



SHAW INDUSTRIES
SUSTAINABILITY
REPORT
2013

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SUSTAINABLE BUSINESS STRATEGY

- 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

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.

On The Cover: Shaw Contract Group, Beyond the Fold, Carpet Tile



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DEAR STAKEHOLDER,

It is with great optimism that I introduce our latest Sustainability Report.

A rebound of the housing market marked 2013, our industry's first year of strong recovery since the Great Recession. This more positive environment has encouraged Shaw to grow and invest even more in sustaining our company for the long-term. Throughout this report, you will learn about our protection of and efficient use of resources, our efforts to continue to drive innovation into the business, our engagement with all of our key stakeholders, and our assurance of long-term financial success.

As Shaw demonstrated with strategic investments in 2013, we are bullish about the long-term future of our company, the success of our customers, our people and our communities – and the very future of manufacturing in America and around the world. With so much of our national conversation today rightly focused on the revival of manufacturing, Shaw and the flooring industry have much to offer in this discussion.

Manufacturing is the foundation of economic security, environmental sustainability and a country's standard of living. In the United States, it employs two-thirds of scientists and engineers, produces 90 percent of U.S. patents, and represents more than half of our country's research and development. And perhaps most importantly today, manufacturing produces both the goods and the jobs that sustain communities.

While many American industries have moved outside of the United States, flooring manufacturing has predominately remained in the Southeastern U.S. Our region represents the sort of manufacturing hub that other industries seek to replicate today. We enjoy a trained workforce, robust infrastructure and the benefits of design, engineering, production, and service collaborating in close proximity to build greater opportunities for innovation. Shaw has thrived for more than 45 years in the sort of integrated manufacturing ecosystem others are now trying to recreate.

A boom in less expensive energy that provides a competitive advantage globally is – quite literally – fueling the revival of American manufacturing. Our country, our industry and our company require investment in order to sustain the revival. Among the most important investments are advanced technology and workforce development.

In 2013, our company invested or announced investments in facilities and technology of \$100 million in luxury vinyl tile manufacturing, \$85 million in carpet tile manufacturing, \$65 million in hardwood flooring manufacturing, \$45 million in fiber extrusion manufacturing and \$55 million in a more robust distribution network. Our investments extended globally with the opening of a new carpet tile manufacturing facility in Nantong, China to support the Asia Pacific market.

Creating opportunity for our associates and the communities where we operate is directly tied to investing in this growth. Our recent expansions have already created 736 new jobs in the U.S. as well as 100 new jobs in China. Over the next two years as these new projects are realized, we will see more than 1,000 new jobs created to support this progress. At the nexus of technology and infrastructure investment and job creation is a critical challenge for manufacturing: workforce development. It is vital to thriving communities.

With an increased use of automation, most jobs at Shaw – like most manufacturing employment – require higher skill levels than in previous years. Shaw has driven an expansive array of education programs to provide students from early education through college with skills and training – from reading to robotics – necessary to take advantage of the next generation of manufacturing jobs.

As you will read in this report, our company supports free STEM-focused summer camps for middle school students, develops mechatronics curriculum for high school students, and funds state-of-the-art labs in high schools. These are the type of innovative programs where our company and industry can collaborate with local communities to cultivate the workforce of the future in order to foster economic growth.

In 2013, we continued our journey of sustaining our organization for the long-term. We are pleased to share with you – all of our stakeholders – our commitment to creating a better future for our customers, our people, our company, and our communities.



Vance D. Bell
Chairman and CEO
Shaw Industries Group, Inc.

CORPORATE PROFILE

The world's largest carpet manufacturer and a leading floorcovering provider, Shaw Industries Group, Inc. is a vertically integrated manufacturer that supplies carpet, hardwood, laminate, resilient, tile, and stone flooring products and synthetic turf to residential and commercial markets worldwide.

A wholly owned subsidiary of Berkshire Hathaway, Inc. with approximately \$4.8 billion (USD) in annual sales and approximately 23,000 associates, Shaw is headquartered in Dalton, Georgia, with salespeople and/or offices located throughout the U.S., as well as Australia, Canada, China, India, Mexico, Singapore, and the United Kingdom.



● 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.

CORPORATE OBJECTIVES

- The health and safety of our associates.
- Growing our business and exceeding our customers' expectations.
- Serving as the employer of choice for a talented and diverse workforce.
- World-class performance in key business metrics.
- Innovation leadership.
- Sustainability and environmental leadership.
- Exceeding Berkshire Hathaway's expectations for return on investment.

2013 BY THE NUMBERS

22,686
associates worldwide

3,187
associates hired*

736
jobs created*

312
associate lay-offs*

1
facility closings

0
changes to capital structure

*U.S. only

BRANDS

A vertically integrated, fully aligned flooring manufacturer, we produce many of our own ingredient materials as well as branded flooring solutions for the commercial, residential, and specialty markets.

MARKET BRANDS



INGREDIENT BRANDS



AWARDS

PEOPLE

Training

2013 Learning 100 List – *eLearning*

Training Top 125 – *Training*

Top 50 Companies to Sell For – *Selling Power*

College and Career Academy Business Partner of the Year – State of Georgia

Safety

Industry Leader Award – The National Safety Council

Occupational Excellence Achievement Award – The National Safety Council

2013 GAM Safety Performance Contest – Georgia Association of Manufacturers

Community

New Corporate Partner of the Year – St. Jude Children's Research Hospital

Green Step/Promotion Award for work with St. Jude Children's Research Hospital – *Floor Covering Weekly*

Chairman's Award – United Way of Northwest Georgia

Five Star United Way Champion Award – United Way of Northwest Georgia

OPERATIONS

Best Carpet Manufacturer – *Floor Covering News* and the World Floor Covering Association

Best in Environmental Leadership – *Floor Covering News* and the World Floor Covering Association

Good Corporate Citizen Certificates of Recognition, Shaw's Tuftex Division – The Sanitation Districts of Los Angeles County

PRODUCT

Legacy Leader Award – Cradle to Cradle Products Innovation Institute

Best Overall Business Experience – *Floor Focus Designer Survey*

Best of NeoCon –

- Shaw Contract Group's Hexagon Carpet Tile
- Shaw Commercial Hard Surface's Chordinates Commercial Sheet for Healthcare
- Patcraft's Design Catalyst Resilient Flooring

Top Carpet Supplier in the areas of Quality, Service, Merchandise Support, Price, Product Availability, Consumer Preference, Advertising, Claims Management, and Training – *Floor Covering Weekly ReCo Market Intelligence Report*

Favorite Carpet Manufacturer in the areas of Service & Quality – *Floor Focus Contract Dealer Survey*

Favorite Carpet Manufacturer in the areas of Service, Quality, Design and Value – *Floor Focus Designer Survey*

Green Step Award for Caress Product – *Floor Covering Weekly*

Best of Year Award for Shaw Contract Group's Hexagon Flooring – *Interior Design*

Nightingale Gold Award for Patcraft's Butterfly Effect – *Contract*, The Center for Health Design & The Healthcare Design Conference

Hardwood: Service & Design Leader – *Floor Focus Retailer Survey*

Carpet: Service, Quality, & Design Leader – *Floor Focus Retailer Survey*

Top Carpet Brand – *Floor Covering Weekly ReCo Market Intelligence Report*

Top Laminate Brand – *Floor Covering Weekly ReCo Market Intelligence Report*

Best of Year Editors Choice for Patcraft's Deconstructed – *Interiors & Sources*

| APPROACH TO STAKEHOLDERS |

Passion for our customers and associates drives our business and shapes our decisions. Shaw is a market-driven company that asks every day: What will benefit our customers? We ask the same question in regard to our associates because we value and invest in our relationships with them. As a result, we have many lifelong – even multigenerational – relationships with both customers and associates.

In prioritizing customers and associates, we recognize that our business plays an important role in the local communities where they live and work. We also acknowledge our role in our industry and in the global community. So we focus on building and maintaining relationships within our communities, with government agencies and regulators, with our suppliers, with other industry leaders and with non-governmental organizations. Together, these stakeholders and their leaders help shape the communities in which we all live and work.

Shaw is committed to having a two-way conversation with our stakeholders. We realize the importance not just of talking, but also of listening. By asking for feedback and sharing news about our efforts and intentions, we demonstrate our commitment to open communication and to conducting our business with the needs of our stakeholders in mind. For example, the results of our associate survey have led to new programs focused on diversity, training and leadership.

The fabric of our stakeholder engagement is woven with countless daily interactions supported by more structured and strategic engagement programs. In a day of the life of our company, you might see senior leaders conducting small-group lunch conversations with associates in manufacturing plants; customer service associates answering concerns and questions; associates – from trainees to leaders – engaging in industry-leading

training; Shaw leaders helping to shape voluntary industry standards and legislative and regulatory policy; and associates serving in the local community.

Below are 2013 highlights of our ongoing structured engagement with stakeholders:

- Surveying associates annually
- Actively participating in community, industry, trade and non-governmental organizations and groups
- Hosting the biannual convention for Shaw Flooring Network aligned dealers
- Convening roundtables and advisory panels with customers and suppliers to focus on product design, supply chain, sustainability, innovation and more
- Inviting open feedback from customers and market leaders through focus groups, market research and surveys
- Holding one-on-one meetings with customers, community leaders and government representatives
- Offering on-site visits and tours of our facilities
- Participating in major industry events such as NeoCon, Hospitality Design, Greenbuild and Living Future among others; and residential market customer events in eight major cities across the U.S.
- Convening strategic sustainability discussions at the Berkshire Hathaway Sustainability Summit and the Cradle to Cradle Users Group

Shaw has developed many programs and projects in response to stakeholder feedback, the details of which are outlined in this report.



DEAR STAKEHOLDER,

Shaw's long-standing commitment to sustainability is the legacy of leadership upon which we aim to build every day. Our 2013 Sustainability Report captures another year of that progress - including ever-increasing product transparency and a continued commitment to rigorous Cradle to Cradle protocols.

In 2013, we finalized a Health Product Declaration (HPD) and Environmental Product Declaration (EPD) for our EcoWorx® carpet tile - the first fully recyclable, non-PVC carpet tile backing and the backbone of Shaw carpet tile products for more than a decade. Designed to create a clear and transparent report for identifying the contents and associated health or environmental hazards for building materials, HPDs and EPDs allow manufacturers to self-declare product content into one of three categories: intentional ingredients, residuals or hazards.

This is just the most recent step in our company's commitment to transparency and product stewardship, complementing Shaw's now decade-long commitment to designing according to Cradle to Cradle principals. We believe Cradle to Cradle along with HPDs and EPDs are a powerful combination. Cradle to Cradle puts the list of ingredients made transparent by HPDs and EPDs into context and provides an assessment of impacts that may not readily be apparent based upon an HPD or EPD alone. For more information on HPDs and EPDs, see page 52.

The focus of Cradle to Cradle on material health, material reutilization, water and energy stewardship, and social fairness continues to guide our product development and our overall operations. This framework for our holistic approach to sustainability causes us to continually rethink and redesign our future based upon an economy that is increasingly circular and less linear.

That spirit of continuous improvement drives our approach to material reutilization. We have led our industry in reclaiming and recycling more than 700 million pounds of carpet since 2006 via a portfolio of recycling processes that leverage our expansive recycling network and take-back programs.

In 2013, we continued to focus on expanding our ability to recycle all types of carpet fiber. In order for carpet recyclers to sustain their operations, they need to have an outlet for all types of end-of-life carpet. So processing all carpet fiber types is critical to sustaining the reclamation network and preventing end-of-life carpet from reaching landfills. We're making significant progress in this realm and see even greater opportunity on the horizon.

Our holistic approach to sustainability also has resulted in:

- The installation of solar panels at our carpet tile manufacturing facility in Cartersville, Georgia
- Opening a sustainable designed carpet tile manufacturing facility in Nantong, China
- Opening the Shaw Family Health Center to provide quality, affordable healthcare to our associates in Northwest Georgia

Additional details regarding these and other efforts can be found throughout this report.



Paul Murray
Vice President, Sustainability & Environmental Affairs
Shaw Industries Group, Inc.



| 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 senior-most leadership from all areas of the company. The committee is responsible for establishing goals and developing strategies that build on Shaw's three pillars of sustainability: corporate citizenship and social responsibility; operational and environmental excellence; and innovative products and services.

Another way Shaw manages the company with a focus on sustainable practices is through the Shaw Management System and the SUM2 scorecard. These tools help collect operational, environmental and social performance data that we can measure and map to identify areas that need attention as well as those that have made improvements. Each business unit, including operations, human resources, research and development, and sales and marketing, reports its results on a performance scorecard. The scorecards offer a best practice framework and key performance indicators (KPIs) for all aspects of each business unit's operations, including environmental and social responsibility. Many of the tracked KPIs appear in this report.

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.

2030 SUSTAINABILITY GOALS

- Reduce energy intensity 40%
- Reduce total waste to landfills 100%
- Reduce hazardous waste 100%
- Reduce water intensity 50%
- Achieve an OSHA incident rate of ZERO
- Design 100% of our products to Cradle to Cradle protocols

SOCIAL



ASSOCIATES

Shaw is dedicated each day to recruiting, training, developing and supporting our associates so that collectively, we continue to grow and improve. Happy, healthy associates with the skills and expertise to support the business are critical for the future of our company.

The Shaw family now includes nearly 23,000 associates around the world. Each of these individuals brings unique expertise and perspective, whether in design or accounting, engineering or healthcare, to make Shaw a great place to work.

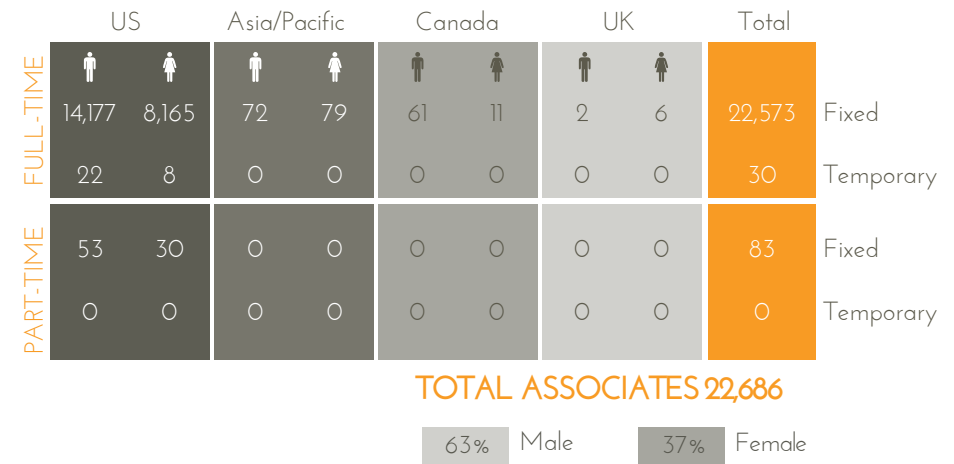
In 2013, Shaw welcomed more than 100 associates at the new plant in Nantong, China as our international workforce continued to expand, and 736 jobs were added across our U.S. operations. As these new associates join the existing team, they have access to our programs focused on healthcare, safety, diversity, training, and development.

Shaw is focused on maintaining a year-round, two-way dialogue with all our associates in a wide variety of ways including:

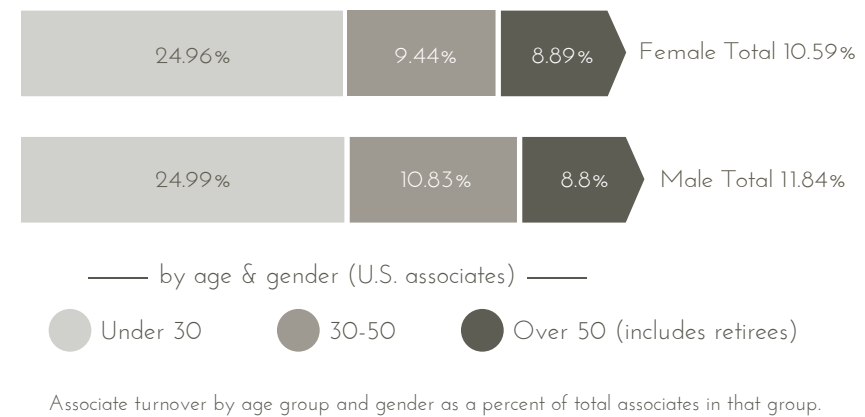
- Creating cross-functional teams to identify solutions to such issues as green building practices, diversity and inclusion, and safety, among others
- Facilitating informal lunches and roundtable events that involve associates across the organization to share ideas and concerns with executive leadership
- Convening Kaizen continuous improvement projects and enterprise excellence groups
- Offering new associate orientation and training programs
- Hosting facility-level town hall meetings
- Providing training opportunities

One important way that we gauge associate satisfaction is through the annual Associate Engagement Survey. This survey of both hourly and salaried associates provides insight into the needs and concerns of our workforce. The results are used to identify areas of strength and weakness and guide development of strategies and programs that address the changing needs within our community. Notably, 85 percent of those surveyed would recommend Shaw as a good place to work. As a result of the 2013 survey, programs are in development to focus on diversity, training and leadership. Shaw will continue to focus on listening and being responsive to the changing needs of our current and future associates.

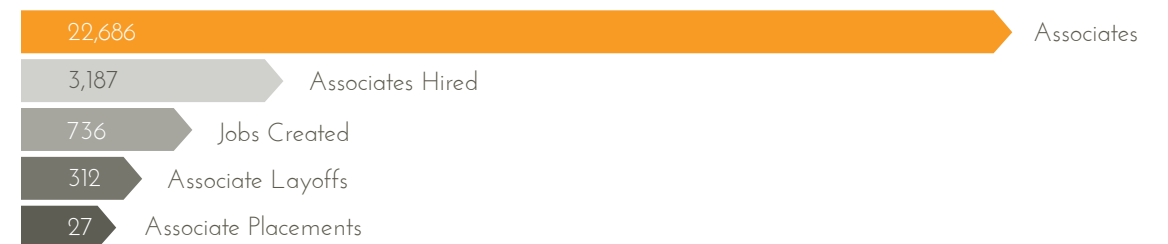
ASSOCIATES BY EMPLOYMENT TYPE, CONTRACT TYPE & GENDER



ASSOCIATE TURNOVER



IMPACT OF OPERATIONS ON COMMUNITIES



Hires: Associates who begin their employment with Shaw either as a "hire or rehire." (A rehire denotes that the individual has previously been employed at Shaw); Placements: Associates whose jobs have been eliminated and who have been placed by our Central Employment group in a vacancy within the company; Jobs Created: New jobs created within the reporting year that did not previously exist within the company.



EDUCATION & TRAINING

Making people better, at home and at work...this has long been the focus of the Shaw Learning Academy (SLA). Recognized by numerous publications, including Training, Selling Power, and eLearning magazines, to be among the top training programs globally, the breadth and depth of SLA's approach to learning and development is strategic, bold, and comprehensive.

In 2013 alone, SLA was the catalyst for:

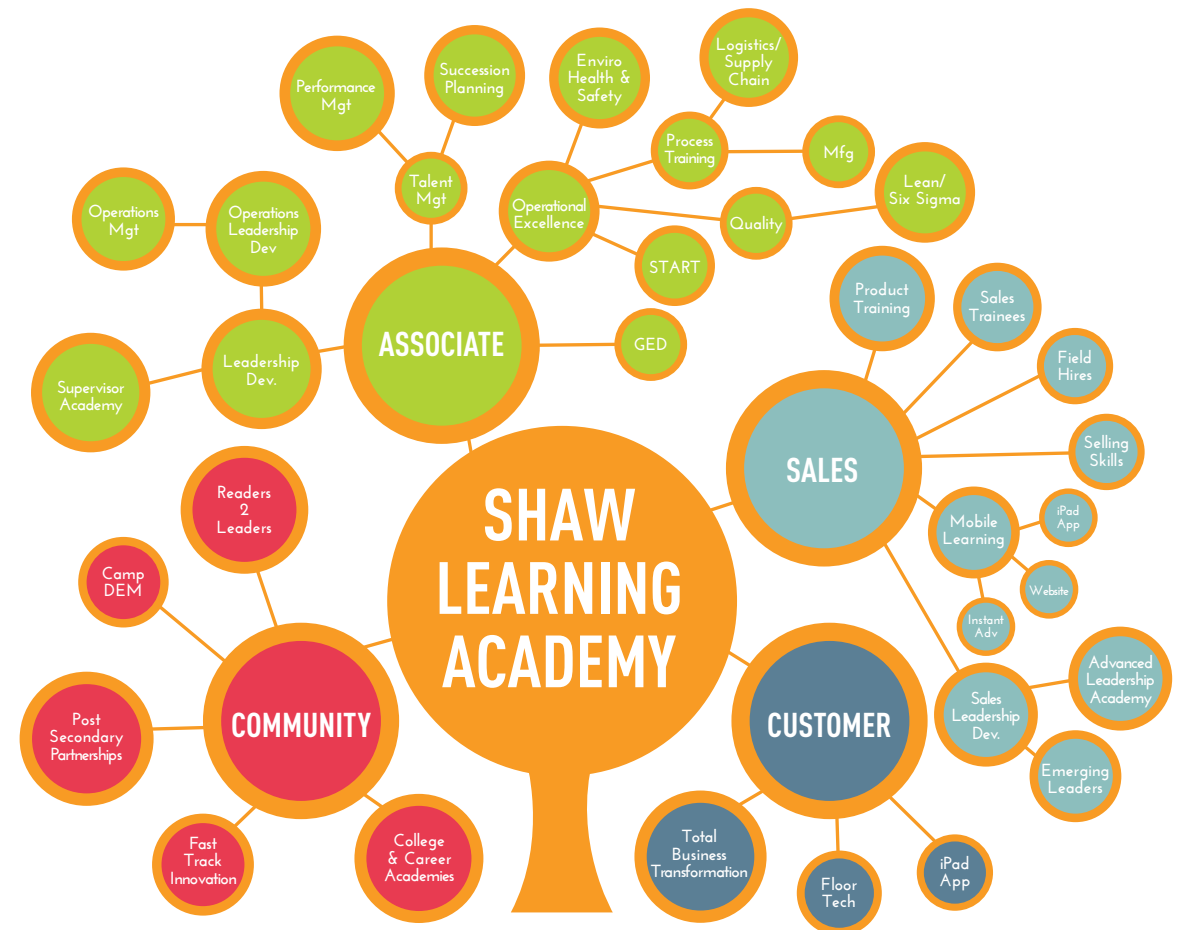
- Over one million training hours delivered
- 23,000 associates trained via instructor-led training and blended learning
- More than 15,000 customers receiving education through markets, convention, regional training, and blended formats
- Over 12,000 retail sales associates completing nearly 95,000 quizzes via Shaw's Capture the Spirit program
- 231 associates pursuing their GED, MBA, continuing education, or other degrees - a total Shaw investment of \$448,741

To reach a geographically diverse audience, SLA launched the company's first self-developed iPad app for each of our selling divisions as well as a version for our customers in 2013. This complement to instructor-led programs allows sales associates to receive training on-demand. Additionally, all sales associates have completed training through either the SLA Sales Trainee Program or the SLA Field Hire Program. The Shaw culture and our investment in people also extends to customers through programs such as Floor Tech, Retail S.A.L.T. (Shaw Academy for Leadership Training), and training during the Shaw Flooring Network Convention and Winter Markets.

Leadership development begins with senior management and continues throughout the organization. In 2013, SLA continued rolling out a newly developed Supervisor Leadership Academy, designed to engage associates in a new way and facilitate a cultural shift that fosters leadership and empowerment across the organization. Eighty-five percent of Shaw facilities began the process by the end of 2013.

SLA also worked closely with our business partners to create sales leadership development programs, including Emerging Leaders for Sales and Advanced Leadership Academy.

Beginning with associates, but also including customers and the broader community, SLA helps Shaw address a variety of business needs from internal culture shifts and leadership development to customer retention and ensuring the availability of relevant skills in the community (see the Reading to Robots feature on pages 25-28).





READING TO ROBOTICS

High-tech operations bring sustainability improvements, require a more highly skilled workforce and create better paying jobs.

From reading to robotics, Shaw has partnered with state and local governments, academic institutions (K-12 and higher ed) and local communities to create innovative programs that help cultivate a competitive workforce and foster economic development in the communities in which the company operates.

Shaw developed this strategic approach, which involves an expansive array of education programs, to ensure the company has the highly skilled workforce necessary to meet business demands. With more than \$1 billion invested in new equipment, technology and processes over the past few years, Shaw's operations are more complex than ever. As a result, almost every job at Shaw – from designers and data scientists to machinists and managers – requires a higher skill level than in the past.

And because the company believes education is a lifelong process that provides value throughout the community, Shaw's learning and development strategy goes well beyond current associates to include students from kindergarten to college. Shaw has taken a leadership role to ensure that students in our community learn the skills and get the training necessary to take advantage of the higher paid jobs available in next generation manufacturing.

EARLY EDUCATION

Shaw is an active supporter of Readers 2 Leaders (R2L), a community-wide initiative in the city of Dalton and Whitfield County that prepares residents for the workforce through literacy and school success. Recognizing the critical role that literacy and reading comprehension play in graduation rates and long-term success, R2L began in July 2012 with the goal of having all third-grade students in city and county schools reading and comprehending on grade level in all subject areas by 2020.

The R2L partnership includes the local school and library systems, local industries such as Shaw, nonprofits, funders, business leaders, city and county government, area colleges, and religious organizations.

MIDDLE SCHOOL

In partnership with the local community and other business leaders, Shaw helped develop and implement a week-long, STEM-focused summer camp for middle school students. Called Camp D.E.M. (Design, Engineering & Manufacturing), the program is aimed at educating students about career opportunities in manufacturing, providing them with hands-on experience in design, engineering and manufacturing, and coaching them on effective team building and critical thinking skills. The experience includes rapid prototyping, electronics, laser integrated design, robotics, energy, and carpet design.

The camp, which is free for students thanks to corporate sponsorships from Shaw and others, hosted 29 students in its first year. In three years, the number of campers has more than doubled with 69 students completing the summer camp in 2013.

HIGH SCHOOL

"The 21st century's information economy demands a new style of career training that helps prepare students for further education rather than diverts them from it, and teaches creative thinking and problem-solving rather than how to perform rote tasks. Think about CTE (Career and Technical Education) not only as training relevant to a career but as a way to help students acquire academic skills and think critically in a different way." – *National Journal*, "This Isn't Your Dad's Vocational School"

Seeing career and technical education as a way to not only develop a workforce to meet the company's needs but to foster economic prosperity throughout the region, Shaw has devoted countless hours to support the work of College and Career Academies. Career academies are specialized high school programs offering a mixture of career and academic focused classes that develop knowledge in a given field. Classes meet four-year college entrance requirements and can count toward an associate or bachelor degree.

Shaw representatives serve on the board of two College and Career Academies and Shaw's training and development experts spearheaded the development of the Mechatronics Pathway (a multidisciplinary engineering approach) and wrote the standards approved by the Department of Education for use across Georgia.

Shaw's business partnership with education resulted in the company being named the first ever College and Career Academy Business Partner of the Year by Georgia Lieutenant Governor Casey Cagle.

"[Shaw's] commitment to and passion for improving the quality of education opportunities available to students in their local communities is a great testament to the values they live up to as a company and their commitment to ensuring that our next generation has the necessary skills to compete in the 21st Century global economy shines as a bright example for others to follow," said Lieutenant Governor Cagle.

COLLEGE, UNIVERSITY AND SHAW ASSOCIATES

In 2013, the Georgia Governor's Office of Workforce Development (GOWD) in partnership with Shaw and carpet industry leaders across Northwest Georgia launched the Fast Track Innovation Program to provide individuals with technical skills for employment in the industry.

In coordination with the Northwest Regional Commission and Georgia Northwestern Technical College (GNTC), the partner companies (including Shaw) have selected qualified individuals in the local area to participate in the 10-week training, preparing them to fill entry-level industrial maintenance jobs in the industry.

The 21st century's information economy demands a new style of career training.

Through classroom teaching, computer-based learning and lab instruction at GNTC, participants will end the program course equipped with the mechanical, electrical and maintenance skills to perform the jobs successfully and help these companies continue to grow in Georgia.

"Programs such as this [Georgia's Fast Track Innovation Program] ensure that the next generation of employees has the talent to succeed in the in-demand positions that make up the foundation of our critical industries," said Blake Ashbee, executive director of the GOWD, when the program launched in September.

These partnerships complement Shaw's award-winning education and training programs designed to ensure associates and customers are able to grow amidst an ever-changing marketplace. For more about those programs, see page 23.





SHAW OPENS FAMILY HEALTH CENTER

As part of our holistic focus on creating a better future for our associates, Shaw proudly expanded our health and wellness portfolio in 2013 to include the Shaw Family Health Center. A full-service family medical center located in Dalton, Ga., the Center provides Shaw associates and their dependents with expanded healthcare options.

The Family Health Center is focused on wellness and providing affordable, high-quality care in a convenient location for Shaw associates. Shaw partnered with QuadMed, a nationally recognized leader in employer-sponsored healthcare, to operate the center. Shaw associates clearly welcomed this convenient option – QuadMed's healthcare professionals saw more than 300 patients the first week it was open.

The Center provides a full spectrum of services including acute care, routine physicals, immunizations, preventive screenings, lab work, and wellness services. The Center is staffed with almost 20 medical professionals including a physical therapist, athletic trainers, a wellness coordinator, a registered dietician and a certified diabetic educator. This team of healthcare professionals works in close collaboration with the doctor and nurse practitioners on-site, and they refer patients to local specialists as warranted.

Bringing the Shaw Family Health Center to the Dalton-Whitfield County community provides another high-quality healthcare option with increased accessibility for associates and their families. It's part of our long-term commitment to offering Shaw associates a comprehensive set of benefits and healthcare options.

HEALTH & WELLNESS

Our management approach to associate health and wellness focuses on preventive care, education, engagement and support coupled with easy access to care. In fact, Shaw's health insurance programs provide 100 percent coverage for preventive care. We also offer a variety of on-site health screenings and consistently communicate the importance of making healthy lifestyle choices.

In 2013, as the next step in Shaw's strategy with consumer-directed health plans, Shaw implemented the Change Healthcare Engagement Platform, which helps associates save money by alerting them when lower-cost options for medical and dental services or prescriptions are available and gives them the information they need to decide if it makes sense to change to a lower-cost option. Sixty percent of associates have not only received savings alerts but actually logged into the system as a result. This represents a quicker adoption rate than most benefit offerings deployed by Shaw.

Other key components of our wellness program include:

- 24-hour online access to personal health and wellness records and resources
- Annual health and wellness assessment participation incentives
- On-site health management and education programs focused on chronic illness and lifestyle choices
- On-site occupational health nurses
- Payroll deduction options for fitness programs and gym memberships
- Pregnancy and new parent support
- Biometric testing

Shaw's wellness program is part of the way we are helping create a better future for our associates.

SAFETY

Keeping our associates safe on the job is one of the most important responsibilities we have. Shaw's approach to safety is comprehensive and rigorous. Our dedicated safety professionals help ensure that the company maintains safe operations by providing associates with safe workplaces and the training and information necessary to support safe behaviors. In doing so, we seek to meet or exceed all safety regulations at each facility. In fact, achieving an OSHA incident rate of zero is one of Shaw's 2030 Sustainability Goals.

Each of Shaw's manufacturing facilities convenes a safety committee that includes representation from every department and every shift. In 2013, 88 percent of our associates were represented in these joint safety committees. At least 50 percent of each committee is comprised of hourly associates. These committees are responsible for reviewing any safety related incidents at their location. As part of the review, the committees identify solutions and prioritize next steps. They also oversee implementation and follow-up.

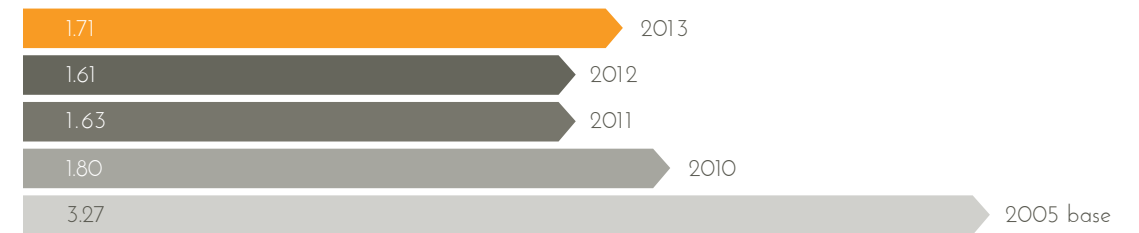
Additional safety related committees are dedicated to addressing specific safety concerns as they arise. The Ergonomic Task Force at each location is charged with looking closely at the posture and physical requirements within the facility. The Behavior Based Safety Teams focus on identifying at-risk behaviors developing the correct (safe) behaviors, and reinforcing those safe behaviors until they become habits.

Shaw's safety experts also collaborate with operations and management teams across the organization to ensure that safety is addressed as a priority in each ongoing and new project and initiative. Safety processes and procedures such as best safety practices and equipment protocols are standardized and managed through the Shaw Management System (SMS).

Based on ISO 9001, ISO 14001 and OHSAS 18001 standards, SMS combines 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.

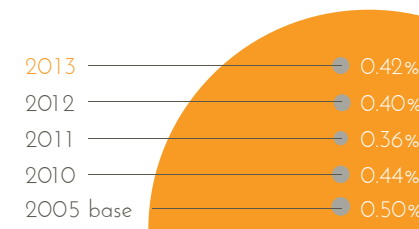
Recognizing that our recordable incident rate went up in 2013, Shaw's safety team took steps to address the changing landscape. Shaw kicked off several pilot programs that will be analyzed and considered for broader implementation in the coming years. These programs addressed issues such as training, associate engagement and ergonomics. Our Health, Safety and Environmental Policy can be found at: <http://www.shawgreenedge.com/SHEP>.

RECORDABLE INCIDENT RATE



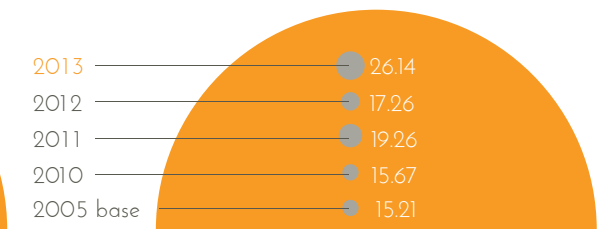
This rate represents the number of US Occupational Safety & Health Administration (OSHA) recordable injuries and illnesses per 200,000 work hours.

LOST TIME CASE RATE



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

LOST DAY RATE

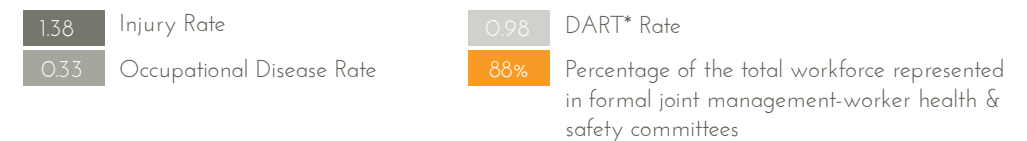


Lost Day Rate (Severity Rate) is defined as the number of lost days (capped by OSHA at 180)

SAFETY AND HEALTH COMPLIANCE AND CITATIONS

	2005 base	2010	2011	2012	2013	
	2.61%	1.35%	1.36%	1.35%	1.41%	Absentee Rate
	1	0	0	0	0	Associate Fatalities
	0	0	3	2	0	Number of Safety & Health Citations
	\$0	\$0	\$7,900	\$7,000	\$2,375	Safety & Health Fines Paid

SAFETY AND HEALTH



*Days Away from work, Restricted work or job Transfer injury and illness (DART) rate as defined by US OSHA.



| DIVERSITY & INCLUSION |

Shaw associates bring a range of talent, experience and perspective to the company, our customers and the community. Collectively we represent many ethnicities and more than 70 nationalities. Shaw associates cross the generations from millennials to traditionalists. As an organization, Shaw is dedicated to cultivating a workplace that is inclusive and welcomes diversity. We believe that diversity drives inclusion. Inclusion drives engagement. And engagement drives performance.

Shaw believes that open dialogue and continuous communication is key to fostering an inclusive and diverse culture. According to Shaw's Diversity Statement, "Diversity is more than race, gender, and age; at Shaw, diversity is about inclusion and respect for people. Only by including and developing talented people from different backgrounds, experiences, and perspectives will we ensure our place as a world-class organization and win in the marketplace." We facilitate a variety of programs designed to educate, include, develop, support, and engage associates about diversity.

In 2013, Shaw's Corporate Diversity Council set strategy and led organizational diversity and inclusion initiatives. Additional Diversity Councils at our key facilities engaged associates in learning activities and events designed to celebrate and enhance the diversity of the Shaw community. Throughout our organization, designated Diversity Champions served as leaders, mentors and representatives to our Corporate Diversity Council.

We convened a Diversity Champion Forum where over 100 local diversity champions, HR Managers, Plant Managers, and Diversity Council members came together to learn about Shaw's corporate plan for diversity & inclusion, and the four pillars of diversity (driving corporate culture, driving recruitment and retention of a talented workforce, driving business performance, and driving customer relations). During the forum we also reviewed

expectations for diversity champions and the importance of inclusion when building trust.

Our diversity initiatives also included the Military and Veterans Employee Resource Group as well as Project SEARCH. The Military and Veterans Employee Resource Group focused on connecting military service members, veterans and their families to employment opportunities at Shaw. In its second year at Shaw, Project SEARCH is a nine month, hands-on internship program designed to help young adults with disabilities develop work and social skills aimed at being successful in getting a job and keeping a job. (For more information, see sidebar right.)

Shaw's Supplier Diversity Policy helps ensure that this commitment extends to our supply chain. Through our Supplier Diversity program, we seek ways to enhance M/WBE (Minority/Women Business Enterprise) participation in the sourcing process. This means when and where possible our sourcing teams actively solicit proposals from and foster working relationships with small, hub-zone, veteran-owned, woman-owned, and other small businesses.

PROJECT SEARCH PROVIDES ON-THE-JOB TRAINING

Shaw initiated its second Project SEARCH internship program in 2013. The intensive program provides work skills for young adults with disabilities through on-the-job training that instills the competitive skills needed for employment. In 2013, Shaw assisted four young adults with learning disabilities who have earned their high school diploma or GED transition into the workforce.

Created in 1996 at the Cincinnati Children's Hospital, Project SEARCH has partnered with businesses in the U.S., Canada, Australia, Europe, and Scotland. Project SEARCH and its business partners work to facilitate high school transition programs for individuals with various developmental disabilities, such as visual and hearing impairments, autism, and intellectual disabilities.

Shaw's participation in Project SEARCH takes place through collaborative partnership with Cross Plains Community Partner, Project SEARCH, Vocational Rehabilitation, and the Georgia Council on Developmental Disabilities. Through Project SEARCH, interns completed three 10-week rotations on Shaw's facilities in departments: Marketing Fulfillment, Talent Acquisition, and Global Sourcing.

Participants experienced total workplace immersion, facilitating a seamless combination of classroom instruction, career exploration, and relevant job-skills training. Shaw departmental leadership and Cross Plains Community Partner Job Coaches focused on delivering key skills in the areas of team building, technology, social skills/communication, presentation delivery, money management, interviewing, resume building, job searching and retention, self-advocacy and determination.

Participants completed the program with a greater ability to gain employment. Additionally, 100 percent of the interns completing the requirements of the program secured permanent employment either within the company or the local community.

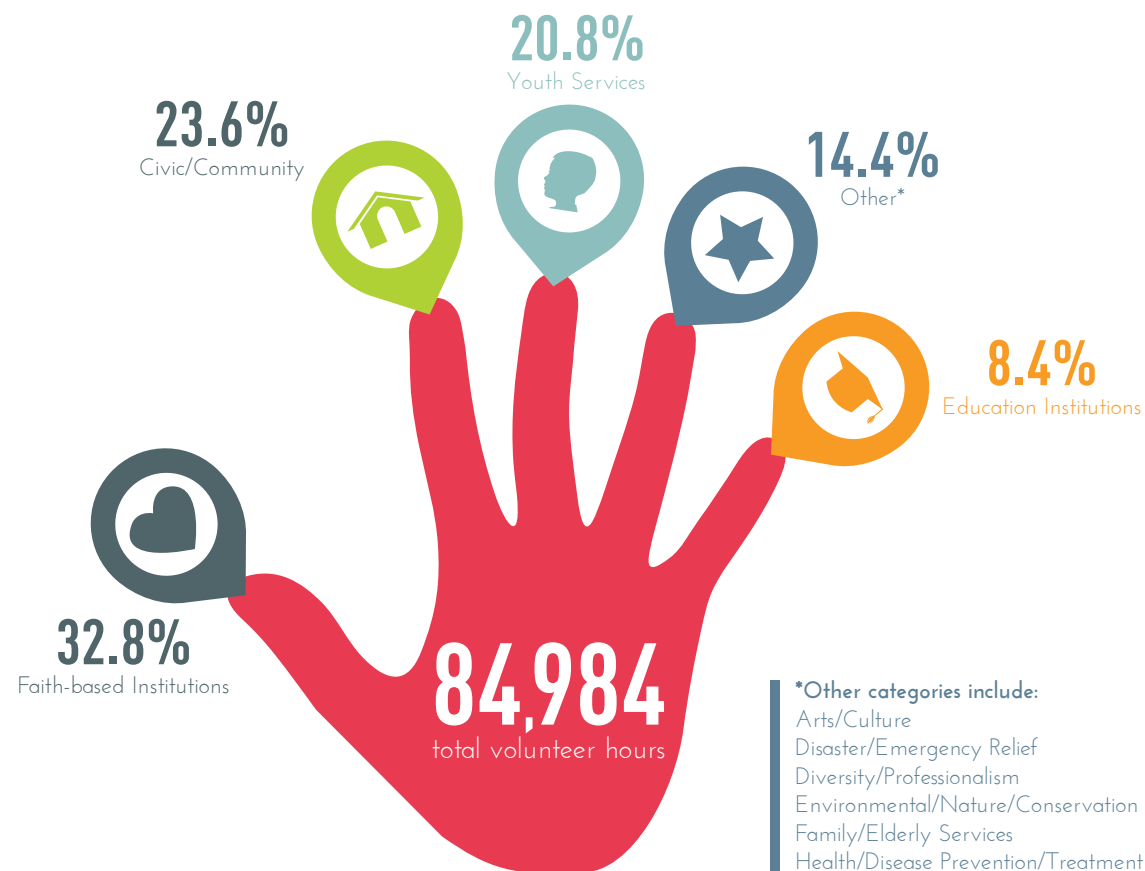
COMMUNITY

Shaw has always been a company that believes in giving back. We focus on creating a better future - for our customers, our associates, our company and for the communities where we live and work. Our efforts include significant civic involvement, philanthropic giving, volunteerism, and cause marketing programs to help meet the needs of the community whether that's in our own backyard, nationally, internationally or within our industry.

We recognize that our success and the success of these various communities are inextricably linked. We contribute by lending our talent and treasure through providing opportunities for Shaw associates to make an impact on causes they care about.

In 2013, Shaw and its associates donated \$3.9 million to community organizations, which includes more than \$670,000 worth of in-kind donations. And Shaw associates volunteered 85,000 hours - across a wide array of activities from arts and culture to education and disaster relief.

VOLUNTEER HOURS



WESLEY GREEN, PLANT 67, AND TEAM

We volunteered to support causes we believe in personally. We painted and raked. We drove, and we carried supplies. We hosted fundraisers and trained for marathons. We developed STEM education programs, and we read to school children. From soup kitchens and daycares, to hospitals and senior centers, we worked together to make a difference in our communities.

The work of our associates is to be commended. They bring heart and soul to all we do. It can be seen in the valiant efforts of Wesley Green, process improvement manager at Plant 67 who has been recognized for his tremendous dedication as volunteer coach of his sister's Dalton City/Whitfield County Special Olympics Softball Team. Wesley has raised money for uniforms and equipment and led the team to a Gold Medal.

Another tremendous volunteer, Dwayne Roy, samples supervisor at Plant 52, logged the most volunteer hours by Shaw associates in 2013 with an impressive 1,438 hours. Dwayne feeds and exercises animals, attends community events and supervises other volunteers for the Humane Society of Dalton.

But it's not just about these countless acts of kindness. Shaw works closely with non-profit partners to help solve problems and increase opportunities.

As the largest manufacturing employer in Georgia with more than half of our associates based in the state, local community involvement is paramount to our efforts to help meet community needs. Our extensive partnership with the United Ways of Northwest Georgia exemplifies the ways our efforts can converge for greater impact.

When we looked for a national partner that aligned with our customers' vision and our own we began an ever-growing relationship with St. Jude Children's Research Hospital that brings families a message of hope.

Looking to bring our resources to bear within the built environment, we were struck by the commitments being made by the Make It Right Foundation in the aftermath of Hurricane Katrina in New Orleans. Aligned with our efforts to create healthier, greener homes and buildings, we found a natural ally. This partnership that began in 2007 has continued and in 2013, expanded to include a project in Kansas City.

And reflective of our global footprint, we look beyond U.S. borders where we operate and where our products are sold - finding a new partner in Panels for Progress in 2013 allowing us to play a small but critical role in bringing solar power to an orphanage in Thailand.

Within these pages, we demonstrate the diversity of our partnerships.



| SHAW SUPPORTS ST. JUDE |

When you hear the words “kids” and “cancer” in the same phrase, the image in your head is probably not immediately uplifting. Anticipating what you will see and how you will feel visiting a pediatric cancer hospital, you prepare yourself to encounter a sad place. What you find when you visit St. Jude Children’s Research Hospital™ could not be more different from what you might imagine.

It is instantly clear when you visit St. Jude that it is a place of abundant creativity and considerable innovation. The doctors, nurses and other staff are engaged and excited about their work. What you see when you visit St. Jude is indeed almost magical. Except that it isn’t magic. It is some of the most important scientific research benefitting not only the patients at St. Jude, but kids with cancer around the world. At Shaw, we identify with work based in research, innovation and creativity that plays a larger role in the world.

Since St. Jude opened its doors in 1962, it has changed the way the world understands and treats pediatric cancer. It is one-part children’s hospital and one part research center. Discoveries made at St. Jude hospital are shared freely so that doctors across the world can expand on protocols and treatments and help cure kids worldwide. So far, St. Jude has pushed childhood cancer survival from 20 percent to more than 80 percent. In the next decade, the research hospital hopes to push survival rates to 90 percent.

At St. Jude, no family ever receives a bill for anything – treatment, travel, housing or food. It takes \$1.9 million a day to run St. Jude and 75 percent of those funds come from corporate partners and individual donors. Shaw is proud that we have been among those corporate donors for three years. It was that special place that St. Jude possesses in so many hearts and its message of hope and family that led us to creating an ever-growing philanthropic and cause-marketing partnership with the organization when we began looking for a national partner in 2011.

What began as the sponsorship of the St. Jude Dream Home® Giveaway in 2011 has evolved into a multi-faceted program that now includes:

- Continued and expanded support of the St. Jude Dream Home Giveaway
- A co-branded carpet cushion for which a portion of proceeds go to St. Jude
- A consumer promotion in 2013 aptly named “You Save. We Give.”
- The launch of a new Patcraft carpet tile collection with William McDonough (Butterfly Effect) in late 2013 with a portion of proceeds being donated to St. Jude

Our work together has developed so well and been so successful that in 2013, St. Jude recognized Shaw as the “New Corporate Partner of the Year.”

ST. JUDE DREAM HOME GIVEAWAY

Created in 1991, the St. Jude Dream Home Giveaway is today one of the largest single-event fundraisers for St. Jude nationwide generating more than \$23 million annually. In 2013, Shaw provided flooring for more than 30 St. Jude Dream Homes across the country, and we expanded our partnership by sponsoring Floor Signing events at each location. When the builders celebrate the end of their successful construction, the team gathers to sign the subfloor, commemorating the efforts and leaving well wishes for the new homeowners.

CO-BRANDED CARPET CUSHION

The Shaw team also works closely with St. Jude to create engaging campaigns that educate the public about the pioneering research and treatment at St. Jude. In January 2013, we introduced the Shaw Carpet Cushion collection benefitting St. Jude. Shaw donates 18 cents per yard on the sale of the St. Jude cushion products, half in Shaw’s name and half in the name of the retail customer that sold it, which gives our retail customers an opportunity to be involved in supporting the cause. As a result, Shaw contributed \$293,731 to support St. Jude this year.

“YOU SAVE WE GIVE” SALE

In 2013, Shaw launched a national campaign called “You Save. We Give.” sale to support St. Jude. From October 1 through November 18, consumers received coupons ranging from \$100 to \$500 based on the quantity of flooring they purchased, and Shaw donated 10 percent of the face value of each coupon to St. Jude resulting in a total donation of \$100,000.

PATCRAFT BUTTERFLY EFFECT CARPET TILE

Patcraft, Shaw's high performance commercial flooring brand, and renowned designer, author and thought leader William McDonough, collaborated to design Butterfly Effect. The carpet tile collection demonstrates that like the tiny flutter of a butterfly's wing creating a reverberating effect that can be felt halfway around the world, our relatively small actions can have big impacts. Two percent of proceeds will go directly to St. Jude to fund lifesaving treatment and groundbreaking research. The colorful collection is designed to maximize performance and offer a highly sustainable product. Butterfly Effect EcoWorx tiles use Solution Q Extreme fiber and are Cradle to Cradle v2 Silver certified.

The product has received early recognition from the industry and our commercial customers. Introduced in November 2013, the collection has been recognized with a Healthcare Design 2013 Nightingale Award. Sponsored by *Contract* magazine, the Center for Health Design, and Healthcare Design, the Nightingale Award showcases the best innovations in healthcare products. Additionally, customer purchases in the last few months of 2013 alone have already resulted in tens of thousands of dollars donated to St. Jude in 2014.

SHAW ASSOCIATE VOLUNTEER EFFORTS

Many Shaw associates have also been inspired to personally support St. Jude and the families the research hospital helps. Approximately a dozen Shaw associates trained to run the St. Jude Memphis Marathon. A few hearty souls even decided to run the 26.2 mile course in the rain despite the race being canceled due to a winter ice and snow storm. Shaw associates have also organized a golf tournament, toured St. Jude's treatment centers and undertaken numerous activities to introduce others to this incredible organization - leading to tens of thousands of additional dollars being raised.

UNITED WAY

Shaw's headquarters and more than half of our associates are based in northwest Georgia. We are one of the largest employers in the area, and local community and civic involvement are particularly important to us. This is where we live, work and play. We strive to weave our company into the fabric of all of the communities in which we operate.

Shaw has worked closely with local United Ways, particularly in northwest Georgia, since 1968. United Way is uniquely positioned to identify and respond to needs in our local community, most recently in the wake of the Great Recession.

United Ways of Northwest Georgia have honed in on the following community priorities:

- Education: helping children and youth achieve their potential through education
- Basic Needs: stabilizing families in crisis by supporting basic needs
- Health: providing independence for the elderly and people with special needs

Our associates contribute through United Way to an array of local causes about which they feel passionate. Shaw is able to extend the impact of associates' financial and volunteer contributions through corporate donations.

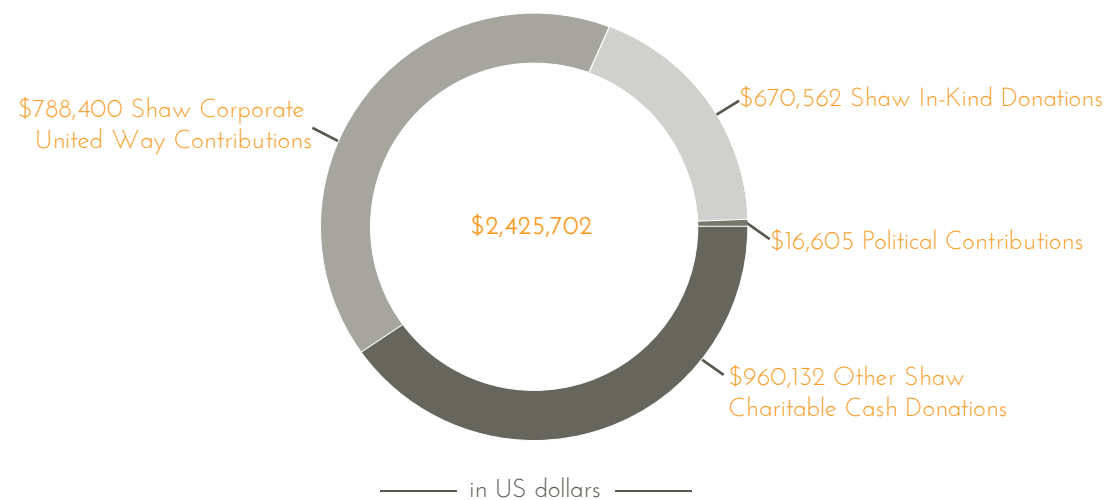
In 2013, Shaw and Shaw associates donated more than \$2.1 million to United Way, including more than \$1.5 million from associates. Shaw associates are central to local United Way operations, holding dozens of board seats and other volunteer positions.

In June 2013, the company participated in the "LIVE UNITED Week of Service." More than 400 Shaw associates gave their time during this week to support 22 different service projects. We helped at food pantries, daycares and classrooms by painting, stocking shelves, and renovating rooms in support of a variety of local United Way agencies.

We believe in the power of United Way's mission to improve lives by mobilizing the caring power of communities to advance the common good.



CORPORATE FINANCIAL CONTRIBUTIONS



*In-kind donations reflect market value; previously reported at cost.

SHAW ASSOCIATE CHARLA GRIFFIN PAINTS DURING UNITED WAY WEEK OF SERVICE



SHAW ASSOCIATES JULIA HALL, MELIDA ARCHER, & GINGER CARR,
PLANT A TREE AT BANCROFT SCHOOL IN KANSAS CITY

MAKE IT RIGHT

On August 23, 2005, Hurricane Katrina brought vast devastation to New Orleans – flooding nearly 80 percent of the city and destroying tens of thousands of homes – including thousands in the Lower 9th Ward. Propelled by a desire to give the community a chance to rebuild and to create a better future for impacted families, the Make It Right Foundation was born.

Started by actor Brad Pitt, Make It Right allows families a chance to restabilize their lives through home-ownership and rebuild a sense of community that was taken away by the storm. The organization's efforts now extend beyond New Orleans to include impoverished or disaster-stricken communities throughout the U.S.

More than just rebuilding, the Foundation also has a commitment to green building. Shaw was one of the first partners to join this commitment to help build safe, Cradle to Cradle inspired homes, buildings and communities for people in need.

Shaw signed on to support the Foundation's very first project and committed flooring for the 150 homes in the New Orleans' Lower 9th Ward rebuilding endeavor following Hurricane Katrina. Now housing more than 350 people, 100 of the homes have been built, and all completed homes have earned LEED Platinum certification.

Shaw's commitment to community and sustainability in the built environment converge in a meaningful way through this partnership that has continued as Make it Right expanded its projects beyond New Orleans to include among others, our latest partnership in Kansas City, Mo.

In 2013, the Make it Right Foundation completed the renovation of the Bancroft School Apartments in Kansas City's Manheim Park neighborhood. With Shaw's support, Make it Right turned an abandoned school building into 50 affordable housing units. Shaw donated flooring, including our Cradle to Cradle Certified carpet and Epic engineered hardwood among other flooring types, to cover 50 homes and community service areas.

The converted school is now a LEED Platinum certified housing and community complex, including affordable rental units for youth transitioning out of foster care, veterans and low-income families. The Bancroft School redevelopment also features a community center, which includes an auditorium, gymnasium, locker rooms, technology lab, job training center, medical clinic, grocery store, and other retail space, along with community gardens, a playground, walking trail, and a police foot patrol office.

The facility serves as a true community-wide resource, with access available to all 30,000 residents of the neighborhood.

Shaw is proud of its role in helping Make it Right make this a healthier, safer community. Make It Right's efforts to create affordable, high-performance, well-designed homes is not only aligned with our focus on Cradle to Cradle in manufacturing and flooring product design, but with our corporate vision to create a better future.

PRODUCT





DESIGNING RESPONSIBLY

Shaw carefully considers the impacts of our products throughout their lifecycle on the environment and on society. For Shaw that means we examine the ingredient materials, the impact of our supply chain, our use of natural resources and the ability to recover and recycle our products at the end of their useful life. Shaw was among the first to embrace and implement this new way of thinking about environmentally and socially responsible flooring design nearly a decade ago.

In order to put this philosophy into action, Shaw aligned our approach to the Cradle to Cradle Certified^{CM} program developed by architect William McDonough and chemist Dr. Michael Braungart. The Cradle to Cradle Certified program is among the world's most rigorous certifications. The Cradle to Cradle Products Innovation Institute now governs the certification process. Certified products are required to meet specific thresholds in five categories: renewable energy, clean water, material health, social responsibility, and material reutilization. Following this structure, Shaw established processes and procedures to analyze impacts on the environment, on stakeholders and on the business at each stage of product development and manufacturing including:

- Considering environmentally responsible materials and methods during the design phase
- Evaluating raw materials based on materials chemistry and supply chain implications
- Analyzing our use of natural resources such as water and energy, as well as our impacts due to emissions and waste in the manufacturing process
- Reviewing our packaging in order to ensure that we use the most sustainable materials available, and to minimize the amount of packaging used
- Improving fuel efficiency and identifying transit methods in our own network that minimize environmental impacts while meeting our customers' needs
- Identifying ways to reclaim and then reuse or recycle products at their end-of-life

Based on these processes, Shaw developed the world's first Cradle to Cradle Certified^{CM} flooring. The percentage of our product sales that are Cradle to Cradle certified continues to increase, with 64 percent of our total product sales coming from Cradle to Cradle certified products in 2013. Our goal remains to design all products to achieve Cradle to Cradle principles by 2030.

In order to help customers make informed choices, our product information is available both on product labels and on our websites as well as in Environmental Product Declarations (EPDs) and Health Product Declarations (HPDs). For more on EPDs and HPDs, see page 52.

Each phase of the manufacturing process presents unique challenges for Shaw and in many cases, for the industry as a whole. Shaw is committed to continuous improvement. We seek more and better data. We invest in innovation through our research and development team. We work with industry partners to solve problems. And when we identify new approaches or innovative solutions, we implement them.

RESPONSIBLE SOURCING

Recognizing the importance of managing sustainability throughout our supply chain, we established Shaw's Sustainable Sourcing Framework to ensure that we systematically consider the impacts our choices have through the lifecycle of our products. The Framework helps us to focus on selecting environmentally and socially responsible materials and suppliers.

The Framework establishes the process for product stewardship to ensure that decision-making incorporates such factors as material safety, environmental impact, supplier relationships and efficient use of materials.

In 2013, Shaw identified the need for a Sustainability Sourcing Manager to have specific responsibility for the oversight and management of this entire process. This leader will work closely with both Shaw's strategic sourcing department and the sustainability team to monitor and enact established processes and to identify areas for improvement.

Shaw is committed to making smart, informed choices regarding the materials that go into our products. We actively manage our supply chain to minimize its environmental impact including chemicals, water and energy consumption throughout our products' lifecycle. We seek to work with suppliers to develop transparent and collaborative relationships with organizations that share our commitment to corporate responsibility.

Shaw seeks to partner with local and diverse suppliers where possible. Of our 2013 spending with suppliers, 84 percent occurred in the 15 states in which 96 percent of our associates are located.

Finally, the Framework helps to ensure that Shaw carefully considers the efficient use of materials in our manufacturing process. We seek to reduce the amount of waste created in both our products and their packaging.



TUFTEX, IMPRESSIONS, BROADLOOM CARPET

STUDY INDICATES CARPET CAN MAINTAIN INDOOR AIR QUALITY

In 2013, Shaw released a series of scientific studies that indicate that effectively cleaned carpet can reduce airborne allergens and maintain indoor air quality, making carpet a viable choice for families impacted by allergies and asthma. These findings add to the existing body of research countering the common misconception that carpet can adversely impact allergy and asthma sufferers.

The studies, conducted by a leading biomedical research organization called Airmid Healthgroup Limited, showed that carpet trapped allergens, resulting in fewer particles escaping into the air. Allergens trapped by carpet did not return to the carpet's surface or the air, even when the carpet was disturbed by walking or other activity. Furthermore, effective carpet cleaning - such as vacuuming with a high-efficiency filter and steam cleaning - reduced both surface allergens and airborne particle counts, maintaining indoor air quality.

The data have been presented at the annual meetings of the American Academy of Asthma, Allergy, and Immunology (AAAAI) and the American College of Allergy, Asthma and Immunology (ACAAI).

To read more about the studies, visit <http://press.shawinc.com/Airmid/>.



COMMERCIAL MARKET TRENDS

“Do the best you can until you know better. Then when you know better, do better.” Late author and poet Maya Angelou’s wisdom captures the ever-evolving journey toward sustainability.

Technology advances. Processes and protocols evolve. New research emerges. Market expectations shift. Business priorities change. It’s impossible to predict the future, but to continue moving in the right direction, you must do the best you can. And when you know better, do better.

This focus on continuous improvement at Shaw requires that we keep our finger on the pulse of operational efficiency, technology advancements and the best ways to impact behavioral change while remaining keenly focused on what matters to our customers and where industry, NGOs (Non Governmental Organizations) and academic conversation is heading.

We engage with these stakeholders on an ongoing basis in a variety of ways including one-on-one conversations, group meetings, industry events, sustainability conferences, formal research, and ongoing engagement as part of our normal course of business. (For more about Shaw’s stakeholder engagement efforts, see page 13.)

In 2013, our formal and informal engagement with architects, designers, end users, NGOs, academics and other thought leaders revealed a few common themes for the commercial building market that will continue to shape the way we do business.

AN INCREASING FOCUS ON HUMAN HEALTH

While the environmental aspects of sustainability continue to dominate most conversations, human health is growing in importance. It is increasingly the focus of sustainability and building industry conferences and the subject of media coverage.

But it’s not just these opinion leaders that are driving the conversation and industry action. Architects, designers and end users who care about sustainability are looking at human health factors when making product selections. We’ve heard from them that human health is more important than it has been in recent years and that they expect their focus on human health to grow in importance.

TRANSPARENCY, VERIFICATION AND VALIDATION

With this increasing focus on human health comes an even greater desire for transparency – particularly visibility in product ingredients.

Commercial building sector professionals undoubtedly noticed the growth in conversation about HPDs, EPDs, LEED v4, and the work of companies like Google, Kaiser Permanente, and others.

While there’s an interest in a nutrition label approach to detailing product ingredients, many in the market want the information a manufacturer provides about a product to be verified and to meet consensus-based, third-party standards.

Anecdotally, a common theme we’ve heard is “I’m not a toxicologist. A list of ingredients isn’t enough for me. I need impartial experts to evaluate what materials have a significant impact and whether the way they are used in a particular product could be detrimental to people.”

We believe the combination of HPDs, EPDs and Cradle to Cradle certification work well together to provide designers and end users with the assurance and transparency the market expects.

A CIRCULAR ECONOMY

Whereas a linear economy is largely based upon a take-make-dispose model, a circular economy is based on the notion that waste is a resource.

While the concept is decades old, circular economy has entered the global lexicon with new vigor in the past few years with significant momentum in 2013 (and early 2014). Conferences focused exclusively on the circular economy have emerged globally, and well-established economic and sustainability conferences are featuring entire tracks or prominent sessions on the topic. In addition, product recycling and the use of recycled content continue to be important to our commercial customers and we have designed products for takeback.

With Cradle to Cradle, industrial ecology, biomimicry and other pillars at its foundation, the circular economy framework aligns squarely with Shaw’s approach to waste, reclamation, and recycling over the past decade.

Shaw’s approach to waste is simple: try not to create it in the first place – and when it is created, find the highest value for reusing, recycling, or otherwise diverting it from the landfill. Whether it’s end-of-life carpet or leftover materials from our production processes, that material often still has value within our own production cycle or as part of another manufacturer’s.

Read more about Shaw’s expansive recycling efforts on page 61.

READY FOR LEED V4: TRANSPARENCY AND THIRD PARTY ASSURANCE

The new Leadership in Energy and Environmental Design (LEED) v4 rating system unveiled by the U.S. Green Building Council (USGBC) in 2013 places an increased emphasis on transparency and third-party assurance, which have been central to Shaw’s sustainability philosophy and processes for years.

Many of Shaw’s commercial products will help customers seeking certification in the new version of LEED because our products are already aligned with this increased focus on both product transparency and for certifications of performance, in addition to the more traditional points for recycled content and low VOC emissions.

Shaw has had a decade-long commitment to Cradle to Cradle certification. We also publish a Global Reporting Initiative (GRI)-based, third-party assured sustainability report annually. These factors, combined with our recently released Health Product Declarations (HPDs) and Environmental Product Declarations (EPDs) meet the transparency and disclosure expectations of our customers, while also contributing to credits associated with LEED v4 certification.

For example, Shaw EcoWorx tile installed with Lok Dots® (a dry adhesive installation system that provides flexibility in repurposing interior floors) could potentially contribute to as many as six separate credit opportunities. This is because the tile and adhesive are both Cradle to Cradle v2 Silver Certified and are made from low-emitting materials. EcoWorx products also contain high levels of recycled content, are 100 percent recyclable and come with an environmental guarantee that ensures an end-of-life recycling option. Finally, an EPD has also been completed for all EcoWorx products.

To help our customers pursue LEED certification as the industry adjusts to the new guidelines, we have developed customer support materials and training for our sales team focused on the LEED v4 update. These will help us communicate clearly and effectively while helping customers identify credit opportunities available with Shaw products.



CLOSURETURF TRANSFORMS SALINAS, CA LANDFILL

Shaw has partnered with Watershed Geosynthetics, LLC, formerly known as ClosureTurf, LLC, an Atlanta-based landfill closure systems provider, to become its exclusive provider of synthetic turf. ClosureTurf is an innovative solution to manage landfills, industrial waste sites, Coal Combustion Residuals storage areas, and other areas that require containment that is commonly addressed by soil. ClosureTurf consists of an impermeable geomembrane, a specialized engineered synthetic turf and sand infill. It is effective, cost-efficient and environmentally friendly. ClosureTurf reduces construction and long-term maintenance costs; reduces carbon footprint by up to 75 percent during construction; and reduces surface emissions and the quantity of gas released to the environment.

In 2013, ClosureTurf helped transform a decommissioned landfill in Salinas, California. ClosureTurf was chosen for its ability to permanently cap the landfill, seal in disposed garbage, reduce gas emissions, and keep the storm water runoff clean for the local community - while helping to create a more pleasing appearance at the site.

As a result, the local community was able to address maintenance and cost issues faced by all landfills. Typical closures involve covering the landfill with tons of soil. For Salinas, that would have meant 26,000 truck trips. By avoiding this soil transport, they reduced the project's carbon footprint by 70 percent. And with ClosureTurf, storm water runoff from the former landfill is clear and clean - free of fertilizer and mud.

BUTTERFLY EFFECT

- Carpet Tile
- 3 styles; 18 colors
- 100% recyclable
- 34.7% recycled content
- PVC-free
- Cradle to Cradle Certified^{CM} v2 Silver
- NSF 140 Certified Platinum
- Features EcoWorx[®] and Eco Solution Q[®]
- 2% of proceeds go to St. Jude

HEXAGON

- Carpet Tile
- 4 styles; 12-29 colors
- 100% recyclable
- 44.5% recycled content
- PVC-free
- Cradle to Cradle Certified^{CM} v2 Silver
- NSF 140 Certified Platinum
- CRI Green Label Plus Certified
- Features EcoWorx[®] and Eco Solution Q[®]

ECOWORX[®]

- Backing
- PVC-free
- 100% recyclable
- Contains recycled content
- Cradle to Cradle Certified^{CM} v2 Silver
- CRI Green Label Plus Certified

ECO SOLUTION Q[®]

- Nylon 6
- Cradle to Cradle Certified^{CM} v2 Silver
- Contains recycled content
- Requires 18% less energy to make than nylon 6,6

CARESS[®]

- Residential Broadloom
- 5 styles; more than 100 colors
- Recyclable
- Cradle to Cradle Certified^{CM} v2 Silver

CLEARLY CHIC

- Residential Broadloom
- 13 styles; more than 50 colors
- Features ClearTouch[®] Platinum PET
- Contains 50% recycled content
- UL Environment Certified

ANSO[®]

- Nylon 6
- Recyclable
- Cradle to Cradle Certified^{CM} v2 Silver
- R2X Soil and Stain Resistant

CLEARTOUCH[®] PLATINUM

- PET
- Contains recycled Content
- UL Environment Certified

LIVING HERITAGE

- Engineered Hardwood
- 3 colors
- A Shaw Epic[®] hardwood product
- Features EnviroCore[®]
- Cradle to Cradle Certified^{CM} v2 Silver
- GREENGUARD Certified - indoor air quality requirements

SNAPSHOT VOLUME II

- Commercial Broadloom
- 6 color families
- Features Eco Solution Q[®]
- Cradle to Cradle Certified^{CM} v2 Silver
- NSF 140 Certified Gold and Platinum

ECOTOUCH CRUSH RESISTER[™]

- Carpet Cushion
- Contains recycled content
- Recyclable
- Cradle to Cradle Certified^{CM} v2 Silver
- CRI Green Label Plus Certified
- Contains bio-based polymers

ENVIROCORE[®]

- High-density Core Board
- Contains recycled content
- Uses 50% less newly harvested wood
- Made in the USA with wood harvested from sustainably managed domestic forests

FIRED HICKORY

- Porcelain Tile
- 4 colors
- 40% recycled content
- No VOCs

THE ROYAL COLLECTION

- Engineered Hardwood
- 2 styles; 10 colors
- Cradle to Cradle Certified^{CM} v2 Silver
- GREENGUARD Certified - indoor air quality requirements

SOLUTION Q EXTREME[®]

- Nylon 6
- Cradle to Cradle Certified^{CM} v2 Silver
- Recyclable

LOK DOTS[®]

- Adhesive
- Cradle to Cradle Certified^{CM} v2 Silver
- CRI Green Label Certified
- Non-toxic, odorless, low VOCs
- 97% material reduction (over wet adhesive)

OPERATIONS



NEXT GENERATION MANUFACTURING: SMART, SAFE, SUSTAINABLE & SURGING

INCREASINGLY SOPHISTICATED OPERATIONS

The Council on Competitiveness has said it best, "The image of manufacturing as dumb, dirty, dangerous and disappearing is far from accurate. Today, manufacturing is smart, safe, sustainable and surging. It has evolved to encompass a wide range of digital, mechanical and materials technologies that infuse every step of designing, developing, fabricating, delivering and servicing manufactured goods. This includes high-tech modeling and simulation as robotics, artificial intelligence and sensors for process control and measurement."

Driving predictability and minimizing variation are the holy grails of manufacturing. Shaw's operations are increasingly sophisticated - with more than \$1 billion invested in new equipment, new technology and new processes over the past few years. These efforts create a better product, foster a safer work environment, and make the best use of natural resources. These efforts include using more automated processes. In 2013, we implemented \$26 million in technology and automation at our hardwood facilities in Tennessee, North Carolina and South Carolina - to allow us to make optimal use of each piece of wood we process. This not only helps us make the most of our resources and reduce waste, but also improves efficiency, cost and safety.

BIG DATA

Also, we're using big data throughout our manufacturing operations to change behaviors, processes, designs and procedures. Shaw collects more than a billion data points each month to ensure our processes are running efficiently and that our products meet the company's and our customers' high quality standards. As the machinery, sensors and computers "talk" to one another, a text message can be generated automatically to notify a plant manager of an anomaly that needs to be addressed in real time. The expansive data is also valuable in retrospect: if a customer experiences a problem with our flooring, even long after it's manufactured, the data allows us to conduct cause-and-effect analysis to make any necessary changes to avoid similar problems in the future. For example, color is a key component of our products. Shaw has developed methods for continuous color analysis focused on identifying variation within our carpets. The use of this information, along with other process and product data, has allowed us to maintain color consistency in our flooring products.

The patented process measures, in a high-speed environment, color variation that cannot be seen by humans prior to final installation. By becoming even more precise with our color processes thanks to big data, we are minimizing variation in the product the customer receives. Not only is that a huge customer benefit, but it has significant sustainability implications as well. After all, if a product is delivered to a customer that doesn't meet expectations, significant financial and natural resources are wasted reclaiming the product, remanufacturing it and re-shipping it back to the customer.

That's the big picture. But within this example, we can also point to one specific aspect of sustainability - waste reduction. In the carpet dyeing process, a dye line historically could generate 10 feet or more of wasted carpet to change from one color to the next to ensure no off-color carpet makes it to the customer. We have now installed a special digital camera which measures the color in-line and real-time at a rate of three to five readings per second throughout the production run. From this data, we can determine exactly where the color changeover transition begins and ends. The results from this analysis are provided to the operator to instruct them regarding how much carpet to cut off, which has reduced the amount of waste generated in the process. It may seem like a small detail, but as the world's largest manufacturer of carpet, a small amount with every color change adds up to a substantial amount. And we have similar examples in our hardwood business and all of our flooring types.

THE RESULT

We have continued to connect the dots between customer concerns and variation in the process. This focus has driven out waste and improved our customers' experience with our products. This work, along with many other uses of data, has allowed Shaw to reduce waste, energy, and water intensity by double-digit percentages, and internal defects and customer concerns by 25 percent each.

Already an industry leader in quality and customer satisfaction, the use of big data and continuous improvement provides our customers with an even better experience while minimizing the use of resources. For Shaw, that is sustainability in manufacturing.

A MORE CIRCULAR ECONOMY

Moving toward a more circular economy requires shifting away from a take-make-dispose consumption model. Keeping resources circulating from use to reuse in the economy requires rethinking how something historically viewed as waste might instead be a valuable resource.

RECLAMATION AND RECYCLING

Shaw continues to be an industry leader in the reclamation and recycling of end-of-use carpet, and as we continue to drive innovation into our business, we look for new solutions to pieces of the puzzle that continue to challenge us.

Covered by our environmental guarantee, when our commercial EcoWorx backed carpet tile reaches the end of its current use, we want it back. As renovation and remodeling projects begin, all the design and construction team has to do is call the toll-free number on the back of the tile and Shaw will come to pick it up at no charge regardless of whether the new flooring being installed is a Shaw product. That product comes back to Shaw and is turned into more EcoWorx backed carpet tile. In addition to this commercial customer take-back program, Shaw has formed partnerships with reclamation partners throughout the U.S. to create an extensive network to bring used carpet (ours and our competitors) back to be reincarnated into its next life. Creating that network has been no easy feat, but we now have a reclamation partner within a 50-mile radius of 75 percent of the U.S. population.

To ensure this network continues to thrive, there needs to be a financially viable market for the materials these collectors reclaim. That means that we must be able to recycle carpet created with many different types of fiber. This was the focus of much of our 2013 - culminating with the announcement of Evergreen Ringgold, a facility that will allow us to recycle nylon and polyester carpet. Evergreen Ringgold adds to Shaw's portfolio of recycling solutions, including elutriation, waste to energy, Re2E, and Evergreen Augusta.

Through this ongoing commitment, Shaw has reclaimed more than 700 million pounds of carpet since 2006. As part of our portfolio of recycling processes, reclaimed carpet has three potential pathways back into the economy - into new carpet; as an ingredient material for other manufacturers' products such as automotive parts; or converted into energy at our Re2E facility - helping to power our manufacturing operations.

Our focus on turning waste into a resource is best exemplified by our expansive and long-standing carpet reclamation and recycling efforts.

TURNING PLASTIC BOTTLES INTO CARPET

Not only do we convert reclaimed carpet into new products, but we also use fiber made from recycled plastic drink bottles to create residential carpet products - converting one industry's waste product into a resource in our manufacturing processes. On average, we recycle three billion or 160 million pounds of plastic drink bottles annually at our Clear Path Recycling facility, a joint-venture with DAK Americas. Fiber made using recycled PET from Clear Path is used in Shaw's ClearTouch® residential carpet products. This not only keeps a significant volume of waste out of the landfill but saves 1.9 trillion BTUs of energy each year.

WASTE

Additionally, Shaw continues to repurpose waste from our own manufacturing processes. Shaw's approach to waste, reclamation, and recycling begins with a focus on not creating waste in the first place. Wherever possible, we seek ways for "waste" to become a resource in our own production cycle or as part of another manufacturer's feedstock.

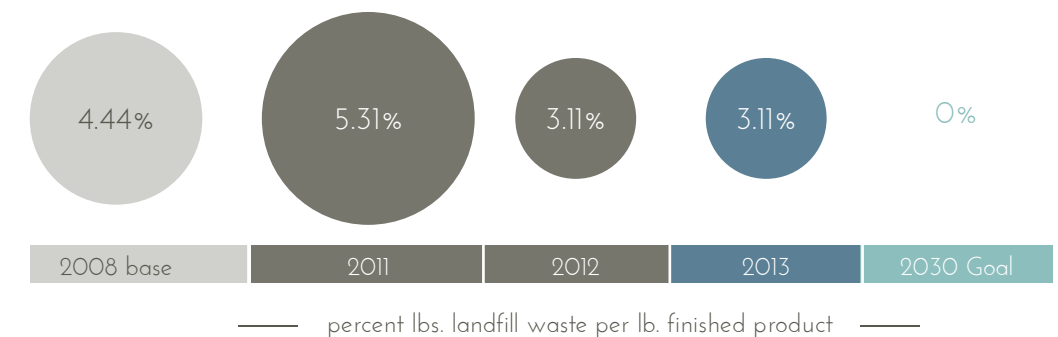
We have set a goal to reduce total waste sent to landfills by 100 percent by 2030. So we are on a constant quest to find the best options to reuse, recycle or otherwise divert materials from the landfill.

In 2013, we completed the first full year using our sophisticated Material Resource Management (MRM) system. This centralized system, which is operational in all of our plants, provides a consistent protocol for categorizing, measuring and channeling materials previously identified as waste. The system continues to improve the accuracy of our metrics - to ensure we are capturing our true impact more completely - and is instrumental in helping us identify common sources of waste that can be converted into a resource.

This business approach to waste naturally drives us to seek continuous improvement. As a result of MRM and other efforts, in late 2013, we kicked off initiatives to address our two biggest landfill items: associate trash and a process byproduct that previously had no other known use. In the instance of associate trash, we began piloting a new process that expands the type of material that we recycle, and we are making it easier for associates to recycle many of the items that previously would have ended up in the trash. For the process byproduct, recycling partners helped us identify an industrial use for the product, which can now be used as fuel and process ingredients for a cement company's kiln. With both initiatives beginning in the third quarter, we only saw incremental change in our waste stream in 2013, and we expect both of these programs to have a significant impact on the amount of waste we send to a landfill in the coming years.

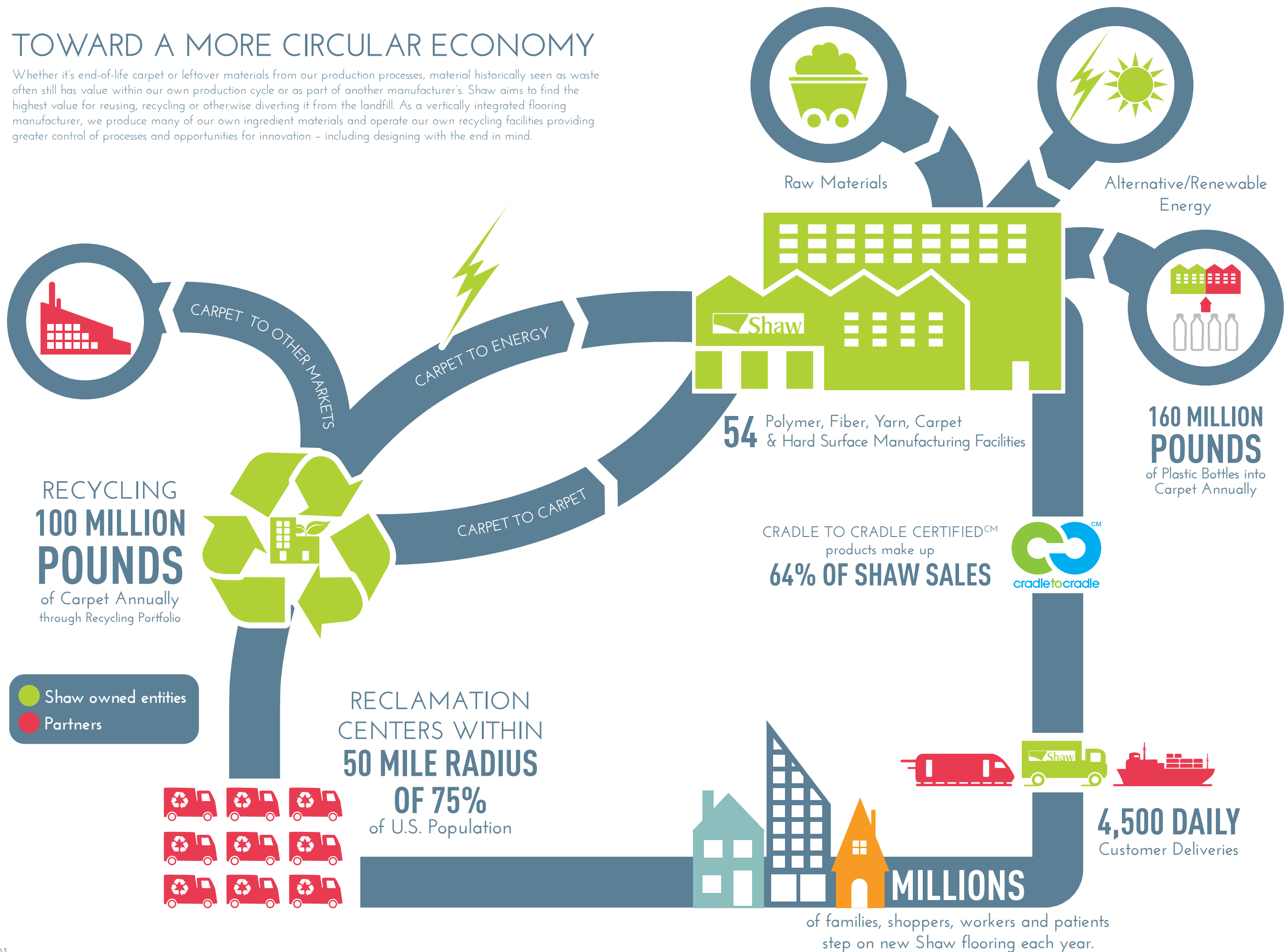
We also continued existing programs including using waste materials from manufacturing as energy to power our operations and investing in significant automation and technology upgrades to achieve greater material yield - thus producing less waste. (See Next Generation Manufacturing on pages 59.) And Shaw continues to use post-industrial waste in our products - such as using recycled post-industrial wood fiber in EnviroCore, our high-density core board used in our Epic engineered hardwood products as well.

TOTAL LANDFILL WASTE INTENSITY



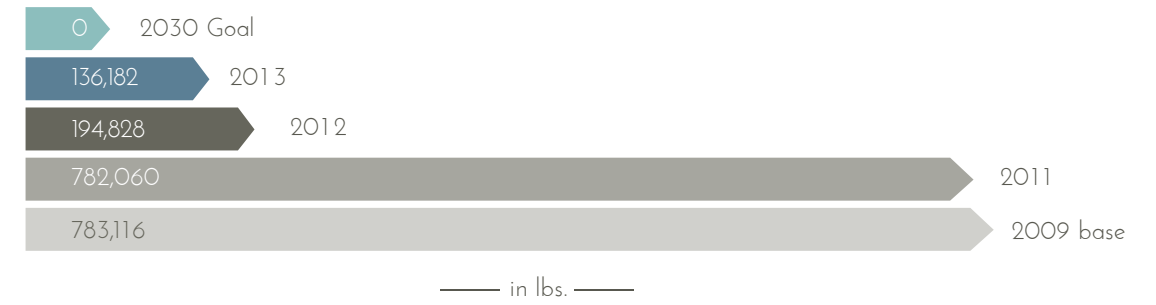
TOWARD A MORE CIRCULAR ECONOMY

Whether it's end-of-life carpet or leftover materials from our production processes, material historically seen as waste often still has value within our own production cycle or as part of another manufacturer's. Shaw aims to find the highest value for reusing, recycling or otherwise diverting it from the landfill. As a vertically integrated flooring manufacturer, we produce many of our own ingredient materials and operate our own recycling facilities providing greater control of processes and opportunities for innovation - including designing with the end in mind.

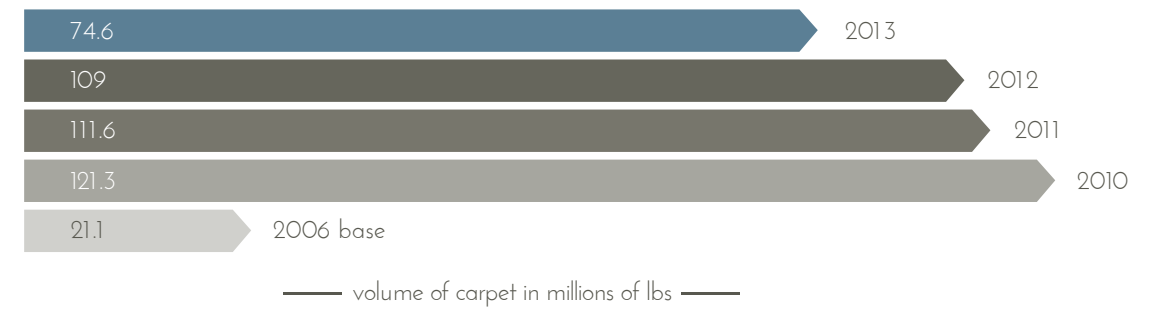




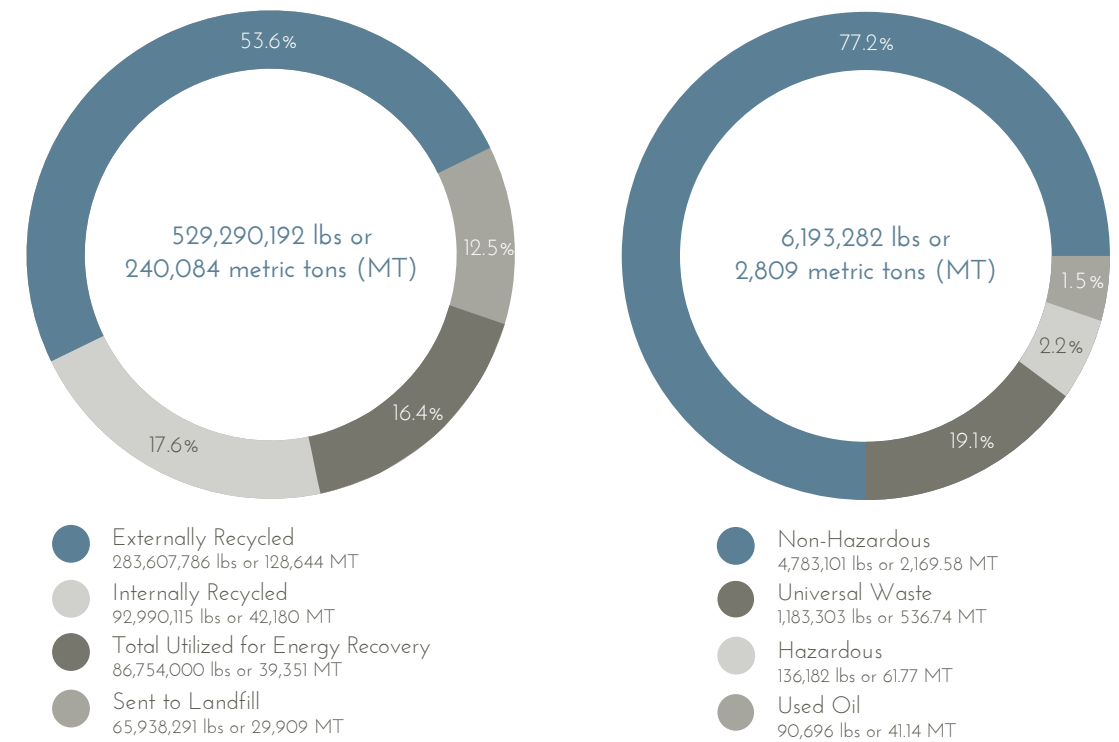
HAZARDOUS CHEMICAL WASTE DISPOSAL



SHAW TOTAL VOLUME OF CARPET RECLAIMED & RECYCLED



TOTAL WASTE BY TYPE & DISPOSAL METHOD — INDUSTRIAL CHEMICAL WASTE



We choose to report our waste performance using pounds in order to provide a consistent and accurate reflection of the functional units by which we measure organizational efficiency, manage our operations, and set performance goals.

| SUSTAINABLE BUILDINGS |

Shaw recognizes the potential impacts of our buildings as key contributors to emissions, energy usage, waste and land use as well as to human health through the indoor environment. Our approach to our facilities reflects the company's overall commitment to sustainability and aligns with the other strategies outlined in this report. With a wide range of building types, from manufacturing facilities to administrative and sales offices to showrooms and recycling centers, Shaw faces an array of sustainability challenges and opportunities throughout our operations.

Shaw is committed to making sustainable choices that also make business sense. Many of the sustainability results communicated throughout this report reflect the methodical and goal-oriented approach to ensuring that Shaw operates economically responsible, environmentally smart approaches to reducing the energy, water, carbon and waste impacts of our buildings.

In our approach to Shaw's built environment, we are guided, in principal, by USGBC's LEED (Leadership in Energy and Environmental Design) guidelines. LEED is a green building certification program that recognizes best-in-class building strategies and practices. As of 2013, we obtained LEED certification for the following Shaw facilities:

- Patcraft Showroom, Chicago, Ill.
- Re2E (recycling facility), Dalton, Ga.
- Plant 95 (administrative building), Dalton, Ga.

As of year-end 2013, we were actively pursuing certification of the following facilities:

- Plant CN (carpet tile manufacturing), Nantong, China
- Shaw Family Health Center, Dalton, Ga.
- Plant 72 (administrative building), Dalton, Ga.



NANTONG PLANT OPENS TO SERVICE ASIA MARKET

In September 2013, we celebrated the opening of our newest manufacturing facility – a 210,000 square foot carpet tile plant in Nantong, China.

Hundreds of customers, designers, Chinese government officials, Shaw's Nantong associates and U.S.-based Shaw executives gathered to celebrate this important milestone in Shaw's international expansion.

The plant has already begun to serve the Asia Pacific region with a wide range of completely recyclable, Cradle to Cradle Certified products. Employing approximately 100 associates in 2013, the Nantong plant will eventually employ 250 people and produce 5 million square yards of carpet tile annually.

The new facility represents key company strategies and priorities including responding to the global demand for carpet tile, investing in next generation manufacturing and maintaining our commitment to sustainable buildings and products.

The Nantong facility helps us better serve customer needs globally. Two thirds of the world's carpet is sold outside North America, and sales in China have grown 20 percent annually, making it the world's third largest carpet-tile-purchasing country. The Nantong facility gives Shaw a foothold in Asia and enables us to be more responsive to local demand. The facility is located in the city of Nantong, in part because of its rich heritage in woven textiles. Nantong provides the ideal location from which Shaw can serve customers across the country and throughout the region.

Shaw brought to the Nantong facility our commitment to continued improvement in efficiency, safety and customer responsiveness in next generation manufacturing by investing in innovative, state-of-the-art equipment and technology. Each piece of equipment by itself is optimized for efficiency. Taken a step further, Shaw views the process as an interrelated system. We analyze our data holistically, which gives us better information to make decisions that optimize the whole system rather than individual processes. For more information on Shaw's approach to next generation manufacturing and big data, see page 59.

The Nantong facility exemplifies Shaw's commitment to sustainability both in the construction and operation of the building itself and in the sustainable properties of the products manufactured there. Currently pursuing LEED Silver certification, the building features a state-of-the-art energy control system in the ovens, which reduce gas usage and improve tile quality. Also onsite are advanced high-efficiency equipment for yarn usage, backing and latex application. The facility is also seeking ISO 9001 (focused on quality management systems that ensure customers get consistent, good quality products and services) and ISO 14000 certification (which addresses various aspects of environmental management).

This sustainable building also produces sustainable products. Shaw's carpet tile products manufactured in Nantong are Cradle to Cradle Certified. For more information on Cradle to Cradle certification, see page 47. The carpet tile products utilize the successful Eco Solution Q fiber and EcoWorx backing systems. These carpet tiles include 40 percent recycled content and are completely recyclable.



ENERGY & GREENHOUSE GAS

As a manufacturer, relentlessly focusing on efficiency has been key to Shaw's long-term business success. Identifying opportunities to save energy and the associated emissions is integral to our business. As a result, we factor energy and greenhouse gas (GHG) into our decisions as we develop new products and processes and as we expand our business. We also continue to look for opportunities to make improvements in our existing operations.

Since 2011, Shaw has invested nearly \$20 million in new equipment and systems that help to reduce our energy and greenhouse gas impacts - including more than \$5 million in 2013. These investments included equipment and technology upgrades that have continued to rollout to additional locations in 2013.

Compressed air is a key component of our fiber extrusion and yarn manufacturing operations. As part of an ongoing initiative, in 2013, we replaced fixed-speed with variable-speed compressors at seven additional facilities. The new compressors respond to demand and throttle back efficiently as demand decreases, rather than blow off excess compressed air to the atmosphere or continue to consume near full energy such as typically happens with fixed-speed machines in similar applications. Other compressed air-related projects include upgrades to compressor control systems with technology that allows us to operate multiple compressors more efficiently as a coordinated system rather than a series of individual units, control systems on aspirators used in yarn manufacturing, and the installation of multi-level pressure systems in one facility to provide air to different processes at the lowest practical pressure and energy level. In addition to projects focused on compressed air systems, many other energy-focused projects were completed in 2013. Facility lighting upgrades were completed in several facilities to replace outdated and inefficient lighting types with higher-efficiency and longer-life alternatives; less efficient equipment including outdated chillers and an inefficient dryer were replaced with new, higher efficiency equipment; and installations of variable frequency drives continued in applications where lower operating speeds provided the potential of energy savings. One additional notable project was the installation of a one megawatt solar photovoltaic system on the roof of our carpet tile manufacturing facility in Cartersville, Ga. This project, completed in October 2013, is projected to generate 1.4 million kilowatt-hours of electricity per year, adding solar to our alternative energy portfolio in a significant way. (See page 78 for more.)

Shaw's energy and GHG emissions intensity remained relatively flat in 2013 as we adjusted to the improved economy and made further investments in the network. We are focused on making operational adjustments to continue working toward our 2030 goals.

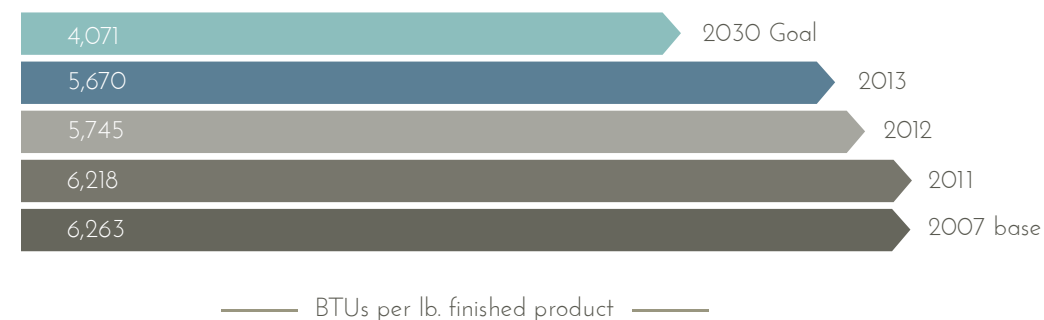
2013 ENERGY IMPROVEMENT INVESTMENT & SAVINGS

Thermal MMBtu Savings	Electricity kWh Savings	MMBtu Total	
31,997	31,638,628	139,947	Total Energy Savings
from Fuel Savings	from Electricity Savings	Total	
1,696	19,020	20,716	CO ₂ Tons Savings Totals
1	7	7	CH ₄ Tons Savings Totals
1	92	93	N ₂ O Tons Savings Totals
1,698	19,119	20,817	GHG: CO ₂ e Savings Totals
31,997	107,950	139,947	Energy Savings (MMBtu)

Total Capital Investment in Energy \$5,466,976

Total energy savings reflects savings in 2013

ENERGY INTENSITY

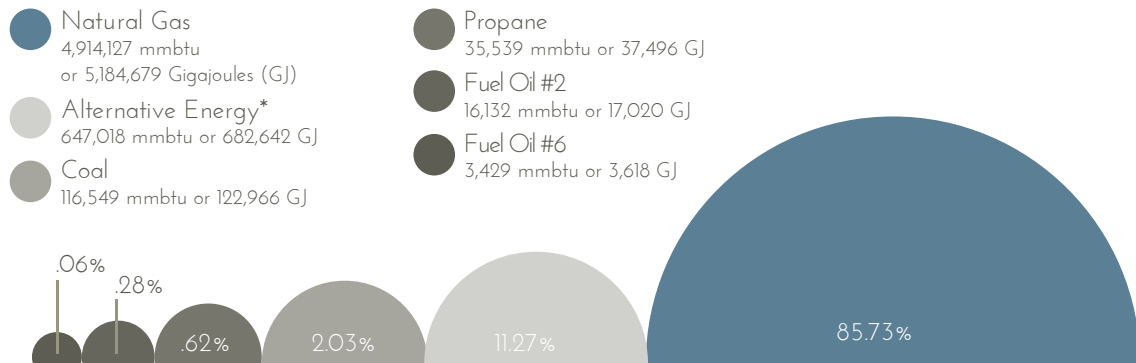


Note: We choose to report our energy performance using BTUs in order to provide a consistent and accurate reflection of the functional units by which we measure organizational efficiency, manage our operations and set performance goals. Does not include transportation related energy use.

CARBON DISCLOSURE PROJECT SCORES

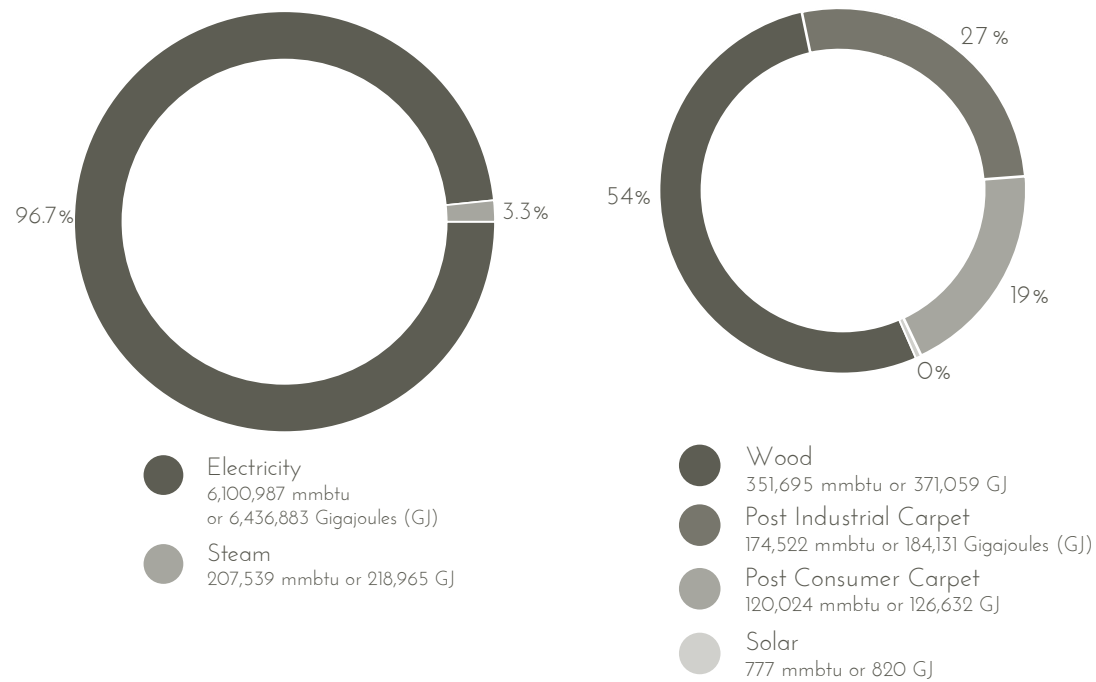
Disclosure Score	Performance Band
Shaw Industries 86	Shaw Industries B
Industry Group Average 49	Industry Group Average C
Overall Average 49	Overall Average C

DIRECT ENERGY USE BY SOURCE



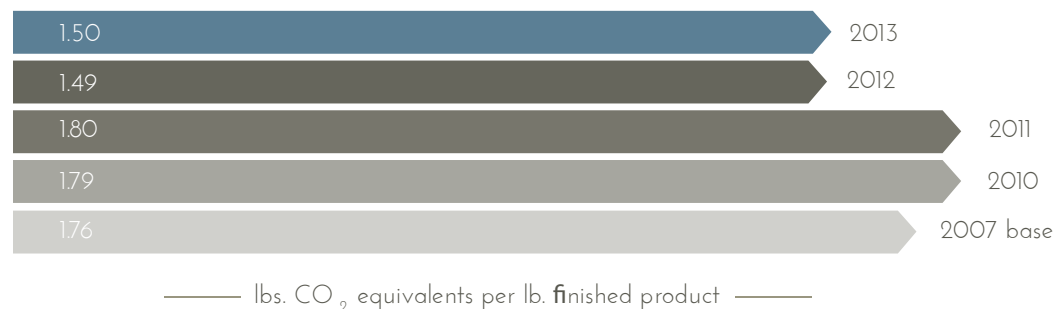
Note: Stationary source energy use only; does not include transportation energy of 1,076,359 MMBtu (1,135,619 GJ) - representing 16% of total energy. This is managed separately.

INDIRECT ENERGY USE BY SOURCE ALTERNATIVE ENERGY USE BY SOURCE*



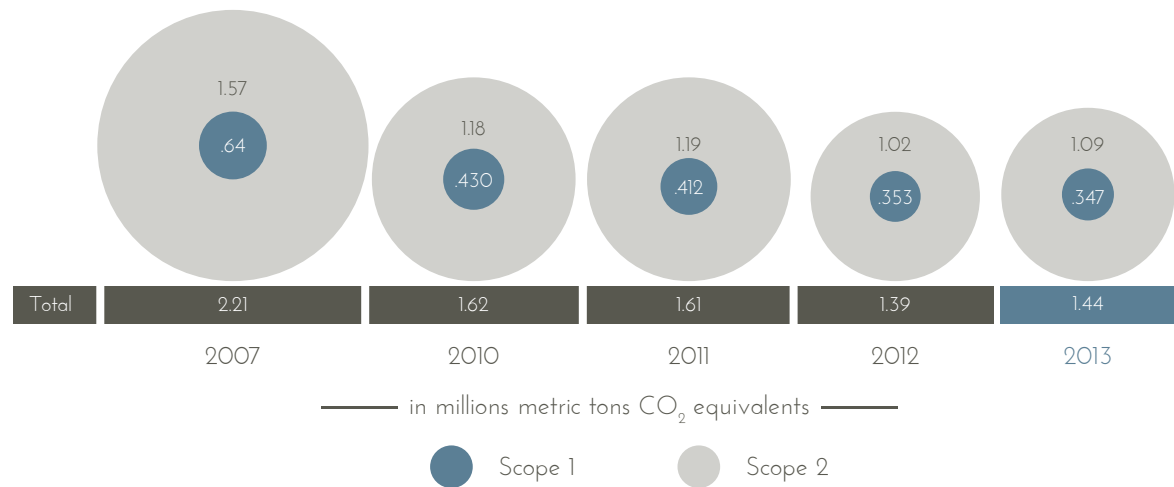
*We define alternative energy as energy derived from non-fossil fuel sources.

GREENHOUSE GAS EMISSIONS INTENSITY



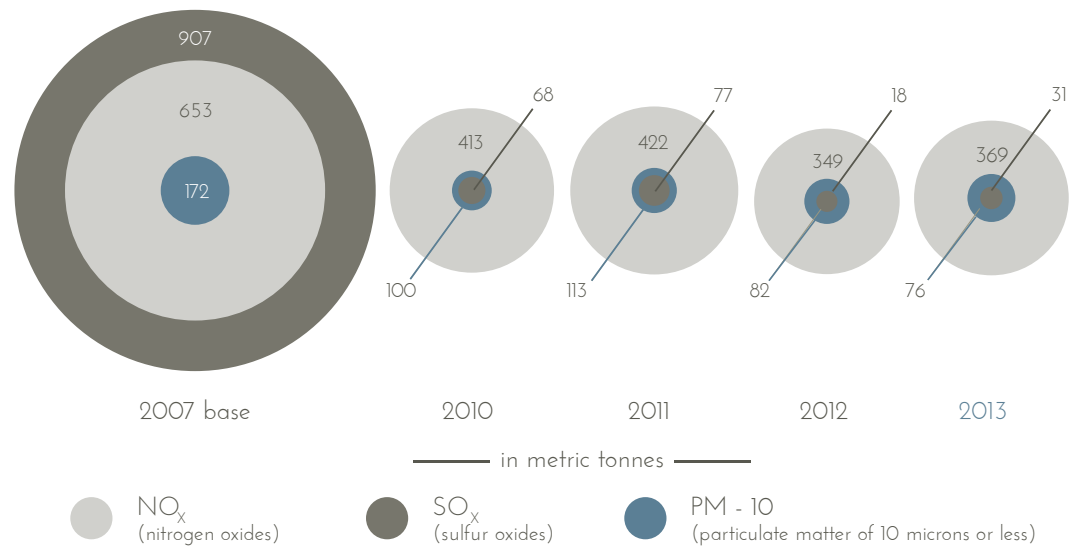
DIRECT & INDIRECT GREENHOUSE GAS EMISSIONS BY SCOPE & WEIGHT

GHG in millions of metric tons of CO₂ equivalents



CRITERIA AIR POLLUTANT EMISSIONS

SO_x, NO_x, & PM



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



| SOLAR HELPS POWER MANUFACTURING |

In 2013, as part of our multifaceted approach to energy, we installed one of the Southeast's largest commercial solar photovoltaic installations. Located on the roof of our carpet tile manufacturing plant in Cartersville, Ga., the one megawatt system will produce 1.4 million kilowatt hours of power annually – enough to power approximately 100 homes in Georgia each year.

Feeding into the Georgia Power electric grid, Shaw will use this renewable energy to help power our manufacturing facility.

The roof-mounted system, which became fully operational in October, includes 3,696 panels and features a monitoring system that incorporates a large screen monitor inside the building to display real-time energy production.

Within our holistic approach to sustainability, we continually explore opportunities to improve energy efficiency and employ renewable and alternative energy sources. Solar is a mature, reliable power source, and the economics made this project a viable, long-term investment.

The environmental benefits of the system equate to removing 198 passenger vehicles from the road each year. Technically, that means removing 949.7 tonnes CO₂e/year and 4.7 tonnes NO_x/year.





LOGISTICS

Shaw's distribution network is among the nation's largest privately owned transportation fleets. Shaw vehicles transport both ingredient materials and finished product from suppliers, among our own vertically integrated operations and to our customers. As we manage and make decisions about our fleet, we continue to focus on improving efficiency and decreasing environmental impact.

We recognize that we are not in this alone. For many years, Shaw has been a U.S. Environmental Protection Agency (EPA) Smartway® Transportation Partner. Through this program, we collaborate with other members of the freight transportation industry and the EPA to improve monitoring, fuel consumption, and emissions for our fleet.

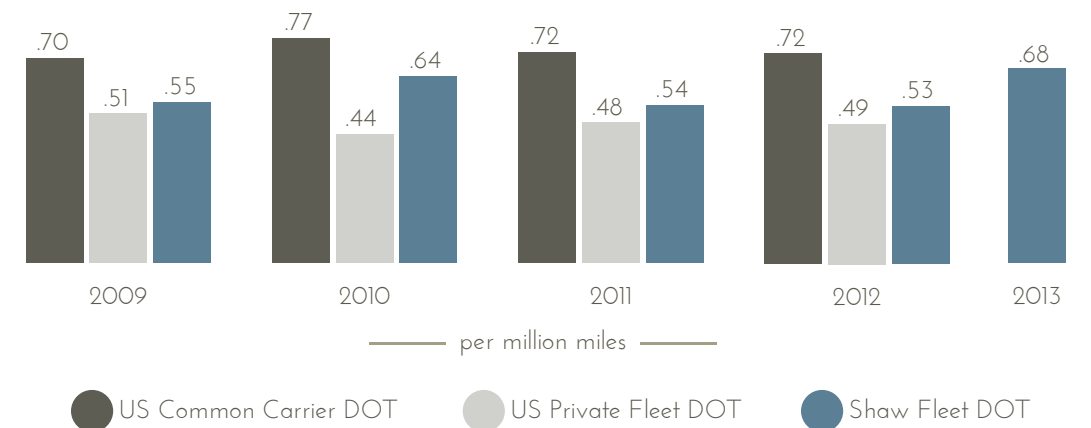
Over the past several years, Shaw has added state-of-the-art Volvo tractors into our fleet. These tractors offer innovative safety features and superior efficiency. In 2013, Shaw added 10 more of these Volvo tractors as well as 138 bio-diesel trucks, which we fuel via our onsite fueling station.

In 2013, Shaw also announced a significant investment in streamlining the distribution network. This investment includes constructing an additional 535,000 square feet of warehouse space in Dalton as well as consolidating shipping points for both carpet and hard surface flooring in other distribution centers in northwest Georgia. When completed, hard surface distribution will be consolidated into one central location with an additional 70 percent capacity. Construction began in the fall of 2013, and the planned changes for both hard surface and carpet distribution will be complete by the end of 2015. These efforts have not only increased our capacity but also created a more efficient distribution system.

We also continued to improve the efficiency of our network in 2013 by partnering with other logistics companies to help ensure that our trailers make return trips with a full load. An empty truck is an inefficient use of resources, so whether carrying raw materials among our locations or transporting freight for a partner company, we always aim to keep the tractors full.

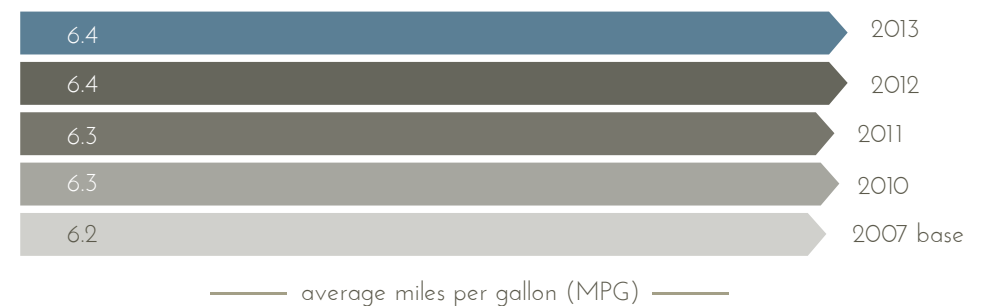
We also laid the groundwork in 2013 for continued improvements through our strategic plans for the coming years. For example, we intend to replace more than one third of our heavy-duty tractor fleet with more efficient vehicles in 2014. These efforts and others will help Shaw continue to increase our miles per gallon, improve the efficiency of our transportation network and decrease our environmental impact.

DOT REPORTABLE ACCIDENT RATE



US Department of Transportation (DOT) Common Carrier and US DOT Private Fleet rates are provided for purposes of comparison to the Shaw DOT rate. 2013 US Common Carrier and US Private Fleet DOT data was not available at the time of this report's publication.

TRANSPORTATION FUEL EFFICIENCY





WATER MANAGEMENT

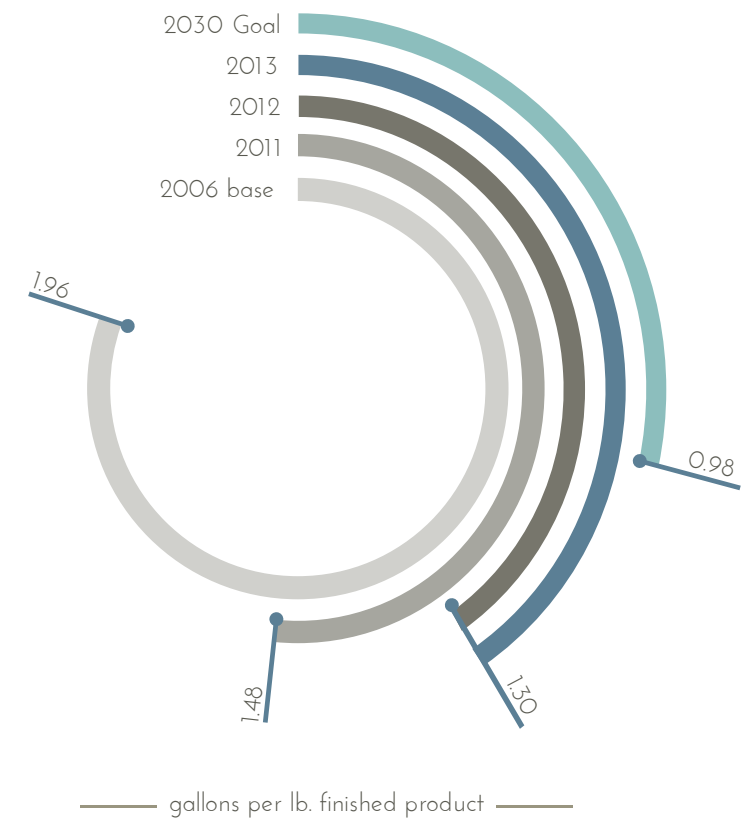
Access to clean water for healthy communities is a global challenge. Many of Shaw's manufacturing facilities are located in regions that have faced drought in the past decade such as North Georgia and Southern California, so we are keenly aware of the value and importance of water in sustaining economies and life itself.

We take seriously our responsibility to minimize water use within our operations. We have been proactive in all of our locations in finding innovative ways to minimize our impact. In fact, by 2030, our goal is to reduce Shaw's water impact by 50 percent. We measure this impact in gallons of water used per pound of finished product. By 2030, we aim to improve to 0.98 gallons per pound compared to the 2006 baseline of 1.96 gallons per pound. In 2013, we used 1.30 gallons per pound.

The work we've done in the past several years has allowed us to make significant strides in 2013 at our Tufftex carpet manufacturing facilities in California. Given the current drought conditions there, we have responded with determination to the needs of the community. As a result Tufftex has increased the level of recycled water from an average of 25.9 percent (out of total water consumption) in 2012 to 59.4 percent in 2013. Shaw's aggressive sustainability goals include water reuse to help drive the company toward an even lower-impact future.

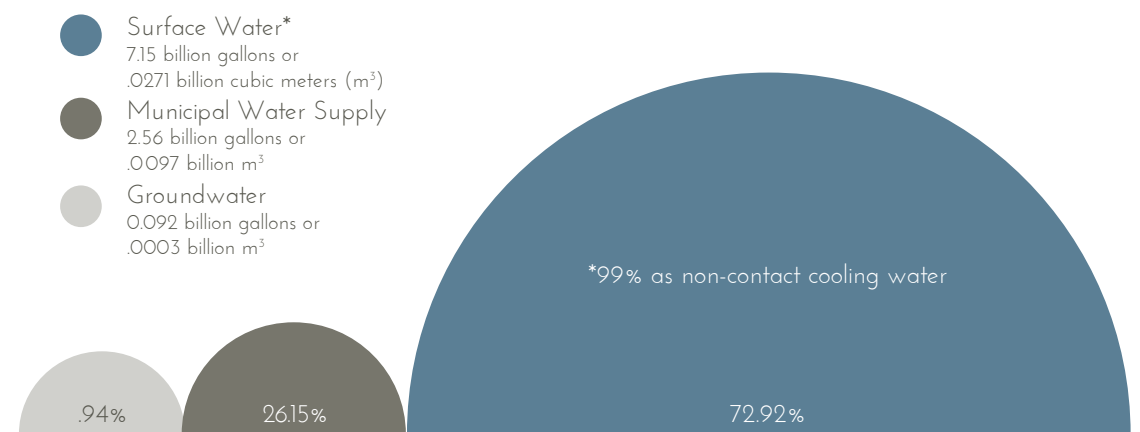
Of Shaw's total water consumption in 2013, 13.6 percent or 374,749,200 gallons was recycled water (up from 13.5% in 2012).

WATER INTENSITY



Note: We choose to report our water performance using gallons in order to provide consistent and accurate reflection of the functional units by which we measure organizational efficiency, manage our operations and set performance goals.

WATER WITHDRAWAL BY SOURCE



TUFTEX PARTNERS WITH SUPPLIERS TO DECREASE ENVIRONMENTAL IMPACT

Shaw works closely with our partners to identify opportunities to decrease our environmental impact throughout the supply chain. Shaw's Tufftex division, based in California, represents a key example of developing innovative solutions in collaboration with suppliers.

A SIMPLE, BETTER PROCESS

A supplier of one of the materials that goes into the manufacturing of Tufftex carpet typically delivered its product in paper bags with plastic lining that couldn't be recycled, resulting in more than 17,000 bags delivered to Tufftex that had to be sent to the landfill. The Tufftex team worked with the supplier to identify a simple, environmentally friendly solution: deliver the material in drums, which are now returned to the supplier and refilled once Tufftex uses its contents. Each drum replaces 15 to 20 of the unrecyclable bags. The outcome: tens of thousands of bags eliminated from the landfill each year and an annual cost savings as a result of switching to bulk raw materials and diverting material from landfill (disposal and transportation costs).

INCREASED USE OF RECYCLED WATER

Tufftex increased its use of municipally treated recycled water by working in partnership with the Los Angeles area's Central Valley Water District. Shaw's use of municipally treated recycled water directly contributes to the State of California's goal for each municipality to reduce the use of fresh water by 20 percent by year 2020.

For example, the dye house in Santa Fe Springs increased its recycled water consumption within its dyeing processes from 30 percent to 80 percent by converting its main steamer wash to recycled water. It required a significant, collaborative effort to confirm that the use of this recycled water would not impact overall product quality. As a result, California's WasteReuse Association recently awarded Tufftex the Recycled Water Customer of the Year.

FINDING A USE FOR YELLOW LIMESTONE

Limestone filler is a key component of carpet production. One of Shaw's limestone providers had an abundant supply of limestone that was too yellow for most uses, making it a prime candidate for the landfill. The Tufftex team identified a way to incorporate it into its carpet manufacturing process without compromising product quality. In doing so, we were able to divert the supplier's product from the landfill. Shaw's discovery of this product - via ongoing collaboration with its suppliers - allowed the company to reduce costs because it was significantly less expensive than the limestone Shaw typically purchases. And the supplier was able to sell a product that it otherwise would have disposed.

APPENDIX



ABOUT THIS REPORT

ASSURANCE

This report was prepared at the GRI 3.1 Application Level B. Deloitte and Touche LLP provided assurance to achieve the B+ level. See page 91 for the Independent Accountants' Review Report.

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 50 percent financial stake. Scope, boundary and measurement methods are consistent with prior reports. There are no limitations on scope or boundary in this report.

CURRENCY

All references to currency are in U.S. dollars.

DATA MEASUREMENT & INFORMATION INTEGRITY

Shaw Industries Group, Inc. and our management are responsible for the preparation and integrity of the information provided in this 2013 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 2013. The GRI 3.1 Indicator Protocols 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 71-75).

MATERIALITY & SCOPE

Shaw's three pillars of sustainability include corporate governance and social responsibility; environmental health and safety; and innovative products and services. The GRI indicators as well as the Shaw specific KPIs and anecdotal evidence were selected to reflect the most material areas of our business within these pillars. Materiality was determined by examining key business success factors and impacts, the needs and interests of our associates and interests of our stakeholders.

REPORTING CYCLE

Our sustainability reporting follows an annual cycle based on the calendar year. This report covers January 1, 2013 to December 31, 2013. Our most recent sustainability report was published in 2013 for the calendar year 2012. Previous reports can be accessed at shawgreenedge.com/sustainability.

CONTACT

To request hard copies of this report, please email info@shawgreenedge.com. For questions regarding the contents of this report, please email Susan Rich at susan.rich@shawinc.com.

OTHER DISCLOSURES

EQUAL EMPLOYMENT OPPORTUNITY

Shaw Industries Group, Inc. is an Equal Opportunity Employer, firmly committed to fostering a workplace free of discrimination, harassment and retaliation. We recruit, hire, train and promote our associates throughout the company without regard for race, religion, age, sex, national origin, disability, veteran status, sexual orientation or any other legally protected status.

HUMAN RIGHTS & SOCIAL RESPONSIBILITY

Shaw Industries Group, Inc. and our subsidiaries comply with all laws and regulations that apply to any of Shaw's activities and operations in all countries where Shaw does business. Shaw officers, directors and associates are required to comply with the company Code of Conduct, Prohibited Business Practices Policy and the Berkshire Hathaway, Inc. Code of Ethics. The Shaw team also must abide by all applicable laws and regulations, and take great care not to take or authorize any actions that may create the appearance of impropriety. Personnel who violate these policies are subject to appropriate disciplinary action up to and including termination.

Shaw is committed to conducting business in a responsible and ethical manner. We respect and uphold international human rights principles aimed at protecting human rights and social responsibility, including the United Nations Declaration on Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; and the declaration on the Right to Development. Our Code of Conduct and Prohibited Business Policy are consistent with these international principles.

The Shaw Code of Conduct, which includes guidance on anti-competitive behavior and compliance can be accessed at shawgreenedge.com/CoC, and the Berkshire Hathaway, Inc. Code of Ethics can be accessed at berkshirehathaway.com/govern/ethics.pdf.

In 2013, 1,799 of our management associates (97.88%) and 18,389 of our non-management associates (88.21%) received ethics, code of conduct, legal and regulatory training, which includes anti-corruption policies and procedures, through the Shaw Ethics & Compliance program.

RISK ASSESSMENT

Shaw's internal audit group annually conducts a risk assessment that covers 100 percent of the business areas. This risk assessment includes internal controls, business risk and targeted questions regarding fraud and corruption. The results of the risk assessment are shared with Senior Management as well as management of Berkshire Hathaway. The risk assessment is used to identify the areas of the company that will be audited each year.



MEMBERSHIPS, PARTNERSHIPS AND AFFILIATIONS

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



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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, 2013. 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. 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 G3.1 Sustainability Reporting Framework for Application Level B; that the 2013, 2012, and 2011 amounts 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 13, 2014





Statement GRI Application Level Check

GRI hereby states that **Shaw Industries Group, Inc.** has presented its report "Shaw Industries Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 24 June 2014

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The "+" has been added to this Application Level because **Shaw Industries Group, Inc.** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 13 June 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

SHAW PERFORMANCE INDICATOR & GRI INDEX

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. GRI is committed to continuously improving and increasing the use of these guidelines, which are freely available to the public. **This report is based on the GRI G3.1 guidelines, application level B.**

● FULLY REPORTED ◐ PARTIALLY REPORTED ○ NOT REPORTED

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES			
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	RESPONSE
1. STRATEGY & ANALYSIS			
1.1	Statement from the most senior decision-maker of the organization.	●	7,8
1.2	Description of key impacts, risks, & opportunities.	●	7,8
2. ORGANIZATIONAL PROFILE			
2.1	Name of the organization.	●	cover; 9
2.2	Primary brands, products, and/or services.	●	11. As a vertically integrated manufacturer, Shaw does not rely heavily on outsourcing for its operations.
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	9; 18
2.4	Location of organization's headquarters.	●	9
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	9
2.6	Nature of ownership and legal form.	●	9
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	9
2.8	Scale of the reporting organization.	◐	9-10; 21-22. Shaw Industries Group, Inc is a privately held subsidiary and our governance board is not structured in a manner similar to a publicly held company. Economic information is proprietary.
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	10; 87
2.10	Awards received in the reporting period.	●	12
3. REPORT PARAMETERS			
3.1	Reporting period for information provided.	●	87
3.2	Date of most recent previous report.	●	87
3.3	Reporting cycle.	●	87
3.4	Contact point for questions regarding the report or its contents.	●	87
3.5	Process for defining report content.	●	7-8; 13 Shaw recognizes our customers, suppliers, retailers, industry and trade groups, non-governmental organizations, our own associates, and Berkshire Hathaway as our primary stakeholder groups. We identified these groups based on their direct investment and/or influence on our business. The issues we address in this report are determined in part as a result of frequent communication through our corporate organization and our brands with these stakeholder groups on key topics and concerns raised by these groups. Material topics include education and training, health and wellness, safety, diversity and inclusion, community involvement, designing responsibly, reclamation and recycling, waste, sustainable buildings, energy and greenhouse gas, logistics, and water management.
3.6	Boundary of the report.	●	87

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES			
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	RESPONSE
3.7	State any specific limitations on the scope or boundary of the report.	●	87
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	87
3. REPORT PARAMETERS, CONT.			
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	87
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	●	87
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	87
3.12	Table identifying the location of the standard disclosures in the report.	●	95-103
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	87
4. GOVERNANCE, COMMITMENTS & ENGAGEMENTS			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	18
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	18
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	●	Not applicable; unitary board structure does not exist for this organization.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	13
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	●	18
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	Shaw has an ethics and compliance program that addresses conflict of interest issues. This program includes policies and procedures with regards to conflict of interest. Every two years, all associates receive code of conduct training which includes training on conflict of interest issues. In addition, specific conflict of interest training is provided to all salaried employees on a periodic basis. When associates are hired, and every two years thereafter, associates are required to update their conflict of interest questionnaire. A process for review of any identified conflicts is in place. The process involves the immediate supervisor, HR, Corporate Compliance, and senior management. Disciplinary procedures are implemented when conflicts are discovered which were not reported by the associate.
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	●	Shaw Industries Group, Inc. is a privately held subsidiary and our governance board is not structured in a manner similar to a publicly held company. This process question is applicable to publicly traded entities, which we are not. We are governed by a board consisting of our CEO, our President, and the CFO of Berkshire Hathaway, Inc., our sole shareholder.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	10; throughout report

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES			
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	RESPONSE
4. GOVERNANCE, COMMITMENTS & ENGAGEMENTS, CONT.			
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	18; the Growth & Sustainability Council serves as an evaluative and regulatory body for monitoring and measuring the economic, environmental and social performance of our entire organization—including the highest levels of organizational governance.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	18; the Growth & Sustainability Council serves as an evaluative and regulatory body for monitoring and measuring the economic, environmental and social performance of our entire organization—including the highest levels of organizational governance. As part of this process, the governance body reports on performance in these areas during Council meetings.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	47-48; Shaw has a long history of being proactive in the development of products which are sustainable. We adhered to the precautionary principle, which in practice is the effort to try and remove potentially harmful substances from our manufacturing processes and products. To help us implement this principle, we use a cradle to cradle manufacturing philosophy.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	55-56; 52
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; Or • Views membership as strategic.	●	90
4.14	List of stakeholder groups engaged by the organization.	●	13
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	13
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	13; 21; 35-36; 51
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	13-21

STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH			
G3.1 DMAS	DESCRIPTION	REPORTED	RESPONSE
DISCLOSURE ON MANAGEMENT APPROACH: ECONOMIC			
Aspects	Economic performance	○	Shaw Industries Group, Inc. is a privately held subsidiary and our governance board is not structured in a manner similar to a publicly held company. Economic information is proprietary.
	Market presence	●	9-11
	Indirect economic impacts	●	7-8; 22
DISCLOSURE ON MANAGEMENT APPROACH: ENVIRONMENTAL RESPONSIBILITY			
Aspects	Materials	●	61-64
	Energy	●	71
	Water	●	81
	Emissions, effluents and waste	●	61-62
	Products and services	●	47-48
	Compliance	●	88

STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH			
G3.1 DMAS	DESCRIPTION	REPORTED	RESPONSE
	Transport	●	79
	Overall	●	7-8; 18
DISCLOSURE ON MANAGEMENT APPROACH: LABOR			
Aspects	Employment	●	21
	Labor/management relations	●	21
	Occupational health and safety	●	29-31
	Training and education	●	23-24
	Diversity and equal opportunity	●	33-34
DISCLOSURE ON MANAGEMENT APPROACH: HUMAN RIGHTS			
Aspects	Investment and procurement practices	●	49; http://diversity.shawinc.com/Home/Supplier.aspx
	Non-discrimination	●	88
	Freedom of association and collective bargaining	●	Shaw is not aware of any operations or significant suppliers that have been identified as having significant risk to the right to exercise freedom of association and collective bargaining.
	Child labor	●	Shaw is not aware of any operations or significant suppliers that have been identified as having significant risk for child labor.
	Prevention of forced and compulsory labor	●	Shaw is not aware of any operations or significant suppliers that have been identified as having significant risk for compulsory labor.
DISCLOSURE ON MANAGEMENT APPROACH: SOCIETY			
Aspects	Local communities	●	35-36
	Corruption	●	88
	Public Policy	●	88
	Anti-competitive behavior	●	88
	Compliance	●	88
DISCLOSURE ON MANAGEMENT APPROACH: PRODUCT RESPONSIBILITY			
Aspects	Customer health and safety	●	Shaw's Safety, Health and Environmental policy can be found at www.shawgreenedge.com/SHEP
	Product and service labeling	●	52; 55-56
	Marketing communications	●	In addition to a thorough internal review process for our marketing and communications materials, Shaw is committed to upholding the United States Federal Trade Commission (FTC) Green Guides for communicating our environmental initiatives and the sustainability of our products.
	Compliance	●	88

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	RESPONSE
ECONOMIC			
ECONOMIC PERFORMANCE			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	As a privately held subsidiary Shaw's economic information is proprietary. Community investment information can be found on page 41.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	71
EC3	Coverage of the organization's defined benefit plan obligations.	○	
EC4	Significant financial assistance received from government.	○	
MARKET PRESENCE			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	○	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	49; http://diversity.shawinc.com/Home/Supplier.aspx
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	○	
INDIRECT ECONOMIC IMPACTS			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	35-44
EC9	Understanding and describing significant indirect economic impacts.	○	
ENVIRONMENTAL			
MATERIALS			
EN1	Materials used by weight or volume.	○	
EN2	Percentage of materials used that are recycled input materials.	○	
ENERGY			
SHAW	Total Energy Intensity	●	72
SHAW	Alternative Energy Use by Source	●	73
EN3	Direct energy consumption by primary energy source.	●	73
EN4	Indirect energy consumption by primary source.	●	73
EN5	Energy saved due to conservation and efficiency improvements.	●	71-72
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	47-48; 63-64
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	59-60; 71-72
WATER			
SHAW	Total Water Intensity	●	82
EN8	Total water withdrawal by source.	●	82
EN9	Water sources significantly affected by withdrawal of water.	○	
EN10	Percentage and total volume of water recycled and reused.	●	81
BIODIVERSITY			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	○	

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	RESPONSE
EN13	Habitats protected or restored.	○	
BIODIVERSITY			
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	○	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○	
EMISSIONS, EFFLUENTS & WASTE			
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	75
EN17	Other relevant indirect greenhouse gas emissions by weight.	○	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	71
EN19	Emissions of ozone-depleting substances by weight.	○	
EN20	NOx, SOx, and other significant air emissions by type and weight.	●	75
EN21	Total water discharge by quality and destination.	○	
SHAW	Total Landfill Waste Intensity	●	62
EN22	Total weight of waste by type and disposal method.	●	66
EN23	Total number and volume of significant spills.	●	There were zero significant spills in 2013.
SHAW	Hazardous Chemical Waste Disposal	●	66
SHAW	Industrial Chemical Waste	●	66
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	62; 66; Shaw reports Hazardous Chemical Waste Disposal and Industrial Chemical Waste. Shaw does not import or export hazardous waste.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	○	
PRODUCTS & SERVICES			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	47-49; 52; 55-56
SHAW	Total volume of carpet reclaimed and recycled.	●	66
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	○	
COMPLIANCE			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	In 2013 we had three notices of violations of non-compliance with environmental laws and regulations with none resulting in a monetary penalty.
TRANSPORT			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	79-80
OVERALL			
EN30	Total environmental protection expenditures and investments by type.	○	
SOCIAL: LABOR PRACTICES & DECENT WORK			
EMPLOYMENT			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	●	22
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	●	22
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	○	

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	RESPONSE
LA15	Return to work and retention rates after parental leave, by gender.	○	
SOCIAL: LABOR PRACTICES AND DECENT WORK, CONT.			
LABOR/MANAGEMENT RELATIONS			
LA4	Percentage of employees covered by collective bargaining agreements.	○	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	○	
OCCUPATIONAL HEALTH & SAFETY			
LA6	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.	●	31
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	◐	32
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	29-30
LA9	Health and safety topics covered in formal agreements with trade unions.	○	
TRAINING & EDUCATION			
LA10	Average hours of training per year per employee by gender, and by employee category.	◐	23; note: average hours and gender data are not available for this indicator.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	23-28
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	○	
DIVERSITY & EQUAL OPPORTUNITY			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	○	
EQUAL REMUNERATION FOR WOMEN & MEN			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	○	
SOCIAL: HUMAN RIGHTS			
INVESTMENT & PROCUREMENT PRACTICES			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	○	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	○	

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	RESPONSE
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	●	Shaw conducted 4,305 hours of diversity and inclusion training with 2,180 full-time, US-based Shaw associates (10% of our total associates) in 2013. This training included education on policies and procedures concerning aspects of inclusiveness and anti-harassment most relevant to our operations. In addition, new Shaw associates receive diversity, inclusiveness and anti-harassment training as part of our new employee orientation, and all Shaw full-time salaried associates complete annual training on policies and procedures concerning aspects of diversity, inclusiveness and anti-harassment.
NON-DISCRIMINATION			
HR4	Total number of incidents of discrimination and actions taken.	○	
FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated at significant risk, and actions taken to support these rights.	●	Shaw is not aware of any operations or significant suppliers that have been identified as having significant risk to the right to exercise freedom of association or collective bargaining.
CHILD LABOR			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	●	Shaw is not aware of any operations or significant suppliers that have been identified as having significant risk for child labor.
FORCED & COMPULSORY LABOR			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	●	Shaw is not aware of any operations or significant suppliers that have been identified as having significant risk for forced or compulsory labor.
REMEDIATION			
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	○	
SOCIAL: SOCIETY			
LOCAL COMMUNITIES			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	◐	25-28; 35-36
SO9	Operations with significant potential or actual negative impacts on local communities.	○	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	○	
CORRUPTION			
SO2	Percentage of total number of business units analyzed for risks related to corruption.	●	88
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	88
SO4	Actions taken in response to incidents of corruption.	○	
PUBLIC POLICY			
SO5	Public policy positions and participation in public policy development and lobbying.	○	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	4); contributions disclosed are for US only.

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	RESPONSE
SOCIAL: SOCIETY, CONT.			
ANTI-COMPETITIVE BEHAVIOR			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	○	
COMPLIANCE			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	88; As is stated in Shaw's code of conduct, our company will comply with all applicable laws and regulations. As evidence of this, Shaw has not been subject to any material monetary fines, nor have there been any significant non-monetary sanctions within the past year.
SOCIAL: PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH & SAFETY			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	47-48; 50; 52
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●	We had no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of our key products across their life cycle.
PRODUCT SERVICE & LABELING			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	Our intention is to communicate information on construction, care and sustainability factors on all relevant products via labeling, sales materials as well as online.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	In 2013, there were no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	◐	13; 51-52
MARKETING & COMMUNICATIONS			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	◐	In addition to a thorough internal review process for our marketing and communications materials, we're committed to upholding the United States Federal Trade Commission Green Guides for communicating our environmental initiatives and the sustainability of our products. We also provide our customers with third-party verification of the sustainability claims of our products through some of the world's most stringent environmental product standards and certifications.
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.	○	
CUSTOMER PRIVACY			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	○	
COMPLIANCE			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	We had no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.



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