



HMTX
INDUSTRIES

OUR PATH TO
MEANINGFUL CHANGE

2022 MATERIALITY ASSESSMENT





About

Headquartered in Norwalk, Connecticut, HMTX Industries is a \$900 million global new materials flooring company serving a diverse cross section of the construction and renovation marketplaces. The HMTX family of companies includes: Halstead, the leading supplier of resilient flooring to the Home Center market; Metroflor, its signature residential brand in North America; HMTX Commercial with the Teknoflor™ and Aspecta™ brands; and HMTX Global, which serves end users worldwide with diverse channel partners focused on its Allure™ and Aspecta brands.

As a global leader in sustainable practices, HMTX sets industry standards for quality and performance as well as superior product design. Its manufacturing processes, workplaces and product ingredients all reflect a significant dedication to sustainability, transparency, and societal impact. HMTX has received numerous accolades for innovation, supply chain performance, online excellence, sustainability leadership and customer partnership. For more information, please visit hmtx.global.



On Our Path to Meaningful Change

HMTX Industries First Materiality Assessment

In 2022, HMTX Industries conducted its first materiality assessment. The main purpose of this effort was to gather information regarding stakeholder priorities, both internal stakeholders (employees) and external stakeholders (customers, business partners and non-profit partners). As a responsible business in an always evolving world, we understand that we can adopt new ways to stay connected to our people and clients, and to engage in and listen to what is material to them and us as an organization. This assessment is an important step in our growing environmental, social, governance & resilience efforts as a committed family-owned business and as citizens of the planet.

We listened to and analyzed our stakeholders' responses to understand their priorities and to plan and address our short- and long-term goals. We heeded their feedback and are taking the necessary steps to continue to succeed and innovate in a dynamic world of consciousness that drives better results. Addressing climate change and operating as a sustainable organization are crucial, urgent priorities and we want to be part of the solution.

We asked our stakeholders to rate environmental, social, governance (ESG) topics (see the chart on page 7) on a scale in order to understand how familiar they are with these topics - how relevant they could be to our business, what is material to us - to shape our collective approach and future reporting initiatives. Since this is our first materiality assessment, the answers serve as a roadmap and inform our ESG training & awareness programs and help align common goals with our stakeholders.



Approach and Process

We worked with an external agency to identify topics that guided our strategy and will serve as important steps in our environmental, social, and governance (ESG) journey. The agency conducted the assessment on our behalf and will continue to advise us during the reporting process.

For our materiality survey, we:

- ⊗ Compiled a preliminary list of material topics based on the state of the flooring industry, in-house expertise, ESG frameworks, and guidance provided by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).
- ⊗ Narrowed the list to the issues that are most material to our organization and industry and that will allow us to have the greatest impact on the environment, society, and our own corporate governance and culture.
- ⊗ Conducted surveys and interviews with our internal and external stakeholders to have them identify the issues they believe are most important and relevant for HMTX Industries and for our relationships with them.
- ⊗ Utilized the aggregate data from the surveys and interviews to determine the three material topics that are of the greatest priority for each stakeholder group (internal stakeholders and external stakeholders).



Core Issues Identified

Environmental	1. Water & Waste Management
	2. Climate Action: Energy Efficiency & Emissions Reduction
	3. Circularity & Material Use
Social	4. Diversity, Equity & Inclusion
	5. Training and Talent Management
	6. Health & Safety of the Workplace
	7. Relationship With Local Community
Governance	8. Ethics, Integrity & Transparency
	9. Innovation for Sustainable Product Management
	10. Responsible Value Chain
	11. Product Safety and Transparency



Materiality Matrix

To create our materiality matrix, we asked stakeholders to assign a score of one to five to each of the 11 core issues that we had identified, with a score of one being irrelevant and a score of five being strategic to HMTX's ability to create value in the short, medium and long term and to the decision-making process of HMTX's stakeholders. The results were then aggregated per stakeholder group (internal and external) and plotted on the materiality matrix. Our materiality matrix (on page 7) reflects the importance of each topic to our stakeholders. The placement of each issue on the matrix is significant to how we weigh our priorities. We acknowledge that the relative importance of each topic can differ by stakeholder, business unit and its priorities, and location.

The horizontal axis of the materiality matrix represents the feedback from internal stakeholders, who have the power to directly influence the decisions and actions taken by the company. The vertical axis represents the feedback from external stakeholders, a group equally important to our long-term success and whose key values - per the surveys and interviews that we conducted - mirror our own. This lends an enormous amount of weight to those issues. As such, we will continue to embed them in each of our business functions.

All the eleven topics fell into the upper right-hand quadrant. This cluster of data points indicate that HMTX stakeholders are interested in all eleven topics with varying levels of interest. There was no one topic that was a true outlier.



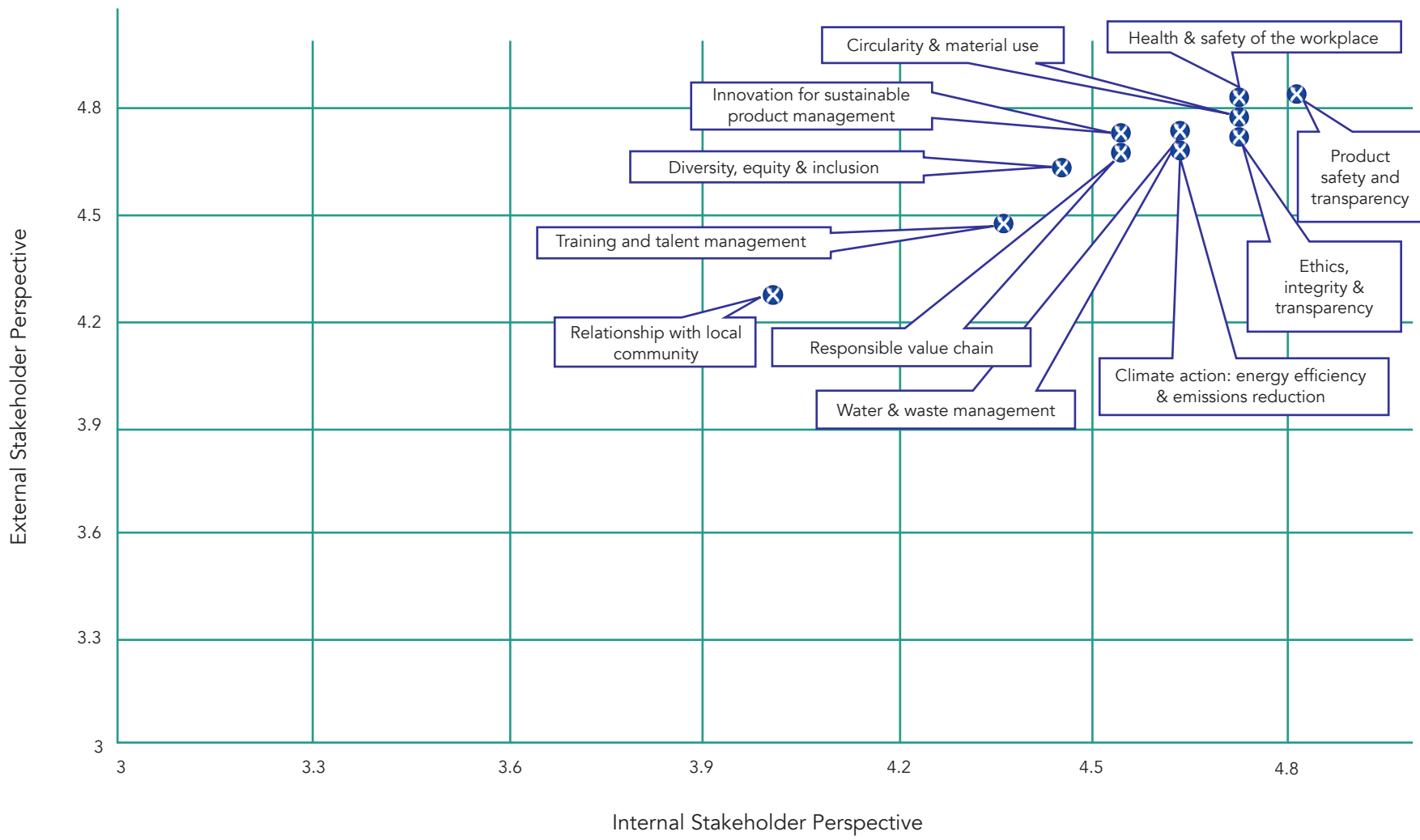
Materiality Matrix cont.

Product safety and transparency consistently received five out of five scores and was identified as the most important topic by both external and internal stakeholders. Given our business model, we are committed to being transparent in the choices we make, the ingredients we use in our products, and the impact we have on people and the planet. The other two most relevant ESG issues that were identified in this assessment were environmental issues such as circularity & material use and social issues such as health & safety of the workplace. Those will continue to be addressed and updated over time.

Our relationship with the local community was the lowest-scored on the materiality matrix. Even so, we know that it is essential for our business to stay connected with the communities in which we live, work, and operate. We are committed to improving the lives of everyone we touch. Over the years, we have made significant contributions to our local communities and participated in hands-on volunteering. Our short-term strategy is to raise awareness about our storied history of and future plans for social engagement.

We have asked questions and made changes in recent years and will continue to build our programs with a clear focus on people. We acknowledge that our greatest asset is human capital—our colleagues, friends, and supporters. At HMTX Industries, diversity, equity & inclusion and training and talent management are points of focus. People-centric organizations are the leaders in every industry, and we have plans to address the work that we have accomplished thus far.

Stakeholder Feedback





Looking Ahead

On Our Path to Meaningful Change

In 2022, we crafted our corporate purpose statement to reflect who we are as a responsible business and where we are headed:

“We strive to make beautiful products that improve the quality of people’s lives. We are driven by an innovative spirit, care for the planet, and compassion for all its inhabitants. Together, we will make a difference.”

Coming Soon! HMTX Industries’ first sustainability & impact report will be published in 2023, which will allow for even greater engagement with our stakeholders!



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