A Closer Look at Sustainability

2025 SUSTAINABILITY REPORT

FLEXCO
AMERICAN-MADE FLOORING

Welcome

We are pleased to welcome you to Flexco's first sustainability report, a celebration of the progress we've made to date to drive sustainability across our company in reference to environmental, social and governance (ESG) areas as well as an introduction to the new strategy that will move us forward.

This report has been developed with reference to the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Unless otherwise stated, data and updates relate to the 2025 calendar year and only relate to Flexco as a subsidiary.

This report contains forward-looking statements regarding Roppe Holding Company's (RHC) sustainability goals, targets, and intentions. These statements reflect current plans and reasonable assumptions as of the date of publication and are not guarantees of future performance. Actual outcomes may differ due to changes in business conditions, assessment results, regulatory factors, operational priorities, and other uncertainties. RHC undertakes no obligation to update these statements after publication. The goals in this report represent genuine commitments. We will report on progress in future editions.

Welcome to Flexco's first sustainability report

It has been an honor to take the reins of Roppe Holding Company, following 67 years of vision and leadership from Donald Miller. Don and the Miller family built something remarkable: a company grounded in respect for our employees, customers, and communities, with a culture that consistently puts people first. Those values are the foundation for what comes next.

Leading RHC carries personal meaning for me. Before stepping into this role, I served as Vice President of Operations at Flexco in Tuscumbia, where I worked alongside a team whose talent, ingenuity, and commitment to service shape this business every day. That experience gave me firsthand belief in what Flexco can achieve – and I'm proud to continue the journey with this team.

In March 2026, RHC took a defining step into our next chapter, transitioning to employee ownership. This is more than a change in structure – it is an invitation. Every member of the Flexco team now has a direct stake in our long-term success and a real role in shaping it. After more than 75 years of building Flexco's reputation in rubber and vinyl flooring, we are entering this new era as employee-owners – invested, engaged, and energized.

To guide us, in 2025 RHC developed The Path Forward, our strategic plan through 2030. It is built around four goals: improving profitability, growing the business, becoming an employer of choice, and becoming an industry leader in sustainability. We have made sustainability a core pillar because it matters deeply to our customers, our communities, and our employee-owners – and because it is integral to how we design products, run our operations, and conduct our business.

When we pull together around a common vision, we are at our strongest. Together, we will WIN.

Norm Freebeck,
CEO, RHC

About Flexco

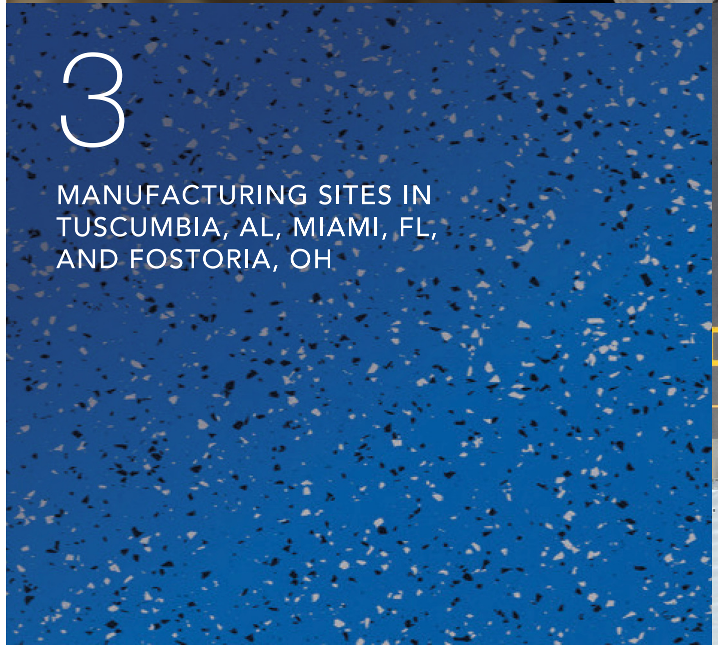
Selecting the right flooring starts with selecting the right company and, at Flexco, we're determined to be that choice. For over 75 years, we've built our reputation as an expert in rubber and vinyl flooring and a leader in delivering incredible service.

Founded in 1949, Flexco became a member of the RHC family in 2001, and we uphold a shared, group-level commitment to quality, expertise, service, and sustainability. Flexco's manufacturing is headquartered in Tuscumbia, Alabama, and we're proud to be a supplier of American-made flooring.

PROUDLY EMPLOYEE OWNED

In March 2026, RHC took a major step to transition group ownership, shifting from a family-owned, privately held business to an employee-owned company. By making this transition, RHC is strengthening the role our people play in our success, inviting them to engage more actively in our long-term productivity, resilience, and sustainable growth.

To support this evolution, we maintain an Employee Stock Ownership Plan (ESOP) Trustee who acts as an independent fiduciary to plan participants and beneficiaries. This Trustee has a duty to protect employee-owners by ensuring transactions involving ESOP shares are prudent and fair to the plan. Read more about what this defining moment in RHC's history means for company governance.



Our Sustainability Commitment

Our approach to sustainability is shaped by RHC's group-level strategy, ensuring our commitments align with broader organizational goals and standards.

Sustainability is integral to our definition of lasting success. We aim to develop products that prioritize the safety and health of our customers and employees, while delivering exceptional quality, performance, durability, and style. By putting people first, environmental criteria are naturally integrated into our process, ensuring we meet customer needs today and into the future.

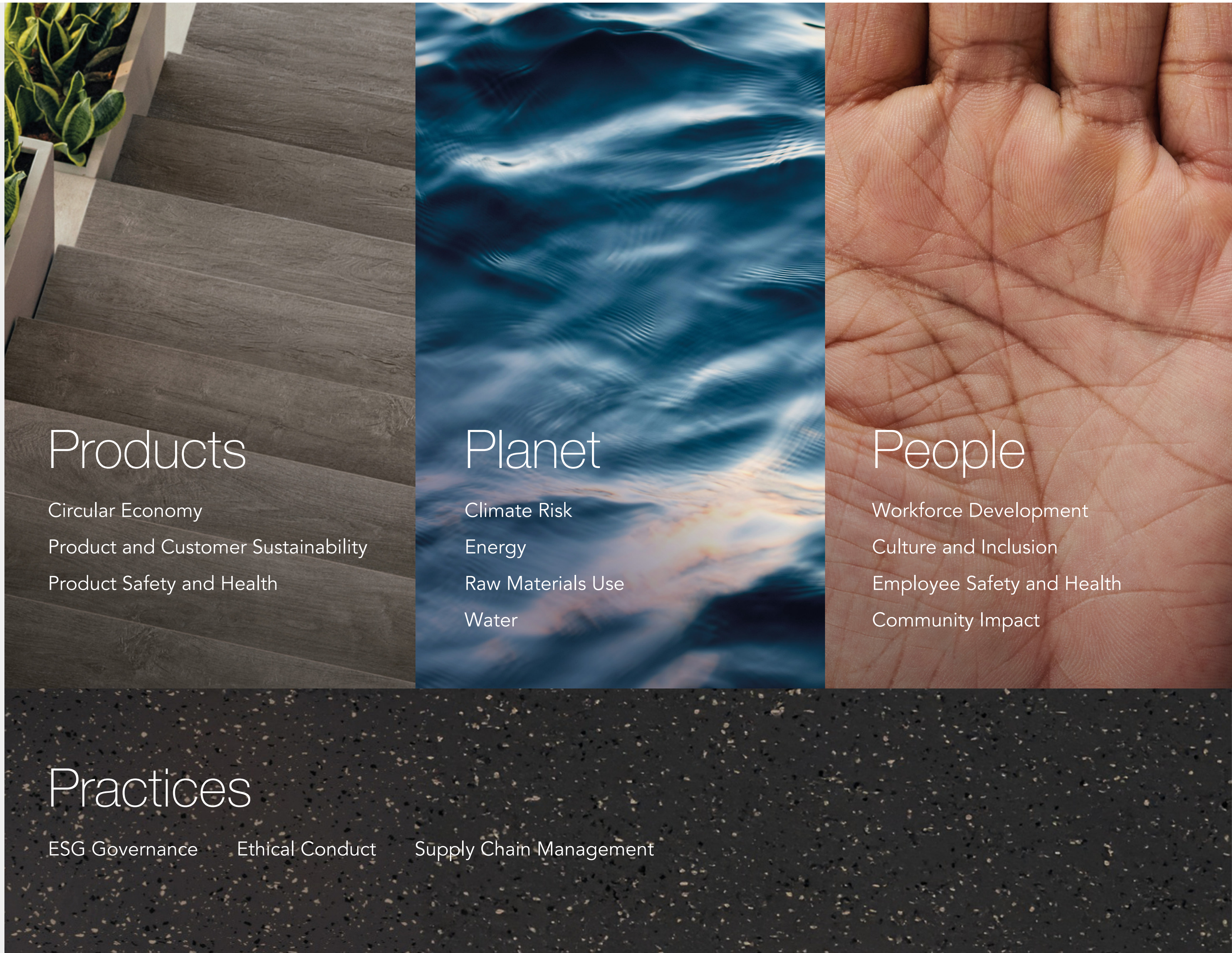
THE PATH FORWARD

In 2025, RHC introduced "The Path Forward," a comprehensive strategy that will guide sustainability efforts across all brands, including Flexco, through to 2030. This strategy is built around four key objectives, each supported by a dedicated pillar team:

- Improving profitability performance
- Growing the business profitably
- Becoming an employer of choice
- Becoming known as an industry leader in sustainability

Determining the Issues That Matter Most

To ensure our sustainability strategy is relevant and effective, RHC undertook a materiality assessment in 2025 with support from independent experts. This process involved industry benchmarking, research, and an evaluation of our value chain environmental and social impacts. As a result, 14 priority issues were identified and organized under four strategic pillars:



Products

Circular Economy

Product and Customer Sustainability

Product Safety and Health

Planet

Climate Risk

Energy

Raw Materials Use

Water

People

Workforce Development

Culture and Inclusion

Employee Safety and Health

Community Impact

Practices

ESG Governance

Ethical Conduct

Supply Chain Management

Overseeing the Path Forward

Our governance structure is implemented at the RHC level and applies to Flexco and all of RHC's wholly owned subsidiaries. With the transition to employee ownership, this structure has undergone a refresh.

Our governing body is our Board of Directors, which directs business strategy and operations and meets 4 times a year, with three board committees holding distinct responsibilities. In 2025, ESG performance was reported 4 times to the Board.[1] In addition, the ESOP Trustee serves as an independent fiduciary, evaluating matters that affect the ESOP's ownership interest and acting solely in the best interests of the ESOP participants and beneficiaries.

- **ESOP and Capital Transactions Committee:** Assists the Board in overseeing the company's ESOP and relationship with the ESOP Trustee, with a focus on promoting prudent governance and alignment between the company's long-term strategy and the interests of the ESOP.
- **Audit and Finance Committee:** Assists the Board in providing advice and guidance on the adequacy, and in overseeing the integrity, of financial reporting processes, internal control practices, audit practices, and overall financial condition.

- **Governance and Risk Management Committee (GRMC):** Assists the Board in overseeing effective corporate governance and processes for identifying, monitoring, managing, and mitigating key financial, strategic, market, operational, and regulatory risks enterprise wide.

The GRMC maintains three management-level steering committees: Intellectual Property, Insurance, and Cybersecurity. Each monitors risks in its area and has the authority to escalate them to the GRMC or the Board if necessary.

RHC's sustainability program is led by a dedicated Sustainability Pillar Team, one of four teams advancing The Path Forward. Our Director of Sustainability is responsible for identifying, addressing, and reporting sustainability-related risks and progress at semi-annual GRMC meetings and quarterly Board of Directors meetings. The Director of Sustainability may refer matters to the Chief Legal Officer and Outside Legal Counsel with expertise concerning ESG regulations and compliance where necessary.

UPHOLDING ETHICAL STANDARDS

Ethical conduct is a high-priority focus area for RHC. Under the GRMC's oversight, we are developing an internal ethics framework covering fair treatment, conflicts of interest, competition, anti-bribery and anti-corruption, equal opportunity, labor and human rights, and confidentiality, supported by training and a confidential channel for raising concerns without retaliation.

RESPONSIBLE SUPPLY CHAIN STEWARDSHIP

Our supply chain is a vital component of the Flexco business, and we look to partner with suppliers who share our values. In line with the RHC Supplier Code of Conduct, we set minimum expectations for labor and human rights, environmental stewardship, ethics, and due diligence. 90% of our strategic suppliers have signed the Supplier Code of Conduct to date.[2]

The assessment process for new suppliers is managed collaboratively by Purchasing, Sustainability, and Legal and Risk Management teams, following the RHC Supplier Environmental and Social Responsibility (ESR) Policy, which is aligned with GRI standards. The rigor of new supplier assessments is determined by supplier materiality, location, environmental impact, and any regulatory or reputational history.[3] Suppliers identified as high risk are prioritized for direct engagement, which may include corrective action plans tracked through documentation and reassessment. Where significant concerns are not resolved, we may choose to discontinue the relationship. In 2025, 91% of our direct material spend was with suppliers that had been assessed on ESG criteria.[2]

1 ESG reports to the Board occur at a Roppe Holding Company (RHC) level.
2 This metric represents data at a Roppe Holding Company (RHC) level.
3 This assessment primarily pertains to Tier 1 suppliers; however, RHC reserves the right to request information about upstream (Tier 2 and beyond) practices where significant risks are identified.

Our Value Chain

From raw material extraction to flooring installation, we consider our impact at every stage of the value chain. To do so effectively, we engage with end-to-end stakeholders, collaborating on shared actions to advance sustainability efforts.

We take a multi-faceted approach to stakeholder engagement, drawing on direct relationship management, industry organization participation, and surveys to understand what matters most to them and how we can collectively reduce environmental and social impacts.

	STAKEHOLDER	ENGAGEMENT APPROACH
UPSTREAM	Approximately 50 suppliers.	Our primary supplier engagement mechanism is the ESR assessment process. We also engage suppliers on quality, sustainability expectations, and product development.
OPERATIONS	Employees across three manufacturing facilities and two distribution centers.	While we do not currently have a formal employee engagement program, this is a strategic priority for 2026–2030 under our "The Path Forward" plan.
OPERATIONS	Employees of RHC logistics as well as external carriers.	
DOWNSTREAM	18 dedicated stocking distributor partners across the U.S. and Canada.	Distributor relationships are managed by sales representatives and senior leadership. Regular communication covers product updates, market feedback, pricing, and support. We periodically host distributor partners for plant tours, product education, and engagement with manufacturing and leadership teams.
DOWNSTREAM	A range of buyers, including: contractors and subcontractors; architects, designers, and specifiers; end users and institutions; national accounts and big-box retail; and end-use sectors.	Customer engagement is managed by sales and customer service. Specifier relationships are managed by field sales who support architecture and design firms with product specification, technical information, and responses to sustainability inquiries.
DOWNSTREAM	Communities	We engage our communities through philanthropic endeavors and community investment.

Products

We create flooring that combines style and science, with options for industries that range from healthcare, retail, and hospitality to government, education, workplaces, and marine. It’s all part of our commitment to delivering high-quality, made-in-the-USA options that meet customers’ exacting needs for design, performance, sustainability, and safety.

Our Commitment in Action

10.4M+

POUNDS OF MATERIAL DIVERTED FROM LANDFILL THROUGH THE RHC IMPACT PROGRAM[4]

2.6M+

POUNDS OF BIO-BASED PLASTICIZER USED IN 2025, REPLACING PETROLEUM-DERIVED INGREDIENTS

WE SPENT

$2M+

ON R&D EXPENSES IN 2025[4]

[4] This metric is collected at a Roppe Holding Company (RHC) level.

Closing the Loop on Flooring

At Flexco, we believe in getting the most out of our materials, weaving circularity into the very fabric of how we engineer products, design manufacturing processes, and manage waste. Through our IMPACT waste diversion program, we're advancing more efficient processes that eliminate waste by design and finding clever ways to repurpose, recycle, and reuse materials to give them a second life.

GIVING SCRAP MATERIAL NEW LIFE, AGAIN AND AGAIN

The first step toward greater circularity is understanding our current waste streams. Our manufacturing processes generate several distinct waste streams, including raw scrap from off-spec batches, mold flashing, cured rubber trimmings, and fine sanding dust. All of these can be reincorporated into our products or repurposed as raw material for other applications, keeping valuable material in productive use rather than sending it to landfill. Products that don't pass quality checks are too advanced in their production to be scrapped for raw material. In these cases, we evaluate each individually for reuse, reclassification, or recycling.

Our commitment to sustainability extends well beyond the factory floor, and this is reflected in our dedicated IMPACT Program. Designed to support material management across the whole product life cycle, from concept to end-of-life, the program helps us reclaim and reintegrate pre-consumer waste back into Flexco products where possible, while diverting post-consumer material to productive second-life applications. Once gathered, old rubber is processed by trusted third-party recyclers, from where it's repurposed into new products – from landscaping mulch to playground surfaces and athletic fields. By extending our responsibility beyond the installation phase, we can realize our commitment to reduce waste, maximize material use, and create more sustainable solutions at every stage. To date, 29% of our sales volume is covered by our take-back program.

CUTTING WASTE, PRESERVING QUALITY

Flexco's thermoplastic and vinyl product lines showcase the advantages of smart, sustainable material science. Unlike cured rubber, thermoplastics and vinyl can be repeatedly melted and reused without losing their fundamental qualities.

During production, trim waste and edge cuts are sent right back into the production line without needing reformulation or treatment. Performing like virgin input, this creates a closed-loop system where almost nothing goes to waste. Only small amounts of off-spec scrap are sent to external recyclers.

Created for Circularity

Wherever we can, we embed circularity into product designs, seeking clever ways to reduce material use, scrap, and waste. A shining example of this commitment in action is Tuflex® Force® – an innovative, 100% recyclable solution that incorporates cured rubber trim and rubber dust in place of virgin rubber.

Cured rubber chips perform just as well as virgin rubber, meaning there's no trade-off between sustainability and performance, while rubber dust acts as an elastometric filler, adding durability, shock absorption, and resilient underlay performance to this multi-purpose flooring.

10.4M+

POUNDS OF MATERIAL DIVERTED FROM LANDFILL THROUGH THE IMPACT PROGRAM IN 2025

Designing for the Future

Commercial flooring is a big investment, often lasting for several decades. Over that time, regulations will shift, green building standards will get stricter, and customers' expectations will evolve. That's why we always design with future developments in mind.

When it comes to reducing product footprints, one of the most effective steps we can take is to increase how long they last. We design products for durability in high-traffic commercial spaces, making sure they're dimensionally stable and resistant to wear, indentation, and surface degradation. Rubber products are also resistant to moisture damage, mold, and mildew growth, vital properties for many of the industries we serve.

OUR PRODUCT DESIGN PHILOSOPHY CENTERS ON FOUR KEY PRIORITIES:

CERTIFIED PERFORMANCE

We've made transparency a top priority, proactively developing Environmental Product Declarations (EPDs) and Health Product Declarations (HPDs) across our range. To further reinforce trust and the accuracy of our claims, we also target independent third-party certifications that verify our product attributes.

We make it straightforward for specifiers, architects, and project teams to access all our sustainability and transparency documents through a dedicated online portal. As of 2025, we have published EPDs for 16 of our products, including details of end-of-life scenarios and 82% of our sales were products with EPDs.

Our Certifications

Championing Health and Safety

When it comes to designing products, we don't just think about their performance and environmental impacts; we think about the impact they have on people, too. This includes embedding health and safety considerations deep into every Flexco solution.

As awareness of potential health risks associated with building materials grows, consumers are increasingly seeking safer options. To meet this demand, our R&D team applies uncompromising standards to every formulation, focusing on innovation that prioritizes quality, health, and safety.

We screen our formulations against widely recognized chemical hazard lists, including the Red List[5] and Prop 65,[6] carefully evaluating ingredient choices. New designs undergo rigorous volatile organic compound (VOC) emissions testing to ensure compliance with the strictest health and safety standards, with many products being FloorScore and GREENGUARD Gold certified. In 2025, 97% of our product portfolio (by sales) was certified to low-emission or indoor air quality labels, while 97% of sales were low-VOC products.

PRIORITIZING BIO-BASED ALTERNATIVES

Wherever we can, we're committed to finding bio-based alternatives to petroleum-based inputs, recognizing the benefits this can deliver in terms of both environmental impacts and human health. We're reformulating affected product lines with bio-based and epoxidized soybean oil options, in a shift that will increase renewable content, reduce potential health impacts and enhance supply chain flexibility by minimizing our dependence on finite, petroleum-based inputs.

The switch will also ensure our products are viable for green building certifications and programs that prefer phthalate-free or bio-based materials, while proactively keeping us ahead of evolving material regulations. During 2025, RHC used over 12 million pounds of bio-based plasticizer in applications where petroleum-derived chemicals – specifically terephthalates – remain industry standard.

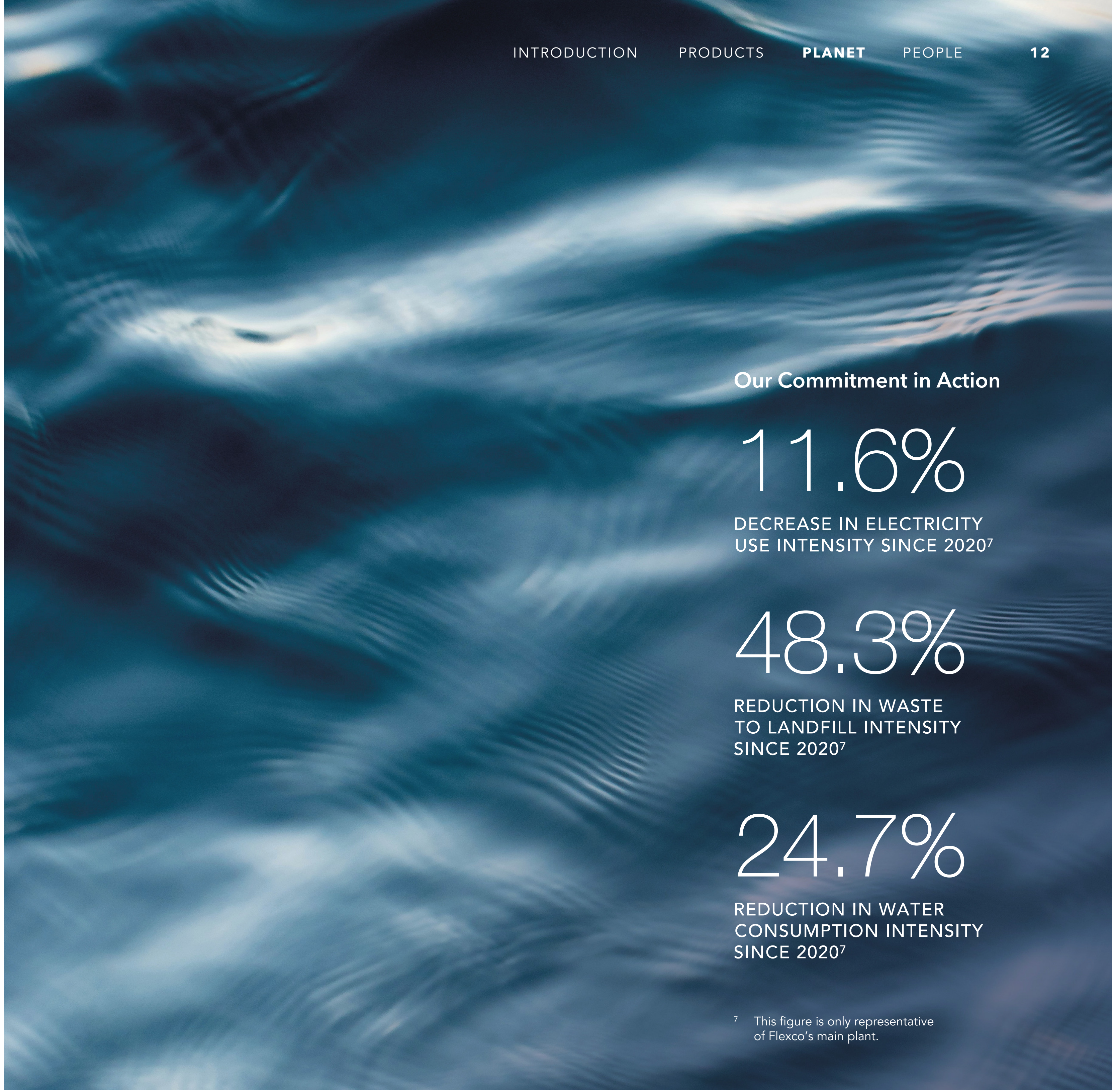
IMO Flooring: Where Safety and Performance Combine

Whether it's a military craft, a cruise ship or container ships, proprietors of sea- and river-faring vessels Flexco's IMO (International Maritime Organization) Rubber Flooring delivers safety, comfort, design, and durability. Slip-, stain-, abrasion-, and fade-resistant, this solution also prioritizes health and safety, meeting strict international safety requirements. It's PVC-free, bromine-free, and contains no toxic phthalates or halogens that could leach out. The only rubber flooring certified by the U.S. Coast Guard, our IMO flooring also carries the EU Wheelmark Declaration of Conformity, confirming its high safety and performance standards.

5 The Red List is created by the International Living Future Institute, a global nonprofit organization that is committed to cultivating a society that is socially just, culturally rich, and ecologically restorative.
6 California Proposition 65 requires warnings for products containing chemicals known to the state to cause cancer, birth defects, or reproductive harm.

Planet

We're committed to being a responsible corporate citizen and a leader in sustainability efforts across the commercial flooring industry. From responsibly sourcing raw materials to reducing the environmental impacts of manufacturing, we keep sustainability top of mind in how we operate.



Our Commitment in Action

11.6%

DECREASE IN ELECTRICITY USE INTENSITY SINCE 2020[7]

48.3%

REDUCTION IN WASTE TO LANDFILL INTENSITY SINCE 2020[7]

24.7%

REDUCTION IN WATER CONSUMPTION INTENSITY SINCE 2020[7]

[7] This figure is only representative of Flexco's main plant.

Taking Action for the Climate

We aim to lower negative environmental impacts, and one way we're doing that is through targeted climate action.

Underpinning this commitment is our participation in the Department of Energy's (DOE) Better Plants Program, designed to support U.S. manufacturers in setting ambitious energy, water, waste, and carbon reduction goals. As a result of our participation, in 2021, we set two climate goals for 2030:

25%

reduction in greenhouse gas (GHG) emissions (CO_2e/pound of product)

25%

reduction in energy intensity (kWh, MMBTU/pound of product)

Our longer-term intention is to commit to Science Based Targets initiative (SBTi)-validated targets.

A CLEAR SYSTEM FOR PROGRESS

We take a structured approach to identifying, managing, and monitoring environmental impacts, delivered at the facility level. Flexco's plants in Tuscumbia and Miami operate their own Environmental Management Systems (EMS), certified to ISO 14001:2015, to drive consistent processes, procedures, and practices. A similar system is currently in development for the Fostoria plant. Each site also delivers EMS training to employees as part of wider Environmental, Health, and Safety (EHS) learning sessions.

To strengthen consistency across facilities, the Environmental & Sustainability Steering Committee oversees each EMS. Looking ahead, RHC will develop a company-wide environmental policy and update each EMS to reflect facility-specific organizational contexts. With the refreshed ISO 14001:2026 requirements placing greater emphasis on life cycle assessments (LCAs) and climate-related risks, the Steering Committee will ensure these are reflected in the environmental impacts and aspects identified for each facility.

MITIGATING EMISSIONS

We have completed our first Scope 1 and 2 emissions inventory, covering 2024 and 2025, gathering the baseline data we need to shape a credible, action-oriented plan for the decade ahead. In the future, we will also work with our suppliers to complete a Scope 3 inventory.

Scope 1 Emissions (tCO_2e)

Scope 2 Emissions (tCO_2e)

GHG Emissions Intensity (tCO_2e/pound of product)

To transform this insight into action, RHC engaged Sustainable Solutions Corporation (SSC) to conduct a Sustainable Operations Assessment of emissions, water, and waste across our Tuscumbia and Fostoria facilities. This work will inform our emissions reduction strategy and help refine our climate targets to ensure they are credible, actionable, and grounded in operational reality. It will also guide our wider decarbonization roadmap, which prioritizes operational efficiency and equipment upgrades first, with longer-term plans for actions such as renewable energy procurement and offsets.

One key outcome of our work with SSC will be a customized Sustainable Operations Playbook. This guide will equip all operations teams with the information they need to drive efficiencies and reduce environmental impacts across all RHC facilities.

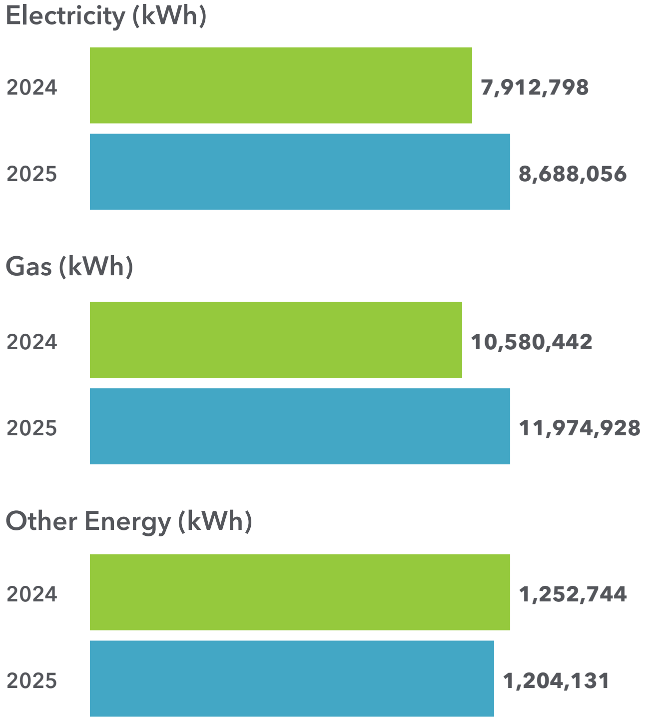
Targeting Energy Efficiencies

One of the most impactful and cost-effective ways to reduce emissions is by minimizing energy waste. So, we're prioritizing preventative infrastructure maintenance, such as tuning gas boilers, shutting off equipment in downtime, reducing use of electricity-intensive equipment, and lowering facility temperatures during weekends. We're also identifying projects to integrate more efficient systems. For example, we have recently developed a Continuous Vinyl Mixing process that reduces energy loss during idle time by eliminating the need for heat-up and cool-down cycles between batch processing. By maintaining a steady operating temperature, we can produce more product per unit of energy. This project also enables us to completely reuse vinyl scrap, keeping it out of landfill by reincorporating it into new products.

Since 2020, we have reduced electricity use by 11.6% and, in 2025, achieved an energy-intensity level of 1.20 kWh per pound of finished product. While gas consumption increased by 5.5% in the same period, due to inefficient use of gas-fired heaters during the winter months, we were pleased to see it drop by 11% between 2024 and 2025 thanks, primarily, to more proactive and accurate control of heater settings. We hope to see this figure continue to decrease as we update our EMS and identify more opportunities for energy efficiency through initiatives like our Sustainable Operations Assessment.

Moving into 2026, RHC is developing a formal energy management system, following the DOE 50001 Ready Navigator, to institutionalize energy management disciplines across all operations. This will help all RHC brands view energy efficiency holistically, rather than on a project-by-project basis.

YEAR-ON-YEAR ENERGY USE



Optimizing Compressed Air Systems

In 2025, as part of our Better Plants Program participation, RHC engaged a DOE Energy Expert to visit our Fostoria plant and train employees on energy efficiency. Through the In-Plant Training program, 17 participants got a week of hands-on learning in how to implement and replicate energy projects, particularly in relation to compressed air systems.

They learned how to optimize systems, identify leaks and prevent inappropriate uses of compressed air – capabilities which, combined, could save RHC energy alongside maintenance and operating costs. During the training, they also noted opportunities for upgrading equipment to drive greater efficiency.

Reducing Our Resource Consumption

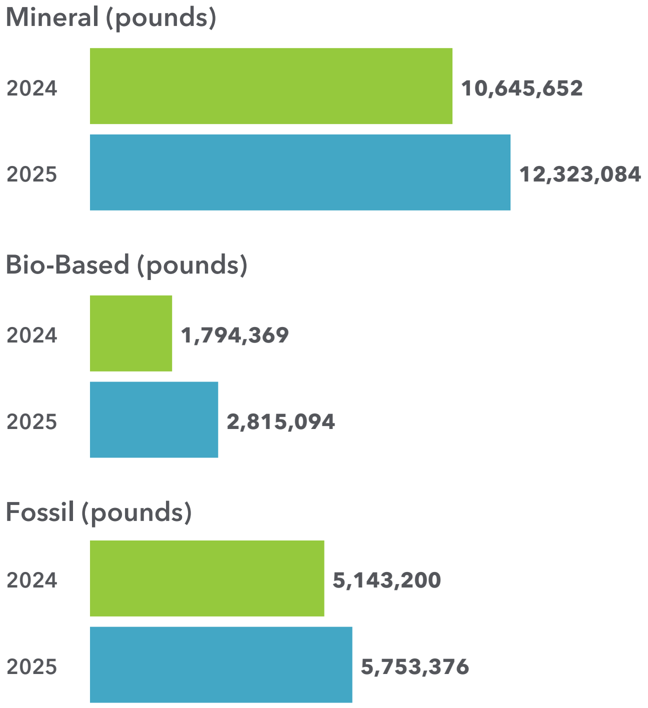
We're on a mission to help conserve natural resources, reducing our reliance on virgin materials, integrating responsible sourcing techniques and prioritizing greater use of recycled and renewable materials.

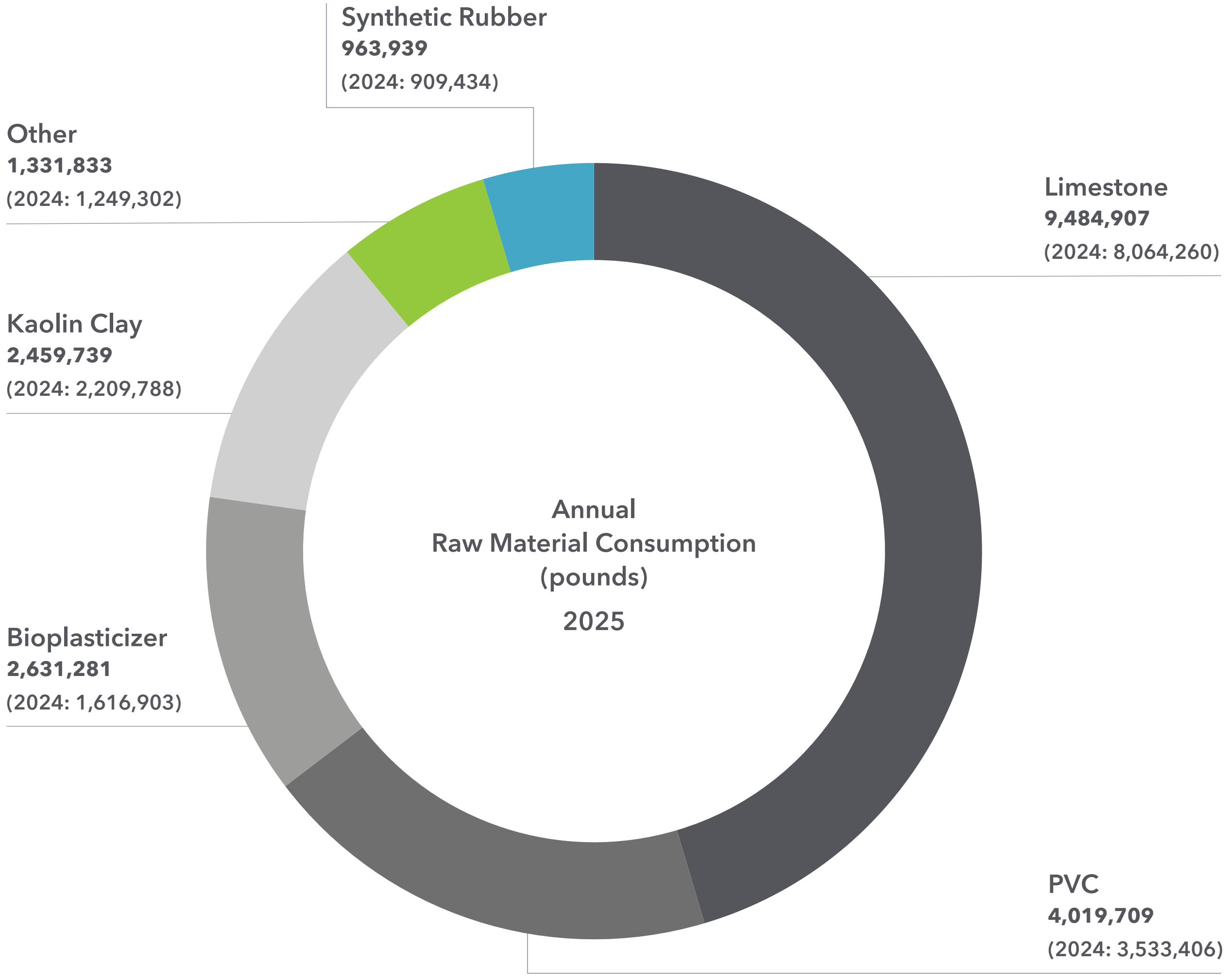
Throughout product development, wherever possible, we use recycled and recovered materials to develop our flooring. However, in some instances, virgin materials are still needed for quality and performance purposes. In these cases, we work closely with our suppliers to advance responsible sourcing practices. For example, in 2025, 100% of our PVC resin was sourced from verified responsible suppliers.[8]

Through the Sustainable Operations Assessment, we are establishing material consumption baselines across manufacturing facilities. This information will then help us formalize operational goals for reducing material intensity and scrap rate toward an ultimate aim to reduce the amount of raw material required per unit of product over time.

Where possible, we aim to use ingredients that don't contribute to resource scarcity, prioritizing abundant minerals and renewable, bio-based inputs. As of 2025, 57% of our raw materials were classified as abundant or renewable and 13% were classified as bio-based,[9] reaching a raw material intensity level of 1.13 pounds of raw material per pound of finished goods in 2025, down from 1.15 in 2024.

TOTAL RAW MATERIAL BY TYPE





8 This metric is collected at a Roppe Holding Company (RHC) level.
9 Abundant mineral resources are widely available and not subject to scarcity pressures. This includes kaolin clay and limestone, both of which are significant formulation inputs for Flexco. Renewable inputs are bio-based materials, like our bio-based plasticizers, which are derived from replenishable sources rather than fossil fuels.

ENGAGING OUR SUPPLIERS

We have developed a formal responsible sourcing program to ensure the suppliers we partner with meet our expectations. At the heart of this program is RHC's Supplier Code of Conduct. All new suppliers are screened before contract, while existing partners are reviewed periodically to ensure ongoing alignment with our expectations. The assessment covers environmental compliance, social accountability, and management systems and identifies suppliers' risk level. High-risk suppliers are expected to develop and implement a corrective action plan to remediate identified issues.

As one of our most significant raw material inputs, we take a targeted approach to responsible PVC resin sourcing, only sourcing from suppliers verified under the +Vantage Vinyl® program, the U.S. vinyl industry's sustainability program.

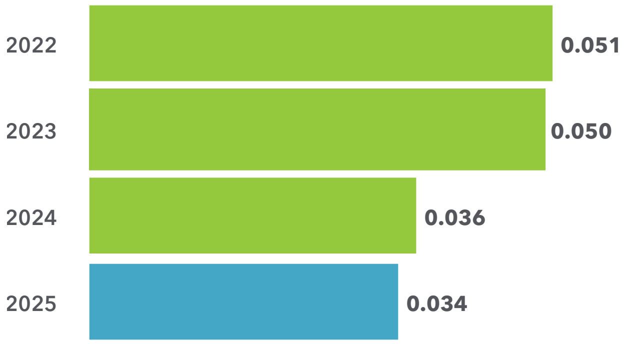
MINIMIZING OPERATIONAL WASTE

An important step in preserving natural resources is to reduce the amount of material we send to landfill, and we have a goal to reduce waste to landfill by 25% by 2030. To achieve this, we're addressing waste across both rubber and vinyl floor production.

We're closing the loop on rubber scrap waste with our IMPACT program and our Tuflex® Force® flooring. To minimize vinyl waste, we're harnessing resources from the Vinyl Institute, an advocate for PVC sustainability, to engage more recyclers in efforts to give old flooring and scraps a second life. We've also implemented a vinyl scrap material reclaim project, through which we can save an estimated 500,000 pounds of material from going to waste.

Across RHC manufacturing plants, we have achieved a 33% reduction in waste to landfill intensity, thanks, primarily, to company-wide efforts to reduce and reuse scrap material. Our offices also maintain recycling programs to help further cut our waste footprint.

RHC Manufacturing Sites Landfill Intensity (pounds to landfill per pound of material consumed)



PROTECTING WATER SOURCES

Water is a finite resource and one we are working to protect wherever we operate, particularly in water-stressed areas, where 1 of our facilities is located.[10] Having established our 2020 baseline water use, we have been working on actions to continuously reduce consumption; for example, recycling used water in the chillers we use to cool products. As a result, we are pleased to have achieved year-over-year reductions in water use. In fact, between 2020 and 2025, we reduced consumption by 24.7% meaning, in 2025, our water use intensity reached 0.03 cubic meters per pound of product.

Establishing our baseline provides a foundation for setting more targeted reduction goals. This was further supported by the Sustainable Operations Assessment SSC conducted, which included facility benchmarking, on-site water use evaluations and identification of improvement opportunities. Using this insight, we will work to set water reduction goals that reflect real-world operational opportunities and that will be institutionalized across all RHC facilities through the Sustainable Operations Playbook.

24.7%

reduction in water consumption since 2020

Annual Water Withdrawals (cubic meters)

	2024	2025
Municipal	3,654	4,208
Groundwater	459,594	518,829

MANAGING WATER IMPACTS

The majority of water used in our facilities is pumped from groundwater sources for non-contact cooling. In line with the 2023 Underground Injection Control (UIC) program, managed by the Alabama Department of Environmental Management, the quality of used and well water is checked before we discharge it back to underground sources. Additionally, aligned to the National Pollutant Discharge Elimination System (NPDES), we use Discharge Monitor Reporting lab sampling to adhere to the standards established by our UIC and NPDES permits.

[10] The data for this metric is collected at a Roppe Holding Company (RHC) level.

People

Our people are our power: they're the brains behind our innovations, the passion behind our customer service, and the drive behind our sustainability efforts. In return, we strive to create a workplace where they can flourish, encouraging a culture of collaboration, welcoming, and support.

Our Commitment in Action

31%

REDUCTION IN EMPLOYEE TURNOVER SINCE 2023

0.42%

GENDER PAY GAP IN 2025

1,309

HOURS OF HEALTH AND SAFETY TRAINING DELIVERED IN 2025

Becoming an Employer of Choice

We want to be an employer of choice, crafting meaningful employee experiences that help us attract, engage, and retain the best industry talent.

We look to multiple routes to reach potential candidates, posting available positions on various external employment platforms as well as our corporate website to reach a wide pool of promising talent. We also promote internal mobility, filling 20.7% of roles in 2025 through internal hiring or promotions. Our current recruitment rate is 31% for 2025 and we have a voluntary retention rate of 86%.

To engage early career talent, we participate in the Federation for Advanced Manufacturing Education (FAME) USA apprenticeship program. Designed to provide college-ready[11] young people with comprehensive, hands-on experience, we welcome apprenticeships every year to help advance the skills they need to enter the world of manufacturing. During 2025, we welcomed a new cohort into the program, bringing the total number of apprentices who have participated to six. Of those, we're pleased that four went on to hold full-time positions with Flexco.

New Hires

Turnover

Retention Rates

Terminations by Type

	2024	2025
Retirement	7	1
Voluntary	22	33
Involuntary	40	32
Death	0	0
Medical Leave	0	2
Layoff	0	0
Total	**69**	**68**

MEANINGFUL DEVELOPMENT OPPORTUNITIES

We support our people with meaningful opportunities to develop and advance their careers with Flexco. That's why we teamed up with a local college to provide tailored leadership development training to managers. To date, 15 Flexco leaders and managers have taken part in the course, developing the skills they need to guide their teams with confidence. We also offer an Education Assistance program through which employees can request funding from Flexco to pursue external learning opportunities that relate to their role.

FOSTERING A CULTURE OF ENGAGEMENT

Everyone should feel empowered to speak up and share their thoughts. We maintain an open-door policy, inviting employees to reach out to members of leadership with their concerns and suggestions for company improvements. To support this, we have also developed a Suggestion System, through which all hourly employees can submit ideas for improving our business, including with regards to our products and services, safety, sustainability, or production processes. These suggestions are reviewed regularly by a dedicated committee, with winning ideas implemented and the employee receiving a financial reward. During 2025, we had 36 submissions; of those, 26 were validated, covering solutions like equipment updates that enhance the reliability and lifespan of compressors to reprocessing defective flooring slabs in ways that cut processing time.

11 Each state sets its own "College Readiness" standards and qualifications (e.g., ACT scores, GPA, Accuplacer). In FAME, students must be able to enroll in all courses necessary for the FAME degree without any remedial courses (e.g., a Math 099 or English 098).

Understanding Employee Experiences
A key facet of our work to become an employer of choice is listening to, and learning from, our people. That is why, during February 2026, RHC delivered a pulse survey to gather key insights into the employee experience. More than 150 Flexco employees took part, and what we found was:

92%

said they were made to feel welcome when joining the company

95%

understand what is expected of them in their current position

92%

understand how their role impacts the company more broadly

While we are proud of these results, and the organizational strengths they highlight, we know there is always more we can do. We will use these insights to guide future programs, policies, and initiatives, informing our ongoing strategy to continuously improve the employee experience.

Giving Back to Our Communities
Our local communities are part of the Flexco fabric and we want to help our people show up for them in meaningful ways. We encourage employees to volunteer with the causes that matter to them and, throughout 2025, this included supporting organizations such as the Northwest AL Cerebral Palsy Center, Big Brothers Big Sisters, the Moulton Fire Department, and the BRAT Pack Breast Cancer Support Group. Collectively, employees volunteered 1,244 hours, demonstrating their shared commitment to making a difference in the places they call home.

A CULTURE OF ACCEPTANCE

We're advancing a workplace where everyone is treated with dignity, respect, and acceptance. This starts with operating without bias. Wherever we hire new employees, we do so based solely on qualifications. Additionally, we ensure benefits are inclusive and gender-neutral so everyone has fair access to health and wellness support. Our current gender pay gap (as the average % difference in pay) is 0.42%.[12]

Creating Time for Connection

To help foster a sense of connection among employees, we host several fun events throughout the year, including our annual picnic and Christmas Party. More than 240 employees attended the 2025 picnic, taking time to bond with their colleagues over fun activities like basketball shoot, football toss, plinko, yard Yahtzee, and a cornhole contest. The 2025 Christmas Party was also well attended, bringing together nearly 260 employees and over 100 of their children to have fun, meet Santa, and enjoy a festive lunch.

A Zero Tolerance Stance on Harassment
Everyone deserves to work free from discrimination and harassment. We maintain a strict Anti-Harassment Policy, which applies to everyone and details our stance that we will not tolerate, condone, or allow any harassment against employees or anyone conducting business with us. We encourage people to report instances of harassment and maintain a process for investigating and resolving reports.

We also maintain a zero-tolerance violence policy and encourage employees to report instances or concerns to management. Where employees are found to be directly or indirectly displaying or threatening violence, they are subject to disciplinary action, up to termination. During 2025, 90% of employees were trained on harassment and discrimination.[13]

2025 Workforce Gender Demographics

	Male	Female
Management	6.7 %	2.4 %
Workforce	65.1 %	14.9 %
Executive	0.4 %	– %
Professional	7.1 %	3.5 %

2025 Workforce Age Demographics

0-30	20.8 %
31-50	32.5 %
51+	46.7 %

2025 Workforce Ethnicity Demographics

American Indian/Alaska Native	– %
Asian	– %
Black/African American	34 %
Hispanic/Latino	1 %
Multiracial/multiethnic	1 %
Native Hawaiian/Pacific Islander	– %
Not Specified	– %
White	64 %

12 The data for this metric is collected at a Roppe Holding Company (RHC) level.
13 Training percentages represent Roppe Holding Company (RHC) level.

Maintaining Employee Health

We want the Flexco employee experience to be safe, rewarding, and enjoyable and, as part of this, we strive to uphold strong health and safety standards. At the same time, we deliver comprehensive benefits and programs tailor-made to promote employee wellbeing.

Our goal is zero accidents and injuries. To support this, we comply with all federal, state, and local safety requirements and maintain science-based policies to prevent health and safety risks across our sites. Where needed, we provide personal protective equipment to keep employees in manufacturing roles safe on the job.

Designated EHS leads at each facility provide day-to-day oversight and local accountability for safety, reporting to RHC's Chief Operating Officer (COO). Safety metrics from all sites are compiled and reported to the COO, who is ultimately responsible for safety across all RHC operations and provides regular Safety Reports at RHC's Board meetings.

2025 Health and Safety Performance[14]

Total recordable injury rate (per million hours worked)	1.86
Total lost-time injury frequency rate (per million hours worked)	0.67
Number of work-related fatalities	0
Number of work-related serious injuries	1

ENCOURAGING SHARED OWNERSHIP

Safety is everyone's responsibility and we expect all our employees to help actively identify and report potential safety hazards. We outline key safety rules that all plant employees must follow to prevent injuries, illnesses, and accidents, alongside clear guidance for reporting any incidents.

We deliver all-employee training on topics like slips/trips and falls, lifting techniques, heat awareness, hazard communication, injury reporting and investigation, and emergency action procedures. We also provide additional training to employees with specific responsibilities, such as lock out–tag out authorized users, fall protection for those working at heights, and emergency response management for supervisors. Members of the maintenance team are also required to complete OSHA 30-Hour General Industry and Qualified Rigger training. During 2025, we delivered a total of 1,309 hours of health and safety training, averaging out at 4 hours per production employee.[15]

A ROBUST BENEFITS OFFERING

Being an employer of choice is about more than just offering meaningful jobs – it's about delivering holistic care and support to our people. That's why we offer a range of benefits, designed to help employees navigate both their professional and personal lives.

Our Employee Assistance Program (EAP) offers employees and their immediate family confidential, professional help with a range of personal issues, from stress and depression to navigating family problems. People can book up to three sessions per issue per year at no cost, with 24/7 coverage for Crisis Intervention available too.

Alongside the EAP, employees can opt into medical, dental and vision plans, insurance benefits, and disability coverage. What's more, through RHC's wellness program, designed in partnership with WellRight, employees can earn points by completing activities and meeting goals across three categories: health profile, preventative care, and annual activities. These points can then be used to help employees save on their insurance premiums.

[14] The data for all metrics in this table is collected at a Roppe Holding Company (RHC) level.
[15] The data for this metric is collected at a Roppe Holding Company (RHC) level.

To learn more about sustainability at Flexco, please visit our <u>website</u>

FLEXCO®
AMERICAN-MADE FLOORING