



L A Z B O Y
I N C O R P O R A T E D

DELIVER SUSTAINABLE COMFORT

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT 2021

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A MESSAGE FROM OUR CEO

Our unrelenting commitment to producing high-quality, comfortable furniture differentiates La-Z-Boy Incorporated in the marketplace. But that's not all. For nearly 100 years, we've committed to do right by our customers, our consumers, our employees, our shareholders, and the planet.

In our inaugural environmental, social and governance (ESG) report, I'm proud to share how our continued investments into sustainable products, a healthy planet, and a values-based culture are driving results – even in today's unpredictable and dynamic landscape.

Our intentional commitment to agility allows us to rapidly evolve in response to changing consumer preferences, a high-demand environment, and the needs of the planet and our people. Despite the challenges we've collectively faced over the past two years, our ability to adapt and persevere has enabled our teams to continue to live our mission of transforming rooms, homes, and entire communities.

Our commitment to sustainability, diversity, equity and inclusion, and strong corporate governance is key to this ability. When we say we Deliver Sustainable Comfort, we mean it. Whether innovating for our consumers with sustainable and durable product designs, or acting with integrity in our interactions with employees, partners, our communities, and the planet, we seek to return enduring value to every La-Z-Boy stakeholder.



Our intentional commitment to agility allows us to continuously evolve in response to changing consumer preferences, a high-demand *environment*, and the needs of the *planet* and our *people*.



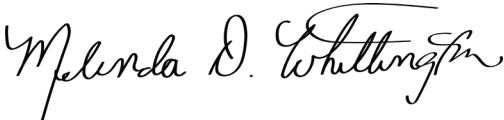
A MESSAGE FROM OUR CEO *cont.*

We've been dedicated to resource stewardship for decades. Our commitment to continuous improvement has helped hone our focus and impact. Most recently, we set ambitious goals and achieved historic milestones that will propel our sustainability program into the future.

- We set an ambition to reach net-zero emissions by 2050 and took concrete actions to begin reducing our carbon footprint in pursuit of our goal. For example, we established a virtual power purchase agreement (VPPA) to help us address the carbon footprint of more than 90% of our current total annual U.S. energy consumption.
- We added and improved training processes to help us scale quickly in the safest way possible while delivering products that live up to the La-Z-Boy name.
- We launched the Supplier Inclusion Program, which seeks to ensure inclusion is a component of every product we make.
- I personally signed the CEO Action for Diversity & Inclusion [pledge](#) to accelerate the cultivation of an inclusive and trusting workplace.
- And, we donated a combined total of \$2.7 million to non-profit organizations and to communities where we operate through La-Z-Boy Incorporated and the La-Z-Boy Foundation.

In 2027, La-Z-Boy Incorporated will celebrate 100 years as a business leader. Corporate responsibility is a foundational part of our Century Vision strategy to build the La-Z-Boy of tomorrow that can, and will, endure for many years to come. Our goal for our stakeholders is to grow our brands sustainably and provide our consumers with an exceptional end-to-end experience.

I am delighted to lead La-Z-Boy Incorporated during this time of significant growth, impact, and opportunity. I'm committed to serving our business through our core values of Courage, Curiosity, and Compassion, while working together with our stakeholders to bring the transformational power of comfort to life.



Melinda D. Whittington
President and CEO



2021 ESG HIGHLIGHTS

In 2021, we made notable progress across three key pillars: Sustainable Design, Sustainable Planet, and Sustainable Culture.



SUSTAINABLE DESIGN

- Sourced more than 74% of our wood from renewable, plantation-grown sources.
- Received a High Score on the Wood Furniture Scorecard, an initiative of the National Wildlife Federation and Sustainable Furnishings Council to show the progress of sustainability initiatives by furniture companies.
- Awarded GREENGUARD Gold Certification which demonstrates that our products meet rigorous standards for low volatile organic compound (VOC) emissions.
- Established the Supplier Inclusion Program, which seeks to ensure inclusion is a component of every product we make.



SUSTAINABLE PLANET

- Joined the Science Based Targets initiative (SBTi) to reach net-zero emissions by 2050.
- Executed a VPPA to help us address the carbon footprint of more than 90% of our current total annual U.S. energy consumption.
- Completed a physical and policy risk assessment aligned with guidance from the Task Force on Climate-related Financial Disclosures (TCFD) and evaluated our Scope 3 emissions to gain a better understanding of our footprint.
- Maintained eight existing zero-waste-to-landfill facilities in the U.S.



SUSTAINABLE CULTURE

- Signed the CEO Action for Diversity & Inclusion [pledge](#) which outlines specific actions to cultivate a diverse, inclusive and trusting environment.
- Recognized by the National Safety Council (NSC) with over 500 awards for safety performance and leadership throughout our company's history.
- Hosted on-site COVID-19 vaccination clinics at several of our North American locations, earning us recognition from [Canacintra](#), an organization in Mexico representing the industrial sector and its employees.
- Granted more than \$2.7 million to non-profit organizations through cash and in-kind donations from La-Z-Boy Incorporated and the La-Z-Boy Foundation.
- Appointed Erika Alexander, Chief Global Officer, Global Operations for Marriott International, to our Board of Directors, which as of June 2022 is comprised of 64% women and/or ethnically diverse Directors.

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FOX GLOVE AND BUMBLE BEE – PHOTO TAKEN AT
THE LA-Z-BOY INCORPORATED HEADQUARTERS IN
MONROE, MICHIGAN. OUR HEADQUARTERS HAS MORE
THAN 80 ACRES OF FOREST AND FIELD THAT IS BEING
LEFT UNDEVELOPED TO PROMOTE BIODIVERSITY.

INTRODUCING *DELIVER* *SUSTAINABLE COMFORT*


For nearly 100 years, La-Z-Boy Incorporated has delivered quality and comfort to families around the world. As we build the La-Z-Boy of tomorrow, our goal is to *make the world a better place* through the transformational power of comfort. This means we embrace curiosity for sustainable design, operate with compassion for a sustainable planet, and empower courage for a sustainable culture. Put simply, we *Deliver Sustainable Comfort*.


Deliver Sustainable Comfort is the philosophy embedded into our ESG initiatives. In this inaugural ESG report, we share our efforts under three key pillars: Sustainable Design, Sustainable Planet, and Sustainable Culture.

INTRODUCING *DELIVER SUSTAINABLE COMFORT* *cont.*

About Us

La-Z-Boy Incorporated is the leading global producer of reclining chairs and the second-largest manufacturer and distributor of residential furniture in the U.S. The La-Z-Boy Furniture Galleries® retail store network is the third-largest retailer of single-branded furniture in the U.S. We manufacture, market, import, export, distribute, and retail upholstered furniture products under the La-Z-Boy®, England, Kincaid®, and Joybird® tradenames. We also import, distribute, and retail accessories and casegoods (wood) furniture products under the Kincaid®, American Drew®, Hammary®, and Joybird® tradenames.

 **55**
Approximate number of countries products sold in

 **12.5M**
Square feet of proprietary floor space worldwide

 **\$2.4B**
FY2022 sales

 **12,800**
Employees



MISSION

Lead the global furnishings industry by leveraging our expertise in comfort, providing the best consumer experience, creating the highest-quality products, and empowering our people to transform rooms, homes, and communities.

PURPOSE



VALUES



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SUSTAINABLE DESIGN

*Embracing curiosity to develop
innovative products*

We embrace curiosity at La-Z-Boy Incorporated as a core value. Our inquisitiveness helps us identify innovative opportunities for our products that uphold our commitment to quality, rely on sustainable materials, and drive best practices in our supplier partnerships.



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UPHOLDING QUALITY AND INNOVATING FOR SUSTAINABILITY

A key element of our Century Vision strategy is to provide consumers with an excellent end-to-end experience.

And, with our name synonymous with quality, comfort and motion, we're capitalizing on these attributes to expand our business in a responsible way while meeting growing consumer expectations for sustainable design.

At La-Z-Boy Incorporated, sustainable design is more than good for the environment; it also means that we innovate for sustainability, building high-quality comfort that is built to last. Our quality expectations and standards are among the best in the industry. Despite the wear and tear of everyday use, our furniture is designed for durability, resulting in longer life and less landfill waste.

The collaborative efforts and expertise of our Research and Development, Engineering, Merchandising, and Sourcing teams enable us to incorporate sustainable attributes throughout our product lifecycle without sacrificing quality, strength, structure, safety, or performance.

These cross-functional efforts have yielded key sustainability wins.

- More than 600,000 pounds of wood and metal were reduced annually in the packaging required to ship furniture components. This improvement resulted in significant savings in freight costs, less inbound freight, and a reduction in overall packaging and carbon emissions.
- Our Dayton, Tennessee site biomass system operates using sawdust from the manufacturing process. The system includes an induction chiller to heat and cool the facility and provides steam for the kiln drying process.



Ensuring Tip-Over Safety

Product safety is of paramount importance at La-Z-Boy Incorporated. Our employees actively participate in the [American Home Furnishings Alliance \(AHFA\)](#), a trade association that acts as the industry's authority on all health, safety, and environmental information. Our CEO is also proud to sit on its Board of Directors. All our products meet various AHFA safety standards, including [ASTM F2057-19, Standard Safety Specification for Clothing Storage Units](#), which is intended to reduce injury and death from accidents involving dressers and other similar products. Our Director of ESG, Sustainability and Product Compliance played a critical role as co-chair of the Test Proposal Committee for ASTM F2057-19.

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SOURCING SUSTAINABLE MATERIALS

La-Z-Boy Incorporated regularly evaluates new materials and technologies with the goal of improving our product sustainability. When we find solutions that do not sacrifice quality, we pursue more sustainable options.

Wood

La-Z-Boy sources wood-based materials from responsible, well-managed forestry programs that do not contribute to deforestation¹. More than 74% of our wood comes from renewable, plantation-grown sources. Further, 50% of this total comes from an acceptable plantation source, meaning that the plantation was not the result of the conversion of natural forest in the last 25 years.

We work with our wood suppliers to ensure best practices in forest management are observed. Almost 90% of our domestic wood suppliers are members of the National Hardwood Lumber Association, the Kentucky Forest Industry Association, or other sustainable lumber organizations.

For some furniture lines, we source Forest Stewardship Council (FSC) certified wood, which comes from responsibly managed forests that provide environmental, social, and economic benefits. We also use many other wood- and fiber-based materials made with recycled or recovered paper. Whatever the country of origin, all wood used in our furniture complies with requirements of the [European Union Timber Regulation](#) and the [U.S. Lacey Act](#).

We regularly engage with regulators, peers, and academia to promote sustainable forestry practices. For example, we actively participate in the [Sustainable Furnishings Council](#) to expand the adoption of environmentally sustainable practices across the home furnishings industry.



63,601

Total weight (in metric tons) of
wood fiber purchased in FY21

¹ Learn more in our [Responsible Wood Sourcing Policy](#).



In 2021, we received a *High Score on the Wood Furniture Scorecard*, an initiative of the National Wildlife Federation and Sustainable Furnishings Council to show the progress of sustainability initiatives by furniture companies.

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Chemicals

We take great care to use safe materials that prioritize customer health in our products. La-Z-Boy Incorporated has been awarded [GREENGUARD Gold Certification](#) which demonstrates that our products meet rigorous standards for low VOC emissions and protect the integrity of indoor air quality where they are used.

We have further initiated new testing requirements for chemicals in our products to ensure compliance with U.S., European Union and other global regulations where our products are sold.

Other Commodities

We strive to source materials that are sustainable, or produced in a sustainable way, across our commodity portfolio, including metal, leather, fabrics, polyurethane foam, and molded plastics.

For example, conserve™ Sustainable Fabrics, which are available on most La-Z-Boy branded products, are made from polyethylene terephthalate (PET) sourced from recycled water bottles. When consumers purchase a recliner or sofa made with this soft, durable fabric, they help divert between 50 and 110 water bottles from landfills.

OUR STATE-OF-THE-ART INNOVATION
CENTER ALLOWS US TO TEST AND DEVELOP
SUSTAINABLE PRODUCTS AND MATERIALS.

In fiscal 2022, more than three million recycled water bottles were used to make furniture with conserve™ fabric. Looking ahead, we plan to introduce other sustainable fabrics for our furniture.

To make our Series 30 and Series 40 bases, we utilize resourced steel, which is made from 100% discarded railroad rails. Additionally, one of our suppliers uses electric arc furnaces (EAF) in its production, reducing the carbon impact 3x over traditionally manufactured steel. The EAF process also allows for production from 100% scrap metal feedstock which further reduces the need to produce virgin steel.



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Our emphasis on sustainable impact and supply chain management practices are widely recognized in the industry, and our suppliers know that we strive to enhance our lean and responsible processes. We look to leaders – regardless of industry – to mirror best practices for our continuous improvement.

Our Supplier Expectations

To do business with La-Z-Boy Incorporated, suppliers must comply with our [Supplier Code of Conduct](#) and other [Supplier Requirements](#), including:

- **Legal requirements.** We expect that any product supplied to us adheres to all applicable legal requirements for manufacturing, distribution, and sale.
- **Internal requirements.** Our team works closely with suppliers to ensure their business practices conform to our expectations and standards for ethics, quality, fair labor, safety, and the environment. Suppliers must also meet additional La-Z-Boy Incorporated requirements to reduce the environmental impact of our products.

Our suppliers must also follow the labor and safety compliance requirements detailed in our [Social Compliance Supplier Manual](#). This document reflects our commitment to the Universal Declaration of Human Rights and the International Labor Organization (ILO) conventions.

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Assessing Suppliers

La-Z-Boy Incorporated monitors and assesses supplier compliance in several ways.

- We expect all suppliers to regularly perform self-assessments and ensure compliance with our requirements.
- We require international suppliers to submit their social compliance self-assessment questionnaire.
- We perform onsite audits at selected production locations by either La-Z-Boy Incorporated or a designated third-party representative.
- We prioritize audits based on suppliers' self-assessments and our risk assessment results.

Our compliance audit framework is based on La-Z-Boy Incorporated's Code of Conduct and has three main sections:

- Human Labor Conditions
- Wages, Benefits, and Employment
- Health, Safety, and Environment

Our full audit framework and process are detailed in the [Social Compliance Supplier Manual](#).

Non-compliant suppliers are required to develop and implement a corrective and preventative action (CAPA) plan. La-Z-Boy Incorporated may visit factories to confirm that corrective actions submitted in the CAPA are performed as expected.

We regularly evaluate and update our audit program to ensure in-depth evaluations in a dynamic environment. For instance, we are implementing a more robust program to drive continuous improvement. Self-assessment requests for our top 300 suppliers are being conducted through [Sedex](#), a leading online, global platform for managing and improving supply chain transparency. The results will help us prioritize our auditing needs and refine the depth of evaluations performed.



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Fostering Inclusion in our Supply Chain

La-Z-Boy Incorporated's core values of courage, curiosity, and compassion drive our ambition to become a stronger, more diverse, and effective company. Our Global Procurement and Sourcing team created the Supplier Inclusion Program, which seeks to ensure inclusion is a component of every product we make.

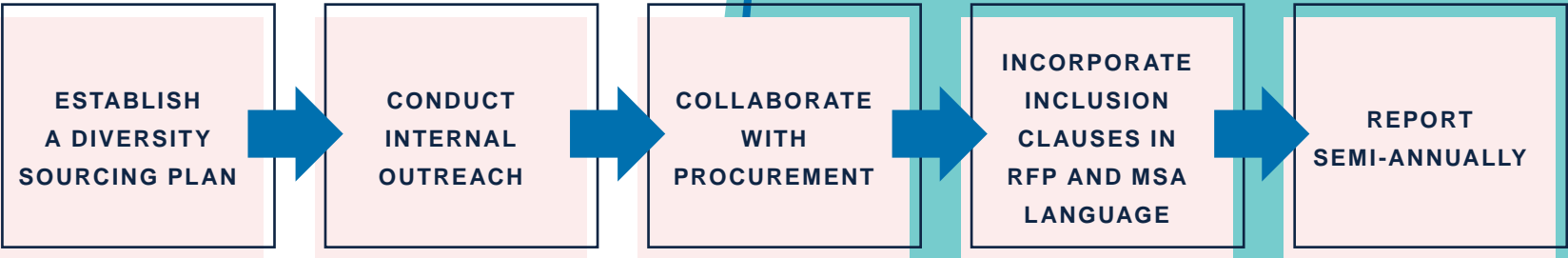
A key component of the Supplier Inclusion Program is our effort to elevate opportunities to bid on projects to historically underrepresented groups. We also encourage our top suppliers to foster inclusivity by reporting how they ensure their own suppliers grant opportunities to diverse businesses, such as those owned by minorities, women, veterans, people living with disabilities, or members of the LGBTQ+ community. We strive for all businesses to have equal opportunity to work with us, either directly or indirectly.

The Supplier Inclusion Program also takes a proactive approach to identifying diverse vendors for inclusion in future procurement opportunities. We strive to identify when supply contracts are expiring and pre-qualify diverse vendors in advance.

We updated our Code of Conduct in 2021 to ensure that inclusion and its importance to our business is reflected in our practices. In 2022, we will also track and measure the:

- Number of procurement bids that included a qualified, diverse supplier
- Percent of active diverse suppliers
- Volume of business awarded to diverse suppliers

Our Supplier Inclusion Process



*Our Supplier
Inclusion Mission*

Our courage empowers us to lead as Supplier Diversity change agents and make bold and inclusive sourcing decisions. Our curiosity drives us to seek quality suppliers that can help us remain at the forefront of our industry regardless of ownership structure or background. Our compassion compels us to care about those who typically do not get invited to the table of opportunity but deserve to demonstrate what they can do.

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Supply Chain Disruption

Supply chain disruption has impacted companies during the COVID-19 pandemic, and the home furnishings industry is no exception. As consumers have spent more time at home, demand for furniture has increased. A lack of component parts, freight shipping delays, and a slow manufacturing industry rebound worldwide has resulted in lower-than-normal inventory levels.

To overcome these barriers and improve customer responsiveness, we have increased production at our U.S. manufacturing plants while investing in new production lines and added production capacity in Mexico. We are also working to identify additional, dependable sources for materials and components.

We are diversifying the components used in our furniture, and adding supply from other regions to our existing Asian portfolio. This will increase component availability, decrease lengthy shipping timelines, and reduce carbon emissions.

We are also working to identify ways to reduce our reliance on specific supply streams. For example, finished wood components are mostly made in Asia and shipped to the U.S. for final assembly. We identified a faster alternative, shipping raw wood components to North America, where we complete the stain and finishing process prior to final assembly.





SUSTAINABLE PLANET

Operating our business with
compassion for the environment

We strive to operate La-Z-Boy Incorporated with compassion for the environment. We're committed to responsible stewardship and integrate environmentally sound and sustainable practices into our daily decisions.² We work to reduce emissions, increase recycling efforts, and conserve water in all areas of our business.

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Our climate ambition is to reach net-zero emissions by 2050, aligning with prevailing climate science and the Paris Agreement framework. In 2021, we joined the SBTi and have made a public commitment to set science-based decarbonization targets, which we will unveil in 2023.

We have already undertaken several initiatives to reduce our carbon footprint in advance of setting our science-based targets in 2023, including:

- A renewable energy roadmap to identify viable locations for onsite solar installations across our facilities and the overall feasibility of renewable energy across our global operations.
- A VPPA executed in 2021 with AEP Energy Partners to procure clean energy from a Texas wind farm. The project will help us address the carbon footprint of more than 90% of our current total annual U.S. energy consumption, reducing our overall electricity emissions by about 45%.
- Leadership in Energy and Environmental Design (LEED) Silver Certifications from the U.S. Green Building Council for our Monroe, Michigan world headquarters and Dayton, Tennessee Innovation Center. To achieve LEED certification, buildings must be highly resource efficient and healthy for occupants.
- We intend to align future decarbonization reporting efforts to the TCFD framework.



ADDRESSING CLIMATE CHANGE *cont.*

Evaluating Climate-related Risks

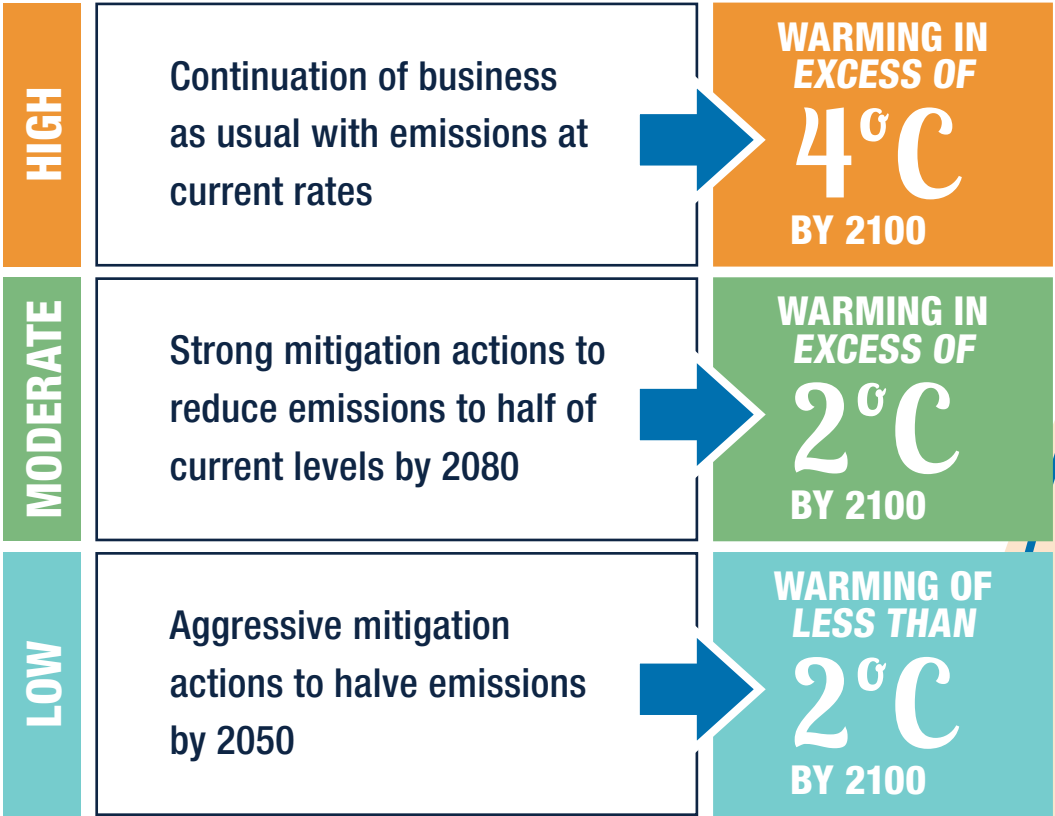
Working with a third-party partner, La-Z-Boy Incorporated recently completed a physical and policy risk assessment aligned with TCFD guidance. We evaluated our risks along three climate scenarios.

Results indicated that La-Z-Boy Incorporated’s facilities face moderate physical risk with greatest exposure to water stress, wildfire, and extreme cold temperatures. The risk levels stayed consistent across the three scenarios.

Examples of climate-related policy risk include increased pricing of greenhouse gas (GHG) emissions and increased operating costs. When considering three different scenarios of policy intervention – aligned with the scenarios above – La-Z-Boy Incorporated may face increased expenses related to carbon pricing and/or the emergence of increasing taxes on fuel or GHG emissions. Carbon pricing risk associated with Scope 3 emissions is the largest contributor to our overall policy risk.

The physical and policy risk assessment will help inform our climate strategy and decarbonization efforts moving forward.

Climate Scenarios



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Energy Efficiency

We strive to increase energy efficiency and reduce energy consumption to minimize our environmental impact and conserve natural resources.

One innovative method to increase resource efficiency is the use of wood fuels produced onsite in our facilities for steam generation. Wood fuel from sustainably managed forests is a renewable resource that reduces fossil fuel usage, emissions generation, and solid waste-to-landfill volume. The steam produced by the wood fuel is used in production operations, heating, and absorption cooling. We also sell excess wood residuals for reuse by other industries.



Driving Manufacturing
Efficiency

In July 2021, we announced plans to invest more than \$30 million over a two-year period to renovate our Neosho, Missouri, manufacturing plant, which began operations in 1970. Modernization of the 550,000 square-foot plant, which employs approximately 950 people, will improve efficiency, resulting in shorter lead times, improved customer experience, and a more resilient manufacturing footprint.



\$30M

To renovate our Neosho, MO,
manufacturing plant, which
began operations in 1970.

ADDRESSING CLIMATE CHANGE *cont.*

Energy & Emissions Data

We engaged a third-party partner in 2021 to complete an evaluation of our Scope 3 emissions to gain a better understanding of our footprint and to identify areas where we could reduce this significant and difficult-to-address emissions category.

Analysis of the data showed that Scope 3 accounts for 92% of our total emissions. Our upstream value chain is responsible for 80% of this total. Purchased goods and services (Category 1) and transportation and distribution (Category 4) are the largest upstream contributors. The downstream, end-of-life treatment of sold products (Category 12) is the second largest contributor, accounting for 18% of our total Scope 3 emissions.

The evaluation also found that our top 50 suppliers produce more than 71% of our upstream emissions, with just five suppliers accounting for 27% of the total.

We plan to develop a supplier engagement program that will encourage our partners to take climate action to reduce their own Scope 1 and 2 emissions, thereby reducing our Scope 3 footprint.

Electricity used (GJ)	249,911
LZB Branded Manufacturing	150,709
LZB Distribution Centers	7,944
LZB Retail	61,647
LZB Casegoods	17,746
LZB World HQ	11,865

FY21 ENERGY
CONSUMPTION

Natural gas used (GJ)	137,826
LZB Branded Manufacturing	34,398
LZB Distribution Centers	16,657
LZB Retail	64,111
LZB Casegoods	18,223
LZB World HQ	4,437

387,737
Total gigajoules (GJ)
of power used

FY2021 GHG
EMISSIONS³

Scope 1 direct (natural gas and diesel fuel) (tCO₂e) 23,585

LZB Branded Manufacturing	1,841
LZB Distribution Centers	838
LZB Retail	3,296
LZB Casegoods	917
LZB World HQ	223
LZB Transportation	16,470

Scope 2 (electricity) (tCO₂e) 29,247

LZB Branded Manufacturing	18,365
LZB Distribution Centers	816
LZB Retail	6,760
LZB Casegoods	1,518
LZB World HQ	1,788

Total Scope 3 emissions (tCO₂e) 637,598

³ We are evaluating methods to capture other sources of Scope 1 and 2 greenhouse gas emissions but believe these are significantly less than those provided above.

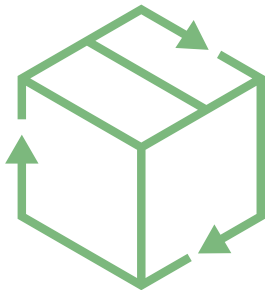
WOOD WASTE IS CONVERTED TO
ENERGY IN OUR DAYTON, TENNESSEE
MANUFACTURING PLANT

INCREASING WASTE DIVERSION WITH REDUCE, REUSE, RECYCLE

We seek to divert waste from landfills at every stage of La-Z-Boy Incorporated product development, manufacturing, and distribution.

We reuse or recycle as much material as possible from our manufacturing locations, distribution warehouses, and customer delivery processes.

- Plastic, cardboard, and metal are all recycled within our manufacturing facilities.
- Fiber batting remnants are returned to suppliers for use in new products.
- Cardboard and plastic bags are returned from our distribution centers to our manufacturing facilities for reuse.
- Furniture packaging is removed during final-mile delivery and either reused or recycled. Materials are also recycled when they can no longer be used.



4x

Cardboard boxes used to package furniture are used up to four times, on average, before being recycled.

We have eight existing zero-waste-to-landfill facilities in the U.S. and anticipate reaching zero-waste-to-landfill at our largest manufacturing site in Mexico in 2022. To achieve this goal, we have educated employees about how to minimize scrap and increase material reuse and are working with suppliers to increase waste diversion and recyclability. We intend to expand the zero-waste program to other sites in Mexico based on the Ramos facility success.

We implemented waste management best practices with our *Smash the Trash* program. The program standardized material handling at our regional distribution centers, including the proper breakdown and sorting of cardboard, pallets, hardware, and other shipping materials. The program also provides guidance on how to repurpose these materials to maximize their value and divert them from landfills. In fiscal 2022, we sent \$2 million in reusable parts back to plants.

Reused or recycled non-hazardous (lbs)	35,573,033 (96%)
Shipments to off-site waste-converted-to-energy facilities	1,138,447
Wood materials utilized in on-site wood fired boilers	8,432,972
Other reused or recycled methods	26,001,614

Waste to landfill (lbs)	1,475,667
-------------------------	-----------

37,048,700
Generated non-hazardous waste
Hazardous waste management N/A



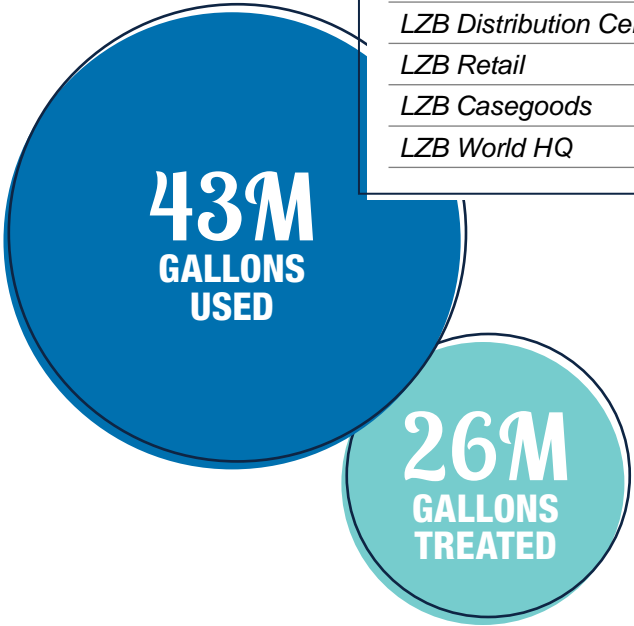
WATER CONSERVATION

To sustain La-Z-Boy Incorporated operations for the long term, it is essential to consider our impact in water scarce and water insecure regions. We strive to reduce water intensity at our facilities through conservation.

For example, one of our Mexico facilities is in a water-stressed area. To improve our water stewardship at the site and help avoid our operation negatively impacting the local community’s water needs, we made investments that will reduce water usage by more than 3 million gallons per year compared to the original design of the factory.

Water

Water use (gallons)	42,929,873
LZB Branded Manufacturing	29,337,123
LZB Distribution Centers	1,361,711
LZB Retail	11,512,690
LZB Casegoods	368,260
LZB World HQ	350,089



Celebrating Earth Day

Every Earth Day, we engage our employees to raise awareness about global climate change. Over the last two years, we gave away thousands of tree saplings and wildflower seeds to employees. We’ve also made a concerted effort at our headquarters to remove manicured lawns and plant pollinator habitats. In 2021, we welcomed two beehives to our headquarters. Nonprofit [Bees in the D](#) introduced and maintains the hives. Check out this [video](#).



A MESSAGE FROM OUR CEO

2021 ESG HIGHLIGHTS

INTRODUCING *DELIVER*
SUSTAINABLE COMFORT

SUSTAINABLE
DESIGN

SUSTAINABLE
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SUSTAINABLE
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OUR PEOPLE

KEEPING EMPLOYEES
HEALTHY AND SAFE

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BOLD STYLE WITH A
CONSCIENCE: SPOTLIGHT
ON JOYBIRD

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SUSTAINABLE CULTURE

*Empowering our people with
courage to do the right thing*

At La-Z-Boy Incorporated, we support our employees so they can make courageous choices and help our business thrive. Our people practices are linked to our sustainability initiatives. The sustainable culture we're building empowers employees to do what is right in the workplace and in our communities. From supporting our employees' careers and providing a safe and ethical work environment to giving back to the communities where we live and work, people are always at the heart of our brand.



OUR PEOPLE

Human Rights and Labor Standards

We strive to provide employees with a fair, safe, and non-discriminatory work environment. We respect and promote the Universal Declaration of Human Rights and ILO conventions that establish international human and labor rights. We also hold our business partners, suppliers, contractors, and vendors to these same standards and actively seek partners who share our values⁴.

Attracting and Retaining Talent

We make a concerted effort to ensure a diverse candidate pool during the hiring process to attract diverse talent at every level of the organization. We have also taken steps to mitigate unconscious bias in our talent acquisition process. For example, we conduct panel interviews and debrief sessions where our interviewers assess the candidate individually and potential bias is highlighted and addressed during the group's recap.

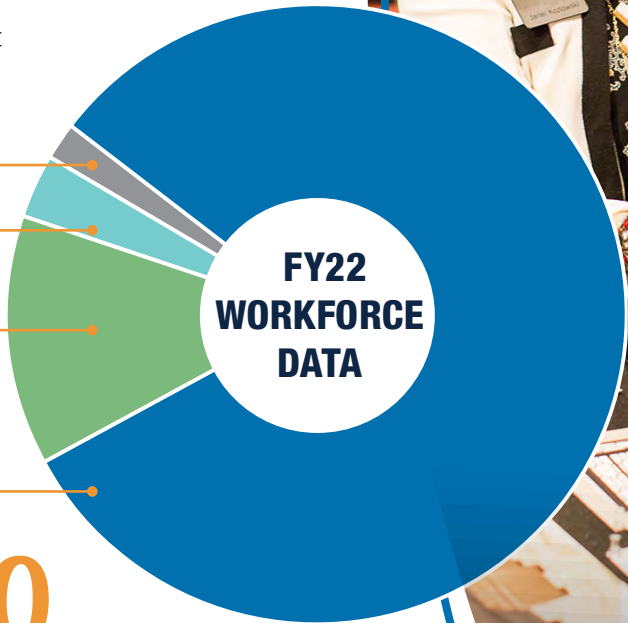
We attract new talent and retain employees in many ways. We offer competitive pay and benefits, including programs focused on wellness and retirement planning. We believe in fair pay and provide employees off-cycle salary increases to retain top talent and ensure business continuity.

We deploy a variety of pay structures to incentivize our employees to work with a customer-first mindset. For example, most of our Retail team members are paid hourly plus commission, based on the sale of goods, not delivery. This provides employees with better economic stability while motivating them to deliver exceptional customer service.

We've also implemented flexible working arrangements in many of our operations to encourage higher productivity and better work-life balance. These arrangements have been key during the COVID-19 pandemic to support employees during a challenging time and to drive retention. Flexibility has also attracted new talent to our workforce and allowed us to recruit from a broader talent pool given our ability to have certain roles be filled by employees working remotely.

Corporate	300
Joybird	500
Retail	1,500
Wholesale	10,500

12,800
Employees



⁴ Our [Code of Conduct](#) addresses employee expectations regarding respect, safety, and human rights.

EMPLOYEE SPOTLIGHT: STEFANIE GIVENS-WILSON

Stefanie Givens-Wilson joined La-Z-Boy Incorporated’s Procurement team in 2014 after a decade working in the automotive industry.

From the beginning of her tenure at La-Z-Boy Incorporated, Stefanie looked for leadership opportunities and quickly raised her hand when they became available. Two such opportunities included leading the annual Supplier Summit and the Supply Chain University program. Stefanie is a founding leader of our Diversity, Inclusion and Belonging (DIB) Council and currently the Director of Indirect Categories. Blending La-Z-Boy Incorporated’s DIB focus with procurement, Stefanie is heading the development of the Supplier Inclusion Program (see page 14).

From a young age, Stefanie has been intrigued with the differences among cultures. Her mother is a Jamaican immigrant. Her American father grew up in poverty in Detroit. Her maternal grandparents worked in the United States for five years before saving enough money to relocate their children to America. Her paternal grandmother worked tirelessly to provide food and shelter for her two sons. Stefanie credits her grandparents’ and parents’ stories with giving her an appreciation of the sacrifices people make to better themselves and their families: “People of all cultures have similar stories, and we must recognize and appreciate everyone’s unique journey.”

For many reasons, Stefanie regularly experienced the feeling of being an “outsider” throughout her childhood. This feeling of not “belonging” has influenced her career in many ways and fueled her desire to embrace other cultures, values, and ideas. In fact, early in her career, she became conversational in German and learned basic Japanese to improve working relationships with the global teams she served.

Despite her success, Stefanie is quick to acknowledge the team effort that’s needed to truly excel. She credits La-Z-Boy Incorporated and its inclusive culture for being a place where continuous learning and growth opportunities are found: “La-Z-Boy is the place where you can have an idea, present the business case for approval, and go create. Everyone’s ideas can become reality!”



“La-Z-Boy is the place where you can have an idea, present the business case for approval, and go create. *Everyone’s ideas can become reality!*”

OUR PEOPLE *cont.*

Embedding Diversity and Inclusion in Our Culture

We strive to embed inclusion into our hiring practices and to foster a culture of belonging and equity. We believe that a diverse team, with members who feel safe to bring their whole selves to work, is a high-performing one.

Our diversity, inclusion, and belonging (DIB) initiatives are supported at the highest level of La-Z-Boy Incorporated leadership, with Board-level oversight (through the Compensation and Talent Oversight Committee) and governance. CEO Melinda Whittington signed the [CEO Action for Diversity & Inclusion](#) pledge in 2021 which outlines specific actions to cultivate a diverse, inclusive and trusting environment.

Our DIB Council is a committed group of diverse leaders from across the business who act on behalf of the company to advance and manage La-Z-Boy Incorporated's DIB journey. The Council's mission is to foster an environment that attracts the best talent, values diversity-of-life experience and perspective, and encourages innovation in pursuit of that mission.

The DIB Council helped launch several initiatives in 2021.

- **Unconscious bias training.** The month of April was dedicated to understanding internal unconscious biases, including open employee dialogues to learn how team members can appreciate differences.

- **First company-wide assessment to evaluate pay equity at the office level.** The results will help drive appropriate actions to ensure a work culture that rewards merit.
- **The diversity and inclusion podcast (DIP).** This internal podcast gives employees a platform to tell their stories and encourage each other's awareness and development. To date, topics have included burnout and the importance of mental health, disability awareness, and "What is Diversity & Inclusion?"
- **Recognition of multiple holidays.** In December, we published educational content on the many holidays that hold meaning for our employees to expand recognition of the diversity of celebrations taking place throughout the season.

Our Employee Resource Groups (ERGs) provide learning opportunities and mentorship for employees. We currently have three ERGs available to all La-Z-Boy Incorporated staff.

- **Working Parent Group:** Provides opportunities to network with other working parents, discuss unique challenges, and present questions, concerns, or policy proposals to management.
- **Multi-cultural Group:** Discusses and educates employees about topics such as race, heritage, culture, and family.
- **PRIDE Group:** Fosters knowledge, support, and unity for our LGBTQ+ employees and allies.

For the first time, we
raised the pride flag at our
corporate office and our
Mexico plant during Pride
Month in June 2021.



A MESSAGE FROM OUR CEO

2021 ESG HIGHLIGHTS

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OUR PEOPLE *cont.*

Recognizing and Engaging Employees

Our employees are among the best in the industry, and we believe in the importance of recognizing their accomplishments. Our easily accessible BRAVO recognition platform is a company-wide site where managers and peers can send each other encouraging messages and rewards for a job well done.

We also conduct an enterprise-wide survey every two to three years to gauge both employee engagement and employee enablement. Our last survey was administered in 2019 with the next planned for 2022. The survey results will inform our workforce action plans to align with business goals.

Training and Development

We encourage employee growth, curiosity, and courage. We provide our workforce, in all areas of our business, opportunities for both personal and career advancement. We offer on-the-job trainings to help employees be more effective in both current and future roles. This includes thorough training in the operations and retail environment to maintain high-quality standards as we make and sell our products.

We strive to promote employees internally and provide new managers with the skills necessary to succeed. In 2021, we piloted a new leadership development program to train employees who are new to managing teams.

We also provided inclusive leadership training in 2021 to scale our culture of belonging. We will provide this training to all employees in 2022.



Human Resources Leadership in Mexico

In 2021, our local human resources (HR) director was named HR Professional of the Year by the Asociación de Administradores de Recursos Humanos Coahuila Sureste (ARHCOS), the HR association for South East Coahuila, one of the most industrialized regions of Mexico.

KEEPING EMPLOYEES HEALTHY AND SAFE

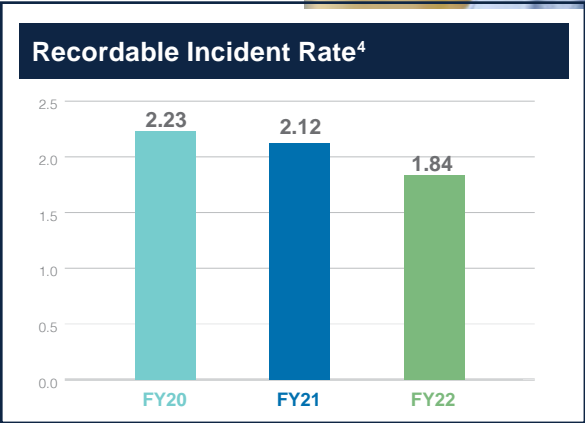
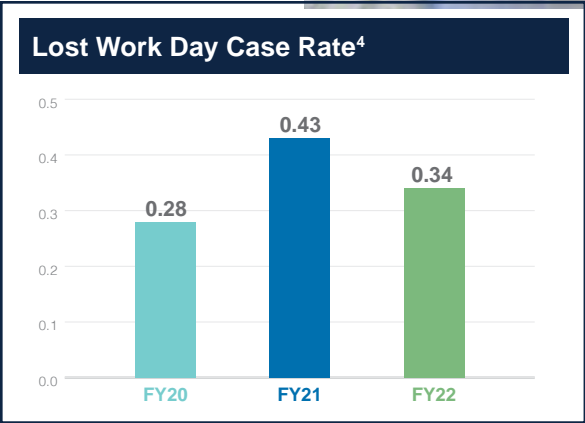
Our ethical compass guides us to go beyond what is deemed necessary to prioritize the health and safety of our employees, partners, and the people in communities where we operate.

As the largest industrial manufacturer in many regions where we do business, La-Z-Boy Incorporated recognizes our potential impact on surrounding communities. We actively partner with local agencies in these communities to build proactive emergency and contingency plans for any major incidents that may occur at our facilities and any natural disasters that may impact the region. These programs include:

- Conducting joint or integrated trainings with local fire and sheriff authorities.
- Inviting first responders to visit our sites and conduct walkthroughs.
- Making donations to fund equipment and training to help first responders improve emergency response.

We work to forge mutually beneficial relationships with agencies such as the Occupational Safety and Health Administration (OSHA) to understand how we can best adhere to health and safety practices. During COVID, for example, we worked with county health departments to approve our return-to-office and employee safety protocols before bringing employees back to our manufacturing plants.

Our safety initiatives have enabled us to reduce our OSHA Recordable Injury Rate by over 70% since 2012 — one of the best safety records in the industry. For example, in 2021, our Dayton, Tennessee facility achieved 1,171,760 consecutive hours and our Neosho, Missouri plant achieved 601,198 consecutive hours without a lost-time incident. In fiscal year 2022, La-Z-Boy Incorporated did not have any fatalities.



⁴ Calculated based on 200,000 hours worked.

KEEPING EMPLOYEES HEALTHY AND SAFE *cont.*

Scaling Health and Safety

La-Z-Boy Incorporated has experienced tremendous growth over the past two years. One of the critical challenges for our Environmental, Health, and Safety (EHS) team is maintaining and scaling our rigorous standards for health and safety during periods of high demand and expansion. For instance, we've recently launched several new facilities in Mexico alone — all with the same uncompromising safety protocols as our U.S. sites.

Training is key to maintaining high safety performance. In 2021, we redesigned our training program for our upholstery workers who build products with their hands. We streamlined the training process for these workers, with a focus on safety, and we continue to train and onboard employees in the U.S. and Mexico using this comprehensive program.

WE REGULARLY PERFORM SAFETY AUDITS.

National Safety Council Recognition

NSC has recognized La-Z-Boy Incorporated with over 500 awards for safety performance and leadership throughout the company's history. This includes our recognition as a five-time recipient of the prestigious Corporate Safety Culture Award, most recently in 2021, which honors organizations that have received more than 100 NSC awards, and the Green Cross for Safety Excellence award, which recognizes only one company each year.



A MESSAGE FROM OUR CEO

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SUSTAINABLE PLANET

SUSTAINABLE CULTURE

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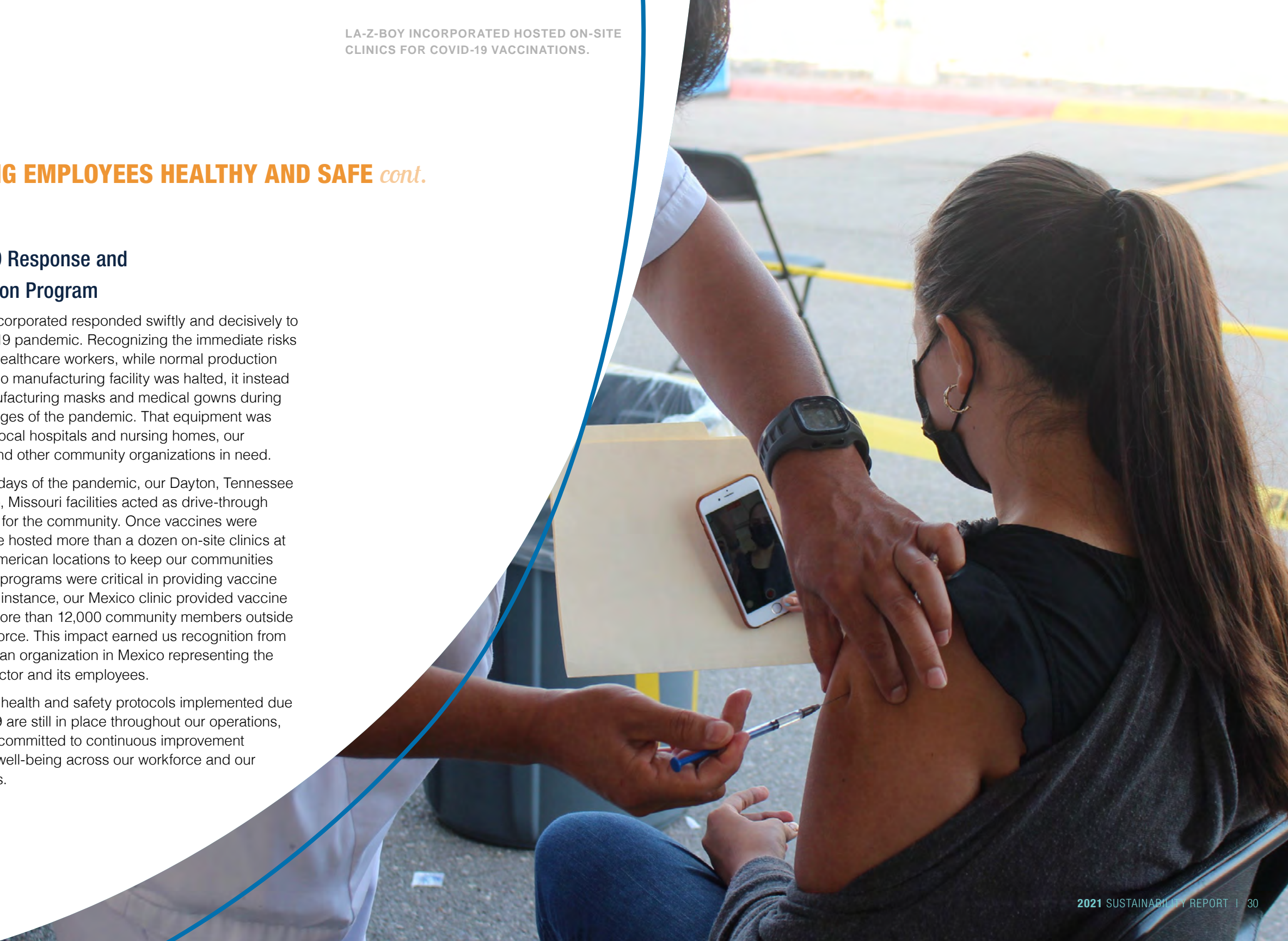
KEEPING EMPLOYEES HEALTHY AND SAFE *cont.*

COVID-19 Response and Vaccination Program

La-Z-Boy Incorporated responded swiftly and decisively to the COVID-19 pandemic. Recognizing the immediate risks to frontline healthcare workers, while normal production at our Mexico manufacturing facility was halted, it instead began manufacturing masks and medical gowns during the early stages of the pandemic. That equipment was donated to local hospitals and nursing homes, our suppliers, and other community organizations in need.

In the early days of the pandemic, our Dayton, Tennessee and Neosho, Missouri facilities acted as drive-through testing sites for the community. Once vaccines were available, we hosted more than a dozen on-site clinics at our North American locations to keep our communities safe. These programs were critical in providing vaccine access. For instance, our Mexico clinic provided vaccine access to more than 12,000 community members outside of our workforce. This impact earned us recognition from [Canacintra](#), an organization in Mexico representing the industrial sector and its employees.

Many of the health and safety protocols implemented due to COVID-19 are still in place throughout our operations, and we are committed to continuous improvement to maintain well-being across our workforce and our communities.



OUR COMMUNITIES

La-Z-Boy is committed to enhancing the quality of life in the communities where we operate. Our philanthropic initiatives include the La-Z-Boy Foundation, local community involvement, disaster relief, and Ronald McDonald House Charities. In 2021, La-Z-Boy Incorporated and the La-Z-Boy Foundation made combined total donations of more than \$2.7 million to non-profit organizations through cash and in-kind donations.

Engaging with the Communities Where We Live and Work

Each year, we host *The La-Z-Boy Summer of Caring*, a seasonal initiative that encourages and supports employee volunteerism throughout the summer. Our employees have logged more than 25,000 hours of caring since the programs launch in 2018.

In 2019, at the request of employees, we launched a sister program, *The La-Z-Boy Season of Caring*. This program extends the spirit of giving in our communities during the winter holiday season.

We rolled out the *La-Z-Boy Cares Dollars for Doers* program in 2021, which supports employees' passion for volunteering by providing financial gifts to chosen nonprofits. Employees can share with us how their volunteer time impacts the nonprofit and its work in the community, and participating employees are entered into drawings for a \$500 corporate donation to that charity.

Our *Random Acts of Kindness* initiative rewards employees who contribute to their communities in other ways, such as helping elderly neighbors shovel sidewalks or rake leaves.

La-Z-Boy Compassion Fund

New in 2022, we created a compassion fund to support La-Z-Boy employees experiencing personal hardship.



OUR COMMUNITIES *cont.*

The La-Z-Boy Foundation

The La-Z-Boy Foundation had a record grant cycle in 2021, giving away a total of \$1.6 million. A key recipient was the Distinguished Endowed Professorship at Appalachian State University, designed to increase faculty and student diversity.

Other notable 2021 beneficiaries of Foundation grants include:

- **United Way:** \$196,000 granted to agencies throughout the U.S.
- **River Raisin National Battlefield Park:** \$140,000 for educational programs.
- **Ability Tree:** Continued funding of a \$185,000 grant to serve families with disabilities through Recreation, Education, Support, and Training (R.E.S.T.).
- **Gabby's Grief Center:** Continued funding of a \$150,000 grant to complete renovations of a new facility.
- **Monroe County Opportunity Program:** \$50,000 donation to the Opportunity Center at the Arthur Lesow Community Center for campus-wide art installations created by multi-generational and multi-cultural groups, including artists and local participants.
- **Newton Neosho County Library:** Continued funding of a \$150,000 grant designated for library renovations.
- **American Furnishings Hall of Fame Foundation:** \$350,000 grant to help preserve the contributions of past, present, and future leaders of the furniture industry.
- **Neosho School District:** Continued funding of \$400,000 grant for a new Multi Sports Complex.
- **Children's Advocacy Center of Benton County, Arkansas:** Continued pledge of \$100,000 for construction of a new facility.

Ronald McDonald House Charities: Our Charity of Choice

Over the past fourteen years, we have donated more than 15,000 pieces of furniture to local [Ronald McDonald House Charities](#) (RMHC) Chapters, helped furnish over 150 new and existing Ronald McDonald House and Ronald McDonald Family Room programs across the U.S. and Canada, and extended the RMHC partnership to Australia, New Zealand and Asia. Our long-standing, multi-faceted partnership has provided \$7 million in support to help RMHC continue to provide compassionate care and essential resources to children and families being served by leading hospitals worldwide.



15,000

Donated more than 15,000
pieces of furniture

\$7 million

Provided in support to RMHC

OUR COMPANY

La-Z-Boy Incorporated is dedicated to upholding the highest ethical standards, working with honesty and integrity in all aspects of our business operations.

Maintaining Ethics and Compliance

Our [Code of Conduct](#) provides a clear and thorough ethics standard for all employees, officers, and directors with respect to interactions with customers, vendors, and other staff. We updated this document in 2021 to make the language more accessible to all employees. It was translated into multiple languages, and signage for the Ethics Hotline was posted throughout our facilities that includes a QR code to our external third-party hotline administrator to make it easy for employees to contact the appropriate team for questions or concerns. Employees also undergo annual training on ethics and the Code of Conduct.

We also rolled out an updated Ethics Hotline in 2021 to make it easy for employees and suppliers to report any concerns. This line is available 24 hours a day and is operated by a third-party. Reports are taken by trained professionals and promptly forwarded to our legal department. Employees may also communicate any concerns through a dedicated online portal.



OUR COMPANY *cont.*

Board Oversight of Sustainability

The La-Z-Boy Incorporated Board of Directors oversees environmental and sustainability risks. It has a direct role in shaping the organization’s sustainability roadmap and is integrally involved in our decision to pursue a net-zero emissions goal. We regularly report on compliance and sustainability to the entire Board.

The Compensation and Talent Oversight Committee of the Board focuses on human capital and diversity. We are actively considering how best to tie our incentive compensation to company performance on ESG key performance indicators.

Our VP of Sustainability and Environmental Health and Safety reports directly to the La-Z-Boy Incorporated leadership team and regularly provides updates to the La-Z-Boy Incorporated Board of Directors.

Seating Equity on our Board

Our commitment to inclusion starts at the top and we are prioritizing diversity, ESG, and human capital management experience in our Board of Directors refreshment and succession planning. As of June 2022, 64% of our Board is comprised of women and/or ethnically diverse Directors and 82% have human capital management-related expertise.

In October 2021, we appointed Erika Alexander to the Board. Ms. Alexander is the Chief Global Officer, Global Operations for Marriott International, where she is responsible for key strategic disciplines, including sustainability. She is also an associate member of Marriott’s Inclusion and Social Impact Committee, a Board-level committee focused on the inclusive advancement of women and underrepresented groups; the company’s efforts to promote diverse hotel owners, customers, and vendors; and the company’s efforts to address ESG issues.

BOLD STYLE WITH A CONSCIENCE: SPOTLIGHT ON JOYBIRD

Joybird is a team of empowered individuals who refuse to settle when it comes to style, sustainability, and inclusivity. Our bold, beautiful designs never sacrifice quality, the planet or our culture. We are focused on innovating to develop more meaningful ways to reflect our values – be that in our products, for our people or for the Earth.



We're **designing boldly**. We are working diligently to ensure everything that goes into our furniture, from the raw materials, the skills from artisans around the world, and more is as sustainable and ethical as possible. Looking ahead, our goal is to have 75% of our furniture products made with recyclable materials by 2030.

We're **prioritizing the planet**. Through our New to You partnership with FloorFound, we've created a marketplace for returned furniture items. The program is a sustainable way to shop for customers choosing re-commerce to reduce their environmental footprint. New to You has diverted 13,000 pounds of product from landfills.

We're **empowering people**. We took the [ParityPledge](#). This means we commit to interviewing and considering at least one qualified woman and person of color for every open role, VP and higher.

Joybird focuses on partnerships aligned to our efforts around design, environment and culture. Since March 2021, Joybird has partnered with nonprofit [One Tree Planted](#) to finance reforestation and restoration programs in North America. As of June 2022, we have planted 180,250 trees and restored more than 300 acres of forest across California, Minnesota, and Nova Scotia.



A MESSAGE FROM OUR CEO

2021 ESG HIGHLIGHTS

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SUSTAINABLE COMFORT

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ABOUT THIS REPORT

This is La-Z-Boy Incorporated’s inaugural ESG report. We’ve included disclosures from the Sustainability Accounting Standards Board (SASB) Building Products and Furnishings Standard, on page 37, and we are working toward aligning future reporting efforts with guidance from TCFD.

Qualitative and environmental quantitative information in this report was derived from our activities in both calendar year 2021 and fiscal year 2021 (which ended in April 2021). Other quantitative data reflects fiscal year 2022 (which ended in April 2022). Quantitative data does not include recently acquired Furnico and its facilities. We intend to integrate this information into our future data collection efforts.

We plan to publish an interim report in Q4 2022 to capture fiscal year 2022 environmental quantitative data. Moving forward, we will publish on an annual basis.

Questions or comments about our ESG activities and reporting efforts can be directed to investorrelations@la-z-boy.com.



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SASB REPORTING INDEX

Category	Accounting Metric	Code	Location/Response
Energy Management in Manufacturing	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	CG-BF-130a.1	Energy and Emissions Data, page 20 In the United States, renewable electricity generated from our VPPA (see page 17) addresses approximately 45% of our electricity usage.
Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-BF-250a.1	Chemicals, page 11
	Percentage of eligible products, by revenue, that meet VOC emissions and content standards	CG-BF-250a.2	We have completed GREENGUARD Gold Certification testing for more than 70% of our upholstered La-Z-Boy products. The remaining products meet all VOC emissions and content standards but we have not verified this externally.
Product Lifecycle Environmental Impacts	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	CG-BF-410a.1	Sustainable Design, pages 9-11
	(1) Weight of end-of life material recovered, (2) Percentage of recovered materials recycled	CG-BF-410a.2	Increasing Waste Diversion with Reduce, Reuse, Recycle, page 21
Wood Supply Chain Management	(1) Total weight of wood fiber materials purchased, (2) Percentage from third-party certified forestlands, (3) Percentage by standard, (4) Percentage certified to other wood fiber standards, (5) Percentage by standard	CG-BF-430a.1	Wood, page 10
Activity Metrics	Annual production	CG-BF-000.A	2,970,140 units
	Area of manufacturing facilities	CG-BF-000.B	105,602.5 m ²

Cautionary Note Regarding Forward-Looking Statements

La-Z-Boy Incorporated and its subsidiaries (individually and collectively, “we,” “our,” “us,” “La-Z-Boy” or the “Company”) make “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Generally, forward-looking statements include information concerning expectations, projections or trends relating to our results of operations, financial results, financial condition, strategic initiatives and plans, expenses, dividends, share repurchases, liquidity, use of cash and cash requirements, borrowing capacity, investments, future economic performance, business and industry and the effect of the novel coronavirus (“COVID-19”) pandemic on our business operations and financial results.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements may include words such as “anticipates,” “believes,” “continues,” “estimates,” “expects,” “feels,” “forecasts,” “hopes,” “intends,” “plans,” “projects,” “likely,” “seeks,” “short-term,” “non-recurring,” “one-time,” “outlook,” “target,” “unusual,” or words of similar meaning, or future or conditional verbs, such as “will,” “should,” “could,” or “may.” A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. You should not place undue reliance on forward-looking statements, which speak to our views only as of the date of this report. These forward-looking statements are all based on currently available operating, financial, and competitive information and are subject to various risks and uncertainties, many of which are unforeseeable and beyond our control, such as the continuing and developing impact of, and uncertainty caused by, the COVID-19 pandemic. Additional risks and uncertainties that we do not presently know about or that we currently consider to be immaterial may also affect our business operations and financial performance.

Our actual future results and trends may differ materially from those we anticipate depending on a variety of factors, including, but not limited to, the risks and uncertainties discussed in our Annual Report for the year ended April 30, 2022, under Item 1A, “Risk Factors” and Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. Any or all of the forward-looking statements contained in our Annual Report or any other public statement made by us, including by our management, may turn out to be incorrect. We are including this cautionary note to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason.