

2015 SUSTAINABILITY REPORT

WINDOW TO A BETTER WORLD

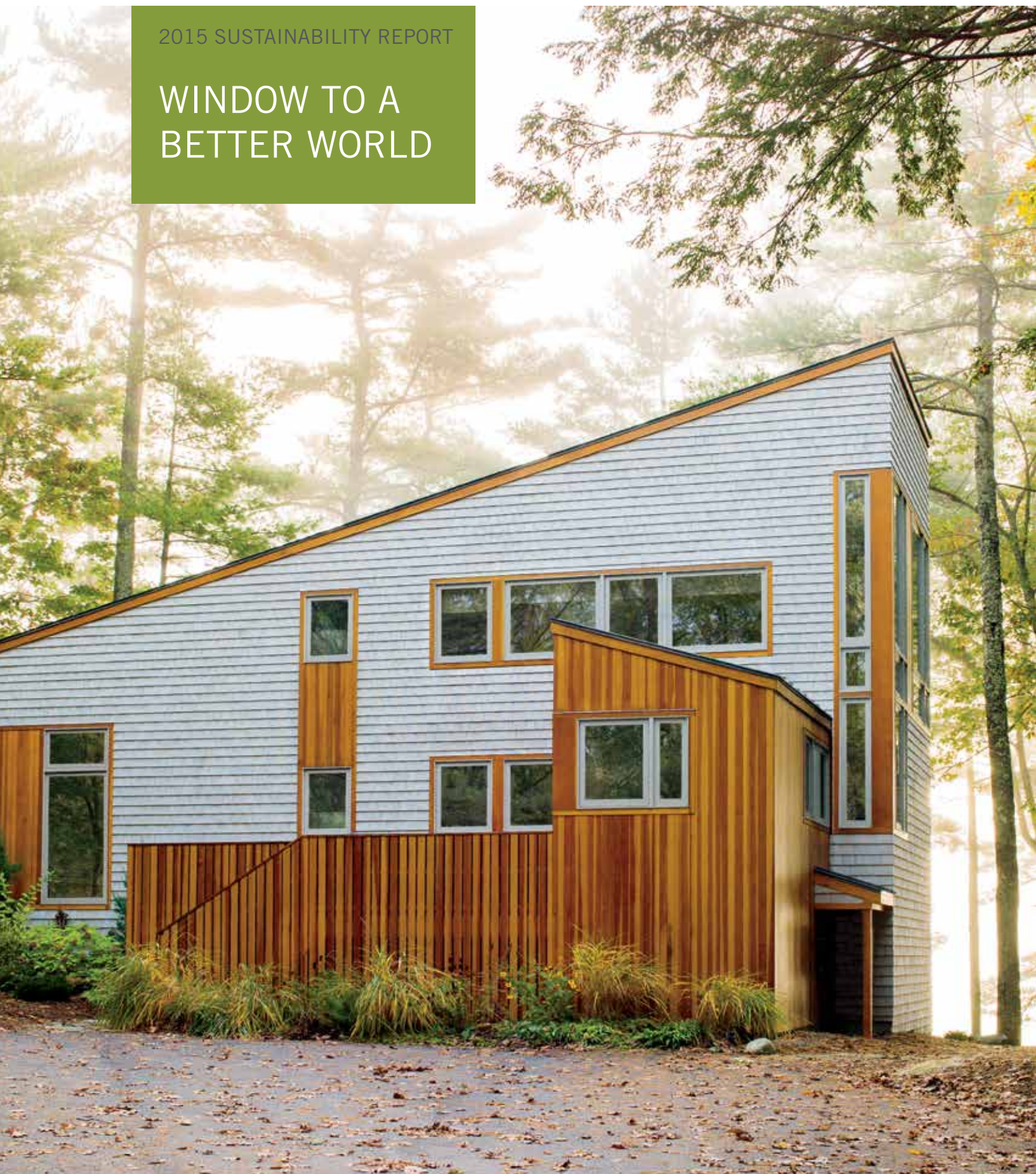




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[A Word from Our CEO - Click Here](#)



Materiality

MATRIX

2015 SUSTAINABILITY REPORT

Andersen completed its first Materiality Analysis in 2015. The process helped ensure our sustainability strategies and metrics are focused on the issues where we can have the most positive environmental, economic and social impact.

G4 ASPECT BOUNDARIES

Our aspect boundary within the organization is defined as operations where we have financial control. Outside the organization, our aspect boundary is defined as our broader value and supply chain. Select aspects also impact the communities where we operate.

STAKEHOLDER ENGAGEMENT

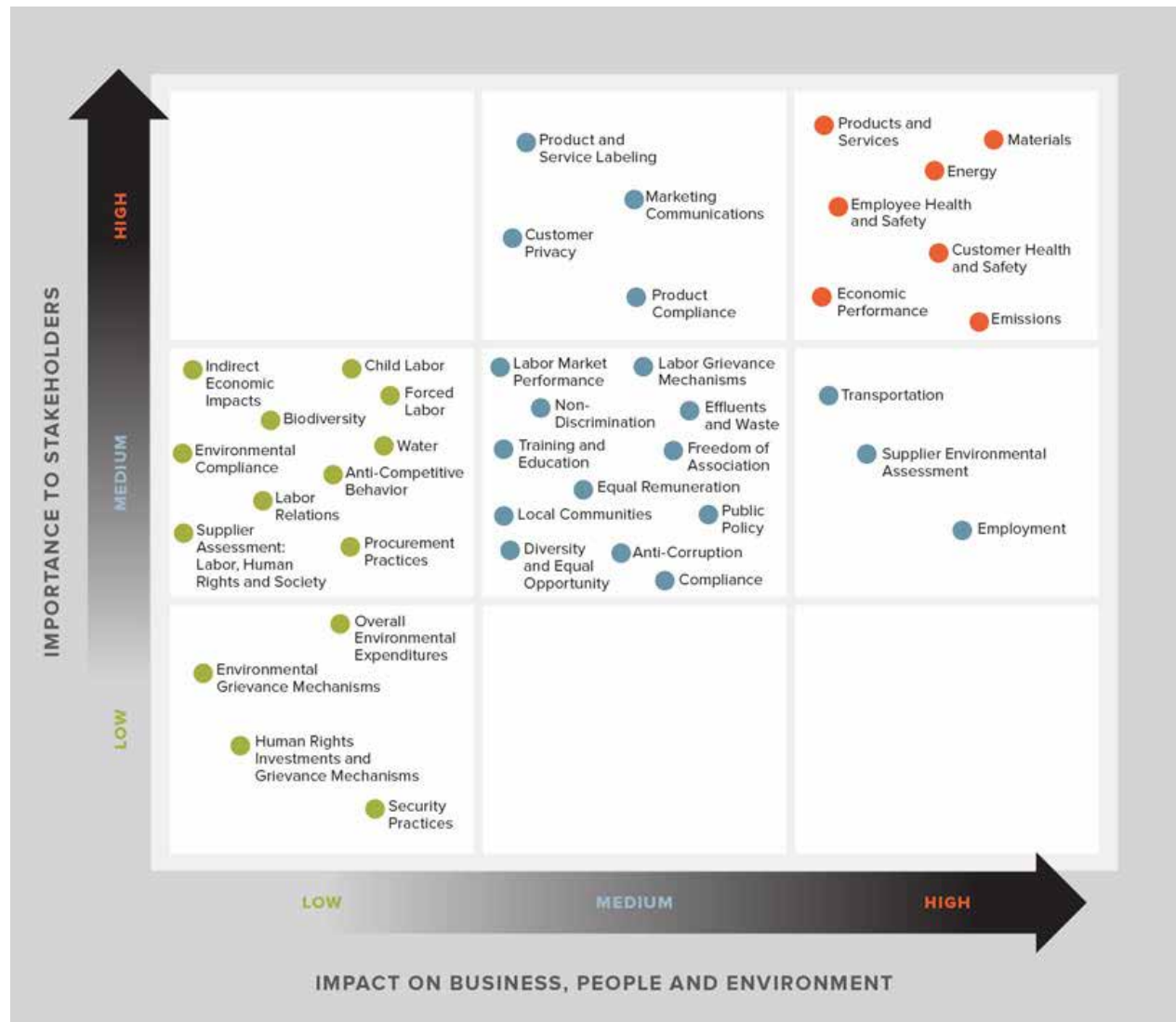
Our key stakeholders include customers, employees, suppliers, shareholders, NGOs, governments and communities where we operate. For our Materiality Analysis, we assigned a higher (2X) weighting to the stakeholders who have the most significant impact on our business—specifically, key customers, suppliers, shareholders and employees.

Stakeholders were engaged in the materiality process through direct surveys or dialogue with stakeholder champions. In addition, we engaged the Governance & Accountability Institute, an official GRI data company, to profile several key stakeholder groups to validate our findings.

BUSINESS IMPACT

We also evaluated the potential impact of all G4 aspects on our business. We took a triple-bottom-line approach by evaluating a particular issue's impact on the environment, people and our business. Economic rankings were assigned a 2X weighting, since we are not able to positively impact the environment or people without continued business viability.

ANDERSEN CORPORATION MATERIALITY MATRIX



IN THE Forest

2015 SUSTAINABILITY REPORT

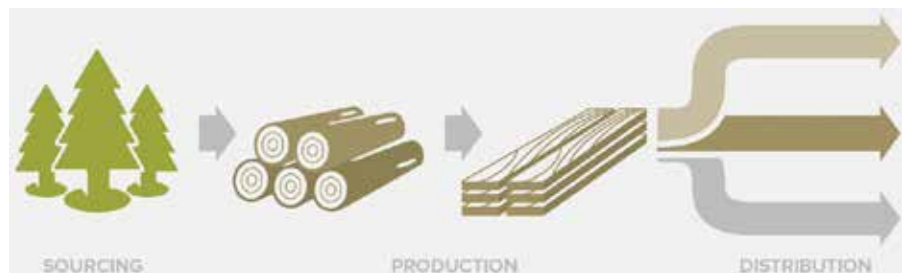
Andersen is committed to responsibly sourcing materials from companies who value—and practice—environmental stewardship and social responsibility. Procurement practices and materials rank among our most critical sustainability issues. We are committed to increasing our transparency to meet our customers' growing desire to understand the ingredients and impacts associated with the products they purchase.

ROOTED IN FOREST STEWARDSHIP

As the largest window and door manufacturer in North America, Andersen is a strong advocate for advancing sustainable practices in wood sourcing and utilization.

Andersen was the first of the top ten U.S. window manufacturers to obtain Forest Stewardship Council® (FSC®) Chain-of-Custody (FSC-C016636) in 2008*, a certification that means that every stage of the supply chain, from sourcing to production to distribution, uses wood from responsibly managed forests. Ask about our FSC certified materials.

ANDERSEN
PURCHASES
MORE THAN
ONE
MILLION
BOARD FEET OF
FSC®-CERTIFIED
WOOD EACH YEAR.



We also make a point of regularly visiting our wood suppliers and participating in forest tours to confirm that responsible practices are being followed on the ground.



LEADING IN PRODUCT TRANSPARENCY

In 2015, we were proud to be the first in our industry to publish an Environmental Product Declaration for our Renewal by Andersen® double-hung window. We intend to continue expanding transparency around the impact of our produc



100%
of new direct suppliers are screened using environmental, labor practices and human rights criteria, as well as for criteria evaluating impacts on society.

OPERATING RESPONSIBLY THROUGHOUT OUR SUPPLY CHAIN

In accordance with our values, Andersen upholds individual human rights in all of our operations, and we expect the same from all of our business partners. This means providing reasonable working hours and fair wages, and promoting the health and safety of everyone who works on our behalf.

We visit our Tier 1 direct suppliers on an annual basis to review working conditions and environmental and human resources practices. Andersen has a zero-tolerance policy for the use of child or forced labor or human-trafficking practices.

IN OUR Operations

2015 SUSTAINABILITY REPORT

As the largest window and door manufacturer in North America, we strive to set the bar for environmental and social responsibility higher every year.

Sustainability is in our nature at Andersen. Our culture of conservation, collaboration, and continuous improvement permeates across our operations. We continuously seek new ways to reduce our environmental footprint while maximizing our positive impact on the world around us.

Our Footprint



- Our Bayport, MN, plant is our only site that is adjacent to protected land
- Operations sites not adjacent to protected lands

In late 2015, Andersen set new corporate goals to reduce solid waste, energy and water use by 20 percent per unit of product by 2020, using 2013 as a baseline. We were the first major window and door manufacturer to establish public sustainability goals.

Declaring public goals was an important step in solidifying our intention and commitment to “walking the walk” within our own four walls. We are now in the process of building a plan to achieve our goals by identifying projects and investments at each of our facilities.



CERES CLIMATE DECLARATION

Andersen was proud to be one of the first major building product manufacturers to sign the **Ceres Climate Declaration**. With growing consensus that climate poses near- and long-term threats to the environment, communities and business, signing the Declaration affirms our intention to be part of the solution by providing energy efficiency solutions that reduce the carbon impacts of buildings.

“TACKLING CLIMATE CHANGE IS ONE OF AMERICA'S GREATEST ECONOMIC OPPORTUNITIES OF THE 21ST CENTURY. (AND IT'S SIMPLY THE RIGHT THING TO DO.)”

— CERES CLIMATE DECLARATION



“We are proud to help advance a clean energy economy through the energy efficiency solutions we provide for our customers, and the commitment we have made to increase access to clean, renewable power in Minnesota. We are also proud to have selected allies that have agreed to establish site management practices that benefit pollinators and other wildlife. Community solar projects are truly a win for people, the planet, and our economy.”

— Eliza Clark, Director of Sustainability and Environmental

SOURCING CLEAN ENERGY

We are also working to significantly expand our renewable energy portfolio. In late 2015, we signed agreements with community solar developers to subscribe to up to 19 megawatts (MW) of solar power through the Xcel Energy Solar*Rewards Community® solar garden program.

In addition, the heating and cooling of our 2.5-million-square-foot Bayport, MN, manufacturing plant is powered by our award-winning steam plant. The plant's primary boiler is fueled by sawdust collected from on-site milling operations. To minimize fuel consumption in the plant, we also capture thermal energy from the power plant located just upstream on the St. Croix River.

IN OUR OPERATIONS

ENVIRONMENTAL STEWARDSHIP

in our
nature

For more than a century, our company headquarters have been adjacent to the banks of the St. Croix—a federally protected National Wild & Scenic River. This connection instills an unyielding respect and appreciation for the irreplaceable value of nature. Our commitment to environmental stewardship is truly In Our Nature and has not wavered as our operations have expanded across North America.



RECOGNIZING ACHIEVEMENTS IN SUSTAINABILITY

Andersen's inaugural Chairman's Sustainability Award, added in 2015 to complete the suite alongside Safety and Quality, went to our Storm Door business in Des Moines, IA. The site's LED relighting project reduced energy consumption by more than 20 percent in one year. The amount of energy saved is enough electricity to power nearly 475 average homes in Iowa per year. The project also improved the work environment, both in terms of safety and enhanced product quality—a true triple-bottom-line success story.



TEN YEARS OF THE ENVIRONMENTAL SUMMIT

Our environmental site liaisons from across the business gather every year to share best practices and celebrate progress. In addition to the relighting project highlighted above, our Corporate Administrative Office was recognized for implementing an organics recycling program. About 50 percent of the site's waste stream is comprised of compostable material.

50%

**OF THE OFFICE SITE'S WASTE
STREAM IS COMPRISED OF
COMPOSTABLE MATERIAL.**



SUPPORTING POLLINATORS

In 2015, Andersen proudly signed a regional Pollinator Pledge to commit to restoring a pollinator-friendly habitat at our Bayport, MN, facility. The pledge is a collaborative effort among federal agencies, businesses, nonprofits and others.

We also launched a campaign to educate employees about how to create pollinator-friendly yards at home, and actively supported new legislation in Minnesota that creates a voluntary standard to support foraging-friendly habitat in community solar gardens.

SUSTAINABLE FLEET MANAGEMENT

Andersen is committed to reducing the environmental footprint involved with transporting our products and materials. We work across our commercial and private fleet to improve fuel efficiency and reduce the impact of our transportation operation.

We have participated in the Environmental Protection Agency's SmartWay® Transport Program since 2008. The program is a unique collaboration between EPA and the freight sector designed to improve energy efficiency and security while reducing pollution.



IN OUR OPERATIONS

SOCIAL RESPONSIBILITY

At Andersen, our employees' safety and well-being have been top priorities throughout our history. Whether in production, the office or on the road, addressing safety, ergonomics and health helps enable our employees to perform and play at their best.



EMPLOYEE ENGAGEMENT

We also understand the value of strengthening our employees' connection to their communities and the natural environment. We offer many different opportunities for employees to step outside their daily routines, connect with nature and expand their understanding of the impact of our actions as a business and as individuals.



TEN YEARS OF A+ HEALTH

Andersen is committed to doing more than building better windows and doors. We're also building a healthy workplace. That's why we're pleased to offer A+ Health, a free program to make getting and staying healthy easy, fun and more rewarding. A+ Health is our way of making health a priority at Andersen.



Since we hosted our first worksite health screenings and health assessment questionnaire in 2005, the A+ Health program has grown as our company has grown. We've introduced new programs and resources, expanded the program to more employees and, most recently, launched A+ Health Rewards, an incentive program to encourage participation and help employees lower their out-of-pocket health care expenses.

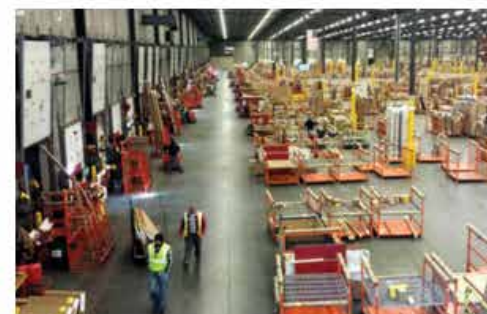
SAFETY



**PROMOTE A CULTURE THAT
RECOGNIZES AND ADDRESSES THE
IMPORTANCE OF SAFETY**



**COLLABORATE WITH EMPLOYEES TO
CONTINUOUSLY IMPROVE SAFETY
PERFORMANCE THROUGH ENHANCED
ACCOUNTABILITY AND OWNERSHIP**

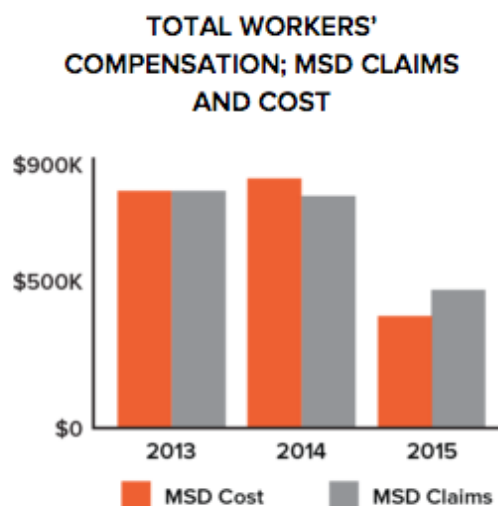


**PROVIDE A WORKPLACE THAT IS FREE
OF RECOGNIZED HAZARDS**

FIT FOR WORK

In 2015, our Corporate Safety and Disability Management team introduced a proactive injury prevention program with the goal of supporting a healthier, more productive workforce while engaging employees and reducing costs. This popular program, Fit for Work, focuses on addressing employees' physical symptoms and ailments prior to them becoming a personal or occupational injury.

Fit for Work has significantly reduced injuries associated with muscular skeletal disorders ("MSDs") by addressing workplace risks and exposures primarily associated with strains, sprains, material handling and ergonomic activities.

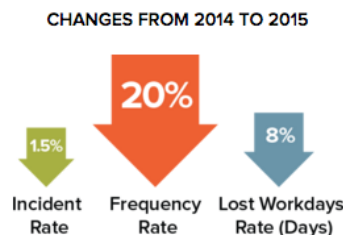


TEN YEARS OF A+ HEALTH

Our Disability Management team was restructured in 2015 to improve the process of enabling a safe and productive return to work for our employees following a personal or work-related disability. By providing a quality return-to-work program that emphasizes the employee experience, we've observed healthier and more productive and engaged employees. This work has resulted in a better outcome for our employees and reduced workers' compensation costs.

SAFETY PERFORMANCE PROFILE

At Andersen, we take pride in continuously improving our safety program and results. While our incident rate performance has remained static in recent years, a deeper analysis reveals notable progress in several important areas of safety performance management, including a significant reduction in accident severity, as measured by employee days lost from work or frequency of restricted work activity.



IN OUR OPERATIONS

ECONOMICS AND ETHICS

Our values are reflected in our products, our practices and our culture. Our shared commitment to community and environmental stewardship is unyielding. Because we know that the decisions we make today will affect the sustainability of our business for future generations.



THE VIRTUOUS CYCLE: OUR LONG-RANGE VIEW ON BUSINESS SUSTAINABILITY

A CONVERSATION WITH CHIEF FINANCIAL OFFICER PHIL DONALDSON

What are some of the key benefits of being a privately held company?

It all starts with a long-term commitment to our bedrock values of integrity, corporate citizenship, partnership, innovation and excellence. Our shareholders include the family whose name is on the door, our employees and the foundation which also shares the company name. They are true stakeholders who share our values, our commitment to excellence and our ultimate goal of ensuring the sustainability of the business for future generations. Being privately held also provides important competitive advantages. In addition to protecting the confidentiality of our financial information, we build strong and lasting relationships with our employees, lenders, customers and suppliers—all of whom appreciate their connection to a company who lives up to its values.

What are the guiding principles that drive growth in Andersen shareholder value?

It begins with everyone in our company thinking like owners. Like all businesses, Andersen is first and foremost an economic engine. We are squarely focused on delivering superior products that delight our customers. And if we do that better and better each year, we generate enough profits to share our success with employees, to invest capital to spur innovation and expansion, and to fund our other financial obligations. This is the “virtuous cycle” that fuels our business growth.

What does the triple-bottom-line mean at Andersen?

The triple-bottom-line is a lens we use every day to make critical decisions for the business. We never think about the profit dimension of decision-making without also considering how those

choices will impact people and, when relevant, the planet. This was especially the case as we faced difficult decisions during the Great Recession. Even in the leanest times, we never abandoned our values of community and environmental stewardship.

What is unique about Andersen's approach to corporate philanthropy?

Our spirit of stewardship goes all the way back to our founders, Hans and Fred Andersen, and has been carried forward with each successive generation of family, shareholders, employees and leaders. Our culture attracts talented people with a drive to make a positive impact. This shared commitment propels our collective quest for excellence—to do our best every day, and to represent our values in the way we live our lives inside and outside of the office.

We also provide financial support to the community in several unique ways. In addition to funding important nonprofit relationships through corporate giving and the Andersen Corporate Foundation, cash from the company funds the philanthropy of the Fred C. and Katherine B. Andersen Foundation, and other Andersen-related foundations. These unique dimensions of our business structure add depth and reach to how we support and enrich our communities.

Why is profit sharing important to the history and future of Andersen?

It is only through the ingenuity and sweat of all employees working together that our

company can be successful. Profit sharing at Andersen began before there was Social Security, pensions or 401(k) plans, and was only suspended briefly during the Great Depression and Great Recession. The commitment underscores our belief that a company with a culture built on shared values and accountability—and a giving spirit—can move mountains.

Why has sustainability reporting emerged as a priority for Andersen?

Sustainability reporting aligns perfectly with our values and decades-long legacy of environmental stewardship. We also have a long history of providing rigorous, transparent financial reporting to our shareholders, board and financial institutions. Sustainability reporting is a very natural extension of that transparency, and we hold it to the same standards of excellence.

Does a changing environment pose economic risks to the business moving forward?

We live in a world that is constantly changing—whether through economic cycles, political influences, natural resource scarcity or climate change. As leaders in the energy efficiency business, we have both a responsibility and an opportunity to invest in improving the energy solutions we provide to our customers, and in reducing our own energy and carbon footprint. We also must practice good enterprise risk management to steer our decisions and investments for the future.



Code of Ethical Business Conduct

Integrity is one of our core values at Andersen. Every employee has a responsibility to live up to the high ethical standards for which our company is known. Learn more in our Code of Ethical Business Conduct.

IN THE Home

2015 SUSTAINABILITY REPORT

As the largest window and door manufacturer in North America, it is our responsibility to produce durable products that help our customers reduce energy consumption and emissions, lower utility costs, and improve personal health and well-being.

We take a lifecycle approach to sustainable product development. This means we evaluate the environmental inputs and outputs that occur over the course of a product's life—from raw materials extraction to end-of-life—and work to identify ways to reduce or avoid negative environmental impacts wherever possible.



For the fifth consecutive year of its Readers' Choice Awards, Green Builder magazine readers ranked Andersen® windows and doors as the greenest brand among window and door manufacturers in North America.



Andersen is proud to have been named 2016 ENERGY STAR® Partner of the Year for its ongoing commitment to sustainability. See our other awards and certifications.

ENERGY EFFICIENCY

Andersen® products play an important role in contributing to energy-efficient, green buildings. The building sector is the largest contributor to global greenhouse gas (GHG) emissions and offers the greatest opportunity in reducing those emissions. Energy consumption in buildings can be reduced by 30 to 80 percent using proven and commercially available technologies.

Andersen is proud to offer a wide array of ENERGY STAR® certified windows, including our triple-pane-glass options.



SMART AND SUSTAINABLE

Recognized for Innovation

Innovation drives the smart-home technology that is integral in today's green buildings. Andersen Corporation was named a Consumer Electronics Show 2016 Innovation Awards Honoree for our VeriLock® integrated security sensors in the Smart Home product category, including our triple-pane-glass options.



VERILOCK® SECURITY SENSORS

Green Building Certifications

As a charter member of the U.S. Green Building Council, we are active supporters of certified green buildings. Our products can help customers achieve certifications such as Leadership in Energy and Environmental Design (LEED), the National Green Building Standard, Green Globes, GreenStar and more.

First in Indoor Air Quality

Andersen was the first window manufacturer to certify our products for indoor air quality, beginning in 2008. Our Indoor Advantage™ Gold certification by SCS Global Services meets the rigorous high standard for healthier indoor air quality set by the California 01350 specification.

Dedicated to Durability

Durability is a key focus and differentiator in our product design. We are committed to providing customers with products that last. Andersen rigorously tests products to stand up to the long-term effects of weather and wear. In addition, we offer long product limited warranties, and even continue to have service parts and hardware available for windows and doors after the warranty has ended.



Corporate citizenship has been one of our core values throughout our history. This value embodies our long-standing commitment to leadership in environmental stewardship and making a positive impact in the communities in which we live and work.

We are committed to supporting those communities through employee volunteerism and donation of funds and products. As just one example, in 2015, Renewal by Andersen donated and installed 42 energy-efficient windows at Opportunity Partners' Jorgensen House in Minneapolis, MN, a home for adults with developmental disabilities.



75TH ANNIVERSARY OF THE FOUNDATION

This year marks the 75th anniversary of the Andersen Corporate Foundation. The Foundation's mission is to better people's lives and strengthen communities, focusing primarily where Andersen employees live and work.



KEY CORPORATE RELATIONSHIPS

Andersen works with leading nonprofits to support sustainable forestry, affordable housing, energy efficiency and sustainable communities. We prioritize organizations that seek to solve a specific environmental issue while engaging key stakeholders. We believe collaboration is vital to identifying solutions to today's global challenges.



YELLOWSTONE NATIONAL PARK



In 2015, Andersen expanded our work with the Yellowstone Park Foundation, building on prior energy efficiency successes with the Lamar Buffalo Ranch and the Mammoth Hot Springs Clinic projects.



Andersen donated windows to the new employee residence in the Old Faithful area of the Park—a LEED Platinum® building, which is the highest level of green building certification offered through the U.S. Green Building Council's Leadership in Energy and Environmental Design™ rating system.



ECO VILLAGE

Last year also marked the completion of St. Croix Valley Habitat for Humanity's Eco Village—18 LEED Platinum, net zero homes located in River Falls, WI. This inspiring relationship illustrates how to make net zero buildings affordable, and how to achieve a vision of a truly sustainable community.



EAGLES IN OUR BACKYARD

Our employees are passionate about natural resource and wildlife conservation. We are fortunate to have a pair of bald eagles that have built their nest high atop a majestic White Pine adjacent to our production facility in Bayport, MN. The pair has successfully raised two baby eaglets there every year since 2013. Our employees enjoy tracking the eagles' development on our internal live raptor cam.

**Product Websites**

andersenwindows.com
renewalbyandersen.com
stormdoors.com
silverlinewindow.com
americancraftsmanwindows.com

Corporate Headquarters

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Andersen
CORPORATION

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