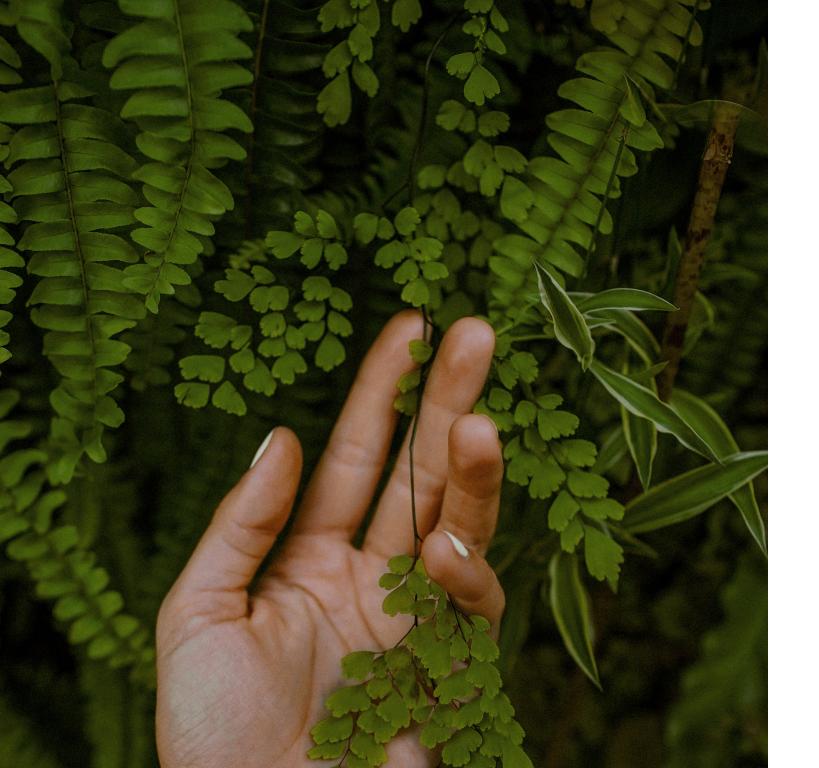
### inspired wall and floor coverings

CREATIVE MATTERS INC.

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Label STEP Partner – Improving the working and living conditions of weavers





We are committed to creating floor coverings with mindful consideration for people and the planet.

We promote the use of sustainable fibres, especially wool.

We partner with organizations to share research and ideas.

We support our mills as they develop water and energy stewardship programs.

We continue to investigate opportunities for reuse and recycling.

We uphold our commitment to social responsibility.

We promote wool from countries that comply with regulations for the well-being of their sheep.







A SHARED VISION

We encourage sustainability in all our business decisions.

#### SUSTAINABLE FIBRES





**LEARN MORE:** WOOL IS A RAPIDLY RENEWABLE AND FULLY BIODEGRADABLE FIBRE.

We are convinced that wool is a sustainability winner and we strongly promote it. Since Creative Matters opened its doors 35 years ago, the vast majority of our floor coverings have been made from wool. This includes our custom projects for hotels, offices, retail spaces and homes, and our 14 rug collections. Clients appreciate wool for a myriad of reasons: sheer beauty and depth of colour, softness underfoot, sound absorption, hypoallergenic, flame resistant, water repellent, stain resistant and the ease with which it can be maintained.

"Regenerative" may be a better description for the remarkable characteristics of wool. Sheep are part of the natural carbon cycle, consuming the organic carbon stored in plants and converting it to wool. It is emissions from fossilized carbon that lie at the heart of the global warming crisis. Sheep do emit some greenhouse gases but farmers can impact the natural carbon cycle by influencing the amount of carbon stored in plants and soil, and through the way that they manage animals.

Creative Matters sources wools from around the world based on their natural merits and regional availability, including New Zealand and Canada, the mountainous regions of Tibet, and Afghanistan.

Wool is also extremely durable - a good wool rug can last several generations. When it does reach the end of its life, wool is 100% compostable.

As sustainable options increase, we can now access the production of handtufted and woven Axminster 100% wool rugs with cotton warp and jute backing. We are also excited about a fully compostable Axminster carpet that has just arrived on the market.

Other sustainable fibres that we have already used successfully include PET (made from recycled plastic bottles), Econyl from fishing nets, Tencel, cotton and linen. For future use we are exploring the viability of nettle and hemp.

### ORGANIZATIONS WE WORK WITH



Label STEP We have been a licensee of STEP since 2010. This is a fair trade non-profit organization committed to the wellbeing of weavers and workers in the handmade carpet industry. They oversee the making of our carpets in Nepal, India and Afghanistan. In 2017 Carol Sebert, Founder of Creative Matters, was appointed Honorary Ambassador to STEP.



INTERNATIONAL WOOL TEXTILE **ORGANISATION** In recognition of her extensive experience with wool in floor coverings, Carol Sebert took up a leadership position on the world stage in 2022 when she was invited to be chairperson of the Wool Interiors Working Group for the International Wool Textile Organisation (IWTO). Forty-one countries are represented in this working group. The Wool Interiors Working Group works closely with the Sustainability Group which is currently involved in extensive research and promotion

In 2023 Creative Matters became an associate member of the IWTO.

about the sustainability of wool.





TEXTILE EXCHANGE We became a member of Textile Exchange in 2022. Textile Exchange is a global non-profit that creates leaders in the preferred fibre and materials industry. This organization is positively impacting climate through accelerating the use of preferred fibres across the global textile industry.

#### SUSTAINABLE FURNISHINGS COUNCIL

We have been a member of the Sustainable Furnishings Council since 2021. The Council is a coalition of manufacturers, retailers and designers dedicated to raising awareness and expanding the adoption of environmentally sustainable practices across the home furnishings industry.

LEARN MORE

In the quest to grow our sustainable initiatives, we appreciate symbiotic relationships with a growing number of organizations.



# We are proud of the progress in water stewardship by our mills.

In Thailand the mill that is responsible for the majority of our handtufted floor coverings has recently built two ponds to hold rainwater. Up to 3,580,000 litres of water are expected to be diverted from the public water system in the coming year. The mill's used water is treated with an organic compound (no harsh chemicals are used) and rather than return it to the city sewage system, excess water is pumped out to the surrounding farms.



ENERGY STEWARDSHIP

Increasingly our mills are looking to conserve power and generate it by less conventional means. A number of our mills use solar panels almost exclusively for their electricity needs.





### REDUCE, REUSE AND RECYCLE



We continue to investigate opportunities for reducing, reusing and recycling waste.

Our talented team focuses on the early design development that meets client objectives.

Our design methods reduce sample production. And, when our designers design woven Axminster floor coverings, they are strategic about the pattern to minimize waste.

In discussions with our mills we find they are increasingly maintaining libraries of excess yarns to be used in the production of samples.

Our handmade rugs are custom made to size further reducing waste. We are working with Habitat for Humanity for the reuse of floor coverings. We have identified a reliable source for the recycling of carpet in Toronto and will help clients find similar services in their own locales. In discussions with our mills we find they are increasingly maintaining libraries of excess yarns to be used in the production of samples.

**LEARN MORE:** CLOSED-LOOP WOOL CARPET RECYCLING



CORPORATE SOCIAL RESPONSIBILITY

Social responsibility is an aspect of business that Creative Matters has taken seriously during 35 years of operation, particularly because our handknotted rugs are most often made in less-developed countries.

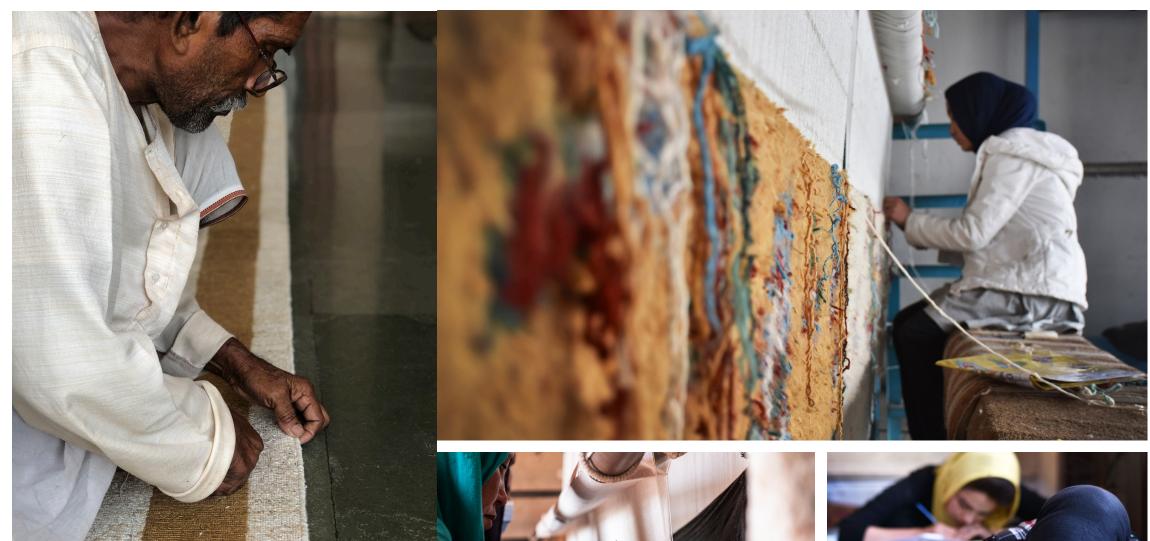




Initially we worked with RugMark USA and GoodWeave to ensure no children were involved in production of our rugs. In 2010 we extended our role in fair trade by becoming a certified Fair Trade Partner of LABEL STEP. STEP is the fair trade non-profit organization committed to the wellbeing of weavers and workers in the handmade carpet industry. STEP works with all the mills where our hand made rugs are produced: Nepal. India and Afghanistan. STEP's wellestablished and comprehensive fair trade requirements - the Label STEP Standard - encompass universal human rights, including the prohibition of child labour: safe working conditions; fair wages; and sustainable, ecofriendly production. STEP actively supports workplace improvements and empowers weavers with educational programs that cover such topics as health, safety and financial literacy. These combined efforts aim to improve lives, preserve centuries-old artisanal skills and ensure the handmade carpet industry remains sustainable well into the future.

On an ongoing basis we work with our mills in different countries to encourage them to align with our standards.

We issue a code of conduct to all our suppliers. Three of our mills recently underwent third party audits that covered worker welfare, environmental responsibility and quality assurance.



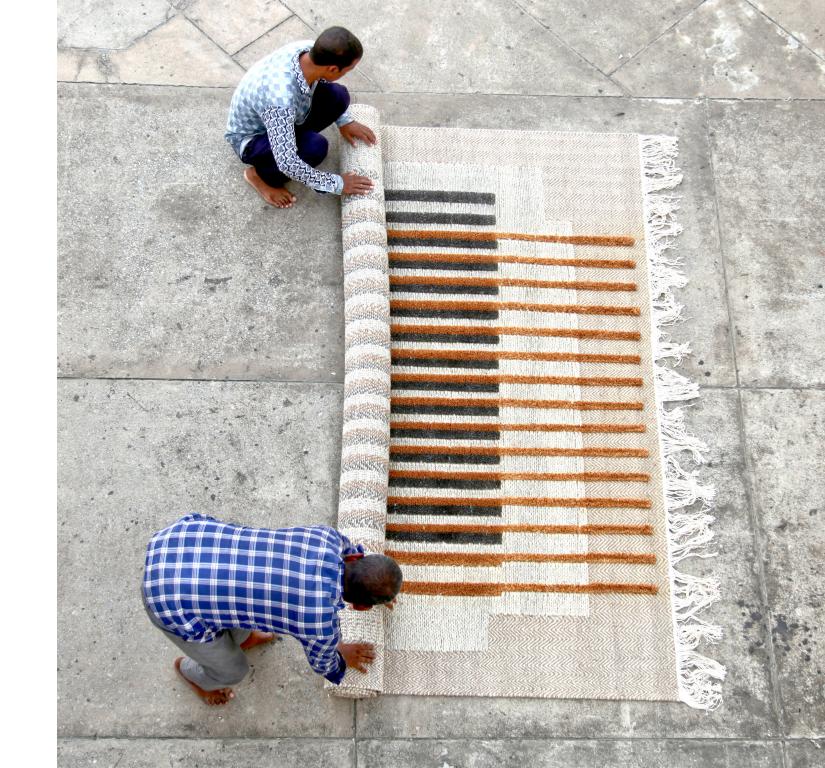


### REDUCING OUR CARBON FOOTPRINT





We have been successful in reducing our carbon footprint in a myriad of ways: we pay for carbon offsetting for our delivery services and flights; we use a local courier that delivers by local transport and foot; we recommend ocean freight rather than air; we consolidate shipments; we offer Canadian handtufted rugs made with Canadian wool for North American clients who wish to reduce shipping; we operate a hybrid model for the Toronto office so staff can reduce daily travel; we increasingly use video conferencing over sales travel whenever possible; and we now supply our regular clients with pom (wool sample) boxes of their own so there is less shipping to and fro.



### ON-GOING ACTIONS

While Creative Matters offers products certified under CRI Green Label Plus and/or Indoor Air Comfort Gold, we continue to seek out certifications not only as requirements change, but to fulfill our objective when it comes to expanding our sustainable product offerings.

We are currently resourcing underpads and glue that will meet sustainability criteria.

Woven Axminster carpet is usually produced using a combination of 80% wool and 20% nylon. We are involved in testing the comparative durability of 100% wool and other opportunities to make this method of production more sustainable.



THE WAY FORWARD

## Daily, and in all our projects, we are evaluating sustainable options.

As we confidently move forward with our sustainability efforts, there are a number of issues we hope to address in the short term. Very important is our mission to educate our clients and manufacturers to produce less waste. Also, our all-wool handknotted rugs and 100% wool woven Axminster already achieve the goal of being fully compostable. We hope to offer

these environmental options in other methods of production including handtufted floor coverings in 2024.

In addition, we are working with our underpad suppliers and installers on biodegradable installation methods.

Finished rugs need to be shipped in protective packaging and we continue to research ideas for its reuse.

