



# NET ZERO

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Our path to Net Zero

*Milliken*



# COMMITTED TO CLIMATE CHANGE



The world around us is constantly changing. And many of these changes require all of us to think and act differently. This is especially true when it comes to climate.

We believe our actions have a ripple effect. They enable us to create a healthy future—for our people, for our customers, for our communities, and for the planet. We also believe that taking a leadership role on climate allows us to live our values in a measurable and impactful way. That's why Milliken & Company has committed to doing our part to **reduce or eliminate our emissions and to achieving Net Zero in line with UN-backed global standards.**

Our board, shareholders, and our entire team believe strongly in making sustainable investments and in using our collective resources (and resolve) to solve big problems, both now and in the future. Climate change is one of the biggest, most urgent problems we've faced yet. That is why, for us, sustainability is core to our business strategy. It is essential to the success of our business and to our health and wellbeing.

We are confident our Net Zero strategy will improve the security and resilience of our operations, providing reliable energy and optimizing other opportunities while mitigating climate risks. We have heard firsthand from our customers and communities about the importance of taking action and making progress, especially towards decarbonization. And our commitment empowers our team of more than 8,000 curious minds to focus on finding solutions that reduce risk, minimize our impacts, drive efficiency, control costs, and open the door to new ways to deliver products that are future-proof and make a difference.

**These are the opportunities offered by ambitious climate action.**

What's more, our targets have been approved to ensure we're doing what science requires at the pace it requires.



**"We believe our actions have a ripple effect."**

*— Halsey Cook, Jr., President and CEO, Milliken*



# BIAS FOR ACTION

Science tells us that the planet is at an inflection point. The latest climate action report from the IPCC 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 well-being.

But there isn't time to spare.

At Milliken, we realize the need for the global economy to make meaningful changes now. 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 way we think about our value chains in ways that mitigate risks quickly and effectively while maximizing opportunities. And 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 to doing so in meaningful ways.

Climate science is clear and our values compel us.

**The time to act is now.**



Meet the companies committing to this ambitious climate action.

[View the Companies](#)

# ALIGNED FOR 1.5

Our Net Zero targets align to meet societal global goals.

They are approved to ensure Milliken achieves emissions reductions that are consistent with reaching global Net Zero 1.5°C pathways. And that we neutralize the impact of any residual emissions by permanently removing an equivalent volume of CO<sub>2</sub>.

As we began to consider 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, and what Milliken & Company is committed to:

- Science-based targets that are:**
- Third party approved
  - Inclusive of all emissions
  - Involve near-term commitments
  - Enable/require action now
  - Prioritize direct emission reductions
  - Delay the use of offsets
  - Commit to long-term net-zero targets across all emissions
  - Require regular reporting on progress



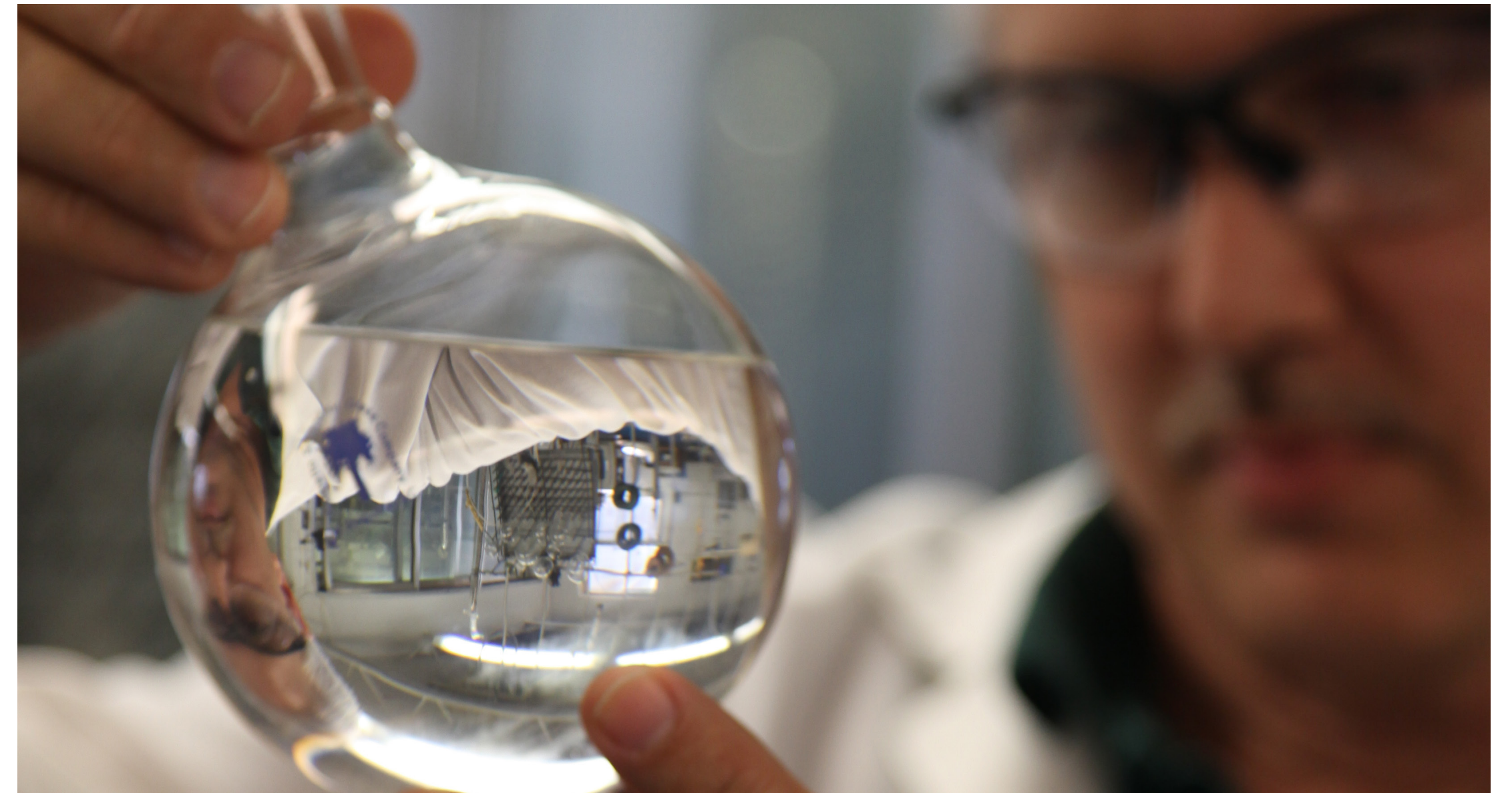


# SCIENCE IS IN OUR DNA

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

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 approved science-based net-zero targets through SBTi and the 2021 Net Zero Standard.

Milliken's approach is to follow the best available science, which we currently view as UN-backed and globally aligned SBTi for net zero targets. As standards change and evolve, so too 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, independently assesses and approves companies' targets.

[Read the Net-Zero Standard](#)



# WHERE WE STARTED AND WHERE WE'RE GOING

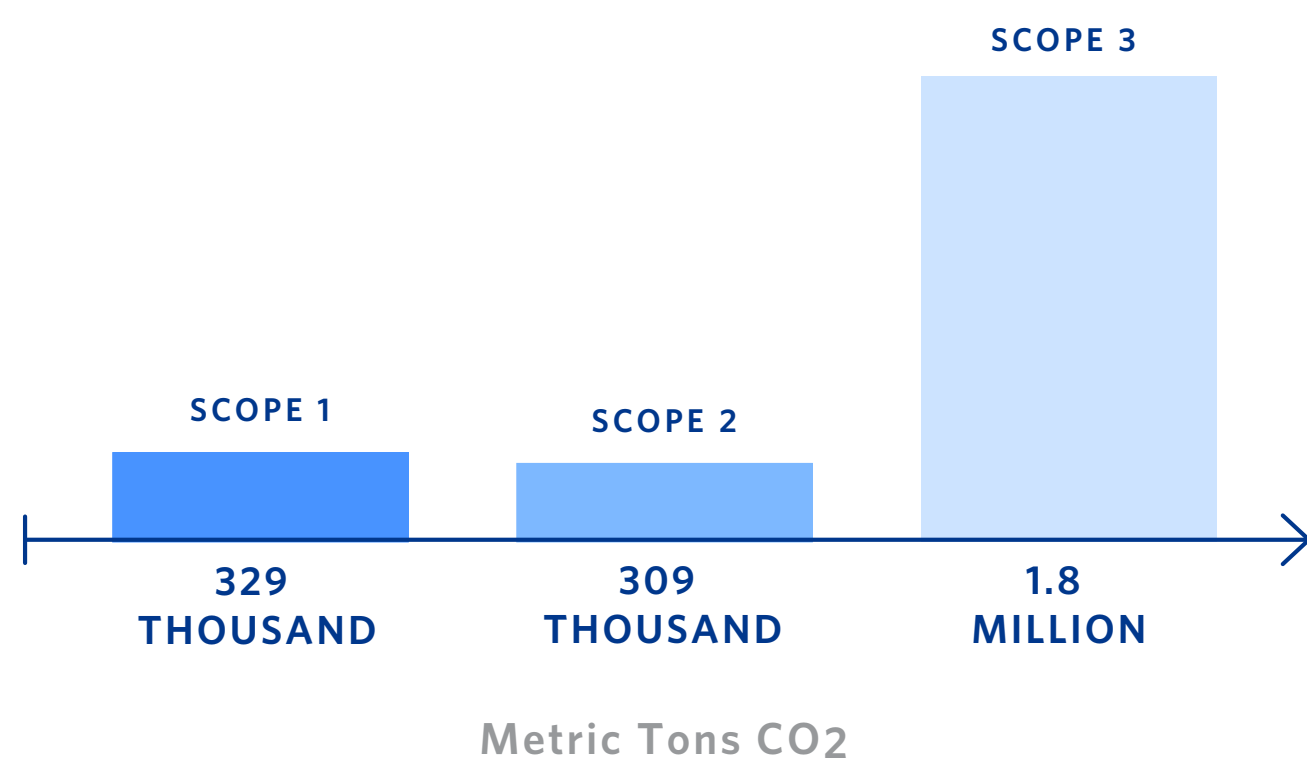
When Milliken began to consider making an commitment to achieving net zero by 2050, it was essential for us to have a clear and transparent baseline. A moment in time to use as a starting point and to establish a clear understanding of the work we would have ahead of us.

For the base year of 2018 total emissions are 2,396,481 tCO<sub>2</sub>e, with Scope 1 + 2 representing 26.6% and Scope 3 representing 73.3% of total emissions.

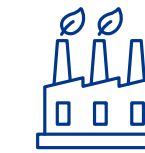
The GHG emissions inventory covers all relevant GHG emissions, from all relevant sources and subsidiaries. Biogenic emissions have been reported alongside the GHG inventory and are also covered by the proposed targets.



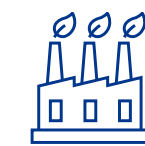
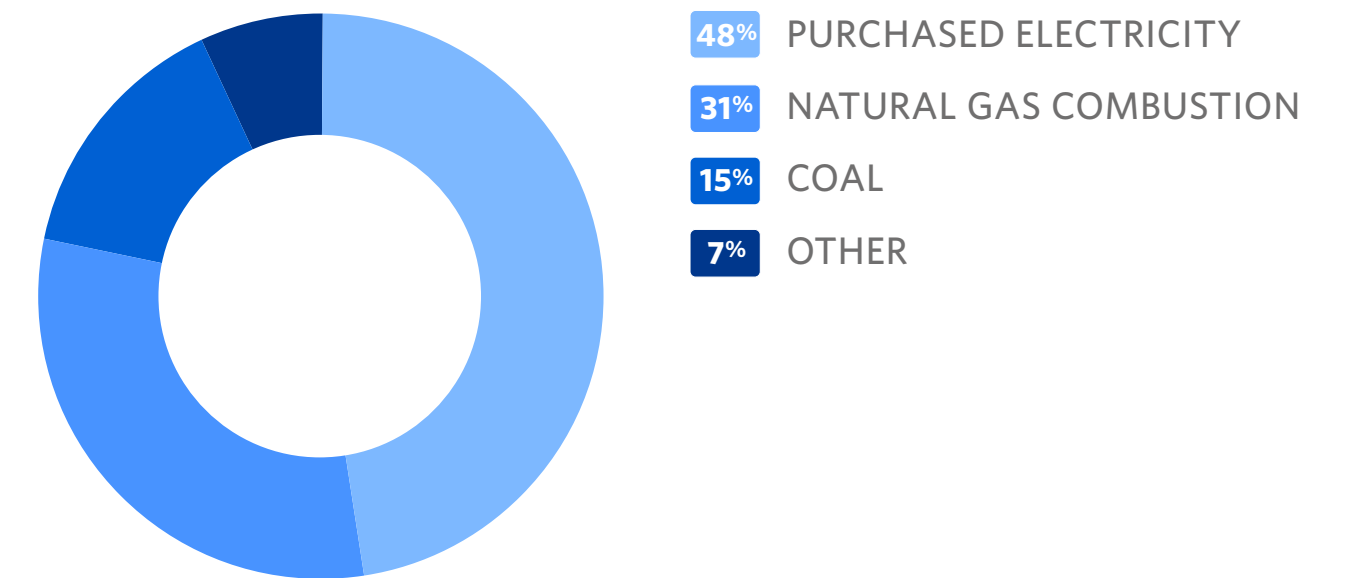
## 2018 EMISSIONS BASELINE



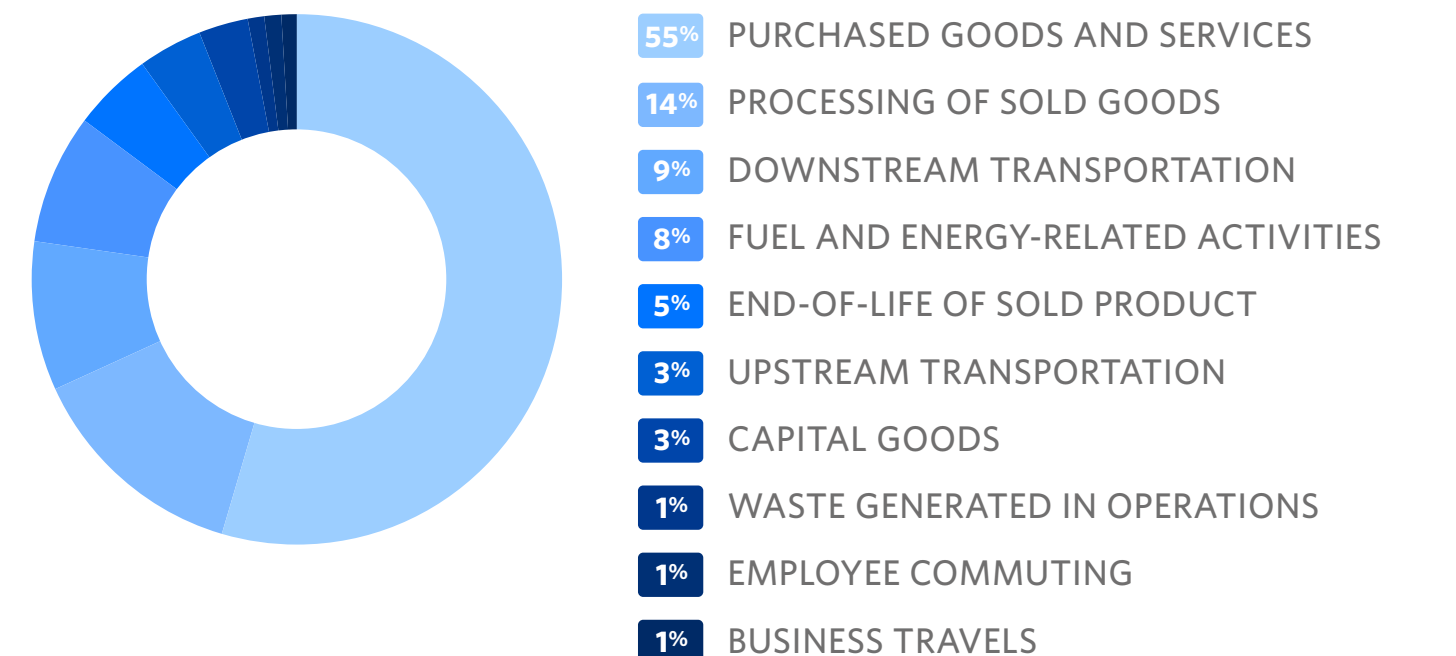
Milliken & Company commits to reach net zero greenhouse gas emissions across the value chain by 2050 from a 2018 base year.



## SCOPE 1-2 EMISSIONS by source



## SCOPE 3 EMISSIONS by source

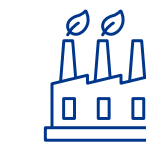




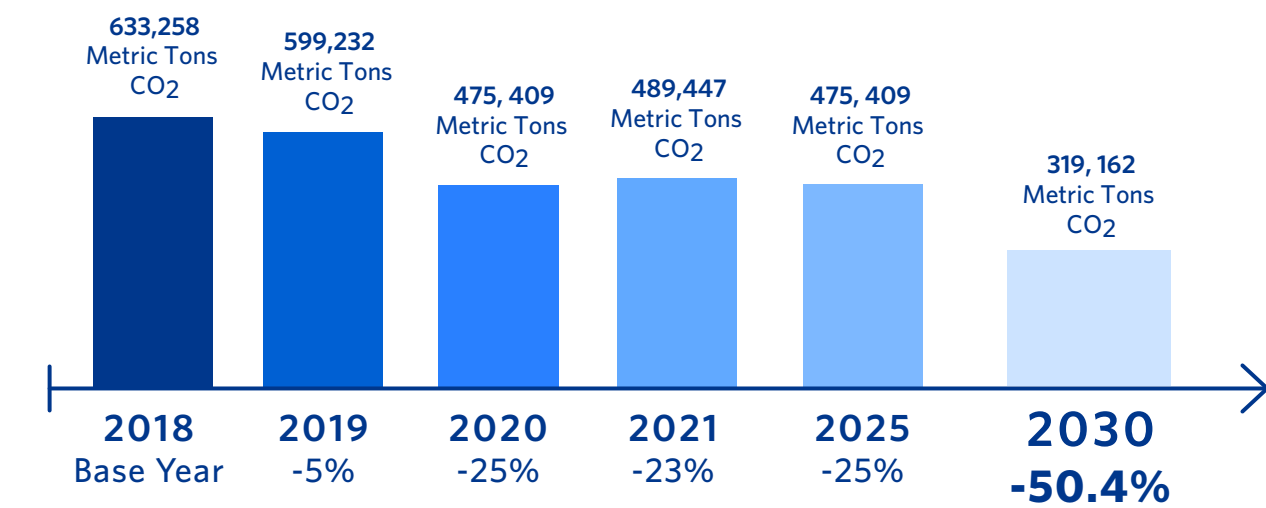
# RACE TO 2030

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 rapid, 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. While progress after later in our path may require the use of offsets, none will be employed reaching our 2030 targets.

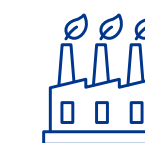


## SCOPE 1 & 2 ABSOLUTE

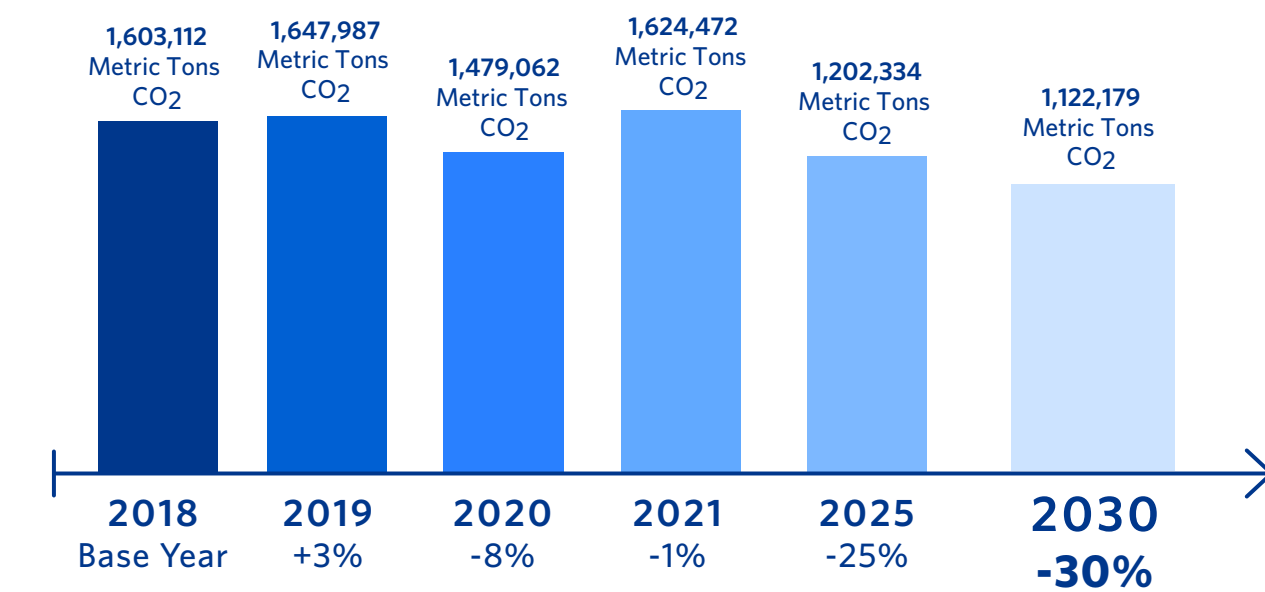


%s Against 2018 Baseline

SCOPE 1 & 2 ACTION NOW:  
HALF BY 2030



## SCOPE 3 ABSOLUTE



%s Against 2018 Baseline

SCOPE 3 ACTION NOW:  
30% LESS BY 2030

### 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.\*

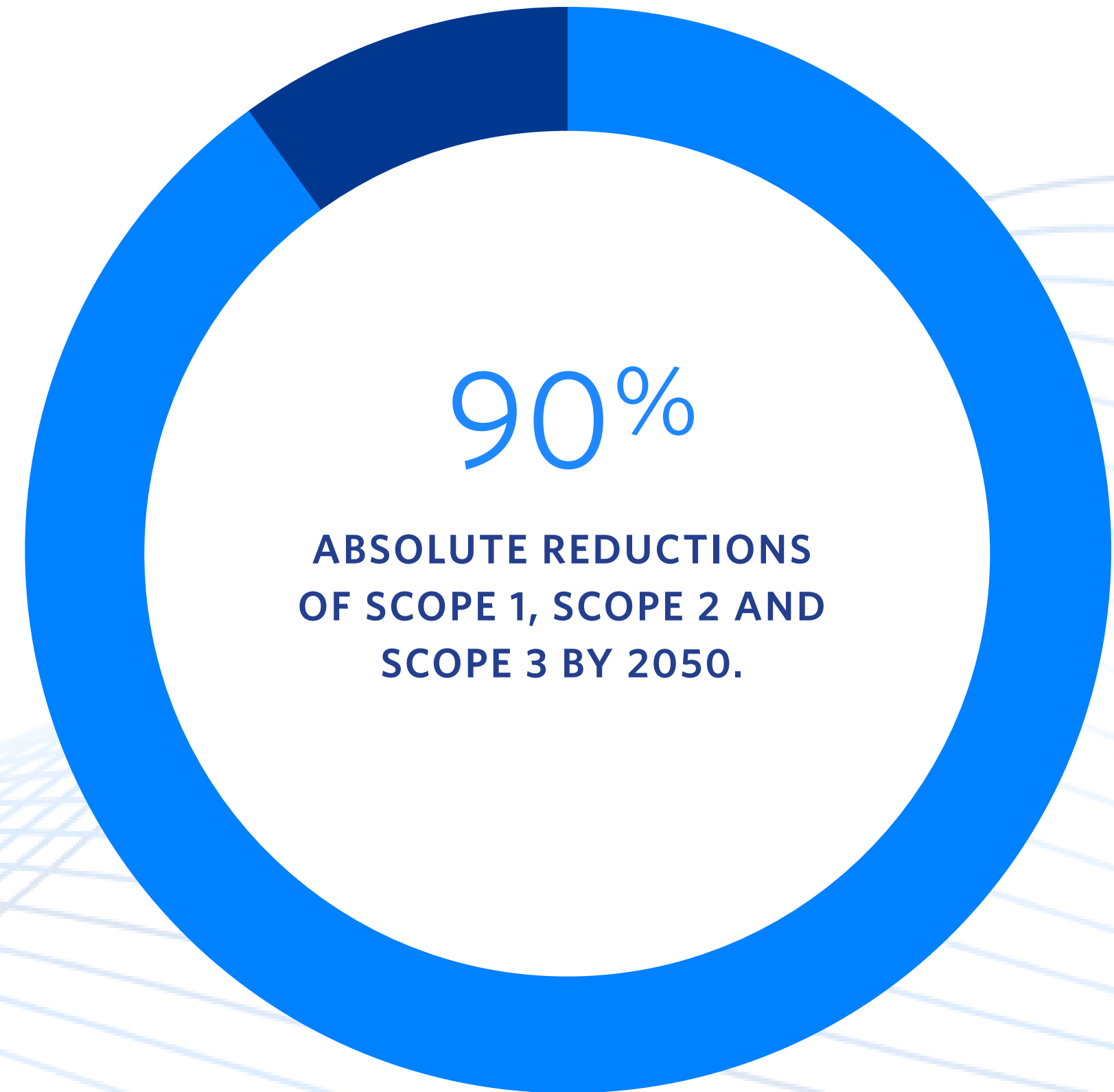
Milliken & Company also commits to reduce absolute scope 3 GHG emissions 30% by 2030 from a 2018 base year.

\*The target boundary includes biogenic emissions and removals from bioenergy feedstocks.



# PATH TO 2050

Given the nature of our industry, the scale of our operations, and the complexities of our value chains, we recognize the difficult but, important work that lies ahead. But through smart investments in new innovations and partnering with amazing partners we are confident in what lies ahead.



### Near-Term Targets

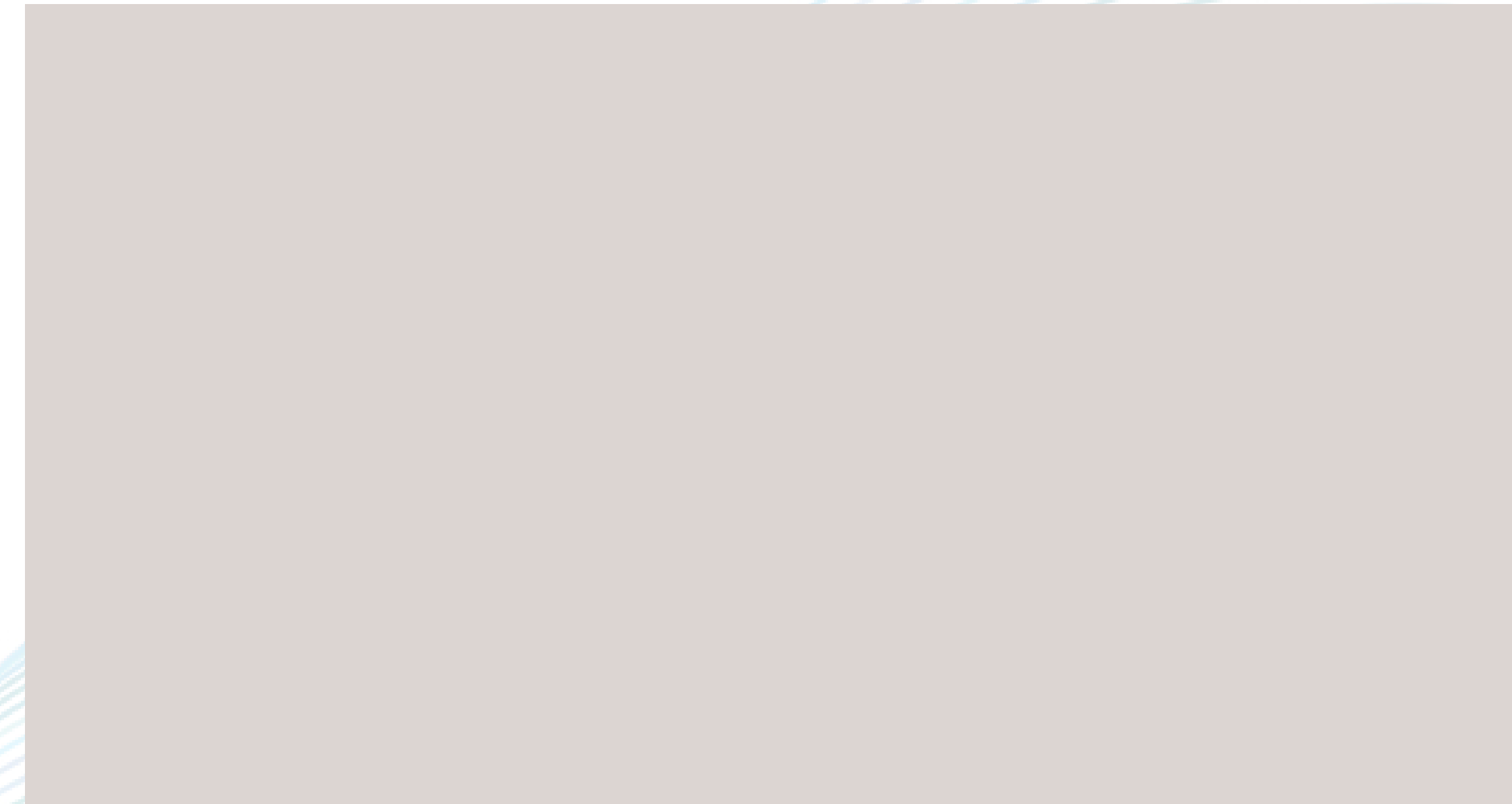
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Milliken

# PROGRESS WITH PURPOSE

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**Scope 1:** Celebrate that since 2018 we have gotten out of coal as a primary-fuel source.

**Now focused on:** Operations, focused on natural gas reductions—items like boilers.

**Scope 2:** Purchased electricity (greening of the grid), increasing renewable energy options, challenges/impacted by production volume.

**Now focused on:** Large scale reductions in electricity and natural gas.

**Scope 3:** Despite the challenges of addressing indirect emissions, doing so has huge potential to prevent the worst impacts of climate change, and can also lead to substantial business benefits. Setting Scope 3 targets enables us to mitigate value chain risks, unlock new innovations and collaborations and respond to increasing pressures.



# FORWARD TOGETHER

We realize in order for efforts to be successful, we must include all Milliken stakeholders. For Humankind.

## For us, this means:

- Listening to our customers and communities
- Working externally with existing partners (and finding new partners) to drive progress
- Engaging our people through summits and trainings
- Empowering our internal teams to align on actions and collaborate across departments to drive big thoughts and solve problems

## To this end, we're committed to:

- Transparency
- Collaboration
- Investing in Innovation
- Reporting our Progress
- Sharing our Learnings



 Join us on our journey to Net Zero.

[Learn More](#)



# LEARN MORE

Learn more about our sustainability strategy and services.

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