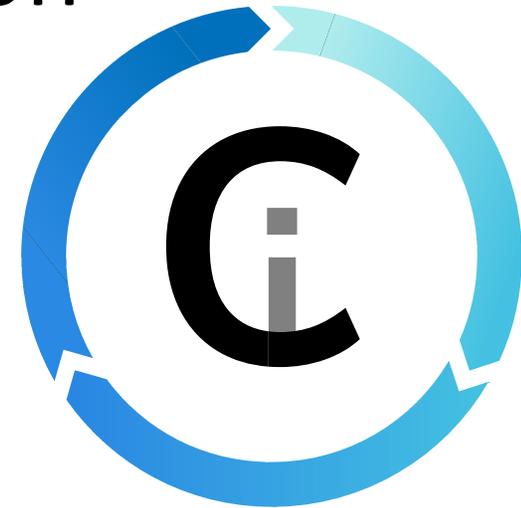


Circonomey Innovations

Founder: Eric Nelson

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- More than 30 years experience in the flooring and fibers industries specializing in corporate sustainability, closed loop recycling and public policy
 - Founded CI in 2020 to provide policy, technical and logistical solutions for clients interested in advancing their role in the Circular Economy



**CIRCONOMEY
INNOVATIONS**

SOLUTIONS FOR A CIRCULAR ECONOMY

Roughly 4 billion
pounds of carpet
get discarded in the
U.S. every year





Carpet can be recycled
technically

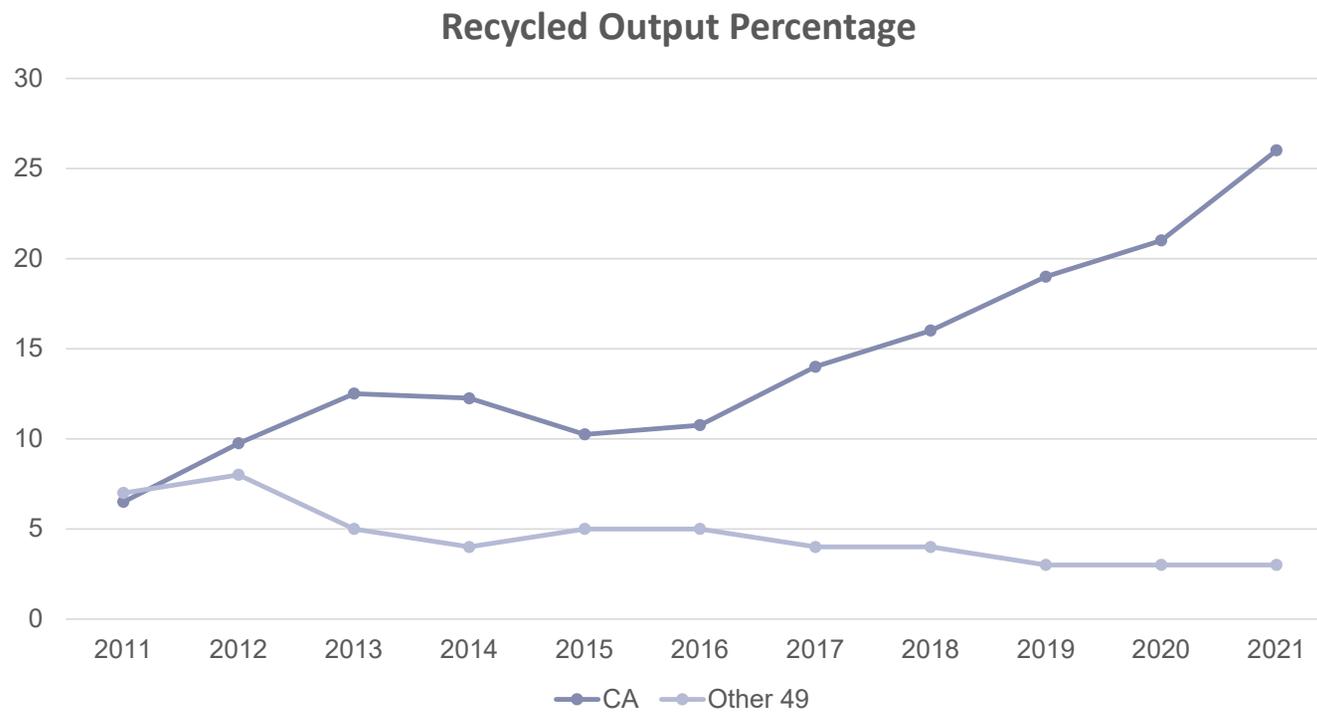
It's the operational
economics that
present the problem

California AB2398, passed in 2010 and implemented in 2011, was the first carpet specific product stewardship legislation ever passed. Today it remains the only law in the world focused specifically on carpet.



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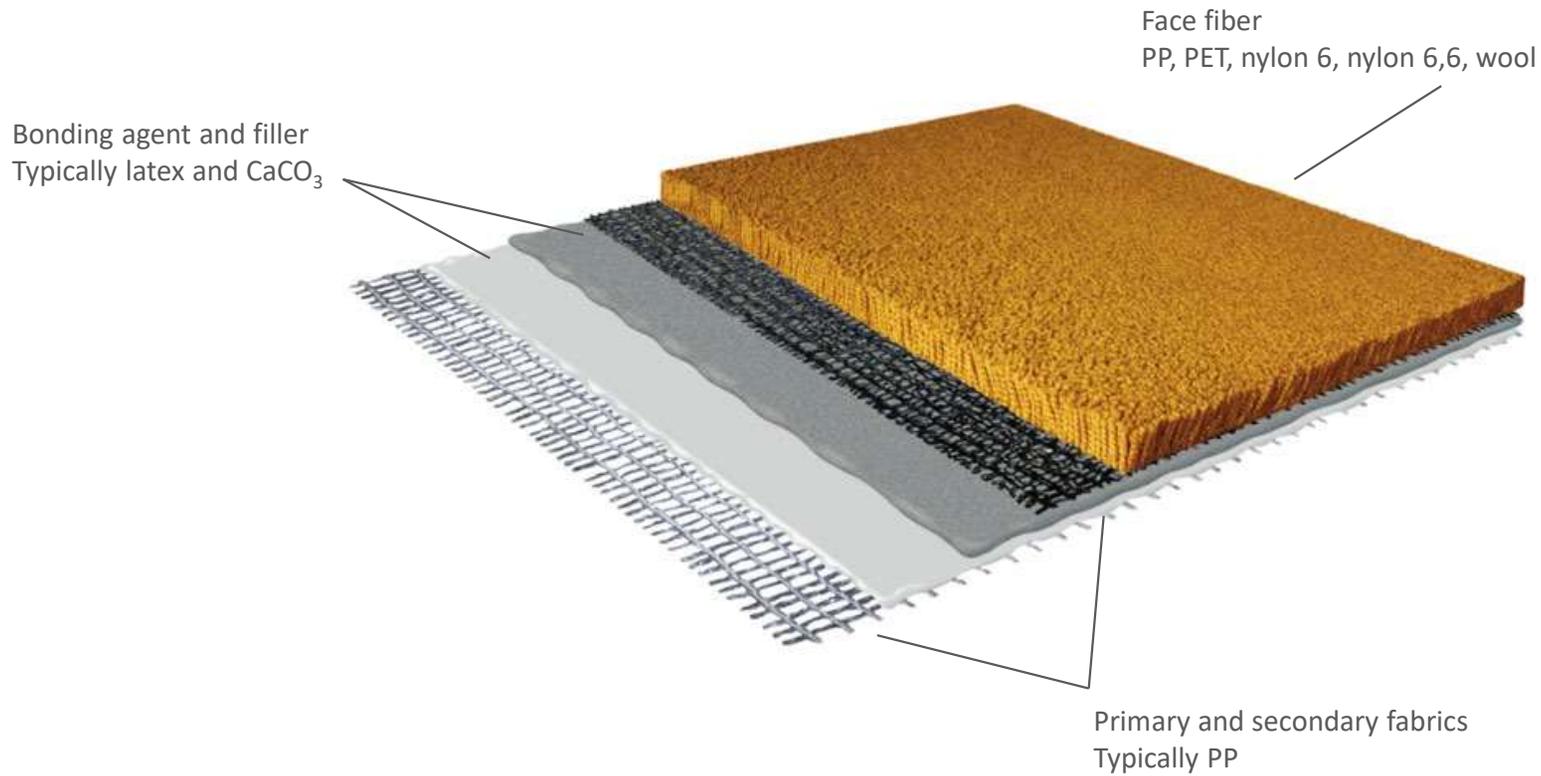
United States vs California Recycling Rate



How Carpet Is Made



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How the California Program Works



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-
- The program is funded by an assessment on new carpet sales
 - Current assessment is \$0.35/yd² or ~ \$0.04/ft²
 - The budget is roughly \$30MM annually
 - Recyclers in the state are incentivized financially to grow
 - Per pound subsidies on recycled output, collections and manufacturing
 - Capital grants for the expensive equipment required to process
 - California has become the epicenter of carpet recycling
 - Very little collection or processing outside of the state
 - Out of state product manufacturers source processed carpet from CA

Carpet Product Stewardship Policy

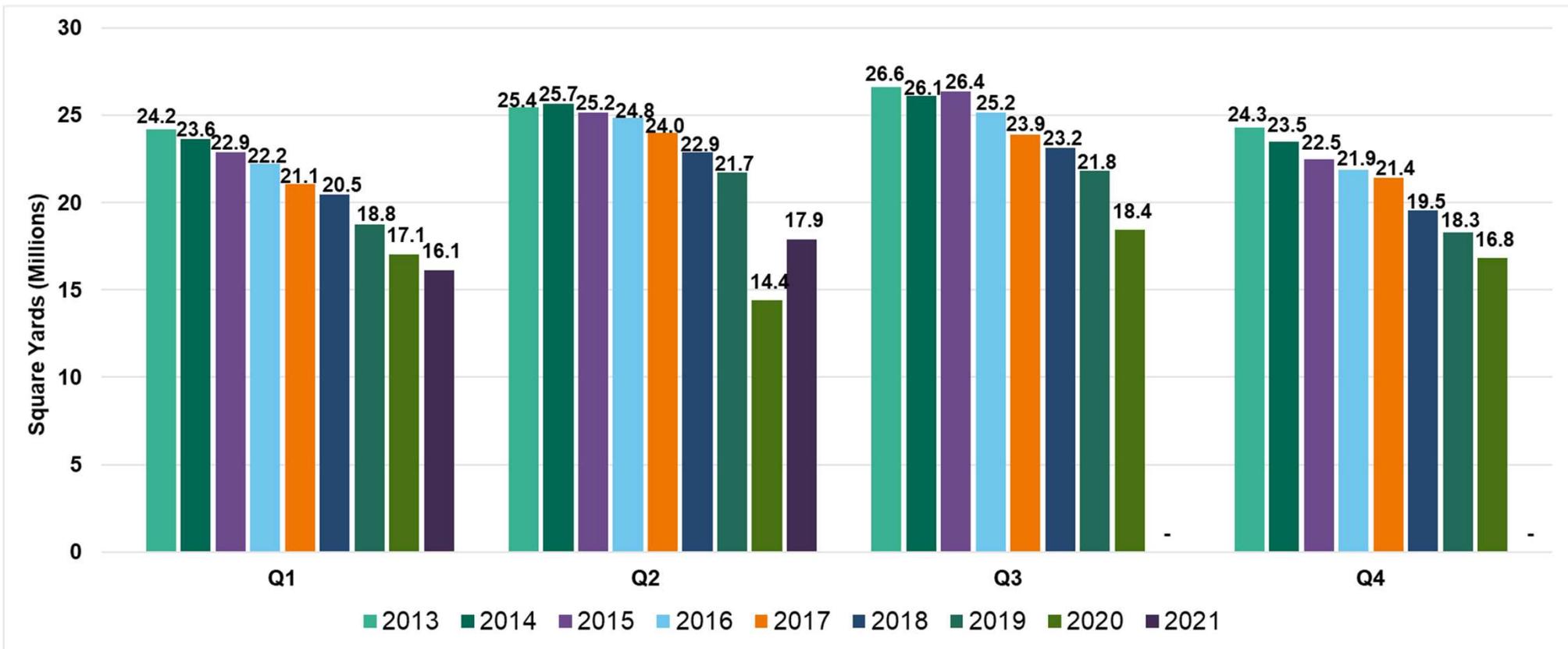
Carpet Bills in 2021



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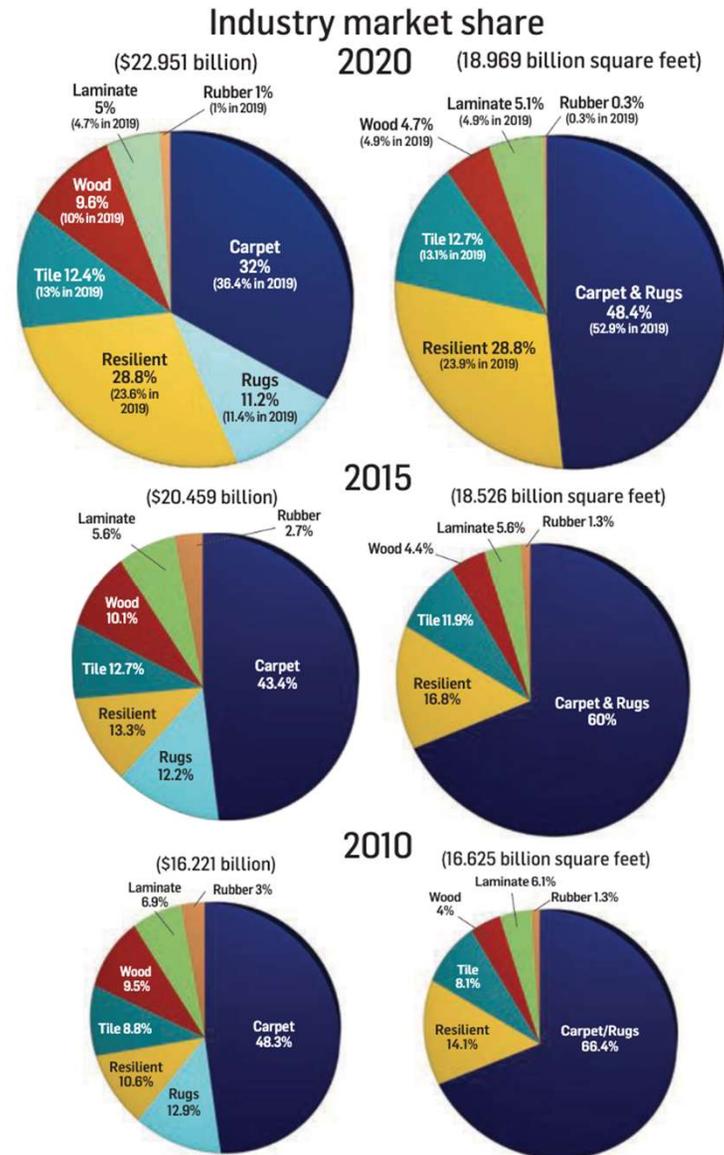
-
- New York – Senate Bill 5027
 - Sponsor – Senator Brian Kavanagh
 - Illinois – Senate Bill 345
 - Sponsor - Senator Melinda Bush
 - Minnesota – SF 959
 - Sponsor – Rep Rick Hansen
 - Omnibus Environmental and Natural Resources Policy
 - Oregon – HB 3271
 - Sponsor – Rep Marty Wilde

CA Carpet Sales by Quarter

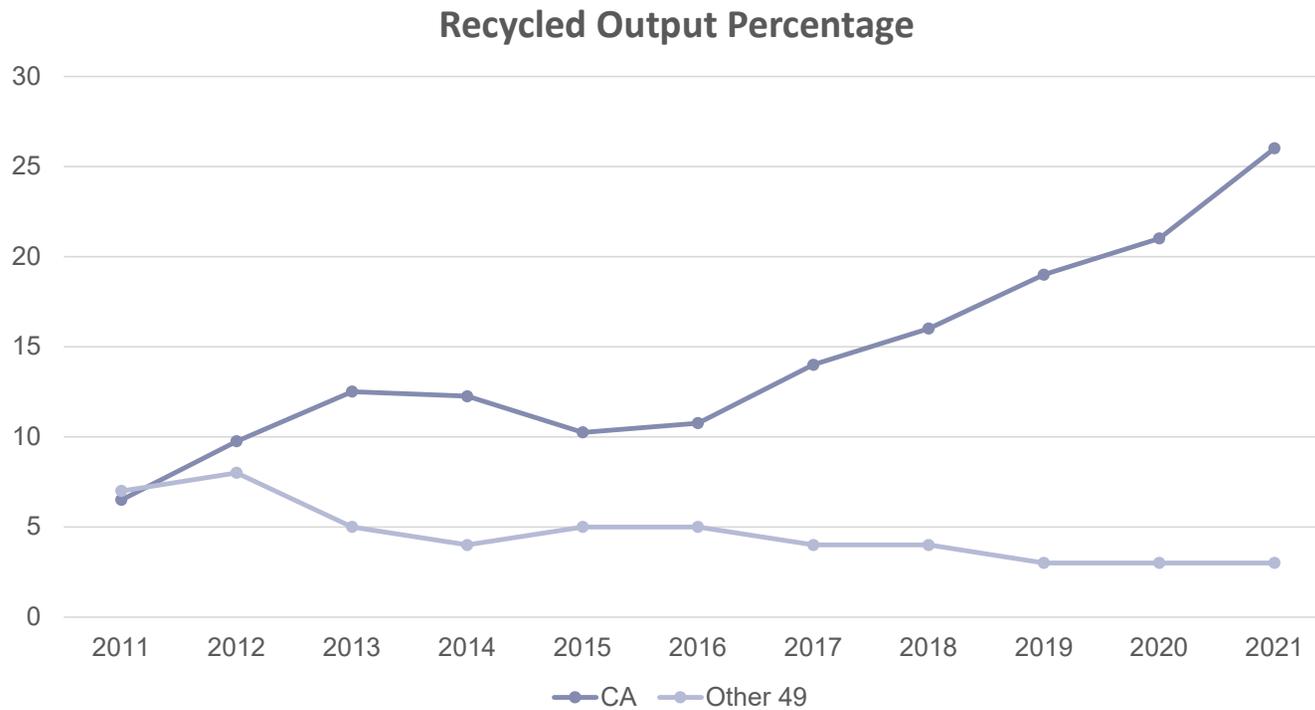


Flooring Market Share Change

Dramatic shift over
the past decade



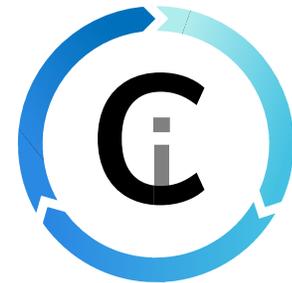
United States vs California Recycling Rate



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