



**BUILDING MATERIALS.
BUILDING COMMUNITIES.**

2024

SUSTAINABILITY REPORT



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Note: All data reflected in this Report is comprehensive to end-of-year 2023.

A MESSAGE FROM OUR FOUNDER, PRESIDENT AND CEO, L.T. GIBSON



“Building materials, building communities, building sUStainability” speaks to the essence of what US LBM is and has been about since the company was founded in 2009. We’re proud of our role in building our nation’s communities and equally proud of our company’s culture, which is centered on a commitment to always doing the right thing for our people, our partners and our communities. That commitment extends beyond the materials we sell and deliver and has driven US in building a sustainable and successful national enterprise, defining how we operate, how we support our people and how we engage with our stakeholders.

A Foundation of People and Partnerships

From the beginning, our focus has never wavered: building a company that starts with US, the amazing people that make US LBM what it is today. We value each individual’s contribution, and we strive to be a leader in how we train and support our associates while fostering a safety-first mindset. This people-centric approach has allowed US to attract and retain top talent and build a team passionate about creating partnerships, exceeding customer expectations and delivering exceptional value.

Building Communities and Growth

As an acquirer of choice in building products distribution, we’ve welcomed more than 90 like-minded acquisition partners and have been able to further our commitments through investments locally in technologies, processes and people. This strategy has proven to be a winning formula: creating safer operations, driving sustainability innovation and providing premium customer service while furthering the growth of our business and influence in our communities and industry.

Building sUStainability: Investing in our Future

Our focus is firmly on the future, both for US and our partners. The investments we’re making in areas such as component manufacturing, technology and sustainable products have helped our customers reduce waste and become more efficient themselves. The US LBM Foundation has allowed US to expand our network of partners and increased the positive impact we have on our communities.

A Shared Success Story

Uniting our nationwide network is our unique culture based on trust and empowerment that embraces change and continuous improvement. This culture has allowed US to unlock endless opportunities for growth and will continue driving both US and our industry forward.

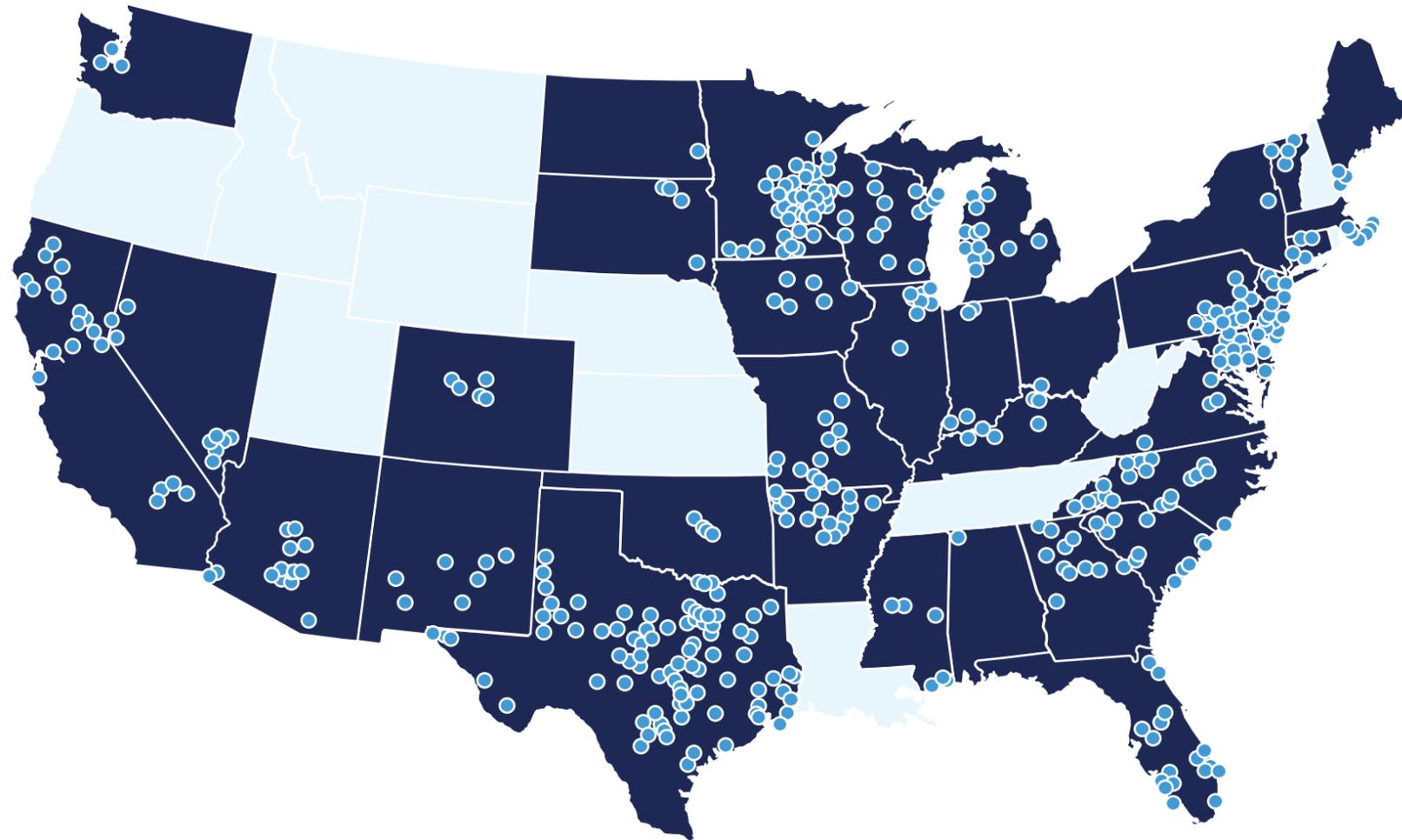
As we continue our shared journey, I know that by staying true to our values of people, partnership, operational excellence, continuous improvement and empowerment, we will continue to grow and thrive, leaving a lasting positive impact on our 15,000 valued associates and the more than 400 communities we’re privileged to serve.

Our future will be built by all of US, from our newest associate to our most tenured leadership. Together, we’re just getting started.

L.T. Gibson

US LBM Founder, President and CEO

ABOUT US LBM



HOW WE OPERATE

Business Overview:

US LBM is the largest privately owned, full-line distributor of specialty building materials in the U.S. Offering a comprehensive portfolio of specialty products, including windows, doors, millwork, wallboard, roofing, siding, engineered components and cabinetry, US LBM combines the scale and operational advantages of a national platform with a local go-to-market strategy through its national network of locations across the country.

Culture Overview:

US LBM's culture is driven by its core values of People, Partnerships, Operational Excellence, Continuous Improvement and Empowerment. Fostering this culture is built on trust and empowerment, which helps associates realize their full potential and create a business that provides world-class service.

US LBM: NATIONAL REACH, LOCAL PRESENCE

As of the end of 2023, US LBM operates more than 450 locations nationwide, with operations in 33 of the top Metropolitan Statistical Areas, and eight in the top 10. Locations operate under multiple brand names, which include some of the most well-known local brands in building products distribution.

Our strategy of acquiring local market leaders and investing in them with technology and training, while concurrently leveraging our national platform and resources, allows US LBM to rapidly evolve and best serve customers across diverse markets.

INSIDE US LBM

 **~15,000**
US LBM ASSOCIATES

 **450+**
LOCATIONS

 **\$8.3B**
2023 NET SALES

 **23** **90+**
TOTAL ACQUISITIONS
SINCE 2009

 **60,000+**
BUILDING PRODUCT SKUS

 **4**
NEW ACQUISITIONS IN
2023, ACCOUNTING FOR
9 NEW LOCATIONS

 **30,000+**
BUILDER, CONTRACTOR AND
REMODELER CUSTOMERS

 **43**
NEW GREENFIELD
LOCATIONS SINCE 2009



MISSION, VISION AND VALUES

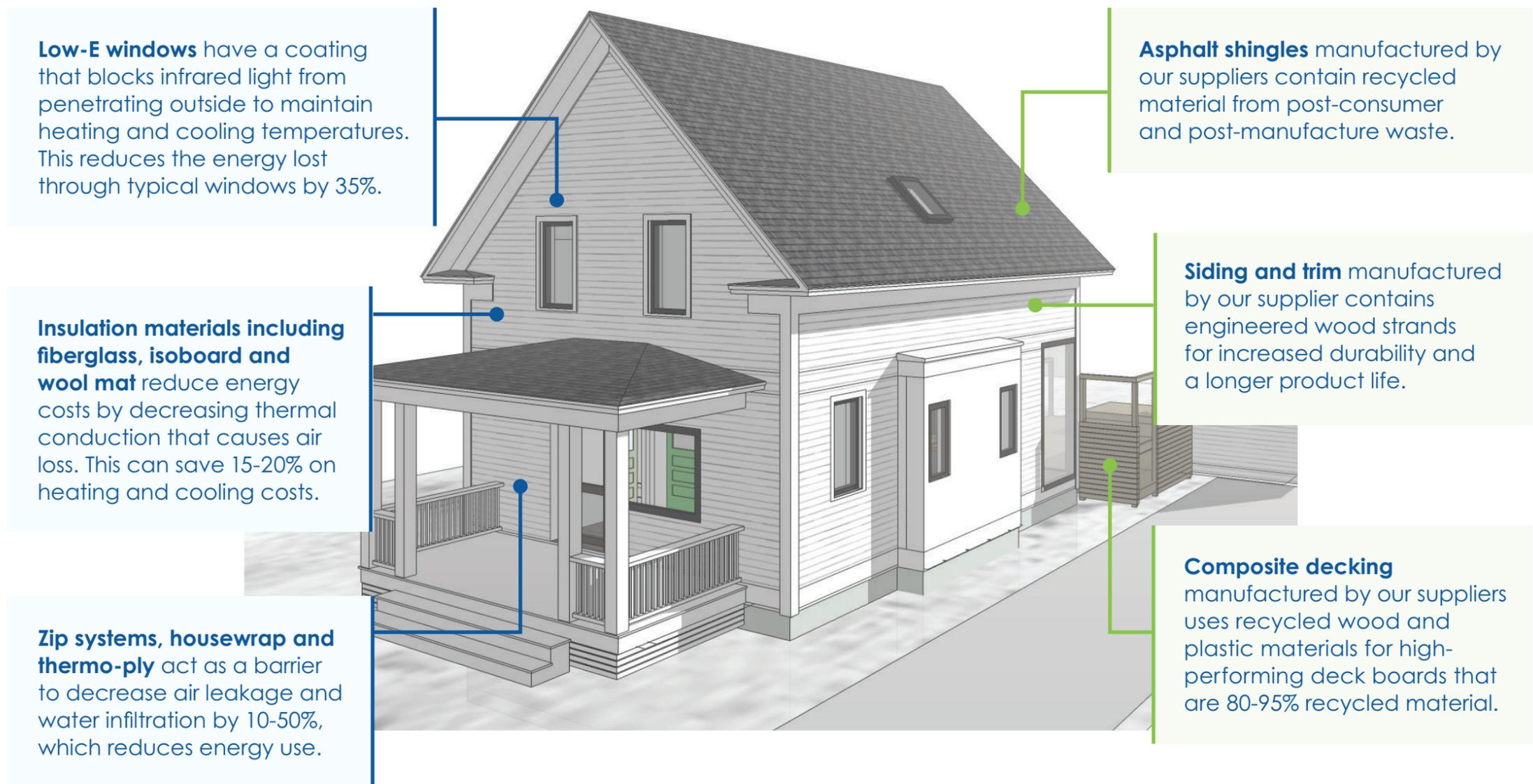
US LBM's mission to create exceptional value for all stakeholders is fueled by our values and our vision to be the most respected and admired company in building products distribution. Read more about our Mission, Vision and Values on the [About Us](#) page on our website.

Embedding Sustainability In Our Business

US LBM's product portfolio addresses approximately 60% of the average construction cost of a new home. Through our national network of locations, we provide custom home builders, national and regional builders and specialty contractors with a wide variety of building materials, including specialty products that help minimize material waste during construction and help the end-user, in most instances the homeowner, reduce their energy use. We also partner with leading sustainable product manufacturers to ensure we are offering environmentally friendly materials such as recycled composite decking, PVC and shingles that are largely derived from recycled products. A sampling of these products can be seen in the adjacent graphic.

Energy Use Reduction

Waste Reduction



In addition to the sustainable products we distribute from other manufacturers, US LBM also manufactures structural building components, including wood roof and floor trusses and wall panels, at more than 50 locations nationwide. We utilize technology from leading developers in the industry and engineered wood product saws, which helps enable sustainability in our component manufacturing processes.

In addition to reducing jobsite waste, these innovations improve our material estimation and cut accuracy, reducing waste and improving efficiency. Reclaim processes are also in place throughout our manufacturing processes to repurpose shortboards from cuts that would otherwise result in waste.

To learn more about component-framed development, please visit the appropriate sustainability section by clicking [here](#).

Percentage of Sales Dollars by Product Category

Specialty Products 75%

23% Windows, Doors, Interior Millwork

15% Select Other Specialty Categories



25% Wood Products

18% Engineered Components

15% Roofing, Siding & Exterior Products

Note: Sales by dollar, not volume. Percentages are approximate.



BUILDING SUSTAINABILITY

US LBM exists to build and improve communities. As a leader in the building materials industry, we have an opportunity and responsibility to take actions today that protect our environment and foster a better tomorrow.

Our commitment to sustainability is rooted in the US LBM core values of People, Partnerships, Operational Excellence, Continuous Improvement and Empowerment. All of US LBM's actions intersect with sustainability—whether increasing the safety of our teams, conserving waste, increasing operational efficiencies or partnering with likeminded suppliers, sustainability enables us to grow.

MATERIALITY ASSESSMENT

As part of our sustainability journey, we conducted our first materiality assessment in 2023. A materiality assessment helps define US LBM's sustainability priorities and the top issues that may have the most material impact to US LBM and are most important to stakeholders.

To develop the materiality assessment, US LBM surveyed over 200 stakeholders spanning executive leadership teams, investors, suppliers, customers and associates. Survey respondents were asked to rank the most important topics across US LBM operations. The survey will be used to inform our overarching business and sustainability strategy development.

US LBM Materiality Assessment Findings

Social and governance issues ranked highest:

1. Health and Safety
2. Cybersecurity and Data Protection
3. Business Ethics and Transparency
4. Company Culture
5. People Development
6. Associate Wellbeing
7. Compliance

Environmental issues:

12. Sustainable Forest Management
16. Waste Management
19. Carbon Emissions

In the future, US LBM will reevaluate its Materiality Assessment to ensure all issues are current. The Materiality Assessment will be used to evaluate priorities and identify US LBM's sustainability goals and objectives, which will be updated in future reports.





“THE PRINCIPLES OUTLINED BY THE UN GLOBAL COMPACT HAVE BEEN EMBEDDED IN OUR COMPANY AND CULTURE SINCE DAY ONE. AS A VITAL LINK IN OUR NATION’S CONSTRUCTION AND INFRASTRUCTURE SUPPLY CHAIN, WE’RE PROUD TO JOIN WITH SO MANY LIKE-MINDED COMPANIES AND CONTRIBUTE TO THE BROADER GOALS OUTLINED BY THE GLOBAL COMPACT, PARTICULARLY THE SUSTAINABLE DEVELOPMENT GOALS TO BENEFIT OUR ENVIRONMENT.”

– L.T. Gibson, President, CEO and Founder of US LBM

UNITED NATIONS GLOBAL COMPACT

US LBM was the first full line building products distributor in the U.S. to participate in the United Nations (UN) Global Compact. The UN Global Compact is a voluntary initiative in which companies commit to aligning their business strategies and operations with [10 universal principles](#) related to human rights, labor, anti-corruption and the environment. Currently, more than 15,000 companies worldwide have joined the UN Global Compact.

US LBM's participation represents how the universal principles are aligned with the company's culture and values and is indicative of the company's commitment to contribute to the broader goals outlined by the Global Compact, particularly the Sustainable Development Goals (UN SDGs) to benefit the environment.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

After review of the 17 United Nations Sustainable Development Goals, US LBM has prioritized the “Sustainable Cities and Communities,” “Responsible Consumption and Production” and “Life on Land” UN SDGs. Read more about our commitment to the UN SDG in our CSR reporting appendix linked [here](#).



These three goals were chosen after collaborating across US LBM stakeholders and analyzing how the SDGs align with the company's sustainability journey and organizational strategies and priorities.

KEEP US SAFE: CARING FOR AND DEVELOPING OUR TEAMS

KEEP US SAFE

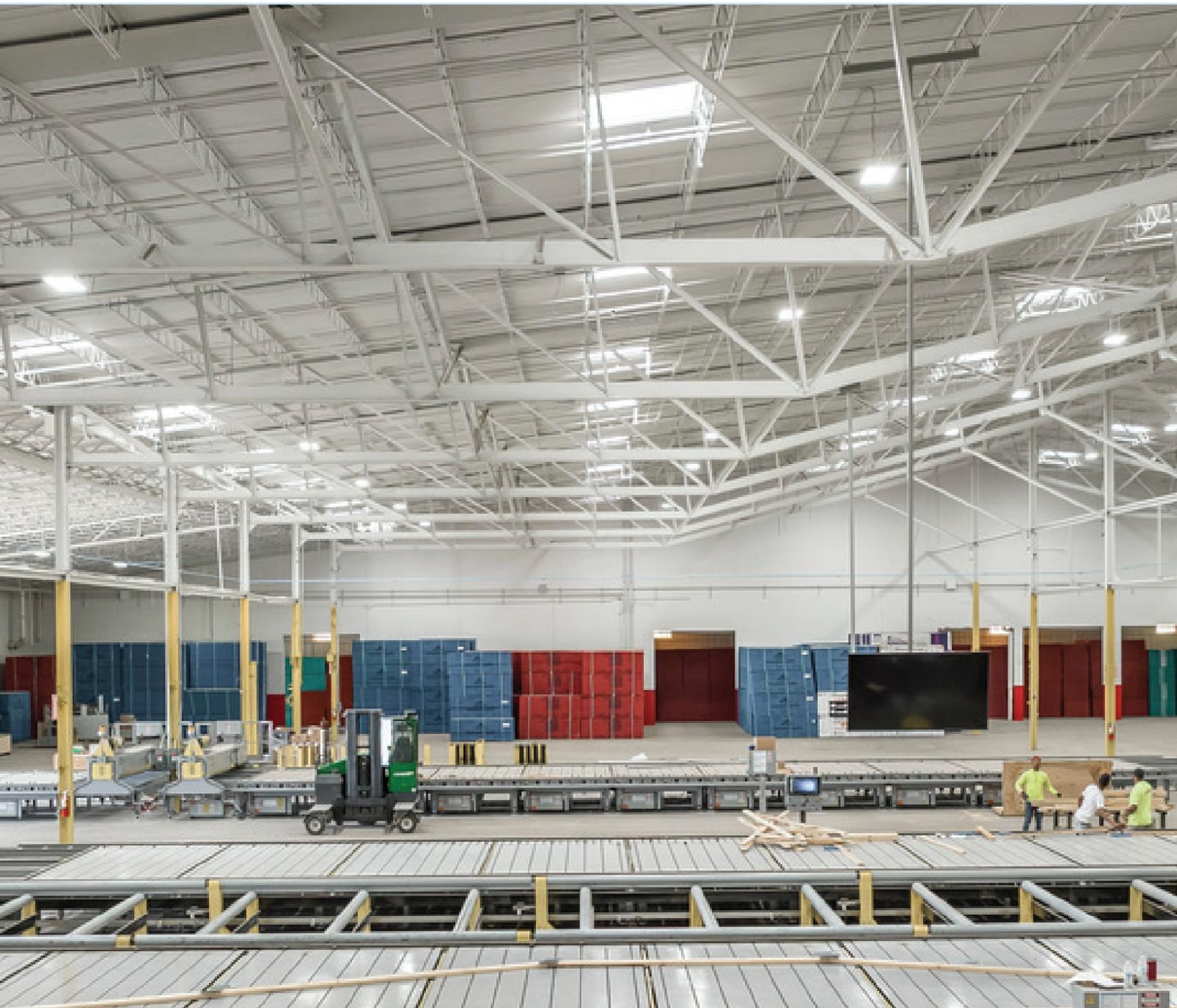
US LBM strives to be the safest building materials distributor in the country, with industry leading safety rates and safety education tools and programs.

US LBM has a comprehensive health and safety program, Keep US Safe, that encompasses all aspects of health and safety, including: hazard identification; reporting and controls; safe work practices; return to work programs; emergency identification and response; training and recordkeeping; safety communications; fleet safety; machine specific training; job specific work rules; and other safety resources. Additionally, the US LBM Emergency Handbook includes all policies and best practices to ensure safety during a variety of emergency situations.

Keep US Safe 2023 Program Highlights:

- » The creation of the inaugural national Return to Work policy, assisting locations in bringing injured associates back to work on light duty
- » Implementation of an Ergonomics Program
- » Development of manufacturing site assessment and safety platform audit
- » Regular Safety Standdown meetings and awareness training
- » Implementation of 14 new standardized safety programs
- » Expanded safety structure via new market safety manager roles and more





In 2024, US LBM's goal is to **reduce worker's compensation frequency by 10%** and **OSHA metrics** (i.e., TRIR, LTC, DART) **by 10%** or below industry averages.

To achieve this goal, in 2024, US LBM plans to execute the following safety initiatives:

- » Increased training, data recording and benchmarking
- » Market safety managers present in each division across the organization
- » Further expand the Ergonomic/Musculoskeletal program, with written program and job specific training tailored to each location by evaluating specific movements that are required for the types of equipment and products associates work with
- » Machine-specific training
- » Continue to refine and enhance the Return to Work program, which has been able to assist in faster recovery, increased productivity, beneficial workplace relationships, increases associate retention and helps control workers' compensation claim costs

The Return to Work program is estimated to have about **15% reduction in annual incurred indemnity claim costs.**

Safety Audits

The Safety team conducted a comprehensive safety assessment of 49 US LBM component manufacturing facilities, which helped to reveal safety risks and opportunities to improve facility processes. Over 2,000 observations were made, with an emphasis on machine guarding, personal protection equipment (PPE) and a hearing conservation program. As a result of these assessments, US LBM has implemented a formal monthly self-assessment each component facility is required to complete, the results of which are then reviewed by the Safety team and discussed with location leadership and escalated as needed.

Safety Matters: Measuring Improved Performance

- According to the Occupational Safety and Health Administration's **Total Recordable Incident Rate** (TRIR) standards, **US LBM recorded a 13% decrease from 2022.**
- **US LBM recorded its best performance in 10 years based on the National Council on Compensation Insurance's Experience Modification Factor** (E-MOD), achieving a rating below 1.0, which correlates to a performance better than industry average. The E-MOD rate is calculated using US LBM's safety performance against peers.

ERGONOMICS PROGRAM SPOTLIGHT

US LBM launched its Ergonomics Program in 2023 to study how our associates interact with the elements of their job or task including equipment, tools, facilities, processes and environment. A priority area for US LBM, understanding how a job task “fits” a worker's capability allows us to target aspects of the work or workplace that may exceed the body's capabilities to reduce physical injury.

Early implementation of the program, which reflects safety's importance in our first-ever materiality assessment, has already led to comprehensive reports, identifying areas of concerns across workspaces with suggested improvements to implement.

- » This collaborative program is an effort that includes managers, supervisors and line associates.
- » Entire Safety Team of more than 20 associates participated in an in person 2-day training focused on Ergonomics and Accident Investigation.

TRAINING AND TECHNOLOGY TO KEEP US SAFE

US LBM leverages a mix of technology, equipment and training to ensure our Keep US Safe program is robust and effective. These resources allow us to focus on not only preventive and proactive measures but also identify trends and root causes to deploy interventions prior to and post safety-related incidents.

Keep US Safe Resources Include:

- » Riskconnect for data and trend monitoring
- » Training via the Health & Safety Institute (HSI)
- » OSHA 10 and 30 training
- » Board Certification for company safety professionals
- » Machine Specific Guarding
- » Fulltime Certified Professional Ergonomist (CPE)



THE INDUSTRY’S FINEST: SUPPORTING ALL OF US

INSIDE US LBM’S WORKFORCE

US LBM believes that our workforce should be reflective of the communities in which we operate and do business. We track our performance relative to our peers and across similar industries, which include transportation, logistics and manufacturing.

Since the company’s founding in 2009, US LBM has taken the approach that associates that are well-cared for will, in turn, take care of our customers and each other. As such, we provide our associates with numerous health and wellness benefits, which can be found by clicking [here](#).

OVERALL WORKFORCE:	MALE - 83%	FEMALE - 17%	ETHNICALLY DIVERSE - 24%
National Support	Male - 53%	Female - 47%	Ethnically Diverse - 19%
Local Operations	Male - 85%	Female - 15%	Ethnically Diverse - 24%

DEVELOPING OUR ASSOCIATES: US LBM UNIVERSITY AND US 1 CONTINUOUS IMPROVEMENT

US LBM University is a series of programs to support the development of associates across US LBM. These programs are designed to enrich the associate experience while reinforcing our culture. Programs are developed centrally, but delivered locally to meet market, division and regional needs. Programs have been developed by cross-functional teams, representing multiple business lines and geographies.

Programs provide development and support in several areas, including:

- » New hire orientation and onboarding
- » Continuous improvement and introduction to Lean Six Sigma principles
- » Leadership development
- » Sales development

New Hire Blueprint

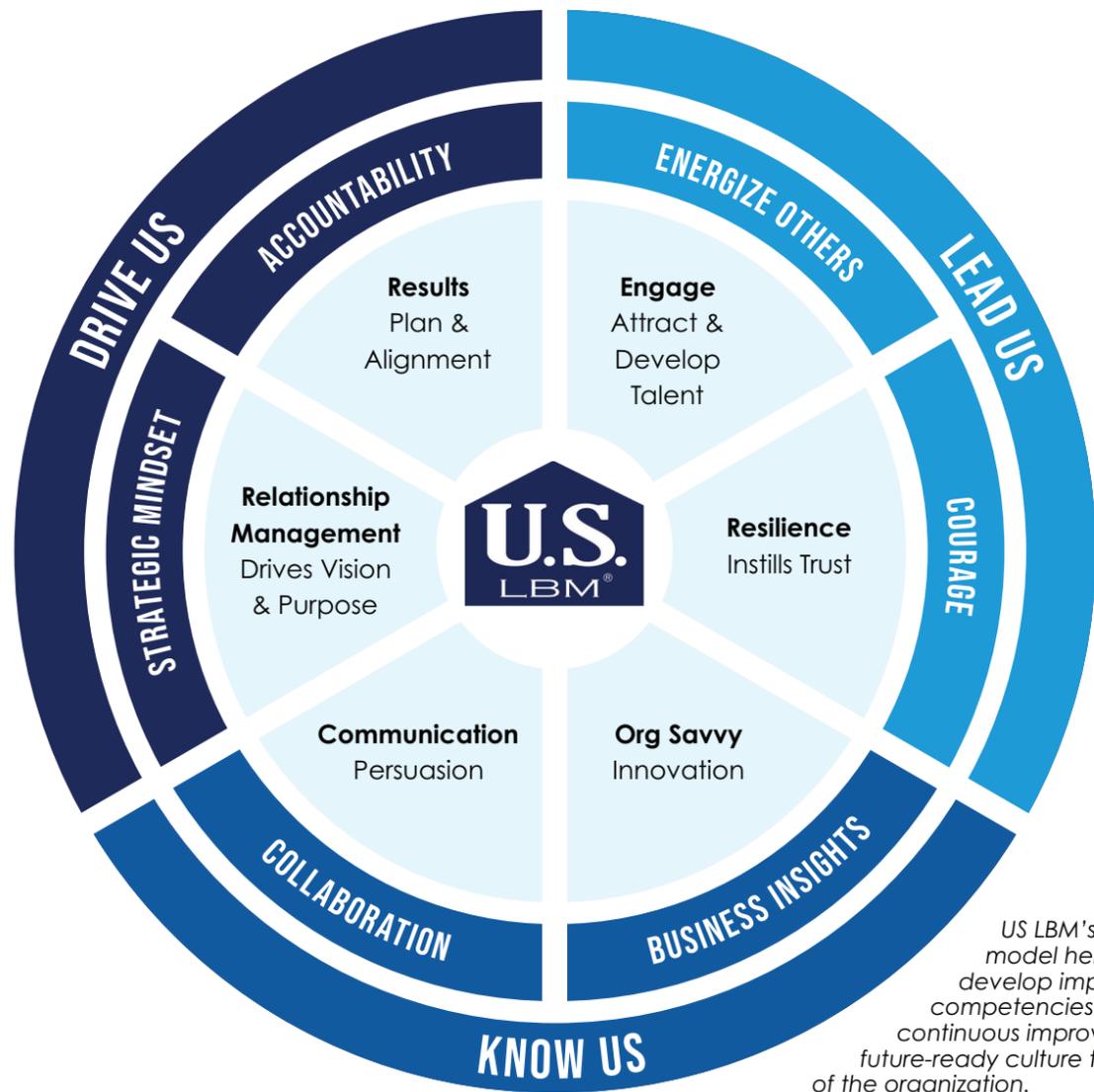
"Blueprint" is US LBM's onboarding experience for all new hires. This program includes an in-person orientation experience and online training emphasizing safety, culture and technology. Blueprint supports associates during their first 60 days in their role and is augmented by on-the-job training and manager support.

US 1 Continuous Improvement

Our US 1 Lean Six Sigma program includes training to educate our associates on the strategies of lean operating practices. More than 5,600 associates have completed courses in our US 1 program to date, including 179 associates holding Green Belt certifications from the University of Wisconsin's School of Business.

Multiple Paths for Leadership

Pathways to US is our leadership development program that enables focused development for every level of leadership across US LBM. The development program is tiered into five sections: Emerging Leader, New to Leadership, Leading Others, Leading Other Leaders and Leading the Organization.



US LBM's leadership competency model helps all associates grow, develop important leadership competencies and help foster a continuous improvement-minded and future-ready culture throughout all levels of the organization.

<p>EMERGING LEADER Individual Contributors</p>	<p>This virtual, on-demand course is designed for all US LBM associates not currently in a leadership role who are interested in becoming a leader.</p>
<p>NEW TO LEADERSHIP First Time Leaders</p>	<p>This virtual course is offered by bi-monthly to new leaders to complete within 60 days of their promotion. It equips them with the fundamentals and compliance-related information necessary when responsible for managing others at work.</p>
<p>LEADING OTHERS Frontline Leaders</p>	<p>This program is offered four to five times annually and consists of a mix of in-person and virtual sessions over the course of 3 months that are dedicated to improving personal performance and people-leading skills for frontline leaders.</p>
<p>LEADING OTHER LEADERS Senior Managers & Directors</p>	<p>This 12-month program consists of quarterly in person multi-day sessions along with virtual meetings in between that will provide leaders with the skills to inspire others and cast a vision for their division, location, department or function.</p>
<p>LEADING THE ORGANIZATION Senior Directors & VPs</p>	<p>This 9-month program enhances the ability of participants to make strategic decisions through collaboration and practical application of a variety of skills that are necessary for senior US LBM leaders. This program is offered once per year in partnership with Vanderbilt University's executive development department.</p>

Building the Sales Force of Tomorrow

US LBM is focused on skill-building for specialized roles, including for our sales force. US LBM has developed multiple in-depth sales programs aimed at equipping all sales associates with the skills and knowledge required to provide a signature customer experience across the enterprise.

Specific sales program details include:

16 ON CENTER

- » Program available to all sales professionals.
- » Equips all sales professionals with baseline skills and knowledge required to provide a signature US LBM customer experience.
- » Focused on increasing an individual's sales performance, including how to expand relationships with existing customers along with prospecting and developing a pipeline of new customers.
- » Provides a stronger command of the available resources, professional network and brand power that come with being a part of US LBM.
- » Program consists of 16 virtual, self-paced weekly lessons and two days of in-person training in the sales representative's local market.

LEVEL, SQUARE & TRUE

- » Program available to all sales leaders.
- » Develop our excellent sales managers into even better leaders who help the organization achieve future success.
- » Aligns our sales managers with US LBM's shared values and recognized leadership characteristics, specifically Process, Communication, Coaching Skills, Sales Management Skills and Strategic Thinking.
- » Prepares sales leaders to address existing and future organizational challenges.
- » Strengthens the relationship ties between sales managers across the organization.
- » Program consists of four in-person sessions and four virtual sessions

YOU BELONG WITH US AT US LBM

At US LBM, People is one of our core values. We are committed to cultivating and sustaining a culture where every associate is valued, respected and has a sense of belonging. Ensuring our associates have a place to grow and contribute allows US LBM to continue being an employer of choice and industry leader.

Our inclusive culture embraces and supports our diverse associates, suppliers, vendors and the communities we serve. Our active commitment to nurture and grow a diverse company also strengthens current business partnerships and creates pathways for new ones.

Respect, diversity and inclusion make us stronger by helping ensure that we get the best people on our team. When all our voices are heard, we innovate more rapidly and come up with better solutions to problems.



SUPPORTING OUR ASSOCIATES: ASSOCIATE RESOURCE GROUPS (ARG)

» You Belong with US: Veterans

- US LBM and our operating divisions provide fulfilling career opportunities for veterans and an environment with networking and professional development opportunities.
- In 2021, You Belong with US Veterans was established to engage and support the veteran community within US LBM, providing personal and professional development opportunities, networking and fostering relationships with external organizations to help recruit more veterans to our company. Learn more about our continued efforts within this program on our website.

» You Belong with US: Women

- US LBM's women in leadership associate resource group is launching in the company's Minneapolis-St. Paul market in 2024. Following a successful pilot, US LBM plans to expand the group throughout the company in 2024 and 2025.

US LBM's Voice of the Associate Program



In line with our commitment to creating an environment where our associates can thrive and grow, US LBM has recently refined its approach to gathering and actioning associate feedback. In 2023, the company developed Voice of the Associate, a holistic listening strategy that leverages a third-party partner to gather feedback. The annual engagement survey offers associates a safe, open and honest platform and will be launched in 2024 across select divisions, before being deployed enterprise-wide. The data and insights gathered from the survey will allow the company to further enhance our workplaces and associate experience.

“VETERANS ARE GREAT TEAM MEMBERS WHO SHARE OUR VALUES OF TEAMWORK AND EMPOWERMENT, AND WE’RE HONORED TO HAVE THEM AS PART OF THE US LBM FAMILY. AS A DISTRIBUTION COMPANY WITH A NETWORK OF LOCATIONS ACROSS THE COUNTRY, THE DISCIPLINE AND SKILLS VETERANS BRING IN THE AREAS OF PROBLEM SOLVING, COMMUNICATION AND BEING A TEAM PLAYER HELP US PROVIDE THE HIGH QUALITY OF SERVICE OUR CUSTOMERS RELY ON TO GET THE JOB DONE.”

– L.T. Gibson, President, CEO and Founder of US LBM





US LBM ASSOCIATE BENEFITS

US LBM associates have access to a range of health and well-being programs to help them and their families live a happy and healthy life. Full-time associates regularly scheduled to work more than 30 hours per week are eligible for all US LBM benefits, including medical, prescription drug, dental, vision, flex spending, life insurance, disability and retirement benefits. Part-time associates are eligible for retirement benefits.

US LBM Benefits at a Glance

Benefits for full time associates include:



Medical



Paid Holidays



Service Awards for milestone anniversaries



Dental



Short-term disability and life insurance is provided at no cost to all eligible associates with additional coverage available to purchase.



Retirement benefits, including a 401(k) program, which includes traditional and a Roth 401(k), with company match is available to all associates, including part-time workers.



Vision



Paid Time Off

Associate Assistance Program Benefits

US LBM offers an Associate Assistance Program through an external partner. This benefit helps associates manage issues such as job pressures, relationships, online will preparation, retirement planning, finding childcare, dealing with grief or the impact of a disability. Counselors are available 24/7, 365 days a year through a toll-free number.

US LBM Compensation Data

US LBM has a competitive compensation program that helps us attract, retain, and motivate a highly productive workforce.

- » Base pay levels are benchmarked to ensure we are competitive with the external job markets where we compete for talent and reflective of the internal value of each position.
- » With a large footprint across a variety of areas, US LBM monitors and adjusts wage scales to ensure our compensation rates are competitive and in line with local markets.
- » Incentive programs that reward individual productivity.

A Commitment Against Discrimination and to Promoting Equal Opportunity and Diversity

Discrimination in any form is not acceptable at US LBM, including discrimination based on any characteristic protected by law.

We promote equal opportunity and diversity by:

- » Basing decisions about hiring, training, promotion and other conditions of employment solely on merit.
- » Accommodating individuals with legally recognized disabilities.
- » Never tolerating discrimination of any kind.
- » We have a robust anti-harassment and discrimination training curriculum covering how to recognize, prevent and manage harassment and discriminatory behavior. Every training course we offer has this framework embedded to ensure we are creating an inclusive, respectful workplace free from harassment and discrimination.

LOCAL SPOTLIGHT: A GREAT PLACE TO WORK



US LBM's Brand Vaughan operating division in the Atlanta metro area was recognized by Top Workplaces as a Top National Workplace in 2023 for its focus on team collaboration and associate wellbeing via their innovative, fun culture rooted in trust and collaboration. Top Workplaces, the nation's leading employer recognition program, also recognized Brand Vaughan nationally in 2021 and 2022.



BUILDING [SUSTAINABILITY](#)

US LBM's Commitment to Protecting the Environment

We are committed to environmental stewardship, minimizing impacts and taking steps to protect and preserve our shared natural resources. This commitment is an integral part of our business and a responsibility of each division and every associate.

We recognize that our activities as a supplier of building materials may impact the environment, and we do our best to minimize that effect to protect the communities in which we operate.

SUSTAINABILITY IN ACTION: BUILDING HOMES SMARTER

There are two primary house construction methods used across the U.S.:

- » Stick framing, referring to the practice of cutting and assembling the framing elements of the structure "stick-by-stick" on the jobsite.
- » Component framing, where structural building components such as roof trusses, floor trusses and wall panels are designed and manufactured off site at a specialized facility and delivered and assembled at the jobsite.

Component-Framing Development Impact:

- » According to the Structural Building Components Association (SBCA), component framing **uses 25 percent less wood product and creates 30 times less waste** when compared to stick framing. Our truss manufacturing operations utilizing component-framed innovation maximizes efficiencies: on average, 223 labor hours are saved by building a house via component-framed development.
- » In 2023, US LBM manufactured 291 million board feet in components. When compared to stick framing at this production volume, component framing saved **73 million board feet of lumber. This is equivalent to saving 104,529 trees.**



SOURCING BUILDING MATERIALS SUSTAINABLY

US LBM is both a retailer and a consumer of wood products which are used in the manufacturing of structural building components. In 2023, approximately 25 percent of US LBM's net sales were from wood products, which include dimensional lumber and structural sheathing. An additional 18 percent of sales were from engineered components, which include floor and roof trusses, wall panels, pre-cut stair assemblies and engineered wood products manufactured at US LBM locations across the U.S.

Wood Supplier Partnerships and Sustainable Certification

Partnering with like-minded industry suppliers who share our commitment to sustainability is a top priority. Recognizing the critical role that forests play both in the environment and in our product offering, we cultivate strategic partnerships with certified suppliers to ensure legal and sustainable sourcing of wood products. These certifications demonstrate adherence to responsible forestry practices and actively work to prevent deforestation and preserve natural resources. **Over 95% of framing wood products and greater than 99% of engineered wood products are sourced directly from sawmills with SFI, FSC, or PEFC certifications.**

US LBM's supply partners adhere to our Supplier Code of Conduct, which aligns with the UN Global Compact's stated principles of reduced environmental impact and human rights. Annually, we verify our suppliers' third-party certifications and ensure their certifications are maintained.

We additionally partner with four major agencies, outlined below, that have the most stringent credentials that wood product producers work with to verify that the materials used in the production of their products are sourced from sustainably managed forest lands:



DRIVING SUSTAINABLE OPERATIONS

Improving Delivery Fleet Sustainability through Technology Innovation: Descartes Route Planner

US LBM's delivery fleet utilizes Descartes Route Planner, which is a technology that maximizes over-the-road truck use through integrated GPS-tracking to plan and adjust delivery routes to increase efficiency and decrease travel time. With over 1,300 vehicles operating on the technology, **approximately 10,000 miles are reduced in total travel distance each day.**

More than 90% of our existing fleet will be operating Route Planner by end of 2025.

A truck operating with the route planner saves an average of 7.5 miles of travel per day. When all of US LBM's current fleet of approximately 3,000 trucks utilize the technology, about 22,500 miles of travel would be avoided daily, saving significant fuel expenses and reducing carbon emissions. At that rate, one could travel to the moon and back (238,900 miles each way) 17 times over the course of a calendar year.

This type of sustainability technology helps our existing fleet travel safer while maximizing fuel efficiencies. This is an innovation we also integrate into vehicles added to our fleet through acquisitions.

Waste Removal and Recycling to Drive Sustainability Impact

In 2020, with the support of the US 1 continuous improvement team, US LBM began converting company locations to a national waste removal program, which includes wood, cardboard and single-stream recycling to support sustainability and better track conservation efforts.

Since the program's inception, **participating locations have recycled over 285 tons of material, saving over 8,400 trees and the equivalent of 5,300 metric tons of CO2.**

US 1: Driving Continuous Improvement Across US LBM

US LBM's US 1 program exists to drive continuous improvement across the enterprise. The program includes a training aspect to educate associates in the methodologies of Lean Six Sigma and the practical application of those principles to the company's operations.



The US 1 education program entails **three levels of progressive training in Lean Six Sigma: White Belt, Yellow Belt and Green Belt**, with the goal of all associates at least attending White Belt training. The more advanced Yellow and Green Belt training is **delivered in partnership with the University of Wisconsin, Madison School of Business.**

The US 1 program's strategic interventions are focused on the optimization of operations at US LBM's building material yards and distribution centers. These projects concentrate on eliminating waste of time, activity and other resources while improving safety and reducing emissions and are led by US LBM's internal US 1 team of certified Lean experts who partner with local White, Yellow and Green Belts to identify and implement solutions.

US 1 Impact and Project Spotlights

» Yard Optimization Workshops

In 2023, US 1 teams conducted over 20 yard optimization workshops with the goal of doubling that amount in 2024. Each workshop was led by the US 1 team to identify repeated challenges that reduced efficiencies, created safety challenges and hampered operations. By evaluating these challenges and developing solutions consistent with the Kaizen philosophy and the principles of continuous improvement, efficiencies were realized immediately.

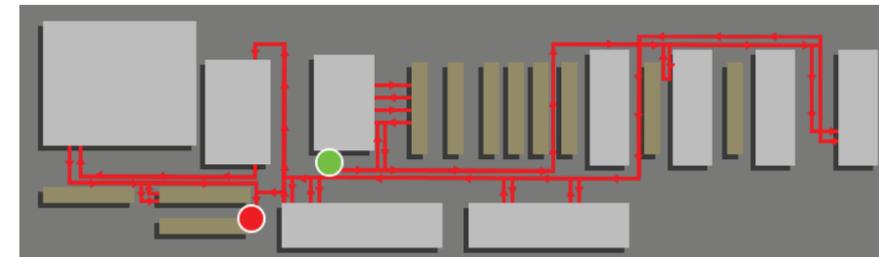
Yard optimization workshops led to improved safety, reduced waste, streamlined processes, reduced forklift and equipment travel with associated decreases in exhaust emissions, improved logistics capability (e.g., reduce idle time, truck turnaround, maximizing truck utilization to reduce total number of trips, etc.) and increases in team building and morale.

	MATERIAL LOAD 1 (CORNICI)	MATERIAL LOAD 2 (FRAMING)	EST. ANNUAL SAVINGS
Avg. Distance saved /load	0.14 miles	0.34 miles	1,400+ miles
Avg. Time saved /load	3.04 minutes	16.92 minutes	900+ hours

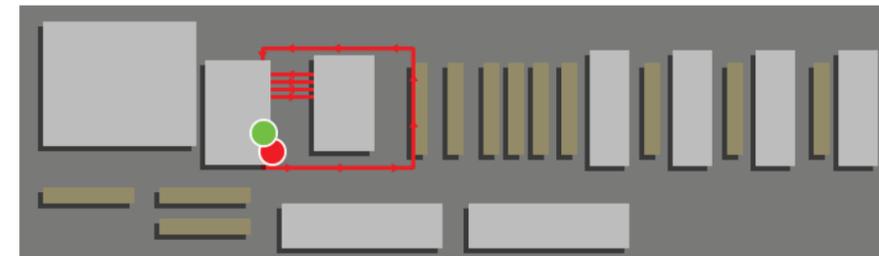
• San Antonio Load Building Kaizen Results

In San Antonio, the US 1 team identified optimal yard layouts that helped forklifts and trucks navigate the yard in a more efficient, environmentally friendly and safe manner. The below illustrations help show this impact, which had the correlated savings:

BEFORE



AFTER



The above visualizations represent yard optimizations where there are two common packages being built, and depicting how the US 1 team optimized the yard layout by moving material in the yard for more efficient package pulling.

Generating Clean Energy, Saving Fuel and Increasing Efficiencies

- **Baltimore and Cape Cod:** US LBM's ALCO Doors, located in Baltimore, and Mid-Cape Home Centers' South Dennis, Massachusetts location both operate solar photovoltaic (PV) systems that generate solar energy and help reduce facility energy consumption.
- **Ridgefield, Connecticut:** US LBM's Ridgefield location installed solar panels in 2018 with the goal to be a better than net-zero electricity consumer. The system is designed to meet 100 percent of the location's energy needs and is capable of generating more than 200,000 kilowatt (kWh) annually. That level of output is equivalent to nearly 360,000 miles driven by a passenger vehicle consuming 16,500 gallons of gasoline annually. The Ridgefield location is in the process of converting all combustion engine forklifts to electric forklifts, which is expected to reduce about 12,000 gallons of fuel consumption annually.
- **Rocklin, California:** Beginning in 2023, this location was one of US LBM's first pilot projects in implementing a solar PV system and electrification of the location's forklift fleet. The solar project will generate approximately 290,000 kWh hours of clean energy annually and will accommodate the additional electricity used from the forklifts directly from a clean energy source. The overall Rocklin pilot, along with the Ridgefield forklift project, will be used to help evaluate forklift electrification at additional locations in the future.

US LBM has partnered with multiple regional and national suppliers to reduce energy usage at the company's operating locations. These efforts include upgrades to HVAC systems and replacement of incandescent light bulbs with LED bulbs.



US LBM's electric forklift pilot program in Rocklin, California.



US LBM GREENHOUSE GAS EMISSIONS

US LBM began tracking Greenhouse Gas Emissions (GHG) beginning in 2021 in an effort to establish a benchmark measurement. These data points will be used to identify areas for improvement and specific initiatives to reduce GHG emissions.

To meet the commitments of the Greenhouse Gas Protocol and to make sustainability commitments in future Sustainability Reports, US LBM has engaged Persefoni, a leading Climate Management and Accounting Platform (CMAP), to measure and ensure our calculations are compliant with various sustainability reporting frameworks.

2021 - 2023 US LBM GHG EMISSIONS DATA

2023	126,198 tCO ₂ e	60,378 tCO ₂ e	1,954,200 tCO ₂ e
2022	140,074 tCO ₂ e	51,602 tCO ₂ e	2,899,900 tCO ₂ e
2021	104,126 tCO ₂ e	46,111 tCO ₂ e	1,972,300 tCO ₂ e
	Scope 1	Scope 2	Scope 3

Note: Footprint is calculated annually using a spend-based methodology with data in the following categories:

Scope 1 - Direct Emissions: Mobile Combustion

Scope 2 - Owned Indirect Emissions: Purchased Electricity

Scope 3 - Not Owned Indirect Emissions:

Category 1 - Purchased Goods and Services

Category 4 - Upstream Transportation and Distribution

Category 6 - Business Travel

FOCUSING ON OUR COMMUNITIES

COMMITTED TO BUILDING COMMUNITIES

US LBM is committed to making positive contributions in the communities where we live and work. Our local operations and teams supply the essential materials that strengthen their communities, building and renovating the homes and businesses of their neighbors. With our national network of locations, our operations contribute both direct and indirect jobs to more than 400 communities across the country. While we take a great deal of pride in the positive impacts of our day-to-day business, we actively seek to support local initiatives that allow us to enhance the value we add to our communities.

“THE VALUE WE CREATE FOR THE COMMUNITIES WHERE WE LIVE AND WORK IS JUST AS IMPORTANT TO US AS THE VALUE WE CREATE FOR OUR VENDORS AND CUSTOMERS. WE’RE VERY PROUD TO STAND WITH AND SUPPORT LOCAL CHARITIES AND ORGANIZATIONS THAT SEEK TO IMPROVE THE QUALITY OF LIFE IN OUR COMMUNITIES.”

– L.T. Gibson, President, CEO and Founder of US LBM

A FOUNDATION TO BUILD ON: GROWING COMMUNITY IMPACT THROUGH THE US LBM FOUNDATION

US LBM takes immense pride in knowing that the products we supply help people build their dreams. The US LBM Foundation, a registered 501(c)(3) nonprofit organization, was created in 2013. Being free from illness, owning a home and rebuilding after a catastrophe are just a few of the many dreams we seek to make a reality through the Foundation. The Foundation is supported by generous donations from US LBM, its supply partners and company associates. For example, our most recent golf tournament raised 2 million dollars.

The past 10 years has seen incredible growth in US LBM and the US LBM Foundation, which allows us to extend the positive impact we make on our communities, supporting a variety of charitable efforts, including local fundraisers, donation of building materials and associate volunteerism. The value we create for our communities is just as important to us as the value we create for our associates, suppliers and customers.

Since its inception in 2013, The US LBM Foundation has contributed more than \$4.5 million to:

- » Honor our heroes of the armed services
- » Provide housing for those in need
- » Support the growth, development, and health of children
- » Respond to those impacted by natural disasters
- » Promote research for the cure and treatment of diseases



Historical Giving Timeline

2023
\$4.5M+

US LBM Foundation surpasses over \$4.5 million in total donations since 2013

2022
\$2M+

US LBM Foundation surpasses over \$2 million in total donations since 2013

2021
\$1M+

US LBM Foundation surpasses over \$1 million in total donations since 2013

2020
nearly \$1M

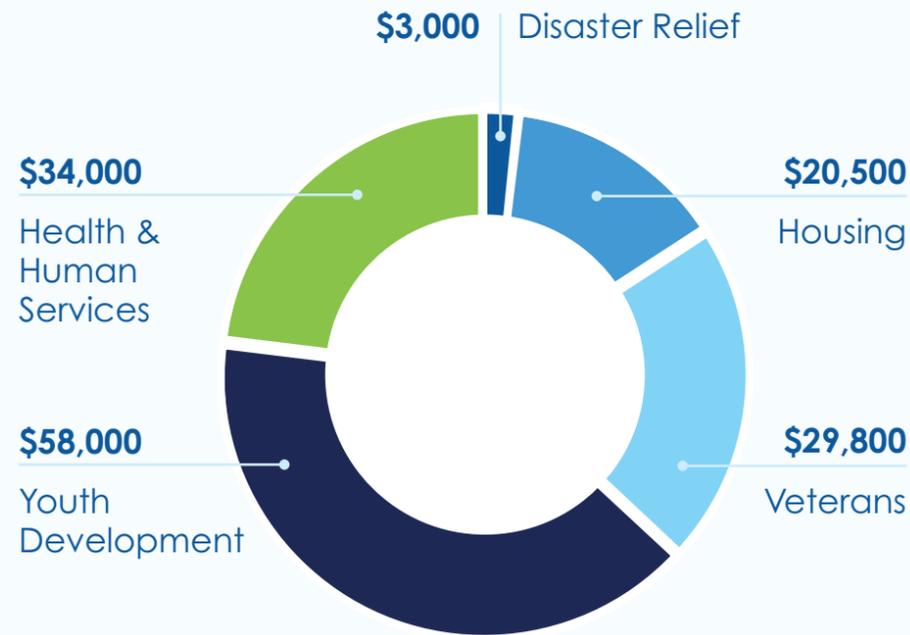
Nearly \$1 million is donated to charitable organizations.

US LBM Foundation Spotlights

A Foundation for Giving

The US LBM Foundation allocates a percentage of its annual budget to provide seed funding to each of the company's divisions to support organizations in their local community as part of its Foundation for Giving program. In 2023, \$145,000 was distributed to local charities through this initiative.

In 2023, through the Foundation for Giving program, the US LBM Foundation has donated:



Honoring Legacies: The Humanitarian Award

Annually, US LBM recognizes an associate for their outstanding community involvement and charitable work. As part of the recognition, the US LBM Foundation awards \$10,000 to the charity of the recipient's choice.



In 2023, US LBM named Freda Jones (left), Market Finance manager, as our 2023 Humanitarian Award recipient. Jones was recognized for her work with Special Equestrians, a charitable organization in Fort Myers, Fla. that provides equine-assisted services to children and adults with disabilities, including veterans and people with cognitive and physical disabilities.

Jones has volunteered more than 500 hours with the organization as a certified therapeutic riding instructor and sits on the organization's board of directors.

Supporting the Community: Gary Sinise Foundation's R.I.S.E. Program Support

One focus area for the US LBM Foundation is to support our heroes of the armed services through veteran-focused partnerships. Over the past three years, the Foundation and US LBM's operating divisions have partnered with the Gary Sinise Foundation's R.I.S.E. (Restoring Independence, Supporting Empowerment) Program. This has led to the construction of six specially adapted homes for wounded veterans in Florida, Tennessee, Texas and Wisconsin.

The US LBM Foundation's recent contributions have been used to support two R.I.S.E housing projects for wounded veterans:

- » A house built in the Milwaukee area for retired U.S. Army Captain Jason Church that was completed in July 2023. US LBM's Wisconsin Building Supply provided discounted building materials and designed a handicap-accessible kitchen to suit Jason and his family's needs.
- » A home outside of Chicago in St. Charles, Illinois in construction for retired U.S. Army Chief Warrant Officer 2 Patrick Scrogin. US LBM's Hines Supply has provided discounted building materials to the project.



Retired U.S. Army Chief Warrant Officer 2 Patrick Scrogin thanks the Gary Sinise Foundation and supporters for the specially adapted smart home that is being built for him and his family outside of Chicago in St. Charles, Ill. Scrogin lost his left leg above the knee when his helicopter crashed during a mission in Iraq in 2007.

Historical Giving Timeline

2021 **\$100k**

2022 **\$300k**

2023 **\$550k**

US LBM Foundation committed **\$100,000 to housing for veterans.**

The US LBM Foundation presented a **\$300,000** contribution to the Gary Sinise Foundation, to support the R.I.S.E. program, which **builds specially adapted smart homes for severely wounded veterans.**

The US LBM Foundation has donated **\$550,000 to the Gary Sinise Foundation's R.I.S.E.** program. **Since beginning its partnership** with the Gary Sinise Foundation in 2020, the **US LBM Foundation has contributed more than \$1.1 million** to the organization, with US LBM also providing discounted building materials.

US LBM NOTABLE COMMUNITY PARTNERSHIPS



» Team Joseph (2015-Present)

- Since 2015, the US LBM Foundation has donated \$492,000 to Team Joseph to defeat Duchenne, an inherited disorder of progressive muscular weakness.
- And when a Duchenne family lost everything in a tragic home fire, including their son Justin's vital medical equipment, US LBM and Team Joseph supported the renovation of their home to be equipped with complete wheelchair accessibility to ensure Justin is safe and comfortable in his new home.



» Veterans Community Project (2023 – Present)

- The US LBM Foundation has partnered with the Veterans Community Project, a nonprofit organization dedicated to ending Veteran homelessness, donating \$75,000 and providing discounted building materials to assist the building of a tiny home community in Sioux Falls, S.D.



» United Heroes League (2023 – Present)

- In 2023 and 2024, The Foundation has contributed \$35,000 to the United Heroes League, which provides sporting camps and equipment to children of service members who have been deployed.



» Habitat for Humanity (2015 – Present)

- Since 2015, the US LBM Foundation has donated over \$215,000 to Habitat for Humanity. Local US LBM operations have been involved as volunteers on builds in Minneapolis and throughout Florida.



» Make-A-Wish New York (2016 – Present)

- Since 2016, The US LBM Foundation has donated over \$175,000 to Make-A-Wish Metro New York. These donations have helped grant the wishes of children throughout New York City and Long Island. With US LBM's support, this chapter granted 839 wishes last year.

“AS WE’VE GROWN AS A COMPANY AND AS AN ORGANIZATION, OUR SIZE AND SCALE AFFORDS US THE ABILITY TO HELP THOSE IN NEED. IT IS OUR HONOR TO PARTNER WITH SUCH A WORTHWHILE ORGANIZATION AND TO CONTRIBUTE FUNDS AND DISCOUNTED BUILDING MATERIALS TOWARD BUILDING HOMES FOR OUR WOUNDED HEROES.”

– L.T. Gibson, President, CEO and Founder of US LBM

REBUILDING OUR COMMUNITIES

After seeing the devastation caused by Hurricane Sandy, and recognizing the impact disasters like these have on associates and communities in the affected areas, the US LBM Foundation formally established a Disaster Relief Fund in 2017.

» **2017**

Donated over \$100,000 to associates to help after Hurricanes Harvey and Irma; \$250,000 to organizations providing disaster relief in those areas.

» **2021**

Pledged \$50,000 to relief efforts for Hurricane Ida and \$25,000 to support Caldor Fire relief efforts in Northern California.

» **2022**

Provided \$116,800 to associates needing assistance after Hurricane Ian.

With this program, the US LBM Foundation grants offer assistance for disaster related expenses after a natural or civil disaster based on individual need **including food, temporary housing, rental assistance, clothing, essential household items, repairs to primary residence, moving and transportation costs and medical assistance (including psychological counseling).**

Additionally, the Foundation provides grants to company associates impacted by natural disasters, with applications reviewed by a special committee established by the Foundation. It has awarded more than \$25,000 in assistance grants since it was established..

Team Rubicon Relationship

In 2022, US LBM Foundation became a Strategic Partner, Team Rubicon's highest level of corporate partnership. Since 2021, US LBM Foundation has donated over \$300,000 to Team Rubicon to assist in disaster relief efforts across the country.



GOVERNANCE

OVERVIEW OF GOVERNANCE

US LBM Board of Managers



L.T. GIBSON

President, Chief Executive Officer, Founder

L.T. Gibson is the founder of the US LBM and has served as President and CEO since October 2009.



MANUEL J. PEREZ DE LA MESA

Former CEO of PoolCorp, Chair of the Audit Committee

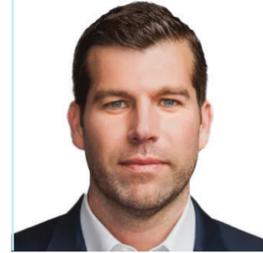
Manuel J. Perez de la Mesa has served as a US LBM Board Member since December 2020.



STEPHEN THOMAS

Partner at Bain Capital, Chair of the Compensation Committee

Stephen Thomas has served as a US LBM Board member since February 2021.



BRANDON CRAWLEY

Managing Director of Platinum Equity, Audit Committee Member; Compensation Committee Member

Brandon Crawley has served as a US LBM Board member since December 2023.



NATHAN ELDRIDGE

Managing Director at Platinum Equity, Compensation Committee Member

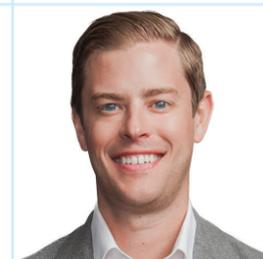
Nathan Eldridge has served as a US LBM Board member since December 2023.



OLIVIA HOWARD

Partner at Bain Capital, Compensation Committee Member

Olivia Howard has served as US LBM Board member since February 2021.



JARED HUTCHINS

Principal of Platinum Equity

Jared Hutchins has served as a US LBM Board member since October 2024.



JACOB T. KOTZUBEI

Co-President at Platinum Equity

Jacob T. Kotzubei is co-president of Platinum Equity and a member of its investment committee since December 2023.



AJAY KUMAR

Managing Director at Bain Capital, Audit Committee Member

Ajay Kumar has served as a US LBM Board of Directors member since February 2021.



ERIC WORLEY

Managing Director at Platinum Equity, Audit Committee Member

Eric Worley has served as a US LBM Board member since December 2023.

Board of Managers

Our Board is the highest decision-making body in the company and is collectively responsible for leadership and long-term success of US LBM. Board meetings are convened quarterly throughout the year to review company performance and operations, as well as to discuss company strategy and business operations. While US LBM has few climate-change related risks, the Board and management team also oversees and manages potential business risks, including climate-change related risks.

Board Committees

The US LBM Board has established two standing committees, each with four members:

» Audit Committee

Oversees US LBM's accounting and financial reporting processes and the audit of the company's financial statements. This committee convenes quarterly to fulfill these responsibilities and prepare updates or recommendations to the Board of Directors.

» Compensation Committee

The compensation committee oversees the compensation of the Chief Executive Officer ("CEO"), and other members of senior management of the Company (collectively the "Senior Management Team.") Annually, it reviews and approves the goals and objectives applicable to the compensation of the Senior Management Team and evaluates the Senior Management Team's performance in light of those goals and objectives. In addition, the Committee oversees the Company's overall compensation and human capital philosophy and assesses whether the Company's compensation philosophy establishes appropriate incentives for management and employees.

US LBM STANDARDS OF BUSINESS CONDUCT: OUR PEOPLE, WORKPLACES AND COMMUNITIES THAT DRIVE US

US LBM is a culture driven company, built on trust and strong relationships with those that depend on us, our customers, suppliers, communities and associates. Our Standards of Business Conduct, entitled "It Starts with US," capture our shared values and how they manifest when interacting with all of our stakeholders to ensure that we abide by our core principle of always doing the right thing while meeting the expectations we have for ourselves as well as those of everyone we interact with. Our full Standards of Business Conduct can be found [here](#).



“TO STAY CENTERED ON WHAT’S MOST IMPORTANT FROM DAY TO DAY, I FOCUS ON THE PEOPLE – THE PEOPLE WHO’VE BEEN AROUND ME BEFORE US LBM EXISTED AND THE PEOPLE IN OUR COMPANY TODAY. I’M CONSTANTLY LEARNING FROM THESE PEOPLE; THEY TEACH ME SOMETHING NEW EACH AND EVERY DAY. TOGETHER, WE LEARN AS WE GO, AND I FEEL CHALLENGED EVERY DAY. I THINK AS LONG AS WE STAY TRUE TO OURSELVES WHILE KEEPING CLOSE WATCH OVER OUR CUSTOMERS’ NEEDS, THEN THE SKY’S THE LIMIT FOR WHAT WE CAN BECOME.”

– L.T. Gibson, President, CEO and Founder of US LBM

US LBM STANDARDS: PEOPLE, WORKPLACE, BUSINESS PRACTICE AND COMMUNITY ENGAGEMENT STANDARDS

Our US LBM culture is built by the daily actions and responsibilities undertaken by our 15,000 associates. Each individual is expected to adhere to and model our standards each day to ensure we foster an ethical and productive working environment that is founded on respect and consideration of others.

- » Fostering Respect
- » Safety
- » Security
- » Health
- » Inclusivity
- » Using Social Media Responsibly
- » Fair and Honest Business Practices
- » Protecting the Environment
- » Representing US LBM
- » Giving Back

Supplier Code of Conduct

Just as we have high expectations for ourselves, which are captured in our Standards of Business Conduct, US LBM has similar expectations for our supply chain partners. Our Supplier Code of Conduct establishes the standards that we hold our suppliers and vendors accountable to and asks for a joint commitment to meet our high expectations. This code of conduct extends to US LBM suppliers, sub-suppliers and those providing products and/or services to US LBM and covers Legal Compliance, Human Rights, Workplace, Environment and Ethics & Compliance policies. Our full Supplier Code of Conduct can be found [here](#).



Keeping US LBM Secure:

US LBM maintains a number of formal policies to ensure compliance, mitigate risk and protect our associates, business and communities. For more information on these policies visit here: <https://uslbm.com/impact/sustainability/>.

- » Safety/Employee Conduct
- » Financial Controls
- » Physical Security
- » Environmental Policy
- » Data Security

Cybersecurity and Data Protection

The Chief Information Officer (CIO) oversees our robust cybersecurity measures and policies. Guided by the National Institute of Standards and Technology (NIST) cybersecurity framework, US LBM continually monitors internal and external cybersecurity threats to review, revise and update our defenses on an ongoing basis. US LBM has implemented policies and procedures for all associates to ensure that they are aware of emerging issues and the importance of cybersecurity and data protection.

Internal cybersecurity encompasses multiple training opportunities for US LBM associates via:

- » New Hire Training: This training includes ransomware, phishing prevention, password protection, cybersecurity awareness modules and more.
- » Ongoing Training: Associates have access to over 1000+ training modules. Cybersecurity courses include cybersecurity awareness, defense, understanding, prevention and more.



US LBM GLOBAL REPORTING INITIATIVE (GRI) INDEX 2021

US LBM has reported the information cited in this GRI content index for the period Jan. 1, 2023 - Dec. 31, 2023, with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
General Disclosures		
GRI 2: General Disclosures 2021		
2-1	Organizational details	US LBM Holdings, LLC.Business overview, p. 4; Location of headquarters, p. 5; countries of operations, p. 5
2-2	Entities included in the organization's sustainability reporting	Materiality Assessment, p. 8; United Nations Global Compact, p. 9; US 1 Impact and Project Spotlights, p. 13; Electrifying US LBM to Generate Clean Energy, Save Fuel and Increase Efficiencies, p. 22
2-3	Reporting period, frequency and contact point	Materiality Assessment, p. 8
2-4	Restatements of information	Improving Year-over-Year Safety Data, p. 11; GHG Emissions Data, p. 23
2-5	External assurance	GHG Emissions Data, p. 23
2-6	Activities, value chain and other business relationships	How We Operate, p. 4; Mission, Vision and Values, p. 6; Supporting All of Us, p. 14-17, Sustainability In Action, p. 19-21; Focusing On Our Communities, p. 24-28; US LBM Standards, p. 30-31
2-7	Employees	US LBM Associates, p. 5; Materiality Assessment, p. 8; Inside US LBM's Workforce, p. 14-18, US LBM Standards, p. 30-31
2-9	Governance structure and composition	Overview of Governance, p. 29-30
2-11	Chair of the highest governance body	Overview of Governance, p. 29
2-12s	Role of the highest governance body in overseeing the management of impacts	TCFD, p. 35
2-13	Delegation of responsibility for managing impacts	TCFD, p. 35
2-14	Role of the highest governance body in sustainability reporting	TCFD, p. 35
2-15	Conflicts of interest	US LBM Standards, p. 30-31
2-16	Communication of critical concerns	TCFD, p. 35
2-18	Evaluation of the performance of the highest governance body	Governance, p. 30
2-22	Statement on sustainable development strategy	Sustainability, p. 19
2-23	Policy commitments	US LBM 2023 safety achievements, p. 11; United Nations Global Compact, p. 9; Commitment to Protecting the Environment, p. 19; Standards of Business Conduct, p. 30; Keeping US LBM Secure, p. 32
2-24	Embedding policy commitments	US LBM 2023 safety achievements, p. 11; United Nations Global Compact, p. 9; Commitment to Protecting the Environment, p. 19; Standards of Business Conduct, p. 30; Keeping US LBM Secure, p. 32

GRI STANDARD	DISCLOSURE	LOCATION
2-26	Mechanisms for seeking advice and raising concerns	Keep US Safe, p. 10; Associate Resource Groups, p. 16; Associate Assistance Program Benefits, p. 17
2-28	Membership associations	United Nations Global Compact, p. 9
2-29	Approach to stakeholder engagement	Message from L.T. Gibson, p. 3; Materiality Assessment, p. 8; United Nations Sustainable Development Goals, p. 9
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Materiality Assessment, p. 8
3-2	List of material topics	Materiality Assessment, p. 8
GRI 201: Economic Performance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	TCFD, p. 35
GRI 203: Indirect Economic Impacts 2016		
203-1	203-1 Infrastructure investments and services supported	US 1 Impact and Project Spotlights, p. 21; Ergonomics Program Spotlight, p. 12; Electrifying US LBM to Generate Clean Energy, Save Fuel and Increase Efficiencies, p. 22
203-2	203-2 Significant indirect economic impacts	The US LBM Foundation, p. 24 - 26; US LBM Notable Community Partnerships, p. 27-28
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	US LBM Standards, p. 30-31; Keeping US LBM Secure, p. 32
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	US LBM Standards, p. 30-31
GRI 301: Materials 2016		
301-2	Recycled input materials used	Sustainable Product Offerings, p. 21
301-3	Reclaimed products and their packaging materials	Sustainable Product Offerings, p. 21

US LBM GLOBAL REPORTING INITIATIVE (GRI) INDEX 2021

US LBM has reported the information cited in this GRI content index for the period Jan. 1, 2023 - Dec. 31, 2023, with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016		
302-4	Reduction of energy consumption	Energy Use Reductions, p. 6; Additional Sustainability Spotlights, p. 22
302-5	Reductions in energy requirements of products and services	Energy Use Reductions, p. 6; Additional Sustainability Spotlights, p. 22
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	GHG Emissions, p. 23
305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions, p. 23
305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions, p. 23
305-5	Reduction of GHG emissions	GHG Emissions, p. 23
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Not disclosed.
306-2	Management of significant waste-related impacts	Waste Reduction, p. 6; Sustainable Product Offerings, p. 21; Yard Optimization Workshops, p. 21; Component-Framing Development Impact, p. 20; Waste Removal and Recycling to Drive Sustainability Impact, p. 20
306-4	Waste diverted from disposal	Component-Framing Development Impact, p. 20; Waste Removal and Recycling to Drive Sustainability Impact, p. 20
GRI 401: Employment 2016		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Associate Benefits, p. 17

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Keep US Safe, p. 10
403-2	Hazard identification, risk assessment and incident investigation	Keep US Safe, p. 10; General Training and Resources, p. 14
403-3	Occupational health services	Keep US Safe, p. 10; Associate Benefits, p. 17
403-4	Worker participation, consultation and communication on occupational health and safety	General Training and Resources, p. 14
403-5	Worker training on occupational health and safety	Ergonomics Program Spotlight, p. 12
403-6	Promotion of worker health	Keep US Safe, p. 10; US LBM Standards, p. 30-31
403-8	Workers covered by an occupational health and safety management system	Keep US Safe, p. 10
403-9	Work-related injuries	Improving Year-over-Year Safety Data; Ergonomics Program Spotlight, p. 12
GRI 404: Training and Education 2016		
404-2	Programs for upgrading employee skills and transition assistance programs	Pathways to Leadership, p. 14
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Inside US LBM's Workforce, p. 13; Overview of Governance, p. 29
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Notable Community Partnerships, p. 27-28

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

Part of our dedication to environmental and social responsibility includes working to adopt the voluntary recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework. As we continue to look toward the future and evolve our data, analytics, and supply chain optimization, we expect to iteratively enhance future disclosures as appropriate.

Recommended Disclosure	Comment/Disclosure	More Information
Governance		
Board Oversight	US LBM's Board of Directors collectively oversees the Company's general approach to climate-related opportunities and risks, including the development of teams, programs and policies aimed at encouraging and advancing the Company's continued environmental stewardship.	Governance, p. 29-30
Management Oversight	In addition to the Board of Directors' oversight, US LBM's executive leadership team formed its first-ever CSR Steering Committee in 2023. The Committee's purpose is to ensure that our operations, products and services align with overarching CSR goals and principles and to promote responsible and sustainable business practices. The committee also helps to ensure accountability, transparency and continuous improvement in addressing CSR challenges and opportunities across our operations. Our General Counsel oversees the Committee, with any strategy and goals being reviewed by our executive leadership team, CEO, and Board of Directors.	NA
Strategy		
Time Horizons & Opportunities	<p>US LBM continually monitors and identifies short, medium and long-term risks involving climate-related scenarios.</p> <p>For example, we have identified the following as potential risks:</p> <ul style="list-style-type: none"> o Adverse Weather Events: Increased frequency and severity of adverse weather events, including those which occur as a result of climate change, have the potential to negatively impact our operations in the short, medium and long range in three primary ways: (1) Markets that are currently favorable for sale of our products due to expansion of local housing markets may fall out of favor with consumers due to adverse weather events occurring at increasing frequency and/or severity. (2) Even if increasing frequency or severity of adverse weather events did not cause a decline in local consumer demand, the availability and expense of property insurance in these markets may make purchase cost-prohibitive or at least less desirable to willing buyers. (3) Our locations in those markets, including buildings, inventory, fleet assets and operating equipment would experience losses that would impact our general financial condition. o General Supply Chain Risks: Adverse weather events can negatively impact supplier operations and therefore increase cost and competition for a smaller available supply. Famine and drought may delay or slow the growth of new lumber and wildfires and floods can destroy otherwise available lumber supply and other products. Further supply chain disruption is possible as severe weather events are followed by sudden and extreme spikes in consumer demand for products necessary for reconstruction. o Governmental Regulations: As new governmental regulations are enacted and guidance made available related to climate change, we may have increased regulatory and legal obligations that could require adjustments to our present strategy. As regulations are promulgated, the Company will incur new compliance costs. Further, if the Company's response to the new regulations is viewed by customers as insufficient, the reputation and relationship with customers is at risk, potentially impacting the Company's cash-flow. Further, if the Company's response is perceived by potential employees as insufficient, the labor pool and availability may also suffer. o Opportunities: US LBM has identified various opportunities involving climate-related scenarios, including: <ul style="list-style-type: none"> • Organizational transition to more efficient buildings • Reduction of energy consumption and transition to deploying more solar and energy-friendly equipment and vehicles • Investing in and deploying, energy efficient building materials to help create more energy efficient homes • Leveraging US 1 team to reduce waste through Lean Six Sigma training, yard audits, logistics and manufacturing technologies and more efforts that help decrease the company's carbon footprint and increase efficiencies • Investing in staff dedicated and skilled in process improvement that helps decrease waste and identify best practices to apply across all US LBM operations 	NA

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) INDEX (continued)

Recommended Disclosure	Comment/Disclosure	More Information
Risk Management		
	<p>We have not performed a detailed climate analysis to-date; however, since 2021, we have engaged in multiple CSR rating assessments to help us identify and understand key areas of risk. For US LBM, key risks include raw material sourcing, cybersecurity concerns, carbon emissions, setting measurable climate strategy targets and the impacts of increasingly frequent severe weather events.</p> <p>Our geographically diverse operations and robust safety and risk management strategies help us manage and mitigate risks throughout our organization, including those related to climate change. Risk management topics are reviewed and discussed at least quarterly through regular cross-functional partnerships between the Company's CSR, safety, process improvement, legal, HR, and operations teams</p>	NA
Metrics & Targets		
	<p>We are tracking and have reported on numerous metrics throughout our 2023 Sustainability Report, including those outlined in the SASB Index, that help us continually evaluate the climate risks and opportunities in our business. We began tracking greenhouse gas emissions (GHGs) in 2023 to establish benchmark measurements. We worked with a leading Climate Management and Accounting Platform to accurately measure our Scope 1 and 2 emissions.</p>	NA
2023 GHG emissions data:		
Scope 1:	126,198.31 tCO ₂ e (5.9% of overall calculated footprint)	GHG Emissions, p. 23
Scope 2:	60,378.31 tCO ₂ e (2.8% of overall calculated footprint)	GHG Emissions, p. 23

UN SUSTAINABLE DEVELOPMENT GOALS

Goal	Rationale
Sustainable Cities and Communities	
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>US LBM's business is rooted in lumber distribution, which is the most sustainable building product available. A core focus of the business is affordable housing. US LBM distributes a wide variety of products that increase home or building efficiency and performance and/or utilize recycled materials.</p> <p>United Nations Sustainable Development Goals, p. 9</p>
Life on Land	
 <p>15 LIFE ON LAND</p>	<p>US LBM works with industry suppliers who share a commitment to sustainability and are certified with key organizations such as the Sustainable Forestry Initiative and the Forest Stewardship Council.</p> <p>United Nations Sustainable Development Goals, p. 9</p>
Responsible Consumption and Production	
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>US LBM is focused on supplier partnerships who are certified for sustainable practices. This SDG also ties to environmental pilot projects for management of emissions from fleet and utility. US LBM offers sustainable products to support customers in environmentally responsible consumption.</p> <p>United Nations Sustainable Development Goals, p. 9</p>