

2024

Environmental, Social & Governance Report



How to Use This Report

This Report is an interactive PDF document designed to be viewed using a PDF reader and an Internet connection. The Report can also be viewed without an Internet connection, but in that case, external links will not be accessible.

← Interactive Menu

Click on the hamburger menu button to return to the table of contents.

← Page Navigation

Click these buttons to navigate forward or backward a page.

Table of Contents

Introduction	4	Environmental Compliance	17
2024 ESG Highlights			
A Letter from our President & Chief Executive Officer		Our People	18
Performance at a Glance			
Sustainability Governance	7	Indigenous Peoples	20
Objectives & Composition of Governance Bodies		Human Rights	21
Policies		Community	22
Materiality & Value Chain		Responsible Supply Chain	23
Material ESG Topics			
Value Chain		Product Stewardship	25
Health & Safety	10	ESG Risk Governance	26
Climate Change & GHG Emissions	12	Appendices	28
Water	15	Caution Regarding Forward-Looking Statements	
Waste Management	16	Consolidated Sustainability Figures	
		Independent Practitioner’s Limited Assurance Report –	
		Stella-Jones Inc.’s Greenhouse Gas (GHG) Emissions	

About Our ESG Report

Welcome to the Stella-Jones 2024 Environmental, Social and Governance (“ESG”) Report (the "Report"), which outlines the ESG activities conducted by our organization from January 1, 2024, to December 31, 2024.

This Report has been prepared with reference to 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 comprehensive summary of disclosures is available in the Appendix of this Report. References to "Stella-Jones," "we," "our," or "Company" pertain to Stella-Jones Inc. and its operating subsidiaries, unless stated otherwise. All monetary amounts in this Report are expressed in Canadian dollars unless specified otherwise.

Stella-Jones has received limited assurance of our current year Scope 1 and 2 Greenhouse Gas ("GHG") emissions. A copy of the assurance letter is in the Appendix section of this report. The Stella-Jones executive leadership team and Board of Directors (“the Board”) have reviewed and approved the Report for publication. The Report is accessible in both English and French, with all previous years' reports available on the Stella-Jones Investor Relations section of our website.

This Report provides us with an opportunity to enhance existing dialogues with our stakeholders regarding our sustainability programs. We welcome your feedback, which can be shared at sustainability@stella-jones.com.

2024 ESG Highlights

Health & Safety

13

third-party Health & Safety audits completed

7%

reduction in total recordable injury rate ("TRR")

Climate Change & Greenhouse Gas ("GHG") Emissions

\$3M

in capital expenditures invested in GHG reduction projects

3%

reduction in emissions intensity per cubic feet of production

Our People

65%

of facilities representative* of local area diversity

25%

women in management

Indigenous Peoples

Advanced our work

on Indigenous Relationship Agreements with five First Nations in 2024

\$9M

worth of Indigenous economic investments passed due diligence

Responsible Supply Chain

79%

of residential lumber from third-party sustainably certified sources

Vendors representing 37%

of total procurement spend were screened for ESG Risk

ESG Risk Governance

356

suppliers assessed for Human Rights risks

66

Stella-Jones locations and 443 third-party fibre sourcing areas assessed for nature and biodiversity risks and opportunities in line with the Taskforce of Nature-Related Financial Disclosures ("TNFD")

*Considered representative as being within 10% of local area diversity.

Introduction

A Letter from our President & Chief Executive Officer

I am happy to share our 2024 ESG Report, which highlights our ongoing commitment to sustainability at Stella-Jones.

In our business, sustainability extends beyond a set of objectives, it is integrated into our operations and our continuous efforts to contribute positively to the world and maintain the long-term viability of our business. Having now completed the second year of our five-year strategic ESG plan, we continue to adapt and adjust to the evolving sustainability landscape, and we remain committed to implementing our strategic framework.

Aligning with Global Reporting Standards

In 2024, we improved our reporting by aligning more closely with the Canadian Sustainability Standards Board (CCSB) framework. We published our first Climate Report as part of our 2024 Annual Report and completed our first Nature-Related Risk Assessment under the Taskforce on Nature-related Financial Disclosures. Although the CSSB standard is not yet mandatory in Canada, Stella-Jones remains committed to following its recommendations to ensure transparent and useful disclosures for our stakeholders.

Building on the Foundations of Our GHG Reduction Roadmap

In the last year, we continued to progress on our GHG reduction roadmap, which will guide our efforts over the next several years. Our roadmap is built on rigorous analysis and aims to reduce Scope 1 and 2 GHG emissions by 32% by 2030. To this end, we made important improvements in 2024, implementing emissions-reducing initiatives, such as the completion of our second solar panel installation in Cameron, Wisconsin, and heat recovery technology for our wood drying kilns. Additionally,

we entered into a contract for the purchase of renewable energy credits ("REC"), which will help cover the majority of our Scope 2 GHG emissions, and help us on our decarbonization journey. We believe these steps will not only mitigate climate risks for our business, but also drive long-term value creation.

Formalizing ESG Management Processes Across the Company

This past year, we have formalized our ESG management processes, ensuring that ESG considerations are integral to our decision-making and operations. We've established a new data collection system with controls managed by our Finance and External Reporting team, and enhanced reporting to the EHS Committee of the Board.

Unwavering Commitment to Environmental Health and Safety

As always, we continue to prioritize the health and safety of our employees across North America. This past year, a fatal workplace accident reinforced the importance of robust safety practices, maintaining a safe work environment through comprehensive training, safety protocols, and environmental responsibility. In 2024, we also integrated newly acquired peeling sites into our EHS program, SHIELD, furthering our commitment to an aligned, standardized approach to workplace safety and striving toward greater environmental stewardship and workplace safety.

The Road Ahead

As we continue to navigate the evolving landscape of sustainability, I am confident that we are on the right path. The work we have done in 2024 continued to build on our strong foundation for the future, and the steps we are taking today will enable us to build a more resilient business for tomorrow.

Thank you for your continued support and partnership.

Sincerely,



Eric Vachon
President &
Chief Executive Officer
Stella-Jones



Performance at a Glance

This marked the second year of Stella-Jones' five-year strategic plan to advance six key sustainability priorities.

The Company's ESG strategy, titled "Connecting Our Sustainable Future," emphasizes measurable actions to drive progress on these priorities, using a combination of process-based and outcome-based goals.













Status:

 ACHIEVED

 ON TRACK

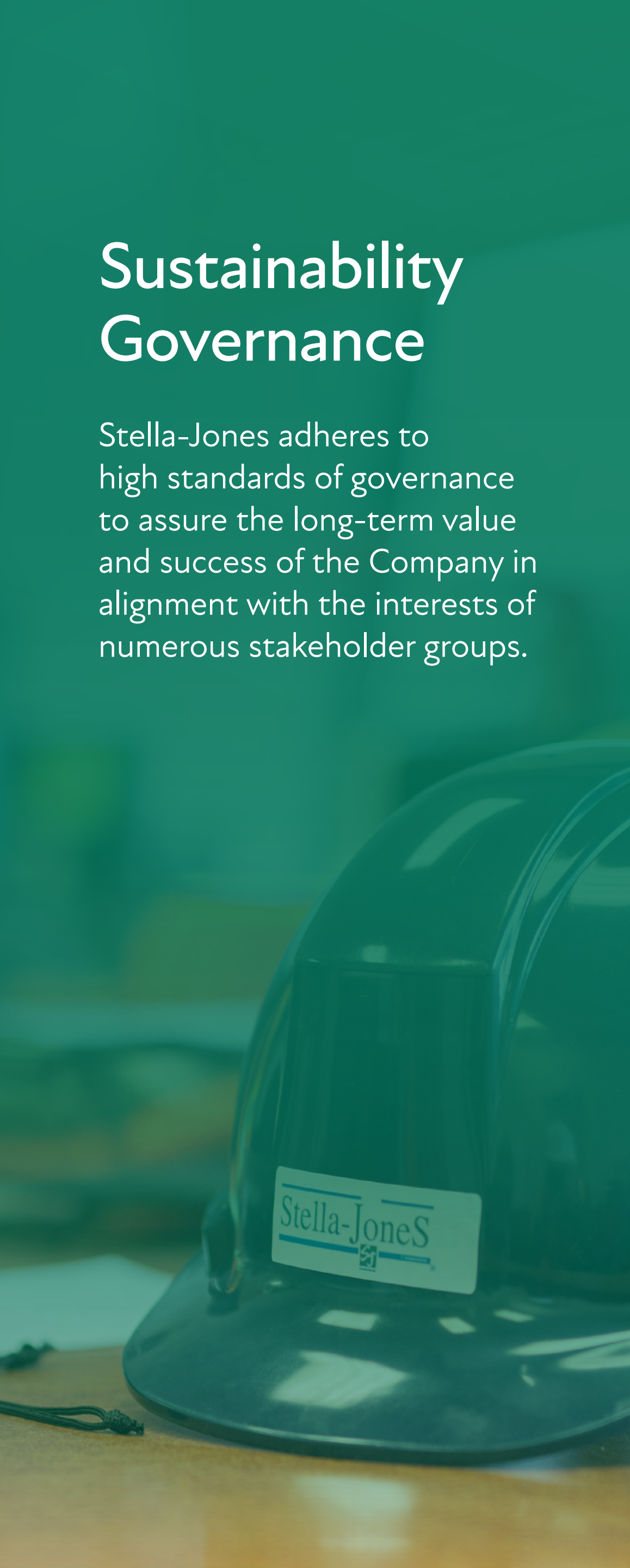
 MONITORING

 NOT ACHIEVED

Topic & Objective	Target	Metric	2023	2024	Status
HEALTH & SAFETY We keep our people safe by reducing risks through a culture of teamwork, ownership, and continuous improvement.	Achieve an annual recordable safety incident rate below the industry average of 4.8 for 2024.	Total recordable injury rate.	3.3	3.1	
	100% of plant monthly safety observation targets met.	%	84%	96%	
CLIMATE CHANGE & GHG EMISSIONS We commit to reducing our emissions intensity and maximizing the carbon sequestered in our products.	Reduce Scope 1 & 2 GHG emissions by 32% by 2030 compared to a 2022 base year.	%	+9%	-0.3%	
	Measure our Scope 3 emissions and assess a science-based target by 2025.	Completion of the Science-based target initiative ("SBTi") Assessment and publication of Scope 3 data.	Scope 3 data published.	SBTi assessment completed.	
OUR PEOPLE We attract and retain talented people, by offering a positive work experience through inspired leadership, competitive working conditions and career development opportunities.	Fill 30% of job openings by internal promotions by 2027.	%	26.5%	27.8%	
	Establish a company-wide diversity baseline by 2024.	% of workforce with self-reported diversity data.	69%	100%	
INDIGENOUS PEOPLES We commit to building lasting and collaborative relationships with Indigenous People where we operate.	100% of Canadian salaried employees to complete Indigenous cultural awareness training by 2025.	%	3%	3%	
	100% of Canadian areas with forest management obligations covered by relationship agreements with willing Nations by 2030.	%	0	0	
RESPONSIBLE SUPPLY CHAIN We partner with responsible local suppliers to ensure long-term sustainability of our wood supply.	Maintain third-party sustainability certification of 80% or higher for lumber purchases.	%	82%	79%	
	Complete an ESG due diligence assessment for 25% of Tier 1 suppliers by 2027.	%	12.5%	37%	
ESG RISK GOVERNANCE We empower our people to make informed and responsible decisions and to deliver results through clear guidelines, disciplined processes, and accountability.	100% of salaried employees to complete the new Digital Annual Policy Acknowledgement by 2024.	%	75%	0%	
	Launch digital onboarding training within one year of the new training module implementation.	Training launched.	–	The new learning management system selection is in progress.	

Sustainability Governance

Stella-Jones adheres to high standards of governance to assure the long-term value and success of the Company in alignment with the interests of numerous stakeholder groups.



Objectives & Composition of Governance Bodies

Oversight of sustainability and climate-related topics is shared across the Company’s key decision-making bodies. The Board has ultimate oversight for the Company’s ESG approach, including reviewing and approving the ESG strategic plan, program, annual ESG Report, and the annual Enterprise Risk Review, which addresses climate-related risks and opportunities.

The Board of Directors receives timely reporting from the Environmental, Health and Safety (“EH&S”) Committee on the Company’s execution of its EH&S policies and management of environmental risk, and health and safety measures. Additionally, it receives timely reporting from the EH&S Committee on the Company’s progress with respect to the integration of ESG and climate change risk management initiatives throughout the organization.

The EHS Committee is tasked with the oversight of environmental health and safety, ESG matters, climate policy and climate change risk management and monitors and advises on ESG strategy, targets, and performance, reporting regularly to the Board. It reviews the Corporation’s annual ESG report prior to submission to the Board for approval and publication, ensures adequate resources for effective ESG management and meets at least quarterly to receive updates from management on sustainability matters.

The Human Resources & Compensation Committee oversees employee engagement, succession planning and compensation policies, including the setting and attainment of ESG initiatives within the executive-level Short-Term Incentive Plan (“STIP”). The Audit Committee is responsible for financial reporting systems and internal controls, including sustainability data and ESG financial reporting requirements.

The Audit Committee is tasked with overseeing the Company’s information technology, cybersecurity, artificial intelligence and privacy risk exposures and controls. The Audit Committee receives comprehensive detailed reports from the Vice-President, Information Technology at each quarterly Committee meeting to ensure that the Committee is updated on technology and other means and most recent enhancements implemented by the Company to mitigate cyber risk. These reports include details

of planned and completed security initiatives and supporting policies including incident response plans, penetration test outcomes and resulting remediation strategies, monthly phishing campaigns, security awareness programs, privacy initiatives and other action plans launched throughout the organization. In addition, the Audit Committee oversees the Company and procedures in place to identify, assess and monitors related-party transactions and approves all related- party transactions as required under the terms of the Company’s related-party transaction policy.

Matters addressed by the Environment, Health and Safety Committee

Quarterly Updates & Discussions

- Health and Safety statistics.
- Significant compliance issues and the status of their corrective actions.
- Update on ESG strategy and progress.

Annual Updates & Discussions

- Review of ESG goals, targets and initiatives.
- Annual ESG Report for review.
- Emerging issues and proposed legislation.
- Update on research and development initiatives

In addition to the topics listed above, the Board receives updates and discusses other material sustainability topics as needed. The updates are provided by the President and CEO, Senior Vice President and Chief Legal Officer, and the Senior Director Sustainability. In 2024, these included the Company’s roadmap for external reporting in-line with the International Sustainability Standard Board (“ISSB”) disclosure framework, updates on the Company’s Community Engagement Program and corporate giving initiatives, progress being made toward the Indigenous Peoples strategy, and an update on Human Rights management and compliance with Bill S211 in Canada.

Board of Directors Structure



Policies

Internal controls for sustainability at Stella-Jones include detailed policies on key topics such as Health, Safety and Environment, Workplace Discrimination, and Violence prevention, Human Rights, Indigenous Peoples, Ethics, fair dealing, related-party transactions, anti-bribery, fraud and corruption, and Community Engagement.

These policies are reinforced through regular communications, an annual employee acknowledgment process, and audits conducted by the Internal Audit function.

In 2025, Stella-Jones plans to enhance policy training by introducing a new learning management system for all employees.

Materiality & Value Chain

Stella-Jones' stakeholder engagement process is based on open, ongoing dialogue through established engagement channels, supported by targeted data collection and opinion surveys.

The most recent comprehensive materiality assessment was conducted in 2022. In 2025, the Company plans to refresh this process to align more closely with ISSB recommendations and better reflect investor priorities.

The identification of topics is done by reviewing the ESG reporting frameworks such as GRI, TCFD and SASB, as well as ESG Rating Agency criteria. The results of the latest Enterprise Risk Management (“ERM”) assessment are used to update the internal perspective. The 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.

Stakeholder Groups

<div><div>Investors</div><div></div></div> <div><p>HOW WE ENGAGE</p><ul style="list-style-type: none">• Investor calls and meetings• Non-deal roadshows, Annual General Meeting of Shareholders and Investor Day• Analyst reports• ESG ratings<p>STAKEHOLDER EXPECTATIONS</p><p>Our investors expect transparent and timely ESG disclosure, with a strong focus on climate change including both risks and opportunities.</p></div>	<div><div>Customers</div><div></div></div> <div><p>HOW WE ENGAGE</p><ul style="list-style-type: none">• Bilateral meetings• Trade fairs• Customer collaboration• Customer ESG surveys and programs for suppliers<p>STAKEHOLDER EXPECTATIONS</p><p>Our customers want reliable product supply, sustainable forest management practices, and effective end-of-life solutions for products.</p></div>
<div><div>Suppliers</div><div></div></div> <div><p>HOW WE ENGAGE</p><ul style="list-style-type: none">• Continuous collaboration• Supplier assessments• Industry associations<p>STAKEHOLDER EXPECTATIONS</p><p>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.</p></div>	<div><div>Employees</div><div></div></div> <div><p>HOW WE ENGAGE</p><ul style="list-style-type: none">• Employee engagement survey• Company-wide “town hall” meetings• Sustainability working groups and committees<p>STAKEHOLDER EXPECTATIONS</p><p>Our employees want safe and secure work, to receive fair treatment and wages, experience a sense of belonging for all, and professional development opportunities.</p></div>

Material ESG Topics

The following are the results of our materiality assessment. In the upcoming sections of this Report, we will detail how we manage these key ESG topics. For clarity, topics with similar internal management processes and controls have been combined.

Environment

- Environmental Compliance
- Climate Change and GHG Emissions
- Water & Waste Management
- Air Quality

Social

- Health & Safety
- Diversity & Inclusion
- Recruitment and Retention
- Employee Training and Development
- Indigenous Peoples
- Community Engagement

Governance

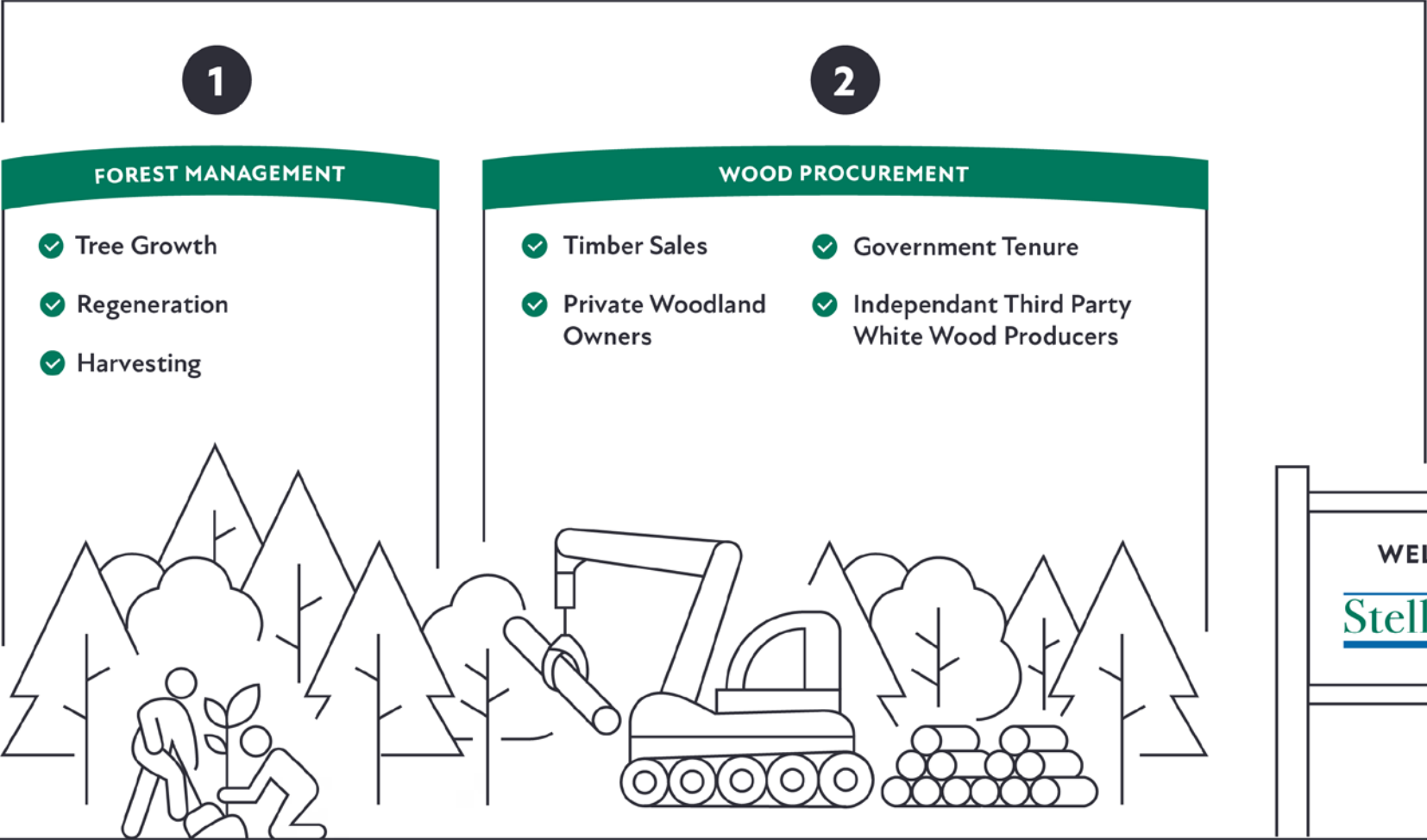
- Supply Chain Practices
- Product End-of-Life Solutions
- Innovation & Technology
- Ethics and Integrity
- Competitive Behaviour
- Risk Management
- Cyber & Data Security

Value Chain

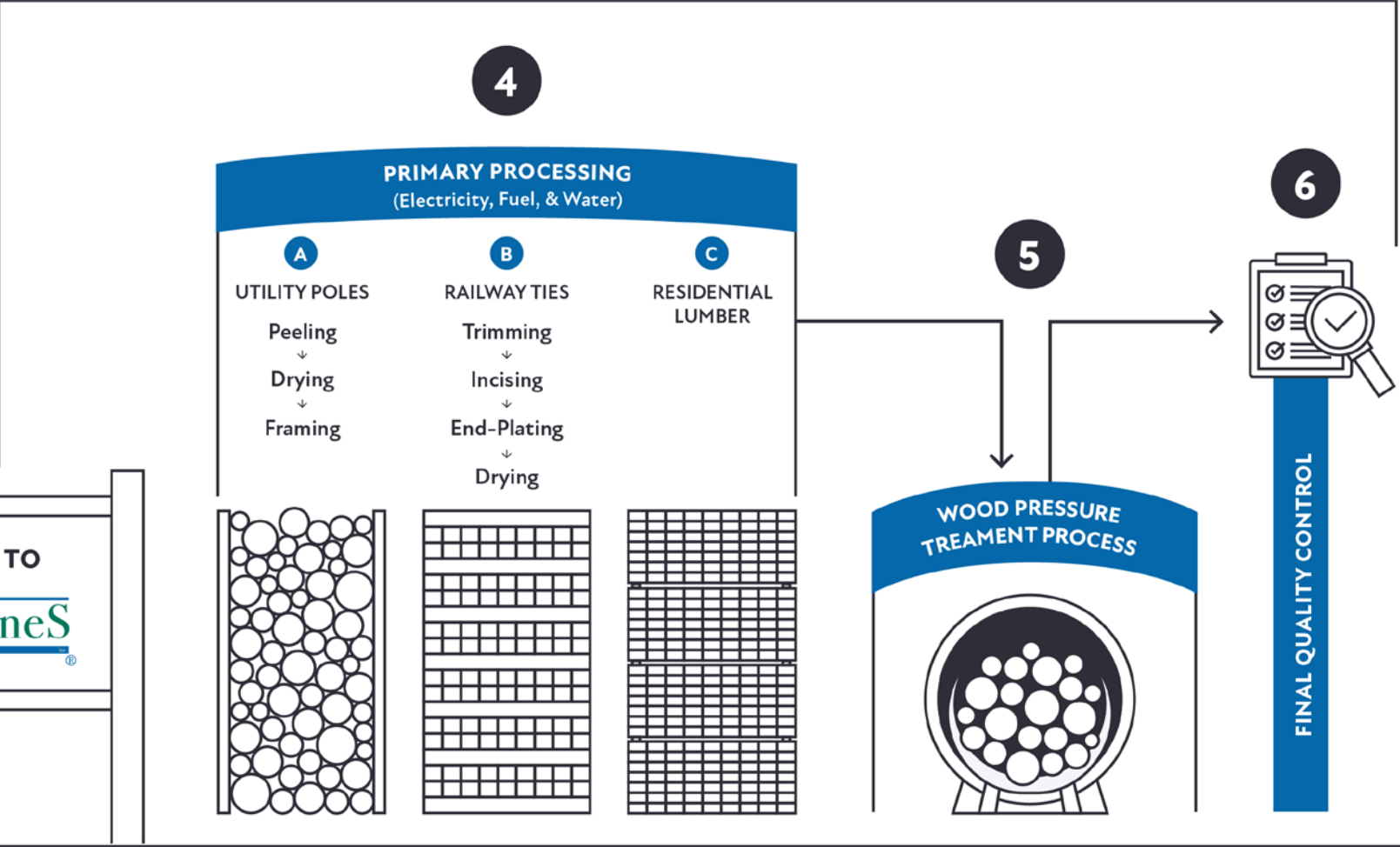
The following graph illustrates Stella-Jones’ full value chain alongside its defined organizational boundary, offering a clear view of how sustainability considerations are embedded across our operations. From upstream activities—such as raw material sourcing and supplier engagement—to downstream impacts like product use and end-of-life disposal, this visualization helps

pinpoint where environmental, social, and governance risks and opportunities lie. By mapping these boundaries, we enhance transparency and better inform our strategies for reducing emissions, promoting ethical practices, and driving long-term value creation.

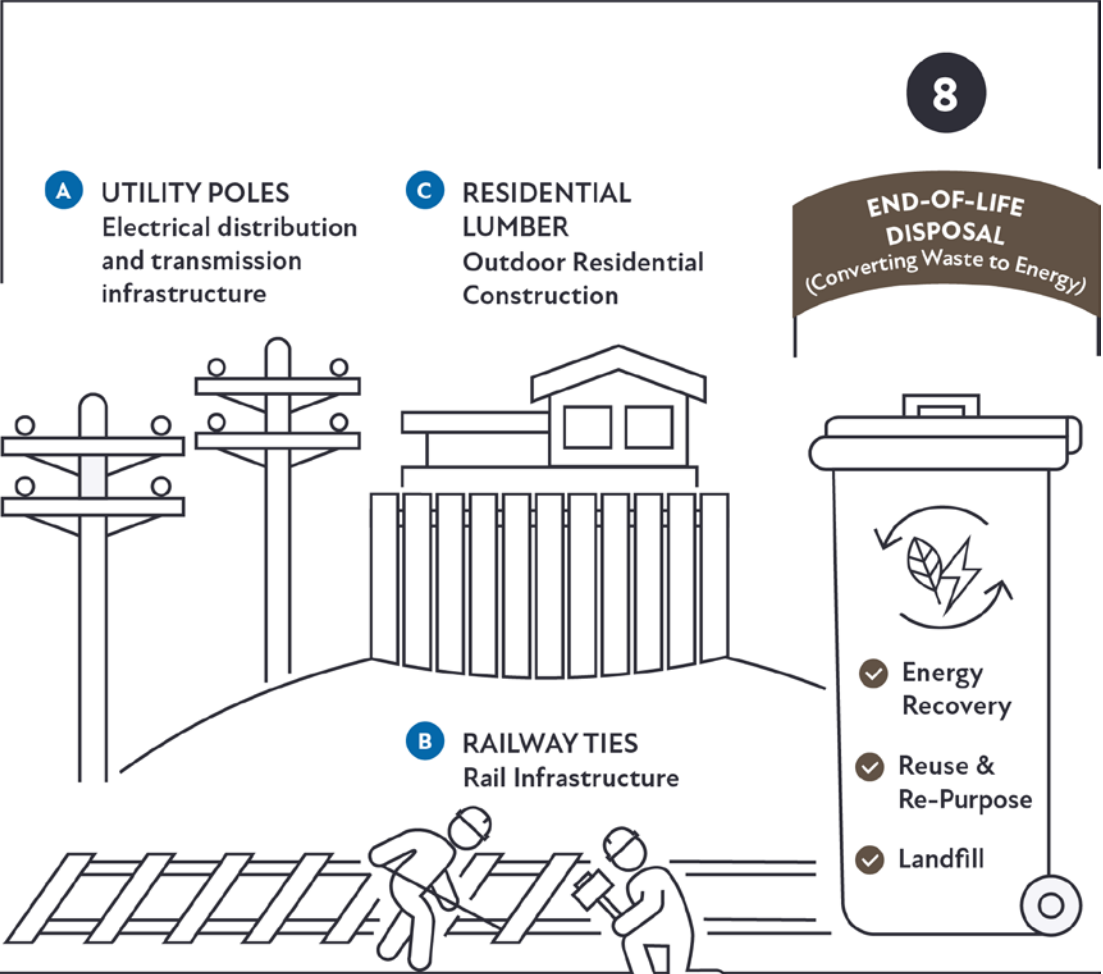
Upstream Value Chain



Stella-Jones Organizational Boundary



Downstream Value Chain



Health & Safety

Our Health & Safety objective is to keep our people safe by reducing risks through a culture of teamwork, ownership, and continuous improvement.

The Health & safety strategy covers **Safety Systems**; providing effective training, drills and safety audits that ensure our SHIELD (“Safety, Health, Improved Environment, Leading our Decisions”) safety program is well implemented and understood, **Safety Communications**; to ensure safety is communicated from all levels across the Company, embedding a culture of active ownership of safety, and **Empowering Our People**; by providing the right resources, health, and wellness support, and encourage safe behavior.



2024 Progress

The Company’s TRR continued to improve, thanks to continued efforts to embed a culture of safety across every level of the organization. In 2024, we continue to identify areas for improvement, engage our people to make safety personal and create opportunities for sharing and adapting successful practices.

The following new SHIELD programs and procedures were implemented in 2024 as part of incident investigation corrective actions, to address regulatory compliance needs, and as part of continuous improvement in the consistency of the SHIELD Program.

- The **In-Plant Rail Movement Program** was implemented as part of the enhanced controls following a fatality on site.
- The **Mobile Elevating Work Platform (“MEWP”) Program** was established to address the distinct requirements for platforms as separate from power industrial equipment.
- The **SHIELD Auditing Program** was implemented, updating the previous policy into a program for consistency in audit processes.
- **Drive Belt Installation procedures** were implemented to address a common cause of injury when performing maintenance.
- **Ground Worker "PIE" Awareness procedures** were developed from a facility-level best practice.

These new programs and procedures are in addition to the ongoing updates to the existing SHIELD policies, programs, and procedures, which occur regularly as part of program management.

Fatality in Louisiana

Despite improvements in overall safety performance, 2024 was marked by a tragic fatality at a Stella-Jones facility in Louisiana. The incident occurred during a routine operation, when an employee was caught between moving equipment and product ready for treatment. Both internal and third-party investigations were conducted, leading to the implementation of enhanced safety controls.

Stella-Jones has renewed its ongoing commitment to operating injury-free and providing a safe workplace for all employees. We are dedicated to applying lessons learned from all safety incidents, including this deeply felt tragedy, to continuously improve all of our safety practices.

Impacts, Risks & Opportunities

Stella-Jones acknowledges that each of our production locations presents various hazards that can pose safety and health risks to employees, contractors, and other site visitors.

Policies, programs and procedures are in place to control these risks. At many locations, products, which may include heavy poles and timbers, are stored in stacks throughout the yard. Employees who work near or handle these materials are trained to manage risks including the risk of being caught in or between moving products, mobile equipment and rolling stock.

Some of our processes involve pressure vessels that rely on air, steam, or hydraulics, which present additional risks. Production equipment, including moving gears, conveyors, and articulating machinery, can cause serious injury if workers go beyond safety barriers or machine guards. Heat, multiple energy sources, and hazardous chemicals used in operations pose further risks if contact occurs.

Outdoor exposures such as extreme temperatures, sudden weather changes, or slippery surfaces can also contribute to injuries. Finally, physically demanding tasks or poor body positioning during work processes increase the likelihood of musculoskeletal injuries.



Management Approach

Stella-Jones manages EHS activities through the SHIELD management system, which applies to all workers and contractors at Stella-Jones-managed sites, and is based on the ISO 14001 standard.

Facility-level SHIELD committees enable employee participation in the consultation and feedback process regarding program implementation. These committees serve as the primary point of contact for employees to raise questions and concerns. The facility-level SHIELD Committee, consisting of hourly employees and facility management, meets monthly, while the SHIELD Steering Committee, composed of vice-presidents from across the Company, also convenes on a regular basis.

Metrics & Targets

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

ACHIEVED

✓

Target was achieved by prioritizing safety behavior and ownership as well as the continued strengthening of safety controls.

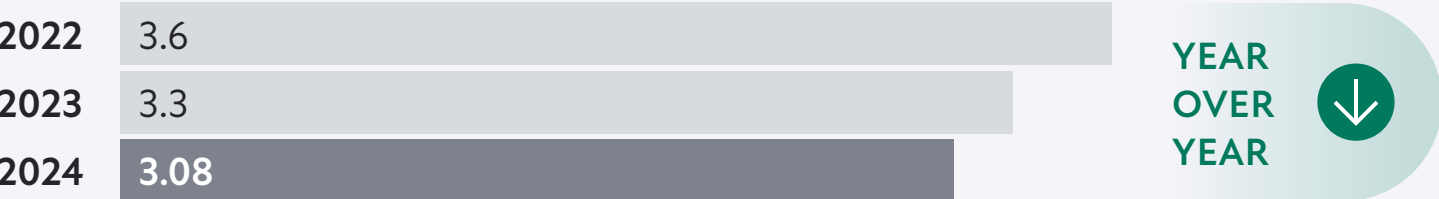
100% of facility monthly safety observation targets met.

NOT ACHIEVED

✕

This leading indicator is a key focus of the SHIELD scorecard for facilities, with year-over-year improvements driven by the operational departments' continued emphasis on owning and tracking safety observation metrics.

TRR Frequency Rate (Injuries/200,000 Hours Worked)



Safety Observation Target Achievement (%)



Climate Change & GHG Emissions

Stella-Jones is actively addressing climate change by implementing its GHG reduction roadmap and strategy.

The strategy includes energy efficiency upgrades, process improvements to reduce overall consumption, and increasing the use of renewable energy through installation and procurement. The Company is also focused on improving the efficiency of the data collection process, its accuracy and auditability.

2024 Progress

Our efforts in 2024 laid the groundwork for sustained emissions reductions in the years ahead. We achieved a slight decrease of 0.3% compared to our 2022 baseline, indicating progress in the right direction.

This reduction reflects the impact of ongoing energy efficiency initiatives and the transition to renewable energy sources, particularly our renewable diesel program and solar installations, which together accounted for half of the overall reduction.

Additionally, 2024 was the first full year of operation for three sites, which have now been incorporated into our baseline year in accordance with GHG Protocol guidelines for adjustments. For more information on these adjustments and restatements, please refer to the ESG Performance Data Accounting Methodology section of this report.

The [2024 Annual Report](#) also represents a major milestone for Stella-Jones in Our journey toward integrated reporting, featuring our inaugural Climate Report. We remain committed to fully integrating financial and ESG reporting in the years ahead.

Renewable Electricity

In 2024, Stella-Jones signed a ten-year agreement to purchase renewable energy certificates (“RECs”) generated from the Mesquite wind farm in Texas. The agreement provides Stella-Jones with RECs generated by the project starting in 2025 and will enable the Company to effectively cover 100% of its annual electrical consumption in U.S. and Canadian facilities with renewable energy. Complementing the REC purchase, the Company completed its second solar power installation in 2024 at its Cameron, Wisconsin, utility pole manufacturing facility. The system is expected to cover 48% of the site’s total electrical requirements and will bring Stella-Jones’ total installed solar capacity to 2.5 Megawatts.

Optimizing Our Energy Use

Energy efficiency audits have been completed at six facilities and the site-specific GHG reduction plans developed. In 2024, the first set of projects from the audits commenced, including installation of waste heat recovery units for wood kilns, upgrades to feedwater heating systems, and the development of real-time energy monitoring for large consumers such as boilers. The carbon reductions from this first set of projects are expected to be realized during 2025, whilst the Company continues to execute the audit plan and identified opportunities.

Alternative Fuels

Renewable diesel known as R99 was piloted at four locations during 2024. R99, which is made from a mix of waste and organic oil feedstocks, reduces emissions from mobile equipment by as much as 70% on a life-cycle basis. The total amount consumed in 2024 was 131,239 gallons, equivalent to 874 MT CO2eq avoided. The opportunity to utilize the wood by-product generated on site in energy production continues to be a focus across the Company. Currently 13 facilities utilize wood-fired boilers, and in 2024 the Company undertook feasibility studies for another four locations to switch from natural gas to wood-fired units or cogeneration opportunities.

Flag Emissions

FLAG emissions refer to those generated from the Forest, Land, and Agriculture sectors. As wood fibre is a key input in our supply chain, we have prioritized understanding of its emissions impact. For the first time, this Report discloses our FLAG emissions for 2023 and 2024, based on the GHG Protocol guidance, which is set to be finalized in 2025. Detailed information on our calculations can be found in the Accounting Methodology section of this Report.

Stella-Jones sources a large amount of wood from regions with net GHG emissions from land use, including the Pacific Northwest, Rocky Mountain North, British Columbia, Alberta, and Quebec. The rise in FLAG emissions from 2023 to 2024 was due to a greater share of our supply coming from Alberta and Quebec, relative to their total harvest. FLAG emissions are calculated by assigning Stella-Jones a share of each region's emissions based on the percentage of the total harvest we source from that region.

Scope 3

In 2024, Stella-Jones completed a detailed science-based target initiative (“SBTi”) review. The review looked at multiple scenarios for Scope 1, 2 and 3 including available technology and costs.

The results show that meeting the Scope 3 reduction requirements set by SBTi by the 2030 timeline is unrealistic for the size and maturity of Stella-Jones’ supply chain. The Company remains committed to our Scope 1 & 2 absolute reduction target and will explore the potential for further reduction above 32%. The Scope 3 assessment identified transportation and logistics as the main opportunity for reduction, and the category where most primary data is used in the emissions accounting. A new Scope 3 reduction target focused on transportation and logistics will be developed during 2025.

Impacts, Risks & Opportunities

The effects of global climate change are increasing the severity and frequency of natural threats affecting the Company's business and may result in increased operational and capital costs.

Some of the more significant climate-related risks that the Company has identified include:

1. **Increased costs** as a result of damage to one or more of the Company's facilities and/or equipment and to those of its suppliers and customers and
2. **Increased production downtime and costs** due to longer-term changes in climate patterns such as chronic heat waves. Measures taken to mitigate climate-related risks include business continuity and disaster recovery plans and strategies.

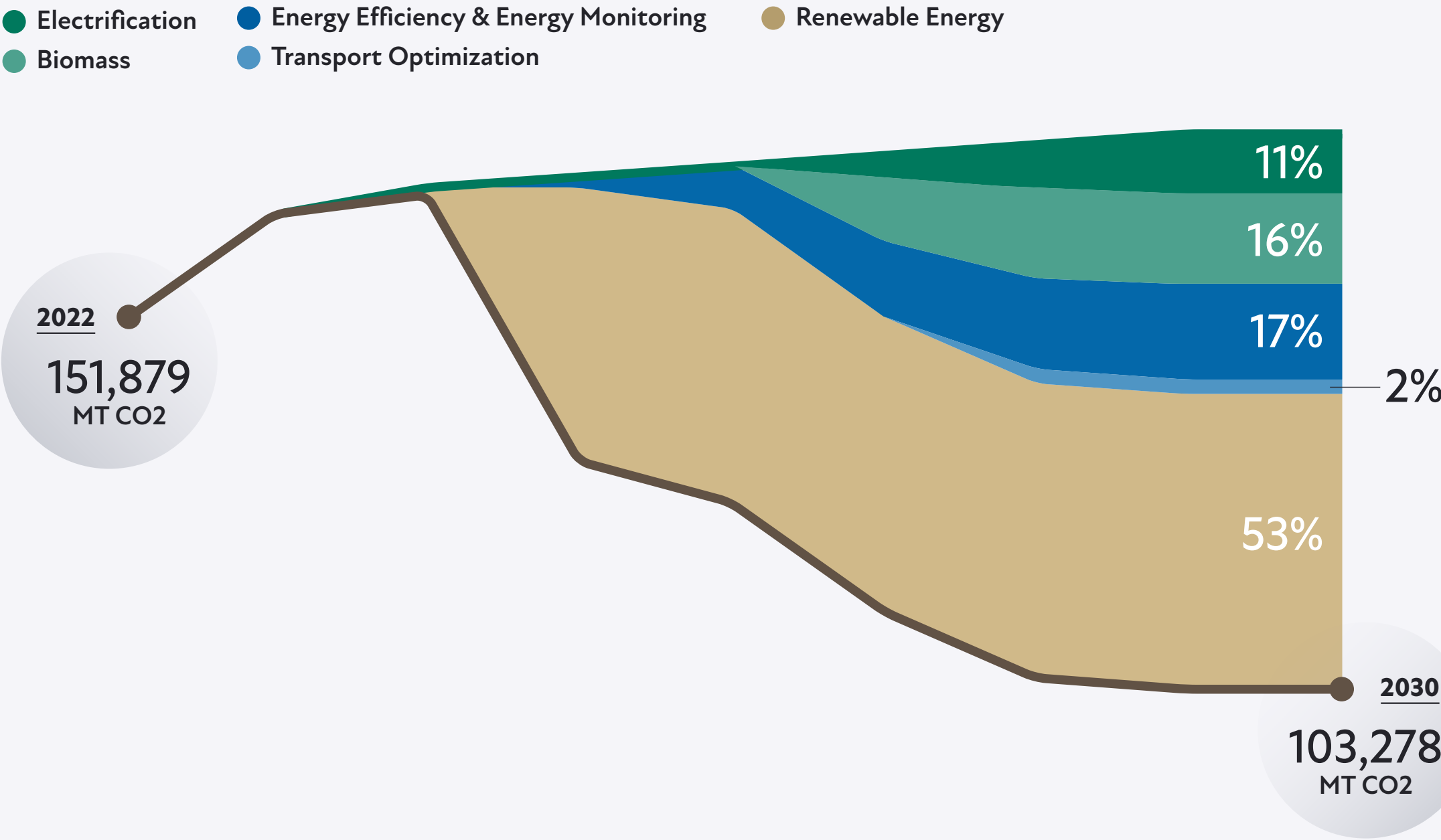
The magnitude of the effects of climate change could be unpredictable and therefore, the Company's plans may not successfully mitigate the consequences of a natural disaster, which could adversely impact the business, financial position, results of operations and cash flows of the Company. In addition to the physical risks associated with changes in climate conditions, there is the risk of governmental responses to such changes. The effects of global climate change, including complying with evolving climate change regulations and transitioning to a low carbon economy, could require substantial expenditures, result in increased operating costs and reduce the availability of fibre as harvestable land may be set aside for carbon mitigation and offsets.

More detailed results from the physical and transition risk analysis can be found in the Company's [2024 Annual Report](#).

Management Approach

Climate change risks and opportunities are included in the Enterprise Risk Management process, with oversight from the Board's Environmental, Health, and Safety Committee to ensure effective strategy implementation. In 2024, the Company's Environment, Health, and Safety Policy was updated to reinforce our public commitment to reducing GHG emissions. The GHG reduction roadmap outlines key initiatives and technologies designed to help achieve this target.

Our Absolute Scope 1 & Scope 2 Emissions Reduction Pathway





Metrics & Targets

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

ON TRACK

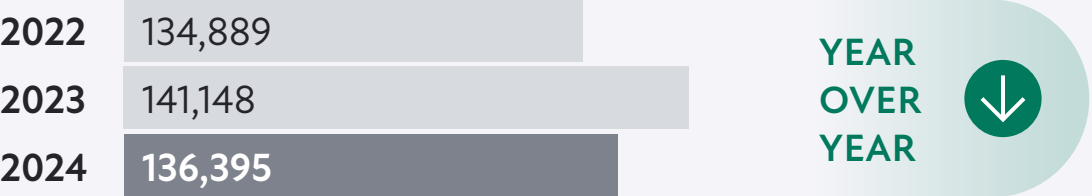
Reduction of 0.3% compared to the 2022 baseline.

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

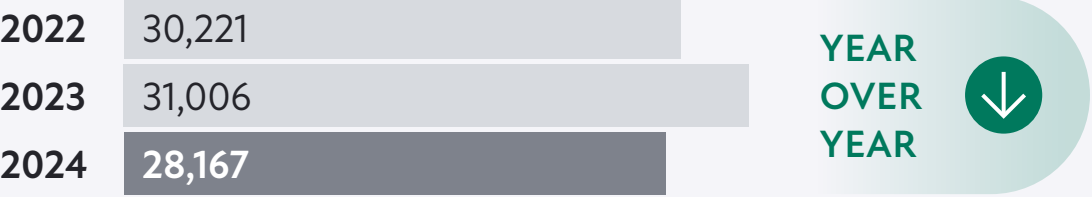
ACHIEVED

Stella-Jones has completed the Science-based target review. This process included an assessment of Stella-Jones Scope 3 data inventory, and the inclusion of Category 4. Upstream Transport and Distribution, Category 7. Employee Commuting and Category 9. Downstream Transport and Distribution for the first time. Stella-Jones also completed a thorough review of Master Data for Vendors assigning each vendor a North American Industry Classification System (“NAICS”) code which has facilitated the Scope 3, Category 1 spend-based emissions to be calculated for all procurement spend for the first time in 2024.

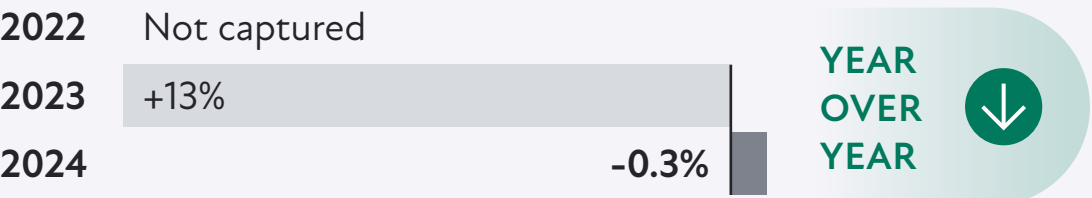
Scope 1 GHG Emissions – MT CO2eq



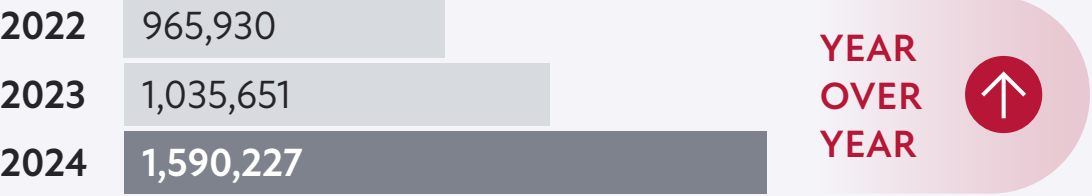
Scope 2 GHG Emissions - MT CO2eq



Annual Reduction compared to the 2022 Baseline – Scope 1 & 2



Scope 3 GHG Emissions - MT CO2eq



FLAG Emissions - MT CO2eq



Water

Stella-Jones believes access to water is a universal right and an essential resource for our communities and is why we are focused on water conservation across our network.

Water stewardship at Stella-Jones means ensuring we implement responsible management solutions and protection measures for process and stormwater systems.

2024 Progress

Total water consumption across the Stella-Jones network decreased slightly by 3%. Most of this water is used in preservative product lines, where it is essential to the treatment process. These facilities strive to minimize freshwater use by capturing and recycling as much water as possible during operations.

Water Risk Assessment

In 2024, Stella-Jones updated its previous water risk assessment as part of our TNFD assessment. The TNFD is a voluntary disclosure framework for Companies to report and act on nature-related dependencies, impacts, and risks which includes water stress.

All Stella-Jones locations were assessed for water stress, resulting in four locations observed to be in areas facing high or extreme water stress: three treatment and one pole peeling facility. Of the three treatment facilities, only one uses a waterborne preservative, while the other two do not require significant water for production, relying only on small amounts for steam generation. The peeling facility does not use water in its production processes. For the treatment facility that requires water, Stella-Jones plans to conduct a more detailed water efficiency review to identify opportunities to reduce water consumption, enhance water recycling, and mitigate the risk and impact on the local water source.

Impacts, Risks & Opportunities

The main risk for water at our sites is compliance with the water quality permits which regulate effluent limits in water discharges and stormwater management to prevent pollution.

For sites that rely on water as an input to the treatment process the risk of water restrictions and droughts in those locations poses a challenge to production. The risk assessment completed during 2024 identified only one site at Stella-Jones which falls into this category and is therefore not considered material.

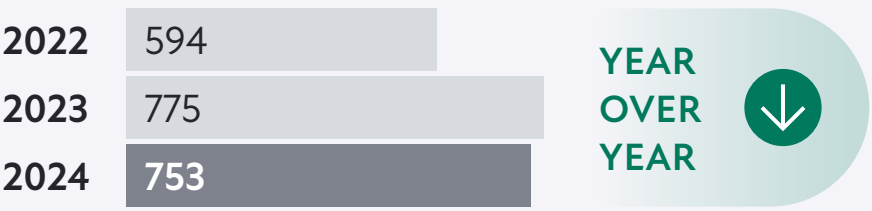
Management Approach

Our team of environmental specialists monitor and manage the water outflows and stormwater systems for compliance and share management practices across our network.

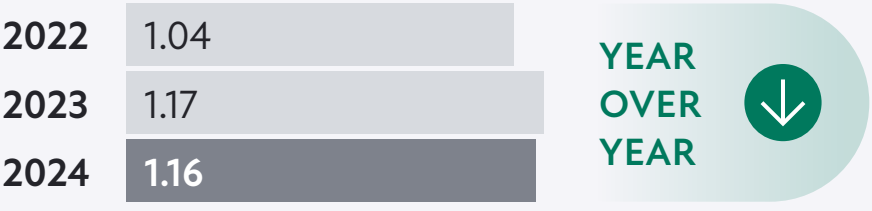
The **SHIELD Water Quality Program** outlines the requirements for permit adherence, including management, sampling and inspection requirements for stormwater and process water across the Company.

Metrics & Targets

Total water consumed (megalitres)



Average gallons per cubic feet of production at high water risk facilities



Waste Management

Stella-Jones prioritizes hazardous waste management to maintain environmental compliance and mitigate risks associated with treatment preservatives.

By implementing proper handling and disposal practices, the Company safeguards natural resources, upholds regulatory standards, and enhances workplace safety.

2024 Progress

In 2024, the total waste generated by the Company increased, primarily due to a 32% rise in wood by-product disposal. This increase resulted from a combination of an increased number of site cleanups and improved reporting of wood byproducts sent for disposal. Estimating the quantity of wood waste continues to be a challenge, and Stella-Jones is working to develop more standardized processes to improve consistency in reporting. This waste stream is particularly important, as it presents the greatest opportunity for diversion and reuse.

Hazardous waste is the other main waste stream at Stella-Jones. In 2024, it decreased slightly, by 9%, primarily due to a slowdown in soil remediation activities and incident response cleanups.

Impacts, Risks & Opportunities

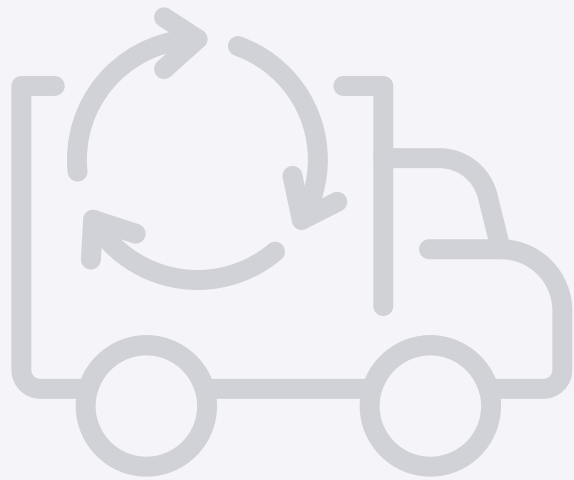
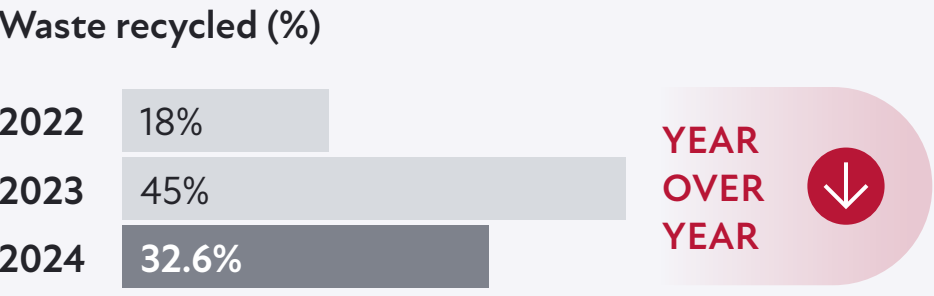
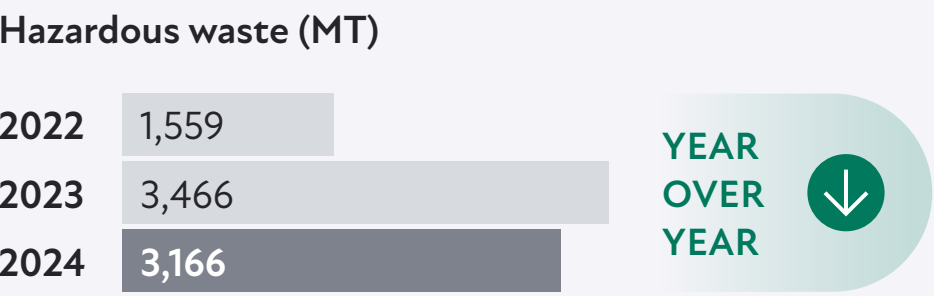
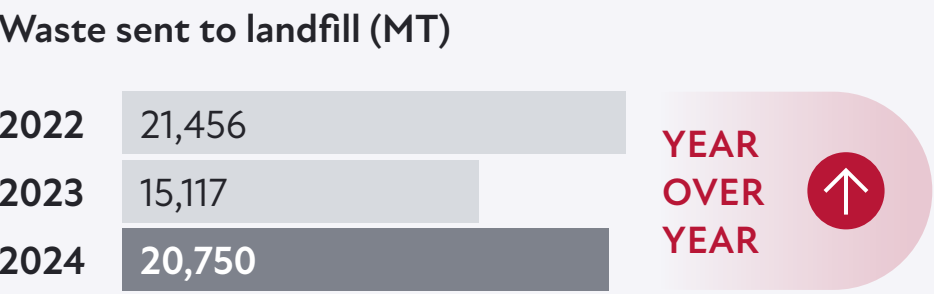
Hazardous waste disposal presents the greatest impact and risk in Stella-Jones’ waste management efforts. This includes all materials containing preservatives or their residues, with key hazards including improper disposal with the potential for environmental pollution. For non-hazardous waste, there is an opportunity to minimize wood by-products sent to landfills and reduce overall waste impact by identifying responsible local outlets for reuse, waste-to-energy options, or recycling.

Management Approach

Waste management across the network is guided by the SHIELD Hazardous Waste Management Program and aligned with the Company’s Environmental Health and Safety Policy.

The program includes strict procedures for hazardous waste containment, cleaning, inspection, labeling, reporting, and disposal. To ensure safe and compliant handling, Stella-Jones partners with certified hazardous waste contractors for the removal and proper disposal of all hazardous waste generated in its operations.

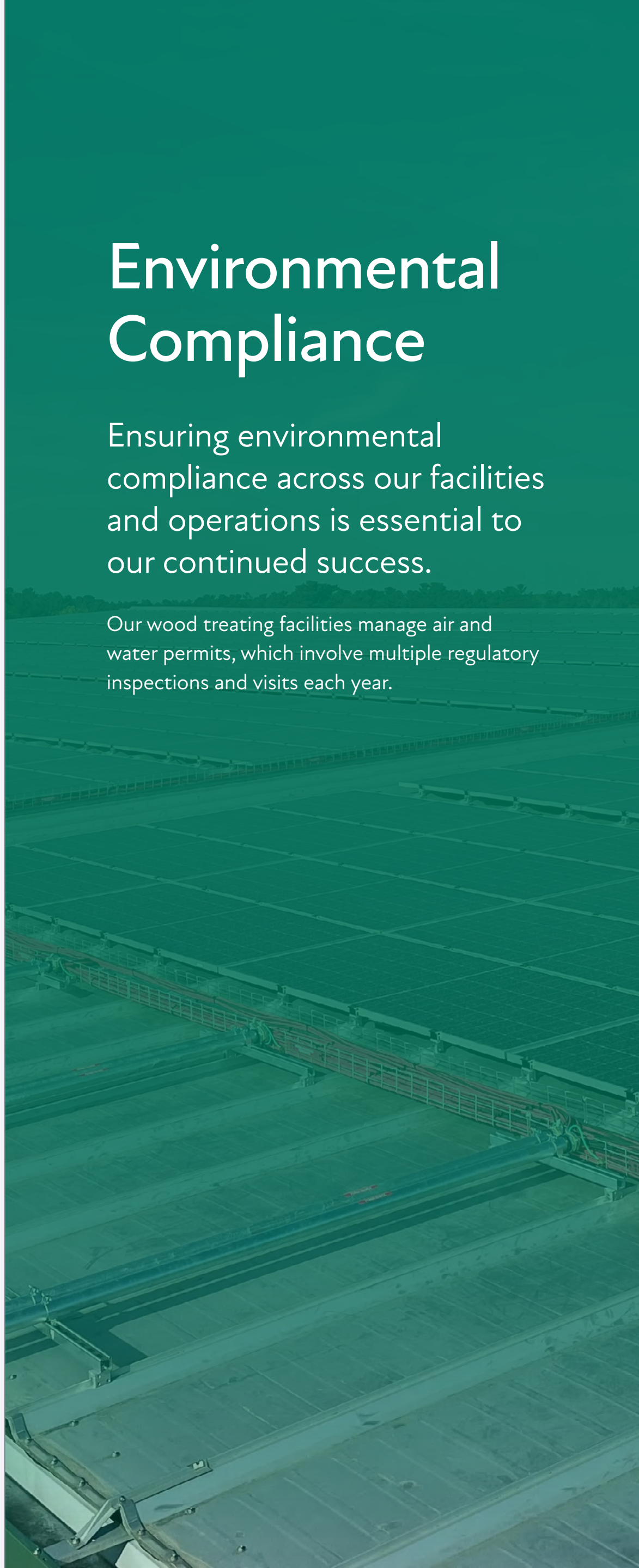
Metrics & Targets



Environmental Compliance

Ensuring environmental compliance across our facilities and operations is essential to our continued success.

Our wood treating facilities manage air and water permits, which involve multiple regulatory inspections and visits each year.



2024 Progress

A new program for large bulk liquid transfers was finalized in 2024 and rolled out at the beginning of 2025. The **Bulk Liquid Transfer and Control Program** is managed by each facility manager, who oversees the establishment and implementation of procedures for safe and controlled bulk liquid transfers. The program includes creating a list of bulk liquid transfers, identifying controls in place for each, and ensuring that testing and inspection are done regularly. Modifications to controls require prior approval and documentation. Employees responsible for bulk liquid transfers must be trained in the program and specific controls. Additional safety requirements include proper PPE (personal protective equipment), spill prevention measures, and equipment inspections before and after transfers. This new program formalizes the best practices already in place across Stella-Jones network and helps elevate the management of this important process for the Company.

Impacts, Risks & Opportunities

Non-compliance with environmental laws and permits could result in civil or criminal actions, including fines or the suspension of operations. Non-compliance could also lead to adverse environmental impacts on the surrounding environment, including pollution of air, water and soil.

The Company may also be held liable for the costs of removing or remediating contamination, even if it was not responsible for the cause. Increasing regulatory activity and changes in environmental laws may lead to higher capital expenditure or could change the availability or pricing of certain products such as preservatives purchased and used by the Company. Although past environmental litigation has not had a significant impact, future incidents could affect both costs and the Company's reputation.

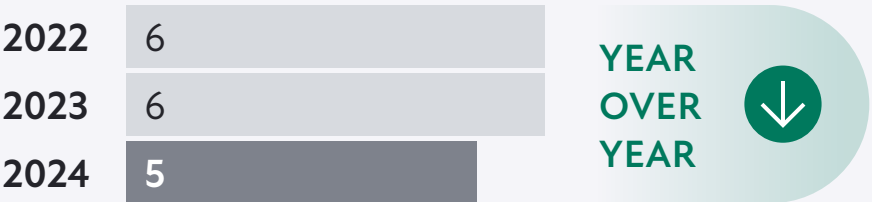
Management Approach

The Stella-Jones environmental compliance team assists facility management in implementing the SHIELD Program, which includes environmental controls and processes.

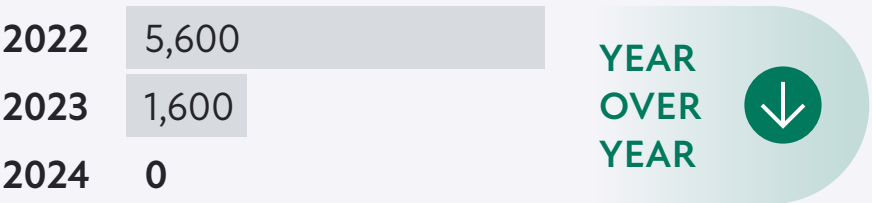
Facility staff receive training on environmental awareness, permit compliance, and the identification of environmental risks and hazards. The inspection and auditing program, along with incident reporting systems, serve as detection tools and help identify and track potential risks. Additionally, the Company's environmental provision process ensures the Company's obligations are known and accounted for.

Metrics & Targets

Number of environmental non-compliances*



Value of fines (\$)



Investment in voluntary land remediation (\$ Millions)

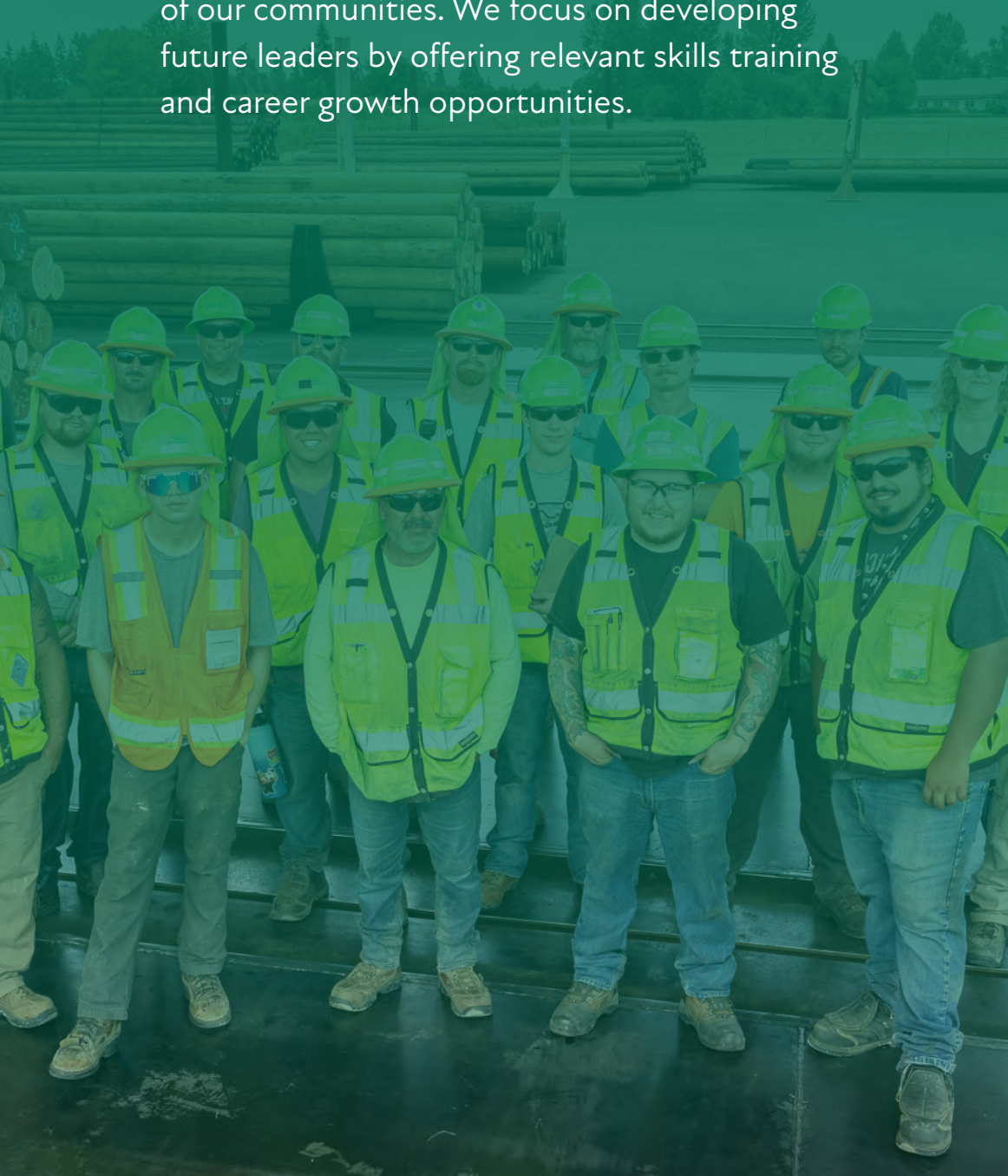


*Non-compliance relates to those issued by a regulating authority.

Our People

At Stella-Jones, we aim to attract and retain talented individuals by providing a positive work environment with strong leadership, competitive compensation and benefits, and career development opportunities.

We are committed to enhancing the employee experience by continuously seeking ways to improve based on feedback from our employees and build a workforce that reflects the diversity of our communities. We focus on developing future leaders by offering relevant skills training and career growth opportunities.



2024 Progress

In 2024, we reached a significant milestone by completing our Company-wide diversity baseline. A voluntary self-identification survey was conducted with all employees in Canada, and the results were combined with U.S. workforce data to provide a comprehensive view of employee diversity at Stella-Jones. With this baseline established, our focus will shift to developing our Diversity and Inclusion strategy in 2025.

Another key priority for Stella-Jones is developing our talent and promoting from within. In 2024, we made progress with the launch of our foundational leadership development training and saw a slight increase in the number of positions filled by internal candidates, a key metric for tracking our progress in this area.

Benchmarking Diversity

Stella-Jones launched its Our People strategy in 2023, with a focus on building a workforce that reflects the communities where we operate. In 2024, data from the diversity survey was used to compare the diversity of 67 Stella-Jones locations with their local communities. The review incorporated U.S. racial diversity data from the Environmental Protection Agency’s Environmental Justice screening tool and Canadian data from the 2021 Census. The results were insightful, showing that 65% of sites were representative* of their local communities. These findings will inform the development of our Diversity and Inclusion strategy, allowing us to focus on priority locations where there is an opportunity to increase workforce diversity.

*Considered representative as being within 10% of local area.

Leadership development program

As part of Stella-Jones’ talent development strategy two leadership programs were launched during 2024.

Frontline Managers Programs

Designed for new managers to develop foundational leadership skills, such as team management, communication, and performance evaluation.

Foundations for Growth Program

A leadership program for Stella-Jones Managers designed to strengthen their skill set around the top five leadership competencies, aligning with the Company’s leadership vision. The program aims to cultivate a consistent understanding of what defines a successful leader at Stella-Jones, fostering unified leadership practices across all levels of management.

Together, these two programs are helping Stella-Jones build a strong and effective leadership pipeline. By investing in the development of both current and future leaders, we ensure that employees acquire the skills, knowledge, and experience needed to drive the Company’s goals forward. Additionally, the programs promote employee engagement and retention by offering personal development and career growth opportunities, while also supporting the implementation of Stella-Jones’ succession planning processes. We believe that inspiring leaders have a positive impact on employee engagement and retention.





Our People

Impacts, Risks & Opportunities

The Company’s growth and success depends on recruiting, developing, and retaining skilled employees, ensuring smooth succession planning, and maintaining strong employee relations.

Changing social and demographic trends, along with evolving employee expectations, make hiring and retention more challenging. A shortage of qualified personnel or employee departures could lead to higher costs and operational disruptions.

Senior management and key employees bring valuable industry expertise in areas like engineering, forestry, and wood treating. The loss of experienced leaders or specialists could impact business strategy and performance, potentially affecting overall operations and results.

Management Approach

The Company’s leadership and talent development programs help mitigate the risks of employee turnover and knowledge loss. To support retention, salaries and benefits are regularly benchmarked, with strategic compensation adjustments made as needed. Oversight of the Company’s People strategy is led by the Senior Vice-President and Chief People Officer, who provides quarterly updates to the Human Resources and Compensation Committee of the Board of Directors on progress toward key objectives.

Metrics & Targets

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

ON TRACK

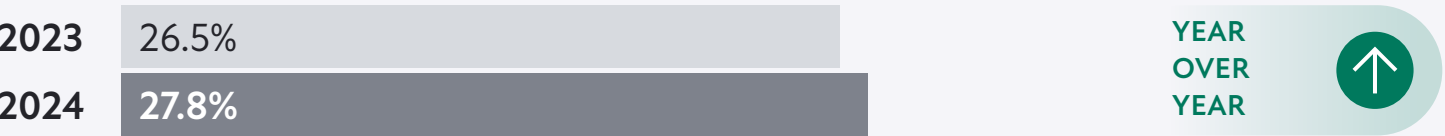
27.8% of all open positions were filled by internal candidates.

Establish a Company-wide diversity baseline by 2024.

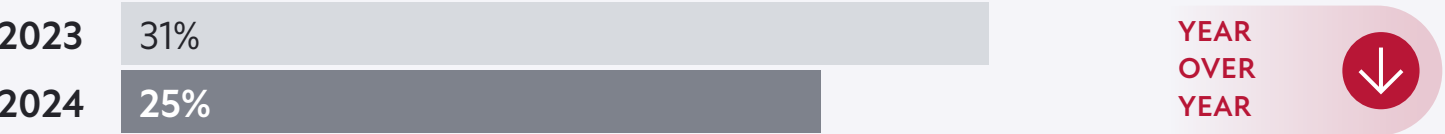
ACHIEVED

This 2024 ESG Report marks the first time Stella-Jones is disclosing Company-wide diversity statistics. With 18% of employees identifying as belonging to an underrepresented group, this provides a baseline for future diversity efforts.

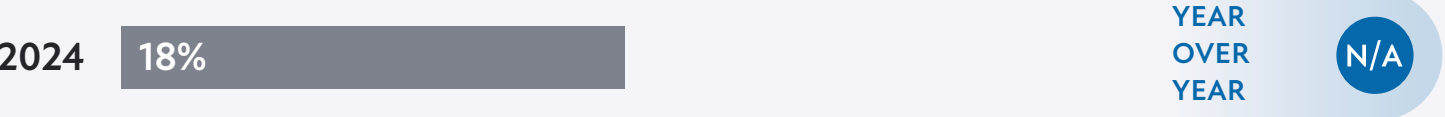
Percentage of positions filled by internal candidates



Percentage of women in management



Percentage of employees from underrepresented groups



The decrease in the percentage of women in management is due to a change in the job classification system introduced in 2024. The new structure standardizes management levels, which will enable more accurate and consistent tracking of this metric moving forward.

Indigenous Peoples

We aim to increase our awareness and understanding of Indigenous culture and history, fostering an openness to different perspectives and worldviews.

Our focus is on developing long-term, respectful relationships with willing Nations and communities where we operate. Additionally, we are committed to proactively creating mutually beneficial, collaborative business relationships and procurement opportunities that support the economic growth of these communities.

2024 Progress

In late 2024, Stella-Jones sent an initial engagement letter to five Bands in British Columbia (“B.C”), outlining the Company’s commitment to building stronger relationships with First Nations.

Throughout the year, Stella-Jones representatives held monthly meetings with Secwepemc Bands to discuss stewardship objectives, including caribou habitat preservation, old-growth forest management, and developing and maintaining fire resilient forests. The standard consultation process for harvest permits and facility-level permit changes also continued.

Additionally, Stella-Jones advanced due diligence on a joint venture opportunity with First Nations in British Columbia. This partnership fosters a collaborative business relationship, providing a procurement channel for Stella-Jones while supporting economic development and capacity-building for the participating Nations.

Impacts, Risks & Opportunities

The shift toward increased First Nations ownership in Canadian forest governance brings both opportunities and risks.

Regulatory complexity and differences between governance systems may cause conflicts and delays in land management approvals, impacting fibre supply and challenging Stella-Jones' production capacity. However, this transition also supports economic empowerment for First Nations through collaborative ventures like joint harvesting operations, creating jobs and revenue. While offering benefits such as economic growth and cultural preservation, successful implementation requires careful management of capacity, regulations, and diverse priorities.

Management Approach

Stella-Jones' approach to Indigenous Peoples is guided by our **Indigenous Peoples Policy**, which outlines our commitment to increasing awareness and understanding of Indigenous cultures and history, fostering mutually beneficial and collaborative relationships, and incorporating Indigenous perspectives into our forestry practices.

Building on the strategy developed in 2023, in 2024 the Company formalized roles and responsibilities across the organization to support effective implementation and introduced new bi-annual reporting channels to track and communicate progress. To enhance transparency, we also established additional short-term, process-based targets, providing clearer insights as we work toward our 2030 Indigenous Peoples goal.

Metrics & Targets

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

MONITORING



In 2024, Stella-Jones worked with the Indigenous Training Corporation on translating their Indigenous Cultural Awareness and Indigenous Relations e-learning modules into French. The training roll-out is now awaiting the implementation of the new learning management system.

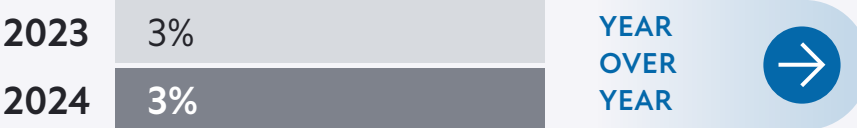
100% of Canadian areas with forest management obligations covered by relationship agreements with willing Nations by 2030.

ON TRACK

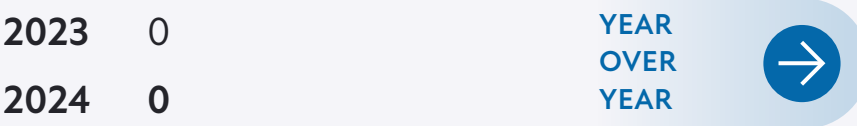


Initial engagement letter sent.

% of Canadian employees trained



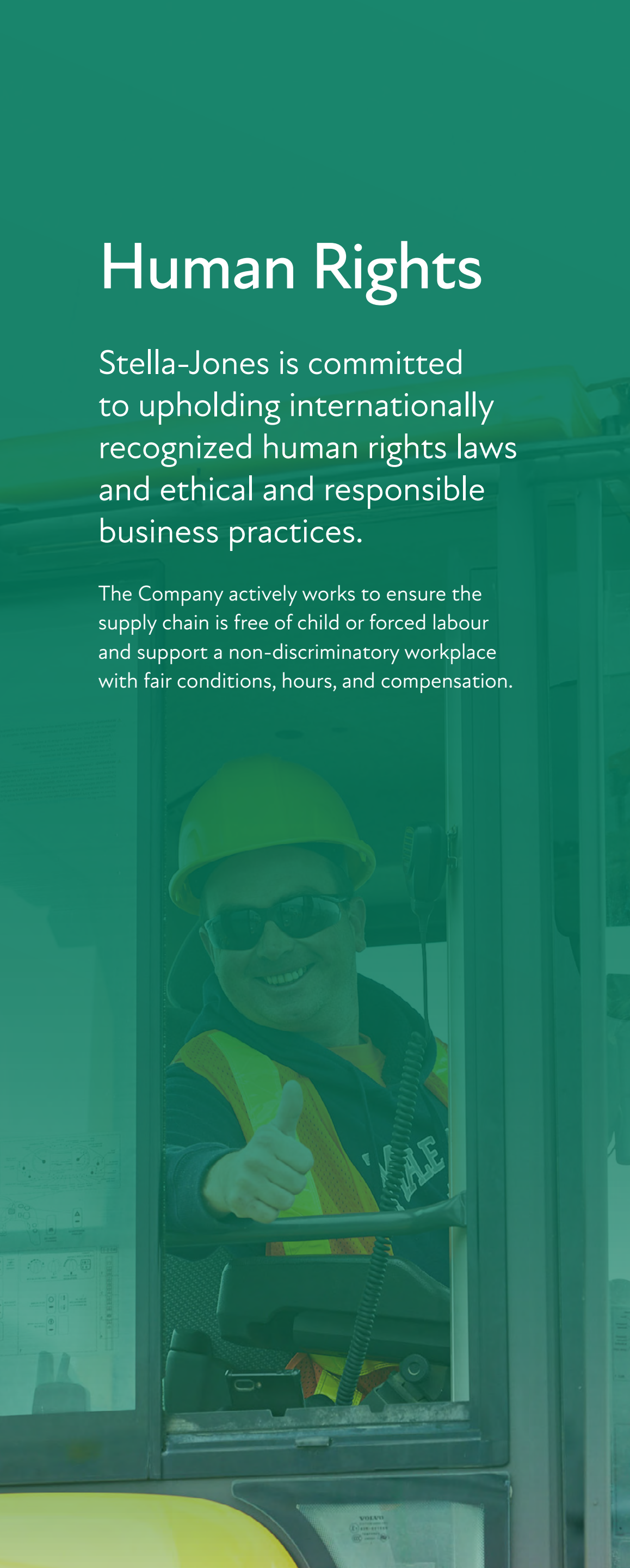
Number of relationship agreements in place



Human Rights

Stella-Jones is committed to upholding internationally recognized human rights laws and ethical and responsible business practices.

The Company actively works to ensure the supply chain is free of child or forced labour and support a non-discriminatory workplace with fair conditions, hours, and compensation.



2024 Progress

During 2024, Stella-Jones engaged with suppliers that were identified as higher risk through the Human Rights risk assessment process. Engagement included discussion on regulatory requirements and Stella-Jones’ commitments towards human rights in our supply chain. Suppliers signed a letter of certification that acknowledges their obligations to prevent child and forced labour in their operations and supply chain, and to notify Stella-Jones of any non-compliance.

Additionally, the internal audit team at Stella-Jones undertook the first audit of the Human Rights Compliance Program against the requirements of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act. The audit report was presented to the Audit Committee of the Board and responsibility assigned internally for all identified findings or areas of improvement.

Impacts, Risks & Opportunities

In addition to the risks posed to individuals and communities, human rights abuses within the supply chain present significant reputational, legal, operational, and financial risks to Stella-Jones.

If such abuses are identified, the Company could suffer a loss of customer and investor confidence, jeopardizing existing contracts. Furthermore, Stella-Jones may face fines, sanctions, or operational disruptions, depending on the severity and relevance of the affected supplier revenue.

Management Approach

Stella-Jones Human Rights Policy and accompanying Compliance Program sets the goals and framework for managing Human Rights risks across the Company. The Compliance Program covers supplier risk profiling, engagement and compliance, employee training, risk reporting and remediation of adverse impacts.

You can read more about Stella-Jones management of Human Rights in our [Annual Report for the Fighting Against Forced Labour and Child Labour in Supply Chain Act](#).

Metrics & Targets

Number of human rights related risks received through the internal reporting system

2023	N/A	YEAR OVER YEAR	N/A
2024	2		



Community

Engaging with local communities where our facilities operate is a key part of Stella-Jones’ social responsibility.

Meaningful engagement fosters trust, helps us understand community concerns and priorities, and strengthens relationships. Guided by values of integrity and respect, we are committed to building open, transparent, and constructive partnerships with the communities we serve.

2024 Progress

In 2024, the Community Engagement Program was expanded to a total of five participating sites. Leadership from the facilities undertakes training, develop their facility specific engagement plan and meet bimonthly to discuss progress and share lessons learned.

Corporate Giving

In 2024, Stella-Jones donated \$747,000 to 202 charities and organizations. Our corporate partnership with *Les Auberges du Cœur* entered its second year, providing housing and support for at-risk youth in Quebec, Canada. Additionally, we announced a new partnership with the American Chestnut Foundation to aid their research and efforts to restore the American Chestnut tree to its native range. This foundation is focused on developing disease-resistant species to combat the devastating effects of an introduced blight on the American Chestnut population.

Hurricane Helene Relief Effort

In response to the devastation caused by Hurricane Helene in the Southeastern U.S., our disaster relief budget supported on-the-ground efforts and customer initiatives. We contributed to the TEMA Human Connections Fund and the DUKE - Power of Giving Hurricane Relief Fund, part of the Duke Energy Foundation. Meanwhile, our sales and operations teams worked tirelessly around the clock to redirect utility poles to affected areas, helping crews restore power to impacted communities.

Creosote Odour Suppression Testing

Creosote, produces a mothball-like odour due to the low-odour threshold of naphthalene, a constituent of creosote. This odour has been a concern raised by residents near some of our plants that use creosote. In response, Stella-Jones has been actively monitoring odour levels in certain locations to better understand how specific operational activities or treatment processes may affect odour. In 2024, the Company conducted research into new additives designed to suppress odours, yielding promising results from a soy-based bio-blend.

When mixed with creosote in small quantities, the bio-blend, due to its chemical properties, prevents certain compounds from becoming airborne thus reducing the perceptibility of the associated odour.

Over the years, Stella-Jones has tested various additives to mitigate odours, and the recent bio-blend trials show significant potential. The next phase involves testing the bio-blend across different locations, seasons, and wood species to determine if the positive results are consistent.

Impacts, Risks & Opportunities

Stella-Jones positively impacts local communities by providing local employment opportunities and supporting the economy through wages, taxes, and procurement from local suppliers.

The Company’s products play a vital role in supporting essential infrastructure for electric utilities and railways. Stella-Jones’ standing depends on its ability to address community concerns about environmental and safety issues while fostering and preserving community trust.

Management Approach

Recognizing the importance of community involvement, Stella-Jones actively collaborates with stakeholders, including local and federal government agencies, and environmental organizations.

Our Community Engagement Policy defines the goals and principles guiding how the Company interacts with its neighbours. To support this policy, we have implemented a Community Engagement Program that enables each facility to tailor its approach based on the unique concerns and priorities of their local communities. The Program is further supported by our Donation Policy, which allocates funds to initiatives that matter most to the communities where we operate.

Metrics & Targets

Number of plants participating in the community engagement program



Responsible Supply Chain

Our goal is to build a responsible and resilient supply chain by actively engaging with suppliers to align shared ESG priorities.

We champion sustainable forestry practices that protect and enhance forest health through responsible harvesting and wildfire resiliency practices and foster forest education to promote the next generation of forestry experts.

2024 Progress

Stella-Jones’ supply chain due diligence framework was developed in 2023 and expanded in 2024 to cover 37% of Tier 1 suppliers. This review evaluates suppliers across 18 metrics spanning Environmental Management, Climate Change, Human Rights, Safety Management, Finance, and Reputation, resulting in a relative risk rating for each supplier. This enhanced process has helped Stella-Jones prioritize key topics for future supplier engagement while providing a deeper understanding of our Tier 1 suppliers.

Wildfire Management in British Columbia

Stella-Jones, alongside other B.C.-based forestry companies is actively supporting efforts to address the region’s wildfire crisis through community outreach and risk mitigation initiatives. In 2024, the group facilitated engagement with local governments, business leaders, and fire authorities to discuss risk reduction strategies and highlight the critical role of forestry in wildfire prevention. Given the devastating impact wildfires have on communities, threatening lives, infrastructure, economies, and the environment, Stella-Jones remains committed to mitigating wildfire risks through responsible forest management, ensuring the protection and resilience of our communities.

Taskforce on Nature-related Financial Disclosures

In 2024, Stella-Jones commenced our first TNFD assessment, a global initiative that provides a framework for organizations to identify, assess, and disclose nature-related risks and opportunities in their financial and strategic decision-making, specifically focused on the impact of businesses and financial institutions on nature, biodiversity, and ecosystems. As a company dependent on healthy working forests, the TNFD approach is important to better understand the link between biodiversity and financial risk for the Company.

The assessment covered 443 third-party fibre sourcing areas and assessed their interface with nature for the following topics:

- Biomes
- Biodiversity Hotspots
- Critical Habitat
- Protected Areas
- Indigenous Areas
- Forest Loss Fronts
- Mean Species Abundance
- Biodiversity Intactness Index
- Habitat Connectivity
- Water Stress

The sites were then assigned two scores, one for exposure to Nature-Related Issues, and one for Opportunities for Nature-Positive Practices. Our next step is to complete workshops with our forestry and procurement teams to validate the results and discuss ongoing or potential mitigation measures.

Third Party Sustainability Certification

In North America, wood fibre is primarily sourced through government timber sales, private woodland owners, forest tenures, sawmills, and lumber producers. Many small, family-operated forests and sawmills face challenges in obtaining third-party sustainability certifications due to high costs. As a result, most of the wood used by Stella-Jones for utility poles and railway ties comes from these smaller suppliers or from public and Crown lands, where certification often doesn't apply. Nonetheless, forestry in North America is governed by strict regulations, and all forest landowners and sawmills must comply with national and local environmental laws. These regulations ensure that timber is harvested sustainably and at the appropriate stage of biological maturity. In 2024, 79% of our residential lumber came from certified sources, including FSC®, SFI®, PEFC®, and CSA.



Responsible Supply Chain



Impacts, Risks & Opportunities

The governments and forestry industries of the U.S. and Canada are committed to sustainable forest management which focuses on reforestation and replanting, selective harvesting, and regulations and certifications to reinforce these practices. These efforts are crucial to Stella-Jones, as our ability to produce and deliver products relies on a stable supply of fibre, in addition to treating preservatives, transportation, and equipment. Any disruptions in the supply chain or fluctuations in costs can impact our efficiency and overall operations.

Management Approach

The Company’s approach to responsible supply chain management and risk mitigation is built on strong relationships with our fibre suppliers. By aligning on shared priorities, including ESG standards and requirements, we establish a common understanding of our goals. This is reinforced through hiring qualified contractors for harvest operations, collaborating with Indigenous Peoples, and supporting public policies that promote sustainable forestry. These efforts are integral to our ongoing supplier relationship management and commitment to responsible resource stewardship.

Metrics & Targets

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

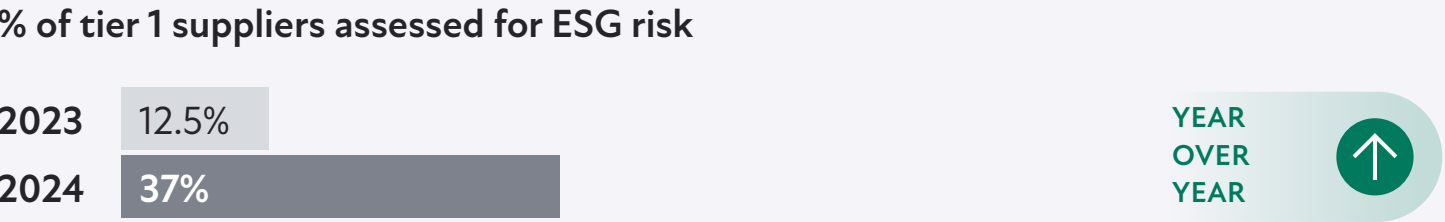
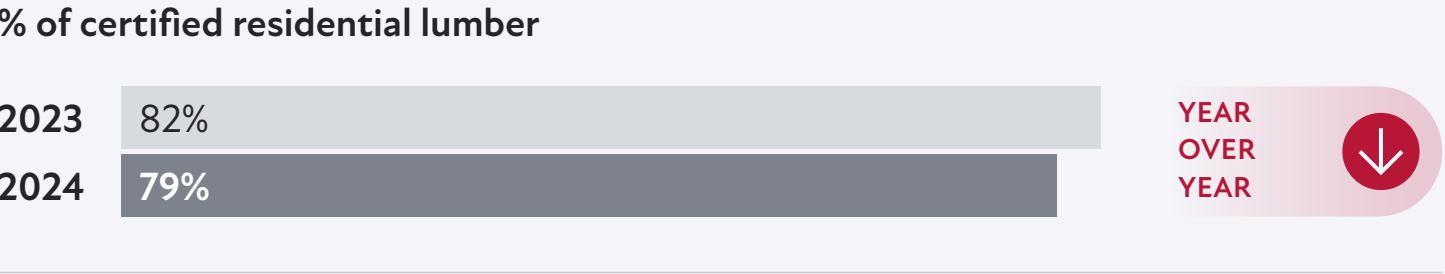
NOT ACHIEVED

In 2024, Stella-Jones residential lumber supplier pool contracted slightly resulting in a drop in third-party certification. 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. In 2025, the procurement team will continue to work with their suppliers on certification objectives.

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

ACHIEVED

37% of Tier 1 suppliers were assessed for ESG-related topics. The next step for Stella-Jones will be supplier engagement on the priority risks.



Product Stewardship

Stella-Jones’ approach to product stewardship begins in the forest and extends through the end-of-life stage of its products.

The Company also drives innovation through research and development initiatives focused on product quality, environmental impact reduction, and safety enhancements, and actively seeks cost-effective solutions for end-of-life management for customers.

2024 Progress

In 2024 Stella-Jones continued its work on product specific lifecycle assessment (“LCA”) in collaboration with a technology partner.

The tool utilizes real-time data to allow for the tracking of lifecycle impacts over time, the creation of historical comparisons, and the visualization of impacts at different stages of the value chain. This significantly improves the ability of an LCA to provide useful information to businesses to make decisions on supply chain and manufacturing processes, and then readily see those impacts quantified. The Company is currently working on the next product category and engaging suppliers on the findings from the first LCA.

Stella-Jones continues to collaborate with companies in the recycling, repurposing, and waste-to-energy sectors as part of our ongoing efforts to find cost-effective and sustainable solutions for our products at the end of their service life. In 2024, one of the facilities that Stella-Jones used for wood utility poles notified us of its intention to stop using poles as feedstock for its co-generation facility. This loss of an important outlet for our products put additional pressure on existing recyclers and created setbacks for our customers in achieving their landfill diversion goals.

Environmental Product Declaration

In 2024, Stella-Jones published our first product-specific Environmental Product Declaration (“EPD”) for red pine utility poles treated with chromated copper arsenate (“CCA”).

The EPD was also the first to use the new product category rules for utility poles and included company-specific supply chain information for the procurement and transportation of Red Pine poles, as well as facility-specific information from the seven Stella-Jones facilities that manufacture this product.

Impacts, Risks & Opportunities

Varying regulations across North America on the re-use and repurposing of treated wood create challenges for sustainable end-of-life solutions.

High transportation costs, a fragmented regulatory landscape, and logistical hurdles such geographic dispersion of the product and the removal of metal components, make it difficult for businesses and customers to identify environmentally responsible disposal options. However, developing cost-effective and sustainable end-of-life solutions presents a significant opportunity for Stella-Jones to support its customers while advancing sustainability initiatives.

Management Approach

The responsibility for developing and identifying end-of-life options for products falls to the Sales team, who work closely with customers to understand their operations and disposal preferences.

This team collaborates with the Environment and Sustainability leaders to assess potential recycling and disposal options. Additionally, Stella-Jones’ Vice-President, Research and Development (“R&D”) leads long-term research on alternative preservatives that could maintain in-service performance while reducing environmental impacts at the end of the product’s life.

Metrics & Targets

Weight of end-of-life material recovered (MT)



ESG Risk Governance

Through a strong foundation of risk governance Stella-Jones aims to simplify ESG compliance, streamline risk prioritization, and fosters a culture of accountability.

By integrating ESG into our governance frameworks, we can proactively address regulatory requirements, focus on the most critical risks, and ensure consistent internal processes and policies.

2024 Progress

In 2024, the Company developed a web-based internal communication platform, enhancing employee access to resources and company-wide communications, particularly for our manufacturing workforce, who have limited access to desktop computers. The platform was formally launched organization-wide in early 2025. In addition, in 2024, the Company piloted a digital signage initiative at four locations, aimed at sharing organizational and local news and information on monitors in facility break rooms. On April 1, 2025, the project had been successfully rolled out across the Company's treating facilities.

The rollout of our Enterprise Resource Planning ("ERP") system also progressed in 2024, expanding to additional locations. The new system is improving procurement and accounting processes while enhancing data analytics, financial planning, and overall efficiency.

Additionally, we advanced our understanding of nature-related risks by piloting the TNFD framework. This assessment evaluated 66 Stella-Jones locations and 443 third-party fibre sourcing areas for nature and biodiversity risks and opportunities. More details can be found in the Responsible Supply Chain and Water sections of this report.

Cybersecurity and Privacy

Cybersecurity and data privacy continued to be a priority for Stella-Jones. During 2024, we strengthened our cybersecurity posture by completing a NIST (National Institute of Standards and Technology) Cybersecurity Framework assessment, establishing a new baseline maturity score, and identifying key areas for improvement. Targeted security assessments and a Red Team vs. Blue Team exercise helped uncover vulnerabilities, enhance detection and response capabilities, and address process gaps. We improved incident readiness through a cross-functional tabletop exercise and upgraded security infrastructure by migrating to

an advanced email security platform, rolling out enhanced endpoint and identity protection, and enforcing strict access controls. Additionally, we continued our security awareness program with phishing simulations and interactive training, leading to measurable risk reduction.

Canadian Sustainability Standards Board ("CSSB") Disclosures

In 2024, Stella-Jones conducted a gap analysis of its current reporting and internal practices against the CSSB disclosure framework. This assessment resulted in a structured roadmap to close identified gaps in alignment with Canada's expected implementation timeline. A key takeaway was the need to strengthen the connection between ESG topics, their associated risks and impacts, management approaches, and performance metrics; an improvement we aim to reflect throughout this Report.





Impacts, Risks & Opportunities

The Company has developed an organization-wide ESG strategy with specific goals and targets to enhance sustainability performance. However, achieving these goals is not guaranteed, and failure to update, track, or report on them accurately could pose competitive, reputational, and business risks. Additionally, emerging ESG regulations may increase disclosure requirements, making robust data collection and reporting processes essential to ensure compliance and meet stakeholder expectations.

Management Approach

Stella-Jones’ ESG strategy is centered on the most relevant topics for the Company, with active programs and initiatives in place to enhance performance and mitigate risks. The Senior Director of Sustainability is responsible for monitoring evolving ESG requirements and advising the Management Team on necessary disclosures.

Beyond general ESG risk management, the Vice-President, Information Technology oversees a team of cybersecurity and privacy experts who implement a comprehensive framework of controls and safeguards. These include preventative and detective controls, physical security measures, and administrative controls such as employee cybersecurity training, policies, and guidelines.

You can read more about Stella-Jones' approach to ESG risk governance in the Sustainability Governance at Stella-Jones section of this Report.

Metrics & Targets

100% of salaried employees to complete the corporate wide annual policy acknowledgment by the end of 2024.

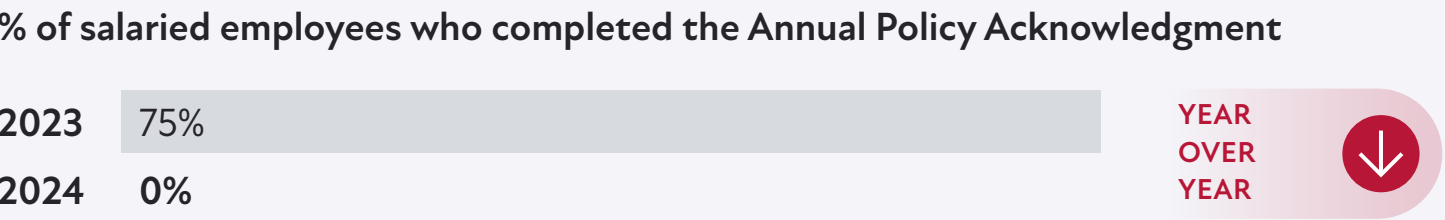
NOT ACHIEVED

In 2024, the decision was made to postpone the annual policy acknowledgment period until Q1 of 2025, to better align with the policy review and approval process which takes place at the annual December Board meeting. This timing will better allow policy changes to be communicated to, and acknowledged by salaried employees in a timely manner.

Launch digital on-boarding training within one year of the new HRIS training module implementation.

MONITORING

The Human Resources team is working through the selection and implementation of a new learning management system as part of the Human Resources Information System (“HRIS”).





Appendices

Caution Regarding Forward-Looking Statements	29
Consolidated Sustainability Figures	29
Independent Practitioner’s Limited Assurance Report – Stella-Jones Inc.’s Greenhouse Gas (GHG) Emissions	38

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 and regulatory and environmental compliance.

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.

Consolidated Sustainability Figures

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.

2024 Activity Measures

Data	Measurement	2024	2023	2022	Standard
Sales	\$ million CAD	3,469	3,319	3,065	–
Annual Production	1,000 Cubic Feet (ft3)	111,930	110,668	107,549	000.A

ESG Performance Data

Environment						
Category	Indicator	Unit	2024	2023	2022	Standard
Energy	Total energy consumed	Gigajoules (GJ)	4,845,400	4,302,059	3,333,080	GRI 302 -1, SASB 130a.1(1)
	Total energy consumed – excluding biomass	Gigajoules (GJ)	2,746,344	2,896,652	2,464,952	GRI 302 -1, SASB 130a.1(1)
	Total fuel consumed - non renewable	Gigajoules (GJ)	2,135,690	2,495,531	2,115,167	GRI 302-1
	Total fuel consumed - renewable	Gigajoules (GJ)	2,119,911	1,406,264	868,128	GRI 302-1
	Total electricity consumed	Gigajoules (GJ)	384,777	401,121	349,785	GRI 302-1
	Energy intensity by production	GJ/1,000 FT3	43	39	31	GRI 302-3
	Percentage grid electricity	%	8	9	10	SASB 130a.1(2)
	Percentage renewable	%	44	33	26	SASB 130a.1(3)

Environment						
Category	Indicator	Unit	2024	2023	2022	Standard
Emissions	Scope 1 - GHG Emissions	MT CO2eq	136,395	141,148	134,889	GRI 305-1
	Scope 2 - GHG Emissions	MT CO2eq	28,167	31,006	30,221	GRI 305-2
	Scope 3 – GHG Emissions	MT CO2eq	1,590,227	1,035,651	965,930	GRI 305-3
	Biogenic GHG emissions	MT CO2eq	164,863	144,892	131,391	GRI 305-1
	GHG intensity by production	MT CO2eq/1,000 FT3	1.47	1.50	1.54	GRI 305-4
	GHG intensity by sales	MT CO2eq/\$ million revenue	47.4	50	54	GRI 305-4
	SOx emissions	MT	98	161	128	GRI 305-7
	NOx emissions	MT	130	145	126	GRI 305-7

ESG Performance Data

Environment						
Category	Indicator	Unit	2024	2023	2022	Standard
Water	Total water withdrawn	Megalitres	753	775	594	GRI 303-3
	Water withdrawn - third party sources	Megalitres	646	675	494	GRI 303-3
	Water withdrawn - Surface Water	Megalitres	18	13	8	GRI 303-3
	Water withdrawn - Groundwater	Megalitres	88	86	93	GRI 303-3
	Total water withdrawn (priority facilities - Eloy, Carseland, Whitmire)	Megalitres	22	25	24	GRI 303-3

Environment						
Category	Indicator	Unit	2024	2023	2022	Standard
Waste	Total waste generated	MT	35,758	33,702	27,893	GRI 306-3
	Total hazardous waste	MT	3,166	3,466	1,559	GRI 306-3
	Total non-hazardous waste	MT	20,750	15,117	21,410	GRI 306-3 / GRI 306-5
	Total recycled	MT	11,842	15,119	4,924	GRI 306-4
	Waste intensity by production	MT/1000 FT3	0.32	0.30	0.26	N/A
Environmental Compliance	Environmental non-compliances	Number	5	6	6	GRI 2-27
	Value of fines	\$	0	1,600	7,280	GRI 2-27

ESG Performance Data

Social						
Category	Indicator	Unit*	2024	2023	2022	Standard
Health & Safety	Employee Fatalities	Number	1	0	0	GRI 403-9
	DART cases	Number	69	68	70	GRI 403-9
	DART frequency rate	Per 200,000 hours worked	2.25	2.27	2.65	GRI 403-9
	TRR cases	Number	93	100	94	GRI 403-9
	TRR frequency rate	Per 200,000 hours worked	3.1	3.3	3.6	GRI 403-9
	Contractor Fatalities	Number	0	0	0	GRI 403-9
Employment	Total employees	Number	3,018	2,945	2,615	GRI 2-7
	Total hourly employees	Number	2,142	2,139	1,918	GRI 2-7
	Total unionized employees	Number	445	467	413	GRI 2-7

Social						
Category	Indicator	Unit*	2024	2023	2022	Standard
New Hires	Total new hires	Number	738	907	854	GRI 401-1
	Total female new hires	%	19	18	19	GRI 401-1
	New hires less than 30 years old	Number	235	302	303	GRI 401-1
	New hires less than 30 years old – Female	%	14	17	16	GRI 401-1
	New hires 30-50 years old	Number	357	446	412	GRI 401-1
	New hires 30-50 years old – Female	%	19	21	21	GRI 401-1
	New hires over 50 years old	Number	146	158	140	GRI 401-1
	New hires over 50 years old – Female	%	25	16	21	GRI 401-1

*Percentage of total workforce

ESG Performance Data

Social						
Category	Indicator	Unit*	2024	2023	2022	Standard
Diversity	Employees from underrepresented groups	%	18	Data not captured for whole workforce		GRI 405-1
	Women in workforce	%	19	18	17	GRI 405-1
	Women in management	%	25	31	Data not captured	GRI 405-1
	Employees less than 30 years old	%	15	15	15	GRI 405-1
	Employees 30-50 years old	%	46	49	44	GRI 405-1
	Employees over 50 years old	%	38	36	41	GRI 405-1
	Women employees less than 30 years old	%	3	2	2	GRI 405-1
	Women employees 30-50 years old	%	9	9	7	GRI 405-1
	Women employees over 50 years old	%	7	7	7	GRI 405-1

Governance						
Category	Indicator	Unit	2024	2023	2022	Standard
Product	Weight of end-of-life material recovered	MT	8,098	8,073	6,439	SASB 410a.2(1)
	Procurement from third-party certified forestlands	%	79	82	81	SASB 410a.1(2)
	FSC certified	%	62	72	71	SASB 410a.1(3)
	SFI certified	%	55	71	50	SASB 410a.1(3)
	PEFC certified lumber	%	63	74	50	SASB 410a.1(3)
	CSA	%	28	4	9	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

*Percentage of total workforce

ESG Performance Data Accounting Methodology

Reporting period

Stella-Jones ESG performance data is from January 1 to December 31, 2024.

Boundary Setting

Stella-Jones uses an operational control approach for boundary setting. The data provided in Stella-Jones’ ESG Performance includes all wood treating facilities, pole peeling yards, our coal tar distillery, trucking operations, management offices, finished goods, and procurement yards within Stella-Jones operational control.

Changes Affecting ESG Performance Data in 2024

In 2024, three sites—Wiggins, Mississippi; Goodwater, Alabama; and Durant, Mississippi, completed their first full year of operation with Stella-Jones. Additionally, for the first time, finished goods yards and procurement yards were included in our data inventory.

To support more accurate and efficient GHG accounting, Stella-Jones implemented a new data and reporting system in 2024. This system enhances the data collection process by connecting directly with utility accounts and using text recognition technology to minimize manual data entry and reduce the risk of input errors.

Restatement of Information

To maintain a focus on real emissions reductions and ensure year-over-year comparability, we adjust our 2022 baseline to reflect changes in our operational footprint. This means excluding reductions resulting from asset divestiture and incorporating increases from acquisitions.

The three newly acquired sites, each completing their first full year of operation in 2024, have been added to the 2022 baseline, along with the first full year of data from our finished goods and procurement yards.

Scope 1 adjustment: 11,204 MT CO2eq
Scope 2 adjustment: 2,209 MT CO2eq

Additionally, the DART statistics for 2023 and 2022 have been revised to reflect updates to incidents from previous years, resulting from new information and reassessments of injury severity.

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 2024.

Environment

ENERGY

All energy is reported in megawatt hours. The renewable energy reported includes 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

Our emissions reporting complies with the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD)’s Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (2015), GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2013) and the Technical Guidance for Calculating Scope 3 Emissions (version 1.0). These documents are available at ghgprotocol.org. The GHG Protocol documents are the most recognized and widely used global standards and guidance for greenhouse gas reporting.

Scope 1 emissions are direct emissions from our operations, including process emissions and emissions from fuel use. The emission factors utilized come from the Ministry of Environment and Climate Change Canada (2023) and U.S. Environment Protection Agency (2023).

Scope 2 emissions are from using purchased electricity in our operations. Scope 2 are location based, and Stella-Jones is working towards the disclosure of the market-based emissions in future reporting but does not expect the difference to be material. The emissions factors used in Scope 2 calculations are sourced from the U.S. Environmental Protection Agency eGRID data and Statistics Canada.

Scope 3 value chain emissions are upstream and downstream from our operations, and are generated by our suppliers and customers. Category 4, 8 and 9 were added to the inventory in 2024. The following table outlines the emissions factors utilized.

Emissions from refrigerants used to refill HVAC units on mobile equipment have been left out of the Scope 1 inventory because they are not significant compared to the Company's total emissions.

The emissions intensity for both production and sales uses only Scope 1 and 2 emissions data.

Scope 3 Category	Method	Emission Factor
1. Purchased Goods and Services	Spend based	U.S. Environmentally-Extended Input-Output (USEEIO) v2.3
2. Capital Goods	Average spend based	U.S. Environmentally-Extended Input-Output (USEEIO) v2.3
3. Fuel and Energy Related Activities	Average data	GHGenius 502b: Upstream Results HHV
4. Upstream transportation and distribution	Combination of distance-based and spend-based	US EPA
5. Waste Generated in Operations	Average data	US EPA
6. Business Travel	Spend based	US EPA and U.S. Environmentally-Extended Input-Output (USEEIO) v2.3
7. Employee Commuting	Distance based	US EPA and NIR2022-Generation intensity part 3
8. Upstream Leased Assets	Average data	US EPA
9. Downstream Transportation and Distribution	Distance based	US EPA
12. End-of-life treatment of sold products	Average data	US EPA

Appendices

FLAG EMISSIONS

The FLAG inventory uses the ICLEI LEARN tool and data from Canada’s National Inventory Report (NIR). The county selected for analysis in the LEARN Tool was chosen based on the state holding the highest % of purchased quantities for Stella-Jones. In Canada it is assumed that the province's land GHG flux reported by the NIR can be applied to the portion wood purchased by Stella-Jones to estimate the emissions or removals related to the harvest of the wood by province.

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. The metric tonnes of SOx and NOx emissions reduced in 2024 due the use of renewable diesel across four plants.

WATER

Our water consumption data includes water purchased from municipal sources or utilities, as well as water drawn from on-site wells and ponds. However, some sites lack metering equipment for their ponds, so water usage from those sources is not included in the data. Most of the water we use is for applying water-borne preservatives and for boiler make-up processes.

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 to 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 for the reporting year. The turnover data includes all types of employee turnover including voluntary, involuntary, retirements and deaths.

DIVERSITY

The gender, age, and diversity disclosures include Stella-Jones’ entire workforce. Diversity statistics are based solely on voluntary self-identification by employees, meaning the data may not fully represent the actual diversity within the Company.

Governance

PRODUCT

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 up to 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 2024
The Organization and It's Reporting Practices		
2-1	Organizational details	Stella-Jones Website
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	ESG Performance Data Accounting Methodologies
Activities and Workers		
2-6	Activities, value chain and other business relationships	Value Chain
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	Sustainability Governance at Stella-Jones
2-10	Nomination and selection of the highest governance body	2025 Management Proxy Circular
2-11	Chair of the highest governance body	2025 Management Proxy Circular
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance at Stella-Jones
2-13	Delegation of responsibility for managing impacts	Sustainability Governance at Stella-Jones

GRI, SASB, and TCFD Content Index

GRI 2: General Disclosures 2021		
Disclosure	Description	Disclosures in 2024
Governance (continued)		
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance at Stella-Jones
2-15	Conflicts of interest	2025 Management Proxy Circular
2-16	Communication of critical concerns	Whistleblowing Procedures
2-17	Collective knowledge of the highest governance body	No action was taken in 2024 specific to sustainable development. The current skills and competencies matrix of the Board of Directors can be found in the Management Proxy Circular.
2-18	Evaluation of the performance of the highest governance body	2025 Management Proxy Circular
2-19	Remuneration policies	2025 Management Proxy Circular
2-20	Process to determine remuneration	2025 Management Proxy Circular
2-21	Annual total compensation ratio	Not currently reported.
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	Sustainability Governance at Stella-Jones
2-25	Process to remediate negative impacts	Whistleblowing Procedures
2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing Procedures

GRI 2: General Disclosures 2021		
Disclosure	Description	Disclosures in 2024
Strategy, policies and practices (continued)		
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 • GoRail • 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

GRI, SASB, and TCFD Content Index

Sustainable Accounting Standard (SASB)		
SASB Standard	Indicator	Disclosures in 2024
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 assess 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 manage product lifecycle impacts and meet demand for sustainable products	Product Life-Cycle Management
CG-BF-410a.2	Weight of end-of-life material recovered, percentage of recovered 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

Task Force on Climate-Related Financial Disclosures	
Pillar	Location and Notes
Governance	
Disclose the organization’s governance around climate-related risks and opportunities.	Sustainability Governance at Stella-Jones.
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.	Refer to the Climate Report in the Company’s 2024 Annual Report .
Risk Management	
Disclose how the organization identifies, assesses, and manages climate-related risks.	Refer to the Climate Report in the Company’s 2024 Annual Report .
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 Emissions.

Limited Assurance Report



Tel: 514-931-0841
Fax: 514-931-9491
www.bdo.ca

1000 Rue De La Gauchetière Ouest
Suite 400
Montréal, QC H3B 4W5

Independent Practitioner’s Limited Assurance Report
Stella-Jones Inc.’s Greenhouse Gas (GHG) Emissions

To the Directors of Stella-Jones Inc.

We have undertaken a limited assurance engagement on the following metrics for the year ended December 31, 2024 as reported in Stella-Jones’ 2024 Report on Environmental, Social & Governance (“GHG statement”):

- Scope 1 - GHG Emissions of 136,395 MT CO2eq on GHG statement page 30; and
- Scope 2 - GHG Emissions of 28,167 MTCO2eq on GHG statement page 30 (“GHG Metrics”)

Management's Responsibility for the GHG Statement

Management of Stella-Jones Inc. is responsible for the preparation of the GHG Metrics in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition)(2015), applied as explained on page 34 of the GHG statement. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the GHG Metrics that are free from material misstatement, whether due to fraud or error.

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Canadian Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Metrics based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (CSAE 3410), issued by the Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG Metrics are free from material misstatement.

A limited assurance engagement undertaken in accordance with CSAE 3410 involves assessing the suitability in the circumstances of Stella-Jones Inc.’s use of the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition)(2015) as the basis for the preparation of the GHG Metrics, assessing the risks of material misstatement of the GHG Metrics whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



presentation of the GHG Metrics. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we performed the following, among other procedures:

- Through enquiries, obtained an understanding of Stella-Jones’ internal controls and processes as it relates to GHG emissions data related to the GHG Metrics;
- Evaluated Stella-Jones’ methodology for calculating the GHG Metrics using the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition)(2015); and
- Performed select substantive procedures, including substantive analytical procedures relating to year over year variances in GHG emissions data related to the GHG Metrics.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Stella-Jones Inc.’s GHG Metrics or GHG statement have been prepared, in all material respects, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition)(2015).

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Stella-Jones Inc.’s GHG Metrics for the year ended December 31, 2024 are not prepared, in all material respects, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition)(2015), applied as explained on page 34 of the GHG statement.

Restriction On Use

This report has been prepared exclusively for Stella-Jones for the purpose of assisting management in its sustainability reporting. The selected GHG Metrics may not be appropriate for, and should not be relied upon for, any other purpose. Our report is intended solely for Stella-Jones, and we do not assume or accept any responsibility or liability to any third party in connection with our report.

BDO Canada s.r.l./S.E.N.C.R.L./LLP¹

Chartered Professional Accountants
CPA Auditor, Public Accountancy Permit No. A124735

Montréal, Québec
August 18, 2025

We welcome your questions and feedback on our 2024 ESG Report: sustainability@stella-jones.com

Stay Connected

Stella-Jones.com

