



LEAD WITH WE
SEASON 2: EPISODE 013
Erin Meezan, Interface

Simon Mainwaring:

From We First and Goal 17 Media, welcome to Lead With We. I'm Simon Mainwaring, and each week I talk with purposeful business and thought leaders about the revolutionary mindsets and methods you can use to build your bottom line and a better future for all of us. Today, I'm so excited to speak with Erin Meezan, chief sustainability officer at the global commercial flooring company, Interface. So Erin, welcome to Lead With We.

Erin Meezan:

Hi Simon. I'm excited to be here. Thanks for having me.

Simon Mainwaring:

And Erin you and I have had many conversations over the last couple of years and so on. How's the last few months been with COVID and the whole business world. How are things going?

Erin Meezan:

It's been a really interesting and exciting 12 months. I'm really excited in being located here in the US, headquartered in Atlanta, to see offices reopening and people coming back. And I'm really excited to start having conversations about what the future of the office will look like as a big part of our business serves commercial offices,

Simon Mainwaring:

Actually, we'll dive into that a bit later. But it is, it's exciting to see things opening up. There's all the virus variants out there and there's all the vaccine issues, but it does seem like the country's opening up, which is a great sign. And Erin, Interface has been committed in recent years, not just to reducing its negative environmental impact, but actually restoring the health of the whole ecosystem, since 1994 I think. But it wasn't always the case. You're this massive B2B company, tell us about the origins of Interface and what it was like as any other sort of industrial commercial company out there in the beginning.

Erin Meezan:

This is a great story. Interface started in the early seventies with an innovative product idea, the concept of modular flooring or what everyone now calls carpet tiles or carpet squares. And the founder, Ray Anderson, built it into a billion dollar business. And about 25 years into its life, he had an epiphany. He had a fundamental change of mindset about the role of business and sustainability and put the company on a path to be a regenerative business. And first, it was to have zero environmental impact by the year 2020, and then ultimately to operate a regenerative business model. So we've spent the better part of the last 26 years getting to zero. And now we're working on what's beyond zero.

Simon Mainwaring:

So help me understand why. Most B2C companies aren't doing it. You've got fashion, you've got food that are really going at it because consumers are telling them to, but a lot of B2B companies are hiding behind the fact that they're a supplier. So why you? Why then? What happened?

Erin Meezan:

What's interesting is we were influenced initially by a customer. One of the first green building projects was being built in California and we were competing to sell carpet to that project. And in the course of being screened to be a vendor, the architect and the project manager asked Interface, "What's your company's environmental mission? Talk to me about the environmental impact." And no one had ever asked our salespeople that question. We lost the bid. And the story got back to Ray Anderson and he was concerned, but he was less concerned because he was an environmentalist and more concerned because we were out of step with something our customers were asking for. So he really got focused on, this is something the customer wants and we are so far away from understanding that. So he put together a task force and in the course of kicking off that task force, the onus got put on Ray to say, as the founder of the company, what's your vision for this? Where do we start?

And that led him down a personal learning journey that ended with reading a book by Paul Hawken called *The Ecology of Commerce* and Ray realizing how much damage his institution, the institutional business had done to the planet. And he got really inspired by one of the central arguments Paul makes in the book, which is if business is part of the problem, they should be a part of the solution. But they're also big enough, innovative enough, powerful enough to be a really effective change agent and to make a difference. And that is what really convinced Ray. So that's how we got focused on it, inspired tangentially by a customer, but then really our CEO and founder digging in and understanding the issues. And then frankly, lastly, I think he saw some business opportunity there, Simon. I think he thought we might make some money here.

Simon Mainwaring:

And I think those three elements are really important. There has to be a trigger in some way and Paul Hawken is somebody who has inspired me and a generation, if not a couple of generations of folks out there. He's working now with Walmart and doing incredible work there. And then you've got the CEO that has to assume responsibility and listen to their customers. And I think this is not unique to Interface. It's not unique to those leaders out there that everyone points to, every employee, customer and consumer is now aware of the challenges we face. And they're looking at brands and saying, "Well, are you part of the problem or you part of the solution?" So what did that transition look like? He was inspired by Paul Hawken. The CEO, Ray, did his own investigation. But it's one thing to have intent, but I think it was what, 1994, you committed to being sustainable and ultimately restoring the environment. Even that restoring the environment was a progressive idea. So what did that process look like?

Erin Meezan:

Yeah, I think in the early days, we had three big reactions internally. So Ray immediately recognized he didn't have the expertise or the training to understand the kind of shift the company would need to make. So he convened a group of experts and he started by reaching out to Paul Hawken. He actually wrote Paul a letter and said, "I read your book. I had an epiphany, and I'm going to try to do this in my business. I need your help." And he was the first person that Ray recruited onto what he later called the

Eco Dream Team, which included people like Amory Lovins at Rocky mountain Institute, David Brower, one of the first creators of the Sierra Club, ultimately Janine Benyus. And so he surrounded himself and started learning. And then he started to bring this vision into our company. And not surprisingly, you kind of had a spectrum of the reaction.

Some employees immediately took to it and it resonated with them, their personal values or how they thought about things. At the other end of that spectrum, some employees were really skeptical and people now joke today that people say Ray had gone around the bend, he had lost his mind. Right? And then there were a bunch of people in the middle, I think like happens in most organizations, who are waiting to see if this is more than the flavor of the month and something we're really committed to do, like are we going to build it into the structures, the processes of the business? Are we going to put resources towards it? Are we going to set goals and targets? And so a bunch of people were in the middle. But ultimately, Interface pretty quickly did all those integration things and got very focused on not just changing the environmental impact of the business, but really changing our business model.

Simon Mainwaring:

I challenge our listeners to ask themselves the same question you just brought up right then, which is did you assemble a dream team of experts when you're looking to step into a new terrain for your business, whether it's diversity and inclusion, whether it's sustainability in ESG. And then secondly, are you taking a sufficient risk so that people do think the CEO has gone around the bend because that's a good sign. That is like actually telling you that you're doing something right.

And then thirdly, in our experience and work at We First, we always find there are those in the company who sit there and go, "Oh my God, is this just going to be another marketing exercise? Is this just a comms exercise? I'm going to wait this out and it'll all fade and we'll be back to business as usual, further down the track." I really appreciate you sharing those three things. And I want everyone to understand just how challenging this was and the capital investments you've made in the way the business was being done and the cost of retooling them. How big a contributor to carbon emissions is the built industry, the building industry?

Erin Meezan:

Yeah. We're in an industry where it's not insignificant and it's a little hidden. So the figures will say that close to 40% of global carbon emissions come from that built environment sector. And that includes building construction, all the materials and building operation, but also renovation, revamping. So it's the whole built environment space. When we think about the contributors to global carbon emissions, we think about fossil fuels, we think about transportation. We don't immediately think about buildings, so it's a little hidden. And even in our industry, we have to challenge the customer base to remember something as simple as decisions to not build a new building and instead revamp existing buildings and decisions about the types of construction materials you use and the types of products that go in can have a big impact.

Simon Mainwaring:

Obviously, there's a mandate here to invest upstream in your supply chain and retool things. But if you want to be on the right side of history moving forward, and you want to level up your industry, you've got to support those other pioneers and those organizations and institutions and enable you to take

collective action. And so you've got to support each other and the more you support each other, the stronger you are. And it's a really powerful expression of Lead With We, which is what the whole podcast is about. We're not going to get there alone. No one's going to solve these issues. No one's going to transform an industry. You have to almost serve as a permission slip for everybody else by supporting each other and working together to realize and accelerate that change.

But just in that transition phase, I'm always so mindful of the bottom line of every business, whether you're a startup, an entrepreneur, or whether you're a global enterprise. Were the first few years of that transition, did you take a hit and the business retreated and you just kind of white knuckled your way through it or was it like, oh, no, there was a captive audience here that was waiting for someone to step up and you're leaned into that? What was that like?

Erin Meezan:

That's a good question. I think we certainly had skepticism from investors because the sentiment at the time, we were talking about undertaking sustainability, the sentiment from the investment community at the time was certainly this will cost money, it will be a distraction from strategy. And there was a lot of skepticism. And I don't think we did this strategically for investors as much as we did it for the bottom line. But one of the first things that Interface did in terms of sustainability was we saw a huge financial opportunity in terms of reducing waste. And we convened the dream team and sort of mapped a roadmap for the company to get to zero. And we said the best model for a high-performing sustainable company is nature. And we looked at nature, we created a plan for how the business could function like nature at the systems level. So circularity instead of a take, make waste model.

And then we broke that down and said, "Okay, what are the things we have to address? We have to become more circular. We have to use renewable resources and we have to waste less." Well under the waste category, there was a huge financial opportunity. Interface identified, at the time they started this in 1994, just in the business, by a back of the envelope calculation, they said there's probably \$70 million worth of financial opportunity to address waste annually.

Simon Mainwaring:

Wow.

Erin Meezan:

Right? \$70 million. And so that was one of the first things we focused on. And I think the genius in that was that it improved the bottom line of the company. We saved money. It made sustainability very tangible in our organization. Piles of yarn or nylon on the floor at the bottom of the production line or bins full of trimmed off carpet products, or all a huge section of the warehouse that has off quality. We could point to that, talk to our employees about financial value, but also talk to them about the unsustainable practice of using that stuff and then throwing it away after we paid for it.

Simon Mainwaring:

It's amazing. So in the business case, the ROI for such an effort is reputation enhancement, you're doing more good, risk mitigation because you're doing less bad, and also cost savings and your supply chain. Again, coming back to the business realities that we've all got to deal with. Let's move a little bit further

up your supply chain now, and you're making products. And I know in 2003, you developed your carbon neutral flooring, but we talked last year about how you debuted these carpet tiles that actually suck more carbon from the atmosphere than it's created through their entire life cycle. So they're actually reducing carbon. Help me understand, what is that product?

Erin Meezan:

Right. So that's been a really great journey, but it does start with your supply chain. And for us or any makers of things, the biggest environmental impact on our company is the raw materials that we use. So we can be really fantastic about creating efficient offices and efficient factories, but they're a very small part of the overall environmental impact. If you want to get serious about that and really change, you've got to change your supply chain. And for us, it's the raw material supply chain. And in particular one item, which is the nylon or the beautiful fluffy, colorful stuff on the top of a carpet.

Simon Mainwaring:

Right.

Erin Meezan:

That's the biggest environmental impact. So we started engaging those suppliers 25 years ago. They were one of the first or second conversations we had once we had a sense of what we were going to do as an organization and we started to work on waste and we got our house in order. The next immediate phone call was to the CEO of some of our nylon suppliers saying, "We can't get anywhere close to where we want to go if we're not involving you." And smartly what Interface did is we started at the top and we started at the top of their organization. And we started by sharing our vision from our CEO to their CEO.

And it had a real impact on him. It's a fellow named Giulio Bonazzi. And to this day, he talks about that moment of talking to Ray Anderson as being the beginning of his journey. So this idea of how you engage your supply chain, being mindful of top to top, peer to peer, as well as setting goals and targets, joint investment, we did loads of things over the years to get to the place where we've reduced the environmental footprint of the carpet products 76% since we started. And that is largely based on this organization, Aquafil, one of our nylon suppliers, creating recycled nylon. That was a game changer.

Simon Mainwaring:

Right, right. It's interesting to talk about the CEO and their leadership and their journey. It's interesting to talk about collaborating with suppliers and retooling your supply chain. Talk to us about the internal culture piece, because at one point you said everyone thought Ray's mad, good kind of mad, but he's crazy. What are you going to do here? And you've got all the disincentives from the industry that doesn't want things to change, or they're making money by keeping things the way they are. How did you inspire employees? You talked about training your sales teams about sustainability. But your employee base, do they instantly rally around this or do you hire for this to make sure that you keep the culture pure? How do you keep it alive inside the culture?

Erin Meezan:

In the early days, there certainly were a bunch of people who were waiting for things to happen, and I can think of three things that Interface did really well. Ray went around to as many factory locations, ultimately going to all of them and not just saying, "We're going to be a more sustainable company," but

he told the whole story of his personal transformation. And I think at that time, it took a lot of courage and a lot of humility to stand up in front of our factory teams, our customers, our sales teams, and say "I had a personal epiphany. And by the way, everything that I did to build this company, boy, I missed something and we may have done something pretty negative to the planet." So that kind of authenticity and pulling people in and saying, "This is why we're doing this. This is the personal transformation I went through and this is why I want us to do something that's maybe more meaningful." That had a real impact on people.

I still talk to people in the company who want to tell me about the time Ray came to the factory and made that speech. So I think that that was really important, authentic leadership that isn't just talking about what we're going to do and the imperative, but why it's important to do it. The second thing that Interface did over time is we make moments to bring the Interface family together and learn and celebrate how far we've come, but also remind ourselves how far we have to go. So five years into the journey, Interface took over a sales meeting in Hawaii in this incredibly opulent resort and made the whole thing about sustainability, down to the fact that we were staying at a very unsustainable resort and our environmental advisors hated the idea. And so we said, "All right, we will use this as an exercise to make this resort more sustainable and model what it would look like." So those moments where people can come together, they can be inspired by environmental speakers together in a group, they can celebrate progress, that is super important to keeping people engaged.

And then I think the third is, it sounds really simple, but our business has been through a lot of ups and downs in the 17 years that I've been here, whether it was post 9/11, whether it was COVID, and has had some real challenges. And we have stayed the course. Last year during COVID, when all of the shows that we could have debuted products went away, Interface still launched what you talked about earlier, which is the first carbon negative carpet tile. And we did it because it's who we are and it's what's important to us. And our team had spent five years creating this amazing, innovative product. And so sometimes you just persevere. And the fact that you keep doing it says to the culture, "This is who we are. We do it when it's easy, we do it when it's hard. We do it for 25 years, we're going to keep on doing it."

Simon Mainwaring:

That product is such a powerful example of the business opportunity that exists within these market needs. You have this IP now and you have the chance to not only take it to market yourselves, but to license it or to do whatever you may plan to do with it, which is an enormous and transformative revenue stream for the company. So help us understand how you think through that process because you've invested five years of R&D and developed this IP. What do you do with it now?

Erin Meezan:

Yeah. So let me just start by telling just quickly, so for everyone who might be wondering what the heck is a carbon negative carpet tile and how does it work?

Simon Mainwaring:

I had to look it up the first time you told me. I was like, okay, I'm going to pretend I know what this is, but it does it suck it out of the air, what?

Erin Meezan:

It looks like a regular product. And it just simply means that, we already talked about how you measure the carbon footprint of a product. And so been able to measure this and through really low footprint manufacturing, more recycled materials and bio materials, we've been able to create a product that when you measure the cradle to gate life cycle of that, it is actually below zero in terms of carbon. And that's because some of those bio materials store carbon, so it's not actively pulling carbon out of the atmosphere, as much as the biomaterials that are in it are storing enough carbon when combined with the really low footprint manufacturing and the low impact of the rest of the recycled materials. It's carbon negative, right? So it's super innovative. So we find ourselves in a situation again, where, like you said, we're running a multi-stakeholder model.

So we have this awesome innovation. And as we think about running that model for the environmental side of our business, there's an immediate conversation that starts in the business about why don't we just open source this. Every competitor needs it. If every competitor were carbon negative products across their whole portfolio, that could have a really significant impact in the building industry, right? However, we still have to deliver for investors. So how do we balance that in terms of getting the innovation out? And so we've really skirted the line of open innovation by saying, one thing that we'll do is be very open and transparent using environmental product declarations. So we've issued environmental product declarations on these products, which give a really good initial sense of what is Interface doing. Right?

We also share a lot publicly about how we're measuring that, how we created that, how we get things like that verified, right up to the point of not releasing the secret sauce. And so when we get to that conversation of how do we influence others to adopt this, that's the point at which we're really having to consider things like maybe a licensing model for competitors, right? So we find ourselves in this really interesting place of exactly what you said, we still have to deliver for investors, so open sourcing it for us right now doesn't allow us to get the payback on the initial investment we made to create the products. However, we're trying different strategies to be transparent about where we are, about what the materials look like. And then once we get to the secret sauce conversation with competitors, we'd love to get to a place where we could license it.

Simon Mainwaring:

We talked earlier about how purpose is an innovation driver, and that led to the tiles and the innovations you've done. But also even upstream, it's an innovation driver. One of the things that really excited me is your work around with Janine Benyus, who's another hero, like Paul Hawken. Really the work you're doing with her Biomimicry Institute around factories as a forest. Just that idea itself blows my mind because it just collapses this idea of learning from nature and makes it so simple, here we are a factory for all we need as a species, humanity, building, whatever it is. But we learned from the forest. Tell us what that is and it's broader, scalable potential.

Erin Meezan:

So when we made the shift in 2016, from zero to beyond zero, we imagine four pathways for the business. The first was products that store carbon. Because to us, it was the most literal representation of a huge shift forward. But again, we're changing a system. So every time we make a leap, we have to think about products, materials, supply chain, and factories. So the positive version, the beyond zero

version of factories was imagining them as high performing ecosystems. And it was a step forward from building a really sustainable zero ways to 100% renewable energy factory to what's the next aspirational goal. So in talking about the vision with Janine and the idea that we wanted to build a positive factory, we said to her, "We have aspirational goals like we did 25 years ago, to run the factory like nature." But we need a standard. Like there is lead, there are performance standards.

And she said, "Well, that should be the project. We should measure a high performing ecosystem, see what it delivers in terms of ecosystem services, benchmark where your zero footprint factory is against that and then come up with design recommendations to fill the gap." And it was amazing just to, I think, live up to something that 25 years ago, we didn't have the performance capability to do, right? That they could measure an ecosystem and understand per square acre, how much carbon it sequesters. And then we could look at the factory and it did two really important things, Simon. It made an aspiration very concrete in terms of performance standards. And it reset our mindset about what good looked like, because lots of people are still striving for zero footprint factories. Those places don't give much back to the community or the employees.

Simon Mainwaring:

I love your accountability, I love the focus on metrics, I love the focus on tools because we can't just speak to it. We've got to do it in a transparent, accountable, defensible way. And I hope everyone's taking away from this what is such a powerful vision for any company, B2C, but B2B clearly, there's a big difference between a commercial, industrial, traditional supply chain making commercial products, which do or don't do harm. There's a big difference when you're working with factories as a forest, you've got carbon neutral tiles that are pulling carbon, or effectively pulling carbon out of the air through their lifecycle. You've got a culture that's engaged around that, that you're inspiring the coalition of competitors and stakeholders in your industry to transform together on the strength of the vision.

That latter option is so much sexier and so much more interesting to be a part of. But here's the question for you? Everyone looks at Interface as a leader and there are many other companies that people typically point to as being ahead of the game. But the reality is it's always hard inside. It's messy, there are missteps, things work, they don't work out. It's not like it's all perfect, you walk through the doors at Interface and it just mysteriously happens. What is the reality on the ground? You've been there more than a decade now. To be a leader and to constantly challenge yourself, what's it like?

Erin Meezan:

I've never regretted coming to Interface 17 years ago, and it has been really hard. But I would say it is, we don't fight about the little stuff or the important stuff. So I'm not convincing our leadership team that this is important. They've seen the value in the market. They've seen how important this has been for keeping talented people here, keeping really great global customers who care about the mission, selling amazing products. I don't fight about, are we going to do this, are we not going to do this, right? But you're right, there's always a fight. So there's a lot of tension currently around one of the things you asked me, which is how do we open up our innovation? I think we've been very conventional about the idea of the scale of time. So we've opened up access to things like recycled nylon to competitors and beyond, but it's been on a timescale. And what do we know now? We have a decade of action to turn this around.

Simon Mainwaring:

Absolutely. Everything that I see says we've got the next five years will determine what happens in the next decade and that's our window.

Erin Meezan:

Yeah. So we fight about that. We're not perfect, but we now are having really challenging and interesting conversations around how do we accelerate our influence. And so, yeah, there will always be areas of tension and challenging ourselves. But what's never on the table is stepping back or walking away. And I know I'm very conscious that people listening, companies that you work with. There's still debates about how engaged will our company be in sustainability. That's not happening here, but that's still an issue. And the only thing I can say about that is I do feel like we've turned a corner. We've turned a corner from sustainability, being about your company no longer doing harm to really your company being expected to do something positive. And with that, what you were saying is that requires a lot more we. We can't solve global warming alone. We have to engage the industry, the customer, the whole ecosystem. So it's requiring us all to be much better we.

Simon Mainwaring:

No, it's true. It's true. And it sounds obvious, but to actually do it in execution as you've laid out so clearly in so many different ways, it's a thing. It's got to be intentional, it's got to be programmatic, it's got to be measurable and defensible. So what can we expect from you as a leader moving forward? It's hard enough to be ahead of the times, it's even harder to stay there. So on this premise of collaboration and leading together and so on, what are you looking forward to in terms of the role that Interface can play moving forward? As much as you can tell us.

Erin Meezan:

Yeah. I think we are at the leading edge of really trying to accelerate some of what we're doing on a broader scale. So a great example of that is together with Biomimicry 3.8, we've worked to convene a group of companies who are thinking about applying this factory as a forest approach to their operations. And we went public with it last year, it's called Project Positive. And there's amazing work happening at Google, Microsoft, the Ford Motor Company, Logoplaste, Kohler, and a handful of other companies who are starting to apply this idea of positive design or design based on high-performing ecosystems to their operations.

Because what we realized is if we are sharing knowledge down to the very tactical level of our own performance gaps, our own design interventions to make our factories work more like ecosystems, we can get further, faster. So you can expect to see us investing more in partnerships like that, challenging, not just our industry, but none of those companies are actually in our industry, taking that learning to companies who really want to act over the next 10 years and trying to scale a lot of the experiments happening at Interface across the business community.

Simon Mainwaring:

I want to say Erin, I want to share everyone's deep respect and appreciation for what Interface has done, both in keeping Ray's original vision alive, but also really provoking the B2B world by setting yourself up as an example of what can be done because it's so, so critical because we are the root of so many of problems, business more broadly, but the B2B world, but we're also the key to the solution and we need

those sign points for how to do it. So thank you for the insights today and for your time, and great to reconnect.

Erin Meezan:

Oh, it was so great. Thanks for having me.

Simon Mainwaring:

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