2019

DRAFT: Corporate Governance, Responsibility, and Sustainability Report

An ISS and GRI Compilation

ETHAN ALLEN GLOBAL, INC.: GRI AND ISS REPORTING (G4-3) (ISS 19, 241, 242, 245, 246 LASTEST REPORT): AN ENVIRONMENT, HEALTH, SAFETY, SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMPILATION

ETHAN ALLEN INTERIORS INC. 25 Lake Avenue Extension, Danbury, CT 06811 (G4-5 Location)

Contents

A Letter from Our CEO

(G4-1 CEO Letter and Introduction)

When you ask people what they know about Ethan Allen, one word comes up again and again: **quality.** When it comes to the products we make and sell, we've set the industry standard for quality, and we always will.

Quality is something we expect at every step, from the moment a product is designed to the moment it arrives at your home. Honoring our planet, preserving our communities, and respecting the artisans who craft everything we make and sell—these principles are as fundamental to our definition of "quality" as the handcrafted details that make our products so exceptional.

These principles also help us preserve a world of quality for future generations. By leveraging our vertically integrated business structure, we conserve resources and minimize our carbon footprint. By working alongside suppliers as partners, we ensure that all of our associates and theirs—the people who pour their creative vision and passion for craftmanship into every product we make and sell—are treated with respect and dignity.

In 2010, we initially set a 10-year, 10% reduction goal for carbon footprint equivalents (ISS ID 38); we realized those goals long before 2020. From 2010 through 2018, in domestic manufacturing alone, we have reduced our carbon footprint by 30%, cut electrical usage by 7%, reduced water usage by 33%, lowered landfill waste by 35%, and slashed greenhouse gases by 25%, the equivalent of 10 million pounds of CO_2e. At the same time, domestic locations have increased recycling 4% from our baseline year. Now that our goals have been met and exceeded, it's now time to develop new goals for the next century.

In the pages of this report, we invite you to take a fresh look at Ethan Allen: what we do, where we operate, who we are, and what we value. Explore our work as leaders in sustainable manufacturing. Learn about the socially responsible business practices that set us apart.

Like our commitment to craftsmanship, our commitments to sustainability and social responsibility define us, and they are unwavering. We stand ready to meet the challenges of the coming decade – and beyond.

Farooq Kathwari
Chairman, President and CEO
Ethan Allen Interiors Inc.

Company Profile

(G4-DMA Economic, G4-4 Brand, G4-6 Countries, G4-7 Owners, G4-8 Markets, G4-9 Scale)

Founded in 1932 and incorporated in Delaware in 1989, Ethan Allen Interiors Inc., through its wholly owned subsidiary, Ethan Allen Global, Inc., and its subsidiaries, is a leading interior design company and manufacturer and retailer of quality home furnishings. Today, we are a leading international home fashion brand doing business in North America, Asia, the Middle East, and Europe.

We are vertically integrated from design through delivery, affording our clientele a value proposition of style, quality, and competitive pricing. We own and operate five manufacturing facilities, including three manufacturing plants and one sawmill in the United States and one manufacturing plant each in Mexico and Honduras. Approximately 75% of the products sold by the company are manufactured in our North American plants.

We offer complimentary interior design service to our clients, and we sell a full range of furniture products and decorative accents through ethanallen.com/.ca and a retail network of approximately 300 Design Centers in the United States and abroad. The Design Centers represent a mix of independent licensees and our own company-operated retail segment.

Retail net sales for each of the last three fiscal years, allocated by product line, were as follows:

	Fiscal Year Ended June 30,		
	2018	2017	2016
Case Goods	30%	30%	31%
Upholstered Products	48%	48%	47%
Home Accents and Other	22%	22%	22%
	100%	100%	100%

Our strategy has been to position Ethan Allen as a preferred brand that offers complimentary design service together with products of superior style, quality, and value, providing consumers with comprehensive, one-stop shopping solutions for their home furnishing and interior design needs. In carrying out our strategy, we continue to expand our reach to a broader consumer base through a diverse selection of attractively priced products, which reflect current fashion trends in home decorating and are designed to complement one another. We continuously monitor changes in home fashion trends through attendance at international industry events and fashion shows, internal market research, and regular communication with our retailers and design consultants, who provide valuable input. We believe that the observations and input gathered enable us to incorporate appropriate style details into our products and to react quickly to changing consumer tastes.

As stated before, 75% of our furniture is built by artisans, one piece at a time, in our North American workshops. Most upholstery frames are assembled by hand, and stitching is guided by hand. We select international partners who are as committed to quality and social responsibility as we are. All case goods frames are made with premium lumber and veneers. We use best-in-class construction techniques, including mortise-and-tenon joinery and four-corner glued dovetail joinery on drawers.

The interiors of our Design Centers, which were substantially refreshed during the past three fiscal years, are organized to facilitate display of our product offerings, both in room settings that project the category lifestyle and in product groups that facilitate comparisons. We maintain a broad, up-to-date range of styles and custom options in keeping with today's home decorating trends; to further enhance the experience, we combine technology with personal service. In Design Centers, clients can research products from our website using large, flat-panel touchscreen displays. They can also preview photorealistic new room designs, in 2D and 3D, using our 3D room planner. Away from the Design Center, clients can use our augmented reality app, EA inHome™, to view our furniture and accessories in their homes, at scale.

These factors continue to define Ethan Allen, positioning us as a fashion leader in the home furnishings industry. Our focus is on personal service—that is our ultimate competitive advantage.

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARIES

Management's Discussion and Analysis of Financial Condition and Results of Operations included under Item 7 of this Annual Report and our Consolidated Financial Statements (including the notes thereto) included under Item 8 of this Annual Report. Dollar amounts are in thousands except per share data.

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
Consolidated Operations Data					
Net Sales	$ 766,784	$ 763,385	$ 794,202	$ 754,600	$ 746,659
Cost of Sales	350,820	343,662	351,966	343,437	340,163
Selling, general and administrative expenses	367,097	361,773	353,057	345,229	336,860
Operating income	48,867	57,950	89,179	65,934	69,636
Interest and other expense, net	(200)	955	1,223	9,251	7,234
Income before income tax expense	49,067	56,995	87,956	56,683	62,402
Income tax expense (benefit)	12,696	20,801	31,319	19,541	19,471
Net income	$ 36,371	$ 36,194	$ 56,637	$ 37,142	$ 42,931
Per Share Data					
Net income per basic share	$ 1.33	$ 1.31	$ 2.02	$ 1.29	$ 1.48
Basic weighted average shares outstanding	27,321	27,679	28,072	28,874	28,918
Net income per diluted share	$ 1.32	$ 1.29	$ 2.00	$ 1.27	$ 1.47
Diluted weighted average shares outstanding	27,625	27,958	28,324	29,182	29,276
Cash dividends per share	$ 1.07	$ 0.74	$ 0.62	$ 0.50	$ 0.40
Other Information					
Depreciation and amortization	$ 19,831	$ 20,115	$ 19,353	$ 19,142	$ 17,930
Capital expenditures and acquisitions	$ 18,773	$ 18,321	$ 23,132	$ 21,778	$ 19,305
Working capital	$ 93,165	$ 116,653	$ 124,857	$ 130,012	$ 169,582
Current ratio	1.77 to 1	1.92 to 1	2.01 to 1	1.92 to 1	2.25 to 1
Effective tax rate	25.9%	36.5%	35.6%	34.5%	31.2%
Balance Sheet Data (at end of period)					
Total assets	$ 530,433	$ 568,222	$ 577,409	$ 605,977	$ 654,434
Total debt, including capital lease obligations	$ 1,680	$ 14,339	$ 41,838	$ 76,237	$ 130,912
Shareholders' equity	$ 383,870	$ 400,896	$ 392,202	$ 370,535	$ 367,467
Debt as a percentage of equity	0.4%	3.6%	10.7%	20.6%	35.6%
Debt as a percentage of capital	0.4%	3.5%	9.6%	17.1%	26.3%

(Ref: 10K-2018, G4-ECI, G4-EC3 Economic)

Governance

(https://www.ethanallen.com/en_US/corporate-guidelines.html) (G4 DMA Environmental Materials, ISS 19 Risk Mitigation)

Corporate social responsibility, including the management of Ethan Allen's environmental and social impacts, is overseen by the corporate Director of Environment, Health, Safety and Sustainability, who works in a matrix structure in partnership with many teams and executives to help develop and drive strategies, policies and processes across the operations.

Our Leadership Principles

Good governance is good for profitability—and good for our talented and committed team. As a group, we embrace 10 key Leadership Principles, which define our commitment to excellence. Living by these principles is paramount. They are the compass that guides us to achieve our full potential, both as individuals and as a company that is a major player in our industry.

Leadership
Provide leadership by example.

Change
Understand that change means opportunity, and do not be afraid of it.

Accessibility
Be accessible and supportive and recognize the contributions of others.

Speed
Maintain a competitive advantage by reacting quickly to new opportunities.

Client Focus
Our first responsibility is to our clients. Client service is our highest priority.

Hard Work
Establish a standard of hard work and practice it consistently.

Excellence + Innovation
Have a passion for excellence and innovation.

Priorities
Establish priorities by clearly differentiating between the big issues and the small ones.

Confidence
Have the confidence to empower others to do their best.

Justice
Always make decisions fairly. Justice builds confidence and trust, which in turn encourages motivation and teamwork.

Our People

Associate Expectations

Ethan Allen is a company built on the principles of integrity and respect; as such, associates are expected to adhere to both the letter and spirit of our business ethics and conduct policies. Associates owe a duty to Ethan Allen, its customers, and its shareholders to act in a way that will merit the continued trust and confidence of the public. The continued success of Ethan Allen depends on our customers' trust, and we are dedicated to preserving that trust.

In return, all associates have the right to be treated with respect and dignity. Our company policies and procedures adhere to all applicable domestic laws and are consistent with labor principles concerning freedom of association, collective bargaining, nondiscrimination, forced labor, and underage workers in the workplace. We are committed to providing employees with safe and healthy working conditions, competitive benefits, and great opportunities.

Our Commitment to Equal Opportunity

(Ref: Equal Employment Opportunity Policy Statement – https://secure.icbdr.com/images/talentnetwork/tn7i0p76vj55lkqqrlj2-ethanallenseeopolicy.pdf; also please see gender and ethnic workforce representation on pages 9–12; ISS ID 450, 451, 453)

Ethan Allen is an Equal Opportunity Employer and is committed to providing equal employment opportunities to all individuals regardless of race, color, religion, sex, national origin, age, disability, marital status, sexual orientation, veteran status, domestic partner status, gender identity, genetic characteristics, medical condition, or any other characteristic protected by law. This policy applies to all phases of the employment process including recruitment, selection, advancement opportunities, training, layoffs, recalls, and terminations.

The policy of Ethan Allen Is to provide equal opportunity to all persons, and we are committed to diversity. Our hiring policy and process considers diversity of backgrounds, including differences in viewpoint, personal and professional experiences, skill, race, gender, veteran status, and other individual characteristics. These methods are employed at the executive level as well as local line and staff levels. Our system includes an outside service, HR Works, that tracks and reports many of these diversity attributes (see page 13).

Reasonable Accommodation

Ethan Allen is committed to fully complying with Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for all individuals, including qualified persons with disabilities. Ethan Allen will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship to the company.

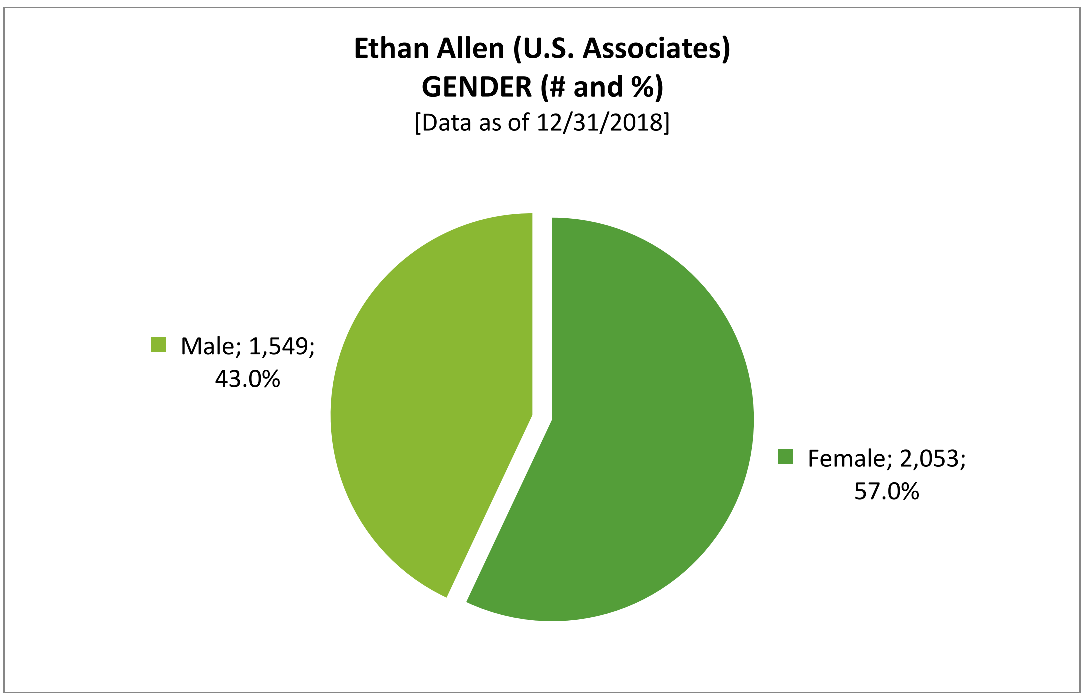
This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training. This policy is neither exhaustive nor exclusive. Ethan Allen is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with ADA and all other applicable federal, state, and local laws.

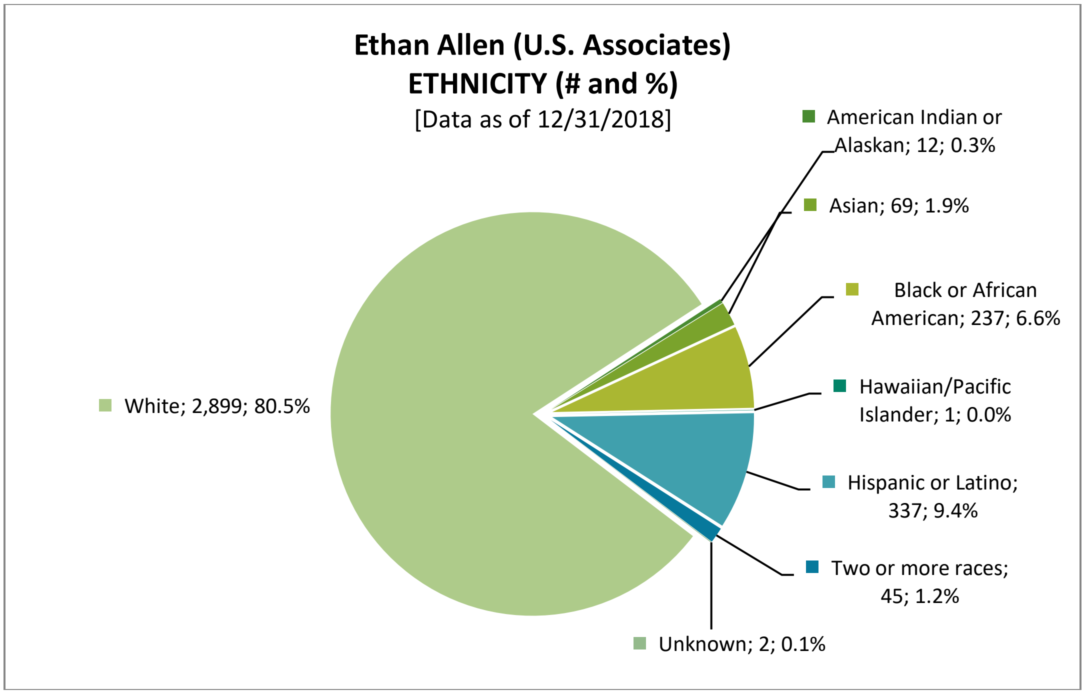
Diversity and Inclusion

(G4-DMA Social, G4-DMA Diversity and Equality) (ISS ID 422, 426, 428, 429 430, 431, 432, 433, 434, 435, 436, 437, 438)

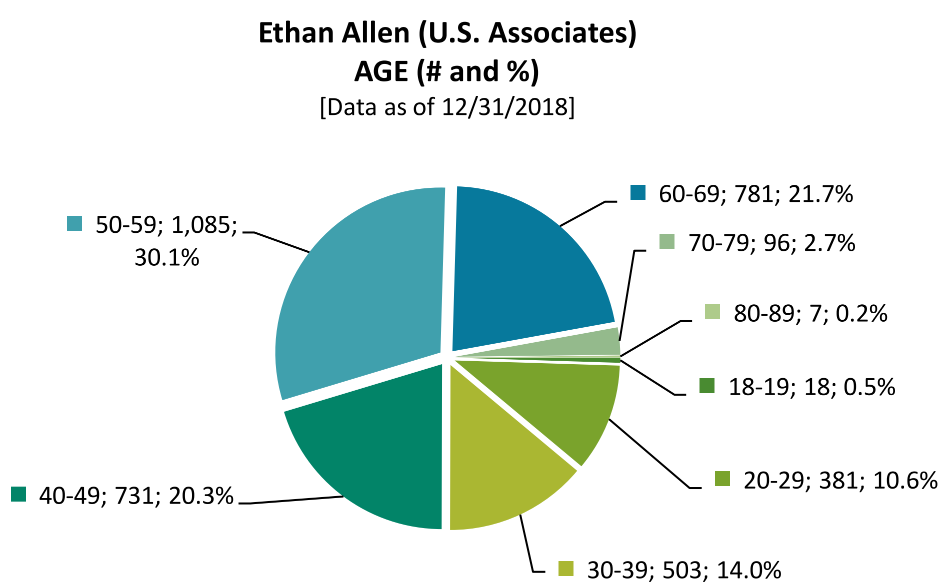
As a company, Ethan Allen promotes a cooperative and productive work environment by supporting the cultural and ethnic diversity of its workforce, and we are committed to providing equal employment opportunity to all qualified employees and applicants. This commitment to equal employment opportunity is company-wide; we seek to achieve it through a positive and continuing affirmative action program. As stated before, no employee or applicant will be discriminated against because of race, color, religion, sex, sexual orientation, gender identity, national origin, age disability, military and or veteran status or any other federal or state legally protected class, in any personnel practice including recruitment, hiring, training, promotion, and discipline.

The following graphs and tables contain demographic data for Ethan Allen employees, including demographic data for executives, managers and professionals, etc.



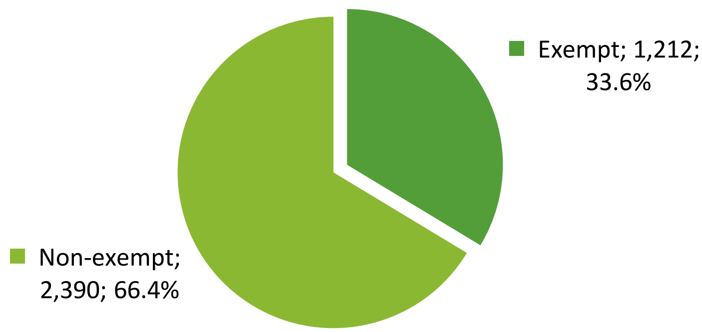


Ethan Allen (U.S. Associates)
ETHNICITY (# and %)
[Data as of 12/31/2018]
American Indian or Alaskan; 12; 0.3%
Asian; 69; 1.9%
Black or African American; 237; 6.6%
Hawaiian/Pacific Islander; 1; 0.0%
Hispanic or Latino; 337; 9.4%
Two or more races; 45; 1.2%
Unknown; 2; 0.1%
White; 2,899; 80.5%

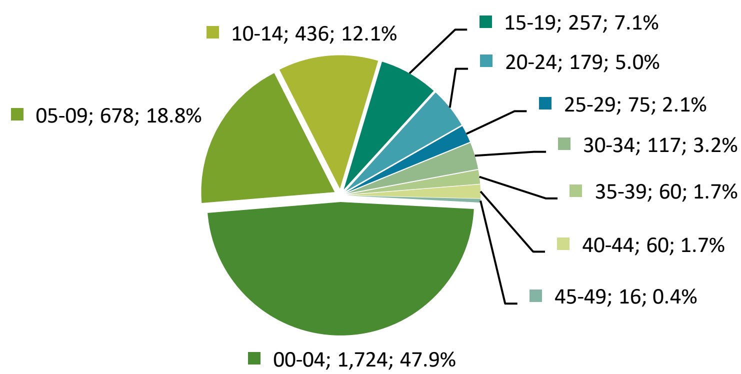


Ethan Allen (U.S. Associates)
AGE (# and %)
[Data as of 12/31/2018]
60-69; 781; 21.7%
70-79; 96; 2.7%
80-89; 7; 0.2%
18-19; 18; 0.5%
20-29; 381; 10.6%
30-39; 503; 14.0%
40-49; 731; 20.3%
50-59; 1,085; 30.1%

Ethan Allen (U.S. Associates)
FLSA STATUS (# and %)
[Data as of 12/31/2018]



Ethan Allen (U.S. Associates)
YEARS OF SERVICE (# and %)
[Data as of 12/31/2018]



U.S. Associate Demographics by Job Type, Gender

EEO Job Group	Female		Male		Total Count of Clock #	Total GENDER (%)
	Count of Clock #	GENDER (%)	Count of Clock #	GENDER (%)		
1A Executives	15	0.4%	22	0.6%	37	1.0%
1B Mid-Level Managers	55	1.5%	29	0.8%	84	2.3%
1C First-Level Managers	45	1.2%	80	2.2%	125	3.5%
1D Design Center Managers	122	3.4%	39	1.1%	161	4.5%
2A Professionals	129	3.6%	74	2.1%	203	5.6%
2B IT/Web Dev Professionals	10	0.3%	24	0.7%	34	0.9%
3A Technicians	4	0.1%	11	0.3%	15	0.4%
4A Design Consultants	690	19.2%	132	3.7%	822	22.8%
4B Sales Workers	7	0.2%		0.0%	7	0.2%
5A Administrative Svc Workers	175	4.9%	51	1.4%	226	6.3%
5B Customer/Client Svc Workers	233	6.5%	23	0.6%	256	7.1%
5C Operations Administrators	123	3.4%	9	0.2%	132	3.7%
6A Craft Workers	57	1.6%	252	7.0%	309	8.6%
6B Upholsterers	32	0.9%	139	3.9%	171	4.7%
7A Highly Skilled Operators	228	6.3%	380	10.5%	608	16.9%
7B Semi Skilled Operators	40	1.1%	84	2.3%	124	3.4%
8A Laborers	37	1.0%	149	4.1%	186	5.2%
9A Service Workers	25	0.7%	37	1.0%	62	1.7%
9B Bartenders and Waitstaff	26	0.7%	14	0.4%	40	1.1%
Grand Total	**2,053**	**57.0%**	**1,549**	**43.0%**	**3,602**	**100.0%**

U.S. Associate Demographics by Job Type, Ethnicity

EEO Job Group	American Indian or Alaskan	ETHNICITY (%)	Asian	ETHNICITY (%)	Black or African American	ETHNICITY (%)	Hawaiian /Pacific Islander	ETHNICITY (%)	Hispanic or Latino	ETHNICITY (%)	Two or more races	ETHNICITY (%)	Unknown	ETHNICITY (%)	White	ETHNICITY (%)	Total Count of Clock #	Total ETHNICITY (%)
	Count of Clock #		Count of Clock #		Count of Clock #		Count of Clock #		Count of Clock #		Count of Clock #		Count of Clock #		Count of Clock #			
1A Executives		0.0%	2	0.1%		0.0%		0.0%		0.0%		0.0%		0.0%	35	1.0%	37	1.0%
1B Mid-Level Managers		0.0%	1	0.0%		0.0%		0.0%	1	0.0%	2	0.1%		0.0%	80	2.2%	84	2.3%
1C First-Level Managers		0.0%	1	0.0%	3	0.1%		0.0%	7	0.2%	1	0.0%		0.0%	113	3.1%	125	3.5%
1D Design Center Managers		0.0%	1	0.0%	6	0.2%		0.0%	4	0.1%	1	0.0%		0.0%	149	4.1%	161	4.5%
2A Professionals		0.0%	3	0.1%	6	0.2%		0.0%	16	0.4%	5	0.1%		0.0%	173	4.8%	203	5.6%
2B IT/Web Dev Professionals		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	34	0.9%	34	0.9%
3A Technicians		0.0%	1	0.0%	1	0.0%		0.0%		0.0%		0.0%		0.0%	13	0.4%	15	0.4%
4A Design Consultants	4	0.1%	31	0.9%	29	0.8%	1	0.0%	38	1.1%	8	0.2%		0.0%	711	19.7%	822	22.8%
4B Sales Workers		0.0%	1	0.0%	2	0.1%		0.0%		0.0%		0.0%		0.0%	4	0.1%	7	0.2%
5A Administrative Svc Workers	1	0.0%	7	0.2%	20	0.6%		0.0%	24	0.7%	5	0.1%		0.0%	169	4.7%	226	6.3%
5B Customer/Client Svc Workers	2	0.1%	4	0.1%	32	0.9%		0.0%	30	0.8%	5	0.1%		0.0%	183	5.1%	256	7.1%
5C Operations Administrators		0.0%	2	0.1%	13	0.4%		0.0%	7	0.2%	3	0.1%		0.0%	107	3.0%	132	3.7%
6A Craft Workers	1	0.0%		0.0%	10	0.3%		0.0%	23	0.6%	2	0.1%		0.0%	273	7.6%	309	8.6%
6B Upholsterers		0.0%	5	0.1%	18	0.5%		0.0%	39	1.1%	2	0.1%		0.0%	107	3.0%	171	4.7%
7A Highly Skilled Operators	1	0.0%	4	0.1%	41	1.1%		0.0%	59	1.6%	6	0.2%	2	0.1%	495	13.7%	608	16.9%
7B Semi Skilled Operators	2	0.1%	3	0.1%	12	0.3%		0.0%	10	0.3%	2	0.1%		0.0%	95	2.6%	124	3.4%
8A Laborers		0.0%		0.0%	38	1.1%		0.0%	32	0.9%	1	0.0%		0.0%	115	3.2%	186	5.2%
9A Service Workers		0.0%		0.0%	4	0.1%		0.0%	41	1.1%	2	0.1%		0.0%	15	0.4%	62	1.7%
9B Bartenders and Waitstaff	1	0.0%	3	0.1%	2	0.1%		0.0%	6	0.2%		0.0%		0.0%	28	0.8%	40	1.1%
Grand Total	**12**	**0.3%**	**69**	**1.9%**	**237**	**6.6%**	**1**	**0.0%**	**337**	**9.4%**	**45**	**1.2%**	**2**	**0.1%**	**2,899**	**80.5%**	**3,602**	**100.0%**

HR Works
(ISS ID 441, 444)

HR Works is the nation's leading HR consulting firm, providing human resource management and benefits administration services for over 26 years. Ethan Allen uses HR Works to develop and implement annual Affirmative Action Plans (AAP). HR Works representatives also conduct annual training sessions.

AFFIRMATIVE ACTION HIRING MANAGER TRAINING 2019	
DATE	**LOCATION**
2/26/2019	Passaic, NJ (Coordinates Division)
2/27/2019	Pine Valley, NC (Manufacturing Division)
3/12/2019	Maiden, NC (Manufacturing Division)
3/13/2019	Beecher Falls & Orleans, VT (Manufacturing Div)
3/14/2019	Retail Division
3/19/2019	Retail Division
3/20/2019	Retail Division
3/27/2019	U.S. Distribution Locations
3/28/2019	EA Hotel, CT

Onboarding and Training

Ethan Allen uses a range of tools to support associates, from the first moment of their employment and throughout their tenure with us.

CareerBuilder Applicant Tracking System (ATS)

The ATS manages the workflow and data associated with candidates once they have applied for specific jobs; once they have applied to a position, the employee is considered to be active. As a government contractor, Ethan Allen is required to have an ATS. This system allows us to collect and confidentially store EEO, disability and Veterans Employment and Training Service (VETS) data to conform with the OFCCP's specification. An applicant flow log is generated annually for the Office of Federal Contract Compliance Program's (OFCCP) reporting and analysis. Training guides on the CareerBuilder ATS are provided to retail managers. Ethan Allen uses the ATS and reviews applicant flow, including candidate dispositioning, during affirmative action training.

First Advantage

(ISS ID 450, 451, 452, 453)

First Advantage delivers comprehensive background screening solutions that provide employers and housing providers with straightforward, actionable reports, so they can make confident choices, reduce risk, and stay compliant. Ethan Allen uses First Advantage for drug and background screening, primarily for compliance purposes.

Inspired eLearning Learning Management System (LMS)

The Inspired eLearning LMS is a security awareness and compliance training solution. Ethan Allen uses the LMS for e-learning courses, including Anti-Harassment, Workplace Violence, and Code of Conduct training, for associates in all division of Ethan Allen.

Through Our LMS portal, we monitor training and compliance with various mandatory policies for all associates in all levels of our organization, as reflected by the following schedule:

Course/Curriculum Name	Recertification	
Anti-Harassment in the Workplace (for Associates – H143)	4 years	All Associates
Anti-Harassment in the Workplace for Managers (includes Supervisors and Leads – H149)	2 years	All Managers, Supervisors and Leads
PhishProof (AP-101)	1 year	All Associates with Computer/Internet access
EA Code of Ethical Conduct for Associates with Financial Responsibilities – Policy Acceptance	None	All Associates and Managers with Financial Responsibilities
Code of Conduct Training for Employees (EC-131)	2 years	All Associates
Code of Business Conduct Training for Supervisors and Managers 2016 (EC-137)	2 years	All Managers
Global Anti-Bribery and Corruption: FCPA	2 years	All Associates and Managers with International Business Interactions
Active Shooter (HR-138-AC)	At onboarding only	All Associates
Basic Security Awareness Training (S-131)	At onboarding only	All Associates with Computer/Internet access
PCI Training: PCI Essentials for Account Data Handlers and Supervisors (PCI 101)	1 year	Designated Credit Card Handlers

Ethan Allen has a strong ethics and compliance training program, through which all associates complete online training and Code of Conduct certification. The company further strengthened its program in 2018 through a company-wide effort to ensure associates receive training about the Code of Conduct, anti-bribery policies, and other ethical conduct guidelines, including those regarding insider trading, data privacy, and other consumer-protection matters.

Ethics

(ISS ID 250, 251, 252, 256, 257, 258)

Ethan Allen has adopted a Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. It can be accessed at https://www.ethanallen.com/en_US/code-of-conduct.html. In addition, all associates are trained on ethics and compliance within our Inspired eLearning Management System (ILMS), which is managed by our corporate Human Resources department.

Ethan Allen's intent is to disclose any amendment to our Code of Ethics, or any waiver of any provision thereof, applicable to our principal executive officer and/or principal financial officer, or persons performing similar functions, directors and other executive officers, and to make such disclosure on our website within four days of the date of such amendment or waiver. In the case of a waiver, the nature of the waiver, the name of the person to whom the waiver was granted, and the date of the waiver will also be disclosed. *(Ref: 10K, please see link p. 8)*

Code of Conduct and Associated Policies

(G4-DMA Non-Discrimination)

Ethan Allen's Code of Conduct applies to all employees of Ethan Allen, its subsidiaries, and affiliates, as well as to members of the Board of Directors. These codes are but one element of company policy; we have many other policies and expect compliance with all company policies. We will not tolerate unethical behavior, and we will not tolerate failure to report instances of possible or actual policy violations. Violations of these codes are serious matters and will result in disciplinary action up to and including termination.

No employee may authorize a code violation or disregard any provision in the code, nor is an employee's violation of a code excused because the employee was directed by another individual to take such action. Nothing in these codes shall modify, change, or otherwise abridge the company's "at will" employment policies. These codes are not intended to, and do not in any way constitute, an employment contract or assurance of continued employment. Nor do they create any rights of any employee, client, supplier, competitor, shareholder, or any other person or entity. These codes are endorsed by and have the full support of the company's Board of Directors. The Board of Directors and management are responsible for overseeing compliance with and enforcement of these codes.

Complying with the Law

(ISS ID 275)

All employees, officers, and directors should respect and comply with all applicable laws, rules, and regulations of the U.S. and other countries as well as those of the states, counties, cities, and other jurisdictions in which Ethan Allen conducts business. Such legal compliance should include, without limitation, laws and regulations concerning safe workplaces; fair wages, hours, and working conditions; product safety and compliance; anti-bribery; conflicts of interest; environmental responsibility; and the treatment of all coworkers, vendors, contractors, and/or consultants with dignity and respect.

Ethan Allen also expects compliance with insider trading prohibitions applicable to Ethan Allen and its employees, officers, and directors. Generally, employees, officers, and directors who have access to or knowledge of confidential or nonpublic information from or about the company are not permitted to buy, sell, or otherwise trade in the company's securities, whether or not they are using or relying on that information. This restriction extends to sharing—and tipping others about—such information, especially since the individuals receiving such information might utilize such information to trade in the company's securities. Ethan Allen has implemented and established trading restrictions to reduce the risk of (or the appearance of) insider trading as set forth in our Insider Trading policy. Employees, officers, and directors should refer to our Insider Trading Policy or contact the Legal department if they have questions regarding the applicability of such insider trading prohibitions.

In addition, Ethan Allen and its employees shall comply with all applicable environmental, health, and safety laws and company policies. It is our intention to control waste and emissions and to handle any hazardous materials so that we preserve and protect the environment and provide a safe and healthy workplace.

Reporting Illegal or Unethical Behavior
(G4-DMA Non-Discrimination)

Employees are encouraged to talk to supervisors, managers, or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, to discuss the best course of action in a particular situation with the Legal department. Employees, officers, and directors who are concerned either that violations of these codes, or that other illegal or unethical conduct by employees, officers, or directors has occurred or may occur, should contact either their supervisor or senior management. If they do not believe it appropriate or are not comfortable approaching their supervisors or senior management about their concerns or complaints, they may contact the Legal department, Audit Committee, or the Nomination/Corporate Governance Committee of the Board of Directors. If their concerns or complaints require confidentiality, including keeping their identity anonymous, this confidentiality will be protected to the extent practicable, subject to applicable law, regulation, or legal proceedings.

Confidential Reporting
Ethan Allen's Code of Conduct holds every associate responsible for reporting concerns or possible violations of the law or of the Code of Conduct. The policy recognizes that associates are entitled to report misconduct and raise ethical concerns without fear of retaliation. The channels for reporting and responsibility for reporting underscore Ethan Allen's position that it will not tolerate any retaliation, and anyone who experiences retaliation should promptly report such behavior. Retaliation is subject to disciplinary action including the possibility of termination of employment.

Reporting Violations
(ISS ID 259)

It is everyone's duty to report violations or alleged violations of a questionable, fraudulent, or illegal nature. Employees may send a letter or email to the attention of the company's General Counsel. The company also maintains a 24/7 Corporate Governance hotline (1-877-873-4968) that may be used to report violations of these codes. Reports to the General Counsel and/or the hotline may be made anonymously.

Associates can also report concerns to their supervisor or to the Human Resources, Legal, or Environmental, Health, and Safety departments. The company will handle inquiries discreetly and make every effort to maintain them in confidence, including the confidentiality of anyone requesting guidance or reporting a possible violation, when it is allowed by law.

We take all complaints seriously and investigate and monitor them accordingly, using various tools and procedures including but not limited to our Corporate HR hotline and the Federal Hotline for Whistleblower Protection Act for "no retaliation policy" This information is included with all required compliance training and posted throughout all EA locations, to ensure that it is readily accessible to all employees.

Investigations
Employees must fully cooperate with efforts to verify compliance with these codes and with any inquiry concerning a possible violation of these codes. Employees are also obligated to report violations or alleged violations. Employees must not make any false or misleading statements to the company; its representatives, auditors, or counsel; or its Board of Directors. Employees must not conceal or omit

information relating to such an investigation or withhold, conceal, alter, or destroy any hard copy or electronic document, book, or record that relates to such an investigation.

No Retaliation Policy

Ethan Allen will not permit retaliation of any kind by or on behalf of the company and its employees, officers, and directors against good faith reports or complaints of violations of these codes, company policies or guidelines, or other illegal or unethical conduct.

Additional Policies

The Codes of Business Conduct and Ethics do not and are not intended to summarize all laws, rules, and regulations applicable to Ethan Allen employees, officers, and directors. All employees, officer, and directors should contact the Legal department and consult the various policies or guidelines that the company has prepared with regard to specific laws, rules, and regulations.

Fair Dealing

Each employee, officer, and director is expected to deal fairly with Ethan Allen's customers, suppliers, competitors, officers, and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

Anti-Harassment

(ISS ID 304, 364, 413, 414, 418)

As mentioned previously, Ethan Allen promotes a cooperative and productive work environment by supporting the cultural and ethnic diversity of its workforce and is committed to providing equal employment opportunity to all qualified employees and applicants. The company does not unlawfully discriminate based on race, color, sex, sexual orientation, gender identity or expression, religion, national original, marital status, age, disability, veteran's status, or genetic information in any personnel practice, including recruitment, hiring, training, promotion, and discipline.

State and federal laws protect individuals from discrimination on the basis of age, race, color, religion, sex (including pregnancy), national origin, physical or mental disabilities, serving in the armed services, sexual orientation, and genetic information. Some examples of discrimination include

- refusing to hire or promote a female worker because they are pregnant or there is the possibility of pregnancy;
- not providing training to an older worker (age 40 or older) when training is available to younger workers in the same job assignment; and
- refusing to hire someone who is in a wheelchair when physical activity or walking is not an essential responsibility of the job.

Public Company Reporting

As a public company, it is of critical importance that Ethan Allen's filings with the Securities and Exchange Commission (SEC) be accurate and timely. Depending on their position with the company, an employee, officer, or director may be called upon to provide necessary information to ensure that the company's public reports are timely, complete, fair, and understandable. The company expects employees, officers, and directors to take this responsibility seriously and to provide prompt, accurate answers to inquiries related to the company's public disclosure requirements.

International Business

Ethan Allen does business in many foreign countries that have differing laws and customs. Employees who engage in international business are responsible for knowing and complying with both 1) the laws and regulations of the countries in which they conduct business and 2) U.S. laws and regulations that apply outside U.S. borders.

Employees are prohibited from engaging in unauthorized transactions with

- embargoed countries and individuals or entities listed on the U.S. government's Statutorily Debarred Parties list;
- any party engaged in arms proliferation, including related entities and users or parties named on the Department of Commerce's Entity list
- any party known or believed to be acting in violation of U.S. or foreign laws or regulations; or
- any party known to support an unsanctioned foreign boycott.

Global Anti-Corruption Program

Ethan Allen prohibits all forms of bribery and corruption by its third-party partners, its representatives, and its associates. We are committed to complying with all anti-bribery and anti-corruption laws in every place we do business. We recognize that bribery and corruption may include the use of gifts; thus, the company prohibits the use of gifts by associates and extends this prohibition to our suppliers as well. Our operating procedures ensure that high-risk activities are legal, transparent, and made without an expectation of remuneration.

Ethan Allen's anti-corruption policies and procedures are based in law and best practices 1) to reflect the company's intent to comply with all applicable laws, 2) to plan ahead to remain in compliance when such laws are updated, and 3) to include all those who work with Ethan Allen and who are expected to comply. Ethan Allen policies also require compliance with a contractor safety program. To ensure proper guidelines are followed, fair wages are paid, and no child labor is used or otherwise contracted, third-party audits at manufacturing facilities, through the product compliance group, are performed. The Code of Conduct extends to all company suppliers and vendors.

Foreign Corrupt Practices Act (FCPA) Compliance

The U.S. Foreign Corrupt Practices Act of 1977 (as amended, 15 U.S.C. §§ 78dd-1, et seq.) makes it unlawful for American businesses to make certain payments or provide things of value to foreign officials as a means of obtaining or retaining business. At Ethan Allen, we tolerate no violation of any laws, rules or regulations. We specifically prohibit our associates, representatives, vendors, and agents both from 1) making a payment or offering a thing of value that may be construed as a bribe and 2) offering bribes of any kind.

We also prohibit all forms of bribery and corruption by third-party partners and representatives, and we are committed to complying with all anti-bribery and anti-corruption laws in every place we do business. Our operating procedures ensure that high-risk activities are legal, transparent, and made with no expectation of remuneration.

When laws or regulations change, we update our expectations. We also provide training. All associates take an Ethics and Compliance training course when they're onboarded; our financial professionals take a more in-depth course. Through this training, they that they're expected to report any unusual activity immediately, and they learn the risk factors for FCPA noncompliance, including but not limited to

- a country’s background and reputation for corruption;
- the reputation of a distributor;
- a distributor’s relationships with the government;
- an absence of due diligence;
- lack of pricing transparency;
- being told “not to ask” or “that’s how things are done here”;
- form of payment; and
- anything that looks or feels “not quite right.”

Our financial professionals also look for warning signs that corrupt activities may be taking place:

- Significant commission payments
- Significant marketing expenses
- Payments to third parties or third countries
- Inflated invoices or unusual rebates
- Unexplained or large commissions, bonuses, fees, or expense reports
- Off-books accounts or “slush funds”
- Unusual payments
- Invoices that lack detail
- Procurement personnel who refuse to complete a purchase or insist on using an existing or specific supplier

We build our business relationships on a foundation of integrity, honesty, and fairness, and we develop relationships with carefully selected suppliers who are committed to responsible business practices. In addition, integrity and anti-corruption evaluations are part of our supplier audits, which are completed by third parties every two years.

For more information, visit ethanallen.com/governance and https://www.ethanallen.com/en_US/anti-bribery-policy.html .

Global Privacy Program

Ethan Allen directs associates to take appropriate actions to ensure adherence to all applicable privacy laws and regulations. Our privacy and data protection methods include

- general requirements regarding the collection and use of personal information; and
- procedures regarding specific guidance about the appropriate use and prohibited abuse, by associates or representatives, of consumer personal information.

Ethan Allen also requires all associate to take part in training programs (e.g., phishing, anti-harassment, etc. *(Please see ILMS training schedule table, p. 12.)*

The terms and conditions of our consumer credit program, which is financed and administered by a third-party financial institution on a non-recourse basis to Ethan Allen, are set forth in an agreement between the company and that financial service provider (Ref: 2018 10K pg. 26 https://materials.proxyvote.com/Approved/297602/20180917/AR_371889/#/1/).

Training and Engagement

The Code of Conduct is monitored and reviewed by the corporate legal department and, if needed, by the Board of Directors and CEO.

- All newly hired associates are enrolled for training via an email within approximately 30 days of hire.
- Some courses require recertification, as noted in the chart on page 14, to ensure compliance with applicable regulations as well as efficient monitoring of following required policies and procedures

Public Policy

(G4-DMA Products Services, ISS ID 189, 190, 191,192)

Ethan Allen supports positions on matters relevant to our business, such as the banning of certain chemicals from our manufacturing, distribution, and service centers, particularly regarding chlorinated solvents and heavy metals in packaging. We use certified foams, which are made without mercury, lead, formaldehyde, or ozone depleters.

To protect the environment, we have supported legislation through our membership in a trade association, the American Home Furnishing Alliance (AHFA). The AHFA maintains a strong presence in Washington, D.C., where full-time staff work in concert with member company executives and legislative counsel to protect the interests of the home furnishings industry. AHFA lobbies on Capitol Hill, confers with senior members of the Administration and Congressional staffs, testifies at Congressional hearings, and maintains contact with regulatory agencies, including but not limited to the following:

- Consumer Product Safety Commission
- Environmental Protection Agency
- Department of Commerce
- Federal Trade Commission
- International Trade Commission

Political Contributions and Expenditures

Ethan Allen's Code of Conduct prohibits political contributions by or on behalf of the company without prior approval. As a member of trade associations that provide information services of importance to the company, Ethan Allen pays dues or other membership payments to these trade organizations; however, none of these contributions or dues are considered "material" from a financial perspective.

Philanthropy

(ref: Living Our Values, pg. 41–43)

Ethan Allen has been a corporate sponsor of both the International Rescue Committee and Refugees International, contributing to efforts to assist over 70 million refugees worldwide. The company has made corporate donations to Habitat for Humanity as well as for the City of Hope and its International Home Furnishings Industry (IHFI) chapter, to raise funds for the treatment and research centers that focus on caring for people with serious illnesses. Ethan Allen matched donations of up to $50,000 made to the City of Hope, dollar for dollar. Additionally, Allen locations have been involved in various philanthropic, civil, and community organizations activities, including local Habitat for Humanity chapters and Re-Stores, and other local charities. Our chairman and CEO, Farooq Kathwari, is involved with a range of nonprofits and makes donations via the Kathwari Family Foundation.

Environment, Health, and Safety (EH&S)

Awards and Recognitions

(G4-EN27 Products and Services)

Ethan Allen continues to be a leader in corporate responsibility and sustainability. We have been recognized as a leader for over a decade, as demonstrated by the accolades noted below:

- Designated a Vermont Business Partner in 2018 (and every year since 2013), by the Vermont Department of Environmental Conservation, for our commitment to preserving Vermont's environment
- Certificate of Environmental Stewardship, 2018 (and every year since 2012), by the New Jersey Department of Environmental Protection's (NJDEP) Environmental Stewardship Initiative, for voluntary measures taken to improve the environment and ensure a sustainable future in our manufacturing facility in Passaic, New Jersey
- Environmental Leadership Award, awarded in 2012 by peer companies through the American Home Furnishing Alliance (AHFA) (awarded to Paul Kaminski, Ethan Allen's EH&S Director)
- Ethan Allen Environmental Excellence Award, 2012, by AHFA (initially awarded in 2012, with status as a sustainability member of the consortium maintained through 2018), for demonstrating exemplary environmental management and ongoing stewardship
- Congressional Certificate of Special Recognition, 2012, for dedication to improving the environmental effects of our business operations
- Sage Awards Honorable Mention, 2012, by AHFA, for continually striving to achieve the highest levels of environmental stewardship
- Outstanding Use of Wood Award, 2011, by the Northeastern Loggers Association (NELA), for our use of manufacturing by-products to minimize oil consumption in our Vermont facilities
- Environmental Merit Award by the New England office of the U.S. Environmental Protection Agency (EPA), 2011, for establishing practices that minimize hazardous air pollutant emissions
- Vermont Governor's Award for Environmental Excellence and Pollution Prevention, 2009 and 2013, reducing our fossil fuel oil use to near zero through increased recycling of sawdust, chips, and scrap wood, and increasing recycling in general to reduce landfill waste; and for improvements in material formulation and electricity usage reduction

Company Methods for EH&S Systems and Goal Evolution

(G4-DMA Materials, Energy Water, ISS 38 Reducing GHGs, ISS 39 Group Level Reduction)

Corporate Sustainability EH&S Goal Summary

(ISS 23 Strategy, ISS 25 Targets, ISS ID 275, 276,277, 278, 281)

Ethan Allen is dedicated to the responsible management of our world's natural resources, so they may be enjoyed by future generations. We make a difference in the following ways:

- Preserving our natural resources though our Environmental Management System (EMS)
- Minimizing our environmental footprint (10-year, 10% reduction targets based on a 2010 baseline)
- Providing a safe and healthy workplace
- Reducing our impact on global climate change by meeting environmental protection goals, with the intent of reducing CO_2 emissions by 2% while maintaining quality standards and manufacturing efficiency
- Demonstrating responsible social performance

The company's sustainable business practices and EMS are fulfilled by the implementation of the company's EH&S policy (see Attachment 3), programs, guidelines, training, commitments, and auditing processes. Our EH&S policy, chemical and process change management policy, and EH&S management business standard policy provide the framework for these efforts. These documents, which are tailored to each of the manufacturing, service, and distribution centers as well as retail entities, can currently be found on the company's intranet.

Structure for EH&S Management System

The EH&S business standard policy describes the dedicated environmental, corporate social responsibility, and health and safety committee roles and responsibilities, citing the CEO as having senior responsibility for the programs. This policy describes EH&S responsibilities and titles, from the CEO to shop floor associates.

Chairman, President and CEO

The Chairman, President and CEO has adopted and endorsed Ethan Allen's EH&S policy and programs and is committed both to providing a safe and healthy workplace and to the protection of the natural environment.

Senior Management

The Executive Vice President of Operations and all division Vice Presidents are committed to the implementation and success of this program and shall provide support and leadership.

Plant or Facility Managers

Plant and Facility Managers provide leadership and bear ultimate responsibility for EH&S compliance. They are responsible for ensuring that adequate personnel, policies, and programs are in place at their Ethan Allen facility, to ensure compliance with EH&S standards.

EH&S Personnel
Each facility must have at least one EH&S employee who will devote sufficient time to coordinate all EH&S efforts, with the goal of continuous improvement and risk mitigation. They shall be responsible for staying current on all EH&S compliance, risk, and mitigation issues.

EH&S Committees
Each location shall establish an EH&S Committee responsible for day-to-day compliance. It will support the overall program as well as communicate hazards and risks, EH&S inspection results, root causes of accidents, and near-miss investigations. The committee will also coordinate and track corrective actions as well as other activities, as required.

EH&S Council
The EH&S Council will coordinate company-wide efforts and communications, enabling Ethan Allen facilities to share EH&S-related information and resources. It shall identify emerging issues and risks and provide strategic direction, review EH&S performance data, and develop corrective action initiatives.

Risk Manager
A member of the EH&S Council, the Risk Manager coordinates all insurance coverage. They perform case management reviews, compiles monthly status reports, and coordinates root cause evaluations with the local site management. On an as-needed basis, they also provide support for training, inspections, and auditing.

Corporate Product Compliance Manager
The Corporate Product Compliance Manager coordinates product compliance efforts, including those that pertain to EH&S. Responsibilities include supplier notifications, certifications, testing, and third-party certifications.

General Counsel
A member of the EH&S Council, the General Counsel provides direction, corporate support, and leadership to the EH&S program, and reports directly to the Chairman, President and CEO on matters related to EH&S standards and compliance.

Director of EH&S
A member of the EH&S Council, the Director of EH&S is responsible for the development of policies, standards, and guidelines to address EH&S issues. The Director advises General Counsel, Senior Management, Plant and Facility Managers, and EH&S personnel. The Director also identifies common EH&S issues and required actions, supports the EH&S auditing program, and provides reports and advice to the EH&S Council, while organizing and coordinating the Council's activities.

Manager of EH&S

A member of the EH&S Council, the Manager of EH&S assists in the implementation of company-wide EH&S strategies, policies, and standards, serving as a resource for each facility's compliance efforts.

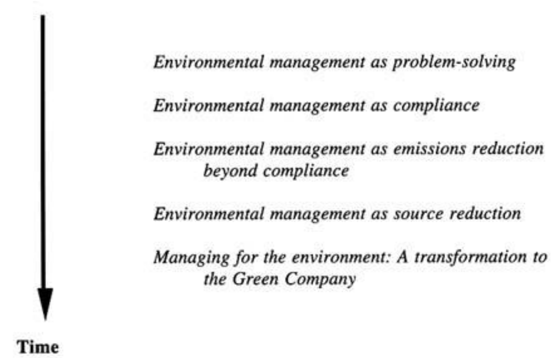
Occupational Health Nurse
Where applicable, the Occupational Health Nurse provides and delivers health care services to workers, focusing on the promotion, protection, and restoration of worker health within the workplace environment. The Occupational Health Nurse assesses the facility and operations to optimize health, prevent illness and injury, and reduce health hazards within the work environment.

Supervisors and Associates
Supervisors and associates are expected to be aware of, to implement, and to participate in the EH&S program.

EMS Evolution

Researchers have identified five stages of EMS evolution that reflect company behavior; these stages should be recognized as goals. Although there may be overall corporate goals, and the company may have reached a particular stage, differences in culture and leadership at the local level may cause individual business entities to be at a different stage of evolution.

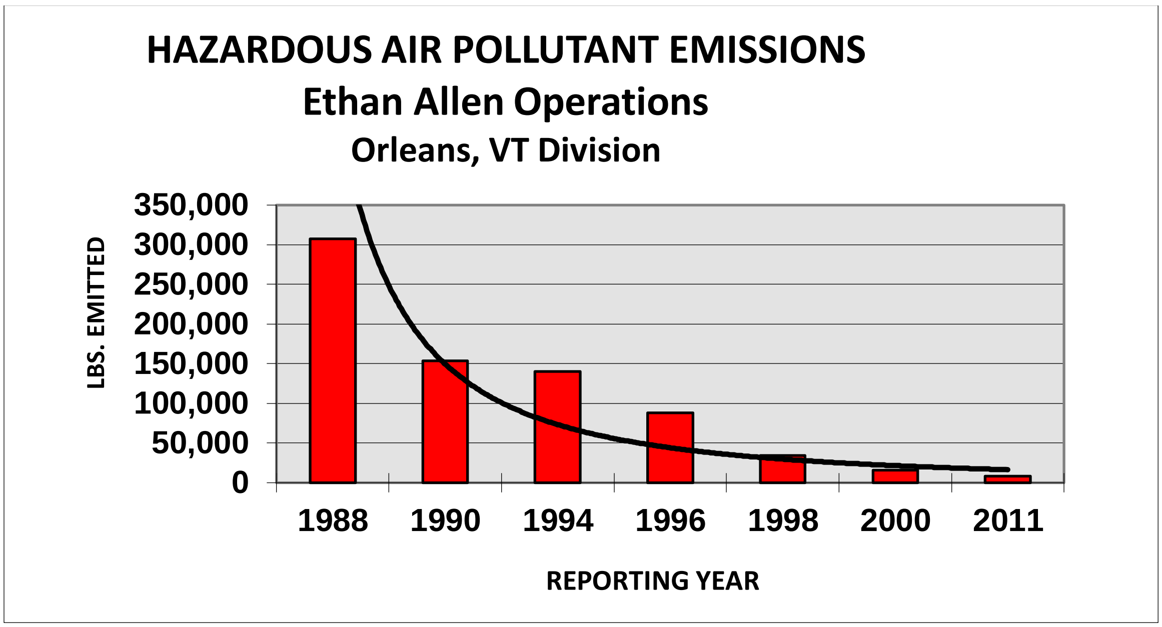
In their research, Christopher B. Hunt and Ellen R. Auster called their stages “beginner,” “fire fighter,” “concerned citizen,” “pragmatist,” and “proactivist,” but researchers at the Massachusetts Institute of Technology (MIT) used the following stages to “classify observed and anticipated changes” when evaluating a corporate EMS:



A History of Successfully and Continuously Improving

Reducing environmental emissions is not a new effort for Ethan Allen. In 1999, Ethan Allen formalized its EMS, which required the establishment of energy and waste generation reduction goals and increased water conservation and recycling goals. As a result, Ethan Allen achieved an approximately 70% reduction in hazardous air pollutant (HAP) emissions and a 30% reduction in volatile organic compound (VOC) emissions by the implementation of chemical substitutions, reformulations, and process changes at domestic manufacturing facilities. These reductions were calculated as normalized emission per net sales and total emissions over a 10-year period ending in 2010.

Effective supplier relationships, sound technological investments, chemical reformulations, and other innovations made these reduction efforts successful. A corresponding reduction in the amount of hazardous waste generated resulted from 1) the reduction of chemical mass used and 2) the generation of waste with less toxic characteristics. The graph below is an example of the dramatic effects of these continuous improvement efforts for one of our Vermont locations, but it is also a reflection of the entire company's past efforts, our present-day continuous improvement approach, and the future dedication our customers can expect.



Ethan Allen did not stop at these initial reductions in air emissions: We launched a major environmental health and safety initiative in 2010. Even though Ethan Allen's EMS was already aligned to meet the requirements of the American Home Furnishings Association's (AHFA) Enhancing Furniture's Environmental Culture (EFEC) and Sustainable by Design (SBD) requirements, we reset our environmental metrics baseline at 2010 levels and implemented our Carbon Footprint Calculator to track greenhouse gases, landfill waste, energy and water reductions, and recycling volume. By establishing 2010 as our new baseline year, we provided renewed incentive to every associate to continue to reduce emissions.

By focusing on sustainability in both our operations and our products, Ethan Allen is in the process of transforming itself into the "Green Company" stage. We strive to maintain the highest environmental standards everywhere we do business, setting meaningful environmental goals tailored to each location's unique situation. Each location has its own targets, which helps us continuously improve processes at every level of the company. In addition to our own work, we partner with suppliers, other companies within our industry, and nongovernmental organizations like AHFA to find and implement solutions as we need them.

Monitoring Corporate Performance to Ensure Continuous Improvement
(G4-EN5 Energy, G4 DMA Energy, ISS 20DfE, ISS 40 2-degree Scenario ISS ID 7, 479)

As noted previously, Ethan Allen first established its own formal EH&S management system in 1999. Based upon the concept of continuous improvement, we have continuously developed standards and practices in our operations that support continuation of environmental stewardship. We are continually working to reduce energy consumption, waste production, and water usage, and to increase recycling volume.

Ethan Allen's communication mechanism for EMS includes the following elements:

- Monthly inspection and meeting with site committees, including recycling, carbon footprint, awareness, accounting, and Supply Chain Teams
- Corrective action management at the local level to provide documentation of system improvements
- Periodic report to corporate
- Semi-annual carbon footprint and numeric compilation, review, and reporting
- Monthly corporate conference call with a standing agenda that includes both sustainability discussions and important safety issues including accident/near-miss review, training, and risk assessments (monthly calls for each business entity are generally one hour; however, ad hoc meetings are frequently conducted)
- Review of systems issues, often fleshed out with the entire organization prior to modification

Common management programs for EH&S risks and mitigation are available to all entities on our corporate intranet. Each location is required to use these programs as a basis for their own local program, which gives them the flexibility to modify the parameters according to their location's unique physical, operational, geographical or geological characteristics.

The company has not suffered a major environmental controversy for the last 10 years. (ISS ID 295)

Management Systems Integration with the American Home Furnishings Association (AHFA) Program
(ISS 7 EMS, ISS 8 Certified EMS, ISS 12 Companywide EMS, ISS 366 Vendor Code)

In 2010, Ethan Allen partnered with the American Home Furnishings Alliance (AHFA) to become registered as an Enhancing Furniture's Environmental Culture (EFEC) company. The AHFA's environmental management system includes a three-tiered program designed to help its member companies systematically implement sustainable business practices in day-to-day operations. The three-tiered program includes EFEC, Sustainable by Design (SBD), and Eco3Home.

Currently, our operations are at registered at the first and second tier, and we are planning to pursue the Eco3Home labels for specific product lines (ISS ID 20). Our vendors have received various inquiries from Ethan Allen regarding their operations covered by a certified ISO environmental management system or equivalent; however, fewer than 20% of those asked responded, and even fewer have entered into a systematic program (ISS ID 18).

A comparison of ISO 14000 standards and AHFA's EMS reveals many similarities; however, AHFA is focused on the furniture industry, designed to prioritize more artisan and physical contact with products in production versus ISO 14000's emphasis on paperwork tracking. The major differences between the two programs are in the formal documentation, monitoring, and recordkeeping requirements that are typically managed elsewhere, such as in document retention policies that require fewer third-party checks and balances. We believe that the AHFA system meets the intention and implementation of the ISO system without additional expenses and formalities that impose unnecessary costs and burdens on the industry. This program is the equivalent management system for the furniture industry (ISS ID 8) and Ethan Allen is registered under this program.

Enhancing Furniture's Environmental Culture (EFEC)
The first tier of AHFA's program, EFEC is an EMS that requires companies to analyze and better understand the environmental impact of their processes, raw materials, and finished products. All Ethan Allen domestic facilities are EFEC registered; registration is contingent upon a policy of continuous improvement in the areas of water and energy conservation, recycling, and waste reduction. For every Ethan Allen manufacturing, distribution, and service facility in the U.S., we have documented baseline greenhouse gas (GHG) emissions, baseline water and electricity usage, and baseline waste production, and we have used that information to set annual goals for improvement.

Sustainable by Design (SBD)
(G4 DMA-Supplier Environmental Assessment, ISS 336 Vendor Code)

SBD is the second tier of the AHFA's program; it not only requires us to establish internal standards, practices, and management systems that govern our environmental performance but also requires us to evaluate, monitor, and set standards for our suppliers. All of our domestic manufacturing facilities are SBD certified.

In addition to meeting all EFEC requirements, facilities that are SBD certified must also evaluate the environmental impact of the supply chain. Ethan Allen has established a Supply Chain Team that consists of representatives from all North American manufacturing facilities, who share responsibility for implementing EFEC and SBD supply chain requirements. This group works with the EH&S staff and the Product Compliance Manager to facilitate an integrated approach for addressing various aspects of our products that affect the health and safety of our clients.

Through the efforts of the Supply Chain Team, Ethan Allen has launched the following initiatives:

- We have established a communication protocol to help Ethan Allen suppliers develop and implement their own sustainability programs, including general information or semiannual surveys. These surveys ask suppliers what their environmental programs or policies are and enable them to report their progress.
- We inform our suppliers of our progress in continuously improving our EMS by 1) letters/ questionnaires and 2) face-to-face communication. These efforts are disclosed in the EFEC manuals at Ethan Allen facilities.
- We have established a chain of custody program, which includes a compliance clearinghouse that contains the certifications, testing, and documentation for specifically regulated attributes pertaining to our products and product parts; this includes California's Airborne Toxic Control Measures (ATCM) and formaldehyde limits as well as the associated documentation of compliance. Our compliance database requires compliance managers to

keep current records of all chain of custody and testing requirements that may otherwise impact the safety of Ethan Allen's products.

- We have established a Supplier Code of Conduct that explicitly states our expectations for domestic and international vendors. (ISS ID 366, 359) (Attachment 1: Supplier Code of Conduct)
- We have established a preferred purchasing program that requires managers to consider the environmental impact of products and components as well as lifecycle when sourcing materials.

In addition, we have engaged third-party auditors to assess supply chain vendors for environmental management as well as fair wage practices and child labor. This effort is managed by our Product Compliance team (ISS ID 370, 373, 484).

Embedded within the Ethan Allen third-party audit framework, suppliers are required to adhere to rigorous codes of conduct inclusive of those set out under our Code of Ethics. In addition to ensuring compliance with prevailing legislation, these policies go beyond existing regulations and standards to set more comprehensive requirements for Ethan Allen suppliers. The aim is to drive the furniture industry toward higher environmental, ethical, and social standards.

In terms of scope, all Ethan Allen suppliers are required to comply with these policies and attest that their respective supply chains do likewise. This expectation encompasses our suppliers and all their sub-suppliers, including suppliers of product materials, production materials, and packaging, as well as suppliers of services used in the production or performance of activities on behalf of Ethan Allen. The supplier must understand and comply with Ethan Allen policies and all applicable laws, regulations, directives, collective agreements, and supplementary agreements with respect to human rights, workers' rights, environmental protection standards, and applicable international conventions and declarations.

Achievements, 2010–2019

Our operations have made substantial reductions in both greenhouse gases and our overall effect on the environment. Of all the progress we have made, we are proudest of the successes we have seen in our domestic manufacturing plants.

- All the scrap wood and sawdust produced in our manufacturing plants is now used to fuel the boilers that heat those facilities, thus reducing their carbon footprints.
- At our sawmill facility in Beecher Falls, Vermont, steam from those boilers also heats the kilns used to dry wood before it is incorporated into furniture. The excess steam is used to create electricity using methods of true cogeneration.
- Over the past seven years, we have already reduced the amount of landfill waste produced by all domestic manufacturing by 15 percent; at our U.S. plants, we recycle nearly everything. By using materials more efficiently, we put less waste into landfills, but over time, we also reduce our recyclable percentage. Reduced recycling, therefore, is actually a positive indicator: fewer materials are being wasted.

Our operations continually work to reduce our environmental footprint and implement methods for responsibly managing emissions, energy usage, and waste reduction. To support these efforts, our associates are committed to implementing our policies and processes, helping each location reach individual reduction goals that support the overall direction to reduce our impacts as much as practicable.

Target metrics vary by location, based upon the specific circumstances of each location, and vary from 5 to 10 percent reductions from our established 2010 baseline. The data, along with the information and graphics shown on the following pages, confirms the effectiveness of both our approach to continuous improvement and the results we have achieved.

The Climate Challenge

(ISS ID 21, 22, 23, 24, 28, 105, 106, 107)

Climate change is undeniable and well underway. As we discovered during events like Hurricane Harvey and the 2018 California wildfires, the process of choosing new furnishings can play an important role in helping people move forward after loss.

Our Design Centers, along with their associated social networks, become places where clients come together and share their grief, their challenges and their victories. Putting new interior design plans together, with the help of our designers, becomes an empowering metaphor for moving on after tragedy.

It's our privilege to help clients through tough circumstances, and at Ethan Allen, we see it as our duty to do as much as we can to avoid practices that to further contribute to climate change. Our commitment to lowering greenhouse gas emissions and reducing our carbon footprint is unwavering. We also know these efforts won't be enough to stop the climate changes to come, and so our efforts will continue.

We base much of our work on the Paris Agreement adopted within the United Nations Framework Convention on Climate Change (UNFCCC), which was signed in 2016. The agreement deals with greenhouse-gas-emissions mitigation, adaptation, and finance. The Ethan Allen Carbon Footprint Calculator and reduction goals, as well as the climate risk analysis, align with the Paris Agreement's long-term goals of keeping the increase in global average temperature to well below 2° C (above pre-industrial levels) and to limiting the increase to 1.5° C, which could substantially reduce the risks and impact of climate change.

Physical Risks

(ISS ID 204, 205)

More Intense Storms

Damage from wind, flooding, and storm surge poses risks to our properties, to our suppliers' facilities and to our clients' homes and businesses. Potential consequences include property loss, disruption to our supplier networks (particularly in South Asia and China), and transportation disruptions over land, over water, and at ports of entry.

Drought and Wildfire

Water shortages and increased risk of wildfire pose a risk to forests, to our facilities and to our associates who live in affected communities. Potential consequences include property loss from wildfire, pressures on our associates due to drought-induced migration (particularly in Honduras and Mexico), and changes to our supplier network in world migration hotspots like Southeast Asia.

Rising Sea Levels

Permanent flooding of coastal population centers poses a risk to ports of entry, to our properties, and to our client base. Rising sea levels also pose a risk to suppliers in China, India, and Southeast Asia.

Potential Financial Impacts

(ISS ID 35, 36)

Delivery Delays	
Challenges Property damage and transportation network disruptions could result in production and delivery delays. These delays could result in canceled orders in the short term, and client dissatisfaction could affect long-term customer relationships.	Opportunities As we plan for disruption, we can also examine our current transportation routes, looking for opportunities to minimize greenhouse gases emissions and CO_2e as well as delivery disruption.

Property Damage	
Challenges Damage to our plants, distribution and service centers, and Design Centers could require significant capital expenditures and could result in income disruption for our associates.	Opportunities We can seize opportunities during new construction to create more energy-efficient buildings and to use sustainable materials.

Insufficient Inventory	
Challenges An increase in adverse weather events and natural disasters can create significant pockets of demand from clients. Because most of our furnishings are made to order, it could be challenging to mobilize our manufacturing and delivery resources to meet that demand.	Opportunities As we ask more of our supplier network, we can use our influence to help suppliers implement more sustainable manufacturing methods and to improve labor conditions.

Population Shifts	
Challenges Climate-related changes that impact our clients, like disruptions to agriculture in the central U.S., could significantly affect local communities.	Opportunities Where client relocation means insufficient demand to support current Design Center locations, we can anticipate closures and relocations, and plan for new openings.

Our Global Climate Impact

(G4-EC2 Economic, G4 EN15 Emissions, ISS 21 Climate Policy, ISS 22 Risk, ISS 23 Strategy, ISS 28 Opportunities, ISS 35 Climate disclosure, ISS ID 40 2° Scenario)

Ethan Allen sees global climate change as a challenge we need to address both by increasing efficiencies in operations and by reducing emissions, so we can do our part to impact the 2° C scenario goals for the Global Climate Pact established in Paris at the U.N. Framework Convention on Climate Change's (UNFCCC) Conference of Parties (COP21) (ISS ID 37). As a concerned company, we substantially support these global climate change initiatives as a method to mitigate future risks, as they are associated with weather impacts and other conditions that can disrupt our operations.

To understand and address the way our emissions may have a direct effect on global climate change, we use our Carbon Footprint Calculator (see the next section for a more detailed explanation). Our efforts are guided by a simple philosophy: everything we do matters. We began with baseline inventories of greenhouse gas emissions (GHGs) and our carbon footprint and set goals for improvement. We have also taken specific steps, such as investing in new controls for our manufacturing combustion systems, which both increased combustion efficiencies and reduced air emissions from the combustion of wood used in our manufacturing boiler operations.

Ethan Allen has also worked with chemical suppliers to reduce, control, and/or eliminate, in the finish materials sprayed onto our products, the types of chemicals cause harmful air emissions. Through strong partnerships with our chemical suppliers, we have reduced the toxicity and hazards of their chemicals, thus protecting our employees and further reducing emissions from our processes. In addition, where appropriate, we apply water-based coatings to our products.

We have also established practices to reduce toxic chemicals in our packaging materials, eliminating the use of chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) in our packaging materials and substituting water-based material for solvent-based foam. Through continuous improvement in chemical substitution, increased efficiencies, and elimination of hazardous chemicals in our finishes, we reduced our GHG emissions by nearly 10 million pounds between 2010 and 2018.

Environmental Footprint and Performance Metrics

(G4-DMA, G4-EN15, G4-EN16, G4EN16, G4-EN18, G4-EN19 Emissions; G4-EN6 Energy, ISS 24, ISS 26, ISS 50 Greenhouse Gas Emissions, ISS 51 Direct E, ISS 53 Disclosure, ISS 55 Regulatory Emissions, ISS ID 61, 62)

Ethan Allen is committed to environmental stewardship. Whether it's by fueling the boilers in our manufacturing plants with scrap wood and sawdust to make steam and true cogeneration energy, recycling and repurposing our industrial process waste, or using CertiPUR-US® certified foams in our mattresses and upholstery, we are continually striving to reduce our impact on the planet.

Green isn't a buzzword here; it's our business model, and something we take very seriously, both locally and globally. We are passionately committed to the idea that good business and environmental responsibility go hand in hand. All our facilities are dedicated to making best use of our resources and protecting the safety and health of our employees and their communities.

The Carbon Footprint Calculator

The Carbon Footprint Calculator is the core tool that Ethan Allen uses across every location, from Design Centers to manufacturing plants to headquarters, to record environmental data and analyze it. It was created based on the EPA's Waste Reduction Model (WARM), which was designed to help businesses quantify how smarter materials use, recycling, and other activities affect greenhouse gas emissions, create energy savings, and impact economic activities.

We have updated the calculator several times over the past decade to reflect a better understanding of our environmental profile: how our company's unique mix of air emissions and waste products add carbon and other greenhouse gases to our atmosphere. To measure CO_2e, for example, we multiply the emissions of six greenhouse gases, plus other fuel emissions (such as emissions from the type of fuel our local electrical supplier uses to generate power) by each compound's global warming potential (GWP), or carbon factor.

How Goals Are Set and Reviewed

Every Ethan Allen location has its own environmental goals, targets, and responsibilities related to landfill, electricity, solid waste, etc. The actions required to meet the goals are identified in the calculator and documented in the corrective action section of the EH&S management system. A designee at each location records the data in the Carbon Footprint Calculator and submits it quarterly. The data is then reviewed annually by Ethan Allen's corporate EH&S team, who compare it to data from the appropriate baseline year to measure our overall progress toward environmental goals. Each location is required to review its target reduction goals yearly; during this review, representatives from each facility can discuss deviations from established goals or targets, and issues that may contribute to those deviations.

Overall corporate goals are more general in terms of reductions and less prescriptive, so each location can develop site-specific numeric targets that make sense to its operation. The compilation of data shows our annual overall progress since baseline calculation year; the individual location goals support Ethan Allen's overall corporate goals. The manufacturing division's baseline year is 2010, while baseline year for our distribution and service centers is 2011. Our retail division baseline year was established in 2017 and since then has been primarily focused on establishing recycling programs and minimizing electrical use.

Energy Conservation and Emissions Reduction Initiatives

We continue to focus on energy efficiency and use of on-site renewable energy to reduce our carbon footprint throughout our manufacturing operations. Our overall operations, including our manufacturing locations, for example, have joined state and local programs to change over to more energy-efficient lighting systems. In addition to retrofitting buildings with new LED lighting, we have made operations more energy efficient by evaluating air compressor systems and repairing any associated steam trap or air compressor leaks. Ethan Allen's teams work with our architects to help drive energy reductions in retail locations, and each facility tracks reductions using our Carbon Footprint Calculator.

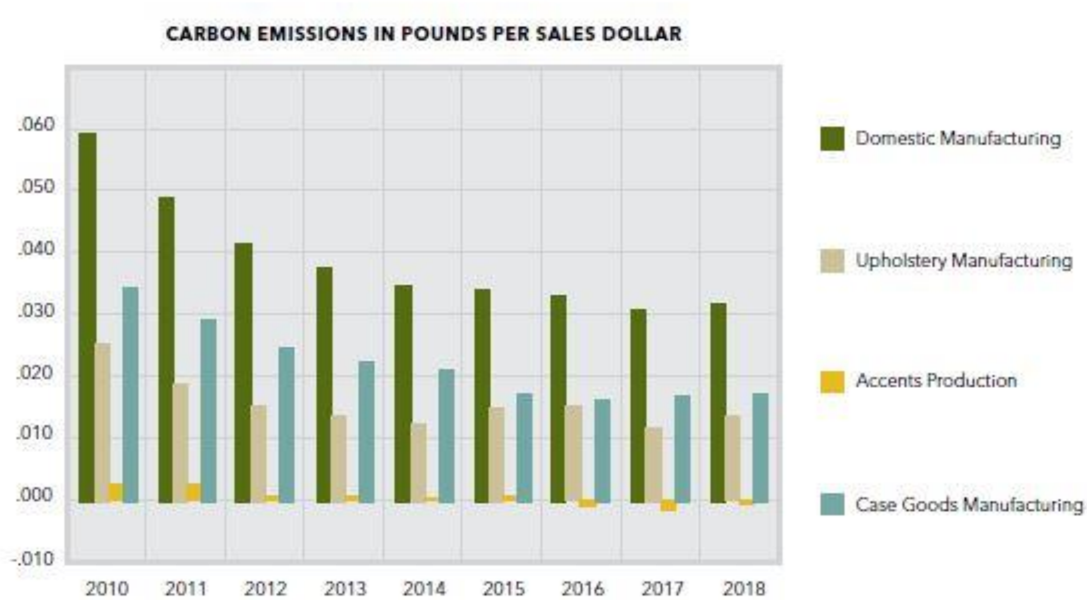
The following data shows reductions the accumulated efforts for carbon footprint reductions from 2010 to 2018. A more detailed breakdown of our environmental footprint and performance metrics are included in the sections that follow.

Ethan Allen Actual Metrics, Domestic Manufacturing, 2018		
Category	Percent Change v. 2010	Result
Carbon footprint	–30%	Reduced 10,538,375 pounds of CO_2e
Electrical usage	–7%	Reduced 2,626,109 kilowatt-hours
Water usage	–33%	Reduced 11,982,575 gallons
Landfill	–35%	Reduced 1,001,000 pounds
Greenhouse gases	–25%	Reduced equivalent to 10,038,728 pounds of CO_2e
Recycling	+4%	Increased 59,742 pounds

Carbon Footprint

To meet our carbon footprint reduction goals, we continually review and investigate ways to reduce CO_2 emissions in our operations. We set annual reduction goals for our domestic manufacturing division as a whole, based on data compiled from each upholstery, accessories, and case goods manufacturing facility.

Overall corporate goals are supported by each factory's numeric goals, all of which contribute to the overall reduction of waste, water usage, air emissions, and energy consumption. Since 2010, we have eliminated 10 million pounds of CO_2 emissions.

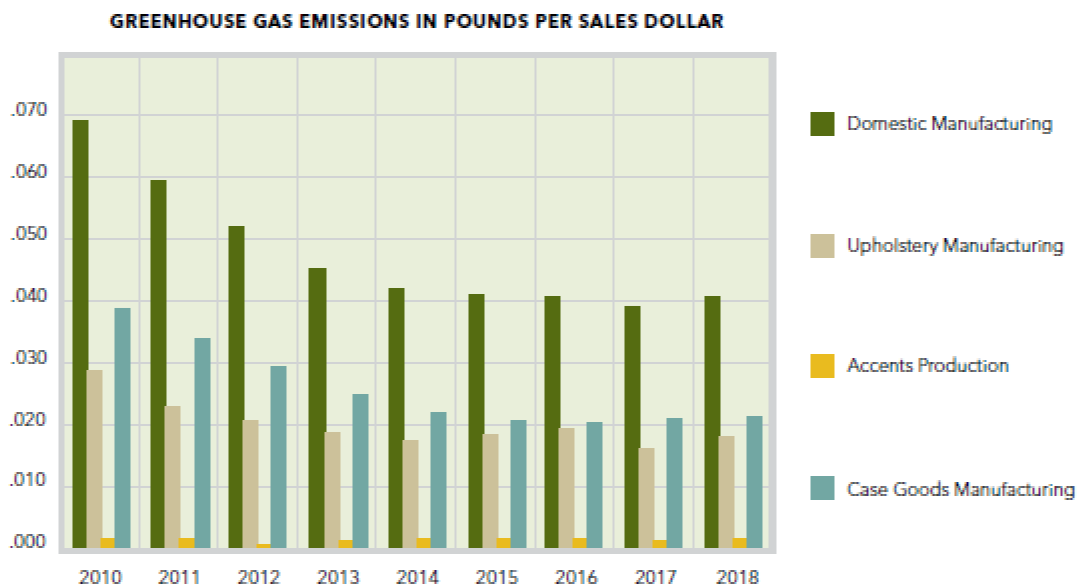


Greenhouse Gases (GHG)

(ISS ID 50, 51)

To lower total GHG emissions, we focus on lowering our energy use; using cogeneration to produce heat and power; improving processes, including modifying shift times and staggering startups of processes and equipment; and deploying GHG reduction technologies wherever possible. These combined efforts aid in the preservation of our natural resources, reduce our emissions, and decrease operational costs.

Our GHG reductions efforts go hand in hand with efforts to reduce our carbon footprint (see the previous section); the graph below shows the yearly progress of our GHG reductions. These measurements include direct GHG emissions, and those include the regulated GHG emissions from our industrial processes. Since 2010, we have reduced Our GHG emissions by 25%, equivalent to over 10 million pounds of CO_2e, and our goal is to maintain or to continue to reduce emissions.



Fleet Fuel Consumption

(ISS ID 112, 113, 115)

Ethan Allen's contracted cargo transporters are registered EPA SmartWays Transport Partners and have received EPA excellence awards for their efforts. Optimization of our ground fleet drives both financial performance and environmental impact, and our fleet fuel consumption reduction efforts have been significant. Reducing the number of miles driven and the time spent delivering a shipment can translate into lower costs, lower emissions, and energy savings.

Our transport service providers have a long track record of successfully applying cutting-edge technologies and analytics to improve fleet efficiency. For more than a decade, they have been leveraging data through telematics, using package routing technology, improving service offerings, and implementing other strategies to optimize network efficiencies and minimize the miles they drive. Some of these tactics include, but are not limited to

- allocating pickups and deliveries to the most efficient number of vehicles each day at each facility, thus keeping vehicles off the road wherever possible;
- developing and implementing innovative routing and fleet performance technologies to meet customers service commitments and reduce miles driven; and
- offering innovative solutions, such as UPS My Choice® service, the UPS Access Point™ network, and UPS Smart Pickup® requests to reduce wasted miles and associated emissions due to unsuccessful delivery and pickup attempts.

In addition to reducing the number of miles driven, we combine numerous techniques and advanced technologies to reduce fuel use per mile, and we apply those techniques across more than 60,000 daily routes. The techniques and technologies include

- selecting route options that minimize idling time, thus reducing fuel use and emissions;
- matching vehicle types with routes where they will deliver the best fuel efficiency;
- conducting proactive, just-in-time maintenance on our vehicles to keep their miles-per-gallon performance as high as possible; and
- partnering with our transporters to evaluate new fuel-saving equipment and technologies in their feeder (tractor-trailer) network, such as aerodynamic side fairings and trailer skirts, low-rolling resistant tires, and engine downspeeding.

Dependence upon fuel to power the fleet presents two business challenges. First, transporters must ensure they have access to reliable, readily available, cost-effective, petroleum-based fuel. Second, they must manage the environmental impacts inherent to the transportation that supports our business, as well as complying with added regulations to mitigate emissions around the world. Alternative fuels and advanced technologies offer ways to help address these challenges. Our journey toward a less carbon-intensive future is largely enabled through one of the industry's largest private alternative fuel and advanced technology fleets, a "rolling laboratory" from which we're always learning and adapting.

Our contractors take a broad approach to alternative fuel and advanced technology vehicles, evaluating all technologies on a global basis and attempting to deploy solutions in regions where they are economically viable. For example, compressed natural gas (CNG) and propane are lower-emission, petroleum-based alternatives that are readily available and work well in North America. In Europe, the emphasis is on zero-tailpipe solutions, such as electric vehicles. The diverse options in this rolling laboratory help us address these regional disparities. By 2025, our primary contractor plans to source 40% of all ground fuel from sources other than conventional gasoline and diesel.

Nitrous Oxides (NOx), Sulfur Oxides (SOx), and Other Regulated Emissions

(ISS ID 118, 119, 120, 121)

Boiler operations are regulated under the provisions of Reasonably Available Control Technology (RACT), where a state or federal agency may establish and include, within any permit to operate, emission control requirements based on these technologies. Targets for Ethan Allen operations in terms of NOx, SOx, and other regulated air emissions such as hazardous air pollutants are to keep these emissions, currently and in the future, 100% below regulated thresholds for implementing RACT and well below thresholds for Maximum Achievable Control Technologies (MACT).

Since Ethan Allen had previously proposed to limit NOx emissions to keep them below major-source-emissions thresholds, the agencies have not imposed any RACT requirements on Ethan Allen manufacturing facilities. In this regard, the state and federal agencies consider Ethan Allen operations less than major sources of these pollutants, and otherwise less than significant.

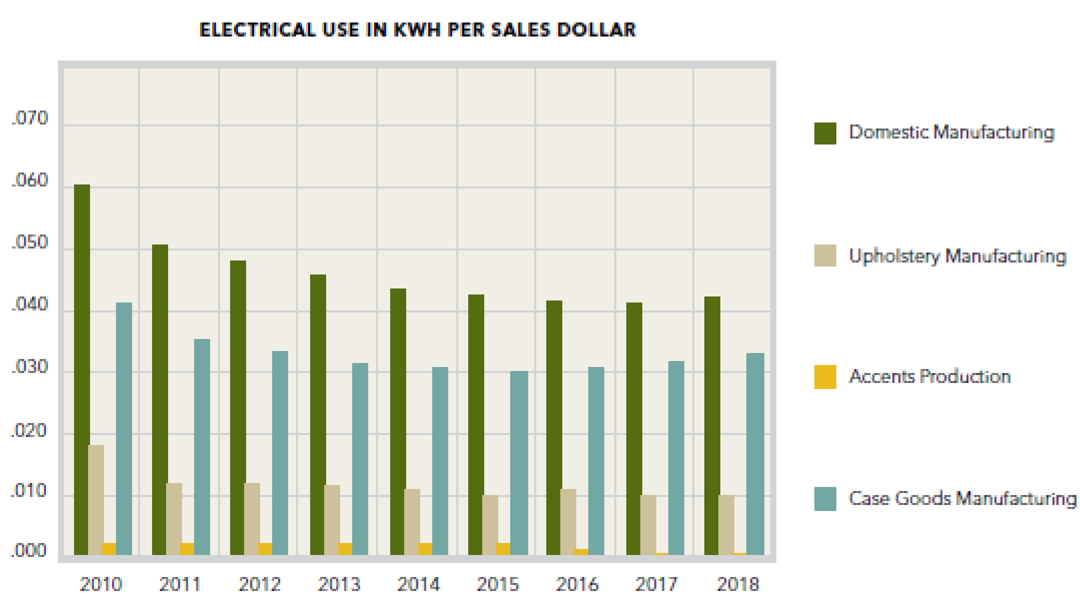
Electricity

(G4-EN3 Energy; ISS ID 62, 78, 79, 80)

Ethan Allen uses multiple strategies to reduce energy consumption. Locally, our facilities are replacing lighting, relamping with LED bulbs, and introducing automated lights that turn off when a room is not in use. We realized big electricity savings at our Beecher Falls sawmill and plant, for example, by relamping with bulbs that use 60% to 80% less energy. This project had additional benefits: We no longer had to dispose of hazardous waste from fluorescent bulb ballasts, and our associates had better visibility within the plant for improved wood quality assessment.

In both our production and warehouse locations, we stagger daily equipment startups to reduce peak power demand. We have also reduced power demand for heating and cooling; for example, we have also modified associates' work hours, so we no longer have to cool certain facilities during the hottest part of the day. As these reduction efforts are being implemented and as they continue, they will be critical to reducing our operational expenses over time.

According to the World Business Council for Sustainable Development (WBCSD), buildings account for almost 40% of the world's energy use and GHG emissions. Ethan Allen's efficiency management strategy is aligned with ISO 50001, and our continuous improvement efforts are evident in our performance metrics. In the coming years, we plan to continue reducing electricity consumption where practicable. Some minor reductions will continue, as LEDs replace most if not all lighting needs at all locations. For most locations that have already seen substantial reductions, the current goal is to maintain energy levels at current or past-year levels.

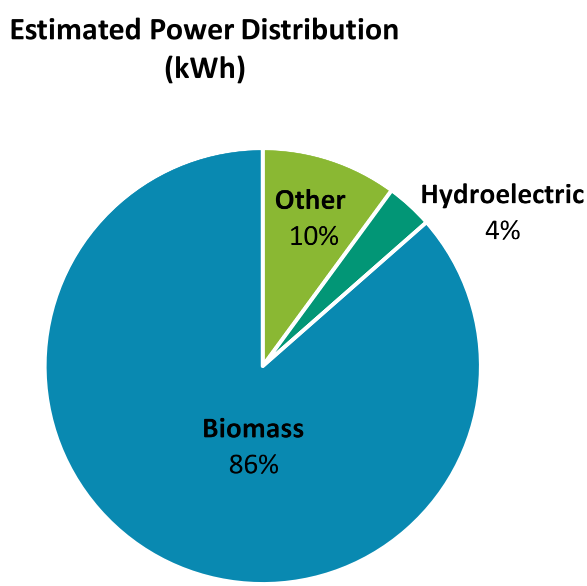


Grid Consumption and Renewable and Nonrenewable Energy

(ISS ID 82, 83, 84, 85, 86,87 and 96)

Most of Ethan Allen's electricity comes from the grid. Our Carbon Footprint Calculator helps locations record the type of energy they use; it then calculates that factor to determine the facility's carbon footprint based upon the type of electricity generated at the source (e.g., coal, nuclear, hydroelectric, etc.). Since our operations span the entire U.S., the calculation factor varies depending by location; for example, a location that uses electricity derived from nuclear power may have a factor of 0.0 while a location that uses power derived from coal may have a factor of 1.96 pounds of carbon per kilowatt-hour (see: http://www.duke-energynewsline.com/calcCarbonFootprint.aspx?userid=12730860).

To calculate our use of renewable energy throughout the company, we made a conservative assumption that 65% of the power Ethan Allen purchases from the grid comes from renewable sources (although the range varies between 60% and 70% in any given year). We then converted the BTUs available in the total mass of wood we burn to kilowatt-hours. In 2018, we used 243,428,713 kilowatt-hours, 90% of which was from renewable sources, including 210,515,733 kilowatt-hours generated by burning wood fuel. If we had purchased this power from the grid, we would have increased our grid usage by 75%, at a cost of approximately $21 million (assuming a national average cost of 10 cents per kilowatt-hour).



Biomass

(ISS ID 43)

Biomass facilities provide fuel diversity by burning wood left over from operations, which eliminates the need for fossil fuels. Unlike facilities that depend on wind and solar energy, facilities powered by renewable biomass energy have a reliable source of clean heat and energy. Since biomass energy uses domestically produced fuels, biomass power greatly reduces our company's dependence on foreign energy sources. Ethan Allen's use of biomass represents a significant investment in low-carbon energy.

In addition to lowering costs and reducing dependency on fossil fuels, biomass facilities help ensure a sustainable market for forest product materials in our local communities. The energy produced from burning this material reduces the overall demand at the facility and lowers the volume of material that would otherwise be sent to the local landfill. The greatest electrical demand in our company comes from the location that also carries out two-thirds of our production: our case good operations in Vermont. In Vermont, as an alternative to drawing power from the grid, we use wood-fired boilers to generate steam, thus cogenerating some of the electricity used to heat the facility and run our wood-drying kiln operations.

Our Orleans, Vermont, plant runs without the use of fuel oil by burning recycled wood chips and sawdust generated by our Beecher Falls, Vermont, sawmill. To make their facility even more fuel efficient, Orleans managers installed a covered outdoor storage building to keep wood dry before burning, rather than storing it out in the open. Subsequently, because no energy stored in the wood had to be used to evaporate moisture from the wood, this already green fuel source generated nearly twice as many BTUs of energy for the Orleans plant.

Ethan Allen's manufacturing locations are currently the only locations that combust biomass; distribution and service centers generally use natural gas or oil for primary heating purposes. We currently do not include power generated by wood fuel in our overall corporate measure of electricity usage, since this power is not purchased from the grid, and wood is considered carbon neutral.

Renewable Energy from the Grid

In addition to using biomass, our Vermont locations purchase electricity from the Vermont Electric Cooperative (VEC). Of the total energy our Vermont locations purchased from the grid, approximately 66.2% comes from renewable sources:

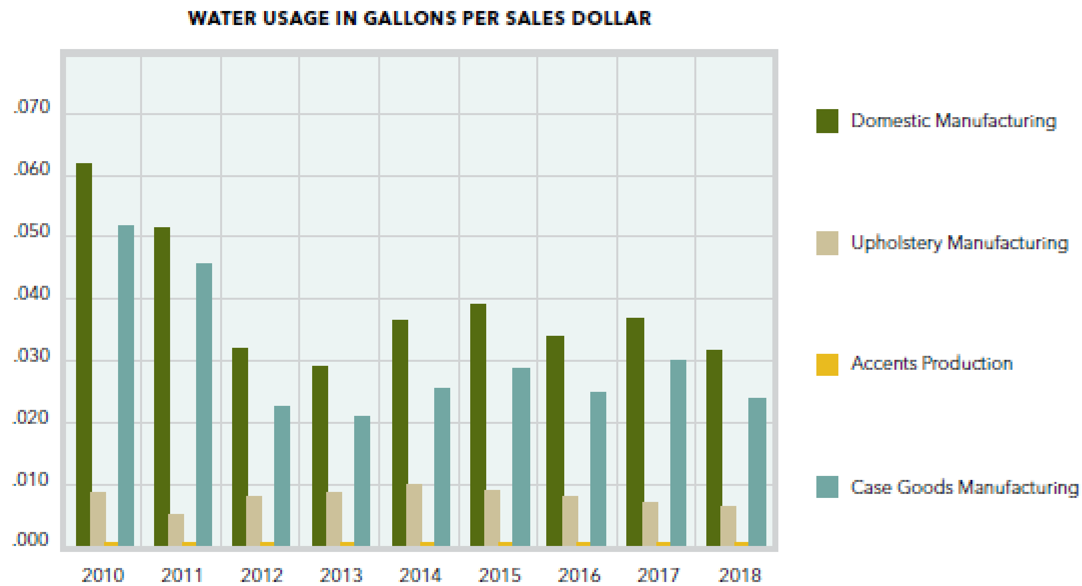
- hydroelectric (42.9%, from Hydro-Quebéc, Niagara, and NY Hydro, and 2.3%, from VEPPI-Hydro);
- wind (16.7%, from two primary sources: First Wind in Sheffield, Vermont, and Kingdom Community Wind in Lowell, Vermont);
- biomass, specifically wood fuel (3.1%, from Ryegate Woodchip); and
- farm methane and solar (1.2%, from Vermont Standard Offer Program).

Water

(G4-DMA Water; ISS ID 19, 199, 200, 201, 204, 205, 206, 210, and 335)

Water is a natural resource and a critical one, particularly in many parts of the world that are experiencing drought (see page 29 for more information on physical risks associated with climate change). Ethan Allen perceives water as a basic human right, and we expect our business partners and vendors to value this precious commodity. All our manufacturing locations are in low to medium water-related risk areas, based upon aggregated risks of "Physical Quality, Quality and Regulatory & Reputational Risk Categories" as defined by the World Resource Institute (WRI) Water Risk Atlas.

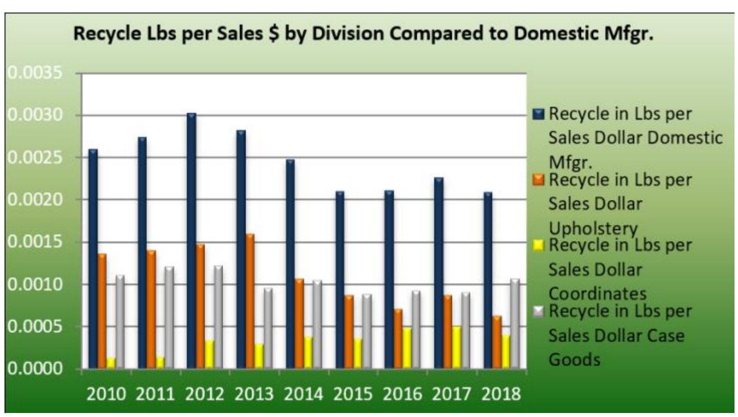
To control and reduce water use over the years, we have installed low-flow fixtures in our restrooms. We have also used restrictors to limit water use in certain operations unique to us; for example, to wet log piles outside our sawmill, so logs don't crack or split before being milled for lumber. We have also used steam leak surveys to target and eliminate steam leaks. We also engage in other water recycling and restriction activities on a limited basis. Our goal is to continue to reduce water usage where applicable; since our baseline year, we have reduced our water usage by over 11 million gallons.



There have been no substantial incidents of noncompliance with water standards or regulations at any Ethan Allen location in 2018. Most permitted outfalls for water are associated with storm water management, and where these apply, there are storm water permits and required monitoring.

Recycling

According to the EPA (Recycling, April 2011), recycling "conserves natural resources, reduces emissions from manufacturing items out of new materials, generates revenue, saves energy, and benefits U.S. manufacturing jobs." Recycling, embraced by management and employees alike at Ethan Allen, is implemented through both corporate initiatives and grassroots efforts. All locations work to minimize waste to landfill, and our operations focus on recycling paper, glass, cardboard, plastics and metals. Our goal is either to reuse or recycle glass, paper, metal, plastic, foams, textiles, and everything else, as much as we can.



Landfill

(ISS ID 162)

Keeping materials out of landfills increases their useful life, decreases the possibility of ground contamination, and supports “reuse and recycle” efforts. At Ethan Allen, we continue to emphasize the need to reduce our landfill waste, maximize our recycling efforts, and find environmentally preferable avenues for reuse and disposal, with the goal of managing and minimizing the volume of material sent to landfills.

Our commitment to reduce both nonhazardous and hazardous waste generation is demonstrated by complying with environmental laws, reducing the generation of waste, and seeking out more effective means of recycling and methods to prevent pollution. For more information on our efforts to keep waste out of landfills, see the next section.

Waste & Toxicity

(G4-DMA Effluents and Waste)

Ethan Allen locations have continuously worked on reducing waste in all forms. By decreasing the volume of waste generated and transitioning hazardous waste to nonhazardous forms, we changed the regulatory classification of several manufacturing locations, from large-quantity generators to very small-quantity generators. For our manufacturing division, this transition has involved two main steps: upgrading our finishing processes to more efficient methods, and reformulating chemical components in our finishes and coatings to less toxic formulations. Our corporate water reduction goal is to conserve water consumption and recycle water as much as practicable.

Generated Nonhazardous Waste

2018 NON-HAZAROUS WASTE MANAGEMENT		
TOTAL GENERATED NON HAZARDOUS WASTE IN 1000 POUNDS	87,917	
	1000 POUNDS	PERCENTAGE
REUSED OR RECYCLED NON - HAZARDOUS WASTE including:	86,188	98,03%
Shipments to off-site waste-converted-to-energy facilities/ Resource Recovery Facilities	91	0.11%
Other reused or recycled methods	1,590	1.84%
Wood materials utilized in on-site wood fired boilers	84,507	98.05%
LANDFILLED WASTE	1,820	1.97%
This equates to 0.002 pound of landfilled waste per dollar of sale		
HAZARDOUS WASTE MANAGEMENT IN 1000 POUNDS	86.2	

Landfilled Waste Data for Generated Nonhazardous Waste

Ethan Allen does not focus on waste-to-energy facilities for trash management but rather on eliminating, at the source, the generation of waste that ends up in landfills. We recognize that municipalities have long used waste-to-energy facilities nationwide for resource recovery; a percentage of municipalities perform this with the total amount of generated trash that has been segregated.

Municipal waste authorities in New Jersey, for example, may burn up to 10% of their accumulated trash in waste-to-energy facilities, and other municipalities follow similar methods.

According to a February 27, 2018 article in “The Conversation,” there are approximately 86 incinerators across 25 states burning about 29 million tons of garbage annually, which is about 12% of the total U.S. waste stream. These facilities produced about 0.4 percent of total U.S. electricity generation in 2015. Waste-to-energy conversion, however, comes with a downside: emissions associated with incineration include particulate matter, lead, mercury, and dioxins. In a 2011 study, the New York Department of Environmental Conservation found that facilities burning waste in New York complied with existing law, but also released up to 14 times more mercury, twice as much lead, and four times as much cadmium per unit of energy than coal plants.

In our calculations, we assume that an estimated 5% of our trash is destroyed using these methods. This percentage is based on these studies and on waste hauler agreements with our vendors and associated municipalities. Although municipal solid waste combustion is regulated under the Clean Air Act, communities typically remain concerned about potential health impacts of such waste-to-energy practices.

Recycling

Since 2010, recycling volume for Ethan Allen has fluctuated throughout the reporting period, increasing dramatically at first but then decreasing over time, in terms of both rate of recycling and mass of recycled materials. This reduction may appear to be a negative indicator, but the opposite is true: reduced recycling volume, along with a reduction of landfilled materials volume, shows that the overall amount of material used in our processes and products is being reduced, in alignment with our stated goal of minimizing the amount of waste generated by our operations. The fact that we are not generating more materials to recycle, while also generating less mass that goes into landfills, means we are becoming more efficient in both our packaging and our operations.

Packaging Material

Ethan Allen repurposes or recycles as much packaging material as possible from our manufacturing, distribution, and service centers, as well as from deliveries to our customers. Such efforts have proven to be cost-effective, repurposing existing materials and helping to eliminate the need to purchase new protectors. All packaging at our distribution and service centers is removed before delivery and either separated, reused, or recycled. Reusable furniture blankets, in lieu of extra shrink wrap and other disposable protective materials, are used during deliveries. In addition, many parts used to protect the furniture, such as the polypropylene foot protectors from furniture legs, are also reused.

Ethan Allen's Shrink Smart program is another example of cost-effective waste reduction regarding packaging material. Instead of using pre-sized bags to wrap furniture, which often generates unused shrink wrap that goes into a landfill, Ethan Allen purchasing manager Barry Willis, of the EFEC team at our Maiden, North Carolina, worked with a vendor to create a machine that cuts custom lengths of shrink wrap for upholstery packaging. Shrink Smart cut plastic wrap usage by 132,238 yards—enough to stretch more than 75 miles—and saved the company $101,891 in just one year.

Electronic Waste Disposal

(ISS ID 158)

Ethan Allen ensures that electronic waste is managed to comply with all state, federal, and international rules and regulations. Our electronic waste is appropriately recycled, all motherboards are erased or destroyed, and all metals are recycled via smelters within the United States. Additionally, we also work to reuse and repurpose in-house electronics.

Generated Hazardous Waste

(ISS ID 159, 160, 161)

Ethan Allen has a program for waste determination and classification as well as treatment, storage, disposal, and recycling requirements for waste disposal companies. We drive hazardous materials toward incineration and fuel blending, then recycling; we only use landfills as a last resort. The main purpose of these programs is to reduce the generation, the toxicity, and our overall liability for these materials, from cradle to grave.

Hazardous waste reduction at the generating facilities allowed for the reclassification of three of our manufacturing locations: two transitioned from large-quantity generators to small-quantity generators, and one became classified as very-small-quantity generator. One hundred percent of our hazardous waste emissions are regulated under federal and state law (ISS ID 55); no hazardous wastes generated in the U.S. are sent outside the borders of the United States. The following graph shows the generation of hazardous waste from our domestic manufacturing facilities.

Chemicals

The furniture industry is heavily regulated, and all operations must comply with the laws of each country in which our products are sold. Harmful chemicals are specifically regulated under the industry category for furniture and furniture manufacturing under the federal requirements, as well as by state authorities, who supervise application of state laws and regulations under each specific state implementation plan (SIP). Regulations include but are not limited to the following:

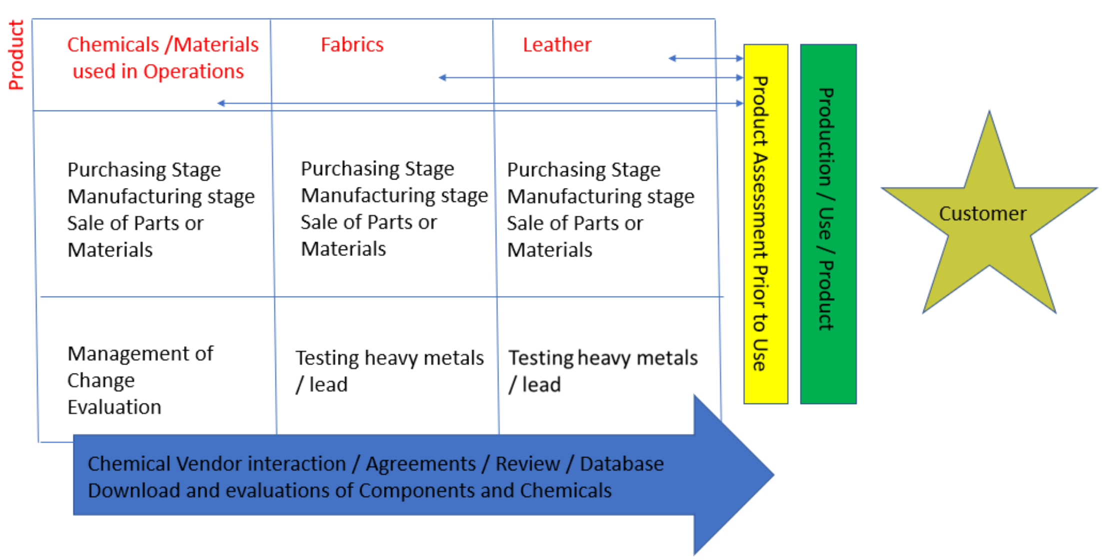
- National Emissions Standards For Hazardous Air Pollutants (NESHAP) for Wood Furniture Manufacturing Operations
- Volatile Organic Compound Emissions and the Maximum Achievable Control Technology, as described under 40 CFR Part 63, Subpart JJ, "National Emission Standards for Wood Furniture Manufacturing Operations"
- International standards, including the EU RoHS and REACH regulations

To assess and manage the risks or hazards associated with harmful chemicals used and included in Ethan Allen products, a substantial review of chemicals and materials is used. The goal for this analysis is to be 100% compliant with the requirements of any applicable statutes and regulations, and specifically, to comply with each environmental permit.

To achieve compliance, Ethan Allen has developed several systems to determine whether a chemical is acceptable for use. Chemicals used in manufacturing undergo a system review, which is used to screen chemicals components within the finishes or stains we use. From each chemical manufacturer, Ethan Allen obtains the relevant chemical formulation, which we download into a system designed to identify chemical components, including any hazardous or potentially hazardous chemicals, toxic chemicals, hazardous air contaminants, and hazardous air pollutants, as well as identifying volatile organic compounds (VOC) content and concentration for all materials used in our manufacturing process.

There are over 80,000 chemicals registered for manufacturing and industrial use in the United States. To closely manage specific chemical components, the Ethan Allen database analysis is critical, as is review by Ethan Allen's EH&S Manager to ensure proper labeling, exposure, chemical bans, and exposure assessments are being performed. This process also ensures that Ethan Allen employees are not exposed to inappropriate levels of chemical components in the workplace. Ongoing exposure assessments, continuous monitoring, and evaluation of any new chemicals or new chemical formulations (to reduce hazards and risks prior to their use) contribute to safer workplaces for our associates at locations where chemicals are used.

Management System for Chemical Substances in Products



We remain committed to implementing waste minimization programs and/or enhancing existing programs with the objectives of 1) reducing the total volume of waste, 2) limiting the liability associated with waste disposal, and 3) continuously improving environmental and job safety programs on the factory floor, minimizing both emissions and safety risks for employees (ISS ID 19).

To reduce the use of hazardous materials in the manufacturing process, we will continue to evaluate the most appropriate, cost-effective control technologies for finishing operations and production methods. The risk mitigation methods we currently use include chemical substitution to less toxic materials, chemical reformulation of finishing materials to lower toxicity, and technology applications that help us use less material overall, therefore generating less waste (ISS ID 192). The management system audits performed at Ethan Allen locations monitor risks and contingent liabilities at each location, and audits are designed to identify any necessary corrective action.

Ethan Allen is clearly aware of contingent liabilities associated with disposal of and cradle-to-grave responsibility for hazardous waste. To this end, Ethan Allen has, over the years,

- closed out its obligations for hazardous waste Superfund sites through various methods including acting as the project coordinator for the EPA;
- obtained subsequent certificate-of-closure notification from EPA Region I;
- negotiated settlements as a *de minimus* party; and/or
- otherwise performed remedial corrective actions on properties through various programs such as state-approved and federally approved Brownfield cleanups (see page 46).

These efforts have helped Ethan Allen eliminate financial reserves for contingencies, because we have eliminated all historic risks from past practices. We believe that our facilities are in material compliance with all applicable laws and regulations.

Chemical Emissions; Spill Prevention and Control

All Ethan Allen manufacturing facilities have up-to-date permits and comply with the national emission standards for hazardous air pollutants (HAP), as regulated under the wood manufacturing regulations. Further, prior to the promulgation of the boiler Maximum Achievable Control Technologies (MACT) rules, which regulate these toxic emissions, Ethan Allen proactively reformulated its finishing materials and created a self-imposed permit condition on its own emissions, keeping HAP levels below major-source-emissions thresholds. This restriction allowed more flexibility in production and eliminated 90% of HAP emissions prior to the promulgation of the aforementioned federal regulations.

The materials used by Ethan Allen manufacturing locations have very low volatile organic compound (VOC) emissions; we also use water-based finishes and adhesives when applicable. Any composite wood used is regulated under the Toxic Substance Chemical Control act (TSCA) and the Title VI/California Air Resource Board (CARB) regulations. Composite wood must contain only compliant material and must be labeled as required under California law (ISS ID 309). Ethan Allen has not experienced any major on-site or off-site spills within the last 10 years.

Use of Low-HAP and Low-VOC Materials

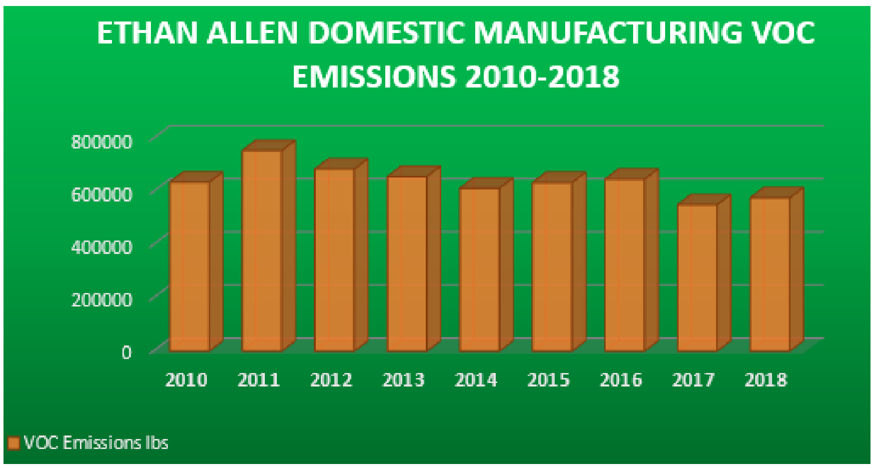
(G4-DMA Supplier Environmental Assessment)

In the finish materials sprayed onto our products, Ethan Allen has traditionally worked with our chemical suppliers to reduce, control, and/or eliminate hazardous chemicals, which can cause toxic air emissions.

Through strong partnerships with our chemical suppliers, we have reduced chemical toxicity and associated hazards, thus protecting our employees and further reducing emissions from our processes. Examples of our efforts include

- applying water-based coatings to our products where appropriate;
- establishing practices to reduce toxic chemicals in our packaging materials;
- eliminating the use of chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) in our packaging materials;
- substituting water-based material for the solvent-based foam in our packaging materials; and
- using only low-HAP and low-VOC coatings and updating associated processes.

The following graph notes the total amount of VOCs emitted from our domestic manufacturing locations:



Brownfields Economic Redevelopment Initiative

In addition to our efforts to reduce and control chemical emissions, we have partnered with local, state, and federal agencies to help clean up contaminated areas and make them usable again. We have also worked within the U.S. Environmental Protection Agency's Brownfields Economic Redevelopment program, which was designed to revitalize and strengthen towns and communities across the country. The cleanup and redevelopment of contaminated sites spurs economic growth and protects public health and the environment.

Ethan Allen has proactively cleaned up historically impacted sites; in Vermont and Virginia, we were one of the first companies to participate in the Brownfields program. Under Brownfields provisions and in accordance with state and federal regulations, we cleaned up both the land next to our Beecher Falls, Vermont, manufacturing plant—an old railroad site on the Vermont-Canada border—and the land on which our Dublin, Virginia, facility sits. By remediating asbestos, disposing of lead-paint-contaminated materials, and removing a 15,000-gallon above-ground diesel tank at the railroad site, we not only cleaned up residual contamination for the community but also reduced contamination risk for our plant, for associates' homes, and for the Connecticut River. We even donated a preserved locomotive turntable to a local railroad museum.

Health and Safety

(ref: July 1, 2010 policy cover letter, G4-DMA Occupational, Health & Safety, G4 DMA Training and Education) (ISS ID 7, 1, 5)

It is Ethan Allen's policy to ensure that every facility has, as its highest priorities, both the provision of a safe workplace and protection of the natural environment for the benefit of our employees, the community, and the company. This expectation applies at every Ethan Allen location, and it applies to all associates, vendors, suppliers, and even visitors.

Fulfilling this policy is a commitment shared by all of Ethan Allen's managers and employees, at all levels of the company. We are committed not only to complying with applicable regulatory requirements but also to taking proactive steps that will mitigate workplace injuries and harm to the environment. Through sound practices, Ethan Allen seeks to be a leader in the EH&S field by proactively identifying and eliminating potential hazards, liabilities, and risks that may be associated with our operations. We have expanded our EH&S Management System to include industry-recognized attributes from the American Home Furnishing Alliance (AHFA), embracing their Enhancing Furniture's Environmental Culture (EFEC), Sustainable by Design, and Eco3Home efforts. Our success in these efforts is based upon the commitment and cooperation of our managers and employees.

Ethan Allen recognizes that the responsibility for environment, health, and safety issues is a shared responsibility that touches all aspects of the company's operations. To successfully address these risks, Ethan Allen implements its EH&S Policy through an integrated, company-wide program, documents and materials for which are hosted on Ethan Allen's intranet (ISS ID 5, 459, 460).

The corporate office has established a formal EH&S audit program that has been implemented over the past 10 years and certified through the AHFA. Audits are performed by four certified auditors, and the protocols include specific environmental programs that evaluate how EH&S risks are being managed and mitigated throughout the company. The results of these audits are reported to senior management. The requirements include but are not limited to the following:

- Each facility shall have one or more assigned EH&S persons who will coordinate EH&S efforts.
- Each facility shall establish and maintain an EH&S Committee for the purpose of coordinating and addressing the required activities. The EH&S Committee is responsible for ensuring that day-to-day operations comply with Ethan Allen's EH&S Policy and EH&S Management Standard.
- A Corporate EH&S Council will oversee EH&S compliance and training efforts throughout the company. The corporate office will conduct initial training on the EH&S Management Standard and the audit programs. Required employee training will be the responsibility of each facility.
- Managers are responsible for ensuring that the EH&S compliance programs outlined in the EH&S Management Standard are implemented in a manner that satisfies the standard, including submitting the required quarterly reports and performing the monthly EH&S inspections. Each facility will establish EH&S goals against which progress can be measured. Progress will be reported to senior management.

These strategic initiatives improve Ethan Allen's ongoing, company-wide program to provide every worker with a safe and healthy workplace, while ensuring that our operations are conducted in a manner that protects the natural environment.

Health and Safety Metrics

(ISS ID 461, 467, 468, 467, 476, 477)

Ethan Allen has established programs, guidelines and policies on various EH&S topics that each location must follow, as applicable to that location's unique circumstances. Best practices to reduce injuries, occupational diseases and work-related risks are included in the EH&S training provided online annually, as well as covered on a monthly training basis.

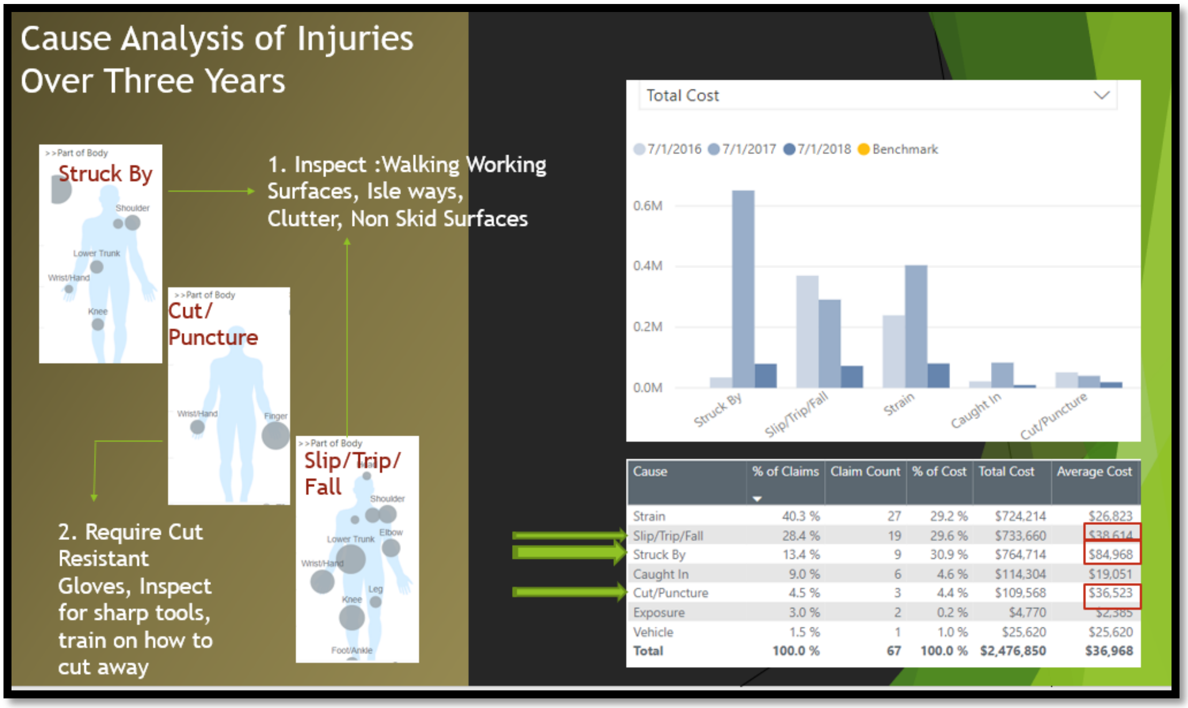
Our commitment to these policies is evident at each location that posts number of "days without loss time accident." Some locations have been awarded recognition for posting nearly 1 million man hours without lost time. The following is the total accumulated OSHA recordable injuries and illnesses for Ethan Allen, enterprise-wide.

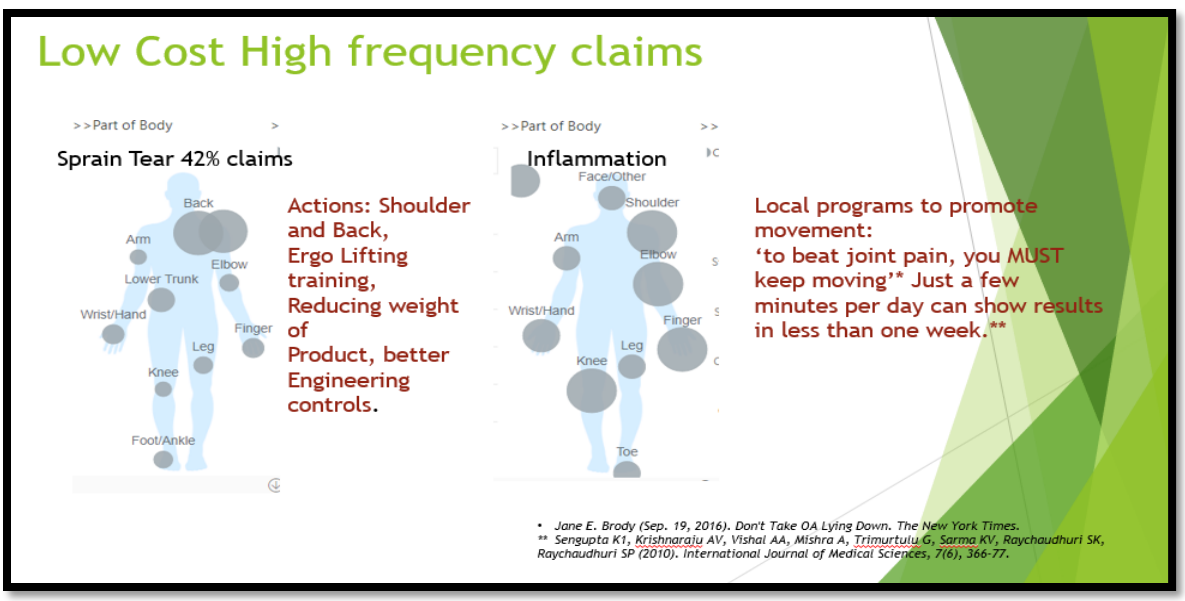
OSHA Recordable Injuries & Illnesses	**2017**	**2018**
Manufacturing	57	73
Distribution	3	2
Retail &Service Centers	39	36
Total OSHA Recordables	**99**	**111**

Ethan Allen captures workplace accident information across all company-owned locations. We track information about the number of incidents considered to be serious enough to be recorded, including those resulting in lost time and medical treatment beyond first aid. There have been no fatalities at Ethan Allen in 2018.

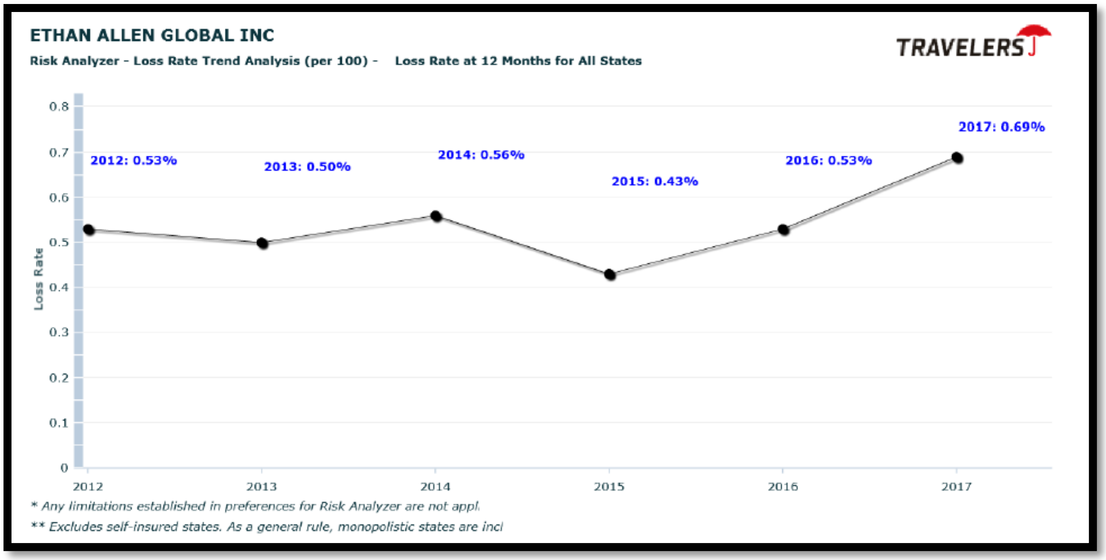
In addition to monitoring metrics, we analyze the root cause of any accident or close call. We also obtain information, including statistics analysis, from our enterprise-wide insurance providers' data-based systems. The following graphs show examples of this analysis. Note that the size of the highlighted circle on the silhouette depicts the frequency/magnitude of occurrences. (ISS ID 459, 460)

Ethan Allen's monthly, quarterly, and periodic EH&S calls have a standing agenda to cover all accidents that occurred since the last call, as well as an open discussion regarding near misses. All discussions include a root cause analysis of the accident, incident, or near miss (ISS ID 467, 468, 471, 475).





The following information shows our performance as relates to occupational health and safety. This data is based upon loss rate trend analysis for 12 months and per 100 associates.



Health and Safety Training and Development

(ISS ID 459, 460)

Ethan Allen has a Training department that conducts training and professional development, primarily for the retail division. EH&S training videos are accessible to all Ethan Allen associates through our SharePoint intranet platform. Our training videos provide a consistent and specific message for EH&S compliance, and they identify specific risks associated with our operations along with delivering subject-specific EH&S training. EH&S training is also performed on various monthly and quarterly conference calls.

On a site-specific basis each year, Ethan Allen conducts various EH&S training programs. The chart below shows one specific schedule for a case goods manufacturing operation, as an example of such site-specific training programs. Although each location may have different departments, the training frequency and requirements outlined below are the same.

Program	ID #	Lumber Yard	Maintenance	Rough Mill	Machine Room	Sanding / Cabinet Room	RTA / SMP	Finishing	Rub & Pack	Supervisors & Staff	Office / Admin	Transportation	** Specific Individuals	**Training Frequency**
Policies														
EHS Orientation / Policy	EHS POLICY	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Initially / AsNeeded
EHS Business Standard	EHS POLICY	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually

Change in Chemical, Equip or Procedure Policy	EHS POLICY	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
EHS Management														
EHS & Safety Committee	EHS-M001	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
EHS Quarterly Reporting	EHS-M002	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Quarterly
Agencies Inspections	EHS-M003									✓	✓	✓		Annually
Risk Assessment Methods (JSA or OSO)	EHS-M004	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Ongoing
Workplace Inspection Procedures	EHS-M005	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Accident Investigation Procedures	EHS-M006	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Injury Management / Workers Compensation	EHS-M007	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Safety														
Compressed Gas	EHS-S001	✓	✓				✓			✓		✓		Every 3 Years LPG
Confined Spaces	EHS-S002	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Electrical Safety	EHS-S003	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Personal Small Appliances in Workplace	EHS-S004	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Fire Prevention Plans	EHS-S005	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Emergency Action Plan	EHS-S006	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Flammable and Combustible Liquids	EHS-S007	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Hot Work Permit Program	EHS-S008		✓							✓		✓		Annually
Hoists Slings and Lifts	EHS-S009		✓							✓				Annually
Lockout Tagout	EHS-S010	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Machine Guarding / Safety	EHS-S011	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			Annually
PPE	EHS-S012	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
PoWered Industrial Trucks	EHS-S013	✓	✓	✓	✓		✓		✓	✓		✓		Every 3 Years
Contractor Safety	EHS-S014									✓		✓		Annually

Hand and PoWer Tool Safety (Included with JSA / OSO)	EHS-S015	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Ongoing
Wood Dust and Best Practices	EHS-S016	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			Annually
Fall Protection	EHS-S017	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Health														
BBP / First Aid Response	EHS-H001	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Chemical Safety (HazComm)	EHS-H002	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Ergonomics (Covered with JSA / OSO)	EHS-H003	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Hearing Conservation	EHS-H004	✓	✓	✓	✓	✓				✓	✓			Annually
Industrial Hygiene (IH) Monitoring	EHS-H005	**Pending Formal Policy -**												
Respirator Protection	EHS-H006									✓			✓	Annually
Environmental														
EFEC Manual	EHS-E001	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Wood Finishing MACT (NESHAP)	EHS-E002							✓		✓			✓	Annually
Boiler Operations	EHS-E003									✓	✓		✓	As Needed
Storm Water Plan	EHS-E004									✓	✓		✓	Annually
Universal Waste Plan	EHS-S005									✓	✓		✓	Annually
Waste Analysis Plan	EHS-S006									✓	✓		✓	Annually
Hazardous Material Security Plan	EHS-E007	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Annually
Waste Minimization Plan	EHS-E008	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Hazardous Waste Contingency Plan	EHS-E009									✓			✓	Annually
Treatment, Storage, Disposal & Recycling Program	EHS-E010									✓			✓	Annually
Baseline Compliance Program	EHS-E011													Done
Environmental Guidelines	EHS-E012	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually
Carbon Foot Print & Global Climate Change	EHS-E013	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Annually

Spill Prevention (SPCC Plan)	EHS-E014									✓			✓	Annually

Employee Engagement
(G4-LA12 Diversity and Equal Opportunity)

Employee engagement is critical in building a strong company culture, and Ethan Allen engages its associates in various ways. Our CEO, Farooq Kathwari, has stated "continuous communication is critical, both internally and externally. I speak to our associates every two months, and we have frequent communication meetings. As a result, most everybody is award of what We are doing." (ref: Leadership Principles, Interview with MFK). Ethan Allen manufacturing facilities hold weekly production meetings that address and integrate EH&S issues. Managers also provide training and a forum for discussing best practices. Through such efforts, Ethan Allen continuously reviews what works, and what does not work within its operations.

Social Responsibility

(ISS ID 302, 331, 334, 345, 346, 354, 357,358, 360, 361, 375)

Seventy-five percent of what Ethan Allen sells is still manufactured in our North American workshops. We still use wood milled from logs in our Beecher Falls sawmill, and we still manufacture wood furniture in Orleans, Vermont. When we seek out partnerships with international suppliers and vendors, we look for artisans who use traditional methods, source local materials, and have a reputation for being the best at what they do. We feel a sense of responsibility both to the communities we serve and to the workers who manufacture our products. No matter where we do business around the world, our values remain the same.

Ethan Allen has an established policy defining our commitment to protecting human rights (see California Transparency in Supply Chains Act). In addition, our Supply Chain Code of Conduct (see Attachment 1) outlines Ethan Allen's expectations for all business dealings. All our locations seek out ways to positively impact their local community's environmental efforts. Many of our facilities are involved in environmental activities in their community. We require every location to communicate with local regulatory agencies about their environmental efforts; we also require every location to document those communications.

Our Supply Chain Team and Product Compliance Manager have addressed aspects of our products that may directly impact public health and safety by 1) ensuring that those products have proper labeling to identify the status of various chemicals and 2) documenting compliance with health and safety regulations. To further reduce any risk to our employees, clients, and communities, we have implemented purchasing policies that set forth environmental criteria for compliant materials. Compliance information is documented in our compliance files and scheduled for yearly updates.

Our views on human rights and protecting the environment stem from our 10 Leadership Principles (see page 7). If associates wish to raise concerns about those issues or wish to document a grievance, they may do so by following Ethan Allen's Problem Resolution Procedures (see Attachment 2). This policy describes what actions associates need to take in regard to any grievance and describes what steps

Ethan Allen will take while attempting to address that grievance. This policy is, again, built on our Leadership Principles, which require fair and just treatment of all associates.

Finally, transparency is an important part of social responsibility. We make our carbon footprint information available to our clients and the general public by sharing it in our yearly sustainability report. The disclosure of our carbon footprint data addresses, by intent, the Sustainable by Design (SBD) requirement to address Global Climate Impact, in part, by taking inventory of our carbon footprint and GHG emissions and demonstrating annual improvement.

Human Rights

As stated by CEO Farooq Kathwari, Ethan Allen is built on a deep and abiding relationship of trust between our clients, our retailers, our shareholders, our associates, our suppliers, and the many communities of which we are an integral part. Ethan Allen's commitment to the protection and advancement of human rights is evident in the development of core values in safety and health, environmental stewardship, ethical behavior, and overall respect for people and the planet.

Our Human Rights Policy, in conjunction with and supportive of our Business Ethics and Conduct policy, EMS, and regulatory compliance programs, reflects this commitment. Ethan Allen works to identify, assess, and manage human rights impacts within our organization, with an emphasis on fair treatment of workers and respect for our local communities.

International Labor Compliance

(ISS ID 6 E Compliance, ISS 370 Vendor Audits)

No matter where they are in the world, we expect all manufacturers who make Ethan Allen products to meet our standards and embody the Leadership Principles that are important to our company and our clients. It is vital that all business partners and production facilities making Ethan Allen products share our commitment to labor compliance, ethical business practices, and the fair treatment of workers worldwide.

At the request of CEO Farooq Kathwari, who charged our Compliance team with creating a program that would set a standard as the best in the world, we established the Ethan Allen Labor Compliance Program in 2016, coinciding with the launch of the Ethan Allen| Disney brand. At a minimum, we require all manufacturers of Ethan Allen merchandise to meet the standards in the Ethan Allen Manufacturing Code of Conduct; these principles are no less important than implementing quality standards for Ethan Allen products. We also expect our suppliers to work with their employees to continuously improve labor standards in their facilities. We are fully committed to ensuring that business partners comply with and meet the standards, and we are committed to working with our supplier network to educate and improve labor conditions worldwide, through the following steps:

- Onboarding international supplier partners and factories into our Labor Compliance program
- Evaluating compliance with and educating all Ethan Allen facilities on our Labor Compliance program
- Encouraging each facility to develop and maintain its own compliance program, which should mirror the Ethan Allen program, and designate staff to maintain those standards

- Engaging third-party companies to evaluate factories of production and to conduct compliance inspections of international factories
- Requiring Corrective Action Plans to address audit findings and improve labor standards

Fair Labor Practices

(G4-DMA Child Labor, G4 DMA Human Rights)

Equal Opportunity Employer

As stated before, Ethan Allen is an Equal Opportunity Employer and is committed to providing equal employment opportunities to all individuals regardless of race, color, religion, sex, national origin, age, disability, marital status, sexual orientation, veteran status, domestic partner status, gender identity, genetic characteristics, medical condition, or any other characteristic protected by law. For a more complete explanation of our EEO policy, including reasonable accommodations made for those with disabilities, see page 8.

Child Labor, Forced Labor, and Human Trafficking

Ethan Allen will not tolerate the use of child or forced labor, slavery, or human trafficking in any of its operations and facilities. Ethan Allen will not tolerate the exploitation of children, their engagement in unacceptably hazardous work, or the trafficking, physical punishment, abuse, or involuntary servitude of any worker. We expect our suppliers and contractors with whom we do business to uphold the same standards. Should a pattern of violation of these principles become known to Ethan Allen, we shall discontinue the business relationship. For more information on our policies toward human trafficking in the supply chain, see page 57.

Conflict Minerals

Dodd-Frank Wall Street Reform and Consumer Protection Act

Dodd-Frank has had broad and deep implications that have touched every corner of financial services and many other industries. Our evaluation of the act determined that our greatest risk could be associated with conflict minerals in manufacturing (Section 1502). Trade in conflict minerals has been used to support ongoing armed conflict in the Democratic Republic of Congo and to facilitate human rights abuses. For more on our policy toward conflict minerals and how we work to eliminate them from our supply chain, see page 62.

Respecting and Serving Local Communities

Ethan Allen, as an organization, respects the cultures, customs, and values of the people in the communities in which we operate. Therefore, we contribute, within the scope of our capabilities, to promote the fulfillment of human rights through improving economic, environmental, and social conditions and serve as a positive influence in communities in which we operate.

Community involvement is a core value for Ethan Allen. We have tremendous credibility in our communities and with our clients, a direct result of the credibility we in the Ethan Allen community have with one another. As Chairman, President and CEO, Farooq Kathwari sets an example with his personal community leadership activities and encourages the leaders of the local manufacturing, logistics, and Design Centers to set examples as leaders in their communities. Our people are big champions of the causes that matter most to them and to their local communities.

We are part of hundreds of communities in North America and around the world, and we are deeply involved in them. In many countries around the world, our business partners share our commitment to community. In some communities where we have manufacturing facilities, we are the largest employer in the area; at all levels of the company, we take that responsibility very seriously.

Supply Chain

1. http://www.ethanallen.com/client_services_content?contentId=6567094.

Ethan Allen is committed to protecting the health, safety, and employment conditions of workers, both in our factories and throughout our supply chain. We expect our suppliers and vendors to act responsibly in all aspects to ensure that no abusive, exploitative, or illegal conditions are present in their workplace. All suppliers providing Ethan Allen with materials fall into the scope of our supply chain program and are subject to our Contractor Safety Program requirements. Ethan Allen is committed to and operates in accordance with its Leadership Principles (see page 7), which it expects all affiliates and employees to follow, and all suppliers and contractors to embrace.

We believe that our business relationships are built on a foundation of integrity, honesty, and fairness. We develop relationships with carefully selected suppliers who are committed to responsible business practices. Ethan Allen also maintains internal accountability standards for employees and suppliers that fail to meet company standards concerning human trafficking and slavery. Ethan Allen provides formal training to all associates on Ethan Allen's Code of Conduct (see pages 15–18), including actions to take in the event of a violation by an associate or supplier.

Suppliers and the Code of Conduct

(G4-DMA Products and Services, ISS 18 Supplier Certification)

Ethan Allen has set standards for labor, EH&S, human rights, and national legislation; these standards include supply chain issues such as the California Transparency in Supply Chains Act of 2010. Together, these elements encompass the scope of Ethan Allen's Code of Conduct with respect to supply chain management. To meet SBD requirements, letters that identify our expectations have been sent out to our vendors and suppliers. The need to comply with specific regulations, such as the aforementioned California Transparency in Supply Chains Act of 2010, is also explicitly stated in the company's external website for all vendors, suppliers, and customers to see.

Our Supply Chain Code of Conduct and Supplier Survey are sent out from our domestic Supply Chain Team members to all of our suppliers. We reach out to all major vendors and suppliers yearly to communicate our EH&S efforts and to ask about the efforts of our suppliers. These documents communicate our expectations to suppliers and enable us to inquire about our suppliers' activities regarding socially responsible business practices. The Supply Chain Team members compile information regarding the responses to letters of inquiry or letters of declaration; the number of responses and the adequacy of the responses are numerated for each manufacturing location. All deficiencies in the supply chain request responses and non-responses to the supply chain requests for information or declarations will require a corrective action, to be filed as described in the management system documents.

Some of our suppliers have their own industrial or commercial consortiums for environmental certifications; however, most of our suppliers do not disclose their activities regarding environmental management. For this reason, we are currently developing a more formalized verification and auditing program for all third-party suppliers, to ensure that they operate in accordance with both our Code of Conduct and all applicable laws and regulations.

We also use a third party to audit both suppliers our international manufacturing operations to ensure 1) socially responsible business practices are in place and 2) international labor standards are being met (ref: Elevate and Bureau Veritas scope). Key components in third-party audits of our suppliers include the following: child labor, discrimination, environment and safety management, fair wages and benefits, forced labor, freedom of association/collective bargaining, health, integrity and anti-corruption, local laws and regulations, monitoring compliance, responsible sourcing, and working hours. Our goal is to have our suppliers audited every two years (ISS ID 456, 457).

Compliance with the Code of Conduct and interface between the company and the vendors or suppliers is handled through our Supply Chain Team at each facility. The EFEC Awareness Team is also involved with employee orientation and education for EFEC and SBD, including Code of Conduct education for all employees. Purchasing agents are required to use the EPA's evaluation of vendors and suppliers for adherence to Preferable Purchasing Guidelines.

Corrective Actions Plans

When an audit reveals a noncompliance item Ethan Allen works closely with suppliers to develop corrective action plans. Critical risks are identified and there have been no substantial corrective actions identified in 2018.

California Transparency in Supply Chains Act

In passing the Transparency in Supply Chains Act, the California legislature declared the intent of the State of California to ensure that large retailers and manufacturers provide consumers with information regarding their efforts to eradicate slavery and human trafficking from their supply chains, educate consumers on how to purchase goods produced by companies that responsibly manage their supply chains, and, thereby, improve the lives of victims of slavery and human trafficking (S.B. 657, § 2, subd. (j).

Ethan Allen manufactures and/or assembles, in its own North American plants, approximately 75% of the products we sell. These facilities, along with our associated distribution and service centers and retail Design Centers, are within our control and do not engage in human trafficking and/or slavery. We do not condone the use of slavery or human trafficking, and we do not knowingly do business with any supplier who engages in such practices. Furthermore, Ethan Allen does not maintain any long-term contracts or commitments with its suppliers and is free to take its business elsewhere should a supplier fall short of our expectations.

Ethan Allen is engaged, at all levels, in a continuous improvement process and strives to maintain and establish a supply chain that shares Ethan Allen's high ethical and legal standards. The Company engages a third-party auditor for international suppliers to ensure that they operate in accordance with our Code of Conduct and obey all applicable laws and regulations. Between 2016 and 2018, third-party auditors performed over 120 supplier audits in 11 countries on our behalf. To assist in verifying our vendors' operations, our merchants, design team, resourcing team, and quality team periodically perform announced observations at many third-party facilities; these associates are obligated to report any concerns.

Product Safety

Ethan Allen has always had a strong reputation for delivering a quality product to our clients, so our clients expect quality from any product that we deliver. All employees at Ethan Allen know that exceeding client expectations for quality, while delivering strong value, is imperative for client loyalty. It is important that all business partners and any facilities manufacturing Ethan Allen products share our commitment to quality.

Engineering/Design Mission Statement

The way we design and engineer our products demonstrates Ethan Allen's commitment to quality and our dedication to preserving natural resources for future generations. We do not make "disposable furniture." We use only the most energy-efficient methods practicable, along with sustainably managed materials, to manufacture our products.

Quality and durability are and always will be the cornerstones of our brand. When developing our products, our design and engineering teams balance economic and social considerations with environmental impacts by asking themselves two questions:

1. Is this an efficient, effective design?
2. How can it be built better?

Ethan Allen creates timeless designs that are built to be not only enjoyed by our current clients but also handed down to future generations. Simply stated, we design and engineer our products so they, and our world's natural resources, will last for years to come.

Product Compliance

(G4-DMA, G4EN27 Products and Services)

A well-defined quality control program documents product testing and inspection, improves product quality, and delivers client satisfaction. At Ethan Allen, product compliance is a team-based, company-wide initiative that includes written standards and procedures that encourage communication among associates and suppliers. We expect all manufacturers of Ethan Allen products worldwide to abide by our standards for quality and to comply with federal and state regulations.

Ethan Allen employs a robust safety and quality assurance process that includes high standards for the raw materials in our products. Testing is performed on products in our development phases to ensure safety and quality are achieved. Ethan Allen monitors and complies with all regulatory requirements in our countries of operation and, through our Management of Change policy, bans various chemicals to be used in our processes or products, including chlorinated or hydrogenated solvents, polybrominated diphenyl ether (PBDE), formaldehyde, heavy metals, propyl bromide and other regulated fire retardants, bromofluorocarbons, chloroflurocarbons, mercury, polychlorinated biphenyls, lead, cadmium, and hexalvalent chromium.

Product Compliance requires suppliers to

- test their products at accredited third-party labs to ensure they meet or exceed Ethan Allen quality and safety standards;
- build and test clothing storage and media units so that they meet industry standards established to reduce tip-over risk (free tip restraints are also included with each unit);
- use only CertiPUR-US® certified foams in our mattresses and upholstery;
- make products that comply with all federal and state regulations in the countries we serve;
- provide documentation of specific testing to ensure all chemicals present are at acceptable levels;
- use composite wood products certified to meet formaldehyde emission standards set by the California Air Resources Board (CARB) and the Environmental Protection Agency (EPA);
- establish pre-shipment inspection programs to make certain each piece meets our quality standards; and
- label products with information to help clients use our products safely and care for them properly.

Ethan Allen provides various warnings or information on products or labels to comply with California Proposition 65, Title 20. We also apply additional compliance requirements, such as those in the California Technical Bulletins, when a chemical or chemicals covered by the California Proposition 65 regulation may be present in our products.

CertiPUR-US® Certified Foams

Ethan Allen uses only CertiPUR-US® certified foams in our mattresses and custom upholstery. This practice means that all foams used in our custom upholstery and mattresses have been tested and certified by an independent, accredited laboratory to meet specific criteria for content, emissions and durability. CertiPUR-US® certified foams are low-VOC for indoor air quality and are made without formaldehyde, mercury, lead, heavy metals, certain flame retardants, ozone depleters, or certain phthalates. For more information, visit the CertiPUR-US® website at www.CertiPUR.US.

Stewardship of Natural Resources

Sustainable Forestry

(G4-DMA Supplier Environmental Assessment)

Ethan Allen's future depends on healthy, well-managed forests. Most of Ethan Allen's lumber requirements are satisfied with native hardwood species, including soft and hard maple, black cherry, ash, and yellow birch. These trees regenerate naturally by seeding and by stump and root sprouts. Because of this natural regeneration, hardwoods do not have to be replanted; in fact, the natural regeneration often has to be thinned because it becomes too dense. There is approximately 82% more hardwood stock today than there was in 1952.

Although Ethan Allen owns very little timberland, we encourage our suppliers to use scientifically sound forest management practices. Much of our lumber comes from lands that are intensively managed by professional foresters on a sustained yield basis; our log and lumber director is also a professionally trained and experienced forester. These forest managers create conditions that are favorable for producing the type of high-quality timber we require for our furniture. We work very closely with these suppliers to achieve a climate that provides for a balanced and fully integrated use of the resource. We also work very closely with our suppliers of nonnative species, such as mahogany, to ensure that the lumber we obtain has been legally harvested from properly managed forests.

Ethan Allen is a consumer member of Appalachian Hardwood Manufacturers, Inc (AHMI). We are also Certified Appalachian Hardwood Legal and Certain Appalachian Hardwood Sustainable, which means that, per verification by third-party auditors, we are recognized as an AHMI member that follows applicable laws and sources wood from the 344-county Appalachian Region; also, per the U.S. Forest Service, the growth-to-removal ratio of trees in the forests from which we source exceeds 1 to 1. This certification is accepted by AHFA for both EFEC and SBD. We are also active members of the National Hardwood Lumber Association.

The Lacey Act

Initially enacted in 1900, the Lacey Act is the oldest national wildlife protection statute in the United States. It also serves as an anti-trafficking statute that protects a broad range of wildlife and wild plants. The act makes it unlawful to import, export, transport, sell, receive, acquire, or purchase any fish, wildlife, or wild plants taken, possessed, transported, or sold in violation of state, federal, Native American tribal, or foreign laws or regulations that are related to fish, wildlife, or wild plants. The Lacey Act applies to “wild” animals, whether alive or dead, and wild plants, except for common food crops and common cultivars. Depending on the underlying federal, state, foreign, or tribal law, the term "wildlife" could also apply to any fish, wildlife, or plants—or part, product, egg, or offspring thereof— even if bred in captivity.

Additionally, the Lacey Act makes it illegal under U.S. law for persons to import wildlife, wildlife parts, or products thereof into the U.S. that have been taken, possessed, transported, or sold in violation of a foreign law or regulation. A second enforcement provision prohibits the making or submitting of any false record, account, label for, or identification of any wildlife transported or intended to be transported in interstate or foreign commerce, or imported, exported, transported, sold, purchased, or received from any foreign country.

Prior to the recent amendment, the Lacey Act did not apply to all international traffickers of plants, including timber or associated wood products. Previously, the Lacey Act only covered plants native to the U.S., which are listed in one of the three appendices to Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) or protected by the law of a U.S. state that conserves species threatened with extinction. The amendments to the Lacey Act extend the statute’s reach to encompass products, including timber, that are derived from plants illegally harvested in the country of origin and brought into the U.S., either directly or through manufactured products, including products manufactured in countries other than the country where the illegal harvesting took place.

With the enactment of the 2008 Farm Bill (the Food, Conservation, and Energy Act of 2008), the Lacey Act was amended for the purpose of both combating illegal logging and expanding the Lacey Act’s anti-trafficking protections to a broader set of plants and plant products. The following points and background are designed to provide a concise summary of the amendments, as well as background on the Lacey Act.

- The Lacey Act now makes it unlawful to import, export, transport, sell, receive, acquire, or purchase, in interstate or foreign commerce, any plant, with some limited exceptions, taken in violation of the laws of a U.S. state or any foreign law that protects plants. The Lacey Act also makes it unlawful to make or submit any false record, account, or label for or any false identification of any plant.

- The definition of the term “plant” includes “any wild member of the plant kingdom, including roots, seeds, parts, and products thereof, and including trees from either natural or planted forest stands.”

- There are certain exclusions, including 1) common cultivars (except trees) and common food crops; 2) live plants that are to remain or be planted or replanted; and 3) scientific specimens of plant genetic material to be used for research, except, in the latter two instances, for those species that are listed in an appendix to CITES, as endangered or threatened under the Endangered Species Act, or pursuant to any state law providing for conservation of indigenous species threatened with extinction.

- Beginning on December 15, 2008, the Lacey Act also requires an import declaration for plants and plant products, except for plant-based packaging materials used exclusively to import other products. Importers must file a declaration upon importation that contains the scientific name of the plant, the value of the importation, the quantity of the plant, and the name of the country from which the plant was taken.

- Anyone who imports into the U.S. or exports out of the U.S. illegally harvested plants or products made from illegally harvested plants, including timber, as well as anyone who exports, transports, sells, receives, acquires, or purchases such products in the U.S., may be prosecuted. In any prosecution under the Lacey Act, the burden of proof of a violation rests on the government.

- The defendant need not be the one who violated the foreign law; the plants or timber, and the products made from the illegal plants or timber, become “tainted” even if someone else commits the foreign law violation; however, the defendant must know—or in the exercise of due care should know—about the underlying violation.

- Violations of Lacey Act provisions for timber and other plant products, as well as fish and wildlife, may be prosecuted through either civil or criminal enforcement actions. Regardless of any prosecution, the tainted plants may be seized or must be forfeited.

How Ethan Allen Complies with the Amended Lacey Act
It is each company’s responsibility to exercise due care and understand the origin of its forest products, keeping in mind that a Lacey violation can occur at almost any point in a forest product supply chain. To help improve compliance, Ethan Allen takes the following steps.

- **Ask suppliers questions** (e.g., what are your supply chains? Can you trace them all the way back to the forest? What is the degree of illegal activity in that forest or region? Do you have proper documentation?)

- **Institute internal expectations.** Ethan Allen has professional foresters on staff, who are expected to maintain close relationships with many of our forest product suppliers. This open communication helps in the management and procurement of forest products.

We also take extra care when procuring forest products from unknown regions. The Lacey Act is a fact-based rather than a document-based statute. If imported products turn out to be of illegal origin *de facto*, this fact will override any statement or document to the contrary. Illegal products are often accompanied by forged documents; therefore, evaluating our suppliers and developing trust in them and the forest products they provide is as important—and at times more important—than obtaining physical papers. This means that our foresters' and Supply Chain Team's evaluation of suppliers may include:

- Conducting independent research on suppliers via online sources and business contacts
- Establishing long-term relationships
- Consistently questioning suppliers about the origin of their products and documenting their answers
- Making supplier and forest site visits, if possible
- Implementing the Preferable Purchasing evaluation that includes the procurement of forest products

Conflict Minerals

(ISS ID 391, 392, 393, 395 396, 398, 399)

In recent years, there has been an increasing international focus on "conflict minerals" emanating from mining operations in the Democratic Republic of the Congo (DRC) and adjoining countries. Armed groups engaged in mining operations in this region, who are believed to subject workers and indigenous people to serious human rights abuses, are alleged to be using proceeds from the sale of conflict minerals to finance regional conflicts. Government agencies, industry, and human rights groups such as the U.S. Government Accountability Office, the Organization for Economic Cooperation and Development (OECD), the Electronic Industry Citizenship Coalition (EICC), and the Global e-Sustainability Initiative (GeSI) have been working to raise awareness and bring about change.

On July 21, 2010, in response to these concerns, the U.S. Congress enacted legislation that requires certain public companies to provide disclosures about the use of specified conflict minerals emanating from the DRC and nine adjoining countries, aka "Covered Countries," which include Central Africa Republic, South Sudan, Zambia, Angola, The Republic of the Congo, Tanzania, Burundi, Rwanda, and Uganda. Section 1502 of the Dodd-Frank Act is intended to make transparent the financial interests that support armed groups in the DRC area. By requiring companies using conflict minerals in their products to disclose the source of such minerals, the law is aimed at dissuading companies from continuing to engage in trade that supports regional conflicts.

Section 1502 is applicable to all SEC "issuers" (including foreign issuers) that manufacture or contract to manufacture products where conflict minerals are necessary to the functionality or production of the product. The industries most likely to be affected include electronics and communications, aerospace, automotive, jewelry, and industrial products.

On August 22, 2012, after much public comment, and a year and a half after issuance of its proposed rule, the U.S. Securities and Exchange Commission (SEC) issued a final rule to implement the new disclosure requirements required by Dodd-Frank.

Our Approach to Conflict Minerals

Ethan Allen supports an end to the violence and human rights violations in the Democratic Republic of the Congo as well as associated practices in surrounding countries. These violations are, in part, financed by trading minerals like tin, tantalum, tungsten, and gold.

We ensure that metals used in our manufacturing processes and associated vendors do not come from the Congo and are otherwise not associated with conflict minerals. There are no smelters used for waste materials outside the U.S. and all materials purchased are in conflict-mineral-free areas. A conflict minerals report for company vendors is available upon request and has been developed and submitted to regulatory bodies as appropriate.

Should it become necessary, we will take the following steps in our approach to address the conflict mineral requirements applicable to Section 1502 of the Dodd-Frank Act:

1. Engage our Supply Chain Team to determine whether we use any of these minerals in our products and to ascertain if we would be subject to the conflict materials disclosure requirements.
2. If conflict minerals are used in our products, conduct a “reasonable country of origin inquiry” to determine where the conflict materials originated from (whether from the DRC, a Covered Country, or elsewhere) and whether they are considered “recycled or scrap” materials.
3. If the conflict minerals are not from recycled or scrap materials and have originated from the DRC or one of the Covered Countries, engage an independent auditor to prepare a “Conflict Minerals Report,” through which we exercise due diligence on the source and chain of custody of these minerals. The Conflict Minerals Report is then attached as an exhibit to Form SD and filed with the SEC.

We have established a certification/declaration process for materials used in our products. Conflict minerals and other regulated materials (RoHS, REACH, etc.) are evaluated for a more effective means of ensuring compliance. Efforts are also being made both to ensure that declarations received are valid and to pursue entities that have not yet certified or declared certification prior to engaging in business. International suppliers are vetted through a third-party contractor that evaluates multiple issues, including but not limited to human rights, safety, child labor, fair wages, slavery, and product compliance. These efforts follow OECD’s Due Diligence Guidelines for responsible supply chain of minerals from conflict-affected and high-risk areas.

Animal Welfare & Biodiversity

Respect for the environment, human rights, communities, and animal habitats are the cornerstone of our product safety philosophy. Since lumber and natural fabrics are part of our products, we ensure that proper forest management practices are being implemented, and that our suppliers of fabric and leather are reputable companies that are audited through our product compliance efforts.

Materiality

This report focuses on the topics most material to Ethan Allen. We gather input from a variety of internal and external sources to ensure that we are aware of trending and emerging issues relative to our business and how they affect all stakeholders, including our investors, communities, associates and customers.

This report is based on environmental, social, and corporate governance reporting frameworks such as the Global Reporting Initiative (GRI) and ISS Corporate Solutions. It contains information about our policies, programs, guidelines, and risk factors, based on both internal information and external releases, and draws on feedback and insight from our customers and associates, from shareholder engagement and communications, from industrial trade groups, and from traditional media as well as online and social media.

This Report

The information presented in this report reflects the business spanning various years to present the historic intent of the company regarding its responsibility for sustainability, corporate social responsibility, and good governance. This is our first Corporate Responsibility report, and our goal is to provide these reports every two years and to publish data summaries as appropriate. The company assumes no obligation to update the online content or statements in this report.

Various statements contained in this report about future developments and past occurrences are based upon information and assumptions available as of the date of this report. This report contains standard disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and as well as disclosures as they apply to ISS Corporate Solutions data verification requirements, references to which are disclosed within the document. The report covers core businesses including manufacturing, distribution, service centers, and retail Design Centers of company-owned operations. Ethan Allen conducted an internal review of all the data and assumptions contained in the report to ensure accuracy of the content, but this report has not been reviewed, verified, or assured by an independent third party.

Attachment 1

Supplier Code of Conduct

The following describes Ethan Allen's Supplier Code of Conduct, which details Ethan Allen's requirements for all our suppliers and third-party suppliers. The intent of this code is to communicate our expectations for and intent when promoting socially responsible business ethics worldwide.

- Suppliers are expected to conduct business in accordance with the highest ethical standards when it comes to compliance with laws and regulations on bribery, corruption, and prohibited business practices. Standards of fair business, advertising and competition are to be upheld at all times. Ethan Allen's customer information is to be safeguarded at all times.
- Responsible Sourcing of Minerals – vendors are expected to comply with and be able to demonstrate compliance with all standards associated with the Dodd-Frank Wall Street Reform Consumer Protection Act provisions for Conflict Minerals.
- Forced or involuntary labor is unacceptable as is child labor (where the law of the country permits). Although we support the use of legitimate workplace apprenticeship programs, we also encourage the completion of compulsory education and support the minimum age requirements in the countries where we do business.
- Fair wages, compensation and benefits that comply with all legal requirements of the country in which we do business are expected, and working hours should meet the restrictions required under the law of that country.
- We expect to be treated with respect and dignity, and through good faith, we expect our suppliers to treat their employees with the same mutual respect; therefore we support our suppliers' efforts to establish favorable employment conditions, free from discrimination, and we maintain effective communication programs as a way of promoting positive employee relations. All communication is to be free from the treat of retaliation.
- Health and safety are high priorities at Ethan Allen, and we expect our suppliers to provide their employees safe workplaces in compliance with all applicable laws and regulations, including the implementation of methods that improve human safety and chemical safety, and to provide acceptable health and safety standards in any housing provided to employees.
- Suppliers are expected to operate in a manner that is protective of the natural environment and comply with environmental requirements specific to the products and services they provide.
- Supply chain transparency is required to confirm compliance with this Code of Conduct. Ethan Allen will request documentation, conduct onsite audits, develop corrective action as a result and verify that corrective action is complete to ensure compliance with this Code of Conduct.

We expect our suppliers as good business partners to maintain this Code of Conduct to demonstrate their support of these initiatives and requirements by communicating these principles with their supervisors, employees and suppliers.

ATTACHMENT 2: ASSOCIATE HANDBOOK/ PROBLEM RESOLUTION PROCEDURES

PROBLEM RESOLUTION

Ethan Allen is committed to providing the best possible working conditions for its Associates. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from Ethan Allen supervisors and management.

Ethan Allen strives to ensure fair and honest treatment of all Associates. Supervisors and managers are expected to treat each other with mutual respect. Associates are encouraged to offer positive and constructive feedback.

If an Associate disagrees with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No Associate will be penalized, formally or informally, for voicing a complaint with Ethan Allen in a reasonable, businesslike manner, or for using the problem resolution procedure.

If a situation occurs when an Associate believes that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps. The Associate may discontinue the procedure at any step.

1. The Associate presents the problem to his or her immediate supervisor immediately after the incident occurs. If the supervisor is unavailable or the Associate believes it would be inappropriate to contact that supervisor, the Associate may present the problem to their department manager or the Human Resources department or any other member of management.
2. The Supervisor/HR representative responds to the problem during the discussion or after consulting with appropriate

management, when necessary. The Supervisor documents the discussion and meets with the Associate to review.

3. If the problem is unresolved, the Associate presents the problem to the Human Resources department.
4. The Human Resources department advises the Associate, assists in putting the problem in writing, and visits with the Associate's supervisor(s), if necessary. Human Resources documents all discussions and meets with the Associate to review.
5. If the problem is unresolved, the Human Resources Director will review the problem. The Human Resources Director has the full authority to make any recommendation deemed appropriate to resolve the problem. The Corporate Human Resources Director informs the Associate in writing of the decision and retains a copy in the Associate's file.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual concerns can Associates and management develop confidence in one another. This confidence is important to the operation of an efficient and harmonious work environment.

Attachment 3

Corporate EH&S Policy

Environment, Health and Safety (EH&S) Policy

It is Ethan Allen's policy to ensure that every facility has as its highest priority the provision of a safe workplace and protection of the natural environment for the benefit of our employees, the community and the company.

Fulfilling this policy is a commitment shared by all of Ethan Allen's managers and employees, at all levels of the company. We are committed not only to complying with applicable regulatory requirements, but also to taking pro-active steps that will mitigate workplace injuries and harm to the environment. Through sound practices, Ethan Allen seeks to be a leader in the EH&S field by proactively identifying and eliminating potential hazards, liabilities and risks that may be associated with our operations. We have expanded our EH&S Management system to include industry recognized attributes from the American Home Furnishing Alliance by embracing the Enhancing Furniture's Environmental Culture (EFEC), Sustainable by Design and ECO3 Home efforts. Our success in these efforts will be based upon the commitment and cooperation of our managers and employees.

Ethan Allen recognizes that the responsibility for environment, health and safety issues is a shared responsibility that touches all aspects of the company's operations. To successfully address these risks, Ethan Allen implements it's EH&S Policy through an integrated, company-wide program. As part of this EH&S Program, the following expectations apply to all Ethan Allen managers and employees:

- Ethan Allen's senior management is committed to providing a safe and healthy workplace, and to the protection of the natural environment.
- Managers and supervisors are responsible for developing the proper attitude and culture toward environmental, health and safety concerns and for ensuring that all operations are performed with proper regard for the safety and health of all personnel, and for the protection of the environment.
- Employees are responsible for continuously practicing safe work habits while performing their duties, complying with company and governmental requirements, and for a genuine commitment to this program. Employees are expected to participate, as applicable, in safety committees, job safety and risk analysis and activities that will enhance workplace safety.

With your commitment to this Policy, together we can ensure that all Ethan Allen facilities offer a safe workplace and that we are an environmentally responsible organization.

Farooq Kathwari, Chairman and CEO:

XXX, Plant ~~Manager:~~

XXX, EFEC Team ~~Leader:~~ ______________________________

GRI and ISS Index

This report contains Standard Disclosures from the GRI Sustainability Reporting Standard and the Institutional Shareholder Services (ISS) Corporate Governance Requirements

GRI 102: General Disclosures 2018 Ethan Allen

Index GRI Index ISS	Data	Reason for Omission/Explanation
1. Organizational profile		
102-1 Name of the organization	• Company Overview (P.3)	Company 10K Financial Report
102-2 Activities, brands, products, and services	• Ethan Allen Business Operations (10K)	
102-3 Location of headquarters	• Corporate Responsibility Report (Cover Page)	
102-4 Location of operations	• Net Sales is incorporated into the environmental statistics as a normalizing factor • Number of Employees by Region within HR systems • Ethan Allen Directory • Company Overview (P3)	Directory available on Ethan Allen System Employee and associate data available on HR system
102-5 Ownership and legal form	• Ethan Allen Business Overview (10K)	
102-6 Markets served	• Ethan Allen Business Overview (10K)	

Index GRI Index ISS	Data	Reason for Omission/Explanation
102-7 Scale of the organization	• Ethan Allen Business Overview (10K) • Business Summary (10K)	Company 10K attached
102-8 Information on employees and other workers	• Ethan Allen Business Operations (10K) • Data Summary (Human Rights and Labor Policy) • Corporate Responsibility Report	
102-9 Supply chain	• Ethan Allen's Supply Chain and the Fulfillment of its Social Responsibility • Supply chain Audits Suppliers • Supply Chain Management	
102-10 Significant changes to the organization and its supply chain	• Net Sales by Business Unit and Main Products • Main Group Companies (10 K) • Business Reports (10K)	Business Restructure re-invention.
102-11 Precautionary Principle or approach	• Management Systems Approach (Environment) • Management Approach (Human Rights and Labor policy) • Management Approach Leadership Principles • Addressing the Issue of Conflict Minerals	Product Responsibility is part of the Supply chain auditing program and quality program.
102-12 External initiatives	• Association Memberships and Participating External Initiatives (Attach a list of participating memberships)	
102-13 Membership of associations	Association Memberships and Participating External Initiatives (Ibid)	
2. Strategy		

Index GRI Index ISS	Data	Reason for Omission/Explanation
102-14 Statement from senior decision-maker	• Message letter from CEO	
102-15 Key impacts, risks, and opportunities	• Message from Management • Management Approach (Environment) • Management Approach (Human Rights and Labor) • Management Approach (Social Responsibility) (Attach Product Compliance scope) • Management Approach (Product Responsibility)	(See emission metrics and Global Greenhouse risk CDP)
3. Ethics and integrity		
102-16 Values, principles, standards, and norms of behavior ISS 1 Env Policy includes Vendors ISS 20 Eco -labels	• Corporate EH&S Policy • Ethan Allen's Growth Strategy and Sustainability • Corporate Leadership Principles • Prohibiting Discrimination Policy • Environmental Management	Ethan Allen is part of the American Home Furnishing Alliance program and is registered as a design for Environment level company. Product Compliance labels are identified on each product associated with various programs for example: California CARB Compliance.
102-17 Mechanisms for advice and concerns about ethics	• Prohibiting Discrimination Policy • Compliance, Ethics and reporting hotline	
4. Governance		
102-18 Governance structure	• Corporate Governance • An Overview of Corporate Governance at Ethan Allen, Inc. (10K)	
102-19 Delegating authority	• Ethan Allen EH&S Business Standard Policy • Process and structure of responsibilities	

Index GRI Index ISS	Data	Reason for Omission/Explanation
	• An Overview of Corporate Governance at Ethan Allen Inc. Web site	
102-20 Executive-level responsibility for economic, environmental, and social topics	• HR Promotion System • Global Environmental System • Quality Assurance System • Process for Responding to Quality Issues (Attachment Product Compliance Audit scope) • Corporate Governance • Risk Management System (M004 Risk Assessment Methods) • Information Security Management System, internal and external • An Overview of Corporate Governance at Ethan Allen, Inc. (https://www.ethanallen.com/en_US/corporate-guidelines.html)	
102-21 Consulting stakeholders on economic, environmental, and social topics	• EH&S Monthly Conference calls, programs EH&S Council, EH&S Business Management Standard Policy • Shareholders communications • Third-Party Review Process (Product Compliance Audit Scope)	
102-22 Composition of the highest governance body and its committees	• Corporate Governance • Annual Reports (10K) • An Overview of Corporate Governance at Ethan Allen, Inc. (https://www.ethanallen.com/en_US/corporate-guidelines.html)	
102-23 Chair of the highest governance body	• Corporate Governance https://www.ethanallen.com/en_US/corporate-guidelines.html)	
102-24 Nominating and selecting the highest governance body	• Corporate Governance	

Index GRI Index ISS	Data	Reason for Omission/Explanation
	• Ibid	
102-25 Conflicts of interest	• Conflicts of Interest Policy • An Overview of Corporate Governance at Ethan Allen, Inc.	
102-26 Role of highest governance body in setting purpose, values, and strategy	• Corporate and Board Management • CEO Letter • Leadership Principles	
102-27 Collective knowledge of highest governance body	• Corporate Board Committee, Risk Management Committee, and Disclosure Committee (10K) • An Overview of Corporate Governance at Ethan Allen, Inc. (https://www.ethanallen.com/en_US/corporate-guidelines.html)	
102-28 Evaluating the highest governance body's performance	• Corporate and Board Management • Corporate Governance (https://www.ethanallen.com/en_US/corporate-guidelines.html)	
102-29 Identifying and managing economic, environmental, and social impacts	• EHS M004 Risk Assessment Program M004 • An Overview of Corporate Governance at Ethan Allen, Inc. (https://www.ethanallen.com/en_US/corporate-guidelines.html)	
102-30 Effectiveness of risk management processes	• Risk Assessment EHS M004 and EH&S Audit • An Overview of Corporate Governance at Ethan Allen, Inc.. (https://www.ethanallen.com/en_US/corporate-	

Index GRI Index ISS	Data	Reason for Omission/Explanation
	guidelines.html)	
102-31 Review of economic, environmental, and social topics	• Ibid • An Overview of Corporate Governance at Ethan Allen, Inc.. (https://www.ethanallen.com/en_US/corporate-guidelines.html)	
102-32 Highest governance body's role in sustainability reporting	• Corporate Management	
102-33 Communicating critical concerns	• 10KI • Corporate Governance (https://www.ethanallen.com/en_US/corporate-guidelines.html) • Annual Sustainability Report (attach living Our values)	
102-34 Nature and total number of critical concerns	• 10 K and Company Annual report	
102-35 Remuneration policies	• Executive Compensation (10 K annual report)	
102-36 Process for determining remuneration	• Executive Compensation (10K annual report)	
102-37 Stakeholders' involvement in remuneration	• Ibid	
102-38 Annual total compensation ratio	non-disclosure	Confidentiality: disclosure of said information restricted due to confidentiality risks

Index GRI Index ISS	Data	Reason for Omission/Explanation
102-39 Percentage increase in annual total compensation ratio	non-disclosure	Confidentiality: disclosure of said information by Ethan Allen restricted at current time due to risks relating to confidentiality provisions in employment contracts
5. Stakeholder engagement		
102-40 List of stakeholder groups	• Third-Party Opinion (see: Product Compliance Audits scope)	
102-41 Collective bargaining agreements	• N/A	No Unions
102-42 Identifying and selecting stakeholders	• Corporate Philosophy • Supporting Our people	
102-43 Approach to stakeholder engagement	• N/A	
102-44 Key topics and concerns raised	• Board Meetings, 10K Annual report	
6. Reporting practice		
102-45 Entities included in the consolidated financial statements	• Company description (10K)	
102-46 Defining report content and topic Boundaries	• Corporate Responsibility Report (P.1-2) • Identifying and Reviewing Materiality (10K Annual Report)	
102-46 6.1 Defining report content and topic Boundaries	• Identifying and Reviewing Materiality (10K Annual Report)	

Index GRI Index ISS	Data	Reason for Omission/Explanation
102-47 List of material topics	• Identifying and Reviewing Materiality (10 K Annual Report) • Environmental Risks (10K)	
102-48 Restatements of information	• Corporate Responsibility Report	
102-49 Changes in reporting	• Main Group Companies • Business Reports	
102-50 Reporting period	• About this Report	
102-51 Date of most recent report	• About this Report	
102-52 Reporting cycle	• About this Report, intended every three year or more	
102-53 Contact point for questions regarding the report	• Corporate office EH&S, CFO	
102-54 Claims of reporting in accordance with the GRI Standards	• GRI Standard format and ISS Report requirements combined in to the Corporate Responsibility Report within this document	
102-55 GRI content index	• GRI Standard Implementation based upon available data	
102-55 6.3 GRI content index		
102-56 External assurance		No third-Party review.

GRI 103: Management Approach

Index	Data	Reason for Omission/Explanation
103-1 Explanation of the material topic and its Boundary	• Ethan Allen's Responsibility Report herein • 10K Materiality (10 K Annual Report) • Activity Highlights in Regard to Environmental and Social pillars of ISS • Management Approach (Living Our Values brochure as inclusive document) • Management Approach (Environmental Policy) • (Management Approach (Human Rights and Labor Policy) • Management Approach (Social Contributions as noted)	•
103-2 The management approach and its components	• Ethan Allen's Responsibility Report • 10K Materiality (10 K Annual Report) • Activity Highlights regarding Environmental and Social pillars of ISS • Management Approach (Living Our Values attached) • Management Approach (Environment) • Management Approach (Human Rights and Labor policy) • Management Approach within the document	•
103-3 Evaluation of the management approach	• Ethan Allen's Responsibility Report herein • 10K Materiality (10 K Annual Report) • Activity Highlights in Regard to Environmental and Social pillars of ISS • Management Approach (Living Our Values brochure) • Management Approach (Environment) • (Management Approach (Human Rights and Labor • Management Approach (Social Contribution) • Management Approach (Product Responsibility)	•

GRI 201: Economic Performance

Index	Data	Reason for Omission/Explanation

2. Topic-specific disclosures		
201-1 Direct economic value generated and distributed	• Ethan Allen Business Operations as described in the report • Ethan Allen's Social Contribution Activities • Humanitarian Aid and Disaster Relief • ETHAN ALLENFACT BOOK • Annual Reports • Business Reports	Confidentiality: disclosure of tax amounts by country omitted for reasons of corporate confidentiality
201-2 Financial implications and other risks and opportunities due to climate change	• Management Approach see Climate change risk analysis	
201-3 Defined benefit plan obligations and other retirement plans	• Corporate Pension Plan and 401K plans established	
201-4 Financial assistance received from government	non-disclosure	Confidentiality: disclosure of said information restricted due to confidentiality risks relating to parts of content

GRI 202: Market Presence 2016

Index	Data	Reason for Omission/Explanation
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	• Comparison of Ethan Allen's Minimum Wage to Local Minimum Wage	National averages are used but three differing programs for wage data are used for establishing wages.
202-2 Proportion of senior management hired from the local community	• Hr systems for hiring practices and data capture	Providing a single definition of “local areas or communities” at the company level is difficult because Ethan Allen's business development spans many different countries, regions and industrial sectors.

GRI 203: Indirect Economic Impacts

Index	Data	Reason for Omission/Explanation
203-1 Infrastructure investments and services supported	• 10 K Annual Report • Living Our Values	
203-2 Significant indirect economic impacts	• 10 K Annual Report	

GRI 204: Procurement Practices

Index	Data	Reason for Omission/Explanation
204-1 Proportion of spending on local suppliers	non-disclosure	Confidentiality: disclosure of said information restricted due to confidentiality risks relating to parts of content

GRI 205: Anti-corruption

Index	Data	Reason for Omission/Explanation
205-1 Operations assessed for risks related to	• Prevention of Bribery (Code of Conduct)	Confidentiality: disclosure of said information restricted from Ethan Allen's standpoint due to the confidentiality risks relating to some content. Prevention of bribery is consistent with the values expressed in the Ethan Allen Code of Conduct, and education on this topic is given to employees.

corruption		
205-2 Communication and training about anti-corruption policies and procedures	• Compliance Training from HR	
205-3 Confirmed incidents of corruption and actions taken	non-disclosure	Confidentiality: disclosure of said information restricted due to confidentiality risks relating to parts of content

GRI 206: Anti-competitive Behavior

Index	Data	Reason for Omission/Explanation
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	non-disclosure	Confidentiality: disclosure of said information restricted due to confidentiality risks

GRI 301: Materials

Index	Data	Reason for Omission/Explanation
301-1 Materials used by Weight or volume	• Overview of Environmental Impacts, see Carbon footprint and calculator description.	
301-2 Recycled input materials used	• Recycling	
301-3 Reclaimed products and their packaging materials	• Packaging Materials as described	

GRI 302: Energy

Index	Data	Reason for Omission/Explanation
302-1 Energy consumption within the organization ISS 71, 72, 73, 74, 75 Energy conservation and performance ISS 78, 79 80 Disclosing electrical poWer use. ISS 82 Grid Energy ISS 83, 84, 85, 86, 87, 88, 89, 91 Renewable and nonrenewable sOurces ISS 96, 97, 98, 99 energy reduction from non-renewable sOurces ISS 102 CDP disclosure of risk management regard to climate change ISS 105 managements role in climate change ISS 106 Climate risk integrated into strategy	• Environmental Performance see metrics • Carbon Footprint metrics • Data on Energy metrics • Corporate Responsibility Report • Outlined report not submitted to CDP	Total energy savings is attributed to reduction of Kwhrs as totaled in the CFC program. Due to inconsistencies of national electrical costs, transmission costs and peak costs; Kwhrs are the best indication of savings. Renewable and nonrenewable sOurces are distinguished from the total KWhrs in the calculation of CO2e based upon national energy derived sOurces as referenced in the CFC program. This is indicated by the carbon factor used in total carbon calculations for energy emissions of CO2e. Reductions of energy depicted are total energy consumption not specific to non-renewable sOurces. CDP is not used for disclosing risks see Corporate responsibility report Managements role in climate change is in the perpetual drive to attain corporate goals as they apply to each location in the EMS and EH&S Policy.
302-2	• Overview of Environmental Impacts	

Energy consumption outside of the organization	• Contributing to a Low-Carbon Society via burning wood fuel and eliminating landfill volumes and energy associated with steam heat derived from these processes.	
302-3 Energy intensity	• Environmental Goals and Achievements, see report and metrics • Contributing to a Low-Carbon Society, see carbon footprint metrics	
302-4 Reduction of energy consumption ISS 60, 61, 62 Energy Management System and ISO 50001 ISS 63,64,65,66,67,68,69 70 Energy from nonrenewable and renewable sOurces.	• Environmental Goals and Achievements (PP.) • Contributing to a Low-Carbon Society (PP.) • Data on Energy Corporate Responsibility Report • Energy evaluations are performed at each manufacturing Distribution and Service Center site based upon Management system requirements • In addition to local efforts the company collects energy data for analysis using an outside data analysis tools (ECOVA) and metrics are included in the Corporate Reports.	ISO 50001 is based on the management system model of continual improvement also used for other Well-known standards such as ISO 9001 or ISO 14001. This makes it easier for organizations to integrate energy management into their overall efforts to improve quality and environmental management. The AHFA is the consortium for the Furniture industry who has established its own set of Management system requirements (see AHFA Web site EFEC and SBD). ISO 50001:2018 provides a framework of requirements for organizations to: • Develop a policy for more efficient use of energy • Fix targets and objectives to meet the policy • Use data to better understand and make decisions about energy use • Measure the results • Review how Well the policy works, and • Continually improve energy management. Ethan Allen requires each location involved with Sustainability by Design to evaluate its use and type of local efforts can be accomplished to reduce energy consumption or increase efficiencies in energy use.
302-5 Reductions in energy requirements of products and services	• Carbon Footprint Carbon • Environmental emission reductions	

GRI 303: Water and Effluents

Index	Data	Reason for Omission/Explanation
303-1 Interactions with water as a shared resOurce	• Water Metrics See metric section of report • Data on Water ResOurces	
303-2 Management of water discharge-related impacts	• Water Metrics • Regional Water ResOurces regulated by State and Federal agencies	No fines or penalties noted in 2018.
303-3 Water withdrawal	• Water ResOurces section	

GRI 304: Biodiversity

Index	Data	Reason for Omission/Explanation
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	• Acquisition and Divestiture Program (PP.) • Material risks (10 K annual report)	Local environmental impact assessments are made within operational sites or prior to constructing any operating sites to ensure there are no critical issues. Ethan Allen also promotes business activities that are in line with an EMS policy. The site has settled all significant known outstanding liabilities for off-site contamination.
304-2 Significant impacts of activities, products, and services on biodiversity	• Forestry	Based on biodiversity principles, Ethan Allen has instituted a range of requirements to ensure the responsible procurement of timber and wood products; efforts are made to evaluate and minimize any direct or indirect environmental impacts due to Ethan Allen products and services.

GRI 305: Emissions

Index	Data	Reason for Omission/Explanation
305-1 Direct GHG emissions ISS 38 GHG reductions in emissions, ISS 39 GHG Targets, ISS 40 2 Degree Scenario ISS 42 The Science Based Target Initiative ISS 43 Disclosure investments in Low Carbon Opportunities.	• Environmental Performance metrics • Historic Reductions Through Initiatives at Operational Sites • • Data on GHG emission Targets Responsibility Report • Although Our targets and goals are currently being developed for the next 10 years Our methods are based upon science and continuous improvement methods in manufacturing. The science is based upon EPA warm models and other calculations supported by the DOE and EPA which are referenced in Our Carbon Footprint Calculator. • The company does not disclose investments in low carbon businesses hoWever, manufacturing does purchase wood chips from time to time to augment the energy needs for industrial boilers.	
305-2 Energy indirect GHG emissions	• Overview of Environmental Impacts see Environmental metric section • Reduction Through Initiatives at Operational Sites • Data on GHG and Carbon footprint metrics	
305-3 Other indirect (Scope 3) GHG emissions	• Overview of Environmental Impacts see metric in the report • GHG Reduction Through Initiatives at Operational Sites • GHG Reduction in Logistics see report for logistics	
305-4 GHG emissions intensity	• Overview of Environmental Impacts and metrics • GHG Reduction Through Initiatives at Operational Sites	
305-5 Reduction of GHG emissions	• Overview of Environmental Impacts see metric in the report • GHG Reduction Through Initiatives at Operational Sites • GHG Reduction in Logistics see report for logistics	
305-6 Emissions of ozone-depleting substances (ODS)	• Chemical Restrictions, EH&S Business Management Standard	

305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions ISS 122, 123, 124,125, 126, 127, 128 disclosure of air emissions ISS 45, 46,48, 49 Reporting to CDP ISS 106, 107, 108, 109, 110, 111, GHG integrated into risk management ISS 50, 51, 52, 53, 54, 58 Quantitative metrics for GHG emissions	• Overview of Environmental Impacts (PP) • Managing Chemical Substances Used in Manufacturing Processes (PP.) • Atmospheric Emissions for NOx, Sox, and others are included in the report. • Climate change risk assessment in included in this report. • See Corporate Responsibility Report	The GHG Protocol from World ResOurces Institute, et al is the standard that covers the accounting and reporting of seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), Sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3). It was updated in 2015 with the Scope 2 Guidance, which allows companies to credibly measure and report emissions from purchased or acquired electricity, steam, heat, and cooling. Ethan Allen uses similar steps in the outlined calculations for GHG emissions, reference data for calculations can be found in the Carbon Footprint Calculator. Steam hoWever is not measured or included as an emission sOurce. Our data is included in Our sustainability and corporate responsibility reporting but is not uploaded to the CDP Quantitative and Qualitative emissions are disclosed, and specific parameters are also regulated and monitored per manufacturing's Permit to operate including NOx, Sox and HAPs. The company has imposed a self-restricting limit to all HAP emissions after significant reformulations have awarded the company a 90% decrease in HAP emissions and Merit award from the Federal EPA.

GRI 306: Effluents and Waste

Index	Data	Reason for Omission/Explanation
306-1 Water discharge by quality and destination ISS 199, 200, 201, 202, 203 Total water use ISS 204, 205, 206, 207, 208,	• Overview of Environmental Impacts • Aiming for Sustainable Water ResOurces • CFC Data on Water Reductions • Corporate Responsibility Report	There Were no accidents involving leakage of water or other unforeseen incidents in 2018. The six commitments of the UN Global Climate Mandate is not specifically endorsed hoWever the intent for water reduction for operations within the companies control are supported. 1. Direct Operations 2. Supply Chain & Watershed Management 3. Collective Action 4. Public Policy 5. Community Engagement 6. Transparency

209 Scarcity of water, risk, compliance ISS 210, 212, 213 water recycled ISS 198 UN Global Compact CEO Water Mandate		Water withdrawn, and waste water is considered total volume included in disclosed US manufacturing metrics. No water violations or permit violations have been cited in 2018. Metrics do not distinguish recycled water just total reduction in water use.
306-2 Waste by type and disposal method ISS 158 E-waste commitment ISS 162, 163, 164, 165, 166, 167 nonhazardous waste ISS 168, 169, 170,171, 172, 173, 174 175, 176, 177, 178 Waste Management and recycling ISS 181, 182, 183 Haz and non Haz waste metrics and timeline. ISS 184, 185, 186, 187, 188 Packaging material	• Overview of Environmental Climate Impacts • Initiatives to Reduce Waste at Operational Sites are established at each location in a pollution prevention plan or equivalent. Contracts are established for proper disposal under State and Federal guidelines. • Data on Non- Hazardous Waste and hazardo0us waste noted under Waste and Toxicity section. • Pollution prevention plans • Corporate Responsibility Report	Each manufacturing location has as required by law pollution prevention plans. E-waste and other universal waste are appropriately managed, and the focus is on reduction of these materials as waste. Operations are encOuraged to recycle or repurpose e-waste as much as practicable. Nonhazardous waste is covered by all US operations and includes packaging and consumer-based materials landfilled. Recycled materials are identified separately at the local level and compiled as described in the Corporate Responsibility Report. 10-year Goals are general in nature based upon corporates directive for continuous improvement and reductions, targets are set by each individual entity and revieWed annually as metric and compiled. Initially in 2010 reduction metrics Were established at 10% for most categories and have been achieved and passed in prior years. Packaging material quantities and metrics are accounted for through internal procurement and purchasing departments
306-3 Significant spills	• Environmental Regulatory Compliance and Response to Complaints (P.) • Managing Chemical Substances Used in Manufacturing Processes (PP.)	There Were no accidents causing any serious environmental impact or related compliance violations in 2018. Moreover, all atmospheric and wastewater emissions from Ethan Allen operating sites Were within prescribed limits.
306-4 Transport of hazardous waste ISS 159, 160, 161 disclosure	• Overview of Environmental Impacts (PP) • Managing Chemical Substances Used in Manufacturing Processes (PP) • Corporate Responsibility Report	Recycling of waste materials is outsOurced to material recyclers properly in accordance with local regulations.

306-5 Water bodies affected by water discharges and/or runoff	• Reducing Emissions into the Atmosphere and Waterways and Preventing Pollution (P.)	Local environmental impact assessments are made prior to constructing any operating sites to ensure there are no critical issues. Sites also operate strictly within any local limits on total water consumption.

GRI 307: Environmental Compliance

Index	Data	Reason for Omission/Explanation
307-1 Non-compliance with environmental laws and regulations ISS 55, 56, 57 Regulated emissions ISS 295 Major Env. Controversy ISS 7 EMS & ISS 8 ISO 1400 or Certified EMS ISS 21 Climate Change Policy ISS 22 Climate Risk ISS 23,24,25,26.28 Climate related ISS 35 Climate Change disclosure risky, strategy and financial planning	• Corporate Responsibility Report and Response to Complaints (P.) • Regulated Emissions for GHGs and Carbon equivalents are included in the Carbon Footprint Calculator • The Environmental Business Standard and Policy outline the Environment, Health and Safety Management System • See Corporate Responsibility Report for Climate Change • Ibid	There Were no accidents causing any serious environmental impact or related compliance violations in 2018. Moreover, no related fines or penalties Were levied on the Ethan Allen. Ethan Allen is a member of the American Home Furnishing Association, a trade consortium that has developed an accepted EMS allowing for Government Contract work. The Company is not therefore ISO 14000 attested. Currently there is no multi financial scenario evaluation for Climate change because the current analysis does not show that these changes would be initially material. Forestry CDP questionnaire is not disclosed.

ISS 36 Climate multi Scenarios ISS 37, 2-degree limit, ISS 222 Forestry		

GRI 308: Supplier Environmental Assessment

Index	Data	Reason for Omission/Explanation
308-1 New suppliers that Were screened using environmental purchasing criteria ISS 5 Env. Standards to suppliers ISS 366 Code of Vendor Conduct ISS 370 Disclose Vendor Code	• Ethan Allen's Supply Chain and the Fulfillment of its Social Responsibility (P) • Environmental Assurance Activities in Cooperation with Suppliers (P.) • Code of Vendor Conduct	The Ethan Allen Green Procurement Standards define the standards relating to environmental performance with which Ethan Allen expects all its suppliers to comply. Ethan Allen hires 3rd party consultants to audit suppliers and manufacturing operations. Corrective actions are generated and addressed through these vendor audit programs.
308-2 Negative environmental impacts in the supply chain and actions taken	• Ethan Allen's Supply Chain and the Fulfillment of its Social Responsibility Audits • Environmental Assurance Activities in Cooperation	The Ethan Allen Environmental Procurement Standards define the standards relating to environmental performance with which Ethan Allen expects all its suppliers to comply. In the event of a supplier causing any negative environmental impact, Ethan Allen expects that firm to undertake prompt remedial action and report on improvements. The number of suppliers that are

ISS 6 Priority and nonconformance with Corrective actions ISS 18 Percentage of Supplier Operations Certified ISS 336, 338, 340, 342 Human rights policy applicability	with Suppliers • Vendor Letters • Code of Ethics • Corrective Actions for EH&S programs are identified and accountable on a site by site basis and audited through registered AHFA auditors as Well as the third party consultants.	subject to assessment or remedial action is not disclosed for reasons of corporate confidentiality. Vendor and Supplier letter have been sent out requesting inquires to the EMS associated with their businesses including ISO 14000. Responses to queries Were less than 5% regarding vendor supplier programs.

GRI 401: Employment

Index	Data	Reason for Omission/Explanation
401-1 New employee hires and employee turnover	• Number of New Hires and Employees Leaving the Company are revieWed through Corporate HR	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	• Employee Benefit Programs exist • Flexible Work Styles are on a case by case basis.	
401-3 Parental leave	• Abide by State and / or Federal laws for FMLA and ADA, e.g., maturity and paternity	

GRI 402: Labor/Management Relations

Index	Data	Reason for Omission/Explanation

402-1 Minimum notice periods regarding operational changes	• Changes in Work Duties are handled locally and efforts are made for cross training of associates particularly in manufacturing.	

GRI 403: Occupational Health and Safety 2016

Index	Data	Reason for Omission/Explanation
403-1 Occupational health and safety management system	• See AHFA, EFEC and Management systems	
403-2 Hazard identification, risk assessment, and incident investigation	• Included in Climate Change, through EFEC requirements for each location as impact analysis	
403-3 Occupational health services	• Addressing Work with High Risk of Injury, See recordable data in report	
403-4 Worker participation, consultation, and communication on occupational health and safety	• EH&S corporate calls, meeting and training.	

GRI 404: Training and Education

Index	Data	Reason for Omission/Explanation
404-1 Average hOurs of training per year per employee	• Human ResOurce Development	Data unavailable: information on the average time spent in training by employees is not collected currently

404-2 Programs for upgrading employee skills and transition assistance programs	• Human ResOurce Development	Compliance training is required for EH&S and in HR department
404-3 Percentage of employees receiving regular performance and career development reviews	• Regular Performance and Career Reviews	

GRI 405: Diversity and Equal Opportunity

Index	Data	Reason for Omission/Explanation
405-1 Diversity of governance bodies and employees	• Diversity and Inclusion (PP.) • Data Summary (Human Rights and Labor) (P.)	
405-2 Ratio of basic salary and remuneration of women to men	• Base Salary and Total Salary per Employee by Gender	Across the Company, remuneration is based on skills and performance, but is not defined by gender. Remuneration also varies according to factors such as age and qualifications and experience.

GRI 406: Non-discrimination

Index	Data	Reason for Omission/Explanation
406-1 Incidents of discrimination and corrective actions taken	• Respecting Human Rights	

GRI 407: Freedom of Association and Collective Bargaining

Index	Data	Reason for Omission/Explanation
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	• Respecting Basic Workers' Rights, Including Freedom of Association • Socially Responsible Procurement	Confidentiality: disclosure of said information restricted from Ethan Allen's standpoint due to the confidentiality risks relating to some content. Suppliers are given and expected to comply with the Ethan Allen Supplier Guidelines, and a dedicated hotline exists to provide people with related information.

GRI 408: Child Labor

Index	Data	Reason for Omission/Explanation
408-1 Operations and suppliers at significant risk for incidents of child labor ISS 360 Child Labor	• Eliminating Child Labor and Forced Labor • Socially Responsible Product Compliance Audits • Third Party Audits include Child labor evaluation	Confidentiality: disclosure of said information restricted from Ethan Allen's standpoint due to the confidentiality risks relating to some content. Suppliers are given and expected to comply with the Ethan Allen Supplier requirements.

GRI 409: Forced or Compulsory Labor

Index	Data	Reason for Omission/Explanation
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	• Ethan Allen's Supply Chain and the Fulfillment of its Social Responsibility • Eliminating Child Labor and Forced Labor	Confidentiality: disclosure of said information restricted from Ethan Allen's standpoint due to the confidentiality risks relating to some content. Suppliers are given and expected to comply with the Ethan Allen Supplier Code of Conduct

GRI 410: Security Practices

Index	Data	Reason for Omission/Explanation
410-1 Security personnel trained in human rights policies or procedures	—	Not applicable

GRI 411: Rights of Indigenous Peoples

Index	Data	Reason for Omission/Explanation
411-1 Incidents of violations involving rights of indigenous peoples	—	Not applicable

GRI 412: Human Rights Assessment

Index	Data	Reason for Omission/Explanation
412-1 Operations that have been subject to human rights reviews or impact assessments ISS 302, 316, 317, 318, 329, 331, Human Rights Corruption	• Management Approach (Human Rights and Labor) • Respecting Human Rights • The company has not suffered a major human rights controversy. Human right policy is described on Web and via policy docs. Training is part of the requirements and a governance hotline has been formally established. • Vendor Code of Conduct	

ISS 335 Water Right Policy	The company is not in a high-risk area for water but does recognize the right for water as a basic human right.	
412-2 Employee training on human rights policies or procedures	• Code of Conduct training, anti-harassment, etc. conducted via HR programs	
412-3 Significant investment agreements and contracts that include human rights clauses or that underWent human rights screening	• Supplier Evaluations and Ongoing Surveys Incorporating Environmental and Social Perspectives	

GRI 413: Local Communities

Index	Data	Reason for Omission/Explanation
413-1 Operations with local community engagement, impact assessments, and development programs	• Ethan Allen Social Contributions are site specific and include local community engagement	Local environmental impact assessments are made prior to constructing any operating sites to ensure there are no critical issues. All sites operate with proper consideration for the local environment and community.
413-2 Operations with significant actual and potential negative impacts on local communities	• Contributing to a Society in Harmony with Nature (PP.63-66) (2.5MB) • Social Contribution (PP.97-106) (1.0MB)	See above

GRI 414: Supplier Social Assessment 2016

Index	Data	Reason for Omission/Explanation
414-1 New suppliers that Were screened using social criteria ISS 344 Supplier performance and assistance ISS 345, 336, 337 Supplier audit programs ISS 349 Economic inclusion ISS 350 Environmental performance screening ISS 352, 353 Disclosure of top suppliers	• Socially Responsible Procurement (PP. • Third part auditors on a three year schedule	Prior to entering any business relationship with a new supplier, Ethan Allen conducts checks to see if the company meets Ethan Allen standards in areas such as finances, management set-up, business ethics, and environmental protection. Only firms meeting the criteria are registered on Ethan Allen's official Supplier List. Suppliers are expected to follow Ethan Allen Human Rights policy. The company produces safe products but does not educate consumers about ways to become fully integrated into the banking system addressing economic inclusion. Ethan Allen send periodic questionnaires to Our suppliers regarding what they do to support EMS or what certified or registered companies they are associated with. In addition, Ethan Allen follows the EPA method for preferable purchasing of goods and services. Ethan Allen uses its supplier lists for various purposes but does not disclose this list for the competitive market advantage with long lasting business partners.
414-2 Negative social impacts in the supply chain and actions taken ISS 354, 357, 358 Disclosure of human trafficking risks on supply chain	non-disclosure	Confidentiality: disclosure of said information restricted due to confidentiality risks relating to parts of content. To Our knowledge there has been no negative social impacts of human trafficking on supply chain.

GRI 415: Public Policy

Index	Data	Reason for Omission/Explanation
415-1 Political contributions	non-disclosure	Confidentiality: disclosure of said information restricted due to confidentiality risks relating to parts of content

GRI 416: Customer Health and Safety

Index	Data	Reason for Omission/Explanation
416-1 Assessment of the health and safety impacts of product and service categories	• Ensuring Product Safety	No significant issues noted in 2018
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	• Product recalls • Process for Responding to Quality Issues	No significant non-compliances noted in 2018

GRI 417: Marketing and Labeling

Index	Data	Reason for Omission/Explanation
417-1 Requirements for product and service information and labeling	• California Carb labeling, Bedding, etc.	All labeling is applied as required and there have been no citations or violations of labeling in 2018.
417-2 Incidents of non-compliance concerning product and service	• Process for Responding to Quality Issues	No significant incidence reported in 2018.

information and labeling		
417-3 Incidents of non-compliance concerning marketing communications	non-disclosure	Confidentiality: any compliance violations resulting in penalties, fines or punishments are disclosed appropriately in the reports filed with relevant government entities

GRI 418: Customer Privacy

Index	Data	Reason for Omission/Explanation
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	• Ensuring Complete Information Security	No Breaches in security have been noted in 2018

GRI 419: Socioeconomic Compliance

Index	Data	Reason for Omission/Explanation
419-1 Non-compliance with laws and regulations in the social and economic area	• Compliance 10 K Annual Report	No related major fines, penalties or sanctions Were levied on the Ethan Allen in 2018.