

## Assurance Statement

Mohawk has commissioned FIRA to provide external assurance on its 2015 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 for both, 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 2015. 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 Economic 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 G4, 'in accordance' option 'core') 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 G4 'in accordance' option 'core' have been adhered to.
4. Interviews with Mohawk personnel 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.

# FIRMUS AGNITIO

## 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 a GRI G4 'in accordance' option 'core' CSR report.

## Accomplishments and Recommendations

We have seen significant progress in many areas. For 2015, Mohawk increased the data collection from its new acquisitions and continues to show progress towards its 2020 goals, it also developed a materiality and stakeholder engagement assessment. 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.

- ④ **Strategic Initiatives & Sustainability Strategy:** Strategy development is organized per business unit, mostly as a bottom-up process. We encourage Mohawk to develop an overarching framework and link the business units under a comprehensive corporate strategy, including integration of the materiality assessment results into strategy and business planning.
- ④ **Stakeholders Engagement and Materiality Assessment:** We commend Mohawk on their renewed stakeholder engagement and materiality assessment, as part of their effort to conform to GRI G4. We encourage Mohawk to develop a systematic approach to ensure continuous engagement seeking, to implement a more global approach and to scale active dialogue with significant stakeholders.
- ④ **KPI Management & Data Reliability:** As, 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 the evaluation of sustainability performance; this is increasingly important considering the international growth of the company. In 2015, Mohawk continued extending its data collection process to include acquisitions' data and has verified and corrected historical data.
- ④ **CSR Supplier Management:** Mohawk further expanded 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. We encourage Mohawk to inventory risk areas and risk countries to enhance their CSR supplier management program beyond code of conducts.
- ④ **GRI SRS:** We encourage Mohawk to further prepare for reporting based on GRI SRS for the following years as the 2017 CSR-report will be the first one that needs to be accordance with SRS.

FIRA Sustainability B.V.,



A.C. de Bruijn  
Director FIRA

July 5th, 2016, The Netherlands

