

2023

CORPORATE SOCIAL RESPONSIBILITY REPORT



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A MESSAGE FROM OUR CEO



DEAR STAKEHOLDERS,

As a 24-year employee of Builders FirstSource, I am honored and humbled to lead the company's outstanding and experienced team of talented people. To deliver on the mission of being the best supplier of building materials and services, we embody our values — Safety, People, Integrity, Customers, Excellence — from the boardroom to the field, enabling customers to be more efficient while having cleaner, safer jobsites.

In 2022, we advanced our environment, social and governance (ESG) programs and performance to maintain our industry leadership position and to be the employer and supplier of choice. As our programs have advanced, we appointed the first Vice President of ESG and Risk Management to help lead our progress forward.

Highlights of our initiatives include:

- Established Scope 1 and 2 greenhouse gas emissions baselines
- Achieved a 22% annual improvement in team member safety metrics
- Launched a new women-focused employee resource group and expanded veteran-hiring initiatives

Our ESG programs aim to address topics deemed most important by our stakeholders, and we look forward to maintaining a dialogue to address what matters most. We recognize that achieving a sustainable future has its challenges, but we are ready to tackle them head-on with team members to foster greener homebuilding. Thank you for your interest in Builders FirstSource.

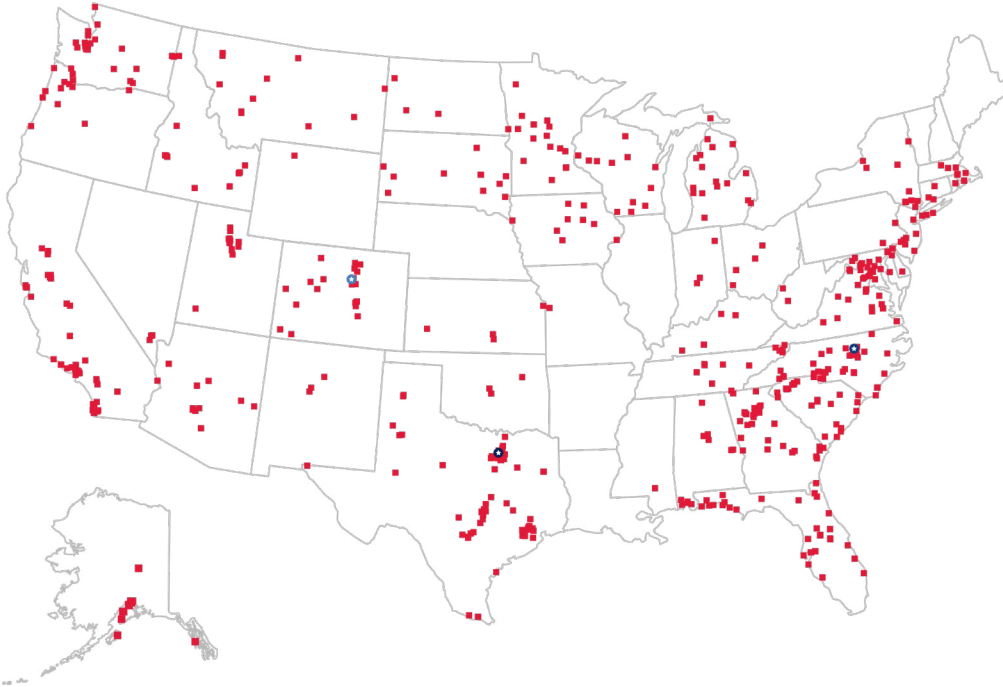
A handwritten signature in black ink, appearing to read "Dave Rush". The signature is fluid and cursive, written in a professional style.

Dave Rush
Chief Executive Officer



**WE RECOGNIZE THAT
ACHIEVING A SUSTAINABLE
FUTURE HAS ITS
CHALLENGES, BUT WE ARE
READY TO TACKLE THEM
HEAD-ON WITH TEAM
MEMBERS TO FOSTER
GREENER HOMEBUILDING.”**

WHO WE ARE



\$22.7B

Revenue
in 2022

~29K

Team
Members

~570

Locations

42

States

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 and repair and remodeling. Our focus is on providing unparalleled service to both large and small customers. Through investments in innovation and an unmatched portfolio of value-added products and manufacturing capabilities, we're revolutionizing the homebuilding industry — outperforming today and transforming tomorrow.

Founded in 1998 and publicly traded on the NYSE (BLDR), Builders FirstSource has approximately 570 distribution and manufacturing locations and a presence in 42 states, as well as 47 of the top 50 Metropolitan Statistical Areas. Our nationwide team is equipped with the talent, local knowledge and industry expertise required to solve homebuilding challenges and streamline customers' businesses — today. We're also investing in tomorrow — continuously improving our business, strengthening our team and creating the next generation of breakthrough innovations that will transform the homebuilding industry.

OUR MISSION, VISION & VALUES



OUR MISSION

To 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

To make the dream of home ownership more achievable for everyone, making Builders FirstSource 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 jobsite, they define our culture and guide our priorities, decisions and actions.

S AFETY

We make safety our top priority.

P EOPLE

We lead with a people-first culture.

I NTEGRITY

We are honest and reliable.

CUSTOMERS

We deliver exceptional customer service.

E XCELLENCE

We challenge the status quo.



2022 ESG HIGHLIGHTS



ENVIRONMENT

>1.3M

Trees saved in 2022

>90%

Of our wood is from sustainable forestry certified vendors

248K

Metric tons of CO₂e
Scope 1 & 2 emissions



DIVERSITY

99%

Team members trained on DEI initiatives



WEBUILD

A women-focused employee resource group launched in 2022

13%

Executive ethnic/racial diversity, an eight percentage point increase from 2021



SAFETY

22%

Reduction in year-over-year total worker recordable incident rate

ALL

Team members are trained on safety

>50%

Of our locations were accident-free in 2022





OUR APPROACH TO ESG

At Builders FirstSource, we recognize that the sustainability of our products and operations is important to the success of our company. Enabling homebuilders to become more productive and efficient is fundamental to what we do and is an integral part of our business strategy. Consistent with our core values, our goal is to be recognized as a pioneer by our customers, team members, industry and communities.

To ensure we achieve our vision, we are committed to making informed choices that improve operational efficiency, environmental stewardship, resource management, human capital development, DEI, community engagement, financial strength and corporate governance.

We continuously seek to identify, measure and map the environmental, social and governance (ESG) impacts of our business to deliver long-term value. Our sustainability priorities are guided by stakeholders and third-party frameworks including the Sustainability Accounting Standards Board (SASB), Building Products & Furnishings standard and Task Force on Climate-related Financial Disclosures (TCFD).

Our ESG strategies and goals are reviewed and approved by the Executive Leadership Team, with our Board of Directors (Board) maintaining ultimate oversight. Specifically, the Nominating and Corporate Governance Committee of the Board is tasked with overseeing management's efforts on significant issues relating to ESG that include emissions, labor, DEI, health and safety, supply chain and community.

ABOUT THIS REPORT

This report highlights our commitment to ESG and provides an overview of governance, oversight, policies, programs and performance around sustainability issues important to Builders FirstSource. We look forward to obtaining feedback from stakeholders and building on the initiatives outlined in this report as we continue to develop our practices and disclosures in the future.

Unless specifically stated otherwise, this report covers Builders FirstSource's performance in 2022.



TEAM MEMBERS

WE WORK HARD TO PROVIDE
A **SAFE** WORKPLACE THAT
PROMOTES **FRESH IDEAS** AND
DIVERSE PERSPECTIVES.

TEAM MEMBERS

Our team members enable Builders FirstSource to achieve our goals just as we enable customers to achieve theirs. The partnership, dedication and loyalty of our team members are key to the company's success. Builders FirstSource strives to foster and maintain an environment that is safe and inclusive and that promotes bringing fresh ideas and diverse perspectives to help us grow and continue to be a thriving, sustainable business that is a source of pride in the industry.

We have improved our total worker recordable incident rate (RIR) by 36% since 2020, which is reflective of our strong focus on safety. To achieve this, we have taken concerted action, including implementing new trainings and changing behaviors to ensure team members have the knowledge to perform each job safely.

SAFETY



Accountability. Our goal is to prevent all accidents. The Vice President of Safety has managerial responsibility for health and safety programs. Our Executive Leadership

Team is actively engaged in our safety programs and has strong oversight via periodic updates and performance reports. The Board also receives quarterly reports on safety performance and initiatives. Moreover, safety performance is a component of our leadership's compensation.

Policies and Programs. The Builders FirstSource Safety and Health Program is aligned with OSHA standards and provides a framework for operating safely and mitigating risks with guidelines and procedures. We established a general safety manual, construction-site safety and standard operating procedures for specific jobs. These safety policies and programs apply to team members and contractors.

Each of our locations implements controls and safeguards to promote safety and must have processes in place to inspect and identify hazards and then record and track mitigation actions for each hazard identified. 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 work with the regional or market safety managers as appropriate. In addition, safety performance is systematically considered during the contractor selection process. Our supervisors and managers also perform regular field assessments of contractor safety performance to ensure our standards are met.

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.

15%+ annual reduction in total recordable incident rate since 2020

Total Recordable Incident Rate

| | | | | |
|-------------|---|-------------|---|-------------|
| 2020 | ▶ | 2021 | ▶ | 2022 |
| 3.45 | | 2.84 | | 2.21 |

Calculated as the number of safety incidents across all team members per 200,000 hours worked.

Training. We promote understanding and adherence to safety programs through ongoing education and training efforts that aim to improve behavior patterns. Mandatory new-hire training includes a robust focus on safety and the Builders FirstSource Safety and Health Program. In addition to mandatory new-hire safety training, all team members must participate in daily, as well as monthly, safety meetings. We also provide job-specific safety trainings to team members in order to further promote safety.

Performance. Our goal is to drive to zero incidents. As a testament to our safety commitment and the effectiveness of trainings, we delivered a 22% RIR reduction across the company in 2022, beating the 10% reduction target. We have targeted another annual reduction of at least 10% for 2023, which is a component of our leadership's compensation. In addition, our Compliance Safety Accountability (CSA) points per inspection in 2022 was 1.97, down 27.6% from the previous year and beating the 10% reduction target. Governed by the Federal Motor Carrier Safety Administration (FMCSA), the CSA score is a measurement of fleet safety.



>50% (299) of our locations were accident-free in 2022

COMPENSATION AND BENEFITS

We provide competitive compensation and benefits packages to attract and retain top talent. As part of our philosophy of encouraging team members to succeed and share in the success of the company, we offer variable incentive pay to virtually all team members, which can include a profit-sharing plan and/or an annual bonus plan. Additionally, we celebrate team members through service awards and company and peer recognition awards.

We pride ourselves on offering a comprehensive benefits package to attract top talent and compete across industries. With our responsible time off, parental leave, volunteerism day and adoption assistance benefits, we offer support for team members that is unique in the construction sector.

We offer a wide array of competitive benefits, including:

- Medical, prescription, dental and vision coverage; health reimbursement accounts
- Virtual healthcare and nurse lines
- Mental health resources
- Flexible spending accounts for health and dependent care
- 401(K) retirement program with company match (also available to part-time team members)
- Industry-leading responsible time off
- Industry-leading parental leave
- Paid volunteerism day
- Adoption assistance
- Paid bereavement leave
- Paid time off, remote work and work/life balance programs
- Company paid life and AD&D insurance
- Choice of disability income protection (short- and long-term)
- EAP (Team Member Assistance Program), also available to part-time team members
- Preventive care programs



ENGAGEMENT AND RETENTION

We value and seek the input of team members to foster an engaging and rewarding work environment in order to attract and retain talent. We undertake annual engagement surveys supplemented by frequent check-ins with team members, through which team members provide input on the work environment, allowing us to assess and further enhance workforce engagement. We also hold regular town hall meetings with Q&A sessions to provide open communication with team members. To promote a safe and respectful workplace, we maintain a formal grievance system through which team members can report an issue via an anonymous hotline, as well as directly to their manager or human resources representative. These procedures are set forth in the Team Member Handbook and on the company intranet, as well as displayed on posters in our facilities.

Extensive on-the-job training for all team members

47,008

Total online training hours for all team members in addition to on-the-job training

Leadership development highlights

46,187

Total in-person training hours for leaders

32.9

Average hours of training per leader

At Builders FirstSource, we encourage the continuous professional development of all our team members, and leadership development is a part of our strategic focus. We also have an Internal Training and Development Team focused on identifying current and future skill gaps and training our team members to ensure they have the necessary skills to succeed. We utilize our BFS Foundations Learning Management System to provide and track completion of our trainings across topics such as leadership and management, professional skills and compliance. Moreover, we support valuable professional certifications across our markets.

We believe hands-on experience and learning are paramount to the development of our team members. As such, we provide extensive on-the-job training and job shadowing. Our team members receive performance reviews annually as part of our feedback and development process.



Our all-encompassing learning platform

- Build Understanding in Leadership Dynamics (BUILD)
 - 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



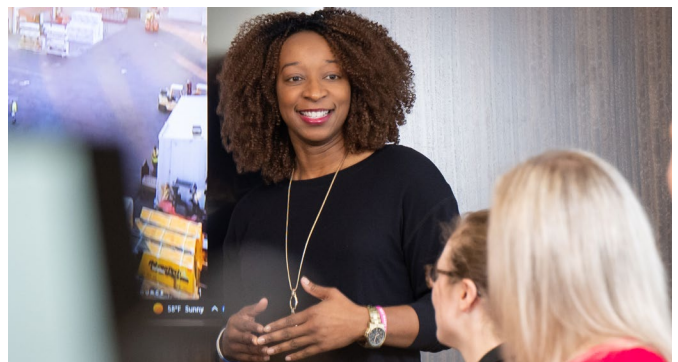
DIVERSITY, EQUITY AND INCLUSION

We believe diversity, equity and inclusion (DEI) must be firmly embedded in our strategy. Our DEI priorities are to enhance awareness of the connection between DEI and the success and sustainability of our business, increase workforce diversity, improve and enhance communication, and increase inclusion and engagement. The Chief People Officer has management responsibility for our DEI efforts, supported by the DEI Resource Group focused on empowering team members to reach their fullest potential. To drive these priorities, we have trained 99% of all team members on DEI initiatives to date and provide unconscious bias training for all team members. Ensuring team members receive DEI training is part of our annual bonus incentive.

DEI is integrated within our formal talent pipeline, beginning with forecasting hiring needs. We strive to ensure our candidate hiring slates include diverse talent in support of the strategic commitment to building a more diverse, equitable and inclusive talent pipeline and workforce. We require corporate positions to have diversity slates and are expanding relationships with Historically Black Colleges & Universities.

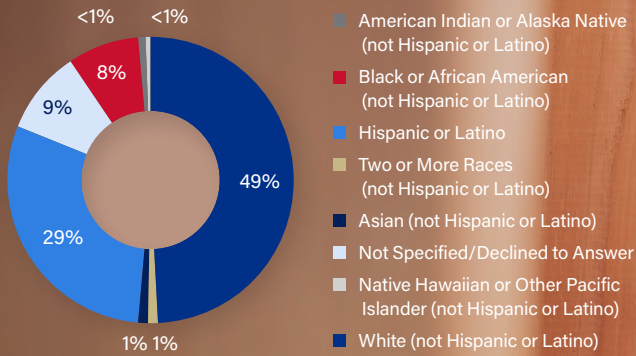


In 2022, we were recognized for our above-and-beyond commitment, contribution and collaboration in building a sustainable workforce in residential construction by the [Building Talent Foundation](#).



We recognized and honored the women of BFS during Women in Construction Week, featuring them on our social channels. Fifteen of our team members were honored by [HBSDealer's 2022 Top Women in Hardware & Building Supply](#).

2022 Ethnic and Racial Diversity



Gender and Ethnic Diversity by Function²

| | 2021 | | | 2022 | | |
|------------------|------|--------|--------------------|------|--------|--------------------|
| | MALE | FEMALE | ETHNICALLY DIVERSE | MALE | FEMALE | ETHNICALLY DIVERSE |
| All Team Members | 84% | 16% | 45% | 83% | 17% | 45% |
| Executives | 89% | 11% | 5% | 83% | 17% | 13% |
| Corporate | 67% | 33% | 21% | 67% | 33% | 25% |
| Field Operations | 85% | 15% | 50% | 84% | 16% | 50% |
| Field Management | 83% | 17% | 18% | 85% | 15% | 24% |



Builders FirstSource is a proud partner of the Department of Defense’s SkillBridge Program and is designated as an official Military Friendly® employer for 2023. Additionally, we received a 2022 Employer Award from VETS Indexes. We are looking to substantially expand 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.



In addition, “Proud to Serve,” one of our Employee Resource Groups, is focused on recruiting, employing and retaining veterans and persons serving in the armed services.

We are committed to recruiting and promoting diverse talent. To assess and help advance diversity among team members, we have monitored the diversity of our workforce and increased recruiting from more diverse sources. Compared to the 2022 construction-industry gender (11% female) and ethnic/racial diversity (43%) data published by the Bureau of Labor Statistics, Builders FirstSource’s diversity compares



Employee Resource Group (ERG)

We believe ERGs that are locally established, locally led and employee driven are most impactful. In 2022, we launched a women-focused ERG, **WEBUILD** (Women Engaged in Building Unity, Innovation, Leadership & Drive) to highlight our commitment to increasing the number of women working in the industry and at Builders FirstSource. **WEBUILD** is a key sponsor of HBSDealer Top Women in Hardware & Building Supply program, and we are currently scaling this ERG across the company. The effort to launch and scale **WEBUILD** has established a thoughtful and effective template for introducing new ERGs.

favorably, as we are outperforming the industry average. The pie chart above shows current ethnic diversity across the company, while the table outlines diversity by function.

² Team members who declined to answer are excluded from the calculation; 2021 data updated accordingly.

COMMUNITIES

More than a decade ago, Builders FirstSource established an enduring partnership with the Leukemia & Lymphoma Society (LLS). Because many of us know someone or have been impacted directly by the devastation of blood cancer, we are committed to transforming the lives of patients diagnosed each year.

Through a variety of charitable efforts, including the participation of thousands of team members in LLS's signature Light the Night events across the country, Builders FirstSource continuously supports the non-profit's mission to raise money for research that will cure leukemia, lymphoma, Hodgkin's disease and myeloma and to improve the quality of life of patients and their families.



Builders FirstSource supports a variety of charitable organizations, and we also encourage our locations to support charitable organizations and local causes. We seek to create a meaningful difference in the lives of others and an enduring impact on the communities where we live and work. These include:



American Red Cross, which shelters, feeds and provides comfort to victims of disasters; distributes international humanitarian aid; and supports veterans, military members and their families.



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



Tunnel to Towers Foundation, which supports first responders, veterans and their families by providing these heroes and the families they leave behind with mortgage-free homes.



Leukemia & Lymphoma Society

We want to extend an invitation to all our valued customers and suppliers to join us in helping raise funds.

\$2.3M raised for LLS in 2022, **\$8M** raised since 2006. Established a goal to raise **\$2.5M** for LLS in 2023. **#2** national ranking among LLS corporate fundraising teams. **17** years of support.



Camp Southern Ground, which supports veterans, in addition to providing extraordinary camp experiences for children, especially those with neurodevelopmental differences and from military families and underserved communities.



The BFS Cares Program, which was created to help team members facing financial hardship immediately after a natural disaster or unforeseen personal hardship. We provide a tax-free grant, **up to \$5,000**, funded by individual team member donations and support from the company. Since 2017, more than **1,200 grants** have been provided through donations of **over \$823,000** because of the care and generosity of our team members.



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.

BFS GIVING IN ACTION



HURRICANE IAN DONATIONS

Builders FirstSource's Wausau, Wisconsin, team supported Hurricane Ian victims in Florida with necessities and supplies along with collected donations.



BUILDERS FIRSTSOURCE 5TH ANNUAL LLS GOLF TOURNAMENT

In 2022, we hosted the fifth annual golf tournament and raised more than \$700,000 for the Leukemia & Lymphoma Society.



EXCEPTIONAL FOUNDATION OF EAST ALABAMA

We partnered with the Exceptional Foundation of East Alabama, a nonprofit organization offering adults with disabilities a place to be validated and celebrated, to build a life-sized gingerbread house for the holiday season.



BUILDERS FOR BABIES DIAPER DRIVE

Our Groveland, Florida, team partnered with Ashton Woods Homes and Starlight Homes and donated diapers to the Builders for Babies Diaper Drive.



ENVIRONMENT

WE ARE COMMITTED TO
OPERATING EFFICIENTLY AND
MINIMIZING OUR ENVIRONMENTAL
FOOTPRINT, INCLUDING REDUCING
CARBON EMISSIONS, WATER
USAGE AND WASTE.

ENVIRONMENT

As the nation’s largest supplier of structural building products and value-added components, aligning our business with the environment is an integral part of our culture. We are committed to operating efficiently and minimizing our environmental footprint, including reducing carbon emissions, water usage and waste. Our products and services also enable partners to build more sustainably and efficiently, promoting greener building in the industry.

>90%
OF OUR WOOD IS FROM
SUSTAINABLE FORESTRY
CERTIFIED VENDORS

SUSTAINABLE PRODUCTS AND SOLUTIONS

We continually explore new avenues to provide more efficient materials for the construction industry. We source sustainable-certified lumber from the Sustainable Forestry Initiative (SFI) and Forest Stewardship Council (FSC), and provide Energy Star® qualified windows and doors. In 2022, we sourced over 90% of our wood from SFI or FSC certified vendors.

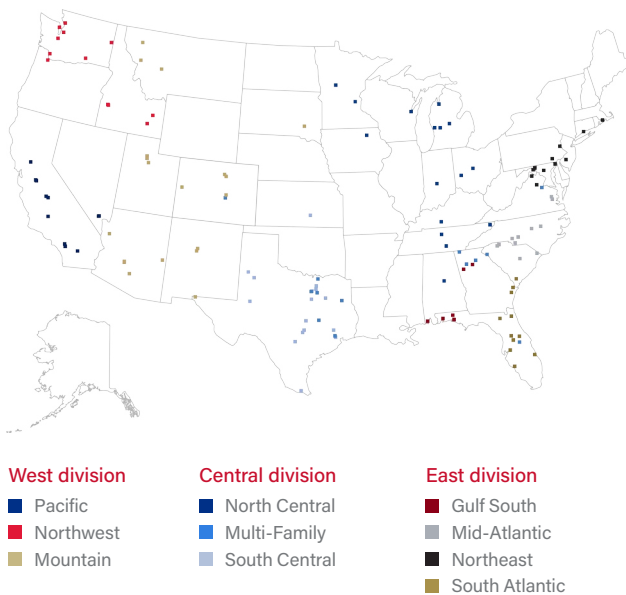
BUILDERS FIRSTSOURCE’S MANUFACTURED FRAMING COMPONENTS MAKE FRAMING GREENER, WITH MORE THAN 4.3 MILLION TREES SAVED SINCE 2019³

Manufactured Components Optimize Material Usage, Meaning Less Waste and Cleaner, Safer Jobsites

Builders FirstSource uses innovation to offer sustainable solutions that boost building efficiency and result in substantial savings for customers. Our manufactured framing components — including wall panels, EWP floor systems, roof trusses, floor trusses and READY-FRAME® — optimize material usage and reduce construction waste. We estimate that our production process for roof and floor trusses saves approximately 25% on total board footage of wood.

Our READY-FRAME® computerized, precisely pre-cut, labeled framing bundles enable crews to build more quickly, more safely and with less waste. READY-FRAME® enables up to 20% faster construction and can deliver a 39% increase in productivity per production labor hour. Use of READY-FRAME® can reduce cutting by 60% and ladder time by 27%, reducing exposure to injury risk leading to a safer jobsite. READY-FRAME® also significantly reduces the amount of material sent to landfill — up to two-thirds fewer dumpsters per home — meaning less waste and lower disposal costs, as well as lower emissions from avoided waste haulage. In 2022, READY-FRAME® avoided approximately 77,000 tons of CO₂e.

Manufactured Components Operations



³ Calculation based on per year production data for Builders FirstSource roof and floor trusses and READY-FRAME® pre-cut framing packages since January 1, 2019. 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. We calculate the number of trees saved for homes using our roof and floor trusses by applying a 25% savings on total board footage production. 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®.

WHY CHOOSE BUILDERS FIRSTSOURCE MANUFACTURED COMPONENTS?

Computerized pre-cut framing technology puts customers ahead of schedule and the competition.



Better

Computerized designs reduce mistakes and material misuse.



Faster

Components are pre-cut and/or assembled, saving labor and time.



Safer

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



Greener

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

OPERATIONS

The Environmental Compliance Department is responsible for developing and implementing environmental management programs to promote compliance and sustainability. Each location assigns individuals to be responsible for implementing and complying with these environmental programs. We monitor and comply with applicable federal, state and local environmental regulatory requirements, such as stormwater and air requirements. We utilize the BFS Foundations Management System to educate and train team members on relevant environmental and safety topics, such as stormwater management awareness and spill prevention.

In line with our focus on compliance and continual improvement, the Internal Environmental Audit Team audits each location at least once every three years. Locations identified as “higher risk” receive quarterly and annual audits on topics such as stormwater and hazardous spills. We take appropriate corrective actions to address any issues to enhance operations and compliance.

We are committed to monitoring, measuring and reducing our environmental impact, including natural resource usage and emissions. For example, we do not utilize water in key manufacturing processes, which minimizes impact and risks associated with water usage. In line with this commitment, we have implemented several initiatives to reduce environmental impact, including:

- Utilizing water-based paints, which are better for the environment and team members and reduce hazardous waste risks.
- Implementing a nationwide delivery routing system to maximize vehicle efficiency and minimize emissions.
- Monitoring vehicle idle times and providing financial incentives to minimize idling and reduce emissions.
- Upgrading lighting to LEDs, which not only save energy and reduce carbon emissions, but also improve safety through better visibility.
- Installing overhead fans to reduce air conditioning power usage.
- Introducing alternative fuel vehicles, such as electric, compressed natural gas and clean-burning diesel vehicles as they become more widely available to reduce carbon emissions.

2022 Electric Vehicles and Projected Outlook

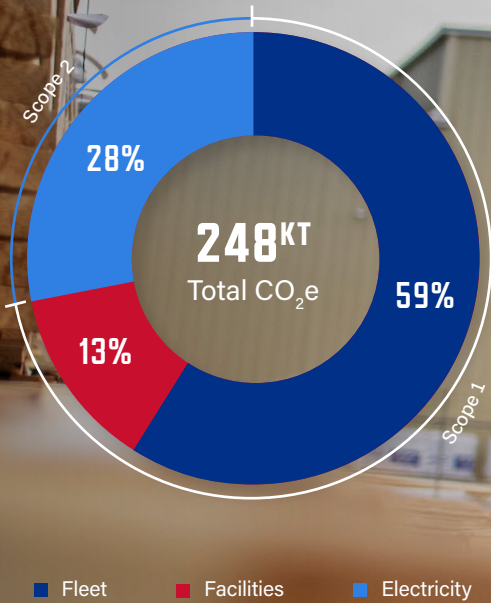
| EQUIPMENT CATEGORY | 2022 FLEET COUNT | % OVERALL FLEET | PROJECTED 2023 ADDITIONS | PROJECTED 2024 ADDITIONS |
|-----------------------------|------------------|-----------------|--------------------------|--------------------------|
| Electric Forklifts | 142 | 2.5% | 12 | 40 |
| Electric Medium-Duty Trucks | 0 | 0.0% | 6 | 6 |

2022 Waste Management and Recycling Data⁴

| | WASTE GENERATED | WASTE RECYCLED | % OF WASTE RECYCLED |
|--------------|-----------------|----------------|---------------------|
| Total (tons) | 76,064 | 10,417 | 13.69% |

⁴Waste data represents approximately two-thirds of our locations, which are serviced by a central waste haulage provider.

2022 Greenhouse Gas Emissions



GREENHOUSE GAS EMISSIONS AND REDUCTION TARGETS

We are committed to addressing the risks of climate change, including by taking actions to reduce greenhouse gas emissions. In 2022 and early 2023, we undertook and completed an extensive project to consolidate and report energy use data. Through this work, we now monitor and report Scope 1 and Scope 2 greenhouse gas emissions across our facilities and fleet.

We are utilizing 2022 carbon emissions baseline data to assess what short-, medium- and long-term greenhouse gas emission reduction targets are achievable. Baseline emission reduction targets on reliable and accurate data ensures that the targets are meaningful, credible and obtainable. We are committed to continue to invest time, effort and resources to be in a position to set meaningful Scope 1 and Scope 2 greenhouse gas emission reduction targets no later than 2025.

BUILDERS FIRSTSOURCE INTENDS TO SET SHORT-, MEDIUM- AND LONG-TERM REDUCTION TARGETS FOR SCOPE 1 AND SCOPE 2 EMISSIONS NO LATER THAN 2025.

| | KT CO ₂ e |
|----------------------|----------------------|
| Scope 1 total | 179 |
| Fleet | 146 |
| Facilities | 33 |
| Scope 2 total | 69 |
| Electricity | 69 |
| Total | 248 |



INTEGRITY

WE ARE COMMITTED TO A
WORK ENVIRONMENT THAT
IS CONDUCIVE TO INDIVIDUAL
AND COMPANY INTEGRITY
AND SUCCESS



INTEGRITY

We are committed to fostering an atmosphere that supports individual and company integrity and success. We take deep pride in knowing that we succeed with uncompromising integrity. Builders FirstSource's [Code of Business Conduct and Ethics](#) (Code) and [Supplemental Code of Ethics for Senior Officers](#) serve as the foundation of our compliance program and set forth policies and procedures to promote integrity and ethical conduct, as well as anti-bribery and anti-corruption programs. The Code also includes operating guidelines detailing delegation of authority, requirements for approval and standard operating procedures. Our General Counsel oversees business ethics and bribery and corruption programs. All team members receive training and must sign off on the Code during onboarding and receive ongoing annual training thereafter. All managers and above receive quarterly and annual questionnaires and reviews as part of regular bribery and corruption risk assessments to ensure compliance.

In addition, we have implemented measures to ensure appropriate and ethical business conduct and relations, such as our [Responsible Supply Chain Policy](#). We also have robust accounting systems to monitor and detect potential financial irregularities, which includes regular reporting to the Board.

Whistleblower Hotline

To help ensure compliance with the Code of Business Conduct and Ethics and promote ethical behavior, we have a whistleblower program overseen by our General Counsel, who has general oversight and enforcement with respect to business ethics. The whistleblower program offers anonymous 24/7 reporting of any concerns, and the program is communicated to all team members via posters in all locations, the Team Member Handbook provided to and acknowledged by all team members and the company intranet. All reported incidents are investigated and tracked in the EthicsPoint compliance system through final resolution. Appropriate representatives of 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.

PRODUCT QUALITY

Consistent with our mission, vision and values, the quality of our products is key to maintaining product leadership. We are committed to the quality of our products and ensuring they are delivered to the standard customers expect from us each and every time.

Our commitment to quality resonates across the entire organization, and relevant team members are trained on the topic periodically. We regularly monitor product quality and safety performance to further advance quality and safety metrics. In the case of a quality and safety incident, we have established response procedures to launch investigations and issue corrective action for continuous improvement.

Truss Manufacturing

All our truss manufacturing plants are QC/QA-certified by the Structural Building Components Association (SBCA). Each component location has a designated QC inspector, and each QC inspector is required to inspect a set number of trusses per build station based on established lumber criteria, such as joint tolerance and connector plate embedment. Inspection details are submitted to SBCA for review and scoring quarterly, and plants that consistently achieve the required score maintain the nationally recognized SBCA-QC certification. In addition, some facilities also use the Timber Products Association as a secondary inspection service.

Millwork Manufacturing

All of our millwork manufacturing plants are required to follow our Quality Assurance Manual for Energy Star Certification. This manual, along with other quality control processes, guide our millwork manufacturing plants to measure and manage in-process and post-production inspections throughout the millwork manufacturing process.

DATA PRIVACY AND CYBERSECURITY

The Chief Information Officer (CIO) oversees data privacy programs, and the Chief Information Security Officer (CISO) oversees cyber and data security. The CIO and CISO continuously monitor internal and external cybersecurity threats and review and revise cybersecurity defenses on an ongoing basis. Both the CIO and CISO prepare reports for the Board on a regular basis. At the Board level, data privacy and cybersecurity are overseen by the Audit Committee. The Audit Committee meets with the CIO and CISO at least annually to discuss cybersecurity in greater detail, and the Audit Committee also reports to the collective Board regarding cybersecurity matters annually. To drive our commitment to data privacy and cybersecurity across the organization, we conduct quarterly training and semi-monthly phishing simulations to all employees.

Conflict Minerals

Builders FirstSource recognizes 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, and we expect all suppliers to buy materials from socially responsible sources.

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 corporate social responsibility and sustainability, including issues relating to measuring our carbon footprint. |
| | Management Oversight | Our sustainability strategy and goals are reviewed and approved by our CEO and Executive Leadership Team. Our Head of Risk Management and ESG is responsible for overseeing our sustainability-related programs, including establishing our carbon emissions baseline. |
| STRATEGY | Climate-Related Risks and Opportunities | <p>We have identified climate-related risks and opportunities that may affect us over the short-, medium- and longer-term. These include,</p> <p>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 where 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.</p> <p>REPUTATIONAL RISKS: Our business faces increasing public scrutiny related to ESG activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, climate change or if we fail to consider ESG factors in our business operations. Additionally, investors and shareholder advocates are placing an increasing emphasis on how corporations address ESG 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 ESG efforts, and if such efforts are negatively perceived, our reputation and stock price may suffer.</p> <p>REGULATORY RISKS: 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.</p> <p>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 in order to meet current and forthcoming energy codes. We believe these services require scale, capital and sophistication that smaller competitors do not possess.</p> |
| | 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 | | <p>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.</p> <p>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.</p> |
| METRICS | Metrics | We monitor and measure our climate-related performance, including greenhouse gas emissions. |
| | GHG Emissions (2022) | <p>Scope 1 179 KT CO₂e</p> <p>Scope 2 69 KT CO₂e</p> <p>We intend to set Scope 1 and 2 emission reduction targets no later than 2025.</p> |

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) 854 GWh (2) 22% (3) n.a. |
| | Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products | CG-BF-250a.1 | See section on Operations |
| MANAGEMENT OF CHEMICALS IN PRODUCTS | Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards | CG-BF-250a.2 | Not reported |
| | Description of efforts to manage product lifecycle impacts and meet demand for sustainable products | CG-BF-410a.1 | See section on Sustainable Products and Solutions |
| PRODUCT LIFECYCLE ENVIRONMENTAL IMPACTS | (1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled | CG-BF-410a.2 | Not reported |
| | (1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by standard | CG-BF-430a.1 | Approximately 90% of our wood products in 2022 were from SFI or FSC certified vendors. See section on Sustainable Product and Solutions |
| ACTIVITY METRIC | Annual production | CG-BF-000.A | Not disclosed |
| | Area of manufacturing facilities | CG-BF-000.B | Not disclosed |



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