



2025 Impact Report

Mohawk Brasil Initiatives





"In 2025, we took another important step in consolidating ESG as an integral part of the way we do business. The progress achieved in innovation, people, sustainability, and governance demonstrates that it is possible to generate results with responsibility and a long-term perspective.

This report reflects the collective efforts of many teams and reinforces our commitment to transforming challenges into opportunities, always guided by ethics, transparency, and creating sustainable value."

Matheus Bitsch Boscardin
ESG – Mohawk Brasil

2025 Key Achievements

- Reduction of the thickness of glazed porcelain tile flooring at the Criciúma (Santa Catarina), Bahia, and Paraíba manufacturing facilities, improving efficiency across the entire production and logistics chain. This initiative contributes to lower consumption of raw materials, energy, and water, while reducing weight per square meter and enabling more efficient transportation.
- Reduction of material waste and glass breakage rates through continuous improvements to the production process, combined with a more targeted commercial approach to accelerate the sale of obsolete product lines.
- Implementation of approximately 3,000 improvement ideas through the Study and Suggestion Groups (GES) at the Santa Catarina and Bahia facilities, generating tangible economic, social, and environmental benefits for the company and its employees.

National Overview



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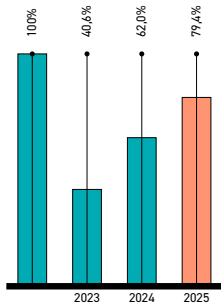
manufacturing
facilities in Brazil



15 mil

points of sale

Renewable energy as a percentage of total electricity consumption



Elizabeth

eliane floor

eliane

 DECORTILES



Neutral Marfim Mesh BR 7,5x7,5 cm

Environmental

Process innovation delivering environmental and operational benefits

At the Santa Catarina manufacturing facility (SC1), which the production of small-format ceramic tiles, the 7.5 x 7.5 cm mesh format, is one of the most representative products, with an estimated annual production of 650,000 m².

During the manufacturing process, individual pieces are assembled into larger sheets through an adhesive bonding system that applies glue at specific fixation points and subjects them to temperatures of approximately 250°C to ensure optimal adhesion and effective backing.

The challenge was located precisely within this stage of the process. The high number of bonding points resulted in excessive adhesive consumption, negatively impacting both production efficiency and environmental performance indicators.

The solution came through a strategic review of the adhesive application configuration. By optimizing the number of fixation points without compromising product integrity, the facility achieved a significant result: a 42%

reduction in adhesive consumption, representing a substantial improvement in operational performance and overall production efficiency.



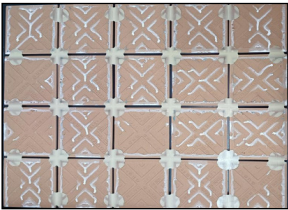
Neutral Marfim Mesh BR 7,5x7,5 cm

Even with an initial investment of R\$ 3,600 to adapt the mesh screen, the results far exceeded implementation costs, with a payback period of only 1 day and 7 hours and annual savings of approximately R\$ 424,320.

The benefits extend beyond financial performance. Process optimization reduced adhesive consumption by approximately 5,400 kg per month. Previously, each production cycle required 1,000 kg of adhesive; after implementation, this volume decreased to 580 kg. This reduction eased the burden on the internal transportation system, decreasing issues related to Teflon detachment from trays and improving the overall operational performance of the production line. All products manufactured in this format benefited from this improvement.

From an environmental and safety point of view, the impact is equally significant. With less adhesive being processed at high temperatures, there has been a significant reduction in gas and smoke emissions from burning, directly improving working conditions and contributing to a safer and more sustainable operation.

This initiative represents a tangible advancement in eco-efficiency by integrating resource optimization, operational gains, and emissions reduction into a single action. It also demonstrates that innovation and environmental responsibility can — and should — go hand in hand.



Situation **before** Implementation



Situation **after** implementation



Tests carried out



Social

Geração E: developing young talents and building futures

The Geração E Program, an initiative led by Mohawk Brasil's People Management team, aims to promote the integration of young talent into the labor market while fostering both personal and professional development. Through experiences designed to strengthen technical and behavioral competencies, the program cultivates values aligned with the Company's culture and prepares a new generation of professionals to act with ownership, accountability, and leadership.

Beyond being an apprenticeship program, Geração E creates tangible social value by promoting inclusion, developing human capital, and supporting the sustainability of the organization's talent pipeline, while simultaneously strengthening Mohawk Brasil's employer brand among strategic audiences.

The 2025 cycle was launched in March, bringing together approximately 200 new apprentices and marking the beginning of another journey focused on continuous growth and the comprehensive development of young individuals entering the workforce with the potential to create meaningful impact.

The development path was structured in six steps, combining lectures, workshops, and training sessions, focusing on:

- Leadership and life planning;
- Rules, standards, and responsible behavior;
- Interpersonal relationships and teamwork;
- Recognition and management of emotions;
- Empathetic communication, active listening, and mutual respect;
- Awareness of oneself, others, and the organization.

Activities were conducted across facilities in Southern and Northeastern Brazil using participatory methodologies and practical learning experiences.

Business impact and quantitative results:

Since its creation in 2019, the Geração E Program has contributed to the permanent hiring of more than 125 apprentices, establishing itself as a structured gateway for emerging talent and a tangible expression of Mohawk Brasil's commitment to social development.

In 2025, the program impacted more than **180 apprentices**, providing a development path that included 12 hours of formal training and a total of **1,775 learning hours** throughout the cycle. Between January and December, **23** young apprentices were hired into permanent positions, highlighting the strategic role of Geração E as a talent pipeline and its contribution to the Company's recognition as an employer of choice.

As stated by Mohawk Brasil's Human Resources Department: "Geração E goes beyond legal apprenticeship requirements by providing a structured learning and development experience, preparing participants for the labor market while consistently expanding opportunities for inclusion."

This success is supported by the coordinated efforts of managers, mentors, the HR team, and the apprentices themselves, ensuring close guidance, consistent execution, and continuous alignment with business needs.

Governance

Excellence in meeting customers' sustainability demands

In 2025, Mohawk Brasil strengthened its role as a strategic partner by addressing the growing demand from customers for sustainability-related information.

This effort integrated the Sustainability, Technical, and Compliance & ESG teams, ensuring responses aligned with diverse market requirements and international standards. More than simply responding to specific requests, the Company has incorporated sustainability into its customer value proposition, directly supporting projects seeking certifications such as LEED. This support includes providing technical information that contributes to project qualification and improved product life-cycle performance.

One of the main differentiators lies in the internal development of a robust portfolio of documents, which includes the Sustainable Building Report, the Life Cycle Assessment (LCA) from cradle to grave, the Greenhouse Gas Inventory, the Carbon Footprint report, safety data sheets, and self-declarations, covering topics like VOCs, Type II labeling, REACH, and Red List Free. This approach ensures better control over the data, methodological consistency, and faster responses.

As a result, Mohawk Brazil strengthens customer trust, increasing its contribution to sustainable projects and solidifying its position as a technical reference in the sector. The initiative shows how sustainability, when integrated into the business, creates value not just for the company, but for the entire construction chain.





Rovere Noce AC 3D 19,7x120 cm | Oris Gris AC 3D 120x270 cm

Governance

Strengthening the third-party due diligence process through a risk-based approach

Throughout 2025, Mohawk Brasil's Compliance Department made significant progress in enhancing its third-party due diligence process, making risk management more targeted and aligned with corporate governance best practices.

During the first three quarters of the year, efforts focused on reviewing the existing model, identifying key compliance risks, establishing more effective classification criteria, and structuring a comprehensive risk-based approach. This phase was essential to differentiate low-exposure third parties from those requiring a more in-depth assessment, resulting in a more efficient and materiality-driven process.

Starting in the fourth quarter, the model began operating in a consolidated manner. The implementation of a standard operating procedure formalized the steps of classification, analysis, and continuous monitoring, ensuring greater standardization, traceability, and

transparency in decision-making.

At the same time, a regular reporting flow was set up for management: quarterly reports started being sent to the managers responsible for hiring – who act as risk owners – with a summary of the analyses carried out, the main risks identified, and the status of ongoing action plans. In addition to increasing visibility of compliance risks, this initiative helps make more informed decisions and contributes to the development of the management areas involved.

The definition of higher-risk third parties considers both the nature of the activity and the criticality and continuity of the contractual relationship. The main categories being monitored include ongoing service providers, staffing outsourcing companies, suppliers in the mining, transportation, and logistics sectors, environmental and engineering services, agents and intermediaries, IT suppliers, and relationships with public entities.

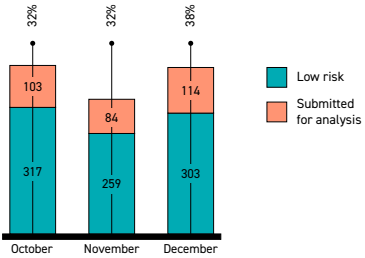
Assessments are conducted through an integrated evaluation process covering integrity, reputation, regulatory compliance, environmental performance, labor practices, and financial health. This approach combines specialized assessment tools with human validation, ensuring greater accuracy, consistency, and reliability of results.

The results for the fourth quarter of 2025 show how effective the model is: out of the 879 third parties reviewed, about 66% were classified as low risk, so they didn't need individual analysis. The remaining 301 third parties – 34% of the total – were sent for a deeper evaluation.

The monthly progress reinforces the consistency of the model: Beyond efficiency gains, the process has evolved in depth. Those with identified risks undergo individual analysis and, when necessary, are subjected to predefined action plans together with the responsible areas and continuously monitored by compliance.

There was also significant progress in governance in decision-making, with greater involvement from management areas and, when applicable, senior leadership, ensuring more conscious and structured risk acceptance.

Third-party due diligence assessment - Q4/2025



Main impacts of the initiative:

- Greater accuracy in identifying and prioritizing risks;
- Standardized assessment criteria for critical third parties;
- Increased transparency and traceability in decision-making processes;
- Continuous monitoring supported by tracked action plans;
- Strengthened accountability of managers in their role as risk owners;
- Resource optimization through risk-based screening;
- Reinforcement of a culture of compliance and integrity throughout the supply chain.