



2013

CORPORATE
RESPONSIBILITY
AND SUSTAINABILITY
REPORT



good
CHOICES

GOOD CHOICES

You make them for your life.
We make them for our business.

Mohawk always strives to not only make a good choice, but also a responsible choice. In the following pages, we highlight and discuss some of the choices we have made during the past year and how they are helping to create positive change for our stakeholders.

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CEO Message

A Message From Jeffrey Lorberbaum, CEO and Chairman



Reaping the Benefits of Good Choices

Mohawk had an extraordinary 2013, achieving some of the best financial results in Company history and demonstrating the power of exercising good judgment and making good choices. Following a prolonged and difficult industry downturn, we have emerged stronger than ever by relying on an experienced leadership team to communicate our vision, implement our strategy, optimize our operations and make the right choices to ensure long-term growth upon recovery. Those choices, coupled with the dedication of our talented global workforce, not only helped us to achieve outstanding 2013 results, but also have positioned us to continue to make good, sound and responsible choices as we grow our business around the world.

The past year has also been a transformational one for Mohawk. As recently as 2006, our sales were largely confined to North America, with 60 percent of our sales generated by carpet. Today, approximately a third of our business is outside North America, and our net sales mix has changed to roughly 40 percent Carpet, 40 percent Ceramic and 20 percent Laminate & Wood. Moreover, much of this transformation has occurred largely during the past year as we integrated three acquisitions across seven countries.

Mohawk is now the world's largest flooring company, with an exceptionally strong market position that can take us to an entirely new level of performance. As one would expect, however, this new growth, diversification *and* potential make Mohawk a significantly more complex organization today than in the past. While we have more opportunities to entertain, we also have new challenges to face. Likewise, a larger business and footprint means we have more choices to make day-in and day-out, thus magnifying the need to make sure our decisions are good ones. To help us do so, there are four "choices" that transcend our businesses around the world and that are useful to ensure that we continue to grow our business in a responsible manner.

Choosing to Reinvest in Our Business

By the end of 2014, Mohawk expects it will have invested nearly \$900 million in our existing businesses within a two-year period. These investments are ensuring that we have a state-of-the-art manufacturing base to drive improvements in quality, productivity and sustainability. Our commitment to ongoing capital investment also increases our ability to manufacture in market and to maintain a high degree of flexibility among plants. This not only enhances our competitive position, but also helps us to better manage our environmental footprint through optimized transportation logistics and equipment.

CEO Message

Choosing to Be Sustainable by Being Efficient

Sustainable practices are inherently efficient practices. Mohawk has a long tradition, and indeed “knack,” for driving efficiency throughout our manufacturing processes. This key competency was a primary enabler managing through the industry downturn and one we’re committed to more than ever. Our new Zero Landfill program is a great example. This program helps local leadership analyze and evaluate their existing process waste streams, then develop an action plan to change the facility’s operations and culture so that 100 percent of manufacturing waste can eventually be eliminated or upcycled.

Currently we have 14 rug and carpet manufacturing sites that have received an internal landfill-free certification – a number we hope to double within the next year. We view the program as a transformative one that’s helping to alter the way our workforce thinks about waste. In raising employee awareness, we also have an opportunity to influence how our people think about waste at home or in the community.

Choosing Product Innovation to Achieve Progress

No business ever wins by standing still. This is especially true in highly competitive markets such as flooring. R&D investments that lead to new, better and often more sustainable products have become a mainstay of our strategy in every category in which we compete. Our most recent breakthrough is Continuum™, a patent-pending proprietary process that creates higher-quality PET carpet by using only superior, FDA-approved PET bottle resin. The result is a stronger, more resilient carpet that contains up to 100 percent recycled content from PET bottles. Continuum not only improves our competitive power in the \$1.5-billion-plus polyester carpet market, but also ensures that we continue to fully utilize our manufacturing infrastructure that can recycle approximately 5 billion bottles on an annualized basis. Similar to SmartStrand®, our investment in innovation has once again produced a win for our business and a win for the environment.

Choosing to Grow Globally and Manage Locally

Though Mohawk’s businesses and operations now span the globe, we remain very much a locally focused company. Whether we enter a market through acquisition, joint venture or green-field construction, our choice is to manage the business at a local market level. To do so, we empower local leaders to make decisions based on local concerns – be it our competitive position, our workforce or the communities in which we operate. At the same time, we leverage best practices across the enterprise to implement process improvements, increase efficiencies and reduce costs. As the largest participant in a fragmented global flooring market, we expect that our expansion into new markets will continue, but always with a healthy balance of both local and global perspectives.

The Value of Good Choices

As extraordinary and transformative as 2013 was for Mohawk, we believe the potential for even better years lies ahead. More than anything, our 2013 achievements demonstrate that good choices lead to great outcomes – faster growth, greater innovation, more efficient operations and new shareholder value. Today, our diverse portfolio, leading brands, innovative products, operational excellence and strong management team are the foundation to build an even stronger business that can benefit all of our stakeholders.

As always, thank you for your continued interest and support of Mohawk Industries.

Sincerely,



Jeffrey Lorberbaum
Chairman and Chief Executive Officer



Good Choices that Create Positive Change

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Mohawk and its people continued to innovate, grow and serve in 2013, both in and out of the workplace. The good news we've gathered from our operations around the globe demonstrates the positive impacts we are having on our business, our customers and the world around us.





The Innovative Choice

PET Project: A better way to recycle PET bottles leads to better carpeting.

For 15 years Mohawk has diverted an average of 3 billion PET bottles annually from local landfills and transformed those bottles into polyester carpet for consumers. The process has provided us with a cost-effective, alternative raw material to virgin polyester – savings that we could pass along to more value-minded consumers. In addition, the process delivered obvious environmental benefits.

Consumer preferences, however, have shifted from one type of polyester fiber to another in recent years. Born out of this shift, we invested \$180 million to develop a new, proprietary process that satisfies this new consumer fiber preference, *and* continues to provide a significant environmental benefit. Continuum™ is an innovative breakthrough that enables us to create higher-quality carpeting from recycled PET bottles. The result is a polyester carpet that provides both product value and performance for consumers and allows us to continue sourcing materials from recyclable material.

Continuum starts with our selection of recycled materials – we use only FDA-approved PET bottle resin, the highest-grade polymer available for carpet production. Then, through a multi-step purification process, Continuum helps Mohawk produce polyester carpeting that is easier to maintain and which has increased impact resistance. Continuum also reduces nearly 94 percent of PET lubricants, resulting in a product with better resistance to dirt and grime. In fact, some PET carpets have up to 10 times more dirt-attracting oily residue than a

Continuum carpet. Finally, the process supports the extensive investments we've made in recycling technology, which Mohawk can continue to use in the sourcing, cleaning and processing of billions of PET bottles each year.

We currently have more than 40 Continuum products in the marketplace, a number that will increase in the years ahead. Continuum is a process innovation that has helped to differentiate our PET carpeting in the marketplace, while reinforcing Mohawk's longstanding commitment to provide consumers with a beautiful, affordable and sustainable flooring solution.





The Strategic Choice

Bigger Footprint, Smaller Impact: Recent acquisitions that expand our global footprint are putting us closer to customers and materials.

Nearly \$2 billion of acquisitions completed in the past 18 months are expanding both our product offerings for consumers and our geographic reach. As a result, more in-market manufacturing and distribution capabilities are putting us closer to customers to gain better insights into their flooring needs and desires. This more local orientation also enables us to reduce our environmental footprint with respect to transportation logistics and to source more local materials – a benefit to both Mohawk and local economies.

The largest of these acquisitions, Marazzi, is a well-established European tile manufacturer that has made us the global leader in ceramic tile. In Western Europe, Marazzi enjoys leading market positions and exports to more than 145 countries. With manufacturing locations across Europe, Marazzi is strategically located close to the region's most important tile markets. These locations also are enabling us to expand into adjacent and fast-growing regions such as Eastern Europe, the Middle East and Africa. Russia is another market where Marazzi is a game-changer for Mohawk. In this market, Marazzi not only has its own manufacturing and distribution capabilities, but also, its business model encompasses more than 300 owned or franchised retail stores.

Meanwhile, in North America, Marazzi has grown our participation in the mid- to high-end segment of the market and increased our total market share of the ceramic tile category to about 40 percent. The combination of four top tile brands in the United States – Daltile®, American Olean®, Marazzi and Ragno – provides a strong platform for leveraging manufacturing expertise, design capabilities and distribution systems across all sales channels and price points.

Strengthened Position in Laminate

Another acquisition, Pergo, combines one of the best-known laminate brands in the world with our existing Quick-Step® brand. The combination of these two brands provides us with a leading market position in the laminate category across North America, Western Europe and Scandinavia, where Pergo began. As part of Pergo's integration into our existing Unilin operations, we have shifted production from outdated, inefficient plants to state-of-the-art plants in Belgium. In addition to an enhanced product portfolio, this move has resulted in our ability to leverage Unilin's patented technologies, reduce our operational footprint and better manage natural resources involved in the manufacturing of laminate products.

Global Expansion, Local Reach

The Marazzi and Pergo acquisitions are part of a global expansion strategy that is grounded in establishing a local presence in major flooring markets around the world. In some cases, we are entering markets through joint ventures with established in-market manufacturers such as we have done in China, Brazil and India. When these opportunities do not exist, we also are open to establishing a presence by building our own manufacturing facilities, as we have done for laminate in Russia and ceramic tile in Mexico. Regardless of how we enter a market, Mohawk is committed to a common strategy that emphasizes investing in efficient operations; minimizing transportation logistics, as well as the corresponding energy and carbon footprint; and managing our growth with the same high level of ethical and social integrity that we have established in our foundational North American businesses.



The Eco-Friendly Choice

Challenging Collaborations: How we're supporting collaborations to solve sustainable building challenges

The Mohawk Group, our commercial carpeting division, has long offered brands that marry style, performance and sustainable product innovation. In 2013 we strengthened that commitment to sustainable innovation by becoming an Angel partner, the premier level of corporate sponsorship, for the International Living Future Institute (ILFI).

The ILFI is an organization of leading green building experts and thought leaders, organized to support community-driven transformation through sustainable building and design solutions. Our ILFI partnership makes Mohawk an active contributor to a vibrant community helping to promote sustainability activities around the globe.

A key ILFI program is the Living Building Challenge – a green building certification program helping to create the most advanced measure of sustainability for architecture and interior design by diminishing the gap between current limits and ideal solutions. Mohawk's Angel sponsorship will help promote the Living Building Challenge through the establishment of Collaboratives – groups of architects and designers interested in pursuing Challenge projects. In 2014 Mohawk is sponsoring eight Collaborative events throughout North America, each helping promote the Challenge and its goals.

The Living Building Challenge is as much a philosophy as a certification program. It looks to nature as the ultimate model of how a building should perform, and, with transparency and healthy building materials being critical to the Living Building Challenge, Mohawk wants to support it in a holistic way.

Our ILFI involvement goes beyond our promotion of the Living Building Challenge. ILFI and Mohawk have partnered on a continuing education course that is currently being approved for architects and designers. We also have been active in the ILFI Declare® program, which is a product "nutrition label" that tells the user about the types of materials used in a particular building product, including the material's origin, composition and end-of-life disposal. Declare labels have been added to our broadloom carpets with woven synthetic backing, as well as our SD nylon modular carpet tiles on EcoFlex® NXT. We expect additional products to carry the Declare label by the end of 2014.



The Wise Choice

When Zero Adds Up to More: A new corporate initiative aims for zero manufacturing waste at facilities.

What if you could operate a facility that produced less manufacturing waste than the waste from an average American household? That is the goal of our Zero Landfill internal certification program – a major corporate initiative that has already seen 14 carpet and rug manufacturing facilities eliminate or up-cycle their entire manufacturing waste stream. The philosophy behind the Zero Landfill program centers on our belief that sustainability and cost reduction are mutually inclusive. The initiative helps build waste-responsible cultures on a facility-by-facility basis, while also being flexible to the waste needs and challenges of that particular location.

For each targeted site, we help benchmark its landfill data by analyzing the cost, types and tonnage of existing process waste. We also help them look at possible barriers to achieving Zero Landfill status, as well as determine attainable reduction targets specific to that location. Once this preliminary work is complete, each facility launches a 40-day on-site campaign to inform, educate and influence employee behavior. A series of best practices is integrated into facility operations, including waste segregation, recycling bins for common areas and specialized waste segregation for sites with specific disposal needs. Local leadership also conducts facility “laps” each day to engage workers and review ongoing waste reduction practices, while employee “green” groups meet to discuss waste issues and review progress. Finally, a communication campaign helps engage facility employees on waste reduction issues.

Our initial experience has shown us that simple facts, when communicated effectively, have a huge impact on changing employee behavior. Recycling a mere 40 PET bottles, for example, provides Mohawk with enough base materials to create a single 30- by 50-inch rug, while every 10 pounds of recycled corrugated material helps save two gallons of gasoline. These short, memorable facts have been an excellent way to communicate waste reduction messages and demonstrate that even small changes can create substantial long-term improvements.

Following the initial campaign, each facility monitors its ongoing progress through a series of internal audits. This eventually culminates in a formal certification audit conducted through GreenWorks, Mohawk’s environmental leadership program, which helps develop energy-saving initiatives and eco-friendly flooring options.

We expect to internally certify 14 additional rug and carpet plants by the end of 2014, with an eventual goal of rolling out the Zero Landfill program across the enterprise. Our initial success is not only moving us closer to our 2020 goal of reducing waste by 25 percent, but will also help us to nurture a more efficient manufacturing culture, which benefits both our business and the environment.



The Generous Choice

Good People, Good Deeds: An African bike trek benefits kids and demonstrates the generous commitment of Mohawk employees.

As Mohawk grows around the world, so does the number of Mohawk employees who are committed to doing good things. Whether building houses with Habitat for Humanity, volunteering in local schools or helping feed the hungry, Mohawk people are good people with a generous spirit and a strong track record of helping those in need. It's a commitment that can sometimes take some of our employees far away from home in support of a good cause.

Take the Togo Jungle Challenge – a seven-day, 600km mountain bike trek, cutting through the jungles and mountains of Togo and Benin in Western Africa. In 2013 three Unilin employees – Jan Sabbe, Johny Amelynck and Frederic Van de Wiele – took up the Challenge on behalf of SOS Children's Villages, a global charity strengthening community safety nets so that disadvantaged families can better protect and care for their children. With sponsorship from Unilin, in addition to their own fundraising, the trio raised more than €33,000 for SOS – money the organization will use to establish a medical post in Northern Togo.

Dubbing their team "The Tenacious," the group's name was a fair description of the challenges they faced during their ride, which brought together 120 bikers from Belgium and the Netherlands. For a full week, conditions pushed participants to their physical limits – with searing heat and humidity, varied terrain, some serious falls and less-than-luxurious tent accommodations. On each day, participating teams were tasked to finish one of seven bike legs, the longest of which took 12 hours to complete. Speed takes a back seat to endurance and perseverance in the Togo Jungle Challenge, with 95 percent of the route on a single track – meaning the paths cannot be negotiated on anything other than bicycle or on foot.

For all their exertion, sleep deprivation and physical discomfort, the Unilin team came together and bonded through their difficulties. "The 600km trek was challenging and quite varied," noted Jan Sabbe. "But it entailed crossing magnificent nature reserves and gave us the opportunity to get to know the local population."

"When we stopped anywhere, children would run out of the jungle toward us," agreed Frederick Van de Wiele. "The smallest ones were afraid of us, but the older ones almost wouldn't let go, which made it hard to set off on our bikes again."

While members of "The Tenacious" endured a week of hardships, they also experienced a week of friendship, camaraderie and once-in-a-lifetime moments – all to extend medical care to a needy community in Western Africa.





Unilin Airtight System

The Efficient Choice

Tight Fit: Unilin innovates an airtight roof seal to increase energy efficiency.

Foil, tape and silicone sealants to ensure an airtight roof seal are no longer necessary, thanks to Unilin's new Easy Airtight system. With roofing sections that can be made airtight in one fell swoop, Easy Airtight is providing a fast and easy solution to a pressing building need.

Creating an airtight roof increases a building's energy efficiency – a growing focus across Western Europe in recent years. France recently adopted airtight regulations that became effective in 2013, while the Flanders region of Belgium adopted similar measures that went into effect this year. In addition, the Netherlands recently tightened energy performance standards for new buildings, with roofing airtightness a prerequisite to meeting these standards.

The Easy Airtight system is a range of high-performance, predesigned roofing panels that lock together, using a spring-tensioning system that ensures against air leakage along the seams. The panels are also designed to flex slightly when put into place, creating additional tension that bolsters the airtight connection between the panel, its foam sleeve and the support girder. When a Uniflex foam sealant is also applied to the seams, the combination ensures maximum product performance in terms of airtightness and insulation.

Tests performed at Ghent University, in Belgium, have demonstrated Easy Airtight's performance and reliability. Researchers there discovered that the seams between roofing panels were rendered virtually airtight by the spring-tensioning system – in some cases achieving 80 percent less leakage than traditional roofing construction. These results clearly showed that Unilin's Easy Airtight system provides an easy-to-install, high-quality roofing solution that can significantly improve a building's energy performance.



SUSTAINABLE INNOVATION

Easy Airtight is one of several Unilin products providing affordable and sustainable home solutions. Several new products, for example, are saving the use of materials through innovative installation and assembly techniques. ClicBox is a kitchen frame system that uses a tongue-and-groove installation system that reduces the need for glue and wood screws during production. Similarly, Unilin's didit™ Click furniture collection is a line of assemble-yourself chipboard furniture using Uniclic® technology so that no bolts, screws, nails or other fittings are required. In addition, in 2013 Unilin partnered with Indera, a Belgian design label, to create an eco-friendly sofa made with low-impact materials that also uses Uniclic technology to reduce assembly screws by 60 percent.



Good Choices for a Strong Business

Our success as a company is defined by the choices we make every day. Many are routine, often mundane; others can have a profound and long-term impact on our business. A strong and sustained financial performance, transparent governance and responsible supply chain all reflect the everyday choices we make as part of running our Company.





Overview

A Business Built on Good Choices

32,000+ Employees

\$7.7B Pro Forma Annual Sales

100+ Year Manufacturing Legacy

HEADQUARTERS



Calhoun, Georgia

LEADING MARKET POSITIONS



- U.S. – Carpet, Ceramic Tile, Natural Stone, Wood, Rugs
- Europe – Ceramic Tile, Laminate
- Russia – Ceramic Tile

END-CUSTOMERS



- Consumers
- Commercial Builders & Contractors

SALES CHANNELS



- Specialty Retail
- Home Improvement Retailers
- Department Stores
- Distributors

VERTICALLY INTEGRATED OPERATIONS LEAD TO PRODUCTS WITH BETTER PERFORMANCE, MORE SUSTAINABLE FEATURES AND EASIER CARE



Design



Material Sourcing



Manufacturing



Distribution

End-to-end integration also delivers business advantages such as quality control, cost management and raw material integrity.

BUSINESS UNITS

Carpet



One of the largest carpet suppliers in the world.

Products:

Carpet cushion, rugs and mats, floor care products

Brands:

Mohawk®, Karastan®, Lees®, Bigelow®, Durkan® and Mohawk Home®

Learn more:

Residential: www.mohawkflooring.com

Commercial: www.mohawkgroup.com

Rugs: www.mohawkhome.com

Ceramic



The largest manufacturer, distributor and marketer of ceramic tile and natural stone in the world.

Brands:

Daltile®, American Olean® and Marazzi® brands.

Learn more:

www.daltile.com
www.americanolean.com
www.marazziusa.com

Laminate & Wood



One of the world's largest suppliers of premium laminate and hardwood flooring.

Europe product line includes roofing systems, insulation boards and other wood products for the construction, cabinet and furniture markets.

Brands:

Quick-Step®, Columbia®, Century®, didit™, Click Furniture and Pergo® brands.

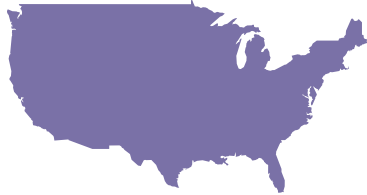
Learn more:

www.unilin.com
www.quickstep.com
www.pergo.com



Global Footprint

Mohawk Industries has grown from a North American carpet company into one of the largest flooring companies in the world. We continue to expand into both emerging and more established markets where we can leverage our strengths to sustain profitable growth for our shareholders.



United States

In the \$19 billion U.S. flooring market, we enjoy leadership positions in carpet, tile, laminate, hardwood, rugs and mats, with product distribution throughout the residential and commercial sectors.



Mexico

Two tile plants in Mexico are supporting an increase in production and expanding our designs, sizes and price points across the large and fast-growing Mexican market.



South America

A joint venture with a Brazilian laminate company provides the foundation for future growth, with opportunities to export laminate from Brazil into other countries, expanding distribution of carpet from the U.S. and ceramic from Italy across the continent.



Europe

19 manufacturing plants support leading market share, strong brand recognition and wide distribution in laminate and ceramic, an expanding wood presence and successful regional products such as insulation boards, chip boards and roof panels.



Russia

A new production plant supports Quick-Step® as the laminate market leader, while Marazzi enjoys market leadership through a business model that includes in-market manufacturing, distribution and more than 300 owned or franchised retail outlets.



China

A joint venture represents manufacturing operations, with exported products making a positive impact on Mohawk's performance in other regions.



India

A joint venture in a laminate distribution company provides opportunities to leverage the strength of our Pergo® and Quick-Step brands in this market.



Malaysia

A hardwood manufacturing facility enhances our competitive position in the European, Australian and Asian hardwood markets.



Australia

We are the only national laminate and hardwood distributor in Australia, a position that allows us to better serve local consumers and grow our tile and carpet distribution capabilities.



Economic Impact

A comprehensive financial review of our business can be found in our 2013 10-K filing with the Securities and Exchange Commission.

Net Sales
(in billions)



Adjusted Net Earnings⁽²⁾
(in millions)



Adjusted Diluted Earnings Per Share⁽²⁾



Adjusted Operating Income⁽²⁾
(in millions)



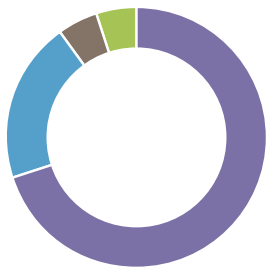
Total Assets
(in billions)



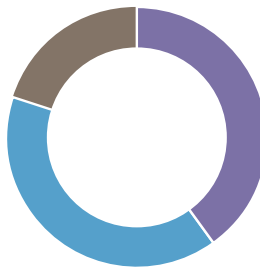
Capital Expenditures
(in millions)



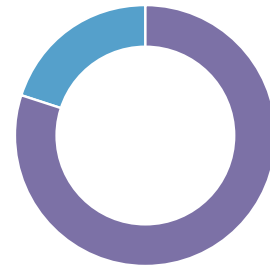
Sales by Region



Sales by Business Segment



Sales by End Use



70%
North America

20%
Western Europe

5%
Russia

5%
Rest of World

40%
Carpet

40%
Ceramic

20%
Laminate & Wood

80%
Residential

20%
Commercial

⁽¹⁾2013 Net Sales reflect the pro-forma full-year results of our acquisitions.

⁽²⁾Reconciliations to the most comparable GAAP measures can be found at www.mohawkind.com and in Appendix A to the 2014 Proxy Statement.

⁽³⁾Estimate.



Board of Directors & Senior Management

Board of Directors



Left to Right: W. Christopher Wellborn, Joseph A. Onorato, Frans De Cock, Richard C. III, Jeffrey S. Lorberbaum, Karen A. Smith Bogart, Bruce C. Bruckmann, John F. Fiedler

Jeffrey S. Lorberbaum
Chairman and Chief Executive Officer
Age 59*

W. Christopher Wellborn
President and Chief Operating Officer
Age 58*

Joseph A. Onorato ⁽¹⁾⁽²⁾
Former Chief Financial Officer of Echlin, Inc.
(a manufacturer of automotive parts)
Age 65*

Frans De Cock
Former President of Unilin
Age 71*

Richard C. III ⁽¹⁾⁽³⁾
Chairman of Triumph Group, Inc.
(a public, international aviation services company)
Age 70*

Karen A. Smith Bogart ⁽²⁾⁽³⁾
President of Smith Bogart Consulting
Age 56*

Bruce C. Bruckmann ⁽¹⁾⁽³⁾
Managing Director of Bruckmann, Rosser,
Sherrill & Co. L.L.C.
(a venture capital firm)
Age 60*

John F. Fiedler ⁽²⁾
Former Chairman and Chief Executive
Officer of BorgWarner, Inc.
(a manufacturer of automotive parts)
Age 75*

(1) Audit Committee
(2) Compensation Committee
(3) Nominating and Corporate Governance Committee

*as of December 31, 2013

Senior Management Team

Jeffrey S. Lorberbaum
Chairman and
Chief Executive Officer

W. Christopher Wellborn
President and
Chief Operating Officer

Frank H. Boykin
Chief Financial Officer

John Turner, Jr.
President, Ceramic North America

Brian Carson
President, Carpet

Bernard Thiers
President, Laminate & Wood

R. David Patton
Vice President – Business Strategy
General Counsel and
Chief Sustainability Officer*

Phil Brown
Senior Vice President of Human Resources

Jana Kanyadan
Chief Information Officer

*Effective June 2014, Mr. Patton succeeded William B. Kilbride as CSO following Mr. Kilbride's retirement from the Company.



Governance & Ethics

Governance

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

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

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

Executive Compensation

Senior management and executives are compensated for performance on key indicators that include social and environmental metrics. Our Board of Directors is not compensated on these performance indicators. The Board appraises its own performance through self-assessment and committee evaluation. More information about executive and board compensation is available in our 2014 Proxy filing.

Risk Management

We identify and address risks and opportunities faced by our business through a multi-tiered approach. Our Board of Directors and its committees assess risk and oversee risk-mitigation on an enterprise-wide basis across a variety of functional areas. Corporate administrative and business leaders in each of our segments support these efforts. Our finance personnel assess risk in areas such as treasury, insurance, public reporting and audit, while our legal department personnel evaluate and advise on legal risk mitigation. Operating units are responsible for risk management within their respective businesses, with oversight from our corporate administrative and executive teams.

Ethics

Honesty, integrity and transparency are critical to sustaining any organization. All of our employees, officers and directors are expected to adhere to our Code of Conduct that demands integrity and a high standard of ethics. We continue to re-examine our ethics policies and procedures to ensure that we are managing the demands of global expansion.

Unethical behavior, including any type of corruption, is not tolerated within the organization. We also have policies in place throughout our global operations to deter anti-competitive behavior. As our Standards of Conduct and Ethics state succinctly, "Mohawk is committed to doing what is right and deterring wrongdoing."

Currently, all of our business units are analyzed for corruption risks and our audit team regularly reviews accounting records for evidence of corruption. We have determined that all salaried employees and agents of the corporation are at risk for encountering circumstances that require sound ethical judgment. This group represents roughly 25 percent of our global workforce. In 2013, 44 percent of our at-risk employees were trained in our anti-corruption policies and procedures. These employees are trained, based on the nature of their job responsibilities, to understand the potential for corruption to occur. In addition, these individuals complete an ethics/corruption survey as part of their annual review. In the second half of 2014, we are introducing Web-based anti-corruption training delivered in the local languages for all salaried employees worldwide in order to help employees fully understand policies and procedures.

Mohawk Industries does not receive any significant financial assistance from local, state or federal government entities. We do not lobby on behalf of our own business operations, nor does the Company make financial contributions to political candidates. Mohawk employees may make individual contributions to political candidates. On occasion, Mohawk does participate in industry lobbying and public policy development efforts.



Supply Chain



We expect our commitments to operational excellence, ethical conduct and respect for individual rights to be shared by all of our suppliers. To this end, we maintain a Supplier Code of Conduct to ensure that materials incorporated into Mohawk products comply with laws and requirements, including our own principles of social responsibility.

The Code, which we have enhanced as we have expanded globally, clearly outlines our expectations, consistent with International Labour Organization standards, with regard to the prohibition of child labor, forced compulsory labor, the maintenance of workplaces free of coercion and harassment, the responsibility to provide employees with a safe and healthy workplace, and respect for the rights of employees to organize and bargain collectively. The Code also communicates that suppliers are expected to meet requirements applicable to human trafficking and slavery that are in accordance with the California Transparency in Supply Chains Act of 2010 (SB 657).

Adherence to applicable laws, regulations and standards is a condition for doing business with Mohawk, and compliance extends to suppliers' subcontractors. The Mohawk Supplier Code of Conduct is being implemented for Mohawk worldwide. We conduct assessments of select new and existing suppliers to verify compliance with the Code. These include supplier questionnaires, management meetings and facility audits, which may be attended by Mohawk staff or third parties. We do not currently retain a third-party verifier, but reserve the right to retain one, and require suppliers to agree to third-party verification.

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

Conflict Minerals

Mohawk recognizes conflict minerals as an important supply chain issue. We have developed a strong position on our use of all minerals, along with a materials verification process that is applied to our global suppliers.

The term "conflict minerals" refers to gold, columbite-tantalite (coltan), cassiterite, wolframite and their respective derivatives, which are limited to tantalum, tin and tungsten. In July 2010, the United States passed legislation requiring all U.S. public companies to disclose the chain of custody of conflict minerals mined in the Democratic Republic of the Congo (DRC) and adjoining countries, where revenues may directly or indirectly finance armed groups engaged in civil war – resulting in serious social and environmental abuses.

These minerals constitute a very small part of our supply chain needs. To the extent that these minerals are used in our products, however, we have confirmed with our suppliers that none of these have been sourced from the DRC or an adjoining country. We will continue to monitor our use of these minerals to ensure, as accurately as possible, that they do not originate from this region.



Good Choices Around the World

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Our approach to social and environmental responsibility focuses on processes and people. As we expand our business across the globe, the scope of our responsibility expands as well. We are committed to taking our best practices with us to ensure sustainable growth and a positive impact on the communities in which we live and work.





Sound environmental, social and governance principles are intrinsic to the culture and operations of Mohawk Industries. As a publicly held company with a strong code of conduct, we understand the importance of compliance across every aspect of our operations. Even more important, as stewards of a business that must compete in the marketplace on a daily basis, we appreciate the value and goodwill that comes with being an organization that always strives to do what is right for our stakeholders. Moreover, we have seen the growing importance that many of our customers place on sustainable products and are committed to meeting their needs.

Sustainability Strategy

These factors have influenced the formation of our three-pronged sustainability strategy that combines process, products and people. The **process** component largely involves minimizing the environmental impact of our manufacturing and distribution operations through resource conservation and waste reduction.

Our **product** strategy works to ensure that we are offering products across every flooring category that utilize either recycled or renewable inputs. We seek to hold our suppliers accountable for ensuring that products are manufactured in a responsible manner – one that respects both the labor behind them and the environment behind them. The **people** prong of our strategy affirms a belief that every aspect of our business benefits when we engage positively with people who are stakeholders in our success – customers, employees and surrounding communities, to name a few. Our intent is always to be a fair employer, an ethical business partner and an active corporate citizen.

Since we developed this strategy in 2009 – when our corporate sustainability function was formalized – Mohawk has weathered the worst industry downturn in history and embarked on a course of aggressive global business expansion in the face of a recovering market. In both instances, our sustainability strategy has served us well, underscoring its flexibility and adaptability to market conditions. Similarly, we have seen, and continue to see, the ability to scale this strategy on a global basis. In the past four years, we have opened new plants in Russia and Mexico, restructured operations in Malaysia, invested in joint ventures in China, Brazil and India, and acquired and integrated four businesses, two of which are global in reach.

Today, we have operations on five continents and sell products in more than 100 countries around the world. Within each market that we operate, there is significant variance among customer needs, labor practices and environmental compliance. By leveraging the systems and standards that we have honed in North America and combining them with a flexible approach that can adapt to the unique needs of each local market, we are confident that this strategy will continue to ensure that our growth is accompanied by a commitment to sustainable operating principles.

Sustainability Governance

The responsibility for ensuring the execution of our sustainability strategy involves management interaction at the highest levels of our Company through the Sustainability Council. This Council coordinates the implementation of strategy. It is comprised of the President of Mohawk Industries, who also is a Company Director, the Presidents of our three business segments, our Chief Sustainability Officer and our Vice President of Corporate Sustainability. The Board of Directors receives updates from members of this Council on a regular basis.



Stakeholder Engagement

Stakeholders play an important role in the ongoing evolution and execution of our sustainability strategy. Accordingly, one of our first tasks when we began formalizing our corporate sustainability function was to conduct a stakeholder engagement workshop. The goal was to identify our primary stakeholders and ascertain their most important concerns. A mapping exercise studied 15 different groups of stakeholders to narrow down a primary group that possessed both a high level of interest in Mohawk's sustainability program and a meaningful impact on our business.

This group included:

External

- Shareholders
- Primary Customers
- Product Advocacy NGOs
- Suppliers

Internal

- Functional Leaders
- Employees

The following table summarizes the issues raised by this primary group of stakeholders and our actions to address these issues to date:

Issue Area	Action to Date
Products that support healthy indoor environments, particularly as it relates to air quality and VOC emissions.	<ul style="list-style-type: none"> • Increased certifications, such as FloorScore®, for strict indoor air quality standards across the majority of our U.S. Laminate & Wood portfolio. • Continue to explore alternative methods for minimizing VOCs in other products.
An expectation that Mohawk will understand the full impact of its products, especially as it relates to product inputs, such as recycled and/or renewable content, and how our products can lead to sustainable solutions to meet flooring needs.	<ul style="list-style-type: none"> • Environmental Product Declarations (EPDs) programs have been implemented for all North American ceramic products, as well as laminate and wood products in Europe. • All businesses have ongoing life cycle assessment (LCA) projects with the intent to develop EPDs for across all product categories in the future.
A desire for Mohawk to engage its supply chain to encourage responsible raw material sourcing and sustainable manufacturing processes.	<ul style="list-style-type: none"> • Enhanced Supplier Code of Conduct, as business has expanded globally. • Developed new supplier assessment and audit process. • Established strong materials verification process in order to fully comply with conflict minerals legislation.
An ability to provide products manufactured in local markets, especially to meet LEED standards.	<ul style="list-style-type: none"> • Invested nearly \$2 billion in acquisitions and joint ventures over the past several years to greatly extend our global manufacturing capabilities and product distribution footprint.

Since we conducted our stakeholder workshop, dialogue with stakeholders has continued on a regular – in some cases daily – basis.

Stakeholder Group	Primary Communication Channels
Primary Customers	Dedicated sales force by category and distribution channel; product literature; training programs; “voice of the customer” surveys; social media
Shareholders	Quarterly SEC filings; quarterly earnings conference calls with senior management; one-on-one meetings; annual meeting; annual report
Employees	Intranet system; social media; “cascading” management briefings
Product Advocacy NGOs	Targeted outreach product literature; social media; consumer and trade; industry affiliations

Beyond these constituencies, our stakeholders are people, groups, organizations or systems that affect or can be affected by our Company. This includes communities, suppliers, governments, the media, non-governmental organizations (NGOs) and reporting agencies. As our sustainability strategy continues to evolve, we communicate regularly with these groups to listen and further understand their needs and expectations. This feedback, in turn, helps us to develop our own strategies, policies and processes.

Finally, we expect to conduct a formal stakeholder engagement exercise in the next 18 months as we prepare to transition to the new Global Reporting Initiative (GRI) 4.0 guidelines.



Reporting Practices

We are pleased to present Mohawk Industries' fifth annual Corporate Responsibility & Sustainability Report. We have prepared this report using the Global Reporting Initiative (GRI) 3.1 guidelines and are reporting at a B+ application level. Much like our financial reporting process, Mohawk Industries engages a third party to audit and verify the content of publicly issued reports. Accordingly, we have commissioned FIRA to provide "Moderate Assurance" to the Web-based and PDF versions of this report.

The reporting period for this year's report is the 2013 calendar year, which is also our fiscal year. Content is limited to the products and operations of Mohawk Industries and its wholly owned subsidiaries. Since the publication of our 2012 Sustainability Report, we have completed three acquisitions. As a result of these transactions, we have closed three manufacturing sites in Europe, two of which were part of an acquisition, and added 17 manufacturing facilities to our footprint. In addition, three sales centers in the U.S. were closed.

We are pleased that workforce and environmental data for newly acquired acquisitions are reflected in this year's report – significantly ahead of our planned three-year data integration schedule. In future reports, we look forward to including more qualitative commentary on these new businesses and their role in executing our sustainability strategy.

Beyond these acquisitions and plant closings, there have been no other significant changes regarding the size, structure and ownership of our Company during the reporting period. Our process for defining the content of this report is closely aligned with our sustainability vision and strategic approach that encompasses process, products and people. In evaluating content, we sought to include data and metrics that were measurable, accurate and verifiable, primarily through invoice records and systems data.



Awards & Affiliations

Awards

- Best of NeoCon® Award, Silver DesignFlex Visualizer
- *Floor Covering News* 2013 Awards of Excellence
 - Dal-Tile & Marazzi – Ceramic Category
 - Karastan – Rug Category
 - Mohawk Flooring – Best Overall
 - Quick-Step – Laminate Category
- *Floor Covering News* Best of Surfaces, SmartStrand Silk
- *Floor Covering Weekly* 2013 Dealer Choice Awards
 - Dal-Tile – Ceramic Category
 - Mohawk Home Modern Expressions – Rug Category
 - Mohawk SmartStrand Silk Gentle Essence – Carpet Category
 - Quick-Step – Laminate Category
- *Floor Covering Weekly* 2013 GreenStep Awards, Pinnacle Environmental Leader of the Year
- *Floor Covering Weekly* GreenStep Awards Product Honoree, Mohawk Ceramic
- Fuse Alliance Award (Support Category)
- Georgia Economic Developers Association “2013 Deal of the Year” Award for Summerville, Georgia Plant Expansion
- Home Depot Innovation Award
- Home Depot Partnership Award
- *House Beautiful* Silver Award for Quick-Step Hardwood Imperio
- IBS, Best of Show, ArmorMax
- *Interior Design* Best of Year Finalist for Industrial Design (Carpet/Broadloom Category)
- *Interior Design* Best of Year Finalist for Rugged Liberty by Durkan
- *Interior Design* Best of Year Finalist for Silk Road (Healthcare Category)
- Liberty Mutual Gold Safety Award (Mohawk Industries Logistics)
- *Newsweek* Top 500 U.S. Large “Green” Companies
- Safe Maintenance Award Benelux 2013 for Unilin Panels, Chipboard Division
- 2013 *Training* magazine Top 125 Award – Top 5 Ranking
- WorkForce West Virginia 2013 Employer of the Year for Workforce Development

Industry Affiliations

Mohawk participates in and is affiliated with numerous industry trade organizations.

- American Institute of Architects
- American Society of Interior Designers
- American Society of Landscape Architects
- Assisted Living Federation of America
- Association of Luxury Suite Directors
- Association of Pool & Spa Professionals
- Association of Postconsumer Plastic Recyclers
- Bureau of Normalization
- Carpet America Recovery Effort
- Carpet and Rug Institute
- Ceramic Tile Institute of America
- Council of Educational Facility Planners International
- European Producers of Laminate Flooring
- Fedustria (Federation of the Textile, Wood and Furniture Industries)
- Forest Stewardship Council
- Green Building Certification Institute
- Institut Bauen und Umwelt (Institute for Construction and Environment)
- International Facility Management Association
- International Interior Design Association
- International Masonry Institute
- Manufactured Housing Institute
- Marble Institute of America
- Marketing Leadership Council
- Mason Contractors Association of America
- National Association for PET Container Resources
- National Association of Floor Covering Distributors
- National Association of the Remodeling Industry
- National Council of the Housing Industry
- National Kitchen & Bath Association
- National Spa & Pool Institute
- National Wood Flooring Association
- North American Laminate Flooring Association
- Programme for the Endorsement of Forest Certification schemes
- Southeast Recycling Development Council
- Technisch Centrum van der Houtnijverheid (Technical Center of Wood Technology)
- Tile Council of North America
- U.S. Green Building Council
- World Floor Covering Association



Good Choices for Mohawk People

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Responsibility starts within our own walls, and that means making good choices on behalf of our employees and the communities in which we live and work. An important part of this effort is a commitment to programs and initiatives that increase workforce engagement and strengthen our communities.





Workforce Profile

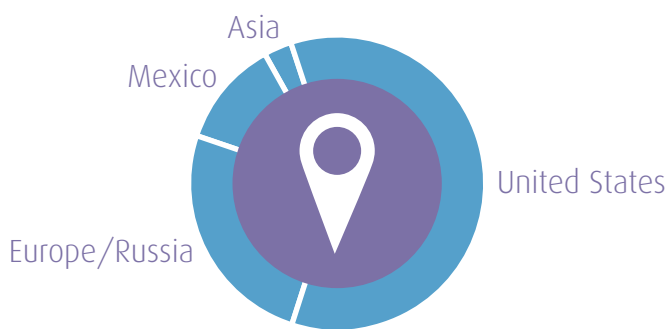
Talent is our most valuable asset. Our people drive our business success through their ability to innovate products that maximize our potential in the marketplace and to innovate processes that maximize our profitability. Accordingly, we have a responsibility to drive the success of our people by listening to their input, protecting them on the job and providing them with the necessary tools and resources to optimize their performance.

We realize the value of having a workforce that reflects the diverse marketplaces we serve and the increasingly global nature of our operations. Hence, we foster a culture of acceptance and fairness. We view diversity and inclusion as more than demographic metrics. Our workforce encompasses a multitude of viewpoints, skills, strengths and life experiences.

Each person brings unique attributes to our organization that make us stronger collectively.

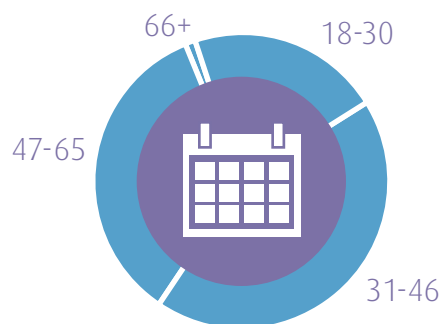
To this end, we are an equal opportunity employer that does not discriminate on the basis of race, religion, gender, national origin, age, marital status, sexual orientation or disability. Non-discriminatory policies and practices are in place to ensure that our equal opportunity approach is enforced. We will consider any individual for any position for which he or she is qualified and can perform the essential job functions. In the United States, we actively recruit women and minorities through targeted outreach efforts. In 2013, 22,091 males and 10,026 females comprised our workforce. In addition, fewer than 1 percent of our employees are classified as part-time.

2013 Total Workforce by Region



United States: 19,343
Europe/Russia: 8,062
Mexico: 3,743
Asia: 969

2013 Total Workforce by Age Group



Ages 18-30: 6,830
Ages 31-46: 13,891
Ages 47-65: 11,055
Ages 66+: 341

Total Workforce 2012 vs. 2013

25,075
2012



32,117
2013





Workforce Profile



2013 Employee Turnover

By Gender		
Female	2,005	6.24%
Male	4,521	14.08%
By Age Group		
18-30	2,927	9.11%
31-46	2,138	6.66%
47-65	2,644	8.23%
66+	113	0.35%
By Region		
United States	3,511	10.93%
Mexico	1,334	4.15%
Europe/Russia	1,305	4.06%
Asia	376	1.17%
By Type		
Voluntary	4,019	12.51%
Involuntary	2,507	7.81%



2013 New Hires*

By Gender	
Female	1,131
Male	2,929
By Age Group	
18-30	2,267
31-46	1,353
47-65	433
66+	7
By Region	
United States	1,575
Mexico	862
Europe/Russia	1,371
Asia	252

*Estimated



Safety

Through safety-leadership programs, employee engagement and well-defined processes and procedures, we are working to improve safety at all of our facilities every day. Our commitment to continuous safety improvement is founded on our culture of prevention, where everyone takes responsibility for safety and works toward our goal of zero injuries or illnesses.

Our 2013 safety performance reflects the impact of the three businesses that we acquired last year. Safety practices and regulations vary significantly between the United States and Europe, where most of the acquired operations are centered. As we begin to integrate these businesses by sharing best practices and standardizing reporting criteria, we expect our safety performance will align more closely with our historical trends.

Our safety initiatives are led by an Executive Safety Leadership Team that has established safety leadership accountability, has developed a common corporate structure and metrics, shares ideas and information across business units, and acts globally while allowing flexibility for each local operation to implement rapid, cost-effective safety solutions. In addition, formal joint management-worker safety and health committees represent more than 70 percent of our employees.

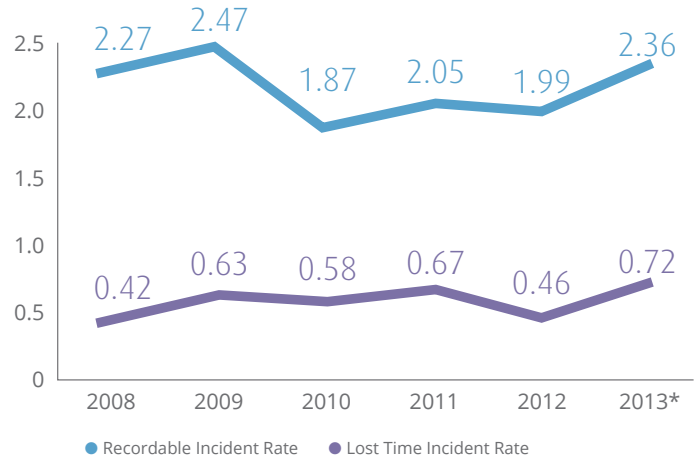
New Initiatives

In 2013 we initiated several new safety-related programs across our various businesses. Our Lewisport, Kentucky, and Fayette, Alabama, tile facilities became the first U.S. Mohawk sites to achieve Occupational Health and Safety Assessment Specification (OHSAS) 18001 certification. OHSAS 18001 is a health and safety standard against which organizations can assess and manage their performance. Also during the year, our Ceramic business trained and certified 12 health and safety leaders as OHSAS 18001 Lead Auditors in order to facilitate future site certifications.

On a corporate-wide basis, we upgraded our tracking and auditing procedures by consolidating several different safety checklists into a single form, which was then made available online via Company tablet, where updates can be made in real time. This new paperless system has increased reporting ease, speed and program administration, saving an estimated 150,000 hours in annual labor and \$2.3 million in salary, benefits and productivity.

In Europe, our Unilin locations have instituted a "Safety Barometer" scorecard, giving them a monthly overview of safety measures

Lost Time and Recordable Incident Rates



Mohawk utilizes the U.S. standard for incident case clarification as specified in 29 CFR 1904 in order to maintain a consistent and viable means of case classification on a global basis.

*Includes the safety information for the newly acquired facilities in the United States, Europe and Russia.

and accident reports at their sites, and allowing them to quickly spot developing issues or trends. Unilin health and safety leaders are also active members of the Society of Safety Professionals, holding leadership positions on the organization's fire prevention and sustainability task forces. Unilin continues efforts to increase employee engagement around workplace safety – one of the factors that led its Chipboard Division to receive the 2013 Benelux Safe Maintenance Award.

Continuous Improvement

Also in 2013, our Carpet and Ceramic businesses continued their implementation of the R3 (Residual Risk Reduction) process, a proven risk-reduction tool designed to push safety goals to the next level. R3 provides a multi-dimensional process through which facilities can not only make improvements on safety and safety training, but also track and analyze those improvements at every level. This tool is now in use at our carpet facilities in northwest Georgia, North Carolina, South Carolina and Virginia, and at our ceramic sites. The program includes an intensified focus on such safety points as analysis of jobs and tasks, involvement of employees closest to the risk, examination of systems, identification of hazards and existing controls, determination of risk level and more. Within our Carpet business, 35 sites participated in and completed all program steps for 2013 and completed R3 progress reviews.



Additional safety programs and initiatives across the Company include the continued use of employee safety perception surveys, regional reviews of employee safety teams and the development of Key Performance Indicator (KPI) safety scorecards for tracking safety-related behaviors and activities. In addition, we continue to support the Marble Institute of America's safety committee, which is an industry organization that we helped establish, with the goal of increasing safety – not just at Mohawk, but throughout the industry.

Logistics Safety

Mohawk Industries' Logistics network is made up of warehouse and distribution employees who ensure our products and materials arrive at the right place at the right time. In 2013, Liberty Mutual Insurance once again recognized this team with its Gold Fleet Award for an exemplary safety record. This award recognizes outstanding safety efforts in the operation of commercial motor vehicles from 2006 to 2013. During this period, our annual claims count went down 45 percent, the result of initiatives such as improvements in fleet safety programs and procedures, implementation of Liberty Mutual's Decision Driving program, annual in-vehicle check rides for all full-time drivers and proactive fleet management.

This superior safety record also provides financial benefits by lowering premiums. As a result, our annual claims expense peaked in 2006 at \$5.5 million and has declined dramatically since then. In addition to the Golden Fleet Award, 76 Mohawk locations received recognition from Liberty Mutual for achieving safety criteria at least 50 percent better than the industry average.



Employee Relations

Labor Standards

We strive to be an exemplary employer. We believe that people perform their best when they are treated with a high level of personal dignity and respect. We also believe that we offer competitive wages and salaries to all employees relative to the local labor market. We operate in full compliance with all material applicable labor, health and safety regulations. We also uphold all International Labour Organization (ILO) labor standards.

Our intent is always to follow and uphold customary practices and local market regulations as they relate to the rights of workers to decide whether to enter into collective bargaining representation. We also believe that open, direct and constructive dialogue between workers and management is the most effective way to reach mutually agreeable solutions to workplace issues. Accordingly, we encourage direct contact between our employees and management.

We have collective bargaining agreements with 35.6 percent of our employees, the majority of whom are employed in our Mexican, European and Asian manufacturing operations. Most of our U.S. employees are not party to any collective bargaining agreement. Additionally, we have not experienced any strikes or work stoppages in the U.S., Mexico or Malaysia for over 20 years. We believe that our relations with our employees are good.

In the United States, the federal WARN Act establishes that companies must notify employees 60 days prior to the closing of a facility or a significant reduction in a facility's workforce. In Mexico, the notice periods for operational changes are based on agreements with the union representatives at the facility. In Europe, the notice periods for operational changes are based on the collective bargaining agreements and/or legislation. Once the Company ratifies this agreement, its content is binding for all manufacturing employees, regardless of whether they individually opt for membership in the union or not. In Malaysia, according to the Employment Act of 1955, companies operating there must submit any operational changes, including shutdown, retrenchment or redundancy, to the Labor Department no later than 30 days prior to the action. In the event an agreement has different requirements, we will abide by those requirements.

Human Rights

We support the premise that all people deserve a life with freedom and dignity, which is conducive to their physical, mental, social and spiritual welfare. We recognize that challenges to these principles are present in certain regions of the world where human rights have not progressed to the same standards as those we support. When our business extends into these regions, we are particularly sensitive to the potential for transgressions and are committed to combating them.

We prohibit the use of all forms of child labor or forced labor, including indentured labor, bond labor, military labor or slave labor, at all of our locations, domestic and international. We have policies in place throughout our global operations to ensure that these types of labor are not utilized. We also have procedures in place for our people to report complaints and grievances, should there be a question about labor practices.

Mohawk adheres to minimum age provisions of applicable laws and regulations in the areas where we do business. Our prohibition of child labor is consistent with ILO standards. We have found no significant risk for incidents of child labor or risk of forced or compulsory labor in our operations around the world. Our processes include required legal documentation for age verification, and, when appropriate due to widespread fraudulent practices, we also require physical examinations by a certified health professional.

Since our last Sustainability Report was published – and in 2013 overall – there have been no claims of discrimination filed against Mohawk by individuals who are identified as members of indigenous people in the regions around the world where we operate.





The development of talent to drive innovation is a strategic imperative for us that goes far beyond product innovation. Our goal is to build an innovative culture in which we constantly look at every aspect of our business, both individually and collectively, in new ways.

Professional development is an inherent part of our informal and relationship-driven culture. Our employees are open to learning from their peers, comfortable exchanging institutional knowledge and willing to change when new and better practices are introduced. This informal education is an invaluable driver of innovation.

Across our Company, we also offer training linked to specific business objectives in order to bring clear focus and value to the endeavor. A combination of classroom and online programs ensures that employees at all levels have the opportunity to develop new skills that will enhance both their personal and professional lives.

In 2013 we added a robust new Learning Management System (LMS) that is helping us to better address the training challenges associated with global expansion. This new program offers a library of more than 150 courses on topics such as safety, general business issues and creating a harassment-free workplace. Since the introduction of the new LMS, the average user time has increased by 30 minutes per week.

Our Unilin employees also have the opportunity to develop their skills through Unilin University and our Academy Program. Unilin University offers a variety of leadership and management programs, including function-specific training, while the Academy Program targets individual training needs across our flooring, panels and insulation lines of business.

These types of programs are one reason why *Training* magazine recognized Mohawk Industries once again in 2013 by placing us fifth in their Top 125 ranking. This annual list recognizes outstanding training programs at every level throughout an organization and how they are linked to strategic goals and business priorities. Our 2013 recognition marks Mohawk's ninth consecutive appearance in the Top 125 and our fourth year in the top 10.



Training & Development

Executive Development

The development of bench strength in all areas of the organization also is a strategic priority. Leadership training is critical to the success of any business, both in closing skill gaps among current leadership and preparing the next generation of leaders. Mohawk relies on its Leadership Academy concept to support its comprehensive succession plan. The Leadership Program complements classroom instruction with stretch assignments, coaching, assessments and online learning programs. Mohawk also offers Leadership Potential classes designed to help mid- and entry-level employees develop their leadership qualities.

Our NextExec program provides a consistent development tool that ensures well-prepared, ready-now successors for our senior management team and extends across the enterprise, seeking U.S., Mexican, European and Asian leaders as possible candidates for rotational assignments and training opportunities. In addition, Unilin has entered into a four-year program with the Vlerick Talent Partnership, affiliated with Ghent University in Belgium. Vlerick is one of Europe's leading international business schools, and Unilin's involvement not only provides participating employees with valuable training, but also gives the Company increased recruiting opportunities. Collectively, these programs help to ensure career advancement opportunities for our people and a competitive talent edge for our business at every level.

Global Training Hours per Employee

Job Type	
Sales/Clerical	8.37
Technical/Manual	19.54

While we provide an overview of training hours by position, it is Mohawk's belief that training occurs at a much higher rate across the Company than reported because not all training is tracked.

Sales Training

Our sales methods and approaches have evolved in recent years as the economy has cycled from robust to recession to improving, and as technology has delivered new sales tools. Last year, for example, our commercial carpet business launched its Sales Academy program to ensure our sales force has the skills and tools it needs to improve performance and gain market share across all economic conditions.

Growing our business also extends to helping our retail dealer customers better inform their customers about our products. This past year our Ceramic business launched *Statements*, a program designed to help make our dealers the preferred provider for residential and commercial customers. Featuring classroom training and e-learning opportunities, dealers completing the *Statements* program exceeded their sales projections by an average of 20 percent, with retailers gaining critical product knowledge and design expertise that boosted sales at the store level.

Customer Service

Essential to growing sales and increasing market share is a superior customer service team with the skills to handle easy calls well and to maximize the potential of difficult calls. Our customer service team has groups dedicated to standard order processing, specialists who contact dormant accounts, product experts who answer non-order-related questions and expeditors who assist with problem orders. Training ensures understanding of these distinct roles and reinforces the metrics for success. Most recently, we have conducted training for customer service associates around ways to avoid common order errors. Initial results were promising – incorrect customer shipments dipped to a record low of 0.01 percent of shipments during the month of June. These types of training initiatives help improve customer and job satisfaction, accuracy and sales revenue.

Employee Evaluation

Evaluation and review also is an important component of continuous improvement and professional development. The manner and frequency of our evaluation and communication with employees about their performance varies by type of position and geographic region. Generally, all salaried Mohawk employees throughout the world receive regular performance and career development reviews. For hourly employees, plant management determines the most constructive manner in which to evaluate performance based on operational processes in the plant, as well as customary practices in certain regions of the world.



Health & Wellness

An increased participation in our wellness programs and reduced healthcare costs are among the trends that demonstrate our investments in preventive care are working for our employees and business.

In North America, Healthy Life Centers (HLCs) at our largest facilities are the centerpiece of our wellness initiatives. Currently, 14 HLCs log more than 3,000 visits per month. The majority of our HLCs are part of our operations in Georgia. We also have two Dallas-area HLCs for our employees in Texas, a new location in Florence, Alabama, and expansions planned in North Carolina, Virginia and Oklahoma. In addition, these centers provide acute care, chronic disease management, preventive exams, pediatrics, no-cost employee-medication programs, mobile mammogram screenings, pre-placement examinations, wellness coaching and integrated care coordination with primary care physicians.

All of our locations have seen an increase in participation and in the overall health of participants. For 2013, HLC utilization was at 85 percent, and preventive care increased 25 percent. Overall, our wellness initiatives have decreased the cost of treating chronic conditions by 20 percent and increased the medication compliance for individuals with chronic conditions. Though these results are impressive, the continued improvement in the health and lives of our employees is even more valuable.

Outside the U.S., our ceramic facility in Monterrey, Mexico, has managed a successful on-site health clinic for more than 25 years, which has resulted in a steadily declining absentee rate. In Europe, last year saw the launch of Unilin's "Feel Good" program, an effort to make employees more aware of their personal health. This initial launch centered around organizing a number of running and cycling outings, in addition to various nutrition programs.

Going forward, our corporate Training and Development Team will assist with health and wellness initiatives as an extension of their efforts to create a satisfied and productive workforce. This change reflects our belief that the key to retaining good employees is to help them achieve their best, both in terms of their professional development and their quality of life.

Employee Benefits

In addition to our wellness centers, we offer to U.S. employees a comprehensive set of insurance, retirement and other benefits for which we pay all or part of the cost. These benefits are available to any employee who works 20 or more hours a week, whether hourly or salary-based, and who has worked for the Company for at least 90 days. Some of the benefits we offer include:

- Consumer-centric medical and pharmacy plan, plus dental and vision options
- A Company-matched 401(k) retirement savings plan
- Short- and long-term disability insurance
- Life insurance, critical illness and accident plans
- Paid holidays and vacation
- Tuition reimbursement

Our benefits programs outside the U.S. vary according to country, local market standards and employment contracts.





We have a long history of commitment to the communities in which our manufacturing facilities are located – the same communities our employees and their families call home. This commitment and our corporate philanthropic efforts are aligned with causes through which we can leverage our strengths and core capabilities.

The Mohawk Foundation supports non-profit organizations that benefit our employees and their families in our communities. In particular, the Foundation funds organizations whose services impact a significant and diverse population and that have a proven track record of delivering results. Glasgow, Virginia, for example, is the home of our carpet tile manufacturing facility, where we are the largest employer in town. Foundation support here has provided the Volunteer Fire Department and Glasgow Lifesaving and Rescue Crew with the critical equipment and safety gear required to keep the entire community – including many who are members of the Mohawk family – healthy and safe. In the slightly larger town of Roanoke, Alabama, home to a carpet backing facility, the Foundation supports the character-building initiatives of the rural area's Boys & Girls Clubs of East Central Alabama.

Created by Company management and granted non-profit status in 1990, the Foundation continues to be funded solely through the Company. Among the organization's most significant annual grants are donations to United Way chapters, the Floor Covering Industry Foundation, Boys & Girls Clubs, American Cancer Society Relay For Life, and groups that support children and adults who are victims of abuse.

Housing Initiatives

Organizations that provide homes for those in need offer a natural tie-in with our flooring businesses. We are proud to be a flooring partner for Operation FINALLY HOME, a non-profit organization that provides mortgage-free homes to wounded veterans or spouses of the fallen. Builders and building product manufacturers provide 100 percent of the donations required to build the homes, which are custom designed to meet the particular physical needs of individual veterans. By the end of 2014, Mohawk will have covered the flooring of 42 homes for these deserving men and women.

We've also been longtime supporters of the Habitat for Humanity program, for which Dal-Tile is a national corporate partner. In 2013, more than 140 Dal-Tile employees helped build or repair homes at sites in Houston, Phoenix, Denver, Chicago, Dallas, Los Angeles, Miami, New York City and Washington, D.C. In addition, selected Habitat homes received donated tile for kitchen and bathroom installations. Closer to our north Georgia headquarters, Mohawk Flooring and Mohawk Home have supported Habitat's Atlanta chapter since 2009 with annual donations of carpet and pad. In 2013 we provided carpet, pad and vinyl, along with Welcome Home Rug Kits, for approximately 50 homes.



Community

In Belgium, our Unilin Marketing Team, as part of a group activity, installed Quick-Step® laminate flooring and luxury vinyl tile (LVT) at a local primary school. For some on the Marketing Team, the event marked their first time installing laminate and LVT flooring, which provided a fresh, clean classroom renovation for local schoolchildren.

Disease Prevention and Research

We also involve our customers and our products in supporting disease research in meaningful ways. Two longtime initiatives that allow us to leverage our products to increase our impact are Specify for a Cure® and Decorate for the Cure®, programs of Susan G. Komen for the Cure®, to benefit breast cancer research. Through Decorate for the Cure, we donate a portion of all Mohawk SmartCushion™ and Karastan KaraStep Reserve™ cushion sales to Komen. Decorate for the Cure has raised more than \$248,000 since June 2011. Specify for a Cure makes donations to Komen when commercial customers specify select carpet styles. In 2013 we expanded this to include carpets from each of our Karastan®, Lees and Bigelow brands. Since Mohawk Industries first partnered with Komen in 2001, Specify for the Cure has contributed \$4.3 million through 2013.

Supporting Veterans

In addition to our involvement in Operation FINALLY HOME, our Ceramic business used a 2013 sales conference in Orlando, Florida, to benefit and honor veterans. Attendees helped assemble over 900 care packages for American and Canadian active military members, wounded veterans and their families. These packages included necessities such as toiletries, as well as fun items like gift cards, headphones and playing cards. Not only did conference attendees assemble the packages, but they also helped load them onto military trucks with the help of local Army and Navy reservists.

At the same Orlando conference, three military families were honored in a ceremony along with our own employees who either have served or currently serve in the military. Following the ceremony, we provided each family with a four-day, all-expense-paid vacation to Disney World – for some, their first-ever trip to a Disney theme park.

Economic Impact

As we open new facilities around the world, we are more mindful than ever that our business and the communities in which we operate have mutual interests and goals. Strong communities help to sustain a strong workforce, which has a direct effect on our financial and operating performance. We collaborate with government and community leaders to identify ways in which our business and the surrounding community can work together to enhance the local quality of life as well as the business climate.

In northwest Georgia, for example, where much of our carpet manufacturing takes place, we have a vested interest in ensuring that a skilled workforce is available. Through a partnership with Northwest Georgia Technical College, we have played a role in the development of two career academies in Gordon and Whitfield Counties. These career academies provide students with an opportunity to build the vocational skills necessary to find meaningful employment with local businesses, including carpet manufacturers.

In the event we must exit a community through the closure of a facility, we work with local and state Department of Labor officials to identify career opportunities for those employees who will be losing their jobs. We also work closely with the community to find a buyer for the facility, with the goal of helping to create new economic opportunities.

As we continue to expand around the world, we recognize our growing responsibility to be good corporate citizens. We are committed to expanding in a responsible manner and to working with our stakeholders to improve the quality of life in all our communities.





Good Choices for Every Space

With one of the largest portfolios in the world, our product strategy is grounded in providing both residential and commercial customers with a wide variety of good choices to meet their needs for fashionable and functional flooring. These choices include many products that utilize either recycled or renewable materials.





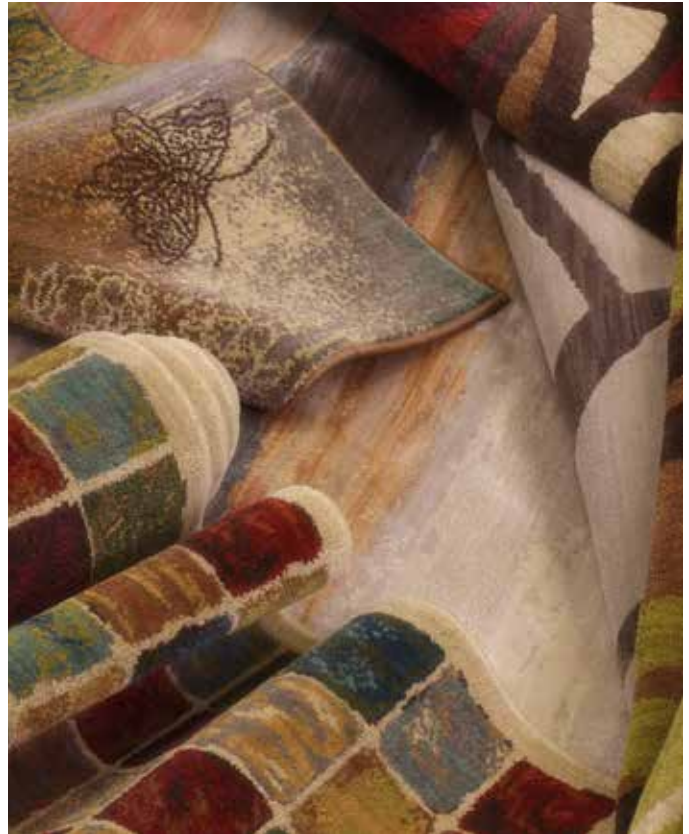
Product Approach

Mohawk offers hundreds of products that meet consumer needs for design, functionality, quality and value in a sustainable manner. These products may contain post-consumer and industrial waste, or originate from renewable resources.

As a vertically integrated manufacturer, we look at the whole of a product's life cycle – considering not only what we make, but also how we make it. It's this combination of structure and approach that allows us to enhance the sustainability of our products at virtually every point, from sourcing to manufacturing, distribution, marketing, installation and end-of-life.

Creating a More Sustainable Life Cycle

Increasing the sustainability benefits of our products starts with choosing **raw materials** that are renewable, sustainably harvested or recycled. We produce flooring from post-consumer recycled waste such as PET soda bottles, rubber tires, plastic bottle caps, glass and more. Our hardwood comes from sustainably harvested timber; laminate is created from 74 percent pre-consumer, post-industrial wood waste; while more than 98 percent of Dal-Tile's manufactured products contain recycled materials. We also have achieved an industry first with our SmartStrand® carpet, the first carpet made with a renewably sourced polymer.



WHAT YOU MAY FIND IN MOHAWK FLOORING

- Plastic Soda Bottles → Carpet
- Glass → Tile
- Tires → Floor Mats
- Foam Trim → Carpet Cushion
- Plant-Sourced Sugar → Carpet
- Wool → Rugs
- Wood Waste → Laminate

Our **manufacturing** process capitalizes on many opportunities to use less water and energy, reduce emissions and divert waste from landfills. In North America, for example, six of our 10 ceramic tile manufacturing plants recover and re-use 100 percent of their process wastewater. In addition, our U.S. laminate facilities recycle scrap wood into chipboard products or sell it to a third party. We also manufacture our flooring to be durable and long lasting, which keeps it on floors and out of landfills.

When **distributing** products, our logistics team – which manages one of the largest warehousing and distribution networks in the industry – has become a driver of sustainability. This energy-intensive area offers many opportunities for generating efficiencies. We have implemented energy-saving programs such as route optimization, the use of liquefied natural gas (LNG) trucks in California and the installation of a fuel filling station at our headquarters in Calhoun, Georgia. We continue to seek out and implement best practices in transportation to get our products to market in the most efficient ways possible.

Our **product marketing** is also growing more sustainable through the increased use of online tools. This makes it easier for our customers and consumers to choose the right products while reducing our use of paper and the production of product samples. QR codes on our in-store samples and displays, for example, drive consumers to our website for product information, enabling us to reduce the use of printed materials. Our suite of interactive tools for commercial customers allows them to deliver a variety of design and environmental options to their own customers virtually, and to make changes instantly if needed.



Product Approach



Installation is an important phase for the majority of our flooring products and one in which we seek to minimize the use of materials. Unilin's patented Uniclic® technology is a good example. Uniclic offers an easy installation method that uses no glue or other chemicals, helping to improve indoor air quality. We also have reduced the chemicals used in many of our carpet adhesives, including zero-VOC NuSpraylok®, used for commercial carpet tiles.

Finally, we engineer many of our products for **re-use or end-of-life recycling**. Our Quick-Step® laminate with Uniclic installation technology can be uninstalled and reinstalled up to three times in another room or another space. In addition, our ReCover carpet reclamation program for commercial and residential customers keeps carpet out of landfills. With just a phone call, we will arrange for the removal, pickup and delivery to a processor of any type of carpet, regardless of whether we manufactured it.

Marketing Products Responsibly

Our business depends on meeting the needs of our customers with safe, high-quality products for their homes or businesses. As such, we intentionally design our products to meet or exceed all health, safety and quality standards, as well as local, state and federal laws. This is more than just a good business decision. It also is good for our customers and is the right thing to do.

Mohawk will continue to make products using ever more responsible methods and materials in order to protect the health and safety of our customers, ensure the quality they expect and reduce the impact on our environment.



Customer Tools

Building and décor products are in big demand among commercial customers, particularly those who are pursuing Leadership in Energy and Environmental Design (LEED) certification from the U.S. Green Building Council. Our suite of Web-based, interactive tools enables our customers to more quickly share accurate designs and environmental information with their customers, while reducing the use of paper and physical samples.

“For our customers and dealers, service is critical,” explains Michel Vermette, Senior Vice President – Mohawk Commercial. “Our goal is to provide them with industry-leading tools to get their projects finished quickly, efficiently, stylishly and sustainably. We will continue to innovate our online services to meet their ever-evolving needs.”

In late 2013 our commercial carpet group moved its entire product line to GreenWizard, a leading software provider for the design and construction community that simplifies the process of managing sustainable construction projects. GreenWizard enables users to search for sustainable product attributes, as well as for products that support Living Building Challenge certification projects. For LEED certification projects, GreenWizard offers an end-to-end solution by utilizing a proprietary credit assessment tool to model and optimize LEED credits, manage product-related documentation and automate the online submission process.

We also offer the ecoScorecard Building Information Models (BIM) tool, which integrates our Drag and Fly™ product images with Autodesk® Revit® and Trimble® SketchUp to provide project-ready, 3-D renderings enabled with environmental data. Architects and designers can search, select, evaluate and document the environmental impact of their flooring choices at the point of design, all in one step.

Another tool, the industry-first DesignFLEX Visualizer, allows designers to create and demonstrate any of the thousands of unique installations possible with our innovative State of Mind modular carpet collection. This interactive tool also eases the specification process by maximizing design accuracy.

The Mohawk Group catalog app for the iPad allows designers and architects to search our comprehensive commercial product catalog on demand, order product samples and email product

ideas to colleagues and clients. Not only does this app provide customers with instant access to a wide range of product information, but it also helps reduce the amount of paper used for print catalogs. In the field, our commercial sales organization now uses iPads exclusively, along with the proprietary sales automation tool, which enables our sales force to be more responsive to customers while further reducing our use of paper.

In 2013 Dal-Tile launched its own virtual Web catalog, reducing our need to print and ship these materials, while allowing for real-time updates when product lines are added, extended or discontinued during the year. The new Dal-Tile virtual catalog that gives users on-demand access is available in multiple versions depending on the user’s needs. The catalog also can be downloaded for print and shared via email or social media, such as Facebook, Twitter or LinkedIn.

Because online tools will not replace a physical sample in every instance, we offer a sample take-back program for commercial customers. A return-mail bag ships with our samples so that they can be returned to us when no longer needed. We are able to re-use approximately 85 percent of the sample folders that are returned, keeping these materials out of landfills.





Certifications

There's a lot of green in the world today. Green products and green claims have become ubiquitous in many product categories. With so many manufacturers making sustainability claims about their products, how do consumers find the environmental attributes they seek? And how can they be sure the claims that manufacturers make about green products are true?

Certifications are a useful way to help customers sort through these claims. We only make product claims that can be independently verified by third-party auditors so that consumers can be confident they are receiving the value for which they are paying. We intentionally seek out meaningful, transparent assurance, often from organizations that consumers already recognize, such as Underwriters Laboratories (UL), the global independent safety science organization that has been around since 1894.

We also include our verified environmental claims on our marketing materials, deck boards and other merchandising and point-of-sale materials so that customers can easily find products with the green attributes they seek. These independent third-party certifications mean that many of our products meet the criteria required for installation by well-respected green organizations such as the U.S. Green Building Council – which certifies LEED buildings – the Collaborative for High Performance Schools and the Green Guide for Health Care.

APPLYING LIFE CYCLE ASSESSMENT TO OUR PRODUCTS

Our ongoing application of life cycle assessment (LCA) is helping us better understand and evaluate the complete impact of our products. In Europe, Unilin continues to implement its Environmental Product Declaration (EPD) program for products sold in European Union markets. EPDs are the most complete environmental footprint assessments currently available, helping manufacturers employ LCAs to identify sustainability opportunities and inform consumers about the environmental attributes of products. LCAs became a requirement under the new European Construction Products Regulations, and the process enables Unilin to quickly identify and assess life cycle issues surrounding its products.



Our Ceramic business recently completed the extensive Environmental Product Declaration (EPD) development process for all products manufactured in its North American production facilities. With third-party validation from PE International and UL Environment, one of North America's most trusted EPD operators, we are the first manufacturer in the ceramic tile category to voluntarily disclose cradle-to-grave impacts from all Daltile®, American Olean®, Marazzi USA, Ragno USA and Mohawk® ceramic tile products with UL Environment certified brand EPDs.

These EPDs took information compiled in rigorous product life cycle assessments to focus on the environmental impact in several categories, including global warming potential, ozone depletion potential, photochemical ozone creation potential, eutrophication potential, acidification potential and depletion of abiotic resources.

In addition, Mohawk's commercial carpeting business received its first EPD in 2013 for its EcoFlex ICT modular carpet platform. We expect additional EPDs – as well as Health Product Declarations™, with details around product content and health impacts – to be issued on additional Mohawk products in the future.



Certifications

Mohawk products that carry the following certifications have been independently verified as products that reduce impact on the environment:

Carpet & Rugs



NSF 140 is the first U.S. national commercial carpet sustainability certification based on life cycle assessment principles. We offer a number of NSF 140 certified products.



Underwriters Laboratories provides Environmental Claim Validation to verify the recycled content of products such as EverStrand® and Wear-Dated® Revive® carpets.



Carpet and Rug Institute (CRI) Green Label and **Green Label Plus** certify that our complete line of carpeting, as well as products such as SmartCushion™ will not adversely affect indoor air quality.



U.S. EPA Design for the Environment certifies that our cleaning products are formulated from ingredients that are the safest possible for individual health and the environment.



GREENGUARD® Indoor Air Quality certifies that products designed for use indoors, such as our Eco Cushion mats, meet strict chemical emissions limits.



ILFI Declare® is a product label developed by the International Living Future Institute (ILFI) that tells the user about the types of materials used in a particular building product, including the materials' origin, composition and end-of-life disposal.

Tile



Green Squared® certification ensures tile and tile installation materials are environmentally preferable, based on American National Standards Institute (ANSI) specifications, which, in turn, are based on life cycle analysis principles. With the exception of products from three locations, our ceramic tile manufactured in North America is green square certified – a total of 452 products.



Certifications

Laminate & Hardwood



FloorScore® certifies that laminate and hardwood flooring, such as our Mohawk®, Quick-Step® and Columbia® brands, meet strict indoor air quality standards.



California Air Resources Board (CARB) Phase 2 certification ensures hardwood or laminate flooring, such as our Columbia® hardwood, meets strict formaldehyde emissions standards.



North American Laminate Flooring Association (NALFA®) certification ensures laminate flooring meets demanding performance standards.



Environmental Product Declaration (EPD) is a life cycle assessment-based tool to communicate the environmental performance of a product, such as our Quick-Step® laminate.



Appalachian Hardwood Manufacturers, Inc. (AHMI) has verified data from the U.S. Forest Service that Appalachian Hardwood Territory timber is harvested sustainably. We use AHMI timber in our Columbia® hardwood flooring.



Forest Stewardship Council (FSC) certification ensures products such as our select sourced engineered wood flooring are manufactured using timber from responsibly managed sources.



Residential Carpet

Our sustainable carpets, cushion and cleaning products offer beautiful and healthy choices you can feel good about having in your home.



SmartStrand®

This revolutionary carpet is made with DuPont™ Sorona®, a renewably sourced polymer made with 37 percent corn sugar. SmartStrand fibers require 30 percent less energy to manufacture and reduce CO2 emissions by 63 percent, as compared to nylon 6 fiber.

SmartStrand® Silk™

This luxuriously soft product line is an extension of our successful SmartStrand carpet. In addition to renewably sourced fiber content, SmartStrand Silk delivers unmatched softness, superior performance, durability and built-in stain protection for exceptionally long product life.

EverStrand®

Our recyclable polyester in the EverStrand family of carpets is made from 100 percent post-consumer recycled PET plastic soda bottles using our BCF Continuum™ process. As a result, EverStrand carpets, which have earned environmental claim validation by Underwriters Laboratories, minimize consumption of petrochemical resources.



Karastan® Wool

Sheep, which are shorn every nine to 12 months, are the sustainable and renewable source for Karastan wool carpets. In addition, all Karastan wool is Clean Air Certified and has the ability to remove contaminants from indoor air, making homes healthier.

SmartCushion™

SmartCushion, made from recycled foam trimmings, enhances both the feel and performance of our already exceptional carpet. It contains 90 percent post-industrial material, insulates to improve room energy efficiency and is a CRI Green Label product for improved air quality. With a portion of sales benefitting breast cancer research through Susan G. Komen for the Cure®, SmartCushion is now smarter than ever.

FloorCare Essentials™

Our non-toxic, soap-free, pet- and people-safe carpet cleaners are made of all natural ingredients and have earned recognition as a U.S. Environmental Protection Agency "Design for the Environment" product.



Commercial Carpet

As one of the world's largest suppliers of commercial carpet and carpet tile producers, Mohawk Group offers the styles, colors, sustainability features and value points for a wide range of commercial products.



SmartStrand® Contract

This carpet is made with DuPont™ Sorona®, a renewably sourced polymer that requires 30 percent less energy to manufacture and reduces CO2 emissions by 63 percent, as compared to nylon 6 fiber. In addition, it is made with 37 percent renewable ingredients, provides superior stain resistance, a luxurious feel and unmatched design flexibility.

NSF 140

NSF 140 is the most widely respected multi-attribute standard for carpet sustainability. We are proud to offer a broad array of Silver, Gold and Platinum NSF 140-certified products. We use a life cycle assessment, verified by a third party, to measure and ensure alignment with NSF 140 standards in categories such as recycled content and energy consumption.

EcoFlex® NXT

A model of sustainable design, EcoFlex NXT is a PVC-free backing that is up to 40 percent lighter than similar PVC products, making it easier to install and less expensive to ship. It also incorporates a minimum of 35 percent pre-consumer recycled content and is certified at the Gold level under the NSF 140 standards.



Colorstrand®

This 100 percent solution-dyed nylon fiber boasts third-party-certified, 25 percent pre-consumer recycled content that meets USGBC LEED criteria, and products tufted with Colorstrand are CRI Green Label Plus® certified for VOC emissions. With the quality to perform in most commercial spaces, Colorstrand delivers both lasting beauty and value.

Unibond Flex™

This patented construction tufts carpet fiber through primary and secondary backings, while at the same time creating a single layer with superior durability. Certified at the NSF 140 Platinum level, these carpets contain up to 16 percent post-consumer recycled content, based on total product weight, and are CRI Green Label Plus certified.

Duracolor®

Duracolor fiber is made using a technology developed by Mohawk. This process makes already durable nylon also resistant to acid-based stains, which represent the vast majority of stains impacting the marketplace. Stains are removed with just water, thus reducing cost, eliminating chemicals and making a smaller environmental impact.



Tile

We offer a vast array of tile colors, textures and patterns with a variety of sustainable attributes for indoor and outdoor residential or commercial products.



Ceramic

We use recycled materials from internal and external industrial processes in 98 percent of the ceramic tile products that we manufacture, to minimize consumption of virgin materials. In several of our ceramic tile facilities, we re-use 100 percent of the water from manufacturing processes so that it is never discharged as waste.

Porcelain

Large-format porcelain floor tile products manufactured at our Muskogee, Oklahoma, facility currently contain over 47 percent recycled materials content, with some having over 55 percent, including post-consumer recycled materials.

100% VOC Free

The kiln-firing process used to make tile results in products that are 100 percent VOC free. This attribute allows LEED, CHPS and other green building rating systems to provide our tile with a low-emissions credit without the additional testing required of other products.



Levaro™

Travertine offers a classic look, having been used in some of the world's greatest structures. Its beauty is timeless, with natural tones and unique patterns. Levaro's Reveal Imaging® technology brings to life the beautiful look of travertine to every design with incredible color, detail and veining that is uniquely produced on every tile. Levaro by Daltile is manufactured using both post- and pre-consumer recycled content.

Salcedo™

This American Olean® line of coordinating floor, wall and mosaic ceramic tile is created using both post- and pre-consumer recycled materials. The use of Reveal Imaging® technology delivers tile that mimics the look of natural stone in easy-to-maintain ceramic.



Tile



Danya™

This American Olean® ceramic tile conveys a fluid movement reminiscent of ancient riverbeds and contains both pre- and post-consumer recycled materials.



Green Squared® Certification

Green Squared certification has been achieved by virtually all Daltile® products manufactured in North America and provides third-party verification of conformance with ANSI A138.1, the national standard for sustainable tile products. It is a whole-product, multi-attribute standard, based on life cycle assessment principles, which document that the product and process meet strict environmental and social criteria.



Valtellina™

Reveal Imaging® glazed porcelain flooring and glazed ceramic mosaics evoke natural elements that include limestone and alpine stone. The line contains from 14 to 47.3 percent pre-consumer content, and up to 17.3 percent post-consumer recycled materials.



Laminate

Laminate flooring, combined with our patented Uniclic® installation system, is unmatched for beauty, durability and sustainability.



Laminate

Our nature-inspired laminates mimic the look of fine hardwood, natural stone or ceramic tile in an eco-friendly flooring created with as much as 74 percent pre-consumer recycled content.

FloorScore®

FloorScore certifies that laminate flooring, such as our U.S.-manufactured Mohawk® and Quick-Step® brands, meet strict indoor air quality standards.

Uniclic® Installation System

This patented technology uses a glue-less and chemical-free system for fast, easy installation with no adverse impact on indoor air quality.



FloorCare Essentials™ Laminate Cleaners

Formulated from all-natural ingredients, our cleaners are sustainable, biodegradable and have earned recognition as a U.S. Environmental Protection Agency "Design for the Environment" product.

didit™ Click Furniture Collection

This line of assemble-yourself chipboard furniture uses Uniclic® technology, which means no bolts, screws, nails or other fittings are used in its assembly, thereby saving resources.



Wood

Our domestic and international hardwood flooring products are both stylish and environmentally sound, with sustainable options to complement any décor.



PureBond®*
Engineered Wood

Our engineered wood products manufactured in the U.S. use PureBond technology that eliminates formaldehyde adhesives, a source of VOC emissions that can adversely impact indoor air quality. They also are FloorScore® certified, which means they meet strict indoor air quality standards.

Reclaimed Wood

Our Reclaimed Hardwood Flooring from dismantled buildings keeps wood out of landfills and brings it into today's homes to provide antique natural beauty.

Uniclic®
Installation System

This patented technology uses a glue-less and chemical-free system for fast, easy installation with no adverse impact on indoor air quality.



FloorCare Essentials™
Hardwood Floor Cleaners

Made from all-natural, biodegradable ingredients, our hardwood floor care products help to sustain the long life of hardwood flooring.

Forest Stewardship
Council® Certified

Select sourced engineered wood products are certified to Forest Stewardship Council standards, which means they are manufactured using timber from responsibly managed sources.

*PureBond® is a registered trademark of Columbia Forest Products, Inc., in the U.S. and other countries and is used under license.



Rugs & Mats

Mohawk Home is the largest supplier of rugs and mats in the United States, with products ranging from luxurious renewable Karastan® rugs to practical mats made from recycled rubber.



Sustainable Fibers

Many of our rugs are made from highly sustainable resources such as renewable sheep-shorn wool, found in our Karastan® rugs, and EverStrand® fiber, which is the only 100 percent post-consumer recycled material rug fiber in the industry.

Infinity Series Recycled Rubber Mats

We have introduced two-color flock into our classic 100 percent recycled rubber base. The result is a mat that conserves natural resources and is more fashionable than ever.

Eco Cushion Mat

Made in part with renewable bio-materials such as soybeans, this mat is certified as a GREENGUARD® Indoor Air Quality product. It also resists the growth of harmful mold, mildew, fungus and bacteria. At the end of its product life, Eco Cushion is completely recyclable.



Envirovinyl Walk-off Mats

We have improved the traditional PVC vinyl backing previously used in our walk-off mats by removing phthalates and adding up to 50 percent recycled post-industrial materials.

Grand Terrace Mats

A synthetic alternative to coir mats, this collection of mats boasts 100 percent recycled rubber backing laminated to a needle-punch polypropylene face to provide great product weight, value and performance.



Good Choices for the Environment

48

As a vertically integrated flooring company, we take a comprehensive approach to reducing our environmental impact by looking at every phase of our business – from material sourcing through distribution. Performance goals ensure that we make steady progress toward reducing our energy, emissions, water and waste-to-landfill footprint.





Goals

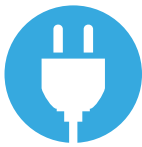
Since 2009 Mohawk Industries has been working toward meaningful and measurable reductions in our energy, emissions, water and waste footprint. That same year, we also put in place a set of 2020 goals to guide our progress and to report against annually.

During the past five years, these goals have served us well, and we are proud of the significant progress that has been achieved to date. Mohawk is a more efficient and sustainable organization today, thanks in part to these goals. We also are a very different organization today than when these goals were established in 2009. Since that time, we have grown our existing business, as well as acquiring close to \$2 billion in new businesses in early 2013.

As part of their overall integration, we spent much of 2013 onboarding these new businesses into Mohawk's sustainability data framework. We are pleased to report that we not only completed this major initiative ahead of schedule, but also have been able to evaluate all data streams. As a result of this analysis, we concluded that 2009 data lacked the level of integrity necessary to continue with this year as a baseline. For this reason, we are resetting our baseline measurements to 2010 levels. Over the next 12 months, our expectation is to continue this analysis and re-examine our goals to ensure alignment with today's Mohawk operational footprint.

In addition, we believe that our newly acquired businesses have an opportunity to make sustainability a greater strategic priority going forward, raising sustainability to the same level of importance as in our legacy businesses. We look forward to implementing many of our best practices and processes in these new businesses as we bring them to the same level of commitment to sustainability as the rest of our enterprise.

↓ 25% BY 2020



Energy Intensity



GHG Intensity



Water Intensity



Waste to Landfill Intensity



Energy & Emissions

Optimizing our overall energy consumption while also seeking alternative, economical, cleaner-burning fuels is the best way for Mohawk to increase our bottom line and decrease our carbon footprint at the same time. As a vertically integrated manufacturer, we have ample opportunities to do both.

Our strategy primarily targets reductions in the energy intensity of manufacturing and distribution processes via proven technologies and innovative solutions that transform energy use in our operations. In the process, we also are able to reduce our emissions intensity.

During 2013, these techniques enabled us to reduce our energy intensity by 2.9 percent from 2012 levels. In turn, our 2013 progress contributed to a 7.3 percent cumulative reduction from our 2010 baseline. Similarly, our GHG emissions fell 2.15 percent from 2012 to 2013 and 7.52 percent from the 2010 baseline. We were pleased with this performance in light of integrating a significant number of newly acquired operations during 2013. As these businesses are further integrated and we have the opportunity to further share best practices and processes, we look forward to continued improvements in our energy and carbon footprint reduction.

As a result of our acquisition of Marazzi last year, Mohawk's energy footprint now encompasses three ceramic plants in Europe that produce their own electricity via co-generation from natural gas-powered turbines. In 2013, these plants produced 59,880,574 kilowatt hours of electricity – enough to power 5,525 average U.S. homes for a year.

Our commercial carpet tile manufacturing plant in Glasgow, Virginia, continues to be a standout in environmental improvements among our plants. From 2012 to 2013, the Glasgow facility reduced absolute GHG emissions by 30 percent. This dramatic decline demonstrates the first full year of boiler operation on natural gas as opposed to coal.

Another Virginia carpet plant – in Hillsdale – is also realizing the benefits of switching fuel sources for its boiler. This plant was able to switch from diesel to natural gas power by partnering with a local county industrial development authority to tap into a major natural gas pipeline approximately four miles away. The switch resulted in a 14.5 percent GHG reduction during 2013, with an expectation to nearly double that reduction for the full year in 2014.

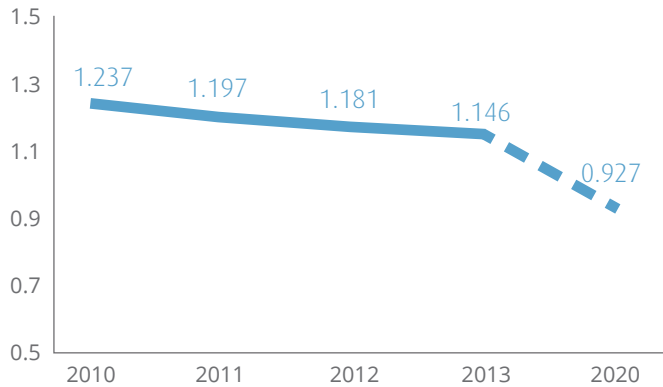
In product distribution, we continued our policy of leasing late model equipment, for example, which often provides greater fuel economy than older vehicles. While not all of Mohawk's leased trucks go into road operations, we estimate that we consumed 110,000 fewer gallons of gasoline through fuel economy improvements to our fleet. Additional 2013 measures included a program to monitor and reduce vehicle idle time, as well as equipping long-haul trailers with side skirts. These skirts improve trailer aerodynamics, increasing fuel efficiency by up to 4 percent on longer trips. They also can be used to increase fuel efficiency on regional haul operations.

Employee engagement is a critical part of our efforts to reduce energy use and emissions. To help our people become more engaged, our Unilin operations in Belgium organized a series of "Energy Days" in 2013 to promote energy savings among its employees. Over a period of three days, Unilin held energy training and awareness sessions, as well as a fair that focused on energy savings opportunities such as compressed air, lighting, heat pumps, insulation and electric vehicles.

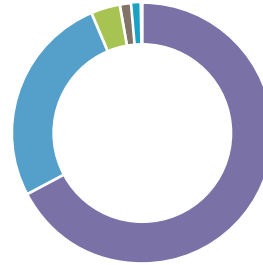


Energy & Emissions

Energy Intensity (in MWh/net sales)

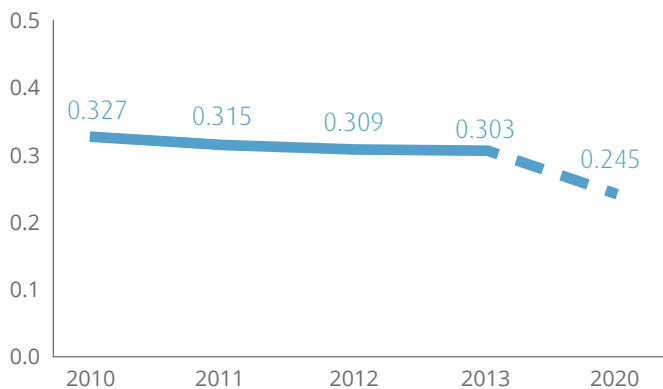


2013 Energy Consumption By Source* (in gigajoules)

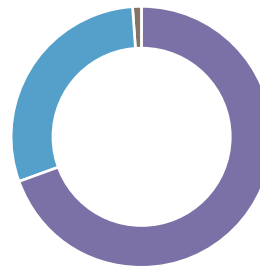


Natural Gas	21,345,600
Electricity	8,364,989
Fuel Oil	1,158,350
Coal	144,428
Propane	139,080
Steam	4,609

GHG Intensity (in metric tonnes/net sales)

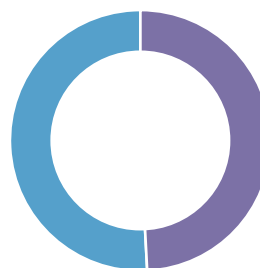


2013 Energy Savings (in gigajoules)



Productivity Improvements/ Manufacturing Capacity Rationalization	631.00K
Energy CapEx Investments	267.99K
Low-/No-Cost Energy Improvements	9.45K

2013 Total GHG Emissions*** (in metric tonnes)



Total Indirect GHG Emissions	1,143,992
Total Direct GHG Emissions	1,178,648

**In addition to direct and indirect energy consumption, we also measured 2.703 million gigajoules related to biomass.

***In addition to direct and indirect GHG emissions, we also measured 412,974 metric tonnes of GHG emissions related to biomass sources. Product and refrigerant emissions are excluded from our metrics.



Water

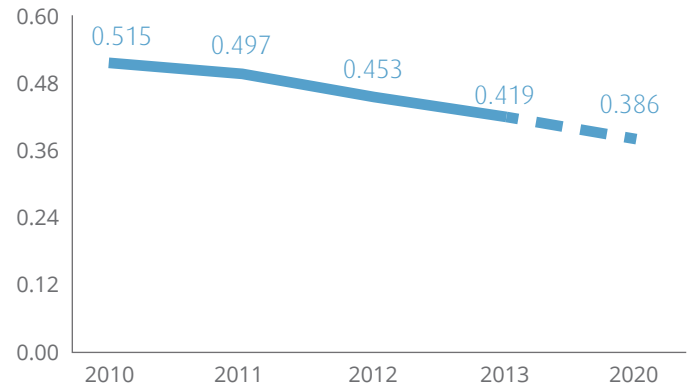
Water management and conservation are essential actions for us, given the increasing scarcity of this natural resource and the relatively large amount of water required in the manufacture of carpet, rugs and tile.

We have a solid track record in water reduction and continue to seek ways at all of our facilities to reduce reliance on fresh water sources. In our Ceramic division, for example, six of our 10 tile manufacturing plants recover and re-use 100 percent of their process wastewater. As a result, this division is able to recycle 25.2 percent of its total water. This translates into 5 percent, or 613,696 cubic meters, of total water recycled by Mohawk Industries on an annual basis.

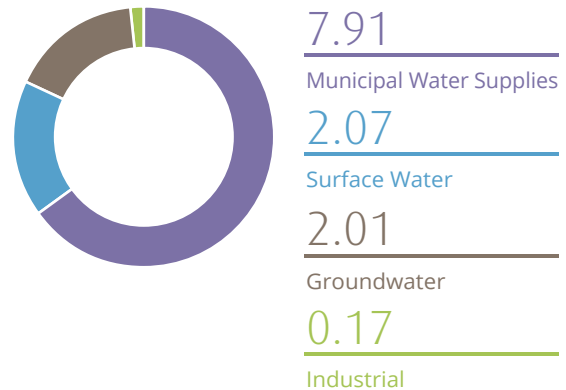
Our operations have reduced overall water use by nearly 9 percent, or over 300 million gallons since 2010, through the introduction of water reclamation technologies and the implementation of other best practices. This progress continued in 2013 as our water intensity levels fell 0.7 percent from 2012. Given the number of new operating facilities that we integrated during the year due to acquisitions, especially ceramic plants that are relatively water-intensive, we were pleased with this performance. Even more encouraging is an 18.72 percent decrease in water intensity from our 2010 baseline through 2013. Going forward, we expect that integrating water management best practices further into the newly acquired businesses will enable us to continue to lower our usage.

A focus on some of our most water-intensive processes has helped us achieve this significant decline over the past four years. For example, dye processes are the largest contributor to the water-intensive nature of carpet manufacturing. During the past five years, our Glasgow, Virginia, commercial carpet tile facility has been implementing new processes with the same level of color quality, but which use much less water than the traditional, knit-de-knit dyeing process. The results have been exceptional. Since 2008, the plant's water intensity has decreased by 30 percent, while absolute water usage is down by 38 percent.

Water Intensity (in mga/net sales)



2013 Water Withdrawal by Source (in million cubic meters per year)





Waste

At Mohawk, we look at waste as both a challenge and an opportunity. We are challenged to find ever more sustainable ways to reduce waste, while at the same time recognizing the opportunity to transform waste into something of value. Our capabilities for such are well developed, but more opportunities remain.

From 2012 to 2013, our waste-to-landfill intensity was up slightly. This slight increase is the result of integrating a major ceramic acquisition during 2013. The recycling of waste by-product from ceramic manufacturing is one of our largest waste challenges. As we continue to integrate these businesses in the coming year, we believe there is an opportunity to extend best practices from our existing ceramic operations into our newly acquired ones in order to improve manufacturing waste disposal processes.

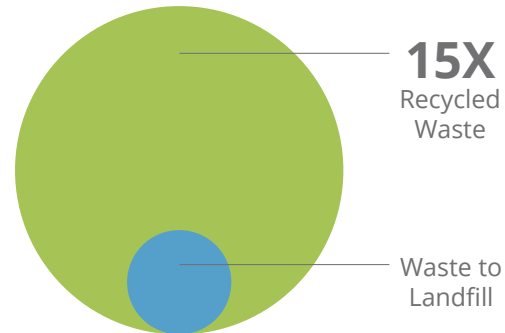
Our Zero Landfill certification program is a critical initiative that has already seen 14 carpet and rug manufacturing facilities eliminate or up-cycle their manufacturing waste stream. The effort is helping us build a waste-responsible culture on a facility-by-facility basis, while also being flexible to the process waste needs and challenges of those locations.

Through a strategic benchmarking, evaluation and goal-setting process, the program helps individual sites determine an attainable set of site-specific manufacturing waste reduction targets. Each facility then kicks off a 40-day, on-site campaign to inform, educate and influence employee behavior. This campaign includes the introduction of best practices into facility operations, as well as a communication campaign to enlighten and engage facility employees on waste reduction issues.

In 2013, 12 of our facilities achieved Zero Landfill status, including several of our extrusion, yarn and tufting sites in North Georgia. Our goal is to internally certify an additional 14 plants by the end of 2014, and to eventually roll out the Zero Landfill program across the enterprise.

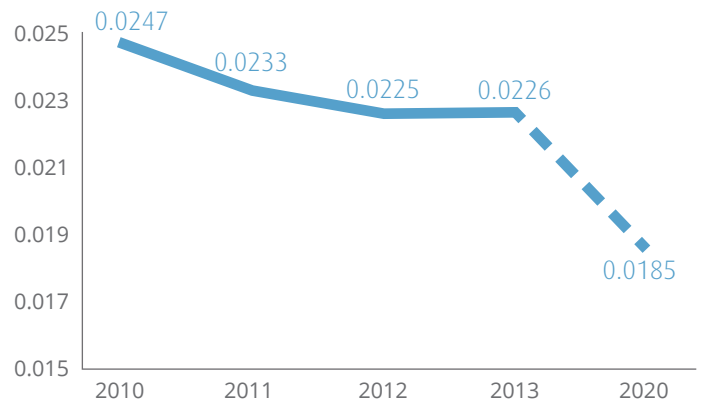
In Europe, our Unilin facility in Wielsbeke, Belgium, installed a full luxury vinyl tile (LVT) production line in 2013 that will eventually allow for a closed production cycle. Facilities with a closed production cycle are able to re-use all the waste material generated by the production process. Following initial start-up of this new LVT production line, the Wielsbeke facility will set target percentages – to be increased annually – until a fully closed production cycle can be achieved. During this ramp-up period, the plant will design and install its own processing unit on site so that the LVT waste material can be processed autonomously.

A Remarkable Recycling Effort



We recycle our waste from operations as well as purchase recycled waste for use in our flooring products. This means that we diverted a total of 2,588,447 tons of waste from landfills in 2013. This amount is nearly 15 times the amount of waste that we sent to landfills – 173,325 tons – in 2013.

Waste to Landfill Intensity (in tons/net sales)



2013 Total Waste by Type

	Tons	Tonnes
Non-Hazardous Wastes*	822,643	745,823
Hazardous Wastes**	4,706	4,266
Total	827,349	750,089

2013 Total Waste by Disposal Method

	Tons	Tonnes
Recycling	630,761	571,860
Incinerated Externally	23,262	21,090
Biomass Used Internally as Fuel	227,296	206,071
Landfill	173,325	157,140
Total	1,054,645	956,161

*Non-hazardous wastes disposed of directly by the reporting organization or directly confirmed.

**Information on disposal of hazardous wastes provided by the waste contractor.



FIRA Assurance Statement

For the full statement, including scope, our methodology, work undertaken, disclaimers and description of accomplishments and opportunities for improvement, please see <http://www.fira.nl/files/mohawksustainability/MHKstatement2013report.pdf>.

Mohawk Industries has commissioned FIRA to provide external assurance on its 2013 web-based and pdf Sustainability Report (further referred to as 'The Report').

Conclusion

Based on the undertaken work, we conclude that the claims and information portrayed in The Report are reliable. We commend Mohawk on a thorough approach leading to GRI B+. We encourage Mohawk to further prepare for reporting based on GRI G4.

Accomplishments and Recommendations

We have seen significant progress in many areas. For 2013, Mohawk has significantly expanded its data collection to include data from its new acquisitions, and has expanded the implementation of their safety R3 (Residual Risk Reduction) program. As Mohawk is growing in other geographies, corporate is responding to the need of group management. CSR policies on social issues are maturing and management approaches are disclosed.

- **Strategic Initiatives & Sustainability Strategy:** Progress on strategic planning has been limited. A more defined structure for CSR strategic thinking and a process of quantifying CSR benefits will benefit the organization. We encourage Mohawk create an overarching framework that could link the business units under a comprehensive corporate strategy to accelerate their effectiveness through the creation of common synergies.
- **Management Approach:** Mohawk is disclosing a clear sense of direction on all CSR related topics. We recommend to further refine the approach by disclosing the comparison between Mohawk current state against the policies and targets that Mohawk want to achieve 3-5 years from now.
- **Stakeholders Engagement:** Stakeholder engagement is strongly business focused. We recommend accelerating CSR based stakeholder engagement by isolating specific CSR stakeholder needs and seeking collaboration to strengthen the business.
- **Accountability:** The roles and responsibilities of the people engaged in the different sustainability activities are scattered Progress on strategic planning has been limited. A more defined structure for CSR strategic thinking and a process of quantifying CSR benefits will benefit the organization. We encourage Mohawk create an overarching framework that could link the business units under a comprehensive corporate strategy to accelerate their effectiveness through the creation of common synergies. Throughout the organization (business units, and corporate). Therefore, the accountability for programs, metrics, initiatives, and resources is often difficult to track, and requires time and effort to coordinate. A clear map of sustainability initiatives accountability can lead to increased efficiency during the implementation and monitoring of activities.
- **KPI Management & Data Reliability:** As data collection is maturing, Mohawk is challenged to continue the journey from data collection to metrics management. We recommend formalizing KPI management by establishing protocols, goals and accountability for management on the evaluation of sustainability performance; this is increasingly important considering the international growth of the company, driven by acquisitions. For 2013, Mohawk has significantly extended its data collection process to include acquisitions' data and has verified and corrected historical data.
- **Risk Management:** Mohawk will benefit by further standardizing the ERM system adding, a risk library and integrate the CSR risk management process with the business process.
- **CSR Supplier Management:** Mohawk has continued expanding the implementation of their supplier code of conduct to more divisions. This process could be expedited with a more structured rollout companywide, and close monitoring of the global implementation.

For FIRA,

A.C. de Bruijn
Director FIRA

July 14th, 2014, The Netherlands





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Standard Disclosures Part I: Profile Disclosures		
Profile Disclosure	Description	Reported
1. Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization.	2-3
1.2	Description of key impacts, risks, and opportunities.	2-3, 19, 10-K (5-10)
2. Organizational Profile		
2.1	Name of the organization.	FC, BC
2.2	Primary brands, products, and/or services.	12, 10-K (2-5)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	12, 10-K (2-5)
2.4	Location of organization's headquarters.	12
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	13, 10-K (2)
2.6	Nature of ownership and legal form.	16, 10-K (FC)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	12-13, 10-K (2)
2.8	Scale of the reporting organization.	12, 14
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	21, 10-K (33-35)
2.10	Awards received in the reporting period.	22
3. Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	21
3.2	Date of most recent previous report (if any).	21
3.3	Reporting cycle (annual, biennial, etc.)	21
3.4	Contact point for questions regarding the report or its contents.	21
3.5	Process for defining report content.	21
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	21
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	21
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	21
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	19, 21, 49, 54
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	49, 54
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	21, 49-54
3.12	Table identifying the location of the Standard Disclosures in the report.	55
3.13	Policy and current practice with regard to seeking external assurance for the report.	21



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STANDARD DISCLOSURES PART I: Profile Disclosures		
Profile Disclosure	Description	Reported
4. Governance, Commitments, and Engagement		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	16, Corporate Website
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	15
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	15, Proxy (3-6)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Corporate Website, Proxy (34)
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	16, Proxy (13)
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	16, Corporate Website
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Proxy (33)
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	16, 19, Corporate Website
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	16, 19, Corporate Website
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	16
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	16
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	21, 26
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	22
4.14	List of stakeholder groups engaged by the organization.	20
4.15	Basis for identification and selection of stakeholders with whom to engage.	20
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	20
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	20



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STANDARD DISCLOSURES PART II: Performance Indicators		
Performance Indicator	Description	Reported
Economic		
DMA EC	Disclosure on Management Approach EC	2-3, 19, AR (1-4)
Economic performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	14, 10-K (12-14)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	10-K (9)
EC3	Coverage of the organization's defined benefit plan obligations.	10-K (43-44)
EC4	Significant financial assistance received from government.	16
Market presence		
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	NR
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	NR
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	NR
Indirect economic impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	7, 32-33
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	2-3, 19-P



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STANDARD DISCLOSURES PART II: Performance Indicators		
Performance Indicator	Description	Reported
Environmental		
DMA EN	Disclosure on Management Approach EN	2-3, 19, 35-36, 49-53, Corporate Website
Materials		
EN1	Materials used by weight or volume.	NR
EN2	Percentage of materials used that are recycled input materials.	5, 35-36-P
Energy		
EN3	Direct energy consumption by primary energy source.	51
EN4	Indirect energy consumption by primary source.	51
EN5	Energy saved due to conservation and efficiency improvements.	51
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	10, 50
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	NR
Water		
EN8	Total water withdrawal by source.	52
EN9	Water sources significantly affected by withdrawal of water.	52-P
EN10	Percentage and total volume of water recycled and reused.	52
Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	NR
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	NR
EN13	Habitats protected or restored.	NR
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	NR
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	NR
Emissions, effluents, and waste		
EN16	Total direct and indirect greenhouse gas emissions by weight.	51-P
EN17	Other relevant indirect greenhouse gas emissions by weight.	NR
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	50
EN19	Emissions of ozone-depleting substances by weight.	NR
EN20	NOx, SOx, and other significant air emissions by type and weight.	NR
EN21	Total water discharge by quality and destination.	NR
EN22	Total weight of waste by type and disposal method.	53
EN23	Total number and volume of significant spills.	NR
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	NR
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	NR



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STANDARD DISCLOSURES PART II: Performance Indicators		
Performance Indicator	Description	Reported
Environmental		
Products and services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	5, 7, 10, 35-47-P
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	NR
Compliance		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	NR
Transport		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	NR
Overall		
EN30	Total environmental protection expenditures and investments by type.	NR
Social: Labor Practices and Decent Work		
DMA LA	Disclosure on Management Approach LA	16, 19, 24, 28-31
Employment		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	24-25
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	24-25
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	31
LA15	Return to work and retention rates after parental leave, by gender.	NR
Labor/management relations		
LA4	Percentage of employees covered by collective bargaining agreements.	28
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	28-P
Occupational health and safety		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	26
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	26-P
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	31
LA9	Health and safety topics covered in formal agreements with trade unions.	NR
Training and education		
LA10	Average hours of training per year per employee by gender, and by employee category.	30
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	29-30-P
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	30-P



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STANDARD DISCLOSURES PART II: Performance Indicators		
Performance Indicator	Description	Reported
Social: Labor Practices and Decent Work		
Diversity and equal opportunity		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	15, 24-25
Equal remuneration for women and men		
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	NR
Social: Human Rights		
DMA HR	Disclosure on Management Approach HR	16-17, 19, 24, 28
Investment and procurement practices		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	NR
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	16, 17-P
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	NR
Non-discrimination		
HR4	Total number of incidents of discrimination and corrective actions taken.	NR
Freedom of association and collective bargaining		
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	NR
Child labor		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	16, 28
Forced and compulsory labor		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	28
Security practices		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	NR
Indigenous rights		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	28
Assessment		
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	NR
Remediation		
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	NR



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STANDARD DISCLOSURES PART II: Performance Indicators		
Performance Indicator	Description	Reported
Social: Society		
DMA SO	Disclosure on Management Approach SO	16-17, 19-20, 32-33-P
Local Community		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	32-33-P
SO9	Operations with significant potential or actual negative impacts on local communities.	NR
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	NR
Corruption		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	16
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	16
SO4	Actions taken in response to incidents of corruption.	NR
Public policy		
SO5	Public policy positions and participation in public policy development and lobbying.	16
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	16
Anti-competitive behavior		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	10-K (46-47)
Compliance		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	10-K (47)



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STANDARD DISCLOSURES PART II: Performance Indicators

Performance Indicator	Description	Reported
Social: Product Responsibility		
DMA PR	Disclosure on Management Approach PR	2-3, 19, 35-36
Customer health and safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	NR
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	NR
Product and service labeling		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	35-36
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	NR
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	20, 35-36-P
Marketing communications		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	35-36-P
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	NR
Customer privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	NR
Compliance		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	NR

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