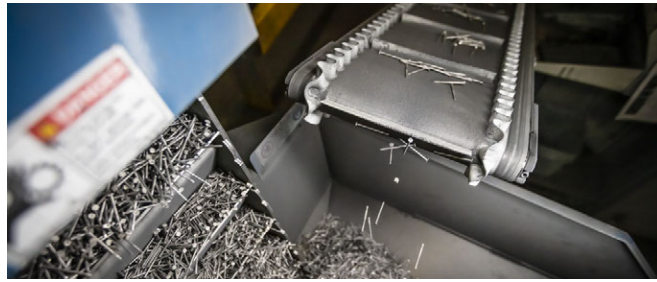




Environmental, Social, and Governance Report 2022



2022 Highlights



Formed ESG Steering Committee to oversee our companywide ESG strategy and performance.

Our Nominating and ESG Committee — formerly our Nominating and Governance Committee — will provide Board-level oversight of our ESG performance.

Completed the acquisition of ETANCO, expanding and optimizing our European footprint while introducing new products to our combined customer base.

Reviewed our energy, water and waste usage to determine capacity for improvement of our environmental impact.


Conducted a pay equity analysis.


More than 1,000 employees in North America, Pacific Rim and Vietnam participated in various charitable activities benefiting individuals and families worldwide.

We made a \$100,000 donation to the International Rescue Committee to help people affected by humanitarian crises to survive, recover and rebuild their lives.

Assessed our alignment with the UN Sustainable Development Goals.

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Environmental 

Social 


Governance 

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Dear Stakeholders,

Our Company values are based on Barc Simpson's *Nine Principles of Doing Business*, and are rooted in serving all of our stakeholders, whether those be our customers, our people or the communities in which we operate. We aim to continue this legacy in our approach to ESG — we strive to do what is right for our stakeholders and customers, employees and communities. As a construction industry leader, we have a role to play in ensuring a sustainable future for everyone. We are dedicated to addressing ESG issues, and we know that companies must work with other organizations and the greater community to create a prosperous and sustainable economy.

Our mission is to provide solutions that help people design and build safer, stronger structures. With the rise in extreme weather events and the occurrence of other disasters like earthquakes, our solutions improve the resiliency of structures and communities around the world.

But our positive impact goes beyond the products we deliver. Simpson Strong-Tie gives back in numerous ways to make communities stronger. Partnering with Habitat for Humanity to build strong, safe and affordable homes for underserved families, collaborating with organizations providing stable career paths in the construction trades and donating to disaster relief efforts throughout the globe are only a few examples of our commitment to strengthen the communities we serve.

In 2022, Simpson Manufacturing Company CEO Karen Colonias announced her retirement. I want to thank Karen for her 39 years with the Company and acknowledge her invaluable leadership and contributions. As CEO, she led the Company from a little over \$657 million in revenue in 2012 to approximately \$2.1 billion in 2022. Karen also ensured that our Company values were front and center in all of our business decisions and our ESG strategy.

I'm proud of the work we've done so far and recognize there is more to be done. I look forward to sharing our ongoing accomplishments.

Mike Olosky, President and CEO

Our Business

Simpson Strong-Tie is the world leader in structural solutions — products and technology that help people design and build safer, stronger homes, buildings and communities.

As a pioneer in the building industry, we have an unmatched passion for problem solving through skillful engineering and thoughtful innovation.

Our structural systems, research and rigorous testing enable us to design code-listed, value-engineered solutions for a multitude of applications in wood, steel and concrete structures.

Our dedication to pursuing ever-better construction products and technology and to surrounding our customers with exceptional service and support has been core to our mission since 1956.





Materiality

We base our sustainability strategy on the environmental and social concerns that have the greatest impact on our business as well as those that we can positively effect.

To determine the issues most material to our business, we rely on internal assessments, external frameworks, such as Sustainability Accounting Standards Board, and the methodologies of leading ESG ratings services, including Institutional Shareholder Services and MSCI ESG Ratings. This year we also evaluated how our business actions align with the UN Sustainable Development Goals (SDGs).

This approach helps ensure we are best directing our efforts where they are most impactful for both our business and stakeholders.


















Company Values

Simpson Strong-Tie promotes a culture of employee ownership focused on the value and contributions of every employee. We are a leader in building safer, stronger structures in collaboration with our partners.

At Simpson Strong-Tie, we describe our unique organizational culture as our Secret Sauce. This term expresses the idea that our Company culture is formed from the unique characteristics and talents every one of our employees contributes to our business. When Barc Simpson started Simpson Strong-Tie, he outlined the essential ingredients for company and employee success. Those *Nine Principles of Doing Business*, as described by Barc, are our Company values, and we keep the Secret Sauce alive and well by living them every day.

E S G

For us, sustainability is nothing new. *The Nine Principles of Doing Business* have historically shaped our approach to business and are closely aligned with our Environmental, Social, and Governance practices.

- | | | | |
|---|---|---|--|
|  |  | | 1. Relentless Customer Focus. The focus, the obsession, is on customers and users. |
|  |  |  | 2. Long-Range View. People never sacrifice tomorrow for the sake of today. |
| |  | | 3. High-Quality Products. The Company makes quality products that contribute to the quality of life in a significant way. |
|  |  | | 4. Be The Leader. The Company is the leader in its core business. |
| |  | | 5. Everybody Matters. The Company dignifies the contribution of every individual employee at every level. |
|  |  |  | 6. Enable Growth. People are excited about their jobs and the possibilities for growth. |
|  |  |  | 7. Risk-Taking Innovation. Innovation and creativity are encouraged; success is seldom achieved without taking risks. |
| |  | | 8. Give Back. The Company feels an obligation to the system and the country that spawned it, as well as to humanity in general. |
| |  | | 9. Have Fun, Be Humble. The Company is a demanding but a fun place to work, where people take their responsibilities, but not themselves, seriously. |



Sustainability Governance

Sustainability is everyone's responsibility at Simpson Strong-Tie, beginning with our Board of Directors.

At each regular meeting, our Board is updated on ESG matters. For 2023, the Board amended the Nominating and Governance Committee's Charter to specifically include oversight of ESG topics. At the same time, the name of the Committee was changed from the Nominating and Governance Committee to the Nominating and ESG Committee. Now, among other duties, Board members on this Committee are responsible for reviewing and assessing the Company's environmental and social policies, practices and strategy.

On January 1, 2023, we formed our ESG Steering Committee. Comprised of a cross-functional team that includes senior executives, the Committee assists in setting strategy, developing initiatives and overseeing communications. Our ESG team, responsible for setting our sustainability strategy and reporting on our progress, will report to the Steering Committee on a quarterly basis.

As we increasingly formalize ESG management, responsibility for sustainability initiatives is progressively undertaken by employees outside of our ESG team. As we advance along our ESG journey, each person at Simpson Strong-Tie will have a role to play in evolving the sustainability profile of our Company.

Integration of ETANCO

In 2022, the ETANCO Group became part of the Simpson Strong-Tie family. ETANCO is a leading designer, manufacturer and distributor of fixing and fastening solutions for the building construction market throughout Europe.

Their products include innovative fasteners, connectors and anchors for roofing, cladding, façade, waterproofing, safety and solar applications. We believe their extensive and complementary product offering will strengthen our overall product portfolio in Europe, enabling us to deliver even more value to our customers.

ETANCO and Simpson Strong-Tie share a similar DNA, as we have both built our businesses on high-quality products and unmatched customer service. Collectively, we can expand and optimize our European footprint while introducing new products to our combined customer base. Further, ETANCO provides solutions that enable buildings to produce more energy than they consume, strengthening our line of energy efficient products.

We are currently assessing ETANCO's ESG profile, sharing best practices and coordinating environmental and social data collection. As our largest acquisition to date, we are excited to welcome ETANCO employees to Simpson Strong-Tie and look forward to growing the business together.





Environmental

Our Approach

At Simpson Strong-Tie, we operate in a safe and environmentally responsible manner to benefit society, the economy and the environment.

We commit to continuously improving the efficiency of our resource use to lessen our impact. We recognize the important role we play in safeguarding our natural environment and are committed to designing and manufacturing products with environmental conservation in mind. Doing so will provide us with long-term financial benefits that come from managing our environmental impact and minimize risks stemming from environmental degradation.

“Good business leaders focus on the long-term outcomes, not short-term gains. You should think of your role in the company as being a long-term investor, not a day trader.”

— Barc Simpson, Founder



Climate

Climate change poses both risks and opportunities to our business. Weather conditions affect our customers in the construction industry, and unseasonably hot, cold, or wet weather can delay installation of some of our products, affecting our revenue. Further, some of our manufacturing facilities are located in geographic regions that have experienced disasters, such as floods and hurricanes, offering the potential to disrupt our operations.

However, our products are well suited to address both climate change mitigation and adaptation. As builders adapt to increasingly strong storms, we foresee an increased demand for the high-quality construction materials we provide. Our solutions help make homes and buildings more resilient. We design and manufacture products including moment frames, shearwalls, structural connectors, anchors, fasteners and fiber-reinforced polymers to keep structures safe and strong.

Our products help ensure structures remain intact and usable after certain disasters, mitigating economic, environmental and community impact. For example, to strengthen home resilience in high-wind areas, Simpson

Strong-Tie created the **H1A Hurricane Tie**. This product provides a connection between the rafter and the wall that helps the structure resist wind and seismic forces. We have developed a wide variety of **solutions** for high-force winds.

Through value-based engineering solutions, we work with customers to engineer structures that require fewer materials, decreasing both the cost of structures and the use of natural resources. Finally, many of our products increase the energy efficiency of homes.

As businesses, countries and individuals confront a changing climate, we take our role in both adaptation and mitigation seriously and will continue to evaluate how we can reduce our environmental footprint and leverage our core competence to provide solutions.

Greenhouse Gas

We strive to reduce greenhouse gas emissions associated with our operations. In 2022, our Scope 1 emissions were 6,971 tCO₂e and our Scope 2 emissions were 11,422 tCO₂e.

Manufacturing Facilities

Within our operations, manufacturing facilities offer us the greatest opportunity to take action to address our environmental impact. In 2022, five of our facilities were ISO 14001 certified. However, all of our facilities have environmental, health and safety programs and personnel.

In 2021, we created baseline metrics to track our environmental impact at each of our manufacturing facilities. Historically, each of our facilities has acted to reduce their environmental footprint. This year, we introduced a centralized formal process to understand and address our environmental footprint.

Our ESG team, in cooperation with plant operations and external consultants, analyzed our energy consumption, waste output and water use to determine potential projects that may provide positive environmental and economic impacts. In the coming year, we will continue our analysis and we plan to design, select and implement projects that we expect will improve our energy, water and waste profile.



Energy

While we do not operate the mills that forge the steel we use in our products, the machinery we operate to bend, shape and move steel requires electricity.

We evaluate energy efficiencies at our facilities to ensure eco-friendly, cost-effective operations. To decrease the carbon intensity of our operations, solar panels partially power both our facilities in Stockton, California, and Seewen, Switzerland. We continue to gauge when and where it makes sense to install solar energy at our other manufacturing and office locations.

Currently, the largest opportunity to reduce our carbon footprint is through energy conservation measures. In 2022, we conducted an energy audit and identified multiple opportunities to conserve energy. Two examples are lighting and air compressors.

Recently, several of our production and warehouse facilities retrofitted their lights. LED bulbs and skylights to improve visibility while reducing energy use. We are completing these projects in phases and will continue lighting retrofits in more of our facilities in 2023.

Throughout our manufacturing operations, air compressors power pneumatics that are used to move raw material. Over time, pipes holding compressed air develop leaks, resulting in reduced pressure.

Solar Production (GJ)

| | 2022 |
|----------|----------|
| Stockton | 5,022.86 |
| Seewen | 308.36 |

In 2022, we purchased an acoustics tool to identify where air is escaping in the facility. Our team in Columbus, Ohio, used it to identify and plug leaks, improving the energy efficiency of production.

In 2023, our North American operations will share the tool and discuss best practices on the identification and repair of leaks.

In addition, several of our facilities in North America reclaim the heat generated from their air compressors and pump it into the plant during the winter months to heat the building. To decrease energy use, we installed high-performance dual-pane windows, insulated walls, thermal control zones, and surface-reflective roof coatings to maximize heating and cooling efficiency.

In Europe, we have undertaken similar initiatives. As part of Denmark's drive to cut carbon emissions, our Boulstrup facility is powered mainly by green energy.

The facility uses hydropower from Norway and windmill-generated electricity from Denmark.

A local heating supplier uses straw from farmers and converts it to energy. This is both CO2-friendly and a lower-cost alternative to Boulstrup's water and heating requirements, enabling the facility to reduce its annual oil requirements by 65%.

Energy Usage (GJ)

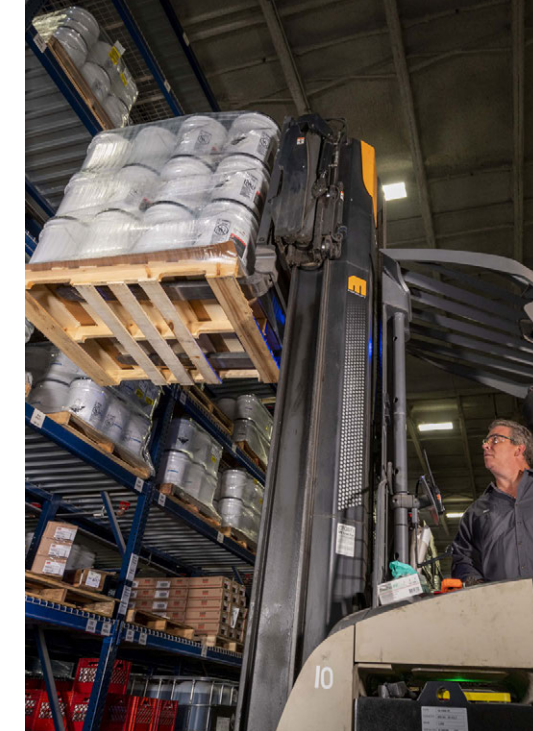
| | 2020 | 2021 | 2022 |
|------------------------------|---------|---------|---------|
| Amount of Energy Used | 261,838 | 282,548 | 311,281 |
| Electricity | 182,436 | 159,176 | 175,893 |
| Natural Gas | 34,522 | 77,852 | 121,536 |
| Renewable Sources | 17,132 | 15,693 | 16,955 |

Case Study

Production and Environmental Efficiency Through Process Improvement

At our ETANCO Poland plant, we manufacture plastic telescopic sleeves that are used as insulation systems for flat roofs. This year, we reviewed our production process from an environmental and economic perspective. To make the plastic sleeves, we inject plastic resin into a mold. For successful completion of this task, the temperature, pressure, speed and material pressure must be controlled.

Our EHS team reviewed the key parameters and performed 16 tests on a variety of combinations. After testing and checking the product for quality, mechanical properties and cycle time, we found two combinations that provided interesting results. Our testing found that using lower injection temperatures and a higher injection pressure yielded an improved product outcome. With the resulting shorter cooling time, our cycle time decreased, improving our productivity by 15 percent. Finally, because we reduced the temperature of the vat, we were able to reduce our energy use, decreasing both our costs and emissions.



Water Stewardship

In 2022, we began an analysis of water usage within our operations and found that water consumption in our manufacturing operations is minimal. While we use water to clean machines or production floors, our production operations are not heavily dependent on this resource. Most of our water consumption takes place in kitchens, bathrooms and landscaping.

Nevertheless, we seek to use water resources responsibly in the communities in which we operate and are evaluating solutions to reduce water consumption, especially at the four operational sites located in water-stressed regions.

Water Usage in Manufacturing Operations (Gallons)

| | 2020 | 2021 | 2022 |
|---|------------|------------|------------|
| Water Usage | 15,695,774 | 15,762,414 | 21,552,652 |
| Water Consumption Per Dollar of Revenue | 12.38 | 10.02 | 10.19 |

Waste

Various types of waste are byproducts of our manufacturing processes. With many materials, especially steel, it is in our financial interest to minimize the amount of unused raw materials and waste generated. We design our metal-stamping production dies and factory tooling to minimize steel waste and maximize the amount of raw material used in our products. When we are unable to eliminate waste from our production process, we typically sell the unused materials.

When that isn't possible, recycling is our preferred disposal method. In both the United States and Europe, our manufacturing facilities and office sites have processes and procedures to sort and recycle waste. This year, we contracted a waste consultant to evaluate our operations and processes and make recommendations about how we can reduce the quantity of waste going to landfill. In the coming year, we will continue to evaluate projects that will reduce our waste to landfill totals.

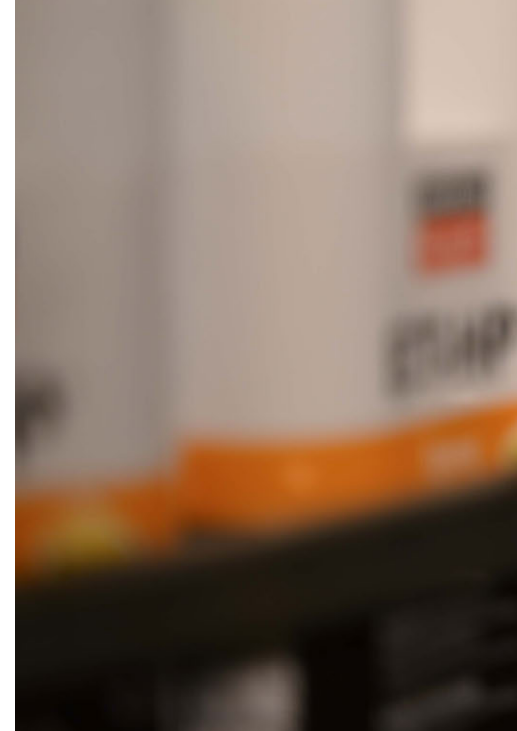
Case Study Streamlining Plastic Collection for Recycling

Our Pitt Meadows facility in British Columbia, Canada, manufactures and receives product we distribute to customers. Merchandise arrives wrapped in plastic on pallets. Because our objective is to recycle 100% of plastic wrapping, we require space to store the material between recycling pickups. With our operations growing, space in the facility is at a premium.

To streamline the recycling collection process and ensure there is available space, our team purchased bailers that collect and compact material. These bailers reduce the space required to house plastic recycling by 75%. They not only reduce the space needed but also ensure we have capacity to hold material should our pickup service miss a scheduled arrival. Going forward, we are evaluating options that will allow us to resell the plastic material, transforming a waste stream into a revenue stream and helping us progress toward a circular economy.

Waste Materials — Tons

| | 2020 | 2021 | 2022 |
|----------------------------|--------|--------|--------|
| Corrugated paper/Cardboard | — | 448 | 513 |
| Garbage/Rubbish | — | 824 | 726 |
| Municipal Recycling | — | 340 | 242 |
| Regulated Waste | — | 551 | 400 |
| Steel Scrap (Tons) | 13,519 | 16,846 | 14,543 |



Chemicals

Several Simpson Strong-Tie product lines require the use of chemicals, some of which are classified as environmentally hazardous. Most of our chemical manufacturing takes place in our West Chicago, Illinois, plant and our European S&P locations, which focus on production of chemical anchors in our concrete product line. Our objective is to make our products as safe as possible for our employees, our customers and the environment, while ensuring their integrity and performance.

Throughout our global operations, our products are subject to compliance with the strictest locally relevant regulations. We adhere to the Global Harmonized System for our classification and labeling. In some countries, regulations differ slightly. In these instances, we apply the stricter standard. For example, at our European production sites, the Hazard Communication Standard varies, so different procedures are in place to comply with the local governing entity.

Our R&D team continually evaluates alternative, nontoxic materials while maintaining our high performance standards and competitive costs. The team regularly reviews current products to determine whether it is possible to decrease the environmental impact while maintaining or improving performance and price.

When testing chemicals, our R&D team examines the associated hazards throughout their life cycle. Safety Data Sheets (SDS) detailing environmental impact are available internally and on our website. We also provide physical copies of product Safety Data Sheets when shipping products that contain hazardous chemicals. In fiscal year 2023, we are planning to pilot a program that will deliver digital versions of our SDS to customers. By doing so, we hope to reduce costs and the environmental impact while remaining in compliance and properly informing consumers.

Product Impact and End-of-Life

Since 1956, Simpson Strong-Tie has manufactured structural connectors used in residential, light industrial and commercial applications. The principal raw material used in our products is steel. We also use carbon fiber, fiberglass, mortars, grouts, epoxies, and acrylics to create our No-Equal® products.

Our products have a negligible environmental impact during their use phase. The environmental impact of our products takes place during the creation and disposal phases. To better understand the environmental impact of our products throughout their life cycles, we commissioned an independent party to conduct environmental life cycle assessments of our connector and fastener product lines. Additionally, this year, we expanded the scope of this project to include a portion of our chemical products manufactured in Europe. The results of this analysis will inform our R&D and environmental impact strategy.

Inventory Forecasting and Planning

We consume energy and produce waste to source, produce, store and dispose of unsold goods. Thus, accurately forecasting product demand minimizes the environmental impact of unsold inventory. We continue to analyze our SKUs and production quantity to improve management of inventory and purchasing practices. This process not only minimizes the environmental impact of our operations but also reduces our costs, leading to margin expansion.



Green Building

We offer a variety of solutions that reduce the environmental impact of structures. In 2022, with the acquisition of ETANCO, we bolstered our green use product offering. ETANCO's technology enables customers to put new façades on buildings, allowing for additional insulation that can reduce energy consumption by up to 50%. Because approximately 75% of EU building stock is energy inefficient, we see a large addressable market for our product. Not only is this an opportunity for our business, it is also an opportunity for consumers to reduce emissions through our product offering.

In our West Chicago plant, we manufacture fiber-reinforced polymer. This product has become increasingly popular in construction and retrofit applications, specifically in aging, damaged or concrete structures with excessive load. Simpson Strong-Tie® Composite Strengthening Systems™ can be deployed

after a natural disaster to strengthen damaged structures or can be used to retrofit existing structures to increase load requirements due to code or use changes. This product can also increase the life-span requirements of aging infrastructure. Because it is nearly always more beneficial from an environmental perspective to retrofit an existing structure than to demolish and rebuild a new one, we view this offering as having positive impact on emissions and waste in our value chain.

Simpson Strong-Tie strongly supports sustainable building practices, including the US Green Building Council's Leadership in Energy and Environmental Design (LEED®) Green Building Rating System™, NAHB National Green Building Standard®, and state- and city-specific green building codes. As we learn more about our impact on the environment, we will continue to adopt practices that reduce the environmental footprint at the time of construction and over the life of a structure.

Our products can earn credits under the LEED® for New Construction and LEED® for Homes rating systems. Under LEED for New Construction, Simpson Strong-Tie steel and stainless-steel products can contribute to MR

(Materials and Resources) Credit — Sourcing of Raw Materials. Simpson Strong-Tie steel products generally use a high percentage of recycled steel.

Bolstering Our Green Product Offerings

In January 2023, Simpson Strong-Tie acquired EstiFrame Technologies, Inc. By providing component manufacturing and framing technologies to the construction industry, EstiFrame's EasyFrame system reduces project time, cost and waste generated.

EasyFrame's automated marking system matches saws with digital printers to label and cut lumber. By printing instructions directly onto wood, installers quickly know where fasteners and other hardware components should be placed, thus reducing time and errors. When the system is paired with a manual or automated saw, the EasyFrame software optimizes wood use and minimizes scrap, reducing both our customers' wood waste and the associated costs. EstiFrame also provides design services that can further optimize the amount of raw materials used in structures. We are pleased to bring EstiFrame into Simpson Strong-Tie and to provide another solution that contributes to reducing waste throughout our value chain.

Product Spotlight Engineered Wood Solutions

To address climate change, builders need to adopt new construction methods and materials. By substituting lumber for materials such as cement and steel, engineered wood can reduce the carbon intensity of construction. Recent studies¹ show that engineered wood structures account for fewer greenhouse gas emissions than mineral-based building materials. While the source of lumber and the conditions under which it is grown and harvested impact the carbon profile of mass timber structures, studies show that mass timber structures require less carbon. Simpson Strong-Tie provides a variety of connectors and fasteners intended for mass timber construction.

Last year, when the University of Washington's Foster School of Business added a new building to their campus, they had mass timber construction in mind. They decided on a building made of glulam columns and beams and contracted with Simpson Strong-Tie to provide many of the fasteners and straps used to support the building. Our rigorously tested products provide design flexibility, helping ensure mass timber builds are faster, easier and stronger than ever.

1. "A Global Review of Sustainable Construction Guidelines and Rating Systems," a report by the United Nations Environment Programme (UNEP), states that "wood-based materials offer a carbon sink and can significantly reduce GHG emissions when used as an alternative to other building materials such as concrete and steel" (p. 41). "Life Cycle Assessment of Cross-Laminated Timber and Reinforced Concrete Buildings," a study published in the Journal of Cleaner Production, found that the

production of a CLT building resulted in 44-64% lower GHG emissions than the production of a reinforced concrete building. "Environmental Impacts of Concrete," a report by the Concrete Sustainability Hub at the Massachusetts Institute of Technology, states that the production of cement, a key ingredient in concrete, accounts for about 8% of global CO2 emissions.

"Embodied Carbon and Operational Carbon: A Guide for Clients," a report by the UK Green Building Council, states that "the manufacture of steel is energy-intensive and results in relatively high levels of embodied carbon emissions."



A variety of Simpson Strong-Tie products are used in advanced framing, which consists of techniques that reduce the amount of lumber used and waste generated.

Product Disposal

Simpson Strong-Tie does not have significant control over the disposal of our products. The in-use phase of our products is meant to last decades, and deconstruction or demolition is done by a third party. In addition, to

Enabling advanced framing techniques helps to achieve the Energy Star label, material efficiency and better home insulation.

ensure the integrity of the structures we help build, many of our products must be designed not to be removed or reused. Therefore, we focus our environmental efforts on the portion of the product life cycle we control.

Product Spotlight Using Software to Increase Client Satisfaction and Reduce Environmental Harm

A portion of our products can be customized to specific requirements of a building project. We adjust the length, angle, skew and other variables depending upon a customer's exact needs.

To improve the ease and accuracy of ordering the right products, we provide digital visualization of our products on our Customer Portal website. Customers can enter their job specifications and see a 3D model of the product before ordering.

3D visualization reduces the number of custom orders with incorrect dimensions, increasing customer satisfaction and reducing unusable products.

In 2021, we implemented 3D visualization that helps our customers better understand our products. We have added 3D illustrations to SKUs on our website to demonstrate the shape, dimensions and functionality of our products. Our intent for this implementation is to increase customer satisfaction and decrease returns. Doing so reduces costs related to transporting our products, which also reduces carbon emissions.



Social

We use our time, effort, products, expertise, and financial support to fulfill our commitment to create a positive impact in our communities.

There is nothing more important to us than community. Starting within our own organization, respect for our fellow employees (Everybody Matters) is one of our Company values.

We strive to ensure everyone at our Company feels included and empowered. We believe being heard and having meaningful opportunities to contribute are essential to a quality work life.

No matter the role, no matter the department, our goal is to equip our employees with the tools and confidence to nurture themselves and their careers.

“Strive to have a positive effect upon those lives touched by your own.” – Barc Simpson, Founder



Culture

Of our six Company Ambitions, the first is to strengthen our values-based culture. Barc Simpson outlined nine core values that have made our Company a unique and inspiring place to work, with a reputation as a quality, trusted manufacturer and partner, a solid corporate citizen, and a leader in No-Equal® customer service. Simpson Strong-Tie culture is a reflection of strongly held values that live on through all of us.

To strengthen our values-based culture, our people initiatives focus on helping employees nurture their own well-being and careers, providing tools

to give employees confidence and competence in accomplishing their career goals and meaningful opportunities to contribute and apply their skills.

Our Culture and Leadership Assessment helps us measure success by asking employees to rate how they feel their experiences match Company Value No. 5 — Everybody Matters. We want all of our people to agree that their experience matches this value.

“Everybody in a company is important. Everybody. That’s absolutely crucial, and so you must do everything you can to make people feel that they’re valued.” – Barc Simpson, Founder

Value No. 5: Everybody Matters (Diversity, Equity and Inclusion)

We view diversity, equity and inclusion (DEI) through the lens of our Company Value No. 5 — Everybody Matters. Our humanity, Company values, mission and vision are linked to one another and dictate a duty to support the community at large. We foster diversity in our workforce and maintain representation of differing genders, ages, races, ethnicities, and abilities. As an added return, we aim to attract qualified talent who can provide diverse perspectives to solve challenges.

To assist in attaining a diverse pool of candidates for open positions, we partner with DiversityJobs to advertise and promote our job postings with thousands of diversity-focused organizations. Since the start of the partnership, our diversity in hiring has increased by five percent.

Our YouTube video series, **The Makers of Simpson Strong-Tie**, features stories from diverse employees about their opportunities at Simpson Strong-Tie and the welcoming environment and development they’ve received here.

To ensure greater transparency about our process for career advancement, specifically a job promotion, we recently established a promotion guide for all employees, a toolkit for managers and a promotion policy that ensures a fair and consistent approach.

We understand needs and perspectives differ for each person in our organization and aim to achieve what’s right for all. After evaluating employee input, diversity metrics of our US workforce and our policies and guidelines that impact diversity, equity and inclusion, we have established pillars for our DEI work. In 2023, we will focus on:

1. Ensuring Everybody Feels They Matter: Equip all employees with the specific tools and skills they need to ensure everyone experiences the same positive culture of Everybody Matters
2. Building Diverse Leaders: Increase representation of underrepresented groups in key leadership positions through the intentional development of a strong pipeline of qualified and prepared talent
3. Creating Pathways to Opportunity: Ensure all employees have access to opportunities to grow and thrive in their careers with the Company, while removing barriers that may disproportionately impact underrepresented groups

We believe these efforts will help us clarify our present DEI objectives as well as provide opportunities to improve and innovate our programs moving forward.



Leadership Diversity

A great opportunity we have to improve diversity is within leadership roles and in our sales teams. We aim to close the gap by offering two comprehensive developmental programs. Our executive sales leadership program, which began in 2022, is a yearlong development opportunity for high-potential sales leaders. In 2023, we plan to initiate our sales job rotation program which is intended to create a diverse pipeline of entry-level sales

employees. Both programs are inclusive of all genders, ages, races, ethnicities and abilities and we encourage underrepresented groups to participate. In addition to these programs, our goal is to create similar, targeted development programs for other departments and create more diversity throughout the organization.

Global Age Demographics — December 2022

| Age Range | All Global Employees | Individual Contributors | Middle Management | Senior Leadership |
|---------------|----------------------|-------------------------|-------------------|-------------------|
| Under 30 | 787 | 768 | 19 | |
| 30 - 50 | 2227 | 1835 | 382 | 10 |
| Over 50 | 1204 | 971 | 217 | 16 |
| Not Disclosed | 940 | 822 | 118 | 16 |

Global Gender Demographics — December 2022

| | All Global Employees | Individual Contributors | Middle Management | Senior Leadership |
|--------------|----------------------|-------------------------|-------------------|-------------------|
| Female | 991 | 856 | 128 | 7 |
| Male | 3276 | 2760 | 497 | 19 |
| Not Declared | 891 | 780 | 111 | |

U.S. Diversity Distribution by Level — December 2022

| | Individual Contributor | Middle Management | Senior Leadership |
|---|------------------------|-------------------|-------------------|
| American Indian or Alaska Native | 17 | | |
| Asian | 260 | 31 | 2 |
| Black or African American | 288 | 10 | 1 |
| Hispanic or Latino | 474 | 37 | |
| Native Hawaiian or Other Pacific Islander | 10 | 1 | |
| Two or More Races | 49 | 6 | |
| White | 1,254 | 304 | 21 |
| Not Disclosed | 134 | 6 | |

Equal Pay

Our compensation philosophy is to attract, retain, motivate, and differentiate employees through our rewards programs. We believe people should be paid for what they do and how they do it, regardless of their gender, race, ethnicity or other personal characteristics. Therefore, we are committed to achieving and maintaining internal pay equity across all such differences. Our 2022 pay equity analysis supports this statement, and we will continue to monitor pay equity

annually to ensure it is sustained. Our Board of Directors, through its Compensation and Leadership Development Committee, monitors the relationship between the pay received by our executive officers, and Human Resources monitors the relationship of pay received by all other employees. Our compensation philosophy and strategy are strongly aligned with the Company's strategic priorities and our vision for stockholder value creation.



Hiring and Engagement

More than half of our open positions are filled by referrals and internal employees. As our top two US hiring sources, referrals account for 33% of hires and internal transfers/promotions account for 23%. We believe this reflects employees' trust in us to provide them, or people they know, with rewarding career opportunities and a positive work environment. It is also validation that the employees we've hired and trained have the confidence and skills to apply for and attain other positions — often more highly compensated — within the organization.

In 2023, we plan to introduce more robust people analytic services through our Human Capital Management system, Workday. Once our advanced people analytics are fully functional, we look forward to sharing additional insights into our workforce practices and strategies.

Culture and Leadership Assessment

We conduct a Culture and Leadership Assessment (CLA) on a biannual basis. The results of the CLA are a prime indicator of the strength of our culture to inform and support the behaviors, expectations and experiences of our employees. They assist us in evaluating the effectiveness of our efforts to strengthen our values-based leadership and culture. The CLA explores eight dimensions of culture and four profiles of leadership. Because we know that our culture impacts employee satisfaction and loyalty and guides behaviors and decisions that impacts results, with the use of this tool, we seek to understand our employees' views of our Leadership.

Culture and Leadership Assessment Participation Rates

| Metric | 2018 | 2020 | 2022 |
|--------------------|-------|-------|-------|
| Participation Rate | 75% | 79% | 72% |
| Respondents | 2,200 | 2,657 | 3,075 |

To assist in the implementation and benchmarking of the CLA, we work with LRN Corporation; a third party that helps companies create compliance-aware and ethically-inspired workforces. We are proud to see that our CLA scores continue to fare better than the manufacturing industry benchmark. This is a testament to the strength of our culture and the success of the initiatives we have enacted over the past several year to address the feedback we have received from prior assessments.

From 2020 to 2022, we noticed a decline in the percentage of employees who participated in the assessment. We believe our heightened participation rate in 2020 was reflective of how we engaged our people during the COVID-19 pandemic. The qualitative feedback from our 2020 CLA reinforced our belief that our people had an appreciation for how Simpson Strong-Tie and our leadership managed the effects of the pandemic on work life. The participation rate and quantitative assessment results reflected this sentiment. While participation decreased in 2022, we maintained high employee participation and we will continue to make efforts to maintain a high level of participation.

The CLA provides us with insight into areas where we can direct future improvement. We endeavor to improve by listening to our employees and implementing new solutions accordingly.

While we outperform the manufacturing industry benchmark in all culture and leadership dimensions that we survey, three areas where we realize particularly strong results are our mission and inspiration, sharing information, and our values orientation. Each of these categories is critical for business success, so, while we are encouraged by the results, we will continue our efforts to strengthen sentiment in these three categories, and across the survey.

Performance Management

Since its inception, our performance management program has centered on quality conversations between employees and managers. Emphasis is placed on ensuring employees' long-term career success with the organization and providing them with the support and feedback they need to be successful in their current position and/or to advance to another position.

Employee Development

As an industry leader with unwavering dedication to providing quality, trusted products and solutions, it is our responsibility to extend the same commitment to our valued employees by providing extensive opportunities to learn and grow. We do so by offering online and in-person classes and workshops internally as well as sponsoring relevant external training and conferences. Developing a highly skilled workforce increases productivity and promotes retention and employee engagement.

Leadership

At Simpson Strong-Tie, everyone has leadership qualities to help them in their current position and in the future. We offer two leadership programs: Strong Leaders for people managers and Emerging Leaders for individual contributors.

These programs provide employees with training, tools and experiences to help them develop their full leadership potential.

Over 1,700 managers and employees have engaged in these programs, and hundreds more are currently enrolled. Both programs are long-term investments in the future of leadership at the Company.

An example of leadership in our organization is illustrated by Vice President of Engineering Annie Kao being named to the **Top Women in Hardware and Building Supply Class of 2022 for Business Excellence**. This award recognizes leaders who have demonstrated achievement, growth and success in the hardware and home improvement industry. They have embraced education and community service, and inspired others to follow a similar path. Annie's career path and those of dozens of others throughout the organization, including current leaders who started as machine operators in our manufacturing plants, are inspiring examples of the opportunity we strive to provide all employees to move upward in the Company.

Beginning in 2023, we plan to expand our employee development toolkit to include new resources including

- A catalog of available training and development opportunities, including job shadowing, competency learning journeys, leadership skill development, and technical skills training
- Career profiles to help employees connect to more career opportunities throughout the organization
- Tips on how employees can apply these new resources in various ways at work



Case Study Machine Tool Technology Certification

In a 2022 pilot held in our Gallatin, Tennessee, manufacturing facility, 17 individuals graduated from the Machine Tool Technology program from Tennessee College of Applied Technology (TCAT). We offered the program at no cost to employees and paid them for their time spent learning. The program normally costs individuals more than \$5,000 in tuition at TCAT. In our pilot, a professor came onsite to teach during the workday, and employees learned machine tool operations, blueprint reading, precision measuring, and more. The program was available to the entire workforce in the facility to attain machine tool technology skills. Many of the 17 are now qualified to apply for promotions to other positions and they all have a new transferable skillset.

We look forward to offering this program to more employees in Gallatin, as well as extending it or similar programs to other locations.

Retention

Retaining employees has become challenging due to the lingering effects of the COVID-19 pandemic and shifting job market. We remain committed to meeting

employees' needs and being the workplace of choice but also understand there are factors outside of our control.

Turnover Rates

| Turnover Type | 2020 | 2021 | 2022 |
|---------------|--------|--------|--------|
| Voluntary | 9.09% | 13.10% | 11.74% |
| Overall | 13.67% | 17.25% | 15.57% |

Well-Being and Rewards

Well-Being Program

Our well-being program, Strong For Life, offers guided well-being journeys, tools and resources for employees' and their spouses' physical, emotional and financial health. By completing health assessments, getting a flu shot or participating in a financial wellness course, employees and spouses can earn up to \$75 each. In addition, employees and their dependents have access to our Employee Assistance Program that provides confidential, professional support at no cost for dealing with legal, financial and personal challenges.

Financial Well-Being

We offer our employees a comprehensive total rewards compensation package that includes base pay, a performance-based quarterly bonus, healthcare and retirement benefits (in our US operations), paid time off, and a stock purchasing plan. Stock shares are provided to employees who are not in the Long-Term Incentive (LTI) program for every 10 years of tenure. In addition, select employees are entered into the LTI stock program in recognition of outstanding performance and contributions. To support employees in their pursuit of higher education, we provide tuition assistance for both undergraduate and graduate programs. The Company pays 100% of allowable expenses, up to a maximum of \$5,250 per calendar year. We continue to offer free financial well-being courses through live and prerecorded webinars, and, in 2023, we are offering a new, free personal financial planning service to US employees.

Remote Work Program

During the COVID-19 pandemic, we established a remote work program and various flexible work scheduling options

for positions where such an arrangement is feasible. Entering its fourth year, our remote work program offers support in the form of an articulated policy, one-time Home Office set-up stipend, recurring utility stipends, resource guides, and processes for employees and managers to navigate and thrive in a remote work environment. To ensure that collaboration and camaraderie remain high, our plans include optimizing the use of technology in day-to-day collaboration. We will also expand existing in-person group meetings, curated for specific topics, so that more individuals have an opportunity to collaborate, learn, and drive individual and organizational outcomes.

Flexible Scheduling

In 2023, we plan to pilot a formal, digital process to make flexible scheduling more viable for onsite manufacturing employees and their managers. If feasible, we intend to expand this option to manufacturing plants across the US once we develop a process suitable for our organization.

Workload/Life Balance

We intend to grow our well-being programs in the coming year to include targeted workload/life balance initiatives. With a Leadership Steering Committee overseeing this effort, solutions were segmented into three main employee groups: manufacturing, field positions, and all others. Tailoring our approach in this way ensured the unique functions and needs of each group were considered while solutions were developed. Employee representatives from each group were involved in the solution process and we are now in the final stages of the design process, which will inform our change management and communications plans. In the coming year, we will continue our analysis and we plan to design, select and implement projects that we expect will improve our energy, water and waste profile.



Health and Safety

Throughout our operations, we dignify the contribution of every employee at every level. This is especially relevant within our manufacturing facilities, where we are committed to providing the highest standard of safety and creating a healthy working environment. Doing so enhances our reputation, productivity and makes good on Company Value No. 5 — Everybody Matters.

Approach

Our **EHS Policy** guides our approach to health and safety. It commits us to designing, managing, operating, and improving our facilities in a way that maximizes safety.

Goal

In 2021, we challenged ourselves to improve the global Total Recordable Incident Rate (TRIR) to below 2.75 for the calendar year. We also set the best-in-class goal to improve our global TRIR to below 2.0 by 2025, the gold standard according to recognized international experts. In 2022, we exceeded this goal, lowering our global TRIR to 1.57.

We base our health and safety program on education, prevention and action. We inform our employees about the risks associated with our manufacturing processes. Through training and example, we seek to improve employees' behaviors to prevent potential incidents. Increasingly, rather than "just following EHS rules," our culture focuses on explaining the reasoning behind them, building trust, and rewarding employees who demonstrate leadership in safety.

While we always comply with all applicable laws, we set our own standard. Our health and safety policies often exceed

the requirements of governmental regulations. In addition, we have two facilities that are ISO 45001 certified. This certification reflects an internationally applied standard for occupational health and safety management systems.

Initiatives

We attribute the continuous improvement in our TRIR to our culture of safety. We aim to empower all employees to identify potential hazards and suggest safety solutions. Doing so fosters a proactive approach to health and safety. While safety is the responsibility of each of our employees, they are supported by our global Environmental, Health and Safety (EHS) team. This year, we elevated the position responsible for health and safety from a manager level to a director level. The Director, Global EH&S Program oversees a team of professionals at each manufacturing facility. Their tasks include:

- Building and supporting an effective safety culture
- Empowering and equipping employees to proactively find and correct hazards
- Coaching leadership on how to be effective safety leaders
- Recognizing outstanding safety leadership and behaviors
- Ensuring employees are equipped with ergonomic incident prevention tools and knowledge
- Ensuring effective two-way communication between leadership and employees
- Training leadership on performing effective job behavior observations
- Leading job hazard analyses with affected teams
- Ensuring employee involvement in, and success of, the Employee Safety Committee

To ensure the effectiveness of our EHS personnel, we provide them with best-in-class health and safety training taught by safety professionals.

In 2021, we began tracking our Good Catch and Near Miss Frequency Rate (GCNM FR). As we analyze Good Catches, or hazardous conditions found and corrected, we intend to identify areas where we can make EHS improvements prior to an incident. The addition of these metrics is indicative of our evolution to becoming a proactive program. We believe GCNM FR is the key leading indicator to reducing incident rates and keeping our people safe. In addition, we will continue to engage employees and grow our EHS culture of awareness and proactivity.

To improve performance, in 2022 we enacted our observation program, an initiative encouraging and tracking employee EHS behavioral observations.

Employees provide real-time feedback to leadership on their working environment and opportunities for improvement.

Performance

In 2022, there were no fatalities at Simpson Strong-Tie. While no safety incident is acceptable, we reduced our TRIR and achieved our 2025 goal of less than 2.0. In 2023, we plan to maintain our performance at those plants where our performance is best in class and focus our efforts on those facilities where safety incidents are more likely to occur.

This year, we also placed emphasis on identifying and communicating good catches. Our GCNM FR improved from 20.82 in 2021 to 5.60 in 2022 and we recorded over 1,300 Good Catches.

Case Study Reducing Ergonomic Impact on Our Employees

SET-XP® is an epoxy-based high-strength anchoring adhesive. It is a 1:1 ratio of two components that is used as an adhesive for anchoring and doweling application in concrete (cracked and uncracked) and masonry (uncracked). To produce SET-XP, we use a mixing process that combines raw materials in a vat. Our EHS team observed that the process put considerable ergonomic stress on workers. Each sack of raw materials weighs between 10 and 50 pounds so repetitive lifting and loading into the mixing hopper presents the risk of injury.

Our EHS team saw this as an opportunity to proactively address worker safety. Before an injury or safety incident occurred, they installed a crane that hoists sacks of raw materials and loads them into the hopper to be mixed in the vat. The new process reduces the ergonomic impact on our employees. Finally, by proactively addressing this health and safety concern, we realized financial benefits. The new process reduces both the risk of spilled materials and the overall mixing time. By providing us with the ability to produce in a continuous run, we increased our throughput and can increase product production.



We help people build safer structures economically. We do this by designing, engineering and manufacturing No-Equal® structural connectors and other related products that meet or exceed our customers' needs and expectations.

Quality

Simpson Strong-Tie is committed to providing leadership, expertise, and innovation that improves the structural integrity of buildings and the efficiency of the construction process. We are focused on helping our customers meet their changing business needs. Our ability to consistently deliver superior results is a function of our people, products, and services.

We design and test our products to exacting standards. Through our manufacturing and quality processes, we deliver structural system solutions that are reliable, cost effective and easy to install.

- Our products meet their stated specifications.

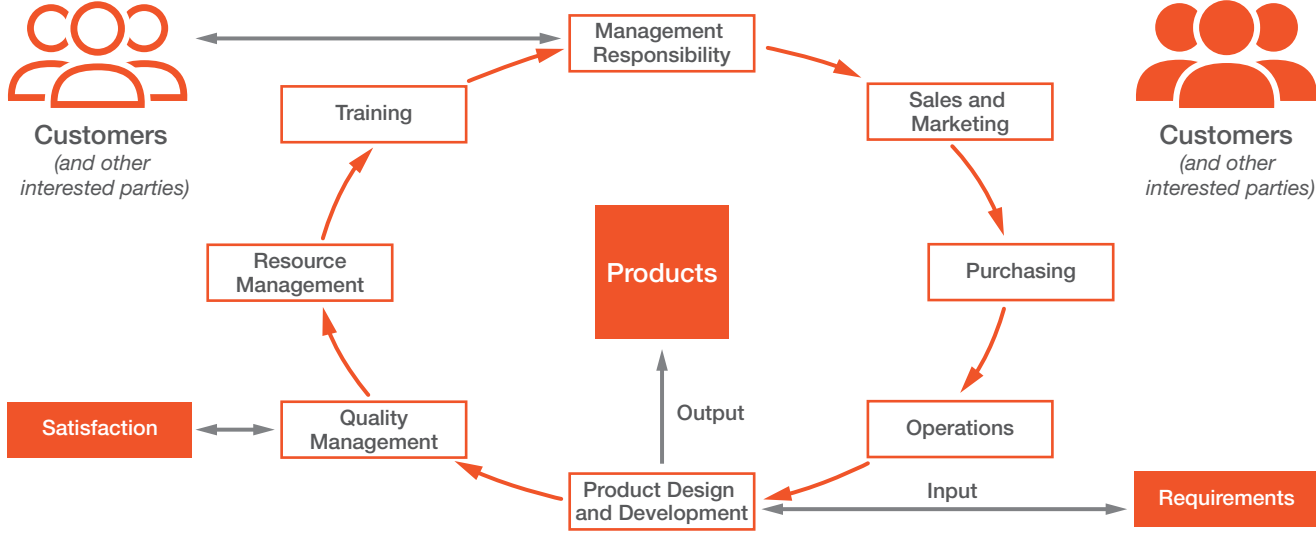
- Our products meet their defined factors-of-safety for performance. This is the bar, and it doesn't move.
- Our products are consistent in appearance, dimension, and performance; any inconsistencies in product quality are immediately researched and appropriately addressed.
- Our products are tested to recognized standards that represent the intended application.

We institute policies and procedures for the development and manufacturing of our products and regularly review these documents to ensure appropriateness. Our quality manual, quality policy and specific operation procedures are companywide documents. Work instructions, process workflows and process maps tell the necessary teams how to implement our procedures and ensure that our employees know how to perform a specific activity, such as equipment operation or product inspection.

Quality Management System

As part of our Quality Management System, we perform both external and internal audits to observe the implementation of our policies and procedures at our plants. Based on the ISO 9001 standard, the Quality Management System enables us to serve our customers through innovative problem solving and continuous improvement while ensuring that all products and services conform to specified requirements.

We measure and analyze the performance of our products, and our conclusions inform the changes we make to improve our processes. Our Quality Management System maintains the level of customer satisfaction that contributes to future business success.



Social Impact

Give Back, Company Value No. 8, is ingrained in our culture. Barc Simpson, our founder, believed we have a responsibility to help others. This guides our approach to community impact. We seek out ways to positively influence the global community and strategically support those communities in which we operate and where our people live and work.

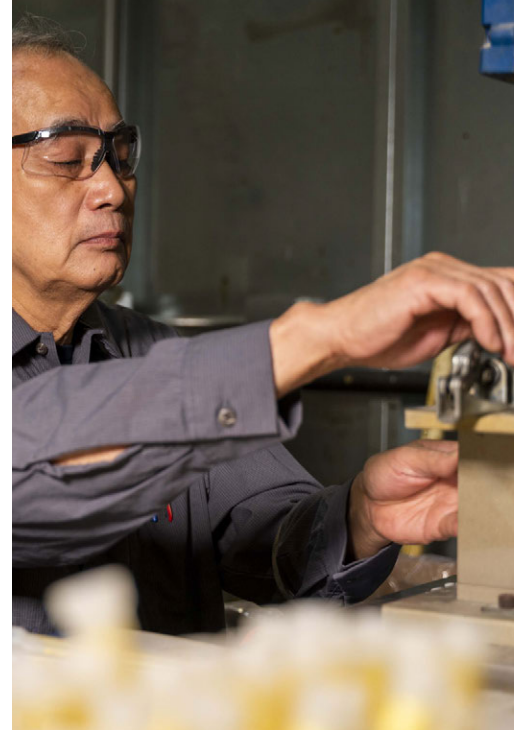
We align our giving priorities with the industry in which we operate. Our key focus areas are:

- Home Building and Repair
- Disaster Relief
- Disaster Preparedness and Resilience
- Construction Trades Education

Ukraine Support

In the spring of 2022, Simpson Strong-Tie supplemented our disaster relief giving with a \$100,000 donation to support the people of Ukraine. Our donation went to

“We’re all connected in some way and are all part of a greater community. Look for small ways to give back every day.”
– Barc Simpson, Founder



the International Rescue Committee ([rescue.org](https://www.rescue.org)), a nonprofit organization with the mission to help people affected by humanitarian crises to survive, recover and rebuild their lives. Since Russia's invasion of Ukraine, IRC has established a base in Poland and mobilized partners in both Poland and Ukraine to provide lifesaving support to civilians displaced by the war.



In addition to our monetary donations, employees across our European operations took action. Those at our Tamworth, UK, plant donated supplies to Community Children Count's March for Ukraine appeal. Simpson Strong-Tie employees in Europe organized a week-long donation drive to collect goods such as blankets, hygiene and care products and toys and clothes for children that were then sent to our operations in Poland and distributed to Ukrainian refugee families. Two of our employees in Poland also sponsored Ukrainian families fleeing from the war.

Simpson Strong-Tie has suspended all business activity within Russia and Belarus, halting all product sales and shipments.

Company Sponsorships and Initiatives

Habitat for Humanity and Simpson Strong-Tie share a similar vision to provide safe, strong and affordable housing throughout the world. Along with monetary contributions, Simpson Strong-Tie donates products to regional Habitat affiliates, provides volunteers to build

in Habitat communities and offers technical expertise in the design and construction of Habitat homes. For over 30 years, our monetary and product donations have resulted in hundreds of homes for individuals and families who otherwise would not be able to afford decent housing. Over the last 15 years, the Company has donated over \$5 million in cash and products to Habitat for Humanity.

Simpson Strong-Tie Vice President of Engineering Annie Kao serves on the board of directors for Habitat for Humanity East Bay/Silicon Valley and participated in the Simpson Strong-Tie-sponsored Women's Leadership Build with 13 other women leaders from our Pleasanton, California, office.

Thirty employees from our facility in Columbus, Ohio, joined a build with the MidOhio Habitat affiliate in January; employees from our Gallatin, Tennessee, branch helped with finishing touches on a Habitat build in the summer; and eight employees from our High Point, North Carolina, warehouse participated in a build in November.

Habitat Strong



Simpson Strong-Tie is the leading sponsor of Habitat for Humanity International's Habitat Strong program, renewing its support for the seventh consecutive year. Habitat Strong was established to promote the building of homes that are more durable, more resilient and physically stronger. Habitat homes in areas susceptible to flooding, earthquakes, hurricanes, high winds, and wildfires can benefit from Habitat Strong building standards, which include a suite of fortified codes and best practices developed specifically to make homes more resilient in the face of severe weather and other disasters.

Available to all Habitat organizations across the country, the Habitat Strong program was created to offer Habitat for Humanity homeowners long-lasting safety benefits at affordable costs. Simpson Strong-Tie increased its annual monetary contribution to the program from \$85,000 in 2015 to \$150,000 in 2017 and now contributes \$250,000 each year. We have donated more than \$1 million to the program overall. Through the Habitat Strong program, Simpson Strong-Tie is supporting efforts to evaluate equity in housing, including barriers to Black homeownership.

Building Talent Foundation



Building Talent Foundation (BTF) is a nonprofit organization focused on connecting young and underserved people to skills, trades, training, and career opportunities. Its mission is to advance the education, training and career progression of young people and people from underrepresented groups as skilled technical workers and business owners in residential construction. In 2022, we reached our second year of our three-year commitment to donate \$600,000 in funding. Working with our facility in McKinney, Texas, BTF held a training and hiring event in Jacksonville, Florida, for 43 youth in the local Job Corps program studying carpentry. The event included hands-on demos, a panel discussion with industry representatives and a hiring event with seven employers. Ten of the 43 students participating received job offers.

Simpson Strong-Tie was honored by BTF as a 2022 Industry Champion at the 2023 International Builders' Show® in Las Vegas, Nevada, for its commitment, contribution and collaboration in building a sustainable workforce in residential construction.

Strong-Tie Undergraduate Fellowship

As part of its Strong-Tie Undergraduate Fellowship program, Simpson Strong-Tie awards 100 scholarships a year to juniors and seniors majoring in architecture, civil/structural engineering and construction management.

Since 1998, the Company has funded nearly \$2 million in scholarships for more than 1,400 students.

In addition to the scholarships, the Strong-Tie Undergraduate Fellowship program provides a week-long visit to Simpson Strong-Tie facilities in Northern California for first-time recipients, along with free design apps and tools and software limited licenses, job and networking opportunities, and informal mentorship.

Disaster Relief, Preparedness and Resilience

Because earthquakes, tornadoes, hurricanes and other disasters affect so many people around the globe, Simpson Strong-Tie supports disaster relief and recovery efforts, primarily through the American Red Cross Disaster Relief Fund. We have made substantial monetary donations to help individuals and families get back on their feet after a disaster. In addition, our engineers often donate their time to assess structural damage in order to help increase building safety in the future.

In 2022, we donated \$25,000 to the Relief Fund to aid in recovery efforts from Hurricane Ian and \$15,000 for flood relief in Kentucky.

We also partnered with the Northern California chapter of American Red Cross to offer Simpson Strong-Tie employees with disaster preparedness training. The two trainings covered disasters specific either to the West Coast or to the Midwest and East Coast so employees could attend the session most appropriate to



their region, and the presentations were provided to all employees via a link to the company intranet.

Construction Trades Education

In the second year of our Construction Trades Support program with Habitat for Humanity East Bay/Silicon Valley, we expanded the program to include two events per year. The expanded agenda includes hands-on activities in the plumbing and electrical trades and supports participants who are highly motivated to pursue a trades career. In 2023, we also include a build day with Habitat as part of the program.

The goal of the program is to promote interest in the construction trades as a viable and rewarding career path for youth and for individuals who have recently been out of the workforce.

The first session on May 16 included 32 students from Making Waves Academy in Richmond, California. It included a panel discussion with individuals representing the general contractor, architect and homebuilder, which are all influential on the jobsite. The students also participated in hands-on activities with Simpson Strong-Tie products like our Quik Drive® Cordless system and joist hangers and screws.

On October 25, 25 students from Making Waves Academy returned for a half-day workshop that included presentations, demos and additional hands-on activities including plumbing pipe soldering and cutting, as well as electrical wiring. At future events, we plan to represent HVAC and other trade disciplines, along with a potential mini-job fair for participants.

The long-term goal for the program is to provide a model for other Habitat affiliates across the country to follow, increasing interest and employment in construction trades.

Do What You Can Day

Do What You Can Day is our national day of service. Each year, employees take time to deliver on our Company Value No. 8 — Give Back.

This year, more than 1,000 employees in North America, Pacific Rim and Viet Nam participated in various charitable activities benefiting individuals and families worldwide. Our signature activity was creating Packs of Inspiration — healthy food kits — to address food insecurity in local communities. Over 2,000 kits were assembled with inspirational messages, equating to 1,074 volunteer hours. Branches also engaged in projects to help local communities, including raising funds benefiting local food banks and hurricane relief as well as collecting toys, clothes and other basic necessities to support families in need.

Community Hero Award

The Barc Simpson Community Hero Award was created in 2015 to commemorate the life of our Company founder. The award recognizes outstanding volunteer contributions by Simpson Strong-Tie employees in their communities. Barc was a dedicated philanthropist, and this award recognizes employees who exemplify similar values through their dedication to community service.

Each year, up to five nominees receive the Barc Simpson Community Hero Award. The awardees receive a donation to the nonprofit organization of their choice. In 2022, organizations benefiting from the award included Saving One Life Animal Rescue & Sanctuary in Tempe, Arizona; the Ashland Wrestling Club in Ashland, Oregon; the Farmersville Volunteer Fire Department in Farmersville, Texas; and Skatepark Respect, founded in Riverside, California. From inception through 2022, the Company has provided \$76,000 to North American nonprofit organizations on behalf of employees receiving the award.

Employee Giving and Volunteerism

Simpson Strong-Tie encourages volunteerism and provides our employees with opportunities to give back to their communities.

Through our matching gift program, employees can request a dollar-for-dollar Company match for their charitable donations. When an employee contributes to an eligible nonprofit organization and then participates in our program, the nonprofit receives two gifts — one from the employee and the matching gift from Simpson Strong-Tie. In 2022, the total amount from employee donations and the matching gift program was more than \$44,000.

Social Impact

| | 2020 | 2021 | 2022 |
|--------------------|-------------|-------------|-------------|
| Employee Giving | \$43,447 | \$59,496 | \$44,296 |
| Cash Contributions | \$1,158,630 | \$2,021,691 | \$1,646,977 |

Our Value Chain

Our Approach

Since the COVID-19 pandemic, economies and consumers experienced global supply chain disruptions.

During this time, Simpson Strong-Tie was able to maintain our service-level agreements in most cases, and our customers experienced few major outages. This is a testament to the strength of our supplier relationships, many of which are decades long.

As a North American- and European-manufacturing leader, we monitor risks throughout our supply chain. While we purchase a wider range of materials and services, steel and freight are our highest expenses.

Manufacturing high-quality products requires an ethical and resilient supply chain. We view our supplier relationships as a key competitive advantage. We seek to develop long-term supplier relationships that foster trust and effective collaboration, promoting sustainable business practices in our value chain.



The steel production industry is one of the largest producers of carbon dioxide. The World Steel Association estimates that in 2018, 8% of global carbon emissions resulted from steel production. For most of our products, upstream operations account for a large portion of the total environmental impact.

However, the methods by which we source steel decrease the emissions intensity of our products.

We purchase most steel from mini-mills that use electric arc furnace (EAF) technology. This production process emits only a fraction of the emissions that would result had the steel been forged in a blast furnace. Additionally, mini-mills use recycled raw materials, typically up to 85%, as inputs to the production process. For our US operations, sourcing from mini-mills enables us to purchase steel domestically; reducing the distance raw materials must travel to plants. This decreases emissions and costs related to freight while allowing us to transport raw materials via rail, our preferred method. Finally, sourcing from US mini-mills fosters close relationships with our suppliers.

Our Policies

Every supplier doing business with Simpson Strong-Tie should be committed to providing a healthy and safe working environment. We seek a supply chain where workers are free from discrimination and where human rights and the environment are respected.

Our Supplier Code of Conduct outlines the standard we expect from our business partners, including maintaining compliance with applicable laws. Our Supplier Code contains principles to promote ethical conduct in the workplace, safe working conditions, the protection of sensitive information, the treatment of workers with respect and dignity, and responsible sourcing and manufacturing practices.

To ensure the materials we produce are compliant with our Supplier Code of Conduct, we expect all business partners to be able to demonstrate compliance with these requirements upon request.

Evaluation Process

In certain instances, our Purchasing team uses a vendor evaluation scorecard to determine whether to do business with a vendor. We incorporate environmental and social criteria into the selection process and weigh responses alongside other categories such as cost, quality, capacity, and consistency. Through supplier responses, we seek to understand the degree of past environmental accidents, the extent of recycled material use and the supplier's Total Recordable Incident Rate.

Position on Human Rights

To protect human rights within our sphere of influence, we encourage and support our suppliers and other business partners (collectively "business partners") to act in accordance with internationally recognized standards. The principles set forth in US Human Rights laws, the United Nations' Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the UN Global Compact guide our commitment.

Consistent with International Labor Organization Guidelines, we expect our business partners to follow all working age laws in their country of operation. They should comply with all local legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages and working conditions. To ensure compliance, we expect them to keep a record of their employees' ages, among other data.

Labor, Health and Safety Practices

Our business partners are responsible for providing employees with a healthy and safe workplace. We expect them to meet or exceed all general workplace standards, including health and safety, environmental and labor standards complying with local and national regulations and consistent with International Labor Organization Guidelines.

They should respect employees' rights to Freedom of Association and Collective Bargaining, and we expect them to commit to employment that is free from forced labor or discrimination.

The Environment

As a Company, we seek to reduce our negative effect on the environment. We expect our business partners to do the same. They should follow all local environmental laws, strive to improve their own environmental performance, and consider air emission control, hazardous substance management and training, pollution prevention, resource reduction, and wastewater and solid waste emissions control to reduce their environmental impact.

Ethics

We hold all our business partners to a high ethical standard. Businesses should not engage in bribery, embezzlement, extortion or other corrupt practices. Business partners must never, even through third parties, accept or offer bribes or kickbacks to obtain or gain an unfair business advantage and must remain in compliance with foreign and domestic anti-corruption laws including the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Acts.

We provide a confidential hotline for anyone to report violations to our Supplier Code of Conduct. Should a supplier violate our Code, we will evaluate the extent of the violation. When possible, we seek to work with suppliers to elevate their practices; however, we reserve the right to cease doing business with suppliers who violate our Code.

Compliance with Our Supplier Code of Conduct

Suppliers, vendors, consultants, agents, contractors and their subcontractors, and other third parties must follow our Supplier Code of Conduct and observe the same high standards to which we hold ourselves.

Violations to our Supplier Code of Conduct, our policies or the law can result in corrective action, up to and including termination of the business relationship. Under certain circumstances, our Compliance or Purchasing departments may be compelled to take measures they deem necessary to ensure full compliance with the Supplier Code, most notably by requesting responses to questionnaires or conducting (by an internal team or third party) specific audits at a business partner's and their sub-contractors' premises.

If it is determined that a business partner is not in compliance with our Supplier Code of Conduct, the business partner will be expected to promptly correct its actions to become compliant. Simpson Strong-Tie reserves the right to cease doing business with any business partner that does not follow our Supplier Code of Conduct.



Governance

Highlights

- 2022 net sales of \$2.12 billion increased 34.5% year over year.
- 2022 net income per diluted share of \$7.76 increased 26.8% year over year.
- Average Non-Employee Director tenure, as of the date of our 2023 Annual Stockholders' Meeting (April 26, 2023) is 11.6 years.
- Our Nominating and ESG Committee — formally our Nominating and Governance Committee — will provide Board-level oversight of our ESG performance.



Board of Directors

Upholding sound corporate governance practices is a top priority for our Company's Board of Directors. Directors represent shareholders' interests and set the standard for our strong ethical culture.

Shareholders elect all Directors on an annual basis and a majority vote standard is applied. The Board ensures alignment between the interests of shareholders and the Company's operations.

After our 2023 Annual Stockholders' Meeting on April 26, 2023, the Board is comprised of eight Directors, 87.5% independent, and each of our Audit and Finance, Compensation and Leadership Development, and Nominating and ESG Committees is composed entirely of independent Directors. Mike Olosky, our new CEO as of January 1, 2023, joined the Board of Directors in 2022. Former CEO Karen Colonias remained on the Board until the 2023 Annual Stockholders' Meeting.

Our Corporate Governance Guidelines reflect the Board's commitment to monitor the effectiveness of policy-making and decision-making and provide a framework for the governance of the Company. The Board maintains four committees:

- Audit and Finance
- Compensation and Leadership Development
- Nominating and ESG
- Corporate Strategy and Acquisitions

The first three committees consist entirely of independent Directors, and we maintain a split Chair/CEO leadership structure. Our independent Chair of the Board James Andrasick participates in setting the agenda for Board and Committee meetings and leads the Board's self-evaluation process.

The Board has a regular practice of assessing its own effectiveness as well as the diversity of skillsets of its members, the alignment of its areas of expertise with the Company's strategy and priorities, and its stewardship of company performance.

To ensure diversity in the opinions and experiences at the Board level, we seek directors from a variety of backgrounds and with expertise in a variety of industries. Female Directors comprise 37.5% of all Directors and ethnically diverse Directors comprise 12.5% of all Directors.

The Board is committed to holding itself to the highest ethical standard. It has adopted and oversees the enforcement of our Code of Business Conduct and Ethics, which governs the conduct of our business and affairs and requires strict compliance with applicable laws by all employees and management, including members of the Board. Simpson Strong-Tie management is responsible for, and the Board is committed to, ensuring the Company and its employees operate in a legal and ethically responsible manner and in conformity with the Code of Business Conduct and Ethics.

Board Refreshment

As of our 2023 Annual Stockholders' Meeting, average Non-Employee Director tenure was 11.6 years. In early 2023, the Board sought to add two new Directors and prioritized diversity as one of the many candidate qualifications.

The Nominating and ESG Committee engaged with Heidrick & Struggles, an executive search firm, to assist in finding additional candidates who qualify as independent Directors under New York Stock Exchange rules.

While we do not have a formal policy with regard to diversity in identifying Director nominees, the Board believes that the backgrounds and qualifications of Directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Both gender and ethnic diversity are qualities that the Nominating and ESG Committee consider in its search for Director candidates.

At our 2023 Annual Stockholders Meeting, Karen Colonias, did not stand for reelection and in June, 2023, two new Directors, Chau Banks and Felica Coney, joined the Board.

Ms. Banks has been the Chief Information and Data Officer at The Clorox Company since 2020. Prior to that, Ms. Banks was the Chief Technology and Digital Officer at Revlon, Inc., from 2018 to 2020; and was the Executive Vice President, Chief Information Officer and Channel Integration at New York & Company from 2013 to 2017. Ms. Banks also currently serves as a Board Member of NextUp, a non-profit organization.

Ms. Coney is Vice President, Global Server Operations with Google, Inc. Prior to that she served as Vice President, Server Operations, Americas during her start with Google, Inc. in 2021. Prior to that, Ms. Coney was

the Vice President, Walmart Supply Chain, Southeast Division at Walmart Inc., from 2019 to 2021; and held numerous roles as Vice President of Operations at Collins Aerospace from 2017 to 2019. Ms. Coney also serves as a member of the North Carolina A&T Engineering Advisory Board and as a member of the Albert Lepage Center for DEI.

ESG Governance

Sustainable, environmental and social responsibility is an important component of our business strategy. Our Board of Directors plays an essential role in overseeing our sustainability strategy and progress.

Effective January 1, 2023, the Nominating and Governance Committee charter was revised to broaden the scope of the Committee's responsibilities to include oversight with respect to the Company's policies and programs that concern important environmental and social matters such as environmental sustainability, climate change, social justice, and diversity, equity and inclusion, and approved the change of the name of the committee from the Nominating and Governance Committee to the Nominating and ESG Committee, effective January 1, 2023.

Beginning in 2019, our Legal team provides regular updates on sustainability performance to the Board. Sustainability performance is managed by our Legal team. Throughout the year, we engage with our stakeholders on topics important to them. In 2022, select members of our Board and management teams regularly engaged with stakeholders to discuss a variety of issues, including ESG. In addition, management regularly holds meetings with employees to discuss their concerns and the Company's strategic direction.



UN SDG Index

SUSTAINABLE DEVELOPMENT GOALS

Simpson Strong-Tie supports the UN Sustainable Development Goals (UN SDGs). Our business is well suited to make a positive impact on four of the 17 goals. Our ESG work aligns with UN SDGs #8 (Decent Work and Economic Growth), #9 (Industry, Innovation and Infrastructure), #11 (Sustainable Cities and Communities), and #12 (Responsible Consumption and Production).

We will continue to evaluate our impact on these four UN SDGs, as well as the extent to which we can positively affect any other UN SDGs. Our progress on the four SDGs where we believe we have the most direct impact is outlined below.

Goal #8

Decent Work and Economic Growth



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

As of December 31, 2022, we employed 5,184 people compared to 3,971 on December 31, 2021. This represents a 30% year-over-year increase in headcount, some of which can be attributed to our acquisition of ETANCO. Our approach to decent work is driven by our belief that Everybody Matters (No. 5 among our *Nine Principles of Doing Business*). Our Health & Safety team works diligently to promote a safe working culture and environment. We have programs to train and educate our workforce and have initiatives to provide skills for people living in the communities in which we operate. To protect human rights within our sphere of influence, we encourage and support our suppliers and other business partners (collectively “business partners”) to act in accordance with internationally recognized standards. Finally, we are taking action to decouple economic growth from environmental degradation through energy, water and waste reduction projects.

| UN SDG Targets Impacted | Source |
|--|--|
| 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors. | <ul style="list-style-type: none"> • Innovation on strongtie.com |
| 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead. | <ul style="list-style-type: none"> • 2022 ESG Report: Environmental Pillar |
| 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. | <ul style="list-style-type: none"> • 2022 ESG Report: Value No. 5: Everybody Matters (Diversity, Equity and Inclusion) • Equal Pay |
| 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training. | <ul style="list-style-type: none"> • 2022 ESG Report: Training and Development • Construction Trades Education program |
| 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. | <ul style="list-style-type: none"> • 2022 ESG Report: Position on Human Rights • 2022 ESG Report: Health & Safety |

Political Contributions

It is against our policy to use corporate funds for political purposes. In 2022, the Company did not give money to any political candidates.

Anti-Corruption Policy

The Vice President of Legal is responsible for our anti-bribery and anti-corruption program. Company policy covers our requirements and expectations regarding business practices, including potential bribery, corrupt practices, accounting records, and business entertainment and gifts. A violation, or even an accusation of a violation, of any anti-corruption law can result in serious consequences for the Company and individuals involved. Employees are advised to consult with the Legal team, Global Compliance team or the CFO as appropriate when questions arise, rather than making any judgments or decisions on their own.

Data Privacy and Security

As our business increasingly relies on digital systems and the threat of cyberattacks grows, we have enhanced our cybersecurity defenses. Our Board of Directors oversees cybersecurity, and any incidents are reviewed at regular meetings, at least four times per year. In recent years, we have expanded our team of cybersecurity professionals, and we continue to purchase cybersecurity insurance to mitigate the risk of events.

To address cybersecurity, we developed our own framework based on a subset of NIST CTF, and we are increasing our coverage of this framework. We based our framework on a variety of compliance codes including PCI, HIPA, GDPR and CCPA. The edge-first approach covers employees who log in via VPN; however, we take steps to ensure that our middle network is covered. To understand and test our vulnerabilities, we collaborate with a third party to conduct penetration testing. As our business evolves as a substantial provider of software services, we perform security scans of code and third-party APIs and consistently scan our technology solutions and services to ensure they are secure for our customers. Additionally, we currently take actions to educate our workforce on the importance of data security. In 2023, we will introduce a new training to educate our workforce on data privacy.

We will continue to remain in compliance with all cybersecurity and data privacy regulations in the regions in which we operate and to develop our program to meet the changing demands of the landscape.

| Goal #9 | Industry, Innovation and Infrastructure | |
|---|--|--|
|  | <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p> <p>Our mission is to provide solutions that help people design and build safer, stronger structures. With the rise in extreme weather events and the occurrence of other disasters like earthquakes, our solutions improve the resiliency of structures and communities around the world. Further, we produce retrofitting solutions that improve the longevity of current structures. Most of our products are developed through an internal research and development program. Our Engineering, Sales, Product Management, and Marketing teams work together with architects, engineers, building inspectors, code officials, builders and customers in the new product development process. Since at least 2006, we have generally developed 15 to 35 new products every year. In 2022, through our research and development efforts, we developed over 40 new products, expanding our product offerings.</p> | |
| | UN SDG Targets Impacted | Source |
| | <p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p> | <ul style="list-style-type: none"> • 2022 ESG Report: Climate • 2022 ESG Report: Green Building • System for Reinforcement on strongtie.com |
| | <p>9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.</p> | <ul style="list-style-type: none"> • 2022 Annual Report: To our stockholders, customers, and employees. |
| | <p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p> | <ul style="list-style-type: none"> • 2022 ESG Report: Green Building • 2022 ESG Report: Climate |
| | <p>9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.</p> | <ul style="list-style-type: none"> • 2022 ESG Report: Chemicals • 2022 Annual Report: New Products |

| Goal #11 | Sustainable Cities and Communities | |
|--|--|---|
|  | <p>Make cities and human settlements inclusive, safe, resilient and sustainable.</p> <p>Our products are installed into infrastructure projects around the world. We design and manufacture products including moment frames, shearwalls, structural connectors, anchors, fasteners and fiber-reinforced polymers to keep structures safe and strong. Our products help ensure that structures remain intact and usable after certain disasters, mitigating economic, environmental and community impact. With our introduction of the Carbophalt™ and Glasphalt™ asphalt reinforcement grids, our customers can build roads that are stronger and more economical. Further, our solutions are proven to extend the service life of roads, highways and other heavy-use areas.</p> | |
| | UN SDG Targets Impacted | Source |
| | <p>11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.</p> | <ul style="list-style-type: none"> • Carbophalt on strongtie.com |
| <p>11.5 By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.</p> | <ul style="list-style-type: none"> • 2022 ESG Report: Green Building • 2022 ESG Report: Climate | |
| Goal #12 | Responsible Consumption and Production | |
|  | <p>Ensure sustainable consumption and production patterns.</p> <p>At Simpson Strong-Tie, we operate in a safe and environmentally responsible manner to benefit society, the economy and the environment. We're committed to continually improving the efficiency of our resource use to lessen our environmental impact. We recognize the important role we play in safeguarding our natural environment and are committed to designing and manufacturing products with environmental conservation in mind. Within our operations, we are taking action to reduce the consumption of natural resources and to increase our rate of recycling and, to evaluate the life-cycle impact of our products, we are currently conducting Environmental Product Declarations on several of our product lines. Through Safety Data Sheets, we provide information as to how our products can be safely disposed.</p> | |
| | UN SDG Targets Impacted | Source |
| | <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p> | <ul style="list-style-type: none"> • 2022 ESG Report: Environment Pillar |
| | <p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.</p> | <ul style="list-style-type: none"> • 2022 ESG Report: Chemicals |
| | <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> | <ul style="list-style-type: none"> • 2022 ESG Report: Waste |
| | <p>12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.</p> | <ul style="list-style-type: none"> • 2022 ESG Report: Position on Human Rights • 2022 ESG Report: Labor, Health and Safety Practices • 2022 ESG Report: Compliance with Our Supplier Code of Conduct |
| <p>12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p> | <ul style="list-style-type: none"> • 2022 ESG Report: Chemicals • Innovation on strongtie.com | |

SASB Index

Industrial Machinery and Goods

| SASB Code | Metric | Response |
|--------------|---|--|
| RT-IG-130a.1 | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | In 2022, our total energy consumed was 311,281 GJ, the percentage of electricity procured from the grid was 98.3%, and the percentage of renewable energy was 3.7%. |
| RT-IG-320a.1 | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) | In 2022, our TRIR was 1.57, we had zero fatalities, and our NMFR was 5.6. |
| RT-IG-410a.1 | Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles | Most products we produce do not consume energy while in use. While we do have product lines, such as EstiFrame and Quik Drive®, that consume electricity, this is a small portion of our overall operations. We do not manufacture medium- or heavy-duty vehicles. |
| RT-IG-440a.1 | Description of the management of risks associated with the use of critical materials | <p>Our products require many raw materials, each is critical to the manufacturing process. Therefore, a restriction in supply of any individual input can halt production.</p> <p>However, most critical materials we source, including steel, are commodities. Thus, we seldom face limits on availability, though we may encounter rising costs. We operate in a competitive environment and should commodity prices increase, our industry peers will face similar market conditions. As a result, we will not be at a competitive disadvantage.</p> <p>In certain instances, we engage in hedging activities to guard against the fluctuation of commodity prices.</p> <p>To reduce the risk of short-term supply restrictions, we keep inventory of raw materials upon which we can draw. In addition, if the supply of a material becomes restricted, we prioritize the SKUs that are most important to our customers and business. Lastly, wherever possible and particularly with a single-sourced critical material, we will diversify the vendor base for that material.</p> |
| RT-IG-440b.1 | Revenue from remanufactured products and remanufacturing services | Three of our products are CDPH Standard Method Certified: SET-3G™, SET-XP® and AT-XP®. In 2022 these products represented 1.9% of Simpson Strong-Tie's total revenue. |

Building Products and Furnishings

| SASB Code | Metric | Response |
|----------------|---|---|
| CG-BF-250a.1.1 | Discussion of the business and operational processes it employs to assess and manage potential risks and hazards associated with the use of materials, chemicals, and substances (hereafter "chemicals"). | <p>For chemicals that may be detected at certain levels in the company's finished products, we have set company processes and procedures to adhere to proper communication of hazards. We base this communication on the Globally Harmonized System of Classification and Labeling of Chemicals. Product information is communicated to employees and customers through Safety Data Sheets (SDS). SDS discuss composition, hazards, first aid, handling and storage instructions, and additional national standard classifications. All product SDS are available on our website.</p> <p>We pay close attention to chemicals used in the manufacturing process. Our safety procedures apply to chemicals that are used for facility maintenance and used in our finished goods. We use SDS to determine appropriate handling, storage, and PPE needed to keep employees and equipment safe.</p> |
| CG-BF-250a.1.2 | Description whether its approach to chemicals management is characterized by a hazard-based, risk-based, or other approach | Our chemical management processes use both a hazard and risk-based approach. Hazard-based aspects are used when taking information from the SDS about human health and environmental toxicological information. We pay close attention to exposure rates and levels to ensure we are well within safety parameters. We use a risk-based approach when assessing the impact of prolonged exposure to a chemical and how to either prevent exposure or change procedure, use PPE, or substitute chemicals to lessen hazards. We will never use any chemical or material that is considered extremely hazardous to human health or the environment and we continually look for less hazardous chemicals as substitutes. |
| CG-BF-250a.1.3 | Operational processes employed for chemicals management | <p>To maintain safe working conditions for our employees, we have safeguards in place to reduce the use of chemical materials and ensure that the chemical materials used are handled safely. We take a holistic approach to hazardous substance management and address challenges through the full life cycle of a product. Our R&D team ensures certain environmental or health hazardous chemicals are omitted from our product formulas. Beginning in the research and development phase, we consult with our Environmental, Health and Safety (EHS) team to understand the impact of a chemical and whether it is suitable for our product. Only when materials have been cleared by the EHS team do we procure.</p> <p>Throughout the process, our Product Management team works with our Safety team to ensure correct labeling and marketing of our products. When the bill of materials and formulations are finalized, we communicate known hazards and obtain the correct PPE for our employees. We are working to track chemical replacements to formally document this process.</p> |
| CG-BF-250a.1.4 | Approach to chemicals management in the context of each stage in its products' life cycles | <p>From procurement to finished goods, we follow our raw materials through their life cycle. When R&D tests for chemicals, they examine the associated chemical hazards. After consulting the Safety team and going through the testing process for chemical performance, we then move to procuring raw materials in bulk. Once raw materials are obtained, they are properly labeled, hazards are communicated to production employees, and steps for correct handling are provided, if needed. Storage is based on SDS and raw material manufacturer recommendations. While production begins for finished goods, SDS are created and published, and the Safety team works with the Marketing department to ensure hazards and any additional required HAZMAT information is included with labels and packaging.</p> <p>While we do not use any specific assessment tool to track hazards, our R&D department assesses the environmental and physical hazards associated with any new chemical products. We also periodically reevaluate chemicals and will never source a more hazardous substance if a material is in short supply.</p> |

Building Products and Furnishings

| SASB Code | Metric | Response |
|----------------|---|--|
| CG-BF-250a.1.5 | Description of chemical prioritization for reduction and/or elimination from its products. | See chemicals section. |
| CG-BF-250a.1.6 | Third-party verification of chemical content. | Testing is performed on each batch of every product. Exact testing is product-dependent and can include: FTIR, gel time, viscosity, density, and adhesive pull-off strength. FTIR is the most rigorous of these for chemical composition — spectra is evaluated from 4,000 cm to 650 cm, measured every 4 cm. Passing criteria is a correlation coefficient of 0.999 or better, which represents a consistent chemical content greater than 99% of all batches of that product. NSF audits our quality records and tests our listed products annually. UL, ICC-ES, or IAPMO audits our quality records semi-annually. Some products are audited by multiple agencies. For products that are code-listed, the agency or agencies that audit and test our materials are listed online and in our product catalogs. |
| CG-BF-250a.1.7 | Chemicals management policies and practices by geographic region. | Throughout our operations, our products are subject to regulatory compliance, which leads to many similarities globally. We adhere to GHS for our classification and labeling, but our procedures differ slightly in different regions. At our European production sites, Hazard Communication varies. We set different rules set by additional governing entities. Our concrete business unit requires the most attention to chemical hazards. Other business segments use chemicals for maintenance and coatings. |
| CG-BF-250a.1.8 | Identified chemicals for reduction or elimination. | We currently do not have any chemicals that we have actively identified for change. The company is working on establishing a procedure to identify and document chemical changes. We currently have no specific products that require this. We pay close attention to IARC Monographs/Annex XVII to for listed chemicals and do not use these substances. |
| CG-BF-250a.2 | Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards | Simpson follows CDPH Standard Method v1.2 Compliance Certified by UL for three of our products: SET-3G™, SET-XP® and AT-XP®. |
| CG-BF-410a.1 | Description of efforts to manage product life cycle impacts and meet demand for sustainable products | Simpson Strong-Tie is currently working with a third party to conduct life cycle assessments several product lines. |
| CG-BF-410a.2 | (1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled | In 2022, Simpson Strong-Tie recycled 14,543 pounds of steel. |



strongtie.com

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