

American & Efird 2010 Sustainability Report



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American & Efirm LLC 2010 Sustainability Report

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Introduction

Sustainability is intricately woven into the cultural fabric of American & Efirm. Just as thread is constructed of strong, durable, quality materials, A&E's Eco-Driven program is core spun of 10 **Threads of Sustainability** (www.amefirm.com/wp-content/uploads/2009/10/TenThreadsofSustainability1.pdf) These Threads sustain the earth through a multifaceted and responsible approach to environmental stewardship.

American & Efirm's long-time commitment to sustainability includes meticulous and ongoing monitoring, measurement, analysis, and improvement of the Eco-Driven platform. In keeping with its Global Standards, A&E provides transparent reporting of these sustainability efforts. Examples of progress are highlighted in this Sustainability Update.

Global Carbon Footprint

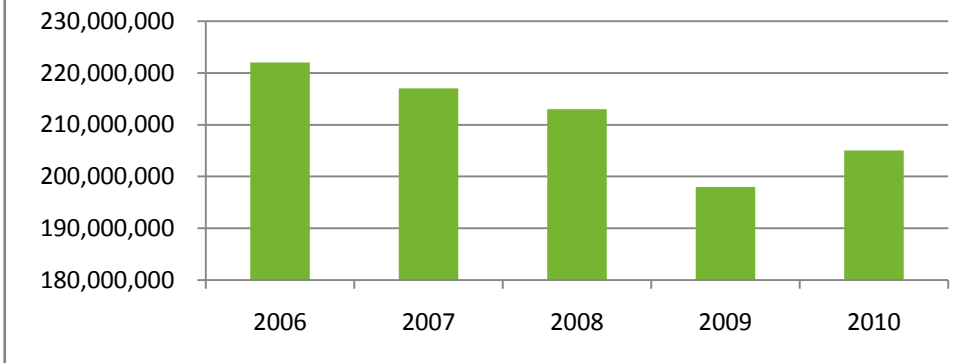
American & Efirm, a worldwide organization with 31 manufacturing plants and 76 distribution points in 41 countries, recognizes its responsibility and impact on the global carbon footprint. The company has a long-standing tradition of reducing greenhouse gas emissions and carefully benchmarking its progress.

Fuel burning and power consumption contribute to greenhouse gas. In these charts, the values are shown in global totals and as kilograms of greenhouse gas per kilogram of thread produced. A detailed snapshot of A&E's 7.7 percent (%) reduction in greenhouse gas emissions, which occurred during the past five years, is shown. To ensure consistency in the measurement of greenhouse gas (GHG), The Climate Registry's General Reporting Protocol (GRP) was used.

Committed to accurate reporting, A&E accounts for the significant variation in technology and fuels used to generate electricity worldwide in its computations. Therefore, the company uses the actual GHG emission rates for each of its manufacturing plants across the globe.

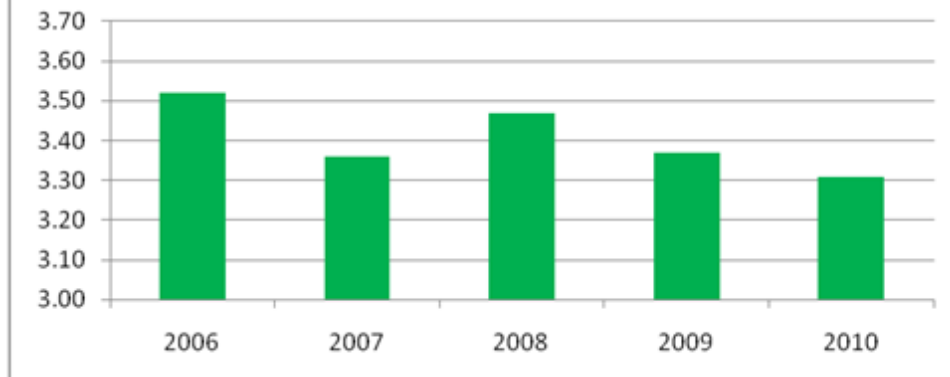


Global Carbon Footprint Greenhouse Gas CO₂e in Kg Per Calendar Year



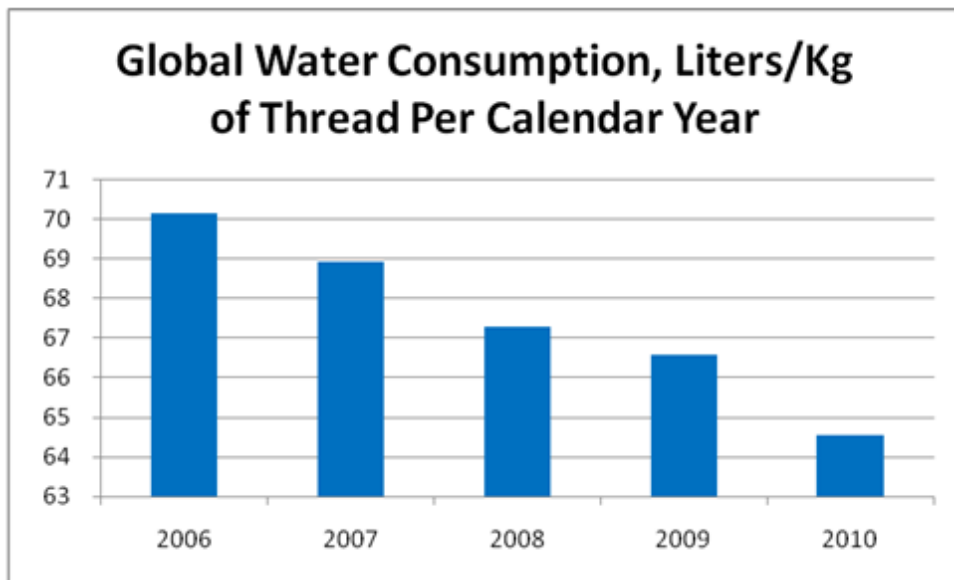
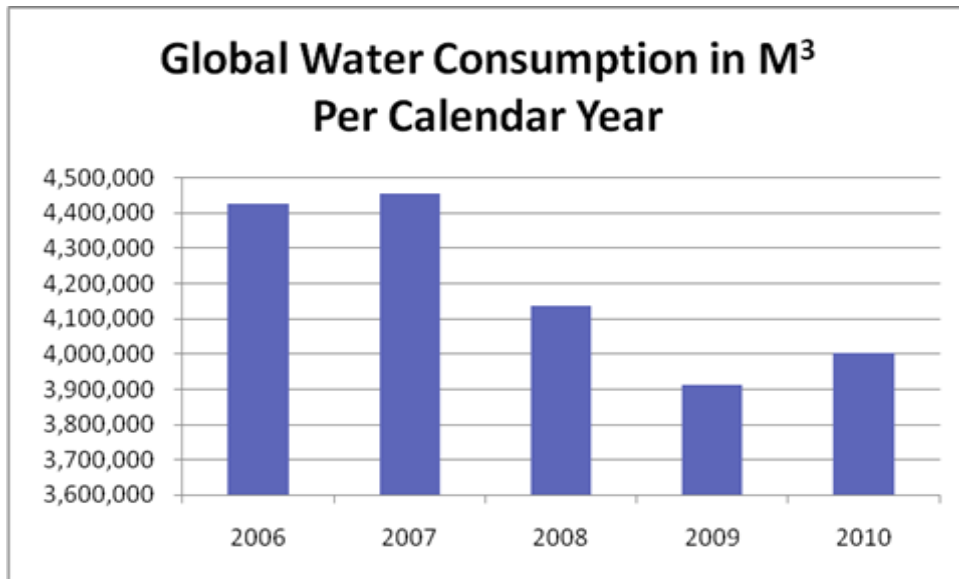
One of the first thread manufacturers to adopt these global standards of measurement, A&E uses such critical data to scrutinize its engineering protocols, equipment specs, and emerging technology, with the express purpose of upgrading systems and continuing its trend in greenhouse gas emission reduction.

Global Carbon Footprint Greenhouse Gas CO₂e in Kg/Kg of Thread Per Calendar Year



Water Conservation

Water is essential to life. As a good environmental steward, American & Efird carefully monitors its progress in water conservation. Worldwide, the company saved more than 308 million gallons, the equivalent to 1.2 million cubic meters of water in the past five years. The chart points out the significant reduction in water used per kilogram of thread produced.



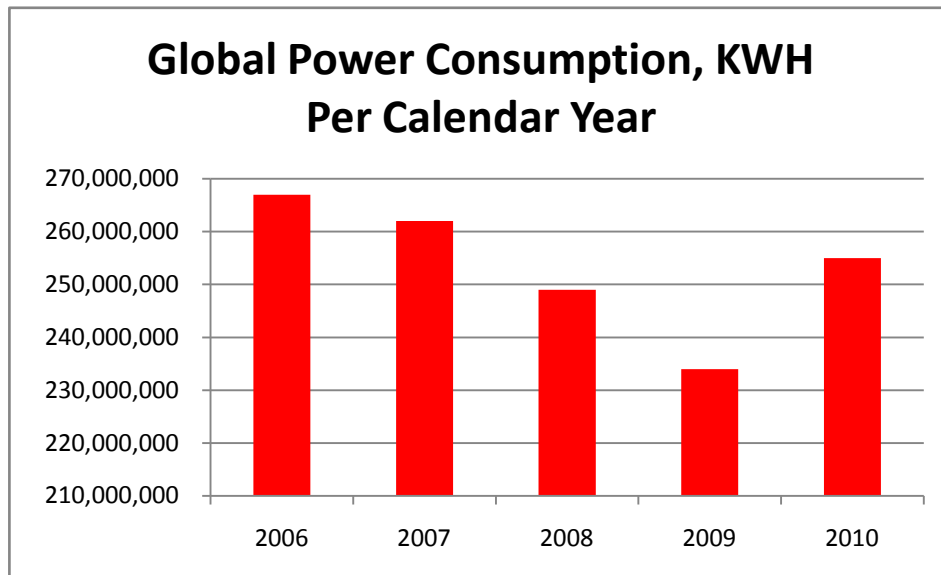
The 9.6 percent (%) improvement in water conservation is a direct result of technological advancements, such as stand wash processing rather than running washes and lower liquor ratio dye machines. A&E's rainwater harvesting program is particularly valuable in drought-stricken areas, where rainwater is collected and reused. Additional improvements are expected with the company's zero-liquid discharge system installations planned for some of its dye houses.

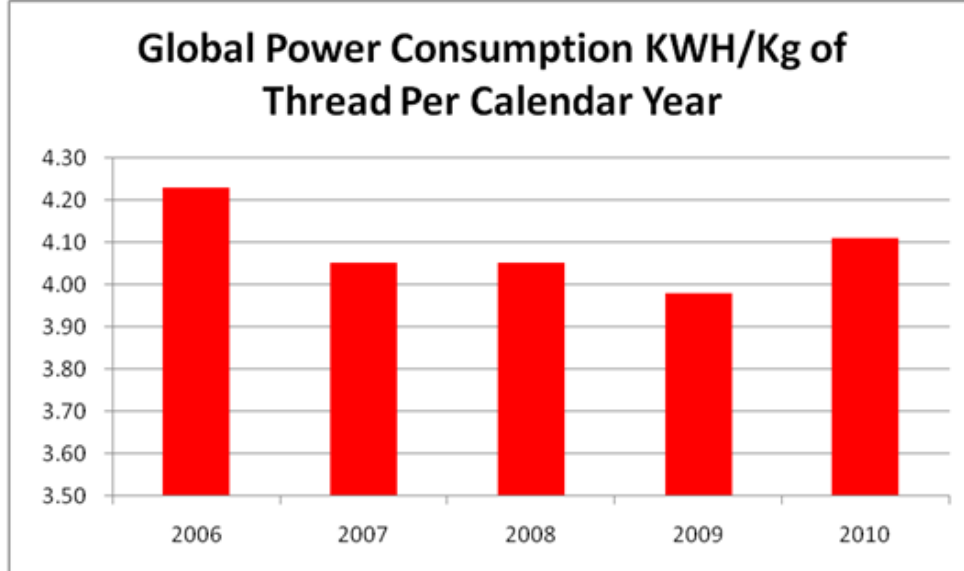
The water saved is equal to the volume of water used by 8,578,313 people in India in one day, where the average per person use is 36 gallons (135 liters). In Bangladesh, where daily water use is 12 gallons (46 liters) per person, the water conserved by A&E is equivalent to the usage of 25 million people.

Energy Conservation

During the 1970s, when the oil supply was interrupted and the U.S. faced an energy crisis, American & Efird recognized the necessity of curbing its heavy reliance on energy. At that point, A&E expanded its sustainability efforts to include an energy-reduction program, which continues today.

To meet customer needs, A&E's plants manufacture an extensive mix of products in small lot sizes. This operational approach makes energy-savings more difficult to attain. Consequently, the organization's continued ability to reduce consumption demonstrates its tenacious pursuit of energy-saving goals. For example, between 2006 and 2010, the organization reduced electric use by 4.5 percent (%), maintaining its desired directional trend.





Major projects, such as heat recovery from hot dye house wastewater and high-efficiency lighting initiatives, have contributed to ongoing energy savings. During the five-year time frame shown, A&E saved 68 million kilowatt hours of electricity.

Such numbers are particularly impressive when you consider the average American family of four uses 10,656 kilowatt hours per year. This means A&E's savings equal what 6,381 American families would consume in an entire year! In Europe, where the annual family usage rate is lower, this is sufficient electricity for 14,570 families for a year.

It should also be noted the reduction in energy use is related directly to a reduction in the company's greenhouse gas emissions.

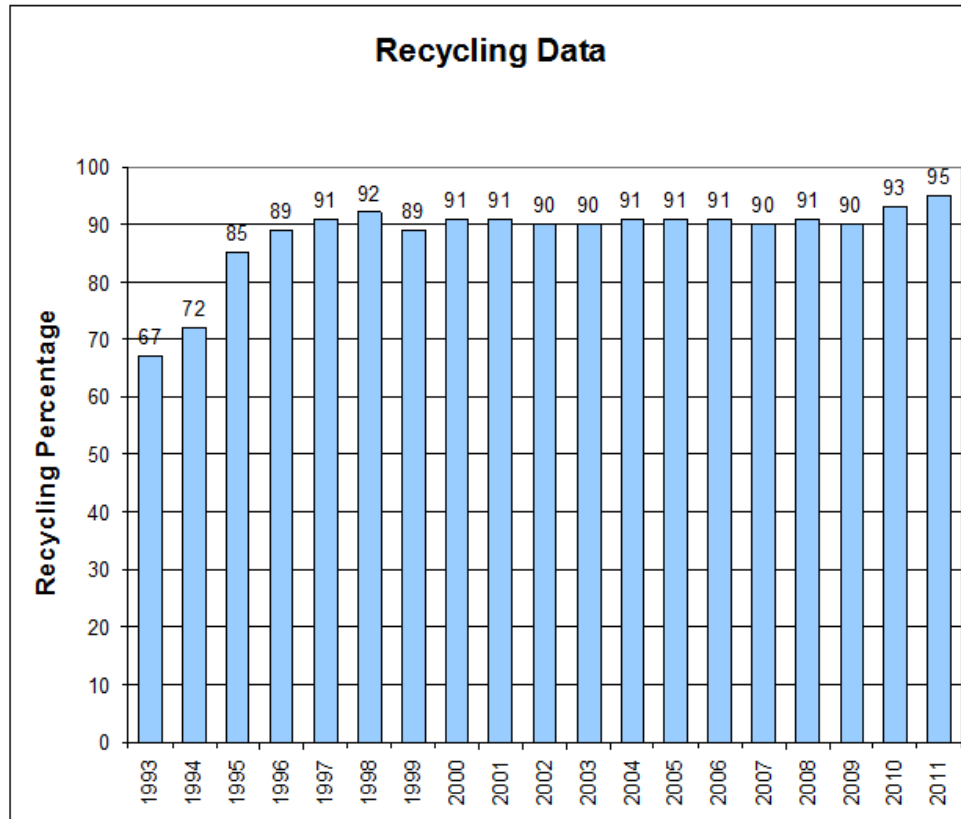
Sustainable Packaging

Minimizing packaging materials while continuing to protect product integrity and consumer safety permits American & Efird to conserve natural resources as well as to divert waste from landfills and incinerators. Emphasizing innovative package design techniques, A&E uses the Outdoor Industry Association (OIA) Eco-Index Packaging Guidelines for measurement purposes. The OIA packaging standards reflect best management practices in product design to minimize environmental impact in addition to considering other pertinent manufacturing factors. For more details about the Eco-Index, go to www.outdoorindustry.org.



Recycling and Waste Reduction

Assuming a leadership role in the area of recycling and waste reduction, American & Efird has a “Zero Waste” to landfill goal in the United States by 2012. The company is already at a 95 percent (%) recycling rate there. This graph shows marked improvement since 1993.



Interestingly, its efforts in this arena also help the company reduce its carbon footprint. A member of the United States Environmental Protection Agency’s Wastewise Program (www.epa.gov/epawaste/partnerships/wastewise/index.htm), A&E reported reducing over 15,000 metric tons of CO2 emissions during 2010 through recycling activities.

In the U.S., A&E helps customers achieve their sustainability goals, too, through its National Recycling Program. For those businesses that need assistance in recycling A&E’s plastic cones and spools, the company has long been known for collecting and grinding the discards, ensuring they are sent to a certified recycling facility and reused in the production of black thread cones and other products.



Eco-Driven Product Stewardship

Dedicated to product stewardship by reducing the life cycle impact of products, including environmental, health and safety risks, American & Efirid continues its adherence to the strict guidelines on all fibers, dyes, chemicals and lubricants that are used worldwide to manufacture thread. This means the organization constantly monitors for the latest updates on substances that could potentially damage the environment, have restricted use, or are banned. The company then adjusts its operation to ensure these potentially harmful substances are eliminated from the thread-making process.

A&E follows the standards set forth by the American Apparel and Footwear Association (AAFA). The AAFA's Restricted Substances List (RSL) provides guidelines for chemicals and substances that are restricted or banned in the production of home textile, apparel, and footwear products. The list is revised twice each year to reflect international updates of chemical and substance restrictions. More information is available at: <http://www.apparelandfootwear.org/Resources/RestrictedSubstances.asp>

In addition, A&E products are certified under Oeko-Tex, a voluntary product certification program for restricting chemicals in the products it produces. The Oeko-Tex Institute introduced its Standard 100 early in the 1990s. The Oeko-Tex Standard 100 label assures consumers that the textile is ecologically safe and harmless to the health of humans. See www.Oeko-Tex.com.

Many American & Efirid customers have developed their own Restricted Substances List, customizing it to reflect an even higher level than the aforementioned, globally-approved criteria. In these instances, A&E works directly with clients to ensure the thread manufacturing operation complies with these specialized and more rigorous standards.

A&E will continue its involvement with the AAFA and to certify its thread, through Oeko-Tex, as testimony to its ongoing, Eco-Driven product stewardship efforts.

Eco-Driven Education and Involvement

American & Efirid provides access to emerging industry trends; promotes involvement in industry organizations; and supports company and manufacturing-related training. Why? Because A&E recognizes such actions lead to well-informed and productive employees who generate quality products in an efficient and environmentally-sound manner.

The company also actively shares data and knowledge with supply chain partners, policy makers, industry trade organizations, and key stakeholders to pursue its sustainability mission and avoid any potentially negative operational impact to the environment.

Understanding that Eco-driven education and involvement is necessary for continuous improvement, the company has committed both financial and personnel resources, created strategic partnerships, and participated in industry informational exchanges to improve technology, advance technical expertise, and develop consistently agreed-upon measurement methodology.

A&E personnel have served in leadership roles in the American Apparel and Footwear Association's Environmental, Product Safety, and Social Responsibility Committees. The organization is also actively



involved in the Business Social Responsibility (BSR) Apparel, Mills and Sundries Assessment group. Click here for more information: <http://www.bsr.org/en/our-work/working-groups/apparel-mills-sundries>.

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