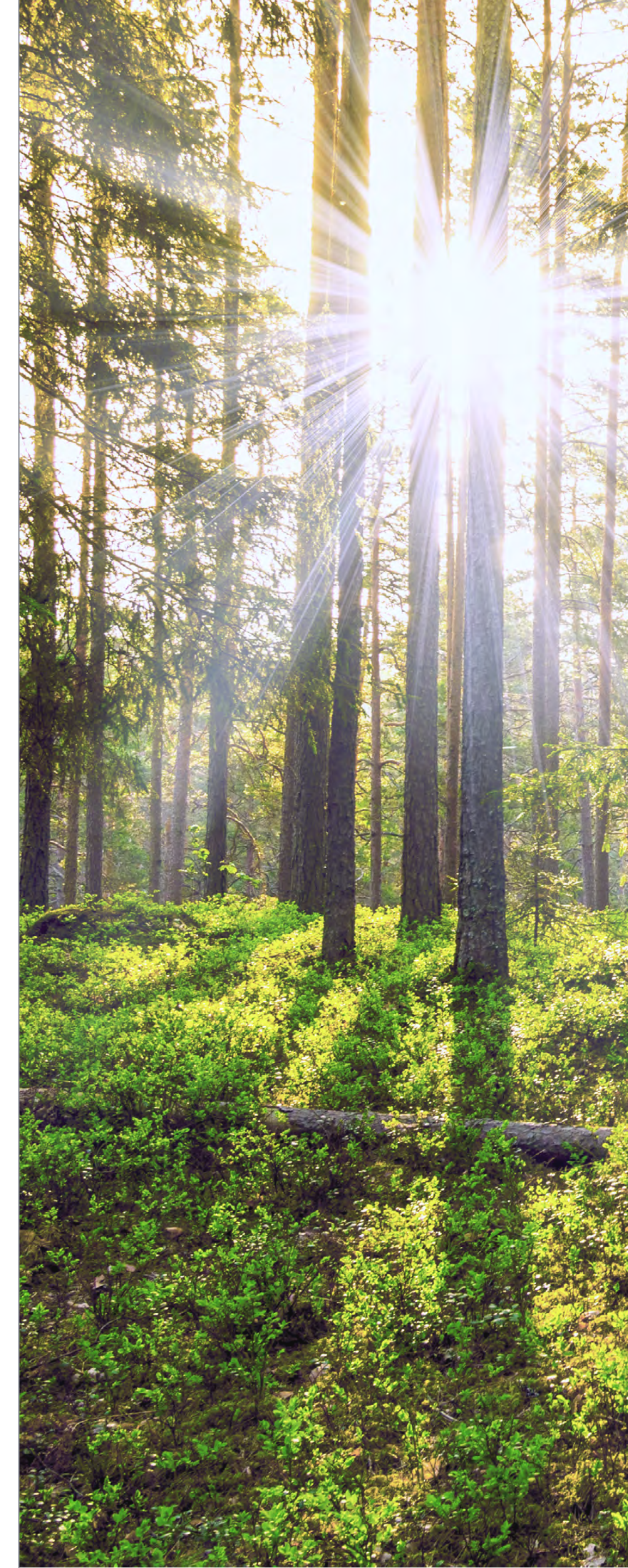




Environmental, Social and Governance Report

2023



Contents

Interactive navigation
Click to view sections

| | | | |
|--|-----------|---|-----------|
| Introduction | 3 | Environmental Commitment | 30 |
| 2023 ESG Highlights | | Climate Change and GHG Emissions | |
| Message From The President and CEO | | Climate Change Scenario Analysis | |
| Message From The Chair of Our Environmental, Health and Safety Committee | | Environmental Compliance | |
| Our ESG Strategy | | Water & Waste Management | |
| ESG Targets and Progress | | | |
| Our Business | 11 | Product Stewardship | 41 |
| About Stella-Jones | | Responsible Supply Chain | |
| Our Mission and Values | | Product Life Cycle Management | |
| How We Create Value | | Innovation | |
| Our North American Network | | | |
| Materiality | 16 | Governance Principles | 48 |
| ESG Materiality and Stakeholder Engagement | | ESG Risk Governance | |
| | | Corporate Governance | |
| Social Impact | 19 | Appendices | 53 |
| Health & Safety | | Caution Regarding Forward-Looking Statements | |
| Our People | | ESG Performance Data | |
| Indigenous Peoples | | ESG Performance Data Accounting Methodologies | |
| Communities | | GRI, SASB, and TCFD Context Index | |



About Our ESG Report

Welcome to the 2023 Stella-Jones ESG Report (“the Report”), which highlights the environmental, social and governance (“ESG”) activities our organization has conducted between January 1, 2023 and December 31, 2023.

We have prepared this Report referencing the Sustainability Accounting Standards Board (“SASB”) Building Products and Furnishings Standard, the Global Reporting Initiative (“GRI”) Standards, and the Task Force on Climate-related Financial Disclosures (“TCFD”). A detailed summary of disclosures can be found in the Appendix of this Report. References to “Stella-Jones”, “we”, “our” or “Company” refer to Stella-Jones Inc. and its operating subsidiaries, unless indicated otherwise. All amounts expressed in this Report are in Canadian dollars, except as otherwise specified.

While the contents in this Report have not been externally assured, internal resources have reviewed the information and data for quality, completeness, and accuracy. The Stella-Jones executive leadership team and Board of Directors have reviewed and approved this Report for publication. The Report is available in both English and French, with all previous years’ reports available in the Investor Relations section of Stella-Jones' website.

This Report allows us an opportunity to deepen existing conversations with our stakeholders about our sustainability programs and we welcome your feedback. Comments can be shared at sustainability@stella-jones.com.



Introduction

IN THIS SECTION

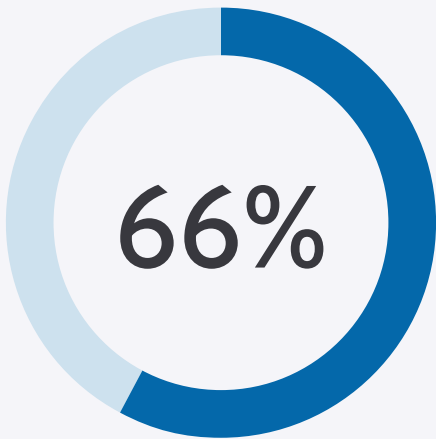
| | |
|---|----|
| 2023 ESG Highlights | 4 |
| Message From The President and CEO | 5 |
| Message From The Chair of Our Environmental, Health, and Safety Committee | 7 |
| Our ESG Strategy | 8 |
| ESG Targets and Progress | 10 |

2023 ESG Highlights

Social Impact

Participation rate in our first employee engagement survey

and a Net Promoter Score of 25, above the industry benchmark of 7.6.



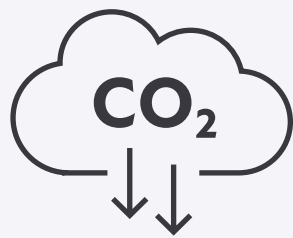
\$305M paid in employee salaries and benefits.



8% reduction in total recordable injury frequency rate compared to 2022.

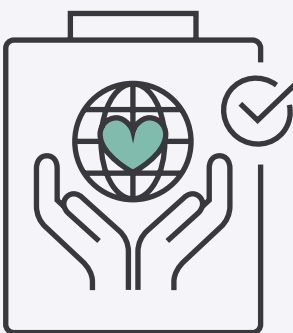
Environmental Commitment

36% of total energy consumed came from renewable sources in the form of biomass and solar energy.



Scope 3 emissions

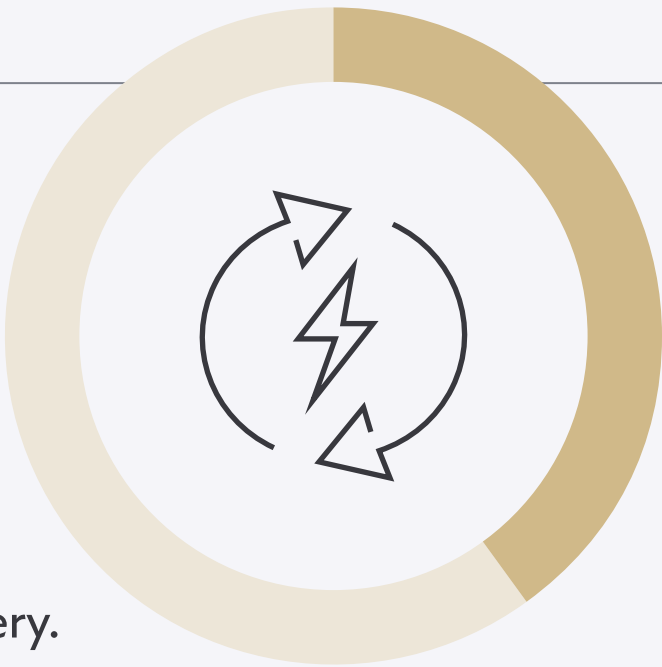
included in the GHG emissions inventory for the first time.



Completed our first climate-transition risk assessment aligning with the TCFD.

Product Stewardship

25% increase in end-of-life product re-use and energy recovery.



6 utility pole manufacturing facilities upgraded for enhanced treating capabilities.

Completed a human rights risk assessment of our supply chain.

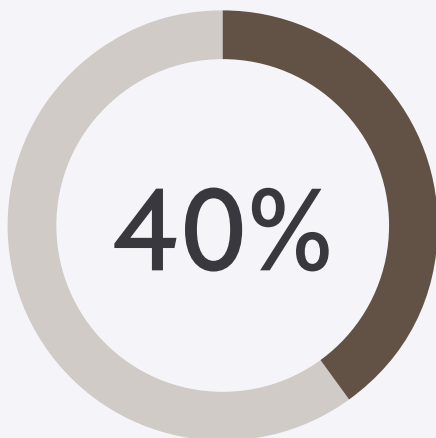
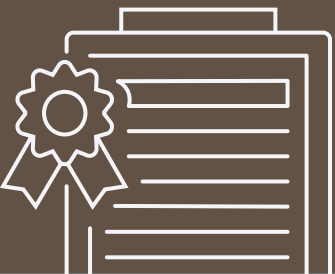


Governance Principles

Indigenous Peoples Policy and Human Rights Policy introduced.



ESG initiatives introduced in the Short-Term Incentive Plan for Senior Management.



women on the Board of Directors, exceeding the 30% gender diversity target.



Sustainability is not just about doing less harm; it's about doing more good. To be a good citizen of the future, Stella-Jones is embracing sustainable practices that ensure long-term prosperity for both people and planet.



Message From The President and CEO

Welcome to Stella-Jones' 2023 Environmental, Social and Governance report, which highlights our progress and commitment towards the sustainability objectives outlined in our formalized ESG strategy, "Connecting our Sustainable Future", inaugurated last year.

Looking beyond the record financial and operational performances we reported in 2023, Stella-Jones' success was also rooted in the forward-looking preparedness of our teams, and in their ability to transform their understanding of industry dynamics into opportunities for our business. This Future Ready approach, which was a key undercurrent of the last year, extends into our focus on sustainability. The actions we take across our value chain are carefully assessed through the lens of positive impact, and as we think of the future, we understand the importance of ownership and foresight in our sustainability practices.

A Year of Meaningful Progress

As always, **our people** are the core driver of our business, and our most valuable resource to protect. After a full year of our company-wide "Safety Matters, Because You Matter" Campaign in 2023, we are pleased to report an 8% reduction in total recordable injuries over 2022, underscoring our unwavering commitment to individual and collective accountability in workplace safety. Furthermore, and in alignment with our commitment to improve the experience we offer all our employees, we successfully conducted our inaugural employee engagement survey, achieving an impressive 66% participation rate. This strong baseline reflects the mobilization and dedication of our team.

To further support our people-first focus, we strategically enhanced our Human Resources capabilities by introducing key functions in talent acquisition and development, total rewards, and employee experience. These additions are designed to support our aspirations of delivering a superior employee experience, attracting, developing, and retaining top-tier talent, and maintaining competitive compensation. Our emphasis on people-focused sustainability not only ensures a safer workplace but also fosters a more engaged and supported workforce, aligning with our long-term vision of cultivating a thriving, motivated, and talented team.

On the **environmental** front, we made significant strides in renewable energy consumption, with a third of our energy coming from biomass and solar sources in 2023. While this marks a key advancement in our GHG reduction roadmap, we observed a 9% increase in Scope 1 and 2 GHG emissions, a pullback in our journey to achieve a 32% reduction by 2030. This increase is attributed to the exceptional operational performance we recorded in 2023, which consequently led to higher emissions. As we focus on long-term success and scalability, we humbly acknowledge these results and remain dedicated to enhancing equipment and process efficiency to meet our targets.

We are steadfast in our commitment to enhancing **product lifecycle** performance by fostering robust partnerships with suppliers and customers. This year, we rigorously evaluated all our tier 1 suppliers for social impacts as part of our Human Rights due diligence process, ensuring ethical and responsible sourcing. Additionally, we have intensified our focus on lifecycle assessment to gain deeper insights into the environmental impact of our products. These initiatives reflect our dedication to product stewardship and our ongoing efforts to innovate and lead in sustainable business practices.

Stella-Jones strives to maintain high-quality **governance** oversight across its organization, with mechanisms and policies that help ensure long-term viability and foster trust among stakeholders. To this end, our Human Rights and Indigenous Peoples policies, both inaugurated in 2023, reflect the emphasis Stella-Jones places on the respect of human rights, and our commitment to learn about Indigenous history and engage in respectful, mutually beneficial relationships with Indigenous communities in regions where we operate.

Sustainability, for Today and Tomorrow

Looking to the future, our focus remains on working towards the achievement of our near and long term sustainability and business objectives, and we continue to prioritize meaningful sustainable action within our operations and across our value chain to do so.

I wish to express my sincere gratitude toward our more than 3,000 employees, our customers, and business partners for their invaluable part in our business’ sustainability ecosystem and for their active role in future-readying Stella-Jones to be better and do better for our world.



Eric Vachon
President & Chief Executive Officer



“

One exemplary initiative that underscores our commitment to safety is our "Safety Matters Because You Matter" campaign. This initiative has played a pivotal role in contributing to yet another annual reduction in total recordable injuries, demonstrating our unwavering dedication to the well-being of our employees.



Message From The Chair of Our Environmental, Health and Safety Committee

I am pleased to share with you the significant progress made by the Stella-Jones team in advancing our Environmental, Social, and Governance initiatives throughout 2023. Our commitment to sustainability and responsible business practices remains steadfast, and I am proud to highlight some key achievements and developments from the past year.

First and foremost, I extend my heartfelt congratulations to the entire Stella-Jones team for their dedication and efforts in driving forward our ESG agenda. Through collaborative teamwork and strategic focus, we have made significant strides in further embedding sustainability principles into our core business operations.

In 2022, we embarked on a comprehensive stakeholder engagement process, resulting in the identification of six distinctive domains that serve as the strategic foundation for our ESG efforts. Building upon this foundation, 2023 saw the translation of these domains into actionable goals, quantifiable and measurable, against which our progress was rigorously assessed.

Our leadership remains committed to ensuring the full integration of ESG targets into the strategic plans of each business unit within our organization.

By fostering a culture of ownership, alignment, and accountability, we are driving meaningful progress across the entire organization.

Furthermore, we have reinforced our governance structure by strategically allocating oversight responsibilities for each of the six strategic domains to individual board committees and the overall Board of Directors. This enhanced governance framework ensures robust oversight and accountability in driving our ESG agenda forward.

As we continue on our journey towards sustainability excellence, we remain dedicated in our commitment to delivering long-term value to our shareholders, while making meaningful contributions to society and the environment.

Thank you for your continued support and confidence in Stella-Jones.

A handwritten signature in dark ink, appearing to read 'DMuzyka', written in a cursive style.

Douglas Muzyka

Chair of the Environmental, Health & Safety Committee and Corporate Director

Our ESG Strategy

Launched in 2023, our ESG strategy was developed from a thoughtful assessment of our material sustainability topics and stakeholder input on areas where Stella-Jones can create positive impact.

We match our commitment to our customers’ needs and our organic growth goals with fostering meaningful change on sustainability topics that matter to our communities.

➔ See our full ESG strategy breakdown on the following page.



Our ESG Strategy

Climate Change & GHG Emissions

We commit to reducing our emissions intensity and maximizing the carbon sequestered in our products.

- ✓ Energy Efficiency
- ✓ Renewable Energy
- ✓ Innovation

Health & Safety

We keep our people safe by reducing risks through a culture of teamwork, ownership, and continuous improvement.

- ✓ Safety Systems
- ✓ Safety Communications
- ✓ Empowering Our People

Our People

We attract and retain talented people by offering a positive work experience through inspired leadership, competitive working conditions and career development opportunities.

- ✓ Enhancing Our Employee Experience
- ✓ Developing Our People and Promoting from Within
- ✓ A Workforce that is Reflective of Our Communities



Indigenous Peoples

We commit to building lasting and collaborative relationships with Indigenous Peoples where we operate.

- ✓ Cultural Awareness and Understanding
- ✓ Relationships
- ✓ Economic Benefits

Responsible Supply Chain

We partner with responsible local suppliers to ensure the long-term sustainability of our wood supply.

- ✓ Supplier Engagement
- ✓ Sustainable Forestry
- ✓ Promote Forest Education

ESG Risk Governance

We empower our people to make informed and responsible decisions and deliver results through clear guidelines, disciplined processes and accountability.

- ✓ Strong Governance as Our Foundation
- ✓ Priority Risk Management
- ✓ Simplify Compliance

ESG Targets and Progress

Connecting Our Sustainable Future

Stella-Jones’ ESG strategy includes several milestones and measurable actions to help track our progress.

Interactive content
Click each section for more information



Climate Change & GHG Emissions

Reduce Scope 1 & 2 GHG emissions by 32% by 2030 compared to a 2022 base year.

Measure our Scope 3 emissions and assess a science-based target by 2025.

Target:

32%

Target: 2025

2023:

+9%

2023: Scope 3 completed



Indigenous Peoples

100% of Canadian salaried employees to complete Indigenous cultural awareness training by 2025.

100% of Canadian areas with forest management obligations covered by relationship agreements with willing Nations by 2030.

Target:

100%

Target:

100%

2023:

3%¹

2023:

0%



Health & Safety

Achieve an annual recordable safety incident rate below the industry average.

100% of plant monthly safety observation targets met.

Target:

<3.7

Target:

100%

2023:

3.3

2023:

84%



Responsible Supply Chain

Maintain third-party sustainability certification of 80% or higher for lumber purchases.

Complete an ESG due diligence assessment for 25% of Tier 1 suppliers by 2027.

Target:

80%

Target:

25%

2023:

82%

2023:

12.5%²



Our People

Fill 30% of job openings by internal promotions by 2027.

Establish a company-wide Diversity baseline by 2024.

Target:

30%

Target: 2024

2023:

26.5%

2023: On-track



ESG Risk Governance

100% of salaried employees to complete the new Digital Annual Policy Acknowledgement by 2024.

Launch digital onboarding training within one year of the new training module implementation.

Target:

100%

Target: 2025

2023:

75%

2023: On-track

¹All Canadian Senior Management have completed the training.
²Note: 100% of Tier 1 suppliers were assessed for social impacts, which is why this has been scored at 50% of the target.

Our Business

IN THIS SECTION

| | |
|----------------------------|----|
| About Stella-Jones | 12 |
| Our Mission and Values | 13 |
| How We Create Value | 14 |
| Our North American Network | 15 |



Stella-Jones is a leading North American producer of pressure-treated wood products.

Leveraging our coast-to-coast network of 45 wood treating facilities in North America, we continue to meet customer demand with increasing agility, and a solid financial position that provides the flexibility to fund growth opportunities.

About Stella-Jones

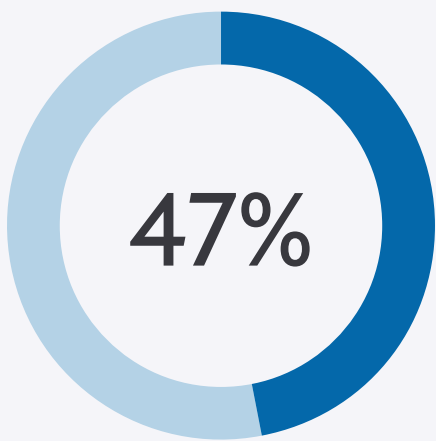
Stella-Jones is a leading North American manufacturer of pressure-treated wood products, focused on supporting infrastructure that is essential to the delivery of electrical distribution and transmission, and the operation and maintenance of railway transportation systems. It supplies the continent’s major electrical utilities and telecommunication companies with wood utility poles and North America’s Class 1, short line and commercial railroad operators with railway ties and timbers. Stella-Jones’ infrastructure product categories also include industrial products, namely wood for railway bridges and crossings, marine and foundation pilings, construction timbers and coal tar-based products. Additionally, the Company manufactures and distributes premium treated residential lumber and accessories to Canadian and American retailers for outdoor applications, with a significant portion of the business devoted to servicing Canadian customers through its national manufacturing and distribution network.

2023 Business Highlights

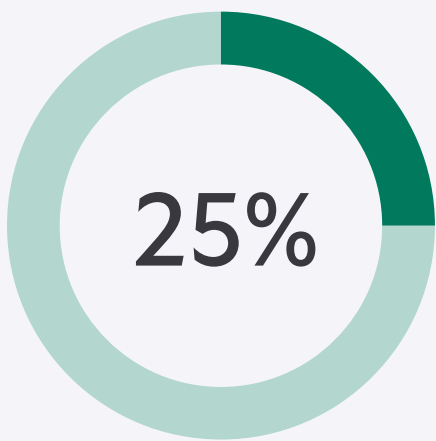
In 2023, sales increased by 8% to \$3.3 billion, marking a 23rd consecutive year of sales growth. Our resilient business model is focused on building added capacity and maintaining inventory levels to meet long-term customer demand.

All figures as of December 31, 2023.

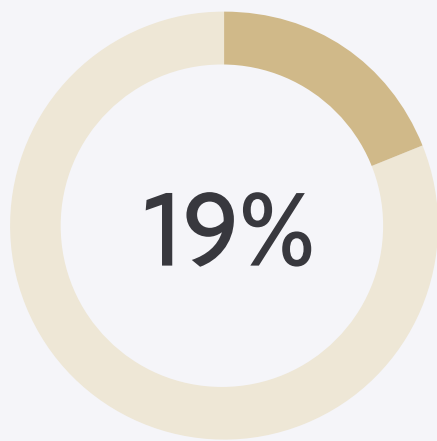
\$3.3B TOTAL SALES



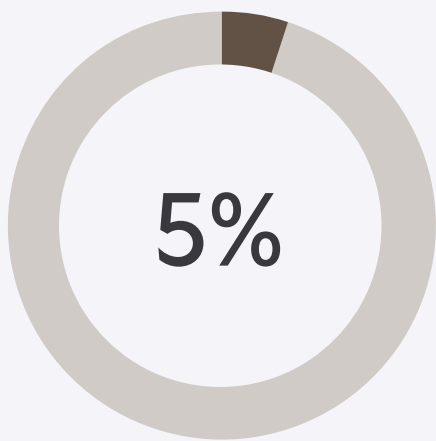
Utility Poles



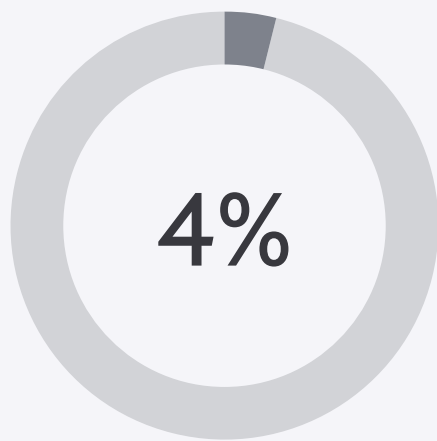
Railway Ties



Residential Lumber



Industrial Products

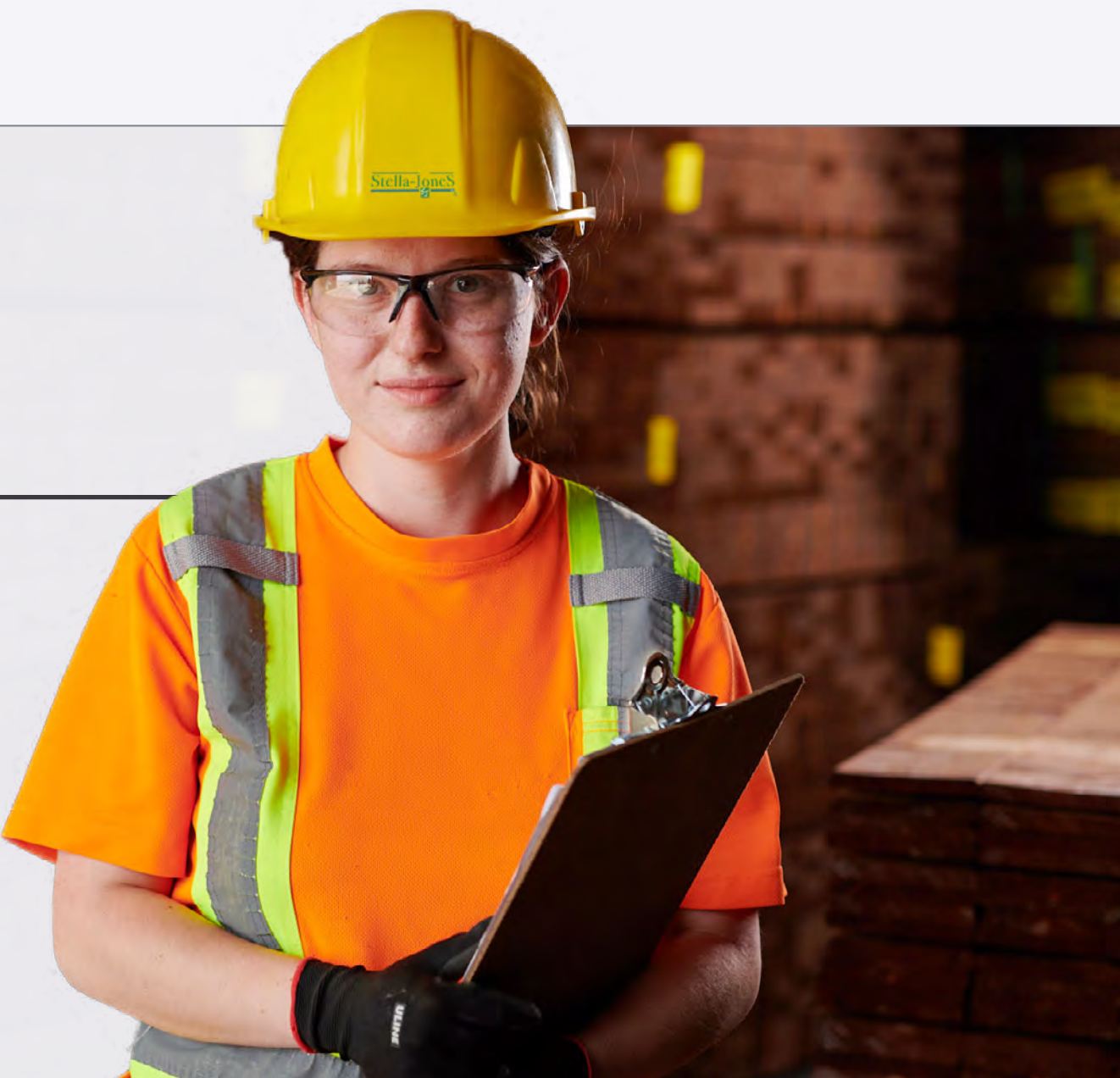


Logs & Lumber

2,945 Employees

1 Coal Tar Distillery

45 Wood Treating Facilities



Our Mission and Values

Stella-Jones aims to be the performance leader in the industries in which it operates and a responsible corporate citizen, acting with integrity and exercising a rigorous standard of environmental and social responsibility, and governance.

Integrity

We stick to our word. We act with honesty and integrity in all interactions with employees, clients, suppliers, and the public, and adhere to the highest standards of professional behavior and ethics.



Respect

We believe that the contribution of every employee is valuable. We foster a culture of inclusion in which employees are encouraged to take initiative, participate, and exchange ideas.



Teamwork

We work together to meet the needs of our customers by providing superior service and premium products.



Perseverance

We take a straightforward approach to our business, knowing that success comes through hard work and dedication.

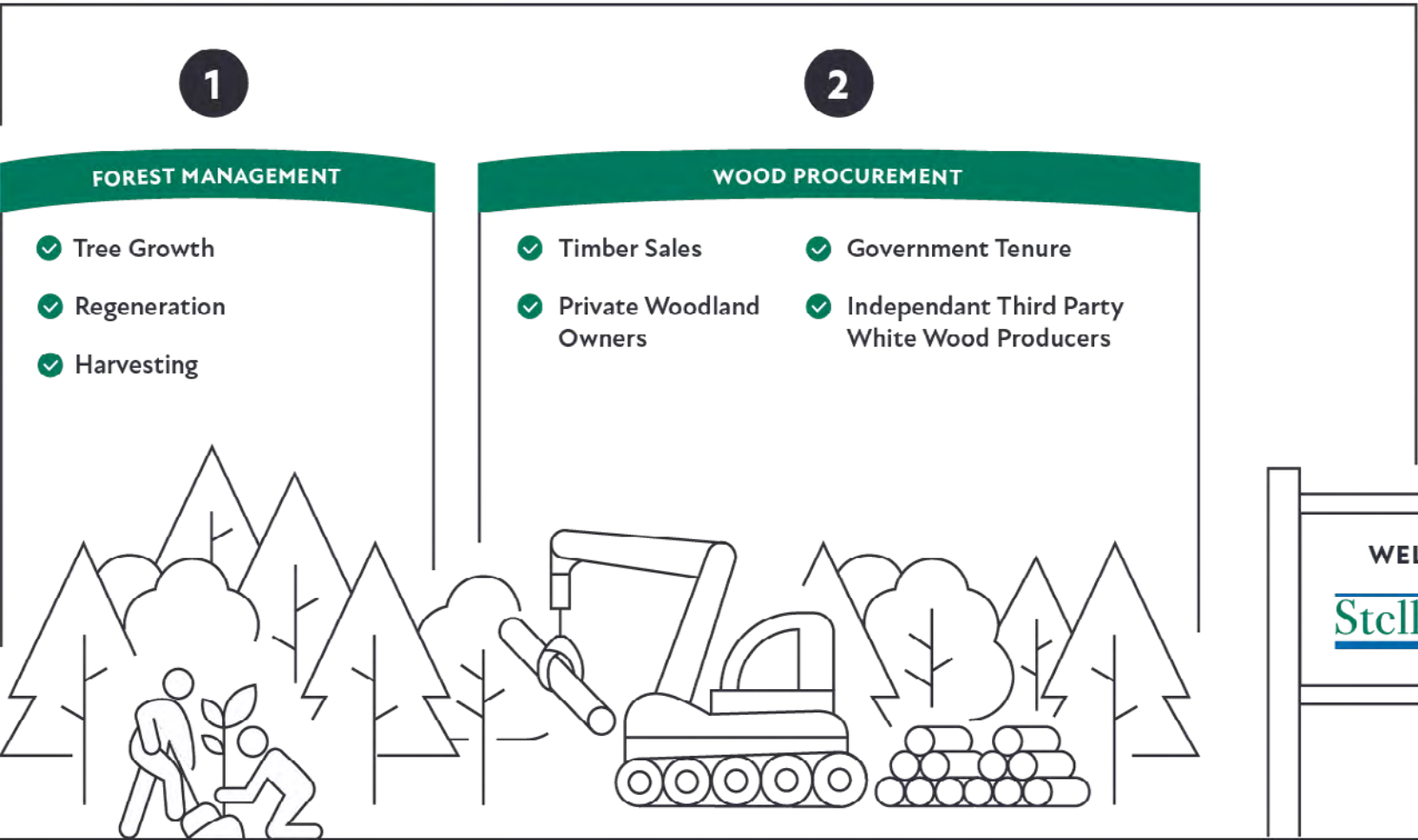


How We Create Value

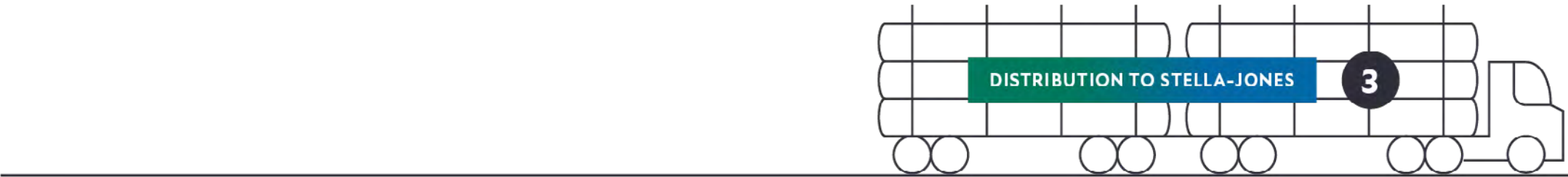
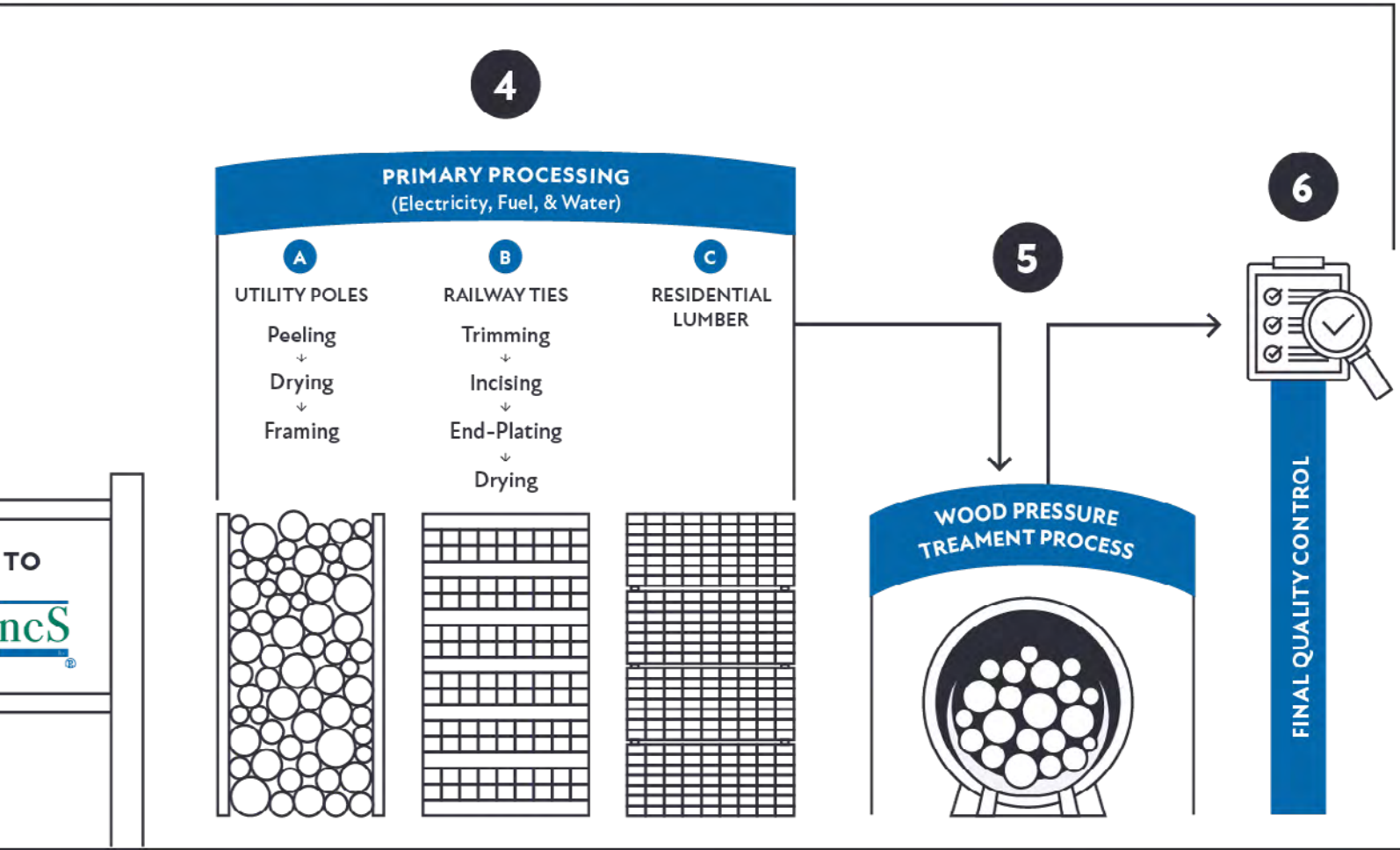
We enable our customers to build and maintain infrastructure that helps efficiently transport goods, power and connect our communities, and provide consumers with low embodied carbon building products.

We serve our customers through our strategically located production facilities, sustainable fibre sourcing capabilities, and established logistics network. We are supporting our customers in building a low carbon economy with our renewable and sustainable wood infrastructure products.

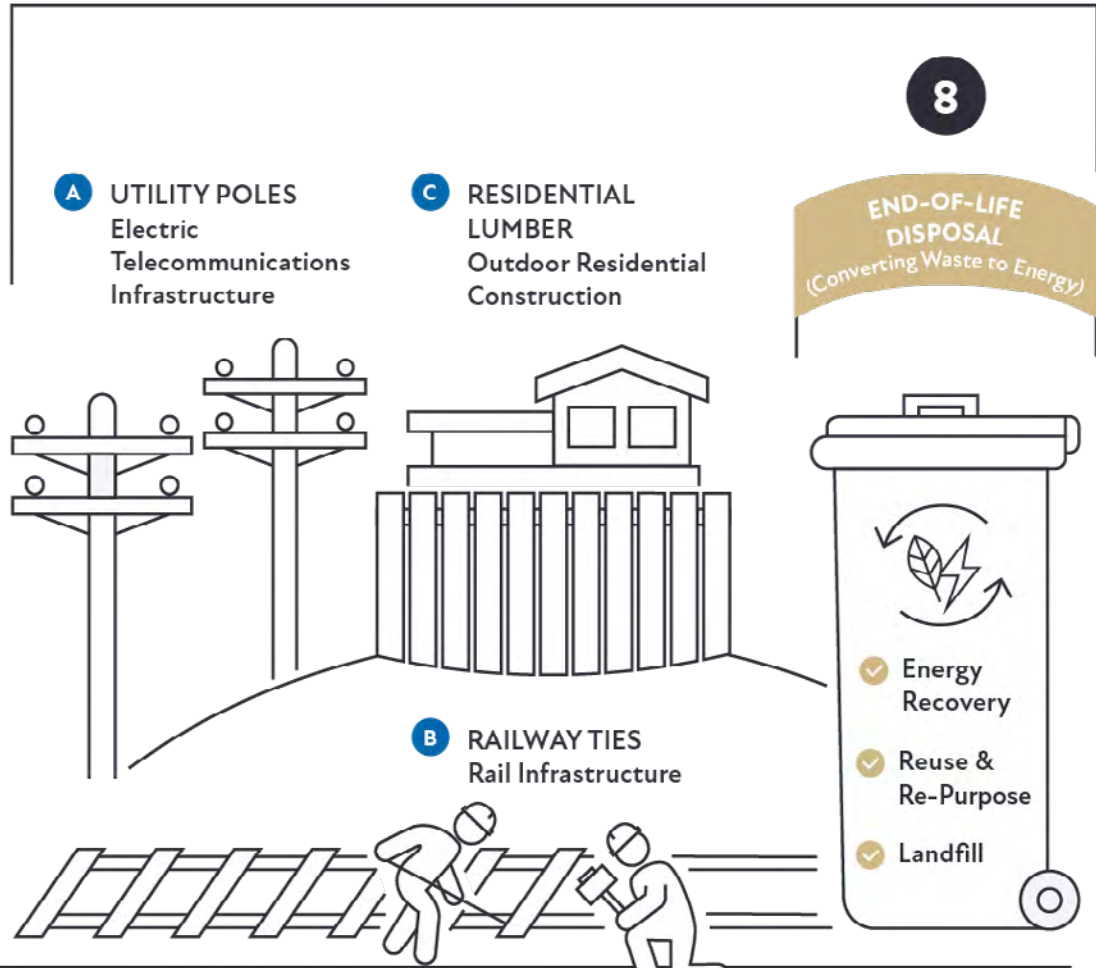
Upstream Value Chain



Stella-Jones Organizational Boundary



Downstream Value Chain



Our North American Network

Our treating facilities are located in six Canadian provinces and 17 U.S. states and are complemented by an extensive distribution network across North America.

- Utility Poles
- Railway Ties
- Residential Lumber
- Coal Tar Distillery
- 2023 Acquisition of Baldwin Pole and Piling





Materiality

IN THIS SECTION

ESG Materiality and
Stakeholder Engagement

17

ESG Materiality and Stakeholder Engagement

Engaging in open dialogue with our key stakeholders to identify ESG priorities is an important part of ESG management. Four stakeholder groups are prioritized when establishing our material ESG topics: Employees, Customers, Suppliers and Investors.

Our Assessment Process

In 2023, we did not add new issues to our materiality assessment, but did see the strengthening of the trends and expectations identified in 2022.

1. Identification of Topics


Collecting the broad universe of ESG topics related to Stella-Jones' business included the review of the following sources:

- ESG reporting frameworks such as the Global Reporting Initiative ("GRI"), the Taskforce on Climate-Related Financial Disclosures ("TCFD") and the Sustainable Accounting Standards Board ("SASB")
- ESG Rating Agency criteria including MSCI, ISS, S&P, Sustainalytics, and Refinitiv.
- Previous years ESG materiality surveys.
- Our latest Enterprise Risk Management ("ERM") assessment.



2. Assessment and Prioritization

Assessment of the topics is conducted through surveys, workshops, and ongoing dialogue. Each stakeholder group has a tailored approach for feedback.

| Stakeholder Group | Stakeholder Expectations | |
|---|---|---|
| <div>Employees</div> <div></div> | Employees participate in the prioritization of ESG topics through Stella-Jones materiality survey, ESG strategy workshops and daily interactions between managers and colleagues. | Our employees want safe and secure work, to receive fair treatment and wages, experience a sense of belonging for all, and professional development opportunities. |
| <div>Customers</div> <div></div> | Customer input occurs through the Stella-Jones materiality survey, customer sustainable supplier programs, including the Sustainable Supply Chain Alliance program for electric utilities, and criteria included in tender and contracting processes. | Our customers want reliable product supply, sustainable forest management practices, and effective end-of-life solutions for products. |
| <div>Suppliers</div> <div></div> | Supplier feedback on ESG priorities is recorded through the Stella-Jones materiality survey, industry associations, and ongoing communication with our procurement teams. | Our suppliers expect ethical conduct and integrity in shared interactions, and that we continue to comply with applicable labour laws to ensure a safe working environment. |
| <div>Investors</div> <div></div> | Investor perspectives are heard via the Stella-Jones materiality survey, ESG focused investor calls, and the ESG rating agency criteria is used as a proxy for the priority topics. | Our investors expect transparent and timely ESG disclosure, with a strong focus on climate change including both risks and opportunities. |

3. Confirmation

The final list of the most material topics is reviewed and confirmed by the Stella-Jones management team, who assess how each ESG topic will continue to evolve and impact Stella-Jones strategy and mission. In this report, we will outline how we are currently managing these material ESG topics.

| Material ESG Topics | | |
|--------------------------|---|---|
| Social Impact | <ul style="list-style-type: none">• Health & Safety• Diversity, Equity & Inclusion• Recruitment and Retention | <ul style="list-style-type: none">• Employee Training and Development• Indigenous Peoples• Community Engagement |
| Product Stewardship | <ul style="list-style-type: none">• Environmental Compliance• Climate Change and GHG Emissions• Water Management | <ul style="list-style-type: none">• Air Quality• Waste Management |
| Environmental Commitment | <ul style="list-style-type: none">• Sustainable Forest Management• Customer Satisfaction• Product End-of-Life Solutions | <ul style="list-style-type: none">• Innovation & Technology• Supply Chain Practices |
| Governance | <ul style="list-style-type: none">• Ethics and Integrity• Economic Performance• Competitive Behavior | <ul style="list-style-type: none">• Risk Management• Cyber & Data Security |



Social Impact

IN THIS SECTION

| | |
|--------------------|----|
| Health & Safety | 20 |
| Our People | 23 |
| Indigenous Peoples | 26 |
| Communities | 28 |



Health & Safety

Our Health & Safety objective is to keep our people safe by reducing risks through a culture of teamwork, ownership, and continuous improvement. In 2023, we continued to build our Health & Safety culture through new and updated Health & Safety programs, strengthened auditing processes, and the launch of a safety awareness campaign titled “Safety Matters Because You Matter”. The impact of this continued prioritization of safety is evidenced by improvement in safety statistics and outcomes year over year.

Strategy



Safety Systems: Provide effective training, drills and safety audits that ensure our SHIELD safety program is well implemented and understood.



Safety Communications: Safety communication from all levels across the Company to embed a culture of active ownership of safety.



Empowering Our People: Provide the right resources, health, and wellness support, and encourage safe behavior.

Targets

ACHIEVED



On our journey to Zero Injuries, achieve an annual recordable safety incident rate below the industry average.

2023 PROGRESS & RESULTS:

Achieved a total recordable injury rate of 3.3, below the industry average of 3.7* for 2022.

NOT ACHIEVED



100% of plant monthly safety observation targets met.

2023 PROGRESS & RESULTS:

84% of Stella-Jones treating plants met their monthly safety observation targets. In 2024, we will continue to focus on this leading indicator through the inclusion of this metric in the SHIELD scorecard for each facility.

*The U.S. Occupational Safety and Health Administration (OSHA) wood preservation industry average TRR was 3.7 in 2022.



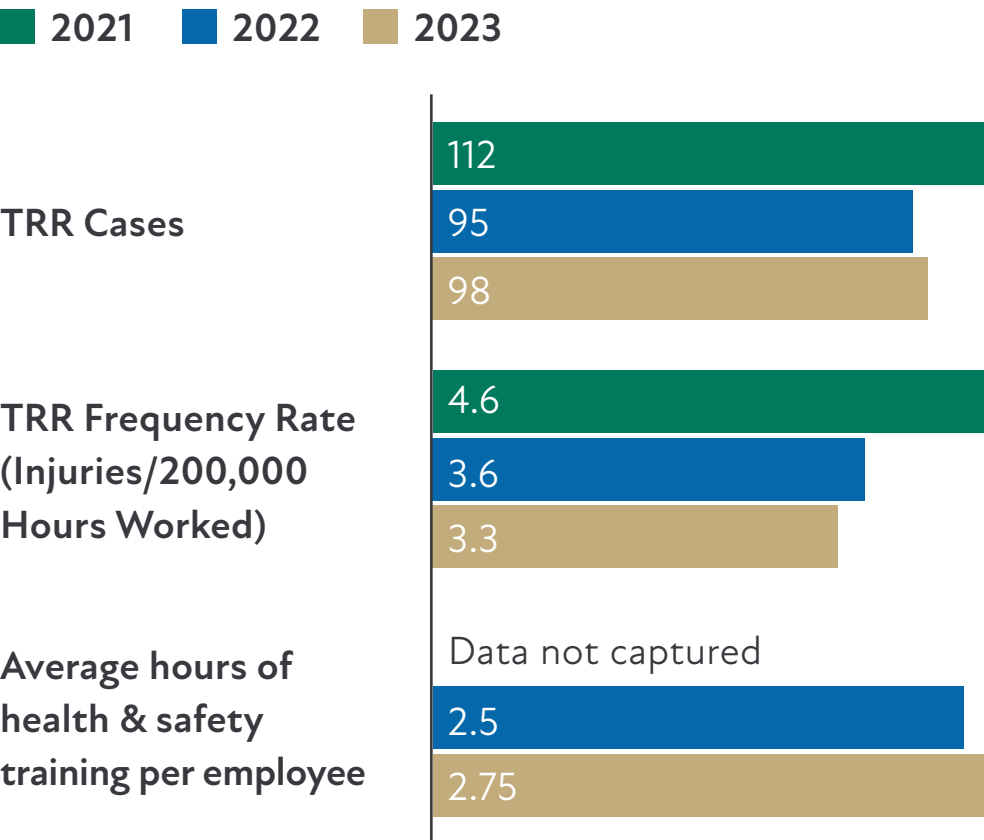


2023 Health & Safety Performance

Safety performance at Stella-Jones continued to improve in 2023, with an eight percent reduction in the total recordable injury frequency rate (“TRR”) compared to 2022. Whilst total recordable injuries increased slightly, the frequency rate improvement is noteworthy, considering six new facilities and their associated employees required onboarding to the Health & Safety management system during the year.

In 2023, a fire occurred at a Stella-Jones facility. The Plant Manager was quick to mobilize his team for the fire response and managed to avoid any potential environmental incident associated with the event, which was a significant achievement. No employees or third-party was injured during the event. The incident investigation led to updates to the facility-level fire risk assessment and the lessons learned were shared across the Company network.

Performance Data



Health & Safety Management System

The SHIELD program (“Safety, Health, Improved Environment, Leading our Decisions”) is Stella-Jones’ in-house environmental, health and safety management (“EHS”) system. The system applies to all workers and contractors at Stella-Jones managed sites and is built around the ISO14001 standard. SHIELD is now implemented at 100% of Stella-Jones’ wood treating facilities. Sites with the SHIELD program newly implemented are continuing to work through the complete set of program requirements, including employee training, upgrades to physical controls such as guarding, as well as process improvements.

In 2023, 10 additional employees were onboarded to ensure every treating facility has a dedicated EHS staff member to support the facility implementation and management of SHIELD. This was a key achievement supporting the Company’s strategic commitment to empower our employees by providing the right health and safety resources and support.

Consultation and Communication

Facility-level SHIELD committees allow employees to participate in consultation and feedback on the program implementation for their workplace. These committees act as the key point of contact for employees to raise questions and concerns. The SHIELD Committee, which comprises facility management, meets monthly. In 2024, Stella-Jones plans to combine the Canadian and U.S. divisions into one monthly SHIELD steering committee so that program implementation and effectiveness discussions are shared across the entire company.

Program Updates

In 2023, there were two new SHIELD programs implemented for Health and Safety management: Walking Surface program – Slip, Trip & Fall Prevention that included design improvements for walking area safety, and a Ladder Safety program to improve working at height from a ladder. An update was also made to the Heat Illness Prevention procedure to include new requirements from the state of Washington.

In 2023, updates to the Health and Safety Audit program were made to strengthen SHIELD program compliance and continual improvement. Internal health and safety audits supplement the existing third-party safety audits, which are additional to the on-going visits and support from the corporate EHS team.

Hazard Identification, Risk Assessment and Incident Investigation

Job Hazard Analysis (“JHA”) is a key component of the SHIELD safety management system. Before work can begin the JHA must be reviewed to identify the presence of hazards and risks at the task level. JHA’s for the most common job types across the Company are shared with the facilities as a guide to the JHA discussions on hazards and controls.

Incident investigation processes utilize the “5-why” root cause analysis to identify underlying factors or causes of incidents. The objectives of the investigation process are to; establish the facts, determine the root cause, identify corrective actions, and establish who is responsible for implementing corrective actions. The investigation objectives and process are documented in the digital incident reporting system.

Health & Safety Training

The Health and Safety training program at Stella-Jones is a mix of on-site equipment and task specific training, online e-learning, and classroom style training programs. Training needs are assessed by the Corporate Health & Safety team through discussions with the SHIELD Steering Committee and a review of training needs following incidents and risk reviews.

Once a year all the Facility Management and site EHS staff meet in-person to undertake Health & Safety training provided by the corporate EHS team. In 2023, the safety related training provided by the corporate EHS team covered the following: Cardinal Rules, Lock-Out Tag-Out, Hot Work, Confined Space Entry, and Machine Safeguarding, and specific instruction for facility EHS Supervisor/Designees regarding EHS responsibilities, expectations, and best practices. A new online training module for Working with Pneumatic Tires was also implemented to help support the Pneumatic Tire program.

Occupational Health

A key part of the success of SHIELD is protecting the health and well-being of our employees. This is done through clear minimum performance standards to identify, assess, and manage health related risks and their potential impacts in the workplace. In 2023, a new Wildfire Smoke Protection procedure for employees in Washington & Oregon was implemented. This region has experienced significant air quality concerns related to wildfires and the new procedure sets exposure limits according to the EPA air quality index with corresponding controls and actions. The effectiveness of this procedure will be assessed as we look to expand its application to other regions experiencing significant air quality concerns.

Top Three Recordable Injuries by Hazard Type in 2023

- 1. Walking/Working Surface
- 2. Hand and Power Tool Use
- 3. Material Handling



"Safety Matters Because You Matter" Campaign

Our strategy to embed a culture of active safety ownership led to the development and launch of a new Health and Safety campaign in 2023. The Company-wide campaign included the new slogan “Safety Matters Because You Matter” to help personalize the safety program for all employees. Every facility held Lunch and Learn sessions where teams gathered to discuss health and safety and identify the ‘next most likely injury’ at their site. The productive sessions led to the inclusion of the ‘next most likely injury’ as a measurable metric on the facility SHIELD scorecard, which is used to measure safety performance per site.

As part of the program, Vice-Presidents (“VPs”) were required to discuss safety during the monthly VP meetings, ensuring transparent conversations on safety continue to occur at every level of the Company.



Our team got creative with the launch of ‘The Safety Matters Because You Matter’ Campaign by holding a safety scavenger hunt. Employees had to take photos with key safety controls across the site, which was a way to make it fun and personal.



Chris Cook
Plant Manager,
Silver Springs, Nevada Facility



2.75**
average hours
of health and safety training
per employee in 2023.

**Reflective of online e-learning modules only. We currently do not capture physical, on-site training hours, or live, virtual training hours.

15% ↑
improvement
in DART* frequency rate
compared to 2022.

*DART refers to injuries that result in days away, restricted or transferred work.

8% ↑
improvement
in TRR compared
to 2022.

Our People

We aim to attract and retain talented people and provide career development opportunities. To do this, we promote a positive work culture, supported by competitive working conditions and people development that is focused on growth and leadership.

Strategy



Enhance our Employee Experience: Seek ways to continually improve our employee experience based on feedback from our people.



Develop our People and Promote from Within: Equip our future leaders with the right skills and career development opportunities.



A Workforce that is Reflective of Our Communities: Develop strategic partnerships to increase the diversity of our workforce and address existing and future skill needs.

Targets

ON TRACK



Fill 30% of job openings by internal promotions by 2027.

2023 PROGRESS & RESULTS:
26.5% of all open positions were filled through internal promotions.

ON TRACK



Establish a Company-wide diversity baseline by 2024.

2023 PROGRESS & RESULTS:
Hired a new Employee Engagement Manager tasked with undertaking the survey and delivering our Diversity, Equity, and Inclusion (DE&I) strategy.

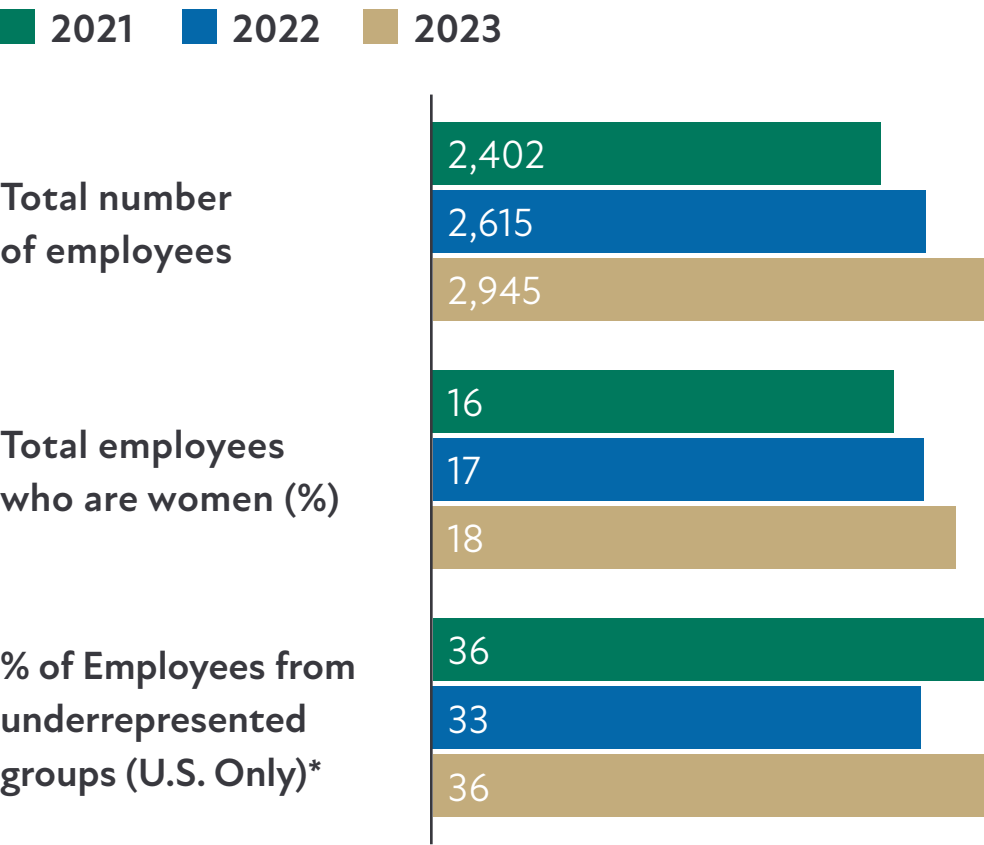




2023 Our People Performance

In 2023, 36% of our U.S. employees identified as belonging to an underrepresented group, which represents a 3% increase over the prior year. 18% of employees were women, and we maintained 8% of women in senior management positions. Whilst we remained consistent, the attainment of the company-wide diversity baseline will help identify the areas for improvement and focused initiatives across the Company. The other key metric we track is the internal promotion rate, which increased to 26.5% in 2023, from 25% in the prior year. Efforts in succession planning, job architecture and talent development will continue to aid our ability to promote and retain our people.

Performance Data



*The definition of underrepresented groups at Stella-Jones includes employees that have self-identified as belonging to an underrepresented race or ethnicity, Indigenous Peoples, U.S. veterans and people with disabilities.

New People Team Structure

Ensuring we have the right human resources (“HR”) structure in place to support the growth and development of our business and our people was a key focus in 2023. The HR Team was expanded, with new roles in Employee Engagement, Talent Development, Talent Acquisition and Total Rewards. The regional structure was also re-drawn to reduce the number of operational facilities per HR regional support centre. The aim is that this new structure will support the execution of Our People strategy and strengthen the organizational HR standards and process.

Talent Development

Stella-Jones’ business succeeds when our employees thrive, and our talent development and growth opportunities need to keep pace with the changing requirements of our industry and Company. In 2023, the process to strengthen talent development offerings commenced, with the configuration and deployment of a new succession planning tool for critical roles across the organization. The tool was trialed during the year for the executive management team and will continue to be rolled out to more business functions in 2024.

One of the KPIs used to measure the success of our talent development and succession planning goals is the number of job openings filled by internal promotions. During the year, we established a new process through our Human Resources Information System (“HRIS”) to allow active tracking of promotions across the network. Talent development programs and succession planning work hand in hand to make sure we continue to offer rewarding career opportunities and retain our talented people.

Employee Engagement

A big milestone was achieved for Our People strategy through the issuance of our first network wide employee engagement survey. The online survey had a 66% participation rate and has provided valuable insights into engagement and areas of opportunity across the different business functions and Company locations. The Company’s Employee Net Promoter Score, which is a measure of employee satisfaction and loyalty, was 25, well and truly above the industry benchmark of 7.6. While the score is encouraging, areas of improvement have been identified to strengthen employee engagement which will lead to local, regional, and Company-wide initiatives.

Diversity and Inclusion

At Stella-Jones, we recognize the importance of diversity and inclusion as a driver of innovation that ultimately helps deliver better business insights and superior products and solutions. Stella-Jones’ U.S. operations have been collecting workforce diversity data for many years, and in 2023, planning began to capture this same information for our Canadian employees to allow for a fulsome picture of workforce diversity at Stella-Jones. We aim to publish a full set of diversity statistics in our 2024 ESG Report and updated progress on the projects and initiatives related to diversity and inclusion.

Anti-Discrimination, Harassment and Violence Prevention

Stella-Jones has long-standing Company-wide commitment to provide a safe work environment free of discrimination, harassment, and violence. Our workplace Discrimination, Harassment, and Violence Prevention Policy is reviewed and signed by the President and Chief Executive Officer. This policy is made available to all employees through the employee handbook, Company website, and is posted at each location for visibility.

In 2023, we started the process to review and align our existing employee handbooks to standardize the guidelines and policies across all regions and business units. The goal is to empower our people to make informed and responsible decisions through clear guidelines and accountability. To read more about our Policy Commitments, see the [ESG Risk Governance section](#).

Compensation and Benefit Program

We aim to offer a total rewards program that is competitive, flexible, and meaningful to our employees. The benefit program includes health insurance plans covering medical, dental, disability, life, and vision care (U.S. only). In 2023, we extended our Employee and Family Assistance program (“EFAP”) to Canadian employees for the first time, making the program truly Company-wide. The Canadian health care spending account limits were also increased for health spending that is not covered through the base plan.

Tuition Support Program

Stella-Jones’ Higher Education and Career Advancement Tuition Assistance program is available to employees to develop and expand their knowledge and skills. Full time employees who have been with the Company for longer than one year are eligible and the program covers all post-secondary programs that contribute to the employees current position or future advancement. In 2023, we had two employees graduate with degrees under this program, both within business management and administration.

Scholarship Program for Employee Dependents

Each year, Stella-Jones offers a bursary to dependents of our employees to support their studies and tuition. The applications are assessed based on academic achievement, leadership and extracurricular involvement, and personal statements on the individual’s study and career goals. In 2023, three recipients from across the Stella-Jones network were selected and obtained these bursaries.

Candace K., BSCN, York University, Class of ’25

Currently pursuing a Bachelor’s Degree in Nursing at York University, Candace’s objective is to work in oncology or in OR as a nurse. She chose this field of study to make a difference in people’s lives and to support them through their most challenging times.

Sarah Alice C., Agricultural Business Degree, Abraham Baldwin College, Class of ’26

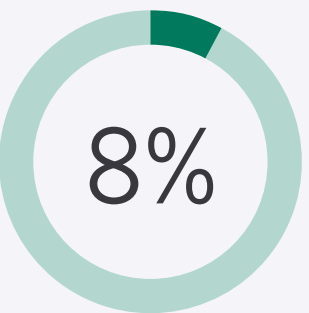
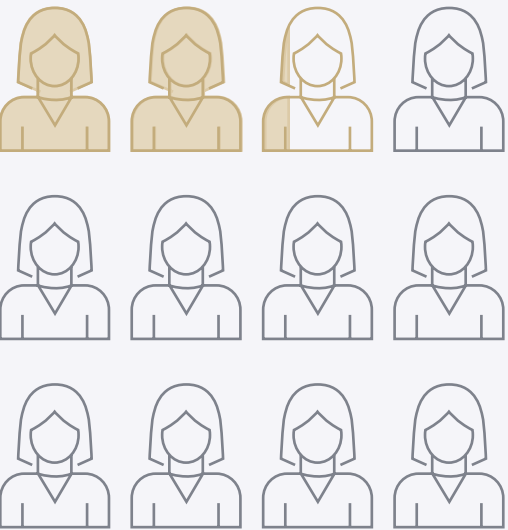
Bright and determined with a desire to help others, Sarah is working towards obtaining a diploma in Agricultural Business. She has a passion for agriculture and a strong desire to have a positive impact on the world, both locally and globally.

James Mason C., Mechanical Engineering, University of Alabama at Birmingham, Class of ’27

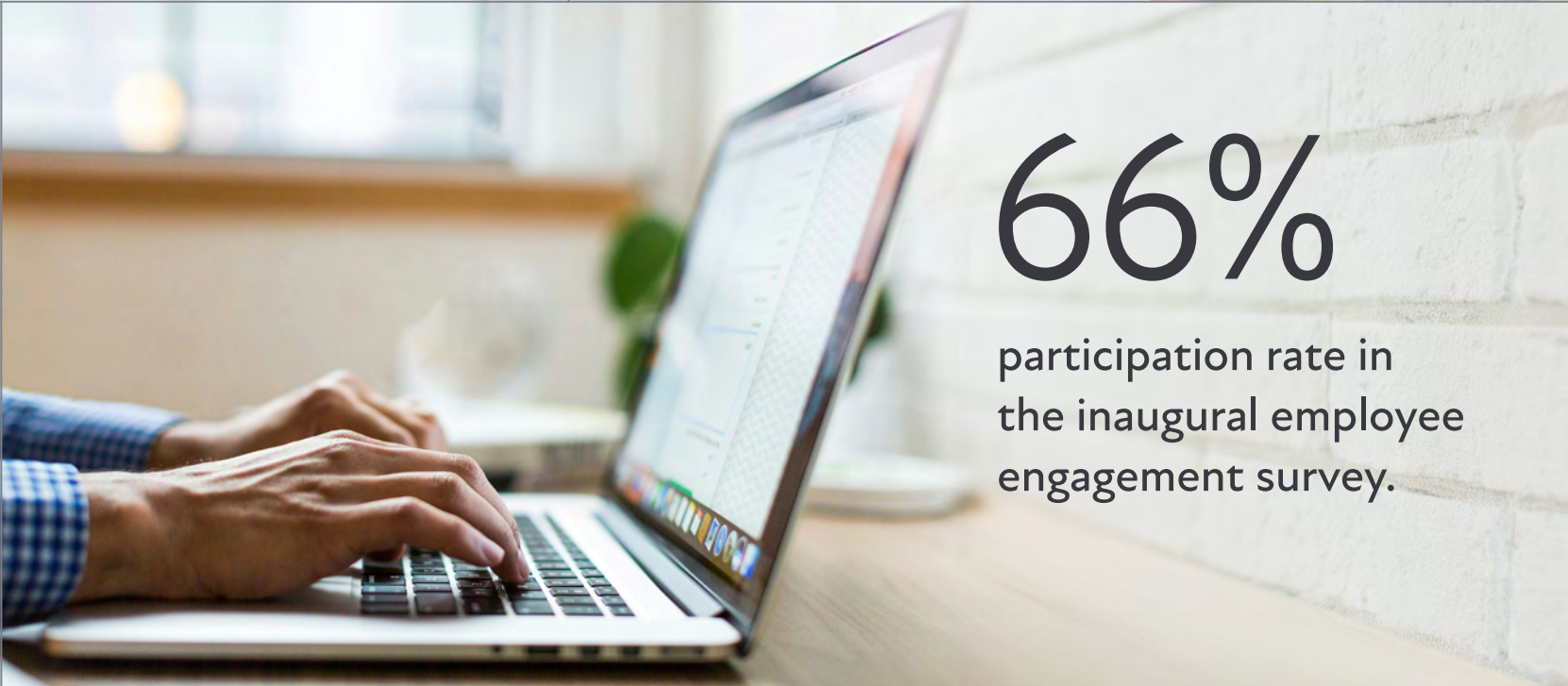
From a young age, Mason had an interest in building, designing, and altering toys and objects to find innovative uses for them. In his chosen field of Mechanical Engineering, he looks forward to evolving his passion for problem-solving to help develop solutions for a better future.



515
roles filled
by internal
candidates.



of Senior Managers are women.



66%

participation rate in the inaugural employee engagement survey.

3% increase
in employees from underrepresented groups compared to 2022.



of Managers are women.

Indigenous Peoples

We respect the deep connection Indigenous Peoples have to their traditional territories and are committed to building lasting and collaborative relationships with Indigenous Peoples where we operate. Our initial focus is in British Columbia, Canada, where we are working to develop the resources and knowledge to more closely work with First Nation communities.

Strategy



Cultural Awareness and Understanding: Increase our awareness and understanding of Indigenous culture and history and be open to understanding different perspectives and world views.



Relationships: Develop long-term relationships with willing Nations and communities where we have operations.



Economic Benefits: Proactively develop mutually beneficial, collaborative business relationships, and procurement opportunities.

Targets

ON TRACK



100% of Canadian salaried employees to complete Indigenous cultural awareness training by 2025.

2023 PROGRESS & RESULTS:

All Canadian senior management and woodlands employees completed Indigenous Cultural Awareness and Relations training in 2023. Work for the all-employee learning module will begin in 2024.

ON TRACK

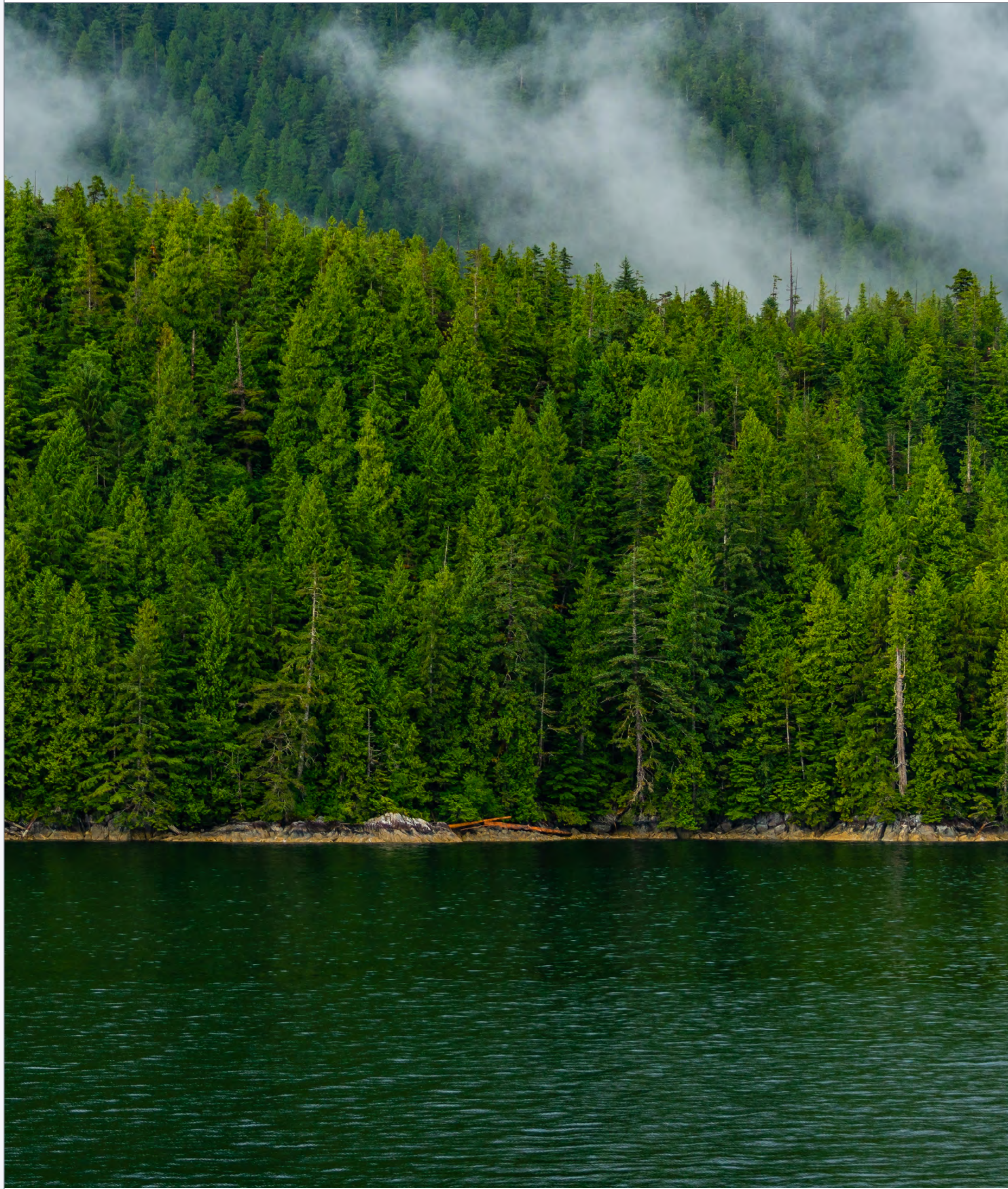


100% of Canadian areas with forest management obligations covered by relationship agreements with willing Nations by 2030.

2023 PROGRESS & RESULTS:

Work began on mapping our existing relationships and current consultation processes to build a framework for relationship agreements.





Cultural Awareness and Understanding

Executing on our strategy to increase awareness and understanding of Indigenous culture and history, all senior leadership in Canada and the Canadian woodlands team undertook training in 2023. The instructor-led training was provided by Indigenous Corporate Training (“ICT”) and covered two modules over the course of six hours: Indigenous Awareness and Indigenous Relations. The comprehensive training provided historical context of Indigenous Peoples in Canada, the modern treaty system and consultation based on respect. Thirty-two employees took part in the training, which has helped build a foundation for future work on Indigenous forestry consultations, economic partnerships, and relationship building.



The Indigenous relations and engagement training course was great because it offered real examples of how history has shaped First Nation responses and triggers. I found the course to be a valuable learning experience.



Marko Hirvinen
Forestry Supervisor

Relationships

Stella-Jones engages with First Nations whose territories encompass our long-term forest management tenures in British Columbia. The consultative engagement is focused on forest stewardship plans and cutting permit applications and can cover topics such as biodiversity, cultural heritage, and recreation.

With the help of external Indigenous expertise, Stella-Jones has commenced the work to map our existing relationships and the different interests of First Nations. This effort is necessary to help improve our internal understanding of the First Nations where we work and to develop a framework for meaningful relationship agreements. Stella-Jones remains committed to being a transparent and trusted partner to First Nations.

Indigenous Peoples Policy

Stella-Jones’ Indigenous Peoples Policy (“IPP”) was published in 2023 and outlines our commitment to improving our awareness and understanding of Indigenous cultures and history, developing mutually beneficial and collaborative relationships, and ensuring we continue to include Indigenous perspectives in our forestry practices. The IPP was developed in recognition and acknowledgment of the:

- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP); and
- Calls to Action of Canada’s Truth and Reconciliation Commission (TRC).

The IPP is publicly available on Stella-Jones’ [website](#) and will undergo annual review.

Communities

Engaging with the local communities where our facilities operate is an important part of Stella-Jones’ social responsibility. Meaningful engagement with communities builds trusting relationships and facilitates the understanding of community concerns and priorities. Consistent with our values of integrity and respect, we aim to develop relationships with our communities built on open, transparent, and constructive engagement.

Due to the increasing importance of environmental justice and the regulations developing, it was important for Stella-Jones to mature in its approach to community engagement. During 2023, we aimed to understand the intent and implications of environmental justice by providing training to senior management to ensure we approach our community outreach in a meaningful and consistent manner across the network.

Community Engagement Program

In 2023, we piloted a new Community Engagement program at our facility in Lufkin, Texas. The program aims to build mutual awareness between our facilities and their communities, encourage employee community involvement, and improve our understanding of community needs and perceptions.

A workshop was facilitated with the local management team to assess the current engagement process, map stakeholder interests, and identify the opportunities to further improve the ways we interact with the community. The team also undertook classroom style training focused on communication skills to support further engagement and dialogue.

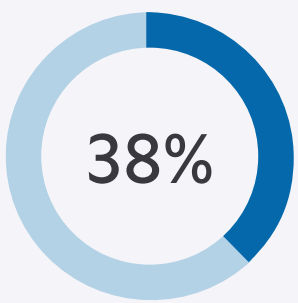
Stella-Jones’ facilities are often in rural areas where the community has been built around the forestry and wood products industry. Stella-Jones may be a key employer, as well as an important part of the local economy, through procurement spending and taxation. The program helps individual Stella-Jones facilities quantify their social impacts and develop outreach and consultation methods that improve the ease with which community members can engage with Stella-Jones. The program is customized to each facility to ensure it is appropriate for the different community needs and expectations. In 2024, the program will continue to be rolled out with a specialized training program.

Community Impact

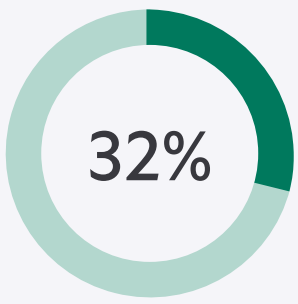
Stella-Jones has long been committed to giving back to the communities where we work. In 2023, we updated our Company-wide facility donation program to ensure all sites had the right resources and guidance to support local causes.

In 2023 we donated over

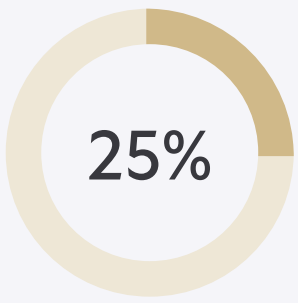
\$500,000
to local causes.



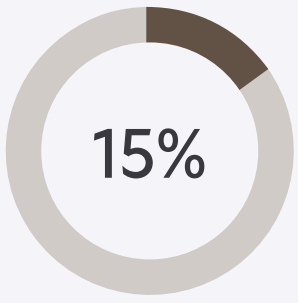
of facilities
donated to
local schools.



of facilities
donated to
first responder
organizations.



of facilities
donated to
children's
charities.



of sites
donated to
local food
banks.



Wildfire Relief

Stella-Jones is proud to be able to support our communities in times of need. Following the devastating wildfires that took place in Maui in 2023, Stella-Jones made a donation to the American Red Cross Maui Wildfire Relief Appeal to support their efforts in providing food, shelter, and casework support to people affected by the wildfire.

As a number of our facilities and employees reside in British Columbia, Stella-Jones also supported the Shuswap Community Relief Fund, a dedicated fundraising campaign to support the communities affected by the Bush Creek East wildfire in North Shuswap. This wildfire is estimated to have ravaged over 43,000 hectares and has caused evacuations and loss of homes and buildings. The fund focuses on aiding the more prolonged needs of disaster-affected areas in the region of the Shuswap, such as sustained food security, shelter, and community recovery.

Partnering to Help Young People in Quebec

Les Auberges du Coeur is a Quebec-wide charitable organization that works to help young people aged 12 to 35 in vulnerable situations build a brighter future through shelter, food, as well as support for continuing education and housing. Stella-Jones has committed to a three-year partnership to support the foundation’s mission and work alongside the team to develop professional development opportunities for the young people engaged with Les Auberges du Coeur.



The Foundation's mission is in line with our values of community involvement, and we are delighted to have this opportunity to help young people in vulnerable situations realize their full potential for a better future.



Eric Vachon
President & Chief Executive Officer



Supporting the Dubois Cub Scouts

An employee at Stella-Jones facility in Dubois, Pennsylvania, leads the local Cub Scouts chapter. The facility donation helped support the Scouts’ food bank drive and provide the kids with t-shirts.

Foodbank Volunteering Montreal

Stella-Jones’ Information Technology team volunteered their time with Moisson Montreal, a not-for-profit food bank with a mission to gather and distribute food and essential products for community organizations around the city of Montreal.

Tree Planting and Team Building

Employees from Stella-Jones’ Ontario-based operations spent a day tree planting with Tree Canada and Credit Valley Conservation. The team planted 125 trees of various species native to the areas.



Environmental Commitment

IN THIS SECTION

| | |
|----------------------------------|----|
| Climate Change and GHG Emissions | 31 |
| Climate Change Scenario Analysis | 34 |
| Environmental Compliance | 38 |
| Water & Waste Management | 39 |

Climate Change and Greenhouse Gas Emissions

Our roadmap for reducing our greenhouse gas emissions (“GHG”) is focused on improved energy efficiency, renewable energy, and innovation. In conjunction with our emission reduction strategies, we are improving our understanding of climate change scenarios, risk, and opportunities.

Strategy



Energy Efficiency: Implement process and equipment improvements that lower our energy consumption and improve our fuel efficiency.



Renewable Energy: Increase the share of renewable energy across the business through installation and procurement.



Innovation: Support research and development (“R&D”) initiatives that help extend product life, increase carbon sequestration, and inform decision making.

Targets

OFF TRACK



Reduce Scope 1 and 2 GHG emissions by 32% by 2030 compared to a 2022 base year.

2023 PROGRESS & RESULTS:
9% increase in absolute emissions.

ON TRACK



Measure our Scope 3 emissions and assess a science-based target by 2025.

2023 PROGRESS & RESULTS:
Scope 3 emissions inventory completed.





2023 GHG Emissions Performance

Absolute greenhouse gas emissions (Scope 1 and 2) increased by 9% compared to 2022. Many different causes led to this increase, including capital project work, new preservative testing, additional drying capacity and reduced equipment efficiencies. Though these results deviate from our objectives, we are confident that as we begin to implement the projects within our GHG reduction roadmap, we will realize the planned emission reductions. Additionally, on an emissions intensity basis, which measures how much carbon is emitted per 1,000 cubic feet of production, there was a 1% improvement. Whilst the emissions intensity decrease is positive, Stella-Jones remains committed to decoupling emissions from growth and is focused on our absolute GHG emission reduction targets.

In 2023, 36% of our total energy needs came from renewable sources including solar and biomass. This marks a 10% increase from 2022 and can be attributed to a focus at facilities to operate their wood biomass boilers as the primary energy source in their treating processes.

GHG Emissions

In 2023, our focus remained on the foundational work required for the implementation of our GHG reduction projects. This work included energy audit preparations, extending our solar site analysis to more locations, developing the roadmap for logistics optimization, improving our understanding and knowledge of renewable electricity credits and markets, and commencing renewable diesel trials. This work is setting the Company up for success to achieve our emission reduction commitments and is helping to validate the assumptions made within our GHG Reduction Roadmap. You can view our GHG Reduction Roadmap in our [2022 ESG Report](#).

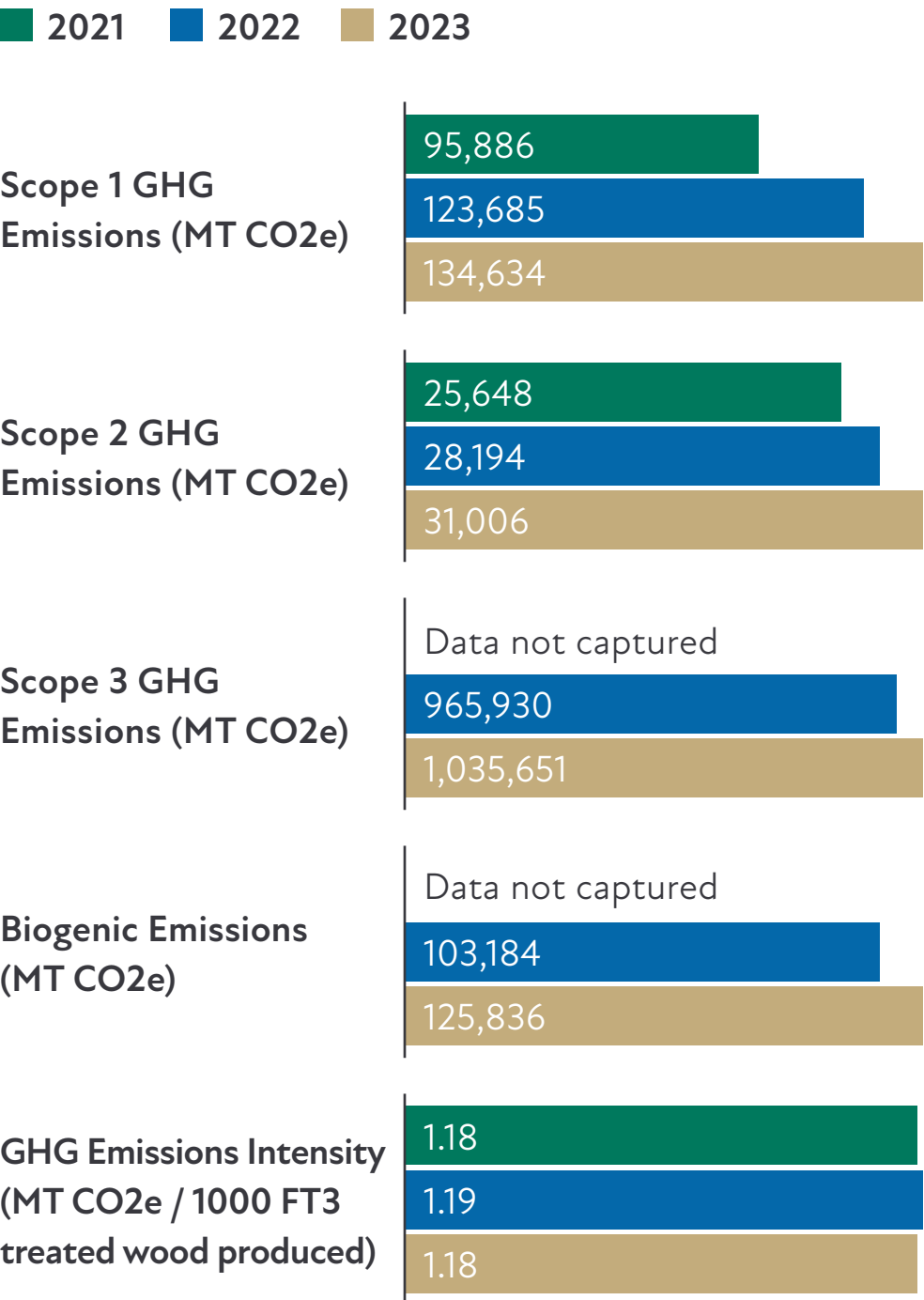
*We adjust our 2022 baseline to account for acquisitions. In 2023, this included three new facilities and a full year of trucking emissions.

Our GHG emission inventory covers the following scopes:

- **SCOPE 1:** All gas and fuels used in the manufacturing of our products including the purchased fuel for vehicles and equipment.
- **SCOPE 2:** Electricity to operate buildings, facilities, and equipment.
- **SCOPE 3:** Includes emissions associated with our supply chain both upstream and downstream of our operations.
- **BIOGENIC EMISSIONS:** Covers the biomass consumed in on-site boiler equipment.

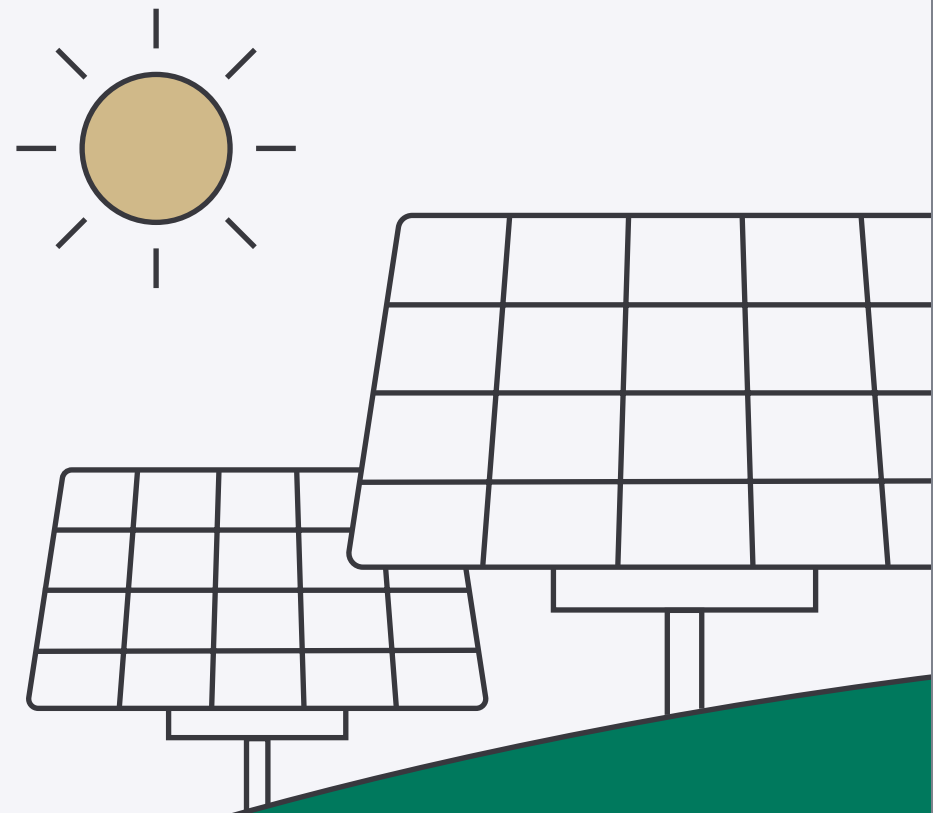
You can read more about the calculation methodologies in the [ESG Performance Data Accounting Methodologies](#) section of the appendix.

Performance Data



36%
of total energy needs came from renewable energy.

515 M_WH
of solar power generated;
equivalent to 325 MT of GHG emissions avoided and equivalent to 77 cars driven for one year.*



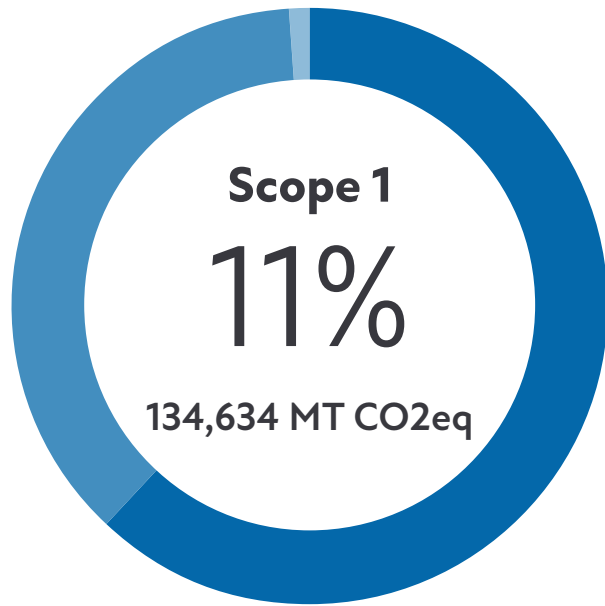
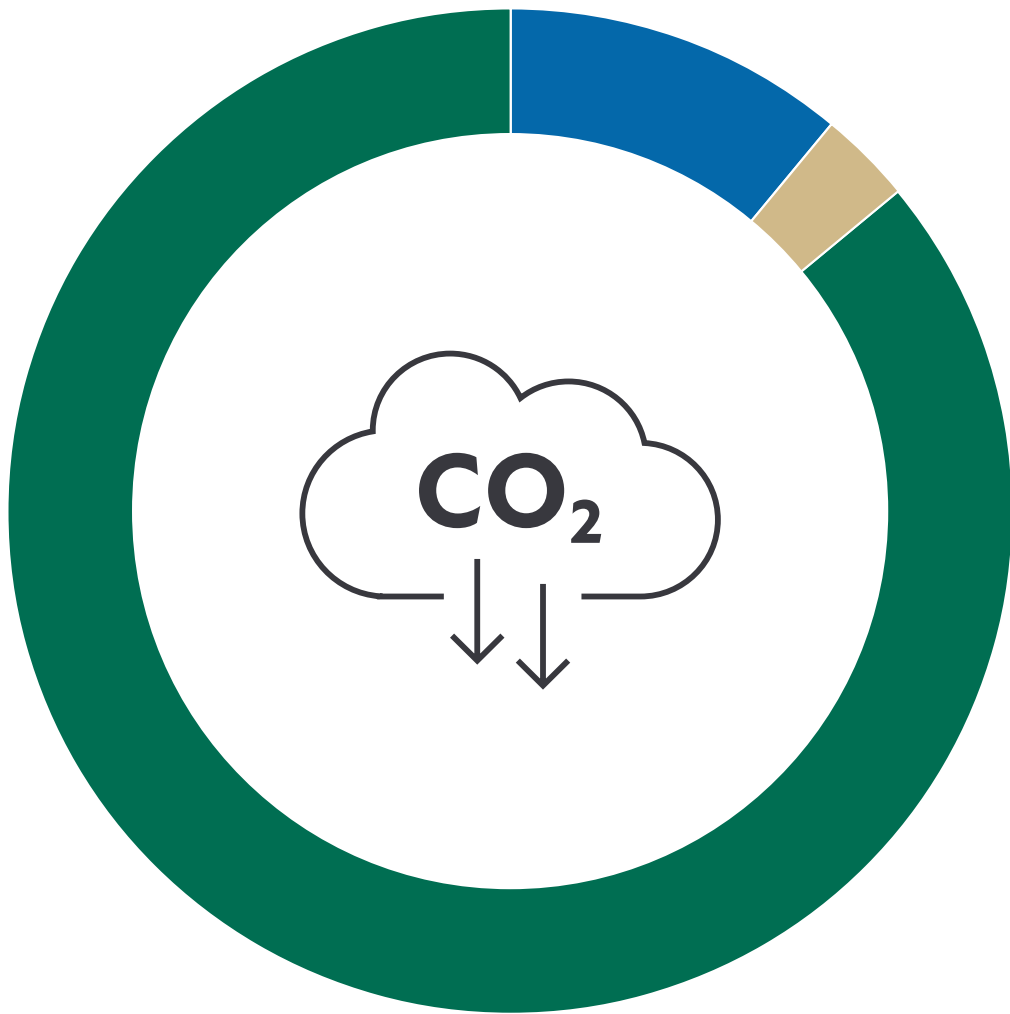
*U.S. EPA greenhouse gas equivalencies calculator.

Scope 3 GHG Emissions

This is the first year Stella-Jones is reporting Scope 3 value chain emissions, which have been calculated for the baseline year of 2022 and the current reporting year of 2023. The calculation methodology for the different categories of Scope 3 are a mix of spend-based data and activity data where available, following the GHG Protocol guidance. You can read more about the accounting methodology and view the full emissions breakdown in the Appendix.

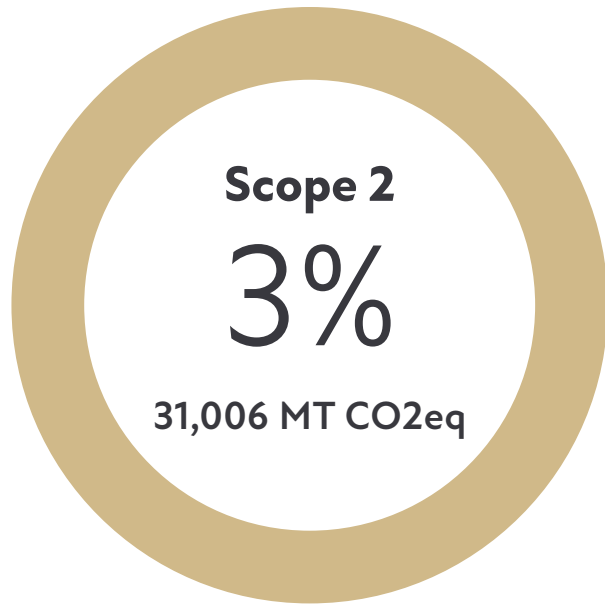
This significant achievement is a step towards the assessment of our emissions reduction targets under the Science Based Target Initiative (“SBTi”), which would align our GHG reduction roadmap with the pathway limiting global temperature rise to 1.5°C.

GHG Emissions Breakdown



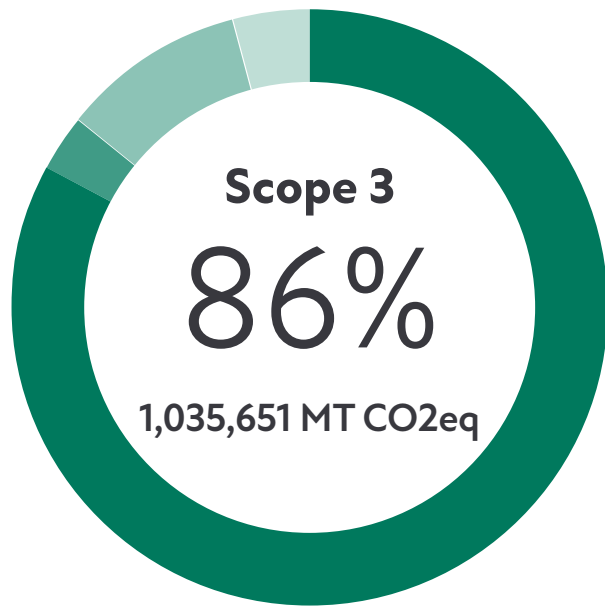
Scope 1 Breakdown:

- Natural Gas (65%)
- Diesel (32%)
- Other (3%)



Scope 2 Breakdown:

- Electricity (100%)



Scope 3 Breakdown:

- Purchased Goods and Services (83%)
- Fuel and Energy (3%), not included in Scope 1 and 2
- End-of-life treatment of sold products (10%)
- Other (4%)

GHG EMISSION PROJECT HIGHLIGHTS

Boiler Efficiency >

Our utility pole manufacturing facility in Scooba, Mississippi, realized a 22% total GHG reduction thanks to the optimization of boiler usage on-site. Previously, two boilers were used for production processes, but in 2023, the decision was made to operate only the main wood fired boiler for both the wood drying kilns and treating process. This optimization approach resulted in 40,000 gallons of diesel being avoided with no impact to production efficiency.



Logistics Optimization >

Our Winslow, Indiana, railway tie manufacturing facility installed a new railway spur in 2022, which now allows untreated ties to be delivered directly into the mill building. Previously, delivered ties were moved five times with mobile equipment to get to the same location. The facility also increased the size of their forklifts onsite, which now allows for twice the number of ties to be moved at a given time, known as double stacking. These projects combined have helped Winslow reduce their diesel consumption by 5%, and total Scope 1 emissions by 2%.



Climate Change Scenario Analysis

The Task Force on Climate-related Financial Disclosures framework was released in 2017 as a guide for companies to make consistent disclosures to help financial market participants understand investment risks related to climate change.

The TCFD framework has been used as a foundation for the Canadian Sustainability Disclosure Standards (“CSDS”) which are expected to become mandatory for Canadian public companies. Scenario analysis is one of the requirements of the standards and is used to inform strategic planning, risk management, and overall business resilience to climate change.

At Stella-Jones, we have been consistently building upon our climate scenario analysis to better understand our resilience and inform our enterprise risk management processes as well as align to the requirements of the TCFD and CSDS. Progress was made on several fronts in 2023. We disclose financial quantification metrics used in the 2-degree physical risk assessment for the first time, we expanded our physical risk assessment to our forest supply chain, and we undertook our first analysis of climate transition risks and opportunities with the support of third-party experts.



Physical Risk to Our Treating Facilities

The physical risk from climate change was first assessed in 2021 under a 2-degree warming scenario. Each Stella-Jones treating facility was assessed for climate-related risks including both acute and chronic. In 2023, each impact was assigned a relative risk rating which is calculated as the maximum financial loss per facility based on real asset values.

Maximum Financial Loss ("MFL") Scores

- Extreme = >\$25 million
- High = \$12-\$25 million
- Medium= \$5 - \$12 million
- Low = <\$5 million

Stella-Jones Facilities – 2°C

Climate model used: Munich RE NATHAN Globe of Natural Hazards

| Impact | | Description and Potential Impacts | Average MFL | Resiliency Strategies |
|---------|--------------|--|-------------|---|
| Chronic | Extreme Heat | Extreme heat poses a risk to our people engaged in outdoor work at our facilities. The impact of increased days of extreme heat may result in more downtime and require additional costs to be incurred to help mitigate the effects of extreme heat on our workforce. | High | The strategies to mitigate extreme heat on our employees includes increased breaks, cool-down stations, shade coverings in outdoor work areas, and the shifting of certain job tasks to cooler hours of the day where possible. |
| | Wind | Highest impacts from wind relate to tropical cyclones leading to loss of assets including inventory at site. Hail damage was also identified as a high risk for several locations. | Medium | The primary mitigation measure for extreme wind related damage is insurance coverage. Facilities in high-risk areas for tornadoes are required to have shelters for employees. |
| Acute | Wildfire | Wildfire risk is highest in locations with more vegetation close to the facility. The potential impact is catastrophic loss of assets and inventory. | High | The primary mitigation measure for loss due to wildfire is insurance coverage. Stella-Jones is also working on fire response plans with local fire services. |
| | Flooding | Facilities located next to rivers have the highest river flood risk, which can result in inventory and asset losses. | Medium | Stormwater systems act as the best mitigation measure to flooding but can also be easily overwhelmed. |

➔ The next step for the analysis is to take a fresh look at the physical risk scenario to our treating facilities using the expanded climate change scenarios beyond 2-degrees.



Physical Risk to Our Forest Supply Chain

In 2023, our physical risk assessment was updated to include the physical risk to the forests in North America under a changing climate. This assessment was developed as we recognize the significance of forest health as an indicator for our long-term fibre supply and production.

Three scenarios, known as representative concentration pathways (“RCP”), were used for this new assessment as we work to meet the TCFD recommendations more fully.

- **RCP 2.6** - "very stringent" where emissions start declining by 2020 and go to zero by 2100.
- **RCP 4.5** - "intermediate" where emissions peak in 2040 then decline resulting in a global temperature rise between 2°C and 3°C.
- **RCP 8.5** - "worst-case" scenario where emissions continue to rise throughout the 21st century, but is used for predicting mid-century and earlier emissions based on current stated policies.

The time horizons included:

- **Near-Term** (2020-2040)
- **Mid-Term** (2040-2070) and;
- **Late-Century** (2070-2100)

For the purpose of further developing the analysis and resiliency strategies we have chosen to focus on RCP 4.5 the intermediate global warming scenario. The assessment looked at the key species procured for our separate product categories and their predominant forest locations in North America. The weather variables analyzed include changes to precipitation, mean temperature, heat-moisture index, frost-free periods, land fraction exposed to wildfires and river floods, and extreme heat. These weather variables directly translate to the following physical risk impact categories which have been summarized on the right: wildfire, flooding, spread of pests & disease and water stress.

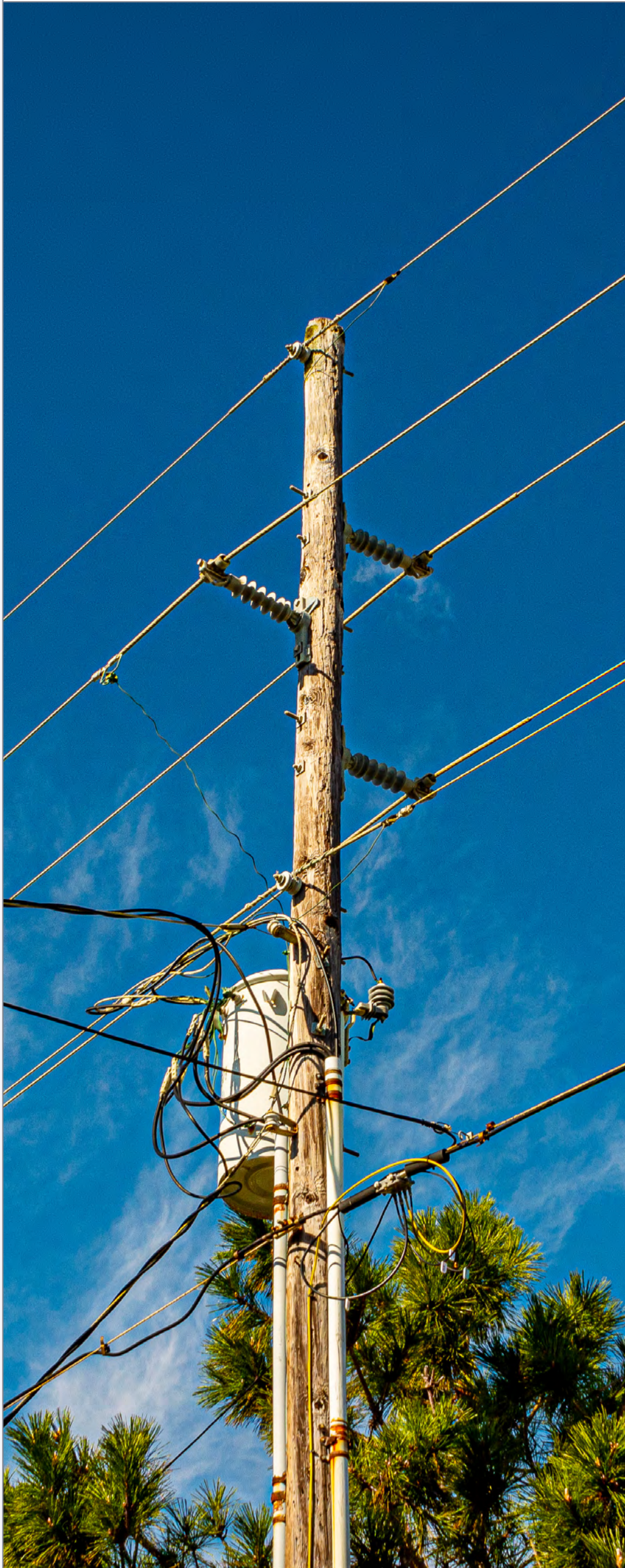
North American Forests – 2°C to 3°C

Climate model used: AdaptWest Project 2021, ClimateNA v7.01

| Impact | | Description and Potential Impacts |
|---------|-----------------|--|
| Chronic | Pests & Disease | Increased tree mortality due to spread of pests and disease leading to reduced supply and higher fibre costs. |
| | Water Stress | Increased tree mortality due to drought like conditions and reduced growth rates leading to reduced supply and higher fibre costs. |
| Acute | Flooding | Reduced harvest access, loss of timberlands due to soil erosion, and wetter fibre requiring longer drying periods. |
| | Wildfire | Reduced supply due to loss of timberlands, increased costs for wildfire salvage, reduced revenue from salvage quality fibre. |

➔ The next step for the analysis is to include the resiliency strategies and actions.





Transition Risk and Opportunities

In 2023, Stella-Jones undertook our first climate change transition risk and opportunity assessment. The process included the identification of the relevant risks and opportunities along our value chain and selection of the top two risks and one opportunity to analyze further. A bespoke, macroeconomic model was used for the assessment which was built in alignment to Shared Socioeconomic Pathway (“SSP”) 2. Two climate scenarios were considered:

- **1.5°C** (low-warming) scenario, aligned with RCP 2.6 – requiring stringent carbon pricing and market regulation for more rapid decarbonization.
- **4°C** (high-warming) scenario, aligned with RCP 8.5 – where there are limited carbon pricing or market mechanisms in the near term, and costs occurring on the longer time horizon.

The time horizons included 2030 and 2050.

The results of the transition risk and opportunity assessment were reviewed by the Stella-Jones management team including the financial quantification metrics. Future analysis will look at further refining our resiliency strategies.

Climate Transition Risks and Opportunities 1.5°C

Climate model used: Bespoke macroeconomic model

| Risk | Description and Potential | Resiliency Strategies |
|---|--|---|
| Carbon Pricing on Operations | <p>In the 1.5°C scenario, significant carbon pricing is required to incentivize industries and societies to reduce carbon emissions. The analysis examined the projected indirect cost of carbon on Stella-Jones.</p> <p>Increased carbon pricing would lead to higher costs for the fuels used in our production processes. The importance of our GHG reduction strategy becomes more pronounced and results in significant cost savings.</p> | Executing our GHG reduction roadmap acts to mitigate the impact of carbon pricing, specifically in the use of diesel fuel in mobile equipment. The assessment of options to further reduce our emissions beyond 2030 is also part of this resiliency strategy. |
| Changes to Fibre Costs from Shifting Land Use | <p>The analysis included the impact of carbon pricing on the forestry sector as well as the impact of preserving forest land for carbon mitigation leading to an impact on available fibre supply.</p> <p>In the 1.5°C scenario there is an increased incentive to set aside harvestable land for carbon mitigation and offsets, which leads to a reduction in supply of fibre and increased overall cost of fibre.</p> | The key resiliency strategy is to engage with landowners and governments on the importance of active land management and forestry to maintain healthy forests and prevent catastrophic wildfires. The diversity and flexibility of Stella-Jones fibre suppliers also works to reduce the potential impact of this risk. |
| Opportunity | Description and Potential | Strategy |
| Market Demand for Products Due to Increased Electrification Infrastructure | <p>The analysis looked at the change in infrastructure required as societies increase electrification as a pathway to decarbonization. The scenario also included a specific focus on the projected uptake of electric vehicles (“EV”) which would require grid expansion for charging infrastructure.</p> <p>The overall demand for utility poles is expected to increase under the 1.5°C scenario, however the impact of EV charging infrastructure is subdued as it’s not expected to lead to significant grid expansion.</p> | Capitalizing on the market opportunity includes the continuation of our strong customer relationships through quality and reliable supply, as well as promotion of the benefits of wood utility poles as a sustainable, renewable, carbon positive material. |

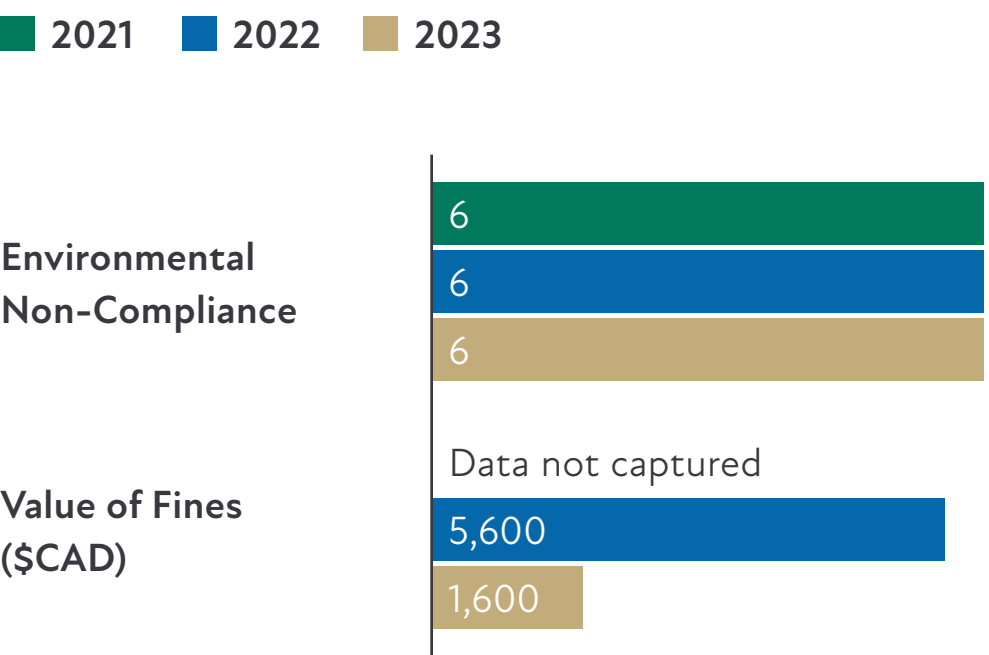
Environmental Compliance

Maintaining environmental compliance across our facilities and operations is critical to our ongoing success. Our wood treating facilities manage air and water permits that include multiple regulatory visits and inspections every year.

2023 Environmental Compliance Performance

In 2023, Stella-Jones had 65 regulatory inspections across the network, resulting in 6 violations, which was no change in total violations from the prior year. Our team of dedicated plant and corporate environmental managers work to ensure Stella-Jones maintains this high level of conformity with regulatory requirements.

Performance Data



*Non-compliance relate to those issued by a regulating authority.

Environmental Management

Stella-Jones maintains an Environmental Management System (“EMS”) aligned with the ISO14001 standard at every facility. The system maintains legal obligations related to environmental permitting and reporting, identifies and ranks environmental aspects, and requires facility-level continuous improvement plans for the control and mitigation of environmental risks. Our EMS is guided by our Environmental, Health and Safety Policy.

Training and Awareness

Every year, the EHS team holds an in-person training event for all the facility-level EHS team members. An example of the topics covered in 2023 include our air-quality program, hazardous waste storage requirements, and the management of change program. This training session complements the on-going dialogue and learning between our site EHS staff, their corporate environmental leads, and regulatory authorities. Stella-Jones strives to collaborate and work cooperatively with all stakeholders when it comes to environmental management and performance.

Auditing

Third-party audits supplement the existing internal environmental inspections conducted by our corporate environmental team. This enhancement of controls is intended to provide additional insights on areas for improvement and work to increase the consistency of implementation of the EMS.

Land Remediation

Stella-Jones participates in voluntary land remediation programs as part of the Company’s commitment to act as environmental stewards in its local communities. Contamination generally occurs prior to Stella-Jones acquiring a site and before the development of environmental regulations for the treating industry. Annually, Stella-Jones works with a third-party to evaluate the financial impact of the remediation projects. In 2023, we spent \$3 million to support on-going voluntary land remediation programs in partnership with local regulatory authorities, and the provision at the end of 2023 was \$19.5 million.



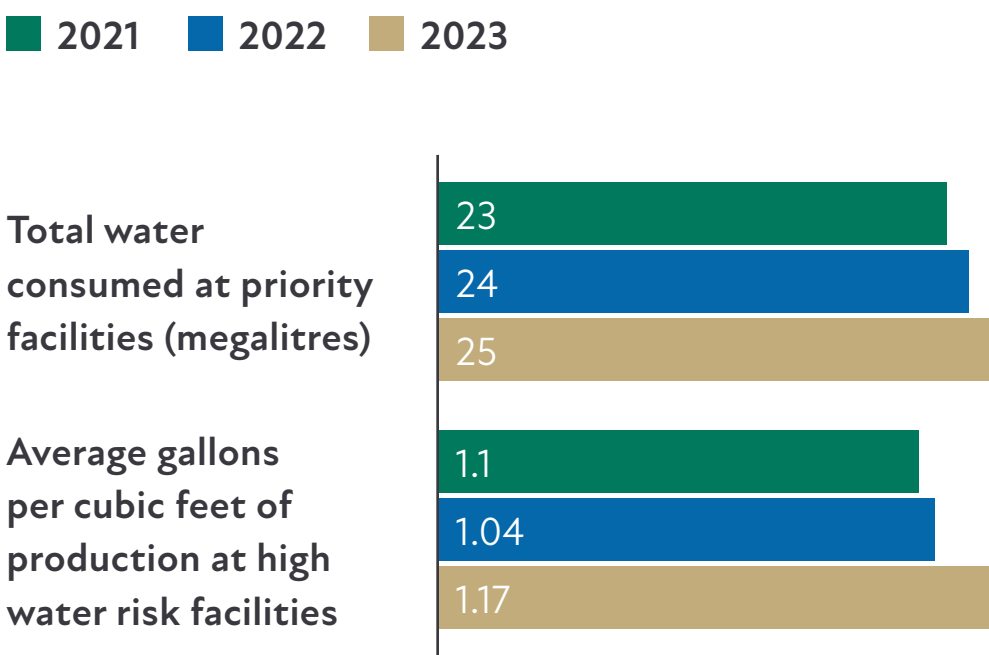
Water & Waste Management

Responsible water and waste stewardship means finding the best possible management solutions and reduction opportunities.

2023 Water Performance at Our High-Risk Facilities

There are three Stella-Jones facilities with water-based treatment processes that are within regions with high or extremely high baseline water stress levels according to the World Resource Institute (WRI) Aqueduct Water Risk Atlas. Total water consumed at our three priority facilities increased by 4% in 2023. This was driven exclusively by our Carseland, Alberta facility in Canada. This facility was required to convert their pentachlorophenol (“penta”) treating process to copper chromium arsenate (“CCA”) during 2023 due to regulation changes by Health Canada’s Pest Management Regulatory Agency. Penta, an oil-borne preservative had been utilized at the site for utility pole manufacturing, and the switch to CCA, a water-borne preservative, ultimately resulted in a 24% increase in total water consumption at Carseland.

Performance Data



Water Management

Access to water is a universal right and an essential resource for our communities. Stella-Jones’ approach to water management covers two aspects; water used in our treating processes and stormwater management in our facilities. Our objectives for both are:

- **Process water:** Identify opportunities to capture and recycle water used during treating processes.
- **Stormwater:** Protecting water quality by implementing stormwater monitoring and treatment programs and ensuring compliance with applicable permits. Some sites can treat stormwater to meet the quality required for treating processes.

Closed Loop Water System

Our Delson, Quebec treatment facility commenced the installation of a new water cooling tower during 2023. Previously the system could only direct a portion of the cooling water used in the treatment process for re-use elsewhere on site. The project will provide the site with a closed loop system, so that all water used in the cooling process is re-directed to the new water tower. The project will become operational in 2024 and is expected to reduce reliance on city water by approximately 50%.





Waste Management

Our waste management streams are broadly categorized into three groups: regular landfill waste, hazardous waste, and our wood byproducts. All three present unique challenges and require a specific approach that can vary greatly depending on a facility’s location and local services.

2023 Waste Performance

In 2023, total waste to landfill reduced by 29%, largely due to an anomaly in 2022 which saw a significant increase due to large scale capital projects. Conversely, there was a significant increase in hazardous waste disposal which increased by 122%. This was driven by the upgrade of several utility pole facilities to new treating preservatives which requires tank cleaning that generates significant hazardous waste materials. Overall total waste, that includes non-hazardous and hazardous increased by 21%.

Wood By-Products


Untreated wood by-product is produced through the debarking, peeling, and trimming processes, and our local teams endeavor to find options in their communities to value this resource. Current pathways include use as firewood, use as a fuel source in boilers, repurposing for garden and landscaping, bio char production, and chipping into wood pellets for electricity production in co-generation facilities.

80%

of total wood by-product was recycled or re-purposed.

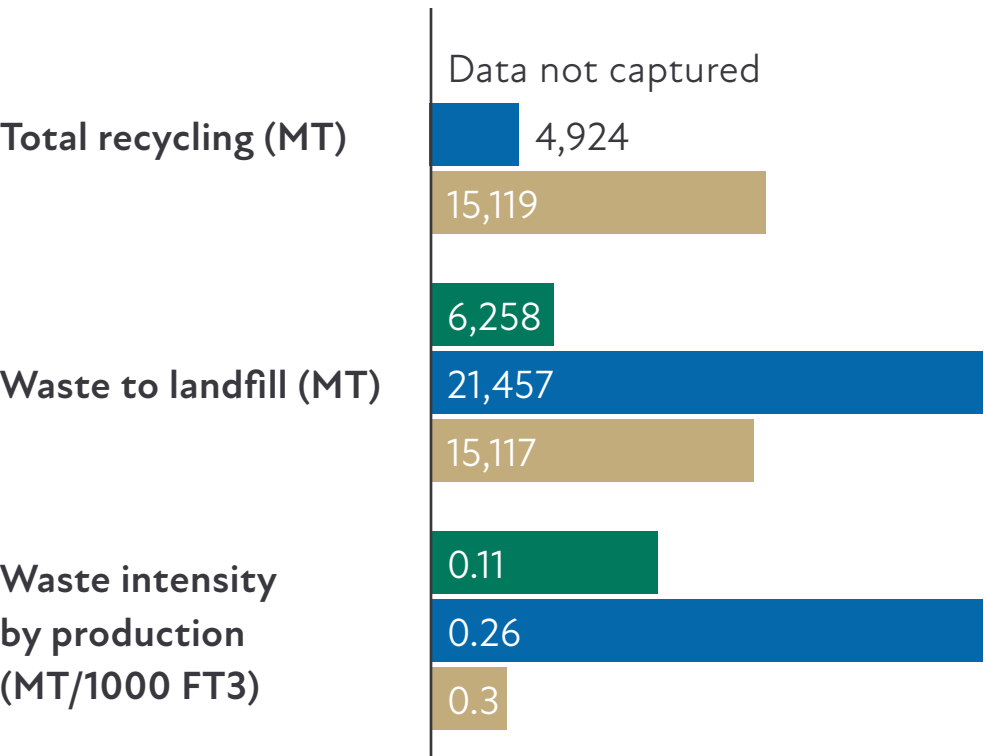
29%

reduction in waste sent to landfill.



Performance Data

2021 2022 2023





Product Stewardship

IN THIS SECTION

| | |
|-------------------------------|----|
| Responsible Supply Chain | 42 |
| Product Life Cycle Management | 45 |
| Innovation | 47 |

Responsible Supply Chain

Our products offer a natural carbon storage solution, and Stella-Jones continues to explore opportunities to enhance product life cycle performance through collaboration with suppliers and customers.

Strategy



Supplier Engagement: Engage in open dialogue with our suppliers to understand our joint ESG priorities.



Sustainable Forestry: Support forest health, wildfire resiliency and responsible harvesting initiatives along our value chain.



Promote Forest Education: Educate the public and policymakers about responsible forest stewardship.

Targets

ACHIEVED



Maintain third-party sustainability certification of 80% or higher for lumber purchases.

2023 PROGRESS & RESULTS:

82% of residential lumber purchases came from vendors with sustainable certification in 2023.

ON TRACK



Complete an ESG due diligence assessment for 25% of Tier 1 suppliers by the end of 2027.

2023 PROGRESS & RESULTS:

100% of Tier 1 suppliers were assessed for social impacts as part of the implementation of a Human Rights Due Diligence process.



Sustainable Forest Management

North America is recognized as a global leader in sustainable forest management. Numerous laws and regulations at the state, provincial, and territory-levels govern the management of forests. Stella-Jones and our suppliers comply with the following sustainable management principles and requirements:

- Forests harvested on public lands must be regenerated, which means replanting for every tree harvested.
- Allowable harvest volume is calculated based on forest growth and is less than 1% of areas designated for harvesting per year.
- Forest management plans on public lands in Canada involve the consultation and participation of Indigenous Peoples and are approved before harvesting starts.

Fibre Supply and Third-Party Sustainability Certification

Wood fibre is procured largely in North America from government timber sale programs, forest tenures, private woodland owners, sawmills, and lumber producers. Sustainability certification from third-party organizations is prohibitive for most small family-run forestland and sawmills. Most fibre supply for Stella-Jones utility pole and railway tie product categories comes from this very small supplier profile or public and crown lands, where sustainability certification is not applicable. With that in mind, North America is highly regulated, and all forest landowners and sawmills comply with applicable national and local laws and regulations, including industry-specific environmental regulations which promote harvesting timber at maximum sustainable yield and biological maturity.

In 2023, 82% of our residential lumber supply came from certified sources. These certifications include Forest Stewardship Council® (“FSC®”), Sustainable Forest Initiative® (“SFI®”), the Programme for the Endorsement of Forest Certification® (“PEFC®”), and the Canadian Standards Association (“CSA”).

We’ve focused our strategic target for sustainability certification on this product line as the supplier profile is more suitable, consisting primarily of larger public company sawmills.



Active forest management helps prevent wildfires, it won’t prevent all fires, but it does save timber from catastrophic loss. Ultimately, without a healthy forestry industry, we jeopardize our ability to improve forest resiliency, reduce wildfire risks and protect our communities.



Ben Johnson
Resource Manager



Wildfire Prevention Needs the Forestry Industry

The forestry industry plays a vital role in maintaining the health of our forests and conducting the necessary work to reduce wildfire risk. Wildfire fuel reduction strategies including tree thinning, interface clearing and timber harvesting, reduce the risk of wildfires impacting communities and infrastructure. The loggers, equipment operators, truck drivers, and local sawmills, are the workers required to ensure we continue to protect our forests from wildfire and retain the skills and tools to implement post-fire recovery activities and restoration work.

Stella-Jones’ Oregon woodlands team witnessed first-hand the impact and benefit of active land management after the Bedrock fire in 2023. Stella-Jones had undertaken commercial thinning work in one land area as part of timber sale contract requirements. The result was that the fire moved through this cut with reduced intensity and did not reach the forest over-story, ultimately avoiding catastrophic loss in this area. Conversely, another nearby timber sale that had not had active land management activities take place was decimated by the fire, resulting in the loss of approximately 40% of the total sale acreage. This fire gave a very clear picture of the need for active management of our forestland to help build resiliency to wildfire.



Human Rights in the Supply Chain

The Company initiated the development of an ESG due diligence process in 2023. Due to new regulations in Canada, the focus was put on supplier human rights impacts for this first year and will expand to other ESG categories in the future. In developing the due diligence process, multiple frameworks were reviewed including the Organisation for Economic Co-operation and Development Due Diligence Guidance for Responsible Business Conduct and the United Nations Guiding Principles on Business & Human Rights.

As part of the due diligence process, a human rights risk assessment was conducted for 184 suppliers, equivalent to 80% of the total procurement spend in 2022. The process included a desktop review of publicly available information and dedicated risk discussions with the procurement, logistics, human resources, and operations teams at Stella-Jones.

The assessment identified the focus areas for future supplier engagement on the topic of human rights management, and the results were reviewed by Stella-Jones' Board of Directors.



Human Rights Policy

In 2023, Stella-Jones implemented a new policy on Human Rights ("Policy") to confirm and make public its commitments to respecting and upholding Human Rights across the business and its supply chain. The Policy was developed by an internal team of employees representing all key business functions and is owned by the Senior Vice President and Chief People Officer. The Policy outlines Stella-Jones' commitment to upholding the principles enshrined in internationally recognized Human Rights laws including the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Policy prohibits the employment of individuals in violation of applicable local minimum age laws as well as the use of forced labour, slave labour, or labour resulting from human trafficking in its operations and in its supply chain.

The Policy is publicly available on [Stella-Jones' website](#).

Training on Human Rights

To support the implementation of the Human Rights Policy, an e-learning training module was developed and covers the following topics:

- The applicable laws and regulations governing Human Rights both in the United States and Canada.
- The areas of potential Human Rights risks along the Company's supply chain as identified through the risk assessment process.
- The avenues available to report any concerns or known violations of Human Rights, including through a third-party anonymous reporting tool.

The training was delivered to all salaried employees and its completion was made mandatory for employees involved in contracting and procurement decisions.

Product Life Cycle Management

Our approach to life cycle management starts in the forest and extends all the way to what happens to our products when they reach the end of their useful life. The North American landscape for end-of-life treated wood products is evolving rapidly and Stella-Jones is focused on staying abreast of the changing regulations and seeking cost effective solutions for our customers.

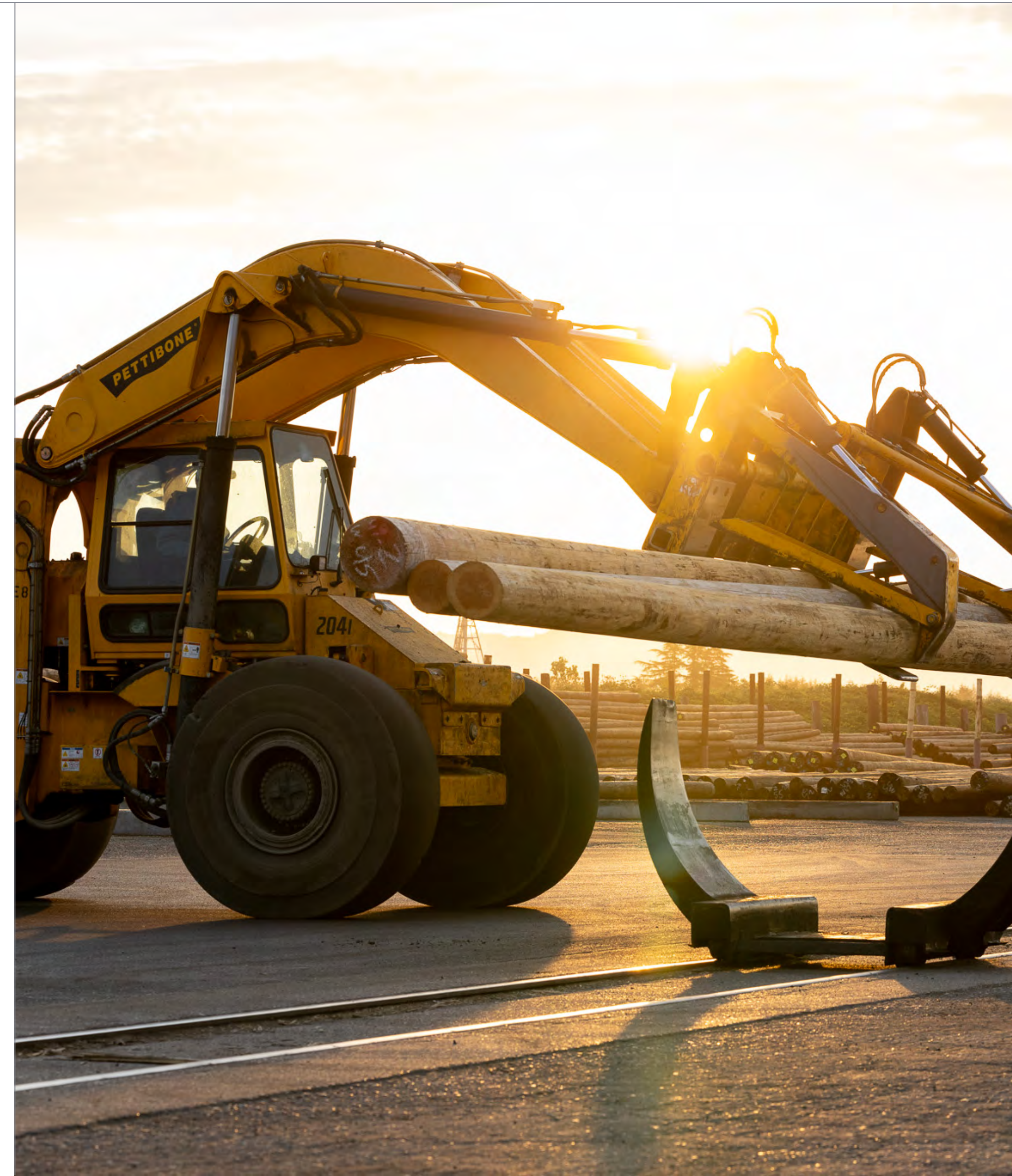
Carbon Storage

Wood is a renewable material with direct carbon storage benefits. ISO 14044-compliant life cycle assessments of treated wood products in North America show a net negative carbon footprint, indicating the potential of wood products to reduce greenhouse gas emissions. Carbon sequestration occurs during the tree growing cycle and is stored during the harvest and treating process.

WeForestation Carbon Calculator

In 2023, in collaboration with a third-party, we supported a scientific review of the existing methods for calculating the carbon sequestered in wood products, with the goal to develop a holistic model that can become the industry standard. The research team reviewed the concepts and calculations used by the United States Environmental Protection Agency, the United States Department of Agriculture Forest Products Laboratory, and other non-governmental research papers on sequestration models. The research led to the development of the WeForestation calculator that uses industry-specific data acquired from North American treated wood suppliers, a variety of wood species, and a range of preservatives.

The calculator will help support carbon sequestration calculations in wood product life cycle assessments with the hope that this input can be standardized across the industry and made specific to each individual manufacturer.





Life Cycle Approach

Taking a whole of life cycle approach to our products is an important part of finding sustainability opportunities along our value chain. The existing life cycle assessments (“LCA”) for treated wood products show significantly less carbon impact when compared to alternative products. In 2023, Stella-Jones set a new focus to better understand the full life cycle impact of our specific products and collaborate with our customers and suppliers on increasing the options for products when they reach the end of their useful life.

End-of-Life Product Options

There are three main options for end-of-life management of our products; recycling and repurposing, energy recovery and landfilling. The landscape for energy recovery options is evolving with biofuel and biomass fed co-generation facilities being planned and developed across North America. However, each state and province has a different approach to the regulation of treated wood end-of-life management, with many banning its use in energy production. This creates a complex situation for our customers when looking for environmentally sound options. Once a location has been identified, there are two main challenges that need to be overcome for cost-effective local solutions. The first is the processing and removal of metal components in railway ties and utility poles and the second is the freight costs to bring the geographically dispersed products to a central point for processing.

In 2023, 8,073 metric tonnes of end-of-life product was recycled or re-used through Stella-Jones-affiliated contracts. This represents a 25% increase over 2022 and whilst a small percentage of the Company’s total production, this figure does not include the products recycled directly by our customers.

Development of Product Category Rules for Utility Poles

An important part of obtaining a certified life cycle assessment is the use of product category rules (“PCR”) that outline the product-specific requirements for conducting LCA studies. In 2023, Stella-Jones supported the development of a PCR for utility poles. The work required collaboration with a coalition of different utility pole industry groups and was supported by the Treated Wood Council and Oregon University. The final PCR was approved and published in early 2024.

Quality Assurance

The wood preservation process is governed by different standards in North America depending on location, tree species, preservative, and the intended product use. In addition to meeting these standards our production teams ensure the quality of our products meets all the additional requirements set by our customers. Our treating facilities have third-party or in-house quality control and inspections that assess final products for defects and preservative retention to ensure our customers receive a quality final product every time.

Utility poles standards include:

- American Wood Protection Association (“AWPA”) ANSI O5.1 Wood Pole specifications and dimensions.
- Canada Standards Association ("CSA") Wood Preservation.
- Canadian Wood Poles and Reinforcing Stubs standard.

Railway tie standards include:

- AWPA and American Railway Engineering and Maintenance-of-Way Association (“AREMA”) specifications for sizes, inspections and treating.
- Association for American Railroads (“AAR”) specifications including M-1003 certification for all facilities.

Innovation

Stella-Jones’ R&D initiatives are designed to provide solutions to the challenges our customers and the wood preservation industry face today and into the future. Our R&D program focuses on innovative solutions to enhance product quality and longevity, reduce environmental impacts of products and processes, and continually seek ways to increase safety.

Collaboration across the Company, and with external partners such as governments and universities, is the key to successful innovation programs. Below is a snapshot of ongoing research programs:

Non-Destructive Testing for In-Service Utility Poles

Stella-Jones has been developing an innovative new approach to test the mechanical and physical properties of in-service utility poles. The electrically induced radiation-based test method removes the need to bore holes into the wood for analysis, which avoids impacts on pole strength and potential wastage of the pole. In 2023, the method was tested on four power lines for Nova Scotia Power, and the team is working with the Natural Sciences and Engineering Research Council of Canada to expand the program in 2024.

Cost-Effective Land Remediation Approach

In 2023, the Stella-Jones research team completed the large scale test of in situ soil remediation. 2,000 metric tonnes of historically contaminated soil situated under a building, was remediated without the need for excavation. This approach would drastically improve the cost efficiency of soil remediation work.

Fluid Dynamic Modelling for Tank Mixing

In collaboration with a research team from Dalhousie University, Stella-Jones has modelled the different tank inlet fitting designs that can improve the mixing of preservative solutions. The design improves the force and suspension of the preservative entering the tank and is intended to reduce the development of sludge. This project would improve the effective use of preservative and reduce hazardous sludge waste at our treating facilities.

| Performance Data | 2022 | 2023 |
|---|------|------|
| % of residential lumber from sustainability certified sources | 81% | 82% |
| % with PEFC certification* | 50% | 74% |
| % with SFI certification* | 50% | 71% |
| % with FSC certification* | 71% | 72% |
| % with CSA certification* | 9% | 4% |
| Million MT of CO2 sequestered in our products | 2.6 | 2.5 |

*The total percentage by certification body will not add to 100% as many suppliers have multiple certifications.

25% increase

in end-of-life product re-use and energy recovery.

Suppliers representing

80%

of total procurement spend were screened for human rights risk.



Simplifying the Approach to Life Cycle Assessments

Traditional LCAs are often complex and cumbersome documents that are both difficult for readers to digest, and even more challenging for companies to understand how to use them to improve their products and processes. In 2023, Stella-Jones embarked on a pilot with a technology company to develop automated LCAs that provide product-level emissions insights at the facility level. The idea driving the project is to use the software to visualize and record how the environmental impact of our products change as we continue to make improvements to our processes, including our decarbonization projects, end-of-life solutions, and updates to preservatives used.

The pilot started with CCA-treated red pine utility poles from our facility in Riviere-Rouge, Quebec. The Stella-Jones team helped co-design the platform and user interface and included integration with existing data collection systems across the Company. We believe this automated LCA platform will be key to identifying the most effective supply chain efforts for continual product improvement.





Governance Principles

IN THIS SECTION

| | |
|----------------------|----|
| ESG Risk Governance | 49 |
| Corporate Governance | 51 |

ESG Risk Governance

Stella-Jones objective for risk management is to empower our people to make informed and responsible decisions and deliver results through clear guidelines, disciplined processes, and accountability. Creating and protecting value requires strong risk identification and management, and Stella-Jones is focused on ensuring risk management is integrated into the Company culture.

Strategy



- 

Strong Governance as our Foundation: Maintain well-defined ownership, maintenance, and effective communication of Company policies.
- 

Priority Risk Management: Prioritize resources for the control and management of our priority risks including climate risk, cybersecurity, business resiliency, workforce, and raw material supply.
- 

Simplify Compliance: Ensure compliance by staying abreast of changing regulations and equip employees with the right knowledge and resources.

Targets

| ON TRACK  | ON TRACK  |
|--|--|
| 100% of salaried employees to complete the new Digital Annual Policy Acknowledgement by 2024. | Launch digital onboarding training within one year of the new training module implementation. |
| 2023 PROGRESS & RESULTS: Achieved a 75% completion rate for the new Digital Annual Policy Acknowledgement. We will continue to work on strategies to increase the completion rate. | 2023 PROGRESS & RESULTS: No developments in 2023. Online training solutions will be evaluated throughout 2024. |





Enterprise Risk Management

The Enterprise Risk Management (“ERM”) process at Stella-Jones follows an identify, assess, control, monitor and review framework. The risk management team coordinates the process on a rolling-basis, reporting top risks to the Board of Directors (“Board”) semi-annually. Employees across all key business functions are involved in the process of identifying threats and opportunities, and each risk is assigned an owner from the business who is accountable for the implementation and review of controls.

Top Three ESG Risks in 2023:

- 1. Climate Change**
The physical risk of changing climate at our facilities and in our supply chain, as well as the transitional costs to our business from the switch to clean energy.
- 2. Raw Material Availability and Cost**
Increased demand for certain timber species and sizes putting a strain on availability and leading to higher product input costs.
- 3. ESG Reputation**
Managing the accuracy of information used in the fragmented and complex ESG rating industry.

Climate Risk

In 2023, we expanded our climate risk assessment process to include climate transition risks and the physical risk to our forest supply areas. These assessments used different climate warming scenarios, and time horizons and form our Company response to the recommendations of the TCFD. The resiliency strategies and measures will be included in the Company’s ERM framework for continual monitoring and review. You can read more about the results of these risk assessment in the Climate Change and GHG Emissions section of this report.

Cybersecurity and Privacy

Cybersecurity at Stella-Jones is focused on the protection of Company information and assets, including data privacy of our employees, suppliers, and customers. Multistage cybersecurity training is mandatory for all Stella-Jones employees and internal campaigns help to increase employee identification of the different cyber threats. The Audit Committee of the Board of Directors is mandated with the oversight of cybersecurity and data privacy and in 2023, the Committee formally mandated the Internal Audit team to review Stella-Jones’ Cybersecurity program and Privacy Compliance program. The internal audit team provides regular reports to the Committee, supplementing the existing reporting on IT security initiatives.

In 2023, work began to integrate Stella-Jones’ cyber incident response plan with the Company’s crisis management plans. A Personal Information Protection Policy (“PIPP”) was created in 2023 to help strengthen the management of personal information and ensure compliance with new Quebec regulations for employee data privacy. The Policy covers the principles to be followed when collecting, using, disclosing, retaining, and destroying personal information.

Corporate Governance

Stella-Jones has a strong culture of governance through internal processes and controls, and its majority independent Board of Directors. The Company is committed to continued transparency and accountability and is working towards enhancing our climate-related disclosures in preparation for upcoming regulations for North America.

ESG Governance

ESG Governance at Stella-Jones is embedded at every level of the Company. ESG working groups have been established for each of the six ESG strategic topics. These teams review the annual action plans and assist with implementation. The EHS Committee of the Board is responsible for monitoring the overall ESG strategy implementation and performance.

The Board of Directors

The principal role of the Board of Directors is to monitor and evaluate the Company’s strategic direction and provide independent oversight of business and affairs. This is done with a view to evaluate, on an ongoing basis, whether the Company’s resources are being managed in a manner consistent with enhancing short-term and long-term shareholder value, ethical considerations, and ESG. The Board is responsible for overseeing the Company’s compliance with effective corporate governance rules, principles and policies, and is accountable to shareholders for the performance of the business. The Board recognizes its essential responsibility to the interests of employees, customers, suppliers, communities and the environment.

The Board Governance and Nomination Committee, which is composed exclusively of independent directors, is tasked with monitoring the composition and size of the Board and determining the skills and competencies that individual directors and the Board shall have. The most recent approach to expand the competencies of the Board began in 2023 and culminated in the successful appointment of Michelle Banik to the Board of Directors in January 2024. Ms. Banik is an accomplished Human Resources professional and brings expertise in performance management, talent optimization, HR innovation, succession planning and executive compensation to the Stella-Jones Board.

You can read more about the governance and nomination process of the Board of Directors in our March 14, 2024 Management Proxy Circular.

Board Diversity

As of December 31, women comprised 40% of Board members, exceeding the Board gender diversity target of 30%. Stella-Jones will continue to explore opportunities to increase diverse representation on our Board.



ESG Governance: Board Oversight

Full Board

- Oversees the Company’s approach to ESG matters relating to the long-term health and sustainability of the Company.
- Reviews and approves the Company’s ESG Strategic Plan, its program, and the annual ESG Report.
- Reviews semi annually, the Enterprise Risk Report which includes climate-related risks and opportunities.

Environmental, Health & Safety Committee

- Monitors and advises on the ESG strategy, targets, and objectives, as well as reporting to the Board on performance and progress.
- Reviews the annual ESG Report prior to Board approval.
- Ensures adequate resources are allocated for effective ESG management.

Human Resources and Compensation Committee

- Responsible for employee compensation and programs including oversight of annually determined ESG initiatives in the executive level short-term incentive plan (“STIP”).

Audit Committee

- Oversees financial reporting systems and internal controls including the monitoring and planning for future mandatory ESG financial reporting requirements.
- Oversees cybersecurity.

Digital Policy Acknowledgment

In 2023, as part of the strategic commitment to ensure effective communication of Company policies, a new Digital Policy Acknowledgment process was launched. The digital process replaced the more manual acknowledgment and allowed for efficient tracking of employee completion. In this first year, the four policies that were formally acknowledged by employees included the following:

- Code of Business Conduct and Ethics
- Whistleblower Procedures
- Workplace Discrimination, Harassment and Violence Prevention Policy
- Disclosure Communication Policy

75% of all Stella-Jones salaried employees completed the digital acknowledgement in 2023. Whilst we are pleased with this outcome for the first year of the process adoption, we will continue to strive for the targeted 100% to ensure every employee understands the Company expectations and can make informed and responsible decisions.

Our Policy Commitments

The policy governance process at Stella-Jones is overseen by a Policy Committee made up of representatives from multiple business functions. Any new company-wide policy or updates to existing policies, are reviewed by the Committee before approval by the Chief Executive Officer. Publicly available policies are also approved by the Board. A centralized policy portal ensures employees have access to all applicable policies and programs including the point of contact for questions or proposed amendments.

In 2023, two new policies were introduced at Stella-Jones: the Indigenous Peoples Policy and a Human Rights Policy. You can read more about each policy in the [Indigenous Peoples](#) and [Responsible Supply Chain](#) sections.

Business Ethics

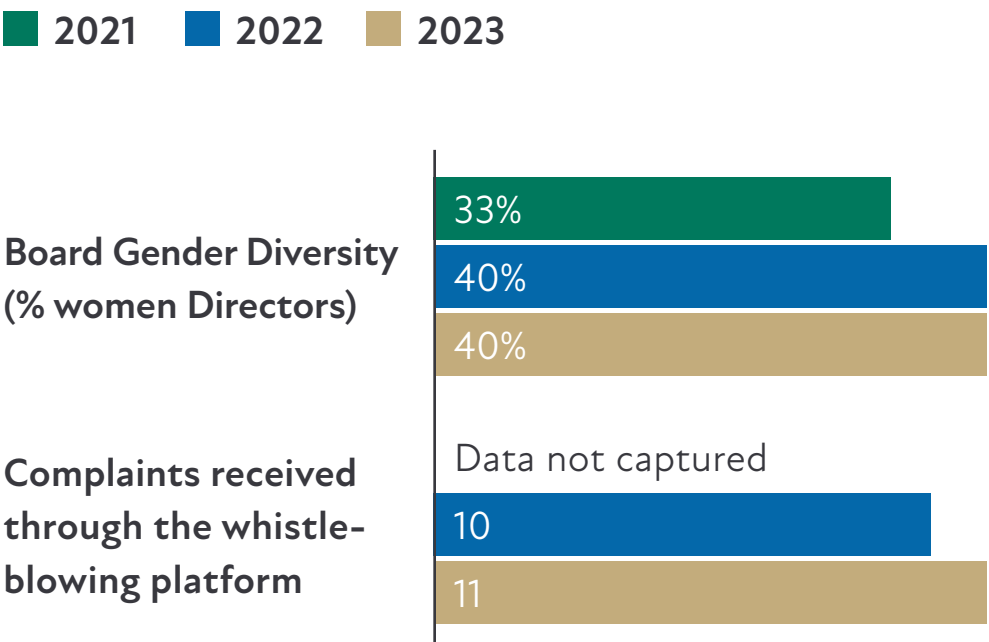
Everyone who works for Stella-Jones is accountable for upholding the Company values and high standards of conduct. Our Code of Business Conduct and Ethics (“Code”) is the foundation of our commitment to ethics and compliance. The Code outlines the standard of ethical behavior and corporate conduct that governs the manner in which all employees of Stella-Jones and those working on our behalf shall conduct business and maintain relationships in all regions and circumstances in which we operate. The Code incorporates Conflicts of Interest, Anti-Hedging and Anti-Bribery Policies, Environmental Protection and Sustainability, as well as our commitment to compliance with applicable laws and regulations. In 2023, the Code was updated to include compulsory disclosure by insiders of potential related-party transactions with the Company for assessment and pre-approval, under the oversight of the Audit Committee. The Code undergoes ongoing reviews and enhancements and is reviewed and approved annually by the Board of Directors.

Stella-Jones maintains a third-party whistleblower mechanism for all stakeholders, both internal and external, to raise concerns. Reports can be made anonymously through an online portal or hotline without fear of retaliation or intimidation. The process ensures all concerns and complaints are promptly and effectively addressed, with all reports, be they Human Resource related or regarding accounting, internal controls or auditing matters, reported to our Audit Committee.

In 2023, 11 complaints were received through the reporting channels. All the complaints were reported to the Audit Committee and followed up with internal or third-party investigation as appropriate.

More information on our various corporate policies can be found in the [Corporate Governance section of our website](#).

Performance Data



Appendices

IN THIS SECTION

| | |
|---|----|
| Caution Regarding Forward-Looking Statements | 54 |
| ESG Performance Data | 54 |
| ESG Performance Data Accounting Methodologies | 59 |
| GRI, SASB, and TCFD Content Index | 61 |

Caution Regarding Forward-Looking Statements

This Report contains statements that are forward-looking in nature. The words "may", "could", "should", "would", "assumptions", "plan", "strategy", "believe", "anticipate", "estimate", "expect", "intend", "objective", the use of the future and conditional tenses, and words and expressions of similar nature are intended to identify forward-looking statements.

Forward-looking statements in this report include, but are not limited to, statements relating to: our ESG strategy and goals, including short-term and long-term targets and commitments. Such statements are based on a number of estimates, projections, beliefs and assumptions that the management team believed to be reasonable as of the date of this report, though inherently uncertain and difficult to predict, including, but not limited to, expectations and assumptions concerning: the development, performance and effectiveness of technology, the ability to procure renewable energy and fuels on commercially reasonable terms, the ability to implement energy efficiency technologies and process change without impacting production objectives, and the ability to recruit, retain and develop a qualified workforce.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, experience, or achievements of Stella-Jones to be materially different from those expressed or implied by forward-looking statements. Risks and uncertainties that could influence the achievement of the ESG strategy and goals include, but are not limited to: general political, economic and business conditions, evolution in customer demand for the Company's products and services, availability and cost of raw materials, risks associated with the consequence of climate change, natural disasters and adverse weather conditions, changes in laws and governmental regulations, information security breaches or other cyber-security threats.

The forward-looking statements speak only as of the date of this report. Stella-Jones does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

ESG Performance Data

Stella-Jones is committed to disclosing our ESG metrics transparently. Our voluntary reporting is guided by the following frameworks:

- The Sustainability Accounting Standards Board Building Products and Furnishings Standard - 2018.
- The Global Reporting Initiative General Disclosures 2021 and other select GRI disclosure topics.
- The Task Force on Climate-Related Financial Disclosures.

Stella-Jones discloses metrics that are relevant to the topics we identified through our materiality assessment process. We believe increased transparency around ESG metrics is key to sustainable business practices, and we hope that through comparable and credible data and disclosures, we will enhance our stakeholders’ trust, and elevate the ambitions and practices of our industry.

2023 Activity Measures

| Data | Measurement | 2023 | 2022 | 2021 | Standard |
|-------------------|------------------------|---------|---------|---------|----------|
| Sales | \$ million CAD | 3,319 | 3,065 | 2,750 | – |
| Annual Production | 1,000 Cubic Feet (ft3) | 110,668 | 107,549 | 102,931 | 000.A |

ESG Performance Data (continued)

| Environment | | | | | | |
|-------------|-------------------------------------|-----------------|-----------|-----------|-----------|----------------------------|
| Category | Indicator | Unit | 2023 | 2022 | 2021 | Standard |
| Energy | Total energy consumed | Gigajoules (GJ) | 4,355,948 | 2,513,974 | 2,045,663 | GRI 302 -1, SASB 130a.1(1) |
| | Total fuel consumed – non renewable | Gigajoules (GJ) | 2,401,709 | 2,156,259 | 1,725,645 | GRI 302-1 |
| | Total fuel consumed – renewable | Gigajoules (GJ) | 1,553,119 | 868,128 | 1,082,448 | GRI 302-1 |
| | Total electricity consumed | Gigajoules (GJ) | 399,264 | 357,715 | 320,018 | GRI 302-1 |
| | Energy intensity by production | GJ/1,000 FT3 | 39 | 31 | 27 | GRI 302-3 |
| | Percentage grid electricity | % | 9 | 10 | 11 | SASB 130a.1(2) |
| | Percentage renewable | % | 36 | 26 | 35 | SASB 130a.1(3) |
| | | | | | | |
| | | | | | | |

| Environment | | | | | | |
|-------------|-----------------------------|-----------------------------|-----------|---------|-------------------|-----------|
| Category | Indicator | Unit | 2023 | 2022 | 2021 | Standard |
| Emissions | Scope 1 – GHG Emissions | MT CO2eq | 134,634 | 123,685 | 95,886 | GRI 305-1 |
| | Scope 2 – GHG Emissions | MT CO2eq | 31,006 | 28,194 | 25,648 | GRI 305-2 |
| | Scope 3 – GHG Emissions | MT CO2eq | 1,035,651 | 965,930 | Data not captured | GRI 305-3 |
| | Biogenic GHG emissions | MT CO2eq | 125,836 | 103,184 | 111,669 | GRI 305-1 |
| | GHG intensity by production | MT CO2eq/ 1,000 FT3 | 1.18 | 1.19 | 1.18 | GRI 305-4 |
| | GHG intensity by sales | MT CO2eq/\$ million revenue | 49 | 47 | 44 | GRI 305-4 |
| | SOx emissions | MT | 147 | 128 | 68 | GRI 305-7 |
| | NOx emissions | MT | 114 | 126 | 106 | GRI 305-7 |
| | | | | | | |

ESG Performance Data (continued)

| Environment | | | | | | |
|-------------|---|------------|------|------|-------------------|-----------|
| Category | Indicator | Unit | 2023 | 2022 | 2021 | Standard |
| Water | Total water withdrawn | Megalitres | 775 | 594 | 410 | GRI 303-3 |
| | Water withdrawn – third party sources | Megalitres | 675 | 494 | 294 | GRI 303-3 |
| | Water withdrawn – Surface Water | Megalitres | 13 | 8 | Data not captured | GRI 303-3 |
| | Water withdrawn – Groundwater | Megalitres | 86 | 93 | Data not captured | GRI 303-3 |
| | Total water withdrawn (priority facilities – Eloy, Carseland, Whitmire) | Megalitres | 25 | 24 | 23 | GRI 303-3 |
| | Water withdrawn – third party sources (priority facilities) | Megalitres | 7 | 4 | Data not captured | GRI 303-3 |
| | Water withdrawn – site sources (priority facilities) | Megalitres | 18 | 20 | Data not captured | GRI 303-3 |
| | | | | | | |

| Environment | | | | | | |
|--------------------------|-------------------------------|-------------|--------|--------|-------------------|-----------|
| Category | Indicator | Unit | 2023 | 2022 | 2021 | Standard |
| Waste | Total waste generated | MT | 33,702 | 27,893 | 11,673 | GRI 306-3 |
| | Total hazardous waste | MT | 3,466 | 1,559 | 839 | GRI 306-3 |
| | Total non-hazardous waste | MT | 15,117 | 21,410 | 10,834 | GRI 306-3 |
| | Total recycled | MT | 15,119 | 4,924 | Data not captured | GRI 306-4 |
| | Total waste landfilled | MT | 15,117 | 21,456 | 6,258 | GRI 306-5 |
| | Waste intensity by production | MT/1000 FT3 | 0.30 | 0.26 | 0.1 | N/A |
| Environmental Compliance | Environmental non-compliances | Number | 6 | 6 | 6 | GRI 2-27 |
| | Value of fines | \$ CAD | 1,600 | 7,280 | Data not reported | GRI 2-27 |

ESG Performance Data (continued)

| Social | | | | | | |
|-----------------|---------------------------|--------------------------|-------|-------|-------------------|-----------|
| Category | Indicator | Unit | 2023 | 2022 | 2021 | Standard |
| Health & Safety | Employee fatalities | Number | 0 | 0 | 0 | GRI 403-9 |
| | DART cases | Number | 65 | 65 | 81 | GRI 403-9 |
| | DART frequency rate | Per 200,000 hours worked | 2.2 | 2.6 | 3.3 | GRI 403-9 |
| | TRR cases | Number | 98 | 95 | 112 | GRI 403-9 |
| | TRR frequency rate | Per 200,000 hours worked | 3.3 | 3.6 | 4.6 | GRI 403-9 |
| | Contractor fatalities | Number | 0 | 0 | 1 | GRI 403-9 |
| | | | | | | |
| Employment | Total employees | Number | 2,945 | 2,615 | 2,402 | GRI 2-7 |
| | Total hourly employees | Number | 2,139 | 1,918 | Data not captured | GRI 2-7 |
| | Total unionized employees | Number | 467 | 413 | 416 | GRI 2-7 |

| Social | | | | | | |
|-----------|---|--------|------|------|-------------------|-----------|
| Category | Indicator | Unit | 2023 | 2022 | 2021 | Standard |
| New Hires | Total new hires | Number | 907 | 854 | 713 | GRI 401-1 |
| | Total female new hires | % | 18 | 19 | Data not captured | GRI 401-1 |
| | New hires less than 30 years old | Number | 302 | 303 | Data not captured | GRI 401-1 |
| | New hires less than 30 years old – Female | % | 17% | 16% | Data not captured | GRI 401-1 |
| | New hires 30-50 years old | Number | 446 | 412 | Data not captured | GRI 401-1 |
| | New hires 30-50 years old – Female | % | 21 | 21 | Data not captured | GRI 401-1 |
| | New hires over 50 years old | Number | 158 | 140 | Data not captured | GRI 401-1 |
| | New hires over 50 years old – Female | % | 16 | 21 | Data not captured | GRI 401-1 |
| | | | | | | |

ESG Performance Data (continued)

| Social | | | | | | |
|-----------|--|--------|------|-------------------|-------------------|-----------|
| Category | Indicator | Unit | 2023 | 2022 | 2021 | Standard |
| Turnover | Total Turnover | Number | 630 | 561 | 563 | GRI 404-1 |
| | Total female turnover | % | 15 | 17 | Data not captured | GRI 404-1 |
| | Turnover of employees less than 30 years old | % | 32 | 30 | Data not captured | GRI 404-1 |
| | Turnover of employees 30-50 years old | % | 43 | 43 | Data not captured | GRI 404-1 |
| | Turnover of employees 50 years old | % | 25 | 27 | Data not captured | GRI 404-1 |
| Diversity | Women in workforce | % | 18 | 17 | 16 | GRI 405-1 |
| | Women in senior management team | % | 8 | 8 | 10 | GRI 405-1 |
| | Women in management | % | 31 | Data not captured | Data not captured | GRI-405-1 |
| | Employees less than 30 years old | % | 15 | 15 | 15 | GRI 405-1 |
| | Employees 30-50 years old | % | 49 | 44 | 46 | GRI 405-1 |
| | Employees over 50 years old | % | 36 | 41 | 39 | GRI 405-1 |
| | Women employees less than 30 years old | % | 2 | 2 | 2 | GRI 405-1 |
| | | | | | | |

| Social | | | | | | |
|-----------------------|---|--------------------|------|------|------|-----------|
| Category | Indicator | Unit | 2023 | 2022 | 2021 | Standard |
| Diversity (continued) | Women employees 30-50 years old | % | 9 | 7 | 7 | GRI 405-1 |
| | Women employees over 50 years old | % | 7 | 7 | 7 | GRI 405-1 |
| | American Indian or Alaskan Native | % of U.S workforce | 1.6 | 1.5 | 1.4 | GRI 405-1 |
| | Asian | % of U.S workforce | 0.6 | 0.5 | 0.5 | GRI 405-1 |
| | Black or African American | % of U.S workforce | 15 | 15 | 13 | GRI 405-1 |
| | Hispanic or Latino | % of U.S workforce | 6 | 6 | 5 | GRI 405-1 |
| | Native Hawaiian or Other Pacific Islander | % of U.S workforce | 0.5 | 0.4 | 0.4 | GRI 405-1 |
| | Two or More Races | % of U.S workforce | 2 | 2 | 3 | GRI 405-1 |
| | Employee with a Disability | % of U.S workforce | 7 | 5 | 8 | GRI 405-1 |
| | Veteran | % of U.S workforce | 3 | 3 | 5 | GRI 405-1 |

ESG Performance Data (continued)

| Governance | | | | | | |
|------------------------|--|--------|-------|-------|-------------------|----------------|
| Category | Indicator | Unit | 2023 | 2022 | 2021 | Standard |
| Product | Weight of end-of-life material recovered | MT | 8,073 | 6,439 | Data not captured | SASB 410a.2(1) |
| | Procurement from third-party certified forestlands | % | 82 | 81 | Data not captured | SASB 410a.1(2) |
| | FSC certified | % | 72 | 71 | Data not captured | SASB 410a.1(3) |
| | SFI certified | % | 71 | 50 | Data not captured | SASB 410a.1(3) |
| | PEFC certified lumber | % | 74 | 50 | Data not captured | SASB 410a.1(3) |
| | CSA | % | 4 | 9 | Data not captured | SASB 410a.1(4) |
| The Board of Directors | Board of Directors | Number | 10 | 10 | 10 | N/A |
| | Independent members on the Board | Number | 9 | 9 | 9 | N/A |
| | Women representation on the Board | % | 40 | 40 | 40 | GRI 405-1 |

ESG Performance Data Accounting Methodologies

Reporting Period

Stella-Jones’ ESG performance data is from January 1 to December 31, 2023.

Boundary Setting

The data provided in Stella-Jones’ ESG Performance includes all wood treating facilities, pole peeling yards, our coal tar distillery, trucking operations, and management offices that are owned and operated by Stella-Jones, as well as employees directly employed with Stella-Jones. We have excluded leased office spaces and distribution or finished goods yards from the boundary.

Changes Affecting ESG Performance Data in 2023

2023 was the first full year of operation for three facilities and one trucking division that were acquired in previous reporting periods. Following the GHG Protocol guidelines for baseline adjustments, the 2023 emissions data for these facilities was included in Stella-Jones’ 2022 GHG emissions for the purpose of calculating performance against the baseline year.

During 2023, Stella-Jones updated the emissions factors used in the Scope 2 calculations. The new location-based emission factors were also applied to the 2022 baseline data for comparison purposes.

In 2023, we have also restructured the employment data. The simplified approach discloses only the total number and the percentage of women employees for each category.

Activity Metrics

The activity metrics provide an important point of reference for the other ESG disclosures. Annual sales cover all products sold within the reporting year and production covers all pressure-treated wood products manufactured at Stella-Jones facilities in 2023.

ESG Performance Data Accounting Methodologies (continued)

Environment

ENERGY

All energy is reported in gigajoules and wood biomass energy has been included in the total as well as shown separately to allow comparison with prior years. The renewable energy reported includes the wood biomass and solar power consumed from on-site installations. It does not include any renewable energy from the electrical grid that was delivered under normal contract arrangements.

GHG EMISSIONS

Stella-Jones uses an operational control approach for all GHG emissions reporting. Biogenic emissions have been reported separately as per the guidance provided in the GHG Protocol. Scope 1 emissions use Ministry of Environment and Climate Change Canada (2023) and U.S. Environment Protection Agency (2023) factors. Scope 2 emission factors use the location based average sourced from the U.S. Environmental Protection Agency eGRID data and Statistics Canada. All energy, mass and volume conversions are based on information from the World Resource Institute (WRI) and the World Business Council for Sustainable Development calculation tools.

Scope 3 emissions follow the GHG Protocol guidance and include the following categories and calculation methods.

| Category | Calculation Method |
|---|---------------------|
| 1. Purchased Goods and Services | Spend based |
| 2. Capital Goods | Average spend based |
| 3. Fuel and Energy Related Activities (not included in Scope 1 & 2) | Average data |

(Table continued)

| Category | Calculation Method |
|--|--------------------------------|
| 5. Waste Generated in Operations | Average data |
| 6. Business Travel | Distance based and spend based |
| 7. Employee Commuting | Average data |
| 12. End-of-Life Treatment of Sold Products | Average data |

We select the categories that appropriately reflect the most material GHG emissions and apply the following criteria to select the calculation method:

- The relative size of the emissions.
- Data availability.
- The cost and effort required to apply each method.

OTHER AIR EMISSIONS

The SOx and NOx emissions reported relate only to emissions from fuel combusted in Stella-Jones operated road trucks, and mobile and stationary equipment at our facilities.

WASTE

Waste comprises all forms of solid or liquid waste (excluding wastewater) and is defined as hazardous or non-hazardous based on the legislation of the country in which the site operates. All treated wood requiring disposal is classed as hazardous waste.

Social

HEALTH & SAFETY

The data reported covers all Stella-Jones employees working on-site at Stella-Jones owned and operated facilities including any temporary employees. Stella-Jones does not report contractor DART cases as we do not have visibility into the medical care prescribed for third-party employees.

EMPLOYMENT

The employment data including new hires and turnover disclosures, covers all employees directly employed by Stella-Jones and excludes temporary workers hired through agencies. The number for total employees in each category is calculated as of 31 December 2023. The turnover data includes all types of employee turnover including voluntary, involuntary, retirements and deaths.

DIVERSITY

The gender and age diversity disclosures include Stella-Jones entire workforce. The percentage of women in management was a new disclosure in 2023. This disclosure complements the senior management diversity metric and gives a broader picture of gender diversity at Stella-Jones.

The disclosures for employees from underrepresented groups covers only the United States based employees. The definition of underrepresented at Stella-Jones includes employees that have self-identified as belonging to an underrepresented race or ethnicity, Indigenous People, U.S veterans, as well as people with disabilities. We currently do not track employees who are members of LGBTQ2+ communities. We are establishing new data governance processes to enable Stella-Jones to report diversity metrics for the entire workforce in future reports.

Governance

PRODUCT

2023 is the first year of reporting the third-party certification by certification type for all residential lumber. The third-party certification data applies only to residential lumber purchases. Third-party certifications are challenging for the small family-owned sawmills and forestland owners from which we procure our railway tie and utility pole fibre and is broadly not applicable for government timber sales. The percentages will not add to total 100% as most lumber procurement has multiple certifications.

The weight of end-of-life product recycled covers only the products that Stella-Jones is directly engaged in contracting for end-of-life recycling solutions with the customer and third-party. Customers who also recycle their products independently are not captured in this data.

GRI, SASB, and TCFD Content Index

| GRI 2: General Disclosures 2021 | | |
|---|--|---|
| Disclosure | Description | Disclosures in 2023 |
| The Organization and It's Reporting Practices | | |
| 2-1 | Organizational details | Our Business |
| 2-2 | Entities included in the organization's sustainability reporting | ESG Performance Data Accounting Methodologies |
| 2-3 | Reporting period, frequency, and contact point | ESG Performance Data Accounting Methodologies |
| 2-4 | Restatements of information | There were no restatements of information in this Report. |
| 2-5 | External assurance | This report has not been externally assured. |
| Activities and Workers | | |
| 2-6 | Activities, value chain and other business relationships | How We Create Value |
| 2-7 | Employees | ESG Performance Data |
| 2-8 | Workers who are not employees | Stella-Jones employs temporary workers at our manufacturing sites. Data on temporary employees is not currently reported. |
| Governance | | |
| 2-9 | Governance structure and composition | Board Oversight: Key Areas Related to ESG |
| 2-10 | Nomination and selection of the highest governance body | 2024 Management Proxy Circular |

| GRI 2: General Disclosures 2021 | | |
|---------------------------------|---|---|
| Disclosure | Description | Disclosures in 2023 |
| Governance (continued) | | |
| 2-11 | Chair of the highest governance body | 2024 Management Proxy Circular |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Board Oversight: Key Areas Related to ESG |
| 2-13 | Delegation of responsibility for managing impacts | The Board |
| 2-14 | Role of the highest governance body in sustainability reporting | ESG Governance Structure |
| 2-15 | Conflicts of interest | 2024 Management Proxy Circular |
| 2-16 | Communication of critical concerns | Whistleblowing |
| 2-17 | Collective knowledge of the highest governance body | No measures were taken in 2023 |
| 2-18 | Evaluation of the performance of the highest governance body | 2024 Management Proxy Circular |
| 2-19 | Remuneration policies | 2024 Management Proxy Circular |
| 2-20 | Process to determine remuneration | 2024 Management Proxy Circular |
| 2-21 | Annual total compensation ratio | Not currently reported |

GRI, SASB, and TCFD Content Index (continued)

| GRI 2: General Disclosures 2021 | | |
|----------------------------------|--|---|
| Disclosure | Description | Disclosures in 2023 |
| Strategy, Policies and Practices | | |
| 2-22 | Statement on sustainable development strategy | 2022 ESG Report – Our ESG Strategy |
| 2-23 | Policy commitments | Code of Business Conduct and Ethics |
| 2-24 | Embedding policy commitments | Not currently reported |
| 2-25 | Process to remediate negative impacts | Whistleblowing |
| 2-26 | Mechanisms for seeking advice and raising concerns | Whistleblowing |
| 2-27 | Compliance with laws and regulations | ESG Performance Data |
| 2-28 | Membership associations | Industry associations where we hold governance positions include: • American Railway Engineering and Maintenance-Of-Way Association • American Wood Protection Association • Creosote Council • Go-Rail • Lake States Lumber Association • National Railroad Contractors Association • Pennsylvania Forest Products Association • Railway Tie Association • Real American Hardwood Promotion Coalition • Treated Wood Council |
| Stakeholder Engagement | | |
| 2-29 | Approach to stakeholder engagement | Approach to Materiality |
| 2-30 | Collective bargaining agreements | Not currently reported |

| Sustainable Accounting Standard (SASB) | | |
|--|--|--|
| SASB Standard | Indicator | Disclosures in 2023 |
| Energy Management in Manufacturing | | |
| CG-BF-130a.1 | Total energy consumed, percentage grid electricity, percentage renewable | ESG Performance Data |
| Management of Chemicals in Products | | |
| CG-BF-250a.1 | Discussion of processes to as-sess and manage risks and/or hazards associated with chemicals in products | Handling and storage of treatment preservatives are covered by the SHIELD safety program and the Safety Data Sheets are made available at every location |
| CG-BF-250a.2 | Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards | Not applicable to Stella-Jones products |
| Product Lifecycle Impacts | | |
| CG-BF-410a.1 | Description of efforts to man-age product lifecycle impacts and meet demand for sustain-able products | Product Life Cycle Management |
| CG-BF-410a.2 | Weight of end-of-life material recovered, percentage of re-covered materials recycled | ESG Performance Data |
| Wood Supply Chain Management | | |
| CG-BF-430a.1 | Total weight of wood fibre materials purchased, percentage from third-party certified forestland, percentage by standard, and percentage certified to other wood fiber standards, percentage by standard | ESG Performance Data |

GRI, SASB, and TCFD Content Index (continued)

| Task Force on Climate-Related Financial Disclosures | |
|---|----------------------------------|
| Pillar | Location and Notes |
| Governance | |
| Disclose the organization’s governance around climate-related risks and opportunities. | Corporate Governance. |
| Strategy | |
| Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material. | Climate Change Scenario Analysis |
| Risk Management | |
| Disclose how the organization identifies, assesses, and manages climate-related risks. | Climate Change Scenario Analysis |
| Metrics and Targets | |
| Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | Climate Change and GHG Targets |

We welcome your questions and feedback on our 2023 ESG Report: sustainability@stella-jones.com

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