



Better spaces.  
Better life.

## A MESSAGE FROM OUR CEO



Since our inception in 1960, circularity has been in our DNA. Reusing materials is at the heart of our history: our founders used a waste material from the local linen industry, flax loam, and turned it into flax shive boards.

So our first raw material was a locally sourced, renewable waste material. The flax industry shrank while our business grew, so we quickly made the switch to another circular material to produce our boards: wood, and more specifically low-grade wood that would otherwise be incinerated. During the past decades we further improved upon this and invested in our own recycling plants. Today more than 90% of the wood we use in our chipboards is recycled wood originating from demolition sites, worn-out furniture, and so on.

But since our founding we diversified: over the past six decades, Unilin has grown into a world-class industrial company. Today we design, develop and manufacture everything you need to make a house a home: laminate flooring, luxury vinyl tiles, vinyl on rolls, multi-layer parquet, carpet tiles, broadloom carpet, wood-based construction panels and decorative panels, industrial flooring, wall and roof systems and insulation boards. Innovation has been the driving force behind our growth over all these years. We even made innovation part of our



core business, with a business unit that focuses solely on intellectual property rights. We are now an organization with over 8400 employees and manufacturing plants in Europe, Asia, Oceania and South America. So we have a significant impact on the planet and its inhabitants. A responsibility that we do not take lightly.

In 2022 we launched One Home, our group-wide sustainability strategy with ambitious targets in several domains. We look into the environmental impact of our products and production processes, but also at how we live, at home, at work and on our planet. Our one home strategy fits perfectly within our Unilin purpose: we push boundaries to improve people's quality of life by creating better spaces. As a team of passionate entrepreneurs, we are committed to excellence, we have clear customer focus and we respect all of our stakeholders. We constantly innovate because we believe there's a solution to every problem. That is our ethos.

Through this sustainability report, we want to share our goals and our progress, but also the obstacles we face. Third parties such as the Science Based Targets initiative and Cradle to Cradle® were important sources of inspiration for the development of our strategy. They still play an important role in guiding us towards a more sustainable future and verifying some of our targets and achievements. But we also assess the sustainability of our products through our innovation framework and life cycle analyses, providing our R&D teams with the data needed to improve our products or invent better solutions.

There is still a lot of work to be done to improve the sustainability of our activities, homes and society. But with a clear vision, a common goal and the passion and motivation of our people, I am sure we will make major strides in the coming years!

Bernard Thiers  
Chief Executive Officer

# 2022 ACHIEVEMENTS

- Raw and melamine faced chipboards certified under the **Cradle to Cradle** Material Health certificate. Unilin is the first in its industry to achieve this certificate under the Cradle to Cradle Certified Product Standard Version 4.0.
- Over the last years, we organized **take-back projects** with our partners and clients: a sourcing, logistics and treatment system to recycle chipboards, MDF boards, PIR insulation boards and vinyl floors (Western-Europe). We continue to enlarge our take-back scope by developing more partnerships.
- In 2021, Unilin became the first player worldwide to succeed in **recycling MDF and HDF fibreboards** on an industrial scale. One year later, **Unilin scaled up the recycling capacity** of the pilot line. In addition, take-back programs will be initiated to enable recycling of externally collected fibreboard and laminate floors.
- Unilin is participating in the **CIRCULAR FOAM project**. This project aims to enable **recycling** of 1 million tons of high-density **polyurethane foam** (from building insulation and fridges) in Europe by 2040.

**60%** renewable energy in 2022

**24%** recycled raw materials in 2022

**70%** renewable raw materials in 2022

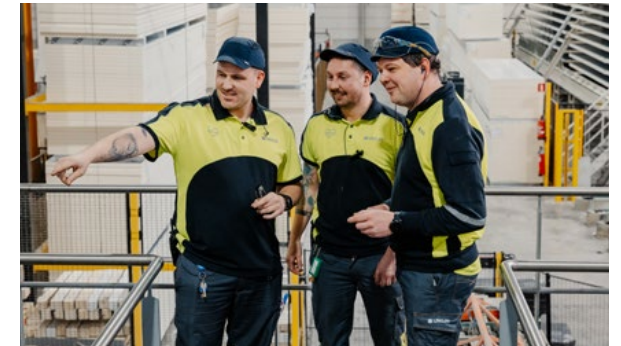
**>50%** ISO 14001 certified plants

**14%** lower accident frequency rate in 2022

**6%** lower accident severity rate in 2022



In 2022, we developed and globally launched The Dive as our vision on training and development. The Dive borrows its name from diving into new information, discovery and personal growth. Unilin offers an extensive range of induction, interpersonal and functional training to guide, upskill and reskill employees.



The health and safety of all our employees is paramount in all our activities. We aim to be a zero-harm company, with a positive culture, where everyone takes care of each other and safety is ingrained in all our activities. To move towards an improved safety culture, a process was started based on leadership development. In this trajectory, managerial staff learn skills to become a good (safety) leader and to lead/promote the zero-harm company culture. In a next phase, the zero-harm risk review, operators commit to reducing exposure with the support of safety leaders.



We recognize the importance of actively engaging with the communities in which we operate. Our colleagues worldwide are contributing with a range of activities. In Malaysia, one of our operators made a contribution by donating over 369 m<sup>2</sup> B-quality and rejected planks to a local temple that was destroyed.



Unilin has introduced several small initiatives that have a direct impact on the way we work and inspire others to do their part. A few examples: we saved over 500 meals with Too Good To Go, we launched a carpool platform for employees, and employees can opt for an affordable lease bike for their commute to work (scope lease bike: Belgium)

# HOW WE ARE CONNECTED TO EACH OTHER

## Unilin is part of the Mohawk Industries family of brands

Mohawk Industries is the leading global flooring manufacturer that creates products to enhance residential and commercial spaces around the world. Our brands, including those of Unilin, are among the most recognized in the industry. Though each business and its brands operate within their respective market and product categories, we are all connected by a common commitment to product innovation, responsible operations and social responsibility as we work to make our world better together.

Unilin is an international reference in interior design and construction industry solutions. Across the globe, employees at over 100 locations dig deep to push the boundaries in terms of floor covering, panel and insulation material. Founded in 1960, Unilin became part of Mohawk Industries in 2005. Unilin employs 8,475 associates.

## About the Mohawk family of brands

**\$11.74B**  
worldwide net sales

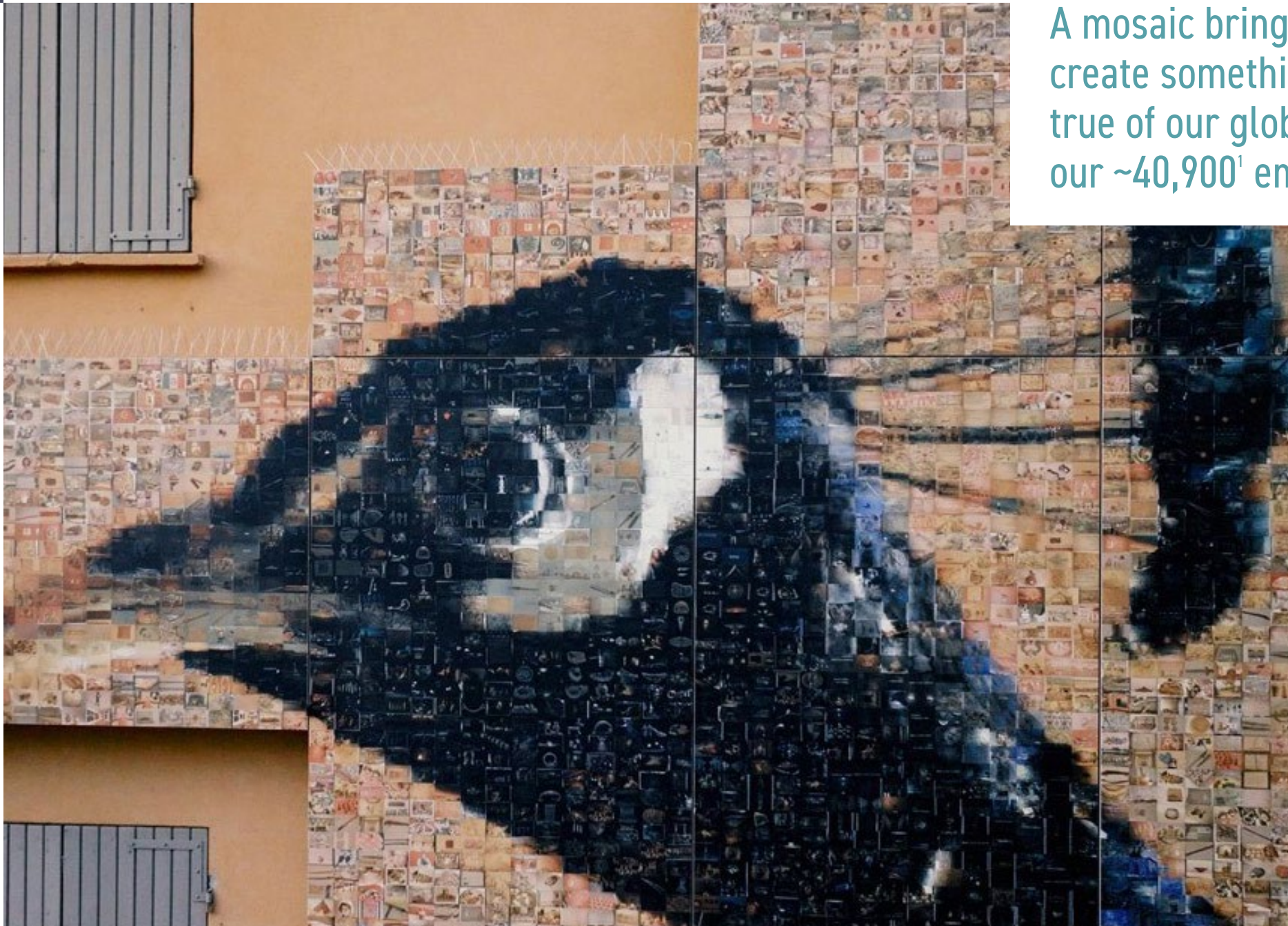
**~170**  
countries with sales

**19**  
countries with manufacturing

**~40,900<sup>1</sup>**  
employees worldwide

<sup>1</sup> As of 12/31/2022.





A mosaic brings together many parts to create something greater, and the same is true of our global businesses and each of our ~40,900<sup>1</sup> employees around the world.

Through the Mohawk family of brands, we are committed to working together in environmentally sound and socially responsible ways to enhance the spaces where we live and work.

#### ABOUT THIS PHOTO

This permanent public artwork, *Curiosa Meravigliosa*, by Joan Fontcuberta, Spanish photographer, teacher, essayist, curator and writer, is a porcelain slab photo mosaic, 16 meters high and 6 meters wide, which consists of 12,000 photos submitted by the citizens of Reggio, Italy. The design, printing and installation of the work was a joint project between the City of Reggio Emilia and Marazzi Group, Mohawk's European ceramic tile business. The small photographs speak to the idea of individual contribution, while the larger mural builds a sense of community and coming together to create a collective work. *Curiosa Meravigliosa* is the perfect analogy for the dynamic that Mohawk's global business units are striving to achieve as we work to build a better world. Learn more about the [award-winning collaboration between Marazzi Group and Joan Fontcuberta](#).

<sup>1</sup> As of 12/31/2022.

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## ABOUT THIS REPORT

We are pleased to present Mohawk Industries' 14th annual Environmental, Social and Governance (ESG) Report. The publication conveys our passion for sustainability and our commitment to transparency as well as sharing how our businesses around the globe are addressing the needs of their customers in responsible ways. Much of their progress is realized through sharing best practices and innovative technologies that yield consistent, efficient and effective programs and processes across our businesses. Mohawk's decentralized structure enables each business to implement initiatives that are best suited for their markets, employees and communities—all while moving together toward a more sustainable future.

This year's report is prepared in reference to the Global Reporting Initiative (GRI) Universal Standards and covers the 2022 calendar year, which is also Mohawk's fiscal year. We also provide information from 2023, as appropriate. The report's content relates to the products and operations of Mohawk Industries and its wholly owned subsidiaries.

In addition to GRI, Mohawk uses the Sustainability Accounting Standards Board (SASB) and the Taskforce on Climate-related Financial Disclosures (TCFD) to guide our ESG disclosures. Since 2017, we have also published an annual climate change questionnaire with CDP Global, an international nonprofit organization that helps companies and cities disclose their environmental impact. We are currently working on the EU Corporate Sustainability Reporting Directive framework. We will be subject to the EU Taxonomy and will report to that in the future. We also participate in the S&P Global Corporate Sustainability Assessment, an annual evaluation of companies' sustainability practices, and a component of the S&P 500 ESG Index.

## A MESSAGE FROM OUR CHAIRMAN AND CEO, Jeffrey S. Lorberbaum

We are excited to share our strategies and metrics, which reflect how we are building a better future for our customers, employees, stakeholders and the planet.



Sustainability is a key component of our business strategy and a core value for the thousands of men and women who make, sell and deliver our products. Within Mohawk, sustainability is not a stand-alone department or a separate function—it is integrated into all we do. Our philosophy is simple: doing what is good is also good for our business. Each year, our ESG report details the progress behind our efforts.

Since our last ESG report, we have achieved many meaningful accomplishments. These include promoting Malisa Maynard as our new global Chief Sustainability Officer, being ranked by USA Today as the only flooring manufacturer among America's Climate Leaders and reporting Scope 3 GHG emissions for the first time. Our innovative products were recognized by Green Builder Media, which honored us for product of the year and named us the sustainable flooring brand leader. In 2022, Forbes magazine once again included us among America's Best Large Employers, which is underscored by the fact that almost ten percent of our global workforce has been with the Company for 25

Mohawk Chairman and CEO Jeff Lorberbaum presents Manufacturing Director Dolly Davenport with a plaque recognizing her 50 years with the Company.

or more years. In addition, we earned the Susan G. Komen® Promise Award for our two-decade leadership in the fight against breast cancer. In 2022, we increased diversity on our Board, and in 2023 we implemented a formal Board of Directors Selection Policy, while also strengthening our privacy policy and our defense against cybersecurity threats.

During the past year, we have worked diligently on achieving our primary 2025 environmental goals and have driven significant improvements in each area:

### Scope 1 & 2 GHG Emissions Intensity

 EXCEEDED GOAL

### Waste-To-Landfill Intensity

 EXCEEDED GOAL

### Water Withdrawal Intensity

 EXCEEDED GOAL

For years, we have prioritized being a part of the climate solution, and we were gratified to be recognized by USA Today as one of America's most impactful large businesses. We have reduced our carbon footprint through actions that also benefit our bottom line, reinforcing that sustainable practices enhance business results. We have invested in renewable energy production—wind, solar, biomass—on four continents, which reduces our reliance on fossil fuels and lowers our energy costs. We have taken actions around the globe to reduce energy consumption in our operations as well





as fuel consumption in our trucking fleets. To lower emissions, we have consistently increased the amount of recycled content in our products, as an alternative to virgin material.

Our products are an important feature in countless homes and public spaces in 170 countries, and they connect us with millions of people. We have a responsibility to all of them to deliver superior style, performance and value as well as sustainable choices. Consumers, particularly Millennials and Gen Z, are increasingly seeking sustainable products in all aspects of their lives. We see this in the transition to electric vehicles, and it is impacting building materials, as well. This is particularly important for the wood we use in our parquet and laminate flooring, chipboards and panels. By using recycled and reclaimed wood, Mohawk keeps the carbon sequestered in the wood fiber by extending the lifecycle of the material.

Mohawk is the world's largest ceramic tile manufacturer, and almost all of our tile collections include recycled content. Throughout the Company, we are applying closed-loop manufacturing to minimize our waste streams by either repurposing material into new products or identifying businesses that can upcycle it. We recycle billions of plastic bottles into polyester carpet to provide sustainable options in addition to offering bio-based SmartStrand and renewably sourced wool collections.

Our ability to deliver innovative products, enhanced manufacturing and superior logistics rests with the thousands of talented men and women who share our commitment to continuously improve—they are the foundation of our success! All of our choices related to people are based on a simple principle: respect. That is why we provide training to create career opportunities, invest in safety and health resources and ensure that the workplace is fair and equitable for everyone. For the sixteenth consecutive year, Mohawk's world-class employee development initiatives were ranked among the world's top corporate programs by Training magazine. Some of the most critical training we offer are the courses focused on employee safety. In 2022, we made additional progress in reducing our recordable incident rate, which is now 20 percent lower than baseline. We continue to develop additional safety resources and engage employees at all levels in these initiatives as we work toward our 2025 goal.

Our investments in health care accessibility are also yielding results. Our Healthy Life Centers have made a significant impact in quality of life by helping our employees control chronic conditions. Aggregate data illustrates that we are moving the needle on group health, which is no small feat. These men and women have taken the actions necessary to lead healthier lives once they gained access to resources to guide their decisions and manage their needs. We value all of the people who work at Mohawk, and we are committed to maintaining workplaces where everyone can fulfill their potential and deliver their best results.

“Our ability to deliver innovative products, enhanced manufacturing and superior logistics rests with the thousands of talented men and women who share our commitment to continuously improve—they are the foundation of our success. All of our choices related to people are based on a simple principle: respect.”

We work to be a good citizen in every community in which we operate, which includes taking actions to reduce environmental risks as well as creating excellent career opportunities that support local prosperity. We and our employees work with local non-profit organizations to improve the quality of life in our communities both through donations and volunteering. We have also developed local partnerships to ensure our workforce mirrors our communities, and 45 percent of our U.S. workforce is comprised of Black, Indigenous and other People of Color. By training internal candidates and recruiting talented new hires, we are also growing our ranks of female leaders, which is now at 25 percent. The internship and apprenticeship programs we have developed in collaboration with high schools, vocational schools and colleges are critically important to maintaining a healthy talent pipeline as we build the workforce of the future.

Throughout our ESG report, we share the actions we are taking to improve our business and enhance how we impact the planet and the people with whom we share it. We continue to adapt to a changing world, and we are listening to and learning from our stakeholders around the world to build a brighter future. I appreciate your interest in Mohawk and your support of our ESG initiatives.

Sincerely,

Jeffrey Lorberbaum  
Chairman and CEO



## ESG AT MOHAWK

### SUSTAINABILITY VISION

Building a better future for our people, our planet and Mohawk as the global leader in innovative, sustainable and healthy products designed to enhance and inspire people's lives.

### SUSTAINABILITY MISSION

Our future depends on the work we do today. At Mohawk, our commitment to sustainability extends beyond just products and processes; it is how we challenge ourselves to do and be better every day, how we make decisions, how we reinvest in our people and our planet, and how we define what matters as we work to deliver value for generations to come.



# A STRATEGY TO HELP BUILD A CONNECTED FUTURE



**BETTER FOR PEOPLE**

## Performance Driven Workforce

*Building and developing a high-performing team with diverse backgrounds and experiences.*

- Build out comprehensive, accessible talent development programs across all levels and career stages to achieve maximized business results by growing our sustainable internal talent pipeline.

## Zero Harm Workplace

*Creating safe, hazard-free environments that support employee health and well-being.*

- Further the reduction of workplace injuries by lowering our recordable incident rate to 1.0 by 2030. Safety is a core Company value that is continuous, driven by leadership commitment and embraced by all levels of employees in their daily activity.

## Connected Communities

*Partnering locally and globally with organizations to improve lives where our team members, customers and stakeholders live and work.*

- Attract best-fit talent by building community partnerships and maintain an applicant pool that reflects the diversity of our communities.
- Invest in and engage with local nonprofit partners to improve the quality of life in the communities where we live and work.



**BETTER FOR THE PLANET**

## Climate Positive Future

*Being part of the climate change solution by implementing a decarbonization strategy through measurable science-based targets.*

- ✓ Reduce Scope 1 and 2 emissions intensity by 25% by 2025.<sup>1</sup>
- ✓ Develop consistent process for measuring and assessing Scope 3 emissions by 2024.
- Define science-based emissions targets and publish by 2024.

## Product Circularity

*Thoughtfully minimizing environmental impact across product life cycle through sustainable design, innovation, extended use and responsible reuse.*

- ✓ Reduce waste-to-landfill intensity 30% by 2025.<sup>1</sup>
- Release a product circularity goal for each business segment by 2025.

## Water Restoration

*Improving efficient and responsible use of water in all processes and products.*

- ✓ Reduce water withdrawal intensity by 30% by 2025.<sup>1</sup>

<sup>1</sup> 2010 baseline year. Intensity is based on revenue in constant currency.

## Responsible Sourcing

*Selecting suppliers and partners that meet our ethical, sustainable and socially conscious standards.*

- ✓ Establish a cross-functional Supplier Diversity Committee in 2022.
- All manufacturing locations adhere to wood sourcing principles, such as FSC®, PEFC™ or other third-party validation, to ensure 100% of our wood fiber in our products comes from responsibly managed forests, recycled waste streams or recovered wood sources by 2030.
- Engage in carbon reduction partnerships with our supply chain.
- Grow a Supplier Diversity strategy to increase the opportunity for diverse suppliers.
- Modify the existing Flooring North America bidding process to include supplier diversity outreach and analysis to support increased business opportunities for diverse suppliers.



**BETTER FOR PERFORMANCE**

## Sustainability Leadership

*Aligning business direction and decision-making with sustainability goals via a multi-level council of key stakeholders.*

## Policies

*Maintaining clear, accessible and consistent ethics, compliance and other ESG-related policies; ensure feedback can be provided through anonymous platforms across the enterprise.*

- Mature existing global, enterprise-wide ESG Executive Council, Planet Council and People Council to grow and develop our ESG objectives and goals.



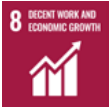





Legend

- ✓ Achieved
- In progress

# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Mohawk supports the United Nations Sustainable Development Goals (UN SDGs), 17 interlinked global goals designed to be a “blueprint to achieve a better and more sustainable future for all.” The goals were set by the UN General Assembly in 2015 and are intended to be achieved by 2030. Our ESG strategy is aligned with the goals in several ways, most notably with Goal 8, Decent Work and Economic Growth, and Goal 12, Responsible Consumption and Production.

GOAL	MOST RELEVANT UN SDG TARGETS	MOHAWK STRATEGIC OBJECTIVES
	<b>5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Performance Driven Workforce
	<b>6.4</b> By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	Water Restoration
	<b>8.2</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	Product Circularity
	<b>8.4</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	Climate Positive Future
	<b>8.5</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Performance Driven Workforce

GOAL	MOST RELEVANT UN SDG TARGETS	MOHAWK STRATEGIC OBJECTIVES
	<b>10.4</b> Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	Performance Driven Workforce
	<b>12.2</b> By 2030, achieve the sustainable management and efficient use of natural resources	Climate Positive Future Water Restoration Responsible Sourcing
	<b>12.4</b> By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	Product Circularity
	<b>12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Product Circularity
	<b>13.2</b> Integrate climate change measures into national policies, strategies and planning	Climate Positive Future

# ESG MATERIALITY

ESG materiality, as used in this report, differs from the definition used in the context of filings with the U.S. Securities and Exchange Commission (SEC). Mohawk's refreshed sustainability strategy followed the 2020 update of our material topics, which helped us better understand what is most pertinent to our business and, therefore, those areas through which we can make the greatest impact. As part of the process, we sought input from external stakeholders, including residential and commercial customers, suppliers and industry trade association members, asking them to rate the importance of topics to their relationship with Mohawk. We used this input, as well as industry benchmarking and materiality studies specific to some of Mohawk's regional businesses, to identify the following topics as high priorities.

## SOCIAL

- Ethics and Integrity
- Product Impact on Health and Indoor Air Quality
- Occupational Safety
- Talent Management/Diversity and Inclusion
- Employment

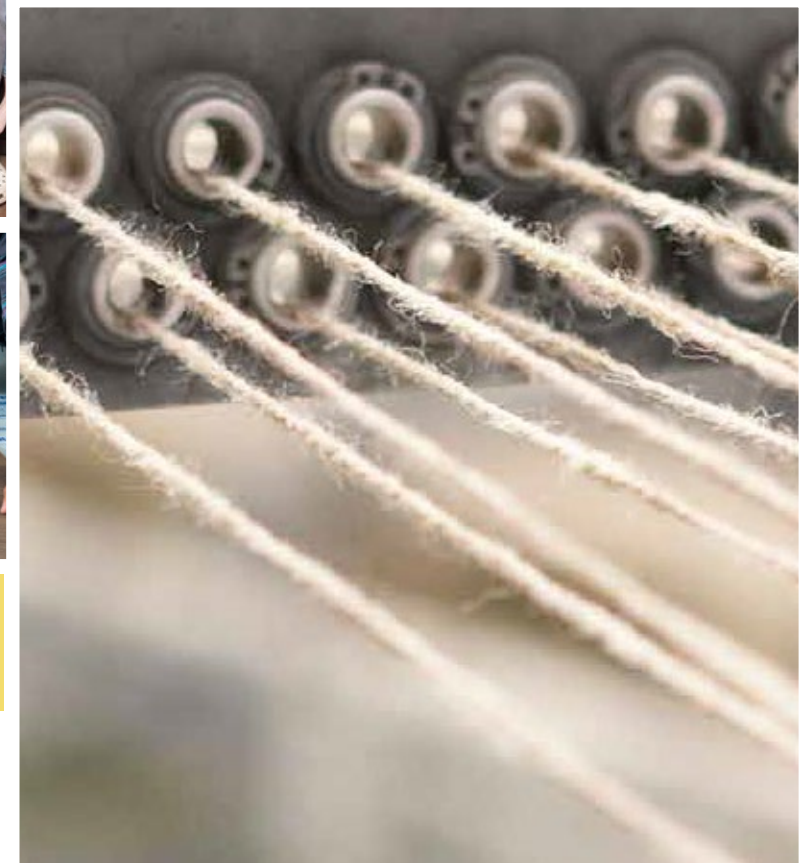
## ENVIRONMENTAL

- Sustainable Product Design
- Circular Economy and End-of-Life Solutions
- Waste
- Carbon and Energy
- Water Stewardship

As part of our preparation for the upcoming EU Corporate Sustainability Reporting Directive regulations, we have begun an updated third-party-led double materiality ESG assessment, which we expect to complete in 2023.

### Stakeholder Engagement

Our key stakeholders include employees, customers, consumers, suppliers, investors and the communities in which we operate. We engage with these stakeholders consistently through a variety of communication channels, ranging from our employee intranet portals to customer surveys to ESG discussions with investors and analysts. We take feedback and incorporate it to shape a long-term strategy that will help us grow our business sustainably. We always appreciate feedback to make us better. Comments may be shared at [sustainability@mohawkind.com](mailto:sustainability@mohawkind.com).



# GROWING VALUE THROUGH CONNECTIONS

## A Conversation with Our Chief Sustainability Officer



**MALISA MAYNARD**  
Mohawk Industries Chief Sustainability Officer

**You were recently named Mohawk’s Chief Sustainability Officer. What are your goals in this new position for you and the Company?**

**MM:** My goals are Mohawk’s goals. When I joined the business two years ago, we established new goals for safety, emissions, water use and product circularity. As a team, we have made great progress toward these goals, with some already achieved. A larger goal was measuring and assessing Scope 3 greenhouse gas (GHG) emissions. Our decentralized structure, global reach and diverse product offering has made that data challenging to gather, but we have made steady progress and are excited to include it in this year’s report.

**This year’s ESG report also underscores the idea of connectivity among Mohawk’s family of brands and businesses. Why is that important?**

**MM:** Regardless of where we operate in the world, all Mohawk businesses are trying to solve common

and often complex challenges—decreasing their carbon footprint, innovating more products with sustainable attributes, conserving resources and being an employer of choice in competitive labor markets. Solutions to these challenges will vary, but can almost always be shared, adapted and applied among our businesses.

**How do you support that effort?**

**MM:** In 2021, we established People and Planet Councils to spur dialogue and share best practices to further ESG objectives. This year’s report includes important information on the work those councils are doing. They have been a great channel for enterprise-wide initiatives, such as gathering Scope 3 emissions data and finding common ground within our decentralized operating structure.

**So, you see decentralization as a strength for Mohawk?**

**MM:** I do. It is really one of Mohawk’s greatest attributes because it ensures that an entrepreneurial spirit flourishes around the

world. And that spirit is critical to product and process innovation, which in turn, is critical to furthering our ESG progress. People can make local decisions that impact local markets and communities. We recognize and value our distinct cultures, so having a “one size fits all” approach for business or for ESG work would never make sense at Mohawk.

**How does this impact your role at the corporate level?**

**MM:** When I joined Mohawk, one of my initial impressions was the number of sustainability initiatives underway around the world. I have been able to assist with refining data collection and improving reporting, ensuring external audiences are aware of our work and connecting internal groups working on similar projects to ensure best practices were in place. I see myself and our ESG team as a bridge between different functional areas and business groups. We are here to work with others to achieve Mohawk’s goals and improve the businesses performance.

**As a flooring industry leader, what sort of responsibility does Mohawk have to be a leader in sustainability, as well?**

**MM:** We have a great responsibility to lead by example. And one of the most important examples is to demonstrate that what is good for people and the planet is also good for business. We have promoted transparency and integrity in how we share information to reinforce retailer and consumer confidence. Through our Supplier Code of Conduct, we have elevated sustainability expectations for our vendors, which is an area where we have influence. We are also working with our sales teams to help retailers better understand the advantages of sustainable products and more effectively communicate them to consumers.

**How are you ensuring that sustainability translates into value for your retail customers?**

**MM:** There is no question that product innovation, much of which is driven by sustainability, helps us provide more differentiation to retailers. For example, through our patented Continuum process, Mohawk has enhanced the value proposition of polyester carpet made from recycled plastic bottles. Continuum made the polyester fiber softer and more substantial and improved its soil and stain resistance and durability. That is a win for every retailer who can showcase that differentiation to consumers, because consumers want products that they can

feel good about having in their homes, but they also want them to meet their needs. Mohawk repeatedly proves that sustainable products are beautiful and practical, as well.

**How well are consumers understanding the importance of sustainability in their flooring decisions?**

**MM:** Surveys suggest climate change has become a greater concern for certain segments of buyers, such as Millennials and Gen Zers, over the past few years. They rightfully expect businesses to reduce GHG emissions. From a sustainability perspective, our industry will probably evolve much like the automotive industry. The number of electric vehicles increases every year, and

eventually these vehicles will be the norm. Sustainable building materials also will become the norm as consumers focus on healthier, more energy-efficient and more environmentally friendly homes. This is consistent with every consumer survey we read. Sustainability is, and will be, a must-have in our industry and across all consumer goods.

**Is the Company's product portfolio offering enough sustainable products today?**

**MM:** When you purchase one of our products, there is a sustainable aspect to its manufacturing, whether it is waste, energy and water reduction; recycled or sustainable material; end-of-life-cycle

reclamation; or corporate social responsibility through our partnerships with nonprofit groups. One of our most important responsibilities is to amplify that message so that consumers can feel even better about purchases, while also appreciating the beauty and performance our products bring to their homes. Many people may be unaware that most of our laminate, chipboard and ceramic tile collections contain recycled, recovered or reclaimed materials. While that is a great proof point, we are committed to doing even more. One of the most common questions I receive from employees is, "How can we get better?" That speaks volumes about our commitment and our approach of being better today than we were yesterday and working diligently to be even better tomorrow.



## ESG RECOGNITION

### Global

- Training Apex Award (16 consecutive years)

### Europe

- Artribune Best Company Award 2022 in Italy for cooperation with institutions, cultural entities, public healthcare and nonprofit organizations
- Top® Employer in Spain certification since 2021
- Top® Employer in Belgium certification since 2018
- Top® Employer in Italy certification since 2017
- Cradle to Cradle Material Health Certificate
- One of the first companies to obtain the new ISO 17889-1 certification for sustainable ceramic tiles

### Australia

- Kinaway Business Award for Best Collaboration 2022

### U.S.

- Floor Covering Weekly GreenStep Awards, Practice/Process Winner, ReCover Recycling Program 2022
- Floor Covering Weekly GreenStep Awards, Promotion Winner, UltraWood Naturally Sustainable Infographic 2022
- Floor Covering Weekly Dealers' Choice Awards, Hardwood Winner, UltraWood Plus 2022
- Green Good Design Award for Data Tide 2022
- Green Good Design Award for UltraWood 2022
- Green Builder Media, Sustainable Product of the Year, UltraWood 2022
- Chattanooga Times Free-Press "Best of the Best" North Georgia Employer Award 2022
- United Way of Northwest Georgia "Community Builder" and "5-Star Champion" 2022
- Latin American Association Compañeros Award for Corporate Partner of the Year 2022



- Georgia Association of Manufacturers Large Facility Safety Award 2022
- Best of NeoCon Awards, Sustainability category for Social Canvas and Painted Perspectives 2022
- Forbes' Best Large Employers 2022
- Forbes' Best Employers for Veterans since 2020
- Dal-Tile's "Our Promise" sustainability program received Best of Sustainability/Disruption Award at TISE 2022
- Healthcare Design Nightingale Awards in the carpet sustainability category for Fractal Fluency and Social Canvas
- USA Today America's Climate Leaders 2023
- Green Builder Media, Sustainable Brand Leader in Flooring 2023
- Floor Covering News Best of Surfaces Awards, Industry Disruption/ Sustainability, SmartStrand Color Wall 2023
- Susan G. Komen Promise Award, Mohawk 2023
- eTextile Communications' 2022 Textile Industry Champion Award, Mohawk

**GREEN BUILDER**  
SUSTAINABLE  
BRAND LEADER 2023







We are dedicated to revolutionizing the way we think about products and their life cycles to meet our customers' needs for more sustainable flooring choices and to contribute to a more sustainable world.



BETTER FOR CUSTOMERS



# BUILDING SUSTAINABLE PRODUCT DEMAND

## Executive Roundtable on Customer Sustainability Priorities



**CHRIS WELLBORN**  
President and Chief Operating Officer; President, Global Ceramic



**PAUL DE COCK**  
President, Flooring North America



**BERNARD THIERS**  
President, Flooring Rest of the World

### Which of your customer segments are most interested in sustainable product attributes, and what is driving their interest? Have you seen any customer segments taking an increased interest?

**CW:** Architects and designers are typically more attuned to sustainable products because many are pursuing LEED or other sustainability building certifications for their clients. They have a deep knowledge of product options that will add value to their projects. They have embraced green building concepts, so sustainability is a key part of their practices.

**BT:** This depends a great deal on markets. In Europe, regulations on new construction and remodeling require energy-efficient choices, which we provide in many product categories. Consumers also have those expectations. They want beauty in their homes, and they value products that are sustainably manufactured and that reflect their values. Additionally, recently introduced European regulations also take into account the environmental footprint of building materials, setting maximum life cycle emission levels. More

and more, consumers want to understand how we use our materials, where they come from and what their impact is. That is why we have independent certificates to validate the safety and sustainability of our products.

**PDC:** I agree that architects and designers definitely play an important role; however, Millennials and Gen Z consumers are prioritizing product transparency because they want to understand the environmental and social impact of their purchases. These generations are not only concerned about the planet, they are also taking actions to help reduce the environmental impact in their buying choices. Just as they pursue vintage wood furniture because they are re-using it, they are looking for more sustainable flooring options.

**CW:** The generational effect is very real. We see Millennials and Gen Z considering ceramic tile because they recognize the sustainability in that choice: ceramic tile is made to withstand the test of time. And Bernard is right: consumers are definitely more conscious about how products are made and what they contain, so they recognize ceramic tile as a choice made primarily from natural materials.

### What macroeconomic and market trends are driving demand for more sustainable products?

**BT:** There is definitely a transition toward a circular economy. At Unilin, circularity has been in our DNA since the company began in 1960. Our chipboards consist of 95% recycled wood, and our laminate flooring is also wood based. Wood is a renewable material that stores carbon and therefore is a very sustainable product. Beyond wood, we recently invested in new technology that will enable us to recycle post-consumer PVC into new, innovative and beautiful vinyl floors.

**CW:** What Bernard is referring to is consistent with our manufacturing philosophy across the enterprise. We have thousands of products that include recycled content, and we are able to repurpose our own waste streams into new, first-quality products.

**BT:** The shift from fossil fuels to renewable energy is another example. Today, 60% of the energy we consume at Unilin is renewable. To increase that share even further, we are constantly looking for ways to generate green electricity ourselves. In

our production and in our own power plants we use wood waste to generate renewable energy, creating less waste and using fewer fossil fuels.

**PDC:** In the last decade, polyester has grown to a majority share of the U.S. carpet market. Polyester is a lower-cost fiber alternative that has taken share from more premium and performance-oriented products. Mohawk has invested in a proprietary Continuum process to produce EverStrand and EnviroStrand polyester fiber, which is made from recycled PET plastic bottles. Through this process, we can provide differentiated and fashionable products for budget-conscious consumers. Additionally, Mohawk continues to offer and invest in higher performing, long-lasting and luxury carpet products that include renewable content like our corn-based SmartStrand collections and carpets made from New Zealand wool sold under our Karastan and Godfrey Hirst brands. Our SmartStrand products were the first to incorporate our revolutionary new ReCover backing, which makes SmartStrand 100% recyclable and reusable at the end of the carpet's first life.

**CW:** Our carpet collections give consumers many sustainable options at different price points, and we do that with ceramic tile, as well. The average lifespan of ceramic tile is over 70 years, so many people recognize that an investment in ceramic tile means they are unlikely to have to replace it in their lifetimes, reinforcing the value it represents. Also, after the pandemic, many people

became more health conscious in their home choices, and ceramic tile is naturally resistant to bacteria, mold and mildew. We have added anti-bacterial protection to further enhance the healthy properties of many of our collections.

### How is innovation leading to more sustainable manufacturing processes and products?

**PDC:** Our R&D teams integrate sustainability into product design while also focusing on consumer expectations. A sustainable product must meet consumer needs, or it will not survive in the marketplace. We have an exciting new flooring option that does just that: our renewable polymer core (RPC) PureTech collection. We have retained the performance features, easy installation and waterproof attributes that consumers expect while engineering a PVC-free alternative to traditional resilient flooring. This eco-resilient concept is 100% renewable with bio-based materials rather than petroleum-based materials found in most resilient floors.

**CW:** I agree with that, Paul. For example, technological advancements are enabling us to produce thinner ceramic tile that is just as durable as thicker tiles but require less energy and less material to create. As consumer preferences have shifted to larger tile sizes, making lighter products also supports the safety of installers and minimizes the transportation impact. I mentioned earlier that we use recycled content in thousands of

products. Many people may not realize that when tiles fail to pass our rigorous quality standards, we crush them and repurpose that material into the manufacturing process. That has significantly reduced our waste stream.

**BT:** Innovation is a driving force. Our R&D teams use our Sustainable Innovation Framework during each design phase to immediately include the sustainability impact. Sustainability requires a transformation in our processes and our use of raw materials. A good example is our recently patented recycling technology which allows us to reuse wood fibers in medium-density fiberboard (MDF) and high-density fiberboard (HDF) and bring them back into circulation. The carbon stored in the wood is retained longer, so we are doubling their life cycle.

### What are some other ways in which sustainability influences your product offering?

**BT:** We are committed to continually reviewing and improving the sustainable credentials of our products and services. Making our products recyclable is one of our main challenges. We are working to develop 100% bio-based MDF and chipboards, entirely free of petroleum-based ingredients, and we are identifying possibilities to recycle our polyurethane insulation boards. Also, where feasible, we have switched to transparent and/or thinner packaging films made with the greatest possible percentage of recycled content.

**CW:** With advanced technologies, we are pushing the boundaries with many new product innovations. In contrast to that, ceramic tiles date back thousands of years, when people began to combine earth and water and then flatten and heat the mixture. Today, the materials we use in our tiles are still almost all naturally sourced, which people really value. Tile production requires a lot of water, and we recognize the importance of water conservation. We have been able to recycle wastewater back into our plants around the world to prevent it from requiring external treatment.

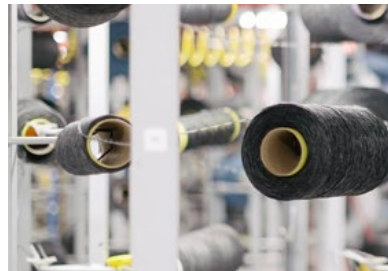
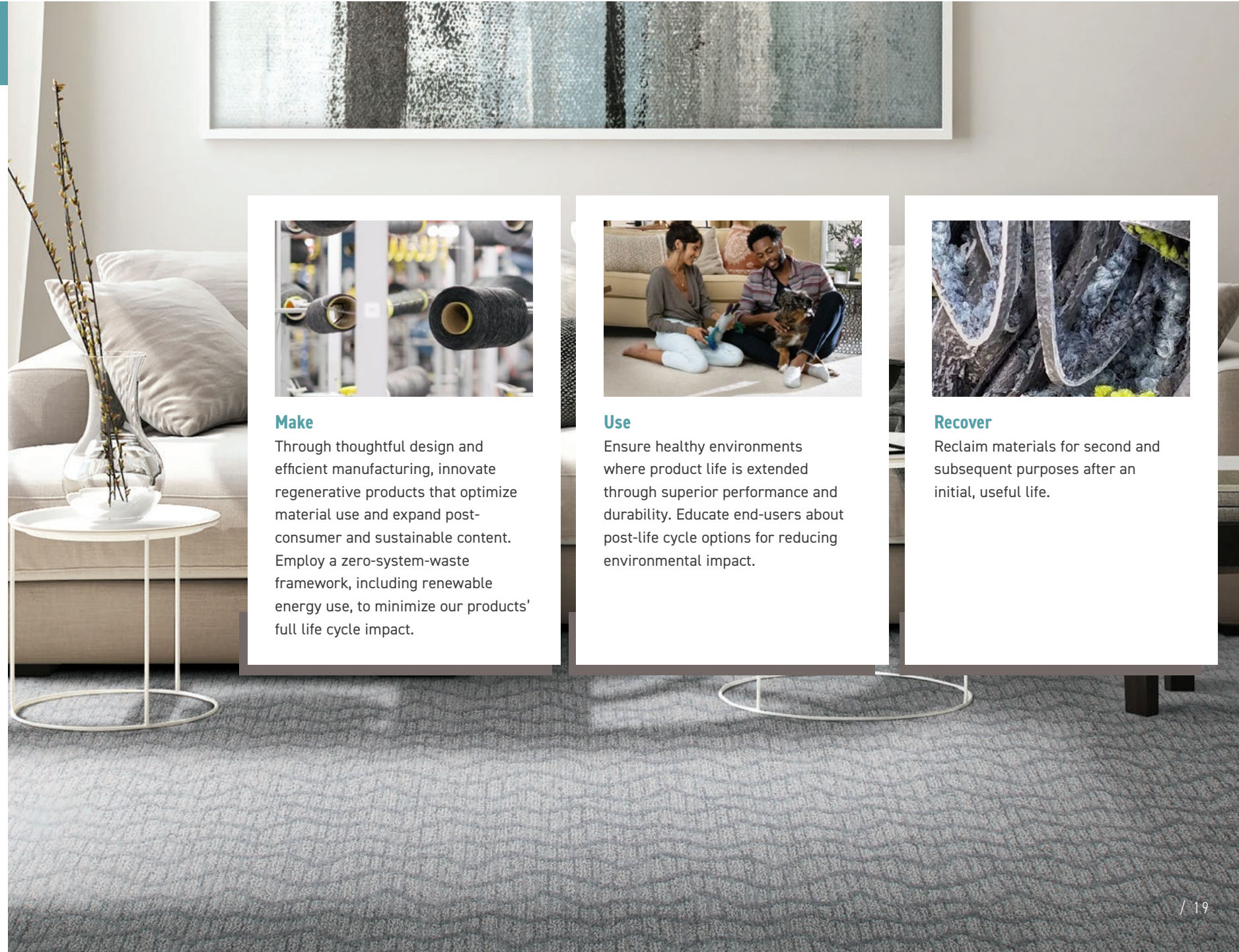
**PDC:** We have the same needs for water in many of our manufacturing processes, and we have also embraced the importance of water to people's lives. For example, we work with the Waterkeeper Alliance to clean rivers and streams and with Water.org to make clean drinking water accessible in at-risk areas. These partnerships reflect our values. For instance, for more than two decades, we have grown a national cause marketing partnership with Susan G. Komen. Recently, we collaborated with artists with disabilities to produce award-winning commercial carpet and hard-surface collections. We are a better company when our products help to drive positive changes in the world.

# PRODUCT CIRCULARITY

By embracing circular economy principles, we conserve natural resources and minimize environmental impacts.

Mohawk's "make, use, recover" product circularity model is a holistic and sustainable approach to product design, consumption and disposal—aiming to minimize resource depletion, reduce waste generation and create a closed-loop system where materials can be continuously reused and repurposed.

During the past year, our Planet Council has established a product circularity subgroup to formalize product circularity goals by 2025.



## Make

Through thoughtful design and efficient manufacturing, innovate regenerative products that optimize material use and expand post-consumer and sustainable content. Employ a zero-system-waste framework, including renewable energy use, to minimize our products' full life cycle impact.



## Use

Ensure healthy environments where product life is extended through superior performance and durability. Educate end-users about post-life cycle options for reducing environmental impact.



## Recover

Reclaim materials for second and subsequent purposes after an initial, useful life.

# MAKE. USE. RECOVER.

Mohawk incorporates recycled and renewable materials in many of our products, reducing our reliance on virgin resources.

We also use advanced manufacturing processes and technologies—discussed in the Better for the Planet section of this report—to maximize resource efficiency and minimize waste generation throughout the production process.

## Sustainable Product Design

Material selection is a key part of our design process and our efforts to make products more sustainable. Through circular design principles, we work to reduce the material required for manufacturing and have the potential to achieve significant savings in raw materials. For instance, in 2022 Godfrey Hirst introduced Enviro Bac Lite®, a lighter-weight carpet backing. In addition to being made from recycled content, this backing uses less material, which results in a lighter product to transport and reduced associated emissions. In addition to reducing the amount of material used in manufacturing, we use sustainable materials that are renewable, recycled or bio-based.

At its facility in northeastern Brazil, Eliane manufactures ceramic tile using lime mud—a natural residue from a nearby cellulose manufacturing plant—as a sustainable alternative to limestone. This is an example of “industrial symbiosis,” where by-products of one manufacturing process become inputs for another, and its benefits are numerous. Replacing limestone with lime mud has resulted in cost savings, while also preventing the depletion of non-renewable resources. Use of this industrial residue also has reduced the direct impacts of mining and processing limestone—leading to energy savings, lower carbon transportation emissions and increased production efficiency. In addition, because the residue is already refined and free of contaminants, it has facilitated smoother manufacturing processes.

## Bio-based Products

Derived from renewable resources such as plants, bio-based products play a crucial role in the transition toward a more sustainable and environmentally conscious future. These products provide a viable alternative to traditional petroleum-based counterparts.

Bio-based products extend to using renewable materials, which are derived from replenishable sources. Mohawk produces wool flooring products for residential and commercial applications in many of our markets. In addition, Mohawk’s UltraWood is made from 90% recycled wood fiber, which is 100% renewable. This manufacturing process delivers 10 times more natural hardwood floors per log than traditional hardwood flooring production. In addition, natural wood products like UltraWood extend the life cycle of the wood recycled in their production, keeping carbon stored in the floor and delivering even greater environmental benefits.

Mohawk’s exclusive SmartStrand carpet fiber (trixta) is made in part from bio-based materials, specifically corn, a first-generation resource-efficient, renewable crop grown by American farmers using regenerative farming practices. In 2022, Mohawk launched the ReCover Backing System in its SmartStrand carpet line. ReCover is hypoallergenic, latex-free and does not absorb moisture that can lead to mold and mildew growth. ReCover backing makes SmartStrand 100% recyclable and reusable at the end of the carpet’s first life.

## Transforming Ocean-Bound Plastic into Flooring Solutions

Unilin has partnered with Plastic Bank®, an organization that works to stop plastic litter on coastlines around the world from entering the oceans, while creating jobs for marginalized communities. Unilin began incorporating this ethically sourced plastic, known as Social Plastic®, into its Texmark textile backing—which is made using 100% recycled material. Texmark products use around 12 million recycled plastic bottles each year. Unilin’s partnership with Plastic Bank extends to its sheet vinyl collection as well, adding an extra layer of environmental stewardship to the plastic bottle-based flooring. For both product lines, one in every 10 recycled plastic bottles used in manufacturing are Social Plastic bottles recovered from coastlines.



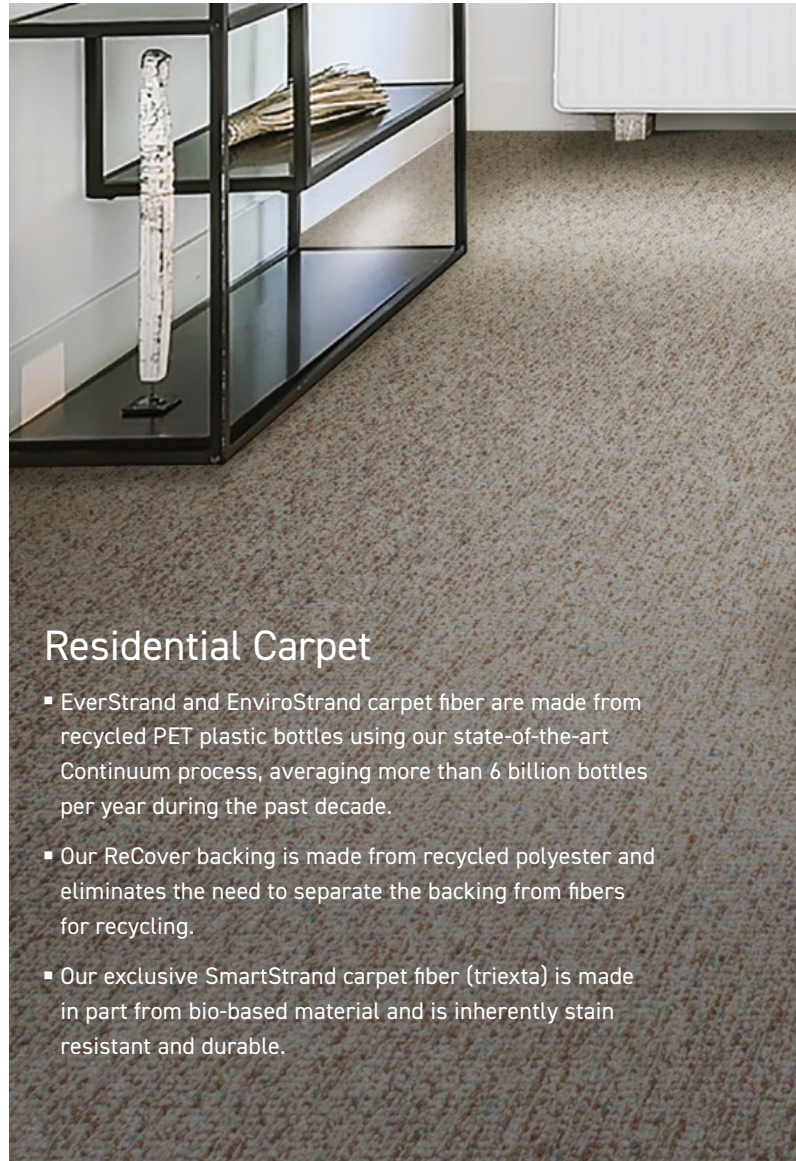
# PRODUCT CIRCULARITY IN ACTION

Worldwide, Mohawk manufactures thousands of products containing post-consumer recycled materials.



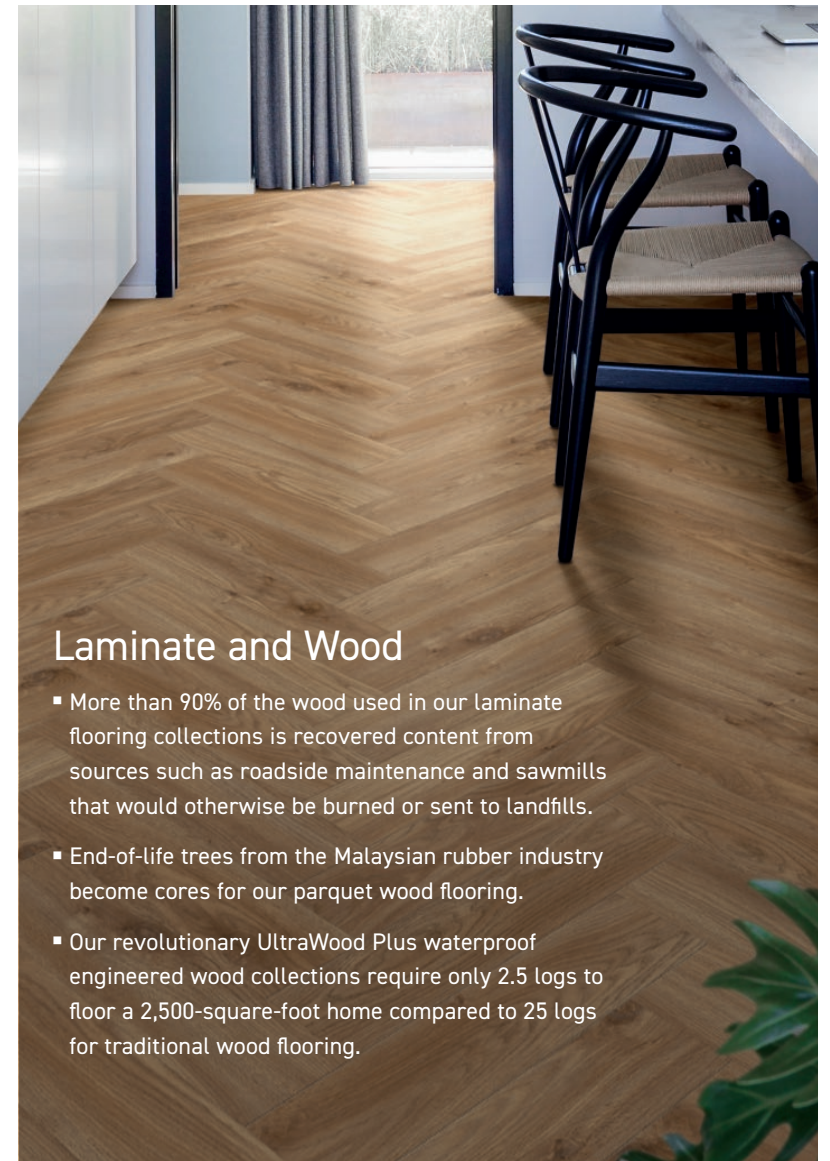
## Ceramic Tile

- Over 99% of Dal-Tile's manufactured tile collections contain recycled or reclaimed materials.
- Eliane's facility in northeastern Brazil manufactures ceramic tiles using lime mud—a natural residue from a nearby cellulose manufacturing plant.
- Ceramic tile is naturally resistance to bacteria, mildew and mold, and we have taken that a step farther by introducing antimicrobial protection to eliminate the growth of up to 99% of surface bacteria.



## Residential Carpet

- EverStrand and EnviroStrand carpet fiber are made from recycled PET plastic bottles using our state-of-the-art Continuum process, averaging more than 6 billion bottles per year during the past decade.
- Our ReCover backing is made from recycled polyester and eliminates the need to separate the backing from fibers for recycling.
- Our exclusive SmartStrand carpet fiber (trixta) is made in part from bio-based material and is inherently stain resistant and durable.



## Laminate and Wood

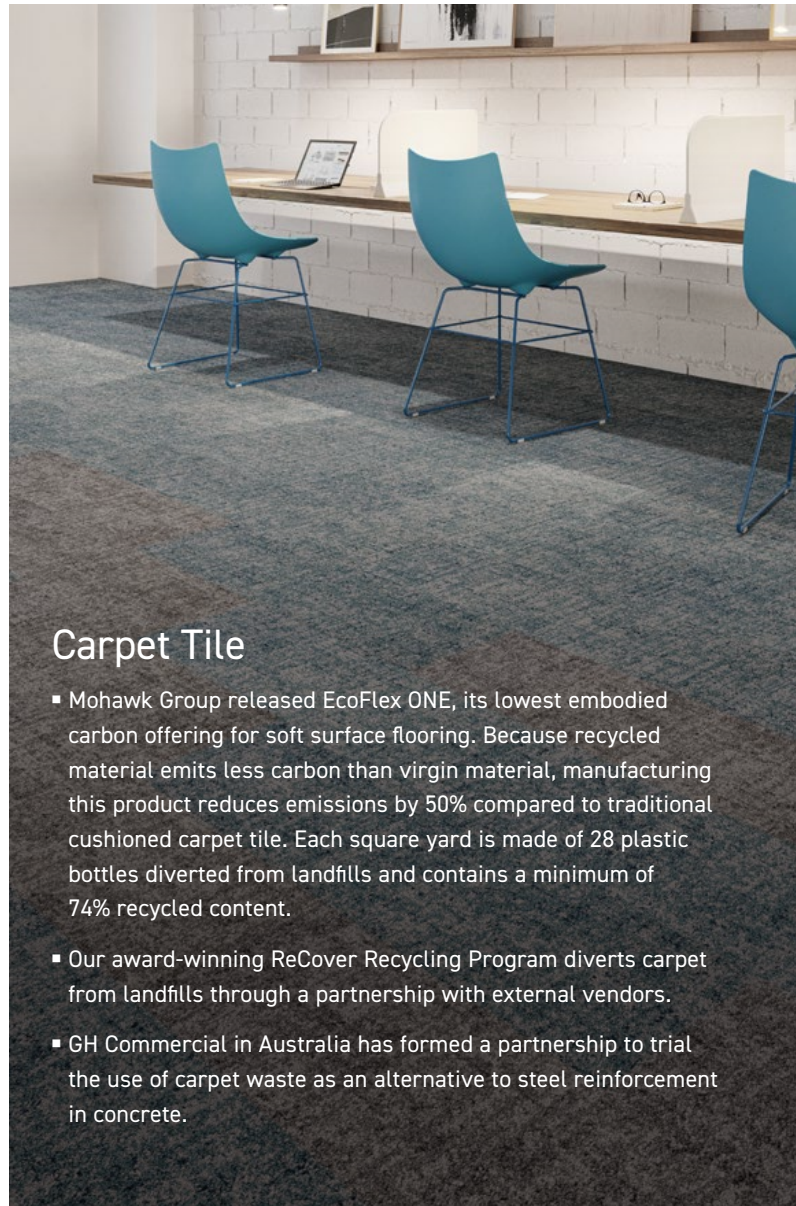
- More than 90% of the wood used in our laminate flooring collections is recovered content from sources such as roadside maintenance and sawmills that would otherwise be burned or sent to landfills.
- End-of-life trees from the Malaysian rubber industry become cores for our parquet wood flooring.
- Our revolutionary UltraWood Plus waterproof engineered wood collections require only 2.5 logs to floor a 2,500-square-foot home compared to 25 logs for traditional wood flooring.

## PRODUCT CIRCULARITY IN ACTION



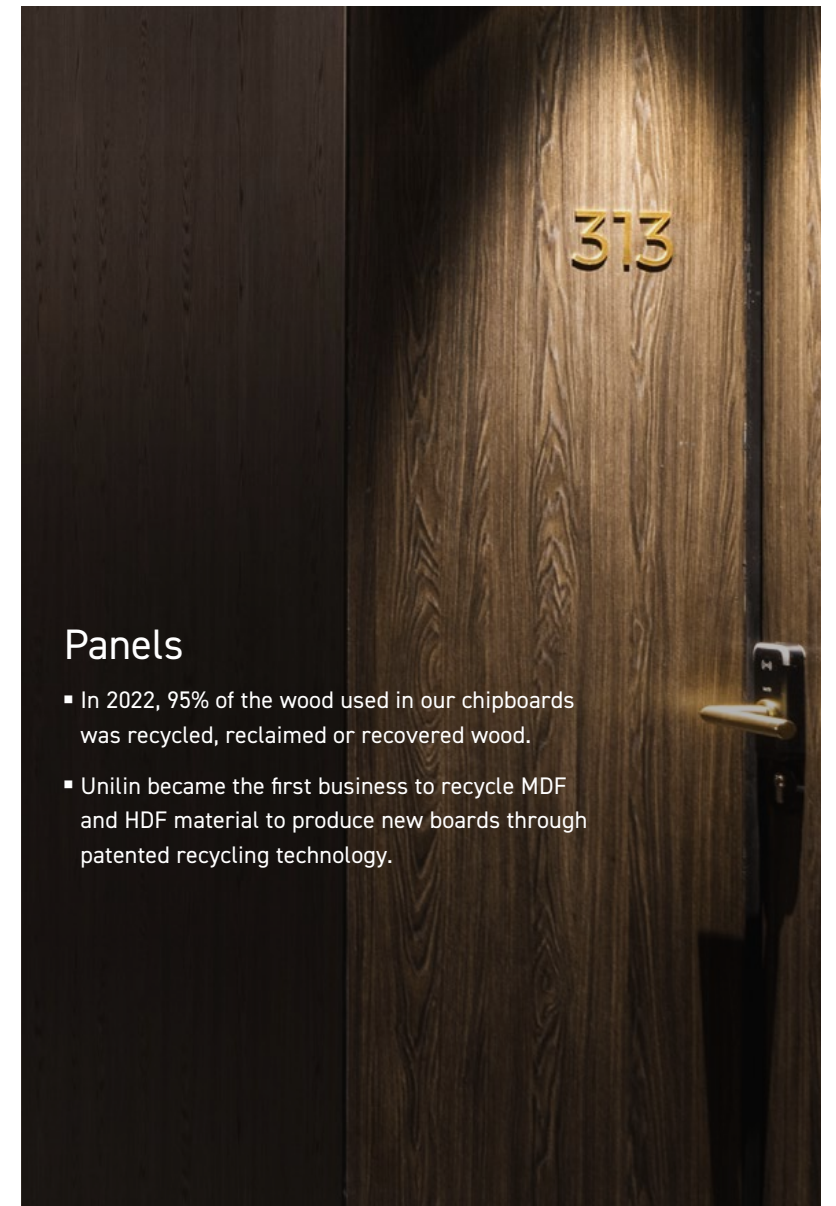
### Resilient

- Our new RPC product, PureTech, offers a PVC-free alternative to resilient flooring while maintaining waterproof capabilities and exceeding the scratch resistance of traditional Luxury Vinyl Tile (LVT).
- All commercial LVT manufactured at the Dalton, Georgia, closed-loop facility consists of 100% post-industrial recycled content, which is aligned with Mohawk Group's "Beyond Carbon Neutral" program.
- Through our ReCover program, Unilin collects and recycles used vinyl flooring through external partners.
- In addition, Unilin's take-back program includes reusing click LVT by cleaning and repurposing the tiles for use in youth clubs and community centers.



### Carpet Tile

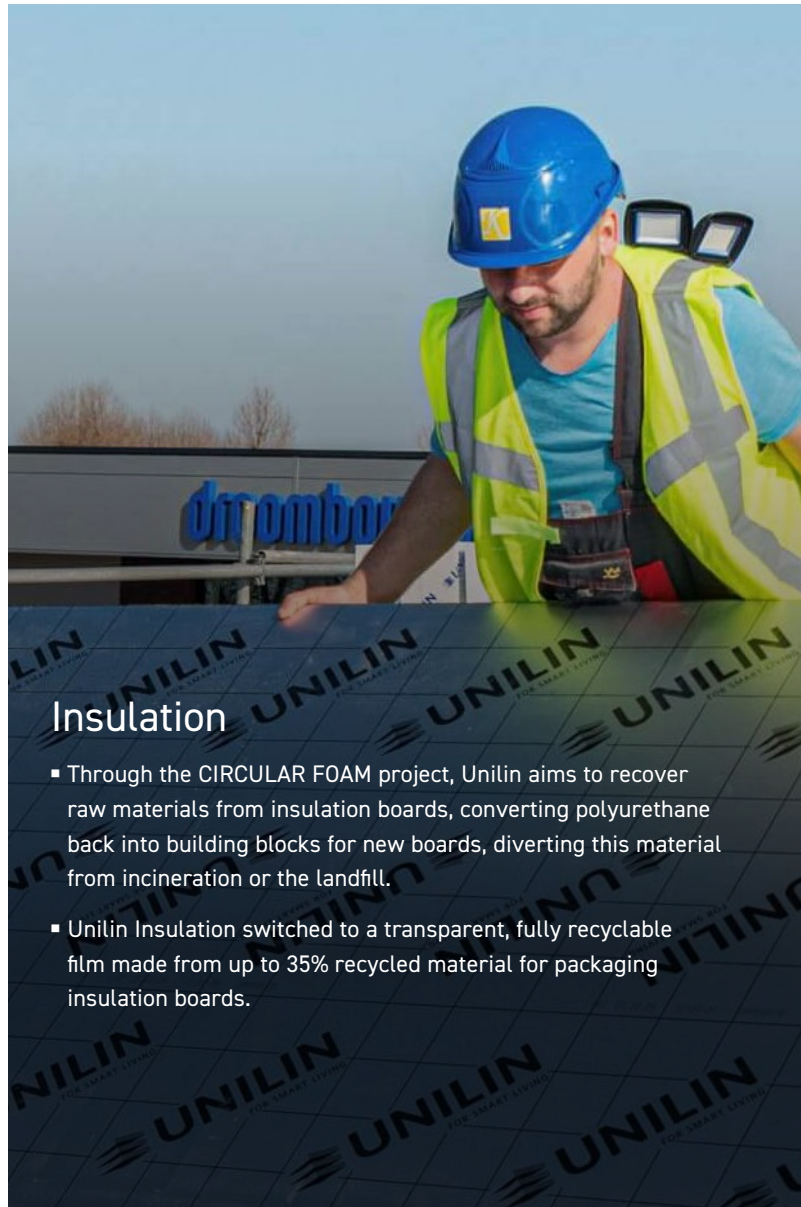
- Mohawk Group released EcoFlex ONE, its lowest embodied carbon offering for soft surface flooring. Because recycled material emits less carbon than virgin material, manufacturing this product reduces emissions by 50% compared to traditional cushioned carpet tile. Each square yard is made of 28 plastic bottles diverted from landfills and contains a minimum of 74% recycled content.
- Our award-winning ReCover Recycling Program diverts carpet from landfills through a partnership with external vendors.
- GH Commercial in Australia has formed a partnership to trial the use of carpet waste as an alternative to steel reinforcement in concrete.



### Panels

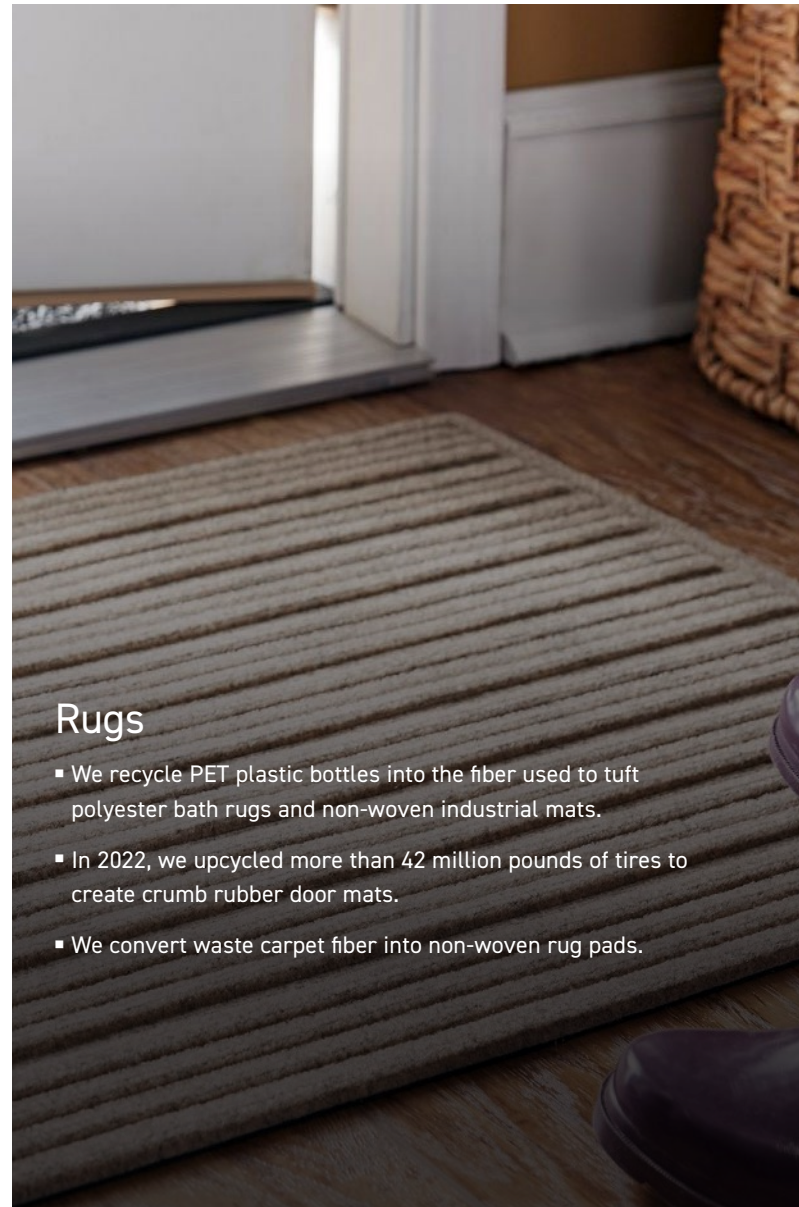
- In 2022, 95% of the wood used in our chipboards was recycled, reclaimed or recovered wood.
- Unilin became the first business to recycle MDF and HDF material to produce new boards through patented recycling technology.

## PRODUCT CIRCULARITY IN ACTION



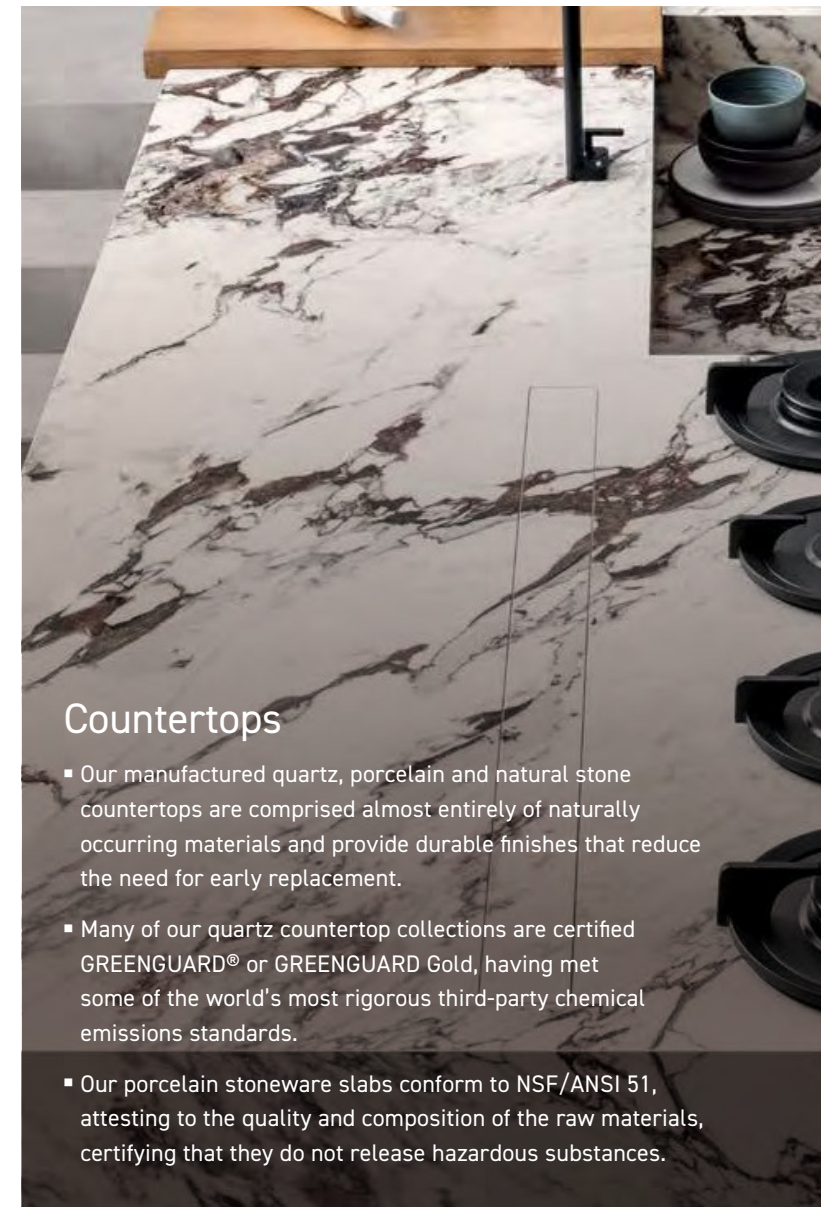
### Insulation

- Through the CIRCULAR FOAM project, Unilin aims to recover raw materials from insulation boards, converting polyurethane back into building blocks for new boards, diverting this material from incineration or the landfill.
- Unilin Insulation switched to a transparent, fully recyclable film made from up to 35% recycled material for packaging insulation boards.



### Rugs

- We recycle PET plastic bottles into the fiber used to tuft polyester bath rugs and non-woven industrial mats.
- In 2022, we upcycled more than 42 million pounds of tires to create crumb rubber door mats.
- We convert waste carpet fiber into non-woven rug pads.



### Countertops

- Our manufactured quartz, porcelain and natural stone countertops are comprised almost entirely of naturally occurring materials and provide durable finishes that reduce the need for early replacement.
- Many of our quartz countertop collections are certified GREENGUARD® or GREENGUARD Gold, having met some of the world's most rigorous third-party chemical emissions standards.
- Our porcelain stoneware slabs conform to NSF/ANSI 51, attesting to the quality and composition of the raw materials, certifying that they do not release hazardous substances.



## MAKE. USE. RECOVER.

We continually challenge ourselves to develop innovative products that meet the market's evolving needs and that have a lighter impact on the planet.

Key to this objective is ensuring that our products support healthy environments. In 2022, several of our brands forged new milestones on this front.

During the year, all Mohawk Group floor covering products—including carpet tile, broadloom, woven carpet, LVT and other resilient surfaces—went Beyond Carbon Neutral. This means these products have a net-positive impact on the environment, defined as having an additional 5% carbon offset beyond neutral.

Dal-Tile also unveiled a major brand initiative with the introduction of its new sustainability program, OUR PROMISE, aimed at highlighting Dal-Tile's green and sustainable practices. The comprehensive platform educates customers about Dal-Tile's environmentally friendly products and processes, emphasizing their commitment to the planet, people and governance. Dal-Tile's environmental achievements include

- Preventing more than 125 million gallons of wastewater from entering local water treatment facilities by recovering and reusing 84% of process wastewater in ceramic tile manufacturing
- Using recycled or reclaimed materials in over 99% of their tile collections
- Recovering and reusing over 300 million pounds of recycled or reclaimed material per year in American facilities

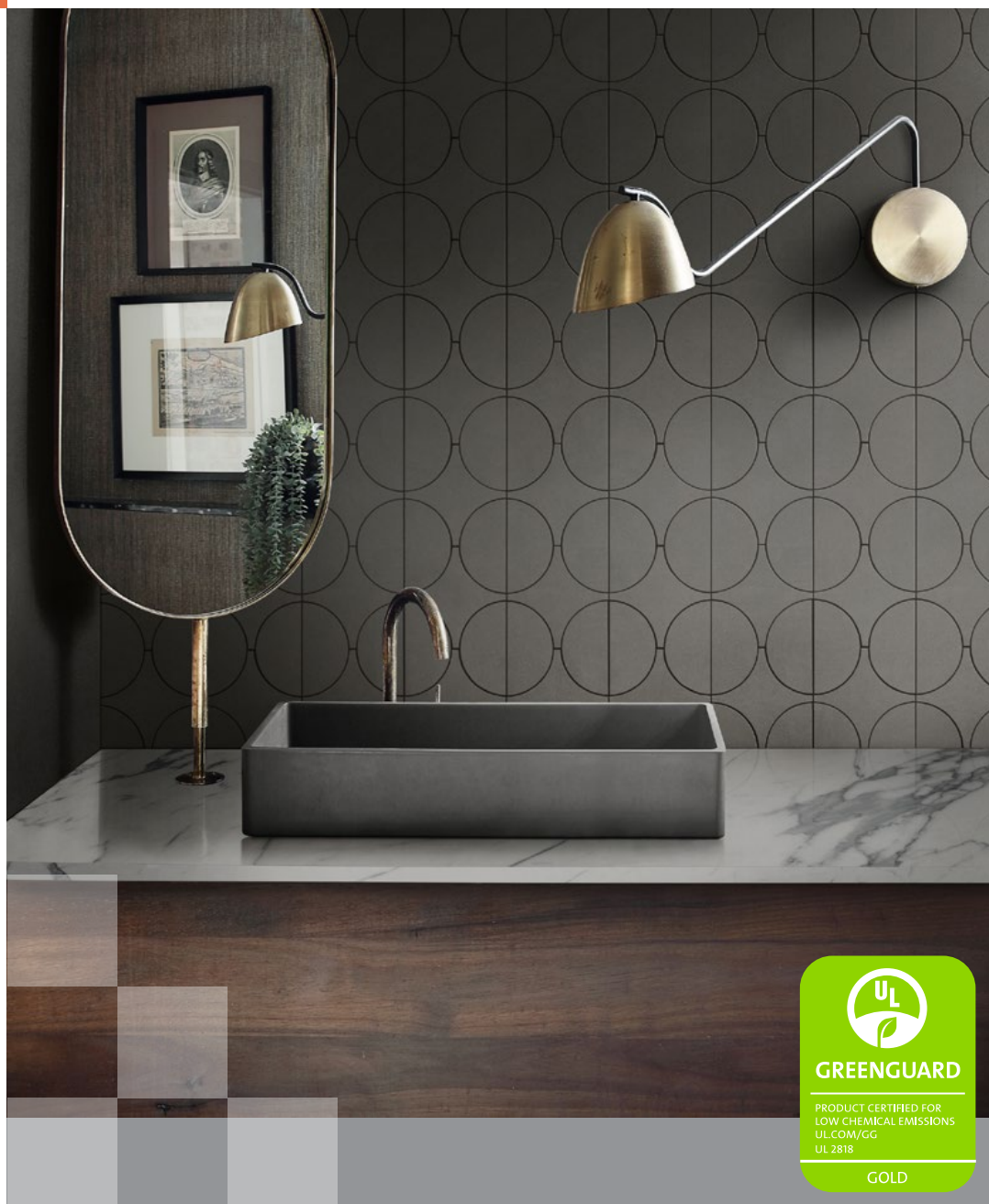
In 2022, Brazilian ceramic tile manufacturer Eliane became the latest Mohawk brand to complete a Life Cycle Assessment (LCA). This study encompassed all stages of production, from raw material extraction to product disposal, quantifying environmental impacts at each phase, which allows Eliane to make more sustainable decisions in its operations. The LCA results enable Eliane to obtain an Environmental Product Declaration (EPD), which allows those products to be incorporated into buildings seeking sustainability certifications such as LEED and the Brazilian certification AQUA.

Also in 2022, Marazzi Group became one of the first businesses in the world to obtain the new ISO 17889-1 certification. This certification sets international standards for measuring the sustainability of ceramic tiling systems by evaluating the environmental, economic and social impact of ceramic tiles throughout their entire life cycle, including raw material sourcing, manufacturing and disposal. The certification also considers employee safety and health parameters among the 38 indicators used to determine a specific score for each product. Marazzi achieved a 127.5 out of a maximum 130 score, indicating a strong commitment to protecting the environment and people.



### Mohawk Group Unveils Sustainability Estimator Platform for Flooring Collections

Mohawk Group has recently launched the [Sustainability Estimator](#). The Estimator allows users to assess the positive impact of their flooring projects on the environment and society by leveraging our vast catalog of EPD, Health Product Declarations (HPD) and various additional product certifications. By selecting different flooring products and entering the required information, users can view relevant building and product certifications, as well as carbon, water and social impacts. The Estimator is a resource to help specifiers feel confident about the finishes they are choosing and to spark meaningful conversations around sustainability and responsible manufacturing.



### Product Certifications

Customers expect companies to provide transparency and credibility around their sustainability claims. We rely on third-party certifications to validate the sustainable attributes of our products. These certifications serve as a trusted endorsement, assuring our customers that our products meet stringent sustainability standards.

By proudly displaying a range of certifications and labels, we demonstrate our commitment to meeting the expectations of environmentally conscious consumers. Many of our products contribute to Green Building Certifications such as LEED and WELL, and hold various sustainability certifications including

- The International Living Future Institute's (ILFI) Declare<sup>SM</sup> program
- ILFI's Living Product Challenge certification
- ILFI's Living Building Challenge Red List Free
- Environmental Product Declarations (EPDs)
- Health Product Declarations (HPDs)
- Indoor Air Quality/Volatile Organic Compound (VOC) certifications
- The HIGG Index
- Global GreenTag<sup>Cert</sup><sup>TM</sup>
- Environmental Certification Scheme (ECS)
- Cradle to Cradle (C2C) Material Health

For more detail about our product certifications, please visit our [corporate website](#).

### Indoor Air Quality

We prioritize healthy indoor air quality by designing and manufacturing flooring products with reduced emissions of VOCs. By collaborating with vendors to identify alternative chemicals, we have significantly reduced the emissions attributable to these products. We ensure compliance with health, safety and quality standards, as well as local and federal VOC regulations. Our environmental departments in each business rigorously evaluate and approve new chemicals and materials, while also requesting evaluations from suppliers for any substances of concern.

Unilin's sheet vinyl floors provide clean indoor air quality by using water-based inks and extra coatings to eliminate the risk of harmful toxins released into the air, in accordance with REACH.<sup>1</sup> In addition, Marazzi Group has achieved GREENGUARD or GREENGUARD Gold certification for more than 600 products, indicating that products contribute to healthy indoor air quality. Marazzi uses low-emission inks and fixatives as well as antibacterial technology for ceramic surfaces, and the porcelain slab collections hold NSF/ANSI 51 certification, guaranteeing these products do

not shed hazardous or toxic substances into foods and are easy to sanitize.

Aspects of our products' installation processes also contribute to good indoor air quality. Our patented Uniclic<sup>®</sup> technology requires no glue or chemicals during installation. Additionally, our in-house production of vinyl and resin binder allows for greater control over the use of potentially harmful substances.

Some natural ingredients have an intrinsic ability to improve air quality as well. For instance, we offer premium residential and commercial flooring products made with renewable wool. Wool carpet is inherently hypoallergenic and purifies the air—absorbing common indoor air pollutants, dust and odors like pet smells (without re-emitting them) until they can be vacuumed out.

Similarly, the non-porous nature of ceramic tiles makes them resistant to the growth of mold, mildew and bacteria, which can help reduce potential allergens and improve overall indoor air quality. In addition, because our tiles are made from natural materials such as clay and minerals, they do not emit VOCs or other harmful substances into the air.

<sup>1</sup> Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry.

# MAKE. USE. RECOVER.

To achieve product circularity, we recognize the importance of taking responsibility for our products at the end of their life.

In contrast to other life cycle phases that we control, such as manufacturing, sourcing and supply chain, collaboration with customers is a necessary step to keep products out of landfills. Mohawk promotes better decision-making by implementing programs for the recovery, reuse and recycling of flooring materials. In this way, we aim to close the loop on product life cycles, promoting circularity and reducing the reliance on finite resources.

## North America

Our ReCover Recycling Program offers landfill diversion solutions for both commercial and residential customers. We recycle old flooring produced by Mohawk and other manufacturers through a network of recyclers across North America. The program is customized for each project and provides a holistic and service-based approach to reclamation. In 2022, we recovered and recycled 548,497 pounds of old carpet tile and broadloom carpet, which equals 65,533 square yards of product.

As the ReCover program expands and evolves, we are exploring opportunities to make it even more accessible to residential customers. We are also working to raise awareness and expand usage of ReCover through various

mediums. Additionally, we are exploring opportunities to upgrade the ReCover program's database to facilitate program growth, improve tracking, and enhance visibility and transparency in the process for both customers and the Company.

Dal-Tile's GREENWORKS™ is a take-back program that provides the building industry with an alternative to landfill disposal for waste or unused materials that may arise from demolition/construction projects or inventory reduction programs.

## Europe

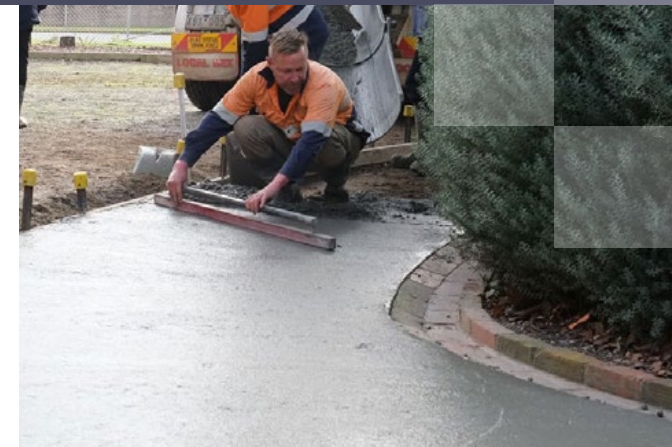
Unilin has also implemented take-back programs for various products. In 2022, Unilin collected more than 33 million pounds of chipboards, recycling 100% of them in-house. Unilin also offers services to collect used vinyl flooring and recycle it through external partners. In addition, the take-back program includes reusing click LVT and carpet tiles—cleaning and repurposing them in youth clubs and community centers. Test runs are underway to add polyisocyanurate (PIR) insulation boards to the program, exploring both mechanical and chemical recycling methods.

## Breaking New Ground: Transforming Carpet into Concrete

Godfrey Hirst and GH Commercial are working to convert waste carpet into FiberCrete®, an innovative carpet-fiber-reinforced concrete product. By using carpet waste instead of traditional steel mesh, GT FiberCrete offers a sustainable alternative for concrete reinforcement. Through successful trials on industrial driveways, it has demonstrated superior resilience against cracks compared to plain concrete. This breakthrough creates possibilities for future applications in residential driveways, footpaths, cycle paths and industrial hardstand areas.

## Australia and New Zealand

GH Commercial's Loop program breathes new life into carpet tiles. The business takes back any modular carpet products in good condition, free of charge, and repurposes them in fresh installations. The program serves a diverse range of customers, including charities, schools, budget-conscious buyers and environmentally aware corporate clients. Through the Loop program, GH Commercial achieves product circularity while preserving the value of the tiles and minimizing energy consumption.



**40M**  
pounds of product recovered at end-of-life globally during 2022.



# PRODUCT TRANSFORMATIONS

Converting end-of-life products into new ones is an important aspect of our circular economy model. Our brands are continually exploring new ways to achieve this.

For example, Unilin Panels is the first business in the world to recycle wood fiber from MDF and HDF materials, which were previously incinerated at the end of their life cycle. By moistening the boards with steam, subjecting them to high pressure and then releasing the fibers, the company can recycle MDF and HDF fibers and reuse them for new boards. In 2022, Unilin Panels recycled more than 6 million pounds of MDF, 50% of which was recycled in-house.

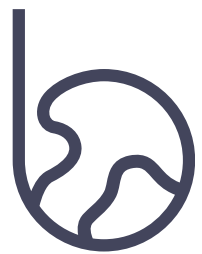
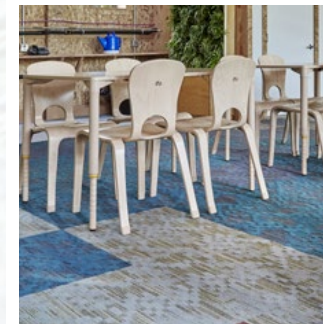
This breakthrough not only allows for the deployment of unused raw materials but also helps in capturing and retaining CO<sub>2</sub> for longer periods. This patented technology should make it possible to replace at least 25% of our raw material mix with recycled fiber by 2030. This will enable us to retain 380,000 tons of CO<sub>2</sub> per year in the wood fiber that is given a new life through this technology. This achievement aligns with Unilin's sustainability strategy and commitment to extending the lifespan of wood.





Consumers count on us to provide products that make their spaces beautiful and functional while also respecting our planet.

By embracing responsible practices and prioritizing environmental stewardship, we create a positive impact on the planet and strengthen our business through the efficient use of resources. As we align with circular economy principles, water restoration, waste reduction, renewable energy and emissions reduction play a vital role in achieving circularity in our operations.



BETTER FOR  
THE PLANET



**ERICKA ACOSTA**  
Global Ceramic



**TINA CLEMENTS**  
Flooring North America



**KATRIEN GODART**  
Unilin



**RACHEL HESTER**  
Flooring North America



**JAMUNA SIVATHASAN**  
Godfrey Hirst



**LASSE SIX**  
Unilin



**PAIJ THORN-BROOKS**  
Dal-Tile

## CONNECTING ON GLOBAL ENVIRONMENTAL STEWARDSHIP

In 2021, Mohawk formed its Planet Council to better align business direction and decision-making at the segment and brands levels with corporate sustainability goals. Seven members of the Council, from Mohawk Industries' worldwide brands, sat down to discuss what they've learned from working together during the past two years.

### What has been the primary focus of the Council since it was formed in 2021?

**RH:** The focus of this group has been to bring together Mohawk colleagues from around the world to discuss and align on our planet strategy, targets and outcomes across the globe. Through these discussions, we address accomplishments and challenges. We also work together on planet-wide objectives—including carbon reduction, water restoration, waste management and circular economy practices.

**PTB:** Since its inception, this team has been focused on utilizing the diverse backgrounds, knowledge and skill sets of the members to establish best practices, overarching goals and objectives to drive change. Sharing ideas and different perspectives has been critical to enabling each business across the world to learn from one another and accelerate their individual programs.

### How does working together as a Council further Mohawk's environmental stewardship?

**TC:** The Council provides us with a platform to openly ask questions, express concerns and seek clarification about changing regulations, reporting capabilities, guidelines and our shared goals. Additionally, we have formed specialized subgroups that focus on different areas of expertise. This targeted approach enables the development of comprehensive solutions, promotes innovation and maximizes our impact.

**KG:** Through knowledge sharing, we can move faster and take meaningful actions to address carbon emissions and climate challenges. By unifying our vision, sharing best practices and leveraging collective expertise, we act as a catalyst for driving positive change, enabling Mohawk to make significant strides in its environmental stewardship journey.



**What is an example of a shared best practice that has been implemented globally?**

**EA:** One notable example in 2022 was the establishment of the Climate Positive Future subgroup. Members of this subgroup have shared knowledge on Life Cycle Assessments (LCAs) and taught one another how to effectively use LCAs as a tool to quantify carbon emission reduction benefits on current and future projects. It ensures that we are using the same platforms and evaluating based on the same metrics. This global collaboration allowed us to leverage insights, learn from each other's experiences and implement robust strategies for reducing environmental impact across different regions and business segments.

**RH:** This year, we also achieved global alignment of waste definitions, benefiting future reporting while fostering teamwork and understanding of diverse waste perspectives. This collaborative effort has led to the development of clear and distinct waste definitions, enhancing the accuracy and efficacy of our reporting processes.

**What types of challenges and opportunities does the Council need to address given Mohawk's diverse portfolios of businesses and regional decentralization?**

**LS:** Challenges arise from differing customer expectations, government regulations and culturally based environmental priorities across regions. However, these challenges also present opportunities for us to gain better insights, create tailored strategies and implement initiatives that align with local contexts. The Council strives to strike the right balance between Mohawk Industries' global vision and the autonomy of business units, ensuring that actions are impactful and aligned with regional requirements.

**Looking ahead, what are the Council's priorities and objectives over the next two years?**

**JS:** We are dedicated to developing standardized policies at a global level to ensure compliance with international and local regulations and legislation, such as climate change policy and chemical management policy. The Council fosters good dialogue around how we balance global and local needs. Additionally, we are implementing a unified reporting platform to effectively track, monitor and manage our ESG performance, aligning with the organization's goals, so there are very practical outcomes that benefit the business as well as more strategic discussions.



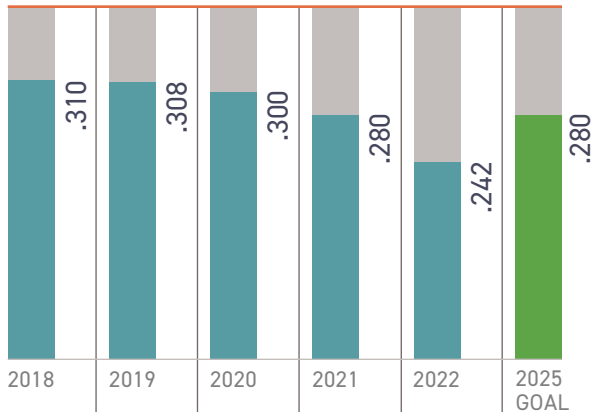
# CLIMATE POSITIVE FUTURE

## Mohawk is focused on sustainable practices that help to mitigate the effects of climate change.

Our Planet Council oversees this work by aligning business decisions with sustainability goals. The Council's priority is to establish science-based targets (SBTs) by 2024 for reducing GHG emissions, including Scope 1, 2 and 3 emissions. We have been tracking and reporting energy and Scope 1 and 2 emissions since 2010, and we are pleased to expand our reporting to include Scope 3 emissions in this year's report.

**Total Scope 1 and 2 GHG Emissions Intensity<sup>1</sup>** (biogenic and non-biogenic)

2010 Baseline: .374

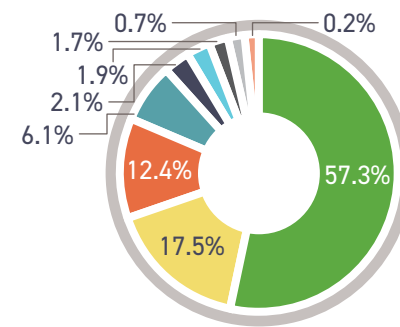


During the past year, we have engaged a third-party expert to help us collect Scope 3 emissions data from all global business units and evaluate each Scope 3 category to determine its relevancy to Mohawk operations. As a result of this work, we have collected and analyzed data for all 15 Scope 3 categories, found nine of them to be material enough to report and established a baseline. A climate risk assessment will be conducted in 2023 and will include a global scenario analysis exercise. As we look forward, our priority in 2024 is to implement a global ESG data platform for capturing metrics in order to strengthen sustainability measurement and performance.

As we work at the enterprise level for an approved SBTi, some business units already have an SBT in place. This includes our Flooring Rest of the World segment, which received approval in late 2022.

Mohawk Group—our North American commercial flooring division—is part of The Climate Pledge, committing to achieve net zero carbon emissions by 2040, which is 10 years ahead of the goals set by the Paris Agreement. More than 400 companies worldwide have signed this pledge since its establishment in 2019.

**2022 Scope 3 Emissions by Type<sup>2</sup>**



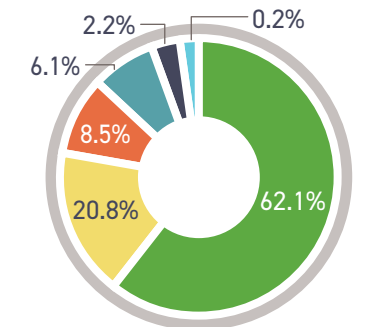
- % Purchased Goods and Services
- % End-of-life of Sold Products
- % Upstream Transportation and Distribution
- % Fuel and Energy-Related Activities
- % Waste Generated in Operations
- % Processing of Sold Products
- % Capital Goods
- % Employee Commuting
- % Business Travel

Collected and analyzed data for the nine relevant Scope 3 categories.



Our Oceania-based business, Godfrey Hirst, is also dedicated to reducing its operational carbon footprint. In 2020, Godfrey Hirst became the first Australian carpet manufacturer to achieve carbon neutral status from Climate Active, an Australian government-accredited carbon neutral certification program. In 2023, Godfrey Hirst New Zealand also became a carbon neutral organization.<sup>4</sup>

**2022 Total Energy Consumed by Type<sup>2</sup>**



- % Natural Gas
- % Grid Electricity
- % Biomass Energy
- % Other Fossil Fuels
- % Low Carbon<sup>3</sup>
- % Other Renewables

<sup>1</sup> Metric tons CO<sub>2</sub>e/rev CC.

<sup>2</sup> Totals may not add up to 100% due to rounding.

<sup>3</sup> Energy from CHP (combined heat and power).

<sup>4</sup> Godfrey Hirst Australia Pty Ltd and Godfrey Hirst NZ Ltd are 'carbon neutral' organizations. This means that those entities purchase and voluntarily retire carbon offsets equivalent to their annual carbon dioxide GHG emissions from sources within their organizational boundary.

For New Zealand, organizational GHG emissions are accounted for in accordance with ISO14064-3:2018. For Australia, organizational GHG emissions are accounted for, and carbon neutral status is certified, in accordance with the requirements of Climate Active.



## Energy and Emissions Reduction Initiatives

We prioritize energy efficiency and operational improvements as vital strategies to achieve our emissions reduction targets. In 2022, we implemented a range of tactics across business segments to support these aims.

### Optimizing Energy Use

Marazzi Group's ISO 50001 certification and implementation of energy-efficient measures reduced CO<sub>2</sub> emissions by 14,000 tons. The Company's three cogeneration plants saved an additional 15,000 tons of CO<sub>2</sub>.

### Improving Air Management

Flooring North America rolled out an air management program for ovens and dryers that optimizes airflow and temperature control and implements energy-saving features, which leads to lower operational costs and decreased environmental impact, as less energy is required to achieve the desired results.

### Enhancing Compressor Energy Efficiency

Mohawk Group's Dalton, Georgia, plant installed a compressed air management program in 2020. It is currently saving 25%–35% electric consumption while providing improved air quality.

### Improving Lighting Efficiency

Godfrey Hirst upgraded its warehouse and factory facilities with LED lighting, resulting in an estimated collective annual savings of over 300 MWh across four sites.

## ALTERNATIVE ENERGY

Beyond active measures to conserve energy and enhance energy efficiency, we also understand the need to find sustainable energy sources for our operations. This is why we are investing in alternative energy production to further our emissions reduction goals.

### DISTRIBUTION GENERATION

- In Italy, Marazzi Group's three combined heat and power (CHP) units in addition to one CHP unit in Flooring North America generate more than 280,000 MWh of low-carbon energy and eliminate more than 40,000 metric tons of CO<sub>2</sub> each year.
- Dal-Tile's plant in Dickson, Tennessee, has a CHP unit that can achieve thermal efficiencies of well over 90% and uses the waste heat produced to avoid natural gas consumption within the powder production process.

### WIND

- In 2022, Unilin Insulation installed two wind turbines in Feluy, Belgium, covering 71% of the plant's energy demand. Unilin also operates three wind turbines at its Avelgem vinyl flooring facility.

### WATER

- Unilin's laminate flooring business in Brazil runs on hydropower and is exploring solar opportunities to cover its remaining energy use.

### BIOMASS

- Unilin has invested in two joint venture biomass power plants in Belgium, where it converts non-recyclable waste wood into heat and energy.
- In the U.S., Mohawk operates a biomass system in North Carolina to generate thermal energy.

### SOLAR

- Godfrey Hirst has installed a 500 kW solar panel system in Geelong, Australia, supplying nearly 30% of the site's electricity. Another 220 solar panels are located at the Truganina site, and 216 panels at the Laverton site. In 2022, Godfrey Hirst installed 1,560 solar panels at the Auckland, New Zealand, facility and 738 panels at the Dannevirke plant, generating 30% and 45% of each plant's electricity, respectively.
- Rooftop solar panels are in place at our insulation manufacturing plants in Chesterfield, Derbyshire, U.K., and Navan, County Meath, Ireland.
- Mohawk's Flooring Rest of the World segment headquarters in Belgium uses a photovoltaic solar system to help supply electricity.



### Investing in Renewable Energy: Empowering Employees to Create a Sustainable Future

Unilin was proud to offer its employees in Belgium two unique opportunities to invest in renewable energy and actively contribute to a greener future. Through collaborative partnerships with the solar energy provider Engie Sun4Business and crowdfunding firm Spreds, the Company launched two crowdfundering initiatives: one focused on solar panels and the other on wind turbines.

Employees had the opportunity to invest between €500 and €2,500 for the wind turbine project and €500 to €550 for the solar panel project, receiving a gross annual return of 4.5% for five years. In practice, this means that employees fix this amount of money for five years and receive annual interest calculated on this amount. At the end of this period, the invested capital is repaid in full.

In the solar panel campaign, employees had the chance to invest in the photovoltaic installations at the Desselgem and Izegem sites. With over 8,000 solar panels generating 3.5 megawatt peak of sustainable energy annually, this investment not only offers an attractive financial return but also supports Unilin's commitment to the clean energy transition.

In the wind energy initiative, employees had the opportunity to invest in the wind turbines at the Unilin Insulation site in Seneffe (Feluy). These turbines cover over 70% of the site's electricity needs and contribute to the Company's goal of reducing CO<sub>2</sub> emissions by 42%. Together, these initiatives make a significant impact, providing enough renewable electricity to power the equivalent of around 6,500 households.

## LOGISTICS EFFICIENCY



Mohawk's U.S. distribution fleet prioritizes efficiency within diesel trucks. Current electric and natural gas powered vehicles are incompatible with the heavy weight of flooring products, and range limitations of electric vehicles pose challenges given the distances the trucks must travel. We also optimize our backhaul network to minimize empty trips.

In 2022, we also made significant investments in fuel-saving initiatives. One key advancement has been the adoption of the Environmental

Protection Agency (EPA) Tier 4 engine requirements. As we upgrade our fleet, at a rate of approximately 20% each year, we embrace newer technologies that enhance fuel efficiency and reduce emissions in accordance with EPA standards. Additionally, we have implemented auto shutoff technology, which minimizes the idle run time of our vehicles. By automatically shutting down engines during periods of inactivity, we effectively reduce fuel consumption. We also have incorporated speed limiters into our vehicles to prioritize safety and improve fuel efficiency. These ensure that our vehicles adhere to predetermined speed limits, optimizing fuel usage while promoting safer driving practices.

### 2022 U.S. Fleet Highlights

**54.6M**  
miles traveled

**7.94%**  
YOY fuel gallons reduction

**8.05%**  
YOY reduction in CO<sub>2</sub>e emissions

**3.7%**  
biofuel as a percentage of total fuel consumed

# WATER RESTORATION

We recognize the crucial role water plays in sustaining life and ecosystems—and the water scarcity challenges facing many parts of the globe.

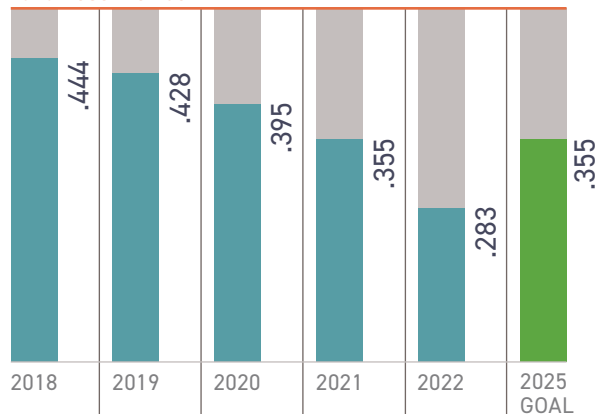
We have made it a priority to conserve and responsibly manage this limited resource. Currently, we are in the process of completing water risk and stress assessments using the World Resources Institute Aqueduct and the World Wildlife Fund’s Water Risk Filter tools.

Carpet manufacturing has traditionally been a water-intensive process, especially in dyeing fiber. For more than a decade, our carpet businesses have been working to change that. In 2022, Mohawk Group furthered its commitment by developing flooring products that are net positive water. This means that our manufacturing practices result in a net benefit to water

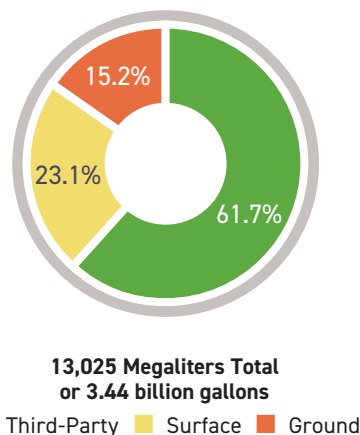
resources, replenishing more than we consume, through partnerships with organizations such as [water.org](http://water.org). Mohawk Group introduced Color Pulse™ technology—a fiber dyeing breakthrough that uses zero water—into its carpet tile product collections. The process saves 331,000 gallons of water each year—approximately one cup of water per carpet tile. Mohawk Group commercial carpet tile manufacturing uses an average of 56% less water than competitive products due to Color Pulse and additional manufacturing advances. Each Color Pulse purchase also supports water preservation projects around the world, through [water.org](http://water.org).

**Total Water Intensity** (gallons withdrawn/rev CC)

2010 Baseline: .531



**2022 Water Withdrawals by Type**



Mohawk takes its name from the Mohawk River, the largest tributary of the Hudson, in upstate New York. The Company’s original facilities were built in Amsterdam, New York, on both sides of the Mohawk River. The river provided hydroelectric energy, water for manufacturing purposes and a means of transporting goods to major hubs via the Hudson and the Erie Canal.

In Australia, Godfrey Hirst introduced water recycling into its dye washing process, which has dramatically reduced water and energy consumption. This best practice saves 132 gallons of water per minute during a production run compared to a pre-implementation baseline. In addition, Godfrey Hirst has found ways to conserve water during latex application—a manufacturing process that uses water to adhere a secondary backing to the carpet. In 2015, the team implemented a “closed wash line” for the latex application system, which reuses water in new latex mix. This initiative has resulted in significant water savings, with 600 fewer liters of water being used for every 14-ton latex batch made, with an estimated 2022 water savings of approximately 394,000 liters.

Water is also an important input to ceramic tile manufacturing. In 2022, Marazzi Group implemented

a water management process to recover 100% of the wastewater generated from tile production. In this way, Marazzi effectively averts the discharge of industrial wastewater into waterways or the sewage system. As a result, Marazzi’s industrial water recycling index reached 120%, a level that is possible by including water derived from other companies in the sector.

Dal-Tile’s ceramic tile manufacturing plants have implemented water restoration measures by recovering and reusing wastewater generated during production. This practice has prevented 125 million gallons of wastewater from entering local municipal water treatment facilities. Across their 11 North American manufacturing plants, 84% of process wastewater is recovered and reused to create new products.

## GREEN WORKSPACE INITIATIVES

In 2022, Unilin launched pilot projects in its facilities in Belgium to make it easier for employees to make sustainable choices.

### WASTE SORTING

Multiple offices and production sites are currently piloting the introduction of waste islands—designated stations where different waste streams can be sorted and disposed of properly—with the goal of sharing best practices internationally once the implementation is complete by mid-2023.

### REDUCING FOOD WASTE

At Company cafeterias, Unilin began selling surplus meals at a reduced price after 2 p.m. At Unilin headquarters in Wielsbeke, Belgium, the initiative recovered more than 500 meals that would have otherwise gone to waste and 1.1 ton of CO<sub>2</sub> in 2022.

### VEGETARIAN OFFERINGS

Unilin provides vegetarian options across all facilities that offer warm and cold meals during lunchtime. In Waregem, more than 1/5 of meals purchased during 2022 were vegetarian.

### BIKE LEASING

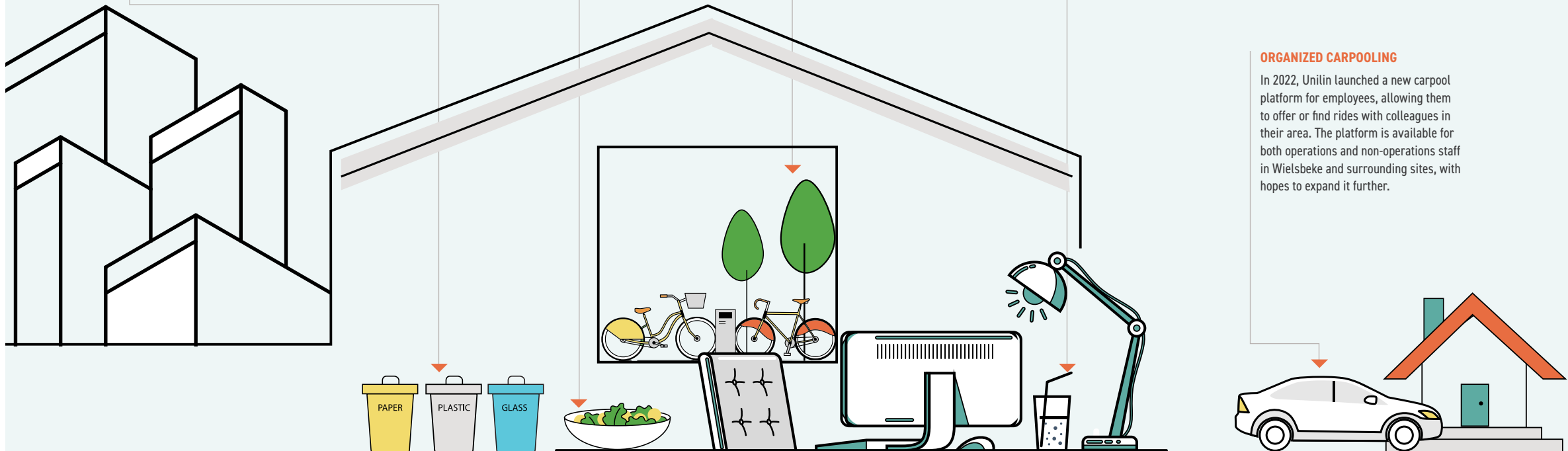
Employees have the option to lease a bike at an affordable rate, with Unilin covering 50% of the lease amount (up to 50 EUR per month). In 2022, there were 842 running lease contracts in Belgium, with plans to expand in the future.

### ELIMINATING BOTTLED WATER

Unilin developed guidelines to replace bottled water with filtered tap water across all sites and initiated a pilot project in Wielsbeke at the end of 2022.

### ORGANIZED CARPOOLING

In 2022, Unilin launched a new carpool platform for employees, allowing them to offer or find rides with colleagues in their area. The platform is available for both operations and non-operations staff in Wielsbeke and surrounding sites, with hopes to expand it further.

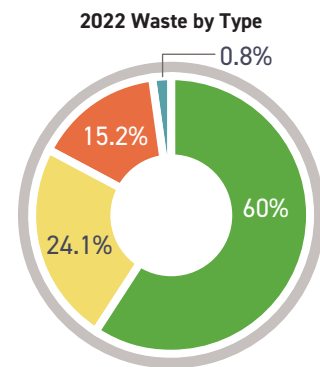
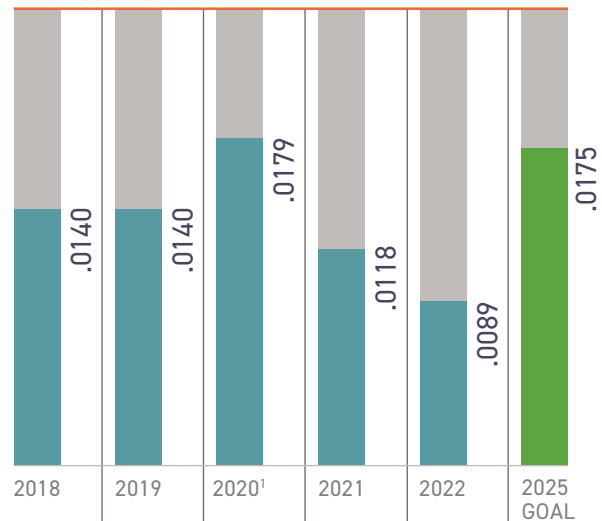


# WASTE EFFICIENCIES

We recognize the importance of reducing waste across our business operations, and we are committed to promoting sustainable practices throughout our manufacturing processes.

Though we have achieved waste reduction goals in the past, we remain dedicated to building upon this achievement, partnering with waste management businesses near each of our facilities. During the past year, we have worked to align all waste-related definitions with EU standards in order to harmonize our management and measurement of waste reduction.

**Waste-to-Landfill Intensity** (tons/rev CC)  
2010 Baseline: .0250

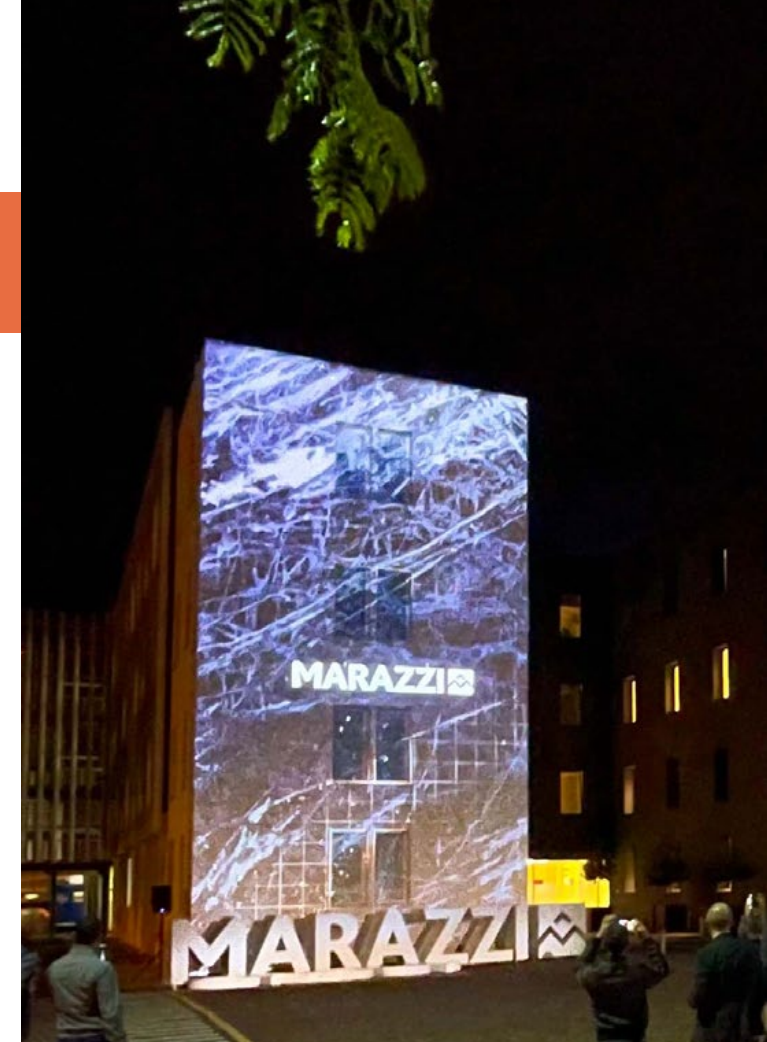


- Non-hazardous Recycled/Other Recovery/Prepared for Reuse
- Non-hazardous Landfill
- Non-hazardous Incineration with Energy Recovery
- Hazardous Waste

In 2022, Mohawk operated 42 Zero Waste-to-Landfill (ZLF) facilities. These sites achieve at least a 90% diversion of materials from the manufacturing process. Our ZLF sites span

- Carpet, carpet cushion and laminate/wood facilities in the U.S.
- Ceramic tile facilities in the U.S., Mexico and Brazil
- Resilient flooring and carpet tile facilities in Belgium and Luxembourg

In addition to minimizing waste in their manufacturing processes, Eliane also focuses on assisting customers in waste reduction. In Brazil, they have introduced the “Lean Tile” service, which follows lean construction principles. Lean Tile optimizes value on projects while reducing waste through its technical properties.



## Lower-Waste Trade Shows

In 2022, as an alternative to attending the ceramics trade show in Bologna, Italy, Marazzi Group organized the first “Tile Week” at the headquarters campus in Sassuolo, giving customers an in-person look at laboratories and showrooms. This event eliminated the need for materials to build a large temporary exhibit that would have been demolished after a week—avoiding more than 100 tons of waste.

<sup>1</sup> Increase due to loss of some recycling partners and non-viable beneficial reuse outlets.

### Recycling Manufacturing Materials

Another way to reduce waste is to find ways to recycle and re-use by-products from manufacturing processes. Godfrey Hirst has recently had several successes on this front.



#### Yarn pallets

The business explored the possibility of repurposing the wooden pallets used to transport yarn. After identifying different types of pallets used across its sites, GH Commercial engaged with suppliers to modify pallets to suit specific requirements. This innovative approach led to a more resource-efficient operation.



#### Wool

Godfrey Hirst recycles yarn waste rather than purchasing surplus virgin wool. The business collaborates with a center that employs people with disabilities to carefully sort and bale the waste before processing it into fibers, separating it by color and using it to make new products. Any remaining unused yarn is sold to suppliers for further repurposing.



#### Scrap metal

Sims Metal, the leading collector and processor of recycled metal in Australia, regularly collects metal scraps and unused machinery from the Godfrey Hirst premises. In 2022 alone, Godfrey Hirst sites provided 36,900 kilograms of metal for breakdown and repurposing. Notably, all the metal collected from the Geelong sites is reused and repurposed within Australia.

# BIODIVERSITY

The responsible sourcing of natural materials is a critical aspect of our sustainable business practices.

By understanding the origins of the materials we source, we can help preserve forests, protect biodiversity, support local communities and mitigate climate change.

We are also conscious of the impact our ceramic tile business has on the land—and we are proactive about restoring those natural habitats. Ceramic manufacturing requires the extraction of clay and other minerals from soil. This process can impact the surrounding natural landscape and impede soil’s ability to support plant life. In 2022, Eliane Brazil spearheaded two initiatives to address this issue.

The business undertook an environmental restoration project on a 4.5-hectare area around its kaolin mine in northeastern Brazil. Kaolin is a fine white clay which, due to its chemical composition, undergoes hydrolysis when mined, acidifying the soil and inhibiting natural vegetation growth. To address this, Eliane corrected soil acidity by adding limestone. They also incorporated an organic natural substrate from their factory’s rainwater drainage channels, which is rich in seed bank. The incorporation of the substrate into the soil yielded remarkable results. Within just six months, the area



▲ After restoration.

became dense with plants. This initiative brought both environmental and economic benefits. Eliane eliminated the need for chemical fertilizers to revitalize the area’s soil, relying solely on the organic substrate obtained from cleaning the factory’s rainwater drainage channels.

Eliane also launched a project to restore and reclaim a seven-hectare area that had been degraded by mineral extraction activities and pollutants from a nearby petrochemical complex. The soil quality was already considered poor, deficient in nutrients and organic matter. As part of the restoration efforts, Eliane introduced cellulose biomass, supplied by the petrochemical complex, into the soil. Not only did the vegetation flourish, but also various species of animals and insects returned to the area. The biomass infusion

The transformation is evident in before and after photos.

returned soil fertility, helping it to retain moisture and prevent erosion. The enriched soil also gave the plants increased resilience to atmospheric weathering. This transformation is evident on-site, where the plants native to the region typically have a yellowish-green hue, while those in the restored area exhibit vibrant colors and continuous growth throughout the year.



▲ Before restoration.

### A Sweet Buzz for Sustainability

In honor of Earth Day, Mohawk Group organized a series of activities and events to draw attention to our year-round dedication to sustainability. At our “Living Site” carpet tile plant in Glasgow, Virginia, we proudly showcased the results of our efforts over the past year and celebrated the culmination of years of hard work.

One highlight was the expanded Mo-Honey program, featuring seven new on-site beehives as well as a donated beehive to the local 4-H program at Natural Bridge State Park. This initiative reflects Mohawk’s passion for preserving bees—essential pollinators for a healthier planet.



In addition, Grupo Daltile’s Vitromex ceramic tile plant in San Luis Potosí, Mexico, implemented a project to restore the 848-square-meter natural area surrounding the site, which had been degraded by mining. Reforestation efforts included planting aloe vera, mesquite and cottonwood trees. They also established an orchard with a variety of fruit trees, which further revitalized the area.

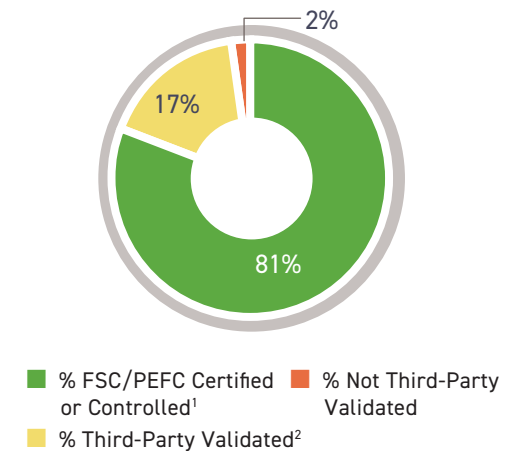


Sustainable forest management practices help to prevent the destruction of ecosystems, which reduces the impacts of climate change. One area where we have a significant impact on biodiversity is through the supply chain of our wood products, which includes laminate, parquet floors and panels.

Mohawk ensures that the wood we purchase adheres to sustainable forestry standards. We adopt a localized approach to wood sourcing, obtaining it from forests managed according to local markets’ best practices. In 2022, four of GH Commercial’s leading flooring products received Programme for the Endorsement of Forest Certification (PEFC). In Europe, the wood used in our laminate floors complies with EU Timber regulation 995/2010 and is certified by recognized organizations such as the Forest Stewardship Council (FSC) or other validated methods. Globally, FSC mandates landowners to protect wildlife habitats beyond the legal requirements, contributing to biodiversity conservation.

In 2022, Unilin Brazil calculated its CO<sub>2</sub> emissions from trade fairs and planted trees to offset those emissions and support the restoration of biodiversity to a nearby forest.

2022 Mohawk Product Wood Sourcing Totals



<sup>1</sup> Includes Chain of Custody and Controlled Wood Standards.

<sup>2</sup> Sourcing investigation with use of external auditing services to ensure wood is sourced according to Lacey Act requirements, including but not limited to, onsite visits, conclusive risk and origin risk.





Our diverse, talented and dedicated workforce plays an indispensable role in driving sustainable growth and creating long-term value for all Mohawk stakeholders.

In addition to ensuring that the needs of our workforce are met, it is also our responsibility to give back to the communities around the world where we live and work. From professional development programs to philanthropic initiatives, we are dedicated to the well-being of the people who make our business what it is today and in the future.



BETTER  
FOR PEOPLE



**ROD WEDEMEIER**  
Mohawk Industries



**KATIE ENGLEMAN**  
Flooring North America



**LUCA GATTI**  
Marazzi Group



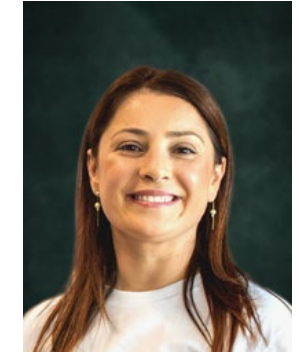
**LUC LEMARCQ**  
Unilin



**JASON LEONARD**  
Dal-Tile



**JUAN MANUEL LINAN**  
Grupo Daltile



**ALINE DUARTE  
RONCONI SILVA**  
Eliane

## CONNECTING ON SOCIAL RESPONSIBILITY

### People Council Roundtable

#### What has been the primary focus of the Global People Council since it was formed in 2021?

**JML:** For me, it has been a great forum to share best practices from around the world, to learn more about how the business overall is performing and to have a meaningful dialogue with corporate leadership as we implement strategies at the business unit level.

#### How does working together as a council further social responsibility at Mohawk?

**ADRS:** We discuss a lot of different topics such as employee well-being, development, engagement and community support. This helps build a common vision, align priorities and underscore the importance of social responsibility across many different parts of the Company.

#### What is an example of a shared best practice that has been implemented globally?

**LL:** We recently created two Centers of Shared Interest (COSI)—one for new-hire experiences and a second one for management development. Both workgroups are composed of human resource (HR) managers from different divisions and geographies of Mohawk. The COSIs will share best practices, which we expect to result in faster global implementation.

**KE:** In addition to the COSIs Luc mentioned, we have implemented several technical and production-oriented training initiatives. These include our MPACT new-hire training center in north Georgia and The Dive in Belgium, which focus on developing the next generation of industry workers and helping them thrive in the workplace.

#### What types of challenges and opportunities does the Council have to address given Mohawk's diverse portfolios of businesses and regional decentralization?

**RW:** Like other functions in Mohawk, we are always working to find the right balance between centralized corporate initiatives and local business units. We understand that the entrepreneurial and decentralized management approach found at the business unit level is one of Mohawk's greatest strengths. We want to capitalize on that strength, while also ensuring that we have the right forums in place to share and adapt best practices across the enterprise.



**KE:** We are all challenged by constrained labor markets and actively deploy new strategies to attract and retain critical talent in our respective geographies. Depending on where we live and the labor market constraints, we must deploy regional strategies to overcome these obstacles. In some regions, it may be developing talent pipelines; in other regions, it may be training. In others, it may be competitive benefit offerings. By working collectively as a team, we share ideas to address the variable needs of our respective markets.

**JL:** As others have said, it can be challenging to balance the priorities and subtle differences of local businesses in contrast to the global needs of Mohawk Industries. There can also be local political and compliance complexities that limit what can be done as well as define what may be legally required. Our opportunity is to increase productivity, profitability and social responsibility beyond what we can each do individually.

### Looking ahead, what are the Council's priorities and objectives over the next two years?

**LG:** Talent acquisition is critical. We must find ways to attract more talent from generations that may lack awareness about the technological sophistication of today's manufacturing workplace and also retain key talent to drive the success of the business.

**JML:** I agree. It seems like no matter where any one of us is operating in the world, we are all challenged with making our respective businesses attractive to the next generation of talent. Continuing to promote diversity and inclusion as well as employee engagement are keys to reinforcing our businesses as workplaces of choice.

# PERFORMANCE DRIVEN WORKFORCE

Our workplace is defined by individual performance that is recognized and rewarded.

Performance requires engagement, which is instrumental to driving productivity, innovation and operational excellence. Through open communication channels, opportunities for growth and a supportive work environment, we strive to create a flourishing organization in which all employees are empowered to reach their potential and do their best.

Talent management and HR are among the most decentralized functions at Mohawk. We embed HR management within each of our global business units. This ensures each of our employee populations has ready access to an HR professional and that HR management is in place to fully understand the unique norms, regulations and competitive environment of a given labor market. Our Corporate HR function facilitates the sharing of best practices among these global HR teams, as well as establishing the enterprise level systems required for workforce management.

Another key role performed by Corporate HR is the global engagement survey to understand how employees feel about our business and their roles. While we use this survey to measure engagement, its real value lies in the insights that it provides

managers around the world. We share aggregate data from all teams with their respective managers. Not only do we expect managers to focus on improving what is not working, but also to ensure that what is working is understood so that it can be maintained and even strengthened.

Understanding our strengths as an employer is critical for recruiting and retaining talent, especially in tight labor markets. This perspective drove our Flooring North America (FNA) business segment to launch a new employer brand—"More with Mohawk." The idea came from focus group discussions with a wide array of employees—ranging from salaried managers to hourly plant workers to transportation drivers. The common theme that emerged among all employees was that a career at Mohawk is what each employee makes of it, thanks to an entrepreneurial culture that supports taking risks, being resourceful and celebrating individuality. The resulting campaign, which was developed entirely through internal resources, promotes individual empowerment by defining "more" on each person's own terms, such as "learn more," "grow more" or "achieve more."



### Recruitment

At the core of our talent strategy is our commitment to sourcing, attracting and retaining the best people for our organization. We prioritize strategic recruitment efforts that reflect the communities in which we operate.

Many of the operations in our FNA business segment are located in small communities where the labor market is highly competitive. Within this business, our internship program serves as a valuable recruitment channel for future leaders, offering participants hands-on experience while they contribute to impactful projects and make connections across our organization. In 2022 and 2023, the FNA segment welcomed approximately 120 interns, with more than half of the graduating cohort securing permanent positions at Mohawk. Our FNA university recruiting team also supports students in finding their ideal career paths by participating in approximately 30 career fairs per year and engaging with students on a more personal level at more than 60 other events.

Another FNA education-based initiative is the Work-Based Learning program, which gives high school juniors and seniors the opportunity to gain work experience while completing their education. In the program's first year, more than 20 high school students worked in Mohawk facilities throughout the school year and during the summer. Additionally, the FNA team has hosted a week-long program with 15 rising seniors and college freshmen to provide them with a job shadow experience with leaders in their areas of interest. These programs have earned Mohawk local and state recognition for partnering with schools to address this critical need for manufacturing employees.

<sup>1</sup> Black, Indigenous, People of Color.



### 2022 Intern Diversity for Flooring North America

**37%**

BIPOC<sup>1</sup>—up 37% from 2021

**40%**

female—up 18% from 2021

### Recognizing Great Work at Dal-Tile

Recognition is another important way that we engage and encourage employees.

An example is the quarterly Dal-Tile IGNITE Awards, which recognize exceptional innovation, transformation and execution by individual team members or groups. Among recent winners recognized were the following projects:

- **Innovation:** Developing an online portal to help employees quickly access frequently searched HR information
- **Transformation:** Creating a tracking system to simplify and streamline processes for overweight shipments
- **Execution:** Swiftly arranging for donated tile to be delivered with complimentary freight to Uvalde, Texas, as part of a memorial tile painting event following the Robb Elementary School shooting

In Brazil, the father of Eliane's current president established Colégio Maximiliano Gaidzinski (CMG) in 1979. CMG has not only become one of Brazil's top ceramics schools but is also a valuable channel for recruiting talent. CMG has played a significant role in improving the technical expertise of professionals in the national ceramics sector, providing training and specialization across the production chain. Many students from CMG begin their professional journey at Eliane through apprenticeships, which integrate young individuals into the job market by offering skill development opportunities and firsthand experiences. Currently, 36 CMG alumni hold leadership positions at Eliane, and Eliane professionals also teach at the school.

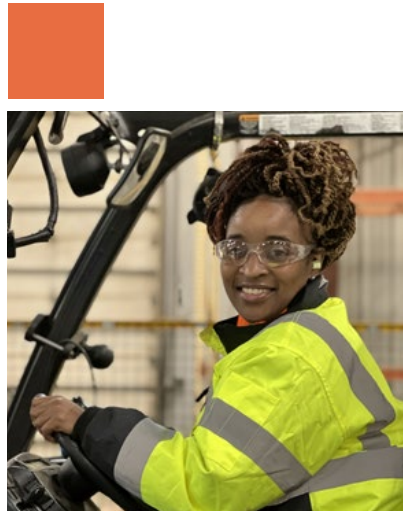
In the U.S. we also collaborate with various platforms to reach students from underrepresented groups nationwide. Through our University Relations program, we establish and nurture strong

partnerships with leading colleges and universities, particularly focusing on Historically Black Colleges and Universities. In 2022, we partnered with Langston University, Alabama A&M University and Morehouse College to participate in career fairs, information sessions and mock interviews. We also strengthened strategic relationships with other colleges and universities in Georgia with high minority populations.

Veteran recruitment has also been a focus of our FNA segment. We actively participate in military outreach initiatives and provide a supportive military leave policy to accommodate and assist military employees who join our workforce. In 2022, we hired a dedicated recruiting leader for veteran candidates and participated in 32 hiring events targeting veterans that resulted in successfully recruiting 85 veterans.

# INCLUSION AT MOHAWK

With ~40,900<sup>1</sup> employees spanning the globe, we foster a workforce that thrives on diversity, embracing individuals with varied backgrounds, talents and experiences from around the world.



Our organizational culture emphasizes both individual accountability and teamwork. This creates an environment that nurtures personal growth and advancement opportunities for all employees, regardless of their position within the Company.

Mohawk's inclusive workforce environment mirrors our communities. This commitment is reflected in the composition of our workforce, which includes individuals of diverse racial and ethnic groups, gender identities, abilities and experiences. An inclusive workforce not only enriches our Company culture but also better enables us to innovate and connect with our global customer base.

We help build an inclusive culture at Mohawk through initiatives such as

- Diversity and inclusion training for people leaders
- Unconscious bias training
- Performance-based hiring and promotion strategies
- Facility communication and operation in preferred employee languages
- Employee-led committees

Our businesses around the world define diversity according to the unique cultural and demographic profile of their respective markets, each of which has its own opportunities and challenges. For example, a Dal-Tile program, LeadHer, focuses on mentoring, developing and preparing women for leadership roles to address the historic underrepresentation of women as managers in the flooring industry. A steering committee of senior women leaders guides the initiative, which includes a formal mentorship program, quarterly virtual engagement events with guest speakers, leadership panels and greater access to the leadership team.

Inclusion also extends to individual ability. Unilin, for example, has a long-standing partnership with Gandae, a nonprofit organization in Ghent, Belgium, to produce marketing materials such as swatches, sample boards and other promotional items for its laminate and LVT products. Gandae employs individuals whose disabilities make finding work challenging. More than 20 Unilin colleagues work at the Gandae site with approximately 50 Gandae employees and managers. The collaboration between Unilin and Gandae reflects their shared commitment to local entrepreneurship, while supporting the needs and abilities of their workforce.

<sup>1</sup> As of 12/31/2022.

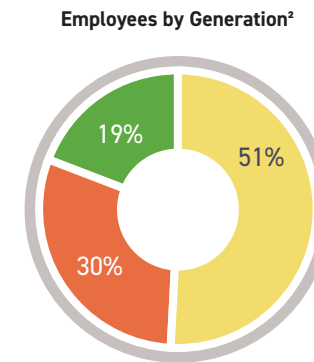
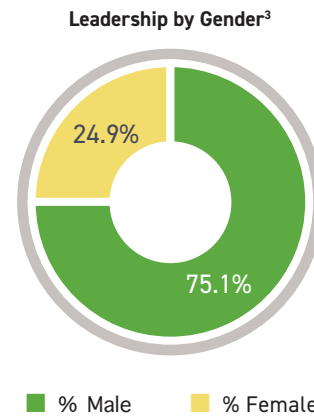
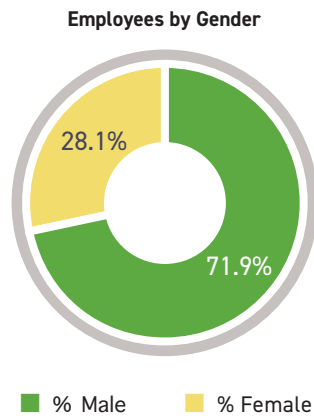
2022 Employee Demographics Highlights<sup>1,2</sup>

**~40,900**  
employees worldwide

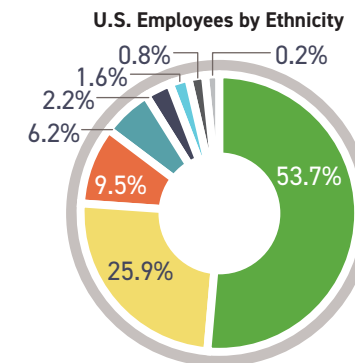
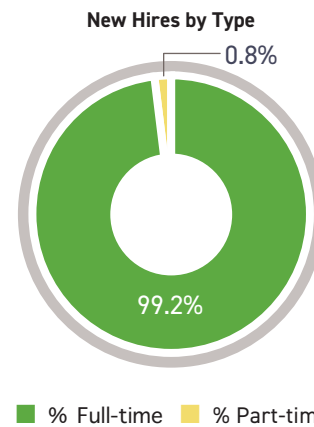
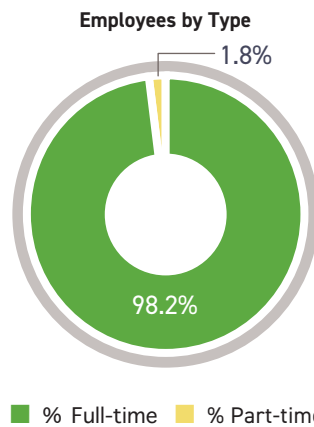
**45%**  
of U.S. workforce is BIPOC

**55%**  
of 2022 U.S. hires were BIPOC

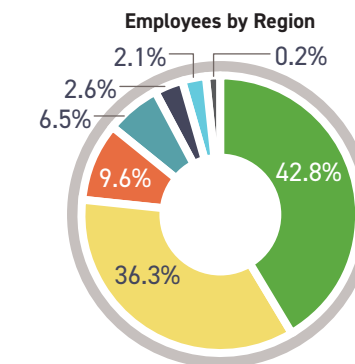
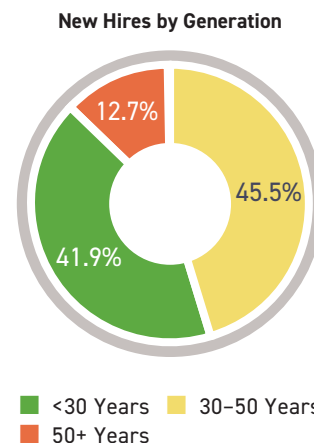
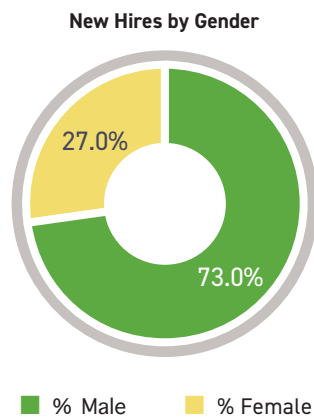
**~10%**  
of global workforce has been with the Company for 25+ years



- <30 Years
- 30-50 Years
- 50+ Years



- % White
- % Hispanic/Latino
- % Black/African American
- % Other/Chose Not to Disclose
- % Asian
- % Multiracial (not Hispanic/Latino)
- % American Indian/Alaska Native
- % Native Hawaiian



- % U.S./Canada
- % Europe
- % Mexico
- % Brazil
- % Australia/New Zealand
- % Malaysia
- % Other

Percentages may not equal 100% due to rounding.

<sup>1</sup> Data as of 12/31/2022.

<sup>2</sup> As of 12/31/2022, the Company employed approximately 40,900 persons, consisting of approximately 17,700 in the United States, approximately 14,800 in Europe and Russia and approximately 8,400 in other countries. Some recent acquisitions are not yet integrated into our global HRIS platform, which limits the detail we can access on employees in those businesses.

<sup>3</sup> Leadership is defined as employees with direct reports.

# TRAINING AND DEVELOPMENT

From the front line to the leadership suite, we make meaningful investments in training and development programs customized to support employees at each step of their careers.

By helping our employees realize their full potential and long-term goals, we enhance our ability to build and retain a performance driven workforce with the skills to grow our business and make a difference. We continuously identify and adopt leading-edge learning, development and engagement strategies, applying our knowledge and experience to evolve tactics. This enables us to best serve customers and retain top talent to help our business thrive.

In the U.S., we offer four tiers of development programs—from entry-level professionals all the way to senior management.

**ASPIRE** Designed for recent college graduates who demonstrate exceptional potential in organizational leadership and sales development

**ASCEND** Tailored for ambitious front-line and manufacturing leaders who exhibit high potential for growth and advancement

**RISE** Geared toward mid-level leaders in crucial roles who have the potential to make substantial business impacts

**LEAD** Aimed at seasoned leaders, equipping them with the tools and strategies to inspire their teams and drive meaningful change

Our global businesses have also continued to grow their training programs. In 2022, Marazzi Group facilitated its second annual international future leader development program, which brought together 25 employees from across the European ceramics operations. Participants had the opportunity to visit and learn about Marazzi operations in Bulgaria, Poland and Spain. The main objective was to work collaboratively in teams to develop innovative projects centered around three fundamental themes for the company: sustainability, digital innovation and strategic technology. These projects were presented to the Marazzi Group leadership team for consideration.

In addition, Marazzi's Pietro e Maria Marazzi Training Center, established in 2011, serves as a dedicated space for internal training. Marazzi also collaborates with other organizations such as the Red Cross, Cerform, Adecco, and the University of Modena and Reggio Emilia to support educational initiatives and training projects for the wider community at the training center.

In 2022, we partnered with the Latin American Association and University of Georgia to advance the first Latino Leadership Institute. This involved hosting 26 emerging Latino leaders (18 Mohawk employees and eight community partners) through a joint leadership development program.

## Connecting the Community Around Lifelong Learning

In 2022, Unilin developed and launched a new facility in Wielsbeke, Belgium, known as The Dive, which aims to revolutionize training and development. The Dive borrows its name from diving into new information, discovery and personal growth. The Dive offers an inspiring and motivational experience for employees and potential recruits, showcasing Unilin's job opportunities and career paths.

The Dive offers an extensive range of interpersonal and functional training to upskill and reskill employees. The center uses technology to provide an accessible and immersive understanding of working and learning at Unilin.

Interpersonal training content at The Dive consists of widely shared development topics on health and safety, well-being, communication and project management.

Functional training includes more than 100 product and technical training courses, language training support and employee-tailored coaching.

The concept of The Dive may be expanded to other countries to cater to local needs and a web-based application is being developed to provide insights to international employees.

Unilin feels strongly that its growth depends on the growth of its employees, which has led to this emphasis on lifelong learning at the core of the talent management philosophy.



**GH Commercial launched its first continuing professional development [training module](#), which explored how architects and designers use high-quality flooring materials to enhance building designs.**



## Reimagining Manufacturing Worker Training

Today's labor market has created challenges to recruiting workers for hourly manufacturing jobs. Also a challenge: retaining those we recruit. Proper onboarding can make a difference, as we have learned through an innovative program for our Flooring North America manufacturing facilities in north Georgia.



The program, known as Mohawk Product & Customized Training (MPACT), is conducted in Dalton, Georgia, in a facility that simulates a factory. During the first week of training, new employees learn about our Company and the benefits that accrue with building a career with Mohawk. The MPACT program

emphasizes teaching values, employment and financial education, while building connections between new employees and coworkers, managers and trainers to increase their sense of belonging. Recruits are slowly introduced to the machinery on which they will be working and then trained on that machinery through hands-on practice. New employees also visit the plant where they will be working to receive a personal tour from the plant manager.

We take an incremental approach to increasing responsibility, until after several weeks, recruits are fully proficient at the job. The program also emphasizes a sense of community and camaraderie. Trainees go through the program in cohorts. Upon completion, several trainees are assigned to the same plant and shift so that there is a built-in social network from day one.

The MPACT program offers many benefits to both Mohawk and new hires. Turnover among participants has dropped dramatically from 74% to 16% as of July 2023, which creates stability in the workplace and in the homes of the individuals. Productivity has improved as experienced workers who were historically asked to train new hires are no longer pulled away from their own workstations. MPACT participants now enter the factory 30% more proficient than new hires before the program was implemented, which yields productivity improvements and also supports safety and provides the new hires with a sense of success from day one.

The program represents a major investment in people, particularly entry-level employees who are new to manufacturing or may be entering the workforce for the first time. By empowering these individuals with the skills to succeed in a friendly, supportive environment, we are ultimately improving people's lives by fostering financial and social stability through retention.



# ZERO HARM WORKPLACE

Mohawk is dedicated to creating an environment that is free from hazards, promoting employee well-being and prioritizing safety at every level.

Safety at Mohawk encompasses not only the absence of injuries and accidents but also the support we provide to our employees in creating a secure work environment. We want employees to come to work each day knowing that their safety and well-being are at the forefront of our values.

### Safety Performance

We foster a collaborative partnership with our employees to uphold safe and secure workplaces across the globe. Through corporate initiatives, we prioritize continuous safety improvements by implementing expanded training programs and promoting best practices. Each of our business segments uses corporate resources to enhance safety measures within their respective facilities, with a heightened focus on equipment maintenance, machine guards and peer-to-peer feedback. By consolidating safety data from all business segments, we calculate our corporate recordable incident rate, which serves as a key indicator of our overall safety performance.

### Safety Training

Our dedicated safety team has developed 41 safety training programs that cover a wide range of health and safety concerns across our various work environments and operations. These programs address critical topics, known as “cardinal rules,” as well as areas of equal significance, such as ergonomics, CPR, battery safety and emergency preparedness. In 2022, we released a new safety training for our highest-risk job tasks, which prioritizes life-safety-critical aspects of our work and improves our measurement of employee comprehension through post-course knowledge assessments.

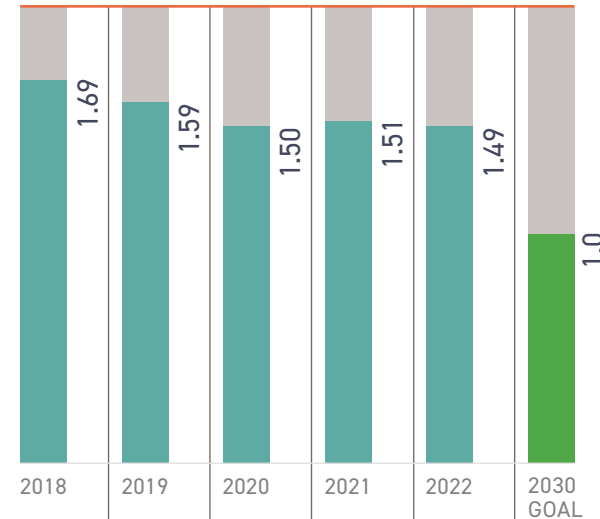
### Safety Management Systems

The Company’s U.S. businesses are expanding their commitment to safety by implementing robust safety management systems (SMS). These systems, which will be operational during 2023, will be used to track the progress each location has made toward Mohawk’s ambition to become a world-class benchmark for industry safety. The SMS will identify gaps in localized training resources and assign corrective measures to ensure we train all employees to perform their jobs safely and effectively. Individual facilities or functional areas within facilities will use the SMS to demonstrate the maturity of their safety programs from level 1 to level 4 and identify steps to improve safety by advancing to the next level. The goal is to standardize our businesses’ approach to safety culture development, consistently and effectively share best practices and improve our safety performance.

In 2022, Godfrey Hirst (Australian facilities) and Marazzi Group (Italian facilities) attained ISO 45001 certification, which is the global benchmark for workplace health and safety.

Recordable Incident Rate

2010 Baseline: 1.87



Dickson, Tennessee’s ceramic tile team is recognized for achieving their SMS Level 1 certification.



### A Proactive Approach to Safety Risks

Unilin is committed to establishing zero harm workplaces by identifying and addressing risky behaviors before incidents occur. In 2022, Unilin began conducting Zero Harm Risk Reviews (ZHRRs), during which trained in-house observers monitor the shop floor, focusing on critical behaviors such as body position, ergonomics and hand placements.

Observers provide immediate feedback, and if they identify unsafe behaviors, they initiate conversations to understand the reasons behind them. ZHRRs across three Unilin sites resulted in over 3,220 observations in 2022. The ZHRR work group, supervised by the governance team, analyzes the data collected from the observations to identify and eliminate barriers to safe working practices.



Dal-Tile implemented a similar SMS in 2022. It consists of four progressive levels: Compliance, Operational Integration, Employee Involvement and Continuous Improvement. These levels validate the implementation of structured safety programs and procedures by manufacturing plant teams. The SMS not only establishes safety as an integral part of operations but also cultivates a mindset where safety is considered crucial to delivering high-quality products. Currently, three facilities have attained the SMS Level 1 Certification

- Dickson, Tennessee in 2022
- Monterrey, Mexico, Floor Tile Plant in 2022
- Muskogee, Oklahoma in 2023

### Logistics Safety

With an extensive distribution network spanning the United States, Mohawk operates a robust transportation system that plays a vital role in moving our products between manufacturing facilities, distribution hubs and customer sites. Our dedicated team of over 1,000 drivers faces unique safety challenges compared to our manufacturing, administrative and sales employees. The mobile nature of their job presents additional communication complexities. To address this in 2022, Mohawk's Supply Chain Safety team expanded its use of on-board fleet telemetry (automated data transmission) systems to collect real-time data from over-the-road drivers. This data expands our understanding of safety risks facing our fleet division and allows us to better manage and enforce safe operating procedures. As we continue to learn from the data, we will be able to deliver relevant safety information that can influence positive behaviors and reduce on-road safety incidents. Additionally, Mohawk vehicles are equipped with advanced safety features, including collision avoidance technology, further reinforcing our commitment to driver safety.

## HEALTH AND WELL-BEING

Mohawk prioritizes the well-being of employees and their families and takes a holistic approach to helping them improve and maintain their total health.

The Covid-19 pandemic reinforced the extent to which individuals in every part of the world need access to mental health resources. Mohawk's commitment to mental health care includes many benefits, resources, training modules and support platforms—many at no cost or low cost—which reflects the Company's commitment to embracing the unique conditions and experiences that each employee brings to the workplace.

Our [employee benefits website](#) outlines benefits available to U.S. employees and their eligible family members and is accessible to prospective employees, as well. The website also offers health and wellness training and resources—including healthy lifestyle videos, nutrition tips and practical tools for maintaining a healthy and active lifestyle. Mohawk shares employee success stories on the website to inspire others to adopt healthier choices.

In the U.S., we provide Healthy Life Centers (HLCs) at locations with high employee concentrations, as well as virtual clinics for smaller locations and a telehealth option for field sales and logistics employees. HLCs offer a wide variety of physical and behavioral health services for employees and their eligible family members. The convenience and affordability of HLCs, coupled with

the flexibility to remain on the clock for appointments, has made it easier and more affordable for employees to receive the care they need. HLCs have proven to be particularly valuable in helping employees with chronic conditions obtain a diagnosis and receive effective care to manage these ailments, ultimately enhancing their quality of life. Our HLCs also support employees by guiding their follow-on care for specialized medicine to doctors and hospitals that provide care at a lower cost to the employee and with better medical outcomes. Mohawk's U.S. health plan partner has collaborated with leading mental health organizations in the industry to provide broad access to virtual therapy, psychiatry and coaching services, all of which are covered under the Mohawk health plan. Some services offer therapy sessions at no cost through the Employee Assistance Program (EAP).

Several of our global businesses have implemented similar initiatives aimed at promoting overall employee health and well-being. For instance, in Brazil, Eliane's Saúde 360 (Health 360) program promotes positive changes in individuals' habits and lifestyles, focusing on physical, psychological and financial health. The program currently has more than 900 participants, which has helped to increase the Healthy Work Environment

dimension of the employee engagement survey to 75% favorability, a 7-percentage point improvement. New programs are implemented each year to keep participants engaged. Activities have ranged from gym classes for manufacturing employees to face-to-face workshops on healthy weight loss, nutrition and managing stress and anxiety. In 2022, more than 165 online exercise classes were offered and recorded, and the program held its first annual 5K walk and run, which attracted 80 participants who donated toys for the Casa Guido Institution, supporting children battling cancer.

Godfrey Hirst has partnered with Converge International to establish an EAP for all employees. The EAP provides free, 24/7 counseling, nutritional guidance, money management, legal support and other assistance for overall health and well-being. The company also developed a well-being strategy that reflects the support systems most important to employees.

Marazzi Group offers a supportive and holistic approach to employee health through a range of comprehensive health services. All employees have access to an osteopath and a nutritionist. Additionally, Marazzi Group provides a listening and psychological support service called Nobody Is Alone, ensuring that employees have

the necessary support for their mental and emotional well-being. They also provide access to the MyPsico app, which gives employees struggling with mental health issues unlimited access to support resources anytime, anywhere and to coach providing round-the-clock support.

In 2022, Unilin expanded its well-being charter to create a safe, positive and sustainable working environment for employees. After a pilot period in the group's Belgian facilities, the training was made available for all employees worldwide via a learning platform. The training modules help employees identify and address psychological risks for themselves or others, which may include stress and burnout, unwanted unacceptable behavior (violence, bullying, sexual intimidation or discrimination) and substance abuse. For all new employees, this training was included in the onboarding program. Along with e-learning, training on this topic was launched in interactive team workshops.



## Pioneering Onsite Healthcare and Transforming Lives

Grupo Daltile in Mexico were pioneers in providing onsite healthcare programs to ensure employees had access to quality care. After almost 70 years of continuously expanding services, the on-site care team facilitated approximately 29,000 consultations during 2022, to identify, eliminate or modify risk factors, as well as to encourage beneficial behaviors that support healthier lives.

In 1955, after the Grupo Daltile leadership team recognized a need for accessible healthcare, the team hired an onsite nurse to provide first-aid and basic medical consultations. In two years, two additional nurses joined the team to provide services across shifts. In 1966, a doctor joined the department to address the needs of all employees with a particular focus on rapid response to workplace accidents, as well as identifying potential opportunities for improving health in the workplace.

By 1989, the medical department offered service around the clock. They maintained detailed records and statistics regarding accident categories and partnered with management to identify ways to avoid injuries. The initial version of the wellness program to detect and prevent diseases such as diabetes and hypertension was introduced in 2000. The program was expanded to cover family members, as the Company understood the correlation between health, happiness and peace of mind of employees who valued having their families treated by on-site medical consultation services. The expanded care services yielded a more engaged workforce and created a real sense of belonging among employees.

In 2000, the respiratory health program was initiated, and the hearing conversation program followed in 2007. These

initiatives inspired more preventative health campaigns that have been held on site in collaboration with testing laboratories and the Federal Health Department (IMSS). Cancer prevention and detection programs for men and women, as well as vaccination and other consultation services have been offered, and in 2014 Grupo Daltile deployed free on-site mammogram and cervical screening services through local providers.

When the medical department detected and addressed risk factors of employees and their families such as obesity, high blood pressure and diabetes, a collaborative program between Grupo Daltile, IMSS and external nutrition experts from nearby universities launched specific nutrition programs for employees and their families.

In 2014, Grupo Daltile also launched its annual free influenza vaccination campaign, which has since been expanded to children of employees.

More recently, the medical department expanded services to provide evaluations and offer psychological support through an external network of psychologists who collaborate with the medical team. The medical team follows stringent standards, such as NOM 035 (MX official standard on psychosocial risks) to determine psychosocial risk factors for employees and their family members.

Over the years, the medical department has grown and expanded to meet the evolving needs of employees and their families. Through intervention and ongoing care, the resource has made a positive impact on thousands of lives during the past seven decades.



## CONNECTED COMMUNITIES

We are an integral part of the places that are home to our employees and facilities.

Mohawk partners locally and globally to improve lives within communities where we operate, share natural resources and recruit many employees. Given the geographically distributed nature of our business, we empower local teams to manage their initiatives related to product donations, cause marketing and employee citizenship.

### Product Donations

As a manufacturer of high-quality flooring materials, donating our products to worthy causes is an important way we give back and educate our communities about what we produce. Over the past two years, Mohawk has provided materials for a variety of renovation and construction projects.

For example, in 2023 we celebrated 10 years of partnership with Sunshine on a Ranney Day, an Atlanta-based nonprofit that builds custom rooms for children with special needs. Over the past decade, Mohawk has provided innovative flooring products, such as SolidTech luxury vinyl tile, for bedrooms, accessible bathrooms and therapy rooms, including two rooms in 2022.

Several of our businesses helped partners improve their own facilities—for example

- Unilin provided Beautifulfloor products to Stichting Pompidom SpeelGOED, a foundation in the Netherlands that supports underprivileged families.

- In Sicily, Marazzi Group donated floor and wall tile to a home for children undergoing cancer treatment.
- Grupo Daltile donated materials to local community organizations, including a girls' orphanage, a local church and schools.
- Our Flooring North America segment provided flooring products to local schools, volunteer fire departments and nonprofit organizations.

Following the May 2022 mass shooting at Robb Elementary School in Uvalde, Texas, Dal-Tile played a small part in helping the community heal. A Dal-Tile customer who owns a paint-your-own-pottery studio reached out to Dal-Tile about organizing a memorial tile painting event in remembrance of the victims. Joshua Jackson, Dal-Tile Sales Project Coordinator, located 2,000 bisque quarry tiles to donate to the project, which one of our logistics partners offered to transport free of charge. Over the course of a weekend, community members came together to paint the tiles, which will form a permanent mural display with messages of love and reverence.



### Flooring for the Fight Against Cancer

One of our most enduring community partnerships is with Susan G. Komen®, the world's leading nonprofit breast cancer organization. Mohawk has been a proud partner of Susan G. Komen for over 20 years and continued to cushion the fight in 2022. We sponsored the 2022 Komen 3-Day Series, during which people in Boston, Chicago, Dallas/Fort Worth and San Diego walked up to 60 miles over three days to raise money for cancer research. Our support of this one-of-a-kind event took many forms

- Comforting walkers and crew members as they rested between walk days with more than 5,000 SmartCushion pads
- Cleaning up used SmartCushion pads to be recycled into new padding through ReCover, Mohawk's recycling program
- Teaming with retail partners in each city to host a celebratory lunch to mark the halfway point of the walk
- Providing bright pink carpet runners for the "Mohawk Mile," a path lined with cheer teams that led and encouraged walkers to the finish line each day of the walk

Mohawk's long-running partnership with Komen includes two national programs

- In Mohawk's residential flooring business, we donate a portion of the proceeds from SmartCushion sales through Decorate for the Cure
- Mohawk Group donates a portion of the proceeds from the sale of eligible commercial flooring products through Specify for a Cure, and 2022 was a record-breaking year in terms of donations

Combined, Mohawk has donated more than \$7 million to Komen and is proud to be one of Komen's corporate partners.



### Community Give Back

Mohawk is a proud supporter of the arts, design and creativity. We have sponsored multiple events in recent years: some with new partners, others with partners whom we have established long-term relationships.

In 2022, Eliane revitalized the facade of the Hospital São José, in Criciúma, Santa Catarina, Brazil, with an artistic panel more than 15 meters high, featuring the image of the saint who is the namesake of the health institution. Eliane created the installation through digital printing on 30x60 cm porcelain tiles and donated the pieces for the hospital's renovation. In addition to revamping the space, the installation has completely changed the outlooks of those who visit the region, whether for work, medical attention or a walk down the street.

Godfrey Hirst and GH Commercial were proud to be partners of the PayPal Melbourne Fashion Festival 2023 and Melbourne International Comedy Festival

2023. The brands supplied a range of products to support the events, including Corsica Oak engineered wood flooring for the fashion show's luxurious runway. GH Commercial also supported Australian street artist Rone with carpet and hard flooring products for his exhibition at the Geelong Gallery.

Mohawk Group is promoting progress in our industry and in the arts community by launching two new carpet and hard surface flooring collections in partnership with ArtLifting, an organization that champions artists affected by housing insecurity or disabilities. ArtLifting creates opportunities for underrepresented artists to amplify their voices and participate in the contemporary art market, and in 2022 Mohawk Group manufactured and sold products by six artists who contributed designs.

In 2023, in celebration of World Water Day, Mohawk Group also announced its partnership with Water.org in an effort to help increase access to safe water and sanitation worldwide. As a part of this new initiative,

Mohawk Group will empower 75,000 people in areas experiencing scarcity and drought by providing lasting access to safe water and/or sanitation, totaling 275 million gallons by 2030. Additionally, the partnership will mobilize \$2 million toward household solutions for people in need. The thoughtful utilization and conservation of water is at the heart of Mohawk Group's holistic design and manufacturing processes. Since 2017, Mohawk Group has saved 198 million gallons of water through partnerships, product innovations and operational improvements.

Mohawk and many of our businesses have long participated in the International Living Future Institute's Declare program. GH Commercial has been a major sponsor of the Living Future Institute of Australia (LFIA) since 2019, and was the first flooring manufacturer in Australia to have carpet products certified as Declare Red List Free. In 2023, the brand became a sponsor of LFIA's inaugural National Biophilic Design Awards in the Interior and Renovation category. Many of GH Commercial's products are designed with biophilia in mind, purposefully incorporating colors, textures and patterns found in the natural environment.

To further share its point of view on the benefits of biophilia, GH Commercial also became a sponsor of the Talking Architecture & Design podcast, where the brand's National Commercial Sales Manager, Joel Williamson, was featured in an episode about incorporating biophilic principles in design. GH Commercial also recently launched its Native Collection, from which a portion of the proceeds will help to support tree planting in New Zealand.

### What Employee-Driven Engagement Looks Like

Flooring North America and our Calhoun, Georgia, corporate headquarters recently launched an employee-driven giving strategy through which team members can nominate organizations to receive support. Through this model, we donated to over 100 organizations in 2022 and more than 40 in 2023 to date. Recent organizations we've supported include

- **Latin American Association**—Supported a student scholarship and program for rising Latino leaders in northwest Georgia
- **Dalton United**—Sponsored weekly games and hosted soccer camps for underprivileged children
- **Junior Achievement**—Organized bimonthly volunteer events for Finance Park, a financial and career planning program; and 3DE, an experiential education initiative
- **United Way**—Enhanced a U.S. organization-wide employee and company giving campaign that raises over \$1 million per year

## EMPLOYEE CITIZENSHIP

While much of the work we do to partner with nonprofits is facilitated through the business, we also support employee-driven efforts to contribute to communities around the world. We encourage each of our locations to determine what local needs they want to address—and how they want to address them—whether through volunteering, donations or partnerships.

### Cleaning up communities



Many recent efforts have involved cleaning up or rebuilding spaces that had been damaged during natural disasters.

- A Unilin team in Malaysia came together to rebuild the Sri Ramar temple that was destroyed in a recent landslide in Sungai Batu.
- Multiple businesses, including Godfrey Hirst, Grupo Daltile and Flooring North America, organized teams of employees to clean up local beaches and waterways.
- After severe floods swept through the Bahia state of Brazil, Eliane donated food, water and ~6,500 m<sup>2</sup> of ceramic tile for use in building approximately 300 homes for low-income families displaced by the rains.

### Helping neighbors



Other projects focused on helping vulnerable community members.

- Unilin Malaysia employees recently donated desks and benches to a nearby orphanage.
- Grupo Daltile employees volunteered at a local animal shelter and helped elderly neighbors with household tasks.
- Unilin UK, Dal-Tile Dallas and Flooring North America collected Christmas gifts for children and supplies for kids heading back to school.

### Promoting health



Across the world, employees teamed up to get healthy and support disease research.

- More than 500 Unilin employees spent over 1 million minutes cycling, walking, running or swimming, raising more than €5,500 for Médecins Sans Frontières.
- In France, Unilin employees participated in “Une rose un espoir,” a fundraiser during which motorcyclists form a procession through the countryside and gather donations for cancer research.
- Since 2017, Marazzi Group has collaborated with the Italian Cancer League and offers resources for employees who want to quit smoking.





By upholding the highest standards throughout our operations and supply chain, we build trust among our stakeholders. Our commitment to performance excellence serves as the foundation for our sustainable growth and the positive impact we aim to create within our industry and beyond.



BETTER FOR  
PERFORMANCE

# BUILDING A CONNECTED APPROACH TO ESG GOVERNANCE AND DISCLOSURE

A Conversation with James Brunk, Chief Financial Officer, and Dave Patton, General Counsel



**JAMES BRUNK**  
Chief Financial Officer



**DAVE PATTON**  
General Counsel



## How is Mohawk's governance and oversight of ESG evolving?

**DP:** We recently appointed Malisa Maynard as our new Chief Sustainability Officer (CSO). The CSO serves as an enterprise level leader overseeing ESG and reporting directly to the CEO, which demonstrates our commitment to integrating sustainability into our core business strategy and operations. We believe Malisa's appointment is coming at a critical time as the Company prepares for regulation of climate disclosure. We expect this position to drive collaboration across Mohawk business units and champion best practices.

## What areas of ESG does the Board engage in most?

**DP:** In recent years, we have witnessed a substantial increase in investor interest in ESG, which directly impacts shareholder value. The Board of Directors recognizes the importance of ESG considerations in investment decisions as well as the need to align our business practices with sustainable principles. Together with our CEO, the Board maintains ultimate responsibility for

the Company's ESG programs and initiatives. Risk oversight is a critical aspect of the Board's role, with a focus on financial, operational, legal and other business risks. The Board, however, takes an active interest in all ESG-related issues that impact the Company's ability to grow profitably and drive shareholder value—either positively or negatively.

## How are you preparing for increased regulation of ESG disclosure around the world?

**JB:** We are proactively preparing for the anticipated increase in regulation of ESG disclosure. In the European Union, we already must comply with expanded ESG regulations, and we expect similar mandatory disclosure requirements to be implemented soon in the United States through new SEC rules. To ensure compliance, we are implementing robust reporting systems and controls for ESG similar to those in place for financial reporting. While the rules regarding ESG data collection and disclosure are still evolving and not as mature as financial data collection and disclosure, we believe our existing processes for the collection and dissemination of financial data will accelerate our capabilities in the ESG arena.

## Mohawk is managed in a very decentralized manner, yet ESG regulation may require more centralized controls. How do you plan to balance this dynamic?

**JB:** We have historically managed our business on a local market level to best serve customers, while financial controls and disclosures have been centralized at the corporate level, primarily for legal and regulatory reasons. We intend to manage ESG disclosures in a similar way. Each business unit will develop and execute ESG initiatives to support our overall ESG strategy, leveraging their understanding of local needs and opportunities. At the same time, ESG disclosure will be centralized at the corporate level to ensure consistency and transparency across our operations. This approach will allow us to strike a balance between local responsiveness and centralized governance to meet the evolving ESG regulatory landscape.

# CORPORATE GOVERNANCE

A commitment to sound and transparent governance principles is a critical enabler of corporate financial success and sustainable progress.

By ensuring accountability, integrity and ethical decision-making in our behavior, we build trust, mitigate risks and enhance the resilience of our business.

To promote transparency, our website provides public access to a comprehensive range of [corporate governance materials](#). These resources include

- List of Board of Directors and executive officers
- Corporate governance guidelines
- Board committee charters
- Board member contact information

Additionally, investors can find our 10-K, 10-Q and Proxy filings with the SEC in the Investors section of our website.

## ESG Governance

By integrating sustainability into our core operations, we are committed to mitigating environmental risks and maximizing the long-term viability of our business. These priorities, as well as robust governance principles and risk management processes, are embedded in our management philosophy.

Mohawk upholds a set of transparent, accessible and uniform policies that encompass ethics, compliance and various other ESG-related aspects throughout the organization. These include

- [Standards of Conduct and Ethics](#)
- [Human Rights Policy](#)
- [Supplier Code of Conduct](#)
- [Conflict Minerals Policy](#)
- [Health and Safety Policy](#)
- [Environmental Policy](#)
- [Privacy and Data Security Policy](#)
- [Related Person Transactions Policy](#)
- [Direct and Indirect Political Contributions](#)
- [Board of Directors Selection Policy](#)



# ADVANCING ESG GOVERNANCE FOR THE FUTURE

## A Conversation with Karen Smith Bogart, Ph.D.



**KAREN SMITH BOGART**  
Board Member and Chair of the Nominating and Corporate Governance Committee

### In your time as a board member, how has Mohawk's approach to ESG evolved?

**KSB:** Since I joined the Board in 2011, the Company has continually increased its commitment to sustainability. During this period Mohawk has evolved from using recycled content in key products to utilizing advanced circular product strategies that are an essential basis of the Company's global R&D philosophy and operations. The amount of recycling product inputs is truly exceptional. We have accelerated our progress in the last two years through an integrated strategy that is delivering excellent results. As a leading manufacturing company, we are taking many actions to reduce emissions. Recycled inputs are a part of that approach, but we have also expanded our green energy production, lowered fossil fuel consumption, reduced packaging material, extended the life cycle of CO<sub>2</sub> stored in wood fiber and much more.

### How are Mohawk's corporate governance practices evolving?

**KSB:** Diversity is a key consideration when we review director candidates for the Board. I am pleased that the Board has formalized that commitment through its new Board of Directors Selection Policy. Diverse boards often perform better, and this new policy will help ensure that we continue to serve our stakeholders' interests well.

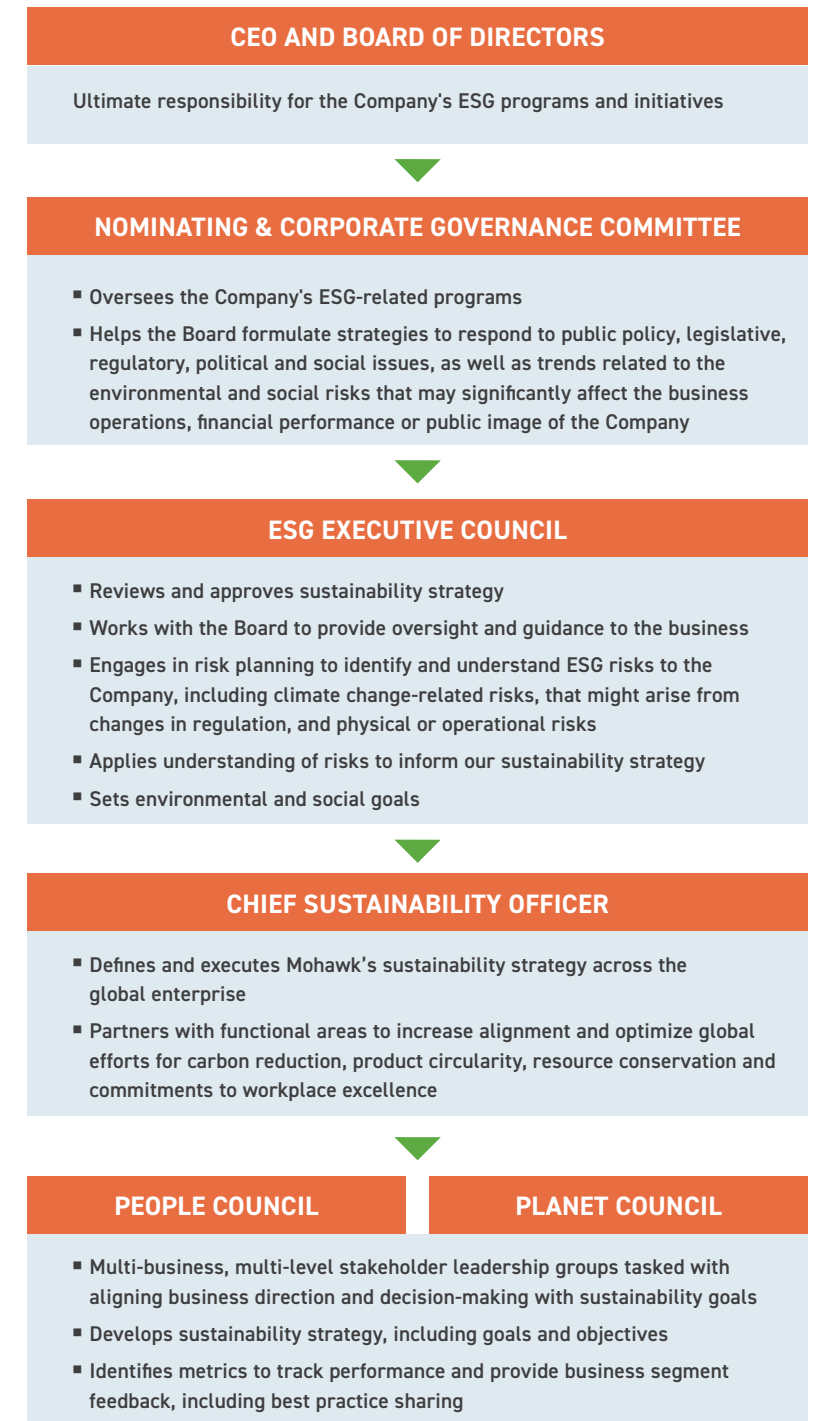
### As chair of the Nominating and Governance Committee, with oversight of sustainability programs, how do you ensure that the Board stays up to date on ESG issues?

**KSB:** First, most of our directors have experience with ESG issues through their professional backgrounds, so these are issues and opportunities that they have addressed for years. Mohawk also has built top-notch sustainability expertise within the Company. The Board reviews ESG issues and progress toward sustainability goals on a quarterly basis. In these updates, Mohawk's CSO shares insights regarding the work currently being done on key initiatives and investments, and we provide feedback based on our own experiences.

### How does Mohawk's Board consider emerging ESG risks, such as climate-related risks?

**KSB:** We recognize that managing our sustainability priorities, including climate risk, helps ensure long-term viability for the Company. Our ESG Executive Council engages in risk planning to understand and address how climate change may impact the Company. These risks might include how our supply chains and facilities could be affected by severe weather patterns, safety concerns, social issues and changing market expectations. This work is overseen by the Nominating and Governance Committee, which helps the Board provide the Company with guidance on environmental and social risks.

## ESG GOVERNANCE STRUCTURE



### ESG Executive Council

The ESG Executive Council is responsible for defining ESG strategy and programs and ensuring progress toward the associated goals and objectives at Mohawk Industries, Inc. The Council reports to the Company's Board and CEO and will inform and engage with the Board and the Board's Nominating and Corporate Governance (NCG) Committee on ESG and sustainability issues. The ESG Executive Council also has the important duties of reviewing and approving the Company's sustainability strategy; identifying, assessing and making recommendations for addressing ESG risks and opportunities; and establishing global environmental and social goals.

The ESG Executive Council meets as often as its members may deem necessary and appropriate, but at least once per quarter in advance of Board meetings. It is comprised of the Company's senior executives that represent the main business areas related to ESG and sustainability matters. The current members of the ESG Executive Council are the Chief Financial Officer, the Vice President of Business Strategy & General Counsel, the President & Chief Operating Officer, the Chief Sustainability Officer and the presidents of the Company's business segments.

The ESG Executive Council's primary management responsibilities are to

- Define the Company's ESG strategy, programs and associated goals and objectives.
- Review and provide feedback on all ESG and sustainability-related policies, plans, targets and metrics.
- Review, monitor and make recommendations to the Board and NCG Committee regarding the implementation of the Company's sustainability strategy.

- Inform the Board of Directors on the progress of the Company's sustainability strategy and ESG initiatives and policies.
- Recommend to the Board of Directors options to address governance issues related to ESG and sustainability matters.
- Identify and provide a list of material ESG-related risks on an annual basis and inform about the impacts and potential opportunities of these risks to the entities that provide oversight to the Company's risk assessment and management process; as part of this, the ESG Executive Council will lead the process of identifying climate-related risks and opportunities that includes developing climate risk scenarios to be used as part of the corporate risk management framework.
- Monitor ESG and sustainability-related risks, impacts and opportunities and provide guidance for the management of these risks and potential responses.
- Review and discuss global proposals directly related to ESG and sustainability matters.
- Review and approve the annual ESG Report and any other voluntary external reports related to ESG matters.
- Review and recommend for approval to the Board and the NCG Committee any regulatory mandated external reports related to ESG matters.
- Review and monitor the implementation of any ESG-related compliance plans for the Company.
- Approve and request the support of external advisors or consultants to provide expertise in any ESG-related matter.
- Review and recommend to the Compensation Committee of the Board and the Board any long- or short-term performance targets for incentive-based compensation associated with sustainability-related targets.
- Review and approve training on ESG and sustainability-related matters for members of the ESG Executive Council, the People Council and/or Planet Council.



# SUPPLY CHAIN MANAGEMENT

Mohawk prioritizes ethical, environmental and social standards when selecting suppliers and partners globally.

To this end, we maintain a Supplier Code of Conduct, applicable for Mohawk worldwide, to ensure that materials incorporated into Mohawk products comply with laws and requirements and that suppliers share our principles of social responsibility. In 2022, we strengthened the Supplier Code of Conduct by requiring suppliers to also align with Mohawk’s Environmental Policy. Our expectations for compliance with the Code of Conduct extend to suppliers’ subcontractors. We conduct assessments to verify adherence and promptly address any violations.



## OUR APPROACH TO RESPONSIBLE SOURCING

### ASSESSMENTS

We conduct assessments of new and existing suppliers to verify compliance with the Code. These include supplier questionnaires, management meetings and facility audits, which may be attended by Mohawk staff or third parties. We do not currently retain a third-party verifier, but reserve the right to retain one, and require suppliers to agree to third-party verification.

In 2022, Mohawk began the development of a diverse supplier program and intends to set a target for this initiative in 2024.

### TRAINING

We provide training to individuals who are responsible for the implementation, management and enforcement of our Supplier Code of Conduct. Should we discover a Code violation, we promptly address the issue with the supplier and require correction. Our internal accountability controls include unannounced audits to verify correction and compliance, as well as the potential for termination of the supplier relationship for failure to remedy the violation.

### EXPECTATIONS

The Code, which we have enhanced as we have expanded globally, clearly outlines our expectations, consistent with International Labour Organization standards, with regard to

- The prohibition of child labor and forced compulsory labor
- The maintenance of workplaces free of coercion and harassment
- The responsibility to provide employees with a safe and healthy workplace
- Respect for the rights of employees to organize and bargain collectively and their right to not seek collective bargaining

The Code also communicates that suppliers are expected to meet requirements applicable to human trafficking and slavery that are in accordance with the California Transparency in Supply Chains Act of 2010 (SB 657).



### Human Rights

Mohawk respects and protects the human rights of all people. In locations where our products are manufactured or sold, our culture promotes respect for the people who make and sell them, the people living near our facilities, our suppliers and our customers.

In addition to our enterprise-wide [Human Rights Policy](#), we also have specific policies in place to address modern slavery risks, particularly in our Australian flooring business, Godfrey Hirst, which has stringent reporting obligations under the 2018 Australian Modern Slavery Act. We are committed to working toward continuously improving our approach to the management of modern slavery risks by reference to best practices.

Mohawk maintains an Economic Sanctions Compliance Policy to ensure that the Company's worldwide employees comply with U.S. rules and regulations relating to sanctions, as well as the rules and regulations of the jurisdictions in which Mohawk's non-U.S. employees and businesses operate. As part of the Company's sanctions risk management process, Mohawk utilizes a third-party global compliance sanctions tool to screen, monitor and conduct due diligence of customers and vendors against U.S. and international sanctions.



### Ensuring an Ethical LVT Supply Chain

As part of our ongoing dedication to responsible practices, we are committed to ensuring that sourcing of PVC for our LVT products as well as finished LVT products aligns with our policies, practices and principles. Recent external reports have highlighted the presence of forced labor within the PVC industry, specifically involving the Uyghur ethnic minority in China. These reports raise significant concerns regarding human rights violations and labor abuses.

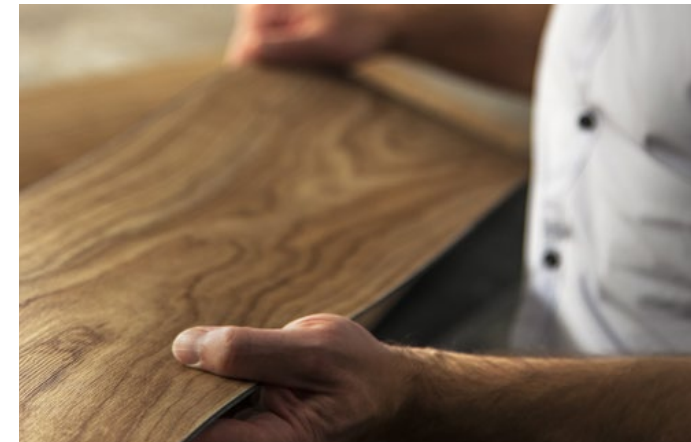
As detailed in our Human Rights Policy, Mohawk stands firmly against child labor, human trafficking, forced or underpaid prison labor and slavery practices of any kind, and continues to undertake due diligence to validate this expectation with our suppliers. Voluntary labor is a standard across the Company and a condition for doing business with Mohawk.

In response to reports of forced labor in China, we began conducting detailed supply chain mapping and audits for PVC and LVT suppliers outside the U.S. that were deemed high risk.

Mohawk also requires compliance with our Supplier Code of Conduct, which addresses involuntary labor and other human rights concerns as a condition of doing business with the Company. In addition, some business units have started ethical sourcing training to better educate Mohawk employees and suppliers about raw material inputs for LVT. Other business units are in the process of implementing training programs.

33%

of Mohawk's U.S. spending is with diverse suppliers.



### Supplier Diversity

We recognize that by engaging and supporting a wide range of suppliers from diverse backgrounds, we not only enhance our business performance but also contribute to the advancement of underrepresented communities. During 2022, our corporate sustainability team partnered with our U.S.-based purchasing teams to formalize a strategy to grow supplier diversity via a cross-functional Supplier Diversity Committee. This work began by utilizing external databases to identify current suppliers that are defined as diverse and to analyze our current level of spending with them. This exercise revealed that, currently, 33% of our U.S. spend is with diverse suppliers. During 2023 and beyond, this initiative will focus on developing a Supplier Diversity Policy, increasing the participation of diverse suppliers in the U.S. bidding process and providing support for diverse suppliers to increase business opportunities with Mohawk.

# ETHICS

As a responsible global company, we recognize the importance of conducting business with integrity, transparency and accountability.

Our strong ethical foundation serves as the guiding principle that shapes our interactions with customers, employees, partners and the communities we serve.

Mohawk has zero tolerance for unethical conduct, including corruption, discrimination and harassment. Our Standards of Conduct and Business Ethics, along with our Human Rights Policy, establish a robust framework to prevent such behaviors within our organization. We have also implemented policies across our global operations to discourage anti-competitive practices. Compliance with these standards is expected of all employees, officers and directors.

As Mohawk continues to expand globally, we recognize the need to continually evaluate and enhance our ethics policies and procedures. Corruption poses a significant risk, and we are proactive in identifying and addressing vulnerabilities. To mitigate corruption risks, we regularly assess and analyze potential vulnerabilities and provide anti-corruption training in multiple languages to our employees. In 2022, more than 88% of participants completed the training.

We foster a culture where employees feel comfortable reporting any concerns. To facilitate this, we conduct annual business standards surveys to identify potential issues across our organization. We also provide tools

for employees, customers and suppliers to report any concerns through 24-hour anonymous third-party hotlines and a confidential website. These channels are accessible in local languages to ensure everyone has a voice and can share their concerns without fear of retaliation.

To help ensure a safe and respectful work environment, we have implemented anti-harassment training programs to promote a culture of respect. We believe that fostering a supportive workplace not only benefits our employees but also contributes to our overall success as an organization.

We approach political engagement with responsibility and transparency. We refrain from making direct political contributions to individuals, political parties or political action committees. Our commitment to impartiality is consistent throughout the organization. While we are members of trade associations and chambers of commerce, we do not exert influence over their political efforts. We acknowledge that our positions may not always align with theirs, and we maintain independence in our decision-making process. To uphold transparency, we disclose the trade associations and chambers of commerce we are associated with, along with the membership fees paid.



## Regulatory Compliance

As a global leader in the flooring industry, we recognize the importance of operating in full compliance with laws, regulations and industry guidelines. Compliance is not only a legal requirement but a fundamental aspect of our corporate culture. Our comprehensive compliance program encompasses legal compliance, data privacy, environmental regulations, labor laws and health and safety standards.

## Increasing Compliance Awareness in Brazil

Eliane organized its first Compliance Week in 2022, featuring three panel discussions led by industry experts covering various topics around compliance and its connection to ESG. More than 400 employees attended each of the talks, which were broadcast live and also recorded and published internally for later viewing.



## DATA SECURITY AND PRIVACY

### The importance of data security and privacy—and the risk of data breaches—has become a significant concern for businesses and society.

There is a growing need for companies to responsibly handle personal data, including personally identifiable information, payment details, device information and browsing history. Mohawk recognizes the importance of safeguarding this information and only uses collected data for legitimate business purposes, such as identity verification, promotional materials and enhancing our websites and products.

To help ensure privacy and security, we have implemented a comprehensive [Privacy Policy](#) that outlines the necessary practices for any website, application, mobile browser, social media account or service we operate. This policy applies to our corporate operations and U.S.-based businesses, while our global entities have policies aligned with local regulations. We respect users' rights under applicable data protection laws in each country.

We prioritize the protection of personally identifiable information on Mohawk websites by adhering to applicable laws and employing organizational,

technical, administrative and physical security measures. A dedicated team, led by our Chief Information Officer, implements information security controls based on the nature of the data involved. We perform regular reviews and updates to our information security procedures to maintain their effectiveness.

New employees undergo mandatory online cybersecurity training upon joining the Company, and we provide annual training to all employees, covering various topics such as avoiding malicious attachments and links, phishing prevention, email security, ransomware protection, URL awareness and defense against social engineering tactics. While we strive to minimize the likelihood of security issues based on the sensitivity of the data, we cannot guarantee the absolute security of personal information. However, we were pleased to report that in 2022, we experienced no significant data breaches for the fourth consecutive year.





# APPENDIX

# GRI

Mohawk Industries, Inc. has reported the information cited in this GRI content index for the period January 1, 2021 to December 31, 2022 with reference to the GRI Standards.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GENERAL DISCLOSURES</b>		
<b>GRI 2: General Disclosures 2021</b>		
<b>THE ORGANIZATION AND ITS REPORTING</b>		
2-1	Organizational details	Mohawk Industries, Inc. Public Corporation Calhoun, GA, USA
2-2	Entities included in the organization's sustainability reporting	<p><a href="#">2022 Form 10-K</a>, Exhibit 21</p> <p>Data from 2022 acquisitions are not included in this 2022 Environmental, Social and Governance (ESG) Report. The company incorporates data from mergers, acquisitions and divestitures in the following calendar year. For example, if a company is acquired in 2022, the data will be consolidated and reported in 2023. This approach is used across topics.</p> <p>When consolidating information, the company does not include sustainability data from minority investments or from investments in which it does not have operational control.</p>
2-3	Reporting period, frequency and contact point	<p>The reporting period is for January 1, 2022–December 31, 2022 and is reported annually. The reporting period for financial reporting is aligned with sustainability reporting.</p> <p>2022 ESG Report publication date: September 2023 <a href="mailto:sustainability@mohawkind.com">sustainability@mohawkind.com</a></p>
2-4	Restatements of information	As better data is available, the data is incorporated into past years and the improved data is incorporated in data processes moving forward. There are no restatements of baseline data for targets in 2022.
2-5	External assurance	External assurance was not sought for the 2022 ESG Report data. We plan to seek external assurance in the next two years.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>ACTIVITIES AND WORKERS</b>		
2-6	Activities, value chain and other business relationships	<a href="#">2022 Form 10-K</a> , starting p. 3
2-7	Employees	<p>Total: ~40,900<sup>1</sup></p> <p>Male: 71.9% Female: 28.1%</p> <p>USA/Canada: 42.80% Europe: 36.25% Mexico: 9.63% Brazil: 6.46% Malaysia: 2.05% Australia/New Zealand: 2.59% Other: 0.22%</p> <p>Full-time: 98.24% Part-time: 1.76%</p> <p>Full-time Female: 27.62% Full-time Male: 72.38%</p> <p>Part-time Female: 54.71% Part-time Male: 45.29%</p> <p><b>Full-time/Part-time by Region:</b> USA/Canada Full-time: 99.52% USA/Canada Part-time: 0.48% Europe Full-time: 96.03% Europe Part-time: 3.97% Mexico Full-time: 100% Brazil Full-time: 100% Malaysia Full-time: 100% Australia/New Zealand Full-time: 96.61% Australia/New Zealand Part-time: 3.39% Other Full-time: 85.39% Other Part-time: 14.61%</p> <p>View our <a href="#">U.S. EEO-1 report</a></p>

<sup>1</sup> As of 12/31/2022.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GOVERNANCE</b>		
2-9	Governance structure and composition	<p>The company's Chief Executive Officer (CEO), Board of Directors (BoD) and Nominating and Corporate Governance Committee (NCGC), alongside an ESG Executive Council that includes the Chief Financial Officer (CFO), Vice President–Business Strategy &amp; General Counsel, Chief Operating Officer (COO), Chief Sustainability Officer (CSO) and business unit presidents lead our sustainability agenda.</p> <p>The ultimate responsibility for the company's ESG programs and initiatives is with the CEO and the BoD. The Board includes a NCGC and an Audit Committee. The first has specific oversight responsibility for sustainability initiatives, and the second oversees risk management for the Company. The NCGC also has responsibility for helping the BoD formulate strategies to respond to public policy as well as legislative, regulatory, political and social issues. It also includes formulating strategies that respond to environmental and social risks that may affect operations, financial performance or reputation.</p> <p>For further information, see the <a href="#">NCGC Charter</a> and <a href="#">2023 Proxy Statement</a>, pgs. 5-10</p>
2-10	Nomination and selection of the highest governance body	<p><a href="#">NCGC Charter</a> <a href="#">2023 Proxy Statement</a>, pgs. 44-47</p>
2-11	Chair of the highest governance body	<p><a href="#">2023 Proxy Statement</a>, p. 44</p>
2-12	Role of the highest governance body in overseeing the management of impacts	<p>The ESG Executive Council has amongst its responsibilities to: define the Company's ESG strategy and programs and associated goals and objectives; review and provide feedback on all ESG and sustainability-related policies, plans, targets and metrics; review, monitor and make recommendations to the Board and Nominating and Corporate Governance Committee regarding the implementation of the Company's sustainability strategy; inform the BoD on the progress of the Company's sustainability strategy and ESG initiatives and policies.</p>

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
2-13	Delegation of responsibility for managing impacts	<p>The NCGC has specific oversight responsibility for sustainability initiatives, and, at the managerial level, the ESG Executive Council defines all ESG-related matters and approves the Company's sustainability strategy. In this role, the ESG Executive Council is guided by a Planet Council and a People Council to support the development of the Company's sustainability strategy, identify and manage ESG risks, propose global ESG goals, targets and metrics and align business direction and decision making with ESG goals and strategies.</p> <p>The ESG Executive Council has the authority to delegate any of its responsibilities, along with the authority to act in relation to such responsibilities, to either the People Council or Planet Council as it may deem appropriate in its sole discretion.</p> <p>The ESG Executive Council presents to the Board and the NCGC on material impacts, risks and opportunities, the implementation of sustainability due diligence and the results and effectiveness of policies, actions, metrics and targets adopted to address them, as well as any other sustainability-related concern that may arise and would require their attention.</p> <p>For further information, see the <a href="#">NCGC Charter</a>.</p>
2-14	Role of the highest governance body in sustainability reporting	<p>The NCGC is responsible for overseeing the Company's sustainability programs. As such, this committee assists the BoD with formulating strategies to respond to public policy, legislative, regulatory, political and social issues and trends related to environmental, health and safety, and sustainability performance that may significantly affect the business operations, financial performance or public image of the Company.</p> <p>At the managerial level, the ESG Executive Council reports to the Board and the NCGC on material impacts, risks and opportunities, the implementation of sustainability due diligence and the results and effectiveness of policies, actions, metrics and targets adopted to address them, as well as any other sustainability-related concern that may arise and would require their attention.</p>
2-15	Conflicts of interest	<p><a href="#">Standards of Conduct</a>, Conflicts of Interest</p>
2-16	Communication of critical concerns	<p><a href="#">Standards of Conduct</a>, Reporting Violations <a href="#">2023 Proxy Statement</a>, p. 47</p>
2-17	Collective knowledge of the highest governance body	<p><a href="#">2023 Proxy Statement</a>, pgs. 4-7; 45-46 Q&amp;A with NCGC Board Chair, Karen Smith Bogart</p>
2-18	Evaluation of the performance of the highest governance body	<p><a href="#">2023 Proxy Statement</a>, p. 46</p>
2-19	Remuneration policies	<p><a href="#">2023 Proxy Statement</a>, pgs. 15-25</p>

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
2-20	Process to determine remuneration	<a href="#">2023 Proxy Statement</a> , pgs. 15-25
2-21	Annual total compensation ratio	<a href="#">2023 Proxy Statement</a> , p. 32
<b>STRATEGY, POLICIES AND PRACTICES</b>		
2-22	Statement on sustainable development strategy	CEO Letter, CSO Q&A
2-23	Policy commitments	<p> <a href="#">Standards of Conduct &amp; Business Ethics Policy</a>  <a href="#">Supplier Code of Conduct</a>  <a href="#">Conflict Minerals Policy</a>  <a href="#">Health &amp; Safety Policy</a>  <a href="#">Human Rights Policy</a>  <a href="#">Environmental Policy</a>  <a href="#">Privacy &amp; Data Security Policies</a>  <a href="#">Prior Year Direct &amp; Indirect Political Activity</a> </p> <p>All Mohawk Industries policies are approved by the CEO. Additionally, every employee must agree to the Company's Standard of Conduct upon employment, and all suppliers must agree to the Supplier Code of Conduct and Human Rights Policy to become a vendor with Mohawk Industries.</p>
2-24	Embedding policy commitments	<p>Better for the Planet                      Better for Performance</p>
2-25	Processes to remediate negative impacts	Better for Performance > Supply Chain Management; Ethics
2-26	Mechanisms for seeking advice and raising concerns	<p> <a href="#">Standards of Conduct, Reporting Violations</a>  <a href="#">Mohawk Hotline and Website</a> </p>
2-27	Compliance with laws and regulations	<a href="#">2022 Annual Report</a> , Note 16, Commitments and Contingencies, pgs. 56-58

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
2-28	Membership associations	<p>Below is a list of 2022 memberships that have or may have some engagement in the political process though this is not their primary purpose. See our <a href="#">2022 Indirect Political Contributions list</a>.</p> <ul style="list-style-type: none"> <li>• ABRAMAT—Brazilian Association of the Construction Material Industry</li> <li>• ACIC—Cricima Business Association</li> <li>• ADI—Associazione per il Disegno Industriale</li> <li>• AECS—South Cocal Business Association</li> <li>• AIA—American Institute of Architects</li> <li>• AMCL—Australian Made Campaign Limited</li> <li>• American Society of Interior Designers</li> <li>• American Society of Landscape Architects</li> <li>• American Trucking Associations</li> <li>• APCO—Australian Packaging Covenant Organization</li> <li>• APKM—Association of Ceramic Material Producers</li> <li>• Argentum (formerly Assisted Living Federation of America)</li> <li>• ASCER—Spanish Ceramic Tile Manufacturers Association</li> <li>• Associated Builders and Contractors</li> <li>• Association of Plastic Recyclers</li> <li>• Association of Postconsumer Plastic Recyclers</li> <li>• Assonime (Pedroni)</li> <li>• Belgian American Chamber of Commerce</li> <li>• CARE—Carpet America Recovery Effort</li> <li>• Carpet Cushion Council</li> <li>• Carpet Institute of Australia</li> <li>• Carpet Recycling UK</li> <li>• CCIR—Italo-Russian Chamber of Commerce</li> <li>• Ceramic Tile Institute of America</li> <li>• CET Cerame-Unie</li> <li>• Chamber of Commerce (Texas)</li> <li>• Chamber of Commerce of the United States</li> <li>• Chattooga (County, Georgia) Chamber of Commerce</li> <li>• Climate Active</li> <li>• COMCE (Consejo Mexicano de Comercio Exterior del Noreste, A.C.)</li> <li>• CONAI—National Packaging Consortium</li> <li>• Confindustria Ceramica</li> <li>• Dallas (Texas) Regional Chamber of Commerce</li> <li>• Decorative Hardwoods Association (formerly Hardwood, Plywood &amp; Veneers Association)</li> </ul>



DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
2-28	Membership associations, continued	<ul style="list-style-type: none"> <li>• Der Grune Punkt–Duales System Deutschland</li> <li>• Environment Essentials (Australia and New Zealand)</li> <li>• ERIAC–Asociacion de Profesionals en Capital Humanos</li> <li>• Fedustria (Federation of the Textile, Wood and Furniture Industries)</li> <li>• Floor NZ</li> <li>• Forest Stewardship Council</li> <li>• Garner (North Carolina) Chamber of Commerce</li> <li>• GBCI Mexico (formerly Sustentabilidad para Mexico (SUMe))</li> <li>• Georgia Association of Manufacturers</li> <li>• Georgia Chamber of Commerce</li> <li>• Georgia Industry Environmental Coalition</li> <li>• Georgia Motor Trucking Association</li> <li>• Georgia Recycling Coalition</li> <li>• Gordon County (Georgia) Chamber of Commerce</li> <li>• Greater Dalton (Georgia) Chamber of Commerce</li> <li>• Greater Rome (Georgia) Chamber of Commerce</li> <li>• Green Building Certification Institute</li> <li>• Green Building Council Italia</li> <li>• Green Building Council Australia</li> <li>• Green Building Institute of Australia</li> <li>• INDA–Association of the Nonwoven Fabrics Industry</li> <li>• International Facility Management Association</li> <li>• International Interior Design Association</li> <li>• International Well Building Institute</li> <li>• Interseroh Austria GMBH</li> <li>• Interseroh Di Enstleistungs GMBH</li> <li>• Lexington (North Carolina) Chamber of Commerce</li> <li>• Living Futures Institute</li> <li>• Living Futures Institute of Australia</li> <li>• Manufactured Housing Institute</li> <li>• Mason Contractors Association of America</li> <li>• Metro Atlanta (Georgia) Chamber of Commerce</li> <li>• Mountain Lake (Alabama) Chamber of Commerce</li> <li>• Murray County (Georgia) Chamber of Commerce</li> <li>• National Association for PET Container Resources</li> </ul>

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
2-28	Membership associations, continued	<ul style="list-style-type: none"> <li>• National Association of Home Builders</li> <li>• National Association of Manufacturers</li> <li>• National Association of Manufacturers of Ceramics P.A.</li> <li>• National Association of the Remodeling Industry</li> <li>• National Multi-Family Housing Council</li> <li>• National Wood Flooring Association</li> <li>• North American Laminate Flooring Association</li> <li>• Oriental Rug Importers Association</li> <li>• PEFC—Programme for the Endorsement of Forest Certification Schemes</li> <li>• Randolph County (Alabama) Chamber of Commerce</li> <li>• Resilient Floor Covering Institute</li> <li>• RSS—Russian Union of Builders</li> <li>• Society of Human Resources Management</li> <li>• South Carolina Chamber of Commerce</li> <li>• Southeast Dallas (Texas) Chamber of Commerce</li> <li>• Southeast Recycling Development Council</li> <li>• Southern Motor Carriers Association</li> <li>• Spanish Ceramic Tile Manufacturers Association</li> <li>• Tennessee Chamber of Commerce</li> <li>• The Association of Plastic Recyclers</li> <li>• The Carpet and Rug Institute</li> <li>• The Natural Stone Institute</li> <li>• Thomasville (North Carolina) Chamber of Commerce</li> <li>• Tifton County (Georgia) Chamber of Commerce</li> <li>• Tile Council of North America</li> <li>• Uni Ente Nazionale Italiano di Unificazione</li> <li>• U.S. Green Building Council</li> <li>• Virginia Manufacturers Association</li> <li>• World Floor Covering Association</li> </ul>

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>MATERIAL TOPICS</b>		
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Welcome > ESG at Mohawk > ESG Materiality
3-2	List of material topics	Welcome > ESG at Mohawk > ESG Materiality
<b>GRI 200: ECONOMIC</b>		
<b>GRI 205: Anti-corruption</b>		
3-3	Management of material topic	Better for Performance > Ethics <a href="#">Standards of Conduct</a>
205-2	Communication and training about anti-corruption policies and procedures	All employees and directors are required to comply with the Standards of Conduct, and all salaried employees receive bi-annual business conduct training.
<b>GRI 300: ENVIRONMENTAL</b>		
<b>GRI 301: Materials</b>		
3-3	Management of material topic	Better for Customers > Make; Recover Better for the Planet > Waste Efficiencies
301-2	Recycled input materials used	Our laminate collections contain more than 90% recovered wood. The majority of our ceramic products contain pre-consumer recycled content. Our Luxury Vinyl Tile (LVT) and sheet vinyl include pre-consumer recycled PVC content. Our chipboards give new life to approximately 700,000 tons of reclaimed wood each year, and we are the first in the industry to find a way to recycle medium-density fiberboard (MDF) and high-density fiberboard (HDF) into new products. In 2022, Mohawk recovered more than 40,000,000 lbs of product, including carpet and chipboards. On average, Mohawk recycled approximately 6 billion PET plastic bottles each year over the last decade.
<b>GRI 302: Energy</b>		
3-3	Management of material topic	Better for the Planet > Climate Positive Future

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
302-1	Energy consumption within the organization	a) Total energy consumption from non-renewable sources in MWh: 11,642,351; Fuel types include electric, natural gas, propane, diesel, combined heat and power, light oil and coal. b) Total energy consumption from renewable sources in MWh: 1,115,253; Fuel types include wind, solar, biomass, biofuel and biomass steam. e) Total energy consumption within the organization in MWh: 12,757,604 f) Standards, methodologies, assumptions and/or calculation tools used: GHG Protocol g) Source of conversion factors used: Mohawk utilizes utility emissions factors when available, and databases such as eGrid and IEA when not available.
302-3	Energy intensity	a) Energy intensity ratio for the organization: 1.087 b) Organization-specific metric (the denominator) chosen to calculate the ratio: Revenue in constant currency (rev CC) c) Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam or all: All d) Whether the ratio uses energy consumption within the organization, outside of it or both: Within the organization
<b>GRI 303: Water and Effluents</b>		
3-3	Management of material topic	Better for the Planet > Water Restoration
303-1	Interactions with water as a shared resource	Better for the Planet > Water Restoration
303-3	Water withdrawal <sup>1</sup>	Total Water Withdrawal: 13,025.33 Megaliters Surface: 3,007.98—23.09% Ground: 1,979.48—15.20% Third-Party: 8,037.87—61.71%
<b>GRI 305: Emissions</b>		
3-3	Management of material topic	Better for the Planet > Climate Positive Future <a href="#">Mohawk Data Center</a>
305-1	Direct (Scope 1) GHG emissions	Better for the Planet > Climate Positive Future <a href="#">Mohawk Data Center</a>
305-2	Energy indirect (Scope 2) GHG emissions	Better for the Planet > Climate Positive Future <a href="#">Mohawk Data Center</a>

<sup>1</sup> A water stress and risk analysis was undertaken and 2023 and will be factored into reporting in the coming years. Note that sites without significant water consumption like offices are not factored into water data.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
305-3	Other indirect (Scope 3) GHG emissions	Total: 6,907,945 metric tons CO <sub>2</sub> e Purchased Goods and Services: 3,960,913 metric tons CO <sub>2</sub> e Capital Goods: 117,012 metric tons CO <sub>2</sub> e Fuel and Energy-Related Activities: 422,792 metric tons CO <sub>2</sub> e Upstream Transportation and Distribution: 859,419 metric tons CO <sub>2</sub> e Waste Generated in Operations: 147,126 metric tons CO <sub>2</sub> e Business Travel: 16,648 metric tons CO <sub>2</sub> e Employee Commuting: 47,161 metric tons CO <sub>2</sub> e Processing of Sold Products: 130,470 metric tons CO <sub>2</sub> e End-of-life of Sold Products: 1,206,404 metric tons CO <sub>2</sub> e
305-4	GHG emissions intensity	Better for the Planet > Climate Positive Future <a href="#">Mohawk Data Center</a>
<b>GRI 306: Waste</b>		
3-3	Management of material topic	Better for the Planet > Waste Efficiencies Better for Customers > Product Circularity; Make
306-1	Waste generation and significant waste-related impacts	Better for the Planet > Waste Efficiencies Better for Customers > Product Circularity; Make
306-2	Management of significant waste-related impacts	All vendors are required to follow the Supplier Code of Conduct and to align with the Environmental Policy. For further information about how Mohawk manages waste-related impacts, see the following sections: Better for the Planet > Waste Efficiencies Better for Customers > Product Circularity; Make
306-3	Waste generated <sup>1</sup>	Total weight of waste generated: 495,978 metric tons

<sup>1</sup> Waste data does not include sites such as offices with insignificant waste impacts.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
306-4	Waste diverted from disposal <sup>1</sup>	a) Total weight of waste diverted from disposal: 298,200 metric tons b) Total weight of hazardous waste diverted from disposal, and a breakdown following recovery operations: Total: 576 metric tons Recycled: 41 metric tons Prepared for Reuse: 535 metric tons c) Total weight of non-hazardous waste diverted from disposal: Total: 297,624 metric tons Prepared for Reuse: 5 metric tons Recycled: 294,103 metric tons Other Recovery: 3,516 metric tons
306-5	Waste directed to disposal <sup>1</sup>	a) Total weight of waste directed to disposal: 197,778 metric tons b) Total weight of hazardous waste directed to disposal and a breakdown by the following disposal operations: Total: 3,154 metric tons Other Disposal: 2,349 metric tons Landfill: 479 metric tons Incineration with Energy Recovery: 247 metric tons Incineration without Energy Recovery: 80 metric tons c) Total weight of non-hazardous waste directed to disposal, and a breakdown by the following disposal operations: Total: 194,624 metric tons Landfill: 119,418 metric tons Incineration with Energy Recovery: 75,206 metric tons
<b>GRI 308: Supplier Environmental Assessment</b>		
3-3	Management of material topic	Better for Performance > Supply Chain Management
308-1	New suppliers that were screened using environmental criteria	New suppliers must adhere to the Supplier Code of Conduct, which includes complying with the Mohawk Environmental Policy.

<sup>1</sup> Waste data does not include sites such as offices with insignificant waste impacts.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 400: SOCIAL</b>		
<b>GRI 401: Employment</b>		
3-3	Management of material topic	Better for People > Performance Driven Workplace; Inclusion at Mohawk; Health and Well-being
401-1	New employee hires and employee turnover	Total number of employees: ~40,900 <sup>1</sup>  New hires: 23.33% of total  Female: 27.02% Male: 72.98%  <30 years: 41.87% 30-50 years: 45.47% 50+ years: 12.66%  USA/Canada: 36.12% Europe: 48.28% Mexico: 9.42% Brazil: 0.97% Malaysia: 2.36% Australia/New Zealand: 2.59% Others: 0.26%
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Better for People > Health and Well-being <a href="#">My Mohawk Benefits</a>
401-3	Parental leave	Better for People > Health and Well-being <a href="#">My Mohawk Benefits</a>
<b>GRI 403: Occupational Health and Safety</b>		
3-3	Management of material topic	Better for People > Zero Harm Workplace
403-3	Occupational health services	Better for People > Zero Harm Workplace

<sup>1</sup> As of 12/31/2022.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
403-4	Worker participation, consultation, and communication on occupational health and safety	Better for People > Zero Harm Workplace
403-5	Worker training on occupational health and safety	Better for People > Zero Harm Workplace
403-6	Promotion of worker health	Better for People > Zero Harm Workplace
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Better for People > Zero Harm Workplace
403-8	Workers covered by an occupational health and safety management system	Better for People > Zero Harm Workplace
403-9	Work-related injuries	Better for People > Zero Harm Workplace
<b>GRI 404: Training and Education</b>		
3-3	Management of material topic	Better for People > Training and Development
404-1	Average hours of training per year per employee	The estimated average hours of training per year per employee is 15.5 hours. Additionally, employees who participate in our development programs receive over 50+ hours of training annually.
404-2	Programs for upgrading employee skills and transition assistance programs	Better for People > Training and Development
<b>GRI 405: Diversity and Equal Opportunity</b>		
3-3	Management of material topic	Better for People > Inclusion at Mohawk
405-1	Diversity of governance bodies and employees	Better for People > Inclusion at Mohawk <a href="#">2023 Proxy Statement</a> , pgs. 4-8
<b>GRI 413: Local Communities</b>		
3-3	Management of material topic	Better for People > Connected Communities
413-1	Operations with local community engagement, impact assessments, and development programs	Better for People > Connected Communities



DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 414: Supplier Social Assessment</b>		
3-3	Management of material topic	Better for Performance > Supply Chain Management
414-1	New suppliers that were screened using social criteria	New suppliers must adhere to the Supplier Code of Conduct, which includes complying with the Mohawk Human Rights Policy.
<b>GRI 416: Customer Health and Safety</b>		
3-3	Management of material topic	Better for Customers > Use
416-1	Assessment of the health and safety impacts of product and service categories	Better for Customers > Use
<b>GRI 418: Customer Privacy</b>		
3-3	Management of material topic	Better for Performance > Ethics > Data Security and Privacy
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints concerning breaches of customer privacy and losses of customer data in 2022.

# SASB

This report contains disclosures in accordance with the Sustainability Accounting Standards Board (SASB) Building Products and Furnishings Standard as compiled December 2022.

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	2022 RESPONSE
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	CG-BF-130a.1	(1) Total energy consumed: 12,757,604 MWh (2) Percentage grid electricity: 20.8% (3) Percentage renewable: 8.74%
Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	CG-BF-250a.1	Better for Customers > Use; Recover Better for the Planet > Biodiversity
	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	Quantitative	CG-BF-250a.2	100% of eligible products meet volatile organic compound emissions and content standards.
Product Lifecycle Environmental Impacts	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	Discussion and Analysis	CG-BF-410a.1	Better for Customers > Product Circularity
	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	Quantitative	CG-BF-410a.2	(1) ~40,000,000 lbs
Wood Supply Chain Management	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by standard	Quantitative	CG-BF-430a.1	(1) 1,605,184 metric tons or 3,538,827,878 lbs <sup>1</sup> (2) 17% of wood products from third-party-validated sources <sup>1</sup> (3) 81% of wood products are FSC/PEFC certified or controlled <sup>1</sup> (4) 2% are not third-party validated <sup>1</sup>

ACTIVITY METRIC	CATEGORY	CODE	2022 RESPONSE
Annual Production	Quantitative	CG-BF-000.A	Welcome > Value in Scale and Scope Due to the differing nature of products, we use revenue as an external measure to compare across categories. Internally, multiple units are used to track production, including square feet, square yards, lbs, kgs, m <sup>3</sup> and units.
Area of Manufacturing Facilities	Quantitative	CG-BF-000.B	2022 Form 10-K, p. 21 Properties: 6.5M m <sup>2</sup>

<sup>1</sup> In 2022, we expanded these metrics to include all wood products. Previous years included all wood flooring products.

# TCFD

Mohawk has adopted the reporting recommendations set forth by the Task Force on Climate-related Financial Disclosures (TCFD) to communicate the evolving impacts of climate change on our business. Additionally, in line with recommendations made by the TCFD, Mohawk is responding to the CDP Climate Change 2023 questionnaire,<sup>1</sup> references to which are included in the table below.

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	2022 RESPONSE	2022 REFERENCE
<b>GOVERNANCE</b>			
<p><b>Disclose the organization's governance around climate-related risks and opportunities.</b></p>	<p>a) Describe the board's oversight of climate-related risks and opportunities.</p>	<p>The Nominating and Corporate Governance Committee reviews the effectiveness of the Company's policies, programs and practices at optimizing its efforts to maintain sustainable ecosystems, safe and healthy employees, and vital communities as integral elements of its commitment to create long-term stockholder value. The Committee assists the Board of Directors with formulating strategies to respond to public policy, legislative, regulatory, political and social issues and trends related to environmental, health and safety, and sustainability performance that may significantly affect the business operations, financial performance or public image of the Company or its businesses.</p>	<p>Better for Performance &gt; Corporate Governance  <a href="#">Nominating and Corporate Governance Committee Charter</a>  <a href="#">Mohawk Policies and Resources</a>  <a href="#">2023 Proxy Statement</a>, p. 46</p>
	<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>The Environmental, Social and Governance Executive Council is responsible for defining ESG strategy and programs and ensuring progress toward the associated goals and objectives at Mohawk Industries, Inc. The ESG Executive Council reports to the Company's Board of Directors and informs and engages with the Board and the Board's Nominating and Corporate Governance Committee on ESG and sustainability issues. The ESG Executive Council also has an important duty in reviewing and approving the Company's sustainability strategy and identifying, assessing and making recommendations for addressing ESG risks and opportunities and establishing global environmental and social goals.</p>	<p>Better for Performance &gt; Corporate Governance  <a href="#">2023 Proxy Statement</a>, p. 46  <a href="#">Mohawk Policies and Resources</a></p>
<b>STRATEGY</b>			
<p><b>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</b></p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>See 2.2a in 2023 CDP Climate Change Questionnaire</p>	<p>Better for Customers &gt; Make  <a href="#">Mohawk Policies and Resources</a></p>
	<p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>See 2.3a in 2023 CDP Climate Change Questionnaire</p>	<p>Better for Customers &gt; Make  <a href="#">Mohawk Policies and Resources</a></p>
	<p>c) Describe the potential impact of different scenarios, including a 2°C scenario, on the organization's businesses, strategy, and financial planning.</p>	<p>Mohawk will perform a climate risk assessment with scenario analysis, expected to be complete in 2023.                       See 3.2 and 3.2b in 2023 CDP Climate Change Questionnaire for climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p>	<p>Better for Customers &gt; Make  <a href="#">Mohawk Policies and Resources</a></p>

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	2022 RESPONSE	2022 REFERENCE
<b>RISK MANAGEMENT</b>			
<p><b>Disclose how the organization identifies, assesses and manages climate-related risks.</b></p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>See 2.2 in 2023 CDP Climate Change Questionnaire</p>	<p>Better for Performance &gt; Corporate Governance <a href="#">Mohawk Policies and Resources</a></p>
	<p>b) Describe the organization's processes for managing climate-related risks.</p>	<p>See 2.2 in 2023 CDP Climate Change Questionnaire</p>	<p>Better for Performance &gt; Corporate Governance <a href="#">Mohawk Policies and Resources</a></p>
	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>See 2.2 in 2023 CDP Climate Change Questionnaire</p>	<p>Better for Performance &gt; Corporate Governance <a href="#">Mohawk Policies and Resources</a></p>
<b>METRICS AND TARGETS</b>			
<p><b>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.</b></p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Scope 1, 2 and 3 emissions; Total water withdrawal; Total waste-to-landfill</p>	<p>Welcome &gt; ESG at Mohawk Better for the Planet &gt; Climate Positive Future <a href="#">Mohawk Policies and Resources</a></p>
	<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>Scope 1: 1,974,552 metric tons CO<sub>2</sub>e (Market-based)<sup>1</sup>                      Scope 2: 961,974 metric tons CO<sub>2</sub>e (Market-based)<sup>1</sup>                      Biogenic: 355,380 metric tons CO<sub>2</sub>e<sup>1</sup>                      Total Scope 1, 2 and Biogenic: 2,936,527 metric tons CO<sub>2</sub>e (Market-Based)<sup>1</sup>                      Scope 3: 6,907,945 metric tons CO<sub>2</sub>e</p>	<p>Better for the Planet &gt; Climate Positive Future <a href="#">Mohawk Data Center</a></p>
	<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Reduce Scope 1 and 2 emissions intensity by 25% by 2025<sup>2</sup>                      Reduce water withdrawal intensity by 30% by 2025<sup>2</sup>                      Reduce waste-to-landfill intensity 30% by 2025<sup>2</sup></p>	<p>Welcome &gt; ESG at Mohawk Better for the Planet &gt; Climate Positive Future <a href="#">Mohawk Policies and Resources</a></p>

<sup>1</sup> Mohawk Industries is amending Scope 1 and Scope 2 data for the 2023 CDP Climate Change Report. For up to date information, see the [Mohawk Data Center](#).

<sup>2</sup> All targets have a 2010 baseline, and intensity is calculated based on revenue in constant currency.

# RECONCILIATION OF NON-GAAP MEASURES

## NET EARNINGS (LOSS) TO ADJUSTED EBITDA

(Amounts in thousands)	2022
Net earnings (loss) including noncontrolling interests	25,783
Interest expense	51,938
Income tax expense	158,110
Net income attributable to non-controlling interest	(536)
Depreciation and amortization	595,464
<b>EBITDA</b>	<b>830,759</b>
Restructuring, acquisition and integration-related and other costs	58,819
Acquisitions purchase accounting including inventory step-up	2,762
Impairment of goodwill and indefinite-lived intangibles <sup>1</sup>	695,771
Legal settlement, reserves and fees, net of insurance proceeds	54,231
Release of indemnification asset	7,324
<b>Adjusted EBITDA</b>	<b>1,649,666</b>

<sup>1</sup> During the third quarter of 2022, due to the impact of a higher WACC, macroeconomic conditions, and the reduction in the Company's market capitalization, the Company performed interim impairment tests of its goodwill and indefinite-lived intangible assets, which resulted in impairment charges of \$695.8 million (\$685.6 million net of tax).



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