



CREATING  
PEAK VALUE



**Apogee Enterprises, Inc.**

**Sustainability Highlights Report**

August 2024

At Apogee, sustainability means creating a company that is built to achieve long-term profitable growth, while carefully stewarding the resources entrusted to us.

Sustainability is not something new for Apogee. Rather, it is woven throughout our Core Values, the principles that reflect who we are as an organization. With a proud 75-year history, the team at Apogee understands what it takes to build an enduring business.

Visit the [Sustainability](#) section of our website for more information.

## Sustainability Management and Oversight

Apogee's leadership team, with oversight from our Board of Directors, is responsible for establishing the Company's sustainability strategy and priorities. In 2022, we created a sustainability committee comprised of subject matter experts from across the Company, including representatives from investor relations; legal; human resources; environmental, health and safety; operations; and sales and marketing. This team was charged with recommending and implementing policies and processes to advance our sustainability efforts.



### Board of Directors

- Our Board provides oversight of corporate responsibility, including environmental, social, and governance matters and climate-related risks.
- The Board is updated on sustainability strategy and initiatives at least twice per year.
- Our Board's Compensation Committee provides oversight of risks associated with human capital management, including diversity, equity and inclusion.



### Executive Leadership

- Our executive leadership team establishes the Company's overall sustainability strategy and sets its priorities.



### Sustainability Committee

- Comprised of subject matter experts from across the Company.
- Recommends initiatives to executive leadership and implements sustainability programs and initiatives.

# Sustainability Priorities and Framework



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## Materiality Assessment

In fiscal year 2023, we conducted a materiality assessment to identify sustainability-related topics and issues that are most important to our business and stakeholders.

- Reviewed external sustainability frameworks and standards relevant to our industry, including the SASB industry standards for Building Products and Construction Materials.
- Conducted peer benchmarking to understand current and emerging issues in our industry.
- Gathered input from internal and external stakeholders, including employees, shareholders, customers, and suppliers.

The results from our materiality assessment, factors from our industry and business environment, as well as guidance from our Board of Directors, helped to shape our sustainability strategy and priorities.

## Sustainability Framework

Through our materiality assessment, we identified material topics across four categories: People, Products, Operations and Environment, and Governance. We use this framework to guide our overall approach to sustainability and to help us organize current and future initiatives to advance our impact.

### PEOPLE

Our commitment to sustainability begins with our people. We have an enterprise-wide talent management program to hire, train, and develop a diverse team of employees and leaders. We are committed to our employees' safety and wellness, with a robust workplace safety program and a comprehensive benefits package.

### PRODUCTS

Our customers look to Apogee to deliver innovative products and services that help them realize their sustainability goals. Our products help improve building energy efficiency, reduce greenhouse gas emissions, and increase comfort and security for building occupants.

### OPERATIONS & ENVIRONMENT

Across our business, we work to incorporate sustainable business practices into all aspects of our operations. We maintain a relentless focus on eliminating waste and minimizing resource consumption. We have policies in place at each of our facilities to ensure compliance with applicable environmental laws and regulations.

### GOVERNANCE

We are committed to high standards of corporate governance and ethical business conduct. Our Board of Directors has adopted Corporate Governance Guidelines and a Code of Business Ethics and Conduct to provide a framework for how we operate our business.

## Talent Management

Our talent management program is focused on developing employees and leaders to meet our evolving needs. Our program consists of several key components.

- **Performance management:** Managers actively engage with employees to provide coaching and feedback. Employees and their managers set annual performance targets and development goals, which are tracked and monitored throughout the year.
- **Training and development:** Opportunities for development are provided to employees throughout the Company. Training includes new hire training, job specific training, stretch assignments, safety training and leadership development training.
- **Management resource reviews:** We conduct regular talent reviews and succession planning, with an emphasis on promoting from within. Results are reported to the Company's Board of Directors.
- **Employee engagement surveys:** Surveys are conducted annually at each site to gain feedback from employees on their experiences at Apogee. We use these surveys to continually improve our talent management program.
- **Recognition programs** to recognize the significant contributions of our employees.

## Diversity and Equal Opportunity

Our diversity and inclusion program promotes a workplace where each employee's abilities are recognized, respected, and utilized to further the Company's goals. Our aim is to create an environment where people feel included and their diversity of outlooks, perspectives, and characteristics is recognized and welcomed.

We conduct annual diversity and code of conduct training, so employees understand the Company's goals and expectations for creating and maintaining an inclusive and diverse workplace.

- Total employees: Approximately 4,400 (as of March 2, 2024)
- Gender diversity: 78% male; 22% female
- Based on our latest filing with the U.S. Equal Employment Opportunity Commission, our U.S. employees had the following race and ethnicity demographics:

Employee Demographic	Percent of Total
White	66%
Hispanic / Latinx	19%
Black / African American	8%
Asian	5%
Multiracial, Native American, Native Hawaiian, and Pacific Islander	2%

## Health, Wellness, and Safety

Providing a safe and secure work environment is one of our highest priorities. We are proud of our safety record and the considerable progress we have made as we continue to build and reinforce our safety culture. Some of the actions we have taken include:

- Enterprise-wide health and safety program to build centralized oversight of workplace safety.
- Safety program led by our Apogee Safety Council.
- Annual safety culture assessments and audits to monitor safety programs and share best practices.
- Leadership team and Board of Directors are regularly briefed on health and safety performance metrics.

### [Environmental Health and Safety Policy](#)

Apogee has consistently had a lower accident incident rate (AIR) than our industry. In calendar 2023, our businesses recorded a consolidated AIR of 2.06 incidents per 100 employees per year, compared to an industry average of 3.40 for 2022 (the most recent year of reported data) for NAICS code 332, Fabricated Metal Products Manufacturing.

	2019	2020	2021	2022	2023
Accident Incident Rate	2.95	1.98	2.17	2.30	2.06
Fatality Rate	0	0	0	0	0

We offer comprehensive health and wellness programs for all eligible employees.

- Health programs including medical insurance and preventative care.
- Resources for physical and mental wellness.
- Flexibility to meet employee's specific needs for health, security, protection, and future growth.

## Human Rights

We are committed to protecting the rights of people across our operations and we strive to treat people with dignity and respect.

### [Statement on Human Rights](#)

## Community Involvement

Apogee has a long legacy of giving back to the communities where we do business, through employee-led volunteerism, donations, and financial support. We also work to strengthen the communities where we operate by investing in our business and creating good jobs.

### [Learn more about our community involvement.](#)

Visit our [website](#) for more information about our commitment to our people.

## Products and Services that Enable Green Building

Across Apogee's architectural businesses, nearly every product and service we provide can help architects, developers, and building owners achieve their green building and sustainability goals. Apogee's products help improve buildings' energy efficiency and reduce greenhouse gas emissions, provide daylighting and natural ventilation, and increase comfort and protection for occupants. Our energy-efficient products include:

- High-performance thermal framing systems
- Architectural glass coatings
- Sun control products
- Eco-friendly metal finishes
- Building renovation solutions

Many of our aluminum framing products can be specified with recycled aluminum content and many of our glass and aluminum products are fully recyclable at the end of their useful lives.

## Contributing to LEED Certification

Several Apogee businesses are members of the U.S. Green Building Council (USGBC) and have joined with the USGBC to support its Leadership in Energy and Environmental Design (LEED) program.

Our businesses also have certified LEED Green Associates on staff to help our customers meet their green building objectives, and our products can contribute to a number of LEED program points. We're proud of the role we've played in many LEED certified buildings.

## Research and Development

We invest in research and development to support new product development to ensure our products remain at the forefront of the industry. Apogee's products are developed to meet energy code requirements, allowing architects and others to design buildings that consume less energy and create healthy and comfortable spaces for occupants.

Apogee offers solutions to customers considering their own environmental impact and maintains a product set that is aligned with customers needing options in the transition to a greener economy.

Visit our [website](#) for more information about our products and services.

## Environmental Policy

It is our policy to comply with applicable environmental laws and regulations and to conduct our business in a manner that protects the environment, employees, stakeholders, and our customers.

[Environmental Health and Safety Policy](#)

## Environmentally Responsible Operations

We believe that protecting the environment and conserving resources are the right things to do. As a leader in our industry, we are committed to environmentally sustainable manufacturing practices.

Examples of our commitment to environmentally responsible operations include:

- Energy efficient lighting
- Recycling and waste reduction programs
- Use of reusable shipping containers

## Waste Recycling

Apogee has recycling and waste reduction programs in place across our businesses which divert thousands of tons of materials from the waste stream each year. We recycle numerous types of materials, including aluminum scrap, glass, packaging, crating materials and cardboard, paper waste, solvent, and waste oil.

The primary raw materials we use in our products are aluminum and glass. In fiscal year 2023, we recycled 28 million pounds of aluminum scrap. Approximately 75 percent of this aluminum scrap was reused in our operations to manufacture products with recycled aluminum content, the remainder was recycled and sold to scrap buyers. On average, we recycle over 40 million pounds of glass scrap each year.

## Responsible Supply Chain

We are committed to conducting business in an ethical and responsible manner and we expect our suppliers to do the same.

[Supplier Code of Conduct](#)

[Apogee Conflict Minerals Policy](#)

Visit our [website](#) for more information about our environmentally responsible operations.

## Greenhouse Gas (GHG) Emissions and Energy Use

In fiscal year 2023, we collected data on our greenhouse gas (GHG) emissions and energy use for the first time, establishing our baseline data. We calculated our emissions based on the GHG Protocol Corporate Standard. We will use this data to evaluate opportunities for reducing our emissions and energy use in the coming years.

Greenhouse Gas (GHG) Emissions		
	Unit	FY2023
Direct (Scope 1) emissions	MTCO <sub>2</sub> E	35,024
Indirect (Scope 2) emissions	MTCO <sub>2</sub> E	92,152
Total emissions	MTCO <sub>2</sub> E	127,176
Net sales	\$M	1,441
Emissions intensity	MTCO <sub>2</sub> E / \$M Net Sales	88.3

Greenhouse Gas (GHG) Emissions by Country (FY2023)				
	Unit	U.S	Canada	Brazil
Direct (Scope 1) emissions	MTCO <sub>2</sub> E	33,372	1,480	172
Indirect (Scope 2) emissions	MTCO <sub>2</sub> E	90,666	885	601
Total emissions	MTCO <sub>2</sub> E	124,038	2,366	772

- MTCO<sub>2</sub>E is metric tons of carbon dioxide equivalents.
- Scope 1 emissions include fossil fuels consumed in our operations, primarily natural gas, propane, and motor fuels.
- Scope 2 emissions include purchased electricity.

<b>Energy Consumption by Country (FY2023)</b>					
	<b>Unit</b>	<b>U.S</b>	<b>Canada</b>	<b>Brazil</b>	<b>Total</b>
Non-renewable energy consumed (natural gas, propane, diesel, gasoline, etc.)	MWh	174,508	7,996	404	182,908
Electricity purchased	MWh	172,823	2,633	4,638	180,094
Total energy consumption	MWh	347,331	10,629	5,042	363,002
Net Sales	\$M	1,301	121	19	1,441
Energy intensity	MWh / \$M net sales	266.9	88.2	265.9	252.0

- 100% of electricity purchased is from the grid.
- Energy metrics are based on metered data and estimates of fuel consumed on-site at company owned and leased facilities and in company-operated vehicles.

## Corporate Governance

We are committed to high standards of corporate governance and ethical business conduct. The following resources reflect this commitment and provide a framework within which our Board of Directors and executive leadership team operate the business.

- [Corporate Governance Guidelines](#)
- [Audit Committee Charter](#)
- [Compensation Committee Charter](#)
- [Nominating and Corporate Governance Committee Charter](#)
- [Articles of Incorporation](#)
- [By-laws](#)

We also outline key components of our governance framework in our [Annual Proxy Statement](#).

## Code of Business Ethics and Conduct

We have adopted a [Code of Business Ethics and Conduct](#) (our "Code of Conduct"), which is a statement of our high standards for ethical behavior and legal compliance. Our employees and Board members receive training on our Code of Conduct, which is available in multiple languages, and must certify that they have read and understood the Code of Conduct.

For employees suspecting a violation of our Code of Conduct, we maintain an independent hotline available 24/7 that allows both anonymous and confidential reporting. Anyone who wants to make a report to Apogee's Code of Conduct Hotline from the U.S. or Canada can contact the Hotline at [www.apog.ethicspoint.com](http://www.apog.ethicspoint.com) or by phone at 1-800-441-6164.

## Board Composition and Structure

All members of our Board of Directors, other than our CEO, are independent directors. Our Board features a diversity of background, skills, and experience that facilitates effective oversight and enriches Board deliberations on strategic planning, operations, risk management, and other critical topics.

- Separate Chair and CEO roles (Independent Chair)
- 8 of 9 directors are independent
- Board committee chairs are independent
- 33% gender diversity
- 22% racial/ethnic diversity

More information about our Board of Directors is available on the [Governance](#) page of our website.

## Cybersecurity

We recognize the critical importance of maintaining the confidentiality, integrity and availability of our information systems and data, and effectively, assessing, identifying and managing cybersecurity and related risks. Our cybersecurity risk management program (“Cybersecurity Program”) is integrated into our Enterprise Risk Management framework and utilizes a holistic approach to addressing cybersecurity risk, and it is supported by our employees, cybersecurity team, senior management, the Enterprise Risk Management committee (a committee comprised of primary corporate functions) and our Board of Directors. The underlying controls for the Cybersecurity Program are based on recognized best practices and standards for cybersecurity and information technology, including the National Institute of Standards and Technology (NIST) and the Center for Internet Security Benchmark (CIS).

Apogee’s Cybersecurity Program includes an incident response plan for evaluation, response and reporting of cybersecurity incidents, including notification of the Board and third parties, as appropriate. Under the Cybersecurity Program, a Cybersecurity Intake Team (CIT), which is comprised of the Chief Information Officer (CIO), Senior Director of Information Security (SDIS) and other executive management members, is responsible for conducting materiality assessments of cybersecurity incidents, taking into consideration both quantitative and qualitative factors, and subject to ongoing monitoring and escalation based on materiality. In accordance with our Company’s Cybersecurity Program,

- our Board oversees cybersecurity risk management
- our Chief Information Officer, who reports to our CEO, oversees escalation of cybersecurity incidents
- executive management updates our Board at least twice per year on information technology and cybersecurity risks
- we employ external advisors to assist with cybersecurity risk assessments and preparedness events.
- mandatory, on-going training for employees to build awareness of cybersecurity and new threats as well as evaluate the effectiveness of the Cybersecurity Program.
- maintain cybersecurity insurance in the types and amounts appropriate for our risk profile.