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## A MESSAGE FROM OUR CEO

### TO OUR STAKEHOLDERS.

I am honored to lead our talented team at Builders FirstSource following a planned CEO transition in November of last year. Our people-first culture is a key contributor to our leading position as we attract, train and retain the best talent in the industry. In 2024, we continued to innovate across our products and services to elevate the value we bring to the homebuilding industry. As an industry leader, we intend to drive meaningful impact through our four CSR strategy pillars:

- **Customers:** Provide innovative solutions that allow customers to operate more sustainably;
- **Team Members:** Work together to foster a workplace where safety, careers and innovation thrive;
- **Operations:** Exemplify our company values through operating safely, effectively and efficiently to drive long-term value;
- Communities: Make a positive impact in the local communities we serve.

In 2024, we launched our digital tools and are differentiated as the only provider of an end-to-end digital platform in the industry. We believe this is a game changer, as it will bring more efficiency to the homebuilding process, saving time and money for our customers and their clients as we drive home affordability.

Additionally, I am proud to share the following 2024 CSR highlights:

- Achieved a recordable incident rate of 1.39, meeting our goal of 10% year-over-year improvement
- Recorded a double-digit increase in participation of our employee engagement survey, up 18% from 2023 to 89%
- Reinforced our commitment to integrating technology into building processes, avoiding ~211K tons of CO<sub>2</sub>e with manufactured products such as roof and floor trusses, wood panels and our optimized framing solution READY-FRAME®
- Recycled 18,414 tons of waste, minimizing our environmental impact
- Delivered over \$5 million in charitable giving and supported local nonprofit organizations through team member volunteerism for efforts such as Carry the Load's National Relay

I am proud of the progress we have made, and we remain committed to transforming the homebuilding industry in 2025 to build a lasting impact for the future.





I AM PROUD OF THE PROGRESS WE HAVE MADE, AND WE REMAIN **COMMITTED TO TRANSFORMING** THE HOMEBUILDING INDUSTRY IN 2025 TO BUILD A LASTING IMPACT FOR THE FUTURE.

### **Peter Jackson**

President & Chief Executive Officer

## WHO WE ARE

Builders FirstSource is the nation's largest supplier of structural building products, value-added components and services to the professional market for new residential construction, repair and remodeling. We provide customers, both large and small, an integrated homebuilding solution, offering manufacturing, supply, delivery and installation of a full range of structural and related building products.

Through investments in innovation and an unmatched portfolio of value-added products and manufacturing capabilities, we are revolutionizing the homebuilding industry — outperforming today and transforming tomorrow.



of Top 100 U.S. Metropolitan Statistical Areas Served

Distribution and **Manufacturing Locations** 

Team Members, with Average Field Leadership Experience of More than 30 Years



## **OUR PRODUCTS AND SERVICES**

## LUMBER AND BUILDING MATERIALS

- Dimensional Lumber, Plywood and Oriented Strand Board
- Weather Proofing, Hardware and Job-Site Supplies
- Distribution Services

# MANUFACTURED COMPONENTS

- Wood Floor and Roof Trusses, Wall Panels and Engineered Wood
- READY-FRAME® Optimized Framing Solutions
- Distribution Services

## WINDOWS, DOORS AND MILLWORK

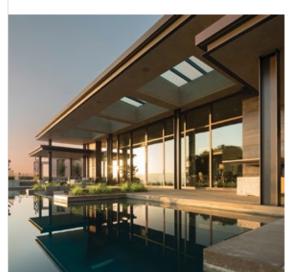
- Interior and Exterior Doors
- Windows and Patio Doors
- Moulding and Millwork
- Manufacturing of Pre-Hung Doors

# SPECIALTY BUILDING PRODUCTS AND SERVICES

- Siding, Roofing, Decking, Cabinets and More
- Turnkey Construction and Install Solutions
- Digital Tools
- Design Services
- Distribution Services











## **OUR MISSION, VISION AND VALUES**



## **OUR MISSION**

Be the best supplier of building materials and services by having a people-first culture, exceptional customer service and innovative solutions that create superior value for our stakeholders.



## **OUR VISION**

Make the dream of home ownership more achievable for everyone, positioning Builders FirstSource as the most valuable partner in the industry.



## OUR VALUES: S.P.I.C.E.

Our values are at the center of everything we do: Safety, People, Integrity, Customers, Excellence. From the boardroom to the job site, they define our culture and guide our priorities, decisions and actions.



We make safety our top priority.

## P EOPLE

We lead with a people-first culture.



We are honest and reliable.

## **C** USTOMERS

We deliver exceptional customer service.



We challenge the status quo.





## OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

We are committed to operating in a responsible manner that advances our financial strength, operational efficiency, corporate governance, community engagement, environmental stewardship and resource management. Our corporate social responsibility (CSR) strategy and priorities, which we developed in 2023 and launched in 2024, are guided by our stakeholders and third-party frameworks, including the Sustainability Accounting Standards Board (SASB) Building Products & Furnishings standard and the Task Force on Climate-related Financial Disclosures (TCFD).

Our CSR strategy is built around four primary pillars core to our success: customers, team members, operations and communities. To advance our vision of making home ownership more achievable for everyone while positioning Builders FirstSource as the most valuable partner in the industry, we know we must provide innovative and sustainable solutions for our customers. Our team members are dedicated to this goal, and we empower them to achieve it in a safe and inclusive workplace. We aim to have our operations exemplify our values through safe, effective and efficient processes to drive long-term value for our stakeholders. Through these efforts, we aspire to create a positive impact in the communities in which we serve.

Ultimate review and approval of our CSR strategy is made by our Executive Leadership Team, with our Board of Directors (the "Board") maintaining oversight.





Specifically, our Nominating and Corporate Governance Committee is tasked with overseeing management's efforts on significant issues related to CSR, including sustainability, emissions, labor, inclusive culture, health and safety, supply chain and community, to enhance shareholder value.

Our CSR Steering Committee, composed of select members of our management team, reviews and approves strategic recommendations made by our CSR Cabinet. The CSR Cabinet is composed of internal subject matter experts, tasked with developing recommendations aligned with our sustainability strategy and ensuring the successful development, execution, progress and monitoring of key initiatives. These two leadership groups work together closely to ensure alignment with our CSR strategic priorities, goals and commitments. The day-to-day implementation of our CSR initiatives is overseen by our Vice President of Corporate Social Responsibility and Risk Management.

### ABOUT THIS REPORT

This report highlights our commitment to CSR and provides an overview of our governance, oversight, policies, programs and performance around issues important to Builders FirstSource, with an emphasis on those included in our CSR strategy. Unless otherwise specifically stated, this report covers Builders FirstSource's performance in 2024.





Who We Are

## 2024 CSR HIGHLIGHTS

**CUSTOMERS** 

~211K

Tons of CO<sub>2</sub>e avoided with manufactured component products<sup>2</sup> 89%

Of wood sourced from SFI/FSC certified vendors ~13K

Unique customer users per month via myBLDR.com, driving efficiency and reducing waste by delivering digital solutions

**2024 AWARDS** 

TOP

2024 Top Workplace Award in Dallas

**Comparably Awards** including Best Company for Career **Growth and Best** Company Outlook

**TEAM MEMBERS** 

~19.5

Average hours of training per team member

89%

Employee engagement survey participation, up 18% from 2023

1.39

Industry-leading recordable incident rate, a 10% year-over-year improvement meeting our 10% annual goal

COMMUNITIES

Delivered in charitable giving **>2K** 

Team member paid volunteer hours supported local nonprofit organizations

**OPERATIONS** 

4.1%

Of on-site material handling/forklift fleet electrified

100%

Of team members trained on safety

14

Operational and productivity playbooks developed by our **Best Practice Councils to drive** safety, quality, efficiency and productivity

~18K

Tons of waste recycled

9%

Of the national vehicle portfolio replaced with higher-efficiency vehicles and ordered 6 electric trucks, increasing the overall efficiency of our fleet



# **CUSTOMERS**

Provide innovative solutions that allow customers to operate more sustainably

As the nation's largest supplier of structural building products and value-added components, we are dedicated to delivering greater value to our customers by supporting their sustainability objectives. We continuously innovate to provide more efficient, safe and sustainable building solutions, helping our partners build a better future. Our key initiatives in support of this goal are:

- Product Innovation
- Digital Tools
- Sustainable Materials

Over the past year, our Net Promoter Score (NPS) has risen by 7 points, a 30% increase, reflecting a meaningful boost in customer satisfaction, loyalty and willingness to recommend the BFS brand.



### PRODUCT INNOVATION

Our industry-transforming product innovations, including the use of manufactured component products, are transforming how homes are built. By leveraging industry-leading technology and advanced building solutions, we enhance efficiency and reduce waste. These innovations drive impactful results for our customers by helping them build better, more sustainable structures.

### The Builders FirstSource Manufactured Components Advantage:



### Better

Computerized designs reduce mistakes and material misuse



#### Safer

Less cutting on the job reduces injury risk for a safer and cleaner job site



#### **Faster**

Components are precut and/or assembled, saving labor and time



#### **Reduces Waste**

Put less in the dumpster, reduce disposal fees and have a cleaner site

### **Driving Efficiency and Safety with Manufactured Components**

Component-framed buildings offer numerous sustainability advantages over stick-framed structures. They require less on-site cutting, creating cleaner, more organized and safer job sites. This enhanced efficiency not only reduces costs but also supports the development of more affordable and accessible housing.

## Improving Reliability, Sustainability and Speed Through Manufactured Components and Optimized Delivery

As one of the leading U.S. providers of manufactured components, we are able to provide our customers with greater value — manufactured components, built off-site, which minimize material use and improve safety while speeding up on-site construction and driving cost savings.

Our success is driven, in part, by valuable supply chain partners who are committed to our stringent quality, productivity and reliability standards, which deliver sustainability benefits.

## MiTek<sup>®</sup>

At Builders FirstSource, we rely on suppliers like MiTek to support the efficient, reliable production of prefabricated roof and floor trusses, wall panels and lateral systems.

In the building of these manufactured components, we utilize MiTek design software and technical services to ensure structural performance, while optimizing inputs such as wood fiber and steel content. MiTek automation supports our component manufacturing facilities with automation that boosts efficiency, while also supplying truss connector plates made from steel — the most highly recycled material on the planet. All these elements are essential to improving sustainability performance while maintaining high quality standards.

Using their expertise helps us drive efficiency in manufactured components, creating structurally reliable, materially efficient elements for multiple construction applications. This streamlines building processes and reduces environmental impact.



Communities

As a leading homebuilder, Meritage Homes understands the importance of on-time delivery, getting homeowners into their new homes as promised. That is why they partner with us for lumber, manufactured components and READY-FRAME®, which reduces build time on the job site and allows them to meet their deadlines.

In 2024, we estimated they saved approximately 18,408 trees compared to traditional construction through their use of READY-FRAME® and other manufactured components.

As we continually work to be a valued partner, we have improved our On-Time and In-Full delivery metric, which was at 90.9% in 2024. This commitment to our customers helps support their delivery timelines, eliminating rework and additional deliveries, which drive up expense and fuel usage.





Our computerized, pre-cut manufactured framing components — including roof and floor trusses, wall panels, Engineered Wood Products (EWP) floor systems and READY-FRAME® — maximize material efficiency by precisely preparing building components in advance, significantly reducing waste. For example, our production process for roof and floor trusses is estimated to save approximately 25% of total wood usage compared to traditional stick-framing methods.<sup>3</sup>

READY-FRAME® enables construction to be completed 20% faster while boosting productivity by 39% per production labor hour. This precut framing package reduces on-site cutting by 60% and ladder time by 27%, creating a safer job site. Additionally, it significantly decreases material waste, cutting landfill contributions by up to two-thirds fewer dumpsters per home. This not only lowers disposal costs but reduces emissions from avoided waste haulage.<sup>4</sup>

**Tons of CO<sub>2</sub>e avoided**with manufactured components products in 2024<sup>3</sup>

### DIGITAL TOOLS

Our approach to streamlining homebuilders' design and modeling increasingly starts with our industry-leading digital tools, which deliver significant benefits and positive impacts for our customers and the environment. We focus on addressing the industry's most significant challenges, including lengthy design cycles and inefficient job site activity. Driven by our vision to digitize construction, we are reducing waste and rework through innovations like our Shoppable Digital Twin Experience technology. This immersive 3D experience lets customers make real-time design decisions before building begins. Launched on myBLDR.com in 2024, our digital tools offer a fully integrated digital solution for homebuilders that enhances sustainability efforts by minimizing waste at every stage from design to completion.

By year-end, an average of

13,000

unique customer users

were logging into the platform each month, compared to approximately 8,000 unique customer users per month in 2023





<sup>3</sup> Calculation includes roof and floor trusses, wood panels and READY-FRAME®.

<sup>4</sup> The structural building components association (SBCA) study "Framing the American Dream" (sbcindustry.com/fad) found that stick-framed structures use 25% more lumber than manufactured components.



### Connecting Partners Through the Build Cycle with Builders FirstSource Digital

Award-winning custom homebuilder and nationally recognized building science expert, Matt Risinger, partnered with us to construct a state-of-the-art, high-performance home in the heart of Austin, Texas. This 2,911-square-foot residence exemplifies innovation in modern homebuilding, seamlessly integrating our digital tools and off-site manufacturing solutions from concept to completion.

Today, builders face persistent inefficiencies that lead to increased costs and extended timelines. This project specifically addressed key challenges from time delays and material waste to labor shortages and project coordination.

To combat these common construction challenges, we implemented advanced 3D modeling using our Build Optimize technology. We identified 88 trade clashes before construction even began, including six critical issues. This proactive planning prevented major delays, saving weeks on the construction scheduling, eliminated unnecessary rework costs and improved overall construction quality. Through myBLDR.com real-time updates and tracking, project management was greatly simplified. By aligning every trade before stepping onto the job site, the platform ensured smoother workflows with fewer miscommunications, minimized change orders and last-minute disruptions, and reduced administrative overhead through a singleinvoice billing system.

By leveraging our off-site manufacturing solutions, the project incorporated READY-FRAME pre-cut wall framing and prefabricated trusses, delivering precision-cut, smartbundled materials directly to the job site. This streamlined approach accelerated the framing phase, saving weeks on the schedule, reduced material waste to lower overall build costs and minimized job site deliveries for this project, decreasing costs and site disruption.

## PROJECT RESULTS



**Through Build Optimize** 



Usina myBLDR.com month saved5



Usina Manufactured

20%

**64%** 

40%

faster framing







### OUTPERFORM TODAY, TRANSFORM TOMORROW.

## DIGITAL **TOOLS**

- myBLDR.com
- **Build Optimize**
- Home Configure
- Render
- Home Plan Library
- Drafting



## MANUFACTURED **COMPONENTS**

- **Roof Trusses**
- · Open Web Floor Trusses
- Precision End Trimmed I-Joists
- Laminated Veneer Lumber (LVL) and Laminated Strand Lumber (LSL)
- **EWP Pre-Cut Floor Packages**
- Glued Laminated Timber (Glulams)
- Prefabricated Wall Panels
- READY-FRAME®



## **JOB SITE MANAGEMENT**

As we continue to expand our scale, we serve more customers with high-quality, durable products and digital solutions that drive efficiency and productivity. Increasingly, our customers turn to our digital solutions to help them design performance and sustainability goals early, including optimizing material use, reducing waste and controlling costs.









### SUSTAINABLE MATERIALS

As part of our commitment to innovation, we purchase and supply sustainable materials whenever possible. We recognize that the environmental sustainability of our products is important to our customers. We strive to serve our markets and customers by balancing price, quality, performance and sustainability, delivering the best products for our end users.

While delivering a safe, structurally sound product is our top priority, we actively explore new initiatives and technologies to drive innovation, unlock sustainability benefits and minimize our impact on the natural environment.

We prioritize sourcing, purchasing and supplying sustainable lumber, including materials certified by the Sustainable Forestry Initiative (SFI) and Forest Stewardship Council (FSC). In 2024, we sourced 89% of our wood from confirmed SFI or FSC certified vendors.<sup>7</sup> These systems have stringent requirements for responsible forestry, including preserving biodiversity and protected species and reforesting land after harvest.

As part of our environmental efforts, we also work to help homebuilders meet their energy-efficiency design needs and operate in alignment with increasingly stringent energy rating requirements and codes. We are also committed to providing Energy Star® qualified windows and doors to our customers.

**89%** of our wood is sourced from sustainable forestry certified yendors

Builders FirstSource's manufactured framing components make framing more sustainable, with

~7.5 MILLION

WE MAINTAIN STRONG PARTNERSHIPS WITH OUR SUPPLIERS AIMED AT OPERATING MORE SUSTAINABLY AND REDUCING OUR NATURAL RESOURCE USE.

<sup>7</sup> Percentage is based on wood sourced from confirmed SFI or FSC certified vendors across our operations in FY 2024. Builders FirstSource sources wood from some distributors that do not track Sustainable Forestry Initiative and Forest Stewardship Council certifications.

<sup>8</sup> Calculation based on production data for Builders FirstSource READY-FRAME® precut framing packages and roof and floor trusses since January 1, 2019. An independent third-party study found that the lumber reduction from homes built with READY-FRAME®, compared to traditional stick-framed homes, equals approximately 7.8 trees per the average size US home of approximately 2,300 sq. ft. We calculate the number of homes supplied with READY-FRAME® using our average board footage processed per house, which is based on our 2019 READY-FRAME® saw production data and our 2019 data of actual homes produced with READY-FRAME®. The Structural Building Components Association (SBCA) study "Framing the American Dream (cbindustry.com/fad) found that stick-framed structures use 25% more lumber than manufactured components. Using our roof and floor trusses, we calculate the number of trees saved for homes using a 25% savings on total board footage production.



Who We Are





### Creating More Value and Sustainability Benefits for Customers Through Supplier Collaboration

At Builders FirstSource, we work with suppliers across our value chain to offer our customers more high-quality, durable products aligned to their performance and sustainability goals. Value chain collaborations, like our work with James Hardie and Trex, exemplify the opportunity our company has to help our customers make a positive impact through their projects each day.



As a leading manufacturer of high-performing, durable building materials, James Hardie integrates sustainable practices from responsible sourcing of raw materials, including an emphasis on local, to optimizing production for minimal waste.

Working locally is one of their impactful differentiators — 81% of their raw materials are sourced within 150 miles of their manufacturing facilities and over 85% are delivered to us locally. This local sourcing network optimizes logistical efficiency while helping to support local economies.

End-to-end collaboration between our teams ensure streamlined logistics and accurate shipments so customers receive the right materials at the right time, keeping builds efficient and on schedule while reducing excess inventory and transportation impacts.

## Trex<sup>1</sup>

As a leader in sustainable outdoor living solutions, Trex's innovative composite decking is a prime example of upcycling material that would otherwise be considered waste to provide solutions our customers value. By combining reclaimed wood fibers, such as sawdust, with recycled plastic film from discarded material, like pallet-wrap, shopping bags and consumer packaging, they divert millions of pounds of waste from landfills each year. By converting this waste material into usable goods, waste reduction and resource use is optimized, leading to favorable impacts on our environment. In 2024, with the product volume they supplied our company, they estimate 42 million pounds or 21,000 tons in wood savings.

Beyond innovative material use, they apply closedloop manufacturing systems to recycle water, break down and repurpose waste materials and enable clean disposal practices.

# **TEAM MEMBERS**

Work together to foster a workplace where safety, careers and innovation thrive

At Builders FirstSource, we are committed to maintaining a people-first culture, which remains a critical aspect of our industry-leading position. Team members are the foundation of our success and the driving force behind the excellence we deliver to customers. Through our "Built For More" employee value proposition, we aim to provide employees with more opportunities to advance, more access to the latest tools and technologies, more reason to celebrate each other's wins and more chances to make a meaningful difference in our communities.

In 2024, we expanded our investment in a range of incentives, benefits and team member resources to support and empower our workforce. We strive to support our team members and foster a culture of safety, inclusivity and innovation, which helps us grow and excel. Our focus on safety, talent development and engagement drives our competitive advantage. Our key initiatives in support of these efforts are:

- Safety
- Compensation and Benefits
- Team MemberEngagement and Retention
- Team Member Development
- Respectful, Inclusive Culture





### **SAFETY**

At Builders FirstSource, safety is a core value that is embedded in our culture and operations. Our top priority is maintaining a safe work environment every day, which is reflected in our ongoing commitment to achieving zero incidents. Our industry-leading safety performance is driven by our robust oversight, ongoing training programs, continuous monitoring and performance improvement, as well as celebrating our wins as a team. To recognize those who exemplify our dedication to safety, we honor outstanding team members through the Builders FirstSource Hall of Fame Safety Award, celebrating their commitment to maintaining a safe workplace.

The Builders FirstSource Safety and Health Program provides a framework for operating safely and mitigating risks with guidelines and procedures relevant to our industry. Our Safety and Health program is aligned with the U.S. Occupational Safety and Health Administration (OSHA). Our safety policies and programs apply to all team members and contractors.

### **Industry-Leading Safety Performance**

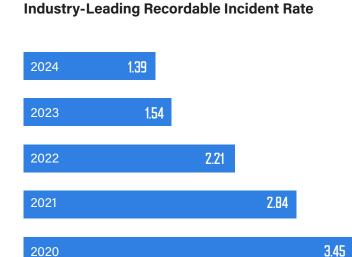
Zero incidents remains our standard of excellence. As a testament to our safety commitment and the effectiveness of our safety programs, we delivered a recordable incident rate<sup>9</sup> (RIR) of 1.39 in 2024. This represents a 10% year-over-year improvement, once again meeting our annual reduction target. Our continuous improvement in safety performance can be attributed to our work to evolve the culture and behaviors related to safety for our team members across the organization, our increased transparency of safety data, accountability to the close examination of incident and injury trends and safety audits across our operations.

Our Compliance Safety Accountability (CSA) points per inspection in 2024 was 1.58, down ~5% from the previous year. Governed by the Federal Motor Carrier Safety Administration (FMCSA), the CSA score is a measurement of fleet safety.

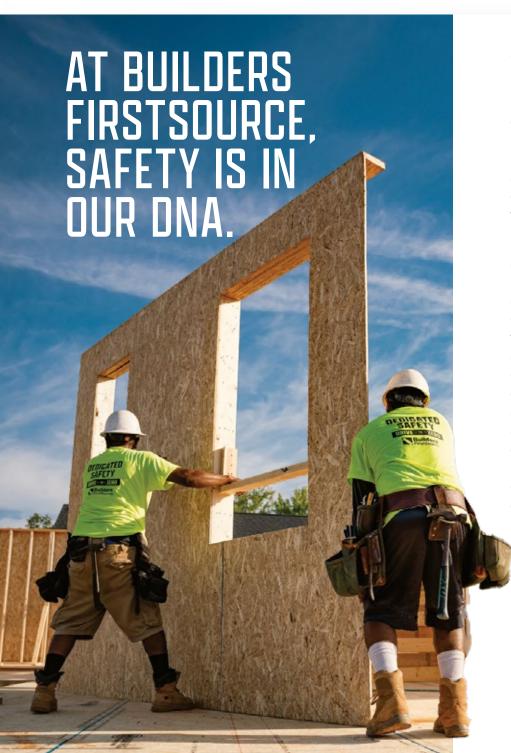
10%
year-over-year RIR
reduction

**60.5%** (357) of our facilities were accident-free in 2024









### **Safety Management**

Our Vice President of Safety oversees our health and safety programs. Our Executive Leadership Team is actively engaged and has strong oversight via monthly updates and performance reports. The Board also receives quarterly reports on safety performance and initiatives. As safety is a top priority that we believe is critical to the success of our company, our leadership's compensation includes metrics tied to our safety improvement and performance.

Every Builders FirstSource location implements controls and safeguards to promote safety, which must have processes in place to inspect hazards, identify them and track mitigation actions for each one. We provide safe work procedures for critical tasks, offering clear expectations and requirements to perform work safely. Location managers and supervisors are responsible for implementing and maintaining safety elements in their work areas and answering team member questions about the Safety and Health Program, as well as working with the regional or area safety managers as appropriate. In addition, we have safety focus groups across each line of business. Composed of safety department members and operational members and leaders, these groups discuss and share best practices across the organization to increase safety performance.

Safety performance is systematically considered during the contractor selection process, and our supervisors and managers perform regular field assessments of contractor safety performance to ensure our standards are met. We partner with equipment vendors and industry peers to continuously improve our safety programs. We also partner with our insurance providers to identify and improve work hazards related to handling incidents at our facilities.

### **Safety Training**

We require all team members to adhere to our safety programs, policies and ongoing education and training efforts, which are designed to increase safe behaviors. Our mandatory new-hire training includes a robust focus on safety and the Builders FirstSource Safety and Health Program. All field-based team members must also participate in daily safety meetings. We also provide jobspecific safety training for each of our sites. These trainings were further specialized in 2024 to emphasize the needs across each line of business.

In 2024, we transitioned our Environmental, Health and Safety (EHS) program to a new management platform, enhancing our data, information gathering and reporting processes. This platform enables us to more effectively track leading safety indicators and trends, share best practices across the organization, conduct audits and provide team member coaching. This platform also tracks key components of ongoing safety initiatives, including observations and inspections, as well as details about safety meetings. We strive to use the improved data transparency and monitoring capabilities to further enhance our safety program and meet our safety objectives.



### **Incident Prevention and Investigation**

A critical aspect of our safety performance is our ability to proactively mitigate or eliminate identified hazards before an incident or injury occurs. We track and share learnings across the company, providing insights that drive proactive controls to help avoid future incidents. We piloted new technological applications in 2024 to help prevent incidents and injuries across the company, as well as drive overall efficiency and productivity, including:

- New delivery equipment to prevent delivery-related incidents, which will allow team members to deliver heavy items like doors and windows using remote control robotics that can operate on the uneven terrain at job sites
- Artificial intelligence (AI) to help identify episodes of manual overexertion and opportunities to support safer lifting techniques and prevent workplace accidents and injuries
- Sensors on the production lines of our millwork facilities to help keep team members out of sensitive areas, along with sensors on forklifts to detect pedestrians, preventing potential injuries

Employees are expected to report all safety incidents to their manager or supervisor so they can be investigated, and effective corrective actions can be implemented. We have established procedures to investigate incidents, which are documented, reported, and shared across our lines of business, as appropriate, to promote continuous improvement.

All locations also have location-specific written emergency preparedness procedures with guidelines on how to respond in the event of an incident. To achieve compliance, we conduct internal safety audits of each location at least once every three years.

### **Driver Safety Enhancements**

As operators of a large vehicle fleet, driver safety and training is an important focus. In 2024, we hired a Driver Safety Manager to manage driver safety processes across the company. Additionally, we monitor and analyze safety on numerous indicators and safety measures, including pre-trip inspection time and tracked incident progression, with a system in place to follow up, coach and correct unsafe behavior.

We have installed in-vehicle cameras that are enabled with AI to improve overall fleet performance and safety and reduce risky driving behaviors. We have installed cameras in 96% of all heavy-duty and medium-duty vehicles. In 2024, we prioritized the installation of in-vehicle cameras in 87% of light-duty vehicles. Through installation of the cameras, we have already started to see an improvement in overall safety performance. For example, we have seen a decrease in car accidents by 6%. Going forward, we seek to expand our driver safety monitoring and training, utilizing the in-vehicle cameras to better identify and target opportunities for enhancement.



In 2024, we prioritized the installation of in-vehicle cameras in 87% of light-duty vehicles

### **Celebrating Industry Excellence in Safety**

We are driving safety culture at our locations across the nation. We have 13 locations with **no accidents for more than 2,500 days,** as reported by the Occupational Safety and Health Administration (OSHA).

Additionally, in 2024, we recognized our Hudson Valley location for improving their RIR safety score from 4.73 in 2023 to 0.00 in 2024.





Who We Are

2024 CSR Highlights

Customers



### **COMPENSATION AND BENEFITS**

We take pride in offering comprehensive, industry-leading benefits designed to support our team members at every stage of life. Our benefits package includes time off, military leave with pay benefit offerings, parental leave and adoption assistance benefits, including six paid weeks of time off for all full-time employees, ensuring team members have the flexibility and support they need.

Empowering and motivating our team is a key part of our talent strategy, as well as fostering a culture where everyone shares in our company's success. All full-time team members are eligible for variable incentive pay, which includes a profit-sharing plan and/or an annual bonus plan. Additionally, we recognize and celebrate team members through our service awards and company and peer recognition awards.

# In 2024 we approved the following team member offering enhancements for 2025, including:

- Launched Spring Health, a mental health and well-being benefit designed to provide personalized and comprehensive mental health care for team members and their families
- Enhanced military benefits to provide Guard and Military Reserve team members better compensation and benefit support when called to duty
- Included all employees in a pay-for-performance incentive program to reward employees for their dedication and exemplary contributions



### Other benefits include:

- Medical, prescription, dental and vision coverage;
   health reimbursement accounts
- Virtual healthcare and nurse lines
- Flexible spending accounts for health and dependent care
- 401(k) retirement program with a company match of 50% of employee contributions, up to 6% of employee salary, also available to part-time team members
- Paid time off, remote work for certain roles and work/ life balance programs, including industry-leading responsible time off
- Industry-leading parental leave
- Paid volunteer time off
- Adoption assistance
- Paid bereavement leave
- Company paid life and AD&D insurance
- Choice of disability income protection (short- and long-term)
- Mental health resources
- EAP (Team Member Assistance Program), also available to part-time team members
- Preventive care programs
- FSA rollover





### ENGAGEMENT AND RETENTION

We are committed to creating an engaging and rewarding work environment to attract and retain top talent.

As part of our commitment to attract and grow talent, we launched a new career site featuring state of the art search functionality to drive an increase in applicants, including drivers, veterans, recent graduates and students. This platform helps potential talent explore differentiated career paths and connect with roles that align with their skills and aspirations.

We conduct annual engagement surveys, alternating between comprehensive full surveys and shorter pulse surveys to gather valuable team member feedback on the workplace experience. In addition to surveys,

we foster open communication through regular town hall meetings and Q&A sessions, ensuring transparency and dialog across the company.

To help maintain a safe and respectful workplace, we provide a formal grievance system through which team members can report concerns confidentially through our anonymous hotline or directly to their manager or HR representative. These reporting procedures are outlined in our Team Member Handbook, company intranet and on facility posters.



### TEAM MEMBER DEVELOPMENT

We continue to invest in our team members' growth through 1-Team University, our robust, all-encompassing, job-specific training platform designed to enhance skills and support career advancement. In 2024, we expanded our leadership development and training program for frontline operators, providing training and career development opportunities.



### 1-Team University learning platform features:

- Build Understanding in Leadership
- Dynamics (BUILD): Five-day foundational leadership skills and strategies training
- BUILD 2.0: Three-day in-depth advanced leadership training
- High-potential and emerging-leader classes
- Customer service training
- Best-practices sharing
- Micro-learning courses on various topics, such as navigating change
- Industry-specific skills courses

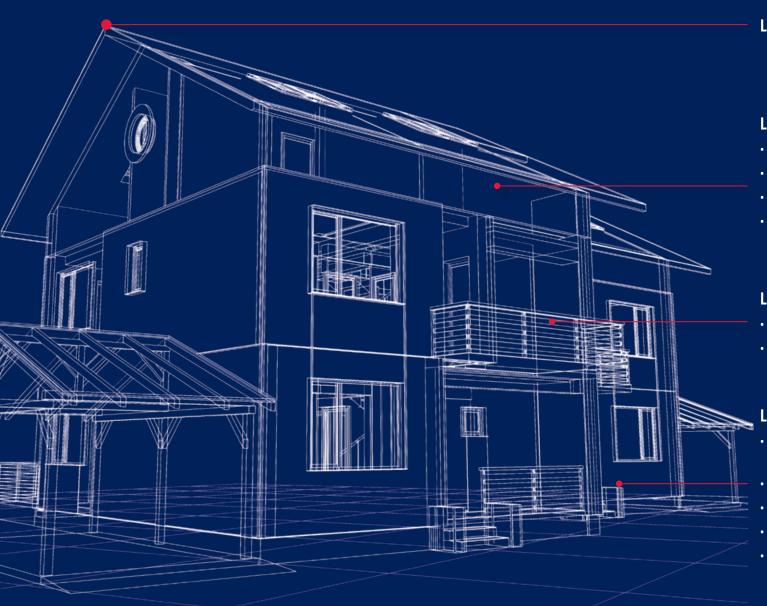




Our BFS Foundations Learning
Management System serves as a central
hub for tracking and managing team
member training (1-Team University),
leadership and management programs
(1-Team U Leadership Academy),
professional skills development and
compliance (Manager, Sales and
Designer in Training programs). Our
Internal Training and Development Team
continuously refines these programs to
fill current and future gaps, ensuring our
team members are equipped for success.

To promote growth and hands-on experience, we offer extensive onthe-job training and job shadowing opportunities. This allows team members to gain real-world experience and develop essential skills. As part of our commitment to continuous development to support career progression, all team members receive annual

performance reviews.



### **LEADING ORGANIZATIONS**

### **LEADING TEAMS**

- LDP: Business & Financial Acumen
- High Stakes Conversations
- BUILD 2.0 Leadership Training
- Leading Change

### **LEADING OTHERS**

- BUILD Leadership Training
- Management in Training (MIT)

### **LEADING SELF**

- Customer 1st Customer Service & Loyalty
- DiSC®10 Communications Styles
- DiSC®10 for Sales
- Sales in Training (SIT)
- Design in Training (DIT)



## RESPECTFUL, INCLUSIVE CULTURE

At Builders FirstSource, we are committed to fostering a Respectful, Inclusive Culture (RIC) where fresh ideas and various perspectives drive innovation, continuous improvement and success. We believe that an environment built on mutual respect strengthens our teams and fuels our growth.

Our Chief Talent Officer oversees our RIC programs, ensuring that every team member is empowered to reach their full potential. In 2024, we continued to focus on our team member training series and invest in our talent pipeline to build a stronger workforce.

### **Military Friendly Programs**

Builders FirstSource is a proud partner of the Department of Defense's SkillBridge Program and is designated as an official Military Friendly® employer. We are committed to continuing to expand our veteran recruitment efforts by engaging the SkillBridge Program, Home Builders Institute, National Homebuilding Association, Building Talent Foundation, Hiring Our Heroes Program, The Manufacturing Institute, Troops Into Transportation and various military spouse programs.

### **Builders FirstSource Employee Resource Groups (ERG)**

Our ERGs are locally established, open to all team members and employee-driven groups designed to foster an inclusive culture and provide opportunities for mentoring, fellowship, career networking and leadership development.



Our women-focused ERG, WEBUILD (Women Engaged in Building Unity, Innovation, Leadership & Drive), continues its work to encourage women working in the industry and at Builders FirstSource.



Originally established in 2020, our Proud to Serve ERG, which we relaunched in 2024, is an employee resource group dedicated to supporting our company's veterans, active-duty military, reservists, guardsmen and their families through mentoring, fellowship, career networking and development.

In 2024, we were a VETS Indexes Employer 3-star company, which recognizes an organization's commitment to recruiting, hiring, retaining, developing and supporting veteran employees and others in the military-connected community.

In 2024, 11 candidates from the SkillBridge program accepted job offers at Builders FirstSource.

### **Building Our Pipeline of Future Leaders**

Through our summer internship program, we aim to identify top collegiate talent with an interest in the building materials industry to deepen our entry level leadership bench strength across the organization.

As part of the recruiting strategy, the Talent Acquisition Early Careers Team visited colleges and universities across the United States, attending several events and attracting more than 4,000 applications for the program.

During their time with us, the interns attended Lunch & Learn sessions with executive leaders to learn about functional areas of our business and our Connect & Grow series to network together and share learnings.

27 summer interns interns finishing their degree are returning in summer 2025

offers accepted to work part-time while finishing school accepted full-time manager-in-training (MIT) offers









## CHAMPIONING WOMEN IN CONSTRUCTION

We are a proud sponsor of several events aimed at recognizing women in construction. Events include the Building Industry Association (BIA) Orange Country Chapter's Annual Women's Conference, the Women Confidence Builders Conference and HBSDealer's Top Women in Hardware & Building Supply event. These events celebrate the achievements of women in the industry while providing networking and educational opportunities. By championing this initiative, we reinforce our commitment to fostering professional growth.





# **OPERATIONS**

Exemplify our company values through operating safely, effectively and efficiently to drive long-term value

At Builders FirstSource, safe, effective and efficient operations are a hallmark of our culture, and we are focused on continuous improvement to manage risk and drive value. When we optimize operations — from sustainability and product quality and safety, to operating with integrity — we make a significant positive impact on our customers, team members, communities and shareholders. This advances our industry leadership position.

Our key initiatives in support of this goal are:

- Environmental, Emissions and Waste Management
- Product Quality and Safety
- Integrity
- Data Privacy and Cybersecurity
- Responsible Supply Chain





## ENVIRONMENTAL, EMISSIONS AND WASTE MANAGEMENT

We are committed to minimizing our environmental footprint, which is aligned with our overall focus on operating with optimal efficiency and driving long-term value. Our company is proud to maintain low environmental intensity in our operations, reflecting our commitment to responsible resource management.

Our Environmental Compliance Director is responsible for the development, implementation and oversight of our environmental management programs. They ensure compliance with applicable federal, state and local environmental regulatory requirements, such as stormwater and air requirements, and oversee that our sustainability initiatives align with our environmental programs.

Since 2022, we have undertaken a diligent and evolving effort to better quantify and understand our environmental footprint. With a large, complex and unique footprint across our facilities and fleet, a tactical and data-driven approach has been paramount in collecting meaningful information and ensuring data integrity. This effort has included site surveys and visits to uncover the distinct needs within our footprint. Learnings from this intensive work inform our annual emissions reporting, as well as planning and future decisions as we work to set an appropriate emissions reduction target.

### **Emissions Reduction Work**

By utilizing energy-efficient technologies and optimizing our processes, we ensure our environmental footprint is minimized. In 2024, we continued to invest in ongoing initiatives to reduce the carbon emissions of our facilities and fleet, including:

### **Facilities**

- Converting to new, lower energy LED lighting
- Using solar at 4 locations
  - New Bedford, MA
  - Woodland, CA
  - Silver Spring, MD
  - Carbondale, CO
- Installing overhead fans to reduce air conditioning power usage

#### Fleet

- Monitoring vehicle idle times and providing financial incentives to minimize idling and reduce emissions
- Introducing alternative fuel vehicles, such as electric, compressed natural gas and clean-burning diesel vehicles
  - 6 EV trucks ordered
  - 18 EV on-site equipment added
- Incorporating closest point shipping initiatives to maximize efficiency of customer orders with inventory capacity

- Targeting vehicle replacements with cleaner and more efficient equipment
  - Using telematic technology to monitor asset level CO<sub>2</sub> emissions and prioritize replacements accordingly
- Tracking of outlier high idle time locations, where we are taking steps to reduce idle time to under one hour per day
- Optimizing for reliable on-time and in-full deliveries

### In addition to the above ongoing initiatives, we kicked off the following new initiatives in 2024:

- Tire pressure monitoring systems to ensure proper tire pressure and improve fuel economy
- ~1,100 MWh of renewable energy purchased in CA

Even as we focus on investing in viable initiatives today, we also take a long-term view regarding potential future initiatives. This can mean finding creative solutions to address our unique needs. For example, we are exploring speed monitoring and reduction to improve safety while increasing fuel economy and reducing emissions. We are also researching innovative technological solutions such as microgrids and hydrogen fuel and learning how these could fit into our portfolio.





### **Manufacturing Automation**

Using automated, computerized machinery for manufacturing floor and roof trusses offers significant environmental benefits. These advanced systems enhance precision and efficiency, leading to optimized use of raw materials. By minimizing waste, we reduce our environmental footprint and conserve valuable resources. Additionally, the precision of automated machinery ensures that each truss is manufactured to exact specifications, reducing the need for rework and further conserving materials and energy. Moreover, our automated machinery incorporates energy-efficient technologies, which lowers the overall energy consumption of the manufacturing process. This reduction in energy use translates to fewer greenhouse gas emissions, contributing to cleaner air and a healthier environment.

### **Optimizing Energy in Our Facilities**

Carbondale, CO

Aligned with The Town of Carbondale's focus on energy-efficiency, including adoption of the International Green Construction Code in 2012, we have installed rooftop solar panels to offset a portion of our energy consumption with a renewable source. Additionally, we offer Blink electric vehicle (EV) charging stations at our lumber yard. The chargers provide convenient access for employees and customers to power their EVs, helping promote cleaner transportation options and reduce emissions.

### Katy, TX

At our windows manufacturing location in Katy, Texas we have installed a new, efficient heating, ventilation and air condition (HVAC) system with multiple sensors that constantly gather relevant operational data throughout the facility. Subsequently, the system automatically activates and adjusts to provide the right amount of hot or cool air needed in a specific area. By providing air calibrated at specific temperatures and adjusting the amount of air that blows into a space with dampers via variable air volume (VAV) boxes, we ensure that spaces are not overly heated or cooled while reducing energy use.



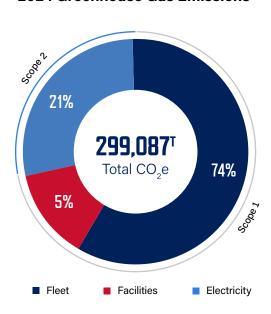
Team Members



### **Greenhouse Gas Emissions**

Our focus on data integrity and continuous improvement are key factors in our journey to lessening our environmental impact. We are analyzing GHG emissions data and reduction opportunities to set and drive towards appropriate emissions reduction targets.

### 2024 Greenhouse Gas Emissions



### We are pleased to once again report our Scope 1 and Scope 2 greenhouse gas emissions across our facilities and fleet:

(T CO <sub>2</sub> e)	2022*	2023*	2024
Scope 1 total	229,335.07	232,294.53	236,003.51
Fleet	216,577.26	216,428.54	220,469.80
Facilities	12,757.26	15,865.99	15,533.71
Scope 2 total	67,693.94	64,073.84	63,083.85
Electricity	67,693.94	64,073.84	63,083.85
Total	297,029.01	296,368.38	299,087.36

### **Water Management**

We are committed to responsible water management, including monitoring, measuring and reducing the use of this natural resource. Water is not used in key manufacturing processes, therefore we are focused on responsible stormwater management. In 2024, we took this effort a step further and began to explore additional stormwater management opportunities to create more benefits for our company and the communities in which we operate.

An integral component of our water management program is protective rainwater management. We implement best practices such as proper raw material management to significantly improve the quality of stormwater flowing to rivers, streams and groundwater. Some of our best practices include using spill containment systems, inspecting and maintaining equipment on a regular basis and training employees on environmental protection protocols. Where possible, we reduce or eliminate the chances of stormwater coming into contact with fuel or waste, preventing possible contamination points. These proactive measures maintain compliance with environmental regulations and demonstrate our commitment to preserving natural resources and promoting a healthier ecosystem.

Moreover, adopting green infrastructure solutions like permeable retention basins and infiltration ponds can effectively enhance rainwater management. These solutions filter pollutants, reduce runoff volume and enhance groundwater recharge. By integrating these sustainable practices, we aim to minimize our environmental footprint and contribute to the overall well-being of the community. Embracing such initiatives safeguards the environment and furthers our dedication to environmental stewardship.

<sup>\*</sup>As we have enhanced our data collection processes, we identified additional data, including fleet fuel sources, to improve our emissions reporting accuracy. To allow for more accurate year over year comparison, we have recalculated and restated 2022 and 2023 emissions using improved data identified for 2024 emissions reporting.



### **Air Quality**

By adopting practices that prevent contaminants from entering the air, we create a healthier atmosphere for our employees and surrounding communities. We utilize technology to evaluate and control our manufacturing operations to prevent air quality impacts. We also utilize filters as part of our painting operations and to capture saw dust from cutting and sanding operations. Cleaner air contributes to better respiratory health, promoting overall well-being. Additionally, maintaining high air quality supports the natural environment, allowing plants and wildlife to thrive, which in turn enhances biodiversity and ecological balance. Investing in technologies and practices that ensure clean air fosters a positive impact on both our operations and the broader environment, paving the way for a sustainable future.

### **Waste Management and Recycling**

Efficient operations require a focus on reducing waste and ensuring the best use of scrap materials. Builders FirstSource locations seek to use and identify new innovative solutions through our zero-waste mindset. This has resulted in programs, such as converting scrap wood to mulch through partnerships.

In 2024, we continued to pursue waste reduction through the following waste initiatives:

- Reducing waste through automation in our manufacturing processes
- Leveraging floor plan software technology to maximize material use and minimize waste
- Installing truss plant grinders and working with third-party vendors to repurpose and recycle lumber waste

Successes with existing waste reductions initiatives encourage us to continue exploring new waste diversion opportunities. In December 2024, we partnered with leading manufacturers to develop a National Tire Program. This program gives used tires a second life through retreading. Going forward, this initiative will reduce the environmental impact of our fleet while keeping safety a priority.

	WASTE	WASTE	% OF WASTE
	GENERATED*	RECYCLED	RECYCLED
Total (tons)	86,999.54	18,414.20	17.47%

<sup>\*</sup>Waste generated does not include waste that was recycled.

Note: Waste data represents approximately 85% of our locations.

### **Environmental Audits and Assessments**

Communities

Each Builders FirstSource location is audited at least once every three years by our Internal Environmental Audit Team. "Higher risk" locations receive quarterly and annual audits on issues such as stormwater and hazardous spills. With our dedication to continuous improvement, these audits allow us to take necessary corrective actions and enhance operations and compliance.

The possibility of extreme weather events is an important consideration at our facilities. Before acquiring new properties, a weather risk analysis is conducted so that the potential for flood zones and other natural weather emergencies is fully understood. Further, each location has an emergency response plan for hazardous weather, and we adhere to all local codes in mitigating extreme weather risk.

## PRODUCT QUALITY AND PRODUCT SAFETY

At Builders FirstSource, our commitment to quality resonates across the entire organization. We are committed to maintaining the highest standards of quality and excellence in every product, every time.

### Management

While our Chief Operating Officer oversees product quality and product safety initiatives, along with our facility managers, site level product quality and safety is a responsibility of all team members. Relevant team members receive product quality and safety training at hire and when there is an update to the quality assurance manuals used at manufacturing locations. Our Product Liability Specialist oversees new product assessment for building code and regulatory compliance.



### **Best Practice Councils**

We have established Best Practice Councils (BPCs), which are designed to identify and document best practices to drive quality, safety, efficiency and profitability. Our BPCs identify, document and share Standard Operating Procedures (SOPs) and best practices, which drive consistency across Builders FirstSource. Our BPCs meet at least quarterly and are composed of leaders across the company, including an executive sponsor and field and functional experts.

In 2024 our BPCs developed 14 operational and productivity playbooks covering key aspects of our business. One example, our Centralized Dispatch and Closest Point Shipping Playbooks drive vehicle efficiency, reduce miles driven and enhance customer service.

As part of our growth strategy, Builders FirstSource's acquisitions enhance our value-added offerings. We strive to drive quality, safety and efficiency in everything we do by driving consistency across our facilities. To help address potential fragmentation from strategic acquisitions, our Installed Sales Playbook establishes standards for managing operations from end to end, ensuring efficiency, value and quality for customers. Additionally, our integration team works closely with newly acquired operations, guiding them through the transition process and incorporating employees into the company.

Looking forward, we are relaunching our fleet utilization reporting in 2025 to focus on the management and measurement of our fleet utilization by asset. We expect to identify opportunities to maximize our fleet utilization across the business, as well as enhance our tracking and measurement capabilities. Also, our BPCs will continue to review data and best practices to continuously improve quality and safety across our sites.

Our work is informed by the Structural Building Components Association (SBCA), which focuses on a national approach to policies, programs and best practices. Builders FirstSource is an active member of the SBCA, and we hold leadership positions, including on the SBCA's Executive Committee and Board of Directors.

### **Enhancing Product Quality and Safety**

We regularly monitor product quality and safety, and in the event of an incident, we have established response procedures to investigate and take appropriate action. We work directly with suppliers and customers to foster continuous improvement in the event of a product quality and safety incident.

Our manufacturing facilities utilize industry-leading technology and high-quality materials to improve product quality and safety, increase efficiency, reduce lead times and minimize production errors. We invest in automation and machinery upgrades in service to these priorities. For example, our investment in robotics has increased product quality by providing more precise and efficient ways to build. In addition, with robotics performing material handling tasks, the risk of work-related incidents, including strains, sprains, lacerations and contusions, are greatly minimized. We expect to continue to focus on advancing our automation efforts to identify even safer, more precise and efficient ways to build products.







### **Driving Best-in-Class Operations**

We strive to be best-in-class by improving productivity, quality, safety, consistency, customer satisfaction and profitability across all that we do. As part of this, our Best Practice Councils drove key enhancements in 2024 including:

- Customer Satisfaction: We measure the effectiveness of our customer service using metrics such as on-time and in-full (OTIF). Since implementing OTIF, we have improved our performance from 73.2% when we first began to track in August 2022 to 90.9% as of December 2024. We strive to use these metrics to identify additional opportunities and challenges to continue to improve our overall performance.
- Safety Standardization: To address repeated incidents and injuries occurring across our plants, we implemented safety standardization to introduce modifications, such as machinery guarding and mechanical mechanisms, to help prevent safety issues from occurring in the future.

As an example, trusses frequently lose alignment with the finish press when they move along the main line, which requires team members to rectify the alignment before proceeding through the finish roller. To prevent injuries and eliminate the need for team members to access restricted areas, we implemented modifications for the main line that can guide the trusses through the finish press without human intervention.



### **Truss Manufacturing**

As an industry leader in truss automation, we understand that maintaining our commitment to quality products is crucial for delivering standards of excellence to our customers. We partner with our largest customers to create and deliver innovative, industry-leading product and labor solutions, including through leveraging our truss automation capabilities.

We strive to deliver industry-leading products that meet or exceed customer quality and safety expectations and regulatory requirements. To underscore this effort, 82% of our truss manufacturing plants have maintained quality control and quality assurance (QC/QA) certification from the Structural Building Components Association (SBCA). The remaining 18% of plants in process are largely due to new acquisitions. As part of the voluntary certification process, each of our truss locations has a designated QC inspector, and each QC inspector is required to inspect a set number of trusses per build station based on established criteria, such as joint tolerance and connector plate embedment. Inspection details are submitted to SBCA for review and scoring, and all our truss plants consistently achieve the required score to maintain the nationally recognized SBCA-QC/QA certification. As a testament to the success of our quality assurance program, we offer a leading warranty on trusses.

In 2025, we started adding a component warning notice on our truss tags to provide information on how to safely handle trusses on job sites. By the second quarter, we expect all trusses we manufacture to have a notice, as well as a QR code for additional details on the warning notice.

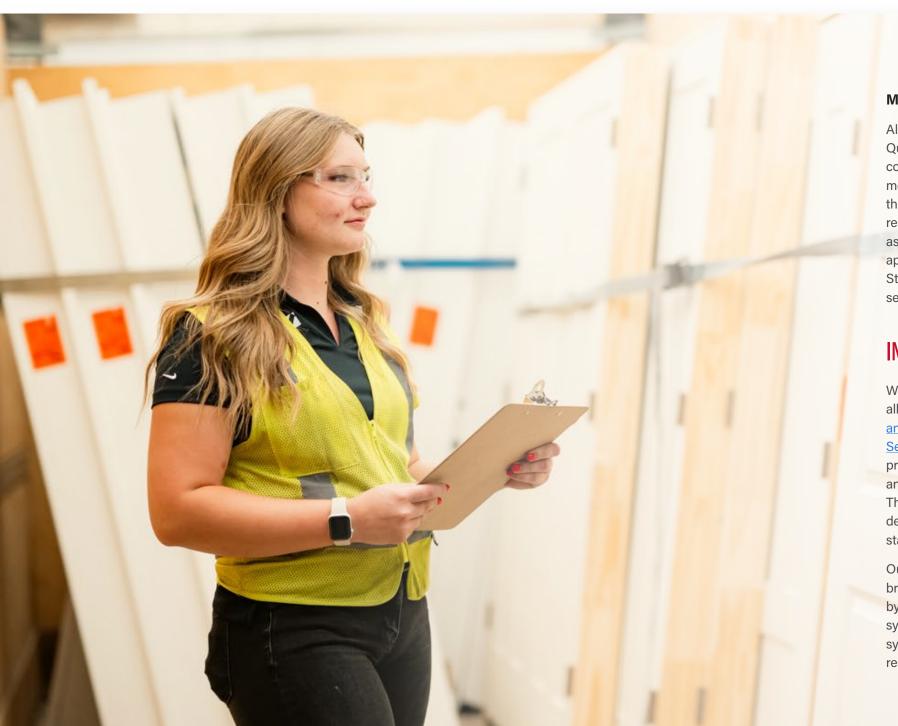
82%

of truss manufacturing plants have QC/QA certification from the Structural Building Components Association with the remaining 18% of plants in process largely due to new acquisitions



Who We Are





### Millwork Manufacturing

Communities

All our millwork manufacturing plants are required to follow our Quality Assurance Manual. This manual, along with other quality control processes, guides our millwork manufacturing plants to measure and manage in-process and post-production inspections throughout the millwork manufacturing process. Team members receive training on the Quality Assurance Manual at hire and as new products and processes are developed. Additionally, approximately a third of our millwork plants have obtained Energy Star Certification, meeting strict energy performance standards set by the U.S. Environmental Protection Agency.

## **INTEGRITY**

We are committed to operating responsibly and ethically in all we do. <u>Builders FirstSource's Code of Business Conduct and Ethics</u> (Code) and <u>Supplemental Code of Ethics for Senior Officers</u> serve as the foundation of our compliance program and set forth policies and procedures to promote anti-bribery and anticorruption, integrity and ethical conduct. The Code also includes operating guidelines detailing delegation of authority, requirement for approval and standard operating procedures.

Our General Counsel oversees our business ethics and bribery and corruption programs, with ultimate oversight by our Board of Directors. We have robust processes and systems to monitor compliance, including accounting systems to detect potential financial irregularities, and we regularly report to the Board of Directors.



### **Training**

All team members receive training and must acknowledge their acceptance of the Code during onboarding and complete periodic acknowledgements thereafter. All managers and above receive quarterly and annual questionnaires and reviews as part of our regular bribery and corruption risk assessments to detect and deter non-compliance. Additionally, on a quarterly basis, key department leaders fill out survey questionnaires to help identify non-compliance.

We also require our team members to complete a training on and acknowledge our Team Member Handbook, which includes a dedicated section related to ethics.

### **Controls**

We audit our operations on a regular basis to ensure compliance. As part of our location-audit process, we conduct surveys across our operations on topics such as fraud and ethical compliance. Our loss prevention program aims to monitor performance on a quarterly basis by measuring spending on company cards, which has resulted in a reduced trend of fraud and duplicate payments. If violations are found, they are investigated thoroughly by appropriate representatives of our legal, human resources, internal audit and finance departments.

#### **Whistleblower Hotline**

To help ensure compliance with our Code and to promote ethical behavior, we have a whistleblower program overseen by our General Counsel, who has general oversight and enforcement with respect to business ethics. Our whistleblower program offers anonymous, 24/7 reporting of any concerns. The program is communicated to all team members via posters in all locations, in the Team Member Handbook, provided to and acknowledged by all team members, and our company intranet. All reported incidents are investigated and tracked in our EthicsPoint compliance system through final resolution. Appropriate representatives of our legal, human resources, internal audit and finance departments are notified of reported incidents, with an overview of reports provided to the Audit Committee of our Board of Directors regularly.

### Governance

A key responsibility of our Board of Directors is overseeing the identification and development of senior leadership. In 2024, as part of a planned succession, our Board announced Peter Jackson, former Chief Financial Officer, as the next President & Chief Executive Officer and a Board member, as well as Pete Beckmann, former Senior Vice President of Financial Planning and Analysis, as the next Executive Vice President & Chief Financial Officer. Through the succession plan in place, we were well positioned to execute our strategies and continue to build value for our shareholders.





## DATA PRIVACY AND CYBERSECURITY

The Builders FirstSource data privacy programs are overseen by the Chief Information Officer (CIO), with the Chief Information Security Officer (CISO) responsible for cyber and data security. The CISO, who maintains the certified information systems security professional (CISSP) certification and is ISO 27000 certified, reports directly to the CIO. Both the CIO and CISO continuously monitor cybersecurity threats and regularly update defense measures to address evolving risks. To ensure around-the-clock protection, we have 24/7 monitoring to detect and respond to potential threats in real time. Additionally, we developed an artificial intelligence (AI) governance policy to ensure the responsible use of AI.

Both the CIO and CISO provide regular reports for the Audit Committee of our Board of Directors, which holds ultimate oversight over data privacy and cybersecurity. The CISO also manages the Security Incident Response Plan, ensuring a coordinated response to cybersecurity incidents. This plan is executed in collaboration with the Company's Security Incident Response Team, which includes executive leaders, crossfunctional management, internal technical support and external third-party service providers. Together, they assess and escalate incidents as required.

The Audit Committee meets with the CIO at least once a year for in-depth cybersecurity discussions and reports key cybersecurity updates to the Board of Directors. To reinforce our commitment to data privacy and security across the company, we conduct quarterly training sessions and bi-monthly phishing simulations for all team members.

### RESPONSIBLE SUPPLY CHAIN

We are committed to the highest quality standards of responsible operations within our supply chain. Our suppliers are a critical part of our operations, and we expect our suppliers to hold themselves to the same standards we do. Our Executive Vice President of Sourcing and Supply Chain manages our strategic sourcing process. We maintain a direct line of communication with our vendor partners and suppliers to ensure responsible operations.

We expect our suppliers to operate according to the highest ethical and legal principles. In our supplier contracts, we are implementing our expectation that all suppliers adhere to our Supplier Code of Conduct and our Code of Business Conduct and Ethics. Topics we address in our Supplier Code of Conduct include forced labor, child labor, maximum working hours, minimum wages, non-discrimination, health and safety, freedom of association and the right to collective bargaining.

We encourage our suppliers to share related information on their sustainability initiatives including certifications, ongoing supplier programs and efforts aimed at reducing their environmental impact.

As guided by our Responsible Supply Chain Policy, we recognize that the extraction and processing of certain raw materials can have significant social, economic and environmental impacts on local populations. We are particularly concerned with tin, tantalum, tungsten and gold originating in the Democratic Republic of the Congo or its adjoining countries (commonly known as Conflict Minerals), where revenues generated by their sale may directly or indirectly finance armed conflict. We do not directly source materials from smelters or mines and only utilize refined metals in manufacturing activities. We expect all suppliers to buy materials from socially responsible sources.





## COMMUNITIES

Make a positive impact in the local communities we serve

Our commitment to excellence goes beyond our facilities and our teams — it extends into the communities in which we operate. We are a people-first team, bringing together team members to collaborate, connect and make meaningful impact — both within our organization and in the communities we serve. By upholding the highest standards of corporate citizenship, partnering with local organizations and engaging in charitable initiatives, we create meaningful impact. This not only strengthens our company but inspires and empowers our team members to make a positive difference in the areas we serve.

Our key efforts in support of this goal are:

- BFS Cares
- Leukemia & Lymphoma Society
- Military Community
- Local Community Causes



Operations





Supporting our team members is an important part of our people-first culture.

Through BFS Cares, we are able to offer a helping hand when it is needed most. The program provides financial assistance to help team members get back on their feet with cash grants immediately after a natural disaster or unforeseen personal hardship. Whether it is natural disaster damage, serious illness, domestic violence or death, BFS Cares is here to support our BFS team. BFS Cares is funded by Builders FirstSource and our team members.

We provide qualifying team members in need with taxfree grants — up to \$5,000 — funded by individual team member donations and support from the company.

Since 2017, more than

2,000

grants have been provided, totaling more than

and, in 2024 team members contributed approximately

\$475,000



### Leukemia & Lymphoma Society

For 18 years, Builders FirstSource has proudly partnered with the Leukemia & Lymphoma Society (LLS) to support its mission of funding lifesaving research and patient care. Through various charitable initiatives, including golf tournaments, motorcycle rides and other local fundraisers supporting Light the Night events across the country, we have remained committed to combating blood cancers that have impacted many within our communities. Thousands of our team members participate in these events, including company leadership.

In collaboration with customers and suppliers, Builders FirstSource has raised nearly \$14 million for LLS over the lifetime of the partnership, making us the #1 national fundraising team for the organization.

### **Leading the Fight Against Blood Cancer**

104 **Builders** FirstSource teams team members

10+ team members engaged in volunteer leadership roles

events represented

AT BUILDERS FIRSTSOURCE, WE BELIEVE IN **BUILDING MORE THAN JUST HOMES — WE ARE** COMMITTED TO BUILDING STRONGER COMMUNITIES. **OUR LONG-STANDING PARTNERSHIP WITH THE LEUKEMIA & LYMPHOMA SOCIETY REFLECTS OUR** DEDICATION TO MAKING A MEANINGFUL IMPACT IN THE FIGHT AGAINST BLOOD CANCERS. BY SUPPORTING LIFESAVING RESEARCH AND PATIENT CARE. WE STAND WITH THOSE AFFECTED AND REAFFIRM OUR RESPONSIBILITY TO GIVE BACK."

#### **Tim Johnson**

**Executive Vice President** 

Operations



## Rallying for Hurricane Helene Relief in North Carolina

When disaster strikes, communities come together — and our Builders FirstSource Charlotte team did just that. In response to the devastation caused by Hurricane Helene in North Carolina, our team stepped up to support those in need.

Thanks to the generous donations collected by our Southern Pines and Aberdeen locations, we were able to donate and deliver essential supplies, including bottled water, packaged food and paper products, to those affected by the storm. This effort is a testament to the power of community.

Additionally, we collaborated with community organizations to provide laptops and pre-paid cell phones to ensure that victims could contact loved ones, coordinate recovery work and access essential resources.





### **Military Community**

At Builders FirstSource, we are proud to support the military community and are committed to providing meaningful career opportunities, resources and a workplace that values their service. We strive to create a supportive environment in which military-affiliated team members can thrive, as well as support the broader miliary and first responder communities, including:

- Gary Sinise Foundation, which supports defenders, veterans, first responders, their families and those in need through a variety of programs, services and community engagements
- Carry the Load, which provides support for military, veterans, first responders and their families through scholarships, educational and community-based programs

### **Stepping Up for a Cause**

Builders FirstSource participated in the 2024
Carry the Load's National Relay and fundraising
efforts, supporting military members, veterans, first
responders and their families. Local events brought
together 13 BFS teams, with 45 volunteers
dedicating 225 hours and collectively walking over
150 miles. Through their efforts, BFS raised more
than \$26,000 to support Carry the Load's mission
to remember the sacrifices of those who serve.





## LOCAL COMMUNITY CAUSES

## In 2024, we delivered over \$5 million in charitable giving.

Builders FirstSource actively supports a variety of charitable organizations and encourages our locations to support causes that make a difference in their communities. Through these efforts, we aim to create a lasting, positive impact in the places where we live and work. Key initiatives include:



Habitat for Humanity, which helps families build and improve places to call home so that more people are able to live in affordable and safe homes.



Camp Southern Ground, which supports both children with a wide range of development and learning issues and active-duty and veteran service members through a residential summer camp and wellness transition programs.



Homeaid America, which develops housing and programmatic facilities for people experiencing, or at risk of, homelessness.

### **Local Community Giving in Action**

In 2024, we also supported our local communities through educational programs, volunteer opportunities and disaster relief. A few community event highlights from the year are featured below.

### **Building Homes for Our Community**

As part of our hurricane relief efforts, we led the framing of nine 450-square-foot tiny homes using READY-FRAME™ and BFS trusses. Once completed, these tiny homes were then donated or auctioned off for funds to support hurricane victims in Southern Virginia, and organizations supporting foster care transitional housing and wounded veterans. With the help of our team members, volunteers, and partners, we were able to make this ambitious project a reality, demonstrating the power of collaboration and community support.

### **Ensuring Access to Hygiene Essentials**

Access to hygiene essentials is often overlooked but plays a critical role in dignity, health and well-being, especially for those facing hardship. Our Oregon team helped assemble 2,000 hygiene care kits to support local communities in need, making a tangible impact.

team members volunteered 2,541 hours in 2024





Who We Are



## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

We are committed to providing transparency on our climate change risk management. The TCFD has developed voluntary. consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders, which we have used to guide our reporting.

GOVERNANCE Board Oversight Our Board of Directors has ultimate oversight of climate change-related risks and is responsible for reviewing and providing guidance on the company's climate change-related programs and policies as part of its wider sustainability oversight. Specifically, our Nominating and Corporate Governance Committee is tasked with overseeing management's efforts on significant issues relating to CSR and sustainability, including issues relating to measuring our carbon footprint.

Communities

### Management Oversight

Ultimate review and approval of our sustainability strategy, including climate change-related risks and programs, is made by our Executive Leadership Team, including our CEO. Our sustainability strategy is led by the CSR Steering Committee and CSR Cabinet, with day-to-day implementation overseen by our Vice President of CSR and Risk Management.

#### **STRATEGY**

### Climate-related Risks and **Opportunities**

We have identified climate-related risks and opportunities that may affect us over the short-, medium- and long-term. These include:

PHYSICAL RISKS: Adverse weather events, natural disasters or similar events, including as a result of climate change, could generally reduce or delay construction activity, which could adversely impact our financial condition, operating results and cash flows. Furthermore, if certain markets in which we have made significant investments become less desirable for new home building due to the frequency of adverse weather events or climate change, we could incur significant losses at our facilities throughout these markets.

REPUTATIONAL RISKS: Our business faces increasing public scrutiny related to CSR activities. We risk damage to our brand and reputation if we fail to act responsibly or meet any commitments that we may set in a number of areas, such as environmental stewardship, including with respect to climate change, human capital management, support for our local communities, corporate governance and transparency, or fail to consider CSR factors in our business operations. Additionally, investors and shareholder advocates place an emphasis on how corporations address CSR issues in their business strategy when making investment decisions and when developing their investment theses and proxy recommendations. We may incur meaningful costs with respect to our CSR efforts and if such efforts are negatively perceived, our reputation and stock price may suffer.

REGULATORY RISKS: Concerns over the long-term impacts of climate change have led and will continue to lead to governmental efforts around the world to mitigate those impacts. Consumers and businesses are also changing their behavior and business preferences as a result of these concerns. New governmental regulations or guidance relating to climate change, as well as changes in consumers' and businesses' behaviors and business preferences, may affect whether and on what terms and conditions we will engage in certain activities or offer certain products or services. The governmental and supervisory focus on climate change could also result in our becoming subject to new or heightened regulatory requirements. Any such new or heightened requirements could result in increased regulatory, compliance or other costs. Our business, reputation and ability to attract and retain employees may also be harmed if our response to climate change is perceived to be ineffective or insufficient.

DEMAND OPPORTUNITY: We assist homebuilders in designing energy-efficient homes in order to meet increasingly stringent energy-rating requirements. Upgrading to our premium windows, doors and insulating products can reduce overall cost to the homebuilder by minimizing costs of the required heating/cooling system. We work closely with the homebuilder to select the appropriate mix of our products to meet current and forthcoming energy codes. We believe these services require scale, capital and sophistication that smaller competitors do not possess.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

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	Impact on Strategy	Our leadership team is committed to considering the potential risks and opportunities climate change may pose to our business. We regularly evaluate ways to reduce the resource needs of our operations and the direct and indirect environmental impacts of the supply, manufacturing, use and disposal of our products. We recognize that the effects of climate change will add greater impetus to addressing the world's environmental challenges.
	Climate Resilience	Our senior managers and executives monitor changing regulatory requirements and other impacts to our business. We seek to balance operational efficiency with resilience through a diversified manufacturing and supplier base.
RISK MANAGEMENT	-	Our Senior Leadership Team and Board of Directors are intent on managing and mitigating various risks to our business and financial performance, including climate change and other environmental risks.
		Such risk management topics are reviewed and discussed on a regular basis among our leadership team across the entire organization. Consideration of such risks is implemented in all aspects of our business as part of our operating and investment decision-making process.
METRICS	Metrics	We monitor and measure our climate-related performance, including greenhouse gas emissions.
	GHG Emissions	Scope 1: 236,003.51 metric tons CO <sub>2</sub> e



# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

The disclosures in this report are informed by the recommendations of the Sustainability Accounting Standards Board (SASB) Building Products & Furnishings standard.

	ACCOUNTING METRIC	CODE	DISCLOSURE
ENERGY MANAGEMENT IN MANUFACTURING	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-BF-130a.1	(1) 1,147.86 GWh (2) 16% (3) N/A
MANAGEMENT OF CHEMICALS IN PRODUCTS	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-BF-250a.1	See section on <u>Operations</u>
	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	CG-BF-250a.2	Not reported
PRODUCT LIFECYCLE ENVIRONMENTAL IMPACTS	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	CG-BF-410a.1	See section on Product Innovation and Sustainable Materials
	(1) Weight of end-of life material recovered, (2) percentage of recovered materials recycled	CG-BF-410a.2	See section on Environmental, Emissions and Waste Management
WOOD SUPPLY CHAIN MANAGEMENT	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, (4) percentage certified to other wood fiber standards, (5) percentage by standard	CG-BF-430a.1	>89% of our wood is sourced from sustainable forestry certified vendors. See section on <u>Sustainable</u> <u>Materials</u>
ACTIVITY METRIC	Annual production	CG-BF-000.A	Not disclosed
	Area of manufacturing facilities	CG-BF-000.B	Not disclosed



Who We Are

2024 CSR Highlights

## EEO-1 DATA

The EEO-1 data table below reflects the Company's U.S. workforce as of December 31 of the most recent year that is available as of the publication date of this report.

#### RACE / ETHNICITY

							HACL	/ ETHNICITY							
	HISPANIC O	R LATINO						NOT HISPAN	IIC OR LATIN	0					
						MALE						FEMALE			
JOB CATEGORIES	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	ASIAN	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	AMERICAN INDIAN OR ALASKA NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	ASIAN	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	AMERICAN INDIAN OR ALASKA NATIVE	TWO OR MORE RACES	ROW TOTAL
EXECUTIVE / SENIOR LEVEL OFFICIALS AND MANAGERS	2	1	56	2	2	0	0	2	9	1	1	0	0	1	77
FIRST / MID-LEVEL OFFICIALS AND MANAGERS	579	80	2245	168	21	13	17	36	414	22	12	1	5	11	3624
PROFESSIONALS	104	90	862	48	34	1	8	11	377	41	26	1	4	7	1614
TECHNICIANS	64	19	500	17	7	1	5	5	86	4	2	0	0	2	712
SALES WORKERS	367	225	3080	73	6	8	31	33	1095	29	17	7	14	22	5007
ADMNISTRATIVE SUPPORT WORKERS	279	415	681	117	13	6	14	23	974	114	32	16	8	22	2714
CRAFT WORKERS	827	84	459	29	4	2	3	11	11	1	0	1	0	0	1432
OPERATIVES	1426	152	2070	609	21	17	34	53	31	8	0	0	2	1	4424
LABORERS AND HELPERS	4205	330	2528	1028	103	61	84	99	71	15	2	4	5	3	8538
SERVICE WORKERS	24	22	23	7	0	0	0	1	4	3	0	0	1	0	85
2023 REPORTING YEAR TOTAL	7877	1418	12504	2098	211	109	196	274	3072	238	92	30	39	69	28227



### SAFE HARBOR AND NON-GAAP FINANCIAL MEASURES

### **Cautionary Notice**

Statements in this presentation that are not purely historical facts or that necessarily depend upon future events, including statements about expected market share gains, forecasted financial performance or other statements about anticipations, beliefs, expectations, hopes, intentions or strategies for the future, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, oral statements made by our directors, officers and employees to the investor and analyst communities, media representatives and others, depending upon their nature, may also constitute forward-looking statements. All forward-looking statements are based upon currently available information and the Company's current assumptions, expectations and projections about future events. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are by nature inherently uncertain, and actual results or events may differ materially from the results or events described in the forward-looking statements as a result of many factors. Builders FirstSource, Inc. undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any forward-looking statements involve risks and uncertainties, many of which are beyond the Company's control or may be currently unknown to the Company, that could cause actual events or results to differ materially from the events or results described in the forwardlooking statements, including risks or uncertainties related to the Company's growth strategies, including gaining share and

its digital strategies, or the Company's revenues and operating results being highly dependent on, among other things, the homebuilding industry, lumber prices and macroeconomic trends, including interest rates and potential labor and supply shortages, and also lumber and other commodity prices. Builders FirstSource, Inc. may not succeed in addressing these and other risks. Further information regarding factors that could affect our financial and other results can be found in the risk factors section of Builders FirstSource, Inc.'s most recent annual report on Form 10-K filed with the Securities and Exchange Commission ("SEC") and may also be described from time to time in the other reports the Company files with the SEC. Consequently, all forward-looking statements in this presentation are qualified by the factors, risks and uncertainties contained therein.

### **Use of Non-GAAP Financial Measures**

This presentation includes financial measures and terms not calculated in accordance with accounting principles generally accepted in the United States ("GAAP") in order to provide investors with an alternative method for assessing our operating results in a manner that enables investors to more thoroughly evaluate our current performance as compared to past performance. We believe these non-GAAP measures provide investors with a better baseline for modeling our future earnings expectations. Our management uses these non-GAAP measures for the same purpose. We believe that our investors should have access to the same set of tools that we use in analyzing our results. These non-GAAP measures should be considered in

addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. Our calculations of adjusted EBITDA, adjusted EBITDA margin, free cash flow and net leverage are not necessarily comparable to similarly titled measures reported by other companies. The company provided detailed explanations and reconciliations of these non-GAAP financial measures in its filings with the SEC.

