

WE HELP PEOPLE TRANSFORM HOUSES INTO HOMES

2023: CONNECTING OUR PEOPLE TO PURPOSE



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Kent Bowie
PRESIDENT AND CEO

A MESSAGE FROM KENT BOWIE

As we shared in our inaugural report last year, our purpose is, "We Help People Transform Houses into Homes." Our purpose reflects everything we do day in and day out to serve every stakeholder— employees, shareholders, customers, suppliers and the communities we impact. As you spend more time in the company, you will quickly realize that while we strive for everyday excellence, we define success by more than just profits.

In 2023, we worked with leaders to dig deeper into our Purpose. Making and distributing millwork products is what we do. How we do it is what makes all the difference. There are things we strive for that are true for every Metrie employee: an unmatched customer experience, a work environment that is safe and promotes wellness, standards of excellence and a high bar for performance, and relationships internally and externally that are based on trust, candor, and integrity.

Our purpose also holds the thing that is unique to each one of us. Diversity, inclusion, and belonging are not just words. We encourage colleagues to search deeper and for more of what they need to be successful. When we asked people what that meant for them at Metrie, common themes emerged around a connection of community, a feeling of family, and a sense of home. We work hard to foster those cultural themes, individually and collectively.

For the fourth year in a row, Metrie's engagement went up significantly. We have grown from the 35th percentile to the 74th percentile in Gallup's Q12 engagement survey in half the time it takes an average company. This relative improvement is a testament to the efforts of everyone across the company as we work to make Metrie a great place to work. In the last few years, we have also delivered record-setting profits, and while we know there is more work to be done, we believe the results speak for themselves.

The current outlook is a challenging one: global inflation, geopolitical uncertainty, and the destabilizing impacts of climate change. From a business risk standpoint, this destabilization impacts our business, our supply chain, the availability of wood, and the cost of energy, material, and transportation. To remain at the top of our industry, we need to be better prepared than our competition to meet these challenges and risks now, and in the future. We are ready to meet these challenges, and it is our purpose for being that gives us resolve. Our focus on purpose and sustainability is not a box-checking exercise; it is both our responsibility and a key differentiator. Whether you are an employee, a customer, or a supplier, you will feel the difference.

As a privately held organization, we are not yet required by regulators to release a purpose or sustainability report. We do it willingly because it makes sense for our business, future-proofs our brand from a recruitment/retention perspective, and is just the right thing to do. Financially, competitively, and in regard to talent at Metrie, we hold ourselves to the highest standard. We think we have a great story to tell about who we are and how we do things, and this report will showcase what we are already doing well and where we want to focus in the future.

Our ESG Performance Metrics in the appendix are a first step towards transparency of our journey, backing up our high standards and hard-earned accomplishments with facts. It also shows we still have work to do.

Looking through a sustainability lens is an integral part of how we have always done business and operated as a company. This report allows us to highlight what we are already doing to support Environmental, Social, and Governance issues that make Metrie an exceptional place to work. It is a representation of our purpose in action. We are proud of who we are and clear-eyed about what we still need to do in this area. We try to live our commitments daily without feeling compelled to broadcast them to the external world. Our internal report is intended to share transparently with our team how we are addressing these important challenges and where we are trying to make progress.

In this report, we will hold ourselves to a standard of never trying to sell you or our stakeholders on progress that we have yet to realize or that we don't understand how we will achieve. Sustainability underlies our mantra of "Do the right thing, and you will never be sorry," passed down from Bill Sauder, Sr. (our founder E.L. Sauder's son) many decades ago. And, if you're curious about where shareholders and directors stand on sustainability, check out the personal messages on pages 29-30.

2026 will mark Metrie's centennial. We are laying the groundwork now to further strengthen our position as an industry leader to deliver an exceptional customer experience, innovative products and solutions, and lead as a responsible employer in the millwork space. On behalf of the management team, the Sauder family of shareholders, and our Board of Directors, let's ensure we can thrive for another 100 years. Please join us on this journey. We need you to be involved!





Kent Bowie



EMPLOYEE ENGAGEMENT WENT UP AGAIN

FROM THE 67TH TO THE 74TH PERCENTILE IN 2023

Employee engagement increased for the fifth consecutive year in Gallup's global Q12 Grand Mean



GREW FOR THE FIFTH YEAR IN A ROW TO 26%

OUR COMMUNITY IMPACT PROGRAM

ALLOCATED \$160,000 FOR CHARITABLE GIVING IN 2023 **OUR ENVIRONMENTAL IMPACT**

COMPLETED A LEVEL 2 ENERGY AUDIT AT OUR CALGARY MANUFACTURING MILE

Energy and cost reduction measures being implemented will save over \$200,000 annually

WOMEN IN MANAGEMENT-LEVEL ROLES

THE HISPANIC/ LATIN NETWORK

NEW EMPLOYEE RESOURCE GROUP

Bringing our total ERG networks up to five, including the Women's, Pride, Black Excellence, and Learning Networks

FORE MODERAL

MATERIAL

20% of our production at our Alberta plants used formaldehyde-free MDF raw material



FOSTERING PROFESSIONAL GROWTH

LEARNING OPPORTUNITIES FOR INDIVIDUAL CONTRIBUTORS GREW FOR THE FOURTH YEAR IN A ROW TO 57%!

PEOPLE & COMMUNITIES

Fostering an Empowering and Nurturing Culture

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OVERVIEW

Fostering an Empowered Culture

Ask any employee - and we do, regularly, as part of our ongoing engagement and training programs - what makes Metrie a special place to work and they will say a variation on two ideas: "It's the excellence of the people" and "Metrie has a feeling of community or home." It's the same feedback we've been hearing for decades, stemming from the values of the family that has owned and operated this company since 1926.

We actively build upon this foundation, continuing to foster a culture where we all feel safe, fully engaged, valued, and empowered to grow and give back to our communities. Our focus on culture allows us to deliver exceptional results and service to our customers, meet uncertainties with resilience, and stay committed to everyday excellence under all circumstances.

How do Metrie's cultural pillars drive us to take responsibility for ESG? (E) ENVIRONMENT **OWNERSHIP** Conserving the natural world taking accountability for our actions (S) SOCIAL E G Investing in people and relationships **LEARNING** ONE TEAM [G] GOVERNANCE being open to creating a more new ways of inclusive and Building trust through doing things equitable workforce ethical and transparent business practices

How people at Metrie show up is defined by our three cultural pillars in the chart below left. Our cultural pillars define how we run the business day-to-day, how we build relationships, and how we innovate to drive success for our customers:

- Ownership: We deploy an owner's mentality to any challenge at hand.

 We harness our entrepreneurial spirit to win the day for our customers, against our competitors, and alongside our teammates.
- Learning: We are humble enough to know we can improve as a learning organization. The growth mindset we all share is just as important as the learning and development programs we implement. Today gives us an opportunity to improve in all directions policy, process, operations, customer experience, and teamwork. Tomorrow will be better still.
- One Team: Most importantly, as evidenced by the alignment of values and togetherness displayed when visiting any of our branches, we have 2,000 people across North America who come together every day as One Team.



Innovation Academy 2023

SAFETY FIRST. NO COMPROMISES.

Proactivity is the Heart of Our Safety Culture

At Metrie, we believe our people are our most valuable asset, and prioritizing the safety of our people allows each employee to go home every day in the same way they came to work. In 2023, our teams once again showed that they are fully engaged in our proactive safety culture through their involvement and record-setting activity. As a business, we continue to invest in our people, and are committed to providing a safe workplace through key improvements and technologies to identify and reduce safety risks across our facilities.

We measure our success through leading indicators focused on hazard identification and reduction, thereby eliminating the opportunities for unsafe conditions and injuries to occur. Metrie's Total Safety Performance (TSP) metric establishes successful thresholds for each business unit on what constitutes appropriate levels of this activity, based on resource allocation and team size. Our leading indicators include data from audits, inspections, safety committee activity and engagement, hazard identification, monthly safety training, and near-miss reporting. Organizationally, our teams not only meet these rigorously established thresholds for achievement, but outperform them regularly - a testament to how seriously our people embrace safety.



The results delivered through the engaged efforts of all team members are visible in the outcomes. In 2023, the number of proactive safety reports generated increased by 65% to an average of over 500 on a weekly basis.

Additionally, for the first time in our history, Metrie saw an entire business unit – our US Pro Channel, comprising 14 facilities – achieve a zero recordable injury rate for the entire group!

SAFETY METRIC	2021	2022	2023
Recordable Injury Rate	2.68	1.70	1.75
Days Away/Restricted Time Injury Rate	2.04	1.50	1.35
Lost Time Rate	1.41	0.91	0.80
Near Misses Reported per 100 FTE	39.41	38.56	41.65
Total Safety Performance (TSP)*	160%	225%	204%

^{*}TSP is a leading metric measuring monthly safety performance against prescribed benchmarks, with 100% as the minimum successful score

Coming in 2024: Ergonomics

Historically, sprain/strain (ergonomics) incidents are the leading cause of injuries at Metrie. In 2023, we took a big step towards reducing ergonomics injuries through knowledge transfer, hazard recognition, and monthly ergonomics training to complement our other safety trainings.

This year, our goal is to familiarize safety advocates/changemakers with the tools and equipment to assess ergonomics hazards. Humantech - our sensorless motion-capture software program - is the main tool used to drive this work, designed to make the process fun, user-friendly, and measurable by 2025.

EMPLOYEE ENGAGEMENT = PERFORMANCE

Keeping Employees Engaged and Motivated

We believe Metrie is an exceptional place to work - for everyone. Our engagement survey process each year is a data-driven approach to proving that statement of belief, driven by a sense of continuous improvement. Even if everything at work is at an excellent level (what our independent survey provider, Gallup, would call a "5"), we believe there is always more we can do to support colleagues in their workplace needs.

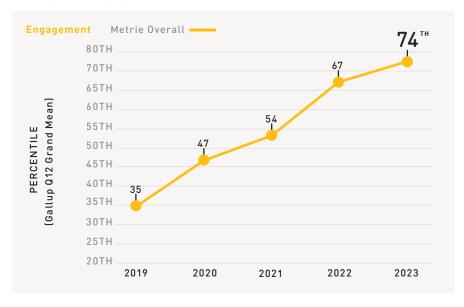
In that spirit, we reached another incredible milestone on our engagement journey in 2023 by scoring in the 74th percentile against companies across the world. This accomplishment takes most organizations ten years to reach and Metrie did it in only five!

We rely on our leaders across the organization to motivate, align, and engage their teams. Adding year-round engagement prompts, webinars, check-ins, and conversations around the yearly survey enables us to develop a Metrie standard of leadership behavior and best practices.

We're happy to report that it is working. Not only did we continue our amazing growth in our engagement standards as measured through the Gallup Q12 survey, but that improvement occurred in all functions and channels of the business. Both the US Pro and Canadian Distribution businesses are now above the 75th percentile of Gallup Grand Mean scoring, placing them in the top quartile of scores across all companies that Gallup measures. Additionally, all corporate functions (Finance, IT, Supply Chain, etcetera) are above this measure. Meanwhile, our Manufacturing and Retail channels have increased their scores significantly over the five years of our survey participation.

In 2023, we also surveyed one of our Metrie EL & EL branches in Galt, California. This was the first step in our integration process of the new businesses acquired in California over the last two years.

EMPLOYEE ENGAGEMENT



The Galt team scored at a level similar to Metrie in its inaugural 2019 survey year, showing that improving engagement is a methodical journey.

Our California-based businesses Metrie EL & EL and Metrie Anderco will join us on that journey in 2024. We look forward to supporting those teams towards that Metrie standard of everyday excellence.

Other engagement data points from the 2023 survey cycle:

- Women continued to experience higher engagement in 2023 than men.
- There were no statistically relevant engagement differentials in similar roles based on race or ethnicity differences.
- More than 50% of Metrie teams achieved engagement scores above the 75th percentile score, including three teams which scored a perfect 5.00 across the 12 topics of high engagement measured by the Gallup Q12 survey.

TALENT DEVELOPMENT

Shaping Talent, Driving Results

Metrie's talent development strategy is designed to drive high performance, meet the opportunities of growth and market uncertainty, and equip people to achieve their career aspirations. We continue to expand participation in formal learning and development opportunities to all levels of the organization. And we strive to be a Learning Organization, which means that every person can proactively grow, master necessary skills, drive innovation, and accelerate their career development.

Participation in formal learning programs has steadily increased over the last four years, at every level, which we believe contributes to our incredible engagement results (see Engagement on prior page).

Since 2020, we have offered three types of learning modalities: online learning, peer learning, and one-to-one coaching/mentoring.

- Online learning includes Challenger (a sales methodology and skill building for all sellers and sales managers) and LinkedIn Learning (open-source courses created by industry experts, which can be curated/ facilitated by Metrie, as well as self-directed).
- Peer learning typically brings together a cohort of 10-15 leaders across
 different channels and functions for a periodic, multi-session learning
 experience, which builds leadership capability and creates strong bonds
 among our leaders. In 2023, we offered peer learning through the Annual
 Operations Summit (for operations leaders), Negotiations course (at UBC's
 Sauder School of Business), Leader Lab (for future leaders), LIFT (for
 women leaders), and Innovation Academy.
- One-to-one coaching/mentoring allows participants to work with a coach to expand their mindsets, thrive as a person, inspire others, and achieve positive personal and professional results.



LEARNING PARTICIPATION RATES

	(% OF SALARIED EMPLOYEE TYPE)			
EMPLOYEE TYPE (#)	2021	2022	2023	
Individual Contributor (332)	22%	35%	57%	
Mid-Level Leader (179)	34%	64%	63%	
Senior Leader (49)	60%	77%	61%	

PARTICIPATION BY LEARNING MODALITY

	(# OF SALARIED EMPLOYEES)			
LEARNING MODALITY	2021	2022	2023	
Online Learning	5%	30%	32%	
Peer/Classroom Learning	24%	36%	44%	
1:1 Coaching/Mentoring	12%	16%	23%	

GENDER DIVERSITY

Empowering Women in the Workplace

Another year means another opportunity to support women and their successes in the building supplies industry. As we mentioned in last year's report, Metrie is committed to improving all touchpoints with women across our business, from candidate outreach and interaction, to onboarding and career development.

At the Board level, we have three women Directors among a Board of eleven. At the Executive level, we have two women among the most senior thirteen organizational leaders. At the wider leadership level, the proportion of women has steadily increased over the last 5 years from 19% to 26%.

More recently, we have begun to investigate how to extend our Diversity, Inclusion, and Belonging (DIBs) programs into Metrie EL & EL and Metrie Anderco, two California-based companies we have acquired in the last two years. In 2024, we will start to integrate the datasets together to establish new Metrie norms in gender representation.

Across the company, existing goals in support of women continued with some excellent outcomes:

- Final candidate cohorts for salaried roles included a woman for more than 75% of roles in 2023.
- Women continued to appreciate the support, community, and camaraderie
 of the Women's Network, our largest and most mature Employee Resource
 Group. The Network increased its membership and support activities
 across all metrics (see page 13).
- Women also continued to participate in learning and development opportunities at a higher percentage (40%) than their representation in the overall Metrie population (19%).

 Women also continued to exceed the engagement scores of men across Metrie, showing that the efforts put in to support women have been successful.





ACTIVATING METRIE'S PURPOSE

In 2023, we deepened the connection to our purpose throughout the company. Teams took time out of their day-to-day lives to share what Metrie's Purpose – "We help people transform houses into homes" – means for them individually and as one team. We offered webinars and sponsored Purpose-themed events in the branches, providing an opportunity to make purpose personal. Through this process, we unlocked heartwarming and impactful stories that highlighted how our purpose transpires internally for our team members as well as our customers. It's the feeling of "home" and "community" that makes Metrie a special place. Our purpose is part of the fabric of our company, and we will continue to find ways to connect our people and customers to its meaning.

SAM'S STORY

For me, I put my family first by providing a safe, secure, warm, and caring environment for all staff. I am a leader in my home



and at work. I am passionate in all that I do and aspire to motivate and support others to reach their full potential. Communication is key and I back up my words with action, which impacts how I can influence others. The culture I build at Metrie mirrors what I strive for within my own family. This is why I feel at home when I'm at Metrie.



LISSA'S STORY

After spending 15 years in my home away from home at Metrie, it's become quite challenging to distinguish between the two. I was just a young 24-year-old when I first joined the company, and since then, I've practically grown up in the Chicago branch - starting on the sales desk and adapting to new roles as the company expanded and transformed.

The members of my Metrie family have been with me through thick and thin. They were there to celebrate my wedding, and when we adorned our new house with beautiful Metrie mouldings and doors—the first doors ever in the US. Life took an unexpected turn when Paul passed away, and it felt like everything had come full circle prematurely. But my Metrie coworkers, who had become dear friends, rallied around me during those tough times. They sent heartfelt cards and thoughtful gifts, and they picked up the slack at work when I couldn't manage. I had to miss out on my first year of leadership, and my goodies were sent home instead. Countless messages flooded in, expressing how much I was missed, including a touching handwritten note from my boss and our CEO.

Throughout the years, I have shared the importance of my family with Metrie. I've shared stories about my siblings during our Pride celebrations and Mental Health Awareness Month and on one occasion, I even had the joy of bringing my parents to a leadership event since they live nearby.

That's precisely why Metrie has become my true home, and why I'm so passionate about improving it for the next generation of Metrie associates.

NETWORK SUCCESS

Inspiring Organizational Growth Through Employee Networks

Our semi-autonomous employee resource groups (ERGs) continue to grow and thrive. In 2023, we introduced a new ERG – the Hispanic/Latin Network. As Metrie has a large Hispanic and Latin population, we are excited about how the Network can offer support, grow community, and represent viewpoints for that cohort. While still currently in the process of establishing its norms and reaching out across the organization to grow its membership, the Network has been active in the organization, including sharing information celebrating Hispanic Heritage Month in October.

- The Hispanic/Latin Network (NEW) co-exists with other Networks that represent distinct population groups at Metrie, including those that intersect.
- The Women's Network, our most mature and influential ERG, established a sub-committee representing our frontline team members, who are "unwired" team members without easy access to email and online shared environments. Outreach to this group requires more sustained actions. Powerful programs continued, like LIFT and Circles leadership, building valuable skills for members, while adding mentoring and learning paths to its portfolio. With the People + Culture Team, the Network investigated how to advance women with role-specific strategies that are underrepresented at the senior level.
- The Pride Network continued to offer a safe place for members to share, connect, and support each other. Monthly meetings continued for members, as did offering several webinars for members and allies to deepen their knowledge of LGBTQ+ issues.
- The Black Excellence Network continued to develop their program of meetings for members, including outreach across Metrie, as well as sharing materials with the organization relating to Black History Month.

• The Learning Network includes team members who are passionate about learning and creating a culture of learning inside an organization. The Network evolved in 2023, tripling in size and creating more opportunities to grow, such as developing monthly events for members and sponsoring webinars for all Metrie employees to learn more about the business and the functions that enable it. The network actively leverages LinkedIn Learning licenses to support members' daily learning opportunities.

Many of our ERGs and their members intersect. During 2023, the Women's, Black Excellence, and Pride Networks came together to sponsor a shared webinar for allies across Metrie on the topic of lived experience and allyship. This, and many of our other ERG-led webinars in 2023, reached over 100 attendees each proving that learning is a core culture principle at Metrie; people want to learn, understand, and come together, as One Team, to enable everyone to succeed at work.













COMMUNITY IMPACT

Supporting Our Local Communities

The act of employees stepping up and organizing inside the company is mirrored in how our branches across Metrie have supported our local communities. At the heart of this activity is the Metrie Community Impact Program (CIP), which strives to have a positive impact by providing charitable support to groups in need, grassroots charities, and social service organizations to enhance the dignity and quality of life of individuals and families. We allocated \$160,000 through sixteen different giving groups across North America. Charities were selected and deployed by Metrie employees at the local level.



EMPLOYEE HEALTH AND WELLNESS

Encouraging and Enabling Employee Wellbeing

At Metrie, the wellbeing of our team members is important to us. Part of our commitment to wellbeing is providing access to superior benefit plans for employees and their families. We benchmark against the market to stay current with offerings and work with industry-leading partners to provide comprehensive coverage that spans preventative health checks to long-term disability.

Our benefit plans include health, dental, vision, retirement, basic life and accidental death & dismemberment, short-term disability, long-term disability, and an employee and family assistance program.

Over the last few years, we have:

- Enhanced mental health programs in both countries.
- Provided earlier access to health benefits upon hire in the US.
- Increased short-term disability weekly max coverage.
- Increased paramedical coinsurance in Canada.
- Introduced paid maternity leave in the US for up to 12 weeks.
- Protected parental leave up to 24 weeks.

We will continue to review and evolve our model to ensure that the wellbeing of our employees is at the center of our programs. We continue to offer coaching to team members through BetterUp because participants tell us the coaching experience has contributed to their ability to thrive. We understand that a person's mindset and ability to thrive, at work and at home, leads to more effective leadership and better business outcomes. BetterUp provides one-on-one coaching across many dimensions of need—management skill building, leadership capability, nutrition, sleep communication, working parents, navigating grief, and many more. Greater wellbeing results in a better Metrie, and we will continue to find ways to support the improved wellbeing of our workforce.





MANUFACTURING & ENVIRONMENTAL RESPONSIBILITY

Maintaining Mindful Business Practices

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OVERVIEW

It is important to Metrie that we use ethically sourced raw materials and that we do so efficiently and safely with the smallest impact on the environment. As the leading manufacturer in our industry in North America, our seven manufacturing mills generated just over 400 million linear feet of product in 2023. Our production requires a significant amount of energy, from drying the raw material in kilns, to powering the multiple lines in the manufacturing process, to preparing the product for its next destination. Managing our energy consumption responsibly and efficiently is not only environmentally beneficial, but also good for business. At Metrie, there are many opportunities to reduce our operations' impact on the environment and to improve efficiency. We are focused on continuously learning and growing in this area.



SUSTAINABLY SOURCED RAW MATERIAL

Looking for Environmentally Friendly Solutions

MDF (Medium Density Fiberboard) is the largest material consumed by Metrie's manufacturing plants, making up 87% of our production. MDF is an ideal material as it is free of knots, splinters, and rings, making it more uniform and easier to work with compared to natural wood. It is a semi-sustainable resource, as it is made from the byproduct of wood waste.

One aspect of MDF sustainability is the sourcing of wood fiber. The MDF sheets we use are mainly produced from sawmill waste in the form of sawdust and planer chips. Our production is third-party certified Green by SCS Global to be a minimum of 80% pre-consumer recycled wood fiber content. This is the highest rating of any moulding producer they audit. 80% of our supply is domestically produced and has an average shipping distance to our plants of less than 650 kilometers.

SUSTAINABILITY OF MDF MOULDINGS - % OF RECYCLED CONTENT (SOURCE: SCS GLOBAL)

COMPANY NAME	MOULDING & TRIM	PRE-CONSUMER RECYCLED CONTENT (%)	
Metrie	Platinum Prime, SPERO, Metrie Complete	Minimum 80%	
Alexandria	MDF Mouldings	Minimum of 42%, 56%, 60% (certified each of their plants separately)	
Setzer	MDF Mouldings	Minimum 80%	
Eggers	MDF Mouldings	Minimum 77%	
Masisa, S.A.	MDF Mouldings (Primed, Jesso, and Raw)	Minimum 22%	



Another aspect of sustainability is the type of resin used to bind the wood fibers together. The most common resins contain urea-formaldehyde, which is toxic above a certain threshold and is therefore heavily regulated. All MDF produced by Metrie meets these government regulations for air emissions. In recent years, some manufacturers in Western Canada have converted to a new resin system that is formaldehyde-free. In 2023, over 20% of production at our Alberta plants utilized this environmentally friendly raw material. We expect to see that grow and expand in 2024 to include our California plant.

Our softwood products comprise 7% of our production and are sourced primarily from British Columbia, which has strict logging practices. Our largest supplier has 100% of their managed forests third-party certified (PEFC and FSC), which provides assurance to the public and customers that their forests are managed in an environmentally, socially, and economically responsible manner.

Metrie will continue to look for and test alternative green substrates. In 2023, our Rocklin mill tested about 30 truckloads of MDF manufactured from rice straw, a 100% sustainable material, from a supplier in California. We will continue to explore emerging technologies, including alternative substrate supply. Our focus on sustainably sourced raw material carries over to how we source products externally, both for existing product lines, as well as new products we develop and bring to market.

MANAGING CHEMICALS IN PRODUCTS

Decreasing Discharge and Waste

Paint is the main chemical we use in the manufacturing process. 100% of our coating products in all mills today are water-based, which contain significantly fewer VOCs (volatile organic compounds) than lacquer-based products. PWP was the last facility to convert away from lacquer. When they started the change in 2009, their VOC discharge was 184 tonnes annually. In 2022, the VOC discharge was just 3 tonnes, which is a 98.36% decrease. This includes our Metrie Complete prefinished moulding and our recently installed door finishing line. In addition to being of higher quality than the on-site finish, our factory finish generates lower waste.

WASTE MANAGEMENT

Making the Most of Raw Materials

Aside from waste related to office activity, our manufacturing process produces almost zero waste! The shavings we produce are almost exclusively recycled. Some of it is used for commercial animal bedding that becomes compost. In other markets, it is used to absorb liquids in the oil field sites before it is burned to create energy. Some dust is used as fuel to dry the alfalfa harvest before being compressed into cubes for commercial animal feed.

As we modernize our production process, we have increased the yield from our raw materials and reduced the defective products we make. We installed new state-of-the-art scanning equipment in Ferndale in Q4 of 2023 that will increase the usable product we can obtain from our solid wood lumber. Our Continuous Improvement team in MDF has helped develop scanning equipment that will help us recognize quality issues on our automated lines earlier, reducing the number of potential defects. We expect to install prototypes in Calgary in 2024. Both projects will allow us to use less raw material to meet our customers' needs.

REDUCING ENERGY CONSUMPTION

In 2023, we analyzed the greenhouse gas footprint of our Calgary manufacturing facility and conducted a comprehensive energy audit in Q3. The audit revealed real opportunities for energy conservation, some of which we are already enacting in Q1 2024. We anticipate reducing our energy consumption by at least 10% in both CO2-equivalent emissions and about \$200,000 reduction in cost on an annual basis. In 2024, we are looking for similar opportunities in our Toronto and Ferndale facilities.



SUPPLY CHAIN AND OPERATIONS EXCELLENCE

Every Link Matters

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OVERVIEW

Looking Ahead - Resiliency Replaces Agility

As we reflect on what made our supply chain successful during an unprecedented level of disruption brought on by a global pandemic and unpredictable consumer behavior, we recognize that agility served us well. Our mantra was to "Find the Fiber", followed by "Get it Here", and ultimately capped off by the "Drive to 175". These were sourcing, logistics, and inventory optimization ambitions that gave us a sense of shared purpose and direction. As we reshape our supply chain to capitalize on a new and different global environment, agility has been replaced by resiliency. Resilient supply chains are responsive to customers' needs while maintaining strong discipline in the areas of cost controls, risk avoidance, and sound working capital management. We are focusing on a resilient supply chain through:

- Network Diversification: Single-sourcing models limit our ability
 to create leverage and increase organizational risk if a supplier
 experiences disruption to their business. We have expanded our
 supplier portfolio with new relationships and continue to source global
 alternatives in 2024.
- Analytical Insights: Our integrated business planning process generates
 predictable and highly accurate data that we can turn into forwardlooking insights. We plan to bring that same level of digital sophistication
 to inventory management, warehouse operations, and logistics
 traceability.
- Capacity Buffers: Most believe that more is better; when it comes to our inventory philosophy, the right amount of the right stuff and none of the wrong stuff is the optimal solution. Complementing our overseas partnerships with nearshoring solutions allows Metrie to respond to surges in demand. As we launch new products, we will monitor our optimal buffers to minimize false starts.

- Scenario Simulations: As geopolitical issues continue to distress various industries and countries, we need to minimize risk, address the latest crises, and deal with day-to-day volatility by deploying advanced solutions. By applying scenario-based planning, we can both understand the potential impact of the risk and the best possible alternative.
- Proactive Supplier Management: During the pandemic, we focused on ensuring our suppliers could get us what they promised when they promised it. Ensuring they made a high-quality finished product responsibly was our main priority. Today, we prioritize partnerships with finger joint producers who own land, MDF producers who make their own panels, and door manufacturers who make their own skins. This ecosystem approach to supply partnerships will ensure longevity and reliability.



RESPONSIBLE SOURCING

Choosing Like-Minded Suppliers

As the organization formalizes its commitments to ESG, it is essential to recognize that our supply chain is already well down the path of environmental stewardship. Every year, we earmark significant budget dollars for crucial compliance initiatives. Our approval process starts by vetting every potential supplier before we set them up as a vendor of record. Our sourcing team requires vendors to fill out detailed supplier declarations and provide all certificates, FSC, PEFC, Recycled Content, TSCA, CANFER, and CARB, and the following specific header declarations: Lacey Act, Uyghur Forced Labor Prevention Act, Forced Labour, Child Labour, Perfluoroalkyl, and Polyfluoroalkyl all before issuing POs. We have an over a decade-long partnership with Zimmfor, which does all supplier declaration verifications and external audits and facilitates our internal audits.

SUPPLY CHAIN MANAGEMENT SYSTEM:
SMS

METRIE

Suite 3500 – 1055 Dunsmuir Street
Vancouver, BC, V/TX 1H3
Phone: 604-681-9100
Fax: 604-688-6727

In 2023, we achieved clean audits for FSC/PEFC and SCS recycled content for both our Manufacturing and Distribution groups. With an ability to travel in 2023, Metrie and Zimmfor were able to execute in-person audits evaluating our supply chains in Argentina, Brazil, Cambodia, Chile, China, Indonesia, and Vietnam. These field verifications look at working conditions, evaluates raw material supply lines, verifies certifications, and meets with

employees, managers, and owners to ensure Metrie has a responsible, legal, high-quality, and resilient supply chain. Metrie has continued to adapt its supply chain practices to government changes, ensuring we meet and exceed any of these standards that are put into place. We have continued to respond to customer audits and requests as required, like the annual Lowe's and Rona Audits.





We rely heavily on our Supply Management System (SMS), which allows us to confidently participate in these customer audits. We completed a deep dive into our HTS (Harmonized Tariff Schedule) to ensure that Metrie has correct filings today and into the future. Metrie takes pride in ensuring we have a safe and responsible supply chain for today and many years to come.

As the importance of sustainable and ethical wood sourcing continues to grow, we commit to continually improving our ability to be a responsible supplier to our customers and end users. As such, we work closely with key customers, such as Lowe's, Floor & Décor, US LBM, and others, to be transparent in our practices and policies. We need to work together across the value chain to be responsible stewards of the planet.

WAREHOUSE EXCELLENCE

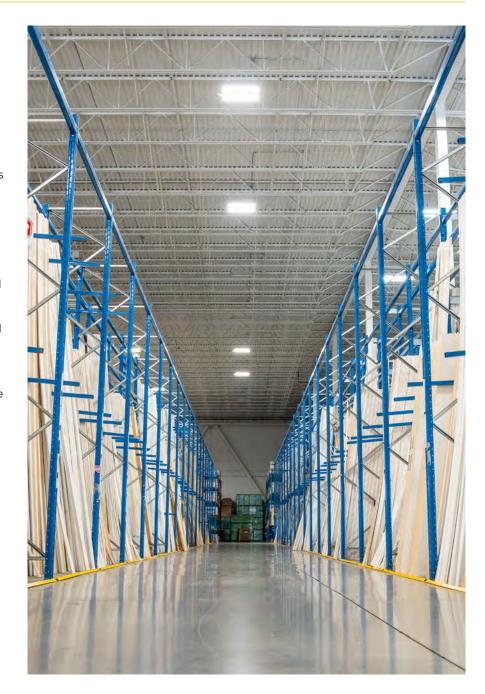
Continuously Improving Our Systems & Standards

Our Operations Excellence Team continues to drive excellence for our logistics and warehouse operations in 2023:

- We held our second annual Operations Summit where all Operations
 Managers collaborated in person and shared challenges and best practices
 with a focus on the A3 lean process.
- In continuation of the benefits of the Operations Summit, the Regional Lead Summit was added to support the training and development of our frontline leaders.
- Our Operational Excellence team assisted in several warehouse resets and relocations, as well as a Greenfield warehouse grand opening.
- Operations Standards remain an organizational priority. We recently added six new standards with the help of a steering committee of Operations Managers to continue our journey toward excellence.
- A Warehouse Management System (WMS) has been implemented within the four Retail locations in the US, realizing benefits in productivity, employee engagement, and inventory management.

The engagement of our hourly workforce is paramount. With the development of the 100-day plan with assigned onboarding ambassadors, we are showcasing that Metrie is a company that cares deeply about our employees. In addition, frontline employees have participated in projects outside of their own branches to enhance best practices at all levels.

Looking forward, we will continue to focus on the operational leadership teams strengthening their knowledge and execution to drive continuous improvement enterprise-wide.

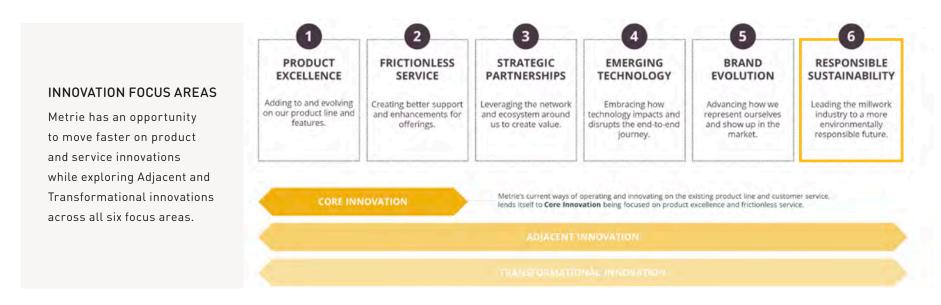


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INNOVATION AND VALUE-ADDED SOLUTIONS

Innovation that creates value for our channel partners continues to be a key component of Metrie's customer experience strategy. Since the launch of the brand, Metrie has been recognized as an industry innovator. To move faster and become more efficient, we need an innovation focus and a clearly defined process.

In 2023, we added a Manager of Innovation role, integrated an innovation operating model, brought three new products to market, and developed a queue of several more products and services to be taken to market in years to come.

Looking ahead, we will expand our efforts to include new connection points with customers and end users in service of our Brand Evolution, while exploring opportunities to leverage our commitment to Responsible Sustainability.

Metrie is already a leader in the millwork industry regarding supply chain and sustainable forestry by working with domestic and offshore suppliers who meet stringent certification requirements.

As the focus on environmental impact increases and governments implement stronger policies designed to curb emissions and promote sustainable practices, we see multiple benefits to furthering our industry leading position. These include:

- Tapping into new markets that put a premium on ESG-related products and services.
- Reducing the amount of waste inherent in current millwork supply and installation practices.
- Empowering our workforce to innovate locally and find ways to lower environmental impact, reduce waste in our distribution centers, offices, and mills, and improve workplace conditions.

At Metrie, we take our responsibility to our people, our communities, and our planet seriously and believe these are essential components of our purpose to help people transform houses into homes.

RESPONSIBLE BUSINESS PRACTICES

Our Drivers: Responsibility, Diligence, and Passion

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ENTERPRISE RISK MANAGEMENT

Partnering With the Business to Remove Obstacles to Growth

Our business is diverse and entrepreneurial. Taking deliberate risk has been a key to our success and we will continue to take calculated risks to succeed as the most trusted millwork supplier in North America. Enterprise Risk Management (ERM) transforms risk taking into risk managing by identifying, prioritizing, and actioning material risks in a structured and informed manner. The purpose of this program is to (1) create awareness and acknowledge our risk landscape, (2) align our leaders' risk mitigation actions, and (3) enable our business to take calculated risks with clear visibility to outcomes. Ultimately, we aim to identify and minimize the material risks to our day-to-day operational and strategic objectives. Achieving this is a cross-functional and big-picture effort. ERM exists to partner with the business and facilitate the collaborations necessary for transforming risk taking into risk management.

ERM's scope is executed by the Director of Risk Management (reporting to the Chief Financial Officer) and supported by the Risk Manager.

What ERM Does:

- Engage business leaders and employees to identify and score material risks and controls.
- Ensure that all material risks and controls are evaluated and prioritized through a standard lens.
- Align the material business risk priorities with the Audit Committee of the Board.
- Partner with the business to control material risks.

In 2024, ERM will partner with our Sustainability team to:

- Align the ESG materiality assessment methodology with the ERM framework.
- Integrate ESG materiality factors to our risk registers.
- Embed considerations for ESG impact to our corporate risk assessment tools.

CLIMATE RISK

ERM and Sustainability functions share a common objective—to direct attention and resources to opportunities and emerging risks that impact our ability to be the most trusted millwork supplier in North America. One of our key focus areas is climate risk. Our business is impacted to various degrees by existing and emerging climate related events, including changes in climate conditions, wildfires, and extreme weather. Climate risks threaten our ability to supply product, deliver the customer experience, and achieve our financial objectives. The ERM and Sustainability teams work together to identify material risks for business consideration and mitigation.

ERM KEY TERMS:

- Risks are events that post threat (or opportunity) to our objectives
- Controls are actions (people, process, technology, and reporting) adopted by the business to reduce or eliminate risk threats

ERM is currently partnering with the business to design and implement controls for some of our significant risks, including supply chain, market, geopolitical, and cybersecurity risks. As we further develop our ERM program, we will provide insight to our risk priorities and control activities.

BOARD GOVERNANCE

Supporting Metrie with Experience and Expertise

Metrie's Board of Directors is focused on ensuring we maintain responsible business practices and the highest ethical standard of governance to support our culture and values. Our Board is composed of 11 directors, including four independent directors, six family shareholders, and one operating officer - our CEO Kent Bowie. Our independent directors include leaders with expertise and experience in many relevant areas that impact our business and align to our strategy including manufacturing, distribution, retail, and finance. We appointed one new independent director in 2023.

The Board has three standing committees: Audit, Compensation, and Governance. All three committees are composed of independent directors and operate under a charter, which provides key duties and responsibilities.

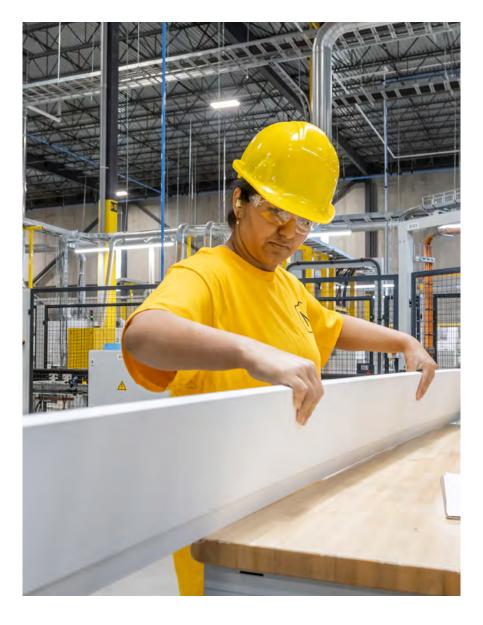
PAY EQUITY

Ensuring Wage Equity and Competitiveness

At Metrie, we strive to provide a living wage for all our employees well beyond governmental minimum wage requirements to ensure all employees are paid equitably. Equitable pay hasn't been the norm in our industry, but it's a hallmark of a wealthy workforce. Gender pay equity studies have been a regular practice at Metrie since 2020 to guarantee we're paying competitively and equitably at all levels. Some of the steps we've taken to ensure pay equity are:

- We review hourly wage competitiveness in every region we operate in to confirm that our wages are competitive.
- We use an outside compensation consultant to conduct annual pay analyses for all roles and salary grades. In Canada, pay equity audits are conducted periodically for Ontario and Quebec to comply with provincial legal requirements.

We closely monitor specific roles at Metrie that have significant representation of men and women (e.g., Account Representative and Territory Manager) and address situations where pay inconsistencies exist on a regular basis.



THE SHAREHOLDER AND DIRECTOR VIEW

Looking Forward to a Great Future

We asked a number of our board directors and family members to share their perspectives on the emerging sustainability and ESG work. The Sauder family has been involved as owners, management, and directors since 1926, spanning four generations.



MARCIA SAUDER
BOARD DIRECTOR, 3RD GENERATION

As a director, I have a fiduciary responsibility to uphold value for the shareholders of the company. But how do we define "value"?

Caring about more than financial returns has a long history in this company. They didn't have the

"ESG" label for it, but our parents continually demonstrated concern for much more than the bottom line. They stressed the importance of doing the right thing and they recognized in tangible ways that the strength of the business depended in large part on the employees' contributions. Along with concern for our employees and our local communities, the new generation brings an increased awareness of how Metrie's activities touch many people outside the business and affect the environment.



LEIGH SAUDERBOARD DIRECTOR, 3RD GENERATION

The world requires us to take sustainability and looking after our planet seriously. It has become glaringly critical, and we need to do our part to get things on track. The number one driver of any successful company, in my view, is people.

If they are not engaged, and happy, and thinking about how to make things better, we can't be successful. We are running a business, and it's important for us to be profitable, particularly for the two thousand employees and their families, who rely on us for their livelihood. And at the same time, we need to be good global citizens. We are leaving this world to our children. The young people joining the workforce today want to be responsible leaders, and they do seriously look at the purpose and ESG practices of potential employers. You'll hear "Do the right thing" from all members of the Sauder family, every generation, because it was drilled into us. The second part of it that you don't often hear is, "...and you'll never be sorry."

VI KONKLE

INDEPENDENT DIRECTOR, BOARD CHAIR

Sustainability is a journey; it doesn't begin or end. We have a right to enjoy this beautiful country, but we also have a duty to look after it and make sure our children and our grandchildren have equal access to it. Metrie is taking a very pragmatic and authentic approach. We're doing things that we



know we can do, that are right for the business, the environment, and for our people.

JEFF VINCENT INDEPENDENT DIRECTOR

We can no longer ignore the invisible costs of doing business, and we need to look through a sustainability lens the same way we look through a profitability lens. Solidifying our long-term financial position requires making certain business decisions today using long-term (in decades)



thinking, which Metrie's shareholders wholeheartedly support. If we create a situation where all of our stakeholders win, which includes the communities in which we work and live, and the environment, then we're all better off.



ANDREW BULL
BOARD DIRECTOR, 4TH GENERATION

Having a sustainable focus on the business is becoming "table stakes" for businesses that want to be viable and resilient in the 21st century.

Customers and suppliers need to help each other up and down the value chain to meet this challenge.

Also, if we want to continue to attract great

talent, having a clear purpose is necessary with the younger generations. Finally, while we have made great strides in the Social realm and there are opportunities in the Environmental side, we should not forget about the importance of strong, responsible, and ethical Governance. From a family perspective, we always have been, and will be, focused on doing the right thing.



WILL WRIGHT
BOARD DIRECTOR, 4TH GENERATION

I have studied and worked on ESG throughout my academic and professional career, and I understand how a well thought out ESG strategy can cut costs, deepen relationships with stakeholders, and keep team members engaged.

I have always been proud and admired how the passion, purpose, and values of the Metrie team were reflected in the way we do business. We need to address the challenges of the next 100 years in the same way that we have weathered the storms of the last (almost) 100 years.

The impacts of climate change are accelerating and the need to engage with more stakeholders on social and governance issues is becoming a business imperative. I'm looking forward to seeing the creativity and entrepreneurship that has defined Metrie brought to bear on this new opportunity.

MATT ROBINSON

4TH GENERATION

Metrie has always been a values-driven business. Social and Governance aligns with the family's values, and we are in the business of wood products, so of course we need to focus on Environment. Do we look at this as a business risk or opportunity? In our industry, there is a



lot of opportunity to become more energy efficient and align with our key stakeholders.

AMY CAMPBELL 4TH GENERATION

I am so encouraged by Metrie's focus on sustainability and ESG. I have three children growing up with the reality of the climate crisis, and I believe our company should be taking action for the benefit of their generation, as well as future ones. I am also proud that Metrie is focused on increasing the prominence of women in management



increasing the prominence of women in management roles. It feels good to know that Metrie is prioritizing ESG initiatives.

LOOKING AHEAD TO 2024

Beyond the First Step

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WHAT YOU CAN EXPECT FROM FUTURE REPORTS

Continuing Our ESG Journey

Since our inaugural report last year, we have made meaningful improvements and learned even more of the opportunities in front of us. What might you expect from future reports? Here are a few possibilities:

- Goals. 2024 will be our first year conducting Metrie's Greenhouse Gas Inventory, and it will be an annual exercise. By setting this baseline, we can set goals for future emission reduction. Like any of our company's objectives, these goals will be SMART and tied to our strategy. We expect to share our goals and path forward in the next version of this report.
- Commitments. While we are not obligated to do so, we will identify material areas of our business that impact internal and external stakeholders. We will set goals, define metrics, and compare our performance against relevant competitors. The transparency will demonstrate our commitment.
- Accomplishments and Challenges. Just like this year, we will
 proudly share accomplishments across the business that support
 our ESG efforts. And where there are setbacks or challenges,
 we will not shy away from acknowledging those as well. What's
 important is that we honestly tell the stories to move us all
 forward, together.



APPENDIX

ESG Data34



ESG DATA

About This Report

This is Metrie's second purpose report and is intended as an internal document for Metrie employees. All measures reported herein are as of the 2023 fiscal year (ended December 31, 2023) unless otherwise indicated.

Metrie believes this report contains information that is accurate in all material respects, timely and balanced.

QUESTIONS & FEEDBACK

Metrie welcomes your feedback. For additional information or to provide feedback, email the Director of Sustainability at dave.danesh@metrie.com

BOUNDARY, SCOPE, AND BASIS OF REPORTING

The boundary of this report is based on operational control. In areas where data is limited, the scope of coverage is noted in the relevant data table. The ESG Metric index includes a summary of Metrie's ESG data, including alignment to the Sustainability Accounting Standards Board, where relevant. The metric system units of measurement were used for all quantitative data reported. We provide safety and environmental incident definitions so that all operations report incidents consistently. Greenhouse gas (GHG) emissions are calculated using published emission factors, which are appropriate for the region, technology, and time frame of the GHG Inventory. The GHG Inventory was reviewed according to the GHG Protocol.

At time of publication, energy and emissions data (page 35) are still being vetted, and are subject to change.

RESTATEMENTS

As we improve our ESG reporting, it may be necessary in future reports to restate our data. Reasons for restatements could include changes in reporting boundaries, metric definitions or calculation methodologies. We will highlight the restated items and reasons for restatement if we believe it would be meaningful information.

ESG PERFORMANCE DATA INDEX

ESG Metric	Unit	2021	2022	2023	SASB Reference
ENERGY AND EMISSIONS					
Total Energy Consumed	Gigajoules (GJ)	N/A	N/A	487,167	CG-BF-130a.1
- Natural Gas	Gigajoules (GJ)	N/A	N/A	221,914	CG-BF-130a.1
- Diesel	Gigajoules (GJ)	N/A	N/A	96,986	CG-BF-130a.1
- Gasoline	Gigajoules (GJ)	N/A	N/A	15,010	CG-BF-130a.1
- Propane	Gigajoules (GJ)	N/A	N/A	23,232	CG-BF-130a.1
Electricity	Gigajoules (GJ)	N/A	N/A	130,026	CG-BF-130a.1
Electricity from Grid	Percent (%)	N/A	N/A	100%	CG-BF-130a.1
% Electricity Renewable	Percent (%)	N/A	N/A	0%	CG-BF-130a.1
Total Energy Use	Gigajoules (GJ)	N/A	N/A	487,167	CG-BF-130a.1
Direct (Scope 1) Emissions	Tonnes CO2e	N/A	N/A	21,204	
Indirect (Scope 2) Emissions - Location Based	Tonnes CO2e	N/A	N/A	9,178	
Indirect (Scope 2) Emissions - Market Based	Tonnes CO2e	N/A	N/A	9,178	
Greenhouse Gas Emissions Intensity	kg CO2e per production unit	N/A	N/A	0.041	
Greenhouse Gas Emissions Intensity	Tonnes CO2e per \$million revenue	N/A	N/A	20	

Includes Metrie El & El , and excludes Metrie Anderco

Energy and Emissons data are not yet finalized and subject to change

N/A is not available

ESG Metric	Unit	2021	2022	2023 SASB Reference
HEALTH AND SAFETY			•	
Total Incident Rate (TIR)*	Total Incidents/100 FTE employees	2.68	1.70	1.75
Occupational Diseases ¹	Number of Incidents (#)	0	0	0
Fatalities	Number of Incidents (#)	0	0	0
Lost Time Injury Frequency Ratio	Total lost time incidents/ 100 FTE equivalent	1.27	0.91	0.80
Near Miss Frequency Rate	Total near misses/ 100 FTE equivalent	39.4	38.2	41.7
Days Away Restricted or Transferred (DART) Rate	Total days away restricted or transferred/100 FTE employees	2.04	1.44	1.35
GOVERNANCE				
Board of Directors	Number [#]	11	11	11
Independent Directors on Board	Number (#)	4	4	4
Women and Minority Directors	Percent (%)	33%	27%	27%
Board / Committee Meetings on ESG	Number (#)	0	0	2
Average Attendance at Board Meetings on ESG	Percent (%)	n/a	n/a	100%

Excludes Metrie El & El and Metrie Anderco

1) A condition or disorder that arises from conditions related to and as a natural incident of risk factors of a person's work environment or work activities. Health conditions and disorders that occur at a higher statistical frequency than in the general population are deemed occupational diseases

ESG Metric	Unit	2021	2022	2023 SASB Reference
DIVERSITY, EQUITY AND INCLUSION				
Total Population - Male	Percent (%)	83%	81%	81%
Total Population - Female	Percent (%)	17%	19%	19%
Management - Male	Percent (%)	78%	75%	74%
Management - Female	Percent (%)	22%	25%	26%
Hourly Staff - Male	Percent (%)	89%	87%	88%
Hourly Staff - Female	Percent (%)	11%	13%	12%
Total Population - Under 35 Years Old	Percent (%)	39%	39%	37%
Total Population - 35-55 Years Old	Percent (%)	47%	46%	48%
Total Population - Over 55 Years Old	Percent (%)	14%	15%	15%
New Hire - Men	Percent (%)	83%	79%	82%
New Hire - Women	Percent (%)	14%	20%	16%
TALENT MANAGEMENT				
Employee Full Engagement Rate ²	Percent (%)	57%	64%	70%
Voluntary Turnover Rate	Percent (%)	28%	27%	22%
Voluntary Turnover Rate - Canada	Percent (%)	20%	26%	23%
Voluntary Turnover Rate - US	Percent (%)	36%	29%	22%

Excludes Metrie El & El and Metrie Anderco

2) Percent of employees "actively engaged" based on their responses to the Gallup Q12 survey items. Note: this differs from the percentile engagement (74th percentile in 2023), which compares Metrie's engagement score with other companies in Gallup's global database





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