



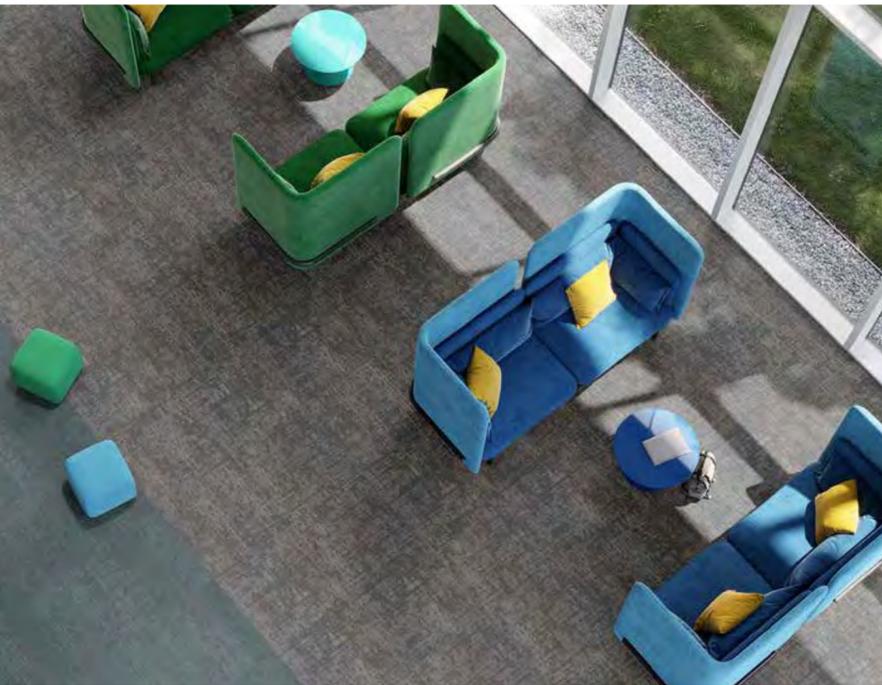
sustain[HUMAN]ability®

SUSTAINABILITY REPORT 2023



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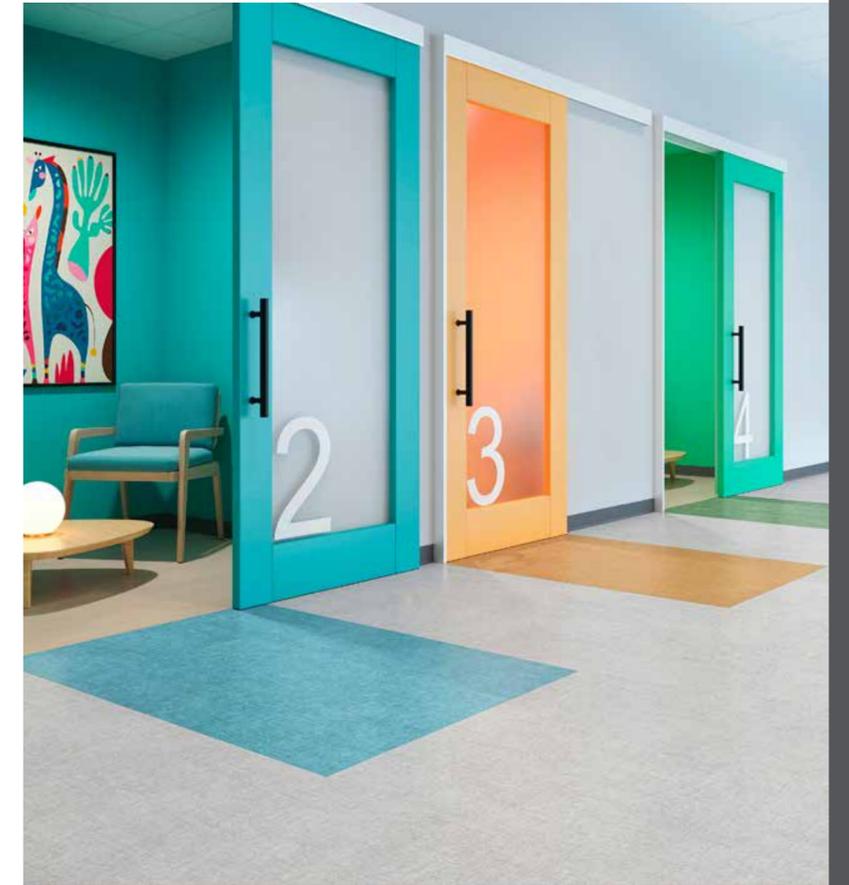
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sustain[HUMAN]ability®

At Shaw, sustaining human ability means putting people at the center of all we do.

Focusing wholeheartedly on the ingredients that go into products and the effects of sound, moisture, cleanability, and other design considerations — because we know the spaces where we learn, create, and come together to solve our greatest challenges impact our wellbeing.

And focusing on creating a better future and a better world for our customers, associates and communities.





INNOVATION
REMAINS AT THE
FOREFRONT

Dear Stakeholders,

In the past five years, Shaw has invested more than \$1 billion to ensure that our manufacturing facilities, equipment and processes allow us to create the products customers want today and in the future. These investments allow us to most effectively leverage our strengths in design, innovation and operational excellence to meet our customers' diverse market needs.

Our historic strength in flooring and emerging expertise in adjacent markets allows us to provide customers with differentiated solutions through a range of products, services, and technologies. One example of our continued diversification is our controlling interest in Watershed Geo, and its innovative, patented renewable energy solutions. Their branded PowerCap™ technology supplies low profile, high output solar arrays on top of landfills, coal ash closures, and rooftops — turning liabilities or underused sloped spaces into renewable energy assets.

Throughout these efforts, innovation remains at the forefront of our priorities. We know that what's next comes from the diverse perspectives of our people and our ability to tap into that talent by creating rewarding associate experiences and work environments that foster a sense of belonging.

Our agility is key in the rapidly evolving world we live in — requiring us to stay abreast of the latest technology, science and market expectations. Our continuous learning mindset, what I like to call being a learn-it-all organization, is central to our efforts to be a people-centered, customer-focused, growth-minded organization.

As we continue to work toward a more sustainable future, our focus on people and innovation remains steadfast and guides our path to success.

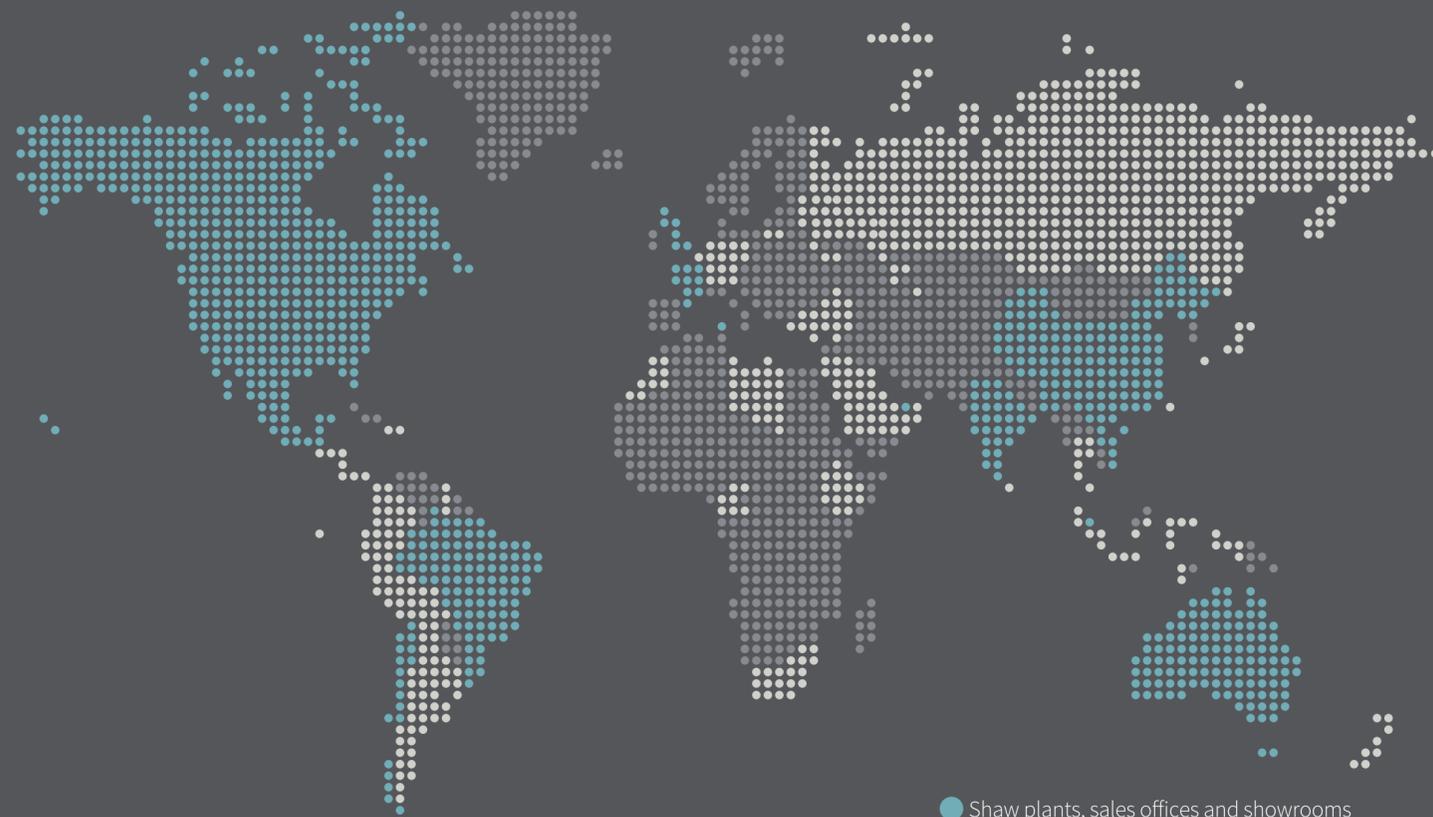
I'm excited about the future and where our people-centric approach will take us and our customers.

Sincerely,

Tim Baucom, President and CEO

Shaw Industries Group, Inc. offers a diverse portfolio of carpet, resilient, and hardwood flooring as well as tile & stone, synthetic turf and other specialty items for residential and commercial markets worldwide via its brands Anderson Tuftex®, COREtec®, Patcraft®, Philadelphia Commercial®, Shaw Contract®, Shaw Floors®, Shaw Sports Turf®, Shawgrass®, Southwest Greens®, Watershed Geo® and more.

Headquartered in Dalton, Georgia, Shaw has annual revenues in excess of \$6 billion and is a wholly-owned subsidiary of Berkshire Hathaway, Inc. The company employs more than 18,000 associates in research and development, manufacturing, warehousing and distribution locations and product showrooms throughout the U.S., as well as Australia, Belgium, Brazil, Canada, Chile, China, France, India, Mexico, the Netherlands, Singapore, United Arab Emirates, the United Kingdom and Vietnam.



● Shaw plants, sales offices and showrooms
● Shaw global distribution network

WE ARE 18,000+ INDIVIDUALS BOUND TOGETHER BY A COMMON VISION TO CREATE A BETTER FUTURE. BY COMBINING DEEP MARKET KNOWLEDGE WITH NEW WAYS OF THINKING.

OUR MISSION

Great people,
great products,
great service.
Always.

OUR VISION

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

OUR VALUES

Honesty,
integrity
and
passion.

18,865

ASSOCIATES WORLDWIDE

33

MANUFACTURING FACILITIES

34,778

SKUs

51

DISTRIBUTION FACILITIES



RESIDENTIAL FLOORING

ANDERSON
TUFTEX®



COMMERCIAL FLOORING

patcraft.



ShawContract®



SPECIALTY MARKETS

shawgrass®



WG WatershedGeo®
Unearthing Solutions



[totalworx]™





IT'S ABOUT
PRIORITIZING
PEOPLE

Dear Stakeholders,

Being a leader in flooring and surface solutions means more than just providing products and services — it's about prioritizing people. Happy customers. Engaged associates. Healthy communities.

Throughout this report, you will find details of our ongoing efforts to sustain[HUMAN]ability — our sustainability strategy that puts people at the center of all we do. It's a continuous journey to help create a better future and a better world.

As we continue to advance toward our 2030 goals, I'm particularly proud that:

- As our portfolio of products continues to evolve, almost 90 percent of the products we make are Cradle to Cradle Certified®.
- In 2023, thanks in large part to our commitment to Cradle to Cradle, we became the first flooring solutions provider to obtain Works with WELL — for our EcoWorx® products worldwide. (Learn more on page 14.)
- We continued to reduce our operational carbon footprint (by 57 percent compared to 2010) and have since made investments in wind and solar energy to further minimize our Scope 1 and Scope 2 greenhouse gas emissions.
- We've recycled almost a billion pounds of carpet since 2006.
- We've done all of this while continuing to foster a work environment where associates have a sense of belonging and are inspired to create a better future for our customers, communities and each other.
- More than 75 percent of our allowable spend is with small and diverse businesses – up from an already impressive 60 percent in 2022.
- Shaw provided more than 1 million hours of training and education to our associates and customers yet again in 2023.
- Shaw and our associates donated approximately \$6.9 million to charitable causes last year.

We invite you to learn more about our people-centric efforts and achievements throughout the pages of this report.

A handwritten signature in black ink that reads "Kellie Ballew".

Kellie Ballew, Chief Sustainability and Innovation Officer

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 ensure we are appropriately focusing our resources where we can have the most impact and where our stakeholders expect, we periodically conduct a comprehensive materiality assessment.

While all the social and governance issues presented to our stakeholders are important, a materiality assessment strives to prioritize those issues by asking the key question, “What should Shaw most urgently address over the next 3-5 years?” It’s a question we pose to our customers, associates, community partners and more.

The result: a growing focus on health & wellbeing across all our stakeholder groups. It’s a theme we’ve seen since our initial materiality assessment in 2015 and a topic that has been core to our sustainability focus for more than two decades.

At the same time, we continue to see an increased and evolving focus on the impact all businesses can have on mitigating climate change — through our operations and increasingly through the embodied carbon footprint of our products.

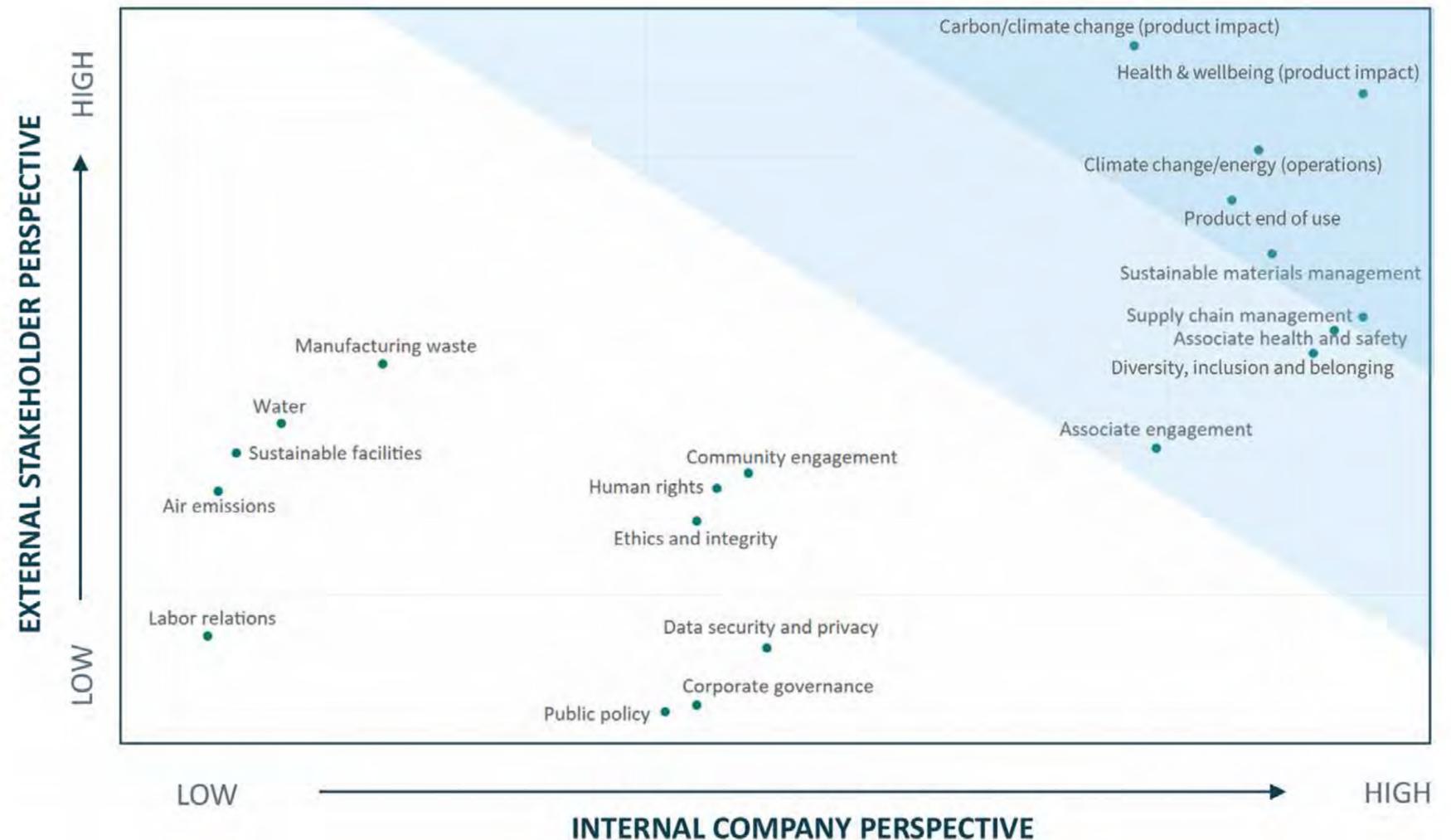
Further, the market still expects manufacturers to consider their products’ end of use, how to incorporate recycled content and how they can contribute to a circular economy. It’s an area we’ve been focused on since the late 1990s, one that can help mitigate climate change, and for which we must carefully evaluate material ingredients to ensure products are safe and circular.

And in a global trade environment, supply chain management remains a critical area of focus for Shaw and its customers.

At the heart of it all are people and our commitment to sustain[HUMAN]ability.

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 **health & wellbeing** of the planet and its people.

Fuel the **circular economy** with safe, sustainable, cradle-to-cradle inspired products.

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

Create positive social change and **a more just world for all**.

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

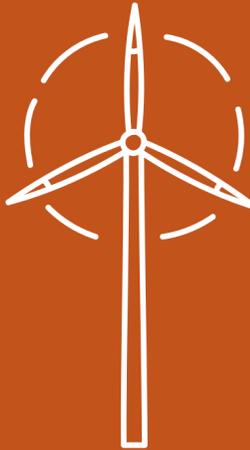


The UN Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a **universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity**. Shaw's sustain[HUMAN]ability efforts contribute and align most significantly to the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



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

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



Invested in wind farm to reduce our operational footprint by **~15%**

More than 75%
of our allowable spend was with **small and diverse suppliers,**
up from 60% in 2022



Reclaimed and recycled **nearly 1 billion** pounds of carpet since 2006



Reduced our carbon footprint by 57%
compared to 2010
(Scope 1 and Scope 2 emissions)

Turned more than **1.8 billion** recycled plastic bottles into flooring




Shaw and its associates contributed **~\$6.9 million** to philanthropic organizations

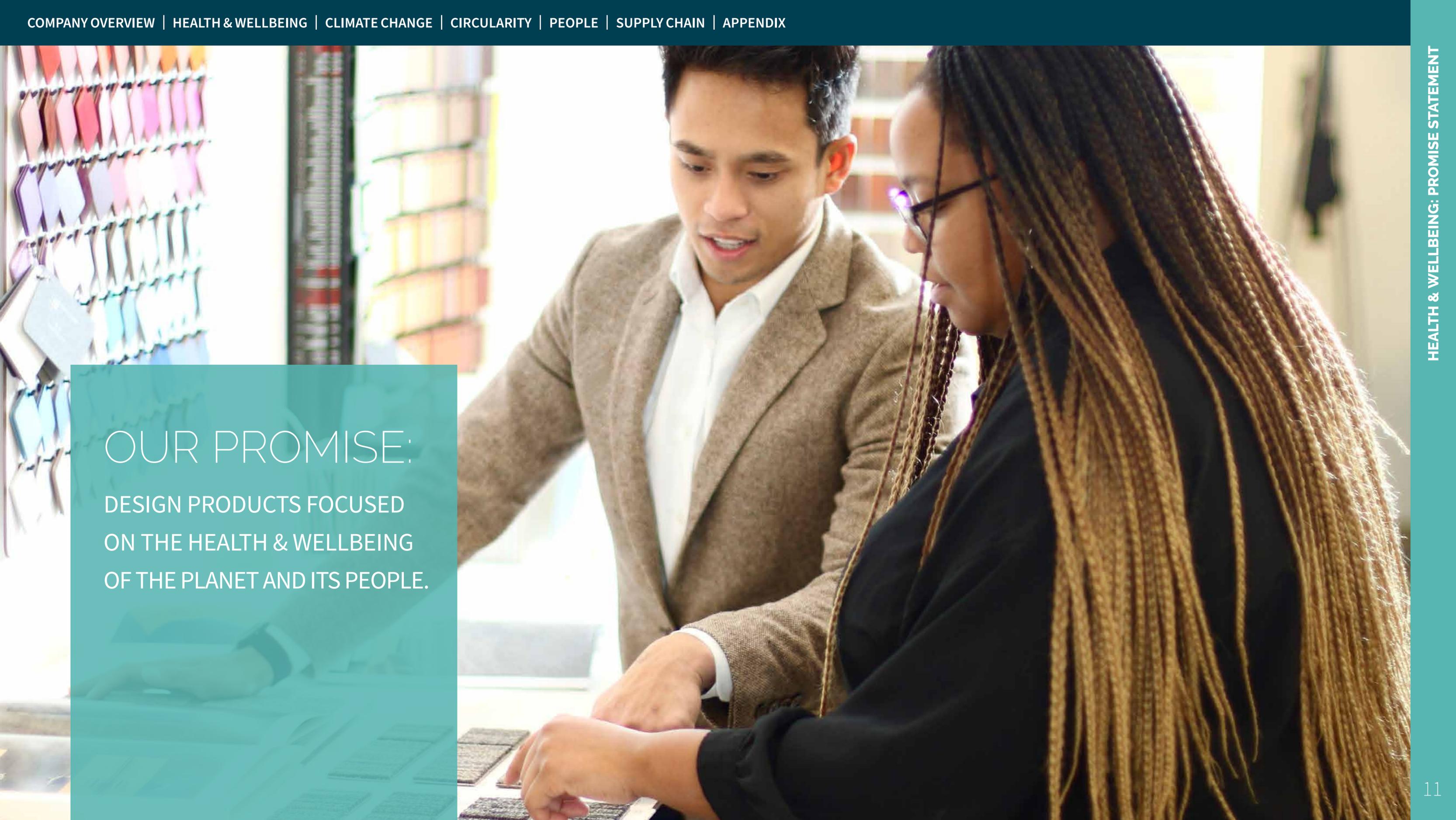


Provided more than **1 million training hours** to associates and customers

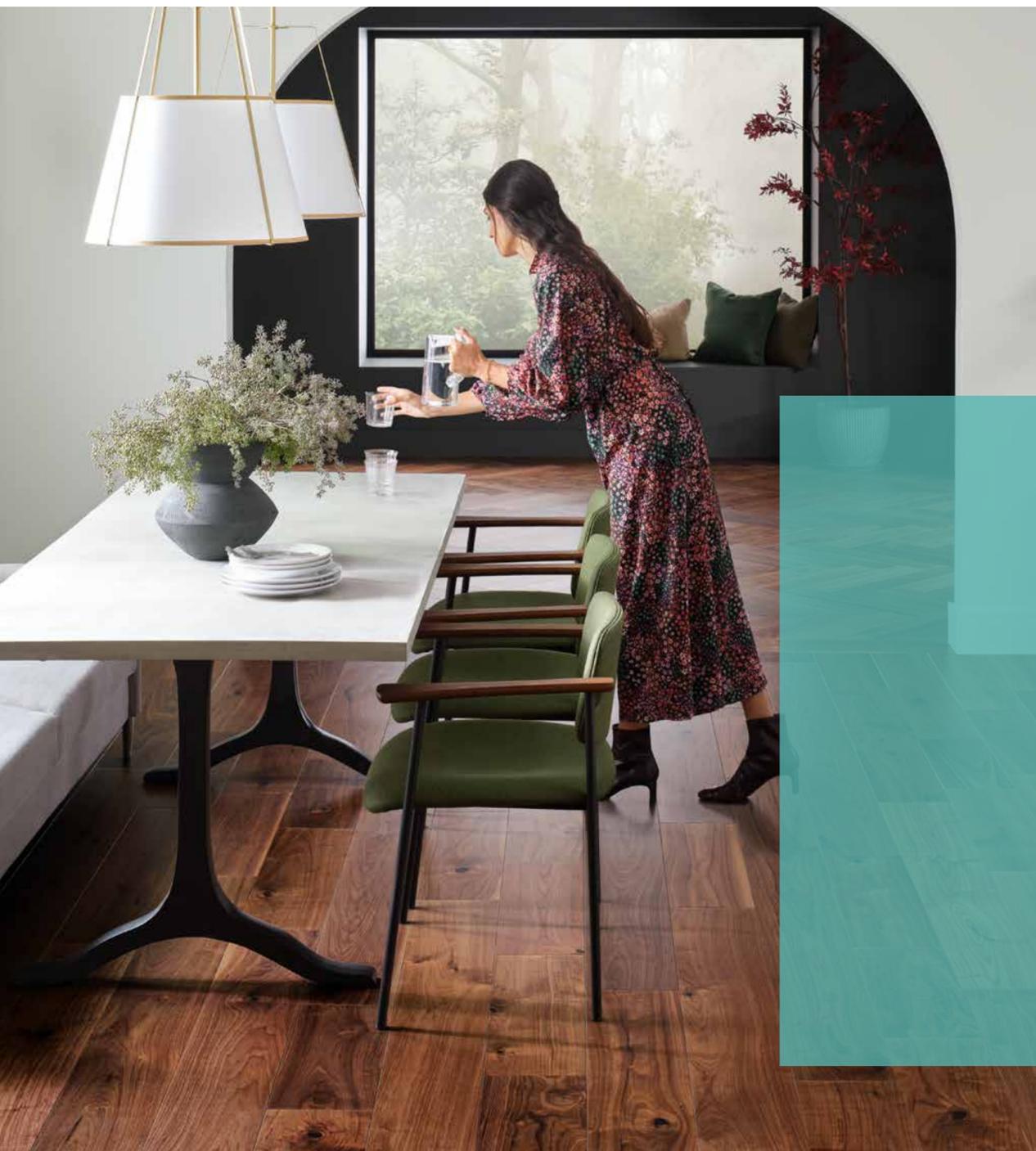
1ST flooring manufacturer to obtain **Works with WELL™**

Used ~48% less water per pound of finished product compared to 2010





OUR PROMISE:
DESIGN PRODUCTS FOCUSED
ON THE HEALTH & WELLBEING
OF THE PLANET AND ITS PEOPLE.



**ALMOST 90% OF
THE PRODUCTS
WE MAKE
ARE CRADLE
TO CRADLE
CERTIFIED®**

Knowing the profound impact the built environment has on the health of our planet and its people has long influenced our product design.

Our adherence to Cradle to Cradle principles for more than two decades is a testament to our holistic approach to sustainability with a focus on material health, clean air and climate protection, product circularity, water and soil stewardship, and social fairness.

What began with a single product — our EcoWorx®-backed carpet tile — now permeates all we do. We're proud that almost 90 percent of the products we make are Cradle to Cradle Certified and that those same principles are embedded in our sustainable sourcing policy and supplier terms and conditions. No matter where or by whom a product or ingredient is made, it is held to Shaw's sustainability standards. (Read more about our supply chain management efforts beginning on page 29.)

AT SHAW, OUR APPROACH IS TO:

- AIM TO KNOW AS MUCH AS POSSIBLE ABOUT OUR PRODUCTS
- SEEK THIRD-PARTY CERTIFICATION
- EMPLOY A SUSTAINABLE SOURCING POLICY
- EMPOWER PRODUCT INNOVATION AND DESIGN TEAMS



INGREDIENTS

We aim to know as much as possible about our products: what goes into them and thus what might come out. This begins with raw material choices. Shaw’s stewardship process includes a rigorous, enterprise-wide workflow and raw material ingredient approval.

In 2023, we formalized and published our chemical management policy and restricted substance list. These documents were designed to be an added step in ensuring our stakeholders understand our longstanding requirements and expectations, including suppliers of materials used to make products we sell globally across our brands and sourced finished goods.

PRODUCT R&D AND DESIGN

Shaw’s product research and development, design and technical teams stay abreast of trends — in color, texture and technical capabilities plus market demand for sustainable products. Our product development is guided by the Cradle to Cradle design philosophy, and the Cradle to Cradle Products Certification Program provides third-party assessment and verification of our efforts.

We value this approach because it provides a science-based and consensus-driven approach to material health, product circularity, clean air and climate protection, water and soil stewardship, and social fairness.

THIRD-PARTY CERTIFICATION

Shaw values third-party verification and validation of our sustainability efforts. Such certifications help communicate a product’s sustainability attributes and help us avoid the skepticism that often comes with self-disclosed information.

The Cradle to Cradle Product Standard is crucial to our approach to creating sustainable products. Importantly, it balances transparency about what is in our products with protecting intellectual property.

We also ensure our products meet indoor air quality performance for VOC (volatile organic compounds) emissions using Green Label Plus, FloorScore® and GREENGUARD certification programs. And we provide product ingredient and disclosure information via Health Product Declarations (HPDs) and Declare labels.

SUSTAINABLE SOURCING POLICY

Whether a product is seeking certification or not, we follow a Cradle to Cradle design process in addition to hazard screening and risk assessment.

We strive to ensure that the products we source are held to the same standards we set for the products we manufacture and for our own operations by incorporating our principles into our sustainable sourcing policy and supplier terms and conditions. This work stands to benefit Shaw, our customers and the industry more broadly as new chemistry options become available.

NATURAL RESOURCES

Our focus on people and planet also helps protect natural resources. The Cradle to Cradle Certified Products Program requires a product manufacturer to report water usage. Additionally, at the Silver level and above, process chemicals that could potentially impact runoff water quality are assessed according to the material health assessment criteria.

Further, the Cradle to Cradle certification process requires manufacturers to research ecosystem health and identify watershed threats in waterways near our manufacturing locations and provide evidence of effective management practices to prevent industrial contamination.

We have taken significant measures to minimize water use in our operations and manufacturing processes to achieve our 2030 goal of reducing our water intensity by 50 percent compared to 2010. As a result, in 2023, we used 48 percent less water (per pound of finished product) than if we were operating as we did in 2010, significantly reducing our impact over the past decade.

WORKS WITH WELL™

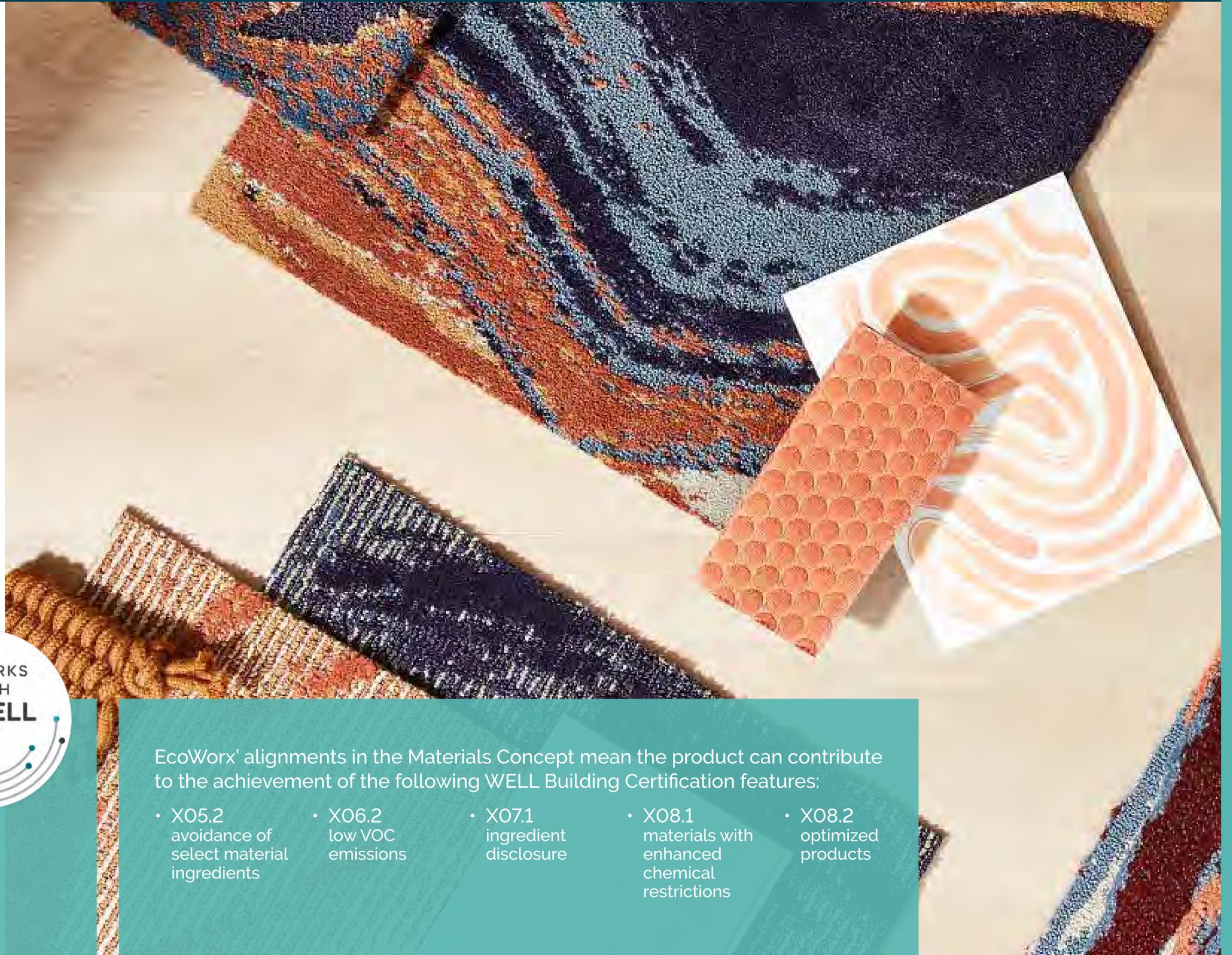
In 2023, Shaw became the first flooring solutions provider to obtain the Works with WELL mark. The International WELL Building Institute program verifies that our EcoWorx carpet tiles align with WELL Building Standard features. By validating that EcoWorx aligns with material health features within WELL, the Works with WELL mark makes it even easier for customers focused on health & wellbeing to make confident purchasing decisions.

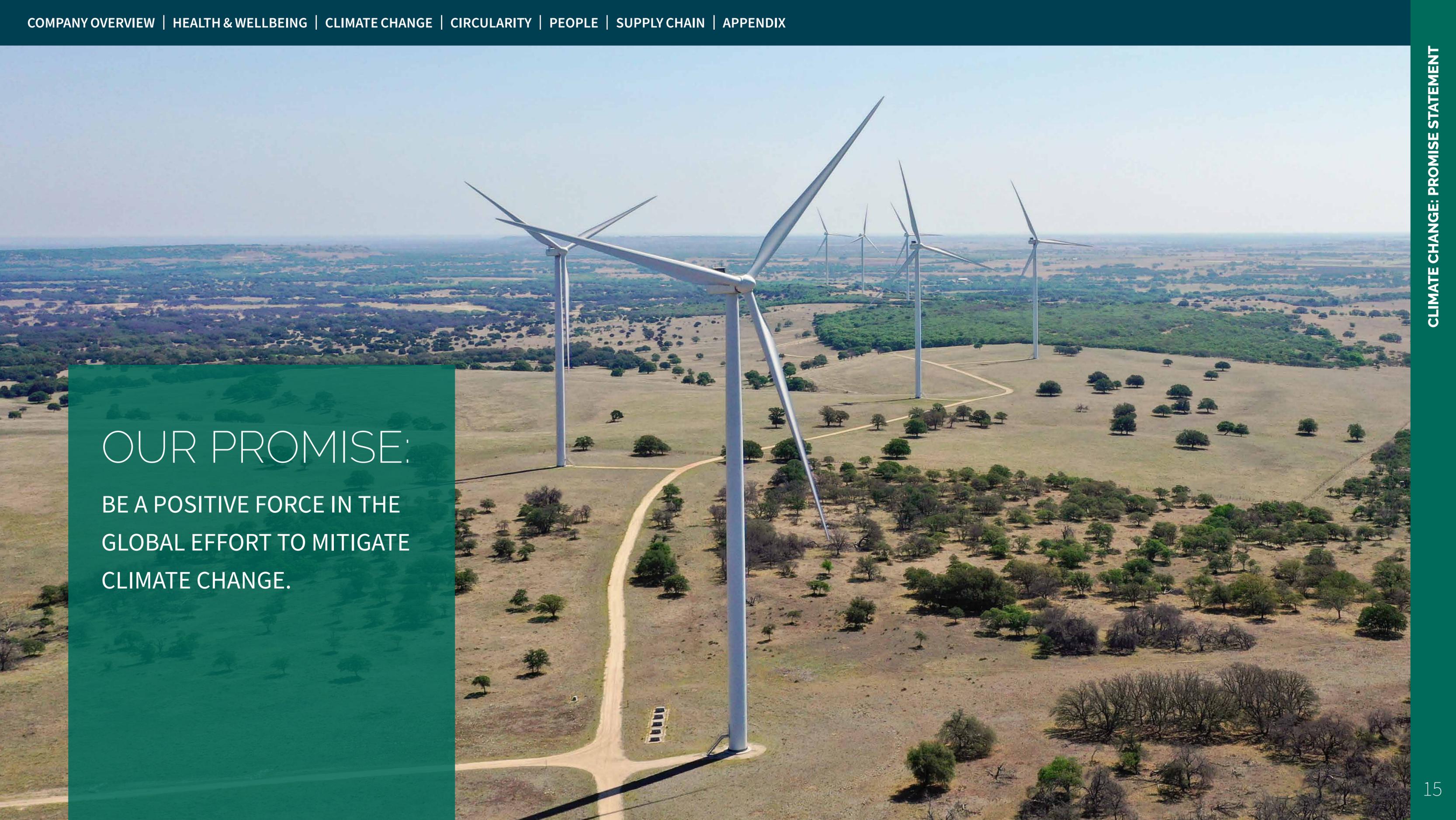


THE WELL BUILDING STANDARD IS THE PREMIER FRAMEWORK FOR PRIORITIZING PEOPLE'S HEALTH & WELL-BEING, OFFERING EVIDENCE-BASED STRATEGIES APPLICABLE TO BUILDINGS, ORGANIZATIONS, AND COMMUNITIES.

EcoWorx' alignments in the Materials Concept mean the product can contribute to the achievement of the following WELL Building Certification features:

- X05.2 avoidance of select material ingredients
- X06.2 low VOC emissions
- X07.1 ingredient disclosure
- X08.1 materials with enhanced chemical restrictions
- X08.2 optimized products





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



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

At Shaw, our vision is to create a better future for our customers, associates, company and communities. The challenges we all face in creating a better future — for people and the planet — can be complicated and daunting.

One key issue is climate change. It's a complex subject that requires a global response. No one person, organization or company can solve it alone. It takes collective action to have a meaningful positive effect. That's why we're focused on reducing the carbon footprint of our operations and our products as well as engaging with our customers to help them achieve their sustainability objectives.

After cutting our operational greenhouse gas emissions (Scope 1 and Scope 2) in half between 2010 and 2021, we set a new, aggressive target: net zero operations by 2030. Additionally, we set a goal to reduce the embodied carbon footprint of our modular products made in the U.S. by 50 percent by 2030 — while continuing to make strides across our entire product portfolio.

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

- OPERATIONS
- PRODUCTS
- VALUE CHAIN

OUR OPERATIONS

Shaw has set a goal to achieve net zero operations by 2030 (Scope 1 and 2 across our enterprise). Operating more than 90 manufacturing, distribution, and corporate facilities around the world, our buildings and the work that takes place within them has been a key area of focus as we strive to lower our carbon footprint. In fact, our commercial carpet facilities worldwide have been carbon neutral since 2018.

But we take a similar approach across our facilities and our fleet: focusing on energy efficiency, switching to cleaner fuels, employing and investing in renewable energy where possible, and offsetting any remaining operational footprint once those minimization efforts have taken place.

As a result, in 2023, our Scope 1 and Scope 2 GHG emissions were 0.3 and 0.41 million metric tons of CO2 equivalents respectively — that’s a 57 percent reduction compared to 2010. Within this progress, we’ve reduced our energy intensity (BTUs per pound of finished product) by 30 percent as of 2023 (compared to our 2010 baseline).

OUR PRODUCTS

We’re simultaneously focused on the carbon footprint of our products. We have been systematically measuring more and more of our products’ footprints through comprehensive lifecycle assessments (LCAs) since 2004. And because many of our customers make purchase decisions based upon a product’s carbon footprint, particularly in

the commercial market, we’ve long created Environmental Product Declarations (EPDs) to share with customers what we know.

Those LCAs also have been instrumental in helping us identify the greatest opportunities to further reduce our products’ footprints. For example, we know that with our EcoWorx carpet tile, the use of recycled material — in particular in our yarn — plays a major role in helping achieve a lower footprint.

That insight led us to introduce a new yarn system in 2021: EcoSolution Q100™. By utilizing post-industrial recycled content allocated from waste minimization and collection efforts, we’ve significantly reduced the overall carbon footprint for our EcoWorx carpet tiles made with this 100 percent recycled content yarn. Since that introduction, we’ve increased the number of products available from our Patcraft, Shaw Contract and Philadelphia Commercial brands.

We’ve simultaneously continued to expand our carbon neutral commercial product offerings through our Patcraft and Shaw Contract brands to meet customer demand. Through these actions, we are enabling our customers to make low carbon and carbon neutral purchase decisions more readily.

Similar efforts to measure, reduce and offset our products’ embodied carbon footprint are taking place across our product portfolio.

OUR VALUE CHAIN

Reducing the carbon footprint of our products and our operations requires a deep understanding of the impacts of our choices of materials, suppliers, how our products are used, their opportunity to be recycled and more. In 2023, we delved further into our value chain by more systematically collecting data that allows us to measure, report and set targets to reduce our Scope 3 emissions using science-based targets. In 2023, our Scope 3 emissions were 2.03 million metric tons of CO2 equivalents.

Not surprisingly, our efforts have verified that purchased goods and services are the most significant portion of our Scope 3 emissions — providing us with a roadmap to continue to refine our measurements and reduce our Scope 3 impacts.

**Post-industrial recycled content allocated from our waste minimization and collection efforts*

**WE BEGAN MEASURING
PRODUCT CARBON
FOOTPRINTS 20 YEARS AGO**



OUR JOURNEY TO NET ZERO

In late 2023, Shaw finalized a virtual power purchase agreement (“VPPA”) with BHE Renewables, a Berkshire Hathaway Energy subsidiary. Through this agreement, we are investing in renewable energy from BHE Renewables’ 200-megawatt Flat Top wind farm located in Mills and Comanche counties, Texas.

Shaw’s investment seeks to reduce our operational footprint by approximately 15 percent annually over the next 15 years. This adds to our significant efforts since 2010, which already have reduced our Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 57 percent.

THIS RENEWABLE ENERGY INVESTMENT WILL PROPEL SHAW CLOSER TO OUR GOAL OF ACHIEVING NET ZERO OPERATIONS (SCOPE 1 AND 2) BY 2030.



OUR PROMISE:
FUEL THE CIRCULAR ECONOMY
WITH SAFE, SUSTAINABLE,
CRADLE-TO-CRADLE
INSPIRED PRODUCTS.

A photograph showing a pile of discarded carpet material, including fibers and backing, on the left. On the right, a piece of dark, speckled carpet tile is shown, partially overlapping a piece of plain brown carpet backing. A teal-colored text box is overlaid on the right side of the image.

**NEARLY
1 BILLION
POUNDS
OF CARPET
RECYCLED
SINCE 2006**

At Shaw, we strive to create a second life for materials that would otherwise be discarded as waste. That is evident throughout our product design and in the way we operate our facilities.

Circularity is about more than landfill avoidance. It's about material health and selecting materials that are worthy of a first use, and a second, and a third. And by using thoughtfully selected recycled content, we can minimize the need for virgin raw materials, which in turn reduces the carbon footprint of that new product.

It's all interconnected. That's one of the reasons we've long valued Cradle to Cradle design principles and the multi-faceted approach those principles take to help create a circular economy.

What began with a single product introduction in 1999 — our EcoWorx-backed carpet tile — now permeate our business and are foundational to our product design. Today, through concerted effort, almost 90 percent of the products we manufacture and a growing number of the products we source are Cradle to Cradle Certified.

Additionally, we've recycled nearly a billion pounds of carpet since 2006, converted billions of single-use plastic bottles into carpet annually for more than a decade, and expanded our re[TURN][®] Reclamation Program to include our ReWorx[™] hybrid flooring and Shaw-made resilient. And we continue to find new outlets for any waste created in our manufacturing processes in order to turn that waste into a resource for Shaw or others.

It's all part of our quest to fuel the circular economy with safe, sustainable, cradle-to-cradle inspired products.

OUR CIRCULARITY JOURNEY BEGAN IN EARNEST IN THE LATE 1990s.

Our flagship EcoWorx-backed carpet comes with an Environmental Guarantee — our way of saying, “We want it back.” All EcoWorx, ReWorx, and Shaw-made resilient products have a toll-free number (800-509-SHAW) and/or URL (ShawRecycles.com) printed on the back to make the recycling of these products simple and hassle-free.



IN 2023, SHAW TURNED MORE THAN 1.8 BILLION PLASTIC BOTTLES INTO FLOORING

FLOORING RECYCLING

We are continually looking for new solutions to the technical, economic and logistical challenges of creating a more circular economy. We strive for safe and circular solutions through research and development, industry partnerships, academic research and other innovation.

As a result, Shaw’s re[TURN] Reclamation Program has recycled nearly 1 billion pounds of carpet since 2006. And we’ve expanded our efforts to go beyond carpet to include takeback programs for our ReWorx hybrid flooring and Shaw-made resilient products. Both are covered by Shaw’s Environmental Guarantee for free reclamation and recycling.

FROM THE GROUND UP

Through our commitment to sustainability and innovation, we now turn end-of-life synthetic turf fields into a new turf product with our patented NXTPlay® performance pad from Shaw Sports Turf. Since the product’s launch, we’ve already reclaimed more than 10 million pounds of synthetic turf and converted it into our innovative performance pad.

SINGLE-USE PLASTIC BOTTLES

And Shaw is continually finding viable uses for recycled content from other industries to use in our products.

Just one example of Shaw’s use of recycled content from other industries is with single-use plastic bottles. We’ve been turning clear plastic bottles into carpet fiber for more than a decade — including recycling billions of bottles a year at Clear Path Recycling®, our joint venture with DAK Americas.

At Shaw, innovation happens when we ask: What if? Clear Polyethylene Terephthalate (PET) has the highest value and widest variety of applications for recycling. Color-enhanced PET is appealing and distinctive in its first use, but it is often unwanted by recyclers and manufacturers due to the color limitations. What if we could use the harder-to-reuse green or amber plastic bottles? What if we used ones with a bit of soda residue or debris from the collection process?

This constant questioning led, in 2003, to a way to incorporate harder-to-use green plastic bottles into our EcoLogix® backing. And we didn’t stop there. We’ve perpetually refined our processes over the past decade to process lower-value plastic. As we invest in our fiber manufacturing facilities, for example, we are expanding upon our innovative technology to process more recycled PET and to use a broader range of clear plastic bottles while maintaining the quality of the final product.

Our research and concepting continually results in innovative products — such as our COREtec brand’s Soft Step, which features an attached underlayment made from recycled plastic bottles and our award-winning ReWorx hybrid flooring, which is made with a minimum of 20 post-consumer plastic bottles per 12”x 48” plank.

ONGOING WASTE REDUCTION/REUSE

As part of our commitment to a more circular economy, we consistently categorize, measure and channel waste toward the best possible use, whether repurposed within our own manufacturing processes or used by other industries. Detailed insights help identify opportunities for improvement, allowing us to reduce the amount of waste we send to the landfill by millions of pounds. In 2023, our landfill waste intensity was 3.59 percent. Recycled input materials make up nearly 20 percent (by weight) of what goes into manufacturing Shaw’s products.

re[TURN][®]

MAKING IT EVEN EASIER FOR CUSTOMERS

In late 2023, we announced changes to our re[TURN] Reclamation Program to make it even easier for customers to return our EcoWorx carpet tile for recycling.

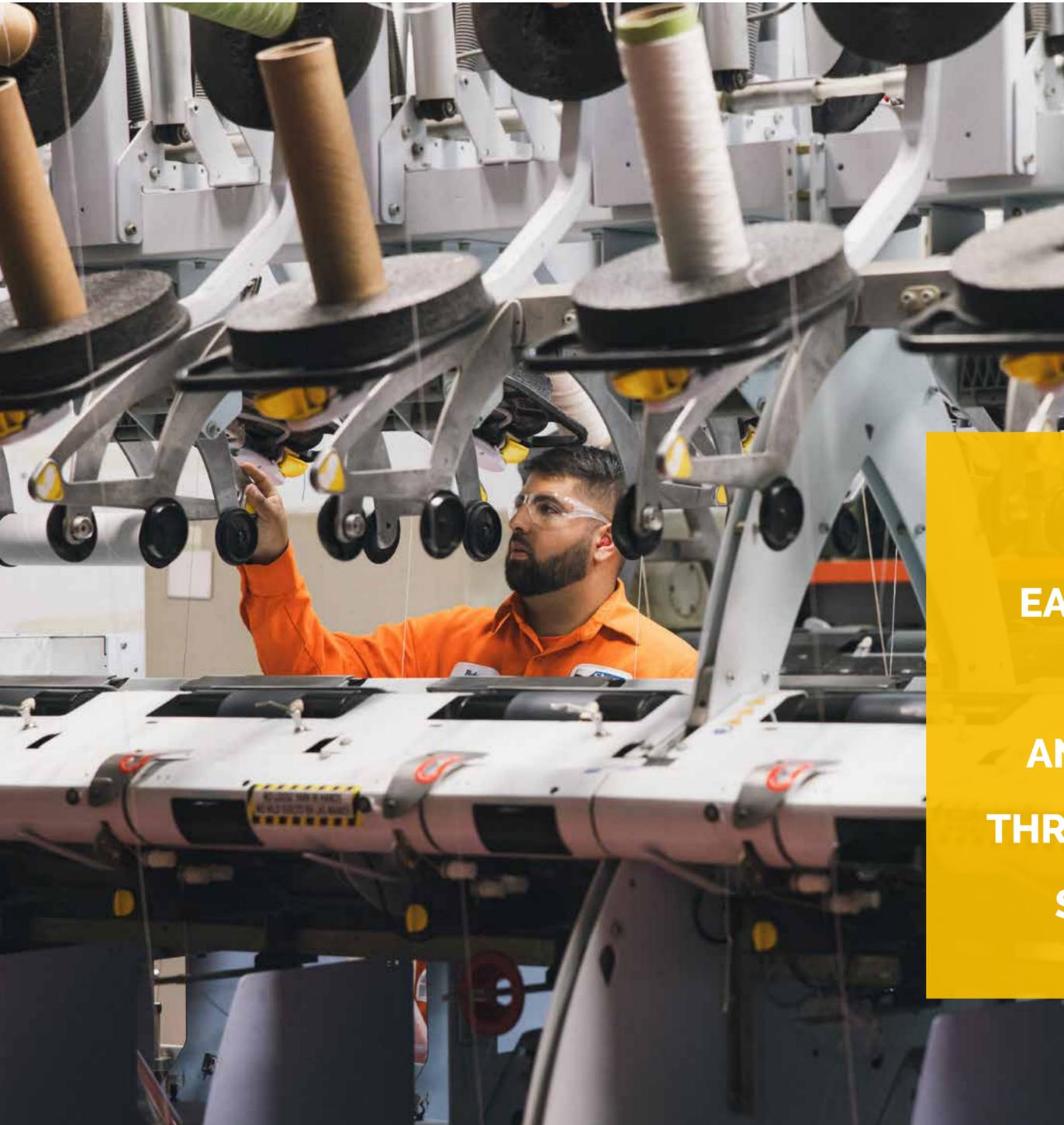
Leveraging Shaw's expansive transportation fleet and our regional distribution centers throughout the U.S., customers can now return and recycle as little as 100 square yards of EcoWorx carpet tile by dropping material off at one of our 30 regional distribution centers or having it picked up at no charge.



INTRODUCED IN 1999 AS THE FLOORING INDUSTRY'S PIONEERING PVC-FREE, FULLY RECYCLABLE CARPET TILE, ECOWORX IS RECYCLED AT SHAW'S CARPET TILE MANUFACTURING AND RECYCLING FACILITIES IN ADAIRSVILLE AND CARTERSVILLE, GA.

OUR PROMISE:

CREATE POSITIVE SOCIAL
CHANGE AND A MORE
JUST WORLD FOR ALL.



**WE SUPPORT
EACH OTHER, OUR
COMMUNITIES
AND OUR FUTURE
THROUGH POSITIVE
SOCIAL CHANGE**

We know that in order to sustain[HUMAN]ability, we must help create positive social change and a more just world for all. At Shaw, 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.

By working diligently to hire and retain diverse talent, we bring fresh perspectives, unique points of view and varied experience into the organization that spark 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 provide 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 the more than 18,000 Shaw associates who we support in reaching their full potential to deliver quality products and fresh thinking to our customers — so that we can all create a better future together.



SAFETY

In every department, every location, and every area of our business, every future counts. That's 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 2023, our corporate incident rate (or OIR) was 2.05. Our goal: 0 — because even one incident is too many.

The safety culture that is cultivated in our plants extends outside our facilities as well. Shaw Emergency Response Volunteers learn life-saving skills, including first aid treatments, so they are prepared if an emergency arises. By going beyond their job requirements to serve and assist others, these individuals have saved lives at work, at home and in our communities.

HEALTH AND WELLNESS

To give our associates and their families every opportunity to succeed and thrive, we offer a range of resources and benefits to support physical, mental and financial wellness. From comprehensive health insurance and retirement savings plans to tuition reimbursement and GED support, we take a holistic approach to addressing our associates' needs.

Shaw's three Family Health Centers (in Andalusia, Ala., Cartersville, Ga., and Dalton, Ga.) offer associates a wide variety of high-quality care options, including primary care, acute care,

behavioral health and wellness services. Care is available to Shaw associates and their dependents regardless of whether they participate in Shaw's health benefit plans.

GROWTH AND DEVELOPMENT

We create an environment where associates can pursue their passions through a wide range of career disciplines and give them the tools and resources to succeed. By providing clarity and transparency around the knowledge, experience, competencies, and personal attributes critical for each position, associates can target training opportunities aligned with long-term goals. In fact, we deliver more than 1 million training hours to associates (and customers) each year across more than 20,000 instructor-led and online, self-paced educational modules. But beyond the metric is the quality of the content, as well as the variety of offerings to ensure instruction is inclusive for diverse learners — an effort that results in our associates being our top source of talent for leadership opportunities at every level.

We're proud to consistently receive recognition for our robust efforts to help our associates achieve their full potential. Shaw was named a 2024 Training APEX Award winner by Training magazine for our efforts in 2023 — once again ranking as the highest flooring manufacturer on the list and marking the 20th consecutive year Shaw has been honored by Training magazine. And our education and training efforts contributed to Shaw being named to Forbes' 2023 List of Best Employers in Georgia, marking our fifth consecutive year on the list. In addition to ranking among the top 10 employers in Georgia overall, we ranked No. 1 in the engineering/manufacturing category.

DIVERSITY & INCLUSION

At the foundation of creating a more just world for all is the ability to respect and value the unique perspectives we each bring. At Shaw, we believe in harnessing that individuality for a common goal to create stellar results.



DIVERSE TALENT

It begins with diverse talent — diversity that is seen and unseen. Through varied experiences and expertise, we can spark growth and innovation, bringing forth the best solutions for our customers. Thus, we are focused on attracting diverse talent and investing in the professional development of associates across our organization.

Our goal: for our talent pipeline to reflect available talent in our communities by 2030. Our approach: using enhanced people analytics tools and processes to identify priority areas of focus. Across our enterprise, 61 percent of our associates are male, and 39 percent are female. Among our salaried associates, that percentage is 58 percent male and 42 percent female. By taking a more granular view of various job types, we can gauge where different perspectives may be missing.

Using this data, we have expanded our talent network to include more diverse colleges and universities, associations, and partnerships.

One new area of focus for us is second chance hiring. There are an estimated 70 million Americans with arrest or conviction records that create significant barriers to reintegration into society, including challenges finding employment. It's an often-untapped pool of talent with valuable skills.

INCLUSIVE LEADERSHIP

Fostering diversity and inclusion requires a sense of belonging, a work environment where all associates feel safe, included, 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. To this end, 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.

We are proud to be named a Best Employer for Women and a Best Employer for Diversity by Forbes in 2023 as well as being recognized by Newsweek as one of America's Greatest Workplaces for Diversity 2023. These recognitions reflect our ongoing efforts to foster an inclusive and diverse company culture.

ASSOCIATE-LED RESOURCE GROUPS

Shaw's commitment to fostering an inclusive and diverse corporate culture is supported by Associate Resource Groups (ARGs). These affinity groups help drive engagement within the company by connecting associates with both similar and different perspectives to harness and enable member's talents and goals, foster innovation 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, LGBTQ+, veterans, physical, emotional, and neurological diversity, and sales associates. In the first half of 2024, we launched our eighth associate resource group: Fabric, for Asian & Pacific Islanders and their allies. By connecting thousands of associates in a variety of networking and professional development opportunities, these efforts spark growth through inclusive leadership. In every facet of our approach, we strive to build an environment where diverse perspectives and ideas are heard, and value is placed on both the seen and unseen characteristics and experiences our 18,000+ associates bring to the organization. Learn more at <https://shawinc.com/Diversity>.

OUR COMMUNITIES

In 2023, Shaw associates along with the company donated approximately \$6.9 million to community organizations.



COMMUNITY

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 provide 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.

Through our Community Grants program, Shaw provides financial support and product donations to numerous non-profit organizations that are adept at providing education, basic needs, health and more. In 2023, Shaw associates, along with the company, donated approximately \$6.9 million to community organizations.

ST. JUDE CHILDREN'S RESEARCH HOSPITAL

Shaw's partnership with St. Jude Children's Research Hospital® continues to strengthen as we support their mission to help children battling cancer and other life-threatening diseases. Shaw's decade-long 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. Each year, Shaw customers and associates take part in the St. Jude Memphis Marathon® Weekend. Through these efforts we've raised more than \$22 million, including more than \$2.7 million in 2023. And we were once again the top fundraising team for the St. Jude Memphis Marathon, setting a new company record with our associates and marathon team members raising more than \$700,000.

UNITED WAY

Shaw believes strongly in supporting United Way's mission to "improve lives by mobilizing the caring power of communities around the world to advance the common good." Recognizing that the pandemic only intensified the needs in our communities, our employees rose to the challenge, and along with the company contributed more than \$2.5 million in 2023.

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. 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 more than 375 specially adapted homes nationwide. Shaw provided flooring for 24 HFOT homes in 2023. 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.

COMMUNITY EDUCATION

Education and opportunity are the keys to future innovation — ours and the world's.

From reading to robotics, kindergarten to college, Shaw supports education efforts that will help create the workforce of the future — fostering greater innovation at Shaw, bolstering local economic development, and spurring rewarding careers. Shaw sees this investment in people as important as any we make in new equipment or technology. Shaw and our associates partner with a wide range of organizations including the Floor Covering Education Foundation, Junior Achievement, Great Promise Partnership, FIRST® Robotics, FIRST® Tech and FIRST® Lego Competition teams to fulfill this objective. And 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.

Across our community education efforts, Shaw encourages participation from diverse and underrepresented groups to ensure that all students have the opportunity to identify their passion and aptitude for STEAM careers. Mentorships and coaching from Shaw associates are instrumental in these programs, ensuring that students can see themselves and their future potential.

HEALTH AT WORK

Through a collaboration with ComPsych®, our Employee Assistance Program (EAP) provides associates with access to confidential emotional support, guidance on achieving work-life balance, and essential legal and financial resources, complemented by user-friendly digital tools.

We extend this commitment to behavioral health support through in-person and virtual counseling available through Shaw Family Health Centers, Premise Health, and a newly launched mobile app featuring digital cognitive behavioral therapy tools. By offering comprehensive behavioral health resources, Shaw demonstrates its commitment to fostering an environment where every associate feels valued, respected, and empowered to bring their authentic selves to work.

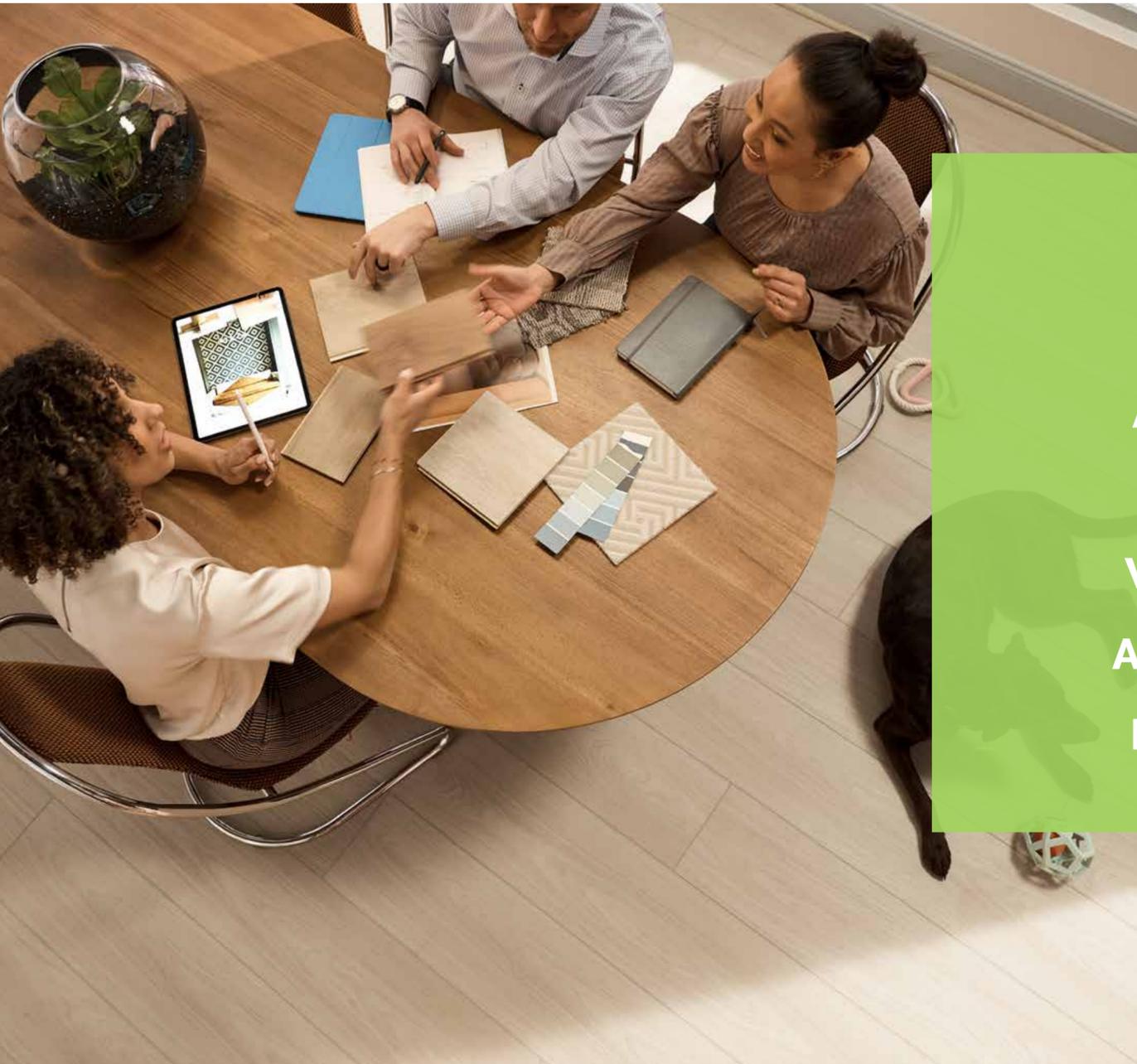


SHAW RECEIVED A 2023 SILVER HEALTH AT WORK AWARD FROM COMPSYCH® FOR OUR EFFORTS TO PRIORITIZE THE HEALTH AND WELLBEING OF OUR ASSOCIATES BY PROVIDING INNOVATIVE PROGRAMS. THESE ACCOLADES SERVE AS A TESTAMENT TO SHAW'S DEDICATION TO NURTURING THE HEALTH & WELLBEING OF OUR ASSOCIATES, BOTH AT WORK AND AT HOME.



**INSPIRE HOPE.
PROMOTE WELLNESS.**

NO MATTER WHERE OR
BY WHOM A PRODUCT
OR INGREDIENT IS MADE,
IT IS HELD TO SHAW'S
SUSTAINABILITY STANDARDS.



**MORE THAN
75% OF OUR
ALLOWABLE
SPEND* IS
WITH SMALL
AND DIVERSE
BUSINESSES**

Sustainable sourcing and integrated 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 the supply chain uncertainty and disruptions over the past several years.

At Shaw, we are committed to ensuring that no matter where in the world a product or ingredient is made or sourced, it is held to Shaw’s sustainability standards.

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 the significant purchasing power of a \$6 billion global company.

Each purchase we make sends a signal to the market regarding what we value. We support our communities by prioritizing local sources whenever possible. In 2023, almost half (49 percent) of our overall supplier spending occurred in the 34 U.S. states where Shaw operates facilities.

We also bring our focus on diversity and inclusion to the way we manage our supply chain. We can have a significant impact on the businesses in our community by providing equal access to Shaw’s purchasing opportunities to all qualified suppliers. Our supplier diversity spend is consistently increasing. In 2023, it was 76 percent of allowable spend up from 60 percent in 2022.*

**Allowable spend is domestic (U.S.) spend in categories in which there are domestic small or diverse suppliers available to meet our needs.*

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 possible to our customers. Managing a global supply chain requires robust sourcing policies and procedures.

Thanks to our strong supply partnerships, nimble and agile sourcing, 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 in order to minimize impact 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, supporting and respecting the protection of internationally proclaimed human rights, and others.

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 own operations to a vast array of suppliers providing goods and services to Shaw.

CHEMICAL POLICY & RESTRICTED SUBSTANCES LIST

Shaw Industries has long been committed to sustainable sourcing policies and processes to monitor its supply chain and make informed decisions for creating safer and more sustainable products. In early 2023, we publicly released our Chemical Policy & Restricted Substances List (RSL) for suppliers, streamlining the process and enhancing transparency. This move facilitates 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 its products due to potential negative health or environmental impacts. Adhering to the principles of Cradle to Cradle design, Shaw assesses 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 Industries demonstrates our commitment to sustainability, material health, and environmentally responsible practices throughout our supply chain.

TEN PRINCIPLES OF THE UN GLOBAL COMPACT

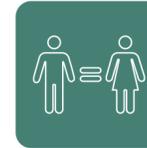
- 

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

REPORTING CYCLE

Our sustainability reporting follows an annual cycle based on the calendar year. This report covers January 1, 2023, to December 31, 2023. Our most recent sustainability report was published in 2023 for the calendar year 2022. Previous reports can be accessed at: shawinc.com/reports/

CONTACT

To request hard copies of this report, please email sustainability@shawinc.com. For questions regarding the contents of this report, please email Susan Farris at susan.farris@shawinc.com.

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 2023, 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 2023.
- All references to currency are in U.S. dollars.

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FloorScore® is a registered trademark of the Resilient Floor Covering Institute.

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FEATURED PRODUCTS**Cover:**

COREtec, Pro Enhanced Collection

Page 3:

Anderson Tuftex, Enduring Charm Collection

Page 12:

Anderson Tuftex, Revival Walnut Collection

Page 13:

Shaw Floors, Pet Perfect Collection

Page 14:

Shaw Contract, ROAM | Painted Desert Collection

Page 17:

Patcraft, EcoSystem Collection

Page 19:

Philadelphia Commercial, Nuscape Collection

Page 21:

Shaw Contract, BottleFloor Collection

Page 23:

Patcraft, Deconstructed Felt Collection

Project: Topstitch Studio and Lounge by Gensler

Photographer: Katie Bricker Photography

Page 29:

Shaw Contract, Solitude & A Walk in the Garden Collections

Project: Compass Health Raymore by BSA

Photographer: Aaron Lindberg Photography

Page 30:

COREtec, Pro Premium Collection



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