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sustain[HUMAN]ability®

At Shaw, we are focused wholeheartedly on the ingredients that go into our products and the effects of sound, moisture, cleanability and other design considerations because we know the spaces where we live, work, learn, play and create impact our wellbeing.

By putting people at the center of all we do — what we call sustain[HUMAN]ability — we can help create a better future for our customers, associates and communities.





FOCUSED ON
STRENGTHENING
THE BUSINESS

Dear Stakeholders,

Each year, this report provides an opportunity to reflect on how we are performing as a business and how we continue to move forward.

Today's business climate is more complex than ever and evolving more quickly than in the past. That places greater importance on how we operate and how well we deliver.

At Shaw, we are focused on strengthening execution across the business. That means bringing greater clarity, discipline and accountability to decision-making and to how we deliver for our customers. It also means staying grounded in what has always made Shaw strong: quality, trusted relationships and a commitment to doing what we say we will do.

This focus is not new. It builds on a long history of investing in our capabilities, adapting to change and improving our operations. But in today's environment, it requires sharper focus and greater consistency in how we execute every day.

That same focus extends to how we think about sustainability. It is not separate from how we operate, but embedded in it, reflected in how we design our products, manage our operations, and consider the impact we have on people and communities.

There is more work ahead. There always is. But we are focused on continuing to improve, delivering with greater consistency, and building a stronger business over time.

We believe in the path we're on and in our ability to create meaningful impact for our customers, our associates and our communities.

Tim Baucom, President and CEO

WE SHAPE THE SPACES WHERE PEOPLE LIVE, WORK, AND PLAY, PROVIDING SOLUTIONS THAT PUT PEOPLE FIRST.

~18,000
ASSOCIATES

OUR MISSION
Great people,
great products,
great service.
Always.

70+
MANUFACTURING
& DISTRIBUTION
FACILITIES

OUR VISION
Creating a better future:
for our people,
for our customers,
for our company and
for our communities.

3,000
DAILY CUSTOMER
DELIVERIES

OUR VALUES
Honesty,
integrity
and
passion.

\$5B+
IN ANNUAL SALES

FLOORING SOLUTIONS + PEOPLE CONNECTIONS

Across homes, workplaces, healthcare, education, and outdoor environments, Shaw’s products and solutions shape the spaces where people live, learn, heal, and connect. Our portfolio of carpet, resilient, hardwood, tile and stone, and synthetic turf provides the foundation for the moments that matter most.

ART + SCIENCE

We bring together design, innovation, and operational excellence to deliver distinctive solutions for residential, commercial, and outdoor environments through our family of brands, including Anderson Tuftex®, COREtec®, Shaw Floors®, Patcraft®, Philadelphia Commercial®, Shaw Contract®, Shaw Sports Turf®, Shawgrass®, Southwest Greens®, Watershed Geo® and more.

STRENGTH + LEADERSHIP

Building on decades of progress, Shaw takes a people-centered, customer-focused, and growth-minded approach to meet diverse market needs and create differentiated customer experiences. As a wholly owned subsidiary of Berkshire Hathaway, the company benefits from stability and the ability to invest in capabilities that support consistent performance. This commitment drives Shaw’s focus on creating a better future for its people, customers, company and communities.



RESIDENTIAL FLOORING

Anderson
Tuftex



COMMERCIAL FLOORING

patcraft.



ShawContract®



SYNTHETIC TURF

shawgrass®



AND MORE





Dear Stakeholders,

Twenty-five years ago — and even as recently as 15 — conversations about sustainability, particularly in manufacturing and the built environment, tended to focus on a familiar set of priorities: energy, water and waste. Those issues remain critically important, and they continue to shape how we operate and innovate at Shaw.

However, sustainability has evolved. Today, it represents something broader and more human-centered — especially in the work we do to create beautiful, high-performing spaces. Increasingly, sustainability is about people.

The built environment is not just a backdrop to daily life; it actively shapes how we feel, function and thrive. With nearly 90 percent of our time spent indoors, in homes, schools, workplaces, hospitals, retail locations and sports venues, the spaces around us have a profound impact on our overall wellbeing. In many ways, we have become an indoor species.

This reality challenges us to think differently about our role and our responsibility. How do we help create a new kind of habitat — one that not only minimizes environmental impact, but actively supports wellbeing, comfort and resilience?

At Shaw, that is a question we continue to ask ourselves every day. It guides our innovation, informs our sustainability strategy and shapes how we measure progress. We believe that truly sustainable spaces are those that care for both the planet and the people who inhabit it, and it is through that lens that we strive to help create a better, more sustainable future.

This year's report reflects that commitment and highlights the strides we have made.

Candi Hampton, Vice President, Global Sustainability

SETTING LONG-TERM STRATEGY REQUIRES CAREFUL MONITORING OF THE WORLD AROUND US, DEEP ENGAGEMENT WITH STAKEHOLDERS AND A SOLID UNDERSTANDING OF WHO WE ARE AS A COMPANY.

To advance our sustainability strategy, Shaw periodically conducts a comprehensive materiality assessment to ensure we are focusing our resources in the areas where we can have the greatest impact and meet our stakeholders' expectations. In 2025, we used the results of the double materiality assessment we conducted in 2024 to guide our work. This double materiality assessment takes into consideration how a business' activities impact society and the environment as well as how a business is affected by sustainability issues.

Our engagement with customers, associates, communities and other stakeholders revealed the following priorities:

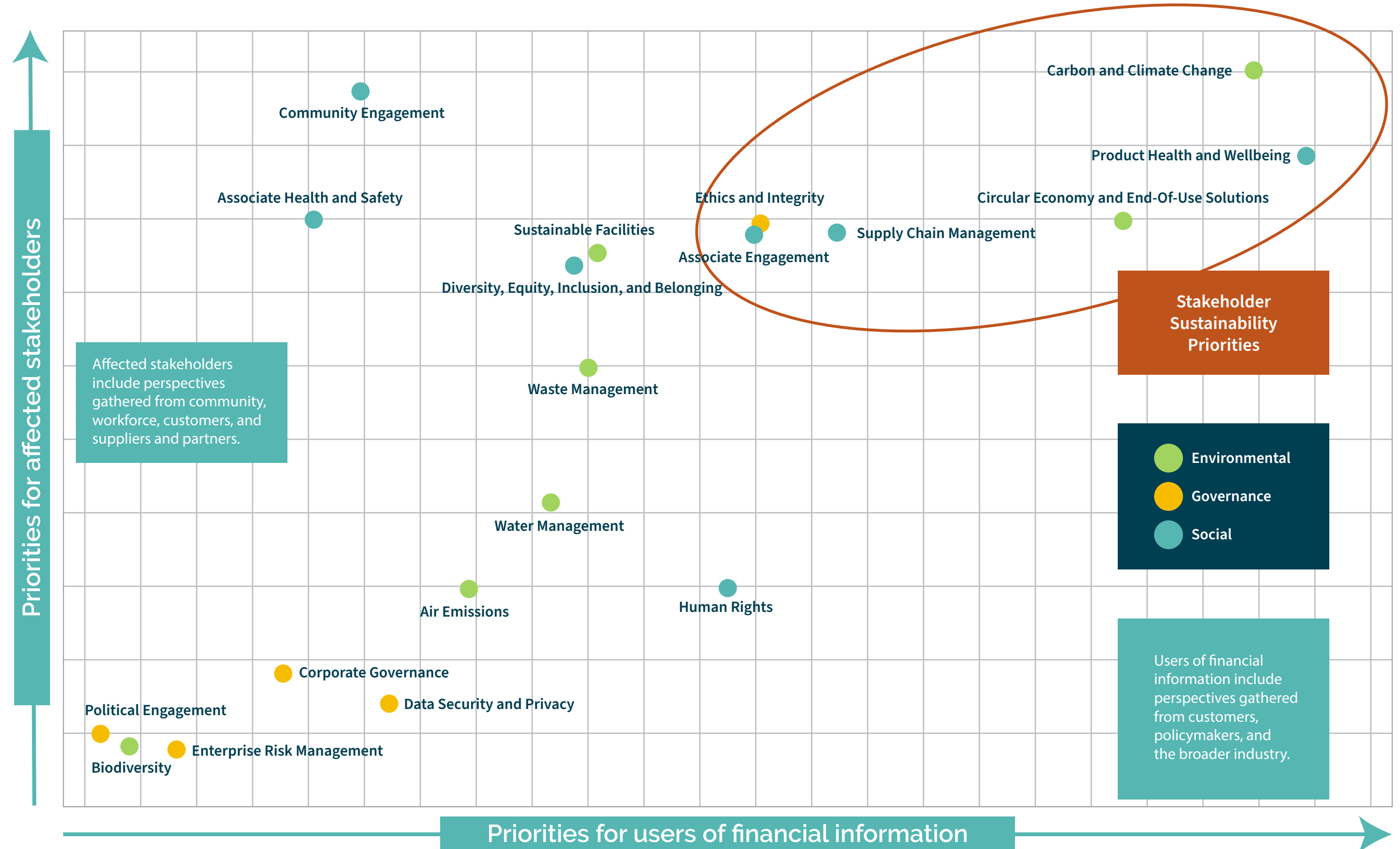
- carbon and climate change
- product wellbeing
- the circular economy and end-of-use product solutions
- supply chain management
- ethics and integrity

While our methodology has evolved slightly, and we continue to expand our stakeholder groups for a comprehensive perspective, our latest materiality assessment echoes themes we have seen since our previous materiality assessments in 2015, 2018 and 2021.

Our sustain[HUMAN]ability strategy addresses each of these key sustainability priorities while putting people at the heart of all we do. This stakeholder input guides our work and how we report our efforts and progress. As such, this report is divided into five primary sections that reflect these priorities: wellbeing, climate change, circularity, people and supply chain.

What should Shaw most urgently address over the next 3-5 years?

MOST RECENT MATERIALITY ASSESSMENT RESULTS



At Shaw, we strive to create a better future and a better world. A world in which we collectively value and invest in the health, wellbeing, and success of **all people AND our planet**. A future that's safe and safeguarded for generations to come.

OUR PROMISE

Design products focused on the wellbeing of the planet and its people.

Be a positive force in the global effort to mitigate climate change.

Fuel the circular economy with safe, sustainable, Cradle to Cradle® inspired products.

Help people achieve their full potential.

OUR 2030 GOAL OPTIMIZE 100% OF OUR PRODUCTS TO CRADLE TO CRADLE DESIGN PRINCIPLES




The UN Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a **universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity**. Shaw's sustain[HUMAN]ability efforts contribute and align most significantly to the following SDGs.

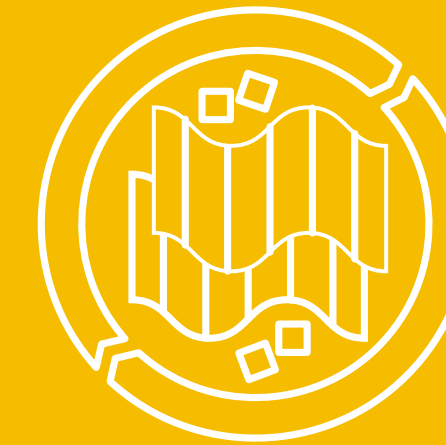


AS WE WORK TOWARD OUR GOAL TO OPTIMIZE 100 PERCENT OF OUR PRODUCTS TO CRADLE TO CRADLE® DESIGN PRINCIPLES, WE ESTABLISHED KEY PERFORMANCE INDICATORS (KPIs) TO MEASURE OUR PROGRESS AND ADJUST OUR APPROACH AS NEEDED. KEY PROGRESS IN 2025 INCLUDED:

Almost 90%
of the products
Shaw manufactures are
Cradle to Cradle Certified®



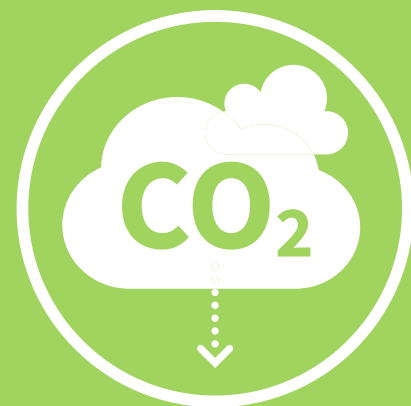
More than
13 million pounds
of synthetic turf recycled since 2020



Reclaimed and recycled
nearly 1 billion
pounds of flooring since 2006



Shaw and our associates contributed
\$6.8 million
to philanthropic organizations



Reduced our carbon
footprint by **62%**
compared to 2010
(Scope 1 and Scope 2 emissions)

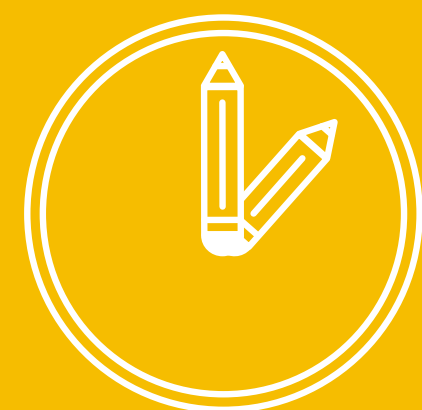
Turned
more than
1 billion
recycled plastic
bottles into flooring



Launched
EcoWorx® BIO

a fully recyclable,
low-carbon, PVC-free
carpet tile featuring
bio-based content

Used
58% less water
per pound of finished
product compared to 2010



Provided more than
1.3 million
training hours
to associates

OUR PROMISE

DESIGN PRODUCTS FOCUSED
ON THE WELLBEING OF THE
PLANET AND ITS PEOPLE.





**NEARLY 90 PERCENT
OF THE PRODUCTS WE
MAKE ARE CRADLE TO
CRADLE CERTIFIED**

At Shaw, sustainability has always gone beyond environmental metrics. Our strategy is grounded in a long-held belief that the built environment should support the people who live, work, learn and heal within it.

With people spending nearly 90 percent of their time indoors, the quality of indoor environments matters deeply. Homes, offices, schools, hospitals, retail spaces and sports venues form a modern habitat — one that can either support wellbeing or undermine it. As a result, sustainability today is not only about reducing environmental impact, but about creating spaces that actively nurture the people who occupy them.

This people-centered view has shaped our product design and business operations for decades. Since the late 1990s, Shaw has embraced Cradle to Cradle design principles, including material health, clean air and climate protection, product circularity, water and soil stewardship, and social fairness.

What began with a single product — EcoWorx® carpet tile — now permeates our business. Nearly 90 percent of the products we manufacture are Cradle to Cradle Certified, guided by the belief that the spaces we help create should contribute positively to everyday life.

AT SHAW, OUR APPROACH IS TO:

- Aim to know as much as possible about our products
- Seek third-party certification to validate our efforts
- Employ a sustainable sourcing policy
- Empower product innovation and design teams



Our approach to sustainability is grounded in rigor, transparency and continuous improvement. We believe that creating products and spaces that support both people and the planet requires deep product knowledge, credible third-party validation, responsible sourcing and empowered innovation. We translate that belief into action through product design, material selection, operations and partnerships.

PRODUCT DESIGN

Shaw's product research and development, design, and technical teams stay at the forefront of trends in color, texture, and technical capabilities as well as the growing demand for sustainable products. Our product development process is guided by the Cradle to Cradle design philosophy and validated through the Cradle to Cradle Products Certification Program, which offers third-party assessment and verification of our sustainability efforts. We value this approach for its science-based, consensus-driven framework that focuses not only on material health but product circularity, clean air and climate protection, water and soil stewardship, and social fairness.

MATERIAL SELECTION

Our commitment to material health starts with the careful selection of raw materials. Adhering to the principles of Cradle to Cradle design, Shaw's Chemical Management Policy and Restricted Substances List set clear expectations for the ingredients that go into our products. By evaluating materials against stringent standards that go beyond legal compliance, we help ensure our products are safe, circular, and designed for people and the planet.

We hold the materials and products we source to the same high standards as those we manufacture by embedding these principles into our sustainable sourcing policy and supplier agreements.

THIRD-PARTY CERTIFICATION

Shaw values third-party verification as a vital component of our sustainability journey. The standards set by these certifications guide our decision making, assess our efforts, and communicate our products' sustainability attributes with credibility. The Cradle to Cradle Product Standard is central to our sustainable product design strategy, offering the right balance between ingredient transparency and the protection of intellectual property.

We also prioritize indoor air quality by ensuring our products meet volatile organic compounds (VOC) emission standards through certifications such as The Carpet and Rug Institute's Green Label Plus®, FloorScore® and GREENGUARD®. Additionally, we provide product ingredients and disclosure information via Health Product Declarations® (HPDs) and Declare® labels.

OPERATIONS

Our commitment to people and the planet extends to protecting natural resources. The Cradle to Cradle Certified Products Program requires manufacturers to report water usage and assess chemicals used in product manufacturing for their potential impact on water quality.

Further, the Cradle to Cradle certification mandates that manufacturers research ecosystem health, identify watershed threats near production sites, and demonstrate effective management practices to prevent industrial contamination.

We have made substantial progress in reducing water use across our operations and manufacturing processes. After achieving our 2030 goal of a 50 percent reduction in water intensity six years early, we set a new target of 60 percent compared to our 2010 baseline. In 2025, we reached a 58 percent reduction in water intensity, putting us well on track to meet that goal.

ADVANCING PEOPLE-FIRST PLACES

Shaw has long engaged with the International WELL Building Institute™ (IWBI) to help advance a shared vision for people-first places. Through global forums, regional convenings and engagement with industry leaders, Shaw shared practical strategies for putting occupant wellbeing at the forefront of building design and material decision making.

In 2025, Shaw leaders actively participated in 30 global convenings. Through learning sessions, panels and one-on-one discussions, they advocated for a more holistic approach to sustainability — one that considers the interconnected impacts of products, materials and spaces on people and the environment. These meaningful engagements created space for deeper dialogue and collaboration among designers, building owners and sustainability leaders.

These efforts reflect Shaw's commitment to helping shape the future of the built environment by elevating the role of material health and transparency. Working alongside peers to accelerate meaningful, industrywide progress is just one of the many ways we strive to sustain[HUMAN]ability.



OUR PROMISE

BE A POSITIVE FORCE IN
THE GLOBAL EFFORT TO
MITIGATE CLIMATE CHANGE.





**OUR GOAL:
NET ZERO
ENTERPRISE
OPERATIONS
BY 2030**

As a product manufacturer, our goal is to create a more sustainable world by reducing both our operational carbon footprint and the embodied carbon footprint of our products. Doing so is part of our effort to be a positive force in the global effort to mitigate climate change and helps our customers meet their sustainability objectives.

In 2021, we achieved a significant milestone. We surpassed our goal to reduce our greenhouse gas (GHG) emissions intensity by 40 percent by 2030, nearly a decade ahead of schedule. This success was driven by a combination of energy efficiency initiatives, cleaner fuels and a commitment to renewable energy. In 2022, we set a new, ambitious goal: achieve net zero operations by 2030.

In 2025, we made progress on our commitment to this target. Over the next five years, we will continue to reduce our operational emissions (Scope 1 and Scope 2), refine our Scope 3 emissions, and make further strides in reducing the embodied carbon footprint of our products.

At Shaw, we understand that the path to net zero is not without challenges, and we are fully committed to navigating these complexities with urgency, transparency and determination.

Together, we can shape a sustainable future for generations to come.

AT SHAW, OUR COMPREHENSIVE APPROACH TO REDUCING OUR CARBON FOOTPRINT INCLUDES A FOCUS ON OUR:

- Operations
- Products
- Value chain



OUR GLOBAL COMMERCIAL CARPET OPERATIONS HAVE BEEN CARBON NEUTRAL SINCE 2018

OUR OPERATIONS

Shaw is committed to achieving net zero operations by 2030 across our entire enterprise, encompassing Scope 1 and Scope 2 emissions. With more than 70 manufacturing, distribution and corporate facilities worldwide, we understand the critical role our operations play in reducing our carbon footprint.

Since 2018, our commercial carpet operations have been carbon neutral. Across all our facilities and fleet, we prioritize energy efficiency, transitioning to cleaner fuels, utilizing renewable energy where possible, and offsetting any remaining operational footprint. In 2025, our Scope 1 and Scope 2 GHG emissions were 0.29 and 0.32 (GHG in millions of metric tons of CO₂ equivalents) respectively — that’s a 62 percent reduction compared to 2010. Within this progress, we’ve reduced our energy intensity (BTUs per pound of finished product) by 34 percent as of 2025 (compared to our 2010 baseline).

OUR PRODUCTS

Since 2004, we have been systematically measuring the carbon footprint of our products through lifecycle assessments (LCAs) and sharing this information with customers via Environmental Product Declarations (EPDs).

This data helped us identify key opportunities for reducing embodied carbon across our product portfolio and helps our customers evaluate product purchase decisions with a product’s environmental footprint in mind. We have launched low carbon products across our portfolio, including our innovative EcoWorx™ Resilient, which has a low carbon footprint of 5.87 kg CO₂e/m² — significantly lower than the average commercial luxury vinyl tile product on the market today.

Further, we have been able to reduce the carbon footprint in our EcoWorx carpet tiles by almost 70 percent since its development, and our EcoWorx BIO has a carbon footprint that is approximately 40 percent lower than other EcoWorx backing. Learn more in our case study on page 18.

OUR VALUE CHAIN

Reducing the carbon footprint of our products and operations requires a deep understanding of our entire value chain. In 2023, Shaw began delving further into that value chain by more systematically collecting data that would allow us to measure, report and set goals to reduce our Scope 3 emissions using science-based targets. Scope 3 emissions include those from the production of purchased materials, business travel, associate commuting, transportation and distribution, waste disposal, recycling of materials and products, and more. Purchased goods and services make up the most significant portion of our Scope 3 emissions — providing us with a clear area of focus as we work to reduce our Scope 3 impacts.

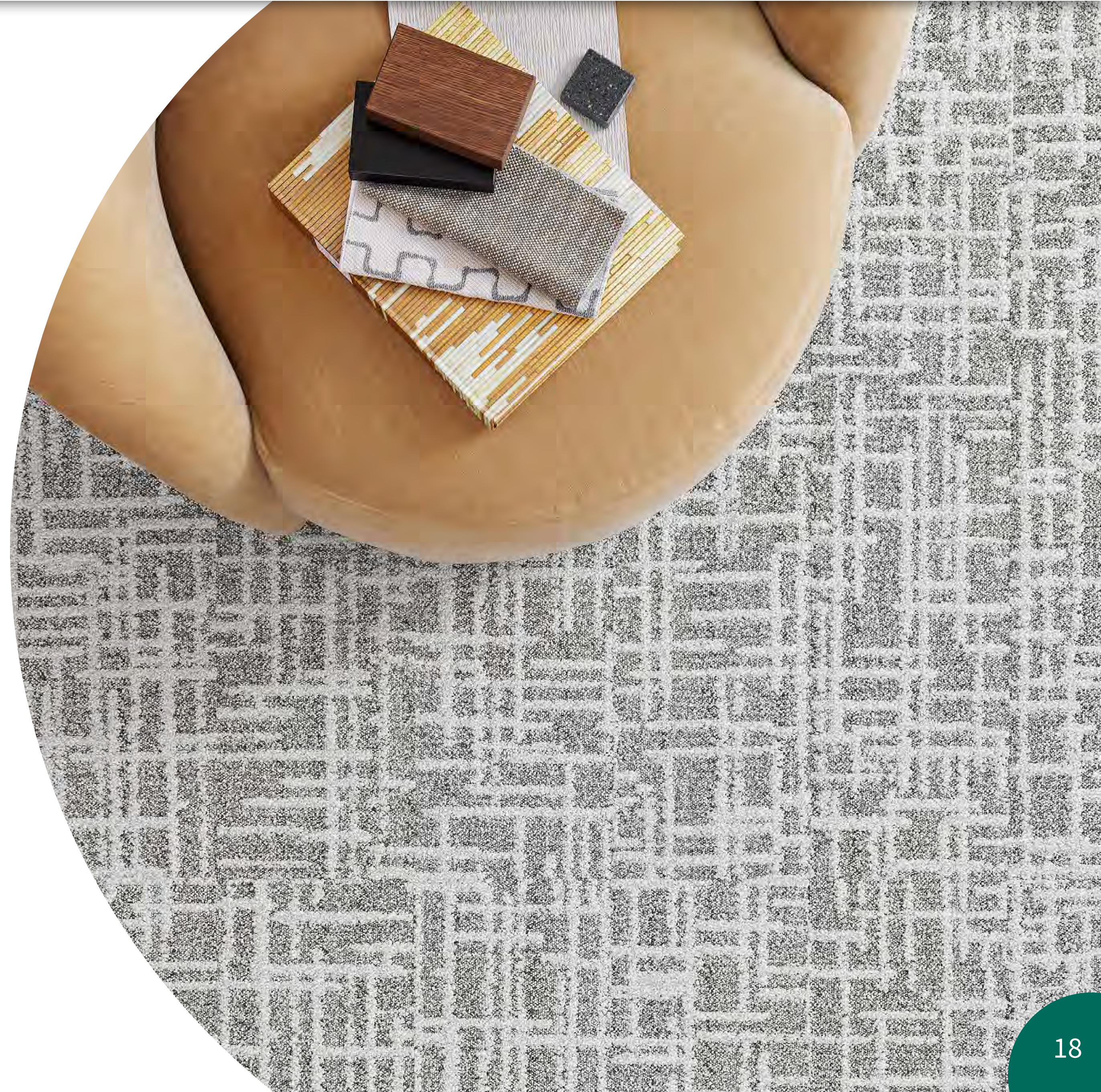
Over the past two years, we have continued to fine tune our calculations using additional supplier specific data rather than category averages where possible, and re-evaluating certain emission factors for specific categories. In 2025, our total estimated Scope 3 emissions were 2.46 million metric tons of CO₂ equivalent.

LAUNCHING ECOWORX BIO

Shaw launched EcoWorx BIO in 2025 to provide customers with a PVC-free, fully recyclable flooring solution that offers an even lower carbon footprint while meeting market demands for performance and design. The innovation expands upon Shaw's EcoWorx carpet tile, which transformed the commercial industry when it launched in 1999.

By using a bio-based alternative such as sugarcane in the EcoWorx BIO backing, we have lowered the embodied carbon of the product by approximately 40 percent compared to EcoWorx backing. As a result, carpet tile styles on EcoWorx BIO backing have an average Global Warming Potential (GWP) of 2.35 kg CO₂e/m².

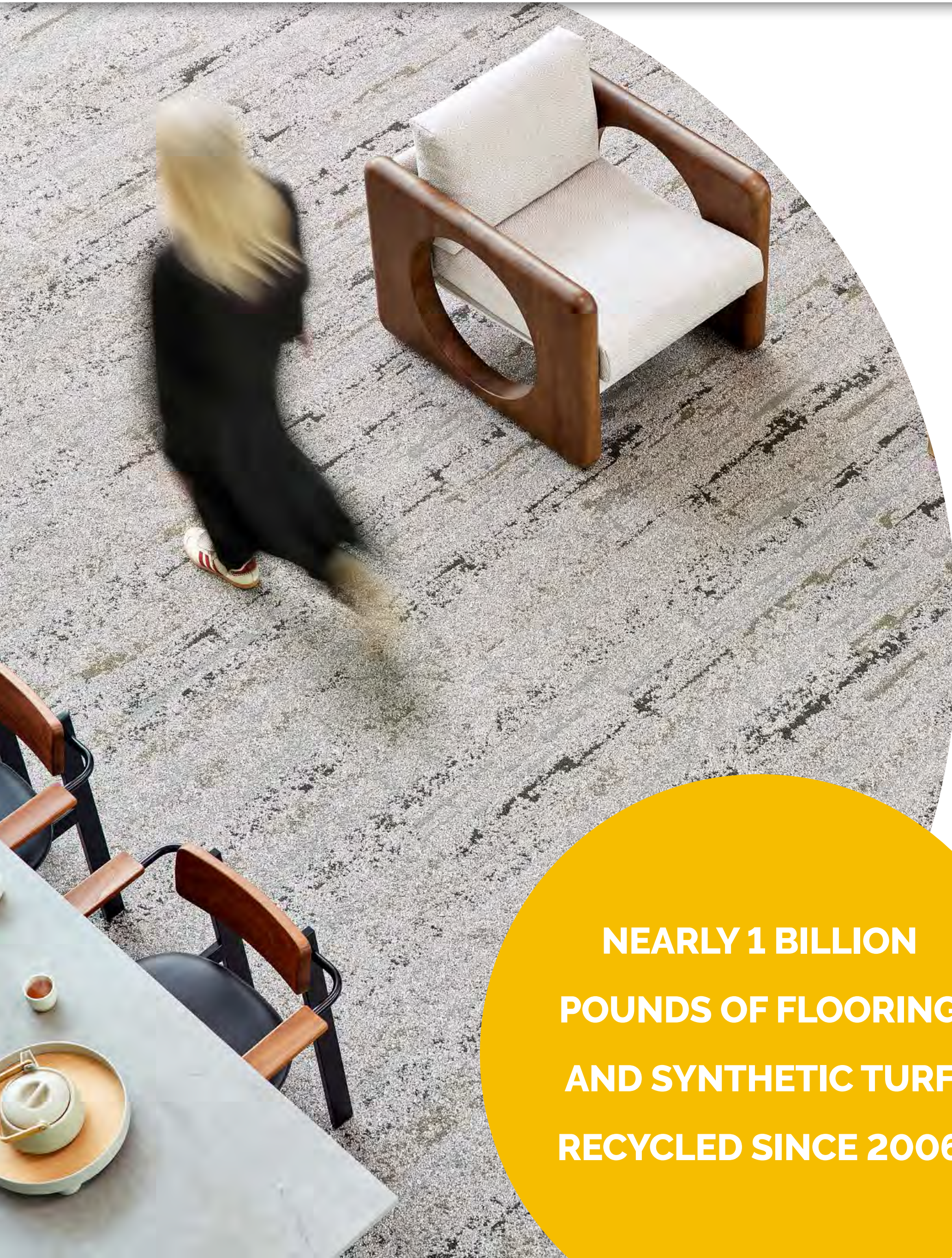
EcoWorx BIO comes with Shaw's Environmental Guarantee — our commitment to reclaim and recycle this product at the end of its useful life on the floor at no cost to the customer. View our guidelines at www.shawinc.com/reTURNguidelines.



OUR PROMISE

FUEL THE CIRCULAR ECONOMY
WITH SAFE, SUSTAINABLE,
CRADLE TO CRADLE
INSPIRED PRODUCTS.





**NEARLY 1 BILLION
POUNDS OF FLOORING
AND SYNTHETIC TURF
RECYCLED SINCE 2006**

At Shaw, we're committed to reusing materials that might otherwise go to the landfill. We've long embraced Cradle to Cradle design principles, which offer a holistic approach to building a truly circular economy. By thoughtfully selecting recycled content, we minimize the need for virgin raw materials and aim to reduce the carbon footprint of our products.

Shaw has made significant strides in circularity since we launched EcoWorx carpet tile in 1999. That first step influenced every aspect of our business and served as a launch pad for our innovative design and sustainable practices. Since then, we've thoughtfully developed a wide range of products designed with the end in mind. Through our re[TURN][®] Reclamation Program, we take back and recycle EcoWorx carpet tile (including EcoWorx S[®], EcoWorx M[™], and EcoWorx BIO), Shaw-made resilient products, and EcoWorx Resilient — a recyclable, PVC-free flooring solution designed for commercial use. We have converted millions of pounds of synthetic turf into an innovative, high-performance turf pad product.

Today, nearly 90 percent of the products we manufacture are Cradle to Cradle Certified, thanks to our ongoing commitment to sustainable innovation. We have recycled nearly a billion pounds of flooring and synthetic turf since 2006, and each year, we keep billions of single-use plastic bottles out of the waste stream by turning them into flooring.

AT SHAW, OUR APPROACH TO CIRCULARITY IS TO:

- Embrace Cradle to Cradle design principles
- Give new life to materials that would historically go to the landfill
- Thoughtfully select safe and sustainable recycled content
- Reduce our need for virgin raw materials



PRODUCT RECYCLING

Shaw's Environmental Guarantee is our way of saying, "We want it back." This formal commitment to reclaiming and recycling designated products at no cost to the customer is foundational to our efforts to give our products a new life. With low minimum volumes and simple material-handling requirements, we are continuously making it easier for customers to participate in the circular economy and meet their landfill diversion goals.

Additionally, all EcoWorx, EcoWorx BIO, EcoWorx S, and EcoWorx M carpet tile, EcoWorx Resilient, and Shaw-made resilient products have a toll-free number and/or URL (ShawRecycles.com) printed on the back to make the recycling of these products simple and hassle-free.

Shaw's re[TURN] Reclamation Program has recycled nearly 1 billion pounds of flooring and synthetic turf since 2006.

This ever-expanding program provides our customers with an easy solution for landfill avoidance and is a key way for us to reduce the need for virgin raw materials, which can often lower the embodied carbon footprint of our products.

TRANSFORMING PLASTIC WASTE

Shaw also seeks ways to turn other industries' waste into a resource. One prime example is our extensive use of recycled polyethylene terephthalate (PET) — the material commonly used in plastic bottles.

Each year, we turn the equivalent of more than 1 billion plastic bottles into flooring. That includes our Anderson Tuftex high performance PET carpet products, COREtec Soft Step flooring, and our EcoLogix® commercial carpet, which uses hard-to-recycle green plastic bottles as a key component of its distinctive backing. Color-enhanced PET is often unwanted by recyclers and manufacturers due to the color limitations, but our innovative efforts more than two decades ago found a valuable use for this material, underscoring our commitment to innovation and sustainability.

MATERIAL HEALTH

Following Cradle to Cradle design principles, we are committed to ensuring that the recycled content we use has also been deemed safe for people and the planet. Cradle to Cradle Certified assesses the safety of recycled content by requiring a rigorous, ingredient-level screening for toxic substances. Recycled content materials must undergo analytical testing to address the potential for contamination from the recycling stream. The process involves a third-party assessor auditing any intentionally added inputs to the recycled material and the analytical test results against Cradle to Cradle's Restricted Substances List (RSL) and evaluating its safety for intended reuse.

Recycled content is also reviewed against Shaw's own Restricted Substance List through attestations of any intentionally added inputs and being submitted through analytical testing.

As part of our commitment to continuous improvement, we constantly explore new ways to overcome the technical, economic and logistical hurdles of creating a more circular economy. We seek to find sustainable, innovative solutions through ongoing research and development, partnerships within and outside the flooring industry, and academic collaboration.

WASTE REDUCTION AND REUSE

Recycled input materials make up more than 18 percent (by weight) of what goes into manufacturing Shaw's products.

Our commitment to a more circular economy expands beyond our products to our operations by continuously seeking new ways to minimize waste and to find new uses for materials once viewed as waste. To do so, we consistently categorize, measure and channel waste toward the best possible use, whether repurposed within our own manufacturing processes or used by other industries.

This ongoing effort helps us identify areas for improvement, driving us toward even greater waste reduction. In 2025, our landfill waste intensity was 2.88 percent, down from 3.58 percent in 2024.

GIVING SYNTHETIC TURF A SECOND LIFE

Shaw's commitment to circularity includes giving synthetic turf a second life.

As the Official Synthetic Turf Provider of the College Football Playoff (CFP) since 2024, Shaw Sports Turf has helped create memorable fan experiences surrounding the annual national championship game. We are proud to have repurposed those products for new use or recycled those fields into new products.

As part of this partnership, in 2024 and 2025, Shaw created three synthetic turf fields that were centerpieces of the Playoff Fan Central and the Allstate Championship Tailgate. After the events, the infill and turf were carefully separated for recycling and reuse. The project resulted in 93 tons of total material recycled: 39 tons of turf material were designated for recycling into Shaw's NXTPlay® performance shock pad; 8 tons of turf material were donated for reuse in various community projects; 35 infill bags were donated to a Tennessee high school for use in their athletic facilities; and scrap pieces were donated to a third party for use in pet turf, paintball, and landscape applications.

In 2026, Shaw and the CFP used the successful strategy to donate synthetic turf fields from 2026 fan events to the Boys & Girls Clubs of Miami-Dade. The fields will be part of two complexes supporting youth soccer and flag football programming.

Through these and other field takeback efforts, Shaw has reclaimed, reused or recycled more than 13 million pounds of synthetic turf since 2020.



OUR PROMISE

HELP PEOPLE ACHIEVE
THEIR FULL POTENTIAL.





**WE SUPPORT EACH
OTHER AND OUR
COMMUNITIES**

At Shaw, we leverage the power of partnership to unlock human potential. That begins with our associates and continues throughout our value chain, including in the communities where we operate, across our supply chain, and with our customers.

We diligently work to attract and retain top talent who bring fresh perspectives, unique strengths and varied experience into the organization, which sparks growth and innovation. And we foster a culture of continuous improvement — one that helps each associate achieve their full potential and creates a rewarding work experience.

Our commitment to helping individuals excel is evident in our community giving and philanthropy. We leverage our combined talents and financial resources to fulfill fundamental community needs, to help create economic opportunity by empowering the workforce of the future, and to support causes that have a lasting impact on people and the planet.

It's all a vital part of how we sustain[HUMAN]ability.

CARING FOR OUR ASSOCIATES

At the heart of our business are our nearly 18,000 Shaw associates who deliver quality products and fresh thinking for our customers. Investing in their health, wellbeing and professional development is at the core of our efforts to help them achieve their full potential.



SAFETY

In every department, every location, and every area of our business, every associate counts. That is why we prioritize the safety and wellbeing of our associates on the job. We take time to prevent accidents, assess risk, encourage open dialogue about any potential dangers, and continually invest in new safety training, procedures and technology changes to improve workplace safety.

By communicating about safety on an ongoing basis and maintaining an environment where everyone takes accountability for protecting every individual, we ensure we are united in safety. In 2025, our DART rate (Days Away, Restricted or Transferred) was 1.7. Our goal: 0 — because even one incident is too many.

HEALTH AND WELLNESS

We are committed to supporting the health and wellbeing of our associates and their families, offering a variety of resources to help them thrive. Our holistic approach addresses physical, mental, behavioral and financial wellness through comprehensive benefits, including health insurance, retirement plans, tuition reimbursement, GED support, caregiver assistance, breastmilk shipping services, and access to virtual medical and behavioral health care.

To further support our associates, Shaw operates three Family Health Centers (in Andalusia, Ala., Cartersville, Ga., and Dalton, Ga.). These centers provide a wide range of high-quality care options, including primary care, acute care, behavioral health, and wellness services. These facilities are available to all Shaw associates and their dependents — whether they participate in our health plans or not — ensuring convenient access to essential healthcare.

GROWTH AND DEVELOPMENT

Professional growth and development turn potential into progress and progress into purpose. Offering more than 20,000 educational modules, a wide range of on-the-job training and a variety of mentorship programs, we ensure our associates have access to high-quality learning opportunities that align with their short- and long-term goals.

In 2025, Shaw associates completed more than 1.3 million training hours, which contributed to their career progression and job satisfaction. We are proud to be consistently recognized for our robust efforts and commitment to helping our associates achieve their full potential. Shaw was named a 2026 Training MVP Award winner by *Training*® magazine for our commitment to training and development in 2025. This most recent achievement marks the 22nd consecutive year that Shaw was honored by the magazine, and we were once again ranked as the highest flooring manufacturer on the list.

DIVERSITY AND INCLUSION

Our commitment to diversity and inclusion is about creating an environment where every individual has the opportunity to grow and contribute meaningfully. We believe that when people feel supported, they perform at their best and deliver stellar results.



TOP TALENT

We strive to recruit individuals who drive innovation, collaboration and business success. By bringing together diverse experiences and expertise, we can spark growth and innovation to deliver stronger, more effective solutions for our customers. We focus on attracting top talent and investing in the ongoing professional development of associates across our organization. Supported by a culture of belonging, our approach strengthens our ability to attract and retain talent, encourage new ways of thinking, and support long-term business success.

In recognition of these efforts, Shaw was named to the *Newsweek*® 2026 list of America's Greatest Workplaces for Culture, Belonging & Community. This honor celebrates organizations that deliver exceptional workplace culture, foster belonging and build strong communities.

INCLUSIVE LEADERSHIP

Fostering diversity and inclusion creates a sense of belonging — a work environment where all associates feel safe, empowered and accountable. This begins with honoring a zero-tolerance policy for discrimination or harassment of any kind, setting high expectations for treating others with respect, and upholding inclusive leadership as a core competency by which individuals are evaluated.

Leaders are held accountable for demonstrating self-awareness, championing diversity and inclusion, and using diversity as an advantage. They understand their responsibility in creating a place where everyone can make a difference, where we engage in healthy debate, challenge each other, and take risks to move the organization forward. By embedding these principles throughout our talent management processes and providing opportunities to better understand other perspectives — from education on cultural fluency to creating space for connection, reflection and empathy — we continue to learn and grow together.

ASSOCIATE-LED RESOURCE GROUPS

Shaw's commitment to fostering a diverse and inclusive corporate culture is supported by Associate Resource Groups (ARGs). These voluntary, associate-led groups are open to all associates and help drive engagement within the company by connecting associates with similar and different perspectives to harness and enable members' talents and goals and provide insight into potential business opportunities.

There are active groups focused on the needs and interests of female; Hispanic and Latino; Black and multicultural; Asian and Pacific Islanders; and LGBTQ+ associates, as well as those who are military veterans or physically, emotionally, and neurologically divergent. Our Sales Cultural Council aims to strengthen inclusion, trust and collaboration across brand and sales teams.

By connecting thousands of associates through networking and professional development opportunities, these groups inspire growth through inclusive leadership. We strive to build an environment where different perspectives and ideas are heard and value is placed on the characteristics and experiences our nearly 18,000 associates bring to the organization. Learn more at www.shawinc.com/diversity.

SUPPORTING OUR COMMUNITIES

In 2025, Shaw associates along with the company donated more than \$6.8 million to philanthropic causes.



Our commitment to helping individuals achieve their full potential is evident in our community giving and philanthropy, which includes leveraging our talents and financial resources to fulfill fundamental community needs, create economic opportunity by empowering the workforce of the future, and support causes that have a lasting impact on people and the planet. Shaw supports numerous non-profit organizations that are adept at providing education and resources that address basic needs such as food insecurity.

ST. JUDE CHILDREN'S RESEARCH HOSPITAL®

Shaw's partnership with St. Jude Children's Research Hospital supports their mission to help children battling cancer and other life-threatening diseases. Shaw's 14-year partnership with St. Jude includes multiple programs, each of which has been embraced by our associates, partners and customers.

We have established co-branded product lines, are a national sponsor and exclusive flooring provider for the St. Jude Dream Home® Giveaway and have participated in other fundraisers. Additionally, Shaw associates and customers take part in the St. Jude Memphis Marathon® Weekend each year. In 2025, our associates and marathon team members raised more than \$580,000 during the St. Jude Memphis Marathon. Through these and other efforts, Shaw and our associates raised more than \$2.7 million for the organization in 2025, bringing the sum of our donations to more than \$27 million across the length of our partnership.

UNITED WAY

We believe healthy companies and healthy communities are directly connected. Long-term success depends on investing not only in our business, but in the people and communities that support it. Our belief aligns well with United Way's mission to "improve lives by mobilizing the caring power of communities around the world to advance the common good." In 2025, Shaw and our associates contributed almost \$2.4 million to United Way organizations and their partner agencies benefiting more than 45 communities where Shaw associates live and work.

In addition to more than 8,000 associates participating in our annual giving campaign, our teams volunteered more than 6,000 hours as part of our annual Spring Into Service initiative, which encompassed more than 120 community-based projects.

HOMES FOR OUR TROOPS

Since 2019, Shaw has partnered with Homes For Our Troops (HFOT) — a nonprofit organization that builds and donates specially adapted custom homes nationwide for severely injured post-9/11 veterans. The organization also offers pro bono financial planning to all home recipients to ensure their success as a homeowner and a peer mentoring program consisting of veterans and spouses in the HFOT program.

As one of our signature enterprise programs, we are the exclusive flooring provider for the homes developed for these wounded veterans. Since 2004, HFOT has built nearly 500 specially adapted homes nationwide. All 24 projects completed in 2025 feature COREtec and other Shaw flooring products.

COMMUNITY EDUCATION

Education and opportunity are the keys to future innovation. From reading to robotics, kindergarten to college, Shaw supports educational efforts that create the workforce of the future. This investment is just as important as any we make in new equipment or technology. Shaw and our associates partner with a wide range of organizations, including Junior Achievement, local chambers of commerce, *FIRST*® Robotics, *FIRST*® Tech and *FIRST*® LEGO® Competition teams to fulfill this objective. High school students in our communities also have an opportunity to participate in Shaw's formal apprenticeship program, which introduces students to mechatronics and manufacturing careers.

Through our community education efforts, Shaw provides an opportunity for all students to identify their passion and aptitude for STEM careers. Mentorships and coaching from Shaw associates are instrumental in these programs, ensuring that students can envision their future potential.

SUPPORTING ON-SITE VOLUNTEERING

Thousands of Shaw associates work at our manufacturing and regional distribution centers across the United States, and we're making it easier for them to volunteer where they work.

In 2025, Shaw organized 27 volunteer projects within our facilities, providing hourly associates with paid time away from their workstations to support local communities.

As a result of these projects, associates assembled more than 650 boxes of food for local food banks, packed snack bags for kids at Boys and Girls Clubs and created 4,500 STEM, art and superhero kits for pediatric patients in hospitals across the nation through Project Sunshine.

These on-site volunteer events are designed around community partner needs and consistently deliver positive, meaningful experiences for associates while strengthening the communities where Shaw operates.



SUSTAINABLE
SOURCING AND
SUPPLY CHAIN
MANAGEMENT
ARE CRITICAL TO
OUR SUCCESS.





**IN 2025, 64 PERCENT OF
OUR OVERALL SUPPLIER
SPENDING OCCURRED IN
THE U.S. STATES WHERE
SHAW OPERATES FACILITIES.**

Sustainable sourcing and supply chain management are critical to our business success and our ability to have a positive impact on people and the planet. While supply chain management has been a material issue for our stakeholders for several years now, it's no surprise that there is increasing focus on this topic amid economic uncertainty and supply chain disruptions over the past several years.

What we purchase matters — whether in our day-to-day lives as individuals or as a global manufacturer. At Shaw, we have the ability to influence markets and our supply chain with our significant purchasing power. We support our communities by prioritizing local sources whenever possible. In 2025, 64 percent of our overall supplier spending occurred in the U.S. states where Shaw operates facilities.

We believe inclusive practices expand our network of partners, fueling competition, catalyzing innovation and ensuring we are working with the best suppliers to serve our customers. Through our integrated supply chain, we can also have a significant impact on the businesses in our communities by providing access to Shaw's purchasing opportunities to all qualified suppliers.

THE UN GLOBAL COMPACT AND ITS PRINCIPLES ALIGN WITH OUR CULTURE AND OPERATIONS. SHAW IS A PROUD SIGNATORY, AND THESE STANDARDS AND EXPECTATIONS EXTEND TO OUR SUPPLIERS.

Having a diversified portfolio of suppliers across a variety of geographies is key to a healthy supply chain. This helps ensure we can navigate potential supply chain disruptions and offer the best products and service to our customers. Managing a global supply chain requires robust sourcing policies and procedures. Thanks to our strong supply partnerships and agile sourcing practices, Shaw is well-equipped to navigate the challenges inherent in a global supply chain. While we're not immune to supply chain disruptions, we use technology and data for scenario planning that allows us to quickly adapt and respond to potential disruptions to minimize impacts to the customer while adhering to our code of conduct and commitment to quality.

THE UN GLOBAL COMPACT

Shaw is a proud signatory to the United Nations Global Compact, a set of principles for corporations to uphold and protect human rights, labor, environment and anti-corruption standards. The UN Global Compact and its principles align with our culture and operations. As such, we also incorporate those principles into our supplier expectations. The principles include taking a precautionary approach to environmental challenges, taking steps to promote environmental responsibility, encouraging environmentally friendly technologies, working to effectively abolish child labor, and supporting and respecting the protection of internationally proclaimed human rights.

OUR SUSTAINABLE SOURCING POLICY

Since 2018, our sustainable sourcing policy has incorporated the Ten Principles of the UN Global Compact, as well as Cradle to Cradle design principles — bringing even greater transparency into our supply chain by requiring disclosures about the ingredients that go into the products we make and sell. This extends the positive impact Shaw is making beyond our operations to a vast array of suppliers providing goods and services to Shaw.

CHEMICAL MANAGEMENT POLICY & RESTRICTED SUBSTANCES LIST

Shaw Industries has long been committed to sustainable sourcing policies and processes to monitor our supply chain and make informed decisions for creating safer and more sustainable products. Our Chemical Management Policy and Restricted Substances List (RSL) facilitate suppliers' compliance with Shaw's requirements, ensuring that the supply chain aligns with our sustainability goals.

The RSL consists of chemicals and substances that Shaw either prohibits or limits in products due to potential negative health or environmental impacts. Adhering to the principles of Cradle to Cradle design, Shaw evaluates the ingredients used in our products against stringent standards, helping to ensure they are safe, circular, and designed for people and the planet. By making the RSL public and easily accessible, Shaw further demonstrates our commitment to sustainability, material health and environmentally responsible practices throughout our supply chain.

TEN PRINCIPLES OF THE UN GLOBAL COMPACT

- 

1 SUPPORT and respect the protection of internationally proclaimed human rights
- 

2 ENSURE that your company is not complicit in human rights abuses
- 

3 UPHOLD the freedom of association and the effective recognition of the right to collective bargaining
- 

4 ELIMINATE all forms of forced and compulsory labor
- 

5 ABOLISH child labor
- 

6 ELIMINATE discrimination in the workplace
- 

7 SUPPORT a precautionary approach to environmental challenges
- 

8 PROMOTE greater environmental responsibility
- 

9 ENCOURAGE the development and dissemination of environmentally friendly technologies
- 

10 WORK against corruption in all its forms, including extortion and bribery

KEEPING PFAS OUT OF OUR SUPPLY CHAIN

PFAS (perfluoroalkyl or polyfluoroalkyl substances) are a group of nearly 15,000 chemicals that have been used in a wide range of industrial applications since the 1940s. Today, they are still found in hundreds of everyday products — from soaps and food containers to cosmetics and clothing — making PFAS ubiquitous in the environment.

Over the past two decades, we have phased out PFAS-based soil and water repellent materials, beginning with the elimination of PFOS-based soil resistant treatments in 2001, followed by the cessation of PFOA-based soil resistant treatments in 2008, and ultimately ending the use of all PFAS-based soil resistant treatments in our U.S. carpet manufacturing operations by January 2019 and in all our carpet manufacturing operations globally by mid-2020.

As part of this effort, Shaw contractually requires third-party suppliers to provide raw materials that do not contain PFAS; and Shaw exercises ongoing vigilance and systematic testing of ingredients used in our manufacturing processes.

When we determined that conventional PFAS testing methods, designed for drinking water, did not accurately detect PFAS in soaps, oils, resins, and other solid materials, we developed a new sample preparation methodology. This innovation has helped Shaw keep PFAS out of our operations and out of others' — within the flooring industry and beyond — who use the same materials we do.

Having navigated that complexity ourselves, we know how challenging this work can be. After working extensively with suppliers to apply this methodology across their supply chains, Shaw publicly shared this patent-pending approach in December 2025. By doing so, we aim to help others seeking to remove PFAS from their operations.

Learn more about Shaw's approach to PFAS at www.shawinc.com/PFASapproach.



FEATURED PRODUCTS

Page 3:
Shaw Floors, Pet Perfect Collection

Page 11:
Patcraft, Material Edit Collection

Page 12:
Anderson Tuftex, In Step

Page 13:
Shaw Floors, Curated Tone

Page 15:
Shaw Contract, Coexist Collection

Page 18:
Shaw Contract, Texture Study Collection

Page 19:
Patcraft, Organic Interruption Collection
Project: Eagle Point Elementary School

Page 20:
Shaw Contract, Coexist Collection

Page 21:
Philadelphia Commercial, Modern Heirloom, Muted Rhythms

Page 23:
COREtec, Sonia Marble

Page 29:
Patcraft, Eco System Collection
Project: Henry Ford Health Systems

REPORTING CYCLE

Our sustainability reporting follows an annual cycle based on the calendar year. This report covers January 1, 2025 to December 31, 2025. Our most recent sustainability report was published in 2025 for the calendar year 2024. Previous reports can be accessed at: www.shawinc.com/newsroom.

SCOPE & BOUNDARY

This report includes data from all directly-owned operations and wholly-owned subsidiaries, as well as joint ventures in which Shaw holds at least a 50 percent financial stake. Exceptions are noted where applicable. Scope, boundary and measurement methods are consistent with prior reports. There are no limitations on scope or boundary in this report.

ADDITIONAL CONTEXT

- In 2025, Shaw had zero incidents of non-compliance with regulations and voluntary codes concerning our marketing communications.
- Shaw had no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of our key products across their lifecycle in 2025.
- All references to currency are in U.S. dollars.

CONTACT

If you have questions about this report, please email sustainability@shawinc.com.

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