

BOARDTALK



RESILIENCE THROUGH A TOUGH YEAR

RED EMMERSON

In looking back at 2025, I want to take a moment to reflect on where we've been and where we're headed. After entering the year with optimism and signs of recovery from 2024, the industry faced a sharp turn. Declines in housing construction and persistent high mortgage rates created a tough environment for everyone in the wood products sector. These factors drove lumber prices down and squeezed margins across the board – for SPI and the entire industry.

These challenges were largely beyond our control, yet they tested our resilience. And while the numbers tell one story, the actions of our people tell another. Through uncertainty, you kept showing up, doing the work, and helping us move forward. That perseverance matters because this business has always been cyclical. We've seen downturns before, and every time we've come through stronger because we stayed focused on what we can control: investing in our people, our operations, and our future. Across our operations, we're making significant progress.

In our Lumber Division, upgrades like the Quincy tray sorter and new dry kilns in Burney and Anderson improve efficiency and set us up for long-term success. The rebuild of our Eugene operations is well underway, and when complete, it will be one of the most

advanced sawmills in the country. I think that project will come online just about the right time to take advantage of an upside market.

Our Windows Division launched innovative products like the new casement line and introduced a web-based quoting tool that makes it easier for customers to do business with us. Looking ahead we're setting the stage for even more growth with new equipment arriving for our new Sierra Pacific Door line and our Phenix City, Alabama, operations continuing to increase production capacity.

Forestry teams have been hard at work too. One highlight is our partnership with the U.S. Forest Service to build fuel breaks that reduce wildfire risk. This project builds on SPI's work that has established over 2,200 miles of fuel breaks on our California forestland. These efforts paid off in August when a fast-moving fire was contained thanks to the fuel breaks that we have in place on our lands.

One thing remains clear: our strength is in our people. Your hard work and dedication made these achievements possible. While 2025 tested us, it also proved what we can accomplish together.

Looking ahead to 2026, we anticipate some continued headwinds, but also tremendous opportunities. With new facilities coming online, record window sales projected, and 2.4 million acres of timberlands supporting growth, the future looks promising.

We also remain committed to you. I appreciate you for being a part of our team. Together, we'll keep building, improving, and moving forward.

Red

SPI COMPANY UPDATES

As we close out 2025, we reflect on another year of significant strategic capital investments across the Company—from lumber and windows manufacturing to forestry and resources. These achievements were



made possible by the dedication of our crew members. We look forward to 2026 with an ongoing commitment to reinvest in our people, manufacturing facilities and timberlands.



LUMBER AND MILLWORK

Completed and Ongoing Initiatives:

- Quincy Tray Sorter: Successfully installed in the planer mill during Summer 2025, improving operational efficiency.
- Dry Kilns: New kilns deployed in Burney and Anderson, expanding drying capacity.
- Wrapper Upgrades: Modernization of paper wrap machines continues with Lincoln, Burlington, Centralia, and Quincy installations.
- Eugene Facility Rebuild: Major reconstruction of the large log facility is progressing. Structural work and equipment installation are underway, with operations scheduled to commence in 2026 with the dual-line stud mill to follow.

Outlook for 2026

- Millwork: Deployment of new finger joint machines to drive efficiency gains.
- Remanufacturing: Upgrade to moulder line to increase output.
- Sonora: New installation scheduled for completion by year-end.
- Aberdeen & Anderson: Upgrades to lumber grading machines in the planer mills to enhance quality and consistency.
- Centralia: New Boiler Installation.

FORESTRY

2025 was a year full of successes for forestry in the fire prevention arena.

In February, SPI signed a Stewardship Agreement to help our US Forest Service neighbors in the implementation and maintenance of 27,000 acres (about 400 miles) of fuel breaks that connect to and expand on our existing 2,200 miles of fuel breaks. The first trees cut under this agreement occurred on May 12 and we have now treated over 3,500 acres. Our goal is to complete installation in the next two years.

SPI's own network of fuel breaks continues to prove successful in limiting losses to the company and neighboring communities. On the afternoon of August 20, a fire was reported on SPI land outside the town of Mt. Aukum in El Dorado County, California. Early assessments reported the potential for a 10,000 – 20,000-acre wildfire. CAL FIRE air and ground resources responded and quickly began using SPI's fuel break. The existence of the fuel break allowed CAL FIRE crews to focus resources and secure the fast-moving fire at 624 acres that evening. SPI's preventative investment in the fuel break and CAL FIRE's effective utilization prevented the potential devastation of thousands of acres of SPI timberland.

Pictured above: Eugene crew celebrating placement of first column in mill construction; August 2025 Coyote Fire stopped at SPI Fuel Break outlined in red

WINDOWS

2025 was an eventful year, with continued market share growth in spite of a flat housing market. We launched several new products, including our Sierra Pacific Casement in both narrow and wide sash profiles. Utilizing even more wood fiber in the new design, this product will have improved energy efficiency and can be built in ever larger sizes than its predecessors.

We also launched SeedLink, our first web-based, quoting software. With enhanced features that will allow our products to be quoted on any wireless device, we've made it even easier for our customers to order SPW products.

Innovation and growth will not slow down in 2026. New equipment is delivering into Red Bluff, Medford and Phenix City for our new Sierra Pacific Door line of products. Like the casement, the new design will enhance performance and allow for even larger sized doors to meet market demand.



New Sierra Pacific Casement with narrow profile

SPOTLIGHT ON SUCCESS



DAISUKE SAKUMA

FORESTRY DISTRICT MANAGER | BURLINGTON, WA

Daisuke “Dice” Sakuma’s journey with Sierra Pacific Industries began with a summer opportunity—but quickly turned into a long-term career built on hard work, mentorship, and a passion for being outdoors.

Dice first joined SPI in 2005 as an inventory technician in California, returning again in 2006. During those summers, he gained hands-on experience timber cruising and worked across several California districts including Redding, Burney, Lassen, and Stirling.

After earning his Masters of Forest Resources from the University of Washington, Dice was hired full-time in June 2007 as a district forester in Burlington. At the time, SPI had recently acquired a large acreage of land in northwest Washington, creating an opportunity that aligned perfectly with Dice’s graduation.

“I started on a small crew and felt fortunate to work with seasoned foresters who really showed me the ropes,” Dice shared. “That mentorship early on made a huge difference.”

As his experience grew, so did his responsibilities. Dice began managing his own area of forestland, handling harvest layouts and administration. With retirements and leadership changes over the years, he took on additional duties, including overseeing the district’s road maintenance program—work that required adaptability as environmental regulations continually change.

One of Dice’s most memorable accomplishments came when he helped guide the Burlington District through completion of the state-mandated Road Maintenance and Abandonment Plan. “It was a long process, but we met the state’s deadline on time,” he said. “It was a major team effort and something I’m very proud of.”

Throughout his career, Dice credits strong leaders for shaping his approach. Dan Maw, now retired, gave him his first opportunity on the inventory crew and emphasized working hard while still enjoying the job. “Timber cruising teaches the fundamentals of forestry,” Dice said, “and those skills still apply today.” Tom Nelson, retired Washington Area Manager, also played a key role, encouraging Dice to ask questions, take ownership of projects, and step into leadership.

Now serving as the Burlington District Manager, Dice oversees approximately 144,000 acres and a team of soon to be seven crew members. His focus is on building a well-connected team that enjoys working together.

“I’m excited to mentor younger foresters and give them the same opportunities I was given,” Dice said. “That’s a big part of what motivates me in this role.”

More than 20 years after his first summer with SPI, Dice says he still enjoys coming to work and is proud that several foresters from his intern days—including Joe Puentes, Russell Garrison, and Collin Emmerson—are still around and building their own careers at SPI.

From intern to Burlington District Manager, his journey reflects the opportunities available at SPI when you’re willing to put in the work. As Dice looks ahead, his focus remains on building strong teams, mentoring the next generation, and ensuring the long-term success of the Burlington District. We are proud to highlight him as this quarter’s Spotlight on Success.



*Inventory Crew Summer 2005
Daniel Boudreaux, Joe Puentes,
Dan Maw, Josh Misener, Russell
Garrison, Daisuke Sakuma*

Hometown: Bothell, WA · **Education:** University of Washington
Family: Wife, Trista · **Hobbies:** Travel, cooking, anything outdoors

Your New Prescription Discount Provider

You should've received a Welcome Packet in the mail from Capital Rx with your new ID cards.

Beginning January 1, the Sierra Pacific Industries Health Benefits Plan partnered with Capital Rx for prescription drug discounts — replacing CareMark/CVS.

What to do:

Start using your Capital Rx card on Jan 1, 2026. CareMark/CVS cards stop working after Dec 31, 2025.

Send your prescription receipts (with your ID number) to Health Benefits for reimbursement.

What this change means for you:

Bigger Savings: Capital Rx works directly with pharmacies to offer deeper discounts on your prescriptions.

Keep Your Pharmacy: No need to switch — Capital Rx partners with 60,000+ pharmacies, including local and chain stores. You can also keep using online pharmacies like CostPlusDrugs.com.



Download the free Capital Rx mobile app to access a digital copy of your ID card, locate in-network pharmacies and find discount pricing.

Questions? Call the Sierra Pacific Health Benefits Department at (530) 378-8200.



**New Prescription Discount Provider
Starting January 1, 2026**



Reflecting on 2025: A Year of Safety Progress

2025 was a year of growth and learning for safety at Sierra Pacific Industries. The health and well-being of our crew members remains our highest priority. This year we reaffirmed that commitment through continuous improvement and collaboration.

Safety is not a one-time initiative, it's a journey that requires vigilance, adaptability, and teamwork. Throughout the year, we focused on building a stronger safety culture by identifying hazards, reducing risks, and empowering every team member to take ownership of safety.

While we made meaningful progress, we acknowledge that our ultimate goal—an injury-free workplace—remains ahead of us. This challenge motivates us to keep striving for excellence and innovation in everything we do.

Our Key Focus Areas in 2025:

- **Crew Member Engagement:** Encouraging active participation in safety practices.
- **Leadership Commitment:** Ensuring safety is prioritized in every decision.
- **Training & Education:** Delivering regular, practical safety training sessions.
- **Risk Assessment:** Proactively identifying and addressing potential hazards.
- **Feedback & Improvement:** Listening to our teams and acting on their insights.

These pillars have strengthened our foundation and will guide us as we move into 2026. Our mission is clear: keep safety at the forefront of every task, every day.

Looking Ahead

As we enter a new year, let's remember that safety is a shared responsibility and a continuous journey. Together, we can create an environment where every crew member feels protected, valued, and empowered.

Here's to a safer, stronger 2026—because safety is not just what we do, it's who we are.

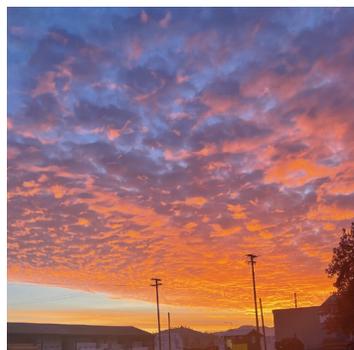
SPI Brings Holiday Cheer to Communities

SPI brought the holiday spirit with donated city trees, as well as many crew members and drivers participating in parades and events across our operating communities. SPI crew from Anderson, Lincoln, Red Bluff, Quincy, Eugene, Centralia, Shelton, Forestry, and more participated in these events brightening spirits this holiday season.



1) Shelton, WA Christmas Town Parade – Awarded Best of Parade 2) Donated tree to City of Placerville, CA with City Mayor recognizing crew member Paul Ingles and SPI at town tree lighting event 3) Harrisburg, OR Parade – Awarded Kids Choice Award 4) The Quincy Trucking crew bringing holiday cheer to Plumas – Leo McMichael, Austin Person, Chris Wilson, Jakob Bishop, and Robbie Johnson

Sunrises + Sunsets at SPI



Crew member submission photos from Anderson by Sierra Owens, Centralia by Mike Waring, Shasta Lake by Stacie Hollister, and Quincy by Michael Trejo.

MILESTONES

Thank you for your continued support. Glad to have you as part of our SPI family!

40 Years!

Mark Mills Fab Shop Eugene
Michael Geiger Red Bluff Millwork

35 Years!

David Palmer Red Bluff Millwork
Richard Dyer Anderson Main Office
Robert Houk Red Bluff Millwork

30 Years!

Brian McDonald Red Bluff Millwork
Brian Ziembo Windows Medford
Dan Dodson Quincy
John Smith Red Bluff Millwork
Jose Zaragoza Red Bluff Millwork
Kenneth Thompson Red Bluff Millwork

25 Years!

Becky Malchow Sales & Service
Conrad Mason Quincy
David Kiff Windows Red Bluff
Derek Ford Noti
James Russell Burney
Jeff Thompson Window Sales - West
Jeremiah Whitehead Sales & Service
Joseph Ruiz II Windows Red Bluff
Martin Jones Anderson Sawmill
Matthew Potts Oroville
Peter Cortes Window Sales - NM
Robert Armstrong Eugene
Shonda Randel Windows Red Bluff
Vicente Miranda Windows Red Bluff
William Morrison Oroville

20 Years!

Alfredo Servin Richfield Millwork
David Skibbie Lincoln
David Thompson Anderson Sawmill
Douglas Gow Aberdeen Sawmill
Elisha Kukich Window Sales - CO
John Schmidt Window Sales - CO
Jose Barajas Lincoln
Joseph Taylor Oroville
Juan Magana Richfield Millwork
Nestor Sanchez Lincoln
Perla Altamirano Red Bluff Millwork
Steven Ferguson Windows Phenix City
Walter Rocha Anderson Sawmill

15 Years!

Bradley Coonfare Eugene
Casey Toups Centralia Sawmill
Dayna Davis Sonora
Derek Bruner Eugene
Don Cearley Burney
Garet Emmerson Anderson Main Office
Ignacio Zamacona Red Bluff Millwork
Jack Bennett Noti
Jeramie Mason Burlington Sawmill
Johahn Marmaduke Windows Merrill - O St
Jonathan Gearhart Burlington Sawmill
Kevin David Windows Merrill - W St
Matthew Webster Sales & Service
Olafou Silva Centralia Sawmill
Robert Hendrickson Windows Medford
Robyn Kolecheck Windows Medford
Ryan Allen Noti
Sigifili Toeleiu Shelton
Theodore Bailey Shelton
Trevor Parker Sonora
William Turner Sales & Service

10 Years!

Adam Shanks Richfield Millwork
Alan Warnes Shelton
Alexis Machuca Lincoln
Ashley Hess Lincoln
Bradley Kalmon Windows Medford
Brittney Warner Red Bluff Millwork
Donald Richardson Burlington Sawmill
Erin McLeod Windows Red Bluff
Flora Graham Quincy
Frank Peralta Windows Red Bluff
Freddy Mendez Richfield Millwork
Gordon Peard Quincy
Greg Ouellette Centralia Sawmill
Jacob Graham Centralia Sawmill
Jacqueline Connely Burney
James Ryion Oroville
Jason Brown Fab Shop Anderson
Jason Hayes Sales & Service
John Surtees Windows Red Bluff
Johnnothan Browne Aberdeen Sawmill
Leslie Lewis Quincy
Luis Espinoza Richfield Millwork
Luke Tande Quincy
Manuel Moreno Window Sales - S CA
Maria Rivas Windows Red Bluff
Matthew Weidner Sales & Service
Melissa Gumz Windows Medford
Oscar Rosales Window Sales - S CA
Peggy Angulo Chinese Camp
Ronaldo Carlos Eugene
Shawn Mullenix Burney
Steve Hill Centralia Sawmill
Steven Dickerson Red Bluff Millwork
Steven Gard Burney
Terese Ziembo Windows Medford
Vanessa Anderson Windows Medford

5 Years!

Aaron Kippers Trucking
Albert Sandoval Eugene
Albert Springs Trucking
Alek Tompkins Noti
Andrzej Konarski Window Sales - CO
Antonio Frias-Vargas Richfield Millwork
Austyn Worthen Eugene
Barbara Krick Windows Merrill - W St
Bethany Grooms Red Bluff Millwork
Braysen Langford Centralia Sawmill
Charles Way Trucking
Chase Bennett Anderson Sawmill
Christopher Gomez Window Sales - NM
Christopher Resch Windows Merrill - O St
Christopher Williams Windows Merrill - O St
Cody Jordan Burlington Sawmill
Cody Lockhart Anderson Sawmill
Daniel Bellows Noti
Dario Persinger Sonora
Derek Waszkiewicz Windows Medford
Diego Figueroa Richfield Millwork
Donald Fischer Windows Merrill - O St
Eduardo Alvarez Windows Red Bluff
Eldon Wainwright Chinese Camp
Elizabeth Robbins Eugene
Elizeo Gonzalez Burlington Sawmill
Florencio Vargas Burney
Jacob Acree Windows Red Bluff
Jason Weeks Fiber Products
Jeffrey Thiel Anderson Sawmill
John Macedo-Venegas Windows Red Bluff
John Ransom Fab Shop Anderson
Jordan Schaub Shelton
Jose Montes Oroville
Justin Weiss Window Sales - Utah
Kathryn Hammer Red Bluff Millwork
Leo Salgado Window Sales - AZ
Maria Rivera Windows Red Bluff
Matt Holman Anderson Main Office
Matthew Drew Quincy
Matthew Riggs Forestry
Michael Leggett Windows Medford
Michael Sisson Noti
Miles Schack Anderson Sawmill
Nacole Busterud Windows Merrill - W St
Nichlos Ikola Centralia Sawmill
Nicholas Noah Burney
Nikki O'Neil Windows Merrill - W St
Norah Young Forestry
Peter Smith III Red Bluff Millwork
Rebeca LadroneDeGuevara Sales & Service
Ricardo Lopez Burlington Sawmill
Ricardo Palacios Lincoln
Robert Gonzales Sonora
Roberto Ramirez-Gonzalez Richfield Millwork
Ryan Luzier Shasta Lake
Sandi Conchas-Carrillo Quincy
Sean Coggins Lincoln
Shelby Gilson Windows Merrill - W St
Tanya Morales-Trenado Richfield Millwork
Tom Martin Chinese Camp
Trenton Beran Windows Medford
Tyrel Platt Quincy
Zach Rocha Forestry

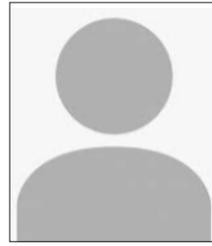
Celebrating a 5-year increment Milestone? You may receive a text message from a gifting service called Snappy with a link to receive a gift from SPI as a small token of our appreciation for your hard work and dedication to the Company!

RETIREMENTS



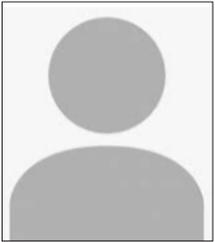
HAROLD BRAISHER

Harold retired from his position of Purchasing Assistant in Eugene after 35.5 years. He is looking forward to spending more time with his friends and family – especially his 12 grand and 3 great grand kids. He also plans to fish, hunt, and go camping. Enjoy, Harold!



BRIAN MARQUETTE

Brian retired from his log yard position with Sonora after 34 years with the Company. He plans to travel a lot and spend time with his grand kids. Congratulations and enjoy retirement, Brian!



LISA KRAUSE

Lisa retired from Merrill Water St. Windows after 39.5 years with the Company. She plans to do more traveling with her husband, spend time with her grand kids and just enjoy time doing whatever she wants. Congratulations on retirement, Lisa!



JORGE PORTIDA

Jorge retired from Red Bluff Windows after 25 years with the Company. He is looking forward to traveling more and enjoying as much time with family as he can. Congratulations and enjoy your retirement!



DAWNNE LINENBRINK

Dawnne retired from her position as Sr. Paralegal after just shy of 13 years. She is looking forward to more time with family and trips to Arizona to soak in the sunshine. She plans to try something new – maybe a cruise – pick back up on her photography hobby, give back volunteering at non-profits, and maybe even some part time work. Congrats, Dawnne!



BILL POWELL

Bill retired from his position of Oregon Area Manager after 33 years. He is looking forward to traveling, playing golf, and just relaxing! He says his family will keep him plenty busy with projects. Congratulations and enjoy your retirement, Bill!

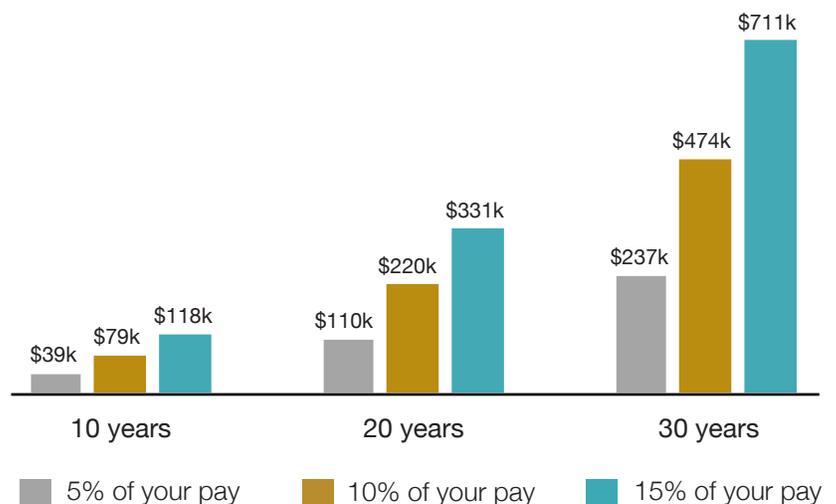
Reach your Retirement destination by saving more today!

Every dollar you save has the chance to grow, increasing your potential savings over time!

Saving more doesn't have to be hard – you can have your contributions increased each year automatically – so you don't even need to think about it.

Visit with your HR Coordinator to get started or talk about how you can better prepare for retirement.

Assumes \$60,000 annual pay, and if you save at 5%, 10%, or 15%, with an average annual return of 6%. This is an example only. It doesn't represent a real investment, and the rate of return is not guaranteed.



BOARD TALK

GROWING FORESTS FOR OUR FUTURE.

MADE IN THE USA!



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SCHOLARSHIP APPLICATIONS ARE OPEN!



Did you know that over the past 45 years, the Sierra Pacific Foundation has awarded over \$10.5 Million to students pursuing diverse post-secondary educational goals?

Your son or daughter could be among this year's recipients! Last scholarship season, the Foundation awarded \$605,000 to 202 students toward costs associated with education after high school.

Past recipients have been enrolled in trade and tech schools, culinary schools, cosmetology programs, community college, online colleges and universities, as well as traditional four-year institutions.

APPLICATION DEADLINE: FEBRUARY 27, 2026

Scholarship applications are available online at: spi-ind.com/Foundation/ScholarshipApplication beginning December 15, 2025 and close February 27, 2026. Start talking with your student now about this opportunity to help fund their future!



SCAN FOR APPLICATION

QUESTIONS? Visit: spi-ind.com/foundation/FAQ
OR talk with your HR Coordinator