

MOHAWK®

Surfaces with Purpose

2023 IMPACT REPORT

Mohawk At-a-Glance

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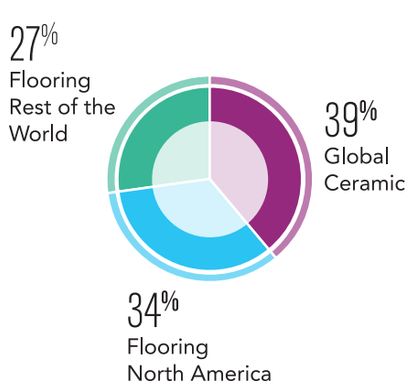
From floors to walls to countertops to insulation products and beyond, Mohawk Industries offers amazing surfaces for residential and commercial spaces. These surfaces, however, do more than add beauty and comfort. In fact, the stories behind our surfaces may be as inspiring as the products themselves.

This report chronicles some of the many ways in which our surfaces can make a difference, and shares the stories of how the people who make, sell and deliver them are doing the same. We encourage you to explore our sustainability commitments and the results we are delivering on our sustainability journey. Whether you are exploring choices for your home or business, seeking information about how companies can take the lead in addressing environmental and social issues, or just interested in learning more about our organization, this report provides a broad overview of how Mohawk is delivering surfaces with purpose around the globe.

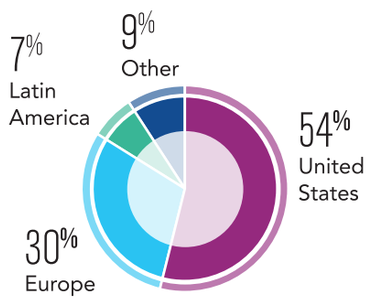
2023 Scale and Scope

$11.1B Net Sales	$1.4B Adjusted EBITDA[1]	2 Acquisitions Completed
~43,300 Employees in 37 Countries[2]	19 Countries Where We Manufacture[2]	~170 Countries Where We Sell Products[2]

2023 Sales by Business Segment



2023 Sales by Geography



[1] See Reconciliation of Non-GAAP Measures.
[2] As of December 31, 2023.

2023 Performance Highlights[1]

Climate-Positive Future

36% reduction in Scope 1, 2 and biogenic emissions intensity over 2010 baseline year.



▲ *Goal: 25% reduction by 2025*

19%

total year-over-year reduction in Scope 1, 2 and biogenic emissions

Scope 3 GHG Emissions

analyzed and reported for the second year in a row

5%

increase in renewable energy year-over-year

Product Circularity

58% reduction in waste-to-landfill intensity over 2010 baseline year.



▲ *Goal: 30% reduction by 2025*

44.9M

pounds of recovered end-of-life products

~6B

plastic bottles recycled on average per year in the past decade

58%

of total manufacturing waste recycled/reused/recovered

Water Resources

42% reduction in total water withdrawal intensity over 2010 baseline year.



▲ *Goal: 30% reduction by 2025*

Water Risk Assessment

completed for all manufacturing sites

Sourcing and Biodiversity

99%+ of wood purchased for products was FSC®/PEFC™ certified, controlled or other third-party verified.



▲ *Goal: 100% third-party validated by 2030*

13%

increase in the amount of FSC/PEFC wood used in our products

High-Performing Workforce

1.43 recordable incident rate (RIR), creating safe, hazard-free environments that support health and well-being.



▲ *Goal: 1.0 RIR by 2030*

10%

reduction in RIR over the past five years

We are proud of the sustainability accolades earned across all parts of Mohawk Industries. In addition to the corporate recognitions below, please visit each of our businesses in the Global Impact section of this report to learn more about their specific accomplishments.

Awards and Certifications

2023

- USA Today® America's Climate Leaders
- Training® Magazine Apex Award

2024

- USA Today America's Climate Leaders
- Newsweek® America's Greatest Workplaces for Diversity
- Newsweek America's Greatest Workplaces for Women
- City of Hope® Spirit of Life™ Award

[1] Unless otherwise noted, all performance highlights reflect achievements accomplished from January 1, 2023–December 31, 2023. Intensity goals are based on revenue in constant currency.



Many of our most sustainable decisions are grounded in delivering top- and bottom-line growth for the business."

Our Purpose. Our Business.

Welcome to our 2023 Impact Report. Whether you are an investor, a customer, an employee or a consumer, this report will help you gain a better understanding of our values, objectives and our purpose.

This is our fifteenth annual Impact Report. Through the years, what we share and how we share it has evolved with both the world's expanding concept of sustainability and the growth of our business. Our first report led to an epiphany: why did we not measure sustainability metrics with the same rigor we applied to every other aspect of our business? Though we were undertaking many important sustainable actions to benefit our operations, even we were surprised by the value it created for our business when we quantified it. That initial report helped to inform numerous decisions across the enterprise and improved our processes, material formulations and natural resource consumption. Today we are leveraging leading-edge technology to better track and analyze sustainability data in real time to help us make better and faster decisions.

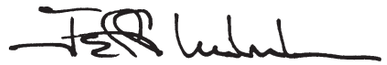
At Mohawk, as we strive for constantly better results, we like to say that our initiatives are always "half-way there." In terms of our performance in the past year, we made progress in all of our sustainability goals, thanks to the ongoing efforts of our thousands of worldwide employees and our ability to apply superior technology to improve our results. For us, however, that means we still have room for improvement! We will continue working to enhance those metrics because new opportunities for improvement arise each day.

Sustainability is not just a good philosophy; it is good business. It is good for our employees, good for our customers, good for our communities and good for our results. Many of our most sustainable decisions are grounded in delivering top- and bottom-line growth for the business. We recognize the impact those decisions have on people and the planet, and we also know that they will benefit Mohawk and its shareholders now and in the future.

We are proud of the purpose behind the products we provide in approximately 170 countries around the world. We recognize the impact those products have on people's lives, and we are committed to delivering industry-leading design and performance in our sustainable collections. This report helps you see the purpose behind our products, how they add value to residential and commercial spaces and how we partner with others to drive additional social and environmental benefits through them. You also will gain a sense of the purposeful approach our team members apply to their work and how they give back to our communities.

I hope you will enjoy learning more about Mohawk's ongoing commitment to sustainability, the progress we have made and the opportunities that lie ahead.

Thank you,



JEFFREY S. LORBERBAUM
Chairman and Chief Executive Officer

Our Purpose. Our Impact.

"The idea that everything is purposeful really changes the way you live: to think that everything that you do has a ripple effect, that every word that you speak, every action that you take affects other people and the planet."

VICTORIA MORAN, Author

Mohawk has always aspired to be a purposeful organization. We express that by creating products that enhance private and public spaces—and the lives of people who inhabit them—by nurturing a culture of respect and empowerment that delivers product innovation and continuous improvement, by creating opportunities for our employees and customers, by improving the quality of life in our communities and by taking actions that lower our emissions internally, conserve resources, reduce and repurpose waste and embrace product circularity.

To better articulate our purpose, we have revamped the way we are sharing our story. In 2023, we redefined how we as a global company will meet the growing demands of ever-evolving sustainability regulations. This started with completing a Double Materiality Assessment, which analyzed a variety of topics from both a financial and environmental and social impact perspective and through which we identified six environmental and two social material topics. We then began the implementation of an enterprise-wide environmental, social and governance (ESG) Data Platform to more efficiently manage the many upcoming regulatory reporting requirements. Additionally, we conducted a climate risk assessment to better understand our risks and opportunities to help strengthen our business resilience. These corporate actions are covered at a strategic level in the first half of this report, and our hub at mohawksustainability.com features evergreen content not found in the report as well as providing a one-stop repository for data, resources, policies and news.

The second half of the report describes our Global Impact, where our business units share their accomplishments from the past year. This section allows for a deeper dive into the way our surfaces have purpose in different regions and product categories and how we are addressing specific needs within each of our markets. After all, we recognize that a sustainability journey is as unique as the communities in which we and our customers live, work and play.

Finally, this year, we chose to rebrand this as our Impact Report, which is a more accurate reflection of how sustainability is integrated into our thinking at Mohawk and how we focus on delivering results. This document emphasizes the impact our initiatives have on our performance, from reducing the carbon footprint in our facilities to improving our partnerships with employees, customers and communities to delivering the best possible returns to our shareholders. Our Impact Report encompasses the many ways in which we are accomplishing all of this and more. I hope you will enjoy the report as you learn more about our business, our people and our surfaces with purpose.

Sincerely,

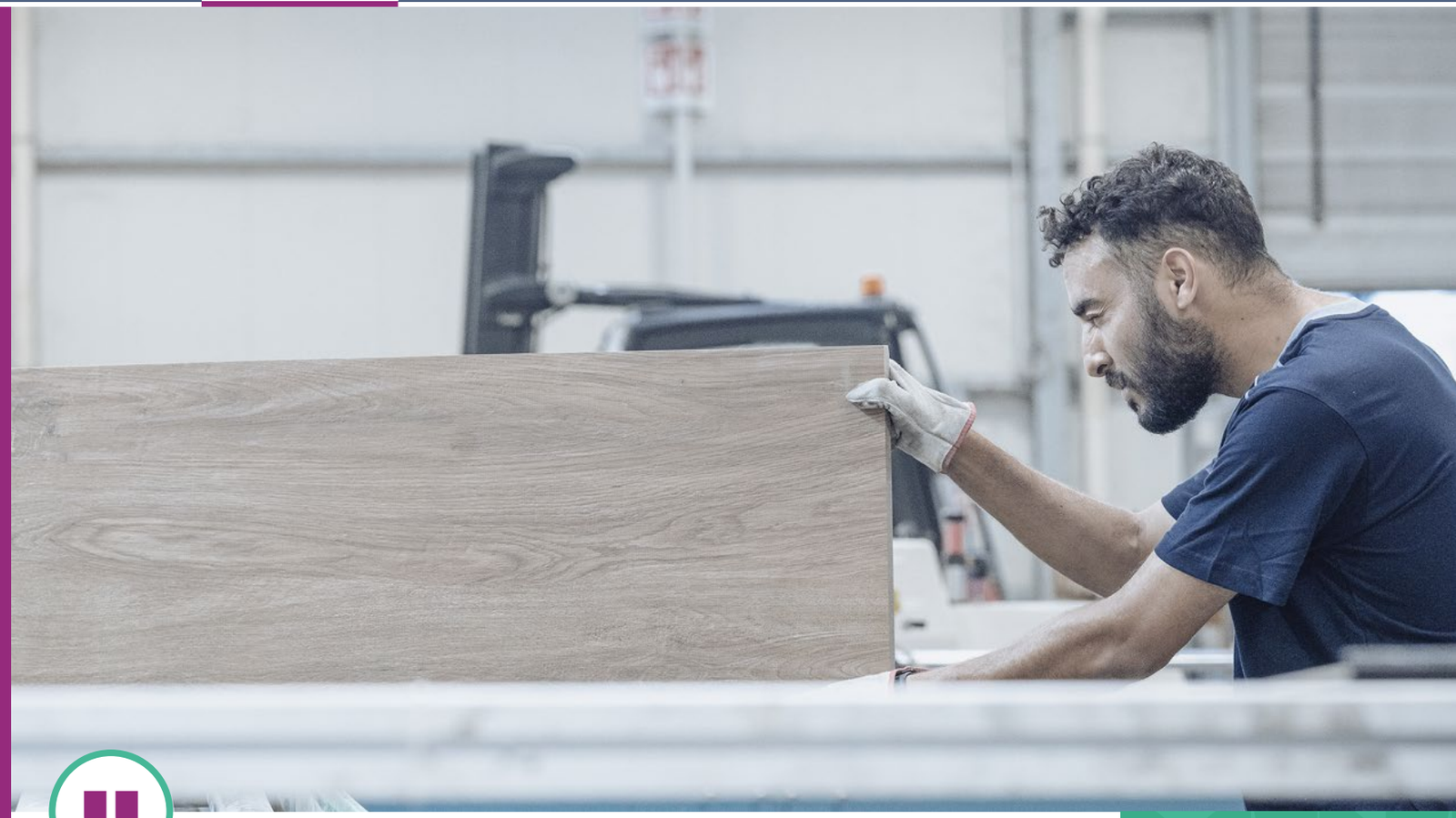
Malisa Maynard

MALISA MAYNARD
Chief Sustainability Officer



PERFORMANCE

Trust is not just given; it is earned. By maintaining high standards across all facets of our operations and supply chain, we work to cultivate a sense of trust among our stakeholders. We strive for performance excellence. It is not just about growing sustainably; it is about making a real difference in our industry and the world at large. By integrating sustainability into our core operations, we are committed to reducing environmental and social 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, and supported by a multi-level council of key leaders that holds the business accountable to its goals and values. With this dedication to excellence, we continue to focus on decarbonization, enhancing transparency, protecting human rights, and promoting ethical conduct and safe and respectful workplaces.



Mohawk's sustainability initiatives are a part of the business' core strategies. From a Board perspective, we evaluate sustainability metrics with scrutiny just as we evaluate financial and operational data. We take our responsibility to shareholders very seriously, and we apply that same level of diligence to our responsibility to Mohawk's team members, communities and the planet. We know our decisions today have an impact tomorrow, so we make them from a holistic perspective and with great care."

KAREN SMITH BOGART, PHD

Board Member and Chair of the Nominating and Corporate Governance Committee

ESG Governance

The Role of Our ESG Executive Council

Mohawk's Environmental, Social and Governance (ESG) Executive Council consists of the Company's senior leaders, including the presidents of each business segment, and is responsible for setting the Company's sustainability strategy and goals. The Council ensures appropriate progress is being made toward Mohawk's ESG objectives. The Council reports to the Company's Board and CEO and informs, advises and engages with the Board and the Board's Nominating and Corporate Governance (NCGC) and Audit Committee (AC) on ESG and sustainability topics. The ESG Executive Council also identifies and assesses ESG risks and opportunities and makes recommendations for addressing them and reviews and approves global environmental and social goals.



General Counsel Dave Patton, Flooring Rest of the World President Wim Messiaen (attending virtually) and Chief Sustainability Officer (CSO) Malisa Maynard discuss sustainability with NCGC Chair Karen Smith-Bogart and AC Chair Joe Onorato.

ESG GOVERNANCE STRUCTURE

CEO AND BOARD OF DIRECTORS
- Ultimate responsibility for the Company's ESG-related programs and initiatives

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE / AUDIT COMMITTEE
- NCGC oversees the Company's ESG-related programs
- AC oversees risk management as it relates to the Company's sustainability strategy
- Helps formulate strategies to respond to public policy, legislative, regulatory, political and social topics, as well as trends related to environmental and social risks that may significantly affect the business operations, financial performance or public image of the Company

ESG EXECUTIVE COUNCIL
- Reviews and approves sustainability strategy
- Works with the Board to provide oversight and guidance to the business
- Engages in risk planning to identify and understand ESG impacts to the Company, including regulatory changes as well as physical, operational and climate change-related risks
- Applies understanding of risks to inform our sustainability strategy
- Sets environmental and social goals

CHIEF SUSTAINABILITY OFFICER
- Defines and executes Mohawk's sustainability strategy across the global enterprise
- Partners with functional areas to increase alignment and optimize global efforts for carbon reduction, product circularity, resource conservation and commitments to workplace excellence

PEOPLE COUNCIL / PLANET COUNCIL
- Multi-business, multi-level stakeholder leadership groups tasked with aligning business direction and decision-making with sustainability goals
- Develops sustainability strategy, including goals and objectives
- Identifies metrics to track performance and provide business segment feedback, including best practice sharing

ESG Executive Council Roundtable



MALISA MAYNARD
Chief Sustainability Officer



CHRIS WELLBORN
President & Chief Operating Officer
President—Global Ceramic



JIM BRUNK
Chief Financial Officer



WILL HARKINS
Chief Accounting Officer
& Corporate Controller



DAVE PATTON
General Counsel & Vice President
—Business Strategy



PAUL DE COCK
President—Flooring
North America



WIM MESSIAEN
President—Flooring
Rest of the World

MM: When we introduced the ESG Executive Council at Mohawk, it added a formal structure to the Company's long-standing commitment to sustainability. Chris, how do you think that adding the Council has impacted sustainability at Mohawk?

CW: I joined Mohawk in 2002, and we were certainly talking about sustainability then, both within the businesses and at Board meetings. It's part of Mohawk's DNA. Now, with the Council, we meet regularly to discuss sustainability challenges and opportunities around the business, and we have time allotted in each Board meeting to cover these topics. Our Board members are deeply invested in the success of the business, and they also are committed to doing what is right for our people, our communities and the planet.

WH: While Mohawk has gained competitive advantages from the entrepreneurial nature of each business, we are facing increased regulatory standards that require us to be consistent in how we define, track and report data. Having the more formal structure of the ESG Executive Council maintains open dialogue about these issues and provides a forum for reaching agreements on how we approach many topics.

JB: The ESG Executive Council interfaces with both the Board's NCGC and AC, because of the increasing emphasis on reporting. We view the importance of sustainability disclosures just as we do financial disclosures.

MM: Dave, is compliance with evolving regulations a concern for you?

DP: Well, we have been preparing for the new requirements for a while, so we will be ready to comply. From a regulatory perspective, the greatest challenge is the complexity of our business: we operate on five continents; we manufacture a wide variety of products; and we have to ensure that our recordkeeping aligns with local, national and regional regulations while keeping everyone consistent with overarching reporting requirements as they evolve.

MM: But we are well prepared for changes like the new Securities and Exchange Commission (SEC) standards on climate-related disclosures.

DP: Absolutely. Thanks to the cross-functional work with your team, Legal, Accounting, Internal Audit and the businesses, we are prepared to include the required disclosures in future filings once the timeframe is finalized. That reflects another example of effective collaboration within the business where a formal structure benefits us.

MM: Jim, is that also a story that investors are taking a greater interest in?

JB: Investors expect that we will adhere to these regulations just as we do with all other regulations. Mohawk is a highly adaptable business. Once we know what agencies expect, we can deliver on that. I would say that investors are more interested in how sustainability impacts our performance, from products we bring to market to operational enhancements that are both sustainable and more cost effective.

MM: Wim, as the regulatory environment evolves in Europe, is that impacting how your business operates?

WM: The EU Corporate Sustainability Reporting Directive (CSRD) certainly represents a significant increase in reporting demands. We take the European Sustainability Reporting Standards (ESRS) very seriously, and we are doing the necessary work preparing for them. We have very strong results when it comes to sustainability. And we see the CSRD as an opportunity to communicate our performance even more clearly to the market.

MM: Are the regulations affecting your business?

WM: Sustainable practices are hard coded in how we do business, so the innovation we bring the market is not centered around meeting regulations but instead creating value-added products that inspire consumers. Unilin's first product category was bio-based, with shives used to create flax chipboards. Decades later, we have patented the process for recycling wood fiber from MDF and HDF boards. We are driven to find creative solutions that benefit people and the planet and that enhance our performance.

PDC: That philosophy is consistent across the enterprise. We recently held our annual innovation showcase to share great ideas generated by people throughout the business. To be implemented, an innovative idea must meet our environmental and social standards, whether that is in developing new products, unlocking efficiencies, advancing fiber technology or making operational improvements.



Flooring NA President Paul De Cock highlights the advantages of PureTech RPC flooring to President & COO Chris Wellborn, CFO Jim Brunk and CAO Will Harkins.

MM: Do customers perceive the value in that?

PDC: The architect and design community has always been aware of the value. Today, consumers are also interested in the sustainable aspects of products they are purchasing for their homes. That has made retailers focus more attention on product stories and how they convey messages about sustainability. Of course, families still want beautiful products that perform well, but they also consider the material in the products, how they are made, and whether the company is a good corporate citizen. Our products check all of those boxes.

JB: Malisa, has the Council worked the way you expected it would?

MM: It has opened up a lot of lines of communication that allow us to make better decisions faster and implement changes more successfully. I think sustainability within Mohawk has always been embedded within the business, but the Council seems to encourage more dialogue between groups and a better understanding of the different challenges each group faces. We really are all in it together.

Double Materiality Assessment

Understanding Our Impact

In 2023, Mohawk completed a thorough and data-driven Double Materiality Assessment (DMA) to establish its material sustainability topics and to prepare for upcoming ESG reporting requirements under the EU CSRD. Guided by the ESRS, this assessment involved three key steps:

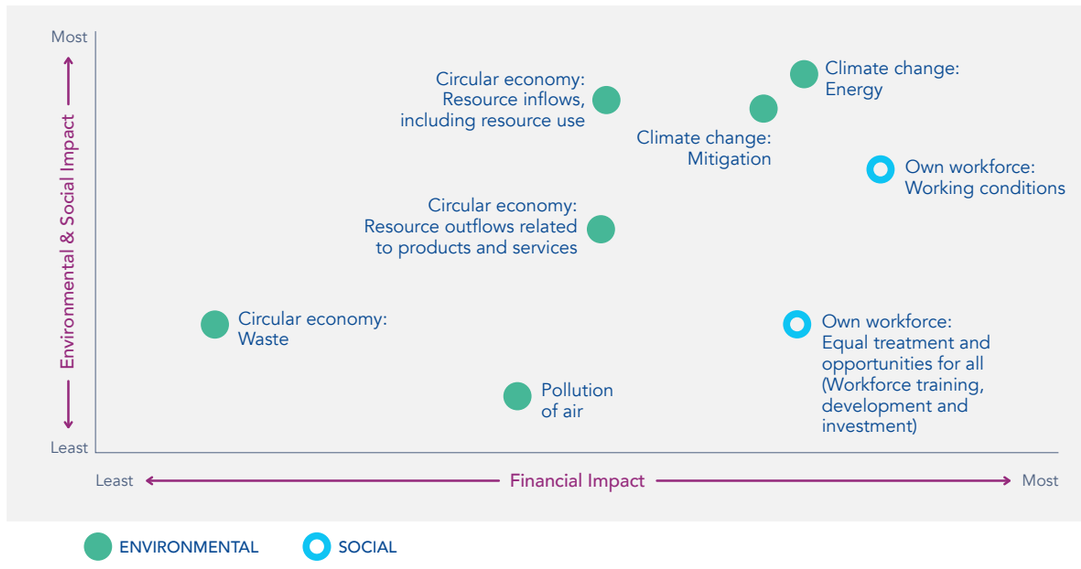
1. Defining the sustainability topics to be assessed
2. Evaluating and scoring these topics with key internal and external stakeholders
3. Validating and communicating results

Under the double materiality approach as prescribed by the CSRD, the DMA assessed Mohawk's impacts on people and the environment across our operations and supply chain (impact materiality) and the potential financial effect of sustainability matters to our business (financial materiality). The DMA provides an essential step in identifying and managing our material impacts, risks and opportunities (IROs) related to sustainability matters across our value chain. The DMA enables us to:

- Identify ESG IROs based on the double materiality principle prescribed by the CSRD
- Further inform our sustainability strategy, risk management approach and resource allocation
- Continue to strengthen and build relationships with our key stakeholders
- Expand our impact reporting to meet new requirements outlined in the CSRD

Our methodology included the assessment of 39 ESG topics, with each topic scored on its IROs, based on Mohawk-determined thresholds for impact materiality and financial materiality. We engaged our key stakeholders—including Mohawk employees, customers, suppliers, investors, our Board of Directors and subject matter experts—through interviews, workshops and surveys. We also incorporated additional input from desktop research, including peer benchmarking, industry detail and other market-based sources.

ESG MATERIAL TOPICS



Upon completing the assessment, we identified eight material topics, including six environmental and two social topics. Among these, Climate Change: Mitigation, Climate Change: Energy and Own Workforce: Working Conditions were deemed most significant, as illustrated in the chart on this page.

Completing the DMA reinforces the sustainability foundation of our business strategy moving forward, and we are integrating the findings from the DMA into our ESG strategy, risk management and reporting.



Risk Management and Due Diligence

Mohawk's due diligence process includes ongoing assessments, stakeholder consultations and data-driven analysis to manage the IROs identified through our recent DMA and to monitor emerging risks across our value chain, including, but not limited to, regulatory changes, resource scarcity, labor and supply chain risks and product safety.

In addition to meeting applicable local and national regulatory compliance standards, we continue to utilize best-in-class reporting frameworks such as the Global Reporting Initiative (GRI), CDP, the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosure (TCFD). At Mohawk, we maintain strong governance practices and oversight through continuous review of sustainability matters and relevance to business strategy with our ESG Executive Council, which reports to the Board and the Board's NCGC on the implementation of sustainability due diligence and the results and effectiveness of sustainability policies, actions, metrics and targets, as well as any other sustainability-related concerns that may arise and would require their attention. For further information, see Mohawk's NCGC Charter. In addition, the Board's AC has responsibility for risk oversight, including risk assessments related to sustainability and climate-related risks, to the extent such matters are not within the purview of discussion by the NCGC. For further information, see Mohawk's AC Charter.

Ethics and Compliance

As a responsible company with operations around the world, we recognize the importance of conducting business with integrity, transparency, consistency and accountability. Our strong ethical foundation serves as the guiding principle that shapes our interactions with customers, employees, vendors and the communities where we operate.

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 promote a culture of ethics and compliance 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.



Given Mohawk's substantial international footprint, we continually evaluate and enhance our ethical policies and procedures for consistency and effectiveness. To mitigate corruption risks, we regularly assess and analyze potential vulnerabilities and provide biennial anti-corruption and anti-competition training in multiple languages to our employees. In 2022, more than 88% of participants completed the training. In 2023, a scheduled off year for training, business presidents sent communications to their organizations highlighting specific corruption risks and the importance of ethical business practices.

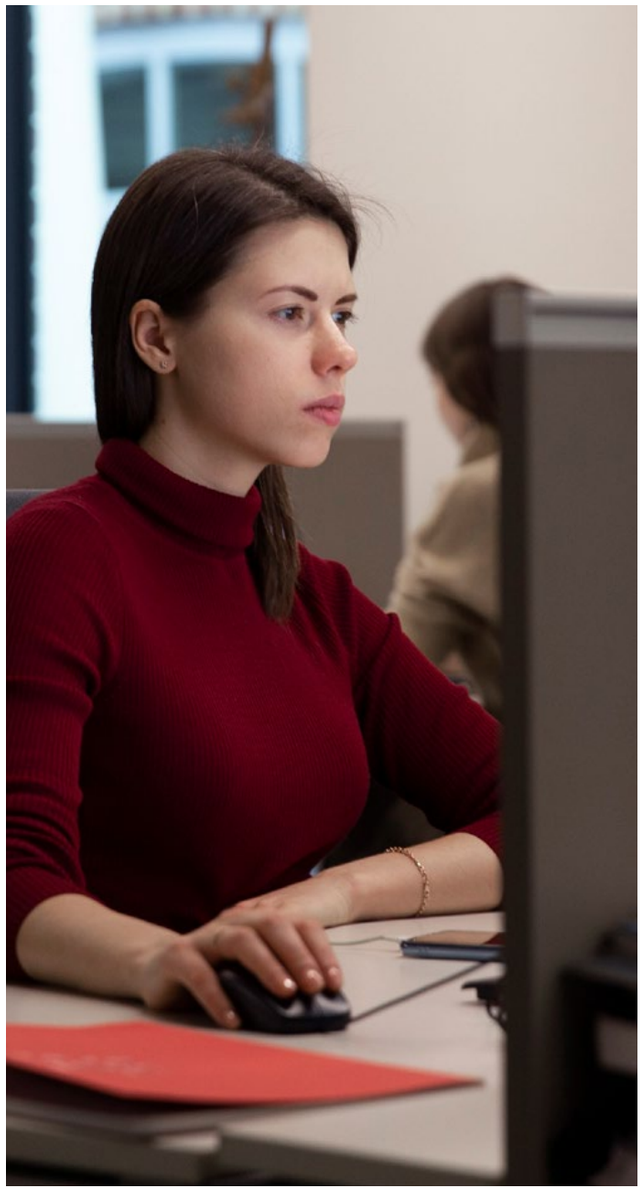
Due to the extensive scope and scale of our business, we encourage our employees to assist us in pinpointing potential issues. We foster a culture where employees feel comfortable reporting any concerns. To facilitate this, we conduct annual business standards surveys to identify potential issues across our organization. We also provide tools for employees, customers and suppliers to report any concerns, including a confidential website and anonymous hotlines staffed around the clock by a third party. These channels are accessible in local languages to allow everyone to have a voice and share input without fear of retaliation.

We believe that fostering a supportive workplace benefits our employees and contributes to our overall success as an organization. To promote a safe and respectful work environment and culture, we implemented a robust and strictly enforced anti-harassment policy that all employees are required to read and follow.

Our approach to political engagement is responsible, transparent and consciously limited. We do not make direct political contributions to candidates, political parties or political action committees. Our political 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 activities. We acknowledge that our positions may not always align with those of the organizations of which we are members, and we maintain independence in our decision-making process. To uphold transparency, we disclose our memberships in trade associations and chambers of commerce, along with identifying the financial support we provide to organizations that exert even minimal political influence. For more information, see our Political Contributions Policy. Mohawk neither endorses specific candidates nor attempts to influence the voting decisions of our team members. Mohawk does, however, encourage team members to vote and has included voter registration opportunities at numerous events.

Regulatory Compliance

As a global leader in the flooring industry, we are committed to compliance with laws, regulations and industry guidelines. We view compliance not only as a legal requirement but as a fundamental component of our relationship with our communities and our commitment to the world. Our comprehensive compliance program encompasses legal compliance, data privacy, environmental regulations, labor laws and health and safety standards.



Data Security

Data security and individual privacy have become growing concerns for businesses and society, particularly with the rise of cyber attacks and data breaches.

Individuals rightly expect 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.

Our Privacy Policy outlines our data collection practices for our corporate operations and U.S.-based businesses, while our entities outside the U.S. have procedures aligned with local regulations and jurisdictional requirements. We respect users' rights under applicable data protection laws in each country, state and province where we operate.

We prioritize the protection of personally identifiable information on Mohawk websites by respecting applicable laws and employing organizational, technical, administrative and physical security measures. A dedicated team, led by our Chief Information Officer (CIO), implements information security controls based on the nature of the data involved. To assess our performance, we completed an enterprise-wide, third-party audit in relation to our Information Security Compliance with the Center for Internet Security (CIS) controls. Additionally, our North American businesses were audited by an external firm in regard to our Payment Card Industry Data Security Standard (PCI-DSS) compliance. We continue to perform regular reviews and updates to our information security procedures to maintain their effectiveness, and our CIO reports on information security to our Board on at least a quarterly basis.

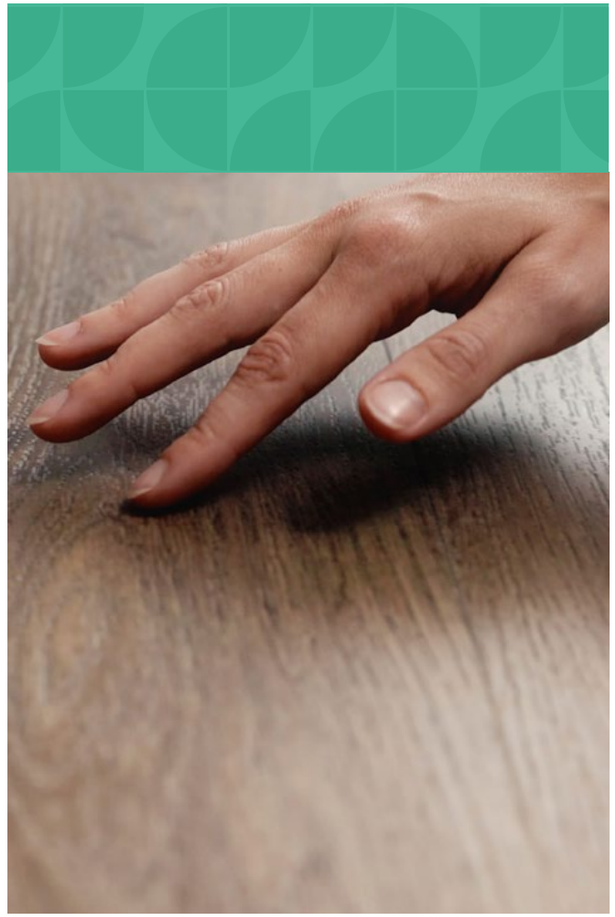
Regular cybersecurity training for our employees is a key aspect of our information security strategy.

Regular cybersecurity training for our employees is a key aspect of our information security strategy. New employees undergo mandatory online cybersecurity training upon joining the Company, and we provide annual training to all employees, covering various topics such as secure access practice, phishing schemes, remote work and response to suspicious activities. To complement online training, employees are educated through additional methods, including event-triggered awareness campaigns, recognition programs, security presentations, intranet articles, videos, system-generated communications, email publications and various simulation exercises. While we work diligently to minimize the likelihood of security issues based on the sensitivity of the data, no company can guarantee the absolute security of personal information. However, we are pleased to report that in 2023, we experienced no material data breaches for the fifth consecutive year.

Supply Chain Management

Mohawk prioritizes ethical, environmental and social standards in its relationships with global partners. To this end, we maintain a Supplier Code of Conduct, applicable for Mohawk worldwide, to help ensure that materials incorporated into Mohawk products comply with applicable laws and other requirements and that suppliers share our principles of social responsibility. Our Supplier Code of Conduct requires suppliers to also agree to comply with Mohawk's Environmental Policy and Human Rights Policy. We expect our suppliers to understand that our requirements for compliance with the Supplier Code of Conduct extend to their subcontractors, as well, and Mohawk promptly addresses any known violations.

In addition, Mohawk is committed to responsibly sourcing raw materials for our manufacturing processes, including, when applicable, gold, tin, tungsten and tantalum (conflict minerals). Conflict minerals constitute a very small part of our supply chain needs. Nevertheless, we are committed to sourcing such minerals responsibly by not sourcing conflict minerals that fund armed groups in the Democratic Republic of Congo and its adjoining countries (Covered Countries). Our Conflict Minerals Policy due diligence framework follows the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance, and we perform an annual good faith reasonable country of origin inquiry with respect to any conflict minerals that may be necessary for the functionality or the production of our products. In addition, our suppliers are expected to survey their suppliers to determine whether the applicable conflict mineral originates from the Covered Countries and, if so, whether the mineral is conflict-free, as set forth in our Supplier Code of Conduct.



In 2023, 22% of our U.S. spend was with diverse suppliers, which includes small business suppliers and suppliers with diverse and underrepresented backgrounds.

Maintaining an Ethical Supply Chain: Uyghur Forced Labor Protection Act

As part of our ongoing dedication to responsible practices, we are committed to sourcing raw material for our products as well as sourcing finished products in alignment with our policies, practices and principles. 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 the Uyghur Forced Labor Protection Act which addresses concerns of forced labor in Xinjiang, China, we have continued to strengthen our supply chain mapping and audits for suppliers 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, we have piloted ethical sourcing training to better educate Mohawk employees and suppliers about raw material inputs, and the training programs will be rolled out as each business unit validates the content for their supply chain needs.

Supplier Engagement

We recognize that by engaging and supporting a wide range of suppliers from diverse backgrounds, we enhance our business performance and contribute to the advancement of underrepresented communities. During 2023, we continued to expand our procurement standard to include supplier diversity and sustainability performance considerations as part of our bidding process with the U.S.-based purchasing teams. We partner with Dunn & Bradstreet to validate supplier diversity qualifications, enabling us to reliably quantify spend.

OUR APPROACH TO RESPONSIBLE SOURCING

ASSESSMENTS

We conduct assessments of certain new and existing suppliers to verify compliance with the Supplier Code of Conduct, including 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 we reserve the right to retain one and require suppliers to agree to third-party verification.

TRAINING

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



EXPECTATIONS

Our Code clearly outlines our expectations for our suppliers and their subcontractors, consistent with International Labour Organization standards, with regard to:

- The prohibition of child labor and forced or involuntary labor
- The maintenance of workplaces free of coercion, harassment and violence
- The responsibility to provide employees with a safe and healthy workplace
- Respect for the rights of employees to organize and bargain collectively, as well as their right to individually work directly with employers to create more positive and productive working conditions

The Code also communicates that suppliers must meet requirements applicable to human trafficking and slavery that are in accordance with the California Transparency in Supply Chains Act of 2010 (SB 657). Suppliers are also required to comply with the U.S. Uyghur Forced Labor Prevention Act (UFLPA) and all other applicable laws and regulations prohibiting forced labor in the supply chain.

PLANET

In our journey toward sustainability, we recognize the crucial role our planet plays in our business, as well as in the lives of customers, consumers, members of our local communities and others.

With a commitment to responsible practices and environmental stewardship, our products enhance spaces with beauty and functionality while honoring the delicate balance of our ecosystems. By embracing circular economy principles and focusing on climate change mitigation, renewable energy, emissions reduction, waste reduction and water restoration, we reduce our environmental footprint while also strengthening our business by delivering value-added products for residential and commercial spaces.



Doing what's right for people and the planet makes good business sense. That's always been a part of our operational strategy, and we have leveraged new technologies, materials and practices to drive improvements across the business. Through our advancements, we are reducing our carbon footprint, lowering energy consumption and waste, reusing water and increasing recycled content in our products. To enhance our performance in these areas, our team members worldwide share creative ideas that become best practices. We are grateful to have our teams' full commitment of delivering on our goals."

CHRIS WELLBORN

President and Chief Operating Officer
& President—Global Ceramic Segment

Climate-Positive Future

Mohawk's commitment to a climate-positive future is a part of the climate change solution through implementation of our decarbonization strategy. Guiding this work is our Planet Council, whose mandate is to ensure that our business decisions align with our sustainability goals. A central priority for the Planet Council is the establishment of refreshed climate targets by the end of 2024 for reducing greenhouse gas (GHG) emissions, encompassing Scope 1, 2 and 3 emissions. We are pleased that our tracking and reporting efforts now extend to Scope 3 emissions, further enhancing the transparency of our environmental performance.

As we pursue refreshed climate targets at the enterprise level, some of our business units have additional climate targets in place. The Flooring Rest of the World segment received validation from the Science Based Targets initiative in January 2023 for science-based targets. In 2021, Mohawk Group—our North American commercial flooring division—became one of approximately 480 companies to sign The Climate Pledge, committing to achieve net zero carbon emissions by 2040, a decade ahead of the goals established by the Paris Agreement. In 2020, our Oceania-based flooring business, Godfrey Hirst, became the first Australian carpet manufacturer to achieve carbon neutral status as defined by Climate Active, an Australian government-accredited carbon neutral certification program. In 2023, Godfrey Hirst New Zealand also became a carbon neutral organization as defined by Climate Active/International Organization for Standardization (IOS).[1]

In 2023, we continued to engage third-party experts to collect and report Scope 3 emissions data from all global business units. Based on our analysis of all 15 Scope 3 categories, we determined that ten were relevant to Mohawk. We are transitioning from spend-based to activity-based data for purchased goods and services, when available, to more accurately represent emissions. As this is the second year for reporting Scope 3 emissions, comparing year-over-year data has provided more insight into opportunities for supply chain engagement to decarbonize.



We recognize the importance of identifying, assessing and mitigating climate-related impacts, risks and opportunities to help ensure business continuity and resilience. Each year, we report in alignment with the Task Force on Climate-related Financial Disclosures to provide important information to investors, regulators and other stakeholders to analyze climate-related risks and opportunities.

As this is the second year for reporting Scope 3 emissions, comparing year-over-year data has provided more insight into opportunities for supply chain engagement to decarbonize.

[1] Godfrey Hirst Australia Pty Ltd and Godfrey Hirst NZ Ltd are "carbon neutral" organizations, as defined under Climate Active standards, meaning that those entities purchase and voluntarily retire carbon offsets equivalent to their annual carbon dioxide (CO_2) GHG emissions from sources within their organizational boundary. For New Zealand, organizational GHG emissions are accounted for in accordance with ISO 14064-3:2018. For Australia, organizational GHG emissions are accounted for, and carbon neutral status is certified in accordance with, the requirements of Climate Active.



Understanding the complexity of climate risk is not an exercise in trying to predict the future; it's about understanding how climate change could impact our business across a range of scenarios and making thoughtful choices today. The climate risk assessment process serves as our navigational tool, directing us toward more resilient decisions to create long-term value to the business, our employees and customers."

RACHEL HESTER
Senior Director Sustainability Compliance & Reporting

2024 Climate Risk Assessment

In January 2024, Mohawk partnered with third-party climate risk experts to complete a climate risk assessment as part of our commitment to evaluate a variety of risks and opportunities to more fully consider how each may impact our business, our communities and the overall environment. The scope of the climate risk assessment included all of Mohawk's manufacturing and non-manufacturing sites, as well as the Company's most critical suppliers, and spans the entire value chain, including both upstream and downstream activities that directly influence Mohawk operations.

Beginning with the identification of 40 climate risks and opportunities based on Mohawk's relevant mandatory and voluntary disclosures, benchmarking with industry peers and feedback from subject matter experts, Mohawk prioritized climate-related risks and opportunities to those highly relevant for the Company. The assessment of each risk was conducted by a multi-disciplinary team, consisting of leaders of Mohawk Sustainability, Procurement, Human Resources, Operations, Investor Relations, Controlling, Audit, Legal and Finance.

Cross-functional engagement with key stakeholders helped Mohawk understand how our Company impacts climate change, as well as how climate-related risks and opportunities could impact Mohawk's future financial position. To allow a comprehensive evaluation of Mohawk's climate-related risks and opportunities under different possible future climate conditions, Mohawk analyzed each of those highly relevant risks and opportunities in the context of various climate scenario analyses—specifically Representative Concentration Pathways (RCPs), Shared Socioeconomic Pathways (SSPs) and specific topic scenarios, such as the IEA Net Zero Emissions by 2050 Scenario (NZE Scenario) and Network for Greening the Financial System (NGFS) Hot House scenario.

Of the top identified climate-related risks, Mohawk ranked the increased cost and lack of availability of energy as a key market risk for our business. In our continued efforts to mitigate this risk, we have implemented natural gas price management strategies to mitigate cost increases and price volatility. As we move forward, we will continue to identify methods of diversifying the potential fuels used by key production and logistics assets in case of financial or supply disruption of fossil fuels markets. Finally, we continue to develop and implement strategies, including on-site renewable generation, to shift fossil-powered fleets, processes, assets and operations to renewable electricity or sustainable fuels, and increase energy efficiency.

Of the top climate-related opportunities where Mohawk is positioned to maximize value for our business and our stakeholders, Mohawk has identified waste and product circularity as a key market opportunity, which we address through our postconsumer take-back programs. The programs continue to develop and expand to meet our waste-reduction goals and increase circular economy opportunities. Additionally, our waste management strategy helps us to identify more opportunities and potential investments to reduce waste generated, including the amount of waste that goes to landfills.

ESG Data Management

Because data is the key to understanding impacts, risks and opportunities (IROs), in 2023, we began implementation of a global environmental, social and governance (ESG) Data Platform to track and report sustainability and business information, enhancing our ability to measure, evaluate and communicate performance and progress across the organization. This technology will advance our governance and oversight of Mohawk's material IROs through continuous monitoring and management reporting implemented quarterly and annually. In further developing our sustainability data and risk management approach, we have established a cross-functional working group with representation from Mohawk's three reporting segments focused on the assessment and documentation of core business processes around ESG data sourcing and reporting. We remain steadfast in our dedication to increased transparency and the strengthening of our strategy and internal controls around sustainability reporting.

Energy Use

We are committed to investing in sustainable alternative energies as part of our ongoing efforts to reduce our environmental footprint and enhance our business results. Some of our key initiatives include:

- Implementing solar energy systems across certain facilities to harness clean, renewable energy
- Partnering with wind energy providers to incorporate wind power into our energy mix through on-site wind turbines
- Using biomass energy sources, such as end-of-life-cycle wood waste and biodiesel, to generate electricity and heat and fuel our fleet
- Investing in energy-efficient technologies and equipment to optimize energy usage and minimize waste

Through these initiatives and others, we are actively working toward a more sustainable future while reducing our reliance on fossil fuels and mitigating our impact on the environment. For more detail, please refer to the Global Impact section of this report to see the initiatives each business is taking.

Scope 1 and 2 GHG Emissions Intensity

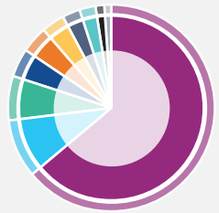
(Biogenic and Non-Biogenic Emissions / Thousands Revenue in Constant Currency)



GOAL: Reduce Scope 1 and 2 emissions intensity by 25% by 2025.

STATUS: Achieved a 36% reduction over our 2010 baseline year.

2023 Scope 3 Emissions by Type



- 67.1% Purchased Goods and Services
- 10.6% End-of-Life of Sold Products
- 7.5% Upstream Transportation
- 3.8% Fuel- and Energy-Related Activities
- 3.7% Processing of Sold Products
- 3.5% Downstream Transportation
- 1.7% Capital Goods
- 1.5% Waste Generated in Operations
- 0.5% Employee Commuting
- 0.1% Business Travel

2023 Total Energy Consumed by Type



- 59.4% Natural Gas
- 22.2% Grid Electricity
- 8.5% Biomass Energy
- 5.9% Other Fossil Fuels
- 3.8% Low Carbon[1]
- 0.2% Other Renewables



[1] Energy from combined heat and power.

ECO-LABELS

INDOOR AIR QUALITY LABELS

Air Pollution

Through our 2023 Double Materiality Assessment (DMA), we have identified air pollution as a material topic. From a materiality standpoint, it is essential to distinguish between carbon emissions, or GHGs, and air pollution. While carbon emissions and GHGs are a subset of air pollution, they primarily focus on the release of specific gases like carbon dioxide, methane and nitrous oxide that contribute to climate change. Mohawk tracks our Scope 1, 2 and 3 emissions, providing insight into our direct and indirect contributions to GHG emissions. However, we recognize that these emissions do not encompass all forms of air pollution, which can include particulate matter, sulfur dioxide, nitrogen dioxide and volatile organic compounds, among others. As such, in 2026, we intend to report information on the IROs associated with air pollution, in connection with requirements under the EU Corporate Sustainability Reporting Directive (CSRD), and we remain committed to addressing both GHG emissions and broader air pollution concerns through targeted initiatives and continuous improvement efforts.

Designing for Improved Air Quality

Globally, our products adhere to some of the world's most rigorous standards for the creation of healthy indoor air environments. These products and their Indoor Air Quality certifications may satisfy increased customer demand for lower-emitting products in the places where they live and work.

Accelerating Circularity

At the heart of our approach lies a deep commitment to resource stewardship, encompassing elements such as biodiversity, responsible water usage and minimizing production waste every step of the way. We recognize that the product life cycle, from procurement to disposal, plays a crucial role in minimizing our environmental footprint. With a focus on waste diversion and thoughtful end-of-life philosophies, we are making progress toward defining and releasing a product circularity goal for each business by 2025.

PRODUCT CIRCULARITY AT MOHAWK

Make

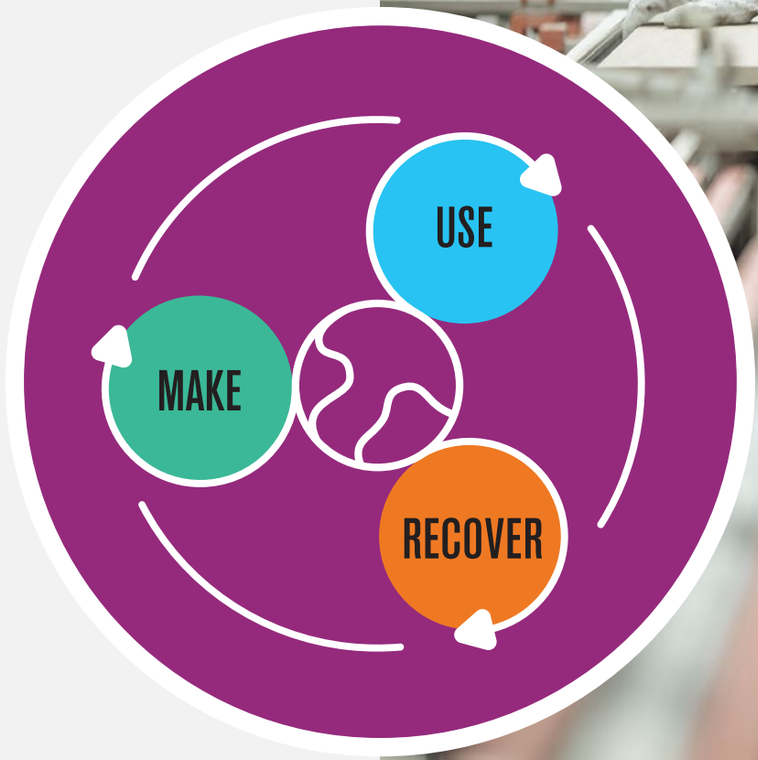
Innovate regenerative products through thoughtful design and efficient manufacturing that optimize material use and expand post-consumer and sustainable content to minimize our products' full life-cycle impact.

Use

Ensure 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 a second and subsequent purpose after an initial, useful life.



Resource Stewardship and Waste

The Role of Water

Water plays a vital role in supporting life and ecosystems, and we treat it with great care, considering the challenges of water scarcity in many regions worldwide. Although water was not determined to be a material topic through our recent DMA, we are still committed to conserving and responsibly managing this resource. In 2023, we completed a water risk and stress assessment utilizing the World Resources Institute's Aqueduct and the World Wildlife Fund's Water Risk Filter tools. The outcome of this work will be available in our 2024 CDP Water Security Questionnaire. As part of our circular approach, we continue to actively reduce water usage in our manufacturing processes, including:

- Mohawk Group's patent pending Color Pulse™ fiber technology eliminates water use in the dyeing process.
- Mohawk Group's strategic partnerships with organizations like water.org allow us to provide clean water and sanitation in areas experiencing scarcity and drought.
- At Grupo Daltile in Mexico, 100% of process wastewater is recycled and is classified as industrial water for consumption in the manufacturing of products and cleaning of equipment.
- GH Commercial in Australia takes water restoration to the beach with Take 3 For the Sea™, annually clearing plastic and other waste from local beaches and riverways that would otherwise end up in the ocean.

Water Withdrawal Intensity[1]

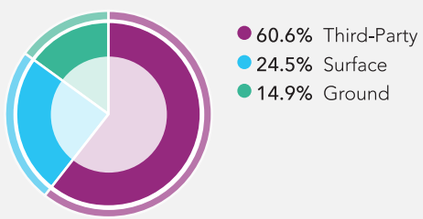
(Gallons Withdrawn / Revenue in Constant Currency)



GOAL: Reduce total water withdrawal intensity by 30% by 2025.

STATUS: Achieved a 42% reduction over our 2010 baseline year.

2023 Water Withdrawal by Type[1]



Waste-to-Landfill Intensity[1]

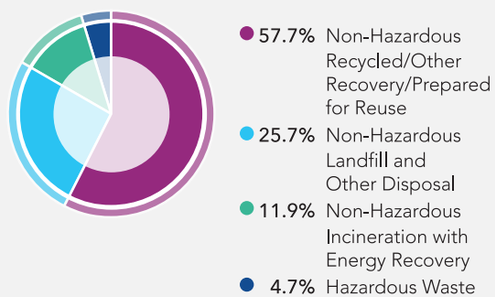
(Metric Tons / Thousands Revenue in Constant Currency)



GOAL: Reduce waste-to-landfill intensity by 30% by 2025.

STATUS: Achieved a 58% reduction over our 2010 baseline year.

2023 Waste by Type[1]



[1] From manufacturing operations.

Our focus continues to center on circular thinking—finding new ways to transform waste into a resource rather than discarding it.

Rethinking Waste Around the Globe

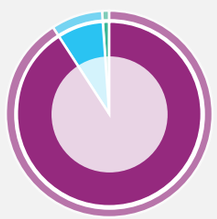
While we continue to surpass our waste reduction targets, we are not stopping there. We are doubling down on our efforts to minimize environmental impact across product life cycles through sustainable design, innovation, extended use and responsible reuse. Our focus continues to center on circular thinking—finding new ways to transform waste into a resource rather than discarding it. While we remain committed to reducing waste, we are also reimagining its purpose and giving it new life.

- 100% process waste is recovered at our Marazzi Group ceramic facilities
- In 2023, Mohawk Home recycled more than 40 million pounds of tires into decorative door mats
- In 2023, Unilin Group recycled 900,000 metric tons of waste wood into chipboards

Impacts of Sourcing on Biodiversity

By responsibly sourcing materials such as wood, Mohawk can mitigate habitat destruction and preserve biodiversity hotspots. Although biodiversity was not determined to be a material topic through our recent DMA, we continue our commitment to source our largest biological material—wood—responsibly. In 2023, we continued our work toward all manufacturing locations adhering to wood sourcing principles, such as FSC®, PEFC™ or other third-party validation, toward our goal of ensuring 100% of the wood fiber in our products comes from responsibly managed forests, recycled waste streams or recovered wood sources by 2030.

Mohawk Product Wood Sourcing Total



- 91.9% FSC/PEFC Certified or Controlled[1]
- 8.0% Third-Party Validated[2]
- 0.1% Not Third-Party Validated

GOAL: All manufacturing locations adhere to wood sourcing principles, such as FSC®, PEFC™ or other third-party validation to ensure 100% of the wood fiber in our products comes from responsibly managed forests, recycled waste streams or recovered wood sources by 2030.

STATUS: Achieved a 99%+ validation.



Responsible forestry is about more than just trees

Forests are home to the majority of terrestrial wildlife and plant species. As such, responsible forestry is a fundamental tool to tackle biodiversity loss of habitats for a large array of plants and animals, many of which are rare or threatened.

Forests are home to...

80% of amphibian species*

68% of mammal species*

75% of bird species*

*FAO. 2022. The State of the World's Forests 2022. Forest pathways for green recovery and building inclusive, resilient and sustainable economies. Rome, FAO.

[1] Includes Chain of Custody and Controlled Wood Standards.
[2] Sourcing investigation with use of external auditing services to ensure wood is sourced according to Lacey Act requirements, including but not limited to, on-site visits, conclusive risk and origin risk.

Logistics Efficiency

At Mohawk Industries, we weave sustainability into our logistics operations. We have implemented auto shut-off devices in our trucks to reduce idling and cut unnecessary fuel consumption, minimizing our fleet's environmental impact.

Additionally, by using routing optimization software, we streamline delivery routes and ensure compliance with federal and state emissions levels, boosting efficiency. Backhauls are crucial for our fleet's efficiency. We have consistently reduced "empty miles" each year. Interestingly, while reducing empty miles lowers overall miles and trucks on the road in the United States as a whole, it paradoxically increases Mohawk Industries' miles and fuel consumption as we increase backhauls. This underscores the complexity of balancing sustainability with market demands.

OWNED AND OPERATED LOGISTICS—2023

62M miles traveled

~3M miles traveled on biodiesel

27% increase in biodiesel consumed year-over-year



Product Recovery and Reuse

While we have direct control over operational phases like manufacturing, sourcing and supply chain, partnering with customers becomes imperative to prevent products from ending up in landfills after their useful life cycle is over. Mohawk actively fosters collaboration by implementing initiatives for the recovery, reuse and recycling of flooring materials, promoting more sustainable decision-making. As we design our products, we consider product circularity principles to enable product take-back and increase recyclability. Today, our nylon and PET carpet fibers, wood products such as paneling and flooring, LVT, insulation and tile are 100% recyclable. Our product take-back programs evaluate product condition and contamination and find the best outlet to maximize resource stewardship. Through these efforts, we are completing the circle of product life cycles, advancing circularity and lessening dependence on finite resources.

- **Beginning in 2024, Mohawk Group** and **Mohawk Flooring** expanded the ReCover Program to accept carpet pad, luxury vinyl tile (LVT)/stone polymer composite (SPC), sheet vinyl, laminate, vinyl composite tile (VCT) and engineered wood products.
- **Unilin's** take-back program collects wood-based panels, floors and insulation materials.
- **Godfrey Hirst's** 3R program accepts carpets, vinyl and hybrid floors.
- **Dal-Tile's** take-back program provides an alternative to landfill disposal for unusable or waste ceramic and porcelain materials, operating across three manufacturing locations where the materials are incorporated into new products.

For further details on each business' commitment to product recovery and reuse, please visit the Global Impact section of this report.

44.9M pounds
of recovered end-of-life products in 2023



PRODUCTS



Marazzi Group

Ceramic Tile

- The average lifespan of ceramic tile is approximately 75 years, the longest of any type of flooring, so the product's extended life cycle reduces future replacements.
- 99% of Dal-Tile's manufactured tile collections contain recycled materials.
- Marazzi Group has implemented a water management process to recover 100% of the wastewater generated from tile production.

Residential Carpet

- In 2023, we launched our new PETPremier carpet collections, which are composed of polyester fiber from recycled polyethylene terephthalate (PET) bottles and feature inherent stain resistance backed by our exclusive All Pet® protection and warranty.
- EverStrand and EnviroStrand carpet fibers are made from recycled PET plastic bottles using our proprietary Continuum process, thereby repurposing almost 60 billion bottles during the past decade.
- Our exclusive SmartStrand™ carpet fiber (Triexta) is made in part from bio-based material and is inherently stain resistant and durable.



PETPremier



Quick-Step Signature Laminate in Soft Patina Oak

Wood/Laminate Flooring

- 100% of the wood used in Unilin Group's laminate flooring collections is recovered from sources such as roadside maintenance and sawmills and would otherwise be burned.
- End-of-life trees from the Malaysian rubber industry become cores for our parquet wood flooring.
- In 2023, Flooring North America's RevWood™ and RevWood Contract™ flooring collections obtained a certified environmental product declaration.

Resilient

- Flooring North America's award-winning Renewable Polymer Core (RPC) product, PureTech™, offers a polyvinyl chloride (PVC)-free alternative to resilient flooring while maintaining waterproof capabilities and exceeding the scratch resistance of traditional LVT.
- Our Dalton, Georgia LVT manufacturing facility utilizes 100% of its post-industrial waste materials, creating a closed-loop process.
- Through our ReCover Program, Unilin collects and recycles used vinyl flooring through external partners.



PureTech™


EcoFlex ONE™

Carpet Tile

- Mohawk Group's EcoFlex ONE has our lowest embodied carbon offering for soft surface flooring. Because recycled material emits less carbon than virgin material, manufacturing this product reduces emissions by 64% compared to traditional cushioned carpet tile. Each square yard contains the equivalent of 28 plastic bottles diverted from landfills and has an average of 76% recycled content. EcoFlex ONE also has the lowest freshwater consumption in the industry.[1]
- Mohawk's award-winning ReCover Recycling Program diverts carpet from landfills through a partnership with external vendors.
- GH Commercial in Australia has formed a partnership to test the use of carpet waste as an alternative to steel reinforcement in concrete.

Countertops

- Daltile's manufactured quartz, porcelain and natural stone countertops are composed almost entirely of naturally occurring materials and provide durable finishes that reduce the need for early replacement.
- Many of Daltile quartz countertop collections are certified GREENGUARD® or GREENGUARD Gold, having met some of the world's most rigorous third-party chemical emissions standards.
- Marazzi porcelain stoneware slabs conform to NSF/ANSI 51, meaning that they do not shed hazardous or toxic substances and are safe for use in kitchens where food safety and ease of cleaning is crucial.


Grande Marble Look Patagonia Lux RT

[1] See Carbon Substantiation.

Rugs

- Mohawk recycles PET plastic bottles into the fiber used for polyester area rugs, bath rugs, non-woven mats, rug pads and other products.
- In 2023, Mohawk Home upcycled more than 45 million pounds of tires to create decorative door mats.
- Mohawk converts waste carpet fiber into non-woven rug pads.


Mohawk Home Embry Floral Watercolor Area Rug


Master Oak Melamine Panels

Panels

- In 2023, 95% of the wood used in Unilin Panel's chipboards was recycled wood.
- Unilin Panels pioneered and patented the technology to recycle MDF and HDF material to produce new boards.

Insulation

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


Utherm Wall LE

PEOPLE

Through the products we create and beyond, we aspire to enhance the lives of our employees, customers, consumers and the communities in which we operate. Our diverse, talented and dedicated workforce is driving sustainable growth and creating long-term value for all stakeholders, including themselves.

We make a meaningful impact in the lives of our team members by working to create safe, hazard-free environments that support employee health and well-being and empowering our employees through professional development programs that foster a culture of opportunity, inclusivity and respect. We recognize our responsibility to support local initiatives and champion broader philanthropic efforts to improve the quality of life in the communities we call home.

Our commitment to being better for people is ingrained in everything we do. By aligning our actions with this purpose, we fulfill our desire to act as responsible corporate citizens and to leave a legacy of positive change.



Mohawk's success stems from our thousands of talented team members around the globe. They drive product innovation, deliver continuous operational improvements and delight customers. By prioritizing attracting top talent and investing in people, we cultivate opportunities, fuel growth and foster engagement across all levels. Our victories reflect our thriving workforce, one in 10 of whom has been with Mohawk for 25 or more years."

ROD WEDEMEIER
Senior Vice President
Human Resources

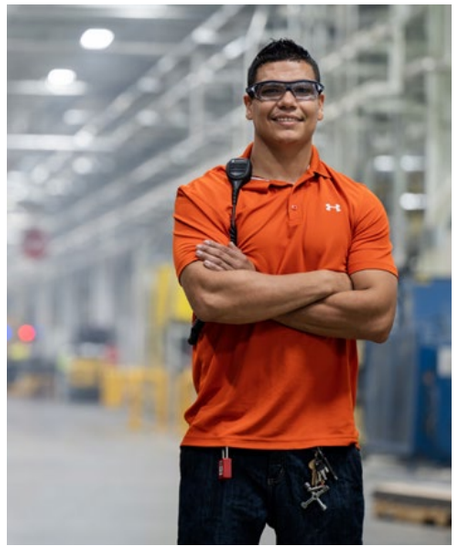
High-Performing and Inclusive Workforce

Mohawk's inclusive workforce environment mirrors the communities in which we operate, which includes individuals of diverse racial and ethnic groups, gender identities, abilities and experiences. An inclusive workforce enriches our Company culture and better enables us to innovate and connect with our global customer base.

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. Across the organization we promote inclusivity at Mohawk through initiatives such as:

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







2023 HIGHLIGHTS[1,2]

~43,300
employees worldwide

10.4%
of global workforce has been with the Company for 25+ years

43.0%
of U.S. workforce is Black, Indigenous, and People of Color (BIPOC)

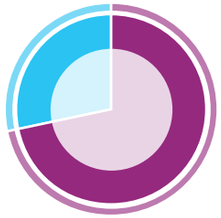
49.6%
of all 2023 U.S. hires were BIPOC

[1] Data as of 12/31/2023.
[2] As of 12/31/2023, the Company employed approximately 43,300 persons, consisting of approximately 17,100 in the U.S. and Canada, approximately 14,900 in Europe, and approximately 11,300 in other countries. Some recent acquisitions are not yet integrated into our global Human Resource Information System (HRIS), which limits the detail we can access on employees in those businesses.

2023 EMPLOYEE DEMOGRAPHICS

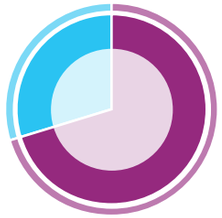


Employees by Gender



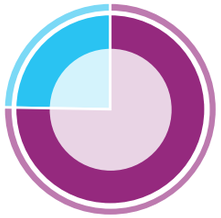
- 71.9% Male
- 28.1% Female

New Hires by Gender



- 70.4% Male
- 29.6% Female

Leadership by Gender[1]



- 75.4% Male
- 24.6% Female

Employees by Age Range



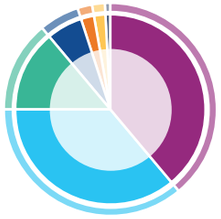
- 17.4% <30 Years
- 52.1% 30–50 Years
- 30.5% 50+ Years

New Hires by Age Range



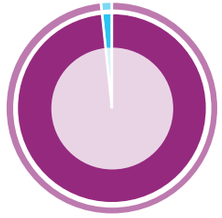
- 40.2% <30 Years
- 47.0% 30–50 Years
- 12.8% 50+ Years

Employees by Region



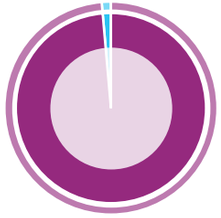
- 39.1% U.S.
- 36.2% Europe
- 14.0% Mexico
- 6.0% Brazil
- 2.4% Australia/New Zealand
- 1.8% Malaysia
- 0.5% Other

Employees by Type



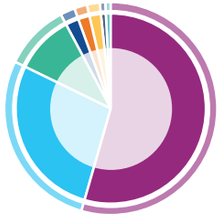
- 98.4% Full-Time
- 1.6% Part-Time

New Hires by Type



- 98.8% Full-Time
- 1.2% Part-Time

U.S. Employees by Ethnicity



- 54.9% White
- 27.9% Hispanic/Latino
- 9.9% Black/African American
- 2.2% Asian
- 2.1% Other/Chose Not to Disclose
- 1.8% Multiracial (not Hispanic/Latino)
- 0.9% American Indian/Alaska Native
- 0.3% Native Hawaiian

[1] Leadership is defined as employees with direct reports.
[2] Data as of 12/31/2023. Some recent acquisitions are not yet integrated into our global HRIS, which limits the detail we can access on employees in those businesses.



In 2023, Unilin launched The Dive, a holistic vision on personal development, continuous growth and lifelong learning, offering a broad range of training courses, product training, plant visits, leadership programs and communications on health and well-being. In addition, it serves as an ecosystem, going far beyond learning and development solely for our own employees. The Dive builds strong partnerships with schools, teachers and students and makes education a shared responsibility with industry.

Training and Development

By empowering our employees to achieve their fullest potential and pursue their long-term aspirations, we strengthen our capacity to cultivate and retain a high-performing global workforce, equipped with the skills necessary to drive our business forward, advance their own individual careers and enact positive change. We consistently seek out and implement cutting-edge approaches to learning, development and engagement, continually leveraging our expertise to refine our methods. Each business unit builds comprehensive, accessible talent development programs, specific to its unique operational and management systems, across all levels and career stages to achieve maximized business results by growing our sustainable internal talent pipeline. This adaptability allows us to effectively meet the evolving needs of our customers while retaining top-tier talent, thereby promoting the sustained growth and success of our business on a global scale.

- In 2023, Marazzi Group delivered more than 10,000 hours of learning to approximately 2,300 participants regarding issues such as safety and the environment, management, information technology, foreign languages and technical skills.
- In Flooring North America, we provide opportunities for growth at all career stages through our ENGAGE, ASPIRE, ASCEND, RISE and LEAD development programs.
- Dal-Tile's Corporate Mentorship program matches team members with different experience levels and across different functional areas to learn from each other and increase knowledge about different roles.

For more information on training and development initiatives in each our businesses, please visit the Global Impact section of this report.

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. Mohawk's commitment to health and wellness 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. Being a global business, we adapt the offerings based on the needs of employees in each region. These can include local healthy life centers, support services, telehealth, training and learning platforms.



Zero-Harm Workplace

Mohawk is committed to fostering safe and healthy environments worldwide, where hazards are minimized, employee well-being is paramount and safety is a top priority across all levels of operation. Safety is a core Company value that is continuous, driven by leadership commitment and embraced by all levels of employees in their daily tasks. We continue our work toward lowering our recordable incident rate to 1.0 by 2030. Our dedication to safety extends beyond the mere absence of injuries and accidents; we work to ensure that every employee feels confident and reassured as they begin their workday, knowing that their safety, health and overall well-being are fundamental values upheld by Mohawk.

By prioritizing safety and employee well-being on a global scale, we not only protect our most valuable resource—our people—but also foster a culture of care, trust and resilience across all regions where Mohawk operates. Together, we work toward creating a safer, healthier and more productive environment for all.

Recordable Incident Rate



GOAL: Reduce the recordable incident rate to 1.0 by 2030.

STATUS: Achieved a recordable incident rate of 1.43, a 24% reduction from our 2010 baseline year.



Community Connection

At Mohawk, community engagement is at the heart of everything we do. We recognize the vital role our employees play in the places they call home, and we are committed to making a positive impact wherever we operate.

By investing in and engaging with local nonprofit partners to improve the quality of life in the communities where we live and work, we empower people to make a tangible difference in their communities. Our businesses and colleagues worldwide contribute to a range of initiatives, and we proudly support their efforts, including:

- Supporting genU's Arts Programme and ArtLifting, championing artists impacted by disabilities and housing insecurities in the Oceania region and North America, respectively.
- Marazzi contributed to the restoration of Sassuolo's 1600s clock tower. Marazzi donated the tower's ceramic clock face in the 1980s during the square's first renovation.
- Supporting the fight against cancer with participation in Kom op tegen Kanker™ run in Belgium and Susan G. Komen™ 3-Day event.

Our local teams manage initiatives like product donations, cause marketing and employee citizenship to create meaningful and far-reaching impact. We believe that by working together, we can create a brighter future for all. For additional information on community activities in each of our businesses, please visit the Global Impact section of this report.

LAA Graduation



Wreaths Across America





Susan G. Komen



Take 3 for the Sea

GLOBAL IMPACT

Mohawk Industries' impact is felt worldwide, influencing communities and environments in various ways. Our range of global brands is about more than just making surfaces; it is about creating "surfaces with purpose". This commitment echoes in everything we do, from designing inventive flooring solutions to promoting eco-friendly practices that reduce our environmental impact. Whether we are reducing waste and energy use in manufacturing or giving back to local communities through charitable endeavors, our commitment to making a positive difference is felt wherever we operate our facilities. Through teamwork, creativity and responsible management, our global businesses are leading the charge toward a better future, one surface at a time. To highlight the local impact of each of our businesses, we are pleased to share their activities in the following section.



Across the Company, our commitment to sustainability has the dual impact of benefiting people and our planet and improving our results. Our investments in sustainable products and operational enhancements directly influence our top and bottom line. As the world's largest flooring company, we recognize the importance of driving positive change, and we are committed to continuous improvements in our sustainable initiatives."

JIM BRUNK
Chief Financial Officer



Global Ceramic

daltile AMERICAN OLEAN MARAZZI



At Dal-Tile, our mission is to craft beautiful tiles responsibly, every single day. We bring sustainability to life through our products and responsible manufacturing processes. As dedicated stewards of our global impact, we leverage resources to shrink our environmental footprint, reduce waste and reinvigorate our industry with sustainable inspiration."

MATT KAHNY
President of Dal-Tile, LLC

2023 Achievements

- From 2018 to present, we have reduced our carbon footprint by over **17%.**[1]
- Overall, we recover and reuse **84%** of all process wastewater in our U.S. and North American-based facilities.
- We've prevented over **125 million** gallons of wastewater from entering local municipal water treatment facilities.
- **Over 99%** of our tile collections contain recycled materials.
- We have sent **millions of pounds** of materials to state-approved beneficial reuse program.
- Since 2018, we have reduced our overall energy consumption by **11%** at all sales service centers and distribution facilities.

2023 Highlights

In the past seven years, nine manufacturing facilities have achieved Mohawk's Internal

Zero Landfill Certification

6 out of 11
of our manufacturing facilities are zero-discharge facilities (meaning they recover and reuse a full 100% of their process wastewater)

Recovered and reused
300M pounds
of recycled and/or reclaimed material in 2023

We've recycled over
341 U.S. tons
of cardboard and office paper, averaging 68 tons per year since 2018

[1] See Carbon Substantiation for details.



OUR PROMISE

Award-Winning OUR PROMISE Sustainability Platform

Dal-Tile's comprehensive OUR PROMISE campaign is a robust communication and education endeavor aimed at showcasing the environmentally friendly and sustainable aspects of the brand's products and processes to all customer segments. This extensive messaging program is seamlessly integrated into every stage of the customer's shopping journey, from the initial digital interaction to the in-store experience.

Initiated in 2022, Dal-Tile has diligently worked on this campaign, offering a sneak peek during the 2023 International Surface Event (TISE) and International Builder Show tradeshows, as well as featuring prominently in all tradeshows throughout the 2023 year and into 2024. The campaign garnered significant attention and was honored with the prestigious "Best of Sustainability / Disruption" at TISE 2023.

OUR VALUES

1. Zero-compromises on ethical standards.

2. Policies that prioritize health, safety and respect.

3. Robust education and training to provide opportunities to everyone.







GARY SINISE FOUNDATION

Helping Heroes R.I.S.E.

"Freedom and security are precious gifts that we, as Americans, should never take for granted. We must do all we can to extend our hand in times of need to those who willingly sacrifice each day to provide that freedom and security. While we can never do enough to show gratitude to our nation's defenders, we can always do a little more."

GARY SINISE



Jason Church
U.S. Army Captain (Ret.)



John Borders
U.S. Army Sergeant 1st class (Ret.)



Jose Armenta
U.S. Marine Corps Corporal (Ret.)



Ian Prescott
U.S. Army Sergeant 1st Class (Ret.)



Ryan Davis
U.S. Army Sergeant 1st Class (Ret.)



Sharif Muzayen
U.S. Marine Corps Corporal and Police Officer (Ret.)

Over the past several years, Dal-Tile has had the privilege of teaming up with a wonderful foundation dedicated to helping many of our nation's most-deserving heroes. The Gary Sinise Foundation's R.I.S.E.® (Restoring Independence Supporting Empowerment) program provides mortgage-free, specially adapted smart homes for severely wounded service members and first responders. Once again in 2023, Dal-Tile had the honor of donating tile for these homes. In each of the home builds, the heroes visited their nearest Dal-Tile showroom and selected the tile options for their forever home.

The fully customized homes make a tremendous difference in the lives of the men and women who have served and given so much on behalf of their country and continue to persevere against their physical challenges. It is a great feeling to see the joy these heroes experience when they see their new homes for the first time. Dal-Tile is very grateful for the opportunity to help honor and serve our heroes and their families.

For more information on the Gary Sinise Foundation's R.I.S.E.® program, please visit: www.garysinisefoundation.org/rise



Shane Parsons
U.S. Army Sergeant (Ret.)



Mark Priebe
Police Officer (Ret.)

LEADher

The LeadHER initiative establishes a community of interest around women in leadership, increases connections and promotes professional growth.

Historically, the workforce within the flooring industry has been predominantly male. However, over the last few decades, workplace demographics have changed and become more diverse. Companies are increasingly recognizing the importance of having talented leadership that reflects that diversity.

Hilary Frank (Regional Vice President of the Midwest Sales Region) and Whitney Welch (Vice President of Commercial Sales), have grown their careers at Dal-Tile. In 2022, they launched the LeadHER initiative to help other women teammates grow as leaders within the company. "Through the program, we're mentoring and developing women to excel in their current positions while preparing them to take on other leadership roles with greater responsibilities across the organization," Frank said. "LeadHER is designed to create a women's focused community of interest within Dal-Tile." The two established a steering committee for the initiative, which includes women leaders director-level and up, from all around the business.

In 2023, we continued to invest in and expand the LeadHER program with quarterly speakers and panels, achieving a record year of mentorship participation. We expect the program to continue growing each year. On International Women's Day in March of 2023, the group held the first in a series of planned LeadHER engagement sessions for women at Dal-Tile, featuring guest speaker Shannon Bayer from Linkage.

President Matt Kahny and Senior Vice President of Sales Scott Maslowski also joined the session, voicing their support for greater connection and collaboration among women across the business.

A second engagement session was held in the second quarter, featuring guest speaker Andrea Hyre from Paradigm Shift who shared her insights. This was followed by a third-quarter session with Marsha Clark, author of *Embracing Your Power with Gender Differences*. Finally, the fourth quarter featured a panel discussion lead by the LeadHER Steering Committee.

The LeadHER program is also currently conducting its annual internal one-on-one mentoring program, with additional training and development opportunities planned. "We think that LeadHER can foster the kind of networking and knowledge sharing that will help our peers become even more engaged, increasing the pipeline of women at Dal-Tile ready to lead," Frank said. "It is a community of interest that ultimately strengthens our organization by inspiring professional growth."



Q4 Discussion by LeadHER

LeadHER Steering Committee left to right:
Marion Vancauwenbergh, Christine Phillips, Beverly Randall, Amber Leigh Martinson, Hilary Frank, Whitney Welch, Paij Thorn-Brooks, Misty Ledbetter, Shannon Story-Price, Cathleen Smith, Christina Van Dusen

grupodaltile®
apasionados por la cerámica



At Grupo Daltile, we are committed to leading with integrity and purpose. Our sustainability efforts are not just about compliance but about creating a lasting positive impact on the planet, our people and our business."

EUGENIO MARTINEZ SERNA
President and General Director
Grupo Daltile, Mexico

2023 Achievements

- Implemented new measures to reduce concentration of dust particles to **87% under the maximum permissible levels**.
- **An average of 94%** under the Maximum Permissible Levels on Dust Particles annual assessment corresponding to NOM 043—SEMARNAT.
- **122 trees and 200 pollinated plants** were donated to Santa Catarina in September and November 2023.
- About **3,200 team members** participated in a variety of activities corresponding to SA8000 certification and environmental, social and responsible programs, like breast cancer detection, preventative vaccines application, sports tournaments and internal races to improve teamwork in the operations.

2023 Highlights

23%
year-over-year improvement in dust particle concentration

320+
trees and pollinator plants installed in local communities

3,200+
team members and families engaged in social and well-being programs

Our Brands

daltile®
AMERICAN OLEAN®
VITROMEX® MI ESPACIO, MI MUNDO
MOHAWK®
ARKO® INNOVATION DESIGN
ARTEMIS.

Climate-Positive Future

Combating Dust and Air Pollution

In 2023, we were able to reduce the average concentration of particles in our spray dryers by 23%—from 44.3 milligram per cubic meter (mg/m^3) to 34.0 mg/m^3. This reduction was accomplished through the installation of several preventive measures, including sprinklers and a waterfall to collect more dust at the end of the spray dryers. We also made improvements to water pump pressure in these features to optimize efficiency.

Adjustments to suction fans and improvements to the chimney of our floor plant spray dryer #2 have also aided in the reduction in dust particle emissions. We monitored our progress, with 72 dust collectors through audits completed during 2023.



Reforestation Efforts

The fall is the time for planting trees, and from September to November we donated 122 trees and 200 pollinator plants to the community. Additionally, we planted 140 trees on our San Pedro operations site.

The tree plantings created an opportunity to connect with the communities in which we operate. The events were attended by the Environment Governance Secretariat and the Mayor.

Better for People

Process Improvement

Following up on our culture of constant pursuit to improve processes and bring the best results to our stakeholders, we implemented 165 kaizen projects throughout our manufacturing operation in 2023. Collaboration across various areas have driven high-impact projects, including internal Apex dashboard processes in regard to key performance indicators and information reliability, as well as manufacturing and maintenance cost savings. The combined results of these projects have had a positive impact in Quality, Productivity, Environmental and Waste indicators.

Talent Development

Sixteen high potential leaders completed our in-house management skills development program, developing a more robust vision of the business and their individual contributions as potential leaders.

Additionally, nine production managers in operations successfully completed a 150-hour training program focused on relevant technical and management skills through a hands-on approach. Given the success of this program, we will soon roll out the second edition where 16 key leaders will embark on this journey of knowledge and skills.



Investing in Health and Well-being

A healthy and happy workforce is important for creating an engaged and productive environment. To this end, we have invested in our teams in a number of ways including:

- Specialized ergonomic improvement projects that have reduced risk of injury in 13 critical working positions.
- Races that support the fight against breast cancer.
- Summer camps for team members' children.
- Hosting sports tournaments like soccer and baseball for team members and their families.

MOHAWK
Brasil



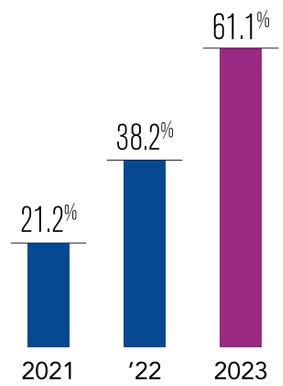
While we work to improve our operations, we continue to invest in making our workplaces more positive for the people who drive our success."

EDSON GAIDZINSKI JR.
President
Mohawk Brasil

2023 Achievements

- Acquisition of Elizabeth in 2023, making Mohawk Brasil the market leader with approximately 14% of the market share in Brasil (by revenue).
- Approval of the 2023/24 investment plan, focusing on cost reduction projects, improvement in product mix, automation and sustainability.
- Participation in major international Ceramic Tile & Stone Expo Shows, with expansion of the ceramic portfolio across all brands and the introduction of LVT under the Eliane Floor brand.
- Information system integration and capture of operational synergies under the Elizabeth brand.

Percent Renewable of Total Electricity Consumption[1]



[1] Based on market-based emissions.

Our Brands

Elizabeth
eliane floor
eliane
DECORTILES

Maxilimiano Gaidzinski School



"Transform and contribute to the social environment."

With this vision, Edson Gaidzinski founded the CMG (Maxilimiano Gaidzinski School) in 1979. His goal was to improve the quality of the workforce in the ceramic sector by creating an educational institution. Nowadays, it offers education on high school level and vocational studies in Electromechanics and Ceramic.

In addition, the educational programs are extensive and diversified, covering technical courses and subjects such as Health and Safety, Interpersonal Relations, Technical Writing and Computer Science.

CMG provides a strong technical background by promoting contact with senior professionals of the industry and students. It offers the best source of qualified workforce for our operational areas. Currently, more than 100 employees and 36 managers are former students.

In 2023, CMG promoted actions focused on research applied to scientific, technological and innovative character, as evidenced by:

- Recognition of the 2023 works at the Chemical Industry Forum of Southern Santa Catarina;
- Participation in 2023 State Robotics Olympiad, receiving the award for Best Private School in the competition in the State of Santa Catarina;
- Achievement of 2nd place in Brazilian Youth Parliament of Santa Catarina; and
- Achievement of Medal of Honor in the National Science Olympiad.

Almost 50 years in operation and remains a national reference for ceramic schools.





Our Initiatives

Noise Reduction Through Technology in SC3

In the production of ceramic tiles, one of the most important processes is the firing of the raw material. This stage uses kilns that are located in large areas. In one of the plants, this area is approximately 430,556 square feet (ft^2), equivalent to five soccer fields, and has one kiln operator per shift.

Originally, the plant used a system of sirens and visual signals. Once the siren was triggered, the operator was required to walk large distances to identify where the problem was, and the siren was heard throughout the plant and by the neighbors.

To improve this condition, a handheld digital device was installed. It was designed to notify only the kiln operator and the supervisor in which of the kilns the problem is located. After eliminating the use of the sirens, the noise level dropped to 21 decibels (dB) inside the factory and 5dB outside.

Talent Pool

Talent Pool is one of our strategic training and development programs. It aims to prepare employees working in industrial areas for future career opportunities, filling positions that require specific qualifications. For each role, there is a customized learning and experience pathway. In addition to career guidance, technical knowledge and behavioral skills are developed. In 2023, five calls for applications were opened, preparing 80 professionals. Of these, 60% were promoted throughout the year. With each new call, the program is refined and strengthened as one of the main pathways for development and growth in the industry.

Anti-Harassment Training for Management

In addition to the annual training of 100% of employees on the Code of Ethical Conduct, for employees in leadership positions, from supervisors to directors, there is an annual training agenda in the Leadership Academy program. All coordinators and supervisors participated in third-party trainings on anti-harassment.

Moreover, prevention of harassment was the theme of the 2023 Internal Workplace Accident Prevention Week covering all employees. The topic was addressed along with other relevant issues concerning work relationships and mental health.

Implementation of Sustainability Indicators in Power BI

In 2023, the environmental indicators, which were previously presented in Excel spreadsheets, were published in Power BI dashboards. The aim of this improvement was to facilitate access to and visualization of environmental indicators, the achievement of targets and other relevant information.



Units in the Northeast Concentrate Efforts to Obtain Zero Landfill Certification

In 2022, the plants at Mohawk Brasil demonstrated a remarkable commitment to recycling and reuse of waste, achieving impressive recycling/reuse percentages of 99.98% at Cocal do Sul Plants.

During 2023, we continued to advance on our journey towards sustainability. Our Camacari Plant received Zero Landfill certification, achieving a landfill diversion percentage of 98.93%. The company has also invested in employee training on issues related to solid waste and selective collection. The training provided at the RN1 Unit raises awareness among employees and is an integral part of the company's strategy to obtain Zero Landfill certification.

Improving Energy Efficiency in Kilns and Dryers

Some equipment that produces porcelain tiles in large formats were identified as less efficient compared to the performance of other similar kilns and dryers in terms of gas consumption. These machines were found to consume more fuel to produce the same amount of porcelain tile.

An external system was therefore developed to reuse the heat and redirect it to the same kiln or directly to dryers in order to improve energy efficiency.

With the new system operating two kilns and two dryers, fuel consumption was reduced by approximately 28,270 cubic feet/day of natural gas. As a result, the generation of greenhouse gases (GHGs) was reduced by 3,647 pounds (lbs) of CO_2e per day or 603 metric tons CO_2e per year (according to the GHG Protocol).[1]

It would take 1,874 trees over 30 years in reforestation projects to capture this amount of CO_2 from the atmosphere.

Reuse of Products Inside the Factory

One of the consequences of the manufacturing process is defective products, known as scrap. It was noted that some of the scraps generated had small defects, sometimes only at one end of the ceramic tile. In one of the factories, a type of tile is produced that has the same reference (aesthetics), but in a reduced size, called a skirting product. Residue that was previously discarded now returns to the process, generating value for the company.

The reuse of parts resulted in savings of 1,605.80 lbs of material in one year and over 258,333 ft², which corresponds to 35% of the total production of skirting boards at the manufacturing plant.

Carbon Footprint Report

During 2023, Mohawk Brasil conducted a thorough analysis based on data from the previous year to assess the carbon footprint associated with ceramic tiles. The results highlighted that the largest contributions to the carbon footprint are directly linked to emissions from the use of fuels during the different stages.

This finding is crucial for understanding the critical points in operations and directing efforts to reduce environmental impact. Notably, when comparing the data for 2021 and 2022, there was a 10% reduction in CO_2e emissions.[1] This decrease was attributed to the implementation of measures that resulted in a reduction in the consumption of these fuels per square meter of product, demonstrating the commitment to promoting more sustainable practices in the production chain.





[1] See Carbon Substantiation.

MARAZZI GROUP



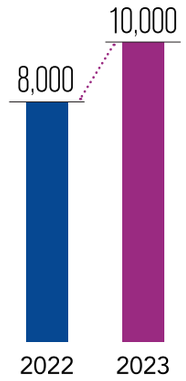
Our approach to sustainability starts with the people and communities within which we work."

MAURO VANDINI
CEO
Marazzi Group

2023 Results

- Top Employers Italy for the eighth consecutive time.
- Best Employers Italy for the second consecutive time.
- FCMs (Food Contact Materials) certification, confirming that our large porcelain slabs meet the safety and health standards set by the EU for contact with food.
- MIAW (Muuuz International Awards) presented to the Marazzi Crogiolo collections and Ragno Inedito and Richmond collections in the "Layout, materials and coverings" category. This award is assigned to the most innovative products in both technology and design.

Hours of Training



2023 Highlights

120%
of process water reused (includes external sources)

99.6%
of waste recycled

63
collections produced with 30% to 40% recycled material

MARAZZI RAGNO

Restoration of the Clock Tower and the New Exhibit in the "Appartamento di Orlando" of the Palazzo Ducale in Sassuolo.

Maintaining its active cooperation with and support for local cultural institutions and organisations, in 2023 Marazzi Group contributed to the restoration of the Torre dell'Orologio, or Clock Tower, and the creation of the exhibit in the new wing of the Palazzo Ducale in Sassuolo.

The restoration of the Tower, carried out by the City of Sassuolo with the aid of Marazzi Group, returned to its former glory an architectural feature that has become a symbol of the town. Built between 1676 and 1680 to the design of the Duke's architect Antonio Loraghi, the Tower, known as "Il Campanone" dominates Piazza Garibaldi, the square at the heart of the city that hosts markets, talks, performances and public events year round. The Tower has been refurbished by a number of architects during its lifetime and last underwent major maintenance in the 1980s, when Marazzi donated its ceramic clock face. There is a special bond between Marazzi and Piazza Garibaldi, site of the historic grocer's shop once owned by the company's founder.

Organised by the Gallerie Estensi of Modena and the Italian Ministry of Culture, the new installation in the "Appartamento di Orlando" at the Palazzo Ducale in Sassuolo, one of the most important Baroque stately homes in northern Italy and part of the Gallerie Estensi museum circuit, involved five rooms in the Palazzo's southern wing not previously open to the public on a regular basis. The exhibit created illustrates the Palazzo's transformation from feudal castle to park and summer and autumn residence of the Dukes of Modena. The story is told through reconstructive models, videos and projected images that illustrate the splendour of the court's ceremony and rituals, evoking a past world that fundamentally shaped Sassuolo's landscape and economy.

For the seventh consecutive year the Crogiolo centre, at our headquarters, hosted the City of Sassuolo cultural festival, with free performances for the townspeople, and it also welcomed the events organised by the towns of the Ceramics District and various community associations to mark International Women's Day.

Gallerie Estensi Palazzo Ducale, Sassuolo—Italy. Ph. Corrado Ravazzini





"Il Campanone": Clock Tower, Piazza Garibaldi, Sassuolo—Italy. Ph. Corrado Ravazzini



Flooring North America



Families want beautiful products that perform well. But more than ever, they also consider the material in the products, how it is made, and whether the company is a good corporate citizen. Mohawk checks those boxes."

PAUL DE COCK
President
Flooring North America

2023 Achievements

- Three new sustainability partnerships; Plastic Bank, One Tree Planted and Rhinory.
- Launched Pet Premier, featuring enhanced styling and pet protection and made from recycled plastic bottles.
- Introduced PureTech, our first PVC-free resilient product.

Awards and Recognition

- GreenStep Award Honoree: "More with Mohawk" campaign
- 2023 Campus Forward Award
- 2023 College and Career Academy Business Partner of the Year for Georgia
- 2024 "Best of Surfaces" Product Award: PureTech
- 2024 "Best of Surfaces" Style and Design Award: SolidTech Premier with Signature HDX Technology

Our Brands

MOHAWK
Karastan
PERGO
QUICK·STEP
iVC RESILIENT DESIGN
Godfrey Hirst
MOHAWK HOME
PERFORMANCE ACCESSORIES

Product Highlights



PureTech™

PureTech resilient flooring is 100% PVC-free and is made with over 70% recycled, bio-based content. And with three times the scratch resistance of traditional LVT, customers can rest assured knowing their floors will last for decades without needing to be replaced.



RevWood®

In 2023, **RevWood** underwent a thorough life cycle analysis to better understand the environmental impacts associated with our U.S.-manufactured laminate flooring. The resulting Environmental Product Declaration revealed the natural carbon sequestration properties of wood-based products with a negative Global Warming Potential score.[1]



PETPremier™

Leveraging our proprietary Continuum™ process to create new innovative products allows us to find new ways to incorporate recycled PET bottles. **PETPremier** uses these bottles to form the base fiber of our premium polyester carpet, with a new, softer feel and inherent stain resistance backed by All Pet® Protection & Warranty.



SmartStrand®

Known as one of the softest, most durable, easiest to clean carpets on the planet, **SmartStrand** is also made in part from rapidly renewable, plant-based fiber.

[1] See Carbon Substantiation.

Continuum™ Process

Our Mohawk Summerville facility is home to one of the largest integrated recycling operations in the U.S. At this single facility, we have recycled almost 6 billion plastic water bottles per year during the last decade. As we explore new ways to integrate recycled PET into our products, we continue to improve our processes. In 2023, we upgraded our washers to AMUT's 4,000-kilogram-per-hour flake washing system resulting in reduced water and chemical consumption in the cleaning process while achieving better quality. "The cleanliness translates into improved performance in our downstream processes," Mark Dye, Vice President of Recycling Operations, said. "Since we are a vertically integrated business with our own recycling plant, extrusion fiber operation and carpet manufacturing production plants, we are seeing the quality improvements immediately with a cleaner flake."



Going for the Greens

The Wells Fargo Championship is the first event on the PGA Tour® to use 100% PET-recycled carpet in all hospitality areas. This allows for the carpets to be recycled and reused at future events, saving 22 tons of carpet from going into landfills and minimizing both environmental impact and waste.

> We are excited to partner with great companies like USA Event Carpet and the Wells Fargo Championship to utilize sustainable and environmentally responsible flooring solutions within a premier entertainment experience."
>
> **BART HILL**
> Senior Vice President
> Mohawk Home

Performance-Driven Workforce

Many operations in our Flooring North America (FNA) business segment are in small communities with competitive labor markets. Our internship program is a key recruitment channel, giving participants hands-on experience and opportunities to connect within the organization. In 2023, FNA welcomed around 175 interns, with 42% securing permanent positions at Mohawk. Our university recruiting team also helps students find ideal career paths by attending about 30 career fairs annually and engaging with students at over 60 other events.

Another initiative, the Work-Based Learning Program, allows high school juniors and seniors to gain work experience while finishing their education. In its first year, over 50 students worked at Mohawk facilities during the school year and summer. Our Pre-Apprenticeship Program provides a summer rotational for students with a technical trade interest and provides a path to apprentice with our Engineering Department in Dalton, Georgia. Additionally, the FNA team hosted Future Leadership Week, a week-long job shadow program for 15 rising seniors and college freshmen, offering them experience with leaders in their areas of interest. These programs have earned Mohawk local and state recognition for partnering with schools to address the need for manufacturing employees.

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 2023, we participated in 32 hiring events targeting veterans.



Mohawk was selected as a 2023 Campus Forward Award Winner for our unwavering commitment to seeking out and hiring early career talent, our emphasis on diversity and inclusion, and our investments in nurturing and retaining the next generation of talent.

Developing Top-Tier Talent

Throughout 2023, Mohawk was committed to both our current employees and the future workforce. In the U.S., we offer four tiers of development programs—from entry-level professionals to senior management.

ASPIRE

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

ASCEND

Tailored for ambitious frontline 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.



"I was also able to work with people from many different departments, divisions and many different backgrounds. . . That exposure to what other divisions or groups are working on, or what they are struggling with, was very enlightening."

JON OAKLEY
Senior Manager Production Laminate

Developing a Culture of Care



CARE OF PEOPLE



Susan G. Komen®

Mohawk has been a Susan G. Komen partner since 2001, with sales of products in our portfolio that support the fight against breast cancer. Mohawk is also the Official Flooring Sponsor of the Susan G. Komen 3-Day®.

United Way®

For over 40 years, Mohawk has been a United Way partner. Through corporate gifts, employee contributions and volunteer hours, we have helped improve the quality of life for children, families in need and the elderly across our communities.

Latin American Association (LAA)

We continue to strengthen our partnership through increased outreach in the regional Latinx community, establishing a scholarship fund for Latinx students, creating a local leadership council and providing funding for new and ongoing programs.

CARE OF PLACE

Habitat For Humanity®

Mohawk has served as a Habitat for Humanity sponsor for nearly 15 years, with employees actively participating in home builds and fundraising events to help people in need of affordable housing.

Tunnel to Towers Foundation®

Throughout our decade-long partnership with the Tunnel to Towers Foundation, we have provided support for the building of more than 80 smart homes for our nation's most severely wounded veterans and first responders.

Sunshine on a Ranney Day®

In partnership with the nonprofit organization Sunshine on a Ranney Day, Mohawk's hard surface products have been used in the design and creation of custom rooms for children with special needs.



CARE OF PLANET



Rhinory®

A Texas winery with a purpose, Rhinory is dedicated to preserving the endangered rhinoceros. Through our campaign starring Blake the Rhino, our SmartStrand carpet is raising awareness of the Rhinory's urgent cause.

Plastic Bank®

In partnership with Plastic Bank, we are helping to stop plastic from reaching the world's oceans. Proceeds from our PureTech and resilient flooring products contribute to this critical global goal.

One Tree Planted®

Mohawk is helping to plant trees and restore forests in partnership with One Tree Planted, with proceeds from our RevWood and TecWood™ hard surface products benefiting this urgent worldwide reforestation mission.

Mohawk Group



In 2023, Mohawk Group has strengthened our commitment to social responsibility by creating products that foster a more inclusive and supportive environment for everyone. These efforts embody our core value of not only becoming a better enterprise for the planet but also doing more to improve the lives of people."

JACKIE DETTMAR
Vice President, Marketing, Design & Product Development
Mohawk Group

2023 Achievements

- Secured our third Living Product Challenge recertification for the entire EcoFlex carpet tile product offering.
- Introduced an industry-first Sustainability Estimator tool to provide clients with detailed insights into the environmental impact of their flooring choices.
- Partnered with ArtLifting to launch five new collections, supporting artists impacted by housing insecurity or disabilities and highlighting inclusivity and social responsibility.
- Achieved a significant reduction in embodied carbon for the EcoFlex™ ONE modular backing system through manufacturing enhancements at our Living Site in Glasgow, Virginia.[1]
- Doubled the number of colorways offered in ColorPulse™, Mohawk Group's patent-pending water-saving yarn technology.

2023 Highlights

105%
beyond carbon neutral[1] all Mohawk Group flooring products

$1M+
donated to Susan G. Komen® through Specify for a Cure™

69%
less water used in our carpet tile manufacturing compared to the nearest competitor

64%
reduction in embodied carbon emissions[1] for EcoFlex™ ONE based on the latest EPD

45%[1]
lower embodied carbon in our domestic LVT than the industry average

7
sustainability awards for environmental impact and innovation

[1] See Carbon Substantiation.

PRODUCT HIGHLIGHTS



Wild Dyer

Wild Dyer, inspired by mushroom textures and colors, brings nature's palette indoors. Using **ColorPulse™** fiber technology's zerowater dyeing, it creates organic warmth with neutrals and bright accents while saving up to one cup of water per carpet tile.



Taking Root

A More Sustainable LVT

Taking Root is Mohawk Group's latest biophilic commercial LVT collection, inspired by nature. This product won Best of NeoCon Gold for sustainability with embodied carbon values 45% lower than the industry average.[1]



Medella Well

Mohawk Group's first **PVC-free** homogeneous resilient sheet, Medella Well combines evidence-based design and innovation to extend the quality of care in healing environments. The flooring is free of Red List chemicals of concern.



RevWood Contract[1]

Naturally Negative

RevWood Contract contains real wood, sequestering more CO_2 than it emits during the time of manufacture. The result is a floor that is naturally negative, without offsets, for a better impact on people and the planet.

[1] See Carbon Substantiation.

AWARDS

Interior Design Best of Year Environmental Impact Soft Surface: **Wild Dyer**

HiP Environmental Impact: Flooring: **Wild Dyer**

Best of NeoCon Gold: **Taking Root** (Hard Surface)

IIDA/HD Expo Product Design Awards Eric Engstrom Best of Competition: **Mycotopia**

IIDA/HD Expo Product Design Awards: Best of Flooring: **Mycotopia**

Floor Covering Weekly Pinnacle Sustainability Award for Living Product Challenge Petal Certification

Susan G Komen® Promise Award

Metropolis Planet Positive Award: **Wild Dyer**

Interior Design of Canada Innovation Award: Flooring: **Above and Below**

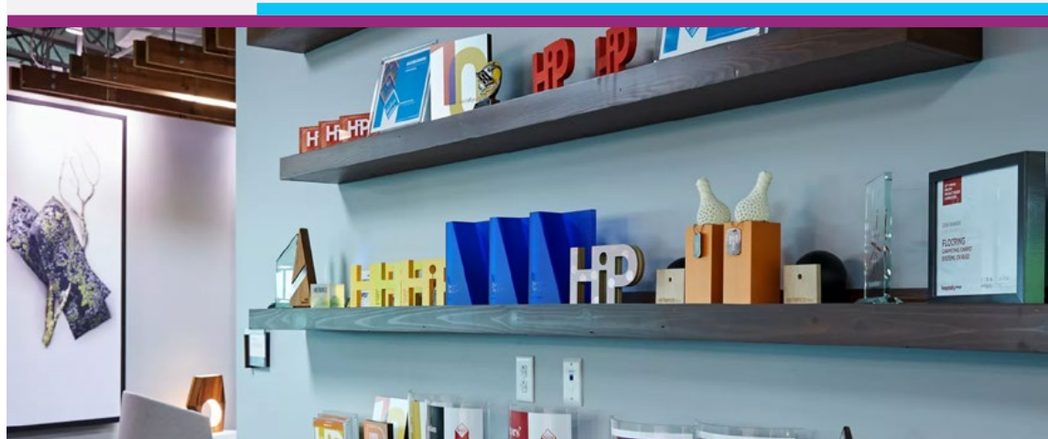
Metropolis Likes ID Best of NeoCon Sustainability: **Taking Root** (Hard Surface)

Interior Design Best of NeoCon Gold: **Mycotopia** (Broadloom)

Interior Design of Canada Innovation Award: Flooring: **Above and Below**

Floor Covering Weekly Promotion Sustainability Honoree for Sustainability Estimator

NYCxDesign Award: **Social Canvas**



Climate-Positive Future



Driving Lower Embodied Carbon

Lowering embodied carbon in our products is an important goal for Mohawk Group because it helps to reduce our environmental impact and mitigate climate change. By reducing embodied carbon, we can help to create a more sustainable future for our planet and our people.

Our EcoFlex™ ONE premium modular backing system has achieved a significant reduction in embodied carbon, marking a 22.7% carbon reduction.[1] We credit this lower embodied carbon score to a combination of factors, including operational improvements such as a new boiler at their Glasgow, Virginia, facility where the product is made. Increased manufacturing efficiencies and a focus on holistic sustainability initiatives, such as the Living Product Challenge which requires certified products to be net-positive in carbon and water, also impacted EcoFlex ONE's lower embodied carbon score.

[1] See Carbon Substantiation.

Teaming Up Against Global Water Crisis

In celebration of World Water Day, we partnered with Water.org to increase access to safe water and sanitation worldwide. As part of this new initiative, Mohawk Group is empowering 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 $2,000,000 towards household solutions for people in need. Our partnership with Water.org is aligned with the company's multi-faceted water restorative initiatives for its Living Product Challenge petal certified line of flooring products that balances all water by 105% for a net-positive impact on the world's waterways.



Change the Course, another organization we closely partner with, is dedicated to the ongoing conservation of freshwater river systems across North America. For all flooring products purchased from The Waterways Project collections, Mohawk Group will restore up to 8 million gallons annually, helping customers make a lasting contribution to the health of American rivers and communities.

ReCover: Because Once Is Never Enough

Mohawk Group's ReCover Recycling Program is an award-winning flooring recycling program that, since 2006, has diverted over 160 million pounds of flooring from landfills. And we don't just accept Mohawk flooring; we accept flooring from any manufacturer. We do this because we Believe in Better. Life cycle thinking is part of our commitment to product circularity. Product end-of-life is important to reduce environmental impacts. Recycling flooring helps us keep valuable materials out of landfills and find a second life. Depending on type and condition, flooring may be reused or turned into:



- Car parts
- Carpet pad
- Yarn
- Punching bags
- Waste to energy





Better **Together**

At Mohawk Group, our Better for People initiatives are at the heart of our commitment to holistic sustainability, which encompasses environmental stewardship, employee well-being and community engagement. In 2023, we celebrated Earth Day with various sustainability-focused activities, including engaging our employees at our "Living Site" carpet tile plant in Virginia and the Light Lab Design Center in North Georgia. These events highlighted the importance of environmental responsibility throughout the year, showcasing our significant achievements like the third Living Product Challenge recertification and the development of beyond carbon neutral products. Our Virginia plant, with its advanced sustainable practices, serves as a model for planet-friendly manufacturing, while the Light Lab Design Center hosted planting activities to create a greener workspace. Additionally, we encouraged our employees at other facilities to cultivate plants at home by providing seeds and pots, fostering a culture of sustainability that extends beyond the workplace.



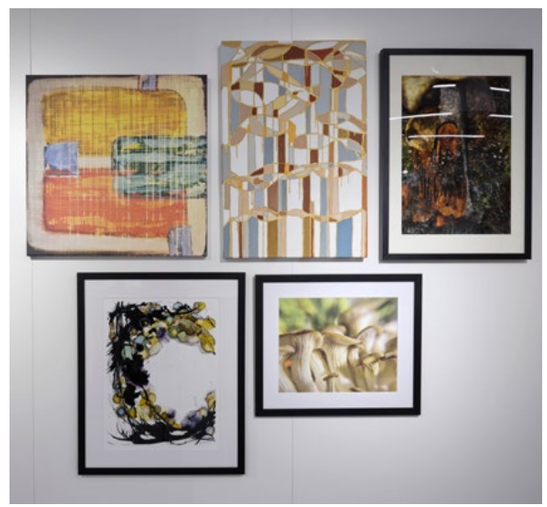
20+ Years Supporting Susan G. Komen

Beyond our environmental efforts, we focus on enhancing employee well-being and community health. Our Specify for a Cure™ program, a cornerstone of our community engagement, reached a milestone donation of over $1 million in 2023 to Susan G. Komen, supporting breast cancer research and awareness. By partnering with architects and designers who choose our products for their projects, we direct a portion of the proceeds to this vital cause. This significant contribution underscores the power of collective action in fighting breast cancer, highlighting our commitment to making a positive impact on health and well-being.

ArtLifting

Our partnership with ArtLifting supports artists impacted by housing insecurity or disabilities, reflecting our commitment to inclusivity and social responsibility. In 2023, we expanded this collaboration with five new collections, showcasing their talents. By commissioning their work, we diversify our offerings and provide these artists with recognition and financial stability, blending innovative design with social impact. Pieces by Artlifting artists can be found in our showrooms.

These efforts demonstrate our commitment to environmental and social responsibility. By fostering sustainability, supporting health, and promoting inclusivity, we create positive impacts on the planet and its people, contributing to a healthier environment, engaged workforce and stronger communities.





Flooring Rest of the World

UNILIN



Building a sustainable business makes sense. It means making sure we build a future-proof company that creates added value for our customers and stakeholders without harming our planet and our future. At Unilin this ambition is ingrained in all of our activities."

WIM MESSIAEN
President Flooring Rest of the World
CEO Unilin

2023 Highlights

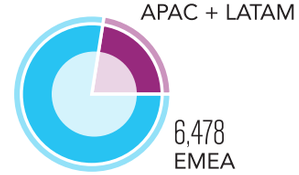
- Met 61% of our energy demand with renewables, up from 57% in 2020.
- 66% of our raw material mix consists of renewable resources.
- 95% of the wood in our chipboards is recycled.
- Obtained the bronze C2C Certified Material Health Certificate™ for our raw and decorative MDF, HDF, Clicwall and chipboards, and laminate floors. We obtained full silver certification for several underlays.
- A decline in loss time frequency rate for four years in a row.

2023 Unilin at a Glance

11 countries with production

35 production plants

8,332 employees



Our Brands

UNILIN · Mohawk Group · QUICK·STEP FLOOR DESIGNERS · PERGO Floors for real life · moduleo design floors · IVC COMMERCIAL · IVC living · Godfrey Hirst · gh COMMERCIAL · Feltex

One Home:

Aligning Sustainability and Our Business

At Unilin, sustainability is our top priority. Since our founding in 1960, circularity has been part of our DNA. In fact, reusing materials is at the heart of our history. Today, we still regard the challenges of sustainability as opportunities.

With One Home, we are taking our responsibility seriously and doing our part to tackle the global challenges of climate change, improve people's quality of life and create a safe working environment for our employees. One Home works on three levels:

PLANET HOME
to improve our environmental impact

YOUR HOME
to improve our customers' quality of life

OUR HOME
to create a safe and stimulating work environment for our employees



Planet Home

We take our responsibility seriously and support the global transition towards more sustainable products and production systems. That is why we are further reducing the use of fossil fuels in our operations and the life cycle carbon footprint of our products by opting for more sustainable raw materials and further improving their recyclability. Planet Home groups our environmental efforts on climate change and circularity.



Science Based Targets to Guide Our Efforts[1]

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

By 2030, we are committed to reducing our direct (Scope 1) and energy-related indirect (Scope 2) emissions by at least 42% compared to our 2020 baseline. This target is absolute, meaning that regardless of organic growth we want to emit 42 % less greenhouse gases (GHGs) by 2030. Emissions associated with companies acquired after 2020 will be reduced at the same rate of 4.2 % per year from acquisition until 2030.

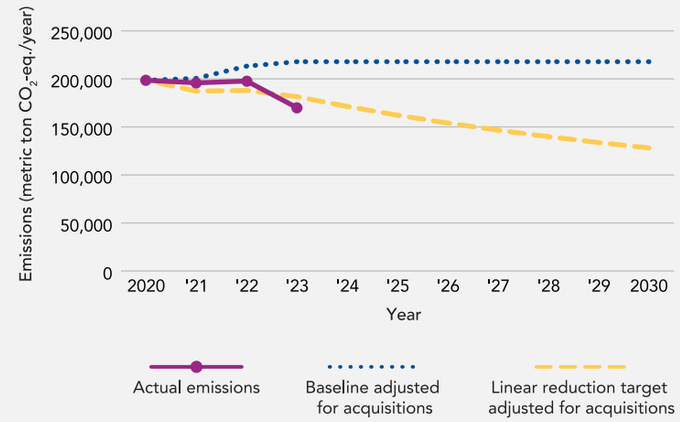
We also intend to reduce our Scope 3 emissions, emissions associated with our raw materials and the end-of-life treatment of our products by 12.3% by 2030 compared to our 2020 baseline, in absolute terms.

To assure that our GHG-reduction targets are effectively aligned with climate science and are ambitious enough, we are following the guidelines set by the Science Based Targets initiative (SBTi), an independent organization promoting best practices in the fight against global warming.

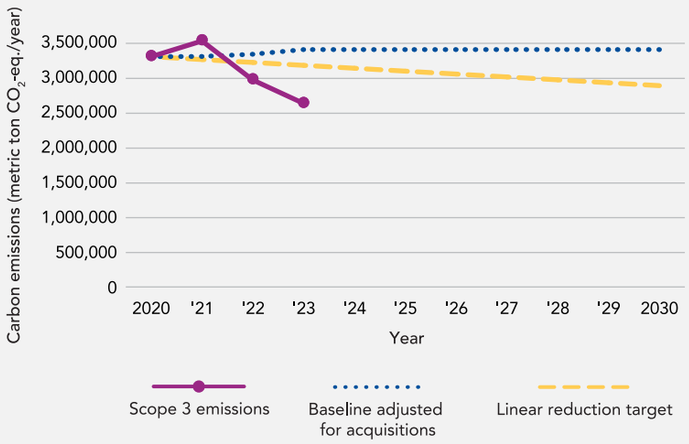
Our detailed calculations and targets to SBTi for validation of our approach and confirmation of our alignment with the 1.5 °C goal of the Paris Climate Agreement were approved in early 2023.

[1] All data presented is inclusive of Flooring Rest of the World business segment, including Godfrey Hirst.
[2] Unilin Science Based Target (SBT) reduction progress tables can be found in Carbon Substantiation.

Scope 1 and 2 Carbon Footprint Compared to Our Reduction Target[2]



Scope 3 Carbon Footprint Compared to Our Reduction Target[2]



Moving Towards More Renewable Energy to Reduce Our Scope 1 and 2 Emissions

61% Renewable Energy

In 2023 we met 61% of our energy demand (28% of our electricity demand and 74% of our heat demand) with renewables, up from 57% (20% and 72%, respectively) in 2020.

We reduced our energy use in 2023 by 9% compared to 2022 while our carbon footprint was reduced by 14%.[1] Our 2023 carbon footprint was mostly caused by the use of grey grid power (44%) and natural gas (29%).

Overall, we are on track to meet our SBT of reducing our emissions in Scope 1 and 2 by 42% by 2030, compared to 2020.

Several of our largest production sites are well on their way towards climate neutrality, covering three quarters of their energy use with renewables, and we continue to investigate where we can add further renewable energy production units to our plants. In addition, we are continuously looking to improve the energy efficiency of our operations. We are stepping up our energy management efforts by installing more detailed monitoring systems and additional investments in energy efficiency across the group. We have installed a technical competence centre for energy management at group level to support the individual plants in this regard.



2023 Highlights

73% renewable energy for our MDF and HDF factories

77% renewable energy for our chipboard factories

[1] See Carbon Substantiation for more details.

TODAY UNILIN COUNTS

2 waste-to-energy plants

A&U in Wielsbeke (Belgium)
Supplied more than 77,000 MWh of green electricity and over 41,000 MWh of green heat to our chipboard factory, covering 98% of the factory's electricity demand and, together with on-site wood-dust burners, covering 91% of the factory's thermal energy demand in 2023.

A&S in Oostrozebeke (Belgium)
Supplied more than 68,000 MWh of green electricity to our chipboard factory, covering 96% of the factory's electricity demand in 2023.

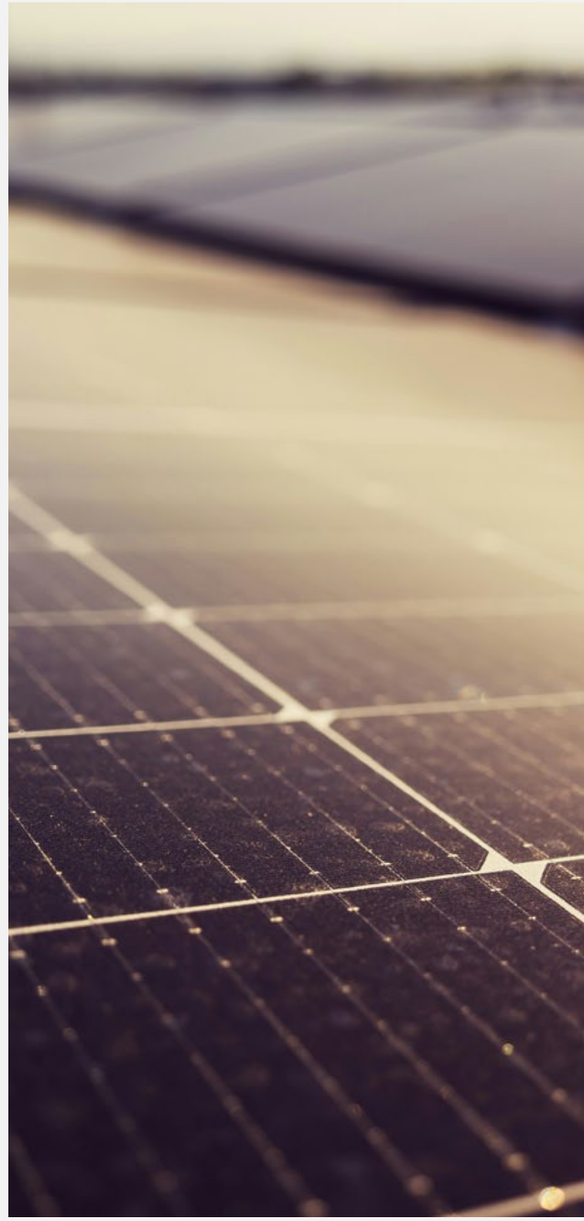
5 wind turbines

3 in Avelgem (Belgium)
Supplied more than 11,500 MWh of renewable power to our vinyl flooring factory, covering 18% of the factory's electricity demand in 2023.

2 in Feluy (Belgium)
Supplied more than 3,000 MWh of renewable power to our insulation factory, covering 74% of the factory´s electricity demand in 2023.

35,053 solar panels

Our solar panels operate at a combined capacity of 15.7 MWp. spread over 7 countries.



Our Circular Approach to Reduce Our Scope 3 Emissions

Today's economy is mostly linear: resources are sourced, converted to products, used and finally incinerated, landfilled or discarded in another way. This leads to resource depletion and pollution. Its opposite is the circular economy in which raw materials are recycled endlessly.

Unilin's origins lie in what we now call the circular economy. Our first raw material in 1960 was flax loam, a waste product of the local linen industry, that we made into flax chipboards. Today, circularity remains a key driver in our story.

A Focus on Renewable and Recycled Resources

Our raw material mix plays an important role in our environmental impact and the sustainability of our activities, not only in terms of GHG emissions, but also in terms of resource depletion.

That is why we focus on renewables, materials that can be quickly replenished after exploitation and use, and recycled resources.



2023 Highlights

66%
renewable materials

25%
recycled materials





Wood, Our Most Important Resource

Wood remains our most important resource for our chipboards, MDF boards, laminate floors, multi-layer parquet floors and roof elements. It is a sustainable raw material.

Our mission is to keep wood in the materials cycle for as long as possible. After all, wood that doesn't end up in the incinerator is wood that stores CO_2. That is why we focus on recycling. A second, third, fourth... life: as long as the wood fibres can be used, they are processed in new products. Meanwhile, the wood in our chipboards already consists of over 95% recycled wood.

The ultimate goal? A fully circular process with wood in the starring role.

In addition, we source our wood sustainably to maintain healthy forests and ensure long-term availability of the natural resource. That is why we opt for recycled wood and certified or controlled virgin wood.

RECYCLED WOOD IN 2023

40%
of our wood is wood waste

900,000
metric tons of waste wood recycled every year

Every year we purify 900,000 metric tons of waste wood in our own state-of-the-art recycling plant and transform it into new chipboards.

We are constantly working on increasing the recycled content in our other product categories too. In 2021, we announced a world first: a technology to recycle MDF, HDF and laminate on an industrial scale. We built a pilot plant in Bazeilles (France) to use that recycled wood in our MDF and HDF boards. We initially focused on the recycling of internal production waste, and are currently scaling up the plant's capabilities.

CERTIFIED WOOD IN 2023

74%
FSC/PEFC certified wood

26%
controlled wood

As a high-volume wood user, we mostly source PEFC or FSC certified material. But we also use a smaller fraction of non-certified wood, including wood from the following streams:

- Trees cut along roads or in gardens.
- Thinning wood from non-certified forests. This includes small or crooked trees that could hinder the growth of other trees. This is not furniture grade wood, for example, but it is perfectly suitable for our chipboards and MDF.
- Rubberwood from producers that periodically cut older trees to plant younger, more productive ones.



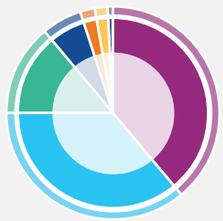
Unilin Recover: Our Take-Back Program

Improving the recyclability of our products is important, but if we want to make sure that they are effectively recycled, we need to ensure that they are retrieved end-of-life.

Over the last several years, we organised multiple successful take-back projects with our partners and clients for chipboards, MDF boards, vinyl floors and PIR insulation boards. Our take-back systems are mostly active in Belgium and the Netherlands. For our wood-based products (chipboards and MDF), this also includes France.

We are continuously expanding our take-back efforts to all of our product categories.

2023
Recover
UNILIN TAKE BACK PROGRAM
(metric tons material recovered)

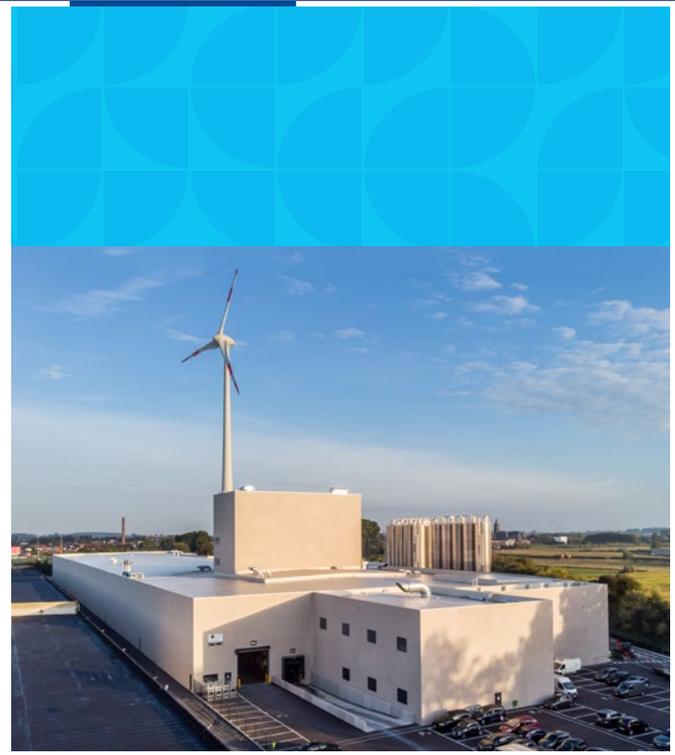


- 17,000 Chipboards
- 3,000 MDF
- 60 LVT
- 32 Sheet vinyl

20,092
metric tons
material recovered

Plant Management

Many of our plants have their own or standardized environmental management systems in place, and we carefully manage our main production waste streams. In each of our production plants, we developed a set of processes and practices that enables us to reduce our environmental impacts and increases our operating efficiency. It is generally plant- or division-specific because our facilities face very diverse challenges and opportunities depending on the applied processes, history and local context. The first priority in our environmental management systems is legal compliance, followed by the management and reduction of our most relevant impacts or risks.





Your Home

We spend most of our lives inside: at home, in classrooms, offices, stores, hospitals ... That is why healthy, comfortable and sustainable living spaces are so important. With our products, we want to improve people's quality of life.

More and more people want to take sustainability into account in their purchasing decisions.

To make sure that our clients can easily evaluate and compare the sustainability of our products and make informed decisions, we stick to well-known, independent **ecolabels;** well-defined and widely-recognised claims, such as those applied for **indoor air emissions;** and third-party verified publications such as **Environmental Product Declarations.**

Quality of Life

Biophilic Design

In designing our panels and laminate flooring, we focus not only on contemporary design but also on what is known as biophilic design, which is based on our increasing need to connect with nature. As we live in urban environments and spend considerable time inside, we are losing our connection with nature, which is detrimental to our overall sense of well-being. By integrating natural elements into our living environment, we can enhance our relationship with nature, our largest source of inspiration. An example of this can be found in our Master Oak collection and laminate ranges (Capture and Impressive by Quick-Step), providing our customers with a true-to-life nature experience.



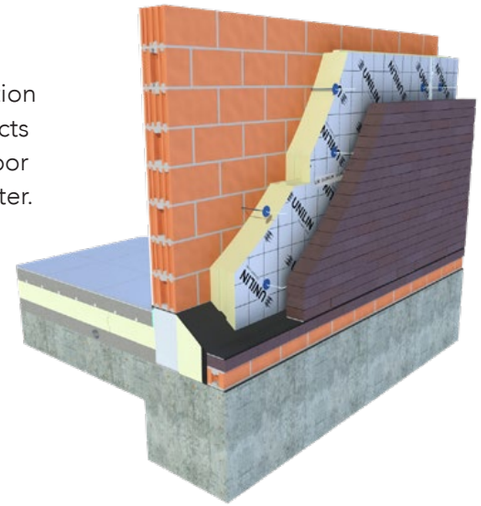


Acoustics and Comfort

Several of our products improve the acoustics in offices and create a tranquil working environment that can help reduce stress-related symptoms. Our vinyl flooring enhances ergonomics for people who have to stand for long periods, such as retail staff. EcoFlex™ Echo carpet tiles are equipped with an acoustic backing, reducing noise levels and providing improved comfort.

Indoor Climate

Thanks to their high insulation value, our insulation products provide a comfortable indoor climate in summer and winter.



Our Products

At Unilin, we develop, manufacture and market flooring, wood-based and decorative panels, wall and roof systems and insulation boards. In addition, our division Unilin Technologies manages the patent portfolio of our parent company, Mohawk Industries, and third parties, from filing patents on new innovations to global commercialisation.

Flooring


Laminate flooring


Multi-layer parquet


Luxury vinyl tiles (LVT)


Sheet vinyl


Carpet tiles


Wall-to-wall broadloom carpets

Panels


Raw chipboards


Raw MDF


Melamine finished chip-boards/MDF


Clicwall

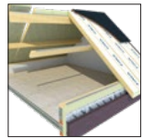

HPL


Mezzanine

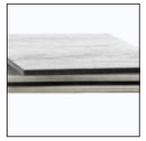
Insulation



PIR insulation boards


Insulating roof panels

Intellectual Property


Core materials


Digital printing


Locking profiles


Waterproof coating

Transparency for Our Customers

More and more people want to take sustainability into account in their purchasing decisions. To make sure that our clients can easily evaluate and compare the sustainability of our products and make informed decisions, we stick to well-known, independent ecolabels; well-defined and widely-recognised claims, such as those applied for indoor air emissions; and third-party verified publications such as Environmental Product Declarations.

Eco-Labels

Indoor Air Quality Labels

Our Home

We have a diverse workforce: our 8,332 employees represent more than 75 nationalities and over 20 different languages. As a home for different cultures and origins, our value of respect is reflected in the rejection of any form of discrimination.

In all the countries where we are present, we offer our employees equal opportunities, regardless of gender, age, religion or belief, sexual identity, origin or physical disability.

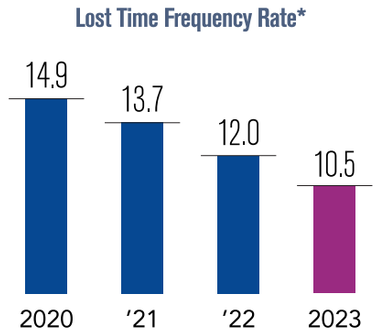


Safety

Decline in Frequency Rate for Four Years in a Row

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 embedded in all our activities. If we want to be sure that everyone can go home safely at the end of each working day, we must install a safety culture that takes every single detail into account.

To move towards an integrated safety culture, we developed and launched our internal zero-harm program in 2019. Since the introduction of zero-harm, there has been a decrease in the frequency rate of accidents for four years in a row.



* (number of lost time accidents x 1,000,000) / (total hours worked) for the reporting period

Well-Being and Health at Work

We take an integrated approach to well-being and health, calling for initiatives in mental health, health and vitality, and connections at work.

- **Mental Health:** We expanded our preventive approach to address, identify and cope with psychosocial risks: stress and burnout, unwanted and unacceptable behaviour (violence, bullying, sexual intimidation or discrimination) and substance abuse. Over 70 interactive workshops were held in multiple locations, with roll-out continuing in 2024 across entities.
- **Health and Vitality:** Learning sessions, trainings and campaigns educate people towards stronger awareness of risks and a healthier lifestyle. In 2023, we offered smoking cessation programs.
- **Health and Vitality:** Employees can opt for an affordable lease bike. On top of 940 running lease bike contracts in Belgium, France, Germany and the Netherlands introduced the concept in 2023.
- **Connection:** Every year, we organize events and initiatives that contribute to happy employees and foster team spirit. In 2023, Unilin supported a unique 100 km running event and 1,000 km cycling event, where teams run or cycle together to benefit the fight against cancer. The challenge and group spirit are key. All to boost much-needed cancer research! Unilin supported each participant with €250.



We are proud to have been awarded the title of **TOP EMPLOYER** (Belgium), for the thirteenth time!

Lifelong Learning

In January 2023 we officially opened The Dive, a brand new state-of-the-art learning and visitor centre in our headquarters in Belgium to go along with our vision on lifelong learning under that same name. **Upskilling and reskilling our employees is the main focus of The Dive.** A mix of induction, functional and (inter)personal training provide the foundation of our learning offer.

- **In 2023 we focused on induction programmes**, thorough introduction to the company's activities, products, culture and people.
- From a **functional perspective** we offer over 100 product and technical training courses, language training support, digital and productivity tools and function-oriented development.
- Our **(inter)personal growth** offer consists of leadership development programs, health, safety and well-being support (including preventive and curative programs) and a wide range of listening and communication skills development tools.

The Dive is an **ecosystem, going far beyond learning and development solely for our own employees**. The Dive builds strong partnerships with schools, teachers and students and makes education a shared responsibility with industry. This happens through internships, dual learning, retraining of internships, retraining of teachers and tutors, but also through summer and technical camps. During these, young children are encouraged to explore science, technics, engineering and mathematics through workshops that touch on circularity, repair and technics.

Overall, in 2023, The Dive inspired more than 150 children and students on various topics. In addition, teachers received training on the newest tools and methods, to share the latest technologies with the generations to come.

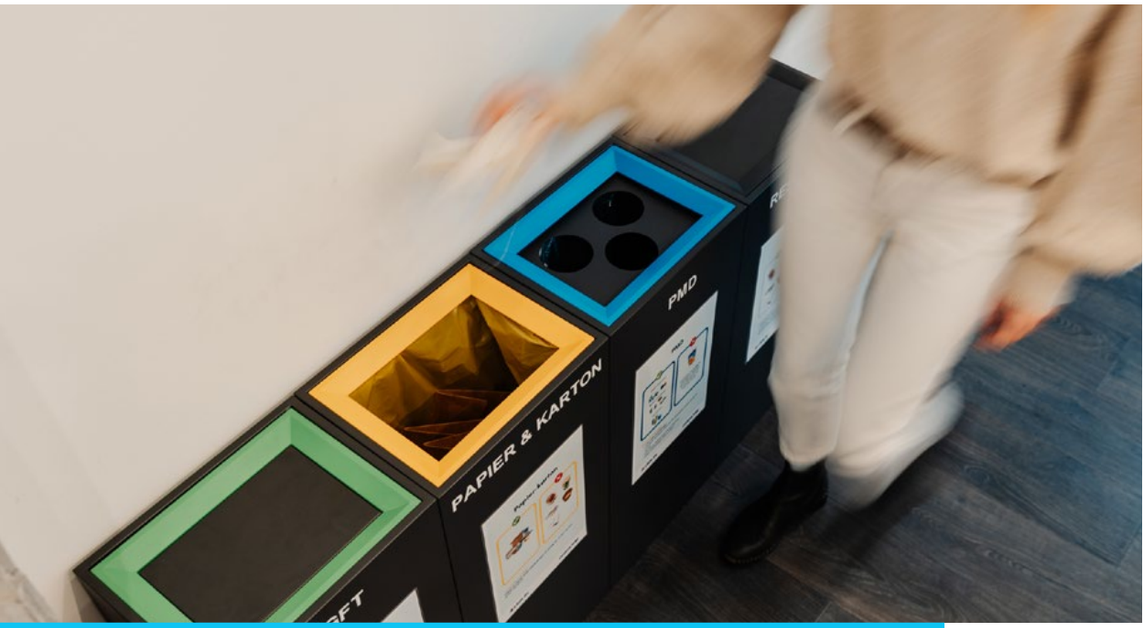




In 2023, We Launched the Talent Pool Technician

New employees with no prior job-specific knowledge or skills receive full training in The Dive in their first five weeks. They are given intensive training on the subjects of electricity, mechanics and pneumatics in a mix of theory and practice. After successful completion the employee continues the learning journey on-site with on-the-job training. One step further, The Dive was also recognized as official training provider, awarding professional qualifications that are equivalent to a diploma within the industry.

Green Workplaces



As an employer, we also want to lead by example in our own offices and factories. With our green workplaces journey, we focus on projects and actions that contribute to a more sustainable working environment.

By making small and big changes, we hope to inspire and motivate our employees to make more sustainable choices in their daily life.

WASTE SORTING

- In 2022, we launched a pilot project across 11 sites to introduce new waste islands in the office areas.

SUSTAINABLE COMMUTING

- Our fleet: We are transitioning our fleet to fully electric vehicles. Most of our fleet is located in Belgium, so we are initially focused on this group, but we intend to cover our international fleet as well taking into account the learnings from the roll-out in Belgium.
- Carpool community: In 2022, we launched a carpool platform for employees. The platform is currently available for Wielsbeke (Belgium) and the surrounding sites.
- Lease bikes: Employees can opt for an affordable lease bikes. On top of 940 running lease bike contracts in Belgium, France, Germany and The Netherlands have introduced the concept in the course of 2023.

26%
of our Belgian fleet is electric!

TOO GOOD TO GO

- We fight food waste through a partnership with Too Good To Go. We launched this initiative in our headquarters in Wielsbeke in 2021 and extended the initiative to our restaurant in Waregem in 2022. Employees pay a lower price for a perfectly fine meal, and we avoid food waste: a win-win.

Godfrey Hirst



We have a clear vision, are aligned on our common goals and are proud to have the support of our passionate and motivated people to help us make a true difference."

TANIA PAULING
President
Mohawk Flooring Oceania

2023 Achievements

- Godfrey Hirst New Zealand celebrates its inaugural anniversary as a carbon neutral organisation in respect of both carpet and yarn manufacture as certified in accordance with the requirements of the Climate Active Standard.[1]
- Published our third Modern Slavery report in Australia, reinforcing our ongoing commitment to identifying, managing and mitigating modern slavery risks in our supply chain.
- Launched a new lighter weight carpet backing system offering great performance while using less material reducing transport emissions per m^2.
- Published our first sustainable packaging performance summary report and action plan in 2023, committing to our responsible packaging framework and waste reduction by 2025.
- Published our first Reconciliation Action Plan (RAP) embarking on our year of reflect connecting with local indigenous custodians.

2023 Highlights

3.0 MW
electric resistive boiler installed in New Zealand's Oamaru facility

Top 97th percentile
ranked in EcoVadis global network

Better Futures Award
Best New Product, GH Commercial x Lorena Gaxiola

[1] See Carbon Substantiation.

Godfrey Hirst
gh COMMERCIAL
Feltex
HYCRAFT by Godfrey Hirst
Mohawk Group
redbook CARPETS

Climate-Positive Future







Decarbonisation in Action

Continuing our focus on reducing our carbon emissions footprint, we replaced an existing boiler with a 3.0 MW electric resistive boiler in New Zealand's Oamaru facility, putting an end to the annual discharge of approximately 3,020 metric tons of carbon dioxide equivalent greenhouse gas emissions.[1]

Our efforts toward decarbonization have allowed Godfrey Hirst Australia to achieve Climate Active Carbon Neutral organisation status for the third year in a row. Furthermore, Godfrey Hirst New Zealand is also now a carbon neutral organisation.[1]

GH Commercial is proud to have earned a Gold medal by EcoVadis, the world's largest and most trusted provider of business sustainability ratings, as a recognition of their EcoVadis Rating. EcoVadis measures a company's improvement in its whole supply chain and production towards the transition to a sustainable economy. The results put GH Commercial in the top 97th percentile of more than 100,000+ rated companies in the EcoVadis global network.

[1] See Carbon Substantiation.

Architecture and Design Sustainability Summit & Awards (2023)—Strategic Partner Interior Design

GH Commercial is proud to be an official award partner of the Architecture and Design 2023 Sustainability Awards for a second year in the Interior Design category. The Interior Design category recognises projects that have undergone a refurbishment or a re-fit. These projects hold sustainability at the core of their design and carefully consider efficient use of space, low environmental impact of construction materials, and a reduction in pollution, waste and overall energy consumption. The Sustainability Awards is Australia's longest running and most prestigious awards program dedicated to acknowledging and celebrating excellence in sustainable design and architecture.



Take 3 For The Sea (2023)—Strategic Partner

We are proud to have partnered with Take 3 For the Sea in tandem with the launch of our premium Oceanic Collection. This global organisation promotes the simple activism of removing three pieces of rubbish from our beaches, waterways and green spaces to assist with cleaning up our oceans. Their education programs have inspired a global movement of people invested in a healthier planet.

In 2023, we continued our annual participation in a community beach cleanup event, collecting 1,657 litter items weighing 7kg as part of our continued commitment to improving our environment and protecting our animals, ecosystems and oceans.

High-Performance and Inclusive Workforce





ISO Certification

We maintained our ISO 45001 certification (achieved in 2022)—the global standard in Health and Safety at work—across all of our Australian sites. ISO 45001 has the ultimate goal of helping businesses provide a healthy and safe working environment for their employees and everyone else who visits the workplace. This goal can be achieved by controlling factors that could potentially lead to injury, illness and—in extreme situations—even death. As a result, ISO 45001 is concerned with mitigating any factors that are harmful or that pose a danger to workers' physical and/or mental well-being.

Continued Professional Development

In 2023, we celebrated the inaugural year of delivering leading professional development by GH Commercial, centered around the built environment, evolving sustainability and social trends and the role flooring plays within interior spaces.



Architecture and Design

In 2023, we increased our efforts to solidify Godfrey Hirst as a thought leader in the architecture and design community by launching a series of both written and podcast content on some of the most pressing topics in the industry, helping to build a strong, informed network that can advocate for and implement sustainable solutions in various projects. Several team members contributed to the Talking Architecture Podcast ebook and partnered to deliver the Talking Architecture & Design Podcast.

Sustainability Publications

- *A Sustainability Declaration: Our Most Important Certifications* – Jamuna Sivathasan
- *Surfing To Flooring: Q&A With Lachlan Howell From GH Commercial*
- *Less Is More: Energy Efficiency At GH Commercial* – Brendan Glen

Talking Architecture & Design Podcast

- Why Flooring & Biophilic Design Go Hand in Hand – Joel Williamson, GH Commercial
- Biophilia, Fractals & Sustainability – Laura Hamilton, CEO LFIA Australia
- Secrets of Designing a Successful Restaurant – Caille van der Merwe, Design Partnerships
- Changing Trends & Challenges of Hospitality Design – Lorena Gaxiola CEO
- Healthy Floor Materials Vital for Designers & Users – Judy-Lea Engel, Product Developer, Godfrey Hirst

Employee Well-Being



Employee Assistance Program

Mohawk Oceania has partnered with Converge International to establish an Employee Assistance Program for all of our employees that provides free, 24/7 counselling, nutritional guidance, money management, legal support and other lifestyle needs to assist in our overall health and well-being. We have further committed to addressing our people's well-being needs through the development of a well-being strategy that reflects their most important and desired support systems.

Faces of Manufacturing

In 2023, we published the inaugural Faces of Manufacturing campaign celebrating our people in manufacturing. **Cindy Martin** has been at Godfrey Hirst for **40 years**, starting out in Colour & Design, moving into Marketing and then establishing our Merchandising program. She is now our lead in the Samples division. **Craig Martin** currently supports leading the Quality Assurance team and started with Godfrey Hirst **41 years** ago. With a wealth of knowledge within the technical aspects of carpet manufacturing, Craig's focus is in ensuring our manufacturing standards are tested and well-maintained.



Connected Communities

Partnership with genU™ Arts Programme

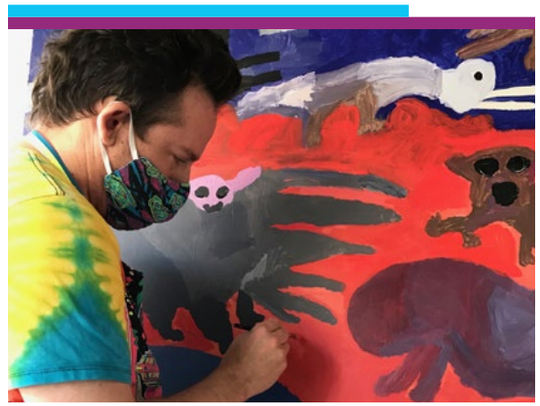
In pursuit of celebrating artists with disabilities in the Oceanic region, our Social Canvas Collection is proud to support genU's Arts Programme. genU is an organisation that is driven to ensure everyone's lives are happier and healthier, especially people with disabilities, the aging and those experiencing disadvantage. Our most recent partnership supports the James Street Gallery by providing a soundscape element to support their upcoming exhibition RISE.

Regional and Not-for-Profit

Godfrey Hirst is proud to support G-21 Regional Alliance™ in its pursuit of sustainability, First Nations conversation, culture and economic development, health and well-being and Geelong Connected Communities™ goal of 1,000 grants by 2025, helping keep the Geelong region strong through all community segments.

Backing Mental Health

Around one in two people in Australia will struggle with their mental health during their life. For more than 20 years, Australians have placed their trust in Beyond Blue™ as a reliable source of mental health information, support and hope. GH Commercial is proud to be supporting Beyond Blue's free 24/7 support services.

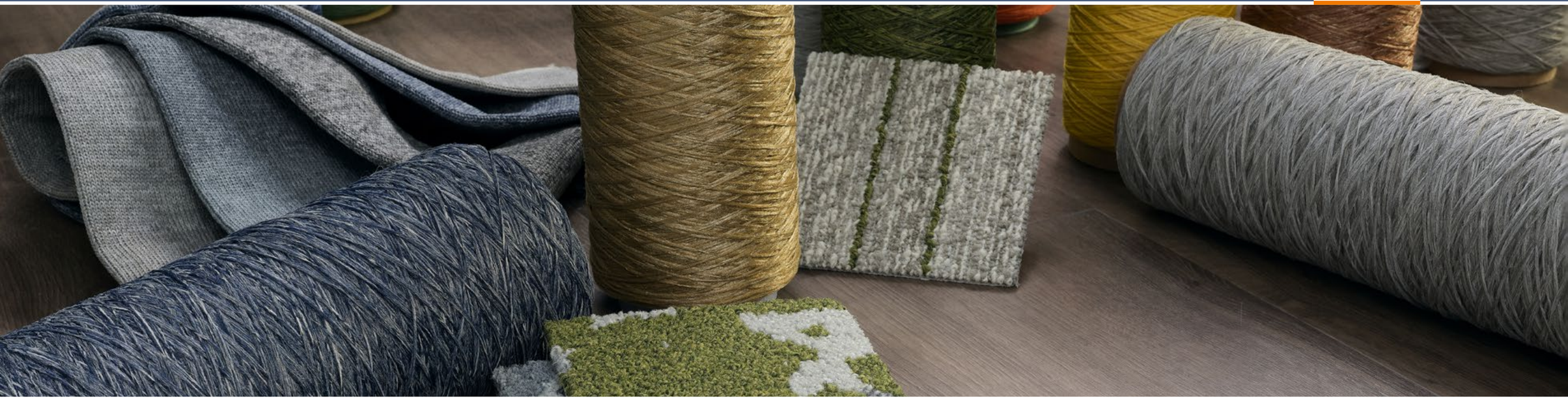


Modern Slavery

Despite strong legal frameworks, modern slavery persists. Migrant workers and vulnerable populations are particularly at risk, facing conditions that violate their human rights and dignity. We published our third Modern Slavery report in Australia, reinforcing our ongoing commitment to identifying, managing and mitigating 'modern slavery' risks in our supply chain.

APPENDIX





Key Data, Reports and Policies

Key Data Tables[1]

GRI Index
SASB
TCFD
U.N. SDGs
Reconciliation of Non-GAAP Measures
Carbon Substantiation

External Disclosures

CDP Report
Political Contributions Policy & 2023 Indirect Political Contributions

ESG-Related Policies

Environmental Policy
Human Rights Policy
Conflict Minerals Policy
Canada Forced Labour Report
Health and Safety Policy
Privacy Policy
Standards of Conduct and Code of Ethics
Supplier Code of Conduct
Board of Directors Selection Policy

[1] Data from 2023 acquisitions are not included in this 2024 Impact Report. The company incorporates data from mergers, acquisitions and divestitures in the following calendar year. For example, if a company is acquired in 2023, such as the recent Elizabeth acquisition, the data will be consolidated and reported in 2024 data. This approach is used across topics. When consolidating information, the company does not include sustainability data from minority investments or from investments in which it does not have operational control.



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