



2020 Environmental,  
Social and  
Governance Report



 welcome





# Innovating for a better tomorrow

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At Mohawk, innovation has always defined our business, from industry-changing products to processes we continue to refine. Innovation is also the driving force behind our Environmental, Social and Governance strategy, which is focused on creating a better tomorrow for people and the planet. We are excited to share our sustainability progress with you and even more excited to spotlight our recent initiatives that will foster greater results.

*About the cover: Mohawk products support sustainable living, from rugs crafted with fiber from recycled bottles and backing from recycled tires to runners in woven wool and wood flooring that lasts the lifetime of the home.*



*Daltile Saddle Brook ceramic tile flooring.  
Made in our Dickson, Tennessee, facility.*



Quick-Step Majestic Valley Oak laminate floor in Light Beige. Made in our Wielsbeke, Belgium, facility.

## BELIEVE IN BETTER™

Welcome to Mohawk Industries' twelfth annual Environmental, Social and Governance Report.

Mohawk is a flooring industry pioneer in terms of our passion for and transparency about sustainable products and practices. While our values remain unchanged, our reporting has evolved over the past dozen years. This year, our report — structured around our sustainability pillars of People, Planet and Performance — reflects the influence of two major projects: our 2020 materiality assessment and our new sustainability strategy, which we formally introduced in 2021. Mohawk's history of sharing best practices has yielded consistent and effective programs and processes across our businesses. The Company's decentralized structure allows our leadership teams in each region to implement initiatives that are best suited for their employees and communities. This year's report includes examples of both.

Also this year, we are pleased to make a series of new enterprise-level commitments to guide our progress over the next decade. These include a corporate goal to reduce Scope 1 and 2 emissions and a commitment to disclose Scope 3 emissions and develop science-based targets by 2024.

In addition, our business units have also made climate-related commitments. These include:

- Mohawk Group, our North American commercial flooring division, signing The Climate Pledge to commit to net zero carbon by 2040
- Our Flooring Rest of World segment committing to set objectives aligned with the Science Based Targets initiative (SBTi), and the segment's flooring business in Australia and New Zealand obtaining Climate Active certification and committing to carbon reductions

These milestones in our sustainability journey reflect our commitment to taking positive steps to address climate change and a readiness to formalize and measure more of the good work that has taken place within the business for decades. Mohawk is focused on delivering results, and we bring that same passion for excellence to each of our sustainability pillars.

This year's report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and covers the 2020 calendar year, which is also our fiscal year. We also provide information from 2021, as appropriate. The report's content relates to the products and operations of Mohawk Industries and its wholly owned subsidiaries.

In addition to GRI, Mohawk uses the Sustainability Accounting Standards Board (SASB) and the Taskforce on Climate-related Financial Disclosures (TCFD) to guide our environmental, sustainability and governance (ESG) disclosures. Since 2017, we have also published an annual climate change report with CDP Global, an international nonprofit organization that helps companies and cities disclose their environmental impact. Finally, we were pleased to participate in the 2021 Dow Jones Sustainability Index submission process.

We invite you to read the report and learn more about the actions we are taking to build a better tomorrow.

**Thank you.**



# A Message from our Chairman and CEO, Jeffrey S. Lorberbaum



While many people may see the pandemic as a period of disruption, I view it as a time of resiliency based on our global team's remarkable response to extraordinary challenges. In the face of great adversity, our organization has persevered by focusing on what was essential: keeping people safe and healthy; finding creative ways to ensure business continuity; and partnering with our communities to meet critical needs.

When countless people rediscovered the comfort and solace their homes represented, they turned to Mohawk for renovation of their properties and renewal of their spirits. We're honored that millions of people in around 170 countries are choosing our products to upgrade residences and public spaces. We're committed to providing them with quality and value, as well as products that are made ethically and responsibly with greater recycled content, reduced use of natural resources and longer life cycles.

As the world's largest flooring company, our success brings with it a responsibility for leadership on critical issues, such as climate change, human rights, health and well-being and opportunities for everyone. In this report, you'll learn more about how we are:

- Decarbonizing our products
- Reinforcing our commitment to diversity and inclusion and providing opportunity for all
- Empowering people to lead healthier, more engaged lives
- Strengthening our governance.

While our business decisions are driven by data, they also are driven by principles, some of which include:

- Investing in our employees, respecting what makes each of them unique individuals and helping them find fulfillment through work that matters
- Creating innovative products that lay the foundation for healthier, more inspiring spaces where people live and work

- Reducing our consumption of water and energy, incorporating more recycled content into our products — including more than 30 billion plastic bottles in the past five years — and reusing and repurposing waste
- Nurturing the quality of life in the communities where our facilities are located, which is good for our employees and their families and the overall community

When we make choices that benefit people and the planet, they invariably benefit our business. For this reason, we are amplifying our commitment to further reducing our carbon footprint through science-based strategies. Our businesses around the world have unique processes and use a wide variety of materials; each is defining its own best path to support our overall objectives.

We appreciate your interest in our sustainability journey, and we hope that you'll learn even more about Mohawk through this year's report. We are inspired by the work of individuals and organizations with whom we share a commitment to innovating for a better tomorrow. We are still listening, learning, growing, testing new ideas and striving for greater results. We have always embraced ambitious goals, and we are committed to the important work required to achieve them.

Sincerely,

Jeffrey S. Lorberbaum  
Chairman and CEO

Smart City, a Living Product certified carpet plank system, is made at our Glasgow, Virginia, facility.



# Mohawk Industries: Scale and Scope

## 2020 BUSINESS HIGHLIGHTS

 **\$9.6B**  
Worldwide Net Sales

**\$1.4B**   
Adjusted EBITDA\*

**42,000**  
Employees  
Worldwide



**19**   
Countries —  
Manufacturing



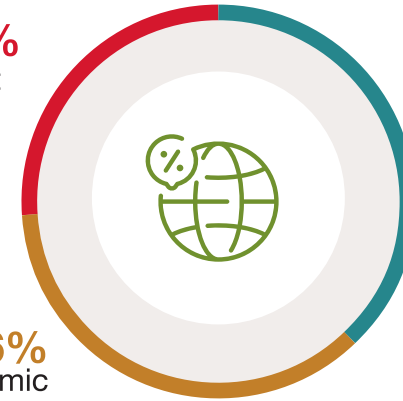
Approximately  
**170**  
Countries — Sales

## 2020 SALES BY BUSINESS SEGMENTS

**26%**  
Flooring Rest  
of World

**38%**  
Flooring  
North America

**36%**  
Global Ceramic



\*See page 61 for Reconciliation  
of Non-GAAP Measures.

  
**MOHAWK**<sup>®</sup>  
MAJOR BRANDS

 daltile

 MARAZZI

 AMERICAN CLEAN<sup>™</sup>

 eliane

 Karastan

 QUICK-STEP<sup>®</sup>

 UNILIN

 Godfrey Hirst

 ghb COMMERCIAL

 PERGO

 EMILGROUP

 RAGNO

 KAI  
GROUP

 KERAMA MARAZZI

 Mohawk Group

 ID DURKAN

 leoline<sup>®</sup>  
residential floors

 ivc COMMERCIAL

 Feltex

 moduleo<sup>®</sup>  
Design Floors



# Environmental, Social and Governance (ESG) at Mohawk



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

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

In 2021, with the appointment of a new Vice President of Sustainability, Mohawk launched a refreshed sustainability strategy, highlighting how innovation at the heart of our business yields efficient operations and sustainable product design. This strategy centers around the three pillars of People, Planet and Performance.

## Where We’ve Been: Our 2010 Targets

For more than a decade, Mohawk has been working to reduce its environmental impact by focusing on our goals to reduce greenhouse gas emissions (GHG), water and waste-to-landfill intensity by 25 percent against a 2010 baseline.

◀ *Employees from our Glasgow, Virginia, commercial carpet facility spotlight carbon-neutral, biophilic-inspired carpet tiles from the Lichen and Nutopia lines of our Living Product collections while in one of the two National Wildlife Federation Certified Habitats managed by the facility.*

Our rapid business growth around the world — both organically and through multiple acquisitions — has challenged our pursuit of these goals as we worked to integrate businesses and systems into our operations. These same acquisitions, however, have also brought new opportunities to make positive environmental impacts, most notably through our products.

Despite these challenges, we are pleased to report that we surpassed two of these goals and made measurable progress toward another. Since 2010, we have reduced water use intensity by 28 percent and waste-to-landfill intensity by 28 percent — well above goal. We also were able to achieve a 20 percent reduction in greenhouse gas emissions intensity, which was short of our goal but still meaningful given the growth of our business over the past decade.

We are excited to introduce our new ESG strategy framework with a set of refreshed ESG goals and objectives.

## Reducing Our Impact 2010-2020

**28%**  
REDUCTION  
WATER USE INTENSITY

**28%**  
REDUCTION  
WASTE TO LANDFILL INTENSITY

**20%**  
REDUCTION  
GHG EMISSIONS INTENSITY



## Refreshed ESG Strategy, Goals and Objectives



#### PERFORMANCE-DRIVEN WORKFORCE

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

- ▶ Continue to build out comprehensive, accessible talent development programs across all levels and career stages to achieve maximized business results by growing our sustainable internal talent pipeline.
- ▶ Develop an enterprise-wide Human Rights Policy that incorporates existing business segment standards and practices by 2022.

#### ZERO-HARM WORKPLACE

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

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

#### CONNECTED COMMUNITIES

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

- ▶ Attract best-fit talent by continuing to build community partnerships and leverage our employer brand to yield an applicant pool that reflects the diversity of our communities.
- ▶ Continue investing in and engaging with local nonprofit partners to improve the quality of life in the communities where our employees live and work.



#### CLIMATE-POSITIVE FUTURE

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

- ▶ Reduce Scope 1 and 2 emissions by 25 percent by 2025.
- ▶ Develop consistent process for measuring and assessing Scope 3 emissions to help develop science-based emissions targets and report Scope 3 emissions by 2024.

#### WATER RESTORATION

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

- ▶ Reduce water intensity by 30 percent by 2025.

#### PRODUCT CIRCULARITY

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

- ▶ Release a product circularity goal for each business segment by 2025.
- ▶ Reduce waste-to-landfill by 30 percent by 2025.

#### RESPONSIBLE SOURCING

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

- ▶ All manufacturing locations adhere to wood sourcing principles, such as FSC®, PEFC™ or other third-party validation, to ensure 100 percent of our wood fiber comes from responsibly managed forests by 2030. These programs are validated through an annual audit process.
- ▶ Engage in carbon reduction partnerships with our supply chain as part of the process to develop science-based targets.
- ▶ Improve spend with diverse suppliers year over year. Develop a strategy to grow supplier diversity in 2022 via a cross-functional Supplier Diversity Committee.



#### SUSTAINABILITY LEADERSHIP

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

#### POLICIES

Maintaining clear, accessible and consistent ethics, compliance and other ESG-related policies, such as environmental and human rights, across the organization and ensuring feedback can be provided by stakeholders through anonymous platforms

- ▶ Mature our existing global, enterprise-wide Sustainability Council to grow and develop our ESG objectives and goals with an immediate focus on a climate-positive future and performance-driven workforce.

The strategies we are implementing are the foundation for the better future we are striving to build.



## Materiality

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

### SOCIAL

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

### ENVIRONMENTAL

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

## Stakeholder Engagement

Our key stakeholders include employees, suppliers, investors, customers, consumers and the communities in which we operate. In 2021, Mohawk embarked on a listening tour, engaging with many of these groups to garner feedback on our sustainable business practices to help us shape a long-term strategy that will help us grow our business sustainably.

We are excited to shift our strategy from planning to activation, though we will continue to engage with our stakeholders to further understand their evolving needs and expectations, and we will use that insight to refine the strategy we are implementing as well as update policies and processes. We are always interested in feedback to make us better. Comments may be provided at [sustainability@mohawkind.com](mailto:sustainability@mohawkind.com).



Mohawk UltraWood with WetProtect, the industry's first waterproof wood flooring. Made in our Danville, Virginia, facility. Ninety percent of the wood used to produce UltraWood is post-industrial recycled content.



# A Conversation with Malisa Maynard, Vice President of Sustainability



## You joined Mohawk earlier this year. What attracted you to the Company?

Three things attracted me: the people, the innovative culture and the Company's strong desire to grow in sustainability. There is a real willingness to take our sustainability performance to the next level. I also was impressed by the breadth of the global portfolio. There's an amazing opportunity for impact.

## What is your assessment of where Mohawk is currently on its sustainability journey?

Mohawk is a decentralized organization, which helps us better meet the needs of our customers who differ across each business and region. There are best practices that have been developed within each of the businesses that focus on their respective stakeholders' needs. As a result, ESG strengths differ among business units. The culture to collaborate is absolutely here. The desire to make our products and processes even more sustainable is very strong. We need, however, to apply best practices from each of our businesses in a more holistic way so that we can amplify our results.

## How did you go about developing an enterprise-level ESG strategy?

The first step was to understand each business team, their vision and how they define sustainability in order to identify their strengths. Then, we looked for commonalities among the businesses and started to build a framework that truly defines what sustainability means at Mohawk. Finally, we have addressed governance of the strategy by building cross-functional teams for people and for the planet that will collaborate to define goals and initiatives going forward.

## What is the key to successfully executing that strategy?

Our businesses have the autonomy to incorporate the strategy in a way that uniquely drives success for them. We have a wide variety of products spanning a multitude of markets around the world. That means ESG priorities will vary and will be addressed differently by every business. Collectively, we will drive improvements for Mohawk, though we may have different paths to reach our North Star.

## What advantages does Mohawk's decentralized business bring to sustainability?

Innovation is our common language. There is tremendous passion and creativity around continuous improvement and a desire to better execute every aspect of our business. That translates very well into solving sustainability challenges by thinking in unique ways.



## In terms of initiatives, what are your priorities?

On the planet side, we need to expand our decarbonization strategy. This is going to require every business to identify and support creative carbon reductions. On the people side, the Company's global footprint provides us with an opportunity to define and highlight diversity in truly unique ways. We can leverage diverse backgrounds and experiences around the world to benefit our many stakeholders, including customers, employees and investors.

## What are you thinking about goals and targets?

Mohawk has spent the past decade working toward 25 percent reductions in greenhouse gas emissions, water and waste-to-landfill intensity. There has been great progress. We are continuing to work on the goals and will refresh them, including expanded ESG metrics, as we execute our new governance process.

## How do you see your role in supporting these efforts?

We are the bridge builders. It's our job to foster the inherent culture of innovation that exists at Mohawk to create new possibilities and business value. My team helps the business have visibility into sustainability best practices and standards. We want this to be an inclusive process with every Mohawk employee around the world having the opportunity to contribute their ideas. Innovating for a better tomorrow requires support from across the enterprise, and the enthusiasm I have seen at Mohawk is inspiring.



Vice President of Sustainability Malisa Maynard receives a welcome mat produced from recycled tires at the Calhoun, Georgia, crumb rubber mat plant.

## Mohawk Sustainability Recognition

### GLOBAL

*Forbes' World's Best Employers (2020)*  
*Training Top 100 (16 consecutive years)*

### U.S. 2020

- Edison Awards, Bronze, Consumer Good category for Air.o soft surface flooring
- Association of Marketing and Communication Professionals, MarCom Awards, Platinum, Writing/News Release, "Mohawk Cushions the Fight"
- *Floor Covering Weekly* GreenStep Awards, Promotion category for Mohawk's Continuum (EnviroStrand/EverStrand) "Overflow" Art Installation
- *Floor Covering News* TISE Best of Award, Sustainability category, EverStrand
- *Fast Company* Innovation by Design, Sustainability Honoree for Continuum (EnviroStrand/EverStrand)
- Good Design Award for Smart City

### 2021

- *Floor Covering Weekly* GreenStep Awards, Product Winner for EverStrand
- *Floor Covering Weekly* GreenStep Awards, Practice/Process Honoree, ReCover Recycling Program

- Metropolis Planet Positive Awards, Flooring Product honoree for Data Tide
- Best of NeoCon Awards, Sustainability category for Data Tide
- HiP Awards, Green Materials category, honoree for Color Pulse
- HiP Awards, Health + Wellness Flooring category, honoree for Crossing Current
- HiP for Greater Good, Honoree for Ramie Vagal
- Green Builder Media, Eco-Leader for Mohawk Flooring
- Green Builder, Hot 50 Products for UltraWood
- *Forbes' Best Large Employers*
- TOP EMPLOYER certification since 2017
- *Forbes' Best Employers for Veterans* since 2020

### EUROPE

- TOP EMPLOYER in Italy certification since 2017
- TOP EMPLOYER in Belgium certification since 2018
- ITALY'S BEST EMPLOYERS since 2021

### AUSTRALIA

#### 2021

- Lendlease Supplier Awards winner in Sustainability







# better for people

“Every innovation we drive, every product we launch and every time we win with our customers — those successes are only possible when we have the right people doing the right work. That’s why we are committed to attracting the best talent and investing in our people and teams to create opportunity, growth and engagement at every level. We win when our people thrive.”

Paul De Cock  
President, Flooring North America Segment



Mohawk’s support staff at the Bridgeport, Alabama, plant focus on manufacturing efficiencies and process improvements.



◀ The Company's vision and values are proudly emphasized at the Mohawk Flooring Center in Calhoun, Georgia.

## Employee Connection

Around the world, Mohawk cultivates a performance-driven workforce comprised of individuals with diverse backgrounds, talents and experiences.

Our world-class training programs foster inclusion because they equip all employees with skills for fulfilling careers and career paths, ensuring they can perform their duties successfully and safely at every level. As we build the technical skills of people in our communities, our employees are proud to give back through volunteering and donation-based programs.

With approximately 42,000 employees worldwide, Mohawk's culture promotes individual accountability and teamwork, which creates opportunities for advancement at every level. The global nature of Mohawk's employee base ensures a diversity of professional backgrounds, expertise and ideas, all of which are essential for any organization to succeed. The Company's global workforce also requires a localized approach to talent management to ensure the specific needs of employees in each individual market are being met.

Mohawk's values include promoting opportunity, equity and inclusion and standing firmly against any forms of discrimination, harassment or retaliation. The Company's nondiscriminatory policies and practices ensure that our equal-opportunity philosophy is actualized. Around the world, our businesses have many initiatives to increase inclusion, including the hiring of people with physical disabilities and increasing the number of women in our workforce globally.



# Women in Leadership: 5 Questions with 5 Leaders

In 2020, women comprised 28 percent of our workforce, including 22 percent of our leadership team. Our success at promoting women to leadership positions is in large part due to the extensive leadership development programs that we have introduced to cultivate skills among high-performing employees. Meet five of these leaders.



**VERONIQUE HOFACK**

President  
Unilin Panels  
Flooring Rest of World Segment



**CARLEY FERGUSON**

Vice President  
Internal Audit  
Mohawk Industries, Corporate



**TANIA PAULING**

President  
Mohawk Flooring Oceania  
Flooring Rest of World Segment



**KATIE ENGLEMAN**

Vice President  
Human Resources  
Flooring North America Segment



**LARISSA NOVIKOVA**

President  
Kerama Marazzi, Russia  
Global Ceramic Segment

## 1 WHY DOES MOHAWK NEED WOMEN IN LEADERSHIP?

**VH** Having diversity on the executive team helps different views to be considered and ensures a balanced approach. “How do you attract and keep the best talent?” is the right question, and the only right answer is that you need to create an inclusive workplace, open for women and minority groups in leadership positions. This is all about the Company culture you install and promote.

**TP** For any role, the person who is best able to perform that role should be appointed — regardless of gender. But women must be a part of the candidate pool considered. If only men are considered, then we would be missing out on utilizing the talents and perspective of 50 percent of the population, which would be to the detriment of the business.

**KE** Women contribute to the overall success of Mohawk every day and play a major role in leadership. They also play a pivotal role in our customer base and in our communities. Having women in leadership positions ensures that we develop solutions from different perspectives, ultimately driving us to better business results and a better experience for our employees.

## 2 HOW HAS MOHAWK SUPPORTED YOU AS A LEADER?

**CF** During my 24-year tenure, I have been provided opportunities for stretch roles and growth in finance and acquisitions teams. Mohawk is very supportive of professional development, allowing me to increase my technical knowledge and soft skills in the areas of communication, investigation and negotiation. As Mohawk grew into a global company, I worked with an executive coach to identify ways to capitalize on my strengths while building a team with the right skill set.

**LN** Mohawk trusts us as leaders. Mohawk gives me the opportunity to take ownership of a situation, which means freedom and great responsibility at the same time.

## 3 HOW DO YOU HELP DEVELOP OTHER WOMEN IN MOHAWK’S WORKFORCE?

**TP** The key to developing women within our business is getting capable women involved in the first place. It is not always easy to present a manufacturing business located in the outskirts of town as an attractive place to work, and women are unaware of the fantastic opportunities our industry offers. To recruit the next generation of leaders, we have implemented a Graduate Recruitment and Development Programme in Australia and New Zealand. The appointed graduates are then mentored by segment leaders within the Oceania business.

**KE** Mohawk is a performance-based culture focused on adding value, driving results and delivering to the best of your ability. We ensure women, and all employees, have access and the opportunity to develop and demonstrate these skills, every day. We invest in our employees’ development and give them exposure to all facets of the business through developmental programming such as our ASCEND, ASPIRE, RISE and LEAD programs and other developmental opportunities.



◀ Vice President of Internal Audit Carley Ferguson participates in a plant audit at the biomass fuel facility in Oostrozebeke, Belgium.



▲ Kerama Marazzi President Larissa Novikova confers with colleagues at Kerama Marazzi headquarters in Moscow, Russia.



**LN** I am a trained teacher, and a good leader is the same as a good teacher: they know how to ask questions, listen to answers and help others to learn. These qualities are also indispensable in growing other female leaders in the company.

## 4 WHY IS SUSTAINABILITY IMPORTANT TO YOUR BUSINESS?

**VH** As a president, I need to work on it today if I don't want to be out of business in five years. I also believe we have a responsibility toward future generations. Of course, there needs to be an economic rationale in the initiatives you undertake. It doesn't make sense to make your products more expensive if the market is not willing to pay for it, but I truly believe that sustainability and business priorities can go hand in hand.

**CF** Sustainability ties into the principle of 'Leave No Trace', whereby you leave things better than you found them. Every day, my team looks for ways to improve processes and controls. I strongly encourage reducing our impact, looking for new ways to use our resources.

**KE** Sustainability means being good stewards of the planet for future generations, balancing what we consume with what we contribute while meeting the needs of our customers. And it means prioritizing continuous improvement to ensure we stay connected to how those things change and evolve over time. Those efforts benefit not just the

business, but our people and our communities — today and tomorrow.


**LN** Sustainability is about our responsibility as a company to our employees and our clients, collaborators, consumers and the local environment where we operate. Sustainability is about finding an equilibrium between profitability and concern for the environment and social commitment. It is vital to diminish any negative effects our business might have on the environment and maximize the positive effect on society, always remembering that sustainability solutions need to make business sense.

## 5 HOW ARE YOU INTEGRATING SUSTAINABILITY INTO YOUR BUSINESS TODAY?

**VH** We aim to be leading in sustainability in the wood-based panels sector. We focus on the raw material mix and closing the loop of our products. Our particleboard production today already consists of more than 95 percent post-consumer wood, and we are the first producer in the world who is recycling MDF and laminate flooring waste in our production of MDF/HDF panels.

**CF** Since 2016, we have identified ESG risks and action items in our annual risk assessment. We are considering the impacts to our operations, communities and people. My team has specifically helped groups around the enterprise find ways to enhance their processes while working more sustainably.

**TP** By asking myself regularly, "Is this sustainable? What are the positive and negative impacts that will flow from any action, and how will that impact short- and long-term on our business, environment, and community?" It is a check that I now do almost subconsciously.

 President of Mohawk Flooring Oceania Tania Pauling reviews carpet production at Godfrey Hirst's facility in South Geelong, Australia.



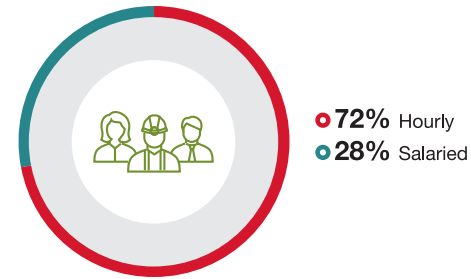
# Employee Statistics

Around one in ten of Mohawk's employees around the globe have been with the Company for more than 25 years. These men and women have grown their skills and built fulfilling careers within the business. As our workforce matures, the Company's hiring practices help the business mirror the communities in which we operate. For instance, during the pandemic, women have been disproportionately pushed out of the workforce due to childcare and other issues. During 2020, Mohawk was able to hire effectively to maintain its percentage of women in the workplace. Our award-winning training and apprenticeship programs are appealing to Generation Z individuals entering the workplace for the first time, so we are preparing now for the next cohort of 25-year employees.

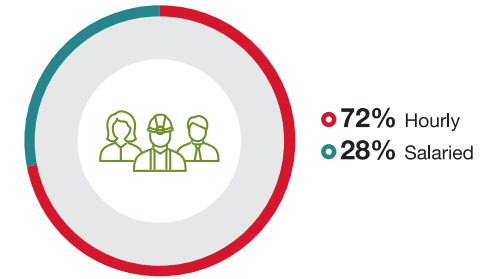


Mohawk truck drivers are brand ambassadors to our thousands of customers.

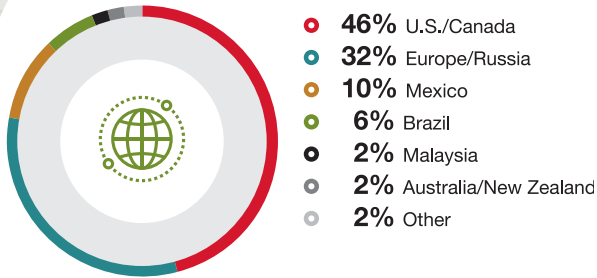
## EXISTING EMPLOYEES BY TYPE



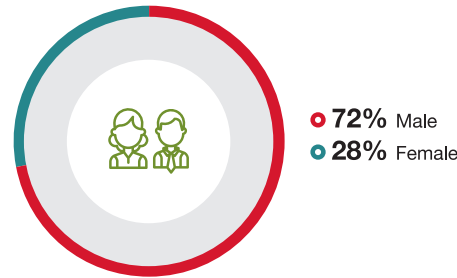
## NEW HIRES BY TYPE



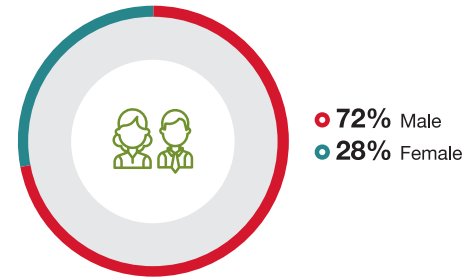
## EMPLOYEES BY REGION



## EXISTING EMPLOYEES BY GENDER



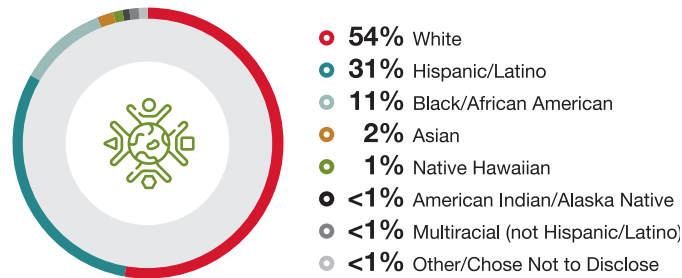
## NEW HIRES BY GENDER



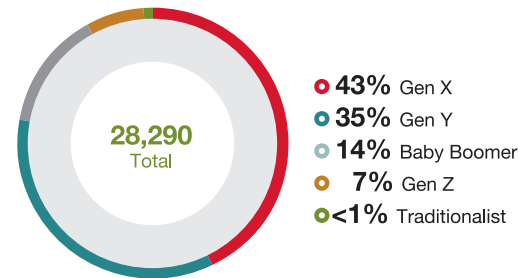
## LEADERSHIP BY GENDER



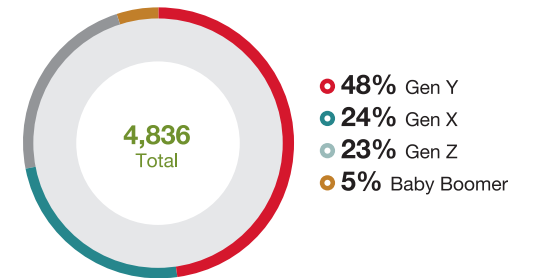
## U.S. EMPLOYEES BY ETHNICITY<sup>1</sup>



## EXISTING EMPLOYEES BY GENERATION<sup>2</sup>



## NEW HIRES BY GENERATION<sup>2</sup>



<sup>1</sup> U.S. employees account for roughly 50 percent of our employee population. We do not track this data outside of the U.S.

<sup>2</sup> As of December 31, 2020, the Company employed approximately 42,000 persons, consisting of approximately 19,600 in North America, approximately 14,600 in Europe and Russia and approximately 7,800 in other countries. Segmented data shown in charts is based on approximately 33,000 employees who are tracked through our centralized human resources management system. Some recent acquisitions are not yet integrated into our global HRIS platform, which limits the detail we can access on employees in those businesses.





▼ With a focus on design, performance, conservation of natural resources and plant safety, Mohawk produces ceramic tile in multiple European facilities, including our state-of-the-art Finale Emilia plant in Modena, Italy.

## Training and Development

Mohawk invests meaningfully in employee training and development to build a performance-driven workforce that delivers results for the business and our shareholders.

Equally important, we provide opportunities for employees to realize their personal career goals. In this way, we nurture a more inclusive culture — one where every employee has the chance to build skills for a rewarding career. Mohawk's emphasis on a diversity of learning styles has been vital in promoting inclusion across the organization. From the development of technical skills across our manufacturing facilities and communities to the increasing number of women and minority candidates included among our high-potential employees, the results of our training and development programs are helping to build a more inclusive Mohawk.

In 2020, when many companies reduced their expenditure on training and development, Mohawk continued to support our teams as they adjusted to new working models. This included investing in the technologies necessary to continue delivering our learning programs remotely and re-engineering our instructor-led workshops to engage a virtual audience. In 2020, we averaged more than 90 hours of training per employee, invested more than \$100 million, and in 2021, were proud to be included for the 16th consecutive year in *Training* magazine's list of the top 100 companies that offer the best opportunities for employee learning and development.



### Tuition Reimbursement

Our tuition reimbursement program makes additional educational opportunities affordable for many North American employees. We reimburse employees enrolled in undergraduate or graduate programs, as well as employees pursuing technical certifications. Reimbursement is available to employees who have been with Mohawk for at least one year, and there is no maximum amount that they can receive.

### Training Around the World

Although many of our talent development programs are available to all employees through our enterprise-wide Learning Management System (LMS), individual business segments and markets also offer tailored training programs. For example, in 2020, Marazzi in Europe adapted to the virtual work environment by offering webinars that helped employees develop core skills and competencies while also encouraging collaboration among remote workers.

In Europe, Unilin Group believes training is the new recruitment tool and encourages a lifelong learning approach. Accordingly, this business hired internal trainers to focus on in-house skills training and is rolling out a training & development brand, “The Dive,” to its entire workforce. Dal-Tile Mexico deployed a 10-month, in-house program with over 120 hours of training for potential managers that is largely taught by its own leaders, helping to build a culture of internal coaching and camaraderie.

### Global Engagement Survey

Understanding how our employees feel about their roles within the business and how we can continue to strengthen our position as a workplace of choice is a priority.

In 2021, we conducted our second global engagement survey with a participation rate of 75 percent and look forward to sharing insights from that survey in our next report. Our businesses around the world also do their own engagement assessments and outreach. For example, in its biannual survey, Dal-Tile Mexico found that its employees rated their happiness level at a 9.1 on a 10-point scale. In Russia, Kerama Marazzi launched an internal portal during 2020 to communicate announcements, business activities and results to employees. The number of unique daily users has steadily increased since launch with the most popular pages found within the knowledge base.



*Mohawk's widely recognized apprenticeship program creates career opportunities in many locations, such as at our Thomasville, North Carolina, laminate flooring plant.*





# Zero-Harm Workplace

Mohawk prioritizes a safe, hazard-free work environment that supports employee health and well-being.

To us, safety means being free of injuries and accidents and helping employees successfully manage physical and mental health care needs. Our focus on emotional well-being alongside physical well-being is a core component of Mohawk's approach to inclusivity, as we invite all employees to bring their whole selves to work each day.

In 2020, the COVID-19 pandemic continued to present additional safety risks to all employees, but clear protocols and safety practices have helped minimize transmission among employees. In all our operations, Mohawk follows the recommendations and guidelines issued by the Centers for Disease Control (CDC) and the World Health Organization (WHO), and we comply with all relevant state and country mandates as they are

issued. To ensure that all sites complied with these safety measures, Mohawk introduced "Stop the Spread" audits, whereby site managers and supervisors audited their facilities to ensure they were meeting our corporate COVID-19 guidelines. Across the Company, we conducted approximately 24,000 audits.

In our various regions, Mohawk has partnered with local health departments to procure vaccines and provide on-site vaccinations for employees whose work schedules make it challenging to obtain the vaccine through other channels. As the situation surrounding COVID-19 continues to evolve, Mohawk will take necessary steps to keep our team members safe and our business adaptable.

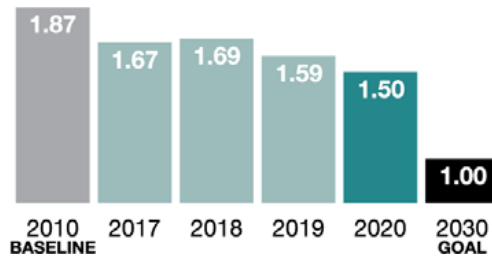


Ongoing training reinforces safety at our facilities, including the ceramic tile plant in El Paso, Texas.





## RECORDABLE INCIDENT RATE



*Since 2017, recordable incidents have decreased 10 percent. That progress also reflects integrating the 2018 Godfrey Hirst and Eliane acquisitions into Mohawk safety programs.*

**Safety Performance**

Mohawk and our employees partner to maintain safe workplaces around the world. Corporate initiatives include expanded training, more effective audits and promoting best practices. Each business segment leverages corporate resources to improve safety in their facilities while adding their own increased scrutiny of equipment maintenance and machine guards and encouraging peer-to-peer feedback. The safety data from all business segments is rolled up to calculate our corporate recordable incident rate (RIR).

**Safety Training**

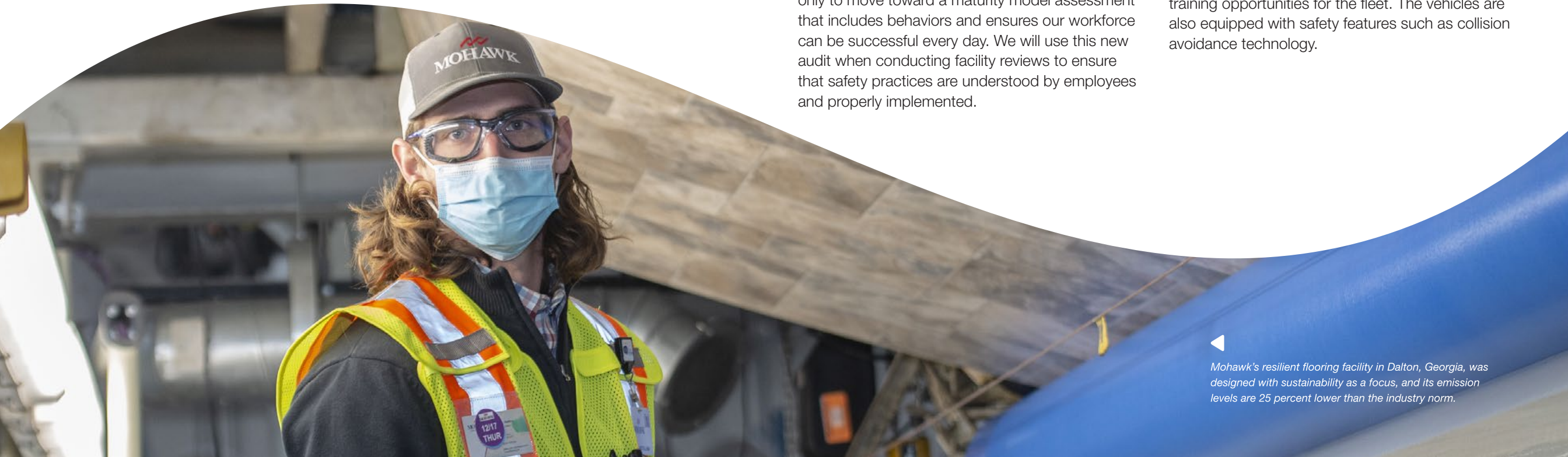
Mohawk's corporate safety team has developed 41 safety training programs that cover health and safety issues across our work environments and operations, from those highlighted by our principles and "cardinal rules" to less defined, but equally important, areas such as ergonomics, CPR, battery safety and emergency preparedness.

**Safety Audit Process**

Mohawk uses a third-party safety management system to maintain all safety incidents, track corrective actions, and conduct safety inspections and audits. During the COVID pandemic the Safety Leadership team took the opportunity to re-vamp the historical safety audit focused on compliance only to move toward a maturity model assessment that includes behaviors and ensures our workforce can be successful every day. We will use this new audit when conducting facility reviews to ensure that safety practices are understood by employees and properly implemented.

**Logistics Safety**

Due to our vertically integrated business, Mohawk runs a vast distribution network that moves our products between manufacturing facilities, distribution hubs and customer sites. More than 1,000 drivers transport our products, posing different safety challenges to those faced by our manufacturing, administrative and sales employees. In particular, the mobile nature of the job makes it difficult to communicate with drivers. We install technology in our trucks, including an electronic logging device, to stay in touch with drivers and to monitor their driving behaviors, such as hard stops, hard brakes and use of cruise control. This enables us to also give feedback to individual drivers on their performance and identify training opportunities for the fleet. The vehicles are also equipped with safety features such as collision avoidance technology.



*Mohawk's resilient flooring facility in Dalton, Georgia, was designed with sustainability as a focus, and its emission levels are 25 percent lower than the industry norm.*





▲ Hundreds of Mohawk employees and their family members participate annually in the United Way of Gordon County's Unity Run in Calhoun, Georgia.

## Health and Well-being

Mohawk is dedicated to cultivating a performance-driven workforce and is committed to helping employees maintain their well-being.

Although it ultimately falls to employees to take responsibility for their own health, Mohawk offers a comprehensive list of benefits, resources and training — at no cost or low cost — to help them make good decisions about their health.

The Mohawk employee benefits website details benefits available to U.S. employees and features health and wellness training and resources, including healthy recipes and the “Healthy Minute” video series and practical tips to become active and stay healthy. We also use the website to share employee success stories to encourage others to adopt healthy lifestyles.

In the U.S., our Healthy Life Centers (HLCs) offer employees and their family members covered under the Company health care plan:

- Acute care
- Chronic disease management
- Preventive exams
- Pediatrics
- Medication maintenance programs
- Pre-placement examinations
- Wellness coaching
- Integrated care coordination with primary care physicians



On-site HLCs are located within larger Company facilities and are available to health care plan participants, their spouses and covered dependents over the age of two. Near-site HLCs are offered at smaller locations, and virtual HLCs have been added to supplement the offering for the Company's field sales and logistics employees. Before the HLCs were introduced, anonymous surveys indicated that 40 percent of our U.S. employees did not have a primary care physician, which meant many of them were not aware of the chronic conditions that were negatively impacting their health. Through the convenience and affordability of the HLCs — including not having to clock out for appointments — employees with diabetes, high blood pressure, high cholesterol and other chronic conditions are receiving care to effectively manage these diseases and are improving the quality of their lives.

On-site wellness programs are also a mainstay at our businesses throughout the world. These programs include:

- A series of on-site employee events with healthcare specialists at Marazzi Europe
- Nutritional counseling and screening for employees at Dal-Tile Mexico
- A sports and recreational complex for employees of Eliane Brazil
- Treatment at health centers for Russian hourly employees

## Moving Lives, Improving Lives

COVID-19 underscored the need to help keep employees safe, well and connected. Our Unilin Group introduced a “Moving Lives” program where employees form teams to walk, run, cycle or swim together with their activity linked to donations for SOS Children's Villages. More than:

**750** employees formed    **90** teams across more than    **20** countries to reach a goal of

**100,000 kilometers**

That goal was reached so quickly that a new goal was set — **384,000 kilometers**, the distance between the earth and moon — and was also achieved.



◀ For our Unilin Group employees, cycling to work promotes good health and helps to raise funds for charity.



# Community Connection

Throughout our history, Mohawk has been built on an unwavering commitment to the communities in which our employees live and work.

As we have grown around the world, those communities have expanded and become part of the fabric of our Company. We partner locally and globally to improve lives within them.

Mohawk has always been defined by our entrepreneurial spirit, and our approach to community engagement follows that history. Like our people management approach, we empower local teams to manage these efforts and drive the decisions for what best benefits their local communities.

## The Mohawk Foundation

Since 1990, the Mohawk Foundation has supported nonprofit organizations that benefit our employees and their families. In particular, the foundation funds organizations whose services impact diverse populations and that have a record of delivering results. For example, in 2020, we underwrote the cost of a fire truck for the volunteer fire department in the small town of Glasgow, Virginia (population: 1,385), where Mohawk is the only significant employer.

## Focus on Indoor Spaces

Many of our nonprofit partners provide homes and other indoor spaces to those in need. The nature of our flooring business means we have the expertise and resources to offer meaningful assistance, including products and employee volunteers, to these organizations.

Our philanthropic activities include:

- Building new homes for people in need
- Creating welcoming and accessible spaces for disabled veterans
- Supporting dream bedroom makeovers for children with serious illnesses

The Company is a national corporate sponsor of Habitat for Humanity®, and employees across the country regularly work on home builds and organize fundraising events, including an annual golf tournament in Calhoun that raises enough money to fund a home for a deserving family in the community where Mohawk's headquarters is located.

## Disease Prevention

In 2020, Mohawk continued our support for Susan G. Komen®, the largest breast cancer research organization in the U.S. Through our corporate donation programs, Specify for a Cure® and Decorate for the Cure™, we made contributions to Komen for each square yard of eligible designer-specified commercial flooring products and residential SmartCushion carpet pad sold, totaling \$6.3 million since the program began in 2001.

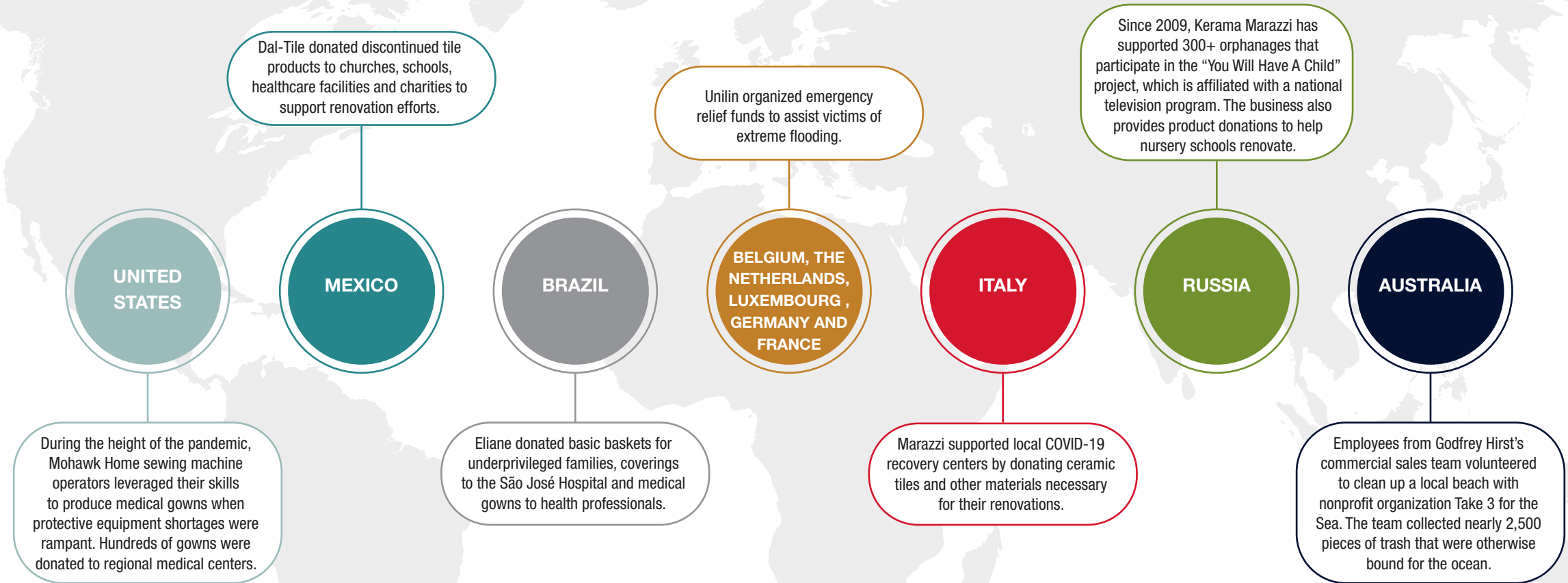
In response to the challenges faced by a number of employees who have suffered spinal cord injuries in off-site automobile accidents, recreational activities and home accidents, Mohawk has donated \$1 million to the Atlanta-based Shepherd Spinal Center, which is internationally recognized for its ability to help individuals recover from spinal cord injuries through innovative, technology-driven programs that can help people regain mobility.

▼ Mohawk's partnership with Susan G. Komen celebrated 20 years in 2021, with more than \$6.3 million in donations generated thus far.



# Global Partnerships

Although nearly half of our employees live in the U.S., Mohawk is active in communities wherever we have manufacturing operations. The map below showcases examples of our engagement.



Northwest Georgia is home to Mohawk's corporate headquarters and almost half of our U.S. employees. In 2020, Mohawk was named a five-star champion by the United Way of Northwest Georgia, a designation reserved for top donors. Two employees also serve on the organization's board of directors. Many are also involved with the United Way of Gordon County, a smaller United Way chapter that includes Calhoun, Georgia. Through employee contributions and the Company's annual gift, Mohawk provides almost 20 percent of that chapter's annual funding. We have also donated \$600,000 over three years to the Atlanta-based Latin American Association to help it expand services to Dalton, where the population is almost one-third Latino.





# better for the planet

“We only have one planet, one home, on which we all live with more and more people. It is the responsibility of individuals and companies to treat our planet and one another in a respectful way. Reducing carbon emissions, using renewable energy and decreasing water consumption are key priorities at Mohawk. Global resources are limited, and circularity is the future, so placing circularity at the heart of our business is a huge opportunity to ensure sustainable growth.”

Bernard Thiers  
President, Flooring Rest of World Segment



▲ Godfrey Hirst's Berber Vogue residential carpet collection made in our South Geelong, Australia, facility. Wool carpet represents an excellent circular design: a renewable resource; long-wearing to limit replacement; and completely biodegradable at the end of its life cycle.





Employees of Mohawk's GH Commercial partner with Take 3 for the Sea to clean up St. Kilda beach in Melbourne, Australia.

## Climate-Positive Future

As we look to the next decade, Mohawk is excited to be a part of the climate change solution by implementing a new decarbonization strategy guided by measurable science-based targets.

At the heart of this effort is our new Planet Council, which we formed in 2021, with a group of key stakeholders who align business direction and decision-making with sustainability goals. The Council's priority is to establish science-based targets for GHG emissions reduction. While we have tracked and reported our energy and Scope 1 and 2 emissions data through the CDP since 2017, we need to expand that reporting to include Scope 3 emissions.

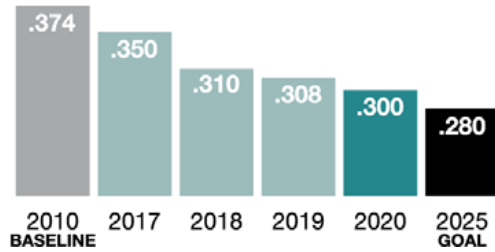
In September 2021, Mohawk Group, our North American commercial flooring division, formally joined approximately 200 companies around the world by signing The Climate Pledge. This pledge commits Mohawk Group to achieve net zero carbon by 2040, an aggressive timeline 10 years ahead of the Paris Agreement goals.

Our Flooring Rest of World segment committed in November 2021 to set science-based emission reduction targets in line with SBTi criteria and recommendations. These targets will be submitted to SBTi for validation and approval within the next 24 months. The segment's flooring business in Australia, Godfrey Hirst, is also making strides towards carbon reductions. In September 2021, Godfrey Hirst obtained certification under Climate Active, an Australian government program that award businesses that have achieved carbon neutrality. By achieving this certification, Godfrey Hirst has committed to account for and reduce the carbon emissions associated with its operations.



**TOTAL SCOPE 1 AND 2 GHG EMISSIONS**

*(biogenic and non-biogenic)*



*Metric tonnes CO2/Rev CC*

2020 Total Electricity Consumed

**23%**  
generated from  
**GRID ELECTRICITY**

**9%**  
generated from  
**RENEWABLES**

2020 TOTAL ENERGY CONSUMED



- **63%** Natural Gas
- **23%** Grid Electricity
- **6%** Renewable Biofuel
- **5%** Other Fossil Fuels
- **3%** Other Renewables

We are establishing science-based targets for GHG emissions and have formalized our commitment to carbon reduction on three continents.

▼ Around 5,500 solar panels cover the roof of our insulation manufacturing site in Desselgem, Belgium.





# Energy Conservation

Energy-efficiency and operational improvements are key to achieving GHG emissions reduction. Our business segments deploy a variety of tactics to conserve energy use, ranging from capital investment in more efficient equipment to best practices in manufacturing processes. These tactics have enabled progress, such as Marazzi in Italy decreasing the amount of energy needed to produce 1 kilogram of products by 1.5 percent and Dal-Tile North America conserving 11 million kilowatts of electricity annually at its sales centers and distribution facilities.



## GLOBAL CERAMIC SEGMENT

Dickson, Tennessee

### Energy Conservation Tactic:

Combined heat and power microturbine engines power spray-drying operations that automatically adjust generated power to match facility load, yielding greater energy efficiency.

## FLOORING NORTH AMERICA SEGMENT

Dalton, Georgia & Glasgow, Virginia

### Energy Conservation Tactic:

New smaller equipment has replaced older inefficient boilers.



## GLOBAL CERAMIC SEGMENT

Milan, Italy

### Energy Conservation Tactic:

Hot air from kilns is recycled and produces electricity through a co-generation plant.



## Renewable Energy

In addition to energy efficiency, we invest in cleaner fuels and proven renewable energy technologies to power the growth of our business. Our European businesses are at the forefront of these investments, including biomass, solar and wind power generation at multiple locations in Belgium, including:

- Biomass heat and electricity generation from end-of-life wood and wood byproducts at board pressing operations at Oostrozebeke (since 2010) and Wielsbeke (since 2020) with an environmental impact study underway for a proposed third plant in Vielsalm
- A wind farm that provides 30 percent of electricity at operations in Avelgem
- Wind turbine and photovoltaic solar system that help supply electricity to the Flooring Rest of World segment headquarters

- Rooftop solar panels that provide 40 percent of annual energy consumption for the Flooring Development Center in Waregem

In the U.S., we utilize wood waste as fuel to generate thermal energy and process steam at our Mount Gilead, North Carolina, medium density fiberboard (MDF) facility, which provides the boards used in our nearby laminate flooring manufacturing operations. The fuel is derived from internal waste as well as pre-consumer waste from local furniture, pallet and lumber producers and supplies 48 percent of the plant's energy needs.

In Australia, Godfrey Hirst has installed approximately 220 solar panels on the roof of its more than 14,000 square-meter distribution center in Truganina, Victoria. The 100 kilowatt solar system generates enough clean energy to meet more than half the facility's consumption, supporting the business's Climate Active Carbon Neutral Organisation certification.

Eliane, our Brazil ceramic tile business, received a Certificate of Renewable Energy in 2020 from the country's energy trading company COMERC, certifying that the business had avoided emitting 3.2 tons of GHG emissions in 2019 by purchasing renewable energy.



▲ Three windmills at the Company's Avelgem, Belgium, manufacturing facility generate 20 percent of the plant's electricity.

### Logistics Efficiency

Mohawk's U.S. distribution fleet includes hundreds of tractors and thousands of trailers that each haul approximately 40,000 pounds of flooring products on a full load. Although we have started testing, the demands for this weight cannot currently be met by the technology offered by electric or natural gas-powered trucks. Our present emissions-reduction efforts therefore focus on efficiency within diesel trucks.

Mohawk has achieved reductions through equipment upgrades and monitoring driver practices, limiting practices such as long idle times. We have found improvements in areas such as engines, aerodynamics and predictive cruise control. In addition, our backhaul network is world class and maximizes our fleet's time on the roads, ensuring that trucks rarely travel empty after making a delivery. This has enabled us to realize a 6.3 percent increase in fuel economy during the past three years.

### Better Health, Fewer Emissions

To provide employees with a healthy, emissions-free commute option, our Unilin ROW division has launched a leased bike program that more than 600 of its Belgian employees have joined. The division also has launched an electronic vehicle (EV) program for Company cars. Belgian and Norwegian employees can now opt for pure electric vehicles instead of diesel or gasoline-powered ones. Unilin has also installed charging stations at its factories and at employees' homes so they can charge at their own convenience. When charging at factories, vehicles use the green electricity generated by our manufacturing operations. In the meantime, the fraction of colleagues voluntarily choosing an EV has increased from 20 to about 50 percent. This number should increase as employees become familiar with the technology, more models are introduced and charging networks are expanded.



#### 2020 MOHAWK U.S. FLEET PERFORMANCE

**60M+**

**MILES**  
traveled

**1.1M**

**FEWER FUEL**  
**GALLONS**  
than 2019

**11,666**

**METRIC TONS**  
fewer GHG emissions

▲ Mohawk's truck fleet provides a competitive service advantage while reducing emissions and fuel consumption.



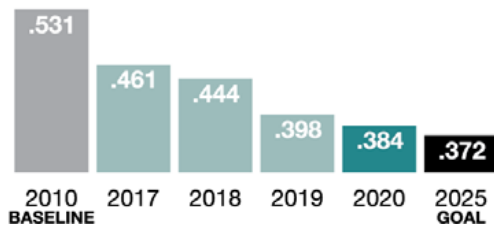
# Water Restoration

Water is an essential manufacturing element of all flooring products.

Among many examples, Mohawk uses water to dye yarn for carpet and rugs, to mix with dry ingredients to make ceramic tile and glaze compounds and to clean equipment. We ensure efficient use of water in our processes and products and sustainably manage all wastewater.

In 2020, Mohawk’s water use totaled 3,689 million gallons. We continue to work toward our goal to reduce water use intensity by 30 percent from a 2010 baseline and remain committed to finding improvements across the Company that will ensure conservation of this resource.

TOTAL WATER INTENSITY



MGal/Rev CC

**0.384**

**WATER INTENSITY**  
(million gallons/Rev CC)



▲ Replacing traditional space dyed yarns with our unique Color Pulse fibers saves up to one cup of water per commercial carpet tile, a total of more than 330,000 gallons of water each year.

Mohawk Group employees participated in river clean-ups, including at the Etowah River in Rome, Georgia. ►

## The Waterways Project to Promote River Health

Healthy rivers result in improved human health, which is why we launched The Waterways Project in 2021. The project represents a journey through new products, technologies and initiatives to help us better understand and give back to the living rivers that sustain us all.

From July through November, Mohawk Group and Durkan took a carbon-neutral roadshow from Phoenix, Arizona, to Miami, Florida, highlighting new products and innovations that underscore the Company’s commitment to leaving a positive handprint on local waterways. As part of the project, Mohawk has established a two-year partnership with Change the Course and the Waterkeeper Alliance to sponsor river clean-up days in regions across the U.S. to help preserve local waterways.



# Water Conservation Around the World

Our facilities across the world take many steps to manage water, including:

10 of 12 ceramic tile manufacturing plants recover and reuse 100 percent of wastewater generated in the production process, preventing 125 million gallons from entering local municipal water treatment facilities.

Our commercial carpet manufacturing facility in Virginia replaced traditional space dyed yarns with our unique Color Pulse fibers, which saves up to one cup of water per commercial carpet tile, a total of more than 330,000 gallons of water each year.

## U.S. AND MEXICO

## BRAZIL

Our five ceramic tile facilities use an online water conservation tool to measure water flows, helping the team identify water losses in a water-stressed region of the country. We also reuse water en masse at enamel preparation plants and reuse treated effluent in gas scrubbers.

## BELGIUM

Water from a local river is used as a secondary coolant to absorb heat during high-grade vinyl floor manufacturing, and a closed-loop flow pumps river water alongside process cooling water. This one-of-a-kind system decreases process water use by 40 percent compared with other systems.

## ITALY

Our ceramic tile plants do not discharge process wastewater; and, in fact, recycle wastewater from other ceramic tile manufacturers. These plants also have reduced the amount of water required to produce 1 kilogram of ceramic tile by 3.5 percent.

## RUSSIA

Our ceramic tile facilities track well water intake and send production wastewater to an industrial treatment plant and then use it in the preparation of ceramic slurries.

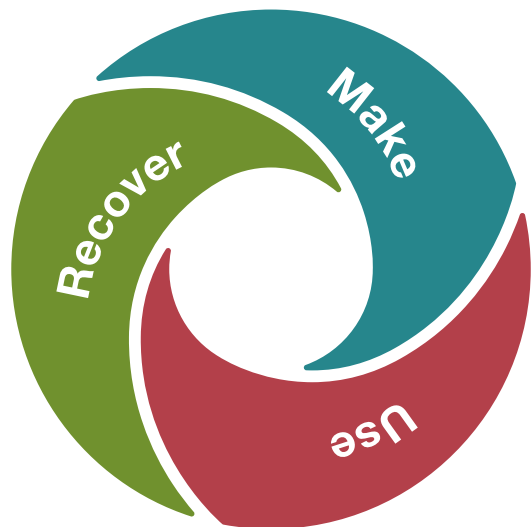


# Product Circularity

From the design and manufacture of our products to their use and end of life, product circularity is a keystone of Mohawk’s approach to sustainability.

We have a wealth of opportunities to close the loop and thoughtfully minimize environmental impact across the product life cycle — a key benefit of our vertically integrated operations.

Perhaps more importantly, we create sustainable products while still exceeding consumer expectations for design, functionality, quality and value. To support our commitment to manage the life cycle of our products, we will release a product circularity goal in 2025, developed by our Planet Council.



- 1 MAKE**  
 Innovate regenerative products through thoughtful design and efficient manufacturing that optimize material use and expand post-consumer and sustainable content. Employ a zero-system-waste framework, including renewable energy use, to minimize our products full life-cycle impact.
- 2 USE**  
 Ensure healthy environments where product life is extended through superior performance and durability. Educate end-users about post-lifecycle options for reducing environmental impact.
- 3 RECOVER**  
 Reclaim materials for a second and subsequent purpose after an initial, useful life.



Mohawk’s EverStrand carpet is created from post-consumer recycled plastic bottles, which are transformed into polyester fiber in Summerville, Georgia.





▶ Mohawk's Industrial Park facility in Dalton, Georgia, uses proprietary bio-based triexta fiber to create the foundation of our exclusive SmartStrand collections, now featuring a patented recyclable backing.

## Product Circularity



### Sustainable Product Design

As the first step in the product life cycle, sustainable product design sets the stage for reducing our flooring's environmental impact during all stages of the cycle. Mohawk makes significant investments in product research and development each year and maintains approximately 540 R&D positions across its global businesses. Through circular design, we reduce the material required in manufacturing. For example, Kerama Marazzi has saved 458 tons of raw material per year by reducing the thickness of tiles while retaining their durability through advanced technologies.

Mohawk is known for sustainable fiber innovation in its carpet collections, and the Company has now extended that to the foundation of the product with proprietary Recover backing technology. By removing latex and polypropylene from carpet backing and substituting polyester fibers, the result is an easily recyclable product.

In addition to reducing the amount of material used in manufacturing, we use sustainable materials that are either renewable, recycled or bio-based. For example, in New Zealand, sheep are shorn every nine to 12 months, providing a source of renewable wool for Godfrey Hirst and Feltex carpet collections. Wool has the added benefit of being completely biodegradable when the products wear out after long-term use.



**Recycled Inputs**

Mohawk uses post-consumer recycled content in more than 500 product collections worldwide.



**DAL-TILE TILE**

Almost 100 percent of Dal-Tile manufactured tile collections contain recycled or reclaimed materials.



**LVT**

100 percent of our luxury vinyl tile (LVT) and carpet tile produced in Europe contains a high percentage of recycled content.



**PARQUET FLOORS**

In Malaysia, we use end-of-life trees from the local rubber industry to create the core of our parquet floors.



**EVERSTRAND CARPET**

Each square yard of our EverStrand™ line of carpets contains on average 63 reclaimed plastic bottles, adding more than 6 billion recycled bottles in 2020 alone.



**RUBBER DOOR MAT**

Mohawk Home, the Company's North American rug business, upcycles rubber tires to create door mats, recycles plastic bottles into the fiber used to tuft bath rugs and converts waste carpet fibers into rug pads. In 2020, we diverted more than 23,000 rubber tires from landfills, a 9 percent increase from 2019.



**MALINO GRES PORCELAIN**

Marazzi uses pre-consumer recycled content to reduce raw material requirements in the production of its Malino Gres Porcelain products by almost 17 percent.



**BOARDS**

We are committed to keeping wood in circulation for as long as possible. Our Unilin particle board business gives a second life to 700,000 tons of reclaimed wood per year. Similarly, our laminate and medium-density fiberboard (MDF) panels use wood fibers that are unusable for other applications. Our chipboard panels are composed of 90 percent recycled materials. With our own new innovative recycling technology, we have become the first in the world to recover MDF and HDF to produce new panels.





**Bio-based Products**

Bio-based products are made with plant-derived materials. The wood used in our floor panels and laminate products is the perfect example. One hundred percent natural, renewable and recyclable, wood flooring helps mitigate climate change because it stores the carbon emissions that trees absorb as they grow. Wood flooring’s contribution to reducing GHG emissions is doubled when it is used in place of carbon-intensive flooring such as concrete. In addition to wood, the fiber used in our SmartStrand® carpet collections is manufactured with 28 percent plant-based polymer. Other bio-based materials used within the Mohawk product portfolio include corn-based resins, jute, cotton and sisal fiber as well as soybean oil used as a stabilizer in resilient flooring.

**Manufacturing Waste**

Manufacturing processes inherently produce waste, but the most sustainable manufacturers understand that waste does not have to go to landfill and can instead be given a second life as a raw material in new products. Despite the exciting possibilities of reusing waste, it’s also important to reduce the waste that is created, because a smaller waste stream means a leaner production process.

Since 2010, Mohawk has formalized and standardized a reduce/reuse/recycle approach to manufacturing waste, which was aligned with our first goal to reduce waste to landfill by 25 percent by 2020. Our efforts yielded significant success, and we achieved our 2020 goal in 2015. Since then, we’ve been continuing our waste journey, helping our facilities to pursue waste reductions and developing innovative processes for reuse.

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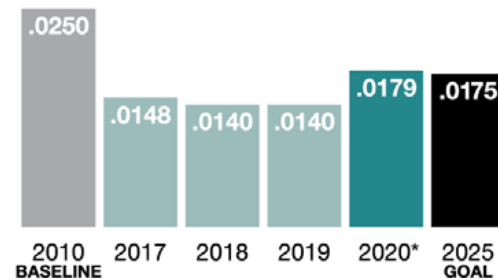
**ZERO WASTE TO LANDFILL FACILITIES**

Today, 41 Mohawk facilities are considered Zero Waste to Landfill (ZLF), which we define as 90 percent diversion of any materials that pass through our manufacturing process. We recertify each ZLF site annually. Our ZLF sites include:

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

In 2020, our hard surfaces bulk distribution center in Calhoun, Georgia, the busiest distribution operation in our Company, achieved ZLF after reducing waste-to-landfill by 57 percent in six months.

**TOTAL WASTE-TO-LANDFILL**



Tons/Rev CC

\*Lost some recycling partners and non-viable beneficial reuse outlets



Each year, billions of plastic bottles are recycled into polyester fiber at the Company’s Summerville, Georgia, facility.

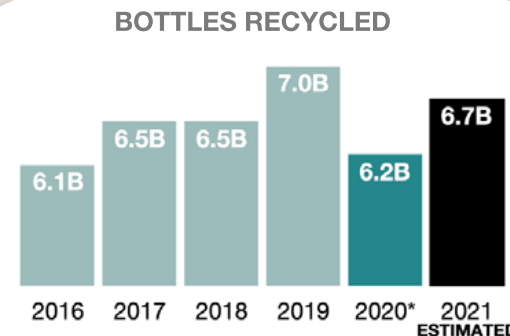
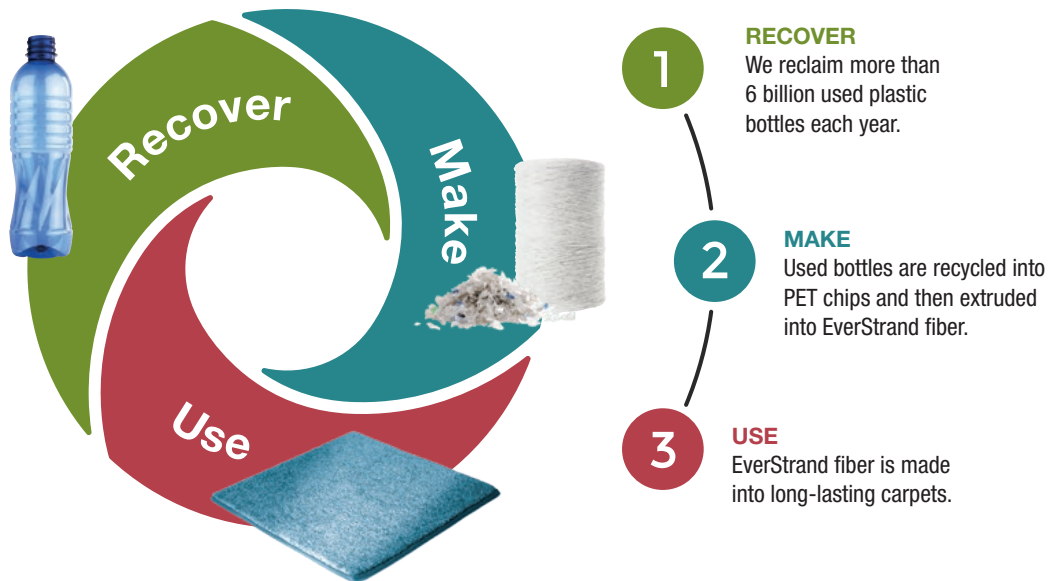


There are many channels for us to reuse manufacturing waste in our own facilities or products. For example, waste from the production of our EverStrand™ and EnviroStrand™ carpet systems is being used in our nonwoven carpet pad production process. We have optimized our production processes to repurpose yarn waste across all soft surface product lines. In our ceramic tile business, millions of pounds of materials that cannot be used to make new products internally have been sent to state-approved beneficial reuse programs for roadbed base material, brick and cement manufacturing and land reclamation.

After reductions and opportunities for reuse are exhausted, we aim to divert waste from landfills through commercial recycling streams and the sale of our waste to other businesses. Wherever possible, we try to keep our waste diversion local, identifying businesses near each facility with which we can partner and thus avoid additional transportation-related emissions.

### Our Polyester Recycling Process

Recycling post-consumer waste is the foundation of this innovative manufacturing process.



Total bottles recycled — 32.3B

\*Decreased 2020 and 2021 volume reflects pandemic and supply chain impact on production.

▲ Many EverStrand polyester collections now feature ReCover backing, making the entire carpet recyclable.





Quick-Step Frozen Oak engineered wood flooring made in our Kedah, Malaysia, facility. The facility sources its wood cores from local rubber trees at the end of their life cycles.

## Product Circularity



### Product Certifications

As the world moves toward a more sustainable future, customers rightfully expect transparency from companies, especially when it comes to claims around sustainability. Third-party certifications help us authenticate our products' sustainability features in the eyes of increasingly discerning customers. Among the certifications and labeling enjoyed by our products are:

**The International Living Future Institute's (ILFI) Declare<sup>SM</sup> program**, which provides a clear ingredients list for products that architects and designers can use to make ecologically sound decisions. Both carpet products from Mohawk and certain tile collections by Marazzi have earned Declare certification.

**Red List-free** indicates that products are free from the most harmful chemicals commonly used in the building industry. Mohawk offers the industry's largest Red List-free product portfolio — more than 500 collections — as well as a Red List-free installation process.

**Environmental Product Declarations (EPDs)** are the most complete environmental footprint assessments currently available. EPDs are derived from a product's full life cycle perspective and include a third-party verification. As of 2020, Dal-Tile, Unilin, Marazzi and Mohawk Group have product-specific EPDs.

**Health Product Declarations (HPDs)** provide a transparent disclosure of a product's contents and health impacts based on a set of International hazard listings. Since 2018, Dal-Tile, Marazzi and Mohawk Group have developed product-specific HPDs for many of their collections.



**Leadership in Energy and Environment Design (LEED)** and other green-building certifications can be earned with the help of many Mohawk products. Our European resilient and laminate products have earned green-building credits and certificates that include the Green A+ label and HQE in France and Belgium; DIBt/AgBB, DGNB and GUT in Germany; FloorScore® in the U.S.; and BREEAM, LEED, WELL, DGNB and Greenstar globally.

**The HIGG Index** is an initiative of the Sustainable Apparel Coalition to assess the social and environmental performance of the value chain and the environmental impacts of products. Mohawk Home, in order to serve several retail customers, participates in this process.

We help communicate the sustainability and performance benefits of ceramic tile through our partnership with the Tile Council of America by creating content on their “Why Tile?” website. Visit [www.whytile.com](http://www.whytile.com) for more information.

### Indoor Air Quality

We design and manufacture our flooring products thoughtfully and carefully to ensure healthy indoor air quality. This includes limiting emissions from volatile organic compounds (VOCs). In the past five years, we have decreased emissions by substituting newly available chemicals and partnering with vendors to improve material composition.

Mohawk products meet or exceed all health, safety and quality standards, as well as local, state and federal laws related to VOCs. Our Corporate Environmental department reviews and approves all new chemical and material products prior to import, purchase, request for sample or bringing on site. We request a “chemical of concern” evaluation sheet from suppliers of chemicals or materials used in the manufacture or production of our products.

The installation process is another opportunity to address indoor air quality. Our patented Uniclic® technology offers an easy installation method that uses no glue or other chemicals. By producing our own vinyl and resin binder, we further control the use of harmful substances in our products. We also reduced the chemicals used in many of our carpet adhesives, including our Red List FlexLok®, used for commercial carpet tiles.

Marazzi Europe offers more than 600 products with GREENGUARD or GREENGUARD Gold Certification, adhering to some of the world’s most rigorous standards for the creation of healthy indoor air environments. Likewise, our European Loose Lay flooring solutions are easy to install and maintain and are manufactured to the highest environmental standards.



American Olean Woodstory ceramic tile in Natural Oak made in our Dallas, Texas, facility. Ceramic tile is the original sustainable flooring, made from 100 percent natural materials such as clay, feldspar, quartz and water. Our ceramic collections include pre-consumer recycled content, as damaged or broken tiles are recycled back into new products.





**159M**  
POUNDS OF CARPET  
recovered since 2006

## Product Circularity



Managing the environmental factors that contribute to sustainable products is somewhat easier during the make and use phases of flooring's life cycle because the variables are in Mohawk's control — we can reduce inputs in manufacturing and design sustainability into our products. To truly achieve product circularity, we also need to take responsibility for our products at the end of life. That represents a challenge since we are usually reliant on end-users to work with us to keep our products out of landfills. Mohawk encourages customers to make better decisions by managing programs that recover, reuse and recycle flooring.

Mohawk's ReCover recycling program began by offering commercial customers a market-based solutions approach to landfill diversion. Depending

on the project location, we recycle old flooring, regardless of manufacturer, through our diverse network of recyclers across North America. Our program is customized per project to ensure a holistic and service-based approach to reclamation projects. Our ReCover recycling team facilitates the project from start to finish. In 2021, we expanded this program to residential customers.

In our Global Ceramic segment, Dal-Tile also has introduced GREENWORKS™, a take-back program that offers the building industry an alternative to landfill disposal of waste or unused ceramic and porcelain tiles that may result from demolition/construction projects or inventory reduction programs.



*Previously installed carpet is diverted from landfills through the ReCover recycling program.*

Unilin Group participates in research into new recycling techniques for medium- and high-density fiberboard panels, laminate floors and polyurethane insulation materials. Our European resilient flooring and carpet tile businesses are participating in Circular Flooring, a project that aims to apply circular principles to the regions flooring industry. The project will use an innovative process for recycling PVC floors that removes additional substances so that pure PVC can be processed into granules and reused in new flooring. We are partnering with 10 other companies and research institutes from five European countries to implement the project.



# Responsible Sourcing

Selecting suppliers and partners that meet our ethical, environmental and socially conscious standards is an important part of Mohawk's sustainability strategy.

Our supply chain is comprised of many organizations around the world, both large enterprises and small businesses.

Mohawk's Supplier Code of Conduct applies to our vendors worldwide. All suppliers and their subcontractors must adhere to it. The Code ensures that materials in Mohawk products comply with laws and that suppliers share our principles of social responsibility. Mohawk has the right to conduct our own assessments of new and existing suppliers to verify compliance with the Code. If we uncover violations of our Code, we promptly address the issue with the supplier and require them to correct it.

Mohawk's Code is consistent with International Labour Organization standards prohibiting child labor and forced compulsory labor, the maintenance of workplaces free of coercion and harassment, the responsibility to provide employees with a safe and healthy workplace, and respect for the rights of employees to organize and bargain collectively. In California, a specific requisite in the California Transparency in Supply Chains Act of 2010 (SB 657) outlines requirements applicable to human trafficking and slavery, which are also communicated through our Code.

▶ With a unique and innovative technology for reclaiming the wood fiber from MDF and HDF boards, we are now able to reuse this material to produce high-quality fiberboard, which will eventually keep 380,000 tons of CO2 per year stored in wood fiber that has been given a second life.





### Wood Supply Chain Management

Wood is a large component of many of our products, such as laminate, parquet floors and panels. The wood supply chain, however, is complex. Unfortunately, many instances of poor forest management and deforestation around the world threaten the sustainability of forests, destroying ecosystems, important habitats and worsening the effects of climate change.

Mohawk purchases wood that is managed by sustainable forestry standards, several of which exist around the world. We take a localized approach to purchasing wood, sourcing from forests that are managed according to best practices in local markets. Wood used in our laminate floors is compliant with EU Timber regulation 995/2010 and certified to PEFC, FSC or other validation methods.

### WOOD SOURCING DATA MOHAWK TOTAL PRODUCTS — 2020



- 45% FSC/PEFC Certified
- 45% Third-Party Validation<sup>1</sup>
- 10% Internal Validation<sup>2</sup>
- <1% FSC/PEFC Controlled

<sup>1</sup> Sourcing investigation with use of external auditing services to ensure wood is sourced according to Lacey Act requirements, including but not limited to, onsite visits, conclusive risk and origin risk.

<sup>2</sup> Sourcing investigation to ensure wood is sourced according to PEFC/EUTR Regulations, including but not limited to, conclusive risk, certification status of suppliers and origin risk.



▲ Green electricity and thermal energy are produced through the use of non-recyclable wood and wood byproducts at our biomass plants in Belgium.

▼ Our facility in Bazelles, France, utilizes recycled wood to create chipboards.







# better for performance

“Ensuring our workplaces are defined by respect, health, safety and opportunity for everyone goes hand in hand with sustaining our profitability. Around the globe, we are taking actions to lower our carbon footprint, reduce energy consumption and waste, re-use water and increase recycled content in our products. Doing what’s right for people and the planet just makes good business sense.”

Chris Wellborn  
President and Chief Operating Officer  
President — Global Ceramic Segment







## Corporate Governance

Mohawk Industries is a publicly traded company listed on the New York Stock Exchange under the ticker symbol “MHK.”

The public can access our corporate governance materials on our corporate website at [www.mohawkind.com](http://www.mohawkind.com), including:

- Board of Directors and Executive Officer listing
- Board committee charters
- Contact information for Board members
- Corporate governance guidelines
- Privacy policy
- Related person transaction policy
- Standards of Conduct and Business Ethics

Investors can access our 10-K, 10-Q and Proxy filings with the Securities and Exchange Commission through the Investor Information section of our website.



Chief Financial Officer James Brunk leads a staff meeting with the senior members of his Finance team.

“Mohawk’s senior management team is committed to ensuring that our business around the world is conducted in environmentally and socially responsible ways. This commitment is shared by our divisional management teams who execute our ESG strategy in a manner that aligns with the needs of their customers, employees and local communities.”

James Brunk  
Chief Financial Officer





# ESG Governance

We recognize that managing sustainability priorities, including those related to climate change, helps promote and ensure long-term viability for the Company.

These priorities are integrated into our overall management process and incorporate strong governance principles.

## Policies

Mohawk maintains clear, accessible and consistent ethics, compliance and other ESG-related policies across the organization. These policies include:

- [Standards of Conduct and Business Ethics](#)
- [Human Rights Policy](#)
- [Supplier Code of Conduct](#)
- [Conflict Minerals Policy](#)
- [Health and Safety Policy](#)
- [Environmental Policy](#)
- [Privacy & Data Security Policies](#)



Chief Financial Officer James Brunk presents Chairman and Chief Executive Officer Jeffrey Lorberbaum with a plaque honoring his 45 years of service to the Company. Similar awards are presented to employees across the business.





## Ethics

Mohawk does not tolerate unethical behavior, including any form of corruption, discrimination or harassment.

The Mohawk Standards of Conduct and Business Ethics establishes the framework to ensure such behavior does not take place, and we have policies throughout our global operations to deter anti-competitive behavior. We expect all employees, officers and directors to adhere to the Standards. With Mohawk's rapid global expansion, it's imperative that we continually re-examine our ethics policies and procedures.

We regularly review and conduct analysis of corruption risks and conduct corruption training, available in 10 languages, every two years.

The last training assignment was completed in 2020 and registered a 95 percent completion rate for the Antitrust and Competition component and a 98 percent completion rate for the Anti-Corruption component. If an employee is not scheduled to complete the training in a given year, business presidents send them communications highlighting specific corruption risks and the importance of ethical business practices.

The Internal Audit team also conducts business standards surveys annually to identify potential issues across the business. Employees self-report and can share information on any issues that they've encountered. Mohawk operates 24-hour anonymous third-party hotlines for employees, customers, suppliers and others to report concerns in local languages.

Mohawk has delivered anti-harassment training in person and via the Company's learning management system as part of expanding our safety-first culture to promote the social and psychological safety of employees as well as their physical safety.

As detailed in the Mohawk Standards of Conduct and Ethics Policy, Mohawk does not employ a lobbyist directly. No individual within the business devotes 20 percent or more of his or her time on lobbying activities in any quarter. In the U.S., Mohawk is forbidden from making direct contribution/donations to federal election campaigns. The Company encourages employees to vote but does not endorse candidates or support any political ideology.

Training in ethics, anti-corruption and anti-harassment take place across the business to reinforce the Company's position on these important issues.





Employees at Mohawk Group Light Lab in Dalton, Georgia, create intellectual property such as new products and custom designs.



## Data Security and Privacy

Data security and privacy is a growing risk to businesses and society in general.

It's imperative for companies to responsibly manage personal data, such as personally identifiable information, payment information, device information and browsing history while accessing websites. Mohawk uses the information we collect for business purposes, including authenticating a customer's identity, delivering promotional material and improving our sites and products.

Mohawk Industries' [Privacy Policy](#) explains the privacy and security practices required for any website, application, mobile browser, social media account or service that we operate. The policy applies to our corporate operations and businesses headquartered in the U.S., while our global businesses have policies that are subject to local laws.

On rare occasions, we may share information with third parties. Such circumstances are limited and

include support services such as marketing, data analysis and strategy. We may also share information with our subsidiaries, divisions, parent and affiliate companies, or we may disclose information when we are required to comply with subpoenas, court orders, legal process or other valid law enforcement measures.

Mohawk websites protect personally identifiable information in compliance with applicable laws

through organizational, technical, administrative and physical precautions. We have a team, led by our Chief Information Officer, that is responsible for implementing information security controls appropriate for the nature of the data involved. Our information security procedures are reviewed regularly and updated as necessary. While we believe our measures reduce the likelihood of security problems to a level consistent with the type of data involved, we cannot guarantee the

security of personal information. In 2020, we did not suffer any data breaches.

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



# GRI Index

Mohawk is responding to the [Global Reporting Initiative \(GRI\)](#) Sustainability Reporting Standards, first released in 2016. Responses as of December 2021.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 102: General Disclosures</b>		
<b>ORGANIZATIONAL PROFILE</b>		
102-1	Name of the organization	<a href="#">Mohawk Industries, Inc.</a>
102-2	Activities, brands, products, and services	<a href="#">2020 Form 10-K</a> , pages 3-10 Introduction > Mohawk Industries: Scale & Scope
102-3	Location of headquarters	Calhoun, GA
102-4	Location of operations	<a href="#">2020 Form 10-K</a> , page 21
102-5	Ownership and legal form	Mohawk Industries is a publicly traded company listed on the New York Stock Exchange under the ticker symbol "MHK."
102-6	Markets served	<a href="#">2020 Annual Report</a> , page 9
102-7	Scale of the organization	<a href="#">2020 Form 10-K</a> , pages 10 & 24 Introduction > Mohawk Industries: Scale & Scope
102-8	Information on employees and other workers	<a href="#">2020 Form 10-K</a> , page 10 Introduction > Mohawk Industries: Scale & Scope People > Employee Statistics <b>Salaried:</b> Male: 65% Female: 35% <b>Hourly:</b> Male: 75% Female: 25%



DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
102-9	Supply chain	<p><a href="#">2020 Form 10-K</a>, page 8</p> <p>Planet &gt; Responsible Sourcing</p>
102-10	Significant changes to the organization and its supply chain	None
102-11	Precautionary Principle or approach	<p>Mohawk Industries does not follow the precautionary approach, but has a comprehensive risk management plan in place. See Performance &gt; ESG Governance and page 35 of the <a href="#">2021 Proxy</a>.</p>
102-12	External initiatives	<ul style="list-style-type: none"> <li>• CDP</li> <li>• Global Reporting Initiative</li> <li>• International Labour Organization</li> <li>• U.N. Sustainable Development Goals</li> </ul>
102-13	Membership of associations	<p>Mohawk participates in and is affiliated with numerous industry trade organizations. Please see a sample list below:</p> <ul style="list-style-type: none"> <li>• American Institute of Architects</li> <li>• American Society of Interior Designers</li> <li>• American Society of Landscape Architects</li> <li>• Assisted Living Federation of America</li> <li>• Association of Postconsumer Plastic Recyclers</li> <li>• Carpet America Recovery Effort</li> <li>• Ceramic Tile Institute of America</li> <li>• Fedustria (Federation of the Textile, Wood and Furniture Industries)</li> <li>• Forest Stewardship Council</li> <li>• Green Building Certification Institute</li> <li>• International Facility Management Association</li> <li>• Manufactured Housing Institute</li> <li>• Marble Institute of America</li> <li>• Mason Contractors Association of America</li> <li>• National Association for PET Container Resources</li> <li>• National Association of the Remodeling Industry</li> <li>• National Council of the Housing Industry</li> <li>• National Wood Flooring Association</li> <li>• North American Laminate Flooring Association</li> <li>• Programme for the Endorsement of Forest Certification Schemes</li> <li>• Southeast Recycling Development Council</li> <li>• U.S. Green Building Council</li> <li>• World Floor Covering Association</li> </ul>



DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>STRATEGY</b>		
102-14	Statement from senior decision-maker	A Message from Our Chairman and CEO, Jeffrey S. Lorberbaum
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	Performance > ESG Governance; Ethics <a href="#">Standards of Conduct and Ethics</a>
<b>GOVERNANCE</b>		
102-18	Governance structure	<a href="#">2021 Proxy</a> , pages 6-7
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	Introduction > ESG at Mohawk > Stakeholder Engagement
102-41	Collective bargaining agreements	<a href="#">2020 Form 10-K</a> , page 10
102-42	Identifying and selecting stakeholders	Introduction > ESG at Mohawk > Stakeholder Engagement
102-43	Approach to stakeholder engagement	Introduction > ESG at Mohawk > Stakeholder Engagement
102-44	Key topics and concerns raised	Introduction > ESG at Mohawk
<b>REPORTING PRACTICE</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">2020 Form 10-K</a> , page 3
102-46	Defining report content and topic Boundaries	Introduction > ESG at Mohawk
102-47	List of material topics	Introduction > ESG at Mohawk > Materiality
102-48	Restatements of information	None
102-49	Changes in reporting	None



DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
102-50	Reporting period	Calendar year 2020, which runs concurrent with our fiscal year.
102-51	Date of most recent report	2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	sustainability@mohawkind.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared according to the GRI Standards: Core Option.
102-55	GRI content index	GRI Index
102-56	External assurance	Mohawk Industries does not seek external assurance on its sustainability reporting.
<b>GRI 200: Economic</b>		
<b>GRI 205: ANTI-CORRUPTION</b>		
103-1	Explanation of the material topic and its Boundary	Performance > Ethics <a href="#">Standards of Conduct and Ethics</a>
103-2	The management approach and its components	Performance > Ethics <a href="#">Standards of Conduct and Ethics</a>
103-3	Evaluation of the management approach	Performance > Ethics <a href="#">Standards of Conduct and Ethics</a>
205-2	Communication and training about anti-corruption policies and procedures	Corruption training is conducted at least once every two years across the Company and is available in 10 languages.



DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 300: Environmental</b>		
<b>GRI 301: MATERIALS</b>		
103-1	Explanation of the material topic and its Boundary	Planet > Product Circularity
103-2	The management approach and its components	Introduction > ESG at Mohawk > Refreshed ESG Strategy, Goals and Objectives Planet > Product Circularity
103-3	Evaluation of the management approach	Planet > Product Circularity
301-2	Recycled input materials used	Planet > Product Circularity: Make 80 percent of significant product platforms contain recycled input materials. Mohawk defines “significant” as flooring categories that make up 10 percent or more of sales.
301-3	Reclaimed products and their packaging materials	Planet > Product Circularity: Reuse
<b>GRI 302: ENERGY</b>		
103-1	Explanation of the material topic and its Boundary	Planet > Climate Positive Future
103-2	The management approach and its components	Introduction > ESG at Mohawk > Refreshed ESG Strategy, Goals and Objectives Planet > Climate-Positive Future
103-3	Evaluation of the management approach	Planet > Climate-Positive Future
302-2	Energy consumption outside of the organization	Planet > Climate-Positive Future > Total Energy Consumed
302-3	Energy intensity	1.295 MWh/net sales
302-4	Reduction of energy consumption	500,396 MWh

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 303: WATER AND EFFLUENTS</b>		
103-1	Explanation of the material topic and its Boundary	Planet > Water Restoration
103-2	The management approach and its components	Introduction > ESG at Mohawk > Refreshed ESG Strategy, Goals and Objectives Planet > Water Restoration
103-3	Evaluation of the management approach	Planet > Water Restoration
303-1	Interactions with water as a shared resource	Planet > Water Restoration
303-2	Management of water discharge-related impacts	Planet > Water Restoration
303-3	Water withdrawal	3,689 million gallons
303-4	Water discharge	Planet > Water Restoration
303-5	Water consumption	Planet > Water Restoration > Water Intensity
<b>GRI 305: EMISSIONS</b>		
103-1	Explanation of the material topic and its Boundary	Planet > Climate-Positive Future
103-2	The management approach and its components	Introduction > ESG at Mohawk > Refreshed ESG Strategy, Goals and Objectives Planet > Climate-Positive Future
103-3	Evaluation of the management approach	Planet > Climate-Positive Future
305-1	Direct (Scope 1) GHG emissions	1,641,025 MT of CO2e equivalent (non-biogenic)
305-2	Energy indirect (Scope 2) GHG emissions	985,920 MT of CO2e equivalent
305-4	GHG emissions intensity	0.30 MT of CO2e equivalent/net sales



DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 306: WASTE</b>		
103-1	Explanation of the material topic and its Boundary	Planet > Product Circularity: Make
103-2	The management approach and its components	Introduction > ESG at Mohawk > Refreshed ESG Strategy, Goals and Objectives Planet > Product Circularity: Make
103-3	Evaluation of the management approach	Planet > Product Circularity: Make
306-1	Waste generation and significant waste-related impacts	Planet > Product Circularity: Make
306-2	Management of significant waste-related impacts	Planet > Product Circularity: Make
306-4	Waste diverted from disposal	Planet > Product Circularity: Make
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
103-1	Explanation of the material topic and its Boundary	Planet > Responsible Sourcing
103-2	The management approach and its components	Planet > Responsible Sourcing <a href="#">Supplier Code of Conduct</a>
103-3	Evaluation of the management approach	Planet > Responsible Sourcing
308-1	New suppliers that were screened using environmental criteria	Planet > Responsible Sourcing 100 percent of new suppliers are screened using environmental criteria.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 400: Social</b>		
<b>GRI 401: EMPLOYMENT</b>		
103-1	Explanation of the material topic and its Boundary	People > Employee Connection
103-2	The management approach and its components	People > Employee Connection
103-3	Evaluation of the management approach	People > Employee Connection
401-1	New employee hires and employee turnover	People > Employee Statistics > New Hires by Generation  <b>Salaried:</b> Male: 64% Female: 36%  <b>Hourly:</b> Male: 75% Female: 25%  <b>Regional:</b> U.S.: 65% Europe: 16% Mexico: 14% Australia/New Zealand: 2% Russia: 2% Brazil: <1% Malaysia: <1% Other Countries: <1%
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People > Health and Well-being



DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>		
103-1	Explanation of the material topic and its Boundary	People > Zero-Harm Workplace
103-2	The management approach and its components	People > Zero-Harm Workplace
103-3	Evaluation of the management approach	People > Zero-Harm Workplace
403-1	Occupational health and safety management system	People > Zero-Harm Workplace
403-2	Hazard identification, risk assessment, and incident investigation	People > Zero-Harm Workplace
403-3	Occupational health services	People > Zero-Harm Workplace
403-4	Worker participation, consultation, and communication on occupational health and safety	People > Zero-Harm Workplace
403-5	Worker training on occupational health and safety	People > Zero-Harm Workplace
403-6	Promotion of worker health	People > Health and Well-being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People > Zero-Harm Workplace
403-8	Workers covered by an occupational health and safety management system	100 percent of workers are covered by an occupational health and safety management system.
403-9	Work-related injuries	People > Zero-Harm Workplace > Recordable Incident Rate There were zero fatalities in 2020.

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 404: TRAINING AND EDUCATION</b>		
103-1	Explanation of the material topic and its Boundary	People > Training and Development
103-2	The management approach and its components	People > Training and Development
103-3	Evaluation of the management approach	People > Training and Development
404-1	Average hours of training per year per employee	90+ hours of training per employee
404-2	Programs for upgrading employee skills and transition assistance programs	People > Training and Development
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>		
103-1	Explanation of the material topic and its Boundary	People > Employee Connection
103-2	The management approach and its components	People > Employee Connection
103-3	Evaluation of the management approach	People > Employee Connection
405-1	Diversity of governance bodies and employees	For employee diversity, see People > Employee Statistics The Board consists of six men and one woman, all of whom identify as Caucasian. 100 percent of Board members are over the age of 50.
<b>GRI 413: LOCAL COMMUNITIES</b>		
103-1	Explanation of the material topic and its Boundary	People > Community Connection
103-2	The management approach and its components	People > Community Connection
103-3	Evaluation of the management approach	People > Community Connection
413-1	Operations with local community engagement, impact assessments, and development programs	People > Community Connection



DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT</b>		
103-1	Explanation of the material topic and its Boundary	Planet > Responsible Sourcing
103-2	The management approach and its components	Planet > Responsible Sourcing <a href="#">Supplier Code of Conduct</a>
103-3	Evaluation of the management approach	Planet > Responsible Sourcing
414-1	New suppliers that were screened using social criteria	Planet > Responsible Sourcing 100 percent of new suppliers are screened using social criteria.
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>		
103-1	Explanation of the material topic and its Boundary	Planet > Product Circularity: Use
103-2	The management approach and its components	Planet > Product Circularity: Use
103-3	Evaluation of the management approach	Planet > Product Circularity: Use
416-1	Assessment of the health and safety impacts of product and service categories	Planet > Product Circularity: Use Significant product platforms for which health and safety impacts are assessed for improvement: 67 percent. Mohawk defines “significant” as flooring categories that make up 10 percent or more of sales.
<b>GRI 418: CUSTOMER PRIVACY</b>		
103-1	Explanation of the material topic and its Boundary	Performance > Data Security and Privacy
103-2	The management approach and its components	Performance > Data Security and Privacy <a href="#">Privacy Policy</a>
103-3	Evaluation of the management approach	Performance > Data Security and Privacy
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2020, we did not suffer any data breaches.

# Sustainability Accounting Standards Board Index

This report contains disclosures in accordance with the [Sustainability Accounting Standards Board \(SASB\)](#) Building Products and Furnishings Standard as compiled December 2021.

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE
<b>Energy Management in Manufacturing</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-BF-130a.1	(1) For total energy consumed trend data please see Planet > Climate-Positive Future > Total Energy Consumed (2) Percentage grid electricity: 23% (3) Percentage renewable: 9%
<b>Management of Chemicals in Products</b>	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-BF-250a.1	Planet > Product Circularity: Use
	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	CG-BF-250a.2	100 percent of the products meet the applicable product certification VOC standards.
<b>Product Lifecycle Environmental Impacts</b>	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	CG-BF-410a.1	Planet > Product Circularity
	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	CG-BF-410a.2	(1) 150 tons of end-of-life material recovered (2) 53% of recovered materials recycled and/or reused
<b>Wood Supply Chain Management</b>	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by standard	CG-BF-430a.1	(1) 1,196 million pounds (2) 45% of wood products from third-party validated sources (3) 45% of wood products are FSC/PEFC certified or controlled (4) 10% are internally validated
	ACTIVITY METRIC	CODE	RESPONSE
	Annual production	CG-BF-000.A	Introduction > Mohawk Industries: Scale and Scope



# Task Force On Climate-Related Financial Disclosures Index

Mohawk has adopted the reporting recommendations set forth by the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) to communicate the evolving impacts of climate change on our business. Additionally, in line with recommendations made by the TCFD, Mohawk is responding to the CDP Climate Change 2021 questionnaire, references to which are included in the table below. Please find our full CDP response at [cdp.net](https://www.cdp.net).

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	REFERENCE
<b>GOVERNANCE</b>		
Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Performance > ESG Governance <a href="#">2021 Proxy</a> > Committees, pages 6-7 CDP Climate Change 2021 C1.1a, C1.1b
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Planet > Climate-Positive Future Performance > ESG Governance CDP Climate Change 2021 C1.2, C1.2a, C1.3a

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	REFERENCE
<b>STRATEGY</b>		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Planet > Product Circularity CDP Climate Change 2021 C2.1a, C2.3, C2.3a, C2.4, C2.4a
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Planet > Product Circularity CDP Climate Change 2021 C2.4a, C3.1, C3.3, C3.4
	c) Describe the potential impact of different scenarios, including a 2°C scenario, on the organization's businesses, strategy, and financial planning.	CDP Climate Change 2021 C3.2, C3.2b
<b>RISK MANAGEMENT</b>		
Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	Performance > ESG Governance CDP Climate Change 2021 C2.1
	b) Describe the organization's processes for managing climate-related risks.	Performance > ESG Governance CDP Climate Change 2021 C2.1
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Performance > ESG Governance CDP Climate Change 2021 C2.1



DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	REFERENCE
<b>METRICS AND TARGETS</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Introduction > ESG at Mohawk > Refreshed ESG Strategy, Goals and Objectives Planet > Climate-Positive Future  CDP Climate Change 2021 C4.1, C4.1b
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Planet > Climate-Positive Future > Total Scope 1 and 2 GHG Emissions  CDP Climate Change 2021 C6, C7
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Introduction > ESG at Mohawk > Refreshed ESG Strategy, Goals and Objectives Planet > Climate-Positive Future  CDP Climate Change 2021 C4.1, C4.1b

# Reconciliation of Non-GAAP Measures

## RECONCILIATION OF OPERATING INCOME TO EBITDA AND ADJUSTED EBITDA

For the Years Ended December 31,	2017	2018	2019	2020
Operating Income	1,354,173	1,095,326	827,224	<b>636,002</b>
Net earnings attributable to noncontrolling interest	(3,054)	(3,151)	(360)	<b>(132)</b>
Depreciation and amortization	446,672	521,765	576,452	<b>607,507</b>
Other income (expense), net	(5,205)	(7,298)	(36,407)	<b>752</b>
EBITDA	1,792,586	1,606,642	1,366,909	<b>1,244,129</b>
Restructuring, acquisition and integration-related and other costs	48,940	78,449	99,679	<b>145,415</b>
Acquisition purchase accounting, including inventory step-up	13,314	15,359	3,938	—
Release of indemnification asset	4,459	4,606	(56)	<b>(262)</b>
Impairment of net investment in a manufacturer and distributor of Ceramic tile in China	—	—	59,946	—
Adjusted EBITDA	1,859,299	1,705,056	1,530,416	<b>1,389,282</b>



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