



Believe in Better

2019 Sustainability Report



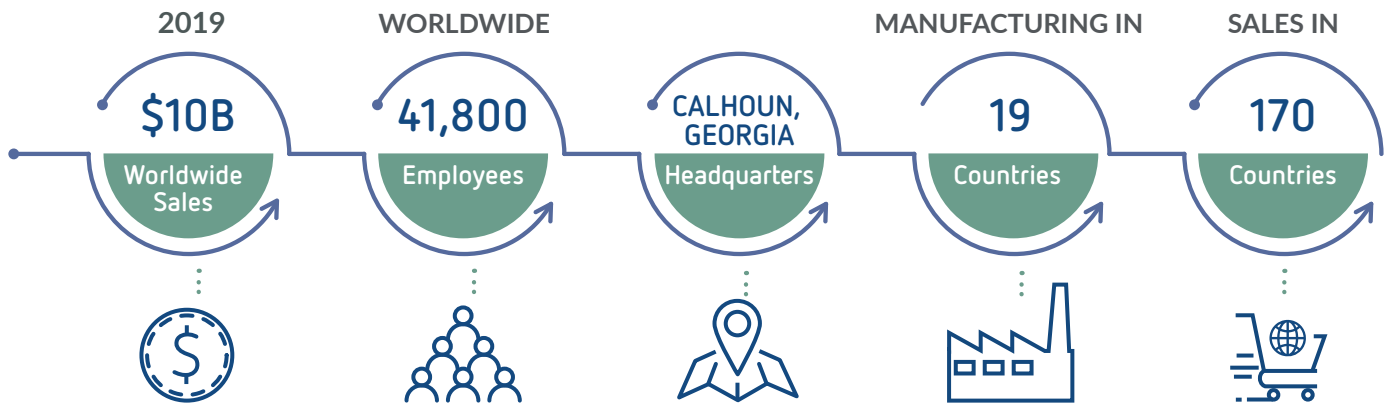
Mohawk Industries is the world's largest flooring company.

We are a market leader in all flooring categories, including both hard and soft surfaces and residential and commercial applications. Our operations are vertically integrated from design through manufacturing and distribution, benefiting both our customers and our business through operational efficiencies, product innovation and industry-leading service.

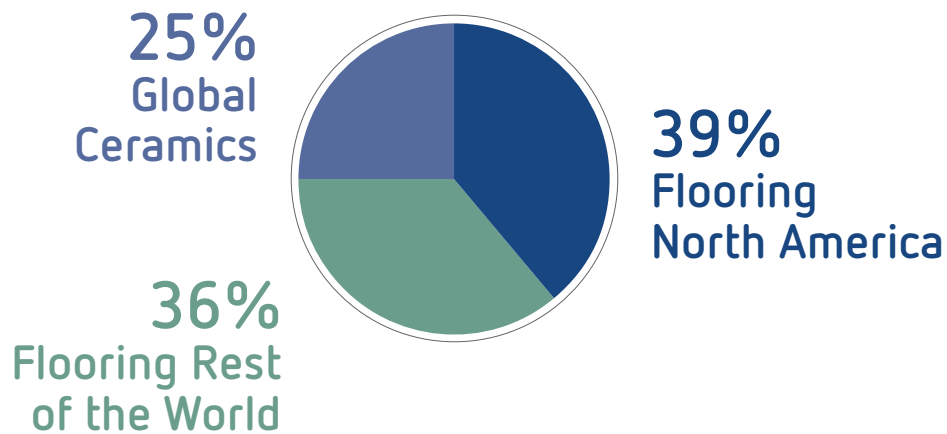
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Our Business Scale & Scope



BUSINESS UNITS AND 2019 NET SALES



BRANDS



A Message from Our CEO, Jeffrey S. Lorberbaum



We often remind stakeholders that our business is managed with a 100-year perspective, not a quarter-to-quarter emphasis. This long-term view has been top-of-mind this year as the Mohawk brand celebrates its 100th anniversary – a milestone that also has given us cause to reflect. Over the past century, our business has experienced times of both prosperity – global expansion and business growth – and uncertainty during wars, economic downturns and great social changes. During 2020 we, along with the rest of the world, are dealing with a challenge unlike any other in our lifetime – the coronavirus pandemic. We are weathering this situation as we always have, by supporting one another and assisting our customers and communities as best we can.

How can a flooring company make a difference during difficult times? Our history provides examples. During World War II, Mohawk converted woven carpet looms to produce blankets, tents, artillery covers and more for U.S. soldiers. In this same spirit of solidarity, in 2020, we began producing medical gowns and facial shields at our rug manufacturing facilities in Georgia. Production was ramped up quickly to output 5,000 gowns and 10,000 face shields daily, an extraordinary effort that wouldn't have been possible without the enthusiasm and ingenuity of our people.

These same attributes are the driving force behind our commitments to sustainable products and processes, which are essential for the long-term success of our business. Mohawk is one of the world's largest recyclers of plastic bottles, keeping these single-use items out of oceans and landfills and upcycling them into beautiful, durable polyester carpet and rugs. Each year, Mohawk's use of recycled content extends to more than 500 product collections around the world, which collectively divert more than 6.5 billion pounds of material from waste streams.

Beyond our products, Mohawk is committed to the sustainable use of natural resources. Since 2015, we have lowered our water consumption by almost 450 million gallons, even as the Company's global footprint grew. We are also expanding our production of green energy through windmills, solar panels and waste-to-energy conversion, which reduces our carbon footprint and lowers costs.



Mohawk's use of recycled content extends to more than **500** product collections around the world.

In addition to our focus on sustainable materials, we are dedicated to preserving our most sustainable resource — thousands of talented, dedicated men and women around the world. We are committed to their personal well-being and their professional development. The Company's world-class safety initiatives continue to protect individuals in the workplace, and our clinics and wellness coaching have helped thousands of people manage chronic medical conditions. For 14 straight years, Mohawk has been ranked in the Training Top 125, reflecting the learning and development programs that help people fulfill their potential and help us better serve our customers.

Whatever challenges or opportunities the next 100 years hold, our firm view is that doing what's right for our planet and the people with whom we share it will keep our business strong. As our foundational Mohawk brand begins its next century, I believe — notwithstanding the current pandemic crisis — that the best days for all of us lie ahead.

Jeffrey S. Lorberbaum
Chairman and Chief Executive Officer

100 Years of Believing in Better

The story of Mohawk Industries is one of innovation, adaptability and a can-do spirit. It's a true American success story that begins with two New York-based businesses that joined forces to build what would become today's global flooring leader. It's also a story of continuously investing in people and products — many of which have helped to create a better world. Take a look at some of Mohawk's milestones from the past 100 years.



◀ 1920

A merger between two Amsterdam, New York, carpet and rug makers creates Mohawk Carpet Mills, named for the river that runs through the town.



1920s ▶

Mohawk changes American carpet manufacturing with Shuttlepoint, the first carpet to use high and low loops for a textured effect.



◀ 1940s

During WWII, Mohawk's carpet and rug looms are used to weave blankets and canvas for tents for the U.S. military. With many male employees enlisted, women become a major contingent of the workforce.



1950s ▶

The carpet industry shifts from wool to synthetic fibers, which are less expensive and therefore more accessible to the middle class. Durlon, Mohawk's specially formulated Rayon, is combined with nylon to create heavily textured carpets.



Mohawk solidifies the shag carpet craze with Canyon Paradise, one of the best-selling products in the Company's history.

◀ 1973

1998 ▶



Mohawk becomes greener with the acquisition of a company that recycles PET bottles into polyester carpet. The Company later introduces the patented Continuum process that allows this product to be manufactured with superior softness.



The Mohawk Group launches a partnership with Susan G. Komen™, through which it makes donations for each square yard of qualifying commercial carpet purchased. To date, the Company has donated \$6.1 million toward breast cancer research.

◀ 2001



2002 ▶

Mohawk expands beyond soft surfaces and claims a ceramic leadership position with the acquisition of Dal-Tile, the first in a series of expansions into new flooring categories, such as carpet tile, laminate, sheet vinyl and luxury vinyl tile.



◀ 2005

Mohawk introduces SmartStrand, the first renewably sourced polymer carpets. The product creates a new fiber category, to which Mohawk has exclusive rights for carpet production. The company also enters the European market with the acquisition of Belgium-based Unilin, a long-time user of renewable raw materials.



2015 ▶

With the acquisition of IVC Group, Mohawk gains a leadership position in sheet vinyl and LVT in the U.S. and Europe. The same year, Mohawk Flooring's North America headquarters consolidates in a renovated spinning mill, earning LEED Gold certification on a campus designated as a Certified Wildlife Habitat.



◀ 2018

Mohawk Group's global leadership extends into the southern hemisphere with the acquisitions of Godfrey Hirst, the largest carpet manufacturer in Australia and New Zealand; and Eliane, a leading Brazil-based ceramic company.



2019 ▶

In 2019, Mohawk Group became the first manufacturer to dedicate an entire production line of the facility toward creating Living Products. Mohawk Group is proud to become the first market transformational leader in this space, manufacturing more than 300 carpet tile Living Products annually.

Sustainability at Mohawk

Stakeholders play an important role in the ongoing evolution and execution of our sustainability strategy. Our stakeholders are people, groups, organizations or systems that affect or can be affected by our Company. They include communities, suppliers, governments, the media, non-governmental organizations (NGOs) and reporting agencies. As our sustainability strategy evolves, we communicate regularly with these groups to listen and further understand their needs and expectations. This feedback, in turn, helps us to develop our own strategies, policies and processes.



Leading with Purpose

“Our stakeholders, both internal and external, are increasingly interested in working with a company that puts social and environmental purpose on equal footing with economic profit. By working to make products with more sustainable inputs, to make our operations more environmentally efficient and to make investments in the people that define our success, Mohawk is shaping a higher purpose.”

– Ramie Vagal, Senior Manager, Sustainability

Material Priority Topics

We regularly survey stakeholders to determine what concerns are most important to them, and in turn inform the future direction of our sustainability strategy and execution. In 2020, we surveyed external stakeholders, including suppliers, customers, industry association members and flooring retailers. The survey asked stakeholders to rate topics on the degree to which the topic makes a positive impact on stakeholders and rank the topics from both an investment and an ESG risk perspective. Based on the answers to these prompts, we identified the following topics as high priorities:

Ethics & Integrity

Product Impact on Health
& Indoor Air Quality

Sustainable Product Design

Circular Economy
& End-of-Life Solutions

Waste

Carbon and Energy

Water Stewardship

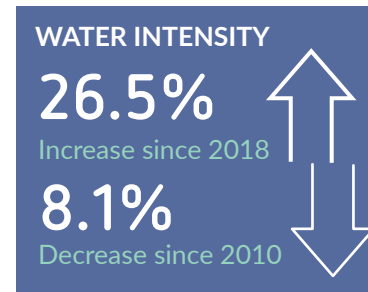
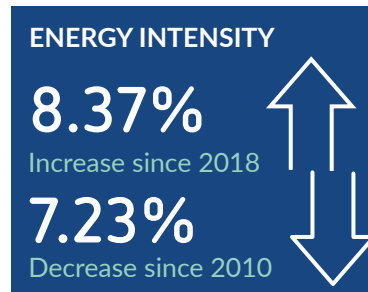
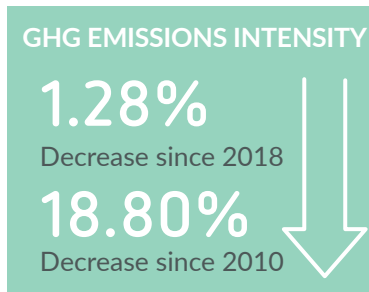
Occupational Safety

Talent Management/
Diversity & Inclusion

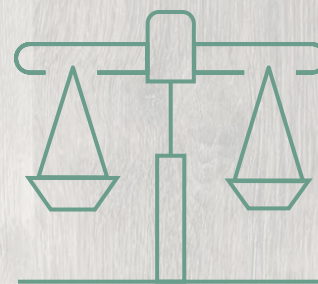
Employment

Goals & Progress

While our businesses operate in a decentralized manner, they regularly share best practices that reduce our use of natural resources. Across Mohawk, we are closing out the final year of work toward our 2020 goals, set in 2010, to decrease energy, GHG, water and waste-to-landfill intensity by 25 percent. While we have enjoyed success in some areas, others have proven to be a challenge, due to numerous acquisitions over the past decade. The results of our 2020 materiality assessment will help guide us as we develop our next set of goals, which we plan to release in our 2021 report.



Governance & Ethics



Mohawk Industries is a publicly traded company listed on the New York Stock Exchange under the ticker symbol “MHK.” We make the following materials available to the public on our website at www.mohawkind.com:

- Board of Directors and Executive Officer listing
- Board committee charters
- Contact information for Board members
- Corporate governance guidelines
- Privacy policy
- Related person transaction policy
- Standards of conduct and business ethics

In addition, our 10-K and Proxy filings with the Securities and Exchange Commission are accessible through the [Investor Information](#) section of our corporate website.

Responsibility for ensuring the execution of our sustainability strategy involves management interaction at the highest levels of our Company. This starts at the Board level, where the Nominating and Corporate Governance Committee is responsible for overseeing the Company’s sustainability programs. As such, the Committee assists the Board of Directors with respect to formulating strategies to respond

to public policy, as well as legislative, regulatory, political and social issues and trends related to the environment, health and safety, and sustainability performance that may significantly affect the business operations, financial performance or public image of the Company.

Ethics

Mohawk is committed to doing what is right and deterring wrongdoing. Unethical behavior, including any type of corruption, is not tolerated within the organization. All of our employees, officers and directors are expected to adhere to our Code of Conduct, which demands integrity and a high standard of ethics. We continue to re-examine our ethics policies and procedures to ensure that we are managing the demands of global expansion.

We also have policies in place throughout our global operations to deter anti-competitive behavior. Currently, all of our business units are analyzed for corruption risks, and our audit team regularly reviews accounting records for evidence of corruption. We have determined that most salaried employees and agents of the corporation are at risk for encountering circumstances that require sound ethical judgment. This group represents roughly 35 percent of our global workforce.

Corruption training is conducted at least once every two years across the Company and is available in 10 languages. Employees are trained, based on the nature of their job responsibilities, to understand the potential for corruption to occur. We use web-based anti-corruption training to help employees better understand corruption policies and procedures. In addition, these salaried employees complete an ethics/corruption survey as part of their annual review. To employees not scheduled for training in a given year,

business presidents send communications highlighting specific corruption risks and the importance of ethical business practices.

We also mandate anti-harassment training for all U.S. employees, including an extended version for supervisors and managers. This training ensures that we show the same care for employees' social and psychological safety as we do their physical safety.

We do not lobby directly on behalf of our own business operations, nor does the Company make financial contributions to political candidates. On occasion, Mohawk participates in industry lobbying and public policy development efforts. Mohawk employees may make individual contributions to political candidates.



Supply Chain

Adherence to applicable laws, regulations and standards is a condition for doing business with Mohawk. To this end, we maintain a Supplier Code of Conduct, implemented for Mohawk worldwide, to ensure that materials incorporated into Mohawk products comply with laws and requirements and that suppliers share our own principles of social responsibility. Our expectations for compliance with the Code of Conduct extend to suppliers' subcontractors.

We conduct assessments of select 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.

We provide training to employees and management 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.

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, forced compulsory labor, the maintenance of workplaces free of coercion and harassment, the responsibility to provide employees with a safe and healthy workplace, and respect for the rights of employees to organize and bargain collectively. 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).

Data Security & Privacy



Mohawk Industries maintains a [privacy policy](#) that applies to our corporate operations and businesses headquartered in the U.S. This policy explains the privacy and security practices for any website, application, mobile browser, social media account or service that we operate. Businesses located outside of the U.S. maintain their own privacy policies that are subject to local law.

Our privacy policy governs information that we may collect from customers such as personally identifiable information, payment information, device information and browsing history while accessing our sites. We may also receive information from third-party service providers or from other members of our family of businesses. Mohawk uses the information we collect for business purposes, including authenticating a customer's identity, delivering promotional material and improving our sites and products.

We are not in the business of selling or renting customers' personally identifiable information, but may share information with third parties under limited circumstances. These include support services such as marketing, data analysis and strategy. We may also share information with our subsidiaries, divisions, parent and affiliate companies, and may disclose information when required to comply with subpoenas, court orders, legal process or other valid law enforcement measures.

Mohawk websites protect personally identifiable information in compliance with applicable laws through organizational, technical, administrative and physical precautions. We have a team in place that is responsible for implementing information security controls that are appropriate for the nature of the data involved. Our information security procedures are reviewed regularly and updated as necessary to meet the sensitivity of the information we handle, our legitimate business needs and regulatory changes, as well as to respond to changing technology. While we believe our measures reduce the likelihood of security problems to a level consistent with the type of data involved, we cannot guarantee the security of personal information.

The information we collect is stored in the U.S., but may be used in other countries in which we or our service providers operate. We honor users' rights under applicable data protection laws in each country. Questions or concerns about our data privacy practices can be directed to onlineprivacy@mohawk-email.com.





SUSTAINABLE PRODUCTS

Product stewardship means many things at Mohawk. It considers the entire life cycle of our products, from what materials they are made from, to how they are manufactured to whether they can be recycled or repurposed at the end of their usable life. Beyond being sustainable, our products meet consumer needs for design, functionality, quality and value.



Sustainable Product Design

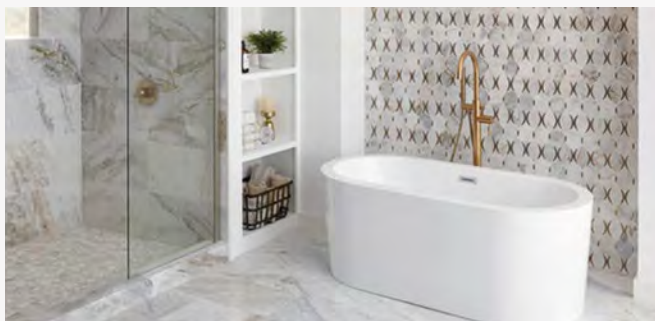
Mohawk enables sustainable product design by reducing the volume of material inputs required and making our production processes more efficient. We also seek out materials in three primary categories that offer improved sustainability attributes: renewable, recycled and bio-based.

Renewable

The first is renewable products, or those made from materials that can be regenerated in nature. The wool for Karastan's woven rugs originates on the farms of New Zealand, where sheep are shorn every nine to 12 months to provide a source of renewable material. In addition to replenishing itself as the sheep's wool grows, when our wool rugs eventually wear out, the wool is completely biodegradable.

Recycled

The second category is recycled products made by transforming post-consumer waste into new flooring materials. One of the best examples of our recycled products is our EverStrand carpet, which is made from recycled plastic bottles. We recycled more than 7 billion bottles into carpet products in 2019 alone. To help bring



the importance of this work to life, we commissioned artist Basia Goszczynska to create an interactive sculpture that draws attention to plastic pollution in our oceans and celebrates innovative recycling technologies. The [installation](#) debuted at The International Surface Event in early 2020.

Recycled-content products go beyond carpet. Marazzi's Ecofloor tile collections are made with closed-cycle technologies that recover and reuse energy, water, raw materials and waste materials. Shredded tires are used to make Impressions rubber mats. And 100 percent of tile products made by Dal-Tile in our North American manufacturing plants contain recycled material content. All LVT and carpet tile produced in the EU also contains a high percentage of recycled content.

Our European particleboard business also makes use of post-consumer recycled wood, giving second life to 700,000 tons of waste per year. Similarly, the fibers used for Unilin's laminate and medium-density fiberboard (MDF) panels are derived from locally sourced wood from forest management and the wood processing industry in Belgium and France. Wood fragments that are unusable for other applications are the basis of these panels, meaning that no trees are logged expressly for their production. And in yet another example of reuse, end-of-life trees from the rubber industry are used and upcycled for creating the core of Unilin's parquet floors made in Malaysia.

Bio-based

Finally, we offer bio-based products made with plant-derived materials, which help reduce reliance on fossil

fuels. For example, 37 percent of the renewable polymer used in SmartStrand Forever carpet fiber comes from renewable, plant-based materials. This minimizes the use of natural resources and reduces energy consumption in the manufacturing process. Other bio-based products include corn-based resins, wood, jute fiber, cotton fiber and soybean oil used as a stabilizer in Resilient carpeting.

Creating Healthy Spaces Through Healthy Products

The majority of chemicals most people are exposed to on a daily basis come from the indoor environments where they spend their time — their homes, offices, schools and more. Flooring covers a substantial surface area in indoor spaces, and therefore has a large effect on indoor air quality. That's why Mohawk

intentionally designs our products to meet or exceed all health, safety and quality standards, as well as local, state and federal laws related to volatile organic compounds (VOCs). For instance, Unilin's patented Uniclic® technology offers an easy installation method that uses no glue or other chemicals. By producing its own vinyl and resin binder, Unilin further controls the use of harmful substances in its products. We have also reduced the chemicals used in many of our carpet adhesives, including zero-VOC NuSpraylok®, used for commercial carpet tiles. Marazzi offers more than 600 products with GREENGUARD or GREENGUARD Gold Certification, adhering to some of the world's most rigorous standards for the creation of healthy indoor air environments. Likewise, IVC Commercial's Loose Lay flooring solutions are easy to install and maintain and manufactured to the highest environmental standards.



Inspiration from the Ocean's Treasures

Whether we are aware of it or not, most of us are innately drawn to the natural world. This principle is known as biophilia, and Mohawk uses it as inspiration to incorporate elements of nature into our floor covering designs. Biophilic designs are not just beautiful — they're also good for our health. Offices designed with biophilic elements, for example, report greater productivity and fewer employee sick days. Similarly, patients in healthcare settings experience faster post-operative recovery times with the added presence of nature.

Mohawk's latest foray into biophilia is The Oceanic Collection by Feltex, part of the Company's flooring business in Australia and New Zealand. The collection evokes the vast mosaic patterns of reefs, islands and coral cays peppering the Tasman and Coral seas. Using a world-class print technology known as Designer Jet®, carpet planks and sheets can be customized in styles limited only by the imagination.

Highlighting the beauty of the natural world connects us to its necessary preservation. In a bid to be part of the plastic pollution solution, Feltex donates 10 percent of all sale proceeds from the Oceanic Collection to Take 3 For The Sea, a global movement that encourages people to help keep the oceans clean by removing three pieces of trash each time they visit their local beaches, green spaces and waterways.



Product Certifications & Transparency



Transparent communication about the attributes of our products is important to our stakeholders. Mohawk's businesses not only share straightforward information about the life cycle and health impacts of our products, but we also seek certifications from recognized third-party organizations. Certifications help customers sort through "green" claims, giving them confidence that their purchases are aligned with their needs and values. External certification also allows customers to choose products that meet the requirements for green building certifications, such as the U.S. Green Building Council, which certifies LEED buildings; the Collaborative for High Performance Schools; and the Green Guide for Health Care.

As a global company, we pursue the sustainable product certifications that are most relevant in the various parts of the world we serve. For example, Mohawk Group, our U.S. commercial flooring division, participates in the International Living Future Institute's Declare program. Declare provides a clear ingredients list for products that architects and designers can use to make ecologically sound decisions. Mohawk Group also offers the industry's largest Red List-free product portfolio, as well as a Red List-free installation process, meaning that products are free from the most harmful chemicals commonly used in the building industry.

Nine Marazzi tile series, which are produced in the European Union, have Ecolabel certifications that indicate reduced environmental impact throughout



their life cycles – from the extraction of raw materials through production, use and disposal. Across the globe, we also rely on life cycle assessments (LCAs) to help us better understand and evaluate the complete impact of our products. LCA insights are often used to implement Environmental Product Declarations (EPDs), which are the most complete environmental footprint assessments currently available, and Health Product Declarations (HPDs), which provide information on product contents and health impacts. As of 2020, Dal-Tile, Unilin and Marazzi and Mohawk Group have product-specific EPDs and brand-specific HPDs for many of their tile products. Dal-Tile also recently participated in the development of the Tile Council of North America's industry-wide EPD.



IVC Commercial and Unilin products contribute positively to environmentally accredited buildings and projects across the world. The companies' products have earned green-building credits and certificates that include the Green A+ label and HQE in France and Belgium; DIBt/AgBB, DGNB and GUT in Germany; FloorScore® in the U.S.; and BREEAM, LEED, WELL, DGNB and Greenstar globally. Wood used in Unilin's laminate and parquet floors is compliant with EU Timber regulation 995/2010 and certified to PEFC, FSC or other certification schemes. The wood and paper used in our products' packaging also comes from sustainably managed forests.



Our carpet tile manufacturing plant in Glasgow, Virginia.

Scaling Product Certification

Mohawk Group has embarked on a journey of creating handprints over footprints — giving back more to the environment than we take — through the Living Product Challenge. This International Living Future Institute (ILFI) program provides a framework for manufacturers to reimagine the design and construction of products to function as elegantly and efficiently as anything found in the natural world. ILFI awards certification in seven performance areas, known as Petals.

Through innovations in materials, manufacturing and community involvement, all nylon carpet tile styles manufactured at our Glasgow, Virginia plant on our EcoFlex Matrix, EcoFlex NXT or EcoFlex NXT AIR carpet tile backing — more than 300 styles in all — have achieved Living Product Challenge Petal certification.

Never before has a product manufacturer achieved certification at this scale. Today, Glasgow is fully embracing Mohawk's mission to have a net positive impact for people and the environment through innovations in materials, manufacturing and community involvement.

Circular Economy & End-of-Life Solutions



Mohawk is committed to keeping more materials in our manufacturing loop and out of landfills — the essence of a circular economy. We do this by manufacturing products with cleaner materials that produce less waste, as well as by giving existing materials a longer, more productive life. Through programs and projects that reuse and recycle flooring, we're shrinking our industry's environmental footprint.

In the carpet business, our ReCover reclamation program for U.S. commercial and residential customers keeps carpet out of landfills. With just a phone call, we will arrange for the removal, pickup and delivery to a processor of any type of carpet, regardless of whether we manufactured it. Carpet is then donated to nonprofit organizations or recycled through a network of partners across North America. Since 2006, ReCover has given 159,305,719 pounds of carpet new life.

We recently expanded the ReCover program to the IVC Group in Belgium. IVC Group is in the early stages of reclaiming carpets for reuse, recycling into new carpet tile or conversion into pellets that can be used as an energy source. The business will also recycle all post-industrial and post-installation carpet waste into new products. The ReCover program continues a tradition of circular thinking at IVC Group, which has been

recycling vinyl waste generated during manufacturing since 1997. Scraps are salvaged and pressed into bales, which can then be reused in a variety of applications, including being turned into new luxury vinyl tile. IVC Group also promotes take-back of vinyl cutting waste from installation projects at construction sites, and is participating in the industry-wide Circular Flooring project (see below). All of these initiatives contribute to IVC Group's goal of becoming 100 percent circular.

In our tile business, Dal-Tile is in the early stages of introducing a take-back program for tile products. Challenges to the expansion of this program include the difficulty of providing clean scrap tile and the costs involved in shipping the material, which can often be higher than the costs of disposal in a landfill. We continue to explore ways to incentivize participation in this program.

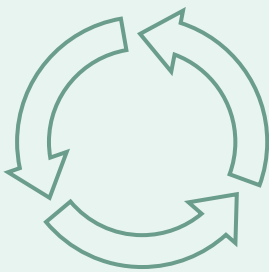
Unilin is collaborating across the flooring industry on new ways to develop and market sustainable products. The business is currently participating in research into new recycling techniques for medium-density fiberboard and high-density fiberboard panels, laminate floors and polyurethane insulation materials. Unilin is also taking part in a European Commission Study on sustainable product marketing harmonization.





Joining Forces for Circular Flooring

Circular economy principles — in which materials are continually repurposed for new uses rather than being discarded — are often applied across floor covering categories and across Mohawk brands around the world. This includes IVC Group, a Belgium-based manufacturer of LVT, resilient sheet vinyl and carpet tile and a member of the Mohawk family since 2015.



IVC Group is participating in Circular Flooring, a new project that aims to apply circular principles to the flooring industry in the European Union. The project will use an innovative process for recycling PVC floors that removes additional substances so that pure PVC can be processed into granules and reused in new flooring. IVC Group and 10 other companies and research institutes from five European countries are implementing the project. “We’re eager to share our expertise and research innovative possibilities for recycling post-consumer waste for the Circular Flooring project,” says Joost Demuynck, International Technical Support Director at IVC Group. “In this way, we aim to continue to contribute even more to a sustainable future for our planet by reducing natural resource impact.”



SUSTAINABLE OPERATIONS

For more than a decade, Mohawk has been working toward meaningful and measurable reductions to our energy, emissions, water and waste footprint. We have been focused on a set of goals to decrease energy, GHG, water and waste-to-landfill intensity by 25 percent by 2020 compared to a 2010 baseline. While we have decreased our footprint across all these measures, achieving our goals has been more difficult than anticipated due to the growth of our business through acquisitions. As a vertically integrated manufacturer, business growth presents challenges, but also opportunities, giving us significant control over possible ways forward.

Energy & Emissions



Mohawk's strategy for reducing the energy and emissions intensity of our business is twofold: we improve the energy efficiency of our manufacturing and distribution processes while seeking alternative, cleaner-burning fuels to power our operations. Proven technologies, such as combined heat and power systems, along with process optimization are helping us make efficiency improvements. Many of our acquired businesses, such as Belgium-based IVC Group, are contributing to our progress with their own sustainability practices. IVC Group makes use of internal energy teams who are involved in energy studies and help roll out energy-saving projects. Unilin's larger and more energy-intensive plants have joined the European Energy Efficiency Program. This program ensures that energy-savings measures are identified and implemented and that energy is monitored and managed on a daily basis, both focusing on saving energy and maximizing the use of renewable energy.



GHG EMISSIONS INTENSITY

18.80%

Decrease since 2010



ENERGY INTENSITY

7.23%

Decrease since 2010



A Superpower Energy Solution for Dal-Tile

Spray-drying is an essential step in the tile manufacturing process, using hot air to turn liquid into a dry powder that is then pressed into tiles. The spray dryer at Dal-Tile's Dickson, Tennessee, plant is the first in the world to be powered by microturbine engines, which makes for greater energy efficiency as microturbines automatically adjust generated power to match a facility's load.

The microturbines are part of a combined heat and power (CHP) system that uses a combination of natural gas and electricity. In this system, natural gas that is usually burned as a source of heat for the plant's spray dryers is first diverted to a set of microturbine engines. The turbines generate electricity, which is used to power the facility. Then, heat from the turbine combustion process is recovered from the engines and redirected to heat the spray dryer.

The CHP system is not only more efficient — it's also more reliable. If the facility loses grid power, the Dickson plant can continue running on alternative power from the CHP system. This is vital for a tile plant, where an extended power outage could cause severe damage to machinery.

Dickson plant teams worked on planning and process testing of the CHP for more than 18 months, and implemented the system in late 2019. "I'm very proud of what the teams have accomplished," says Kyle Bartz, Director of Energy for the Dickson plant. "Because of the success of this system, our new goal is to implement similar systems in any new facility construction in the future."



Dal-Tile operates the world's first spray dryer operated by microturbines.





Belgium IVC Facility

Renewable Energy

Renewable sources of energy are helping us power the growth of our business, cleanly—and IVC Group facilities are leading the way. In 2014, IVC Group built an onsite wind farm to supply plants in Avelgem. Three wind turbines now produce around 11,000 MWh of energy per year, supporting 30 percent of the site's electricity consumption. The site also established a green power cooperative through which approximately 500 employees and community members act as “shareholders” in the wind turbines, earning dividends of 4 to 6 percent per year. Also in Belgium, Unilin is in the planning phase for the construction of a wind turbine at its headquarters.

Currently, wood dust from production activities is used to produce green heat for Unilin's Spano and Bospan panel pressing operations. In a recent year, the plants produced over 240,000 MWh renewable heat from 50,000 metric tons of wood waste, covering 56 percent of their heat requirements. Unilin is also in a joint venture at a nearby biomass energy plant that converts non-recyclable end-of-life wood to electricity. The plant supplies the local grid and our Spano particle board plant, supplying 92 percent of its electricity consumption. The power plant produces more renewable energy than is used at Spano, but is unable to do so continuously due to maintenance shutdowns.

The IVC Flooring Development Centre, which opened in Waregem in 2019, boasts a number of sustainable features including a heat recovery system and intelligent LED technology. Rooftop solar panels atop adjoining warehouses have a total capacity of 305 kWp, equal to 40 percent of the facility's annual consumption. At IVC U.S. in Dalton, Georgia, we have installed solar panels that provide enough clean electricity to power our fleet of electrical lifting trucks, which run on rechargeable batteries.

Logistics Efficiency

Another area of focus is the efficiency of our distribution fleet, which includes hundreds of tractors and thousands of trailers used for deliveries throughout North America. We achieve near-world-class numbers of backhaul miles, meaning that our trucks rarely travel empty after making a delivery. Instead, we solicit freight from other businesses through an extensive backhaul network, ensuring that our time on the roads is always used efficiently.

We are steadily increasing fuel efficiency through equipment upgrades and monitoring of driver behavior, limiting practices such as long idle times. In 2019, our local over-the-road delivery trucks averaged 5.88 miles per gallon. By 2020, we increased our efficiency to 6.04 miles per gallon—which translates to 203,000 fewer gallons of diesel for the same number of miles.

The technology available within electric and natural gas-powered trucks does not currently meet the demands of transporting carpet and other flooring products, a full trailer of which weighs approximately 45,000 pounds. Therefore, as we explore sustainable ways to transport heavy-duty freight over long distances, we are focused on efficiency within diesel trucks.

Where possible, we also transport goods through lower carbon-emitting channels such as rail, ocean, and even river. In fact, IVC Group ships 90 percent of products for export by water, using direct container shipments to the main harbor in Antwerp. Inland waterways are an essential part of its sustainable transport system: relying on them is climate-friendly, quiet, safe and reduces traffic congestion.

Unilin is further promoting transportation efficiency by setting maximum emission limits on new fleet vehicles and gradually replacing gas-powered cars with electric vehicles. We also encourage employees to carpool or bicycle to work.



Smartflowers Continue to Bloom

The Living Product Challenge encourages manufacturers to create products that are nontoxic, socially responsible and have a net benefit on people and the environment. The Challenge requires manufacturers to consider the full life span of their products, including how they are made, used and disposed. Certification is organized into seven performance areas, known as “Petals,” which include Place, Water, Energy, Health & Happiness, Materials, Equity and Beauty.

To earn Petal certification, Mohawk Group offsets the energy used to manufacture our Living Products by installing SmartFlower Solar™ energy units in underserved communities near schools with STEM curricula. The units use modular petal-shaped panels that autonomously follow the sun, generating 40% more energy than static solar panels. The most recent beneficiary was Emma Jewel Charter Academy in Cocoa, Florida.

Water Conservation



Water is used in a wide variety of ways in the process of making various flooring products. For example, it is used to dye yarns for carpets, and is mixed with dry ingredients to make tiles and tile glaze compounds. It is also used to clean equipment after processing. To make efficient use of this resource, Mohawk's manufacturing facilities are taking steps to limit the amount of water we use and ensure that wastewater is managed in sustainable ways.

Here are a few examples of how Mohawk facilities across the world manage water:

U.S. and Mexico

Of Dal-Tile's 12 manufacturing plants, eight have zero discharge of process wastewater. After cleaning equipment that creates and applies glaze compounds between color changes, the facilities recover the water and use it as make-up water in body preparation ball mills.

Italy

Marazzi Group plants do not discharge any process wastewater and, in fact, are authorized to recycle wastewater from other ceramic tile manufacturers.

Santa Catarina, Brazil

Lack of rain in this Brazilian state has made it especially important for Eliane to manage water carefully in its ceramic tile facilities. They have done this through measures such as using an online tool

to measure water flows, making it easier to identify losses; reusing water in mass and enamel preparation plants; and reusing treated effluent in gas scrubbers.

Russia

To control water consumption at the Kerama Marazzi tile facility, we use metering devices to track well water intake. After water is used in production, it is sent to an industrial wastewater treatment plant, where it is mechanically and chemically treated and then reused for preparation of slurries.

Glasgow, Virginia

Water conservation is encouraged as part of the ISO certification at Mohawk's commercial carpet plant. The facility has reduced water use primarily by discontinuing its highly water intensive yarn dyeing processes. The plant has also taken steps to reduce water consumption in the HVAC area.

Avelgem, Belgium

The manufacture of high-grade vinyl floors requires cooling water to absorb heat in the different stages of production. The IVC Group uses surface water from the nearby river Scheldt as a secondary coolant, pumping river water alongside the closed-loop flow of the plant's process cooling water. This one-of-a-kind system is more efficient than other cooling systems, and contributed to a 40 percent decrease in the use of process water at the plant.

WATER INTENSITY
8.1%
 Decrease since 2010



Waste Reduction

Waste is an inevitable part of manufacturing process. We look at waste as both a challenge and an opportunity, seeking out ways to reduce waste while recognizing the possibilities of transforming waste into something of value. Our journey to reduce waste to landfill began in 2010, when we set our first goal of reducing waste by 25 percent by 2010. Through an intense focus on process efficiency, we achieved this goal in 2015, five years early. Today, Mohawk has 50 facilities that are considered Zero Waste to Landfill (ZLF), which we define as 90 percent diversion of any materials that pass through our manufacturing process. Our ZLF sites include carpet, ceramic and wood/laminate facilities in the U.S. and Mexico, Marazzi Group Facilities in Italy and Spain, as well as IVC Group and Unilin facilities in Belgium and Luxembourg.

The process of certifying a site as ZLF begins with a kickoff meeting led by Mohawk's Material Recovery Operations (MRO) team. During this meeting, the team conducts a walkthrough of the site with a plant manager, during which the team shares best practices and makes recommendations for improvement. Then, we conduct a series of regular, structured audits and ensure that customer contracts are in place for all waste streams.

Each site is recertified annually with an audit and a report card prepared by the MRO team. A site earns recertification only if they pass the audit and maintain a waste diversion rate of 90 percent or higher.

Regardless of whether a facility is ZLF-certified, we take a progressive reduce/reuse/recycle approach to waste reduction. For example, upgrading to more efficient equipment may allow a facility to generate less waste during a manufacturing process. Next, we look for opportunities to reuse, either within a plant or across Mohawk divisions. Waste from yarn facilities and soft carpet waste from manufacturing sites can be used in our nonwoven pad process. Mohawk Home reuses waste products that include rigid and excess flex milling dust, PVC print and wear film, and trim waste from finishing lines at a U.S.-based IVC plant. Each year, Mohawk Home will convert 7 million to 10 million pounds of this waste into walk-off mats, interlocking tiles and large garage matting.

Finally, we look for opportunities to recycle, not only through commercial recycling streams but also through the sale of our waste materials to other businesses that can put it to new use. Unilin's wooden floors, for example, can be recycled or incinerated to produce energy. The business is also exploring take-back and leasing programs for recycling or refurbishment. Wherever possible, we try to keep our waste diversion local, identifying businesses near each facility with which we can partner and thus avoid additional transportation-related emissions.



WASTE TO LANDFILL
53.9%
 Decrease since 2010



How We Give Materials New Life



SELVEDGE TRIM SCRAPS INTO
cushioned material for
horse racing tracks



**CARPET SCRAPS, JUTE FRINGE, LAMINATE
WOOD WASTE, AND CARDBOARD CORES INTO**
cat furniture



IVC U.S. PLASTIC SCRAPS
automotive floor mats



50 Mohawk facilities have achieved
zero waste to landfill certification.

Driving Waste Reduction Worldwide

Reducing waste to landfill is a global commitment. One of the most recent facilities to achieve ZLF is the Georgia Hard Surfaces Bulk distribution center, the busiest distribution operation in our Company. The site reduced waste to landfill by 57 percent in just six months to achieve 90 percent diversion. In the process, they found ways to reuse materials to benefit customers, such as cores that hold plastic wrap that are now being reused to stabilize product for shipping, which reduces damage.

On the opposite side of the globe, Godfrey Hirst is also encouraging employees to reuse. The business has eliminated single-use plastic containers in its head office, including those for cleaners, hand wash, air freshener and more. They are partnering with Zero Co, which provides reusable containers repurposed from ocean plastic that are refilled in a closed-loop system.

Taking an innovative approach to landfill waste diversion, an Eliane ceramic production plant in Brazil transformed a waste material into a new product. The grinding of rectified porcelain tiles generates a fine powder that can be used as a filler for mono-porous tiles. To prevent the powder from going to waste, Eliane's Department of Ceramic Technology developed a new product formulation using greater amounts of powder, allowing the brand to reduce raw material extraction by about 5,100 tons.



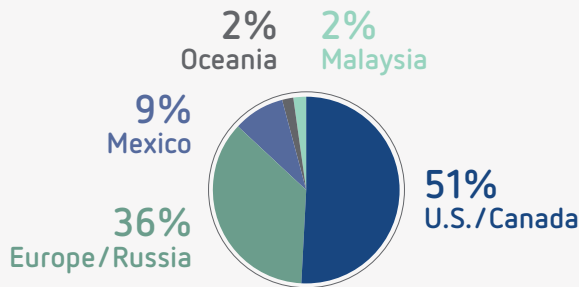
SUSTAINABLE WORKPLACES & COMMUNITIES

We enable sustainability not only for the planet and for our customers through our products, but also for our diverse, global workforce. Mohawk cares deeply about our people and gives them the tools they need to be safe, healthy, and successful at work. We are equally committed to making a positive impact in our communities, and our employees are often ready to lend a hand for those in need.

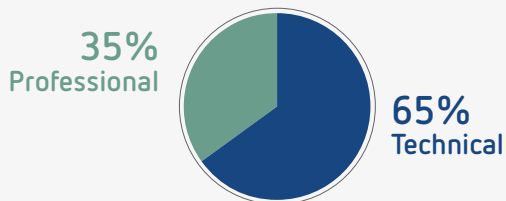
Our Workforce

Mohawk operates globally and serves diverse marketplaces, so it's only fitting that we have a workforce that reflects this diversity. Our people encompass a multitude of viewpoints, skills, strengths and life experiences, and we foster a culture of acceptance and fairness. To this end, we are an equal opportunity employer that does not discriminate on the basis of race, religion, gender, national origin, age, marital status, sexual orientation or disability. Non-discriminatory policies and practices ensure that we enforce our equal opportunity approach. In the U.S., we actively recruit women and minorities through targeted outreach efforts. During 2019, women comprised 28 percent of our workforce.

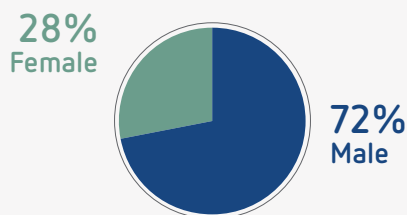
EMPLOYEES BY REGION



EMPLOYEES BY TYPE



EMPLOYEES BY GENDER



Honoring Employees with Red, White and Blue

While Mohawk is a global flooring leader, our roots are firmly planted in American soil. To honor our employees and celebrate our heritage, Mohawk hosted a special American flag raising ceremony just in time for Independence Day 2019.

"The success of our Company in the U.S. rests with more than 20,000 people who make, sell and deliver our exceptional products," noted Mohawk Chairman and CEO Jeff Lorberbaum, who spoke at the ceremony. "Mohawk's competitive advantage is having the most talented and dedicated people in the industry. This flag honors all our employees across the country, particularly the hundreds of men and women at Mohawk who have served in our country's armed forces. Our people reflect what makes America special: ingenuity, resourcefulness and a commitment to delivering the best."

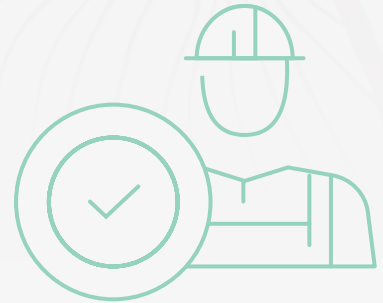
We also recognized employees for their years of service: one in every eight Mohawk employees worldwide has been with the Company for 25 years or more. Lorberbaum introduced 19 employees from the Union Grove campus in Calhoun, Georgia, each of whom has served for between 30 and 45 years.

To show our appreciation for these employees, Mohawk raised a 45'x75' American flag — the largest in the history of the state of Georgia — on the grounds of our Union Grove campus near I-75, one of America's most heavily trafficked highways.

Workplace Safety

Safety is a core value at Mohawk. We are committed to creating an injury- and accident-free environment, and we know that this doesn't happen without effort. Our commitment to continuous safety improvement is founded on our culture of prevention, where everyone takes responsibility for safety and works toward our goal of zero injuries or illnesses. Through safety training programs, employee engagement and supportive technologies, we are working to improve safety at each of our facilities every day.

The foundation of our approach to safety includes the [Mohawk Health and Safety Policy](#), as well as Health and Safety Principles and “cardinal rules” that establish clear expectations in areas that are most critical to ensuring safety and protecting the environment. They pertain to actions such as confined space entry, working at heights, use of chemicals and more.



Safety Training and Programs

Mohawk currently has 41 documented safety training programs that cover aspects of health and safety, including ergonomics, CPR, battery safety and emergency preparedness. The list is constantly evolving as regulations and business conditions change. For example, we added a COVID-19 safety program in 2020 (see p. 30 sidebar).

Our corporate safety division creates and maintains training content for each of these programs. Content is stored in a central portal that all sites can access to see updates to in real time. When facility safety managers deliver a safety training at their site, they can add to, but cannot delete from, the basic corporate training.





Beyond targeted training on safety topics, there are a number of initiatives through which we encourage employees to adopt a safety mindset that they can apply in any number of situations. We instruct all employees to stop and THINK:

T – TRAIN yourself to look for the hazard or risk in every task

H – HONE your understanding of the job or task

I – IDENTIFY the hazard

N – NEVER sacrifice safety for speed

K – KEEP others safe

Using the THINK model as a guide, the Corporate Safety team, along with the corporate communications team, has published safety-related articles on our intranet and signs within facilities. Articles include interviews with safety leadership, spotlights on various safety topics, and recognition of individuals and sites for safety successes.

Other programs include Neighborhood Watch, through which we encourage employees to look out for one another and speak up when they see hazards that others might have missed. Residual Risk Reduction teams in each facility look at tasks and jobs being performed and undertake projects to minimize potential risks. Finally, our Fit for Work program incorporates stretching exercises at the beginning of shifts to help reduce strain and sprain injuries.

Staying Safe During a Pandemic

Mohawk's newest safety training program covers COVID-19 safety, a challenge unlike any we've ever encountered. Preventive practices that we have put in place across our facilities include mask requirements, floor markers to assist with social distancing, increased hand washing and sanitizer stations, and temperature checks at the beginning of each shift. We also implemented a protocol for disinfecting work areas and sending employees home in the event of a positive test result. IVC Group has made a range of changes to ensure associate safety, including pivoting to telework for our sales force. As we continue to closely monitor developments concerning the COVID-19 outbreak, we are following recommendations issued by national and global agencies to ensure the health and safety of our teams.



Safety Audit Process

Mohawk uses a third-party online system for reporting all safety incidents, and uses the same tool to conduct safety inspections and audits. The system has greatly simplified the audit process, pre-populating the questions that must be answered for each audit type and allowing auditors to record findings, take photos, create actions and assign responsibility to individuals all from a mobile device. The system also allows for tracking of other, more routine tasks such as weekly supervisor inspections.

We audit all facilities on a regular basis, with an average of 15 audits conducted per year. Given Mohawk’s size and scope, it takes several years to complete the cycle of auditing every facility. In 2020, we temporarily paused in-person audits due to COVID-19. Instead, site supervisors conducted daily COVID-19 safety assessments to ensure all appropriate safety protocols were in place. The sites also conducted periodic safety inspections and facility walk-throughs.



Logistics Safety

Mohawk employs 1,093 drivers who transport our products between manufacturing facilities, distribution hubs and customer sites. We keep drivers safe with technology installed in our trucks, including an electronic logging device through which we can communicate with drivers. We monitor driving behaviors, including hard stops, hard brakes and use of cruise control, and give feedback to drivers on their performance. The vehicles themselves also come equipped with safety features such as collision avoidance technology.

Mohawk also conducts quarterly safety meetings with drivers, where we solicit their feedback on how we can improve. This opportunity to share best practices and challenges allows everyone to become safer on the roads.

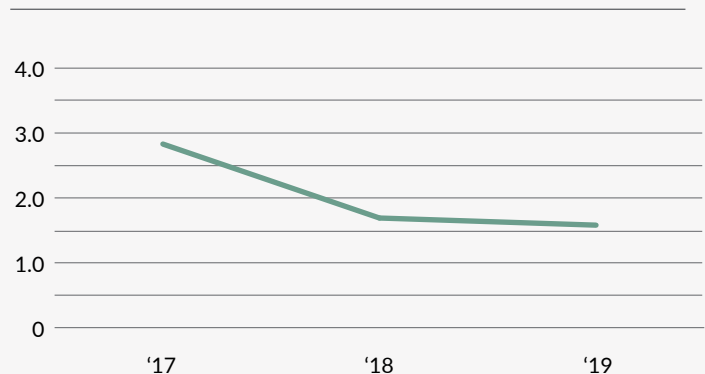
Recognition for Our Safety Performance



Liberty Mutual, our insurance provider, gives Safety Awards to employers that report a Days Away, Restricted or Transferred (DART) rate that is lower than Bureau of Labor Statistics (BLS) averages. To earn this award, facilities must also have no fatal or permanent injuries during the qualifying period, regardless of DART rate. In 2019, we were proud to earn the following awards:

- **Gold Award** (DART rate at least 80% better than BLS) – 17 facilities
- **Silver Award** (DART rate at least 60% better than BLS) – 7 facilities
- **Safety Commendation Award** (DART rate at least 50% better than BLS) – 91 facilities

RECORDABLE INCIDENT RATES





Wellness & Benefits

Mohawk's vision is to have the healthiest and safest workforce population in our industry. We work toward this goal each day with comprehensive benefits, innovative health and wellness initiatives and training, and a range of coaching options that enable employees to take control of their own health. Several benefits are offered at no cost, and new employees are eligible for most benefits shortly after they begin employment. The benefits we offer include:

- Tuition reimbursement program (after one year of employment)
- Medical/pharmacy
- Health savings account with Company contribution when eligible
- Dental
- Vision
- Healthy Life Centers (HLCs) near our larger facilities
- Short-term and long-term disability
- Life insurance
- Discounts and special purchase programs

In North America, Healthy Life Centers (HLCs) are the centerpiece of our wellness initiatives. Conveniently located inside Company facilities, HLCs help employees save time and money while receiving quality care. HLCs provide acute care, chronic disease management, preventive exams, pediatrics, no-cost employee medication programs, mobile mammogram screenings, pre-placement examinations, wellness coaching and integrated care coordination with primary care physicians. Health plan participants, as well as covered spouses and covered dependents over age 2, can receive care at HLCs.

Another way we help employees and family members learn more about their health is through our biometrics program. A biometric screening is a series of standard health tests such as blood pressure, cholesterol, blood sugar and body mass index, key indicators that can help proactively identify risks for chronic conditions such as diabetes, heart disease and high blood pressure. The results of biometrics screenings are kept confidential between patients and their doctors. We expanded our wellness support in 2018 with the creation of Healthy Life Care Teams. Care Teams provide complete support for the health and well-being

of employees and spouses throughout the U.S. They consist of medical providers, registered dietitians, behavioral support providers and coaches, whom we call Healthy Life Navigators. Healthy Live Navigators help employees set goals and develop behaviors to better manage chronic health conditions. Their services are available to health plan members at no cost, and include face-to-face, phone and online options.

On the Mohawk employee benefits website, we provide additional health and wellness training and resources. These include healthy recipes, 7-day meal plans and the Healthy Minute video series, which focuses on healthy lifestyles by sharing practical tips to get active and stay healthy, all in a minute or less. To encourage and support healthy lifestyles, we share success stories that show how small changes can make a big difference over time.



Wellness at Work

In Italy, Marazzi is taking a similar approach to promoting healthy lifestyles at work as in our U.S. facilities. The business regularly schedules office visits by healthcare specialists, such as dermatologists and smoking cessation experts. They also use communication in offices and manufacturing plants on the importance of exercise and nutrition. IVC Group, meanwhile, is addressing employee wellness through training courses addressing topics such as mental burnout.



Training & Development

We empower employees with the skills and knowledge to support their professional development. These investments make for a skilled and satisfied workforce, which translates into business results. Our corporate training team is responsible for creating and implementing tools that help employees at all levels of the business continuously improve. Each year, we assess delivery platforms, metrics, governance structure and skill sets to determine how we can be even more effective.

Hallmarks of our training programs include opportunities to gain knowledge from more experienced colleagues and from different parts of our business. Every new hire for a manufacturing role is assigned a mentor who provides feedback on performance and offers the support and motivation that new employees need as they complete technical training and begin their new jobs. Manufacturing employees often move laterally to expand their skill sets, and as Mohawk continues to expand its footprint globally, the Company has found great

Recognition for Our Work



Each year, Training magazine ranks the companies that offer the best opportunities for employee learning and development. In 2019, Mohawk made the list for the 14th consecutive year. We were the first flooring company to be ranked, and the only manufacturing company ever to score a spot in the top five.

value in providing rotational opportunities between business units. For this reason, employees eligible for promotional opportunities may rotate every 12 to 18 months, or participate in short-term rotational projects. These experiences introduce fresh perspectives in multiple parts of the business,



allowing for sharing of best practices regarding Lean manufacturing, safety and more.

Specific training and development programs support employees at various stages in their careers. These programs include:

- **ARENA**

Through this innovation competition in our Flooring Rest of World division, employees submit innovative ideas, receive external coaching and compete to win support to implement their business plan. In 2020, 82 ideas were submitted.

- **RISE**

This program targets leaders in critical roles who have potential to advance rapidly and significantly impact business results.

- **ASPIRE**

Formerly known as the Associate Development Program, ASPIRE is geared toward recent college graduates who exhibit high potential to move into leadership roles within two to five years. The program provides rotational assignments over two years where participants are exposed to different parts of the business and leaders who will influence their careers.

- **LEAP**

This leadership development program launched in 2019 and continues to evolve based on business needs. Its goal is to transition participants from their roles as individual contributors to becoming true leaders of others.

Professional Development at Every Level

Eliane, the Brazilian ceramics manufacturer that Mohawk acquired in 2018, is committed to helping professionals develop throughout their careers. This begins with students who need skills to prepare them for the labor market as they are beginning to explore careers. To meet this need, the business launched Generation Eliane, a program through which high school- and college-aged individuals participate in apprenticeships where they learn about Eliane's business, as well as developing personal and professional skills that they can use in other jobs. The program lasts between one and two years, and at the end, apprentices create and present a project developed with the guidance of an Eliane mentor. To date, 64 former apprentices have been hired as full-time employees.

Eliane's tradition of professional development and growth continues at the managerial level. Through the Leadership Academy program, Eliane reinforced inspiring leadership principles aligned with company strategy among its board, managers, coordinators and supervisors. Across three training cycles, the program encouraged ethical leadership and generating relationships based on trust. Participants focused on self-knowledge and self-leadership, change and conflict management, communication and development of high-performing teams.

Eliane evaluated the program through feedback from participants and routine engagement with teams. Since the conclusion of the program, the business has observed greater openness between leaders and their teams, improved emotional intelligence and self-knowledge among leaders and greater alignment toward Eliane's organizational skills vision.



64 former apprentices have been hired as full-time employees.



Community Support

As Mohawk grows around the world, we bring with us a long history of commitment to the communities in which our manufacturing facilities are located – the same communities our employees and their families call home. This commitment and our corporate philanthropic efforts are aligned with causes through which we can leverage our strengths and core capabilities.

The Mohawk Foundation was created by Company management and was granted non-profit status in 1990. It continues to be funded solely through the Company and supports non-profit organizations that benefit our employees and their families in our communities. In particular, the Foundation funds organizations whose services impact diverse populations and that have a strong track record of results. The Foundation also makes significant annual grants that benefit the Floor Covering Industry Foundation, Boys & Girls Clubs of America, American Cancer Society Relay For Life and groups that support children and adults who are victims of abuse.



Employee Volunteers in Action

Here are just a few of the dozens of projects with which our employees helped out in 2019:

- Painting, installing doorknobs and placing fascia boards in a Habitat home in Southwest Atlanta.
- Hosting a golf tournament that raised \$107,000 to build a home through Habitat for Humanity of Gordon County, Georgia.
- Gathering food for schoolchildren in need during the summer months at Dal-Tile Sales Service Center in Orlando, Florida.
- Ensuring the Glasgow, Virginia volunteer fire department has a reliable engine and safety equipment for the firefighters who protect the town's 1,150 residents.
- Hosting 75 students for a summer camp focused on exploring the fun side of science, technology, engineering and design arts that are essential for manufacturing.





Supporting Safe Indoor Spaces

Organizations that provide homes and other indoor spaces offer a natural tie-in with our flooring businesses. Our philanthropic activities include creating welcoming and accessible spaces for disabled veterans, supporting dream bedroom makeovers for children with serious illnesses and building new homes for people in need. Dal-Tile is a national corporate sponsor of Habitat for Humanity, and employees regularly contribute by working on home builds and organizing fundraising events.

For the past seven years, Mohawk Group has participated in School Crashers, donating flooring and other materials to help renovate public schools. This year's chosen school was Toney Elementary in Decatur, Georgia, which received Nutopia and Lichen carpet planks for its media center and other areas.





Disease Prevention

We involve our customers and our products in supporting disease research in meaningful ways. Since 2001, Mohawk has contributed more than \$6.1 million to Susan G. Komen, the largest breast cancer research organization in the United States, through our corporate donation program known as Specify for a Cure. The program makes donations to Komen for each square yard of eligible carpet products sold. Countless customers and employees have been touched by breast cancer, either directly or indirectly, and support for Komen has become part of our culture. We're proud to continue our support with traditions old and new.



For example, during 3-Day Walks held throughout the country, we provide SmartCushion pads for walkers to place under their sleeping bags for greater comfort during the 60-mile journey. In 2019, we also teamed with partners in each city that organized a walk to host a celebratory lunch to mark the walk's halfway point, and donated bright pink carpet for "Mohawk Mile," a path leading walkers to the finish line each day. In addition to corporate-level initiatives, we are proud of our employees who routinely raise funds for breast cancer awareness. Mohawk employees raised an extra \$5,000 for Komen in 2019 by organizing a t-shirt design contest. Employees purchased shirts bearing the winning design to support the cause.

Sewing Our Support for Medical Workers

Given our tradition of making product donations in support of our communities, Mohawk found a unique way to give back at the beginning of the COVID-19 outbreak: we put our industrial sewing equipment to work to produce vitally needed medical gowns for healthcare providers.

In partnership with Fabric Sources International, Mohawk quickly developed a process for cutting a fabric pattern and sewing together gown components, which are being supplied to regional healthcare facilities. The sewing team adapted quickly to the new product and material. Production expanded from a handful of gowns at first to 5,000 per day.

The group has also begun creating plastic face shields, another item needed by healthcare providers for protection when they treat patients. The face shield design has been approved by hospitals, and the group is now producing 10,000 units per day.



"I'm really proud to work for a company like Mohawk that immediately wanted to help out the community," says Earl Nichols, Mohawk Home senior engineer. "In a matter of days, we were able to engineer, create and sort out the supply chain to manufacture these much-needed supplies for the hospitals. We just wanted to help in any way we could."

About this Report

We are pleased to present Mohawk Industries' eleventh annual Sustainability Report. We have prepared this report in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The reporting period, including performance data, is the 2019 calendar year, which is also our fiscal year. Information from 2020 is provided where available. Content is limited to the products and operations of Mohawk Industries and its wholly owned subsidiaries.

Our process for defining content for this report is informed by the results of a 2020 materiality assessment process and is closely aligned with our sustainability strategy.

GRI Index

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 102: General Disclosures		
Organizational Profile		
102-1	Name of the organization	Mohawk Industries, Inc.
102-2	Activities, brands, products, and services	2019 Form 10-K , pages 3-10 Our Business Scale & Scope
102-3	Location of headquarters	Calhoun, GA
102-4	Location of operations	2019 Form 10-K , page 21
102-5	Ownership and legal form	Mohawk Industries is a publicly traded company listed on the New York Stock Exchange under the ticker symbol "MHK."
102-6	Markets served	2019 Annual Report , page 8
102-7	Scale of the organization	2019 Form 10-K , pages 11 & 25 Our Business Scale & Scope
102-8	Information on employees and other workers	2019 Form 10-K , page 11 Sustainable Workplaces & Communities – Our Workforce
102-9	Supply chain	2019 Form 10-K , pages 7-8 Governance & Ethics – Supply Chain
102-10	Significant changes to the organization and its supply chain	None
102-11	Precautionary Principle or approach	Mohawk Industries does not follow the precautionary approach, but has a comprehensive risk management plan in place. Discussions of risk management can be found on page 37 of the 2020 Proxy .
102-12	External initiatives	<ul style="list-style-type: none"> • CDP • Global Reporting Initiative • International Labour Organization • U.N. Sustainable Development Goals
102-13	Membership of associations	<p>Mohawk participates in and is affiliated with numerous industry trade organizations. Please see a sample list below:</p> <ul style="list-style-type: none"> • American Institute of Architects • American Society of Interior Designers • American Society of Landscape Architects • Assisted Living Federation of America • Association of Postconsumer Plastic Recyclers • Carpet America Recovery Effort • Ceramic Tile Institute of America • Fedustria (Federation of the Textile, Wood and Furniture Industries) • Forest Stewardship Council • Green Building Certification Institute • International Facility Management Association • Manufactured Housing Institute • Marble Institute of America • Mason Contractors Association of America • National Association for PET Container Resources • National Association of the Remodeling Industry • National Council of the Housing Industry • National Wood Flooring Association • North American Laminate Flooring Association • Programme for the Endorsement of Forest Certification Schemes • Southeast Recycling Development Council • U.S. Green Building Council • World Floor Covering Association

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
Strategy		
102-14	Statement from senior decision-maker	A Message from Our CEO Message, Jeffrey S. Lorberbaum
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Governance & Ethics – Ethics Standards of Conduct and Ethics
Governance		
102-18	Governance structure	2020 Proxy, pages 6-7
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability at Mohawk
102-41	Collective bargaining agreements	2019 Form 10-K, page 11
102-42	Identifying and selecting stakeholders	Sustainability at Mohawk
102-43	Approach to stakeholder engagement	Sustainability at Mohawk
102-44	Key topics and concerns raised	Sustainability at Mohawk – Material Priority Topics
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2019 Form 10-K, page 3
102-46	Defining report content and topic Boundaries	Sustainability at Mohawk – Material Priority Topics
102-47	List of material topics	Sustainability at Mohawk – Material Priority Topics
102-48	Restatements of information	None
102-49	Changes in reporting	Sustainability at Mohawk – Material Priority Topics
102-50	Reporting period	Calendar year 2019, which runs concurrent with our fiscal year.
102-51	Date of most recent report	2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Ramie Vagal, Senior Manager, Sustainability Ramie_Vagal@mohawkind.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared according to the GRI Standards: Core Option.
102-55	GRI content index	GRI Index
102-56	External assurance	Mohawk Industries does not seek external assurance on its sustainability reporting.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 200: Economic		
GRI 205: Anti-corruption		
103-1	Explanation of the material topic and its Boundary	Governance & Ethics Standards of Conduct and Ethics
103-2	The management approach and its components	Governance & Ethics Standards of Conduct and Ethics
103-3	Evaluation of the management approach	Governance & Ethics Standards of Conduct and Ethics
205-2	Communication and training about anti-corruption policies and procedures	Corruption training is conducted at least once every two years across the Company and is available in 10 languages.
GRI 300: Environmental		
GRI 301: Materials		
103-1	Explanation of the material topic and its Boundary	Sustainable Products
103-2	The management approach and its components	Sustainable Products
103-3	Evaluation of the management approach	Sustainable Products
301-2	Recycled input materials used	Sustainable Products – Sustainable Product Design, Joining Forces for Circular Flooring
GRI 302: Energy		
103-1	Explanation of the material topic and its Boundary	Sustainable Operations – Energy & Emissions
103-2	The management approach and its components	Goals and Progress Sustainable Operations – Energy & Emissions
103-3	Evaluation of the management approach	Sustainable Operations – Energy & Emissions
302-1	Energy consumption within the organization	Sustainable Operations – Energy & Emissions – 2020 CDP Climate Change – C8
GRI 303: Water and Effluents		
103-1	Explanation of the material topic and its Boundary	Sustainable Operations – Water Conservation
103-2	The management approach and its components	Goals and Progress Sustainable Operations – Water Conservation
103-3	Evaluation of the management approach	Sustainable Operations – Water Conservation
303-1	Interactions with water as a shared resource	Sustainable Operations – Water Conservation
303-2	Management of water discharge-related impacts	Sustainable Operations – Water Conservation
303-3	Water withdrawal	2020 CDP Water Security – W1.2b

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 305: Emissions		
103-1	Explanation of the material topic and its Boundary	Sustainable Operations – Energy & Emissions
103-2	The management approach and its components	Goals & Progress Sustainable Operations – Energy & Emissions
103-3	Evaluation of the management approach	Sustainable Operations – Energy & Emissions
305-1	Direct (Scope 1) GHG emissions	2020 CDP Climate Change – C6.1
305-2	Energy indirect (Scope 2) GHG emissions	2020 CDP Climate Change – C6.2
GRI 306: Waste		
103-1	Explanation of the material topic and its Boundary	Sustainable Operations – Waste Reduction
103-2	The management approach and its components	Sustainable Operations – Waste Reduction
103-3	Evaluation of the management approach	Sustainable Operations – Waste Reduction
306-1	Waste generation and significant waste-related impacts	Sustainable Operations – Waste Reduction
306-2	Management of significant waste-related impacts	Sustainable Operations – Waste Reduction
306-4	Waste diverted from disposal	Sustainable Operations – Waste Reduction
GRI 400: Social		
GRI 401: Employment		
103-1	Explanation of the material topic and its Boundary	Sustainable Workplaces & Communities – Workplace Safety
103-2	The management approach and its components	Sustainable Workplaces & Communities – Workplace Safety
103-3	Evaluation of the management approach	Sustainable Workplaces & Communities – Workplace Safety
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainable Workplaces & Communities – Wellness & Benefits
GRI 403: Occupational Health and Safety		
103-1	Explanation of the material topic and its Boundary	Sustainable Workplaces & Communities – Workplace Safety
103-2	The management approach and its components	Sustainable Workplaces & Communities – Workplace Safety
103-3	Evaluation of the management approach	Sustainable Workplaces & Communities – Workplace Safety
403-1	Occupational health and safety management system	Sustainable Workplaces & Communities – Workplace Safety
403-2	Hazard identification, risk assessment, and incident investigation	Sustainable Workplaces & Communities – Workplace Safety

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
403-3	Occupational health services	Sustainable Workplaces & Communities – Workplace Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainable Workplaces & Communities – Workplace Safety
403-5	Worker training on occupational health and safety	Sustainable Workplaces & Communities – Workplace Safety
403-6	Promotion of worker health	Sustainable Workplaces & Communities – Workplace Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainable Workplaces & Communities – Workplace Safety
403-9	Work-related injuries	Sustainable Workplaces & Communities – Workplace Safety – Recordable Incident Rates
GRI 404: Training and Education		
103-1	Explanation of the material topic and its Boundary	Sustainable Workplaces & Communities – Training & Development
103-2	The management approach and its components	Sustainable Workplaces & Communities – Training & Development
103-3	Evaluation of the management approach	Sustainable Workplaces & Communities – Training & Development
404-1	Average hours of training per year per employee	Sustainable Workplaces & Communities – Training & Development
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainable Workplaces & Communities – Training & Development
GRI 405: Diversity and Equal Opportunity		
103-1	Explanation of the material topic and its Boundary	Sustainable Workplaces & Communities
103-2	The management approach and its components	Sustainable Workplaces & Communities
103-3	Evaluation of the management approach	Sustainable Workplaces & Communities
405-1	Diversity of governance bodies and employees	Sustainable Workplaces & Communities – Our Workforce
GRI 413: Local Communities		
103-1	Explanation of the material topic and its Boundary	Sustainable Workplaces & Communities – Community Support
103-2	The management approach and its components	Sustainable Workplaces & Communities – Community Support
103-3	Evaluation of the management approach	Sustainable Workplaces & Communities – Community Support
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainable Workplaces & Communities – Community Support

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 414: Supplier Social Assessment		
103-1	Explanation of the material topic and its Boundary	Governance & Ethics – Supply Chain
103-2	The management approach and its components	Governance & Ethics – Supply Chain Supplier Code of Conduct
103-3	Evaluation of the management approach	Governance & Ethics – Supply Chain
414-1	New suppliers that were screened using social criteria	Governance & Ethics – Supply Chain
GRI 416: Customer Health and Safety		
103-1	Explanation of the material topic and its Boundary	Sustainable Products – Sustainable Product Design – Creating Healthy Spaces through Healthy Products, Product Certifications & Transparency
103-2	The management approach and its components	Sustainable Products – Sustainable Product Design – Creating Healthy Spaces through Healthy Products, Product Certifications & Transparency
103-3	Evaluation of the management approach	Sustainable Products – Sustainable Product Design – Creating Healthy Spaces through Healthy Products, Product Certifications & Transparency
416-1	Assessment of the health and safety impacts of product and service categories	Sustainable Products – Product Certifications & Transparency




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