



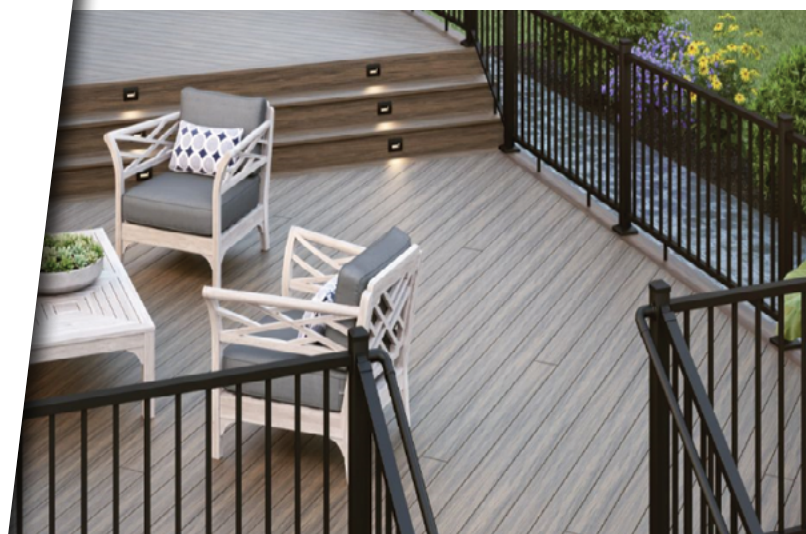
GOVERNANCE REPORT

Including Environmental, Social
and Governance Practices

SUSTAINABILITY
HUMAN CAPITAL
RISK ASSESSMENT

COMMUNITY ENGAGEMENT
ENERGY MANAGEMENT
CORPORATE GOVERNANCE

FY 2022 Report
Last Updated: March, 2023



About this Report:

This report covers UFP Industries' U.S. operations through the end of December 31, 2022 and includes data from acquisitions unless otherwise noted. We have aligned our reporting this year with the Sustainable Accounting Standards Board (SASB) and the Taskforce for Climate-related Financial Disclosures (TCFD).

Please be aware that statements included in this presentation that are not historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act, as amended, and are based on management's beliefs, assumptions, current expectations, estimates, and projections about the markets we serve, the economy, and the company itself. Words like "anticipates," "believes," "confident," "estimates," "expects," "forecasts," likely," "plans," "projects," "should," variations of such words, and similar expressions identify such forward-looking statements. These statements do not guarantee future performance and involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. The Company does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. Actual results could differ materially from those included in such forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Among the factors that could cause actual results to differ materially from forward-looking statements are the following: Fluctuations in the price of lumber; adverse or unusual weather conditions; adverse conditions in the markets we serve; government regulations, particularly involving environmental and safety regulations; and our ability to make successful business acquisitions. Certain of these risk factors as well as other risk factors and additional information are included in the Company's reports on Form 10-K and 10-Q on file with the Securities and Exchange Commission.

Non-GAAP Financial Information: This presentation includes certain financial information not prepared in accordance with U.S. GAAP. Because not all companies calculate non-GAAP financial information identically (or at all), the information herein may not be comparable to other similarly titled measures used by other companies. Management considers adjusted EBITDA and return on invested capital to be non-GAAP alternative performance measures which may provide useful information to investors.

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Consumers are increasingly aware that individual product decisions have global consequences. Nowhere is this truer than in building materials. From framing to decking to packaging, people who care for the environment are looking for sustainable solutions. At UFP Industries, we provide those solutions by integrating sustainable products and practices into every part of our business. We do so with a spirit, culture and business model like no other while delivering consistent, superior returns to our shareholders.



UFP INDUSTRIES





MESSAGE FROM OUR CHAIRMAN AND CEO

Our success depends on the people who make up our workforce and culture, the environments where we live and work, the natural resources on which our business depends, and our ability to manage each of these factors, along with many others, to create success.

We simply call it “doing the right things.” In this report we share our thoughts and practices around how we address those key factors and how we govern our corporation to provide rewards for our investors and teammates for choosing UFP. We highlight our history of encouraging and enabling individual growth and opportunity, building a stronger company, and providing a hand up in our communities to those in need.

We discuss environmental stewardship, which means being efficient and eliminating waste, planting more than is harvested, and sustaining the environment for future generations. It means using less energy where possible and evaluating the overall environmental impact of the products we consume and manufacture.

Achieving success is not a spectator sport so we provide opportunities for all who want to work hard. We adopt and enforce policies which promote broader access to those opportunities, particularly for those at lower income levels. Our experience tells us people of all backgrounds and beliefs are capable of great achievements, so we pursue individuals where they live, working with organizations who help connect the unemployed and underemployed to the workforce. Our doors and hearts are open to people of all backgrounds and characteristics, and we provide a safe and welcoming environment for all.

We have thousands of teammates who have chosen to grow their careers with us. For 68 years they have been effective recruiters by simply telling the story of UFP opportunity to their friends.

We hold ourselves accountable to treating each person with dignity and respect. We seek to improve our skills and abilities through extensive training internally and through external recruiting of functional experts. The goal always is to hire and promote the best.

With the best people, we create the highest-value solutions for our customers, who ultimately hold the key to our success. We are determined to make the best use of our capital – human and financial – with an unwavering focus on long-term success.

We are proud of how our people conduct themselves and how we have built a sustainable, resilient company. We hope you enjoy reading more about their accomplishments as we all work toward an even brighter future.

Matthew J. Missad
Chairman and CEO

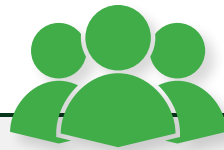




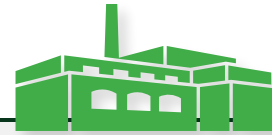
UFP AT A GLANCE

**1955**

Company founded in
Alma, MI, now HQ'ed in
Grand Rapids

**15,000+**

Number of employees
worldwide

**218**

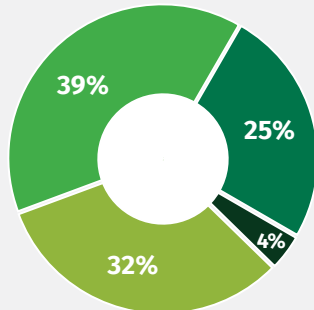
Number of facilities
worldwide

**\$9.6B**

2022 Net sales

\$1.1B

2022 Adj. EBITDA



Based on 2022 Net Sales

Retail - \$3.7B in 2022

Big box, independents, & buying co-ops

Construction - \$3.1B in 2022

Single- and multi-family builders, commercial
builders, concrete formers, factory-built housing
(mobile & modular homes) & RVs

Packaging - \$2.4B in 2022

Broad range of Industrial manufacturers,
OEMs, agricultural and logistics

International - \$0.4B in 2022

Overseas global sourcing and selling with
manufacturing and design assets in eight countries

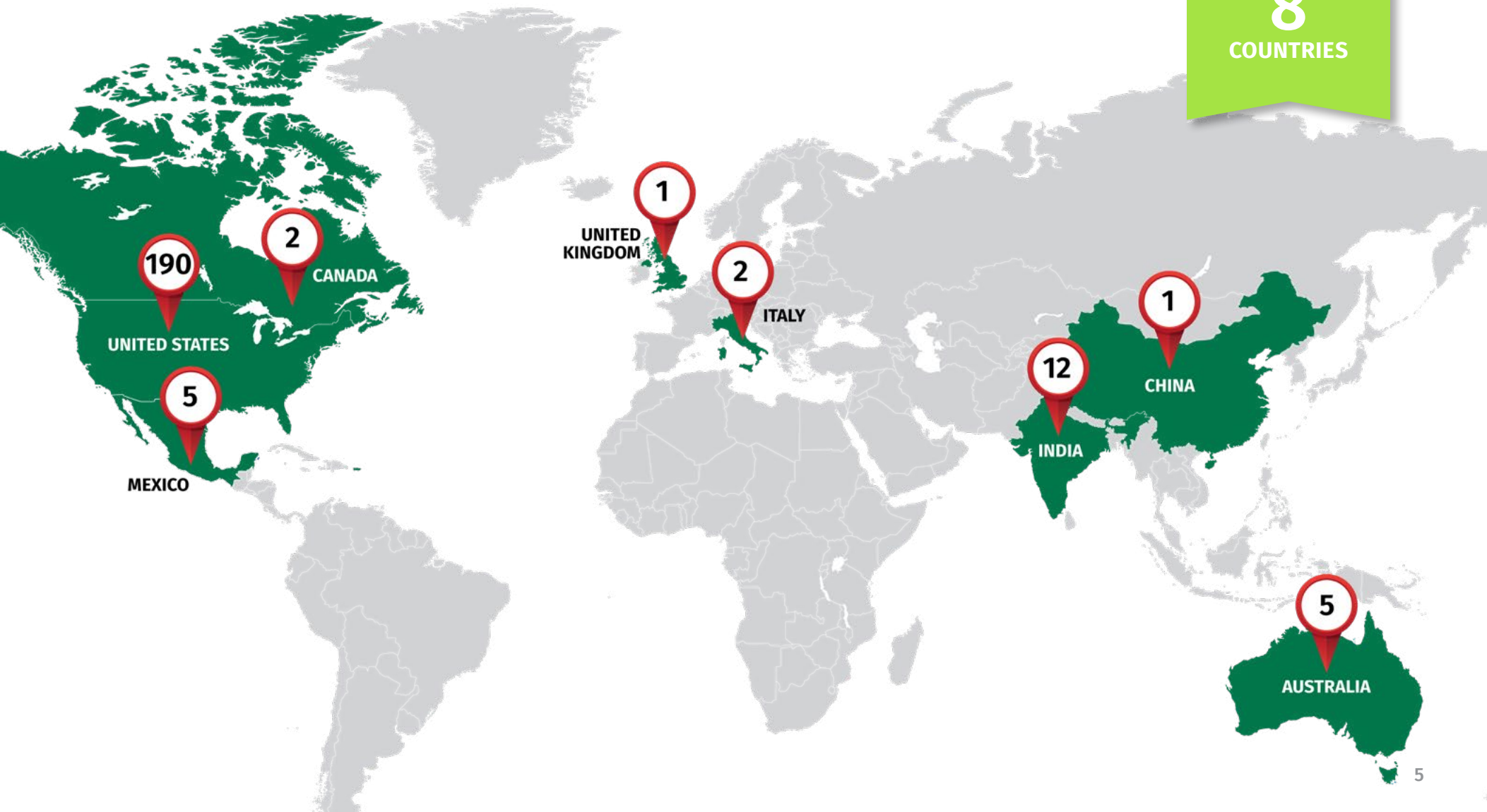


Our Locations

UFP has 218 locations in eight countries. Our proximity to both raw material and the markets we serve means there is less mileage and fuel required to get finished products to our customers.

218
LOCATIONS

8
COUNTRIES





OUR BUSINESS PHILOSOPHY

Our business philosophy is simple: **Take care of your customers, your employees and your communities, and profits will follow.**

We have lived this attitude for decades, long before the term “stakeholder capitalism” was coined, but have not heavily publicized it.

This philosophy, which guides and controls the manner in which we operate, reflects not only the right things to do, but also the results that benefit all of our stakeholders.



PROFITABILITY

Operate a profitable, ROI-driven company that provides solutions for the unmet needs of our customers and consumers alike.



COMMUNITY

Take care of our employees and be active in improving the communities in which we live and work. Inspire our people to be great citizens by providing opportunities to volunteer.



SUSTAINABILITY

Support responsible stewardship of forestlands and natural resources by using sustainable practices, promoting clean air, water and land while innovating to do more with less.



OPPORTUNITY

Create a path for those less fortunate to achieve greater success with us through recruiting, training, incentives and mentoring.

Our priorities are successful employee outcomes, customer satisfaction and consistent shareholder return.

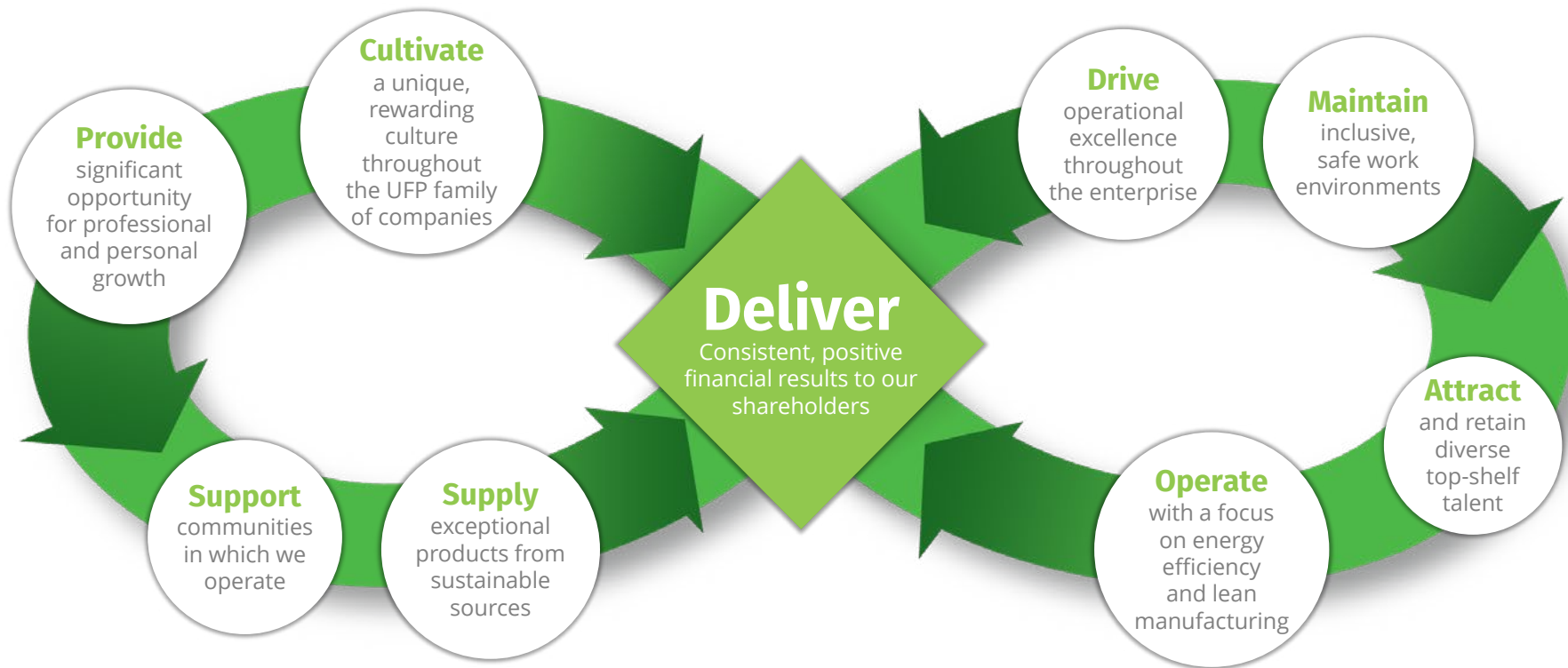


OUR SUSTAINABILITY PHILOSOPHY

For UFP Industries, doing right doesn't require departments and titles, but is simply part of who we've been and who we continue to be. And that's how we like it – fewer committees, higher standards, and increased financial and social rewards for employees, customers and communities.

We empower our employees to embed sustainability in all business decisions to manage risks, reduce costs, and ensure long-term performance.

We have always believed profitability and asset values are optimized by acting responsibly. Sustainability for us means more than using and selling renewable materials - it serves our ultimate goal of creating and sustaining value for shareholders.





OUR HISTORY

1950s and 1960s:

The early years as a supplier to manufactured housing

- 1955** Universal Forest Products incorporates with William F. Grant as major stockholder and only salesman. The company's sole market is factory-built housing.
- 1962** Peter F. Secchia joins the company. Secchia would lead the company's early growth and remain as an employee for 40 years, retiring as chairman in 2002.

1970s:

The growth years begin. By strategically locating component yards close to customers, the company pioneers "just-in-time" methods long before the term entered the American business lexicon. The company ends the decade with an important new customer.

- 1971** The company has sales of \$12 million. Then-vice president of sales Peter Secchia purchases control of the company. William G. (Bill) Currie, who would become CEO and then chairman, joins the company as a salesman.
- 1978** Current Chairman and CEO Matthew J. (Matt) Missad joins Universal's maintenance crew, staying on through high school, college, and law school. After graduating Matt is hired as UFP's Director of Legal Compliance.
- 1978** The company's Auburndale, Florida plant produces UFP's first charge of treated lumber. Today, UFP is the world's largest lumber pressure-treater.
- 1979** Universal ships the first load of treated lumber to a brand-new company, The Home Depot.

1980s:

Increased growth and leadership changes. Retail segment takes off.

- 1986** UFP expands its reach to the West Coast, acquiring Far West Fir Company, headquartered in Huntington Beach, California.
- 1989** Peter Secchia is appointed United States Ambassador to Italy by President George H.W. Bush. Bill Currie succeeds Peter Secchia as CEO.





1990s:

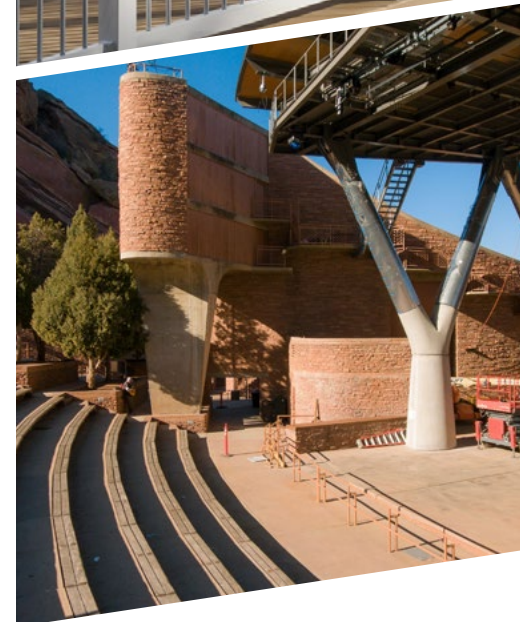
UFP becomes a national player in the construction market, ending the decade as the nation's largest residential truss manufacturer.

- 1993** Universal Forest Products goes public, issuing 5.7 million shares at \$7 each. Sales are \$644 million. The company is named to the Fortune 500.
- 1997** UFP enters the site-built construction market with acquisitions in Pennsylvania, Texas and Colorado, sparking new and significant growth for the company.
- 1998** With the acquisition of Shoffner Industries the company becomes the nation's largest site-built residential truss manufacturer.

2000s:

Growing bigger faster. The third leg of the stool, industrial sales, is added and becomes UFP's fastest-growing segment. The company branches out into composite decking. Its balanced business model allows it to weather the housing bust successfully. National business publications take notice.

- 2002** Universal acquires a composite decking facility from Quality Wood Treating, Co., Inc. in Prairie du Chien, Wis., with a goal to become a leader in the wood-alternative decking and railing space.
- 2005** Universal celebrates 50 years as a company. The company is named to Forbes Magazine's "Platinum 400," an annual listing of America's best big companies for the seventh time in eight years. Annual sales are \$2.7 billion.
- 2005** Universal acquires the inventor and marketer of the first metal rail baluster, Deckorators, a brand the company would expand into the industry's most innovative composite decking and railing line.
- 2006** Michael B. (Mike) Glenn is appointed CEO and Bill Currie is appointed executive chairman of the board.
- 2007** Osmose's MicroPro™ -- which Universal affiliates use to treat wood -- is named the first and only wood preservative technology to earn the esteemed Green Cross recognition, which marks it as an Environmentally Preferable Product. (UFP's ProWood® is treated with MicroPro™.)
- 2007** Universal adds concrete forming products to its growing portfolio.
- 2008** Universal is named one of Fortune magazine's Most Admired Companies.
- 2008** The company battles through the Great Recession by right-sizing the operations and headcount while improving efficiencies, gaining market share and paying down debt. Despite the macroeconomic headwinds UFP continues its streak of profitability and emerges from the downturn debt-free.





2010s:

UFP fortifies its strength in its three markets. New leadership embarks on new paths of opportunity.

- 2011** Having successfully steered the company through the Great Recession, CEO Mike Glenn retires. Matt Missad is named the company's fifth CEO. Universal announces strategies for growth that include adding new products and new markets, and opening doors to offshore opportunities.
- 2011** UFP begins a transformation into a value-added solutions provider by adding talent; new business units and products, such as our mineral-based composite decking; new research and development capabilities; and manufacturing technology, including automation.
- 2016** Forbes magazine names UFP as the best-performing company in Michigan, based on total returns.
- 2017** UFP stock splits 3 for 1. Annual sales reach \$3.9 billion

2020s:

A new structure to focus on business segments rather than geography drives better execution and transformative financial performance.

- 2020** Universal Forest Products changes its name to UFP Industries and reorganizes, dropping geographic management in favor of management by market. Three business segments are announced: UFP Construction, UFP Retail Solutions, and UFP Industrial (now UFP Packaging).
- 2021** The company acquires PalletOne, the leading manufacturer of new pallets in the U.S., and its Sunbelt Forest Products pressure-treating affiliate.
- 2021** UFP's Sunbelt Forest Products acquires Spartanburg Forest Products, making UFP Industries the largest pressure treater in the world.
- 2022** UFP Industries re-enters the Fortune 500 at #401. Missad is named by Fortune as one of 10 CEO's that are the "Best Bang For The Buck."
- 2022** The company is ranked #10 out of 100 companies in Forbes' list of "America's Best Mid-Sized Companies," and #149 on the Industry Week 500, a list of the U.S.'s largest publicly traded manufacturing companies.
- 2022** Annual revenue climbs to \$9.6 billion with record EBITDA and return on capital.
- 2023** Matt Missad named chairman of the UFP Industries board of directors while remaining CEO. Bill Currie to serve out his term as director through 2025.
- 2023** UFP named to Forbes Magazine's "America's Best Mid-Sized Companies" for the second consecutive year.





PRODUCT STEWARDSHIP

Wood Facts

In the United States alone, forests, wood products, and urban trees collectively offset annual CO2 emissions by roughly 10–15 percent.¹

Carbon stocks in managed forests are stable and growing due in no small part to the forest products industry and market incentives. Forest products store significant amounts of carbon in both short- and long-term storage and are a low-carbon alternative to high-carbon intensity building products (i.e. cement and steel) in many applications. We support responsible forest stewardship, including purchasing certified content and working with industry associations to promote sustainable forest management in the markets where we operate.

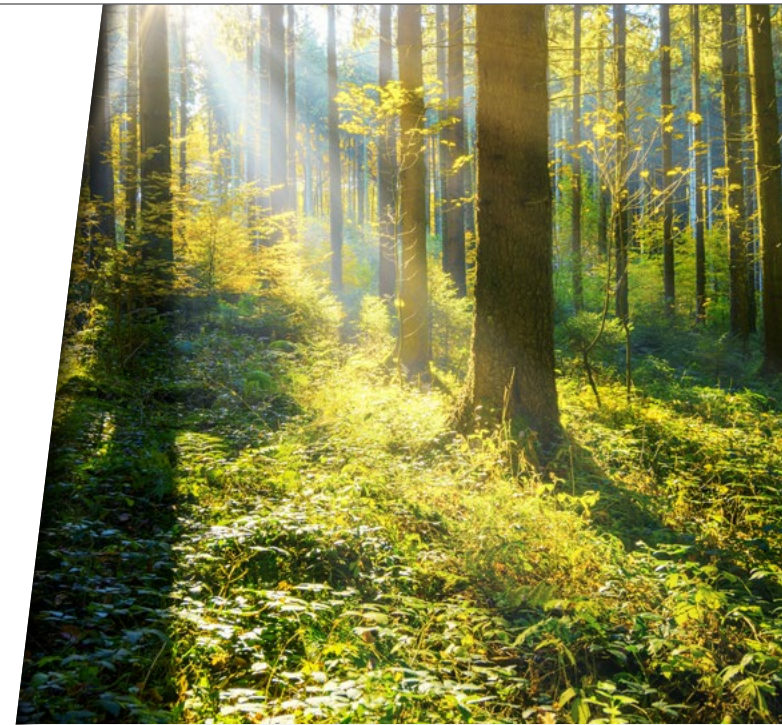
According to The State of America's Forests report, less than two percent of the standing tree inventory in the U.S. is harvested each year.² In Canada, where much of UFP's lumber is sourced, less than one percent of the managed forest is harvested annually.³ In both countries, responsible forest management has resulted in more than 50 consecutive years of forest growth that exceeds annual harvest. As a result of these trends, in recent decades forests in both countries have sequestered high levels of carbon.

From a total embodied energy perspective, wood is a clear winner over competing building materials.

¹ USDA Forest Service

² <https://usaforests.org/wp-content/uploads/2017/11/soafsmall.pdf>

³ <https://cfs.nrcan.gc.ca/pubwarehouse/pdfs/38871.pdf>



**TREES PLANTED IN THE
UNITED STATES EACH YEAR**

2+
BILLION*

**WOOD GROWTH EXCEEDS
WOOD HARVEST BY**

27
PERCENT*

*The Engineered Wood Association



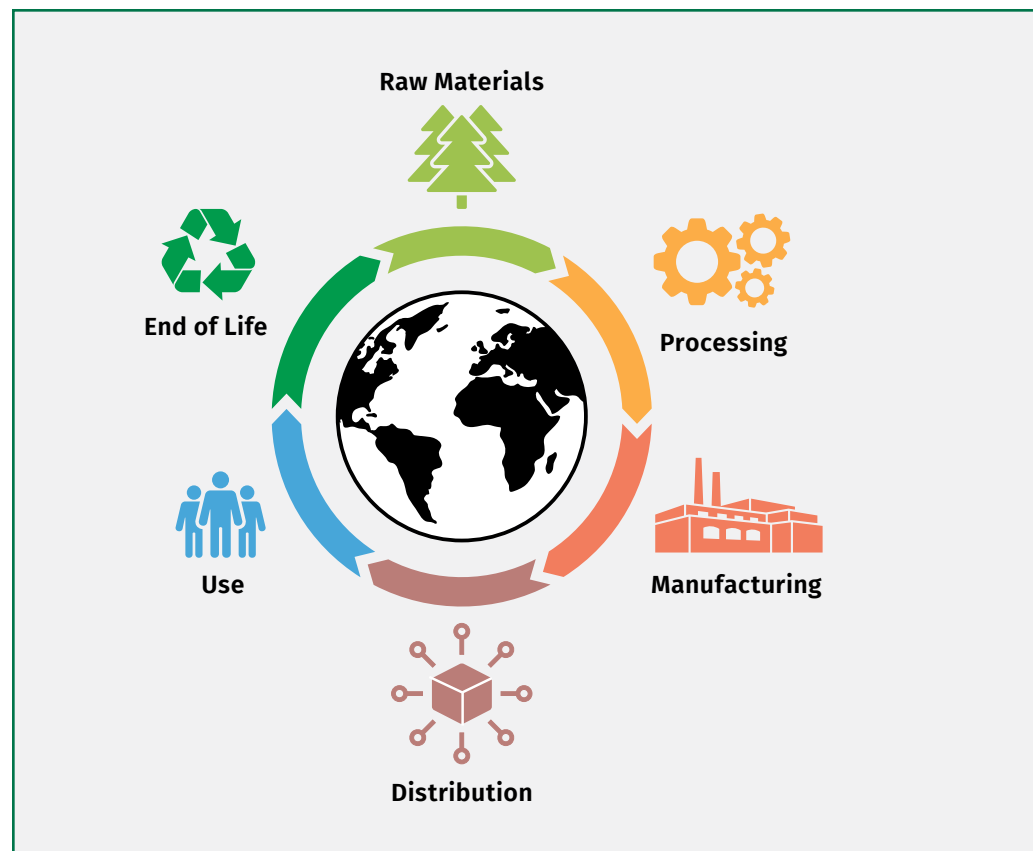
Wood Facts, continued

Life Cycle Assessment (LCA) is an internationally recognized method for measuring the environmental impacts of materials, assemblies or whole buildings over their lives—from extraction or harvest of raw materials through manufacturing, transportation, installation, use, maintenance, and disposal or recycling.

LCA highlights several environmental benefits of wood in the design and construction of buildings. When viewed over its life cycle, an inherent advantage of wood is that it is renewable and sustainable and requires less energy to manufacture into products than steel or concrete. Wood buildings also are responsible for fewer carbon emissions, less air and water pollution, and have less embodied energy than buildings made from other materials.

In addition to greenhouse gas emissions avoided by not using energy-intensive materials, wood lowers a building's carbon footprint because it continues to store carbon absorbed during the tree's growing cycle, keeping it out of the atmosphere for the lifetime of the building—longer if the wood is reclaimed and used to manufacture other products.

All building materials have some environmental impact. Greater use of LCA will allow building designers to specify a combination of materials that balances the desire to minimize environmental impacts with the need to meet functionality and cost requirements. Wood plays an important role in achieving these objectives.





Product Sustainability and Waste Reduction

Our commitment to continuous improvement and lean manufacturing requires that we maintain a steady focus on eliminating waste in all areas of our operations and administration.

As a leading manufacturer of engineered wood products, we enhance the sustainability and use of wood while using less material to create a stronger, more durable building component. In the construction market, we design, engineer and manufacture roof trusses, floor trusses and wall panels. Each of these products saves time and reduces waste on the job site, provides better, more consistent product performance and speeds construction. We also design, manufacture and distribute engineered floor systems which use wood by-products as key components of their manufacturing process.

Our wall panels, roof and floor trusses, finger-jointed lumber and floor systems are made from fast-growing species cultivated in managed forests. They're manufactured with less waste and carry greater loads over longer spans than their site-built counterparts. Our factory-assembled components also have less embodied energy than competing, non-wood products. All sawdust is recycled or reused.



In the Framing the American Dream study, the Wood Truss Council compared stick framing to component framing in a 2,600-sq.-ft. house.¹

27%
LESS BOARD
FOOTAGE

96%
LESS WASTE

59%
LESS LABOR
REQUIRED

¹<https://sbcindustry.com/fad>

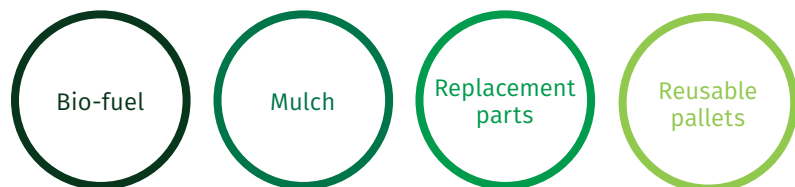


Product Sustainability and Waste Reduction, continued

As the largest wood pallet producer in North America, UFP sets a high standard for sustainable industrial packaging.

PalletOne Inc., an affiliate of UFP Packaging, operates an aggressive pallet recovery and recycling program to divert wood fiber from the waste stream.

Nearly all of our products and by-products follow a cradle-to-cradle vision of packaging, where they are collected and recycled to produce other useful products, including:



PalletOne leads the industry in the education and promotion of Unit Load Design, a leading concept in reducing packaging waste. This proven process is used to minimize packaging weight and volume while reducing the amount of raw material used. We encourage customers to follow our sustainability practices by offering free pallet audits and training classes on systems-based design.

Respect for the environment is baked-in to our procurement and processes. Our products are engineered to optimize raw material use. Our processes are reviewed regularly for energy efficiency, and wood by-products are effectively utilized, minimizing the impact on natural resources while improving the overall efficiency of the global supply chain.

In addition to 100% of PalletOne's products being recyclable, more than 15% of our total products sold last year were recycled or upcycled.



2022 Environmental Scorecard



16,245,602

Wood Pallets Produced For Re-Use



634,770

Co2 Emission Tons Saved



1,009,576

Landfill Waste Tons Saved



Product Sustainability and Waste Reduction, continued



Our DecoRators composite decking and railing is manufactured within a sustainability framework meeting the following criteria:



No formaldehyde or VOCs.

UP TO
95%

Engineered with up to 95% reclaimed and recycled materials.

40
MILLION

pounds of wood and plastic waste used annually that would have otherwise been diverted to landfills.

100%

of the wood fiber used is reclaimed post-industrial waste.

50%

of the plastic comes from post-consumer and post-industrial recycled sources.

UP TO
73%

of raw materials used are sourced within 500 miles of the manufacturing plant.



Our wood-plastic composite is backed by an industry-leading 25-year structural, stain & fade, removal & replacement limited warranty. Our mineral-based composite is backed by a 50-year structural warranty.



Fully recyclable.

100%

of the manufacturing waste is reused, recycled or repurposed.

95%

of extrusion scrap is recycled back into our processes.





Product Sustainability and Waste Reduction, continued



The company has invested heavily in operational efficiency and energy conservation in its composite decking operations.

In addition to upgrades in equipment that have dramatically reduced the energy needed to make our decking, our operations use:

- **Six Sigma principles** and Lean Manufacturing best practices
- **Closed-loop water management systems** that reuse 100% of process water
- **Programmable controlled cooling system**, converting high energy consumption cooling to atmospheric air cooling during colder months
- **Redesigned plant air system** with larger capacity piping, drastically reducing air compressor delivery restrictions
- **Variable speed drives** on air compressors that help reduce wasted air
- **Redirected heat** from air compressors directed back into the plant during winter months
- **Low-E LED lighting** throughout the plant
- **No harmful chemicals** are used in our manufacturing processes
- **Bulk shipping** is maximized via rail
- **Compliance with all state and local emission standards**
- **Air quality is analyzed** to ensure the safest working environment for our employees
- **Noise is monitored** to ensure we meet community standards

The goal for DecoRators is to continue to increase the amount of post-consumer and post-industrial recycled material into its finished products without sacrificing product quality. We continue to make a substantial investment in achieving this goal.





Certification Programs

Some of our facilities and vendors have Forest Stewardship Council® (FSC)® FSC-C004179 Chain of Custody Certification SCSCOC-001831.

Other vendors use competing certification agencies, such as SFI (Sustainable Forestry Initiative), CSA Group and PEFC (Programme for the Endorsement of Forest Certification). These groups have developed rigorous standards to ensure that forests are harvested responsibly. These products can be used to earn points in the NAHB's Model Green Home Building and other state and local green building programs.



USE OF THIRD-PARTY CERTIFIED VENDORS:

95%
PANELS

85%
LUMBER*

At least 95% of our panels and 85% of our lumber come from vendors that are third-party certified.



*Due to the variety of species and grades required for our operations, there may not always be availability of certified lumber in certain grades from certain vendors.



Sustainable Supply Chain

As one of the largest purchasers of sawn timber in North America, we have a vested interest in our suppliers' practice of sustainable forestry. We source lumber from around the world and review vendors' operations through regular dialogue and on-site visits.

SUSTAINABLE SUPPLY CHAIN BUSINESS PRACTICES

Our mill vendors have a practice of planting more trees each year than they harvest, which is important to us and drives our sourcing decisions. Our expectations of suppliers, with whom we have many long-standing relationships, extend to their practices in waste management, health and safety, labor rights, conflict minerals, and human rights. We operate with the highest standard of integrity and sustainability and expect our suppliers to do the same.

UFP expects suppliers to eliminate waste and to continuously improve their energy efficiency in their supply chain, production processes and delivery to our sites. They are expected to minimize or eliminate the use of hazardous materials in the products we buy. We encourage customers to follow our sustainability practices by offering free pallet audits and training classes on systems-based design.

HEALTH, SAFETY AND ENVIRONMENT

UFP expects suppliers to apply robust health, safety and environment policies and practices that comply with international and national standards, laws and regulations. We expect suppliers to address the possibility of disasters and other emergencies by enacting and using business continuity plans and response procedures.

ETHICS

Bribes or engaging in corrupt practices of any kind by vendors to advance any interests with UFP is prohibited.

CONFLICT MINERALS

UFP expects all suppliers to provide appropriate information and conduct proper due diligence to enable our compliance with conflict minerals laws.





Sustainable Supply Chain, continued

LABOR PRACTICES

UFP suppliers are not permitted to use involuntary labor, including child labor, prison labor, debt bondage or indentured or forced labor. No person employed by a supplier may be below the minimum legal age for employment. Suppliers must comply with all applicable labor, wage and hour laws, and regulations, including, but not limited to, those relating to minimum wage, overtime, piece rates and other elements of compensation, and legally mandated benefits. Suppliers' employees should understand their employment conditions, including payment terms and benefits.

HUMAN RIGHTS

We support a cooperative commitment to human rights. UFP expects suppliers to treat all employees with respect and dignity. Physical abuse, threats of violence, corporal punishment, or other forms of physical coercion, harassment, or intimidation are not tolerated. Suppliers may not discriminate with regard to employment, wage and benefits practices.

ENVIRONMENTAL RISK MITIGATION

We mitigate environmental risk through a variety of processes, including environmental risk assessments, and monitoring, testing and reviewing raw materials incorporated in the products we produce.

RISK MITIGATION POLICIES

At UFP, we conduct our business with adherence to a strict set of standards and policies which are intended to create a safe, sustainable, respectful and healthy work environment. Our employees have access to the following policies through our company intranet:

- Anti-Corruption
- Anti-Hedging and Anti-Pledging
- Employment of Minors Policy
- Code of Business Conduct and Ethics
- Conflict Minerals
- Data Privacy
- Environmental Health and Safety
- Prohibition of Sexual and Other Workplace Harassment
- Open Door/Whistleblower
- Equal Employment Opportunity





ENVIRONMENTAL SUSTAINABILITY

We are committed to being good stewards of our environmental resources, and continually look for opportunities to reduce our water, energy, and waste footprints, while becoming more efficient in our operations.

We strive to measure, monitor, and report our environmental metrics including our Scope 1 and Scope 2 greenhouse gas (GHG) emissions, water and waste management, and energy consumption.

As we continue to improve our environmental management practices, we are committed to seeking more opportunities in clean technology and renewable energy where feasible.

Our environmental sustainability priorities are:

**Energy and Climate
Management**

**Waste
Management**

**Water
Management**

Our Cedar Poly affiliate is a trusted buyer and recycler of numerous post-consumer and post-industrial plastics, paper and corrugate materials. Cedar Poly recycled **35.9 million pounds** of plastic and **1.12 million pounds** of fiber materials in 2022.





Energy Management

We have a vested interest in a healthy planet that can sustain the resources upon which we depend. We seek to provide transparency on our climate change risk management and include climate-related financial risk disclosures in the TCFD Index of this report. We mitigate environmental risk through a variety of processes, including environmental risk assessments, and monitoring, testing, and reviewing raw materials incorporated in the products we produce. As part of our commitment to environmental responsibility, we will continue to measure and monitor our greenhouse gas (GHG) emissions from our direct operations and associated enterprise energy usage.

Scope 1 and 2 Greenhouse Gas Emissions Methodology

Our 2022 GHG Inventory is consistent with the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol) for corporate GHG accounting and reporting. UFP defines its organizational boundary conditions consistent with the GHG Protocol according to the "control approach" for Scope 1 and 2 sources.

UFP defines its organizational boundary consistent with the GHG Protocol according to the "financial control approach" for Scope 1 and 2 sources. This means the scope of UFP's organizational boundaries includes locations in the company's financial control where UFP has responsibility of purchases and accounting activities that have associated direct emissions for purchased energy. The inventory was prepared based on relevant spend and activity data for stationary combustion, mobile combustion, and purchased electricity consistent with GHG protocol methodology for carbon accounting under the financial control approach. Presently, this includes sources of propane, diesel, natural gas, gasoline, and grid electricity. We also have renewable energy purchases at select sites that are included in our inventory calculations.

In our first year of public emissions disclosure, we are committed to disclosing emissions data that are reasonable estimates and include all major sources of emissions. For certain areas of our operations where data is limited, including recent acquisitions, we have made reasonable, conservative assumptions to have a complete Scope 1 and 2 inventory reported. We are working to continually improve data collection and reporting to ensure accurate, decision useful information. We will continue to improve our systems for data collection and reporting and work to manage our corporate emissions aligned with our sustainability commitments.





Energy Management, continued

Continuous improvement, with an emphasis on environmental stewardship through efficiency, is a key focus in our operations planning. Our energy management team has made good strides in energy reduction by upgrading electrical equipment, including motors, lighting, and panels. This team is responsible for continuously seeking opportunities to make our operations more sustainable. Recently, we expanded our energy portfolio and have two renewable energy (solar) installations in the United States. These two sites produced 707,669 kWh of renewable energy in 2022. The Livermore Falls, ME mill purchased 435,200 kWh of electricity under a green (solar) power purchase program in 2022, and we've committed to expanded purchases in 2023. In addition, our idX Corporation affiliate purchased wind Renewable Energy Certificates (REC's) equivalent to 10,829,000 kWh of electric consumption, enough to cover 94% of idX total electric consumption in 2022.



2022 Emissions by Scope

Scope	Primary Location (Location-Based) mtons CO2e	Secondary (Market-based) mtons CO2e
Scope 1	81,858	81,858
Scope 2	105,772	106,203
Total Scope 1+2:	187,630	188,061

2022 Emissions by Source

Source	Primary Location (Location-Based) mtons CO2e	Secondary (Market-based) mtons CO2e
Natural Gas	36,245	36,245
Propane	6,530	6,530
Electric Power	105,772	106,203
Corporate Aviation	816	816
Diesel – Forklift	5,840	5,840
Diesel – Fleet (fuel)	32,427	32,427
Total	187,630	188,061



Waste Management

We prevent waste through our unique sourcing model, which promotes the use of as much of a canted log as possible in our products. Parts are utilized by one or more of our three business segments, depending on the appearance, the engineering characteristics and the utility for particular applications. What can't be used in our products is converted to material that is recycled or upcycled by other industries.

Our wood dust is recycled in quantities exceeding 25,000 tons per year.

We have also focused on enhancing our recycling efforts to include landfill avoidance and more recycled content in our products, as well as expanding end use categories for recyclable items. Our Innovation Team has made progress on this work, and we aim to monitor this progress in the upcoming year.

	Units	2022
Non-hazardous waste disposed	Tons	44,880.73
Hazardous waste disposed	Tons	0

✓ **APPEARANCE GRADE (retail)**

Interior and exterior applications like moulding and fencing

✓ **STRONGER TENSILE GRADE (construction)**

Engineered components

✓ **INDUSTRIAL GRADE (packaging)**

Downfall from other operations for packaging components





Water Management

Water is an important natural resource for our business and we recognize the importance of a business our size having good water management practices.

UFP Retail Solutions is the world's leading wood preserver. Preservation using environmentally safe chemicals extends the useful life of wood products up to five times by protecting them from decay and termite infestation. Our pressure-treating facilities operate with closed-loop systems, where solution from drying lumber is recaptured and water is reused in the treating process. We have 0% wastewater discharge from our treating plants, and we aim to maintain this process to ensure proper water management.

Our pressure-treated facilities comply with all applicable regulations and are monitored by a staff of wood scientists as well as production and regulatory specialists. The process we use to treat our ProWood® line of MCA-treated lumber is the first to receive Environmentally Preferable Product certification by Scientific Certification Systems. In 2022, our manufacturing operations used 459 million gallons of water from the public supply.

Water Use

	Units	2022
Water consumption	M gallons	459
Wastewater discharge from our treating plants	M gallons	0



0% WASTEWATER DISCHARGE
FROM OUR TREATING PLANTS



CULTURE

Human Capital Management

At UFP, the strength of our business hinges upon the success and advancement of our employees. We invest significant resources in our employees' professional development and wellbeing. We treat our people honestly and fairly, creating career paths and training opportunities to develop and expand their scope of responsibilities and financial rewards. We are driven by operational excellence throughout the enterprise and by cultivating a unique culture that provides significant opportunity for professional and personal growth. In managing our human capital, we have focused our efforts on employee health and safety, equal opportunity for all, and learning and development.

For 68 years, the success of our company has rested on the skill, motivation, and performance of our employees. This approach to human capital, which is embedded in the company's culture, has fostered an environment where our employees often commit entire careers to UFP Industries.

Our human capital management priorities are:

Talent
Retention and
Recruitment

Employee
Engagement

Employee
Health and
Safety

Community
Engagement

Employee
Growth and
Opportunity





Talent Retention & Recruitment

Notice of advancement opportunities are transparent and easily accessible to all employees. We work hard to encourage people in whom we see talent and drive, so they may build competencies and realize their full potential for personal and professional growth. We provide upskilling and training opportunities, and mentoring, at all levels of the organization.

To build a supportive social fabric, we create successful teammates, who in turn can improve the communities where we work and live, while spreading opportunity to all who wish to embrace it. As a leading employer in many of the small communities where our facilities are located, our goal is to engage locally and be the employer of choice.

UFP has cultivated a hire-from-within practice that's built on employee development, opportunity and reward. It works. Also, many of our managers have progressed through our organization from entry level positions. We continue to lever these practices to further diversify our management team.

**The average years of service for our
65 most senior executives is 22.3 years.**

2022 Promotions

Group	Promotions	% of Total
Veterans	229	18%
Women	229	18%
Ethnically Diverse*	603	49%
Total Promotions	1,238	85%

* We define racial and ethnic diversity with adherence to the U.S. Office of Management and Budget standards on race and ethnicity. The ethnically diverse group consists of employees who self-identified as Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or other Pacific Islander, or more than one race.





Talent Retention & Recruitment, continued

Our managers are compensated based on pre-bonus operating profit and ROI and have significant stock ownership requirements that increase with position and responsibility. We offer a 401(k) plan with a company match, educational reimbursement, wellness programs, and stock purchase discounts.* These help drive engagement, accountability, retention and motivation.

We provide a competitive employee benefits package to attract and retain top talent. All full-time team members are eligible for the following:**

- Health, dental and vision insurance
- 401(K) profit sharing retirement programs
- Paid time off
- Educational reimbursement
- Childrens' scholarship programs through UFP Education Foundation
- Stock purchase discounts
- RethinkCare Parental Success Solutions
- Employee Assistance Program
 - Health Advocate – help with medical claims and bill negotiation
 - Licensed professional counselors to help with personal, work, family and relationships issues
 - Free legal consultations and financial management



Levels of education and training vary greatly among our teammates. Many have neither had nor availed themselves of the opportunity for a post-secondary education. To address this, we instituted several changes to support diverse and low-income job candidates, including eliminating the requirement that sales and management aspirants have a four-year college degree.

Experience with UFP counts and removes the formal education hurdle that might have been a barrier to advancement.

By promoting from within, we have created a strong bench of talent. Many motivated individuals who started at entry-level positions to pursue their dreams with us have become company leaders, a feature of the culture we cherish and nurture. We continue to take meaningful steps, including internal job postings both online and on bulletin boards, and software that allows employees to become aware of postings based on preference, to ensure that opportunities are available to all deserving teammates in a manner that is fair and transparent while also ensuring that all current and prospective employees feel that they have an equal chance of succeeding.

*Some of these programs are only available in our U.S. operations due to local law and tax restrictions.

**Certain benefits may not be immediately available at recently acquired locations that elect to maintain their own programs.



Training

The UFP Business School — our internal training and upskilling entity — offers hundreds of training courses for new hires and existing employees to hone and acquire skills to prepare them for advancement. Most of the courses are available online, which provides flexibility. We also have two primary 12-month training programs that support our employee's professional career growth path.

SALES TRAINEE PROGRAM

Our Sales Trainee Program prepares future sales professionals by providing on-the-job and classroom training and mentoring. Our sales professionals receive a dedicated mentor throughout the program and sales incentive compensation with no cap on sales commission.

PRODUCTION MANAGEMENT TRAINEE PROGRAM

Our Production Management Trainee Program provides extensive on-the-job training in a variety of operations positions, courses in the many facets of management, and self-study assignments. This program has excellent long-term retention rates for graduates and opportunities for advancement within management positions throughout UFP Industries.

In 2022 the Company's employees underwent a cumulative 18,849 training hours, which were in addition to compliance-related material and safety courses.





Employee Engagement

We monitor our employee engagement and recognize the importance of having effective strategies in place to increase productivity, build better work and customer relationships, and create a diverse and inclusive culture. Our method for assessing employee engagement currently involves regular executive visits to our operational facilities and meetings through a Plant Review process.* This allows us to evaluate local management by use of our Open Door Policy and numerous assessment tools, with the goals being improved operational performance and motivated and successful employees. The Plant Review Process includes meetings with any individuals who wish to speak with a member of the corporate HR staff, with specific employee groups for their input and perspective, and a thorough review of management policies and practices to assess the effectiveness of employee engagement.

Our Employee Relations Evaluation is a tool that allows each plant to do an internal audit of the strengths and weaknesses of their current human resource management practices. The evaluation focuses on assessing environments covered by the company's HR policies and practices. We encourage management and frontline employees to answer questions on the plant's practices regarding employment, communication, management and supervisory attitude, employee involvement, compensation, recognition, and working conditions. It is designed to help plants identify areas of improvement and then take steps to address them.

We conduct our business with adherence to a precise set of standards and policies which are intended to create a safe, sustainable, and healthy work environment.



*U.S. and Canadian operations only.



Employee Engagement, continued

In 2016, we added a revolutionary degree program to the UFP Business School for students both outside and inside the organization. It has grown into a nationally recognized program that allows students to earn the equivalent of a four-year degree in business administration in as little as two years. Although open to all, its targets are low-income and diverse candidates. Enrollees receive a scholarship for tuition and participate in paid internships while they study. Graduates are given preference for job openings for which they are qualified – a risk-free way to join a strong company with built-in work experience. And they have the opportunity to take advanced education courses that target technical skills and programming across business functions such as purchasing, sales, manufacturing, accounting, finance, leadership development and operations management.

For our own employees, the degree program offers a quicker path to promotion, as well as a preference for new job openings for which they are qualified. By removing the education and training barrier, we believe this degree program will help diverse candidates advance within the company too.

UFP
Business School

HELLO
FUTURE.
GOODBYE
DEBT.

One of our human capital goals is to expand our pool of job candidates, with a goal of adding more diverse team members who have the desire and ability to be promoted to leadership positions. Our process is based on equality of opportunity with outcomes determined by the individual.





Health and Safety

We invest in a health and safety program that focuses on industry-leading training that includes regular compliance audits to ensure that our team members are protected from injury in the workplace. As an organization, we are accountable for the application of local, state, and federal health and safety regulations. Every employee at the company is responsible for following the health and safety guidelines of the company, ensuring the safety of themselves, and reducing the risk of injury for all in the workplace. Additionally, the training is accessible to our employees and contractors in several formats to accommodate our diverse workforce. And we promote practical health and safety contests to make healthy living and safe work environments an enjoyable part of our daily work life.

Our health and safety policies are intended to encourage all employees to report hazards and submit safety suggestions. We expect our suppliers to apply robust health, safety and environment policies and practices that comply with international and national standards, laws, and regulations. This includes instituting procedures to address the possibility of disasters and other emergencies using business continuity plans and response procedures. Management of our health and safety policies are the responsibility of UFP's Vice President of Safety and its Executive Vice President of Human Capital, who reports to the Chief Executive Officer.

We continue to increase capital expenditures to drive more automation and ergonomic improvements, devoting considerable resources to ensure our operations are safe for all employees and visitors. We maintain a Corporate Safety Committee and a safety organization led by our Vice President of Safety, Regional Safety Directors, and dedicated safety personnel at each of our facilities to ensure employees are properly trained on, and protected from, the possibility of a work-related injury.





Health and Safety, continued

Each of our operations has a safety committee made up of front-line workers and management. We have a Safety Career Path in which we encourage people to move into safety roles. Regional Safety Summits are held every year to keep our people aware of the latest advances in safety methods and practices, while our yearly Safety Week puts an organizational emphasis on our safety programs. We celebrate individual and plant achievements, such as records for consecutive days of accident-free operation. We ensure proper monitoring practices, and our plant management and safety committee members perform periodic worksite inspections to identify and address any unsafe work practices or safety hazards. This includes the implementation of our Power BI software platform that is used to gather and evaluate health and safety performance, including injuries and occupational hazards, on a quarterly basis. Our current process collects data in our domestic operations, and we will continue to monitor and expand to international regions as feasible.*

*Regular evaluations and audits are conducted in the U.S. and Canada plants where Company HR and Safety policies and practices are implemented.

**The TRI rate is calculated for U.S.-based plants only and does not include some newly acquired operations.

Among our safety investments and practices are:

Ergonomic equipment to reduce strains and sprains

Automated processes

New material handling equipment to reduce the number of “touches” for each team member

Development and implementation of industry-leading training and safety programs

The results of our efforts are a low, industry-leading accident frequency rate that has seen a sustained reduction since these programs were implemented many years ago.

Total Recordable Incident Rate**

3.53
2021

4.06
2022

The Total Recordable Incident Rate (TIR) reflects a consolidation of our separate entities' recordable incident rates as recorded on their OSHA 300 reports. International operations are excluded from this U.S.-based metric, but their safety policies and programs are based on local regulations. Newly acquired operations are included in our TIR calculations in the year following the first full calendar year that they become a part of the UFP family of companies.





Community Engagement

We demonstrate commitment to our communities with financial support from the UFP Foundation, the benevolence of our people and their giving, and through volunteering. Each year, UFP Industries, Inc. donates a percentage of its profits to the UFP Foundation, which makes contributions to not-for-profit organizations that fit several rigorous criteria. Mostly, we are interested in providing a hand up, not a hand out, and in helping people achieve the dignity of independence. We prioritize beneficiaries that are based in, or impact, the communities where we work and live, or have a positive impact on our people, customers and vendors. The UFP Foundation fosters accountability and independence in the people and organizations we assist, while building healthy communities. We recognize that helping others is not a spectator sport.



UFP INDUSTRIES FOUNDATION

We fund charities that provide for:

- Opportunity and self-improvement by funding programs that promote values and notions we cherish, such as free enterprise, and personal freedom coupled with personal responsibility.
- Helping those who need a springboard or a pathway to a life of independence.
- A healthy environment by supporting long-term, pragmatic solutions to address fixable environmental challenges.

We also look to our charities to help us connect with potential employees who either do not know us or haven't learned about the opportunities we can provide them. We are dependent on the talent and availability of our workforce and believe the communities where we are located depend on us to be good citizens.



Growth and Opportunity

Everyone is welcome in our workplace family, and each has an obligation to do his or her part. We set high expectations for performance and expect each employee to work toward the success of the company as a whole. Trust and increased responsibility are not given freely; they're earned through personal integrity and sustained performance.

Since our growth depends on continually adding to our roster, we must continually broaden our effort to connect with more diverse groups who may be unaware of our company or our opportunities. To that end, we have affirmatively reached out to local organizations and groups who help diverse candidates connect with employment opportunities. Our external job postings are available to all, and we specifically drive them to low-income areas and unemployment agencies. We have expanded our recruiting team in recent years to use social media and other online tools to promote our company and the positions we have available. Our recruiting teams form connections with veterans groups, second chance programs, women's shelters and other organizations that partner with us to provide a springboard to independence.

We look forward to advancing our strategy to increase the diversity of our workforce, while continuing to be a destination workplace for talent.





GOVERNANCE

Corporate

UFP is committed to sound and effective corporate governance practices. The UFP Board of Directors has documented those practices in our [Corporate Governance Principles](#). These Principles address director qualifications, director responsibilities, periodic performance evaluations, stock ownership guidelines and a variety of other corporate governance matters. The Principles also require the Board to have an Audit Committee, a Nominating and Governance Committee, and a Personnel and Compensation Committee. The Principles, along with the charters of each of these committees, are available for review on our website. Eight of our nine directors are independent. We have a strong shareholder engagement process and shareholder proxy access. We also have long-standing requirements for executive and director stock ownership, as well as a proscription against hedging or pledging company stock without prior approval by the Board.

In addition to corporate governance, the Nominating and Governance Committee has general oversight for disclosure related to the company's environmental policies as well as the human capital policies. The Personnel and Compensation Committee has oversight specifically for human capital and employment practices policies, while the Audit committee has oversight for cyber security and certain environmental reporting policies.

We maintain robust governance practices at the Board, as well as at the executive leadership level, and across our business units. We consider governance to be an important factor in responsible business practices. Our efforts are led by our leadership team and reviewed by our Executive Committee.





Corporate Governance Responsibilities

Board of Directors

Nominating and Governance Committee:

Each member of the Nominating and Corporate Governance Committee is “independent” under the Nasdaq Standard. The Nominating and Corporate Governance Committee considers and proposes director nominees to the Board for election by our shareholders, selects candidates to fill Board vacancies as they may occur, makes recommendations to the Board regarding Board committee memberships, generally monitors our corporate governance system, and performs any other functions or duties deemed appropriate by our Board. During 2022, the Nominating and Corporate Governance Committee held two meetings.

The Nominating and Governance Committee assists the Board in (a) overseeing the Company’s governance policies and practices that are not delegated to other Board committees, (b) reviews the Company’s efforts and overseeing compliance with disclosure obligations, and (c) reviews management’s assessment of the Company’s governance risks and opportunities.

Audit Committee:

Each member of the Audit Committee is “independent” under the Nasdaq Standard as well as the applicable rules of the SEC for audit committee membership. In general, the primary purpose of this Committee is to assist the Board in overseeing management’s conduct of our financial reporting processes and system of internal controls regarding finance, accounting, legal compliance, and ethics. During 2022, the Audit Committee held five meetings.

The Audit Committee assists the Board of Directors with oversight for matters such as: (a) the Company’s system of internal controls regarding finance, accounting, legal compliance, and ethics, (b) the Company’s risk management framework and mitigation efforts, (c) the Company’s strategy to mitigate data protection and cybersecurity risks.

Personnel and Compensation Committee:

Each member of this Committee is “independent” under the Nasdaq Standard. The Committee is responsible for reviewing and recommending to the Board the timing and amount of compensation for named executive officers, including salaries, bonuses, and other benefits, as well as director compensation. This Committee is also responsible for reviewing succession planning for our Chief Executive Officer, as well as administering our equity-based incentive plans and reviewing compensation plans and awards as they relate to key employees. The Committee has the ultimate authority to determine matters of executive compensation; however, it may rely upon recommendations of our Chief Executive Officer for matters of compensation for officers and Named Executives, other than the Chief Executive Officer. During 2022, the Personnel and Compensation Committee held five meetings.

The Personnel and Compensation Committee supports the Board’s governance duties for human capital such as (a) reviewing the Company’s incentive compensation and other stock-based plans and recommending changes as needed and (b) reviewing the Company’s policies and practices with respect to human capital and employee health and safety.

Executive Leadership

The Executive Committee is responsible for identifying and assessing risks and determining the Company’s business strategy, and approving policies and practices to help implement those strategies. These policies and practices include those related to environment, ethics, social and community, cyber security and creating opportunities for team members to grow the organization.

The Company’s Governance Steering Committee is composed of leadership from Communications, Legal, Human Resources, Engineering, Investor Relations and Finance. The Committee recommends governance initiatives, including monitoring and disclosure.

Employees

Our teammates are encouraged to suggest and implement better practices and innovation to help drive our business. We encourage each of our teammates to look for efficiencies to reduce energy consumption, to create a welcoming work environment and to build upon a culture where all teammates have an opportunity to succeed.



Director Qualifications and Requirements

Our Board has adopted a Policy Governing Director Qualifications and Nominations (the “Policy”). The Policy includes minimum qualification standards, Board composition standards and additional qualification criteria.

The minimum qualification standard requires that the Committee be satisfied that each recommended nominee meet the following qualifications:

Integrity. The candidate must exhibit high standards of personal integrity and ethical character.

Absence of Conflicts of Interest. The candidate must not have any interests that would impair his or her ability to (i) exercise independent judgment, or (ii) otherwise discharge the fiduciary duties owed as a director to our Company and its shareholders.

Fair and Equal Representation. The candidate must be able to represent fairly and equally all shareholders of our Company, without favoring or advancing any particular shareholder.

Experience. The candidate must have experience at a strategic, policy-making, or senior management level in a business, government, non-profit or academic organization of high standing.

Business Understanding. The candidate must have a general appreciation regarding major issues facing public companies of a size and operational scope similar to the Company, including contemporary governance concerns, regulatory obligations of a public issuer, strategic business planning and basic concepts of corporate finance.

Available Time. The candidate must have, and be prepared to devote, adequate time to our Board and its committees.

In addition to these minimum qualification criteria, the Committee is required to recommend Board candidates to help ensure that a majority of our Board is independent, that each of the Audit, Personnel and Compensation, and Nominating and Corporate Governance Committees is comprised entirely of independent directors, and that at least one member of the Audit Committee qualifies as an Audit Committee financial expert. The Committee and our Board also consider diversity in their identification of director candidates. Diversity in business and professional experience, education and background benefits our Company by increasing the range of skills and perspectives available to our Board. Director nominees are selected without regard to race, gender, sexual orientation, religious belief or national origin. Our Board believes that adherence to these principles will provide an environment and practices that will yield the best return for our shareholders.



Affirmative Determination Regarding Director Independence and Other Matters

As required by the Principles, our Board has determined each of the following directors to be an “independent director,” under the Nasdaq Stock Market Rules (the “Nasdaq Standard”): Joan A. Budden, William G. Currie, Benjamin J. McLean, Bruce A. Merino, Thomas W. Rhodes, Mary Tuuk Kuras, Brian C. Walker and Michael G. Wooldridge. There are no family relationships between or among the directors and our executive officers.

The effectiveness of each of our directors is monitored using an annual assessment. Our Board does not have a mandatory retirement age policy, although the Nominating and Corporate Governance Committee considers a director’s tenure with the Company as a factor

in nominating incumbent directors. We believe that the ability of a Board member to add value to our Company is not dependent on age; rather, it is based on the director’s actual performance. As a result, we expect that some directors will serve until a typical retirement age, while others may serve longer. In addition, we evaluate the tenure of individual directors as well as the collective tenure of our Board. In connection with this evaluation, we strive to maintain a balanced composition of relatively new and meaningfully tenured directors with the objective of fostering the input of new ideas and thoughts while maintaining a strong historical perspective and deep understanding of our business and the markets we serve.





Leadership Structure and the Board's Role in Risk Oversight

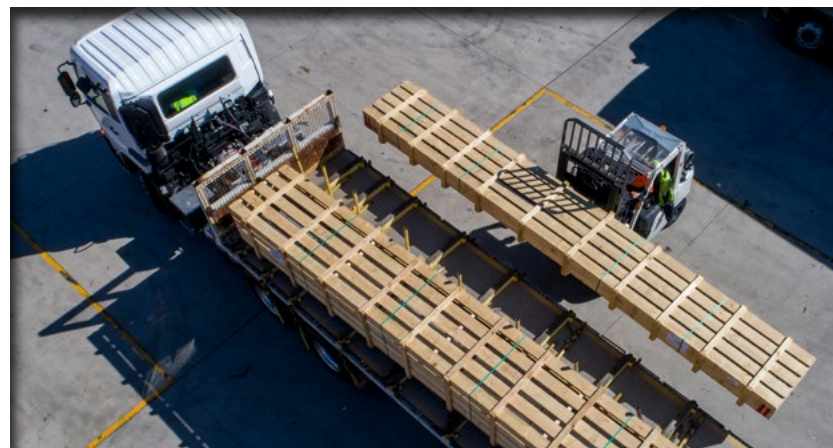
The Board believes the roles of Chief Executive Officer and Chairperson should normally be separated. However, to facilitate succession planning, those roles are currently combined. Our Board holds sessions of its meetings that are exclusively attended by independent directors. The Board's Lead Director chairs the meetings of independent directors, communicates actions requested by the independent directors, and serves as a liaison between the independent directors and our Chief Executive Officer/Chairperson. Our Board of Directors, through its three committees, has an advisory role in risk oversight for our Company. Company management maintains primary responsibility for the risk management of our Company. The current trends toward increased regulation, litigation and political volatility make it extremely difficult to predict the type and magnitude of risks facing our Company. Despite this unpredictability, our Board relies on the representations of management, periodic reports from our independent auditors, as well as internal audit services performed by a third party, our Company's systems of internal controls, our Company's insurance advisors and the historically conservative practices of our Company, to provide comfort as to our Company's ability to manage its risks. Management's discussion of current risk factors is set forth in our Company's Annual Report on Form 10-K.

Mitigating Governance Risks

We mitigate governance risks using independent director-led committees for Audit, Personnel and Compensation and Nominating and Governance. These committees review their charter annually and report to the full Board after each meeting.

The skill and diverse experience of the Board enables it to oversee management's response to the increasingly complex nature of public company regulation and compliance requirements.

The audit function is comprehensive and includes external audit services by a Big 4 firm and an internal audit function which includes substantial participation by a separate U.S.-based international accounting firm.





Ethical Business Practices

We maintain a Code of Business Conduct and Ethics that applies to our employees, officers, and directors. We also maintain a Code of Ethics for Senior Financial Officers. Each Code is posted on our website, and any changes or waiver to either code will be disclosed in [Governance Documents](#) on our website.

The Company's Code of Business Conduct and Ethics covers a wide range of business practices and procedures. The policy covers topics such as conflicts of interest, competition and fair dealing, proper use of company assets for cybersecurity risk management, and reporting any unethical behavior. It does not cover every issue that may arise, but it sets out basic principles to guide all directors, officers, and employees of UFP Industries, Inc. and of its subsidiaries and affiliates. All must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

In order to reinforce compliance, we require all salaried employees to complete our workplace ethics training* during new hire onboarding and repeat the training periodically during their tenure. We have monthly and quarterly audit controls in place to ensure completion.

*May not include all salaried employees at certain joint ventures and certain international locations.





Data Privacy and Cybersecurity

UFP is dedicated to monitoring and advancing our data privacy and cybersecurity efforts. We have a privacy committee that includes senior leadership from HR, Legal, and IT. The committee meets periodically throughout the year to discuss employee training, cybersecurity risks, and ongoing infrastructure enhancement projects. We take the risks presented by social engineering scams seriously. We have increased our education and testing and implemented a number of disciplinary steps for those employees who fail phishing tests. We are in the process of aligning our systems to NIST 800-53, the cybersecurity standard and compliance framework developed by the National Institute of Standards in Technology. This will establish a foundation for UFP to continue to improve our IT infrastructure as the company continues to grow.

Governance Policies and Resources

Bribery and Anti-Corruption Policy	Available and applicable to all employees
Cybersecurity	Training required for all employees with system access
Foreign Corrupt Practices Act (FCPA)	Training required for specific employee groups and business units
General Data Protection Regulation (GDPR)	Training required for all office hourly, salaried, and executive employees in the U.S., Canada and EU
Phishing Awareness and Testing	Available and applicable to all employees with system access
Whistleblower Hotline	Available and applicable to all employees*
Workplace Ethics	Training required for all salaried and executive employees**



*We are in the process of making this available to international employees in 2023.

**May not include all salaried employees at certain joint ventures and certain international locations.



SASB Index

Consumer Goods – Building Products & Furnishings

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	CG-BF-130a.1	(1) 889,453 Gj (2) ~96% (3) ~4%
Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-BF-250a.1	We ensure proper monitoring practices, and our plant management and safety committee members perform regular site inspections to identify and address any unsafe work practices or safety hazards.
	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	Quantitative	Percentage (%) by revenue	CG-BF-250a.2	We currently do not collect data for this topic and will consider disclosing next cycle.
Product Lifecycle Environmental Impacts	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	Discussion and Analysis	n/a	CG-BF-410a.1	See Product Stewardship section on page 11.
	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	Quantitative	Metric tons (t), Percentage (%) by weight	CG-BF-410a.2	See Waste Management section on page 23.
Wood Supply Chain Management	(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	Quantitative	Metric tons (t), Percentage (%) by weight	CG-BF-430a.1	(1) 2.4 million (2), (3), (4), (5) For the remainder of the metrics, we currently do not collect this data. We will consider disclosing next cycle.

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE
Annual production	Quantitative	See note	CG-BF-000.A	\$9.6 billion
Area of manufacturing facilities	Quantitative	Square feet (f ²)	CG-BF-000.B	14 million f ²



TCFD Index

TCFD Recommendation	Disclosure	Link/Source	Description
Governance:			
Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	2022 Governance Report, Governance Section, pp. [35 - 41]	The Nominating and Governance Committee is responsible for assisting the Board of Directors in (a) overseeing the Company's Governance strategy and policies, (b) providing guidance to the Company's executive officers on Governance efforts and overseeing compliance with disclosure obligations, and (c) reviewing management's assessment of the Company's Governance risks and opportunities.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	2022 Governance Report, Governance Section, pp. [35 - 41]	Our Governance Steering Committee is composed of executive leadership from Communications, Legal, Human Resources, Engineering, and Finance. The committee is responsible for setting the company's Governance strategy and providing guidance to employees on implementation.
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2022 Governance Report, Environmental Sustainability Section, pp. [35 - 41]	We recognize that climate change may alter productivity of forests. Climate-related risks are composed of physical risks, which may include the increased likelihood of extreme weather events, changing temperature and precipitation patterns, changes in fire frequency and intensity, and desertification. We also identify regulatory risks, which may restrict forestry companies access to land, disruptions in supply chain, and place barriers to market due to the political and regulatory changes. These longer-term impacts have material implications across our broader business operations, manufacturing and distribution channels, customers, and markets.
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2022 Governance Report, Environmental Sustainability Section, pp. [35 - 41]	The forestry sector is dependent on stable climatic conditions, both of which are already being impacted by climate change. We regularly evaluate ways to improve our operational efficiencies and recognize opportunities to identify direct and indirect environmental impacts on our manufacturing and processing throughout our facilities to ensure proper disposal and use of our products.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		Our senior leadership team monitors changing regulatory requirements and other impacts to our business. We recognize that the effects of climate change will add greater impetus to addressing the world's environmental challenges.



TCFD Index, continued

TCFD Recommendation	Disclosure	Link/Source	Description
Risk Management:			
Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.		Our climate risk mitigation efforts are communicated through our 2022 Governance Report under the "Climate and Energy Management" section. We will continue to monitor and measure our impact and be transparent about what this will mean for our operations and business strategy.
	b) Describe the organization's processes for managing climate-related risks.		Our Nominating and Governance committee is responsible for overseeing the company's strategies and policies with respect to any climate-related risks. The Committee also provides guidance to, and reviews, management's assessment concerning any such risks.
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.		As evidenced in our annual 10-k filing, climate change has been identified and assessed as a potential risk factor for our business. Climate-related risks are currently not integrated into our overall risk management process, though we will consider incorporating them in the future.
Metrics and Targets:			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2022 Governance Report, Environmental Sustainability Section, pp. [35 - 41]	We include metrics within our 2022 Governance Report under the "Climate and Energy Management" section. We have outlined the core strategies and assumptions behind those targets, including our client engagement, and new streams of finance.
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	2022 Governance Report, Environmental Sustainability Section, pp. [35 - 41]	Our Scope 1 and Scope 2 metrics are included in our 2022 Governance Report under the "Climate and Energy Management" section. (1) Scope 1: 74,437 mTons CO ₂ e (2) Scope 2: 101,455 mTons CO ₂ e
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		We do not currently have set targets but will continue to monitor and measure our performance over time.

