



SUSTAINABILITY REPORT 2015

CREATING A BETTER FUTURE

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Patcraft, Fabrix, Carpet Tile & Metallix, LVT

Our Sustainable Business Strategy

These four activities help Shaw focus on the social, economic and environmental triple bottom line ensuring long-term sustainability for the company and its stakeholders.

- *Driving innovation into the business*
- *Protecting and making efficient use of resources*
- *Engaging our associates, customers, stakeholders and communities*
- *Focusing on long-term financial success*



Vance D. Bell, Chairman and CEO

Dear Stakeholders,

We are pleased to share with you Shaw's eighth annual sustainability report, which reflects our accountability to you – our stakeholders – around our sustainability strategy and progress.

With every material, every process, every action, we're creating a better future. Creating a better future is not just our sustainability objective but our corporate vision. Succeeding requires a careful balance of driving innovation into the business, protecting and making efficient use of natural resources, engaging our associates, customers, communities and other stakeholders, and focusing on long-term financial success. In essence, this sustainable business strategy, which is at the core of all we do, is the triple bottom line with a particular focus on innovation.

Our business is multi-faceted. We supply carpet, custom rugs, hardwood, laminate, resilient, tile and stone flooring, and synthetic turf to commercial and residential customers worldwide. We manufacture many of our own products and work with a diverse group of partners (from ingredient materials to finished product, from transportation services to manufacturing equipment), who deliver on our commitment.

We've never been a single-issue company. That couldn't be more true today – when we all find ourselves in an increasingly fast-paced, frequently changing business climate with ever-evolving priorities.

Amid some domestic and global economic constraints that brought both market challenges and opportunities, such as lower raw material costs, 2015 was a year of investment for Shaw. We invested nearly \$300 million in capital expenditures, including strategic investments in multiple product categories and in automation, efficiency and technology advances in our operations.

Equally important, Shaw has invested in human capital. We significantly expanded our sales capacity in 2015, and – even more critically – we are investing in a next-generation approach to talent. This is one of the most important strategies for our company's long-term success. Our talent model's broad and deep implementation across our organization started in earnest in 2015, and we are making good progress.

We have defined the leadership imperatives needed to respond to the company's goals and strategies and to compete in a more complex business environment with a rapidly changing workforce. To evolve with the market, our leaders are adopting new methods to attract, develop and retain talent; accelerating a culture that generates innovative products and ideas; and evaluating talent to ensure the right people are in the right roles to be globally competitive.

Additionally, we are focused on developing the workforce of the future – engaging students from kindergarten to college in the communities in which we operate with a focus on everything from reading to robotics to foster economic development, spur innovation, and develop a future workforce with the skills and knowledge necessary to continue to propel us forward.

This focus on innovation, our people and the workforce of the future is solidifying our commitment to you of creating a better future.

Vance D. Bell
Chairman and CEO

CORPORATE PROFILE

Shaw Industries Group, Inc. offers a diverse portfolio of carpet, custom rugs, hardwood, laminate, resilient, tile & stone flooring products, synthetic turf and other specialty items for residential and commercial markets worldwide via its brands Anderson, Patcraft, Philadelphia Commercial, Shaw Contract, Shaw Floors, Shaw Hospitality, Shaw Sports Turf, Southwest Greens, Tuflex and more. Headquartered in Dalton, Georgia, Shaw is a wholly owned subsidiary of Berkshire Hathaway, Inc. with \$4.8 billion in annual sales.

The company employs approximately 22,000 associates with offices; manufacturing, warehousing and distribution locations; product showrooms; and/or salespeople throughout the U.S., as well as Australia, Brazil, Canada, Chile, China, India, Mexico, Singapore, United Arab Emirates and the United Kingdom. For more information, visit <http://shawinc.com>.



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

Our Vision

Creating a Better Future: for our customers, for our people, for our company and for our communities.

Our Mission

Great People. Great Products. Great Service. Always.

Our Values

Honesty, Integrity and Passion.

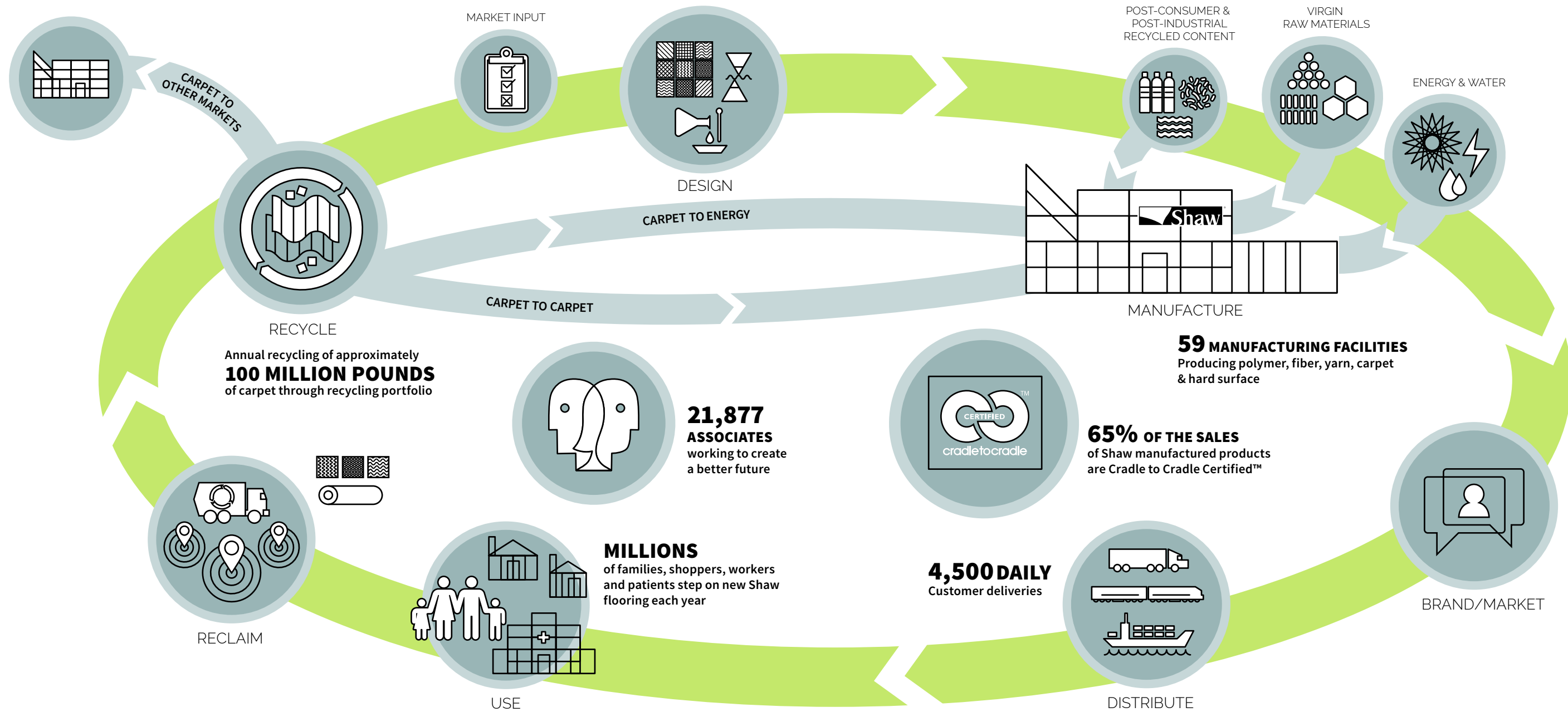
BY THE NUMBERS



Shaw's 2030 Goals

- Reduce actual vs. modeled water intensity per pound of finished product by 50%
- Reduce actual vs. modeled energy intensity per pound finished product by 40%
- Reduce waste to landfills and hazardous waste by 100%
- Design 100% of our products to Cradle to Cradle® protocols
- Achieve an OSHA incident rate of zero
- Reduce non-biogenic GHG emissions per pound of finished product by 40% from 2010 baseline

THE SHAW PROCESS





Residential Flooring



Specialty Markets



Commercial Flooring



Services



Product & Ingredient Brands



The items within this report represent our sustainability strategy, which reflects the most important aspects to our business and our stakeholders. From our customers and associates, to our suppliers and community organizations, it is imperative that we listen and respond to their changing needs. Both systematically and organically, we place a priority on maintaining two-way conversation with these stakeholders. This helps us understand and make business decisions that address their motivations and pain points.

Each year, we engage with stakeholders in a wide variety of ways, including:

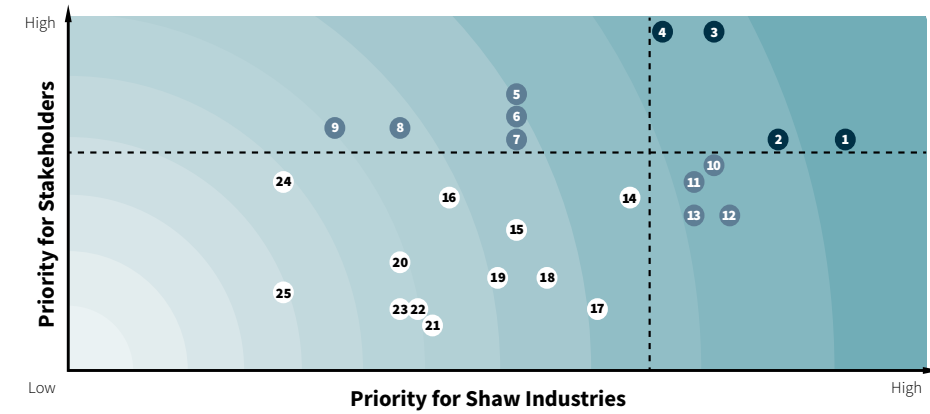
- **Annual survey of associates**
- **Active participation in community, industry, trade and non-governmental organizations**
- **The biannual convention for Shaw Flooring Network aligned dealers**
- **Roundtables and advisory panels with customers and suppliers**
- **Focus groups, market research and surveys**
- **One-on-one meetings with customers, community leaders and government representatives**
- **On-site visits and facility tours**
- **Major industry events such as NeoCon, Hospitality Design, Greenbuild and Living Future among others, and residential market events in eight major cities across the U.S.**
- **Sustainability conversations at the Berkshire Hathaway Sustainability Summit and the Cradle to Cradle Certification Program's Community of Practice**

In 2014, Shaw participated in a formal materiality assessment with a third-party firm. The process included a thorough review of stakeholder priorities. In addition to the ongoing stakeholder dialogue listed previously, our materiality consultant conducted an internal survey and a series of interviews with key stakeholder subject matter experts to represent the views of our customers across business segments, local communities in which we operate, industry associations, NGOs/non-profits and others.

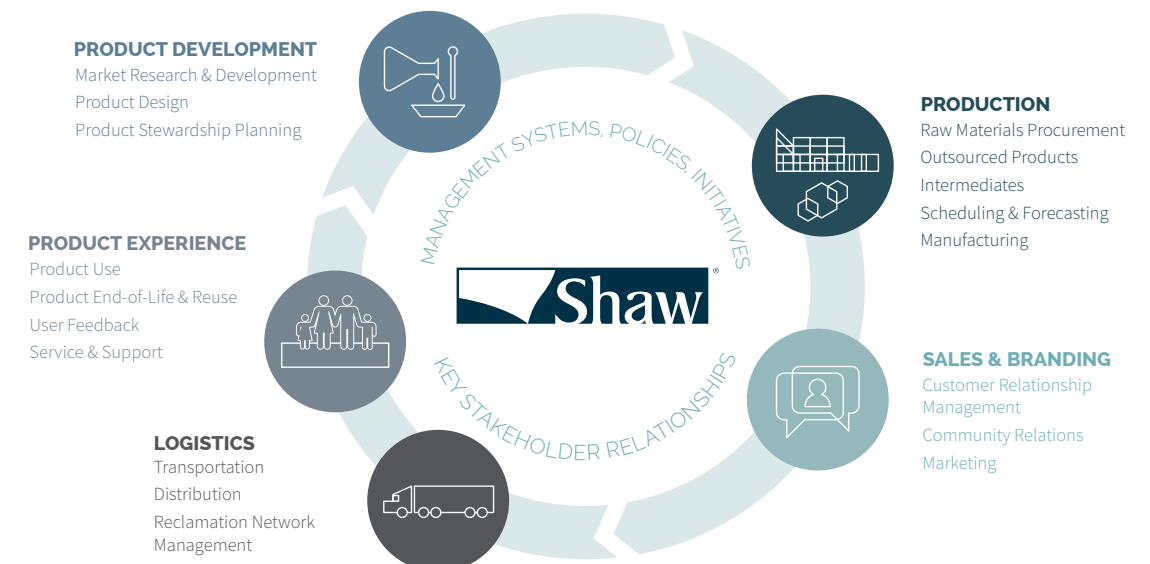
The process identified four material issues that rank more highly by Shaw leaders and our stakeholder groups: material use, product stewardship, branding and marketing, raised by most of our stakeholders including customers, industry associations, dealers and home buyers; and talent management raised primarily by our employees and trainees. This analysis helps Shaw focus our sustainability strategy and reporting this year and in the future. This report includes a significant focus on these material issues.

We continue to report on the important issues as well, such as energy and associate engagement. As responsible manufacturers, we recognize the importance of our environmental impacts. We carefully monitor and disclose our energy, emissions, water and waste data. This report also outlines the programs and projects developed in response to stakeholder feedback such as talent management, the Women's Innovation Network (WiN), community workforce development, transparency of material assessments and third-party verification, as well as the focus on supplier management, among others.

MATERIAL ISSUE	ASPECT BOUNDARY WITHIN SHAW	ASPECT BOUNDARY OUTSIDE SHAW
Talent Management	Shaw	None
Branding & Marketing	Shaw	Customers
Product Stewardship	Shaw	Customers, Communities, Suppliers
Materials Use	Shaw	Customers, Communities, Suppliers



- | | | | |
|--|--|---|--|
| <p>MATERIAL</p> <ol style="list-style-type: none"> Talent Management Branding & Marketing Product Stewardship Materials Use | <p>PRIORITY</p> <ol style="list-style-type: none"> Waste Management Oversight of Corporate Responsibility Energy Community Relations Climate Change/GHG Associate Engagement Customer Satisfaction | <p>IMPORTANT</p> <ol style="list-style-type: none"> Product Innovation Supply Chain Management Global Competitiveness Associate Health & Safety Water Logistics & Distribution | <ol style="list-style-type: none"> Diversity & Inclusion Labor Relations Human Rights Business Continuity Philanthropy Air Emissions Facilities Management Public Policy |
|--|--|---|--|





Paul Murray, Vice President, Sustainability & Environmental Affairs

Dear Stakeholders,

I view this annual report as an opportunity to share with you the commitment to sustainability within Shaw that I witness on a daily basis. The people I work with across this organization represent different functions and different lines of business – but we are all focused together on continuous improvement in order to meet our 2030 goals and to respond to the evolving marketplace. That requires innovation.

This innovation is spurred by our ongoing engagement with the market and stakeholders to anticipate and respond to ever-changing preferences and needs. We innovate by taking risks and learning from them. We design, manufacture and deliver our products to create a better future guided by Cradle to Cradle philosophies. And we create a diverse portfolio of sustainability solutions – solutions that are as varied as our product portfolio and our customer base.

While we remain steadfastly focused on our 2030 goals, we are perpetually assessing whether they are reflective of our priorities and operations, that they are material for us and what matters most to our customers and stakeholders, and that the metrics we've set are those that stand to make the most impact.

As we do so, we're making a few adjustments to these metrics goals, which you'll see reflected in this report. We're maintaining our 2030 goal to reduce our energy intensity, while aligning with the U.S. Department of Energy's (DOE) Better Plants program in which we've been participating since 2009. Doing so streamlines our reporting and measurement processes, and sets a higher bar for our operations as we reset our baseline to one based on a 24-month period (2009-2010).

We are making similar adjustments to our water metrics to ensure alignment with our energy goals given the sustainability nexus between water and energy. We will maintain our goal of 50 percent improvement in water intensity while resetting our baseline to the same 2009-2010 timeframe used in for our energy metric.

The changing of the baseline year means that we are building on the progress made in years prior to 2010, driving us to work even harder to achieve a 50 percent improvement.

Additionally, we're adding a new 2030 goal of reducing carbon emissions intensity (non-biogenic GHG emissions per pound of finished product) by 40 percent by 2030 from a 2010 baseline. We have reported on our carbon / greenhouse gas (GHG) emissions since our inaugural corporate sustainability report in 2008, and are formalizing that with a public commitment outlined within this report.

Those of you who have followed our sustainability journey through our report will also find a difference in the format of our reporting, which is a reflection of our continued focus on materiality and ensuring that we are providing key information in an easy-to-read format. This year, we've narrowed the focus of this report to providing key metrics and progress against our goals. We'll continue to share case studies, points of view on sustainability and other stories on our website (shawinc.com/corporate-responsibility) and through other communications throughout the year – as those stories are better shared in a dynamic, searchable, online format that can be updated to share the latest, most relevant information to each of our stakeholders.

This report is just one of many ways in which we are committed to transparently sharing our goals, progress, initiatives, opportunities and challenges. We will continue to look for opportunities to listen and learn as we develop innovative products, processes and programs – and we look forward to reporting back to you next year.

Paul Murray
Vice President,
Sustainability & Environmental Affairs



Shaw Contract, Altered, Carpet Tile

With every material, every process, every action, we are creating a better future.

This holistic approach to sustainability is guided by our commitment to Cradle to Cradle principles and a comprehensive focus on material health, material reutilization, energy, water and social responsibility.

It begins with smart design. Driven by market insights, our products are designed to be as sustainable as they are beautiful. By designing with the end in mind, we carefully consider the ingredient materials that go into each of our products to ensure they are durable and safe – for people and the planet; on the floors of homes, businesses, hospitals, and schools throughout the world; and at the end of our flooring’s useful life.

We are committed to transparently sharing information with our stakeholders through this report, on our labeling and websites, and within our other communications.



Shaw Floors, Sequoia Hickory, EPIC® Plus Engineered Hardwood

Throughout the design, manufacture, delivery, use, reclamation and recycling of our products, we evaluate the input components and resulting flooring to ensure continued improvement in efficiency and alignment with the Cradle to Cradle philosophy.

Over the past 10 years, we've continually enhanced our efforts adapting to current market conditions, anticipating future needs and opportunities, and innovating to foster a more circular economy – with processes, products and programs throughout our value chain.

Once our residential and commercial carpet products have reached the end of their useful life, they can be converted back into carpet, into products for other industries, or into energy to power our manufacturing operations. Since 2006, Shaw has reclaimed and recycled more than 900 million pounds of post-consumer carpet – ours and other manufacturers. Our portfolio of recycling solutions allows us to employ the best possible use for the materials we reclaim.

In 2015, we opened a new, \$20 million carpet recycling facility (Evergreen Ringgold) to better address the products coming off consumers' floors today and in the future. Additionally, we contributed to the funding of a new voluntary product stewardship (VPS) program through the Carpet and Rug Institute™, and the Carpet America Recovery EffortSM to provide financial assistance to qualified U.S. collectors as a bridge while new technologies and applications are developed to

increase market-driven demand for all post-consumer carpet. And with our commercial tile, we created an even more robust reverse distribution system to encourage greater return of our EcoWorx® backed products.

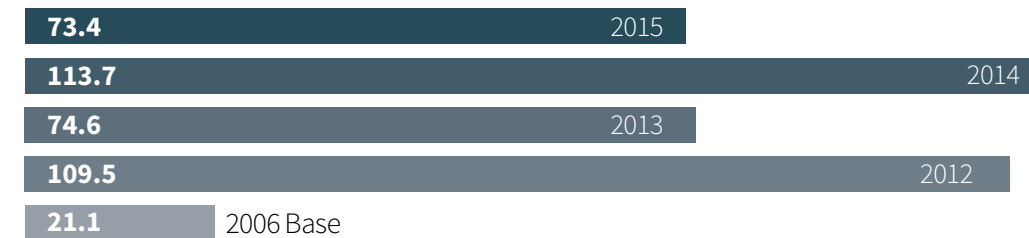
We also incorporate recycled content into our products, converting another industry's waste into a resource – for example, turning plastic drink bottles into residential carpet. In 2015, we invested more than \$12 million to increase performance and capacity at the Clear Path Recycling facility in Fayetteville, N.C., a joint venture with DAK Americas. The facility produces 100 million pounds of clear flake each year, which is turned into Shaw carpet fiber – recycling approximately three billion plastic drink bottles annually. Across our primary products, recycled post-consumer and post-industrial content made up 12.1 percent of our input materials in 2015.

Converting waste into a resource is key to our focus on creating a better future and a more circular economy – as is incorporating renewable materials. Shaw's use of non-renewable materials was up slightly from 2.40 billion pounds to 2.42 billion pounds, while our use of renewable materials declined from 831 million to 718 million pounds in 2015 compared to 2014.* This was a result of the changing product mix driven by market demand.

These and other efforts throughout our operations continue to move us towards a more circular economy.

TOTAL VOLUME OF CARPET RECLAIMED & RECYCLED

volume of carpet in millions of lbs.



*The materials included in these results are those used in the production of our primary products: carpet, hardwood, laminate, resilient, tile, and stone.

TRANSPARENCY, VERIFICATION & EVALUATION

Shaw is committed to transparency, and to thorough and independent verifications of the environmental and material health impacts of our products.

The programs in which we participate include:

The Cradle to Cradle Certified™ Products Program is among the most rigorous in the world. Cradle to Cradle focuses on safe materials, material reutilization, renewable energy, water stewardship and social fairness. Cradle to Cradle Certified products are verified by the Cradle to Cradle Products Innovation Institute to include only chemicals and components that are safe, and that can be recycled or reused. In 2015, 65 percent of the sales of Shaw manufactured product were Cradle to Cradle Certified as we make progress towards our 2030 sustainability goal to design 100 percent of our products to this standard.

Environmental Product Declarations (EPDs) are reports that communicate the environmental impacts of a product across all phases of its lifecycle, from raw material extraction, manufacturing and distribution, to product use and end of life. Shaw has third-party verified EPDs for the vast majority of our commercial and residential carpets.

GREENGUARD Certification, conducted by UL Environment, verifies that products meet some of the world's most rigorous and comprehensive standards for low emissions of volatile organic compounds (VOCs) into indoor air. All of Shaw's hardwood and laminate

flooring is GREENGUARD certified.

Green Label Plus® is an independent testing program of the Carpet and Rug Institute that verifies low volatile organic compound (VOC) emissions for carpet, adhesive and cushion products. All Shaw carpet, adhesive and cushion products meet this standard.

Health Product Declaration® (HPD) is a standard report format for the transparent disclosure of material contents and potential health hazards. Shaw's HPDs cover all EcoWorx® carpet tile products as well as the majority of our commercial carpet portfolio.

ILFI Declare™ is an ingredients label program for building products from the International Living Future Institute. It requires manufacturers to ensure that they are free of Red List chemicals and materials, which are known to pose serious risks to human health and the greater ecosystem. EcoWorx carpet tile is registered through the Declare program.

NSF/ANSI 140 is a sustainability assessment for carpet that focuses on quantifiable metrics covering public health and environment; energy and energy efficiency; biobased, recycled and environmentally preferable content materials; manufacturing, reclamation and end-of-life management and innovation. All EcoWorx carpet tile and broadloom products, along with all Ultraloc®, Stalok® and Classicbac® broadlooms with nylon face fibers, are NSF 140 Gold Certified.

BRANDING & MARKETING

Shaw's brand promise includes a deep commitment to our company values of honesty, integrity and passion. One of the ways our customers see those values in action is in our truthful, open and transparent communications.

Shaw associates in all parts of the business recognize the importance of our communication, actions and reputation. In fact, Shaw's internal stakeholders ranked branding as the most important item in the most recent materiality review.

Every one of the Shaw brands, with their independent brand strategies and identities, are committed to conducting business fairly and ethically. In 2015, Shaw did not have any incidents of non-compliance with regulations and voluntary codes concerning marketing communications.

As part of this commitment, we strive to:

Provide thorough and accurate information on all of our products.

Stakeholders can find information on construction, care and sustainability factors on all relevant products via labeling, sales materials and on our websites. Marketing and communications materials undergo a thorough review process to ensure accuracy and transparency. We also are committed to upholding the United States Federal Trade Commission's Green Guides for communicating our environmental initiatives and the sustainability of our products. Shaw labels products that are certified by a number of voluntary sustainability programs, such as Cradle to Cradle Certified and GREENGUARD, among others (for more information about these certification programs and others, see page 21). When these labels are placed on our products, regardless of where that product is manufactured or by whom, our customers can be assured of their quality and safety.

Increase awareness of Shaw's sustainable products.

We want all stakeholders to know that we offer an extensive portfolio of responsible flooring choices. We establish strategic communications plans to ensure that decision makers, influencers, customers and consumers understand the full breadth of our sustainability efforts and the sustainable choices we offer. Our marketing highlights the many responsible options available across Shaw's portfolio, from carpet tile to hardwood to porcelain. To help increase awareness, in 2015, Shaw provided sustainable products as part of marketing partnerships with Greenbuild demonstration show home, the Dwell on Design show home and the HGTV Smart Home.

Promote our values in action through cause-marketing programs.

Shaw has partnered with strategic non-profit organizations to engage our stakeholders in support of environmental and social causes. For example, our partnership with St. Jude Children's Research Hospital continued to strengthen and expand in 2015 resulting in more than \$1.2 million to support the children they serve. Cause marketing is just one component of this partnership, which permeates throughout the company and crosses multiple Shaw brands. Additional partnerships have been developed by individual brands. Shaw Contract supports the Center for Green Schools through volunteer time and donations from the sale of its Cut & Compose collection. Patcraft and Spectra both support Goodwill Skills Training, which provides the training necessary to help unemployed U.S. service veterans secure employment as carpet installers.



How we make our products matters.

Shaw's success as a manufacturer is, in part, due to our dedication to efficiency and continuous improvement. We use sophisticated technology to carefully measure and track all of our inputs, including those that impact the environment such as energy and water. We also carefully track our outputs such as waste and emissions. We work to consistently improve our efficiency in a way that minimizes those inputs and outputs to manage these important resources responsibly. We continue to invest in new processes and equipment both in our existing operations, and in new and refurbished facilities as we adapt to market growth and shifts in customer demand.

Tufting, Plant 15, Cartersville, Ga.



Extrusion, Plant WM, Dalton, Ga.

In order to offer the extensive product portfolio that our customers demand, Shaw relies on approximately 4,300 trusted suppliers. In 2015, 84 percent of what we spent with suppliers occurred in the 15 states where 95 percent of our associates are located. These suppliers provide a wide array of products and services ranging from professional services to machinery. In the same way that we choose to work with suppliers that share our commitment to sustainability, we also ensure that our facilities follow sustainable building standards. We seek third-party certifications to ensure that our efforts are aligned to market expectations.

Suppliers

We work carefully to cultivate mutually beneficial relationships with other businesses that share our sustainability philosophy. In 2015, we launched a new sustainable sourcing guide for our suppliers.

We hold our suppliers to the same high standards for quality and responsibility that we set for ourselves. Our products, regardless of location or manufacturer, meet stringent guidelines.

Prior to entering into an agreement with finished product suppliers, Shaw conducts tests to ensure our standards and expectations are met.

We also continue to test, randomly and periodically, for as long as the supplier relationship continues. Additionally, many of the certification programs in which we participate include evaluations by third-party organizations, such as the Cradle to Cradle Certified Products Program and Underwriters Laboratories (UL). For more information on the certification programs, see page 21.

Green Building

As we construct and renovate our facilities, we are committed to healthy, resource-efficient buildings. In 2015, four additional Shaw buildings — with a variety of uses and geographies — earned green building recognitions. The Shaw Family Health Center (Dalton), Plant 72 (an administrative building in Dalton), and Plant CN (a carpet tile manufacturing facility in Nantong, China) all earned the USGBC's LEED Silver designation. Plant 72 also earned EPA ENERGY STAR certification, and Shaw Contract's London showroom achieved Silver certification from SKA Rating, the environmental assessment tool for sustainable fit-outs within the U.K.



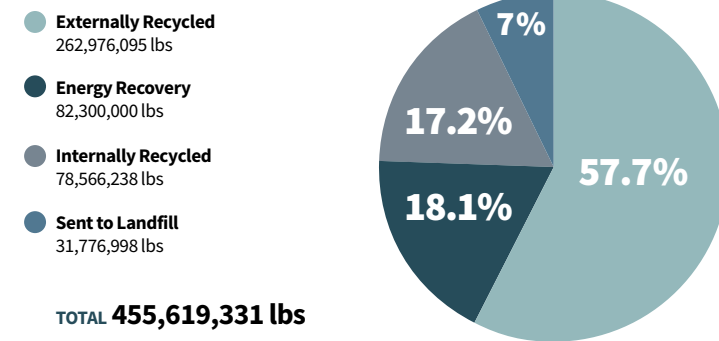
Recycled plastic bottle flakes, Plant WM, Dalton, Ga.

The key to our focus on creating a more circular economy is our focus on both minimizing waste in our operations and finding ways to turn what has historically been seen as waste into a resource – within our own operations or another industries' processes. As we focus on our 2030 goal of reducing total waste to landfills by 100 percent, as well as reducing hazardous waste by 100 percent, we have successfully shifted several traditional sources of waste into resources. For example, the wood flour – waste fiber from our hardwood flooring operations – is used by a major producer of composite decking, and the minimal waste from our resilient manufacturing facility, which will

be fully operational in 2016, will be used to make garden hoses.

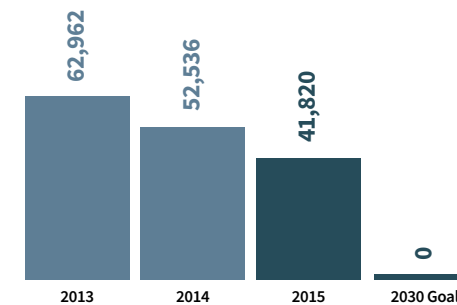
Our sophisticated Material Resource Management (MRM) system helps us consistently categorize, measure and channel waste toward the best possible use, whether that is recycling or reuse, within Shaw or through another industry. The MRM system provides detailed insight that helps identify opportunities for improvement. In 2015, our overall waste decreased by more than 70 million pounds as compared to 2014. There were zero significant spills in 2015.

TOTAL WASTE BY TYPE AND DISPOSAL METHOD* - G4-EN23



HAZARDOUS CHEMICAL WASTE DISPOSAL - G4-EN25

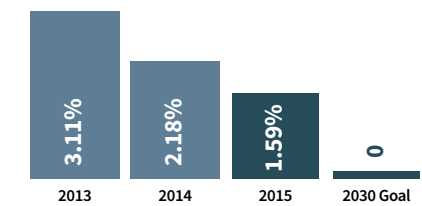
units represented in lbs.



NOTE: Hazardous waste for 2013 has been revised to align with the 2014 boundary. 2014 boundary excludes Plant 8Z where hazardous waste management and reporting is outsourced to a third party.

WASTE INTENSITY* - G4-EN25

percent lbs. landfill waste per lb. finished product



* Does not include waste from China Facility, hazardous chemical waste and non-hazardous chemical waste.

ENERGY & EMISSIONS

Shaw continues to make progress toward reducing the amount of energy and greenhouse gas emissions associated with making our flooring products. Notably in 2015, the U.S. Department of Energy (DOE) recognized Shaw for improving energy intensity by 33 percent over seven years across 105 U.S. facilities.

Shaw has participated in the DOE Better Plants program since 2009. As a result, we have revised how we measure progress toward our 2030 energy intensity goal by aligning it with the DOE program's methodology. Our goal is to reach 40 percent reduction in actual vs modeled energy intensity by 2030. As part of this update in our energy intensity modeling, we adjusted our base year energy consumption from 2006 to 2009/2010, setting a higher bar for our performance.

Thanks to progress in 2015 and the years since 2010, our actual usage was 11,377 BTUs per pound of finished product – a 15 percent improvement from our modeled energy intensity for the same year.

To learn about the Better Plants program and its energy performance methodology, visit: <http://energy.gov/eere/amo/better-plants>.

To help further reduce our energy and greenhouse gas impacts, Shaw invested more than \$1.2 million in new equipment and systems in 2015. These investments ranged from installing more efficient compressors and updating manufacturing equipment to upgrading lighting. Since 2011, this investment total is nearly \$25 million. The 2015

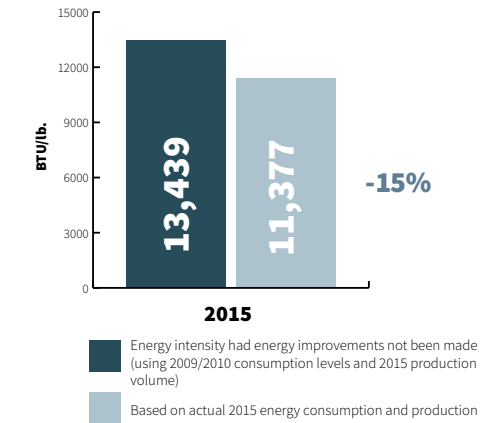
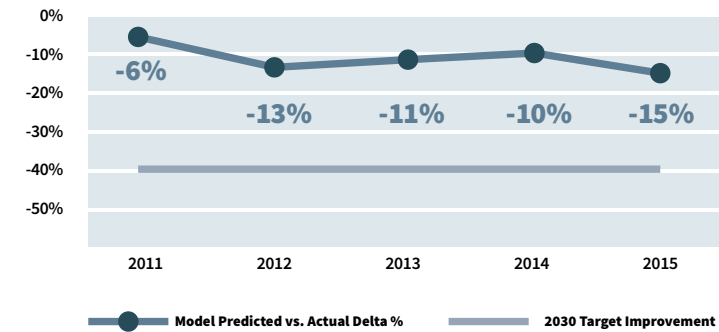
projects resulted in 39,097 GJ of energy savings, which is equivalent to 6,703 metric tons of CO_{2e}.

Additionally, Shaw's Growth & Sustainability Council recently adopted a Scope 1 and 2 carbon intensity reduction goal. The new goal formalizes a target for progress we've been reporting since our inaugural sustainability report in 2008. That goal, to reduce the amount of emissions per pound of finished product by 40 percent from 2010, will support and enhance our energy efficiency efforts.

Shaw also continued to make improvements within our sophisticated distribution network. We operate one of the nation's largest private transportation fleets with more than 800 tractors, utilizing 3,000 trailers to support 44 local and regional distribution facilities. We manage this complex network with a focus on improving efficiency and decreasing environmental impact while meeting customer deadlines. Empty trucks are inefficient trucks, therefore we partner with other logistics companies to maximize the use of our vehicle miles and help ensure that our trailers are full on return trips – even if they are not full with Shaw products. We continued to replace our heavy-duty tractor fleet with more efficient vehicles in 2015, helping improve our overall fleet miles per gallon from 6.40 in 2014 to 6.64 in 2015.

ENERGY INTENSITY IMPROVEMENT

G4-EN5



GREENHOUSE GAS EMISSIONS INTENSITY - G4-EN18

lbs. CO₂ equivalents per lb. finished product



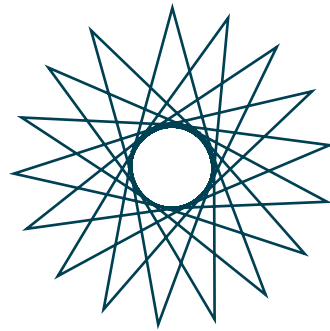
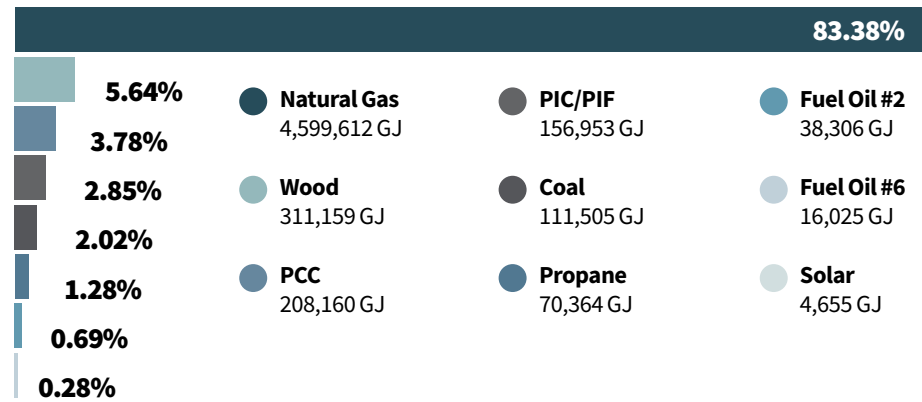
CDP SCORES*

	Disclosure Score	Performance Band
Shaw Industries	96	C
Industry Group Average	60	D



*Based on Shaw's response to the CDP supply chain questionnaire.

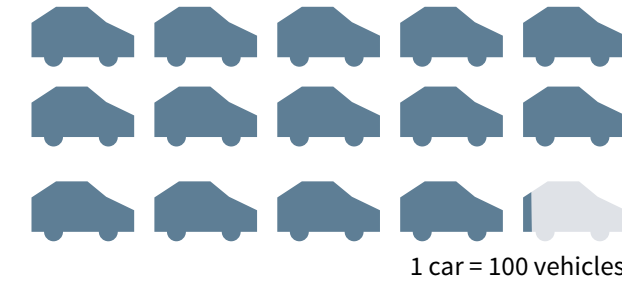
DIRECT ENERGY CONSUMPTION BY SOURCE - G4-EN3



NOTE: Transportation is not included in this metric. PCC is post consumer carpet, PIC is post industrial carpet and PIF is post industrial fiber.

ENERGY IMPROVEMENT INVESTMENT AND SAVINGS

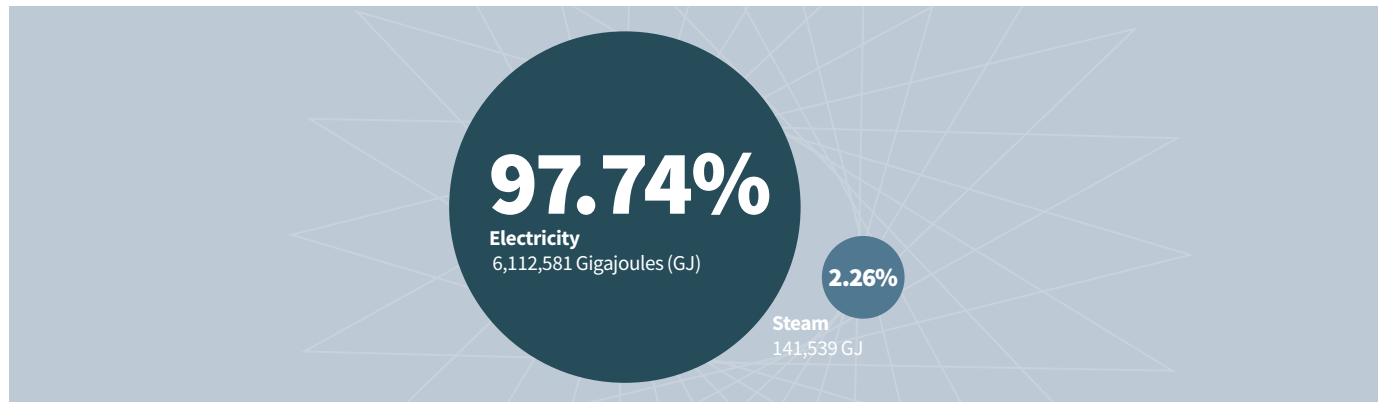
TOTAL CAPITAL INVESTMENT IN ENERGY REDUCTION: \$1,245,909



Emissions reduction equivalent to **1,411** passenger vehicles annually

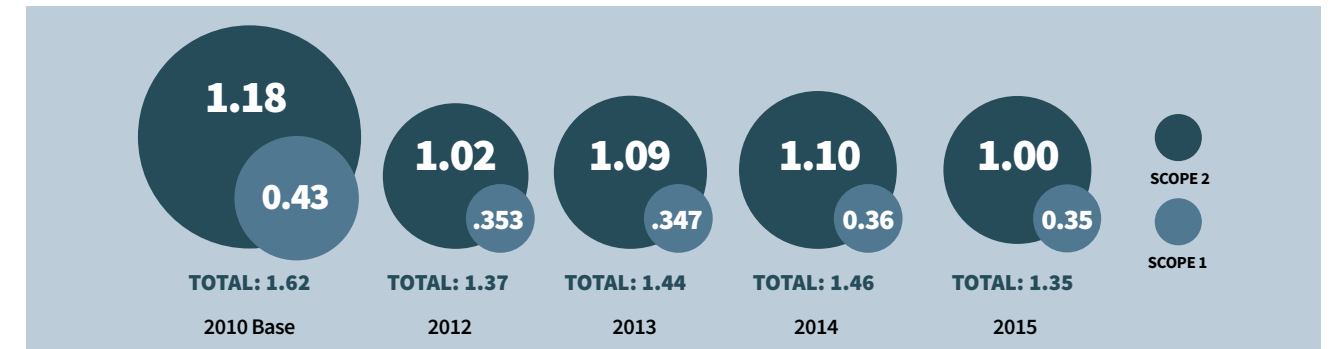
Source: epa.gov

INDIRECT ENERGY USE - G4-EN3



DIRECT & INDIRECT GHG EMISSIONS BY SCOPE & WEIGHT - G4-EN15, G4-EN16

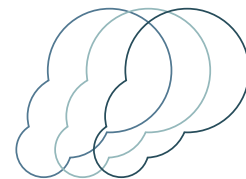
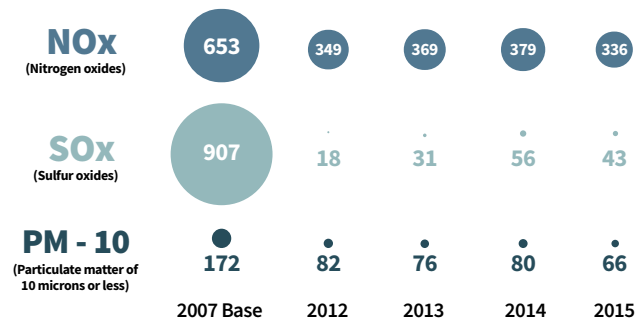
GHG in millions of metric tons of CO₂ equivalents



NOTE: This indicator was calculated using the Climate Registry General Reporting Protocol v2.0 and its associated emission factor sources, is based on operational control and includes the following gases: CO₂, CH₄ and N₂O.

CRITERIA AIR POLLUTANT EMISSIONS - G4-EN21

In Metric tons



NOTE: Emissions of selected criteria air pollutants from fossil fuel combustion in Shaw operations by weight. Does not include emissions from transportation-related energy use.



Israel Olquin, Plant 4, Dalton, Ga.

Many of Shaw's facilities are located in regions – notably North Georgia and Southern California – where droughts have impacted families and industry making water scarcity a particularly important local issue. We recognize that water is a critical natural resource essential to life itself. Water is also a necessary component of Shaw's manufacturing processes. As a result, Shaw is acutely aware of the need to be focused on minimizing the use of water in our operations. We aim to limit our water use to the greatest extent possible and have established systems to reuse water whenever possible.

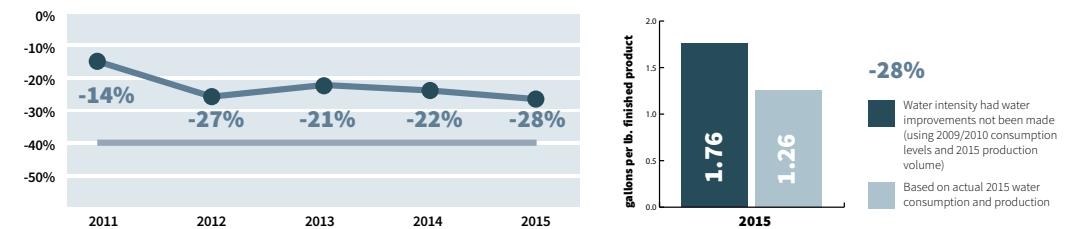
Shaw has set a goal to reach 50 percent reduction in actual versus modeled water intensity by 2030. To meet this goal, we are focused on identifying new technologies and innovative solutions to reduce water use within our operations. We measure our intensity in gallons of water used per pound of finished product. Given the inextricable link between

water and energy, our water data this year is reported in alignment with the energy and emissions data and baseline. In 2015, we used 1.26 gallons of water per pound, down from 1.35 in 2014, and achieved a 28 percent reduction in actual versus modeled water intensity in 2015.

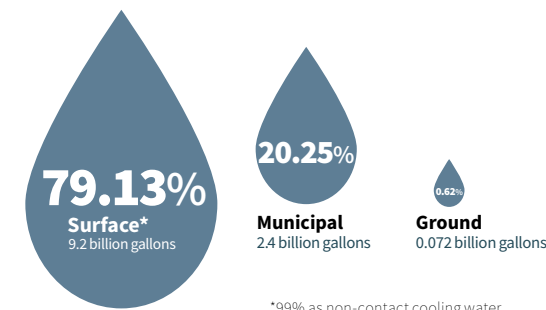
Our Tuflex manufacturing facility, located in Southern California, has won local awards for water stewardship. In 2015 Tuflex maintained its use of reclaimed water, or recycled wastewater, at more than 75 percent, while implementing a closed loop recycling system in one of our processes. Tuflex captures and filters the wash water to feed back to the application in this process. This process has allowed Tuflex to reduce total plant water usage by 5 percent.

Of our total water consumption in 2015, we recycled or reused 12.8 percent of the water brought in.

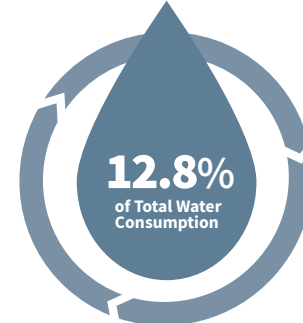
WATER INTENSITY
gallons per lb finished product



WATER WITHDRAWAL BY SOURCE - G4-EN8



% OF RECYCLED & REUSED WATER - G4-EN10





Dhruvi Patel and John Crews, Plant 94, Cartersville, Ga.

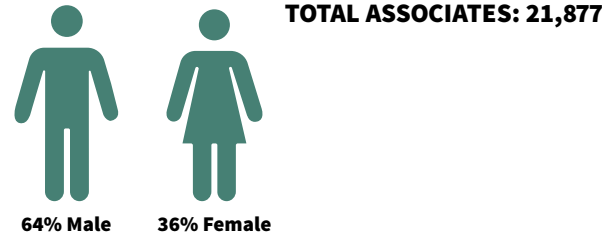
*Great people.
Great products.
Great service.
Always.*

Great people are intentionally first in our mission statement because our ability to develop and manufacture great products and to consistently provide great service depend upon it. As a result, talent management was named among the most important material issues for Shaw.

ASSOCIATES BY EMPLOYMENT TYPE, CONTRACT TYPE & GENDER

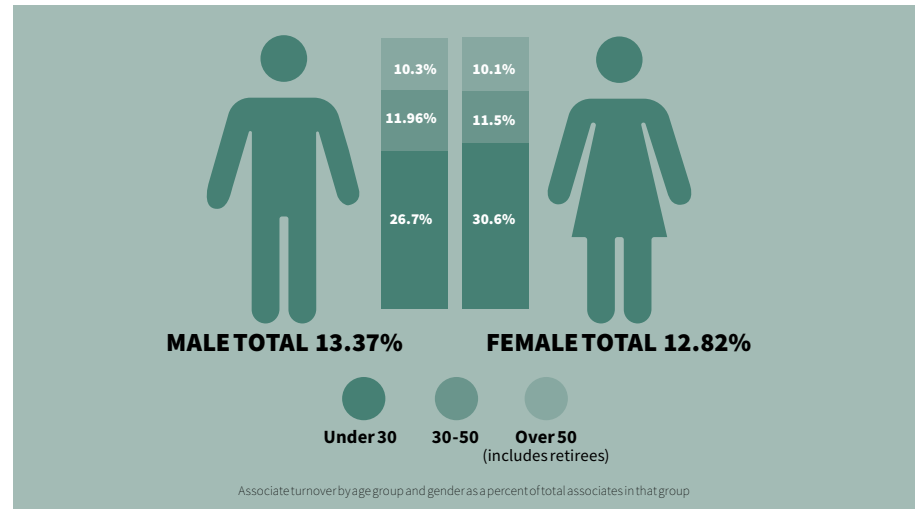
G4-9, G4-10

	U.S.		ASIA		CANADA		U.K.		AUSTRALIA		UAE		S. AMERICA		TOTAL
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
FULL-TIME	13,613	7,851	93	119	60	12	4	9	6	14	0	2	1	1	21,785
	18	7	0	0	0	0	0	0	0	0	0	0	0	0	25
PART-TIME	44	18	0	0	0	0	0	0	0	0	0	0	0	0	62
	2	3	0	0	0	0	0	0	0	0	0	0	0	0	5



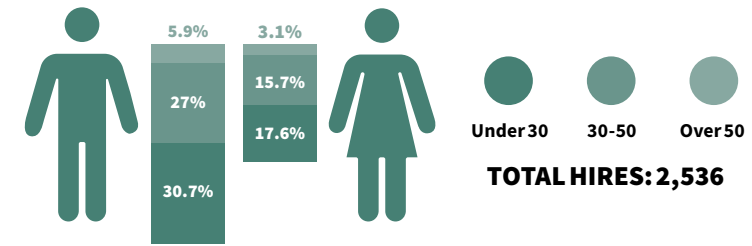
ASSOCIATE TURNOVER BY AGE & GENDER (U.S. ASSOCIATES)

G4-LA1



ASSOCIATE HIRE RATES (U.S. ASSOCIATES)

G4-LA1



Hire rate calculated as a percentage of total hires for region.

TALENT MANAGEMENT

Shaw engages in ongoing conversations with our associates to listen and respond to their needs while reinforcing company culture and vision. We purposely cultivate opportunities for connection and growth for all associates. We know that the engagement of our associates has a direct impact on our success in recruitment, training, development and retention.

In 2015, we introduced our new talent model that aligns our workforce around Shaw's business strategy. Leaders were trained on the leadership imperatives and competencies required for future success, providing associates with a clear definition of what it takes to be successful in a job, function or level – and began integrating these expectations into all talent management systems. By aligning all talent processes – from how hiring decisions are made to how associates are evaluated and compensated – with the leadership competency model, we are ensuring that our leaders demonstrate the behaviors needed to achieve our business strategy.

Shaw focuses on both communicating effectively and listening carefully. We make every effort to ensure that associates, who are at the very center of our business success, are engaged and valued. In 2015, we participated in a third-party workplace survey, conducted by Great Place to Work®. More than 1,700 associates participated in the survey. Associates rated Shaw highly for "Great Pride" (91 percent), "Great Communications" (88 percent) and "Great Atmosphere" (86 percent). Additionally, the survey revealed that 81 percent of associates are proud of how they contribute to the community, and even more say they feel a sense of pride in what they accomplish at work.

We're proud to have been named for the second year in row to Forbes America's Best Employers list.

We know that associates begin the engagement process with the company through the hiring process and their very first days at Shaw. From the start, associates are welcomed into the Shaw community, and introduced to the tools and resources available to support their long-term success.

Beginning with orientation, Shaw associates are immersed in Shaw culture and trained on the enterprise systems and processes needed to perform their jobs. From town hall meetings to informal lunches and gatherings, senior leadership maintains constant dialogue with associates. These interactions create the environment for the exchange of valuable insights, demonstration of candor and the free flow of ideas, while helping to keep associates informed, engaged and aligned with business goals.

In addition, Shaw offers a wide range of education and training to provide development and leadership opportunities (see page 41 for more information on education and training at Shaw). The development and training is supplemented by performance management processes that facilitate feedback on growth opportunities and skills that are aligned with business needs.

Shaw associates also connect through affinity groups, mentor relationships, volunteer opportunities and the community events that Shaw supports. The company's intranet serves as a virtual connection for the entire community of Shaw associates.

Our future depends on our ability to think and act in new ways. Shaw is focused on ensuring that new ideas and perspectives are not only welcomed, but encouraged and sought after. At Shaw, inclusive leadership focuses on true engagement, respect and connection between and among our associates with diverse perspectives. Our diversity and inclusion efforts focus on talent optimization, leadership skills development, and associate, customer and community engagement.

Shaw's Diversity and Inclusion strategy is set by the Corporate Diversity Council, which includes a cross-functional leadership team. The Council leads and provides oversight for organizational diversity and inclusion initiatives. In 2015, the Council continued to provide opportunities for associates to connect and support each other, Shaw's business growth and our communities. Our affinity groups for women (Women's Innovation Network or WiN) and veterans (ShawVET) continued to foster engagement within those communities and throughout Shaw.

At the local level, diversity and inclusion activities and events are developed by the local Diversity Councils, which operate at several key facilities.

Shaw's talent model includes the new leadership competency, "Demonstrating Inclusive Leadership," which embodies the values of building, managing and maintaining a diverse and inclusive workforce. It is results-oriented and stresses accountability.

Unconscious Bias Training

In 2015, Shaw offered senior leaders training on the neuroscience behind unconscious bias based on our environment and our background/experiences. In essence, the training provided a deeper understanding that unconscious bias is embedded in everything we do as leaders and people in society. This type of conceptual probing can

help leaders uncover unconscious biases of their own and help them to acknowledge them in the future, so they don't create barriers in the workplace.

Candid Conversations

The Corporate Diversity Council convened focus group discussions on candor in the workplace in 2015. These discussions included a cross-section of leaders probing a myriad of questions around candor within the organization. These interactive conversations increased awareness of the need for greater candor.

Round Table Discussions

New in 2015, "Table of Contents" round table discussions promoted awareness around current diversity issues in the workplace. Held bi-monthly with Shaw's business leaders, the facilitated discussions included topics such as family structure, gender, race, sexual orientation and religious expression in the workplace, among others. This initiative helps leaders to have a conversation around tough issues in a safe environment.

First Bilingual Toastmasters Club in GA

Shaw launched the first bilingual Toastmasters club in Georgia in 2015 with approximately 25 associates. The Bilingual Pioneers was started to facilitate the needs of bilingual individuals within Shaw to improve their communication skills in one of their two languages. By participating in the bilingual club, associates can work on improving either language within their speeches. To overcome fears of public speaking, they can perform their speeches first in their native language and, as they become more comfortable and confident then move to their second language.

Change is a constant part of life – and our business. Shifting market demands and increasingly sophisticated technology means that the work done by many of our associates today is different than it was in years past. And it will continue to change in the coming years. Ensuring that our associates are well prepared to manage change and help our company succeed while succeeding themselves is critical.

Shaw Learning Academy (SLA) is both nimble and strategic, enabling the company to adapt quickly to new market realities. Our comprehensive education and training efforts ensure that our workforce is well equipped with the technical knowledge to operate, maintain and repair our next generation manufacturing facilities. And that our human resources, marketing, IT and sales teams have the training and professional development they need at each stage of their career.

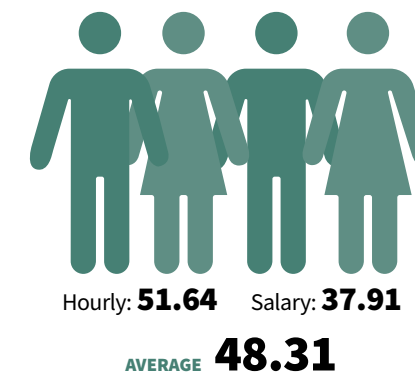
SLA is also focused on helping associates fully develop their leadership potential. Training developed and offered through SLA provides tangible ways for associates to align their skills and interests with what is needed by the business in a way that offers

greater personal and professional growth. The Shaw talent model defines the leadership behaviors required to achieve organizational success and to drive Shaw's training and development priorities.

In 2015, Shaw delivered nearly 50 hours of training per associate – for a total of more than one million hours. The quality of our programs are much more important than quantity. We're proud to have industry-leading training programs that have been consistently recognized by our associates and third parties.

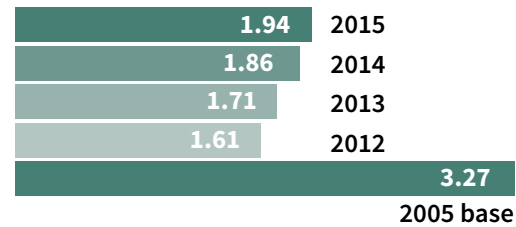
Since 2005, we have ranked in the Training Top 125. Also in 2015, we were ranked fourth in Elearning! Magazine's Learning! 100. Honored for the fifth consecutive year, Shaw was among top private sector companies cited for high performance, organizational culture, innovation and collaboration. And we were ranked among Forbes' inaugural list of America's Best Employers in 2015 (and again in 2016), thanks in part to our expansive education and training programs.

TRAINING HOURS & TRAINING HOURS PER ASSOCIATE - G4-LA9



RECORDABLE INCIDENT RATE

G4-LA6



This rate represents the number of US Occupational Safety & Health Administration (OSHA) medical recordable incidents x200,000 / hours worked.

INJURY RATE

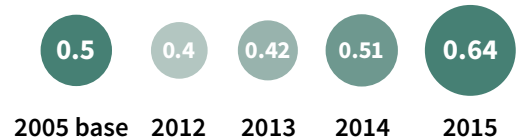
G4-LA6



This rate represents the number of US Occupational Safety & Health Administration (OSHA) recordable injuries and illnesses per 200,000 work hours.

LOST TIME CASE RATE

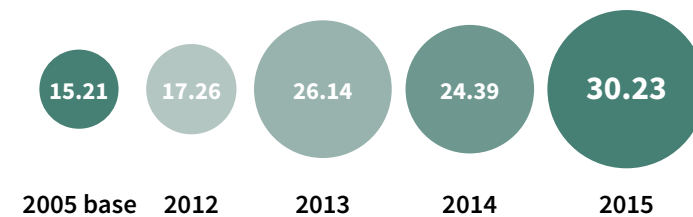
G4-LA6



This rate represents the number of OSHA recordable lost time incidents per 200,000 work hours.

LOST DAY RATE

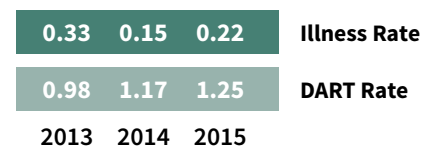
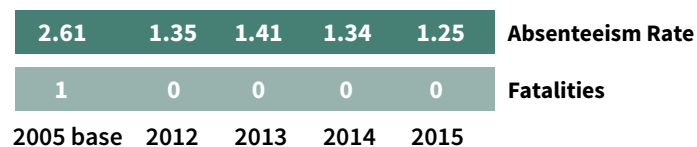
G4-LA6



Lost Day Rate (Severity Rate) is defined as the number of lost days (capped by OSHA at 180) per 200,000 work hours. Lost days are calendar days beginning the day after the reported incident.

SAFETY AND HEALTH

G4-LA6



*DART (Days Away Restricted or Transferred) is an OSHA (Occupational Safety and Health Administration) metric that identifies how many workplace injuries and illnesses require associates to miss work, perform restricted work activities or transfer to another job.

HEALTH & SAFETY

Ensuring that our associates spend their working hours in a safe environment is an important responsibility that we take very seriously. Shaw's approach to safety is comprehensive and rigorous. Our safety strategy focuses not only on the physical work environment, but also on training and creating a culture of safety.

We seek to meet or exceed all safety regulations at each facility, many of which have been recognized with awards from the Georgia Association of Manufacturers, Manufacture Alabama, South Carolina Chamber of Commerce and the National Safety Council. Our 2030 safety goal is to achieve an OSHA incident rate of zero.

Our safety performance regrettably declined in 2015 — a reminder that we must be increasingly vigilant when it comes to the health and safety of each and every one of our associates. We remain committed to providing a safe environment, and are stepping up our activities to make further progress toward our ambitious goal of zero accidents, because even one is too many. We have identified opportunities for better execution of our safety systems in 2016, including a focus on maintenance procedures and internal audits.

Safety committees help support these efforts at each of Shaw's manufacturing facilities. To ensure that every facet of our operation is included, these committees consist of representatives from every department and every shift. In 2015, 83 percent of our associates were represented in these joint safety committees. Hourly associates

comprise at least 50 percent of each committee. These committees review any safety-related incidents at their location and are responsible for identifying solutions and prioritizing next steps. They also direct implementation and follow-up.

Shaw convenes additional safety committees to address specific safety concerns for ergonomics and behavior-based safety. The Ergonomic Task Force is charged with looking closely at the posture and physical requirements within the facility. Behavior Based Safety Teams focus on identifying at-risk behaviors, developing the correct (safe) behaviors, and reinforcing those safe behaviors until they become habits.

Shaw works to make sure that safety is addressed as a priority in each ongoing and new project and initiative, through collaboration between the safety team and operations and management teams across the organization.

Shaw Management System (SMS) helps standardize safety processes and procedures such as best safety practices and equipment protocols. The SMS is based on ISO 9001, ISO 14001 and OHSAS 18001 standards. Combining our Quality, Total Productive Manufacturing, Environmental, Health and Safety systems, this unified interface helps to ensure consistency and efficiency for each process and procedure across the organization.



Christie Shelton, Camp DEM

We are deeply rooted in the communities where we live and work.

Our commitment to creating a better future with every material, every process and every action goes beyond our products and operations to our role as corporate citizen. As the largest employer in many of the communities in which we operate, we understand that our success is inextricably linked to the vitality of our communities and their residents. Our passion for what we do extends to making investments in our communities. We support national non-profits and health-focused organizations that are important to us, our associates and our customers, and in the built environment where our products make an impact.

GIVING & VOLUNTEERING



Yazleemar, at age 2, Retinoblastoma

We are deeply involved in meeting the needs within our local communities in significant ways through our involvement with the United Way. We have partnered for several years with national non-profits, such as St. Jude Children's Research Hospital, and numerous organizations that share our values and that we believe have significant positive impact on people's lives. We also have a vested interest in helping ensure that the workforce of tomorrow is prepared to meet the needs of next-generation manufacturing, further fostering economic prosperity in the communities in which we operate. We are investing in educational programs that reach students from kindergarten through college.

Shaw's commitment to our community is a source of great pride for our associates. In fact, 81 percent of our associates say they're proud of how they contribute to the community, according to our 2015 survey.

In 2015, Shaw and our associates donated more than \$4.5 million to community organizations. This includes more than \$475,000 worth of in-kind donations. Shaw associates also invested more than 67,000 hours volunteering to support a wide variety of worthy organizations in our communities. We provided our time and many types of expertise, from technical support and executive skills to painting and landscaping. We also continued to deepen our partnerships with several worthy organizations. Our signature partnerships include:

United Way

Shaw is integrally involved with the United Way, our primary local giving partner. The Shaw team serves in leadership roles and associates throughout the company support the United Way by donating both their time and resources. In May of 2015, more than 900 Shaw associates participated in the Live United Week of Service, completing 98 projects benefitting 46 United Way agencies and schools in northwest Georgia and southeastern Tennessee. In 2015, Shaw and our associates donated more than \$2.2 million to the United Way.

St. Jude

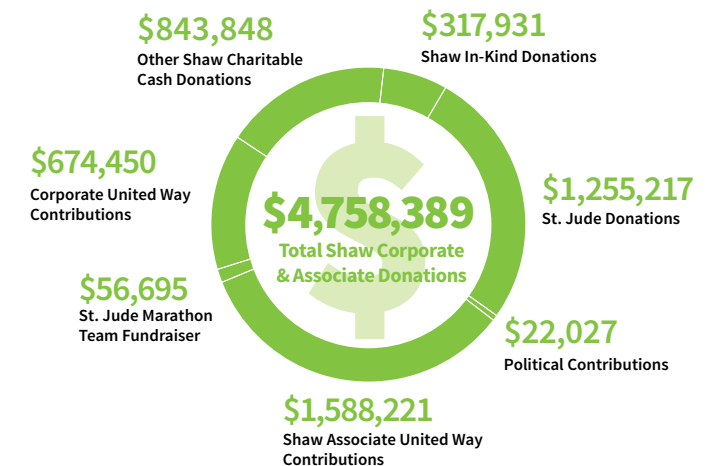
Shaw's partnership with St. Jude Children's Research Hospital is based on a shared compassion for families seeking a cure for childhood cancer and other life-threatening diseases. One of the world's premier pediatric cancer research centers, St. Jude has helped the childhood cancer survival rate from 20 percent in 1962 to 80 percent today. The hospital believes that families should only be focused on helping their child live, so families never receive a bill for treatment, travel, housing or food.

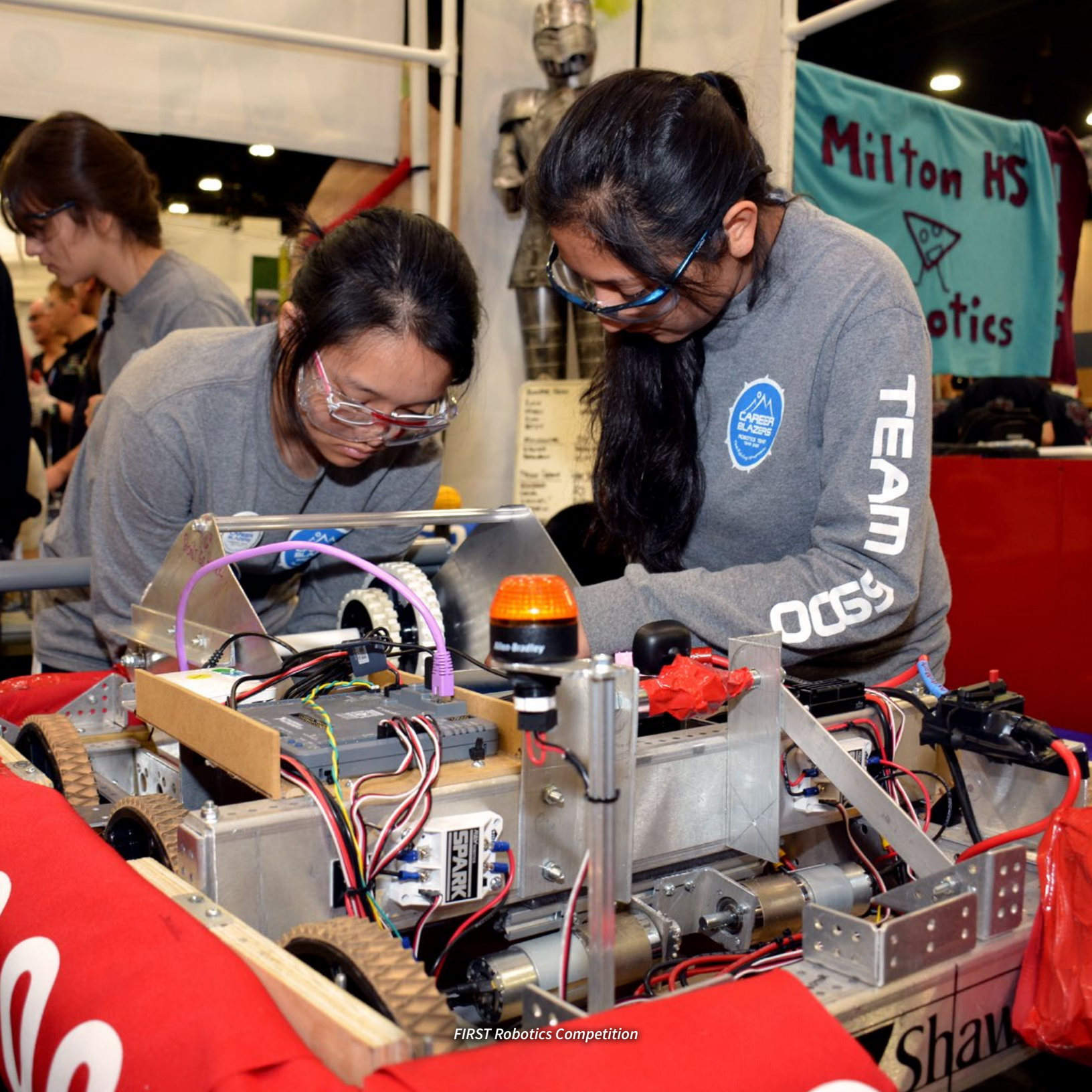
Shaw's partnership with St. Jude, which began in 2011, expanded in 2015 as we continued to support long-standing efforts including co-branded products and the St. Jude Dream Home Giveaway. Company donations from these initiatives totaled more than \$1.2 million. In addition, Shaw associates raised more than \$55,000 training for and running the St. Jude Memphis Marathon, and the company supported other St. Jude efforts through sponsorship opportunities.

CORPORATE & ASSOCIATE FINANCIAL CONTRIBUTIONS

G4-EC1, G4-EC7, G4-EC8

IN U.S. DOLLARS





FIRST Robotics Competition

At Shaw, we take a long-term approach to learning that extends far beyond the walls of the company's own operations and associates. We have developed community education partnerships that range from reading to robotics. These programs foster economic development in our communities and spur innovation while developing the workforce of tomorrow.

Shaw's operations are increasingly complex – with more than \$1 billion invested in new equipment, technology and processes over the past few years. As technology advances, Shaw and other manufacturers and businesses in our communities will be seeking the next generation of thinkers, innovators and creative problem solvers. Shaw is investing in programs to help ensure that our workforce will be prepared and our communities will continue to thrive.

Shaw community training investments include a focus on science, technology, engineering and math (STEM). Shaw helped develop and implement a free, week-long, STEM-focused summer camp for middle school students. These students learn about career opportunities in manufacturing, and get hands-on experience with rapid prototyping, electronics, laser integrated design, robotics, energy and carpet design. Hosting 29 students in its first year, the program has grown to accommodate more than 120 students in 2015 and encourages female participation.

To support STEM education in high school, Shaw was instrumental in developing the Mechatronics Pathway for Georgia high schools, including writing the standards approved by the Department of Education for use at college and career academies

across the state. We provide ongoing support for the College and Career Academies in northwest Georgia by providing guest speakers, and funding for laboratories and projects – among other efforts to help ensure that our next generation has the necessary skills to compete in the 21st Century global economy.

In 2015, we began participating in the Great Promise Partnership, which helps high school students earn their diplomas through paid, on-the-job training while emphasizing real-world skills, mentoring and goal setting. We introduced our first formal apprenticeship program for high school students focused on mechatronics and advanced manufacturing careers, and we extended our broad educational partnership program to include mentoring and sponsorship of FIRST® Robotics Competition and FIRST® Tech Challenge events and/or teams in Georgia.

Supporting professional development after high school, we continued our Project SEARCH internship program, an intensive work skills developmental program designed to facilitate a successful post high school transition to the workforce for young adults with disabilities.

And we worked with the Georgia Governor's Office of Workforce Development and others to launch the Fast Track Innovation Program. Shaw selects qualified associates for the 10-week training, preparing them to fill entry-level industrial maintenance jobs. Through classroom teaching, computer-based learning and lab instruction at Georgia Northwestern Technical College, participants learn mechanical, electrical, and maintenance skills.



Shaw Hospitality, Noble Materials, Broadloom / Custom Rug



Shaw Floors, Dodge City, Tile & Stone

ABOUT THIS REPORT

Data Measurement & Information Integrity

Shaw Industries Group, Inc. and our management are responsible for the preparation and integrity of the information provided in this 2015 corporate sustainability report. Through an internal audit and quality control process that includes reviews by internal subject matter experts, we believe this information accurately represents our environmental, social and economic impacts in 2015. The disclosures based on the GRI G4 Sustainability Reporting Framework are used as the basis of data measurement and calculation for the performance indicators in this report where applicable. Operational definitions for each indicator are outlined in the report. The Climate Registry General Reporting Protocol, which embodies GHG accounting best practices, is used for the calculation of GHG emissions (see pages 30-33).

Reporting Cycle

Our sustainability reporting follows an annual cycle based on the calendar year. This report covers January 1, 2015 to December 31, 2015. Our most recent sustainability report was published in 2015 for the calendar year 2014. 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.

Sustainability Governance & Management Approach

Shaw's top governance body includes the CEO and president of Shaw Industries Group, Inc., and the CFO of Berkshire Hathaway, Inc. Executive compensation is linked to the company's annual performance.

Shaw's 26-member Growth and Sustainability Council is responsible for oversight of the company's economic, environmental, and social performance. The council includes our CEO, CFO, president and executive vice president of operations, and most senior leadership from all areas of the company. The committee is responsible for

establishing goals and developing strategies that incorporate sustainability into Shaw's innovative products and services.

Shaw's sustainability performance is measured and reported against key social, environmental and economic goals and objectives established by the Growth and Sustainability Council mentioned above.

Our progress and performance is shared with all stakeholders through this annual corporate Sustainability Report.

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

- The vast majority of Shaw associates are not covered by collective bargaining agreements. However, Shaw's Spectra™ Contract Flooring division is a signatory on a number of collective bargaining agreements.
- There were no significant changes in size, structure, ownership or supply chain in 2015.
- This 2015 report does not include restatements of information from prior reports, except where noted.
- This 2015 report does not include changes in scope and aspect boundaries from prior reports.
- In 2015, we had no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling.
- 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 2015.
- Deloitte & Touche LLP assures this Sustainability Report. The corresponding external assurance statement is on page 59.
- All references to currency are in U.S. dollars.

AWARDS & RECOGNITION

Corporate

Learning 100! - *Elearning!*

Training Magazine 125

America's Best Employers (8th) - *Forbes*

Great Places to Work Certified

The Manufacturing Institute STEP Ahead Awards:
LaRuthie Holder, Kim Seijo and Erika Swartz

100 Most Influential: Vance Bell - *Georgia Trend*

Circulars Finalist: Paul Murray

USGBC LEED: Plant 72, Plant CN, Shaw Family Health Center

SKA: SCG London Showroom

EPA ENERGY STAR: Plant 72

Supplier of the Year: Specialty Markets Division
- *Manufactured Housing Institute (MHI)*

Safety Performance Award
- *Georgia Association of Manufacturing*

Safety Award
- *South Carolina Chamber of Commerce*

GreenStep Pinnacle Award – Honorable Mention – recognizing Shaw's holistic approach to sustainability
- *Floor Covering Weekly*

Best in Environmental Leadership (6th consecutive year/every year awarded)
- *Floor Covering News*

Product

Floor Covering News

- Award of Excellence: Best overall manufacturer (for 6th time)
- Best Manufacturer in Carpet Group A
- Best Small Mill Carpet Manufacturer (Tuftex)

Floor Covering Weekly ReCo Awards

- Top Laminate Brand
- Top Carpet Brand
- Top Hardwood Brand
- 5th among Vinyl Brands
- 7th among Ceramic Tile Brands

Floor Covering Weekly

- Green Step Product Award for the Life Happens Collection featuring LifeGuard

Floor Focus Retailer Survey (July 2015)

- Shaw Hardwood/Anderson: 1st in Service, 1st in Design, 2nd in Quality
- Carpet: 1st in Service, 1st in Design, 1st in Quality
- Laminate: 2nd in Service, 3rd in Design, 3rd in Quality

NeoCon 2015

- Carpet: Modular: Innovation: Patcraft – Deconstructed Metal
- Healthcare Flooring: Gold: Patcraft – Life & Style

Tuftex, Impressions, Broadloom / Custom Rug



Patcraft, Deconstructed Black, Carpet Tile

MEMBERSHIPS/PARTNERSHIPS

- Carpet and Rug Institute™
- Carpet America Recovery Effort
- Cleaning Industry Research Institute
- Clean Production Action
 - BizNGO
 - Green Screen for Safer Chemicals
- The Climate Registry®
- The Cradle to Cradle Products Innovation Institute
- The Conference Board®
- EHS Roundtable
- Floor Covering Industry Foundation
- Georgia Association of Manufacturers
- Georgia Chamber of Commerce
- Georgia Clean Air Campaign
- Hardwood Federation
- Hardwood Forestry Fund
- Hardwood Plywood and Veneer Association
- HGTV®
- International Interior Design Association
- International Living Futures Institute
- Make It Right® Foundation
- Masco Environments for Living®
- Manufacture Alabama
- McDonough Braungart Design Associates
- National Association of Manufacturers®
- National Safety Council
- National Wood Flooring Association®
- North American Laminate Flooring Association
- Public Architecture
- Resilient Floor Covering Institute
- Scientific Certification Systems
- St. Jude Children's Research Hospital
- South Carolina Manufacturers Alliance
- UL Environment
- United States Department of Energy Better Buildings, Better Plants Program
- United States Environmental Protection Agency (EPA) SmartWay® Transport Partnership
- United States EPA WasteWise
- U.S. Green Building Council®
- United Way®
- World Green Building Council



Shaw Floors, Mineral King, EPIC® Plus Engineered Hardwood



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**Board of Directors
Shaw Industries Group, Inc. and Subsidiaries
Dalton, Georgia**

We have reviewed the accompanying Corporate Sustainability Report of Shaw Industries Group, Inc. (the "Company") for the year ended December 31, 2015. The Company's management is responsible for the Corporate Sustainability Report.

We conducted our review in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review consists principally of applying analytical procedures, considering management assumptions, methods, and findings, and making inquiries of and evaluating responses from persons responsible for corporate sustainability and operational matters. It is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Corporate Sustainability Report. Accordingly, we do not express such an opinion. A review of the Corporate Sustainability Report is not intended to provide assurance on the entity's compliance with laws or regulations.

The preparation of the Corporate Sustainability Report requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The selection of different but acceptable measurement techniques can result in materially different measurements. Different entities may make different but acceptable interpretations and determinations. The Corporate Sustainability Report includes information regarding the Company's corporate sustainability initiatives and targets, the estimated future impact of events that have occurred or are expected to occur, commitments, and uncertainties. Actual results in the future may differ materially from management's present assessment of this information because events and circumstances frequently do not occur as expected.

Based on our review, nothing came to our attention that caused us to believe that the Corporate Sustainability Report does not include, in all material respects, the required elements of the Global Reporting Initiative G4 Sustainability Reporting Framework under its "In Accordance Level Core"; that the 2015, 2014, 2013, 2012, and 2011 data included therein have not been accurately derived, in all material respects, from the Company's records, or that the underlying information, determinations, estimates, and assumptions of the Company do not provide a reasonable basis for the disclosures contained therein.

The comparative disclosures for periods prior to 2011 were not reviewed by us and, accordingly, we do not express any form of assurance on them.

Deloitte + Touche LLP

June 22, 2016

The Global Reporting Initiative (GRI) produces the world’s most comprehensive sustainability reporting framework to facilitate greater organizational transparency. The framework, including the reporting guidelines, sets out the principles and indicators organizations can use to measure and report their economic, environmental and social performance. This Report is organized and presented in accordance with the GRI G4 guidelines, using the “Core” option. Deloitte & Touche LLP has provided a limited level of assurance on our sustainability report as a whole. See statement of assurance on page 59.

GENERAL STANDARD DISCLOSURES		
GENERAL STANDARD DISCLOSURES	DESCRIPTION OF INDICATOR	PAGE #
STRATEGY & ANALYSIS		
G4-1	CEO letter	P. 5
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization.	P. 6
G4-4	Primary brands, products and services.	P. 10-11
G4-5	Location of organization’s headquarters.	P. 6
G4-6	Countries where the organization operates.	P. 6
G4-7	Nature of ownership and legal form.	P. 6
G4-8	Markets served (including geographic breakdown, sectors served and types of customers and beneficiaries).	P. 6
G4-9	Scale of the organization.	P. 6-8, 39
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G4-11	Percentage of employees covered by collective bargaining agreements.	P. 53
G4-12	Description of organization’s supply chain.	P. 27
G4-13	Significant changes to the organization’s size, structure, ownership or supply chain.	P. 53
G4-14	The organization addresses the precautionary approach.	P. 17-19
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives.	P. 57
G4-16	Memberships & associations.	P. 57
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Entities included in financial statements.	P. 6
G4-18	Process for defining report content and aspect boundaries.	P. 12
G4-19	List of material aspects.	P. 12-13
G4-20	Internal aspect boundaries for each material aspect.	P. 13
G4-21	External boundaries for each material aspect.	P. 13
G4-22	Disclosure on restatements from prior reports.	P. 53
G4-23	Significant changes in scope and boundary from prior reports.	P. 53

GENERAL STANDARD DISCLOSURES			
GENERAL STANDARD DISCLOSURES	DESCRIPTION OF INDICATOR		PAGE #
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups.		P. 12
G4-25	Basis for identifying stakeholder groups for engagement.		P. 12-13
G4-26	Approach to stakeholder engagement.		P. 12-13
G4-27	Key topics raised by stakeholder engagement and responses.		P. 12-13
REPORT PROFILE			
G4-28	Reporting period.		P. 53
G4-29	Date of most recent report.		P. 53
G4-30	Reporting cycle.		P. 53
G4-31	Contact point for questions regarding the report or its contents.		P. 53
G4-32	“In accordance rather than ’ option and GRI Content Index.		P. 60
G4-33	External assurance.		P. 59
GOVERNANCE			
G4-34	Organizational governance structure.		P. 53
G4-36	Executive-level position with responsibility for economic, environmental and social topics.		P. 53
ETHICS AND INTEGRITY			
G4-56	Organizational values, principles, standards and norms of behavior.		P. 7
SPECIFIC STANDARD DISCLOSURES			
DMA AND INDICATORS	PAGE OR LINK/DIRECT ANSWER	OMISSIONS	PAGE #
CATEGORY: ENVIRONMENTAL			
ASPECT: MATERIALS			
G4-DMA	Disclosure of Management Approach - Materials		P. 19
G4-EN1	Materials used by weight or volume.		P. 19
G4-EN2	Percentage of materials used that are recycled input materials.		P. 19
ASPECT: ENERGY			
G4-DMA	Disclosure of Management Approach - Energy		P. 30
G4-EN3	Energy consumption within the organization.		P. 32
G4-EN5	Energy intensity.		P. 31
G4-EN6	Reduction of energy consumption.		P. 30

INDICATORS	DESCRIPTION OF INDICATOR	OMISSIONS	PAGE #
CATEGORY: ENVIRONMENTAL			
ASPECT: WATER			
G4-DMA	Disclosure of Management Approach - Water		P. 35
G4-EN8	Total water withdrawal by source.		P. 35
G4-EN10	Percentage and total volume of water recycled and reused.		P. 35
ASPECT: EMISSIONS			
G4-DMA	Disclosure of Management Approach - Emissions		P. 30
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).		P. 33
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).		P. 33
G4-EN18	Greenhouse gas (GHG) emissions intensity.		P. 31
G4-EN19	Reduction of greenhouse gas (GHG) emissions.		P. 30
G4-EN21	NOx, SOx and other significant air emissions.		P. 32
ASPECT: EFFLUENTS AND WASTE			
G4-DMA	Disclosure of Management Approach - Effluents and Waste		P. 29
G4-EN23	Total weight of waste by type and disposal method.	Does not include China plant, hazardous waste (which is reported under G4-EN25), and nonhazardous chemical waste (due to missing data on disposal methods of this type of waste).	P. 29
G4-EN24	Total number and volume of significant spills.		P. 29
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous.	Hazardous waste is reported as aggregate and not broken down by transportation method, since Shaw has no visibility on this type of information from the external vendors who manage the company's hazardous waste.	P. 29
ASPECT: PRODUCTS AND SERVICES			
G4-DMA	Disclosure of Management Approach - Products and Services		P. 19
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.		P. 19-21
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.		P. 19
CATEGORY: SOCIAL			
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA	Disclosure of Management Approach - Product Responsibility		P. 21
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.		P. 21
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services.		P. 53

INDICATORS	DESCRIPTION OF INDICATOR	OMISSIONS	PAGE #
CATEGORY: SOCIAL			
ASPECT: PRODUCT AND SERVICE LABELING			
G4-DMA	Disclosure Of Management Approach - Product and Service Labeling		P. 21
G4-PR3	Product and service information labeling.		P. 21
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		P. 53
G4-PR5	Results of surveys measuring customer satisfaction.		P. 12
ASPECT: MARKETING AND COMMUNICATIONS			
G4-DMA	Disclosure of Management Approach - Marketing and Communications		P. 25
G4-PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.		P. 25
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes.		P. 23
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
ASPECT: EMPLOYMENT			
G4-DMA	Disclosure of Management Approach - Employment		P. 39
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.		P. 38
ASPECT: TRAINING AND EDUCATION			
G4-DMA	Disclosure of Management Approach - Training and Education		P. 41
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Reporting on this disclosure does not cover breakdown by region or by gender or employee category. This data is currently unavailable. Systems will be in place to collect and report on this data within the next 3-5 years.	P. 41
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		P. 41
ASPECT: OCCUPATIONAL HEALTH & SAFETY			
G4-DMA	Disclosure of Management Approach - Occupational Health and Safety		P. 43
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.		P. 43
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Reporting on this disclosure does not include breakdown by region or gender. This data is currently unavailable. Systems will be in place to collect and report on this data within the next 3-5 years.	P. 42

INDICATORS	DESCRIPTION OF INDICATOR	OMISSIONS	PAGE #
CATEGORY: ECONOMIC			
ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	Disclosure of Management Approach - Economic Performance		P. 47
G4-EC1	Corporate Financial Contributions	Economic value distributed is omitted. Not applicable: As a privately held subsidiary, Shaw's economic information is proprietary.	P. 47
ASPECT: INDIRECT ECONOMIC IMPACTS			
G4-DMA	Disclosure of Management Approach - Indirect Economic Impacts		P. 47
G4-EC7	Development and impact of infrastructure investments and services supported.		P. 19, 47
G4-EC8	Significant indirect economic impacts, including the extent of impacts.		P. 47
ASPECT: PROCUREMENT PRACTICES			
G4-DMA	Disclosure of Management Approach - Procurement Practices		P. 27
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.		P. 27

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