Sustainability &
Responsible Business Update

Updated November 17, 2026

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ABOUT THIS DOCUMENT

Floor & Decor references leading industry standards and best practices as we develop and refine our sustainability and responsible business reporting. This document includes selected metrics from the Sustainability Accounting Standards Board (SASB) Multiline and Specialty Retailers & Distributors Industry Standard (Version 2023-12), maintained by the ISSB of the IFRS Foundation. We use the standard as a reference point and do not report on every topic or metric. The index on page 6 lists the metrics that we address in this update. Use of SASB metrics does not indicate that a topic is financially material.

In California, the Climate Corporate Data Accountability Act (SB 253) and the Climate-Related Financial Risk Act (SB 261), each as amended by SB 219 in September 2024 and administered by the California Air Resources Board (CARB), remain subject to ongoing legal challenge. On November 9, 2026, the U.S. Court of Appeals for the Ninth Circuit issued a decision in that litigation that leaves SB 253's Scope 1 and Scope 2 reporting requirements in effect. The court concluded that SB 253's Scope 3 reporting requirements and SB 261 are likely unconstitutional and that preliminary relief against their enforcement is warranted. Enforcement of SB 261 has been enjoined since November 18, 2025. The case has been returned to the district court for further proceedings, and the decision remains subject to possible rehearing or further appeal. The California Air Resources Board set November 10, 2026 as the first reporting deadline for Scope 1 and Scope 2 emissions under SB 253, and as of the date of this publication, we have reported under SB 253 to the extent applicable to Floor & Decor. We intend to comply with applicable climate disclosure requirements as they evolve. For more information, please refer to the Climate & Energy Management section starting on page 13.

This document presents relevant information for our shareholders and stakeholders, and includes links to relevant policies where applicable. These disclosures should be read in conjunction with other disclosures made by Floor & Decor on www.flooranddecor.com and ir.flooranddecor.com, and with reports filed with the SEC.

Forward-Looking Statement Disclosure

This report may contain forward-looking statements within the meaning of the federal securities laws. In some cases, you can identify these statements by forward-looking terms such as "may," "might," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "target," "goal," or "continue," and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties, and assumptions about us, may include projections of our future financial performance based on our growth strategies, business plans and initiatives, and anticipated trends in our business. These forward-looking statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance, or achievements to differ materially from the results, level of activity, performance, or achievements expressed or implied by these forward-looking statements. These factors include, but are not limited to, those discussed in our Annual Report on Form 10-K under Item 1A "Risk Factors," and also discussed from time to time in our reports on Forms 10-Q and 8-K. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, or achievements. Neither we nor any other person assumes

responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements or any other statements in this report after the date of this report, or to conform our prior statements to actual results or revised expectations, and we do not intend to do so. Inclusion of information in this report is not an indication that we deem such information to be material or important to an understanding of our business or an investment decision with respect to our securities.

OUR COMPANY

At Floor & Decor, we seek to improve lives by improving spaces. We do this by helping people – customers, associates, suppliers, and other partners we interact with – achieve beyond their expectations. As a high-growth specialty retailer, we focus on hard surface flooring and accessories, delivering an unmatched assortment of trend-forward tile, wood, laminate, vinyl, and natural stone. Our large stores create immersive experiences, offering customers the inspiration and support they need to realize what's possible – and more. And thanks to our direct sourcing model, we bring extraordinary value every day, empowering both homeowners and professional customers (Pros) to achieve more with their budgets.

Sustainability at Floor & Decor

At Floor & Decor, our growth and disruption of the status quo gives us the opportunity to have a positive impact on society and the planet. By balancing today's needs with tomorrow's possibilities, we aim to benefit our stakeholders through our progress.

We pursue positive outcomes by working with customers to achieve their dreams, by fueling the careers of associates and our Pros, by respecting the limits of natural resources, by growing business with our vendors, and by striving to increase shareholder returns.

For over 25 years, Floor & Decor's associates have demonstrated an important core value: *There is no finish line*. This belief is essential to our ongoing sustainability work as we pursue continual improvement across three pillars of our operations:

People – We care for the safety and wellbeing of our associates, suppliers, and Pro and DIY-homeowner customers. Together, our goal is to grow our careers, businesses, partnerships, and projects.

Processes – We seek to operate responsibly by conserving energy, reducing waste, recycling, and managing our carbon footprint. At the same time, we work with our global suppliers and partners to ensure they, too, operate responsibly and help drive more sustainable outcomes.

Products – We innovate with our vendors and supply chain partners to make better flooring options available at scale. We strive to protect workers and natural resources while making safe and inspiring products available at everyday low prices.

SASB Index and Activity Metrics

SASB Index

Selected metrics from the SASB Multiline and Specialty Retailers & Distributors Industry Standard (Version 2023-12), maintained by the ISSB of the IFRS Foundation. We do not report on every topic or metric in the standard. Use of SASB metrics does not indicate that a topic is financially material.

Topic	Metric	SASB Code	Status	Data or location
Activity Metrics	Number of (1) retail locations and (2) distribution centers	CG-MR-000.A	Reported	SASB Activity Metrics, page 6
Activity Metrics	Total area of (1) retail space and (2) distribution centers	CG-MR-000.B	Reported	SASB Activity Metrics, page 6
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1	Not reported in this update	Energy data not included in this update. GHG emissions are reported in our 2025 Greenhouse Gas Disclosure, submitted to CARB under SB 253
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	Reported	Cybersecurity, Privacy & Data Protection, page 10; Form 10-K, Item 1C
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	CG-MR-230a.2	Not reported in this update	Not included in this update
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	CG-MR-410a.1	Reported	~$1,235 MM in FY2025 - refer to Products, page 22 for additional information [1]

SASB Activity Metrics [2]

	SASB Codes: CG-MR-000.A and CG-MR-000.B					
	12/25/2025 [3]	12/26/2024 [3]	12/28/2023	12/29/2022	12/30/2021	12/31/2020
F&D Retail Locations						
Store Count [4]	270 + 5	251 + 5	221 + 5	191 + 6	160 + 2	133 + 2
Square feet	20,473,000	19,307,000	17,237,464	15,093,764	12,516,400	10,373,482
Square meters	1,902,004	1,793,679	1,601,369	1,402,256	1,162,812	963,728
F&D Distribution Centers						
DC Count [5]	5 + 1	4 + 1	4 + 1	4 + 1	4 + 1	4
Square feet	7,008,000	5,679,720	5,679,720	5,684,720	5,539,553	4,673,288
Square meters	651,065	527,689	527,689	528,127	514,641	434,163

[1] 99%+ of laminate and vinyl retail flooring SKUs hold GREENGUARD® Gold certification and 56.4% of retail wood flooring SKUs hold GREENGUARD® Gold or FloorScore® certification

[2] Excludes office space and other facilities included in our SB 253 reporting boundary

[3] 2024 and 2025 data are from F&D's 10-K filings

[4] Retail locations include F&D warehouse-format stores + small-format design studios

[5] Distribution centers include F&D distribution centers + transload facility near Los Angeles

PEOPLE

We care for the safety and wellbeing of our associates, suppliers, and Pro and DIY-homeowner customers. Together, our goal is to grow our careers, businesses, partnerships, and projects.

Associate & Customer Safety

Floor & Decor is committed to the safety of our associates and customers. Our **Injury & Illness Prevention Program (IIPP)** educates store and distribution center associates on potential hazards in the workplace, with an emphasis on prevention. The program focuses on the proactive actions that can be taken to reduce workplace hazards, including proper training, instruction, and communication, as well as constantly assessing and correcting hazardous conditions. The program also addresses the responsibilities of associates and managers in the event they or a customer are injured, including the process of reporting workers' compensation and general liability claims and obtaining medical treatment when necessary.

Floor & Decor works to maintain a culture of safety throughout our organization. At our stores, safety training and management is the responsibility of the Chief Executive Merchant (store manager), supported by Operations Managers, Department Managers, and Assistant Department Managers. At our distribution centers, safety training and management is the responsibility of the General Manager, supported by operations and HR supervisors and the loss prevention supervisor. In addition, stores and distribution centers are trained to have a Heads Up Team made up of both management and non-management associates. The Heads Up Team has a defined set of standard operating procedures (SOPs) and aims for continuous improvement by conducting safety walks, raising awareness, and training their peers.

Safety Training

New store or distribution center associates are not allowed to work in their departments until they have successfully completed all relevant safety courses, and associates are regularly urged to report any unsafe actions or conditions immediately to management.

Mandatory safety trainings for new associates include safe work practices and assisting a forklift operator, fire safety, back-injury prevention, personal protective equipment, and hazard communication. Store and distribution center associates refresh these mandatory trainings regularly. Other safety-related trainings include public health emergency, robbery and theft protocols, hand and power tools use, and active shooter protocols.

Floor & Decor also maintains a comprehensive set of policies and safety procedures for operating lift equipment. Associates who operate certain equipment, including forklifts and aerial work platforms, must undergo special training, a certification test, and drug testing.

Safety Resources

Floor & Decor regularly updates and publishes SOPs and quick reference guides that explain safety policies and procedures. All associates have access to the documents via the company intranet and are made aware of these resources during onboarding and safety trainings. They include:

Safety Reference Guide – Provides managers and associates important safety policies and procedures on the use of safety aisle barricades, forklifts, overhead storage and ladders, trash compactors, eye wash stations, safety-data sheets, personal protection equipment, pallets, stretch wrapping, and more. It also includes information on racking standards, dock safety, and fire prevention and control.

Emergency Response SOP & Reference Guide – Outlines preparation for and response procedures to emergencies such as fires, bomb threats, floods, tornadoes, hurricanes, and civil unrest. Includes guidelines for facility restoration following an event.

Hazard Communication SOP – Aids in the awareness of the dangers associated with hazardous substances, harmful physical agents, or infectious agents associates may be exposed to in their workplaces. Additionally, this SOP addresses compliance with environmental, health, and safety (EHS) regulations and supply chain obligations through the entire lifecycle of chemicals and products.

Hazardous Waste SOP – Addresses the safe collection, storage, and disposal of hazardous waste in compliance with federal regulations.

Hazardous Materials

Spills and breakages of certain products can result in the presence of hazardous materials and waste. We regularly evaluate and update our Hazard Communication and Hazardous Waste SOPs in alignment with relevant federal and state regulations, as well as industry best practices.

Areas addressed in these SOPs include:

- Hazardous waste accumulation
- Biohazard and chemical spills cleanup
- Hazardous waste containers and labeling
- Hazardous waste inspections and pickup
- Record keeping and reporting

Floor & Decor contracts with a leading third-party vendor to remove hazardous waste from stores and distribution centers in accordance with federal and state regulations. In addition, associates are required to complete training on the identification of hazardous materials and the proper handling and disposal of hazardous waste.

Safety Compliance

To address compliance with the IIPP, the management and Heads Up Teams at all stores and distribution centers conduct daily, monthly, and quarterly hazard inspections and perform any corrective actions. In addition, internal loss-prevention auditors conduct Store Execution Review audits regularly, and stores have a racking inspection completed by a third-party vendor on an annual basis. Distribution centers also complete racking inspections regularly.

Benefits & Performance-based Pay

Reflecting our focus on people, Floor & Decor offers competitive compensation, benefits, and promotional opportunities to attract and retain great associates at all levels. We offer numerous benefit plans for associates and their eligible dependents, including resources for mental health and general well-being. All full- and part-time associates are eligible for the company's **Employee Assistance Program (EAP)**, the **Employee Stock Purchase Program (ESPP)**, the 401(k) plan with a company match, and dental and vision insurance, among other benefits. Eligible full-time associates may also participate in health insurance programs and receive up to six weeks of paid parental leave for the care of newborn or newly adopted children.

Floor & Decor also offers a variable, performance-based pay component to all full-time and part-time associates at all levels.

PROCESSES

We seek to operate responsibly by conserving energy, reducing waste, recycling, and managing our carbon footprint. At the same time, we work with our global suppliers and partners to ensure they, too, operate responsibly and help drive more sustainable outcomes.

Cybersecurity, Privacy & Data Protection[6]

At Floor & Decor, we consider data security and privacy protection to be of the utmost importance. This includes the data of our customers, our associates, and others with whom we interact in the course of business, such as vendors, contractors, and members of industry associations or affinity groups. Floor & Decor uses a combination of policies, controls, risk-management techniques, and industry frameworks to address data security and privacy protection. We regularly evaluate new and emerging risks and ever-changing legal and compliance requirements, and we make strategic investments in resources, technology, and processes to address these risks and compliance requirements.

Policy & Approach

We have an Information Security Policy that outlines the details of our policies and approaches to:

- enterprise-information security
- information-asset destruction
- technology-asset management
- network security and access
- password standards
- acceptable use of company technology-related resources
- email policy
- personally-identifiable information of customers or associates
- monitoring of associate use of company systems

We review our processes, controls, and policies regularly to ensure our efforts are consistent with industry practices and compliant with regulatory requirements, including privacy-related regulations across relevant jurisdictions. To align our efforts with industry practices and to be compliant with regulatory requirements, we periodically engage a third party to conduct maturity assessments aligned with the National Institute of Standards and Technology's (NIST) Cybersecurity Framework. We then use these assessments to create annual roadmaps to ensure we mature our program in each of the NIST functions – Govern, Identify, Protect, Detect, Respond, and Recover.

[6] SASB CG-MR-230a.1

Governance

Cybersecurity is the responsibility of our information security team, overseen by our Chief Information Officer (CIO). The CIO is ultimately responsible for developing and implementing policies and procedures, as well as making sure associates have sufficient cybersecurity and data-privacy training. As of the date of this report:

- The CIO reports to the Chief Administrative Officer (CAO) who reports to the Chief Executive Officer (CEO).
- The CIO regularly meets with the CAO to evaluate cybersecurity risks, identify potential mitigations, and assess the impact of those mitigations on residual risk.
- A summary of our cybersecurity efforts is reported to the Audit Committee, which has responsibility for regular oversight of guidelines and policies for risk assessment and management.
- The CIO also reports at least annually to the Board of Directors on information security and cybersecurity risks.
- A data council consists of leaders from across the company who are responsible for the review, assessment, and mitigation of Floor & Decor's private-data risks. Private data is considered any customer's or associate's personally-identifiable information (PII), associate's protected health information (PHI), or sales data that is not publicly available.
- The cybersecurity team consists of multiple pillars that focus on different aspects of cybersecurity, each with dedicated resources. These include security operations, application security, threat and vulnerability management, security engineering, governance risk and compliance, identity and access management, and data protection and security.

External Protection Measures

Floor & Decor has 24/7 cybersecurity monitoring and response services to address the security of our systems and our associates' and customers' data. Floor & Decor employs external measures as the first line of defense to monitor infrastructure and endpoints against cyberattacks and malicious traffic from the internet or on internal networks. As part of our approach, we use a variety of tools, including:

- web filtering
- cloud security
- endpoint-protection systems
- hardware data-port control
- loss and/or theft alerting
- mobile device security
- data-loss prevention systems
- a security-awareness platform to conduct regular simulations and training

As part of our external protection measures, we have a process for onboarding and managing vendors that will have access to our systems and data. We conduct vendor risk assessments based on their systems and data-access rights as well as the security practices of the vendor. This may include requesting a SOC 2 (System and Organization Controls) or ISO/IEC 27001:2022 (International Organization for Standardization/International Electrotechnical Commission) assessment from each new vendor. Contracts include appropriate cybersecurity and data-privacy language for all new vendors. Depending on the vendor risk-assessment results, additional measures and controls may be instituted and managed.

Internal Measures & Training

Floor & Decor worked with external advisors to develop an Incident Response Plan that is aligned with the NIST Cybersecurity Framework and associated policies. The incident response plan facilitates coordination across multiple parts of the company, including a procedure for notifying the CIO of any incident and a procedure for reporting any material incidents to the Audit Committee and Board as appropriate. The Incident Response Plan and other key cybersecurity policies are reviewed annually. In addition:

- Floor & Decor associates are provided cybersecurity awareness training at the time of hire and annually after the associate's anniversary.
- Training is designed to ensure associates know how to handle personal data appropriately, including the leakage of, loss of, or damage to personal data.
- Floor & Decor commissions third-party penetration tests annually and conducts multiple internally led tests each year, including regular simulated phishing campaigns.
- We also run tabletop simulations of cybersecurity incidents and responses. We collaborate in these exercises with external advisors to help improve our practices, procedures, and technologies.

Climate & Energy Management

Floor & Decor aims to operate efficiently and to understand and manage the climate-related risks and opportunities that may affect our business. This section describes how our Board and management oversee sustainability and our energy management programs.

Climate-related disclosure requirements continue to evolve, as described in "About this Document" on page 3.

Governance

Board-level oversight of sustainability and responsible business, including climate-related issues, rests with the Nominating and Corporate Governance Committee (NCGC) of the Board of Directors, as indicated in the committee charter. The NCGC receives, at a minimum, annual updates on the company's sustainability strategy, initiatives, and policies. The full Board receives an update and provides guidance on sustainability once each year at a minimum. The Audit Committee has responsibility to discuss and review guidelines and policies with respect to risk, including the company's major financial-risk exposures, which may include climate risk and the steps management has taken to monitor and control such exposures.

Floor & Decor's Executive Vice President, Chief Administrative Officer & Chief Legal Officer is the most senior executive with responsibility for sustainability. This individual oversees sustainability strategy and execution, including climate risk, and reports directly to the Chief Executive Officer.

Risk Management

Our risk management process identifies risks most significant to the business on an annual basis. Senior management across the company provides input into which risks and opportunities could have a substantive financial or strategic impact to the business, and we conduct an annual risk management workshop to ensure appropriate risks are discussed and mitigation plans are in place. A discussion of these risk areas is held at meetings of the Board at least annually. In 2022, we added climate-related risks to our enterprise-risk universe, addressing certain physical risks as well as transition risks, as defined in TCFD guidance.

Metrics & Targets

Floor & Decor measures its Scope 1 and Scope 2 greenhouse gas emissions and reports them in our 2025 Greenhouse Gas Disclosure, submitted to CARB under SB 253. In 2023, we began working with Watershed, a carbon accounting platform, to advance our measurement methodology. Our 2025 figures are not directly comparable to the Scope 1 and Scope 2 emissions in our prior voluntary disclosures because of changes in methodologies and data sources. We intentionally have not restated prior years in this document. We have not set quantitative emissions-reduction targets.

Energy Management Programs & Progress

Floor & Decor has invested in systems and internal capabilities that reduce energy consumption across our portfolio. Building-management systems include automated lighting controls that reduce energy usage on the sales floor during non-business hours, limit back-of-house warehouse and office lighting to areas of activity, and minimize exterior lighting during off hours. HVAC units function on time-of-day scheduling that reduces energy consumption during associate-only hours and times when facilities are unoccupied. Floor & Decor's facilities team monitors and analyzes data from both lighting and HVAC systems across all stores to ensure optimal performance and manage exceptions.

Our investments in energy management resulted in accomplishments in the areas of energy-data capture, lighting, HVAC, and building controls, including:

- **Data:** Implemented a portfolio-wide energy-information system in 2017 that captures energy- and water-usage data for all stores. This allows Floor & Decor to track usage monthly and flag any facilities that are substantial outliers for investigation and correction.

- **Lighting:** 100% of stores and distribution centers have LED lighting, which is up to 50% more efficient than typical fluorescent lighting systems.

- **HVAC:** More than 80% of stores are equipped with high-efficiency HVAC units, delivering cooling and heating at efficiency levels 20% better than required by local building codes.

- **Building Controls:** All of our stores are controlled by an Energy Management System to ensure that lighting and HVAC schedules can be managed centrally and operated only when necessary.

We are proud of our successes and look forward to continuing our focus on energy efficiency and responsible management of our carbon footprint.

Supply Chain Responsibility

Floor & Decor's core programs for supply chain responsibility include our **Supplier Social Accountability Program**, our **Lacey Act Compliance Program** for sourcing wood products, and our **EPA & CARB Compliance Program** governing emissions from composite wood products. The governance and training of these programs is coordinated by the Global Sourcing and Compliance teams as described below.

Governance and Training

Individuals in the following roles are responsible for implementing Floor & Decor's supply chain responsibility programs. These individuals ensure that all applicable personnel receive a copy of the compliance policy in their respective departments and that designated individuals with procurement responsibilities participate in required training.

- Senior Vice President, Chief Supply Chain Officer
- Vice President, Global Sourcing and Quality
- Senior Director, Global Trade and Supplier Compliance

New hires with procurement responsibilities receive training in the policies and procedures of the programs before they are cleared to independently sign off on purchases. In addition, individuals responsible for governance of these programs and associates with procurement or other relevant vendor-facing responsibilities attend annual trainings to receive updates on the law, industry standards, and any changes to policies and procedures.

Continuous Improvement

Floor & Decor's commitment to supply chain responsibility extends beyond compliance to proactive planning. Responsible supply chain management requires continuous improvement and vigilance in addressing new and emerging risks. To remain resilient and adaptable, we regularly assess potential vulnerabilities in our supply chain and develop mitigation strategies. This proactive approach has allowed us to avoid or reduce disruptions in the past and better prepares us for future uncertainties.

To further strengthen our commitment, we actively engage with industry associations such as the Retail Industry Leaders Association (RILA), the National Retail Federation (NRF), the International Wood Products Association (IWPA), the National Wood Flooring Association (NWFA), the North American Laminate Flooring Association (NALFA), and the Tile Council of North America (TCNA). Roles that Floor & Decor supply chain leaders hold or have held include:

- Board member, IWPA
- Committee co-chair, IWPA
- Committee member, Responsible Sourcing committee, RILA
- Committee member, International Trade & Customs Committee, RILA
- Member, Strategic Supply Chain Council, NRF

Supplier Social Accountability Compliance Program

Floor & Decor's Vendor Code of Conduct sets forth the basic requirements for all vendors. We confirm compliance through a variety of methods, including on-site visits by Floor & Decor personnel and by independent third-party visits. As part of this process, Floor & Decor monitors and manages compliance to standards and best practices. Such standards include the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, SAI's SA8000® Standard, ISO 26000, ILO guidelines, and California Transparency in Supply Chains Act of 2010.

Floor & Decor has a **zero-tolerance policy** for confirmed instances of the following:

- child labor
- involuntary, indentured, or prison labor
- workers subjected to physical abuse
- workers subjected to sexual abuse
- workers subjected to coercion and harassment
- severe health and/or safety violations
- denial of auditor access
- intentionally falsified documentation
- identified or attempted audit bribery

In addition, Floor & Decor monitors compliance related to the following issues:

- wage and benefits
- hours of work
- health and safety
- nondiscrimination
- women's rights
- freedom of association and collective bargaining
- environmental compliance
- anti-corruption
- whistleblower protections

In addition, Floor & Decor regularly evaluates and develops other initiatives to maintain internal accountability and mitigate the risk of human trafficking within its supply chain. Floor & Decor's **Supplier Social Accountability Compliance Program**:

- requires all new and existing suppliers to sign a commitment to operate ethically and responsibly in accordance with relevant laws and standards
- requires a Supplier Social Accountability Audit of any supplier located in a high-risk country (as determined by the Worldwide Governance Indicators from World Bank or that is otherwise considered a high risk for social compliance)

The matrix below shows how Floor & Decor responds to audit findings.

Supplier Social Accountability Audit Results Guidelines

	Compliance Score		
Most Severe Non-Conformance	<89%	89%-95%	>95%
Zero Tolerance	- No New POs and No PO Shipments - Corrective Action ("C/A") Plan Due < 48 hrs - Corrective Action ("C/A") Validation Audit < 30 days - F&D Executive review & approval required to do business with this supplier		
Critical	- No New POs - C/A Plan Due < 14 days - C/A Validation Audit < 60-90 days	- C/A Plan Due < 14 days - C/A Validation* < 60-90 days - If C/A is Inadequate: No New POs	- C/A Plan Due < 14 days - C/A Validation* < 60-90 days - If C/A is Inadequate: No New POs
Major	- No New POs - C/A Plan Due < 14 days - C/A Validation Audit < 60-90 days	- C/A Plan Due < 14 days - C/A Validation* < 90 days - If C/A is Inadequate: No New POs	- C/A Plan Due < 14 days - C/A Validation* < 90 days - If C/A is Inadequate: No New POs
Minor	- No New POs - C/A Plan Due < 14 days - C/A Validation Audit < 60-90 days	- C/A Plan Due < 14 days - C/A Validation* < 90 days - Full Re-Audit < 12 months	- C/A Plan Due < 14 days - C/A Validation* < 90 days - Full Re-Audit < 24 months
None	N/A	N/A	- Full Re-Audit in 24 months

*Validation may be 3rd party onsite, F&D onsite or desktop review per F&D discretion

Enforcement actions and results

We developed formal tracking on this program in 2014. Over that period of time, more than 2,220 factory audits, all performed by independent, third-party auditors, have been completed. In only 14 instances, or less than 0.7%, did audits result in confirmed or suspected items included in our zero-tolerance policy. In three of these instances, we chose not to onboard the supplier and never purchased any products from them. The other 11 instances were attempted bribes by a local representative of the supplier, or health and safety issues. For all 11, we immediately stopped placing purchase orders and canceled shipment of any current purchase orders.

Lacey Act Compliance Program (Wood Sourcing)

Floor & Decor is fully committed to compliance with the Lacey Act, which prohibits importing, purchasing, or acquiring products made from illegally logged wood.

Floor & Decor's Lacey Act Compliance Program:

- reviews program alignment of every supplier during onboarding and upon any relevant changes in the supplier relationship, including changes in wood-sourcing practices
- requires each supplier to comply with all Lacey Act requirements
- uses a heightened standard of care and conducts further diligence when dealing with regions at a heightened risk for illegal sourcing activities or when dealing with a threatened or high-risk wood species as determined by the International Union for the Conservation of Nature (IUCN) Red List of Threatened Plants and Convention on International Trade in Endangered Species (CITES). This includes working with suppliers of wood products to identify the full supply chain of the material back to the source and ensure compliance approval steps are completed.

Floor & Decor's audit team conducts an annual audit to ensure the Lacey Act Compliance Program is properly administered. For further information regarding wood sourcing, please refer to **Wood Flooring** in the Products section on page 22.

EPA & CARB Compliance Program

Floor & Decor intends to sell only products that comply with regulations enforced by the U.S. EPA and California Air Resources Board (CARB). Therefore, we employ a system of reasonable, prudent precautions when purchasing products containing composite wood.

All responsible persons are trained to follow Floor & Decor's EPA & CARB Compliance Program. When making purchases of product containing composite wood, all responsible persons must additionally:

- work with suppliers to request only EPA TSCA Title VI and CARB ATCM compliant products
- collect the required documentation to ensure compliance-approval steps are complete
- ensure new and existing supplier assessments have been completed
- maintain records to support annual audits and any regulatory authority requirements or requests
- encourage escalation of issues and concerns, including use of Floor & Decor's anonymous ethics hotline, as warranted

Freight and Transportation

Freight transportation is a large source of air pollution contributing to smog, poor air quality, and GHG emissions. Floor & Decor aims to responsibly reduce the negative impacts from transportation throughout our supply chain. Floor & Decor and many of its carrier partners are registered transport partners with the U.S. Environmental Protection Agency's SmartWay program. The program helps companies advance supply chain sustainability by measuring, benchmarking, and improving freight-transportation efficiency. Below are descriptions of several other efficiency initiatives.

Lightweighting with Dedicated Carriers

Lightweighting focuses on strategically reducing weight from transportation equipment without compromising performance or safety, so that more of the total allowable weight is available for the products destined for stores and customers. Two of our strategic carrier partners have invested in lightweight equipment, allowing Floor & Decor to increase the amount of product in a truckload by up to 16%, thereby reducing the total number of truckloads, fuel consumption, and the associated carbon emissions.

Locating within Heavyweight Corridors

As Floor & Decor has grown, we have strategically located our distribution centers within heavyweight corridors. These corridors are permitted by local authorities for the drayage of heavier international containers arriving at ports of entry. As a result, the international containers we receive can hold up to 33% more product than would be allowed to travel the roads outside these corridors. This greatly reduces the number of containers crossing the ocean and the number of trucks needed to carry them away from port, which also cuts fuel consumption, emissions, and cost.

Intermodal Transport

Floor & Decor prioritizes shipping by rail for long-distance freight moves. Rail has several advantages over long-haul trucking, including cost savings, lower fuel use, and lower GHG emissions. According to research, trains are three to four times more fuel efficient than trucks, on average.

Direct-to-Store Transport

Delivering product directly from a supplier site to Floor & Decor stores reduces the need for loading and unloading at our distribution centers. In 2021, we piloted a direct-to-store transport program with a carrier and one of our large flooring vendors and found that it avoided more than 2,000 extra stops at our distribution centers, eliminating approximately 340,000 miles of driving and reducing CO2 emissions by approximately 530 metric tons. Since then, we have added numerous additional vendors to the program.

Autonomous Driving Pilot

Since 2022, Floor & Decor has been one of numerous participants in a program that tests trucks with autonomous driving capabilities. These trucks, which all include at least one onboard human monitor, run weekly routes for one of our carrier partners. The program aims to develop a safe and reliable innovation for the industry that also may provide environmental benefits. Autonomous trucks have the potential to improve fuel efficiency through reduced idling, optimized acceleration and braking, and speed limitation. Testing still continues as of the date of this publication.

Emissions Reduction

Floor & Decor seeks to work with carriers that are committed to reducing the environmental impact of transportation. Currently, three of our four trucking partners track their emissions, and one of the carriers (responsible for more than a third of our truckload spend) has set 2035 goals for reducing per-mile CO_2 emissions.

In addition, throughout our supply chain, we seek to maximize how much product we can fit on each leg of the journey, thereby saving fuel and cost. It is also important to note that our approach to direct sourcing and inventory management has allowed us to avoid using air freight, saving both cost and carbon. Where feasible, we look to work with rail partners that are working to reduce the impact of rail shipments.

Additional Programs

Customs Trade Partnership Against Terrorism (CTPAT)

Floor & Decor aims to uphold the security requirements of the CTPAT program. Through this voluntary program, Customs and Border Protection works with the trade community to strengthen international supply chains and improve United States border security. As a program partner, we have regular oversight to ensure that our supply chain remains secure.

California Transparency in Supply Chains Act Disclosure

The California Transparency in Supply Chains Act of 2010 requires companies to disclose their efforts to ensure that their supply chains are free from slavery and human trafficking. In addition to the information above, please see our Global Responsibility page.

Waste Management & Recycling

Floor & Decor aims to reduce the amount of waste we send to landfills from our stores and distribution centers. We intend to continuously explore innovative solutions with waste management partners.

Environmental Policy

Floor & Decor acknowledges its direct and indirect impacts on the environment through normal business operations. The company has an environmental policy in place that lays out principles, approaches, and governance addressing various areas of environmental compliance and responsibility. The policy can be found here.

Political Contributions & Engagement

Floor & Decor aims to be a responsible corporate citizen in the communities we serve, and to do so with integrity and in accordance with the law. To provide guidance to our associates and transparency to stakeholders, we have adopted a policy on political contributions and engagement. Consistent with federal law, Floor & Decor does not contribute to U.S. federal political committees or candidates. As a matter of policy, the company does not make political contributions in state or local races, candidates, or parties. We also do not make any contributions from corporate funds to organizations classified under the Internal Revenue Code as section 527 entities or to any Super PACs or ballot initiatives. The company does not maintain a political action committee (PAC).

The policy provides guidance to Floor & Decor associates who may have questions about their own political activities and contributions. Floor & Decor encourages associates to be civically engaged on their own time and without the use of any corporate resources or expenditures. It also clearly states that the company's charitable contribution matching program may not be used to benefit political organizations, candidates, gatherings, or activities.

The policy also clarifies Floor & Decor's participation in industry groups. While we are members of industry and trade associations, we are not always in agreement with all the positions of the organizations, or those of other members. The policy is available here.

PRODUCTS

We innovate with our vendors and supply chain partners to make better flooring options available at scale. We strive to protect workers and natural resources while making safe and inspiring products available at everyday low prices.

Wood Flooring

Although wood is a renewable resource, knowing the origin of wood products is important for the protection of old-growth forests and diverse ecosystems. Floor & Decor consults numerous resources in assessing the level of risk associated with sourcing wood from different countries. These sources include:

- amfori BSCI Country Risk Classification
- Transparency International Corruption Perceptions Index
- NGO activity
- Global Forest Watch

Similarly, we assess the risk associated with different types of wood by consulting:

- CITES (Convention on International Trade in Endangered Species)
- Forest type (i.e., natural forest, plantation, or reclaimed material)
- Tropical species (i.e., species which naturally occur between the 28° North and 28° South latitude lines)
- Red List of Threatened Plants, IUCN (International Union for the Conservation of Nature)

For suppliers of products that are deemed higher-risk, Floor & Decor requires suppliers to complete Supply Chain Outlines (SCO) that trace back to harvest origins for wood coming into the factory. We do an annual review of SCOs and any new source of wood must be approved before use. In addition, Floor & Decor uses a third party to conduct periodic audits at higher risk factories to confirm they are maintaining expected chain-of-custody documentation.

More than 56% of Floor & Decor's wood flooring products are GREENGUARD Gold certified or FloorScore certified for low VOC emissions. Both GREENGUARD Gold and FloorScore certification programs comply with the State of California's Department of Public Health (CDPH) standard method for the stringent testing and evaluation of VOC emissions, known as California Section 01350.

Laminate & Vinyl Flooring Products

Floor & Decor does not permit the use of ortho-phthalates as added plasticizers in vinyl flooring sold at our stores. In addition, our Optimax line of Hybrid Resilient Flooring is 100% PVC free.

Almost all of Floor & Decor's laminate and vinyl retail flooring products are GREENGUARD Gold certified for low VOC emissions. The GREENGUARD Gold certification program complies with the State of California's Department of Public Health (CDPH) standard method for the stringent testing and evaluation of VOC emissions, known as California Section 01350.