

**STELLA
JONES**



2025 Sustainability Report





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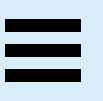
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INTRODUCTION

About Our Report

Welcome to Stella-Jones’ 2025 Sustainability Report (the “Report”). This Report outlines the sustainability-related activities conducted by our organization from January 1, 2025, to December 31, 2025.

In accordance with the evolution of the Canadian regulatory landscape, this Report has been prepared in alignment with the Canadian Sustainability Disclosure Standards CSDS 1 (*General Requirements for Disclosure of Sustainability-related Financial Information*) and CSDS 2 (*Climate-related Disclosures*), which now serve as our primary framework for disclosing sustainability-related financial information. We continue to reference the Global Reporting Initiative (“GRI”) Standards and the Sustainability Accounting Standards Board (“SASB”) to provide a comprehensive view of our impacts and industry-specific performance.

Consistent with our commitment to data integrity, Stella-Jones has received third-party limited assurance of our 2025 scope 1 and 2 Greenhouse Gas (“GHG”) emissions. This Report has also been reviewed and approved by the executive leadership team and the Board of Directors.

This Report reviews our performance and achievements throughout 2025. As we begin the final two years of our five-year sustainability strategy, we have initiated a comprehensive refresh. This process will evaluate progress against foundational targets, aim to elevate our ambitions, and ensure our strategy continues to deliver long-term value to our business and our stakeholders. Readers can expect to see further alignment with CSDS and a sharper focus on material sustainability topics, as we work towards integrated financial and sustainability reporting by 2028.

In this Report, the “Company”, “Stella-Jones”, “we”, “us” and “our” all refer to Stella-Jones Inc. and its subsidiaries, unless the context otherwise requires.

All dollar values in this Report are in Canadian dollars (“CAD”), unless otherwise stated.

The Report is accessible in both English and French, with all previous years’ reports available on the Investor Relations section of our website. We welcome your feedback on our sustainability programs at sustainability@stella-jones.com.





INTRODUCTION

2025 Highlights

Health & Safety



18% annual reduction in the Total Recordable Injury Rate

24% annual reduction in the Days Away, Restricted or Transferred (“DART”)

Climate Change & GHG* Emissions



23% reduction in scope 1 and 2 GHG emissions compared to the 2022 baseline

4X increase in site solar power use

Our People



40% of salaried positions were filled by internal candidates

66% employee engagement rating, above the benchmark of 62%

Indigenous Peoples



96% of Canadian salaried employees completed Indigenous Cultural Awareness training

Finalized our partnership with B.C. First Nations in a forest harvesting company.

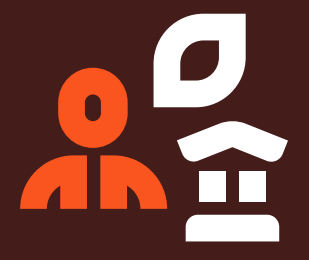
Responsible Supply Chain



100% of seedlings planted in Stella-Jones management tenure were native species

11% of suppliers by spend underwent Human Rights training delivered by Stella-Jones

Sustainability Risk Governance



100% of salaried employees completed the annual policy acknowledgement

Updated the Company’s materiality process to align with the CSDS

*Greenhouse Gas



INTRODUCTION

A Letter from the President & Chief Executive Officer

Dear Stakeholders,

Three years into our five-year sustainability strategy, the road ahead is clearer — and the foundation we have built is stronger. What began as a set of ambitious commitments has matured into something more meaningful: a way of operating that is genuinely embedded across our six strategic pillars and felt throughout our organization.

2025 was a year of growth in every sense — operationally, through the strategic acquisitions of Locweld Inc. and Brooks Manufacturing Co., and in the depth of our sustainability ambitions. These additions expand our capabilities and, with them, our responsibility to lead by example across an even broader footprint.

Nothing matters more to us than the safety and well-being of every person connected to our operations. In 2025, I am proud to report an 18% reduction in our Total Recordable Injury Rate, bringing it to 2.5 — below our target of 3.1 — and a 24% reduction in our Days Away, Restricted or Transferred (DART) rate, representing 14 fewer injuries compared to 2024. These results reflect the sustained commitment of our frontline teams and the continued evolution of our SHIELD safety management system, which was further strengthened this year through a new In Plant Rail Movement Program and an updated EH&S Reporting Policy integrating professional nurse triage services. Yet even as we celebrate this progress, we are reminded that our work is far from done. In 2025, we experienced the tragic loss of a vendor on one of our sites — a moment that deepened our resolve to ensure that every individual who steps onto our property goes home safely. I also want to acknowledge the

outstanding resilience demonstrated by our Brierfield, Alabama team following a significant facility fire in July 2025. Their response was a testament to the value of rigorous emergency preparedness, and I am deeply grateful that no Stella-Jones employees were harmed.

We are also proud to report a 23% reduction in scope 1 & 2 GHG emissions compared to our 2022 baseline, a significant and meaningful step towards our 2030 goal of a 32% reduction. The reduction was supported in large part by our Renewable Energy Credit agreement with the Mesquite wind farm in Texas, and our solar installations in Clanton, Alabama and Cameron, Wisconsin. The first site-specific projects from our Energy Efficiency Program are now delivering real results — including waste heat recovery systems, steam system upgrades, and variable frequency drives across our network. While our assessments of combined heat and power and industrial heat pump technologies confirmed they are not currently the right fit for our operations, the rigorous analysis has meaningfully refined our 2030 GHG Reduction Roadmap and sharpened our capital allocation. We remain confident and deliberate in our decarbonization trajectory.

One of the achievements I am most proud of this year is the significant progress made in our relationships with Indigenous Peoples. In 2025, 96% of our Canadian salaried employees completed Indigenous Cultural Awareness Training — a landmark increase that reflects a genuine organizational commitment to understanding, respect, and reconciliation. In early 2026, we also finalized an investment

in Lizzie Bay Logging, forming a partnership with local First Nations in a forest harvesting company in British Columbia, which will help contribute to a reliable, longer-term supply of large transmission fibre for our utility pole business. With these initiatives, I am encouraged by the strength of the foundations we are building together.

Underlying all of this progress is a commitment to the governance foundations that make it durable and credible. In 2025, we completed a comprehensive refresh of our sustainability materiality assessment — a process that ensures our strategy remains firmly grounded in the issues that matter most to our stakeholders and to our long-term business resilience. By integrating financial materiality alongside impact considerations, we have sharpened our understanding of where sustainability risks and opportunities connect most directly to our business model. This governance work was complemented by another significant milestone: the on-time and on-budget completion of our multi-year ERP implementation. This achievement strengthens the operational and data infrastructure that underpins our decision-making, enhances our reporting capabilities, and positions us well to execute with even greater rigour and transparency in the years ahead.

To the thousands of Stella-Jones employees across North America — thank you. Your dedication, your resilience, and your unwavering commitment to our shared values are what bring this strategy to life every single day.



The progress reflected in this report belongs to you.

As we enter the final two years of *Connecting our Sustainable Future*, the foundation is set and our ambition is undiminished. I have never been more confident in where we are headed and I look forward to what is still to come.

Sincerely,

Eric Vachon

*President & Chief Executive Officer
Stella-Jones Inc.*



INTRODUCTION

Sustainability Strategy

In 2025, we made significant progress with our sustainability strategy, marking the third year of our five-year plan. The update below highlights our progress toward the targets defined in our Strategy, titled “Connecting our Sustainable Future”. Our strategic goals include both process-oriented and outcomes-based targets, helping us build a strong foundation for our sustainability ambitions.



	Metric	Target	2023	2024	2025	Progress
Health & Safety	Total recordable injury rate (“TRR”) ¹	Below 3.1 for FY2025	3.3	3.1	2.5	☑
	% of plant monthly safety observation targets met	100%	84%	96%	84%	☒
Climate Change & Greenhouse Gas	Scope 1 & 2 GHG emissions (CO ₂ eq)	-32% by FY2030 vs FY2022	+9%	-0.3%	-23%	☞
	Completion of the Science based target initiative (“SBTi”) Assessment and publication of scope 3 data	Measure our scope 3 emissions and assess a science-based target by 2025	Scope 3 data published	SBTi assessment completed	Completed in prior year	☑
Our People	% of job openings filled by internal promotion	30% by FY2027	27%	28%	24%	☞
	% of workforce with self-reported diversity data	100% by FY2024	69%	100%	Completed in prior year	☑
Indigenous Peoples	% of Canadian salaried employees that have completed Indigenous cultural awareness training	100% by FY2025	3%	3%	96%	☒
	% of Canadian areas with forest management obligations covered by relationship agreements with willing Nations	100% by FY2030	0%	0%	0%	☞
Responsible Supply Chain	% of lumber purchases with third-party sustainability certification	80%	82%	79%	85%	☑
	% of Tier 1 suppliers screened for sustainability risks	25% by FY2027	12.5%	37% ²	Completed in prior year	☑
Sustainability Risk Governance	% of salaried employees that complete the annual policy acknowledgement	100% by FY2024	75%	0% ³	100%	☑
	Launch digital onboarding training within one year of the new training module implementation	Training Launched	–	–	Implementation in progress	☞

☑ Achieved
☞ In Progress
☒ Not Achieved

1. TRR is the total Recordable Injury Rate and is defined as the number of work-related injuries per 100 full-time workers during a one-year period.

2. In 2024, the Company surpassed its multi-year objective for supplier sustainability risk screening, completing assessments for 37% of Tier 1 procurement spend. This achievement has enabled the Company to advance its engagement strategy with suppliers to mitigate identified sustainability risks. For more information, please refer to the “Responsible Supply Chain” section of this Report. No additional screening was completed in 2025.

3. In 2024, the Company rescheduled its annual policy acknowledgment process to the first quarter of 2025. This adjustment aligns the cycle with the Board’s year-end policy review and approval, ensuring that employees acknowledge the most current versions of all corporate guidelines and standards.

Sustainability Governance

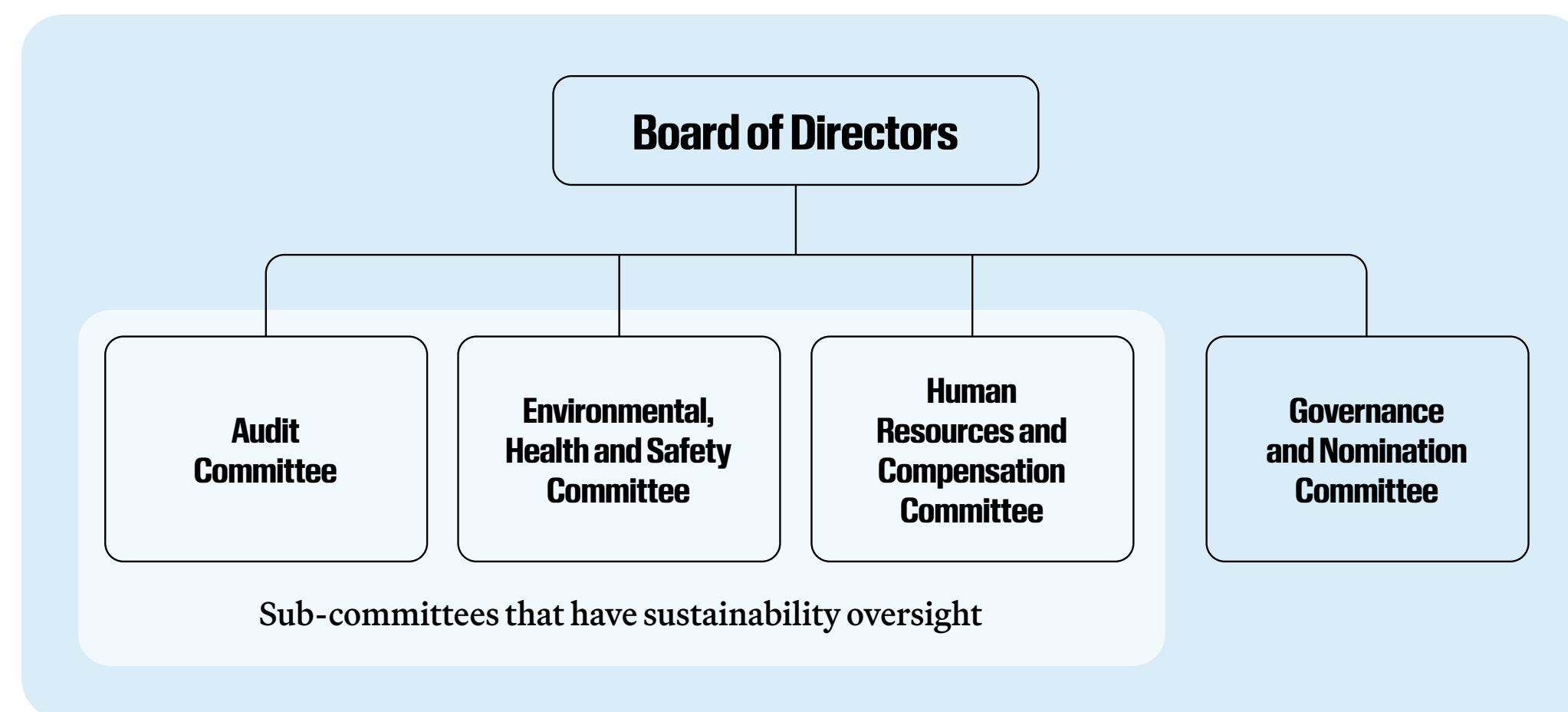
Objectives & Composition of Governance Bodies

The Board of Directors (the “Board”) maintains ultimate oversight of Stella-Jones’ sustainability strategy and the identification of sustainability-related risks and opportunities. Governance of individual topics is distributed across specialized committees to align with the correct competencies and allow for input and accountability from all sections of the business.

- **Board of Directors:** The Board receives updates on sustainability from the sub-committees and discusses specific sustainability topics as needed. When required, updates are provided by the President and Chief Executive Officer (“CEO”) and the Senior Director of Sustainability and Project Management. In 2025, updates included progress made on the implementation of the Canadian Sustainability Disclosure Standards (“CSDS”), planned 2026 sustainability initiatives, and updates to the 2030 GHG Reduction Roadmap. Additionally, in 2025, the Board undertook two training sessions with a third-party on the topic of climate change. The training included physical and transitional risk and opportunities, resilience and adaptation concepts and the role of the Board in sound governance of climate change.

In alignment with its governance mandate, the Board is also responsible for the approval of the annual Sustainability Report and the Company’s mandatory disclosures under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

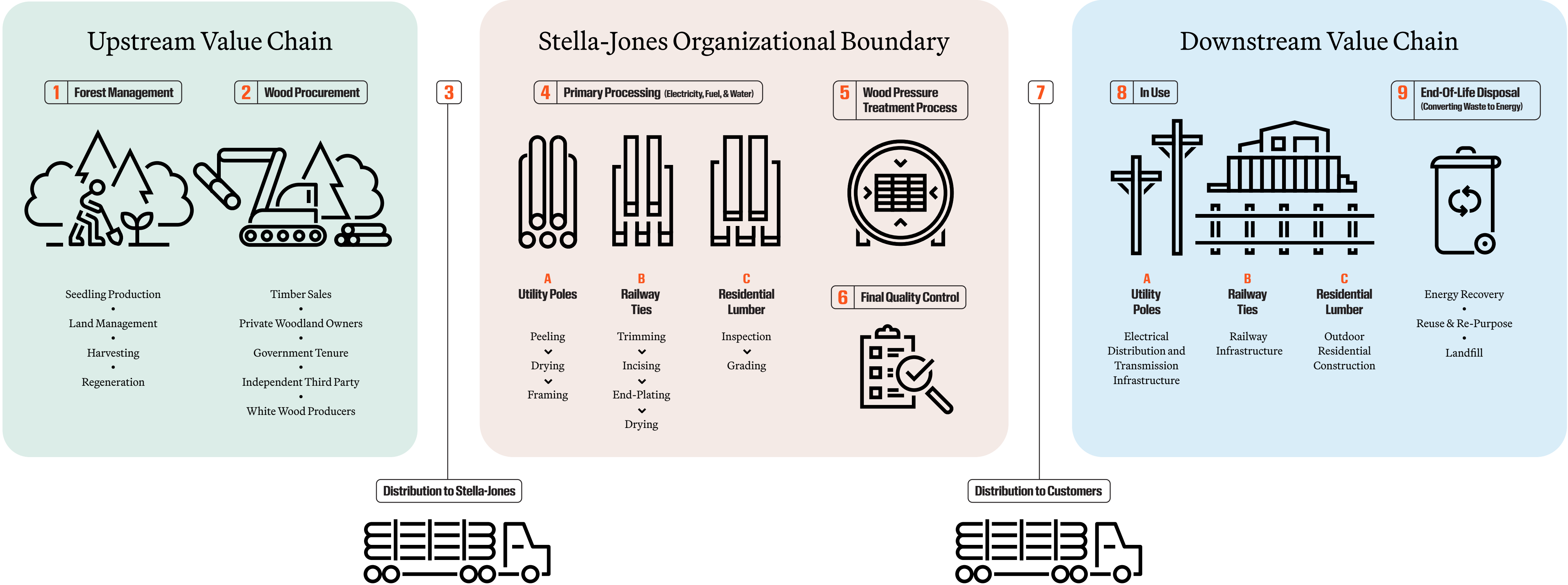
- **Environmental, Health and Safety (“EH&S”) Committee:** Meeting at least quarterly, the EH&S Committee provides oversight of environmental compliance and monitors emerging legislation. Key responsibilities include evaluating progress against sustainability strategic targets, reviewing research and development initiatives, and ensuring that adequate resources are allocated to effective sustainability management.
- **Human Resources and Compensation Committee:** Oversees human capital management, including employee engagement, succession planning, and the attainment of sustainability targets incorporated into the executive Short-Term Incentive Plan (“STIP”).
- **Audit Committee:** Responsible for internal controls and the integrity of sustainability-related financial disclosures in alignment with Canadian regulatory standards. The Committee also monitors cybersecurity, privacy, and artificial intelligence risk exposures, reviewing quarterly reports on IT security maturity and incident readiness.



Value Chain

The following graph illustrates Stella-Jones’ full value chain alongside its defined organizational boundary. 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, and is used when reviewing the Company's material sustainability topics outlined on page 10. By mapping these boundaries, we enhance transparency and better inform our strategies for reducing emissions, promoting ethical practices, and driving long-term value creation.

The addition of steel structures and treated wood crossarms following the 2025 acquisitions of Locweld Inc. (“Locweld”) and Brooks Manufacturing Co. (“Brooks”) respectively will be incorporated into the sustainability data and value chain for the 2026 reporting period, consistent with our policy on inclusion of acquisitions after one full year of operation with Stella-Jones.





Policies

Stella-Jones maintains comprehensive policies covering environment, health and safety, human rights, Indigenous Peoples, and business ethics. The standards outlined in these policies are reinforced through an annual digital acknowledgment process and periodic audits conducted by the Internal Audit function to ensure compliance and operational alignment. In 2025, the Company commenced the implementation of a new Learning Management System (“LMS”) to strengthen the policy training provided to all employees of the Company.

Materiality

Stella-Jones conducted a comprehensive refresh of its sustainability materiality assessment in 2025 to align with the CSDS and the Company’s evolving risk profile. This updated process transitioned the assessment from a purely impact-focused view to one that incorporates financial materiality, identifying issues that could reasonably be expected to affect the Company’s long-term financial prospects.

Assessment Methodology

The 2025 refresh utilized the Company’s Enterprise Risk Management (“ERM”) approach to ensure sustainability-related risks are evaluated with the same rigor as business risks.

- **Identification:** A broad universe of sustainability-related topics was aggregated from recurring themes in investor dialogues, sustainability rating agency surveys, customer RFPs, and industry frameworks such as SASB and the Carbon Disclosure Project.

- **ERM Validation:** Our sustainability, finance, and risk management teams validated each topic by assigning likelihood and impact scores using the existing Stella-Jones ERM framework.
- **Value Chain and Time Horizons:** Material topics were mapped to their specific location in the value chain (upstream, direct operations, or downstream) and assigned time horizons over which the effects are expected to occur. The time horizons included:
 - Short Term <1 year
 - Medium Term 1-3 years, aligned with our strategic planning cycle
 - Long Term >3 years
- **Connectivity with Financial Performance:** In alignment with the requirements of CSDS 1 and 2, the updated process now classifies material topics by their potential financial impact type, including asset valuations, revenue, operating costs, and capital expenditures. This methodology ensures that our sustainability strategy is deeply connected to our business model and informs strategic decision-making regarding risk mitigation and capital allocation.

The Senior Management team, including the President and Chief Executive Officer and Senior Vice President and Chief Financial Officer validated the final list of material sustainability topics. The results were reviewed and approved by the EH&S Committee of the Board.

In the upcoming sections of this Report, we will detail how we manage these material sustainability topics.

SUSTAINABILITY GOVERNANCE

Topic	Impact / Risk / Dependency/ Opportunity	Value Chain Location	Time Horizon	Financial Impact Type
Climate Change				
Physical Risk	Acute IMPACT of climate-related physical risks to treating facilities such as wildfires and hurricanes.	Direct operations	Long-term	Asset Valuations
Transition Risk and Opportunity	OPPORTUNITY for market demand for products from increased electrification.	Downstream	Medium	Revenue
	IMPACT of carbon pricing on product inputs.	Upstream	Medium	Operating Costs
	RISK of changes to fibre costs from shifting land use.	Upstream	Long-term	Operating Costs
Greenhouse Gas Emissions	DEPENDENT on available and cost-effective energy efficiency and substitution technologies to achieve the Company's GHG reduction plan.	Direct operations	Long-term	Capital Expenditures
Environmental Protection				
Environmental Management System	RISK of a significant environmental incident at a treating facility.	Direct operations	Short-term	Liabilities
	RISK of evolving regulatory expectations for pollution control technology, which may impact timing and costs of implementation.	Direct operations	Short-term	Capital Expenditures
	IMPACT on air and water quality from treating operations resulting in legal and reputational risks with local residents.	Direct operations	Short-term	Liabilities
Indigenous People				
Indigenous Peoples	OPPORTUNITY for increased partnerships and collaboration with Indigenous Peoples	Direct operations & Upstream	Short-term	Operating Costs

Topic	Impact / Risk / Dependency/ Opportunity	Value Chain Location	Time Horizon	Financial Impact Type
Responsible Supply Chain				
Biodiversity	DEPENDENT on forest ecosystem services such as climate regulation, flood protection and disease and pest control.	Upstream	Medium-term	Revenue
	OPPORTUNITY to promote sustainable forest management to enhance resilience of forest ecosystems.	Direct operations & Upstream	Long-term	Revenue
Materials	DEPENDENT on wood and steel as critical raw materials for production.	Upstream	Short-term	Revenue
	RISK of regulatory changes to preservatives and reliance on few critical preservative suppliers.	Upstream	Short-term	Revenue
Our People				
Health & Safety	RISK of serious or fatal injury to employees while at work.	Direct operations	Short-term	Liabilities
Employee Recruitment, Retention and Experience	RISK in the Company's ability to recruit and retain employees, and implement sound strategies for succession.	Direct operations	Long-term	Operating Costs
	Positive IMPACT on workers' rights and fair wages, benefits, training and development.	Direct operations	Short-term	Operating Costs
Risk Governance				
Board of Directors	DEPENDENT on the quality and experience of the independent members of the Board for sound governance practices.	Direct operations	Short-term	Access to Capital
Cybersecurity	RISK of a significant cybersecurity incident.	Direct operations	Medium-term	Liabilities



Health & Safety

OUR STRATEGY Keep our people safe by reducing risks through a culture of teamwork, ownership, and continuous improvement.

» 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

Ensure safety is communicated from all levels across the Company, embedding a culture of active ownership of safety.

» Empowering Our People

Providing the right resources, health, and wellness support, and encourage safe behavior.

2025 Progress

In 2025, the Company progressed on its safety journey with a 24% reduction in the Days Away, Restricted or Transferred (“DART”) rate and an 18% reduction in the Total Recordable Injury Rate (“TRR”), representing 14 fewer total injuries compared to the prior year.

Annually, the Company reviews and updates existing policies, programs and procedures, adding new ones as required. In 2025, the following key changes were made:

1. **In Plant Rail Movement Program:** This new program addresses hazards associated with moving product on rail, a common process at our treating facilities. This procedure addresses the risk of injuries associated with moving rail cars, treating trams, and kiln carts.
2. **Personal Protective Equipment (“PPE”) Program:** The updated PPE program utilizes a new color-coding scheme that delineates departments and allows employees to easily identify managers and specialized personnel on site, fostering improved communication and accountability.
3. **EH&S Reporting Policy:** The Company refined its EH&S reporting policy by integrating a professional nurse triage service for immediate injury assessment and establishing a streamlined communication flow chart to ensure rapid and accurate notification during incident response.

HEALTH & SAFETY

Additionally, a comprehensive review of the SHIELD management system implementation was conducted which included reviewing the individual elements of every program and the status of implementation at each facility. While the SHIELD management system has been formally rolled out across all Stella-Jones facilities, the review provided a more granular assessment of implementation maturity and identified specific programs where implementation remains partial or uneven. As of December 31st, 2025, the average implementation of all program elements was only 70%. A concerted effort is now being made by the corporate EH&S team and site level EH&S to ensure 100% implementation of all elements of the 24 individual programs within SHIELD. To provide accountability, we will now track and disclose this metric publicly.

Fire at our Brierfield, Alabama utility pole manufacturing facility

On July 12, 2025, a significant fire occurred at the utility-pole treatment facility in Brierfield, Alabama. The emergency response included approximately 30 fire crews and resulted in the loss of buildings and equipment including tanks, pipes, pumps and motors. No Stella-Jones employees or firefighters were harmed during the fire or during the subsequent cleanup. The cleanup involved the excavation and removal of all contaminated soil and equipment. The lessons learned from the event underscored the critical value of having detailed facility emergency manuals and fostering strong relationships with local emergency departments including active tabletop drills on emergencies. Following the fire, the Company continues to review its facilities' fire prevention, detection and suppression standards.

Impact, Risks and Opportunities

Operational hazards present inherent risks of serious or fatal workplace injuries. These hazards include but are not limited to wood treating, including the movement of heavy materials, the operation of high-pressure vessels, and the handling of hazardous chemicals. The Steel Structures

division hazards are associated with fabrication activities such as welding, cutting, and heavy material handling. Beyond the human impact, such safety events may lead to substantial financial liabilities, including regulatory fines, legal expenditures, and potential operational disruptions that could materially adversely affect the Company's business, financial position and results of operations. Furthermore, workplace safety incidents can erode stakeholder confidence and hinder our ability to attract and retain the specialized talent required to sustain our business and long-term growth.

Management Approach

The Company has a dedicated health and safety team throughout North America, who together, oversees the implementation of the EH&S Policy by ensuring compliant execution of rigorous practices at its operations and facilities. The Company's SHIELD management system is an integrated environmental, health, and safety management system implemented and maintained at each manufacturing location. SHIELD guides decisions regarding environmental, health, and safety activities, with the overarching goal of achieving zero workplace safety and environmental incidents. All Company employees and contractors are responsible for following and enforcing the SHIELD system. Programs are regularly upgraded to incorporate best management practices for the protection of employees, the public, and the environment. Contingency plans are in place to enable prompt corrective and remedial action in response to potential incidents.

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.

Targets

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

Target	Below 3.1
2023	3.3
2024	3.1
2025	2.5 <input checked="" type="checkbox"/> Achieved

Safety Observation Target Achievement (%)

Target	100%
2023	84%
2024	96%
2025	84% <input type="checkbox"/> Not achieved

The safety observation target was not met in 2025. Out of 62 facilities, 10 did not score 100% on their monthly observations. In 2026, there is a renewed focus on observations, with further details on the type of observations required by the facilities to include extended observations of work areas or processes, observations by employees noting unsafe behavior and or unsafe conditions, and observations post cleaning of equipment to ensure risk of fire is reduced.

SHIELD Management System Coverage

Target	100%
2025	70% <input type="checkbox"/> In progress

Metrics

Total Recordable Injuries

2023	100
2024	93
2025	79

Injuries resulting in Days Away Restricted and Transferred

2023	68
2024	69
2025	52

Contractor Injuries

2025	5
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Contractor injuries is a new metric reported in 2025.

Climate Change & Greenhouse Gas Emissions

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

» Renewable Energy

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

» Energy Efficiency

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

» Innovation

Support research and development initiatives that help extend product-life, increase carbon sequestration, and improve decision making.

2025 Progress

2025 marked a significant step change in our GHG reduction roadmap, with the achievement of a 23% reduction in scope 1 and 2 GHG emissions (tCO₂eq) compared to our 2022 baseline. This was due in large part to the execution of our Renewable Energy Credit ("REC") agreement which provided 100,000 megawatt hours from the Mesquite wind farm in Texas. Stella-Jones views the REC agreement as a way to support renewable energy within the North American electricity grid while the Company works through facility-level projects for energy efficiency and energy substitution.

Beyond the utilisation of RECs, Stella-Jones achieved an absolute reduction of 5.7% in scope 1 and 2 emissions compared to the prior year, representing a 6.2% decrease from our 2022 baseline. This performance was driven by the commissioning of the first set of equipment upgrades and energy efficiency projects identified in the roadmap. This included steam network upgrades, waste heat recovery units for kilns, and the ongoing use of renewable diesel for mobile equipment across four sites.



CLIMATE CHANGE & GREENHOUSE GAS EMISSIONS

The application of RECs supports our GHG reduction target and demonstrates a commitment to supporting renewable energy, while Stella-Jones continues to execute on technology and equipment retrofits. These direct interventions reduce our carbon footprint and exposure to carbon costs, ensuring our strategy remains economically resilient.

In 2025, Stella-Jones' operational solar assets in Clanton, Alabama, and Cameron, Wisconsin, generated 7.8 gigawatt hours of renewable energy. Of this total, 25% was consumed directly by our manufacturing facility, while the remaining 75% was exported back to the electrical grid.

To maintain capital discipline and manage evolving financial risks, we have suspended the further expansion of our on-site solar program. This decision responds to the compressed economic viability of new projects, with the phase-out of federal clean energy tax credits and new tariffs that significantly increase installation costs. Despite this pause, the Company remains aligned with its 2030 GHG reduction roadmap, which has built in flexibility for project substitution allowing the Company to focus on pragmatic and financially sound GHG reduction initiatives.

Technology Innovation

As part of our commitment to reducing GHG emissions, Stella-Jones continuously evaluates emerging technologies that show promise for energy efficiency or energy substitution with lower carbon options. In 2025, the Company conducted comprehensive feasibility assessments for the implementation of Combined Heat and Power (“CHP”) using residual wood by-product at sites to generate heat and electricity, and industrial heat pumps to generate low pressure steam for wood drying kilns.

While these technologies provide potential for either recovering low-grade thermal energy or increasing the use of renewable wood biomass, they were ultimately determined to be economically non-viable for our current operational profile due to several critical barriers:

- **Capital Intensity and Long Payback Periods:** The initial capital expenditure (“CapEx”) required for integrated CHP and Heat Pump systems was disproportionately high relative to the marginal carbon abatement gains when compared to other prioritized investments in the Company’s GHG reduction roadmap.
- **Operational Complexity and Maintenance:** Specifically for the CHP system, the two assessed technologies, steam turbines or Organic Rankine Cycle (“ORC”), required specialized operators and operational risks that are unfamiliar to Stella-Jones.
- **Climate-Dependent Efficiency:** The analysis indicated that regional climate variability significantly affects the performance of industrial heat pumps. In the colder northern climates where the technology is more suited to our operations, the reduced Coefficient of Performance (“COP”) of these systems made them less effective and more electricity-intensive than established thermal conditioning methods.
- **Steam System Upgrades:** Enhancements to feedwater heating systems to improve boiler efficiency, including boiler economizer installations and upgrades to deaerator tanks, as well as improving pipe insulation and steam trap replacements.
- **Variable Frequency Drives (“VFDs”):** Installation of VFDs for pumps on processes that require variable use, helping reduce pump electricity consumption.
- **Auxiliary Power Units (“APUs”):** Installation of eight APUs on Stella-Jones trucks, providing temperature control and electrical power to the cab while the engine is shut-off, reducing diesel consumption.
- **Real-Time Monitoring:** Development and deployment of real-time energy monitoring for large consumers, such as boilers and kilns to optimize fuel consumption.

These feasibility assessments were necessary to maintain our rigorous standard of capital discipline and provided beneficial operational insights that enabled the Company to refine its 2030 GHG reduction roadmap and more effectively allocate capital toward technologies with the highest certainty of impact.

Energy Efficiency Program

Since launching the program in 2024, ten site specific energy audits have been conducted. The audits provide the site-specific projects and initiatives that support the GHG reduction roadmap. In 2025, the first set of projects from the audits were completed, including:

- **Waste Heat Recovery:** Installation of six units for one wood-drying kiln to capture and repurpose low-grade thermal energy, reducing natural gas consumption of this process.

Transitional Risk & Opportunity

The assessment of transitional risks and opportunities used representative concentration pathway (“RCP”) 1.9, where global warming is limited to below 1.5°C, and RCP 7.5 which is a high warming scenario of 4°C. These scenarios used a bespoke climate model over a 2030- and 2050-time horizon. In the 1.5°C scenario, increased carbon pricing would lead to higher costs for the fuels used in our production processes as well as a reduction in the supply of fibre and higher overall fibre cost due to increased incentives to set aside harvestable land for carbon mitigation and offsets. The overall demand for utility poles is expected to increase under the 1.5°C scenario. The assumptions used in the modelling included estimates for carbon pricing and Stella-Jones’ growth over the different time horizons. The analysis also included three pathways; business as usual, implementation of Stella-Jones’ decarbonization roadmap, and a net-zero pathway where emissions reduce by 90% by 2050. The primary financial impact of these risks is increased direct costs of product inputs. Under a 1.5°C scenario with a business-as-usual approach, cumulative carbon pricing costs could reach \$4 billion by 2050. Additionally, projected fibre costs may rise by 33% between 2025 and 2050 under the same scenario. To enhance resilience, Stella-Jones is implementing its GHG reduction roadmap to mitigate carbon pricing impacts and maintaining strong relationships with a diverse fiber supply base to ensure supply flexibility. Projected revenue from increased market demand could rise by up to 28% in 2050 compared to 2025 under a 1.5°C scenario, driven by growing electrification requirements. The Company’s strategy to capitalize on this opportunity includes leveraging strong customer relationships, ensuring quality and reliable supply, and promoting the benefits of wood utility poles as a sustainable and renewable material.

Impact, Risks and Opportunities

Physical Risk

The physical risk posed by climate change, both acute and chronic, has been modelled using Munich RE NATHAN Globe of Natural Hazards under a 2-degree warming scenario, and the long-term time horizon of 2100. The financial effect is a relative risk rating which is calculated as the maximum financial loss per facility based on real asset values. The climate-related physical risks that could reasonably be expected to impact Stella-Jones over the long-term include extreme heat which impacts production through increased downtime and additional costs incurred to help mitigate the effects of extreme heat on our workforce, and wildfires, which have the potential for catastrophic loss of assets and inventory.

CLIMATE CHANGE & GREENHOUSE GAS EMISSIONS

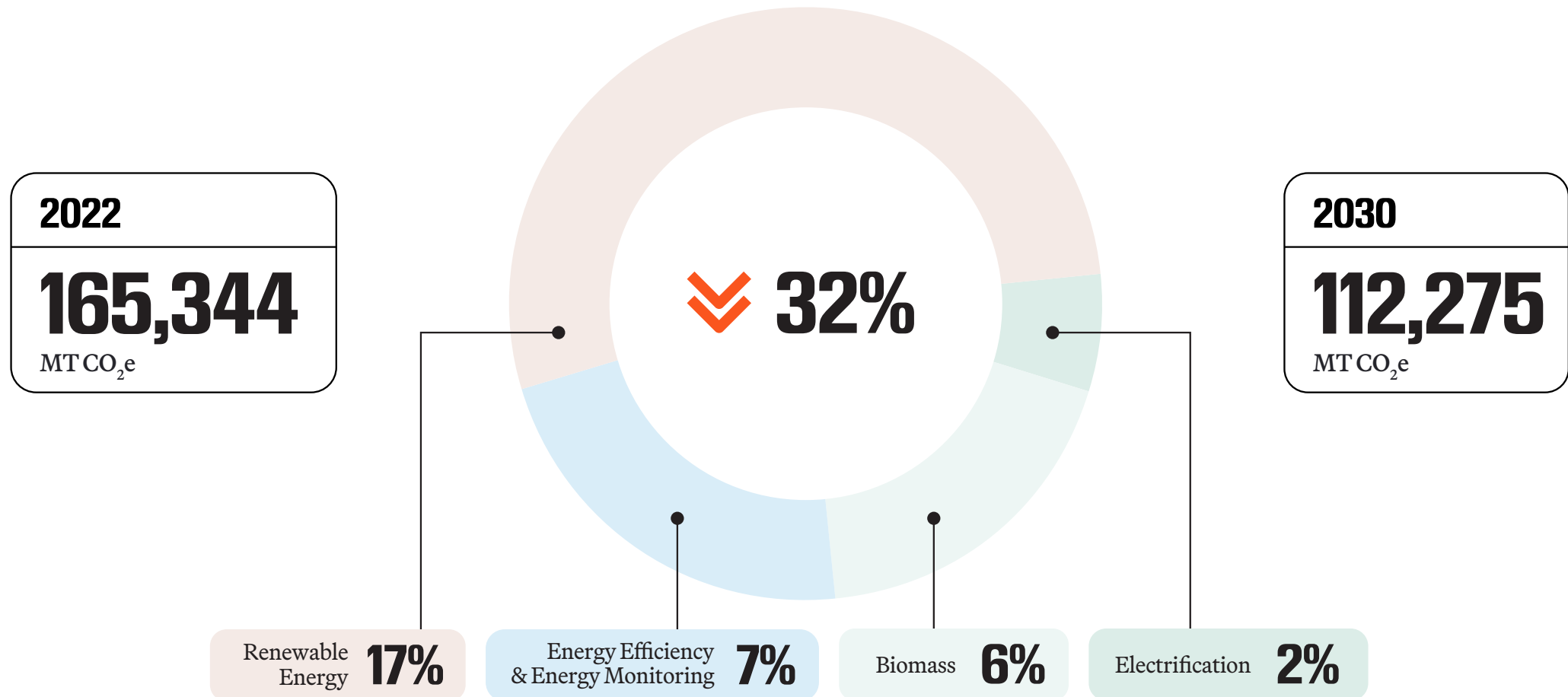
Greenhouse Gas Emissions

Beyond physical and transition risks, the execution of Stella-Jones’ GHG reduction roadmap is contingent upon the availability of cost-effective energy efficiency and substitution technologies. Recent increases in engineering and component costs, paired with the volatility or removal of financial subsidies and tax incentives, represent material dependencies that could challenge the financial viability of our transition initiatives. These factors increase the risk that the capital expenditures required for our decarbonization projects may exceed current forecasts, potentially impacting the timing and scale of our long-term GHG reduction objectives.

Management Approach

Climate change risks and opportunities are included in the Enterprise Risk Management process, with oversight from the EH&S Committee of the Board to ensure effective strategy implementation. The GHG reduction roadmap outlines key initiatives and technologies designed to help achieve this target and is managed by the Senior Director of Sustainability and Project Management, with progress reported to the EH&S Committee of the Board annually.

Our Absolute Scope 1 & Scope 2 Emissions Reduction Pathway



Targets

% reduction from baseline in scope 1 and 2 GHG emissions

Year	Target	Actual
2023	-32%	+13%
2024	-32%	-0.3%
2025	-32%	-23%* In progress

Metrics

Scope 1 GHG Emissions (MTCO₂eq)

2023	141,148
2024	136,395
2025	127,091

FLAG Emissions (MTCO₂eq)

2023	533,360
2024	887,318
2025	413,840

Scope 2 GHG Emissions (MTCO₂eq)

2023	31,006
2024	28,167
2025	11**

% Renewable Energy

2023	33%
2024	56%
2025	54%

Scope 3 GHG Emissions (MTCO₂eq)

2023	1,035,651
2024	1,278,773***
2025	810,102

*Scope 1 and 2 GHG emissions reduction includes the application of the REC.
 **The 2025 scope 2 GHG emissions include the application of the REC. Please refer to the Sustainability Data Accounting Methodology section of this Report for further details on the scope 2 emissions.
 ***Please refer to the Restatement of Information section under Appendices for our restatement calculation methodology.



Our People

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

» Enhancing our Employee Experience

Seeking ways to continually improve our employee experience based on feedback from our people.

» Developing our People and Promoting from Within

Equipping our future leaders with the right skills and career development opportunities.

» A Workforce that is Reflective of Our Communities

Strategic partnerships to increase the diversity of our workforce and address our existing and future skill needs.

2025 Progress

In 2025, the Company completed its second employee engagement survey, with the following insights:

- Achieved a 93% participation rate representing a 27% increase over initial 2023 results.
- Received a 66% engagement rating, above the benchmark of 62%.
- 83% are comfortable being themselves at Stella-Jones vs a 77% industry benchmark rating.

In support of our internal promotion target, 180 employees are currently enrolled in the Foundations for Growth Program, the official Stella-Jones Leadership Program. The two-year Program is designed to strengthen skillsets around five key leadership competencies, cultivating a consistent understanding of what defines a successful leader at Stella-Jones, and fostering unified leadership practices across all levels of management.



OUR PEOPLE



The Company also piloted a new Learning Management Systems (LMS) and is on track to formally launch the platform in 2026. The LMS will support ongoing training and help provide a consistent employee onboarding experience.

The Company also implemented a new employee performance review process in 2025, creating a structured way to recognize individual contributions, align work with organizational and operational goals, and support employee growth and success. This program helps link individual performance goals to employee compensation and rewards. The new review process provides a structured framework for professional development and career advancement and will support the succession planning process at Stella-Jones.

Acquisition Strategy

The Company’s approach to people management through the acquisition process prioritizes early engagement and cultural alignment to ensure long-term employee retention and operational continuity. In 2025, the Stella-Jones Human Resources team supported the onboarding of employees from two strategic acquisitions: Locweld and Brooks. The process involves comprehensive role reviews and benefits benchmarking during the pre-acquisition phase to provide competitive and equitable transitions for all incoming employees to Stella-Jones. Upon closing, new team members are integrated via our centralized digital onboarding platform and participate in one-on-one meetings with senior leadership to share the Company’s core values of integrity, collaboration, excellence, commitment, and care for people. Leadership from both Locweld and Brooks were enrolled in our management programs “Foundations for Growth” and “Frontline Managers” as part of our focus on standardizing leadership practices. The SHIELD EH&S management program was also deployed to establish a unified safety-first culture and allow for standardization in reporting and tracking of safety performance. This comprehensive approach to onboarding for acquired companies ensures that every new employee is connected to our vision and culture from day one.

Impact, Risks and Opportunities

The Company’s ability to build upon its record of performance and continue to achieve sustainable growth are dependent, to a significant extent, on its ability to recruit, develop and retain quality personnel, develop sound strategies for succession and maintain good relations with its employees. Social and demographic trends, and changes in employees’ lifestyles and expectations, can make it more challenging to hire and retain personnel. Difficulty in attracting qualified employees and retaining valuable internal expertise, including key management personnel with expertise in acquired businesses, or the occurrence of work stoppages could lead to operational disruptions or increased costs.

The Company positively impacts the lives of its employees by providing stable career paths supported by fair, market-competitive wages, comprehensive benefit programs, and training and development opportunities, all of which serve as a foundation for personal prosperity and long-term professional security.

Management Approach

Talent management at Stella-Jones focuses on creating a workforce where all employees feel valued and empowered, an aim which is supported through investment in robust leadership and talent development initiatives, such as the Foundations for Growth and Frontline Manager Training programs. The Company’s succession planning process helps mitigate the risks associated with employee turnover and knowledge loss for key employees and specialist areas.

The Human Resources team regularly performs benchmarking of salaries and benefits, implementing strategic compensation adjustments as required, to ensure the Company remains a competitive employer.

Targets

Percentage of positions filled by internal candidates

Target	30%
2023	27%
2024	28%
2025	24% ⚠ In progress

The 4% decrease in the percentage of positions filled by internal candidates was driven by a larger proportion of hourly employees hired into entry-level positions. In 2025, the percentage of internal promotions of salaried employees was 40%, while it was 21% for hourly employees. In the future, we will track and report these two employee groups separately.

Metrics

Percentage of women in management

2023	31%
2024	25%
2025	24%

Women in Management is defined as any position of manager and above excluding executives. In 2025, the Company had 53 women in management positions.

Percentage of employees from underrepresented groups

2024	18%
2025	23%

Environmental Protection

2025 Progress

In 2025, the Company advanced its commitment to strengthening environmental protection and enhancing regulatory reporting through a series of targeted improvements across its operations. These include:

- Additional spill-prevention controls, including the installation of flange guards and safety spray shields were deployed across piping valves, joints, and flanges throughout the network to further mitigate the risk of unintentional releases.
- A strengthened approach to spill reporting by emphasizing more consistent and comprehensive reporting practices at all operational levels.
- New environmental data tools to improve the identification and tracking of environmental trends, enabling more proactive and informed environmental risk management.

Impact, Risks and Opportunities

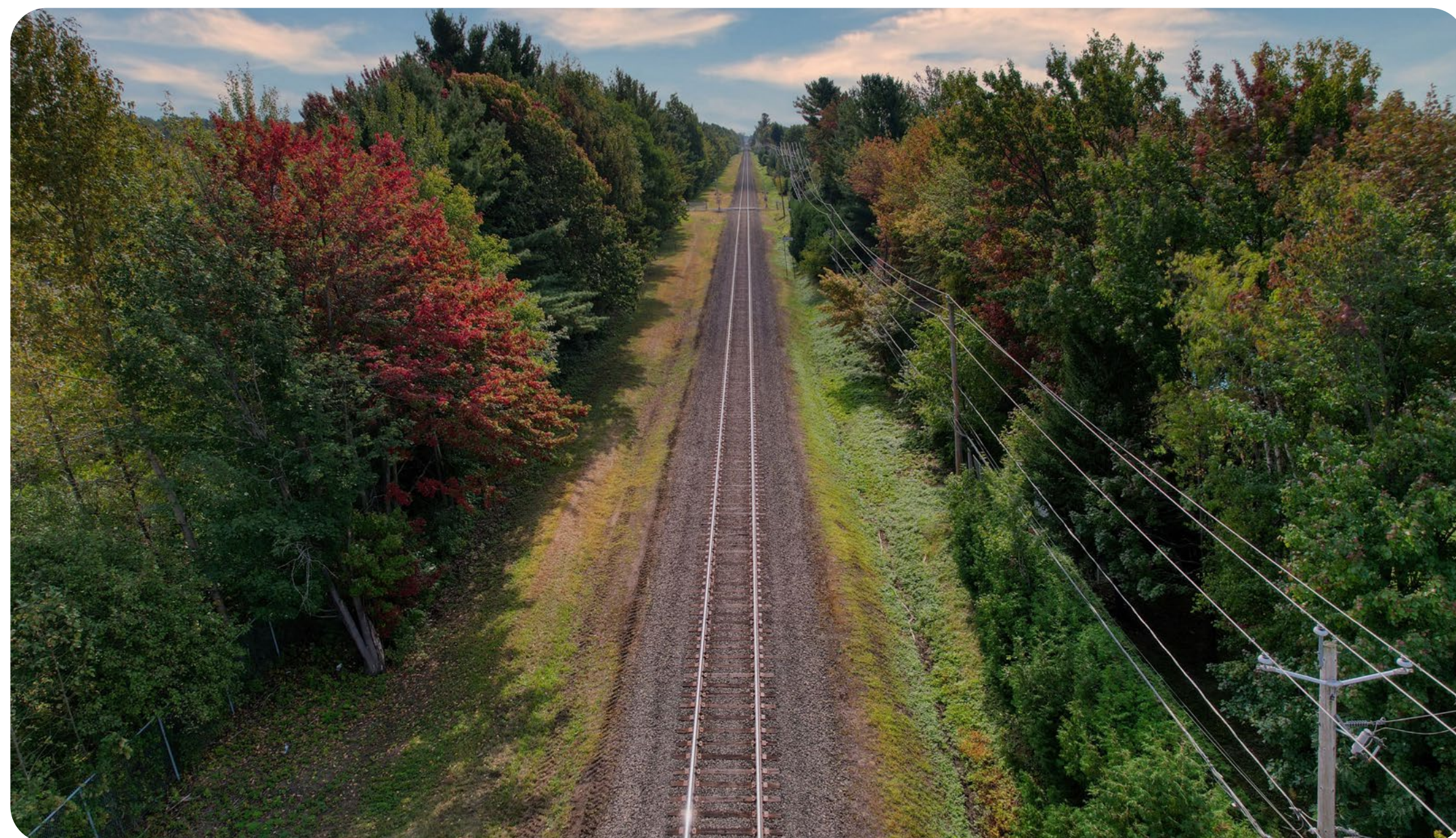
The Company is subject to a variety of environmental laws and regulations, including those relating to:

- emissions to the air;
- discharges into water;
- releases of hazardous and toxic substances;
- remediation of contaminated sites; and
- use of antimicrobial pesticide products authorized in the United States under the Federal Insecticide, Fungicide, and Rodenticide Act of the U.S. Environmental Protection Agency’s regulation and in Canada under the Health Canada Pesticides Regulatory Directorate and its Pest Control Products Act.

Compliance with these environmental laws and regulations will continue to affect the Company’s operations by imposing operating and maintenance costs and capital expenditures. The risk of a significant spill or failure to comply with applicable environmental laws and regulations could result in investigations and civil or criminal litigation or enforcement actions, which could result, among others, in the payment of substantial fines, often calculated on a daily basis, or in extreme cases, the disruption or suspension of operations at the affected facility. In addition, the Company has been involved, and is likely to continue to be involved, in environmental litigation which has included, among others, claims for adverse physical effects and diminution of property value.



ENVIRONMENTAL PROTECTION



These environmental laws and regulations require the Company to obtain various environmental registrations, licenses, permits and other approvals, as well as carry out inspections, compliance testing, and meet timely reporting requirements in order to operate its manufacturing and operating facilities.

The adoption of additional or more stringent environmental laws and regulations, including changes in the interpretation or application thereof, could substantially increase the Company’s capital expenditures and compliance costs at the facilities affected, could impose operational restrictions, could change the availability or pricing of certain products such as preservatives purchased and used by the Company or constrain the Company’s ability to obtain permits and authorizations to advance its business. No assurance can be given that changes in these laws and regulations or their

application will not have a material adverse effect on the Company’s business, financial position and results of operations.

While the Company maintains a high level of environmental responsibility, claims of irresponsible practices by regulatory authorities, communities or customers could harm the reputation of the Company. Adverse publicity resulting from actual or perceived violations of environmental laws, regulations or industry practices could negatively impact customer loyalty, reduce demand, lead to a weakening of confidence in the marketplace and ultimately, a reduction in the Company’s share price. These effects could materialize even if the allegations are not valid, the Company is fully compliant with applicable laws and regulations and the Company is not found liable.

Management Approach

Stella-Jones’ environmental compliance team supports facility management in the execution of the SHIELD management system, ensuring robust environmental controls and standardized processes across our network. Employees receive comprehensive training on permit compliance and risk identification, including the specialized Bulk Liquid Transfer and Control Program launched in early 2025 to prevent spills and accidental releases of wood preservatives and fuels.

The Company’s internal inspection and third-party auditing initiatives, alongside incident reporting systems, function as detection tools to proactively identify and mitigate environmental risks. The Company also maintains a disciplined environmental provision process to ensure all long-term remediation obligations are accurately recognized and managed.

Metrics

Number of environmental non-compliances*

2023	6
2024	4
2025	8

Value of fines (\$)

2023	1,600
2024	116,350**
2025	201,000

The above metrics do not include any fines or violations received that are currently under appeal.

Investment in voluntary land remediation (\$ Millions)

2023	3
2024	7
2025	5

The 2025 voluntary land remediation investments included commitments made during the acquisition of Locweld, now doing business as Stella-Jones Steel Structures. These investments funded the excavation and removal of zinc-contaminated soil, helping reduce the risk of groundwater contamination.

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

**Violation issued in 2024 and paid in 2025, included in 2024 values.



Indigenous Peoples

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

» Cultural Awareness and Understanding

Increase our awareness and understanding of Indigenous Culture and History and being open to understanding different perspectives and world views.

» Relationships

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

» Economic Benefits

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

2025 Progress

In 2025, the Company progressed its work on developing long-term relationship agreements with Indigenous Bands in British Columbia (“B.C.”). Our Woodlands team engaged with five priority Bands and has progressed with a memorandum of understanding (“MOU”) with one of the Bands. The MOU is a first step towards a long-term agreement and outlines the focus areas for the Band and Stella-Jones’ future collaboration.

In 2025, Stella-Jones worked on the adaptation of the Indigenous Cultural Awareness Training to French to enable the roll-out to all salaried employees in Canada. Thanks to the pilot of our new LMS in Q4, the training was successfully launched with 96% of all Canadian salaried employees completing the 17 individual training modules.

In early 2026, we finalized a partnership with local First Nations in a forest harvesting company, Lizzie Bay Logging, located in B.C. The partnership will contribute to a dependable, longer-term supply of large transmission cedar for its utility pole business, and is a positive step towards more mutually beneficial, collaborative business relationships and procurement opportunities with Indigenous Peoples in Canada.

INDIGENOUS PEOPLES

Impact, Risks and 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 in specific facilities. However, this transition also presents opportunity for Stella-Jones to support economic empowerment for Indigenous Peoples through collaborative ventures like joint harvesting operations, creating jobs and revenue as well as increased engagement in the land management practices that can ensure positive outcomes for forest ecosystems. While offering benefits such as economic growth and cultural preservation, successful implementation requires careful management of capacity, regulations, and diverse priorities.

Management Approach

The Company has implemented an Indigenous Peoples Policy which outlines the Company’s commitment to building lasting and collaborative relationships and business partnerships with Indigenous People where we operate, increase the Company’s awareness and understanding of Indigenous cultures and history and ensuring that the Company’s forestry practices and use of natural resources benefit from Indigenous perspectives. The Company splits the management of the Indigenous Peoples Policy implementation into two distinct groups:

- Ongoing relationship building in the interior of B.C., focused on long-term agreements with Indigenous communities involved in harvest consultation; and
- Opportunities for increased procurement and business collaboration with Indigenous Peoples.

Targets

Canadian salaried employees to complete Indigenous Peoples cultural awareness training by 2025

Year	Completion Rate	Target
2023	3%	100%
2024	3%	100%
2025	96%	100% <input type="checkbox"/> Not achieved

In 2023 and 2024, 3% of Canadian employees completed the training, as it was primarily targeted at management. Beginning in 2025, the training was expanded to include all Canadian employees, resulting in a significant increase in the completion rate to 96%.

Canadian areas with forest management obligations covered by relationship agreements with willing Nations by 2030

Target: 100%

As of 2025, none of the Company's forest management areas are covered by a long-term relationship agreement. The Stella-Jones Woodlands group has advanced the development of a Memorandum of Understanding (MOU) with one Band as a first step towards a long-term agreement.

Responsible Supply Chain

OUR STRATEGY

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

» Supplier Engagement

Engaging in open dialogue with our suppliers to understand our joint sustainability priorities.

» Sustainable Forestry

Supporting forest health, wildfire resiliency and responsible harvesting initiatives along our value chain.

» Promote Forest Education

Educate the public and policy makers about responsible forest stewardship.

2025 Progress

Following the completion of the 2024 sustainability risk assessment for Tier 1 suppliers, Stella-Jones developed a targeted training series to address identified sustainability risks. The inaugural virtual session focused on human rights, articulating the Company’s policy commitments and performance expectations to suppliers representing 11% of the total 2024 procurement spend. Having achieved this strategic sustainability objective, the Company will now focus on embedding these risk considerations into both new and existing supplier relationship meetings to foster long-term accountability and supply chain resilience. The training series will continue in 2026 with a session on GHG accounting.

In 2025, Stella-Jones’ Steel Structures division undertook 10 supplier visits, which include an audit covering manufacturing quality, health and safety practices, specification conformity, and compliance with applicable human rights laws and regulations. These visits included one new steel supplier from Turkey.



RESPONSIBLE SUPPLY CHAIN

Following the Company’s Nature risk assessment completed in 2024, progress was made to develop strategies that address identified risks and more formally align with the Task Force on Nature Related Financial Disclosures. The results of the intersectional analysis show Stella-Jones’ operations and supply chain are located in areas characterized by high levels of intact biodiversity and intersect with protected and Indigenous areas. This is to be expected as protected

and Indigenous areas typically maintain higher biodiversity and are often governed by strict environmental regulations. Of importance, the success of previous replanting and reforestation activities was seen in the high level of mean species abundance and biodiversity intactness in the forest management tenure in B.C. The Company plans to publish its full Nature Report in 2026.



Impact, Risks and Opportunities

Biodiversity

Stella-Jones’ business model is fundamentally dependent on healthy forest ecosystems to provide wood fibre, our primary raw material. Beyond the direct provision of fibre, our long-term operational resilience relies on critical forest ecosystem services, including climate regulation, flood protection and natural disease and pest control. We recognize that these services are increasingly vulnerable to climate-related stressors, such as wildfires and invasive pests, which can disrupt the fibre supply chain and impact availability and cost.

Materials

Fibre

While the Company operates under long-term timber cutting licenses and benefits from long-standing relationships with private woodland owners and other suppliers, there can be no assurance that such licenses will be respected or renewed on expiry, that such relationships with private woodland owners and other suppliers will be maintained, or that its suppliers will continue to provide sufficient, sustainable timber to the Company. Any supply chain disruptions or fluctuations in wood prices could result in production delays or increased costs, which, in turn, could impact the Company’s business, financial position and results of operations.

Preservatives

There are a limited number of suppliers for certain wood preservatives that the Company employs in its production process, which lessens the availability of alternate sources of supply in the event of unforeseen shortages or disruptions of production. Certain suppliers may also reduce or cease production of specific preservatives, while changes in legislation may require the application of alternative preservatives to those historically utilized, as witnessed in recent years with the removal of Pentachlorophenol from the preservative registry in both the United States and Canada. Geopolitical unrest leading to trade restrictions or loss of trade routes or any escalation or additional international conflicts could create supply availability challenges and may require the Company to evaluate substitute products that are reasonably priced, safe, effective and acceptable to the Company’s customers. Further, the availability of raw materials used by the Company and the prices thereof may fluctuate depending on a variety of other factors, including market conditions, global supply and demand for these materials, global economic conditions, geopolitical risks and related sanctions, export controls and other actions that may be initiated by nations. Any supply chain disruptions, capacity constraints at suppliers, or fluctuations in preservatives prices used by the Company could result in production delays, scheduling programs or increased costs, which, in turn, could materially adversely impact the Company’s business, financial position and results of operations.

Steel

Stella-Jones’ Steel Structure division is subject to market conditions that can impact the availability and cost of steel and zinc. Supply chain disruptions, capacity constraints at suppliers, or fluctuations in steel and zinc prices could result in production delays, scheduling programs or increased costs, which, in turn, could materially adversely impact the Company’s business, financial position and results of operations.



RESPONSIBLE SUPPLY CHAIN

Management Approach

Biodiversity

Within our forest tenure, biodiversity risks are managed by our Woodlands team, with a long-term stewardship approach that includes working closely with a broad range of forest stakeholders and interest groups. The Company is committed to incorporating Indigenous perspectives into forest management and prioritizing forest diversity, including strategies that enhance wildfire resilience and protect against invasive species. The Company’s commitments to sustainable forest management in our direct operations include:

- Zero deforestation and no land conversion within our B.C. management tenures; and
- Re-forest harvested areas in our B.C. management tenures within 2 years.

Stella-Jones forestry experts are responsible for the development, implementation and compliance with our Forest Stewardship Plans (“FSP”), which are map-based, landscape-level plans that cover areas where harvesting and road-building are proposed. The forestry team is committed to no net gain of roads within the tenure, which means roads are built and deactivated each year to maintain forest connectivity. Invasive species management is also a priority for our forestry team and includes the development and introduction of disease resistant species, training on identification and reporting for our forestry staff, and actively cleaning all harvesting equipment to avoid transfer of invasive species from one site to another.

Materials

Managing the supply chain risks for key materials is the responsibility of our procurement team in each product category. These individuals are responsible for maintaining strong relationships with suppliers, as well as researching and identifying alternatives that meet the Company’s requirements for safety and quality.

Fibre

Specific to our fibre supply chain, Stella-Jones partners with trusted suppliers who comply with rigorous forest management regulations across the United States and Canada. The Company’s strategy focuses on deepening collaboration with suppliers operating in areas of higher nature-related risk, where there is also the greatest potential for positive environmental impact.

Preservatives

To mitigate the risk and impact of regulatory changes to approved preservatives, the Company partners with Universities to research alternative preservatives that maintain high-quality performance while improving the environmental profile of products.

Steel

Steel supply chain risks are managed similarly to other key material inputs, by maintaining strong relationships with suppliers and strategically sourcing, directly or indirectly, most steel and zinc within the same country as its manufacturing operations as much as possible.

Targets

% of certified residential lumber

Target	80%
2023	82%
2024	79%
2025	87% <input checked="" type="checkbox"/> Achieved

% of tier 1 suppliers assessed for sustainability risk

Target	25%
2023	12.5%
2024	37% <input checked="" type="checkbox"/> Achieved

Additionally, the supplier sustainability risk screening target was met in 2024. This metric will be retired and the focus will shift to supplier engagement on the identified risks.

Metrics

Number of seedlings planted in our B.C. tenure in 2025

320,000

% of native seedlings planted in 2025

100%

Two new metrics for biodiversity have been introduced in this Report, the number of seedlings planted in the B.C. management tenure for the reporting period, and the percentage of seedlings that were native. The intent of these metrics is to provide transparency on the regeneration efforts post-harvest and benchmark performance year over year, and help provide insights into forest stewardship at Stella-Jones.



Risk Governance

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

2025 Progress

» Strong Governance as our Foundation
Well-defined ownership, maintenance, and effective communication of Company policies.

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

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

In preparation for the new LMS deployment, the Company developed four training modules on key policies to be used as part of the annual Policy Acknowledgement Process. The policies covered in the new training include *The Code of Business Conduct and Ethics*, *Workplace Discrimination, Harassment and Violence Prevention Policy*, *Whistleblowing Procedures*, and the newly implemented *Insider Trading Policy*. The four modules are specific to Stella-Jones' policy, processes and commitments, making expectations and compliance clear for all employees.



RISK GOVERNANCE

In 2025, the Company strengthened its cybersecurity program through a combination of prevention, detection, and preparedness initiatives. We maintained an average employee fail rate of less than 15% across monthly phishing simulations, with anyone who did not pass being automatically enrolled in targeted refresher training. To further improve resilience, we conducted an incident-response tabletop exercise to validate roles, decision-making, and escalation paths, and completed an independent penetration test to identify and remediate potential vulnerabilities. We also enhanced network threat detection capabilities by implementing a new Network Detection and Response (NDR) tool to improve visibility and accelerate detection and response to suspicious activity.

Board Renewal

The appointment of Ms. Renée Laflamme and Mr. Sean Donnelly to the Board in 2025 is reflective of the Company’s ongoing commitment to Board renewal and robust oversight. Ms. Laflamme has over 25 years of experience in financial services and insurance, with specialized expertise in digital transformation and the implementation of artificial intelligence. Mr. Donnelly, formerly the President and CEO of ArcelorMittal Dofasco, provides extensive insights into large-scale manufacturing, technological innovation, and sustainability. This infusion of fresh perspectives aligns with the Company’s Board Diversity and Composition Policy, which utilizes a 15-year tenure limit and a mandatory retirement age of 75 to ensure continuous refreshment.

Impact, Risks and Opportunities

The Board

The Company’s ability to execute its strategic direction and maintain long-term shareholder value is significantly dependent on the quality, experience, and independence of its Board. As the business environment evolves, we increasingly depend on directors with specialized expertise in emerging areas such as climate change risk, cybersecurity, and artificial intelligence to ensure operational resilience and regulatory compliance. The risk of not maintaining a strong independent Board can lead to reputational damage, market valuation impacts, and impaired access to capital.

Cybersecurity

The Company relies, and continues to place greater emphasis, on information technology, software as a service and other software applications, whether hosted internally or outsourced, to securely process, transmit and store electronic data to support its business activities. Despite its security design and controls, and those of third-party providers, the Company’s information technology and infrastructure may be targeted by cyber-attacks or be the subject of data breaches, information technology disruptions, and other similar incidents. Cyber threats are persistent, and vary in technique and sources, including through the use of emerging artificial intelligence technologies, and are increasingly sophisticated and more difficult to detect and prevent. These threats may include, among other things, the introduction of computer viruses and other malicious codes, phishing, ransomware, social engineering, theft, malfeasance or improper access by employees or third-party vendors, system failures, disruptions or outages caused by human error or other modes of attack or disruption.

Any material disruption in our technology systems, including those of third-party providers, could result in operational disruption and increased costs, unauthorized access to, or disclosure of, confidential or personal information, regulatory fines, penalties or litigation, reputation damage, reimbursement or other compensatory costs and additional compliance costs. Any of these could have a material adverse effect on the Company’s business, financial position and results of operations.

Management Approach

The Board

Stella-Jones maintains a Board that is entirely independent, except for its President and CEO. The Board is responsible for providing critical oversight of principal risks, capital allocation and the Company’s sustainability strategy. The Company utilizes a formal skills and competencies matrix to identify and address proficiency gaps, employs a robust recruitment process via independent consultants, and has implemented a committee chair rotation policy to foster continuous refreshment and diverse perspectives. Furthermore, the Board conducts annual effectiveness evaluations and participates in dedicated training to ensure its oversight remains aligned with the Company’s complex North American operations.

Cybersecurity

Cybersecurity is managed by a team of in-house experts, with formal oversight provided by the Audit Committee. The Company baselines its security maturity through the NIST (National Institute of Standards and Technology) Framework and conducts “Red Team vs. Blue Team” exercises to enhance detection and response capabilities. Organizational resilience is further strengthened by continual updating system security, endpoint protection, mandatory security awareness training and phishing simulations for all employees.

Targets

% of salaried employees who completed the Annual Policy Acknowledgment

Target	100%
2023	75%
2024	0%
2025	100% <input checked="" type="checkbox"/> Achieved

Annual Policy Acknowledgment completion target was not rolled out in 2024.

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

Target: 2026

Metrics

% Independent members on the Board

2023	90%
2024	90%
2025	90%

* HRIS: Human Resources Information System

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Caution Regarding Forward-Looking Statements

This Report contains forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). 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 include, among others, statements about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments, including the statements regarding the Company’s sustainability ambitions and targets, which include, without limitation, those included in its five-year sustainability strategy Connecting our Sustainable Future (including its greenhouse gas emissions reduction targets), and are provided for the purpose of assisting the reader in understanding the Company’s financial position, operating results and cash flows and management’s current expectations and plans (and may not be appropriate for other purposes). Such statements are based upon a number of estimates and assumptions and are made by the Company in light of the experience of management and their perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate

and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such risks and uncertainties may relate to, among other things, the Company’s dependence on major customers, the availability and cost of raw materials, operational disruption, climate change, reliance on key personnel, information technology, cybersecurity and data protection incidents, global economic conditions, geopolitical uncertainty, the Company’s acquisition strategy, the Company’s future plant expansion, the Company’s ability to raise capital, environmental compliance and litigation, and factors and assumptions referenced herein and in the Company’s continuous disclosure filings. These and other risks and uncertainties related to the business of the Company are described in greater detail in the section entitled “Risks and Uncertainties” of the Company’s management discussion and analysis for the year ended December 31, 2025. Many of these risks are beyond the Company’s ability to control or predict. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. This Report reflects information available to the Company as of June 16, 2026, the date of this Report. Unless required to do so under applicable securities legislation, the Company’s management does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes after the date hereof.

Sustainability Performance Data

Consolidated Sustainability Figures

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

- The Canadian Sustainability Standards Board’s S1 and S2 disclosures
- The Sustainability Accounting Standards Board Building Products and Furnishings Standard - 2018.
- The Global Reporting Initiative General Disclosures 2021 and other select GRI disclosure topics.

2025 Activity Measures

Data	Measurement	2023	2024	2025	Standard
Sales	\$ million	3,319	3,469	3,492	-
Annual Production	1,000 Cubic Feet (ft3)	110,668	111,930	103,439	000.A

APPENDICES

Environment

Category	Indicator	Unit	2023	2024	2025	Standard
Energy	Total energy consumed	Gigajoules (GJ)	4,302,059	6,555,476	7,762,436	GRI 302-1, SASB 130a.1(1)
	Total energy consumed – excluding biomass	Gigajoules (GJ)	2,896,652	2,908,906	3,632,314	GRI 302-1, SASB 130a.1(1)
	Total fuel consumed – non renewable	Gigajoules (GJ)	2,495,531	2,207,805	2,172,020	GRI 302-1
	Total fuel consumed – renewable	Gigajoules (GJ)	1,406,264	3,667,692	4,155,748	GRI 302-1
	Total electricity consumed	Gigajoules (GJ)	401,121	384,777	385,682	GRI 302-1
	Total REC purchased	Gigajoules (GJ)	0	0	360,000	
	Energy intensity by production	GJ/1,000 FT3	39	58.6	75	GRI 302-3
	Percentage grid electricity	%	9	6	5	SASB 130a.1(2)
	Percentage renewable	%	33	56	54	SASB 130a.1(3)
	Emissions	Scope 1 – GHG Emissions	MT CO2eq	141,148	136,395	127,091
Scope 2 – GHG Emissions		MT CO2eq	31,006	28,167	28,021	GRI 305-2
Scope 2 – GHG Emissions (REC applied) – residual mix		MT CO2eq	Data not captured		11	GRI 305-2
Scope 3 – GHG Emissions		MT CO2eq	1,035,651	1,278,773	810,102	GRI 305-3
Biogenic GHG emissions		MT CO2eq	144,892	164,863	177,788	GRI 305-1
GHG intensity by production		MT CO2eq/1,000 FT3	1.50	1.47	1.23	GRI 305-4

Category	Indicator	Unit	2023	2024	2025	Standard
Emissions (continued)	GHG intensity by sales	MT CO2eq/\$ million revenue	50	47.4	36.3	GRI 305-4
	SOx emissions	MT	161	98	93	GRI 305-7
	NOx emissions	MT	145	130	111	GRI 305-7
Water	Total water withdrawn	Megalitres	775	753	642	GRI 303-3
	Water withdrawn – third party sources	Megalitres	675	646	540	GRI 303-3
	Water withdrawn – Surface Water	Megalitres	13	18	23	GRI 303-3
	Water withdrawn – Groundwater	Megalitres	86	88	80	GRI 303-3
	Total water withdrawn (priority facilities – Eloy, Carseland, Whitmire)	Megalitres	25	22	17	GRI 303-3
	Total waste generated	MT	33,702	35,758	38,601	GRI 306-3
	Total hazardous waste	MT	3,466	3,166	6,957	GRI 306-3
Total non-hazardous waste	MT	15,117	20,750	20,488	GRI 306-3 / GRI 306-5	
Total recycled	MT	15,119	11,842	11,072	GRI 306-4	
Waste intensity by production	MT/1000 FT3	0.30	0.32	0.37	N/A	
Environmental Compliance	Environmental non-compliances	Number	6	5	8	GRI 2-27
	Value of fines	\$	1,600	116,350	201,000	GRI 2-27



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Social

Category	Indicator	Unit	2023	2024	2025	Standard
Health & Safety	Employee Fatalities	Number	0	1	0	GRI 403-9
	DART cases	Number	68	69	52	GRI 403-9
	DART frequency rate	per 200,000 hours worked	2.27	2.25	1.67	GRI 403-9
	TRR cases	Number	100	93	79	GRI 403-9
	TRR frequency rate	per 200,000 hours worked	3.3	3.1	2.54	GRI 403-9
	Contractor Fatalities	Number	0	0	1	GRI 403-9
Employment	Total employees	Number	2,945	3,018	3,162	GRI 2-7
	Total hourly employees	Number	2,139	2,142	2,279	GRI 2-7
	Total unionized employees	Number	467	445	604	GRI 2-7
New Hires	Total new hires	Number	907	738	812	GRI 401-1
	Total female new hires	%	18	19	15	GRI 401-1
	New hires less than 30 years old	Number	302	235	231	GRI 401-1
	New hires less than 30 years old – Female	%	17	14	10	GRI 401-1
	New hires 30-50 years old	Number	446	357	403	GRI 401-1
	New hires 30-50 years old – Female	%	21	19	18	GRI 401-1
	New hires over 50 years old	Number	158	146	178	GRI 401-1
	New hires over 50 years old – Female	%	16	25	13	GRI 401-1

Category	Indicator	Unit	2023	2024	2025	Standard
Turnover	Total Turnover	Number	630	612	649	GRI 404-1
	Total female turnover	%	15	14	15	GRI 404-1
	Turnover of employees less than 30 years old	%	32	29	23	GRI 404-1
	Turnover of employees 30-50 years old	%	43	46	44	GRI 404-1
	Turnover of employees 50 years old	%	25	25	33	GRI 404-1
Diversity	Employees from under-represented groups	%	Data not captured for whole workforce	18	23	GRI 405-1
	Women in workforce	%	18	19	18	GRI 405-1
	Women in management	%	31	25	24	GRI 405-1



APPENDICES

Governance

Category	Indicator	Unit	2023	2024	2025	Standard
Product	Weight of end-of-life material recovered	MT	8,073	8,098	6,273	SASB 410a.2(1)
	Procurement from third-party certified forestlands	%	82	79	85	SASB 410a.1(2)
	FSC certified	%	72	62	56	SASB 410a.1(3)
	SFI certified	%	71	55	56	SASB 410a.1(3)
	PEFC certified lumber	%	74	63	69	SASB 410a.1(3)
	CSA	%	4	28	30	SASB 410a.1(4)
Board of Directors	Board members	Number	10	10	10	N/A
	Independent members on the Board	Number	9	9	9	N/A
	Women representation on the Board	%	40	40	50	GRI 405-1

Sustainability Data Accounting Methodology

Reporting period

Stella-Jones sustainability performance data is from January 1 to December 31, 2025.

Boundary Setting

Stella-Jones uses an operational control approach for boundary setting. The data provided in Stella-Jones' sustainability 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 Sustainability Performance Data in 2025

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.

In 2025, one site — Kamloops, British Columbia, completed its first full year of operation with Stella-Jones. The 2022 baseline was adjusted to reflect the addition of Kamloops.

- Adjusted 2022 Total Scope 1 and 2 GHG emissions are 165,344 tCO₂eq, previously 165,111 tCO₂eq.

Restatement of Information

Stella-Jones has restated the 2024 results for scope 3 Categories 1 to 3, 4 and 9. The update reflects a revised emission factor application methodology, additional quality and controls procedures, and availability of new source data.

- 2024 scope 3 emissions: 1,278,773 tCO₂e, previously 1,590,227 tCO₂e.

Stella-Jones has also restated the 2024 energy metrics in GJ due to an improvement in data quality and control procedures.

- 2024 total energy consumed (GJ) is 6,555,476, previously 4,845,400.
- 2024 total energy consumed excluding biomass (GJ) is 2,908,906, previously 2,746,344.
- 2024 total fuel consumed non-renewable (GJ) is 2,207,805, previously 2,135,690.
- 2024 total fuel consumed renewable (GJ) is 3,667,392, previously 2,119,911.

Activity Metrics

The activity metrics provide an important point of reference for the other sustainability 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 2025.

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. Stella-Jones applied a REC to all electricity consumption across our US and Canadian sites except for one site in Quebec, to offset the majority of our scope 2 emissions. The reported location-based scope 2 emissions were calculated using emission factors from the U.S. Environmental Protection Agency eGRID data (2025) and Environment and Climate Change Canada (2025 NIR part 3). The reported market-based scope 2 emissions were calculated using residual mix emission factors.

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Scope 3 value chain emissions are upstream and downstream from our operations, and are generated by our suppliers and customers. The following table outlines the emissions factors utilized.

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

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.

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 of wood purchased by Stella-Jones to estimate the emissions or removals related to the harvest of the wood by province.

Scope 3 Category	Method	Emission Factor
1. Purchased Goods and Services	Spend based	U.S. Environmentally-Extended Input-Output (USEEIO) v1.2
2. Capital Goods	Average spend based	U.S. Environmentally-Extended Input-Output (USEEIO) v1.2
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) v1.2
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

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.

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. The definition of underrepresented at Stella-Jones includes employees that have self-identified as belonging to an underrepresented race or ethnicity, Indigenous People, U.S veterans, as well as people with disabilities. We currently do not track employees who are members of LGBTQ2+ communities.

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

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GRI & SASB Content Index

GRI 2: General Disclosures 2021

Disclosure	Description	Disclosures in 2025
The organization and its reporting practices		
2-1	Organizational details	Stella-Jones Website
2-2	Entities included in the organization’s sustainability reporting	Sustainability Performance Data Accounting Methodologies
2-3	Reporting period, frequency, and contact point	Sustainability Performance Data Accounting Methodologies
2-4	Restatements of information	Sustainability Performance Data Accounting Methodologies
Activities and workers		
2-6	Activities, value chain and other business relationships	Value Chain
2-7	Employees	Sustainability 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	2026 Management Proxy Circular
2-11	Chair of the highest governance body	2026 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
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance at Stella-Jones
2-15	Conflicts of interest	2026 Management Proxy Circular
2-16	Communication of critical concerns	Whistleblowing Procedures
2-17	Collective knowledge of the highest governance body	2026 Management Proxy Circular

Disclosure	Description	Disclosures in 2025
Governance (continued)		
2-18	Evaluation of the performance of the highest governance body	2026 Management Proxy Circular
2-19	Remuneration policies	2026 Management Proxy Circular
2-20	Process to determine remuneration	2026 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
2-27	Compliance with laws and regulations	Sustainability 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	Materiality
2-30	Collective bargaining agreements	Not currently reported

Independent Practitioner's Limited Assurance Report – Stella-Jones Inc.'s Greenhouse Gas Emissions



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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, 2025 as reported in the Stella-Jones 2025 Sustainability Report ("Sustainability Report"):

- Scope 1 - GHG Emissions of 127,091 MT CO₂e on Sustainability Report page 29; and
- Scope 2 - GHG Emissions of 28,021 MT CO₂e on Sustainability Report page 29 (collectively the "GHG Metrics")

Management's Responsibility for the GHG Metrics

Management is responsible for the preparation of the GHG Metrics in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)(2015), applied as explained on page 32 of the Sustainability Report. 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 Greenhouse Gas Protocol: A 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 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.

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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 Inc.'s internal controls and processes as it relates to GHG emissions data related to the GHG Metrics;
- Evaluated Stella-Jones Inc.'s methodology for calculating the GHG Metrics using the Greenhouse Gas Protocol: A 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 Sustainability Report have been prepared, in all material respects, in accordance with the Greenhouse Gas Protocol: A 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, 2025 are not prepared, in all material respects, in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)(2015), applied as explained on page 32 of the Sustainability Report.

Restriction On Use

This report has been prepared exclusively for Stella-Jones Inc. 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 Inc., 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./LLP

Chartered Professional Accountants
 CPA Auditor, Public Accountancy Permit No. A151826

Montreal, Quebec
 June 1, 2026

**We welcome your questions
and feedback on our 2025
Sustainability Report.**

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