





HAVERTYS 2020 ESG TEAR SHEET

The following tear sheet contains disclosure of environmental, social and governance (ESG) factors for Havertys that we consider to be relevant to our business, including metrics from the Sustainability Accounting Standards Board (SASB) standards for the Multiline and Specialty Retailers and Distributors industry. This tear sheet covers the period Jan. 1, 2020 through Dec. 31, 2020, unless otherwise noted.

Our mission at Havertys is to delight our customers by offering personalized design, quality home furnishings and an outstanding customer experience – all while demonstrating a commitment to our team members and delivering consistent value to our shareholders. As we stay true to our mission, we continue to focus on creating atmospheres and opportunities that support the wellbeing of our customers, our team members, our shareholders and the communities we operate in. Please take a moment to read about our 2020 ESG journey and our framework for the future.



ABOUT US

Havertys, a venerable furniture retailer operating in the South and the Midwest, has been passionate about furnishing American homes and providing thoughtful, world-class service for more than 135 years.

We offer complementary design services and a wide selection of furniture and décor to accommodate the unique tastes and lifestyle needs of the families who shop with us. By pairing expert craftsmanship with high-quality materials, we're also able to create beautiful, long-lasting designs that are exclusive to our showrooms. We believe in providing a furniture shopping experience that feels personalized and worry-free, which means prioritizing additional services like our customization program, white glove home delivery and a comforting three-day return policy.

From humble, horse-and-buggy beginnings in 1885 Atlanta, Havertys has grown to serve families in more than 120 stores at 12/31/2020 across 16 states. With over 2700 team members, we remain committed to meeting exceptional standards in quality and exceeding our customers' expectations at every turn.

Activity Metrics	2020	2019	2018
Number of retail locations and distribution centers	Retail – 120	Retail – 121	Retail – 120
SASB-CG-MR-000.A	DC – 7	DC – 7	DC – 7
Total area of retail space and distribution centers ¹	Retail – 5,241,865 sqft	Retail – 5,341,459 sqft	Retail – 5,325,474
SASB-CG-MR-000.B	DC – 1,803,457 sqft	DC – 1,803,457 sqft	DC – 1,803,457 sqft
Revenue	\$748.3M	\$802.3M	\$817.7M
Full-Time Employees	2,766	3,425	3,418

¹Total area of retail space and distribution center operations expressed in gross square footage.



HVTERRA

We began our journey toward improved energy efficiency and corporate sustainability in 2009 with utility data collection, small changes, and a focus on awareness and low-budget energy efficiency opportunities. To date, we have decreased our electrical consumption by about 50% in comparison with a 2008 baseline, which was prior to any program implementation. Our HVterra program, which was launched in 2010, was designed to drive sustainable business practices and improve business processes in the areas of energy and waste management, building sustainability, store development, products sourcing, design and development, office automation and paper management and associate education and engagement. As part of this launch, Havertys began to pilot energy efficiency projects including LED and EMS. A team comprised of Havertys HVterra committee members and vendor partners with expertise in energy management services, and mechanical and electrical engineering, meets regularly to review store energy performance data and identify opportunities for energy reduction in existing and future build locations. Havertys, through the HVTerra initiative, decided to participate in the U.S. Department of Energy's Better Building Challenge (BBC), and began to measure both our electric and gas use beginning with a baseline of 2011 as part of BBC program participation requirements.

Our strategy focuses on increasing energy efficiency as a means to reduce our overall energy use. We participate in the Better Buildings Challenge, an initiative of the US Department of Energy. Better Buildings Challenge Partners strive to decrease portfolio-wide source energy use intensity (EUI) and to increase the percent improvement compared to a set baseline. As part of participation in the Challenge, participants have to commit to at least a 20% reduction goal. The team surpassed its initial 20% goal in 2016 by achieving a 22% reduction as compared to the 2011 baseline. Surpassed this Goal it earlier than projected, Havertys re-committed to a second goal and achieved it in 2019 with a -31% reduction over baseline 2011. The Havertys portfolio consists of more than 120 buildings and 6 million square feet. As of 2021, the program has reported energy performance as a reduction of 41% from a 2011 baseline.

Havertys was recognized among Better Building Challenge Partners in 2020 as having the second highest energy savings recorded within the Retail, Food Service, and Grocery sector, out of 74 unique sector partners.

Additionally, in 2015, we installed our first solar project at the Havertys location in Greenville, SC. The installation was completed through Duke Energy's Net Metering program allowing the account to utilize the energy generated through Solar Generation. This account received a credit in 2017, 2018 and 2020. The second location at West Ashley was installed in 2018 partnering with SCE&G Net Metering which allows the account to be credited by a unit charge of (\$.18)/kWh for each sWh of Solar Energy generated. Our latest solar installation at the North Charleston location is expected to result in an average annual reduction of 91.2% energy demand and estimated \$56,000 annual energy savings.

We use a web based dynamic routing program to optimize our routes since no two days are the same in the customers we are servicing, resulting in reduced emissions from fleet fuel consumption.

Energy consumption and fleet mileage during 2020 were significantly lower than a typical year since COVID-19 disruptions resulted in temporary closures and reduced occupancy for much of the year.

CLIMATE CHANGE & ENERGY

Topic	2020	2019	2018
Energy Management in Retail & Distribution			
SASB: CG-MR-130a.1			
Total energy consumed (kWh)	61,079,772	66,986,413	69,056,006
Energy intensity (kWh/sq. ft.)	8.775	9.451	9.743
Energy intensity (kWh per thousand sales dollars)	81.630	83.494	84.448
Percentage grid electricity	99.59%	99.50%	99.57%
Percentage renewable energy	0.41%	0.50%	0.43%
Fleet Mileage			
Fleet Miles Driven (Transport)	1,903,983	2,080,063	2,145,057
Fleet Miles Driven (Delivery)	4,538,235	5,235,834	5,458,490
Total Fleet Miles Driven	6,442,218	7,315,897	7,603,547
Fleet Miles Intensity (total miles per thousand sales dollars)	8.61	9.12	9.30

WATER USE

Topic	2020	2019	2018
Water Consumption (kGal)	30,445	40,581	32,240
Water Intensity (kGal per thousand sales dollars)	0.0407	0.0506	0.0394
Water Reduction Initiatives	We have an ongoing initiative in place to replace older fixtures to lower GPM (gallons per minute) and installing low-flow fixtures into new locations.		

WASTE MANAGEMENT

Topic	2020	2019	2018
Total waste generated (metric tons)*	7,694	8,975	9,466
Waste intensity (metric ton per thousand sales dollars)*	0.0103	0.0112	0.0116
Percent waste recycled*	63%	59%	58%
Percent waste sent to landfill*	37%	41%	42%
Discussion of strategies to reduce the environmental impact of packaging SASB-CG-MR-410a.3	Havertys is dedicated to proactively recycling packaging materials to divert waste from landfills. All our distribution and delivery centers have procedures in place to collect, separate and compact all packaging materials every day into categories for recycling, resulting in more than 9,626,000 pounds (4,813 tons) of waste diverted from landfills in 2020.		

*Scope of waste metrics includes distribution center operations only.



HUMAN CAPITAL MANAGEMENT

Topic													
Employee engagement	We will conduct an Employee engagement survey in 2021 and every two years moving forward.												
Average hourly wage and percentage of in-store employees earning minimum wage, by region* SASB-CG-MR-310a.1	<p>All Havertys employees earn above locally mandated minimum wages.</p> <p>Retail Employees The average hourly rate for in-store retail workers is \$30.45, when including sales commissions and bonuses.</p> <p>Distribution Center Employees The average hourly rate for distribution center employees is \$17.77.</p> <p>Customer Service Representatives The average hourly rate for customer service representatives is \$15.87.</p> <p>Home Delivery Employees The average hourly rate for home delivery employees is \$20.97, when including commissions and bonuses.</p>												
Employee Turnover SASB-CG-MR-310a.2	<p>Our current turnover is in line with previous years, except for 2020. In 2020 we conducted a Reduction-in-Force impacting over almost a 1/3 (approx. 1100) of our team members. A portion of the team members were rehired later in the year.</p> <table border="1" data-bbox="737 1049 1965 1214"> <thead> <tr> <th>Turnover Rate</th> <th>2020</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Voluntary</td> <td>35%</td> <td>39%</td> <td>31%</td> </tr> <tr> <td>Involuntary</td> <td>34%</td> <td>6%</td> <td>6%</td> </tr> </tbody> </table>	Turnover Rate	2020	2019	2018	Voluntary	35%	39%	31%	Involuntary	34%	6%	6%
Turnover Rate	2020	2019	2018										
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Involuntary	34%	6%	6%										

*Havertys conducts financial reporting for the entire enterprise rather than in regional segments, which is why we disclose one average hourly figure per employee category.

Topic	
Talent Development and Retention	We are committed to supporting our teammates' continuous development of professional, technical and leadership skills through corporate training programs, access to digital learning resources and through partnerships with local technical learning institutions. In 2020, Havertys team members consumed approximately 119,000 hours of learning. We also offer the ability for all full-time team members to pursue degree programs, professional certificates, and individual courses in strategic fields of study through our tuition reimbursement program. We provide leadership training to front-line leaders and above through internal and external learning resources.
Employee Benefits Program	We provide competitive benefits to eligible team members, including healthcare, 401k, tuition reimbursement, maternity leave and paid time off.
Total amount of monetary losses as a result of legal proceedings associated with labor law violations <i>SASB-CG-MR-310a.3</i>	We disclose all material legal proceedings in our Annual Report on Form 10-K.

DIVERSITY, EQUITY, AND INCLUSION

Topic

Workforce Diversity Metrics

SASB-CG-MR-330a.1

Gender Diversity Metrics	2020		
	Executives	Managers	All Other
Male	81.8%	67.9%	60.6%
Female	18.2%	32.1%	39.4%

Race/Ethnicity Diversity Metrics	2020		
	Executives	Managers	All Other
American Indian or Alaskan Native	—	—	0.4%
Asian	4.6%	0.7%	1.9%
Black or African American	4.6%	14.7%	18.4%
Hispanic or Latino	—	7.5%	13.1%
Native Hawaiian or Pacific Islander	—	—	0.2%
Two or More Races	—	1.0%	1.5%
White	86.2%	70.7%	36.8%
Did Not Identify	4.6%	5.5%	25.3%

*Metrics rounded to the nearest tenth.

Topic	
DEI Efforts	Havertys has added several learning courses for managers around discrimination, harassment, diversity, and inclusion—in 2020, our managers underwent over 290 hours of frontline training on these topics. We are planning more robust efforts in DEI in 2022. Additionally, we will be growing a more diverse management team by focusing on developing people of color and women through our Management Trainee program.
Total amount of monetary losses as a result of legal proceedings associated with employment discrimination SASB-CG-MR-330a.2	We disclose all material legal proceedings in our Annual Report on Form 10-K.

Topic

Occupational Health & Safety Management

We are fully committed to maintaining a safe and healthful, OSHA-compliant workplace free of serious recognized hazards. The components of our safety program include management leadership, employee participation, hazard identification and assessment, hazard prevention and control, education and training, and program evaluation and improvement.

Safety risk is assessed within the company’s enterprise risk management framework and as such is evaluated by a Management Risk Committee. The ERM risk assessment process is overseen by the company’s Audit Committee.

Using 2016 as the baseline year, we made the commitment in 2017 to reduce the lost-time case rate by 10% per 200,000 hours worked. In accordance with this goal, we launched new occupational health and safety initiatives which reflect the evolving, external risk environment.

Working with our insurance carrier’s risk control consultants, we implemented dedicated front-line safety leadership training, enhanced loss prevention and reduction programs, and a revised, comprehensive audit process at our distribution centers.

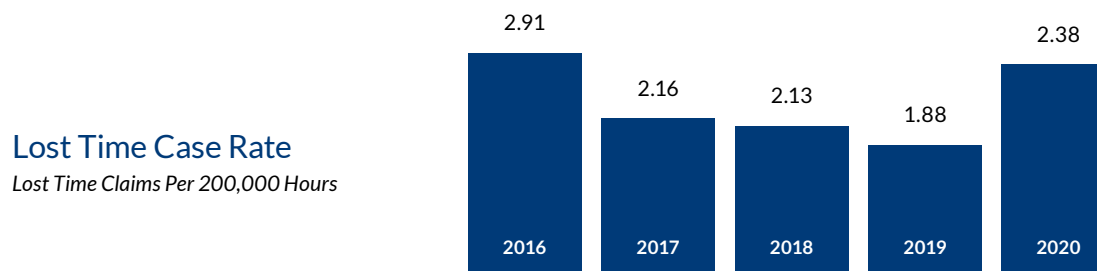
As a result of these improvements, distribution centers are now audited by safety consultants twice each year. Part of the audit process includes the HAVERTYS ONSITE PERCENT SAFE report completed by our insurance carrier. These audits assess compliance with over 200 specific OSHA standards including Hazard Communication, Powered Industrial Trucks, Emergency Action Plans, Portable Fire Extinguishers, and Powered-Industrial Truck Operations. DC managers must correct any deficiencies within 15 days from receipt of the insurance carrier’s audit confirmation letter.

Incident Root Cause Analysis investigations of lost time injuries was also implemented and remains a requirement. Implementing this new investigative process required a three-year roll out during which all the company’s DC and Delivery Area Managers were trained.

Because of climate change, the southeastern U.S. temperatures are the hottest on record. When combined with the customarily high levels of humidity, this combination can create a potentially unsafe heat index. To mitigate this risk, all delivery trucks are air-conditioned and equipped with bottled water so drive teams can remain cool in the cab and sufficiently hydrated.

Occupational Health & Safety Metrics

Since 2016, our lost-time case rate has declined 18.4%. This includes the 2020 rate which was up 26.1% from 2019 because of the effect the COVID-19 pandemic had on staffing levels.



Topic

Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products

SASB-CG-MR-410a.2

We are committed to sourcing and marketing products that are in full compliance with federal regulations defined and enforced by the Consumer Products Safety Commission, Environmental Protection Agency (EPA) and other regulatory bodies covering consumer products within our distribution areas. All new products are reviewed prior to purchasing decisions to ensure that they meet all requirements documented under the Consumer Product Safety Improvement Act (CPSIA), Toxic Substances Control Act (TSCA) and all other regulations governing those specific consumer products within our distribution areas.

We work closely with some of the most recognizable and reputable international finishing companies to develop the majority of our furniture finishes. This gives us the best quality finishes and ensures full compliance with all safety regulations.

Third party independent testing is conducted on our products to ensure compliance for lead, phthalates and formaldehyde content in accordance with established regulatory limits for these chemicals.

Quality Management System

We have instituted thorough quality management processes / audits beginning with the product development stage and extending through production of new products. These processes are designed to clearly document all standards and specifications prior to purchasing, and to certify compliance to standards throughout the production process. The required audits are as follows:

1. **New Product Quality Reviews (NPQR)** Conducted in Havertys DC before a product is approved for purchase, each product is reviewed for a whole host of standards including, but not limited to: regulatory requirements, safety, function, construction, design, finish, etc.
2. **Pre-Production Sample Review (PPS)** Conducted in the producing factory on the first production samples. The samples are closely reviewed to ensure all standards and requirements identified during the NPQR have been fully implemented. (Production cannot begin until the PPS has been approved).
3. **Pilot Cutting Audits** Conducted in the producing factory on the first 10 items or sets run on the production line. The production items are closely reviewed to ensure all standards and requirements identified during the NPQR and the PPS have been fully implemented. (Full production cannot begin until the Pilot Cutting Audit has been approved).
4. **Production Audits** Conducted in the producing factory on all production items running on the production line. The production items are closely reviewed to ensure all standards, specifications and requirements identified during the NPQR, PPS and Pilot Cutting Audits have been fully implemented. (Products will not be allowed to ship until the Production Audit has been approved).

COMMUNITY ENGAGEMENT

For over 135 years, Havertys has been serving our customers by also serving our communities. We have a long successful history of bringing our customer’s vision of home to life, yet at our core, what we really care about is furnishing happiness. As a company of dedicated citizens and good neighbors, we aspire to bring happiness throughout our communities by supporting a wide variety of non-profit organizations that focus on everything from education to child advocacy to housing and healthcare.

Some of the many ways Havertys furnishes happiness in our corporate hometown is by supporting Atlanta non-profits like Habitat for Humanity, Mercy Care, Cristo Rey, Salvation Army Georgia, Emory Center for Ethics, and we engage with our associates to support the United Way of Greater Atlanta with matching funds.

We are also long-term supporters of national and international charities like The American Red Cross, Create Your Dreams, and Make A Wish.

A large part of our charitable contributions incorporates “In-Kind Giving”, because we know creating a sense of home is where happiness lives and thrives. That’s why we provide non-profits with home furnishings to create happy homes for their unique needs. In 2021, for example, we were honored to partner with Christopher’s Haven in Atlanta to furnish happiness throughout three apartments for families to stay up to 8 weeks during outpatient pediatric cancer treatment at Atlanta’s Emory

Proton Therapy Center. We’ve also provided furniture for other charities, including Ronald McDonald House and No Longer Bound.

In 2022, we are making a commitment to further expand our In-Kind program to qualified 501(c) organizations who need it most because it is our mission to do whatever it takes to make our customers and our communities happy. Because at Havertys, furnishing happiness is our business.





MANAGEMENT AND OVERSIGHT OF ESG

Board Oversight of ESG

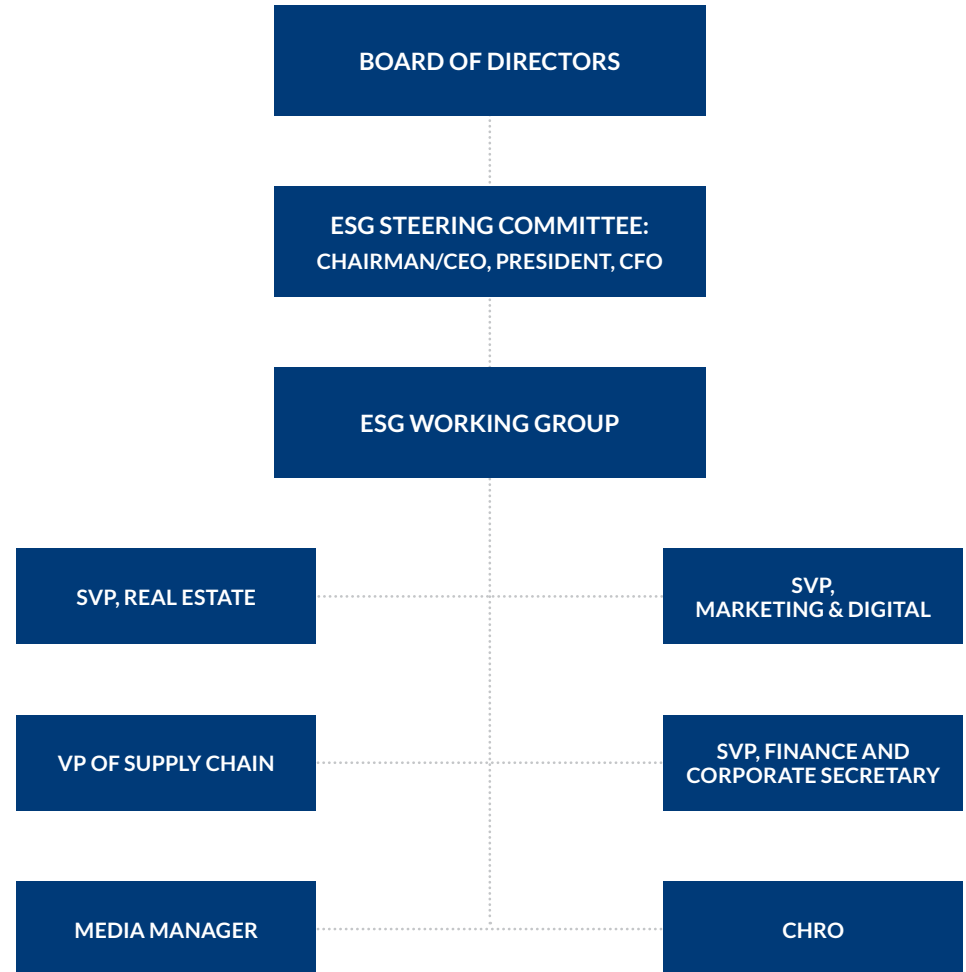
Havertys' Board of Directors believes the company's business strategy and ESG strategy should be in alignment and focus on material risks and business drivers. The Board has delegated oversight of certain ESG matters to its committees.

Audit Committee: Consistent with its oversight of financial and other metrics, the Audit Committee is tasked with reviewing our ESG disclosures.

Nominating, Compensation & Governance Committee: Areas of compensation and human capital management ESG oversight are delegated to the NCG Committee. This includes reviewing Havertys' culture and organization in executing ESG-related initiatives. The NCG Committee was also tasked with evaluating whether there is sufficient diversity on the Board, including gender, racial and ethnic diversity, and overseeing our diversity and inclusion initiatives.

Management Oversight of ESG

The ESG Working Group is comprised of cross-functional leaders that are responsible for strategy and executional buildout of all ESG activities and reports to the ESG Steering Committee. The ESG Steering Committee is responsible for providing oversight and approving the recommendations set forth by the Working Group and informing the Board of Directors.



Topic	
Company Ethics Program	<p>One unwavering rule at the core of Havertys' mission statement is that we will conduct our affairs in a legal, ethical and moral manner. The conduct of our directors, officers and team members must always be based on honesty, respect, integrity and responsibility. Complying with the principal standards contained in the Code of Conduct (the Code) is the starting point for protecting and enhancing our most valuable asset - our reputation. The Code focuses on: conflicts of interest, integrity in dealing with others, safeguarding of information, insider trading, communications and workplace matters.</p> <p>Those who violate the Code may be subject to disciplinary action, up to and including termination. We require each director, officer and team member to sign the Code and we also provides ethics-related training. The Code is a common set of principles and policies that apply to everyone - at every Havertys location - all team members officers and directors. Its reach is broad, but can generally be summed up in four words, "Always play it straight."</p>
Employee Code of Conduct	<p><u>Havertys Code of Conduct</u></p>
Ethics Hotline/ Whistleblower Policy	<p>Among the most important responsibilities of each and every director, officer and employee is the obligation to comply with the Code of Business Conduct and Ethics (the "Code") along with the obligation to raise any concern about a possible violation of the Code or applicable laws. Any violation of the Code is a very serious matter. Stakeholders are encouraged to report violations and ask questions as needed. Stakeholders have the opportunity to raise concerns directly through management or by using the Fraud and Ethics Hotline. Stakeholders are also encouraged to make their identity known but may report anonymously via the Fraud and Ethics Hotline.</p> <p>The Fraud and Ethics Hotline is managed by our Internal Audit, which coordinates with Human Resources, the General Counsel or the Corporate Secretary as needed. Directors, officers and employees that violate any laws, governmental regulations or the Code will face appropriate, case specific disciplinary action, which may include removal, demotion or discharge.</p>
Conflict Minerals Policy	<p><u>Havertys Conflict Minerals Policy</u></p>

Topic

Supplier Engagement

Havertys and our affiliates are committed to maintaining the highest level of integrity throughout all aspects of our business, and we expect our business partners, including suppliers, agents, sub-contractors and designated third parties, who provide goods and services or manufacture products for sale to Havertys customers, to respect and adhere to the same philosophy in the operation and management of their businesses.

Vendors must be committed to the highest standards of ethical conduct in their business practices. Our Code of Conduct, based on universally accepted, fundamental principles and local laws, represents our commitment to source goods from suppliers who value and incorporate these provisions into their operations.

Supplier Relationship at Havertys is sponsored by the EVP, Merchandising who reports to the CEO and periodically updates the Board on all relationship matters. Our supplier code of conduct is applicable only to our Vendors and Manufacturing Partners and we put the onus of applicability on the 2nd Tier on our vendors.

The main goals of a successful supplier relationship program include:

- To successfully deliver Havertys products to our customers while complying with our supplier code of conduct and all applicable laws, regulations and policies as a part of its global supply chain.
- To increase awareness among internal stakeholders, employees, suppliers, factories, service providers and other supply chain partners – on the need to comply with our principles and policies.
- To act in accordance with our Code of Conduct as well as our values of Customer Focus, Integrity, Quality, Teamwork and Heritage.

We employ various systems and processes to manage supplier relationships and supply chain execution across our diverse supplier base. During the supplier onboarding process, supplier teams are trained on various aspects of Havertys compliance requirements using the vendor manual and meetings to acquaint them of standard operating procedures. Based on their location, import vendors are additionally trained on the use of our supply chain execution systems, by vendor management teams locally in their regions. System and process training is a must before suppliers begin receiving purchase orders and manufacturing product for Havertys. We engage with suppliers periodically (including weekly meetings with strategic suppliers), with twice a year face to face meetings with supplier leadership during the spring and fall market in High Point, NC. We also conduct Supplier Summits in Atlanta periodically to help suppliers understand our strategy and operational requirements.

Topic	
Responsible Sourcing of Wood	<p>We are committed to the legal, ethical and responsible use of forest resources, including the wood used in our furniture. We work closely with our suppliers of wood products to ensure compliance with the Lacey Act and will work to eliminate wood from unacceptable sources and to progressively increase the amount of wood from sources certified by organizations such as the Forest Stewardship Council (FSC); Programme for the Endorsement of Forest Certification (PEFC); Sustainable Forestry Initiative (SFI) and other recognized organizations that promote responsible forest management practices.</p> <p>We are committed to avoiding wood from unacceptable sources and working with suppliers purchasing wood from known, legal and responsibly managed forests. We do not source wood from:</p> <ul style="list-style-type: none"> ■ Sources engaged in illegally harvested or traded timber. ■ Forests where high conservation values are threatened by poor forest management. ■ Forests being converted from forests to plantations or non-forest use. ■ Forests where genetically modified trees are planted. ■ Sources in violation of traditional or civil rights and/or engaged in the conflict timber trade. <p>We require our suppliers to act in accordance with this policy. We expect our suppliers to document all wood sources and wood species used in our products and to allow independent, third party verification of all sources upon request.</p> <p>We seek to set a positive example for our peers and to do our part to protect our environment, promote sustainability and to encourage responsible management of the world's forests.</p>
Revenue from products certified to environmental and/or social sustainability standards SASB-CG-MR-410a.1	We do not track this data at this time.

DATA SECURITY

Topic	
Description of approach to identifying and addressing data security risks SASB-CG-MR-230a.1	We use a combination of internal personnel and external consultants to determine our cyber risk. We conduct employee training on security that the company participates in.

Board Composition*

62
Average Age

38%
Female

25%
Racially/Ethnically Diverse

16yrs
Average Tenure

75%
Independence

Independent
Lead Director

*As of May 2021

BEST PRACTICES

- Overboarding limits on CEO and # of Audit Committees
- Stock Ownership Guidelines for Directors and Executive Officers
- Board Oversight of ESG
- Mandatory Retirement Age: 75

ACCOUNTABILITY

- Annual election of all directors
- Annual Board and Committee Evaluations
- Annual evaluation of CEO by independent directors
- Clawback Policy
- Resignation Policy

SHAREHOLDER RIGHTS

- Shareholder right to call special meeting
- No poison pill



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