



BUILDING MORE. BUILDING BETTER.

2023 CORPORATE SOCIAL RESPONSIBILITY REPORT
PUBLISHED MAY 2024



We are committed to building, not just more, but better. Through our relentless pursuit of best-in-class safety, sustainable business practices, and seamless customer experiences, we strive to build more and build better for our employees, customers, communities and the environment.



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A MESSAGE FROM OUR CEO

NEVER STOP BUILDING BETTER

The past year has been a time of growth for Beacon — not only in terms of our geographic footprint and service offerings, but also in our determination to build better for our stakeholders. Our Ambition 2025 strategic plan is driving a transformation of our company, giving us renewed focus on the ways that we create value for our team members, customers, suppliers, shareholders, and communities.

A strong, values-based culture is not only an outcome of our strategy — it is part of what makes the execution possible. In 2023, we expanded our employee programs for safety and professional development and launched an Employee Stock Purchase Program. The strong participation of employees in this program, especially among front-line team members, shows that they trust the work we're doing together.

We are also focused on furthering our diversity, equity, and inclusion initiatives. In 2023, we launched SOMOS Beacon to support Spanish-speaking employees and customers. We continue to make our products and services more accessible, through multilingual online and face-to-face customer service. And we're deepening our investments in national and community partners, like National Women in Roofing and Rebuilding Together, to strengthen communities with our expertise, time, and resources.

Central to corporate responsibility is accounting for our environmental impacts, and we are making progress in this area by driving operational excellence. Our goal is to reduce emissions intensity by 50% by 2030, and we are changing behavior at the branch level through our Building Better for the Environment campaign and branch optimization practices.

BEACON AMBITION 2025

Accelerate value creation for our customers, employees, and shareholders.



One of Beacon's values is to Never Stop Building. This value reminds us that our journey has no finish line, and there's always more work to be done. With this concept in mind, we are working to build more for our customers and build better for our team members, environment, and communities.

Thank you for being on this journey with us.

Julian G. Francis
President and CEO

COMPANY OVERVIEW

ABOUT US

Beacon is the only publicly traded specialty distributor of roofing materials and complementary building products in the United States and Canada. We are among the oldest and most established distributors in the industry. The company is headquartered in Herndon, Virginia, with over 530 branches serving local customers. We are proudly a Fortune 500 company, traded on the NASDAQ Global Select Market under the ticker symbol BECN.

We are a leading provider of residential and commercial roofing and complementary building products, such as specialty waterproofing, siding, windows and doors, to the North American building

industry. We have supported contractors who rely on us to help them save time and build more for nearly 100 years.

Our team of more than 8,000 employees works to ensure contractors have local access to the building supplies and roofing products they need, right when they need them. Through strategic investments in new technology and an ever-expanding network of locations, we help contractors save time, manage work more efficiently, and enhance their businesses. Our distribution infrastructure served more than 1.4 million customer deliveries in 2023, from job site ground drops to complex rooftop deliveries.



OUR MISSION

To empower our customers to build more for their customers, business, community, and family through world-class service and innovative solutions.



WHO WE ARE:

- MOTIVATED
- AUTHENTIC
- RELIABLE
- PROBLEM-SOLVERS

[LEARN MORE](#)



WHAT SETS US APART:

- SEAMLESS EXECUTION
- PRACTICAL INNOVATION
- HANDS-ON PARTNERSHIP

[SEE US IN ACTION](#)

CORE VALUES

Our values drive everything we do.



PUT PEOPLE FIRST

We are proud to support the hardworking people that build our communities and are driven by one purpose — helping our teammates, customers, and partners build more.



MAKE EVERY DAY SAFER

We have an unwavering commitment to safety, reflected in the way we put the safety of our employees and customers before everything else.



DO THE RIGHT THING

Every day, we have a choice to do it the easy way or the right way — we choose to do it the right way every time. We take our responsibility to each other seriously and value honest communication and diverse perspectives.



OWN YOUR DAY

We take pride in a job well done and are always willing to roll up our sleeves and put in the extra effort to overcome obstacles and get results.



NEVER STOP BUILDING

The path from average to exceptional begins with hard work and we wake up motivated to be better today than we were yesterday.



HELPING CUSTOMERS BUILD MORE IN 2023



533

branches throughout the U.S. and Canada



8,000+

team members



Nearly **100,000**

customers served



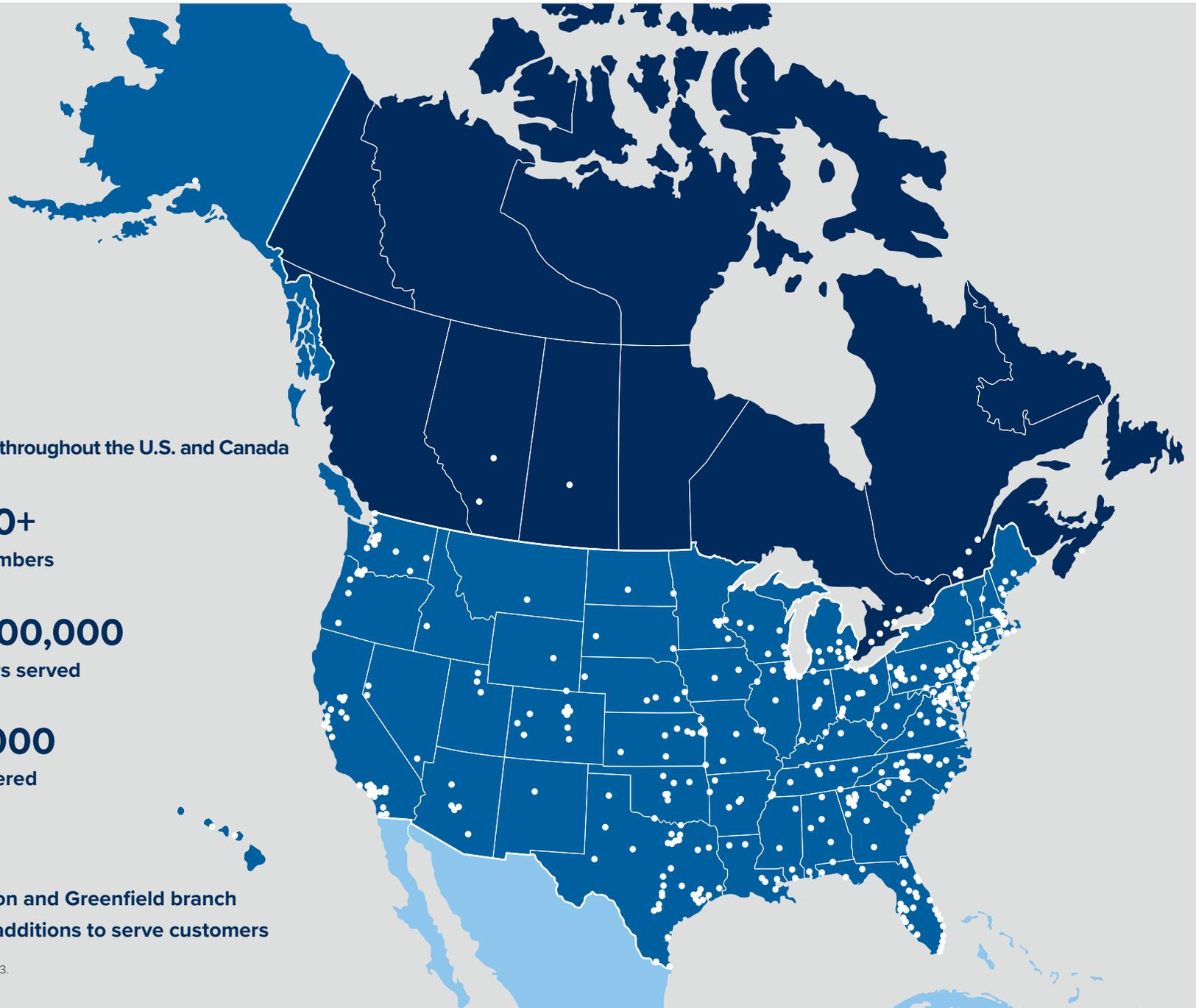
130,000

SKUs offered



49

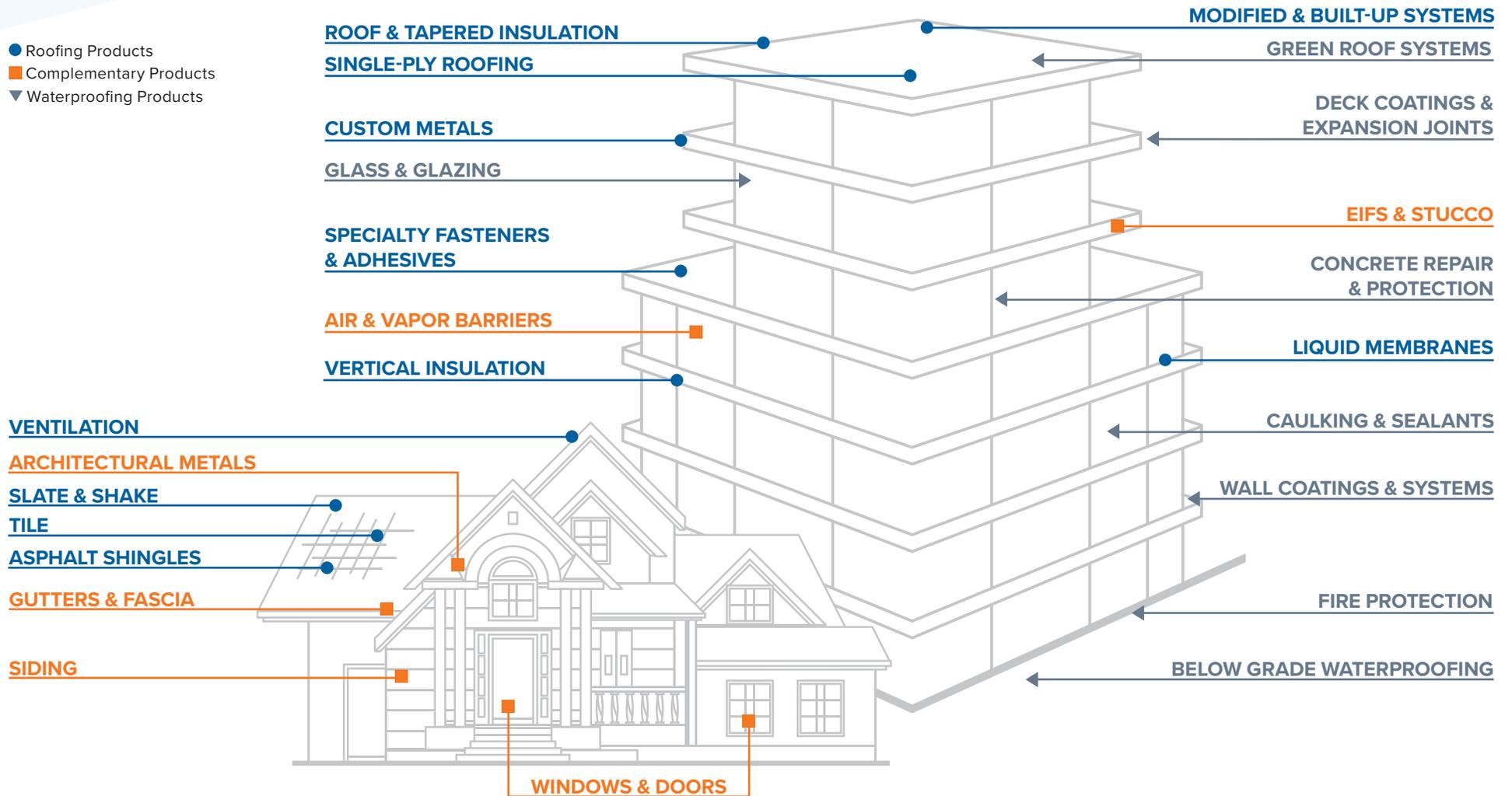
Acquisition and Greenfield branch location additions to serve customers



Data for the year ended December 31, 2023.

ESSENTIAL MATERIALS FOR THE BUILDING ENVELOPE

Beacon is a leader in delivering materials and systems that construct and safeguard the building envelope, or the barrier that separates a building’s interior from the external environment. Our residential and commercial roofing, complementary, and waterproofing products do more than mitigate risk of weather damage. They also reduce reliance on HVAC systems, resulting in lower greenhouse gas emissions while contributing to the resilience and sustainability of buildings. We offer a variety of products, engineering, and services to support the diverse needs of our customers, including:





PUTTING PEOPLE FIRST

At Beacon, prioritizing people is a core value, whether they are our employees, customers, or the communities we serve. From fostering a supportive and inclusive work environment, to investing in employee development and well-being programs, to engaging in initiatives to support our customers and the communities we call home—we are committed to placing people at the forefront of our business. By doing so, we create positive impact that extends beyond our operations and builds relationships for the long term.

BUILDING SKILLS

We believe that investing in the ongoing learning and development of our employees is not only a strategic imperative, but a reflection of our commitment to fostering a culture of excellence. By equipping our employees with the resources they need to thrive, we are building a stronger, more resilient organization.

Our Learning and Development programs are designed to be accessible and responsive to the diverse needs of our workforce. We provide comprehensive onboarding for new hires, a variety of learning experiences and development pathways to support professional growth throughout their career journey.



The Supervisory Leadership Course truly is phenomenal; I have already gotten my Assistant Branch Manager signed up for this course later this year. I would recommend all leadership personnel take this course.”

JEFF HAMBLIN, BRANCH MANAGER
Ogden, Utah

Building Skills

All Beacon employees are required to complete annual training on topics including health and safety, anti-corruption, data security and privacy, and harassment prevention.

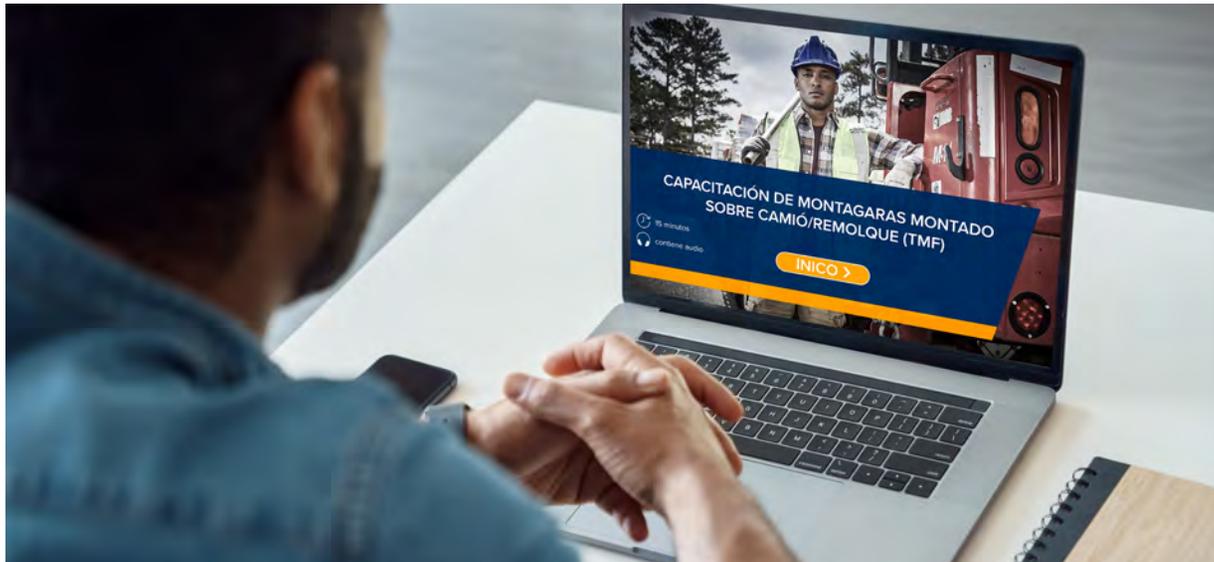
In 2023, over 1,200 employees took advantage of voluntary professional development offerings. We are particularly proud that 69 employees advanced their careers through our DRIVE program, which leads to gaining a Commercial Drivers License (CDL).

After employees participate in our Learning and Development programs, we survey them to assess effectiveness and drive continuous improvement of our curriculum.

1,200 employees participated in voluntary professional development

INCREASING ACCESS

To give greater access to these programs and allow all employees to benefit from our development initiatives, we made our core compliance and environmental, health, and safety trainings available in Spanish and French, in addition to English. This allows us to reach a diverse workforce and empowers more employees to enhance their skills and capabilities in the language with which they are most comfortable.



The Leadership Trainee program is a great opportunity to challenge yourself to go further in learning and understanding than you have ever dared to venture. The modules and interactions you have with your peers will help guide you into becoming the next great Beacon Leader. I really enjoy the ability to lean into not only the other trainees, but also Branch Managers who share their experiences and wisdom. I am able to use that insight to better my own development as well as my teammates in the program.”

DAVID RACINE
LEADERSHIP TRAINEE
 Salem, Oregon

Building Skills

LEARNING AND DEVELOPMENT

We leverage key programs, including our Leadership Trainee and Internship programs, to build a diverse pipeline of emerging leaders that reflects our communities.

**LEADERSHIP DEVELOPMENT PROGRAM**

- For district managers and sales directors
- Essential leadership skills and competencies training
- Custom-built for Beacon team members

**SUPERVISORY LEADERSHIP COURSE**

- Available to frontline leaders
- Focus on emotional intelligence, including self-awareness, organizational agility and relationship building
- Supervisory skill development, such as delegation, prioritization and development

**DRIVE PROGRAM**

- For employees interested in becoming a key player in our customer experience
- CDL training and best practices
- Flexible training schedule with five phases

**PERSONAL LEADERSHIP COURSE**

- Offered to individual contributors and frontline leaders
- Cultivation of leadership development skills
- Effective communication and feedback

**INFLUENTIAL LEADERSHIP COURSE**

- For all levels of leaders
- Develop tools to work cross functionally
- Communication and influence skills

**FINANCIAL ACUMEN FOR BRANCH LEADERS PROGRAM**

- Financial management fundamentals
- Organizational objectives and strategic priorities

**LEADERSHIP TRAINEE PROGRAM**

- Intensive leadership training for recent college graduates
- Rotational assignments within a branch
- Mentorship from field leadership

**BEACON PROFESSIONAL SELLING PROGRAM**

- Custom built for Outside Sales Reps and Sales Leaders
- Foundational selling skills workshop
- Focused on building relationships, uncovering customer needs and positioning Beacon solutions

**INTERNSHIP PROGRAM**

- Hands-on experience in various business functions
- Mentorship and professional development opportunities
- Networking opportunities

EMPLOYEE WELL-BEING

We foster a positive and supportive work environment where all employees can succeed and contribute to our collective success. From personalized coaching to helping employees in crisis, we offer a variety of programs and services tailored to meet the health and wellness needs of our workforce.

TOTAL REWARDS PROGRAM

Our compensation and benefits package is comprehensive and competitive. Total Rewards at Beacon encompasses a broad range of benefits including:

- **Comprehensive insurance offerings**, including medical, dental, vision, life insurance, and accidental death benefits.
- A **generous 401(k) retirement plan** with an employer match of 50% of the employee contribution, up to 6% of pay and a three-year graded vesting schedule.
- A **parental leave policy** that provides up to eight weeks of supplemental pay for eligible employees who become new parents by birth, adoption, or foster-child placement. Also, two weeks of bonding leave at 100% of pay.
- A **range of tax advantaged spending accounts**, such as Health Savings Accounts, Flexible Spending Accounts, and commuter benefits.
- Our **employee assistance program offers mental health, legal, and financial services**, as well as childcare and eldercare assistance and support in the case of identity theft.
- Beacon employees also have **access to voluntary benefits** including accident, critical illness, and hospital indemnity insurance that can provide additional peace of mind during an emergency.
- Exclusive, **employee-only special offers and discounts** from thousands of leading national and local brands. Discount categories include travel, gyms, cell phones, restaurants, automobiles, apparel, and electronics.



MotivateMe WELLNESS PROGRAM

Through MotivateMe, we offer our employees free yearly health assessments, health coaching by phone, and online health management programs to qualify them for lower annual insurance rates. In 2023, 35% of employees enrolled in health plans and earned points in MotivateMe.

YEARS OF SERVICE AWARD

Beacon offers a variety of employee recognition programs, including our Years of Service Award, which recognizes employees across the organization on their milestone anniversaries. We are proud to have 38% of our employees with tenure over six years. At this milestone and others, they receive an appreciation letter from our CEO, a plaque, and a catalog from which to choose a gift to mark the occasion.

Employee Well-Being

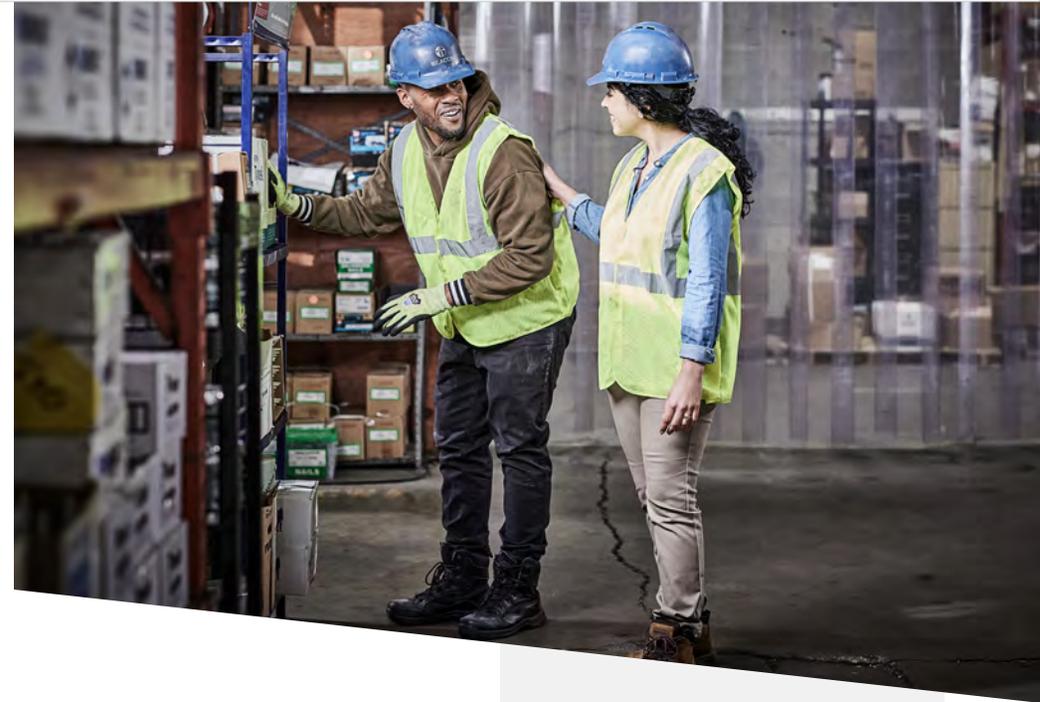
EMPLOYEE STOCK PURCHASE PROGRAM (ESPP)

New in 2023, Beacon's Employee Stock Purchase Program provides our employees the opportunity to purchase shares of Beacon stock at a discounted price and includes a look-back feature. By becoming shareholders, employees can gain a vested interest in Beacon's performance and share in its success. It also serves as a valuable employee retention tool. In its first year, more than 15% of employees companywide and 10% of frontline employees took advantage of this program.



I've worked at Beacon for three years and had the chance to help roofing and waterproofing contractors get the products they need to grow their businesses. Beacon is a great place to work, and I enjoy helping the company reach its goals and grow. When the ESPP launched in 2023, I was excited to be able to participate and share in the company's success by owning stock."

GLADIS PAYAN,
INSIDE SALES
Sun Valley, California



BEACON CaReS FUND

Beacon CaReS is an employee crisis relief fund that provides grants to Beacon employees faced with unexpected financial hardships resulting from an emergency such as a natural disaster or other personal tragedy. In 2023 we provided grants to 22 employees in need. Beacon CaReS is funded by donations made by Beacon, as well as our employees, and is administered by the nonprofit, America's Charities. For the second year in a row, we encouraged our employees and partners to contribute to the Beacon CaReS fund on Giving Tuesday, which is the Tuesday after Thanksgiving. Thanks to generous donations from our employees and matching funds from Beacon, we are able to continue to support teammates in their time of need.



DIVERSITY, EQUITY & INCLUSION

Diversity, equity, and inclusion (DEI) is linked to our core value of Putting People First. We believe that fostering a diverse and inclusive workplace goes hand in hand with driving innovation, fostering collaboration and achieving long-term growth.

Each team member plays a vital role in pushing our company forward, contributing their skills and knowledge to drive our collective success. We understand that diversity encompasses more than just race and gender; it includes differences in backgrounds, experiences, and abilities. By embracing diversity, we enrich our organizational culture and enhance our ability to serve our customers, communities, and stakeholders.

Our commitment to DEI starts with our leaders, who champion initiatives aimed at creating an environment where every individual feels valued and empowered to contribute their unique perspectives and talents and reach their full potential. Our [Ambition 2025](#) strategy further reinforces our commitment, as building a winning culture allows us to meet the needs of our growing base of diverse consumers.

BEACON HAS YOUR B.A.C.K.

We prioritize listening, learning and connecting with our team members. In 2022, we launched Beacon Has Your B.A.C.K. to foster discussions around inclusion and safety. Then, in 2023, we sought feedback from our employees to assess the program. Now, we are laying the groundwork for bringing even greater visibility to the program. Beacon Has Your B.A.C.K. uses focus groups to gain insights on what Beacon employees need to feel supported and trains team members to be advocates for one another if a situation of mistreatment should arise. Beacon Has Your B.A.C.K. is now included in onboarding for all new employees.




BEACON HAS YOUR B.A.C.K.

B. BE AN ALLY
Can you educate? Can you diffuse? What role can you play?

A. ADDRESS THE SITUATION
Respectfully address the behavior.

C. CALL FOR SUPPORT
Reach out to team members, your Branch Manager or your HR Manager.

K. KEEP YOURSELF SAFE
Remain calm. Diffuse the situation. Create physical distance.

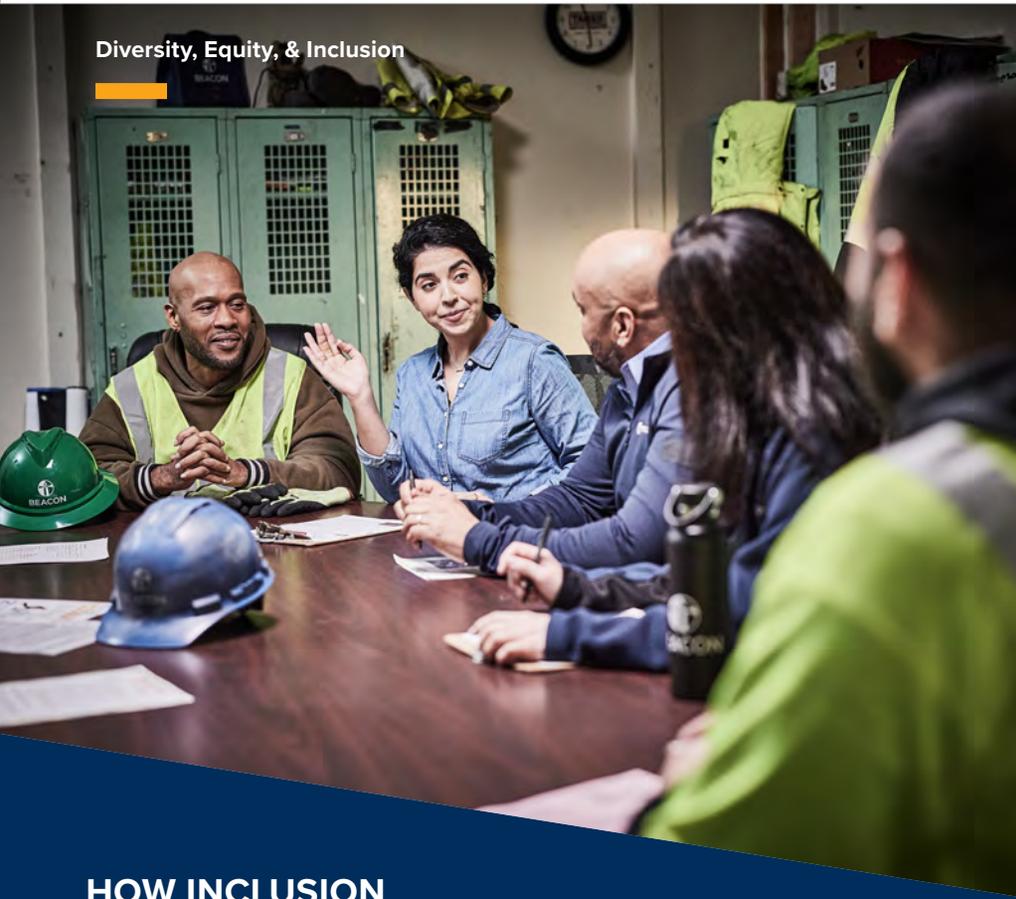
BEACON



PEOPLE FIRST POLICY

Beacon is committed to fostering a strong culture with a deep respect for the rights of all individuals. Our commitment to support human rights is embodied in our [People First Policy](#), which can be accessed on our website.

Diversity, Equity, & Inclusion



HOW INCLUSION CONNECTS TO SAFETY

Each year, we conduct a safety Stand Down, where we temporarily stop work to raise awareness of our safety priorities. For the first time in 2023, we added a DEI component to this exercise. We took time to reiterate the connection between safety and belonging and reminded employees that Stop Work Authority applies to any situation where an employee feels unsafe, including from a standpoint of inclusion or harassment. Learn more about our [Stop Work Authority](#) on page 21.

DEI Council

Our DEI Council advocates for diversity within the company and guides our DEI initiatives. This cross-functional council is composed of 15 employee volunteers serving on a rolling basis. Regular renewal of our Council membership ensures a diverse range of perspectives while staying relevant to employee concerns. In addition, our Council works to support the appointment of more diverse leadership. Moreover, our Council assists in outlining a DEI strategy that includes employee insights and influences companywide DEI campaigns.

DEI Ambassador Program

To extend the reach of our DEI objectives and further harness the enthusiasm within our workforce, in 2023 we launched a DEI Ambassador Program. This program empowers employees to serve as diversity champions wherever they sit in the organization. Ambassadors build on the momentum of DEI Council initiatives and promote awareness with colleagues during weekly team meetings, reinforcing a culture of belonging and inclusivity.

SOMOS Beacon

“Somos” means “we are” in Spanish. At Beacon, it signifies our dedication to our Spanish-speaking employees

and customers. To better serve these constituents and remain responsive to their needs, we have developed a toolkit for branch leadership. It provides essential information and language resources to guide and assist employees to effectively engage with Spanish-speaking customers and team members. Our SOMOS initiative also includes active measures for supporting the diversity of our workforce, such as increasing our rates of bilingual staff members and increased leadership training access for Spanish speakers.

DEI Resources and Training

We provide dedicated DEI resources on our company intranet, Blueprint, that employees can access at any time. Our weekly employee e-newsletter also features DEI topics twice a month. This year, we launched a new educational series called “FYI on DEI,” which spotlights DEI topics such as Black History Month and provides micro-lessons for employees. We also offer in-house training that works to build an inclusive company culture from the ground up. We require annual courses on preventing discrimination and harassment for our entire workforce and all employees receive unconscious bias training.

Diversity, Equity, & Inclusion

TRAINING AND LEADERSHIP ENGAGEMENT

We tailor our DEI training and engagement offerings to equip employees and leaders with the tools they need to promote an inclusive culture and create environments where everyone feels valued. DEI training modules include “Unconscious Bias and You.”

Spotlighting DEI at Our Annual Summit

Our annual Beacon Leadership Summit brings together top decision-makers from across the company to foster collaboration, share insights and develop strategies. The year 2023 marked a significant milestone as DEI was addressed from the main stage for the first time. Leaders were highly touched by our DEI pledge video, which helped raise the profile of the topic, demonstrating our commitment to prioritizing diversity within our organization and reflecting our recognition of its importance in driving organizational success.

CELEBRATING A RISING STAR



Debbie Lockwood, Branch Manager of our East Rutherford, New Jersey, location, was recognized as a Rising Star in this year’s class of Top Women in Hardware & Building Supply by **HBS Dealer** magazine. The Rising Stars Award acknowledges talented professionals who have demonstrated exceptional potential to drive positive change within their companies and the industry.

BEACON WORKFORCE DIVERSITY^{1,2}

Males



86.3%

All Employees

82.4%

Management



8,036

Employees

Females



13.7%

All Employees

17.6%

Management

TENURE¹

	% of Employees
<12 Months	23.2%
1 Year	14.2%
2 Years	9.1%
3-5 Years	15.3%
6-10 Years	16.7%
10+ Years	21.5%

AGE¹

Age	% of Employees
Under 20	1.1%
21-30	19.2%
31-40	24.8%
41-50	24.6%
51-60	21.4%
61+	8.9%



Over
38%

of Beacon employees have been with the company 6+ years.

RACE/ETHNICITY

Race/Ethnicity	All Employees ¹	Management ²
White	61.2%	81.1%
Hispanic or Latino	22.3%	11.7%
Black or African American	9.5%	4%
Two or More Races	1.6%	1.1%
Asian	1.2%	1.4%
Hawaiian or Pacific Islander	0%	0%
American Indian or Alaskan Native	<1%	<1%
Not Specified	3.8%	<1%

¹ Data as of December 31, 2023.

² Management is defined as employees with EEO Job Categories:

Executive/Senior Level Officials and Managers, First/Mid-Level Officials and Managers.

Diversity, Equity & Inclusion

PARTNERING TO SUPPORT DEI THROUGHOUT THE INDUSTRY

We are proud to leverage our position to drive positive change and promote diversity, equity and inclusion throughout the roofing industry. As a founding member and Diamond Sponsor of National Women in Roofing (NWR), we aim to create opportunities for women in roofing. Beacon employees throughout the United States and Canada are actively involved in local NWR chapters, which have year-round programming and support their communities. For example, the Northern Virginia chapter collaborates with GAF Roofing Academy to hold training at the Beacon branch in Manassas, Virginia for local high school girls learning about career options. [See this partnership in action.](#)

One of our key goals involves expanding our hiring pipelines to attract a more diverse pool of talent. Over the course of the last year, we have reinvigorated our university engagement strategy to increase representation of diverse groups. We have identified a core set of schools, including Historically Black Colleges and Universities (HBCU) and Hispanic-Serving Institutions (HSI), with which we are developing long-term relationships. These schools were selected due to their diverse student population, selection of majors that align to our business, and location near major markets for our business.



FEMALE ROOFING PROFESSIONAL OF THE YEAR

Michelle Ly Hall, Operations Manager at Hall Roofing and Construction in Round Rock, Texas, was the winner of the 2023 North American Female Roofing Professional of the Year competition. Beacon organizes this annual recognition program for hardworking women in the roofing industry who have gone above and beyond for their customers, coworkers, and community, while embracing our core values.



SUPPORTING OUR COMMUNITIES

We are committed to the communities we serve, and we actively contribute our time and resources to give back to them. Our commitment is rooted in three pillars: Safe Homes & Families, Healthy & Safe Environment, and Building Skills.



SAFE HOMES & FAMILIES

Promoting the well-being and safety of individuals and families

BEACON OF HOPESM

Beacon of Hope Awards

The Beacon of Hope Awards are dedicated to supporting veterans facing adversity across the United States and Canada. Through this initiative, we provide roof installations and repairs to 10 grand prize winners annually. Now in its fifth year, more than 50 veteran homes have been made safer due to this program; recently new roofs have also been provided to veteran organizations such as VFW and American Legion Posts.



Toys for Tots

Beacon is a Toys for Tots National Corporate Donor. In addition, our branches serve as toy collection points. Employees, customers, and suppliers rally together to help children in our communities feel the joy of the holiday season.



Rebuilding Together.

Rebuilding Together

Through this national partnership, we volunteer our time and resources to make essential home repairs that help our neighbors stay in their homes. We support Rebuilding Together's vision of safe homes and communities for everyone. See page 17 for a discussion of our [partnership](#).



Supporting Our Communities

HEALTHY AND SAFE ENVIRONMENT

Investing in projects that help build a better future by protecting the environment for the benefit of the communities we serve

Vehicle Idling

In 2023, we took action to reduce idling time of our delivery fleet and warehouse forklifts to contribute to cleaner air at our branches and in our communities. Starting with education, we helped our drivers understand that the new technology in our fleet does not require idling for top performance. We also launched a pilot program placing clean air promotion signage in areas where our drivers, customers and vendors frequently park to remind them to turn off their engines when not productive. The reductions in vehicle idling contribute to healthier air and minimized noise for our branch locations, as well as at job sites in our communities.



BUILDING SKILLS

Empowering people and communities to reach their maximum potential



Beacon Scholars Program (Robert R. Buck Scholarship)

Named in honor of our former Chair, President, and CEO, these scholarships provide dependents of our employees with \$2,500 toward two-year and four-year universities as well as vocational, technical, or trade schools. In 2023 we awarded 25 Robert R. Buck scholarships and began accepting nominations for an expanded program that will benefit 50 students in 2024.

K9s for Warriors

K9s for Warriors is a nonprofit that aids veterans transitioning to civilian life. Through our partnership, Beacon's exclusive brand of roofing products, TRI-BUILT®, sponsors service dogs, provides supplementary services, and donates building materials to help veterans in need. K9s For Warriors has paired more than 1,000 K9/warrior teams and rescued more than 2,000 dogs.



Roofing Alliance

As a trustee of The Roofing Alliance, the philanthropic arm of the National Roofing Contractors Association, Beacon works to foster progress in roofing through education, research, scholarship and university curriculum programs, and technology initiatives. In 2023, the Alliance established a plan to transform the roofing workforce via industry and academic collaboration with the Nieri Department of Construction, Development and Planning at Clemson University.

Supporting Our Communities

PARTNERSHIP SPOTLIGHT: REBUILDING TOGETHER

Beacon is proud to partner with Rebuilding Together, a leading nonprofit dedicated to repairing homes, revitalizing communities, and rebuilding lives. Through this partnership, Beacon provides essential materials, financial support, expertise and volunteer hours to support Rebuilding Together's mission of creating safe and healthy homes for those in need. In 2023 we worked to help homeowners in Raleigh, North Carolina; Philadelphia, Pennsylvania; Alexandria, Virginia; Miami, Florida; Indianapolis, Indiana; and Irving, Texas. Here are some of their stories:



Mr. Donald, a 92-year-old Air Force Veteran, has lived in his home since 1942. His age and health concerns made it hard for him to maintain his home. Beacon and Rebuilding Together D.C./ Alexandria teamed up to provide Mr. Donald with essential home repairs. Volunteers installed carbon monoxide and fire detectors, stable flooring, safety lighting, and performed other repairs. Through this effort, Mr. Donald can continue residing in his home with renewed peace of mind.



Philadelphia resident Ms. Mendez has lived in her home for 22 years. Over time, the home gradually fell into disrepair, posing both health and safety concerns. Beacon and Rebuilding Together Philadelphia provided interior and exterior repairs to the home, at no cost, which included new flooring, handrail installations, and ceiling and window restorations. These improvements transformed Ms. Mendez' home into a safe and comfortable space.



Born and raised in Miami, Ms. Carmen Parra is a single mother to two autistic teenagers. With financial circumstances preventing the family from addressing crucial home improvements, Rebuilding Together Miami-Dade and Beacon stepped in to provide essential repairs around the home. These critical fixes, including roof repairs, new flooring, wall repairs, and fascia reinforcement, allowed Ms. Parra and her family to safely remain in their home.

\$700,000

in projected social return on investment (SROI) created through Beacon's support of Rebuilding Together.



SEE BEACON VOLUNTEERS IN ACTION



MAKING EVERY DAY SAFER

Safety isn't just a priority at Beacon — it's one of our core values. Our comprehensive safety approach not only protects and engages our employees; it also drives operational excellence and continued business growth.

Our goal is an injury-free workplace and a healthy workforce. We foster a strong safety culture through a broad set of processes, providing ongoing training and education to employees, tracking safety metrics, investing in new technologies, and actively involving employees in safety initiatives.

All levels of the business work to reduce risks to our team members and the communities we serve. Employees are expected to be accountable for their actions, to provide input and to report hazards they encounter. We work together to help ensure operations in our facilities meet and often exceed industry and regulatory standards. Each week, we uphold our commitment to safety through structured branch safety meetings. These sessions allow team members and leaders to review evolving risk factors such as weather and delivery locations, while also reinforcing safety knowledge. Additionally, we maintain rigorous management oversight and ensure strict enforcement of safety policies, procedures, and practices.



INNOVATING FOR SAFETY

Beacon is committed to a culture of continuous improvement. We have developed innovative safety processes, finding new ways to proactively address safety concerns, implement preventive measures, create safer and more sustainable work environments, and enhance employees' well-being. Here are a few examples of the ways we are continuing to innovate our management system for environment, health, and safety:



Green Hats

Our Green Hat program directs new team members and visitors to Beacon facilities to wear green hard hats, visibly signifying their limited knowledge of local safety procedures and potential hazards in the workplace. The program works to ensure the safety of teammates who have been with the company under 90 days and engender a culture of coaching for everyone unfamiliar with a particular branch's layout and safety protocols.



Team D.R.I.V.E.N.

Beacon's driver council, Team D.R.I.V.E.N., consists of a diverse group of professional drivers who work in different regions and serve local customers by delivering a variety of construction materials to residential and commercial job sites. The driver council provides a collaborative environment between senior leadership and drivers, enabling feedback, teamwork, and the exchange of ideas to improve operations, identify safety concerns, and reduce incidents and injuries.



As a testament to our commitment to supporting employee career development and safety, Beacon was recently recognized as a 2023 Platinum Employer by the National Commission for the Certification of Crane Operators (CCO), which recognizes companies for supporting employees' CCO certification. Beacon is one of only six companies in the U.S. named a Platinum Employer for 2023.



TEAM D.R.I.V.E.N. SPOTLIGHT

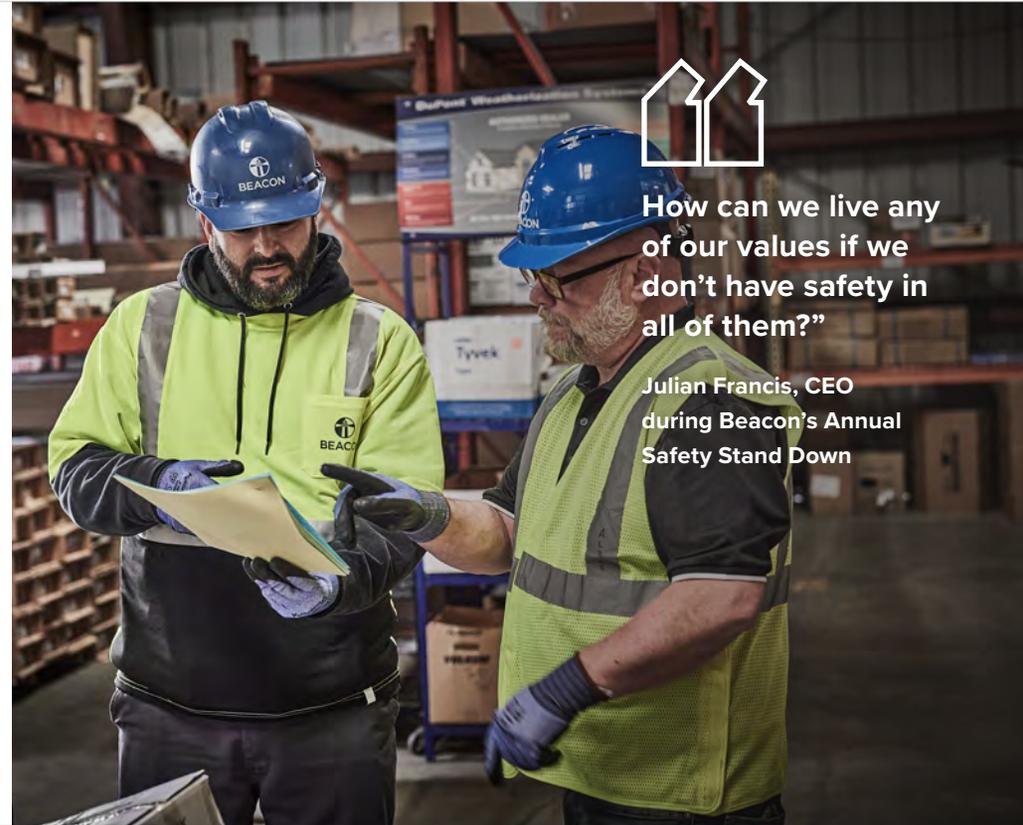
Jeff Cypher has had a 23-year career with Beacon. He is a Crane Safety Trainer and founding member of Team D.R.I.V.E.N. Jeff regularly mentors new drivers and is a role model to many in his branch, bringing a positive attitude, customer focus, and willingness to try something new. Jeff has also served as a member of Beacon's market safety committee, which benefited from his laser-focus on safety and his wealth of industry knowledge.

Innovating for Safety

Safety Stand Down

Our annual safety Stand Down brings companywide attention to key safety issues. In 2023, we held our eighth annual safety Stand Down in March, with all 500+ branches participating. For these safety Stand Downs, normal work operations are paused to focus solely on safety-related activities, trainings, and initiatives. This year's Stand Down covered a variety of safety topics, including discussions of how to ensure the workplace is respectful and inclusive and that employees know how to support each other in cases of harassment from anyone within or entering the branch.

A key component of this year's safety Stand Down was a series of exercises focused on identifying safety risks using visual skills. During a facilitated session, Beacon employees were guided on how to create a safe working environment by visually recognizing existing hazards and acting before an incident occurs. Beginning with identifying key observations about the work environment, employees can create an inventory of potential hazards using visual cues, such as lines, shapes, colors, space, and texture. These elements help employees analyze the work environment and assess potential hazards before they occur.



How can we live any of our values if we don't have safety in all of them?"

Julian Francis, CEO during Beacon's Annual Safety Stand Down

BRANCH SAFETY SPOTLIGHT



Our Branch Safety Coordinators help ensure that safety standards are upheld at the local level, supporting and reinforcing Beacon's Environment, Health & Safety Management System elements to specific branch needs while strengthening a culture of safety among employees. They work in tandem with our broader safety leadership structure to collectively promote a safe and healthy work environment.

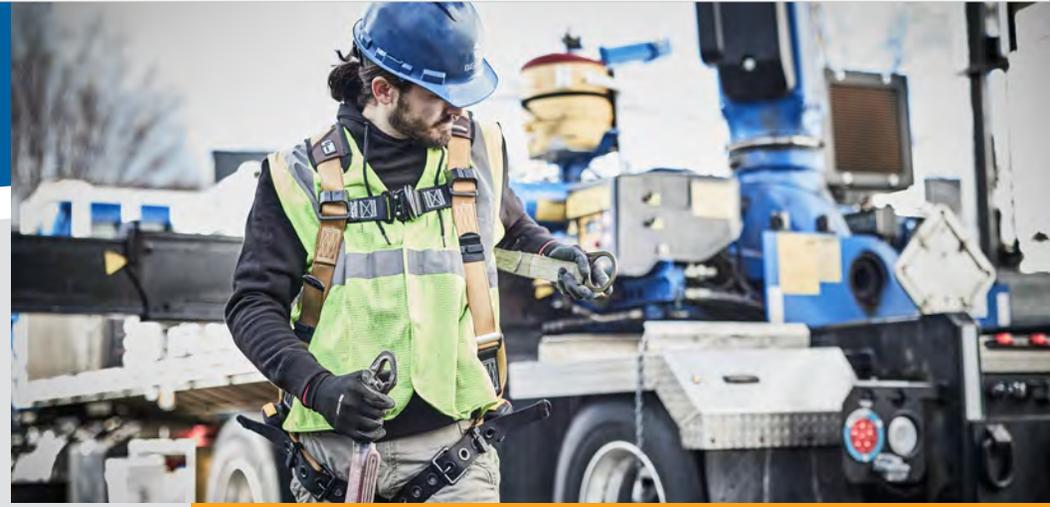


What matters most to me is that everyone goes home safely every day. I took on the role of Branch Safety Coordinator to mentor our new employees and use my creativity to keep safety topics fresh and relevant. Our Value says, Make Every Day Safer. I am proud to lead our team in trying to do just that."

JAMIE HELMS, OPERATIONS MANAGER
Myrtle Beach, South Carolina

REINFORCING SAFETY AT EVERY STEP

Beacon has long recognized the critical importance of safety in every aspect of our operations, from branches and transportation operations to the customer job site. Our leaders openly communicate their personal commitment to safety and entrust every employee with a responsibility to hold themselves and their team accountable.



SAFETY TRAINING AND COMMUNICATIONS

- Safety trainings, meetings, and huddles help maintain awareness of safety and compliance requirements
- Weekly safety messages reinforce timely safety objectives and increase employee engagement
- E-learning tools and training modules have been introduced to reduce the risks of injuries and illnesses, to improve compliance with safety standards, and to strengthen a culture of safety
- Safety Alerts provide notifications of rising safety risks, near hits, or incidents
- Regional Driver Safety Training Meetings held annually reinforce safety and enhance proficiency
- Safety recognition and rewards incentivize safe behavior



VEHICLE SAFETY

- Pre-trip inspection checks identify and address potential hazards or issues before a journey begins
- Investments in upgraded telematics, such as truck data that shows hard braking, speeding, acceleration and harsh turns, to gain data-driven insights and improve training and safety outcomes on the road
- Investments in newer delivery vehicles to leverage advancements in technology and safety features



JOB SITE SAFETY

- 100% tie-off requirement protects against falls from height
- Stop work authority empowers employees at all levels to pause work activities if they identify unsafe conditions or potential hazards
- Strict crane operation and unloading protocols

Reinforcing Safety at Every Step

OSHA TOTAL CASE RATE

	BEACON	INDUSTRY*
2020	3.69	3.80
2021	3.80	3.40
2022	3.20	3.80
2023	2.77	**

OSHA LOST TIME INJURY RATE

	BEACON	INDUSTRY*
2020	1.35	1.60
2021	1.22	1.40
2022	0.87	1.40
2023	0.70	**

* Industry data reflects NAICS Code 423330

** 2023 results available November 2024



RECOGNIZING SAFETY PERFORMANCE

Beacon recognizes and rewards safe behavior when and where it occurs by empowering branch and field leadership to provide on-the-spot discretionary awards. These awards are available to branch employees for a wide range of safe work practices and behaviors, including exceptional vehicle safety practices, correct use of protective equipment, proper lifting of heavy materials, and offering safety suggestions, among others.

Beacon also provides awards for successful roadside inspections by the USA Department of Transportation or Canada's Ministry of Transportation including a letter of congratulations for drivers who pass with zero violations. Awards can be redeemed to receive merchandise and gift cards, reinforcing safe behavior and performance in real time.

SAFETY LEADERSHIP SPOTLIGHT



Dan Worley was recently named Vice President, Environment, Health and Safety (EHS) at Beacon after working his way up through the company beginning with a position in Inside Sales in 1985. As a result of his long tenure within the company, Dan can speak to perspectives across many different levels and roles, understanding the branch experience and how incidents occur. In Dan's new role, he is working to motivate and inspire EHS and field leaders to elevate Beacon's safety culture and make it world class.



This role gives me the opportunity to dedicate myself to Beacon and the industry in a new way that goes right to my heart for engaging people. Having led 30 branches and 540 team members in our Mid-Atlantic region, I have seen the impact of positivity and the power of caring for one another on the job and off. I could not be more pleased to receive this appointment and contribute to continuous improvement on our environment, health, and safety journey."

DOING THE RIGHT THING

We work hard to do things the right way, even when it's not the easy way. This applies to our activities to minimize our environmental footprint, and the principles by which we govern our business. By integrating sustainability into our operations and administration, we are creating long-term value for our stakeholders while safeguarding the planet for future generations.

50%



emissions intensity reduction by 2030

Our emissions reduction target includes Scope 1 and Scope 2 market-based emissions from energy purchased for our facilities and emissions from our fleet. Emissions intensity is calculated per short ton of goods sold.

ENVIRONMENT

DOING WHAT'S RIGHT FOR THE ENVIRONMENT

Beacon is steadfast in our commitment to fostering a more sustainable future, and we are actively taking steps to reduce our greenhouse gas (GHG) emissions. Our near-term emissions reduction strategy focuses on enhancing the sustainability of our facilities, including our over 530 branch locations across the United States and Canada. Over the longer term, and as more options for electrified and hydrogen powered forklifts and specialty delivery vehicles become available, we will have the opportunity to further address the emissions associated with our fleet.



Environment



EMISSIONS DISCLOSURES¹

Scope 1: direct GHG emissions from our fleet and facilities totaled approximately 100,100 metric tons carbon dioxide equivalent emissions (CO2e).

Scope 2 (location-based): indirect GHG emissions from purchased electricity totaled approximately 15,507 metric tons CO2e.

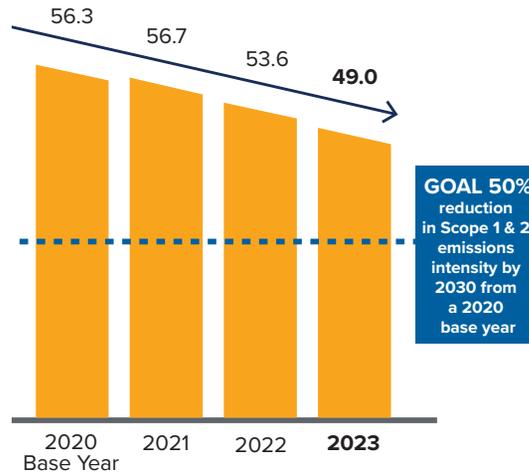
Scope 2 (market-based): indirect GHG emissions from purchased electricity totaled approximately 5,600 metric tons CO2e.

Biogenic emissions (not included in Scope 1 or 2): approximately 870 metric tons CO2e.

Statement of boundaries:

- Beacon establishes its GHG inventory boundary utilizing the operational control method.
- Scope 1: Emissions comprise stationary natural gas and diesel consumption at Beacon warehouses and facilities, mobile diesel and gasoline consumption from Beacon trucking vehicles, and propane consumption from Beacon forklifts. Refrigerant emissions are excluded from the GHG inventory as an immaterial source of emissions.
- Scope 2: Electricity represents purchased electricity that supplies Beacon warehouses and facilities.

MARKET-BASED EMISSIONS INTENSITY^{2,3}



² lbs CO2-equivalent per short ton of goods sold

³ The above emissions intensity metrics have been revised to reflect the inclusion of renewable fuel previously reported as non-renewable fuel resulting in the reduction of scope 1 emissions for all periods presented. Furthermore, total short tons sold for all historical periods presented have been revised and we corrected an error in the conversion of pounds sold to short tons included in previously reported emissions intensity metrics. The aforementioned changes did not result in a material change in previously disclosed emissions intensity metrics.

~13%

decrease in emissions intensity from 2020 base year



Beacon is working to more fully understand our Scope 3 emissions, which are indirect emissions associated with a company's value chain. We have conducted a Scope 3 relevancy assessment based on the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Account & Reporting Standard's 15 categories of value chain emissions. Based on this assessment, we believe that Category 1: Purchased goods and services, Category 4: Upstream transportation and distribution and Category 6: Business travel are relevant parts of our value chain to calculate Scope 3 emissions.



Beacon's Waterproofing Division addresses the growing concern for resiliency in the built environment. Waterproofing products are a tool to protect buildings against storms and extreme weather. Our continued investment in distributing these specialty products on a national level positions us to increase resiliency in communities across the country.

REDUCING THE FOOTPRINT OF OUR FACILITIES

We are committed to ensuring that the entire Beacon team is actively engaged in energy conservation efforts. Our on-site management teams spearhead energy-saving measures at the property level, working to ensure that our facilities operate in the most efficient manner possible.

To minimize energy consumption, we use an automated system to power down IT equipment outside of business hours, and we are piloting a program that powers down an entire branch remotely when not in operation. In addition, we continue to transition to energy-efficient LED lighting and motion sensors in our showrooms and warehouses. Through our Branch Optimization initiative, we are implementing energy-smart features across our network, and we are expanding our use of renewable energy sources.

INVESTING IN RENEWABLES

We actively seek opportunities to invest in renewable energy, which not only reduces our carbon footprint but contributes to the expansion of clean energy infrastructure and supports underserved neighbors in our communities.

Community Solar

Our renewables strategy leverages community solar initiatives in deregulated markets where we operate and where such programs are available. Community solar projects allow residents, businesses and organizations within a community to invest in or subscribe to a shared solar energy system. By participating in these projects, we support the development of renewable energy without on-site installation and provide underserved community members a cleaner



environment to live and raise families, while reducing the demand on the grid.

In 2023, we entered community solar contracts to power approximately 35 branches in Maine, Massachusetts, Maryland, and Illinois.

Renewable Energy Credits

Beacon continuously works on improving energy efficiency of our warehouse operations. In 2023, we also engaged a supplier to procure renewable electricity

via Green-e Energy certified Renewable Energy Certificates (RECs) to address emissions from a portion of our electricity consumption. We are working with our energy vendor to pursue opportunities to source green power products directly from the utilities that serve Beacon facilities across North America.

Reducing the Footprint of Our Facilities

BRANCH OPTIMIZATION

Operational Excellence is a pillar of our Ambition 2025 strategy and branch optimization represents the greatest opportunity for efficiencies within our organization. In 2023, we embarked on a significant effort to streamline and enhance our branch operations to maximize productivity, improve customer service, and minimize environmental impact.

Moving Efficiently in our Facilities

With branches ranging in size from approximately 2,000 square feet to 260,000 square feet, strategically planning and optimizing movement of goods within our facilities is another way we can minimize fuel consumption and improve energy efficiency. In 2023, we deepened our work in this area,

improving warehouse layouts and optimizing pick paths for customer orders to reduce the number of trips required to collect customer orders from warehouse shelves.

The B.O.S.S. (Beacon Order Sequencing System) has now been incorporated into our Enterprise Resource Planning (ERP) system and has led to streamlined processes and improved efficiency, as well as increased our ability to make data-driven decisions. As a result, we are seeing reduced use of propane, which powers the majority of our forklifts. In 2023, we further invested in technology to provide enhanced telematics that will help us track opportunities in our vehicle operations, specifically non-productive idling.

LED Retrofitting

LED retrofitting is a cost-effective way to upgrade existing lighting systems to energy-efficient technology, and we continue to make progress in this area. Over 25% of our facilities have been upgraded to LED lighting, which has contributed to safety improvements and energy savings with increased visibility in warehouse spaces from included lighting modifications.

Building Better for the Environment

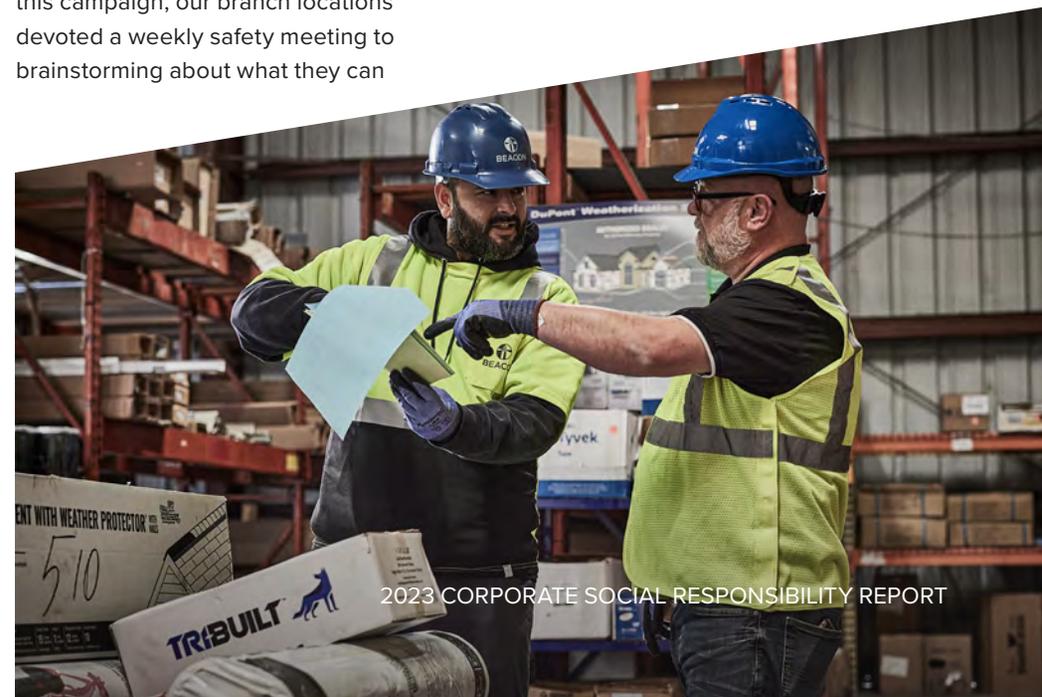
Our team members are our greatest resource. To gather their critical insights, we launched the Building Better for the Environment campaign in 2023. Through this campaign, our branch locations devoted a weekly safety meeting to brainstorming about what they can

do to be more energy-aware and environmentally engaged at the branch level. We're using the feedback to further enhance our sustainability initiatives. In addition to generating environmental change at the branch level, our Building Better for the Environment campaign focuses on educating employees on Beacon's environmental objectives, as well as raising awareness about how Beacon's environmental work ties back to our core values and drives progress.



CREATING ENERGY EFFICIENCIES IN NEW LOCATIONS

New Beacon locations provide a great opportunity for implementing energy-efficient upgrades. All new branches are being planned with energy efficiency in mind, with efficient lighting, appliances and operational procedures. This proactive approach prioritizes energy efficiency from the outset, while also optimizing operational costs.



OPERATING A MORE SUSTAINABLE FLEET

The largest portion of Beacon's emissions are attributable to the operation of our fleet. To reduce our fleet emissions, we are working to operate our existing vehicles more efficiently, regularly upgrading to newer, lower-emitting models. We are also looking ahead to all potential options, including electric, hydrogen or other technologies, that can support our journey to reducing emissions intensity.

DECREASING IDLING

Reducing unnecessary idling can help decrease fuel consumption and emissions and improve air quality. To encourage drivers of our fleet vehicles to limit idling, we've launched an Idle Reduction Pledge. Drivers who take the pledge agree to reduce the amount of time their truck or forklift idles by a total of one hour per day. They are then entered into prize drawings that reinforce behavior and recognize team members who take leadership.

Additionally, we are beginning to place idling awareness signs in high traffic areas in our facilities where drivers frequently stop or park for extended periods. These signs are intended to remind our drivers, as well as customers and suppliers, to turn off their engines when vehicles are not in motion to minimize emissions and save fuel.

REDUCING FLEET AGE

We continue to work to phase out older, less-efficient trucks and tractors, replacing them with EPA Smartway® certified models when possible. This helps us achieve our emissions goals while also reducing fuel costs across our over 3,000 strong fleet. In the past three years, we have upgraded 85% of our tractor fleet, reducing the average age by three years.

Through our EPA SmartWay® partnership, we are enrolled in a voluntary public-private program to benchmark our fleet. The program allows us to use the EPA dataset to work together with our peers and the EPA to build strategies that minimize emissions.

EXPLORING ELECTRIFICATION

We continue to explore the use of electric vehicles (EVs) in our fleet to reduce energy consumption from non-renewable resources. The availability of electric heavy-duty trucks, relative cost of electric trucking vehicles, and battery range and operating capacity of these vehicles, remain barriers to rapid electrification of our fleet. We are piloting electric vehicle batteries in our express service vans and forklifts. Working closely with leading manufacturers, we are piloting new technology as it becomes available.

We are also taking proactive steps to prepare for regulatory changes on emissions, including California's Advanced Clean Fleet regulation, which requires that fleets move to Zero-Emission Vehicles (ZEVs).



KEY DATA

~7.9 million
gallons of total fuel
consumed by fleet

~91 thousand
gallons of total renewable fuel
consumed by fleet

SOx Fleet Fuel Emissions
~.8 MT SO₂

RESOURCE MANAGEMENT

We believe that protection of the environment is important to the long-term success of our business, and we are committed to sustainable business practices. We are continually looking for ways to run our business successfully while safeguarding natural resources for future generations. Beacon's environmental management strategy leverages internal systems, processes, and tools as well as third-party expertise to operate the company's environmental programs in a planned and documented manner focused on continuous improvement. Our Chief Human Resources Officer reports to the CEO and oversees Environment, Health, and Safety, including the Environmental Management System.

SUPPORTING THE CIRCULAR ECONOMY

A circular economy aims to reduce waste and maximize the reuse, recycling, and regeneration of materials and resources. We are dedicated to minimizing

waste throughout our operations and implementing strategies to reduce, reuse, and recycle materials wherever possible.



WASTE DATA¹

~24 thousand
tons non-hazardous waste

~3 thousand
tons non-hazardous waste diverted

In 2023, we explored additional ways to reduce our own waste sent to landfills. At six branch locations, Beacon teams partnered with our municipal solid waste vendor, Waste Management, to evaluate the types of material typically sent for disposal with an outlook to enhance targeted recycling efforts.

¹ Data as provided by Waste Management Inc., Beacon's waste vendor at ~80% of branch locations.

USING WATER MINDFULLY

Although water does not play a significant role in our business operations as a distributor, we recognize its substantial impact on the environment. We prioritize reducing water usage wherever possible. For example, in new branches, we install low-flow fixtures to minimize water consumption.



WATER USAGE²

Total
consumption
~219
megaliters
(~58 M gallons)

² Data is from utility bills, where available. Where unavailable, a portfolio-wide Water Use Intensity (WUI) per square foot was applied to estimate water consumption. Total consumption is based on ~70% reported data.

SHARING SUSTAINABLE CONSTRUCTION PRACTICES

We are proud to be an active member of Construction and Demolition Recycling Association (CDRA) Shingles Recycling Council, demonstrating our commitment to sustainable practices in the construction industry. As part of our involvement, we are collaborating with industry partners to develop a shingle recycling standards book. This resource will be made available to customers, providing guidance on how to segregate materials and recycle shingles.

GOVERNANCE

A strong governance structure is essential for upholding integrity, accountability, and transparency in all aspects of our business. Our commitment to governance is rooted in our core values, which emphasize ethical behavior, respect for stakeholders, compliance with laws and regulations, and adherence to high standards. We believe that through effective governance, we foster a culture of trust, responsibility, and sustainable value.

ETHICS

Ethics are the cornerstone of our long-term success, shaping our decisions, actions and interactions with our customers, colleagues, and community. We recognize that our actions have broader implications beyond our immediate stakeholders and impact the environments in which we operate.

Our Code of Ethics and Business Conduct is a guide for our employees, helping us live up to Beacon's high ethical standards. We work every day to make sure what we do is lawful, reputable, and safe. Our Corporate Governance Guidelines

direct the actions of our Board, so that they support Beacon's growth as a values-based company and protect our well-earned reputation as a preferred partner for our customers.

Our Insider Trading Policy prohibits any inappropriate trading by our Board, officers, and employees. This policy is posted on the company's website for all stakeholders. It applies to directors, officers, and employees who have access to material non-public information.

We encourage anyone, including employees and external parties, to report concerns or suspected ethical violations. In addition to reaching out to a supervisor, branch manager or human resources lead, employees can also call our anonymous Beacon Hotline at 1-866-574-1199 or they can submit a report online at www.openboard.info/becn.

Trade Associations

Like many companies, Beacon participates in industry trade organizations to collaborate and promote best practices and industry standards. While we generally support the goals

of these organizations, they may also engage in legislative activity, and we do not necessarily support all of their lobbying efforts or political goals.

Lobbying

Beacon does not maintain its own political action committee or engage in any direct lobbying.

We do not discourage our directors, officers, or employees from making personal contributions to the candidates, parties or committees of their choice, or from personally being involved in politics or active in civic life. These activities, however, must be on the employee's own time, using their own resources, and at their own expense. Under no circumstances are Beacon employees reimbursed in any way for their personal political contributions or activities.

LEADERSHIP TEAM

Our employees, managers, and officers operate our business under the guidance of our CEO and the oversight of our Board of Directors. Our CEO delegates our day-to-day operations to our senior leaders and our employees to create and preserve long-term value for our stockholders. Our Board retains oversight of risk management for our company as a whole, providing guidance on strategic, financial, and operational risks.

Guided by our Board, our Executive Leadership manages the day-to-day handling of risk, our strategic planning and budget, compliance with federal, state, and local regulations, company policies, and our social and environmental impact. Our leadership team is dedicated to guiding Beacon's growth while keeping our core values at the forefront of every decision and action.



In 2023, Beacon employees completed 35,734 hours of training on Ethical Business Conduct, with an 83% on time completion rate for our Employee Annual Compliance Campaign.

Governance

EXECUTIVE LEADERSHIP

Our leadership team is dedicated to guiding Beacon's growth while keeping our core values at the forefront of every decision and action.



Julian Francis
President &
Chief Executive Officer



Prithvi Gandhi
Executive Vice President &
Chief Financial Officer¹



Christine Reddy
Executive Vice President,
General Counsel, & Corporate Secretary



Munroe Best
President,
South Division



Jason Taylor
President,
West Division



Jake Gosa
President,
North Division



Martin Harrell
President,
Waterproofing Division



Jonathan Bennett
Executive Vice President &
Chief Commercial Officer



Carmelo Carrubba
Vice President,
Strategy & Transformation



Jennifer Lewis
Vice President, Communications
& Corporate Social Responsibility



Sean McDevitt
Executive Vice President &
Chief Human Resources Officer



Chris Nelson
Executive Vice President &
Chief Technology Officer



John Sommers
Senior Vice President,
Product Management



Birte von Schwarzenfeld
Senior Vice President,
Commercial Solutions

OPERATIONAL

FUNCTIONAL

¹ As of May 2024.

Governance

HOW WE ENGAGE STAKEHOLDERS

Our stakeholders play a crucial role in shaping our operations and guiding our priorities. By listening to their feedback and concerns, we gain valuable insights about the materiality of sustainability topics that help us make more informed decisions and plan for the long term.

Incorporating stakeholder feedback into our decisionmaking ensures that our actions and their expectations are aligned. This approach allows us to identify areas for improvement, innovate solutions and, ultimately, build better outcomes for all.



CUSTOMERS

Gather insights to improve the customer experience via research such as Brand Equity, eCommerce Intercept, and Net Promoter Score surveys, as well as a Voice of the Customer event.

EMPLOYEES

Conduct pulse surveys and focus groups with targeted employee groups to identify our strengths or weaknesses as an employer.

INVESTORS

Hold quarterly results earning calls and attend conferences to update the investor community and gather their feedback on our financial performance.

COMMUNITY

Partner with charitable organizations that have roots in the communities we serve to help us direct our support where it has the greatest impact.

INDUSTRY

Stay active in construction, building materials, and distribution associations as leaders, committee members, and conference attendees to advance ourselves and our industry.

Governance



CORPORATE SOCIAL RESPONSIBILITY (CSR) COUNCIL

Beacon's CSR Council reports to Executive Leadership and provides a comprehensive understanding of what environmental and social topics are most important and impactful to our business as well as ensuring we have the mechanisms in place to create a plan of action and monitor outcomes. Employees and leadership from different regions, divisions, and functions form this 15-person council, which meets every month to discuss how Beacon is pursuing our corporate responsibility objectives, and where there are opportunities for further progress.



This is Beacon's 3rd annual CSR Report. We are proud to be able to share examples of how we are living our Values while stepping ahead with transparency and progress reports that demonstrate how we are building better.

CSR COUNCIL SPOTLIGHT

TJ Cheney, Director of Regional Operations with Beacon's Waterproofing Division, is a founding member of Beacon's CSR Council. He serves on the Council's Fleet and Waste/Recycling Committees, where he is able to drive efforts to reduce the company's environmental footprint by reducing our greenhouse gas emissions and maximizing the reuse, recycling, and regeneration of materials and resources.

TJ has long been dedicated to driving impactful initiatives within the company, effectively advocating for increased local giving of both volunteer time and product donations. He is at the forefront of Beacon's continued investment in the communities where we do business and has been appointed to the Board of Directors of Rebuilding Together's South Sound affiliate.

Governance

SUPPLY CHAIN

Beacon is committed to being a responsible corporate citizen and is continually working toward a legal, ethical, and corruption-free supply chain. In order to increase the resiliency and sustainability of our industry, we work collaboratively with manufacturers to share resources and help pilot new technologies. We are also working with the Asphalt Roofing Manufacturers Association (ARMA), Construction and Demolition Recycling Association (CDRA), and National Roofing Contractors Association (NRCA) to advance environmental initiatives such as minimizing the landfilling of construction and demolition waste.

We expect our suppliers to preserve natural resources and continuously improve the environmental impact of their products and services as encouraged by our [Supplier Code of Conduct](#). We have established and will maintain appropriate procedures to evaluate and select suppliers based on our core values, environmental policies, and supplier qualification process.

Beacon is committed to fostering a strong culture with a deep respect for the rights of all individuals. Our commitment to support human rights is embodied in our [People First Policy](#), which can be accessed on our website. We expect our suppliers to respect internationally recognized human rights standards. Beacon is committed to integrating respect for human rights into our practices wherever we do business.

Beacon supports industry-wide efforts to identify, reduce, and eliminate the use of conflict minerals. Our suppliers are expected to comply with all applicable legislation pertaining to environmental protection and the control of certain raw materials, as well as to identify the source and trace the chain of custody of certain minerals used in the manufacture of products they supply to us.



Governance



INFORMATION SECURITY

Our information security team deploys an array of cybersecurity capabilities to protect our various business systems and data. We continually invest in protecting against, monitoring, and mitigating risks across the enterprise including through an information security risk insurance policy.

Our information security program aligns with industry standards and best practices. It consists of information security and privacy policies, which we update regularly based on emerging threats, business, compliance, and any other needs. In addition to regular briefs to our Executive Committee (consisting of divisional presidents and other senior leadership), our Chief Technology Officer briefs the Audit Committee of our Board quarterly, and our full Board annually, regarding cybersecurity risks and information security matters.

Beacon provides new hire and annual security awareness and privacy training to all employees and conducts monthly phishing exercises to ensure employees

are aware of and educated about phishing threats, as well as able to appropriately identify and report them. In addition, we conduct targeted training for key departments dealing with sensitive data.

We use third-party security firms to assist us in performing assessments annually and penetration testing regularly throughout the year on Beacon applications, networks, and environments. We perform an annual review to verify our compliance with the Payment Card Industries Data Security Standards (PCI DSS).

In the event of a security issue, we have an incident response plan and trusted experts to quickly triage, contain, and understand the issue. Our management team periodically reviews our response readiness and, together with the Board, completes tabletop exercises on potential cybersecurity breaches with the assistance of a third-party cybersecurity consultant.

BEACON SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX 2023

The disclosures in this report are informed by the recommendations of the Sustainability Accounting Standards Board (SASB) [Multiline and Specialty Retailers and Distributors Standard](#).

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	CG-MR-130a.1	(1) Approximately 1.7 million GJ (2) 9% (3) 5%
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	CG-MR-230a.1	See: 10K- Item 1C
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	Presentation currency, Percentage (%)	CG-MR-310a.1	(1) Beacon Building Products does not disclose this information (2) As of January 3, 2024, all Beacon employees are earning above minimum wage.
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	CG-MR-330a.1	(1), (2): See: Page 13

Beacon Sustainability Accounting Standards Board (SASB) Index 2023

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE
Product Sourcing, Packaging & Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-MR-410a.2	As a distributor we expect our suppliers to comply with our Supplier Code of Conduct in respecting the environment and keeping current all required permits, approvals, and registrations. We are also implementing processes to assess and manage hazards related to the handling and delivery of products to our customers.
	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	CG-MR-410a.3	The products sold by Beacon are packaged by our suppliers. Our Supplier Code of Conduct calls on suppliers to preserve natural resources and minimize negative environmental impacts by continuously improving their products and services.
Activity Metric	Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	CG-MR-000.A	533 distribution branch locations
	Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meters (m2)	CG-MR-000.B	Approximately 1.8 million square meters of distribution branch area under roof

FORWARD-LOOKING STATEMENTS

The matters discussed in this Report include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Statements that do not relate strictly to historical or current facts and use words such as “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “should,” “will be,” “will continue,” “will likely result,” “would” and similar expressions are forward-looking statements. These forward-looking statements may relate to, among other things, our goals and commitments, including those about our sustainability programs and projections, as well as our business outlook, priorities, expectations, and intentions. Forward-looking statements are based on current management expectations, projections, and assumptions that involve substantial risks and uncertainties, which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Readers should carefully consider the risks and uncertainties including, but not limited to, those described in the “Risk Factors” section in our most recent annual report on Form 10-K and as may be updated from time to time in our quarterly reports on Form 10-Q or other subsequent filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and we do not undertake to update any forward-looking statements other than as required by law. As a result, readers are cautioned not to place undue reliance on the forward-looking statements.



FEEDBACK

We welcome your questions and appreciate feedback.

Please contact us at

[CORPORATECOMMUNICATIONS@
BECN.COM](mailto:CORPORATECOMMUNICATIONS@BECN.COM).



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