Connection to the Social Environment

- Shaw provides over one million hours of training to its employees annually to ensure they have the professional development opportunities to succeed and grow within the company. In its commitment to sustainability and corporate responsibility, Shaw has a tremendous social impact on its corporate peers as well as every single employee, contractor, purchaser, designer and installer who learn about the sustainable approach to its business and its products. Each of these people are impacted by the learning opportunity that Shaw creates, whether that is understanding the impact of materials on indoor air quality, the waste reduction potential of recycled flooring materials or the importance of third-party certification in driving sustainable practices forward.
- Cradle to Cradle Certified™ Products Program is a third-party certification that requires fair and effective use of labor and community practices. Shaw's commitment to achieving Cradle to Cradle certification for almost 90% of its products says a lot about not just the "ingredients" that make up the product, but the commitment Shaw has to the people and communities that it impacts. To Shaw, sustainability means "sustain human ability." Shaw is diligent about creating safe and responsibly produced products because they care about the people who will come into contact with them – their employees, manufacturers, installers, the residents and people in commercial spaces who use their products and even the communities where their facilities are located. Shaw has recognized that it has a great responsibility that comes with being a global for-profit company, and they are not shying away from being a leader among their peers in promoting a regenerative economy as a part of their profit strategy.

<sup>5</sup> Interview with Kellie Ballew. Conducted by Shane Totten, Megan O'Neil and Bailey Shea on December 9, 2020.

<sup>6</sup> *Id*

<sup>7</sup> <https://www.shawcontract.com/en-au/technical/ecoworx>

<sup>8</sup> <https://shawinc.com/getattachment/61aada85-d714-4248-a0ae-22dc617de346/attachment.aspx>