

Assurance Statement

Mohawk has commissioned FIRA to provide external assurance on its 2014 pdf Sustainability Report (further referred to as 'The Report'). Our assurance statement provides readers of The Report with an independent opinion on the reliability of information, based on our assessment of the content including underlying systems and evidence. This Statement is intended both for the general readers and for stakeholders who have a professional interest in Mohawk's sustainability performance and challenges.

Scope and Objectives

Our engagement was designed to provide 'Moderate Assurance' on whether the information in The Report provides a reliable representation of Mohawk's efforts and performance for the reporting year 2014. Assurance activities performed by FIRA are aimed at determining the plausibility of claims. Evidence gathering is focused at corporate level with limited sampling at lower levels of the organization. The assurance process focused on reliability of all claims reviewing data, the data collection process and data management. Financial claims (10-K & proxy) have not been reviewed by FIRA as accountants' approval is already available. FIRA did review alignment with GRI EC indicators.

Assurance methodology and principles of auditing

FIRA conducted the verification process in accordance with international assurance standards. Mohawk applies its own sustainability performance reporting criteria, derived from the Sustainability Reporting Guidelines (GRI G3.1, application level B+) of the Global Reporting Initiative (GRI). FIRA reviewed The Report against the Company's reporting criteria, including explanatory notes related to the disclosed performance information. The FIRA audit team members have not been involved in the development of The Report nor have they been associated with Mohawk's sustainability programs, data collection, and information systems. FIRA ensured that our assurance team possesses the required competences and adhered to the principles of auditing regarding ethical conduct, professional integrity, and independence.

Work undertaken

The bases of our work are the claims and associated information in The Report. To come to our conclusions we investigated the integrity of the internal processes, controls, and the underlying evidence made available to FIRA. We performed the following activities:

1. Review of the company relevant sustainability issue analysis and stakeholder engagement, as performed to obtain information on relevant issues related to manufacturing and product requirements, and related strategy for the reporting period.
2. Review of systems, processes and internal controls existent at corporate level for the collection and aggregation of quantitative and qualitative information in The Report. The review includes an analytical assessment of aggregated data and a risk-based analysis of the data collected from individual locations.
3. Conducting an application level check on The Report to ensure that all disclosure requirements of the GRI B application level have been adhered to.
4. Local site engagements for 3 sites, one in three divisions (Dal-Tile, Unilin US, Unilin EU), to assess local systems and controls, and reliability of the data reported.
5. Reviewed several drafts of The Report and selected material claims within the text for further assessment. We collected and reviewed documentation and interviewed key staff to determine whether relevant claims in The Report are supported by underlying evidence.

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Conclusion

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

Accomplishments and Recommendations

We have seen significant progress in many areas. For 2014, Mohawk increased the data collection from its new acquisitions and continues to show progress towards its 2020 goals. As Mohawk is growing in other geographies, corporate is responding to the need of group management. CSR policies on social issues are maturing and management approaches are disclosed.

- Ⓐ **Strategic Initiatives & Sustainability Strategy:** Progress on strategic planning has been limited. A more defined structure for CSR strategic thinking and a process of quantifying CSR benefits will benefit the organization. We encourage Mohawk to create an overarching framework that could link the business units under a comprehensive corporate strategy to accelerate their effectiveness through the creation of common synergies.
- Ⓐ **Management Approach:** Mohawk is disclosing a clear sense of direction on material issues. We recommend further refining the approach by disclosing the comparison between Mohawk current state against the policies and targets that Mohawk want to achieve 3-5 years from now.
- Ⓐ **Stakeholders Engagement:** Stakeholder engagement is strongly business focused. We recommend accelerating CSR based stakeholder engagement by isolating specific CSR stakeholder needs and seeking collaboration to strengthen the business.
- Ⓐ **Accountability:** The roles and responsibilities of the people engaged in the different sustainability activities are scattered. Therefore, the accountability for programs, metrics, initiatives, and resources is often difficult to track, and requires time and effort to coordinate. A clear accountability map for the sustainability initiatives could increase efficiency during the implementation and monitoring of activities.
- Ⓐ **KPI Management & Data Reliability:** As data collection is maturing, and new acquisitions join the company, Mohawk is challenged to continue the journey from data collection to metrics management. We recommend formalizing KPI management by establishing protocols, goals and accountability for management on the evaluation of sustainability performance; this is increasingly important considering the international growth of the company. In 2014, Mohawk continued extending its data collection process to include acquisitions' data and has verified and corrected historical data.
- Ⓐ **Risk Management:** Mohawk will benefit by further standardizing the ERM system adding, a risk library and integrate the CSR risk management process with the business process.
- Ⓐ **CSR Supplier Management:** Mohawk keeps expanding the implementation of their supplier code of conduct into more divisions. This process could be expedited with a more structured rollout companywide, and close monitoring of the global implementation.

For FIRA,



A.C. de Bruijn
Director FIRA

July 20st, 2015, The Netherlands

