



Shaw Industry Group, Inc.’s Modern Slavery and Child Labor in the Supply Chain Statement for Financial Year 2024

Introduction

This statement is made pursuant to section 54(1) of the UK Modern Slavery Act 2015 and section 11¹ of the Canadian *Fighting Against Forced Labor and Child Labor in Supply Chains Act* (“*Supply Chains Act*”). This statement constitutes Shaw Industries Group, Inc.’s (“Shaw”) UK and Canadian slavery and human trafficking statement for the financial year ending December 31, 2024.

Our Business

Shaw supplies carpet, resilient, hardwood, laminate, tile, and stone flooring products and synthetic turf to residential and commercial markets worldwide. We are a wholly owned subsidiary of Berkshire Hathaway, Inc. with approximately 18,000 associates worldwide. Shaw is headquartered in Dalton, Georgia, with salespeople and/or offices located throughout the U.S. as well as Australia, Brazil, Canada, Chile, China, France, India, Mexico, Singapore, United Arab Emirates, the United Kingdom, and Vietnam. For the purposes of this statement, Shaw is the reporting entity pursuant to the requirements of the Supply Chains Act.

Shaw commits to conducting our business in an ethical and responsible manner that supports and respects the protection of human rights. Shaw will work to identify and do business with partners who aspire to conduct their business in a similar manner. Specifically, Shaw condemns the use of child labor, forced labor, and human trafficking throughout our business and supply chain.

Our Supply Chain

Shaw’s suppliers are primarily located in the United States, Canada, China, India, Mexico, South Korea, and Vietnam. Procurement activities are carried out predominantly by a United States-based team with a global sourcing support office located in Shanghai, China. These teams oversee more than \$4 billion in annual purchases.

Shaw weighs several factors when selecting suppliers. Among those factors are the supplier’s measures to prevent the use of forced or child labor, quality, service, price, innovation leadership, environmental stewardship, technology, logistics and social responsibility.

Actions Taken to Prevent and Reduce the Risk that Forced or Child Labor is Used in Supply Chain

¹ For the purposes of the Supply Chains Act, the term Shaw includes all subsidiaries and controlled entities required to report under the Supply Chains Act.



During 2024, Shaw has continued to build on our existing policies and procedures to prevent and reduce slavery and human trafficking risks in our supply chains. Shaw has:

- Verified product and raw material supply chains to evaluate and address risks of human trafficking and slavery.
- Conducted extensive supply chain mapping including first, second and third tiers in some instances of the entities in our supply chain. These efforts have helped us gain information on the extended supply chain for higher risk suppliers. These efforts have resulted in actions being taken to reduce the risk of forced labor in our supply chain by providing risk-based information as part of the supplier assessment process.
- Performed geographical risk assessments of our finished product and raw material suppliers. The risk assessments are conducted using both internal and external tools, including the use of third-party risk assessment software. The results of these assessments did not reveal any indications of forced labor or slavery within our supply chain.
- Developed a **Sustainable Sourcing Policy and Supplier Code of Conduct**, which addresses child and forced labor (among other matters) and which all suppliers must adhere to. We reserve the right to audit our suppliers' compliance with the Sustainable Sourcing Policy and any non-compliance will result in a material breach of any supplier agreement.
- Conducted risk-based due diligence reviews on 100% of new international suppliers. Additionally, we conducted on-site and remote third-party audits on 39% of our international suppliers who have been identified as at risk for slavery and human trafficking. We identify high-risk suppliers through several key criteria. Geographical location plays a significant role, with suppliers operating in regions lacking robust labor laws or enforcement mechanisms, or with high rates of human trafficking and forced labor, being flagged as high risk.

Certain industries, including agriculture, textiles, chemical manufacturing, and mining, are also considered high risk due to labor-intensive processes, subcontracting practices, or reliance on migrant workers. Complexity within the supply chain, past violations or allegations of labor rights abuses, vulnerability of workers, lack of transparency and accountability, and negative impacts on local communities are additional factors used to assess supplier risk.

These audits did not reveal any evidence of forced labor or slavery activities at those suppliers.

- Reviewed and updated our internal accountability standards and procedures for employees, contractors, and suppliers who fail to meet our policies regarding slavery and trafficking.

Risk Assessment and Steps Taken to Manage Risk



Parts of Shaw's supply chains may carry the risk of forced or child labor being used, and Shaw undertakes the following steps to assess and manage that risk.

Our supply chain is assessed to determine the risk forced labor and slavery poses to Shaw. This is accomplished by using tools such as the Cradle to Cradle Products Innovation Institute's social fairness pillar, the Social Hotspots Database, supply chain mapping, third-party due diligence reports, and onsite audits of suppliers' facilities.

International suppliers undergo a two-part background check including financial, media, and regulatory action (in English and the native language) conducted by both internal staff and external third-party service providers.

When a risk score is high based on geography and industry information, a second level of investigation is triggered, and we complete a formal due diligence report. This report is produced by a third-party team that reviews search results and provides a detailed report outlining any findings of adverse information. That report is reviewed by Shaw to determine how to proceed with the supplier.

As a third step, Shaw works with various auditors (internal and/or third-party) to conduct remote or on-site audits of facilities.

Training and Awareness

Shaw regularly conducts training with our supply chain associates on issues of human trafficking and slavery including forced and child labor, particularly with respect to mitigating risks within the supply chain. All supply chain managers and staff are required to participate in annual training on slavery and human trafficking. Currently, this training is available via e-learning.



Anti-slavery and Supply Chain Policy

Shaw is committed to sourcing our products from suppliers who have agreed to operate their supply chains in a socially responsible manner, as required in our Sustainable Sourcing Policy and proven by our commitment to the UN Global Compact to which we became a signatory in 2017. Shaw and our employees must strictly comply with all applicable U.S. and international laws related to forced and child labor. Shaw has established policies, practices, and procedures to ensure compliance with all applicable trade laws and regulations and achieve our stated policy goals.

Key Performance Indicators and Third Parties

Shaw weighs several factors when selecting and continuing to do business with suppliers. Among those factors are quality, service, price, innovation leadership, environmental stewardship, technology, logistics, and social responsibility.

In addition to consulting various industry resources and NGOs, Shaw works closely with the Cradle to Cradle Products Innovation Institute. As of 2024, almost 90% of Shaw manufactured products are third-party Cradle to Cradle Certified® based on the products' material health, water and soil stewardship, clean air and climate protection, product circularity, and social fairness principles. Social fairness principles are defined by the Social Hotspots Database as:

- Child labor
- Forced labor
- Excessive work time
- Provision of a living wage
- Worker health and safety
- Wage assessment where the potential average wage is less than the non-poverty guideline
- Toxicity and chemical exposure in the workplace

Non-compliance with Shaw's Standard Terms and Conditions of Purchase, including the Sustainable Sourcing Policy, will result in a material breach of any supplier agreement. Shaw will evaluate the supplier partnership and choose an acceptable action plan including but not limited to the termination of such agreement.

Assessing the Effectiveness of Our Measures

We are committed to tracking progress and performance. We will seek to assess the effectiveness of our actions over the course of the next reporting period by tracking the progress of the following goals:

- Continuing work on the implementation of supplier screening and enhanced due diligence processes for major suppliers on environmental and social risk, including on the topic of human rights, and forced and/or child labor.



- Collaborating with industry peers and external stakeholder to develop best practice mechanisms to remedy adverse human rights impacts.

Measures Taken to Remediate the Loss of Income to the Most Vulnerable Families

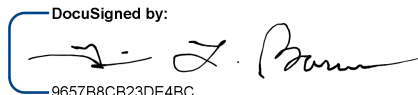
In our 2023 fiscal year, Shaw did not find any occurrences of forced or child labor in our business or supply chains. Consequently, Shaw did not take measures to remediate any adverse impacts of forced or child labor nor did it take any measures to remediate the loss of income to families that potentially could have resulted from any measure taken to eliminate the use of forced or child labor in Shaw's business and supply chains.

Approval and Attestation

This statement has been approved by the Board of Directors of the Shaw Industries Group, Inc. on its own behalf and on of all subsidiaries subject to the reporting requirements of the Supply Chains Act and is approved by all Boards of the subsidiaries subject to the UK Modern Slavery Act 2015 the executive management team of Shaw Industries Group, Inc. and signed on the 30th day of April, 2025.

In accordance with the requirements of the Supply Chains Act, and in particular section 11 thereof, I attest that I have the authority to bind Shaw Industries Group, Inc. and have reviewed the information contained in this Statement for Shaw. Based on my knowledge, and having exercised reasonable due diligence, I attest that the information in this Statement is true, accurate and complete in all material respects for the purposes of the Supply Chains Act, for the financial year ending December 31, 2024.

Signature:

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Tim Baucom

Shaw Industries Group, Inc.

President and CEO