



PotlatchDeltic®

2021

ENVIRONMENTAL, SOCIAL,
& GOVERNANCE REPORT

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ESG HIGHLIGHTS



LONG-TERM SUSTAINABLE FOREST MANAGEMENT PLANS INCORPORATE BEST MANAGEMENT PRACTICES

HARVESTED **3.8%** OF TIMBERLANDS, INCLUDING THINNING



23 Million SEEDLINGS PLANTED

FORESTRY PRACTICES **100% Third Party Certified**

PROTECTED ENDANGERED SPECIES AND PROMOTED BIOLOGICAL DIVERSITY



PROTECTED **5,100** MILES OF RIVERS AND STREAMS

RENEWABLE ENERGY **43%** OF TOTAL USED AT FACILITIES



FOCUSED ON DIVERSITY AND INCLUSION



WOMEN CONSTITUTE **30%** OF OUR TOTAL SALARIED ROLES



WORKFORCE DEVELOPMENT

OUR WOOD PRODUCTS TCIR IS **1.8**
OUR SAFETY ASPIRATION IS **ZERO** INCIDENTS



VPP STATUS AT **4 of 7** FACILITIES

CONNECTED TO OUR COMMUNITIES



NEARLY ALL TIMBERLANDS AVAILABLE FOR PUBLIC ACCESS OR LEASING



INDEPENDENT BOARD OF DIRECTORS



33% WOMEN DIRECTORS

ESG Governance INCORPORATES CROSS-FUNCTIONAL TEAMS AND BOARD OVERSIGHT



COMPREHENSIVE POLICIES REFLECT OUR HIGH STANDARDS AND ETHICS

ENTERPRISE RISK MANAGEMENT FRAMEWORK, INCLUDING CLIMATE RISKS



ONGOING STAKEHOLDER ENGAGEMENT

PUBLIC ADVOCACY AND PARTICIPATION IN **Over 30** RESEARCH ORGANIZATIONS AND COALITIONS

CARBON AND CLIMATE

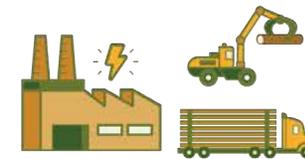


-7 Million METRIC TONS CO₂e SEQUESTRATION



-4.9 Million METRIC TONS CO₂e

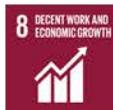
SCOPE 1, 3 CARBON REMOVALS AND STORAGE



+2.6 Million METRIC TONS CO₂e

SCOPE 1-3 GHG EMISSIONS

CORE UNITED NATIONS SDGs



SUPPORTED UNITED NATIONS SDGs



TO OUR STAKEHOLDERS



“We have made tremendous progress with our ESG efforts over the past couple of years. I am very proud of our ESG focus and the ESG accomplishments we have achieved thus far. We continue to expand our ESG disclosures, and elevated ESG through the creation of a Chief ESG Officer position. Our employees and the Board of Directors are fully engaged with our ESG initiatives.”

Eric J. Cremers
President and Chief Executive Officer
PotlatchDeltic

The past few years have reinforced my belief that we are in a time of transition and that it is important for us to consider where the transition could take us while also continuing to deliver results each day. The U.S. is seeing increasing wildfire frequency and severity in the West and unusual weather events impacting operations. We are adapting to mitigate these risks with the resilience we have developed in over 100 years of operations. In addition, seismic shifts are happening to the workplace, with technological advances, the influence of what is being called “the great resignation,” and the increased importance of the human experience, with the Covid-19 pandemic accelerating the changes. As a result, the expectations of consumers, employees, and investors towards our environmental, social and governance responsibilities are also changing.

Given these changes, we recently revisited our mission and values, conducting third-party interviews and workshops across the organization. The exercise provided valuable feedback on what our employees like about the Company and where we can improve. But the results also made it

clear that our ESG commitments already are fundamental to our corporate culture and have been embedded in our Company for a long time. These values – safety, inclusion and respect, integrity, environmental stewardship, operational excellence, and community – are at the core of what we do and they guide us every day.

We are focused on building sustainable shareholder value, and we recognize that also includes building a foundation for improving lives and the planet. Sustainable timberland management fosters healthy forests and benefits air, water, and wildlife. The lumber and plywood we manufacture become part of the homes built and homes renovated across America – creating more than just shelter. Our timberlands and wood products are nature-based solutions to climate change through carbon removals and storage. We strive to make our employees feel that they are part of an inclusive and supportive culture, and we provide training and development and comprehensive benefits. We continue to develop our diversity and inclusion strategy, including increasing the diversity of our executive team and our Board



of Directors. We value the communities where we live, work, and play and support them through the multiplier effect of taxes, wages, and purchased goods and services, and through volunteering and charitable contributions.

We are committed to continuing to meet the ESG expectations of our stakeholders and to respond to the transition underway through continuously improving our systems, policies, and approaches. I believe that we are well positioned to face the challenges of climate change and that we can benefit from policy and market opportunities associated with the role of forests and wood products in nature-based climate opportunities.

A handwritten signature in black ink that reads "Eric J. Cremers". The signature is fluid and cursive.

Eric J. Cremers



Anna Torma
Vice President, Public Affairs
and Chief ESG Officer
PotlatchDeltic

We have made great progress on our ESG journey in the last year and have included significant additional disclosures in our 2021 ESG Report, allowing us to prepare this report with reference to the Global Reporting Initiative (GRI) standards.

In 2021, we dedicated additional resources to ESG reporting and initiatives and to measure and manage our carbon footprint in alignment with the greenhouse gas (GHG) protocol. As a result, we have included disclosures on scope 1-3 greenhouse gases, and we have aligned our land-based carbon removal and storage calculations with expected protocols and industry peers. In addition, we expanded information on our value chain and on our energy and waste process flows. In our Social disclosures, we included additional data on our employee diversity, and we expanded our employee benefits. In Governance, we provided additional information regarding our taxes, cybersecurity, and PotlatchDeltic PAC contributions.

We continue to strengthen our systems and policies and expand our reporting within ESG frameworks. This past year we responded to the CDP Forests questionnaire and updated our Forest Stewardship Policy. In addition, we are proud to be included this year in Newsweek's America's Most Responsible Companies 2022 list.

In 2021, our impact on carbon removals and storage was 4.9 million metric tons of CO₂e (Scope 1 and Scope 3) with

greenhouse gas emissions of only 2.6 million metric tons of CO₂e (Scope 1-3). We planted 23 million seedlings and obtained third-party re-certification of our forestry practices. We continued our work promoting biodiversity and protecting water quality. At our wood products facilities, we obtained third-party re-certification of our chain of custody/procurement for wood used at our facilities and completed several projects that improved resource efficiency, water quality, or waste reduction.

We added several new employee benefits, expanding leave programs to include paid parental leave for all employees and introducing a flexible work policy. Our safety performance in terms of incident rate and severity rate was outstanding in 2021 with a record-low injury severity rate and two-year anniversaries without recordable incidents at our Bemidji, Minnesota and Waldo, Arkansas wood products facilities. We continued to implement our contractor health and safety and ESG management system using a leading contractor and supplier management platform. Our communities continued to be a focus through our charitable giving, and we increased our contributions for 2022 by over 60%.

Our business units engaged in significant ESG education and training, and we continue to work to embed ESG into the organization. For example, ESG analysis is now incorporated into capital expenditure decisions and managers have included ESG in their individual 2022 performance goals. We formed Carbon and Climate Teams throughout the organization that are evaluating opportunities for greenhouse gas and other reduction strategies.

Significant effort is also underway working with our partners and industry associations on both the forest and wood products side. The National Council on Air and Stream Improvement (NCASI) is developing a greenhouse gas calculation tool for wood products on which we have been providing feedback. We continue to work with the National



Alliance of Forest Owners (NAFO) and American Wood Council (AWC) on resources to support climate-related policy initiatives surrounding forests and wood products.

We are updating the ESG section of our website to complement our reporting, and we look forward to publishing our inaugural Climate and Carbon Report later this year. The analysis and report will have Board oversight and will be in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The report will examine our climate-related risks and resilience as well as our opportunities under different climate-related scenarios. It will also highlight the importance of our role as a nature-based solution in the transition to a low-carbon economy.

PotlatchDeltic has a strong ESG story, and we are committed to do our part to mitigate climate change and continue our legacy of responsibility across the ESG spectrum.

Anna Torma

OUR APPROACH

Sustainably manage our assets, value our stakeholders and the communities where we operate, and be a good corporate citizen.

Our environmental commitment, the relationships we have with employees, the independence and oversight of our Board of Directors, the positive impact we have in our communities, and our public advocacy can have a profound impact on our success in maximizing a range of values for our stakeholders. We recognize that these environmental, social and governance factors are the foundation for our long-term success.

The purpose of PotlatchDeltic's 2021 ESG Report is to provide our stakeholders with an understanding of our priority ESG topics. It reflects our commitment to provide transparency and accountability of our ESG practices, performance, and goals. Our Report outlines our approaches, policies, practices, and results, and highlights some of our "material" ESG topics through case studies. We report on ESG annually and update you on our progress, on ESG related changes in our business and operating environment, and on our initiatives.

Our ESG approach reflects our commitment to continue to focus on areas where we can enhance our disclosures, procedures, and key performance metrics. Our analysis and benchmarking also help us to identify issues where we could improve and position us to develop harmonized action plans that are linked to our strategic objectives. These measures can range from initiatives related to diversity, training, suppliers, and employee engagement or can involve plans to further reduce our environmental impacts. The approach is embedded within a strong governance framework with Board oversight, broad management involvement, and cross-functional working groups.

ENVIRONMENTAL RESPONSIBILITY



- *Sustainable Forest Management*
- *Biodiversity and Conservation*
- *Air, Water, Energy and Waste*
- *Climate Change*

SOCIAL RESPONSIBILITY



- *Employees*
- *Workforce Development*
- *Health and Safety*
- *Communities*

RESPONSIBLE GOVERNANCE



- *Ethics and Legal Compliance*
- *Stakeholder Engagement*
- *Risk Management*
- *Public Advocacy*

Our 2021 ESG Report covers January 1, 2021, to December 31, 2021, unless otherwise stated and complements our 2021 Annual Report on Form 10-K, our 2022 Proxy Statement, and material available on our website at www.PotlatchDeltic.com. We report our ESG performance informed by and referencing frameworks such as the Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and Global Reporting Initiative (GRI). We have incorporated our

support of the United Nations Sustainable Development Goals (UN SDGs) into our report, highlighting some key areas of alignment. In addition, we report under the CDP disclosures for forests. Our 2021 ESG Report has been prepared in alignment with SASB, which utilizes industry-specific standards to identify, manage and communicate relevant sustainability information to investors and with reference to the GRI standards.

VALUE CREATION PROCESS

We deliver a range of sustainable economic, social, and environmental values for our stakeholders and strive to do our part to help the planet for future generations. We are proud of the resources that we produce, the values we exemplify, and the contributions that our team members make every day.

Our timberland management promotes clean air and high water and soil quality, while providing biodiversity and wildlife habitat. Our timberlands also provide abundant recreational opportunities for our communities. Keeping forests healthy includes thinning southern timberlands as they grow and harvesting trees at optimal ages. Contractors in our timberland supply chain include harvesting operators and log haulers as well as contractors who provide H-2B temporary labor to plant seedlings that enable us to manage our forests on a sustainable basis.

The fiber from these harvests flow both to our wood products facilities and to other wood products and pulp, paper, and packaging producers. Our efficient wood products facilities manufacture lumber and plywood which is used in residential construction and industrial plywood applications. Through this process we support our employees with competitive benefits and wages and provide opportunities for training and development. Our wood products supply chain includes purchased goods, the use of contractors for maintenance and

other electrical or general work, and the purchase of utilities including water, electricity, and natural gas. Our downstream supply chain includes distribution to wholesalers, distributors and ultimately to consumers for their use. Our products are graded to meet performance standards and building code requirements.¹ The taxes, wages, and fees we pay strengthen the economic growth of our local communities, further aided by our charitable giving and initiatives.

Our forests and wood products are a natural climate solution, removing carbon from the atmosphere and storing it in lumber and plywood. Responsible forest management enables construction using wood, which acts as a carbon vault and can substitute for materials that are more emission intensive. Most importantly, the homes built with our lumber provide much more than just shelter – they are the foundation for peoples’ lives.

VALUES

Safety	Inclusion & Respect	Integrity	
Operational Excellence	Community	Environmental Stewardship	

MISSION



To Grow and Produce the Resources that Build a Foundation for Our Lives and Improve the Communities Where We Live, Work, and Play



“Unlocking the Value of Our Land”

PotlatchDeltic (Nasdaq: PCH) is a timber Real Estate Investment Trust (REIT) headquartered in Spokane, Washington with \$4 billion enterprise value and \$1.3 billion economic value generated and distributed (cash distributions to our stakeholders, including capital expenditures) in 2021.² We operate in three business segments: Timberlands, Wood Products, and Real Estate. PotlatchDeltic was founded in 1903 and has a long legacy of excellence in timberland management. Our high-quality

timberlands are managed on a sustainable basis and our forestry practices are 100% third-party certified. We are a leading lumber producer in the U.S. and our facilities focus on responsible manufacturing and on resource efficiency. We unlock the value of our lands that have a higher and better use than timberland management and continue to grow our timber base. We provide economic benefit to the communities in which we operate and solid returns to our shareholders.



GROWING & HARVESTING TREES SUSTAINABLY



BEING PART OF THE SOLUTION TO CLIMATE CHANGE



MANUFACTURING LUMBER & PLYWOOD



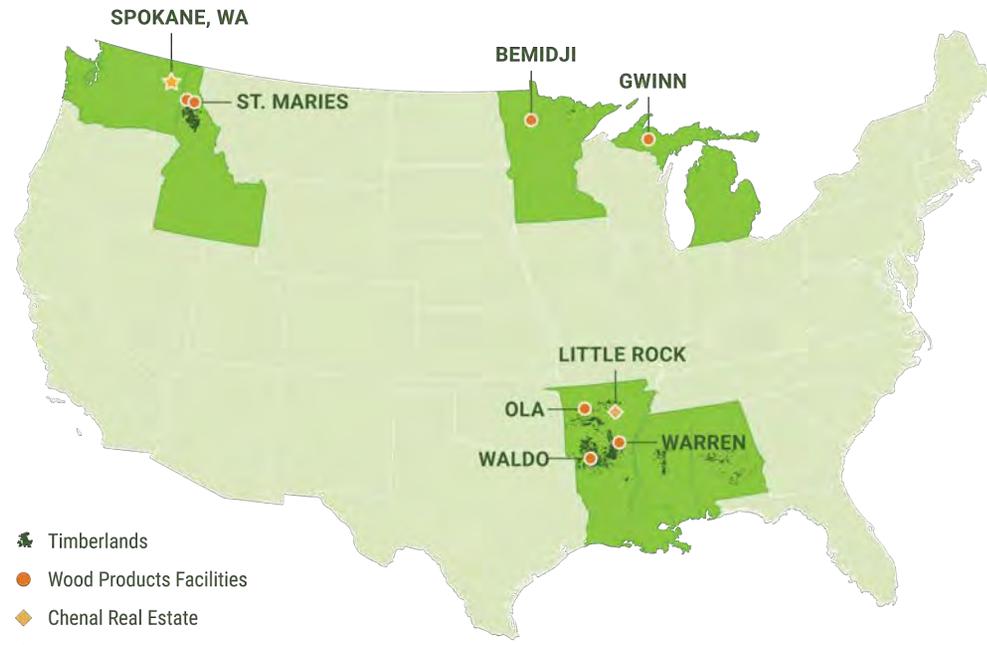
SELLING DEVELOPED & RURAL LAND

1.8

Million Acres of Timberland

7

Manufacturing Facilities that Produce Lumber and Plywood



- Headquarters
- Timberlands
- Wood Products Facilities
- Chenal Real Estate

TIMBERLANDS

In 2021, our northern timberlands consisted of approximately 626,000 acres in northern Idaho and 11,000 acres in Minnesota. Our Idaho timberlands are among the most productive Pacific Northwest timberlands east of the Cascades. High value sawlogs represented 90% of our Idaho harvest volume and we indexed about 75% of our Idaho sawlogs to the price of lumber. Our southern timberlands consisted of over 1.1 million acres located across four states - Arkansas, Mississippi, Alabama, and Louisiana. Our integrated operating model provides a natural hedge against sawlog prices that remain below long-term trend levels. PotlatchDeltic benefits from a strong customer base near our timberlands and proximity to major housing markets.



REGION	STATE	ACRES ³ (Thousands)
	IDAHO	626
	MINNESOTA	11
NORTHERN		637
	ARKANSAS	950
	MISSISSIPPI	98
	ALABAMA	87
	LOUISIANA	31
SOUTHERN		1,166



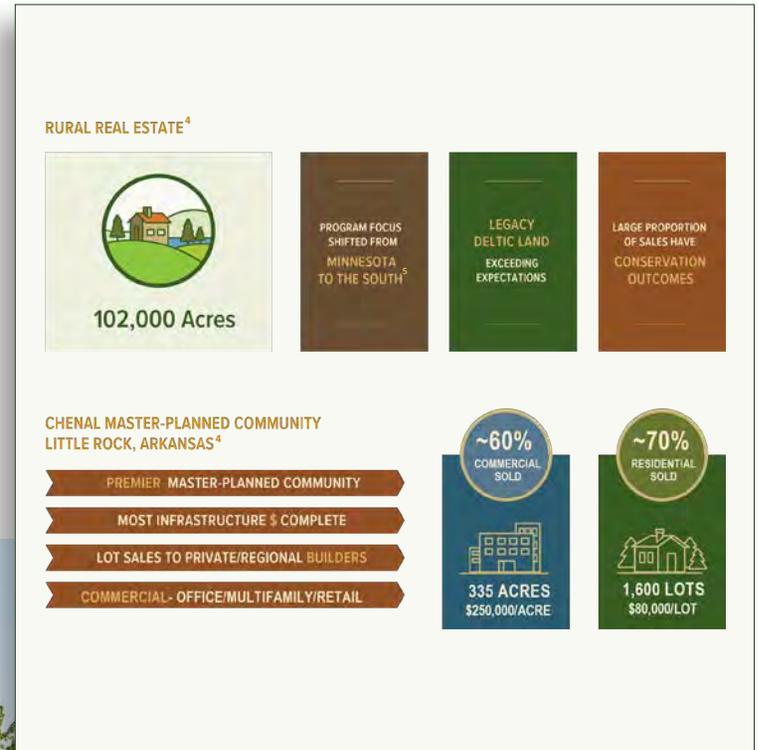
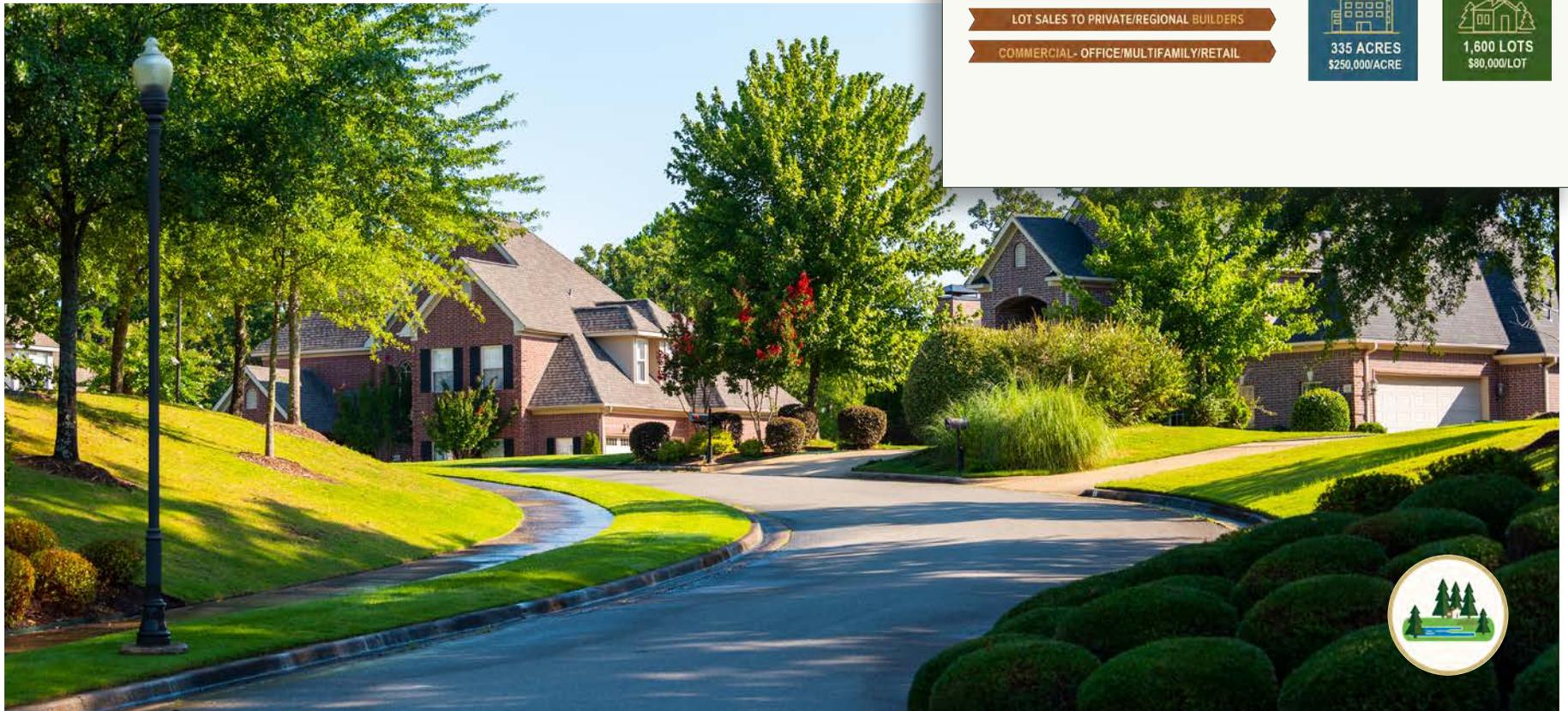
REAL ESTATE

Rural

Some of our holdings have a higher or better use than timberland or are no longer strategic. We have currently identified 102,000 rural acres that we intend to sell over time at a significant premium to timberland value.

Development

We own two exceptional real estate development projects located in Arkansas – Chenal Valley located in West Little Rock and Red Oak Ridge in Hot Springs. Residential lots are mostly sold to private and regional builders. Commercial acres are sold for office, multifamily, senior living, churches, or retail end uses.



WOOD PRODUCTS

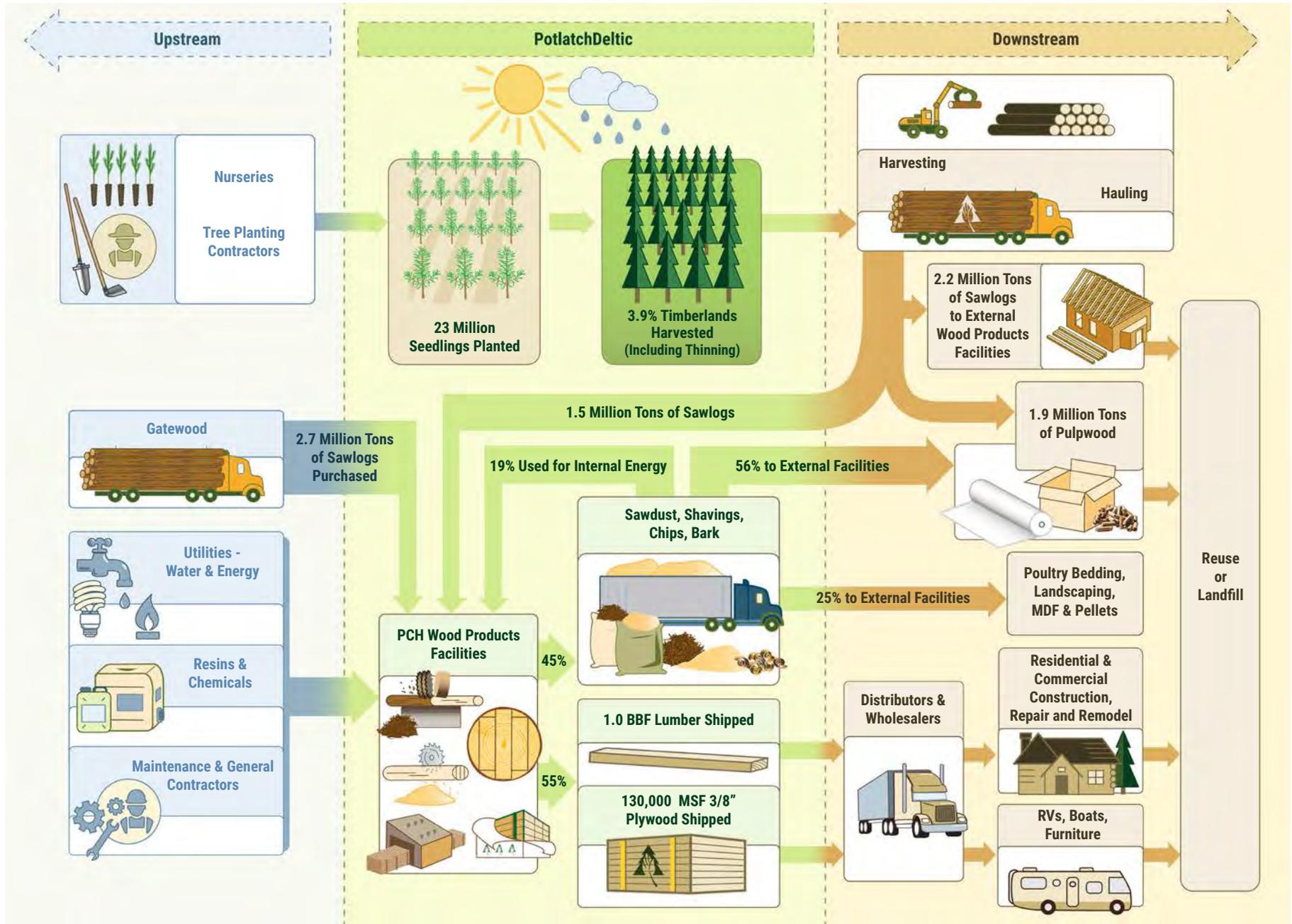
PotlatchDeltic is a top ten lumber producer in the United States, utilizing timber sourced from our sustainably managed forests to meet about half of our fiber needs. We make ongoing investments in our wood products facilities to increase productivity and efficiency. For builders and distributors alike, we produce a wide array of lumber products at our mills in Arkansas, Idaho, Michigan, and Minnesota with a focus on product reliability and a dedication to customer service. We also produce industrial grade and structural plywood at our St. Maries, Idaho facility.



REGION	FACILITY	CAPACITY ⁶
	ST. MARIES, IDAHO	185 MMBF
	BEMIDJI, MINNESOTA	140 MMBF
	GWINN, MICHIGAN	185 MMBF
	OLA, ARKANSAS ⁷	150 MMBF
	WALDO, ARKANSAS	190 MMBF
	WARREN, ARKANSAS	220 MMBF
LUMBER		1,070 MMBF
	ST. MARIES, IDAHO	150 MMSF
PLYWOOD		150 MMSF



OUR VALUE CHAIN

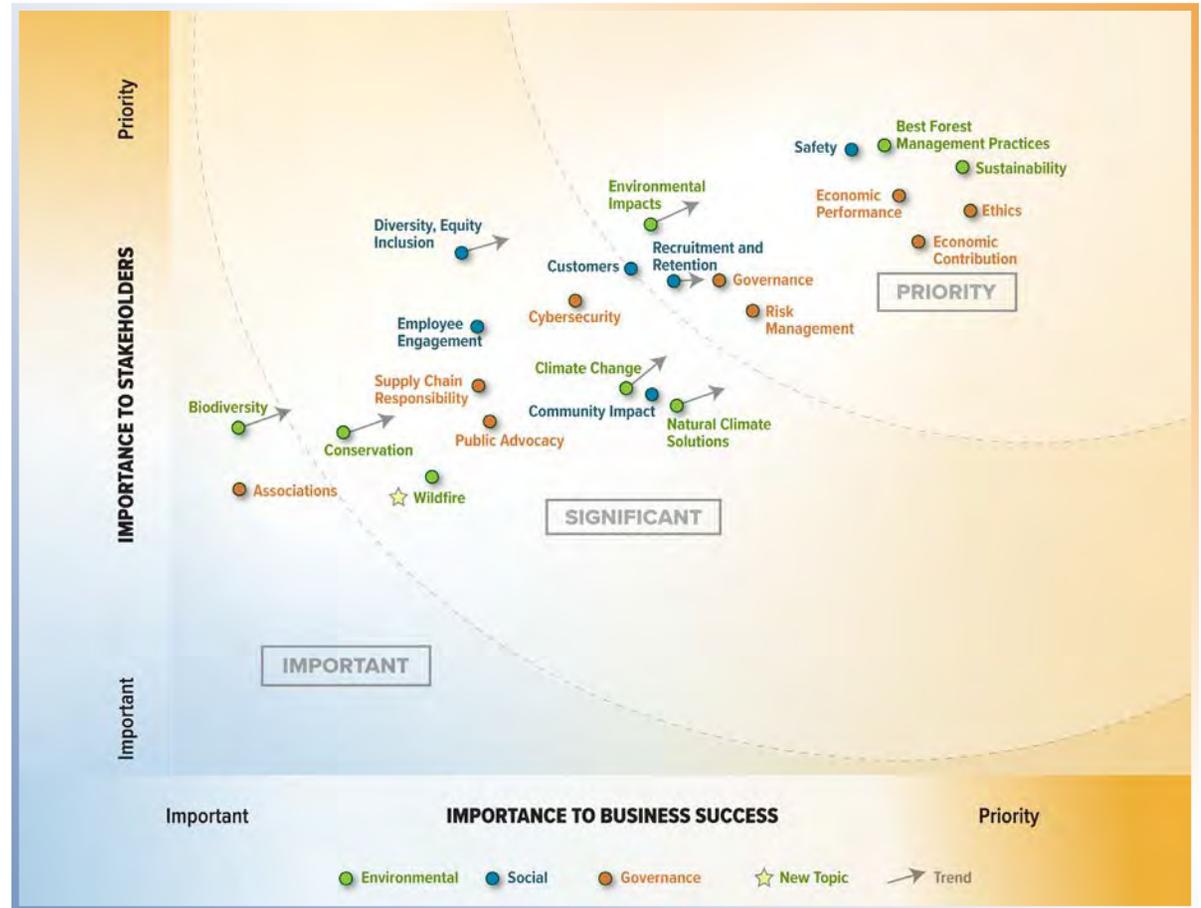


MATERIALITY ASSESSMENT

PotlatchDeltic conducts a materiality assessment every two years to identify the ESG topics deemed important to a broad range of internal and external stakeholders. The results of our ESG Materiality Assessment focus attention and transparency on the most important ESG topics, inform management of ESG issues, and assist with our ongoing alignment with UN SDGs, GRI, and other reporting frameworks. Our inaugural materiality assessment was completed in 2020 and we continually evaluate the importance of ESG topics through stakeholder feedback. We recently conducted interviews to assess potential ESG trends in ESG “material” topics or new emerging topics.

Our process for the materiality assessment began with the identification of a range of potential issues, followed by selected internal interviews to narrow the issues into topics. We then engaged with a broad range of internal and external stakeholders to identify the importance of each topic. The final phase consisted of interviews and analysis with members of the management team to prioritize the importance of each topic to PotlatchDeltic’s business success. The results were plotted on an ESG Materiality Assessment matrix which was then reviewed and approved by the ESG Working Group and ESG Management Group.

Several topics were identified as “priority, both in importance to stakeholders and in importance to our business success. These priorities align with our core UN SDGs. The topics Best Forest Management Practices and Sustainable Forest Management directly support our work towards UN SDG 15 – Life on Land, which is further supported by our efforts in Biodiversity and Conservation. Safety and Wellness, Economic



Performance, and Economic Contribution align with our initiatives supporting UN SDG 8 – Decent Work and Economic Growth. Direct Environmental Impacts are a key component of our work toward UN SDG 12 – Responsible Consumption and Production. Several other topics deemed “significant” also run parallel with our core or supported UN SDGs. Climate Change and Natural Climate Solution Strategies reflect the work we are doing in support of UN

SDG 13 – Climate Action. Government Relations and Public Advocacy, combined with the support of our Associations, are key to our work in UN SDG 17 – Partnerships for the Goals. The additional UN SDGs we support are reflected in many of the other topics that are important to both stakeholders and to our business success.

DEFINITION OF MATRIX TOPICS

Sustainable Forest Management

Ensuring proper forest planning for sustainable forest management, including inventory modeling, sustainable long-term harvest levels, replanting and forest certification.

Best Forest Management Practices

Maintaining legal adherence to local, state and federal environmental regulations. Following forest management rules and regulations and best management practices across our landscape, including logging methods, roads construction, stream protection, and herbicide use.

Biodiversity

Promoting a variety of landscapes to support balanced ecosystems and minimizing direct and indirect impacts on areas exhibiting high biodiversity value.

Conservation Initiatives

Recognizing and seeking permanent solutions to protect areas that have high conservation values through conservation easements or land sales to conservation organizations. Protecting species listed by the International Union for Conservation of Nature (IUCN) Red List and national conservation lists that have habitat in our operating areas.

Direct Environmental Impacts

Minimizing our environmental impact across our operations and mills. Complying with local, state and federal environmental regulations. Reducing energy use, air emissions, waste going to landfill and hazardous waste. Minimizing water use and water quality impact.

Climate Change

Minimizing our greenhouse gas intensity and evaluating technologies to provide energy or climate-related benefits. Establishing reduction or net zero targets.

Natural Climate Solutions Strategies

Assessing the potential risks and opportunities related to climate change on our assets and businesses. Considering new market opportunities such as carbon markets and the potential impact of innovations and advances in technology for new products like mass timber.

Diversity and Inclusion

Fostering a diverse and inclusive workplace. Accepting all employees without regard to their race, ethnicity, gender, age, education, ability/disability, sexual orientation, religious affiliation, and veteran and disabled veteran status.

Recruitment and Retention

Attracting, retaining, and developing talent through employee policies and practices related to employees, including industry education, internship opportunities, recruitment, and compensation. Utilizing practices to support employee advancement through regular performance assessments, apprenticeships, and support of training and education. Targeting recruitment and retention challenges in rural communities where we operate.

Safety and Wellness

Promoting the health and well-being of our employees through safe working conditions, flexible work options, work/life balance, and wellness initiatives. Ensuring compliance with health and safety regulations and maintaining a robust health and safety management system.

Community Impact

Benefiting our communities through engagement, charitable donations, encouraging volunteering, and enabling recreational access to our timberlands. Recognizing the integral role we play in the communities where we live, work, and play.

Customer Impacts

Striving for product quality, reliability, and excellence in customer service.

Supply Chain Responsibility

Establishing clear standards and practices for contractors, suppliers, and consultants to follow sound environmental practices, not violate human rights, abide by legal and regulatory requirements, promote fair employment conditions, and focus on health and safety.

Employee Engagement

Encouraging employee engagement and building a high-performing corporate culture.

Economic Performance

Managing risks through economic cycles given the Company's leverage to lumber and generating returns that exceed the weighted average cost of capital.

Economic Contribution

Providing economic benefits to stakeholders, including returning cash to shareholders and paying competitive wages.

Governance and Accountability

Implementing policies and practices to ensure stakeholder expectations meet, including the expectations of transparency and reporting. Promoting Board effectiveness.

Cybersecurity and Data Privacy

Protecting the confidentiality, integrity, and availability of electronic employee and third-party data through resources to secure against internal and external threats.

Ethics and Compliance

Ensuring training and policies are in place to promote ethical behavior, including a robust Corporate Conduct and Ethics Code, Human Rights Policy, and a Whistleblower Hotline. Creating a culture that has ethics as a core value.

Public Advocacy and Government Relations

Communicating regularly with local, state and federal elected officials and their staff regarding material issues. Influencing or supporting proposed policy, legislation, regulations, or rules through education, media, and lobbying.

Associations and NGOs

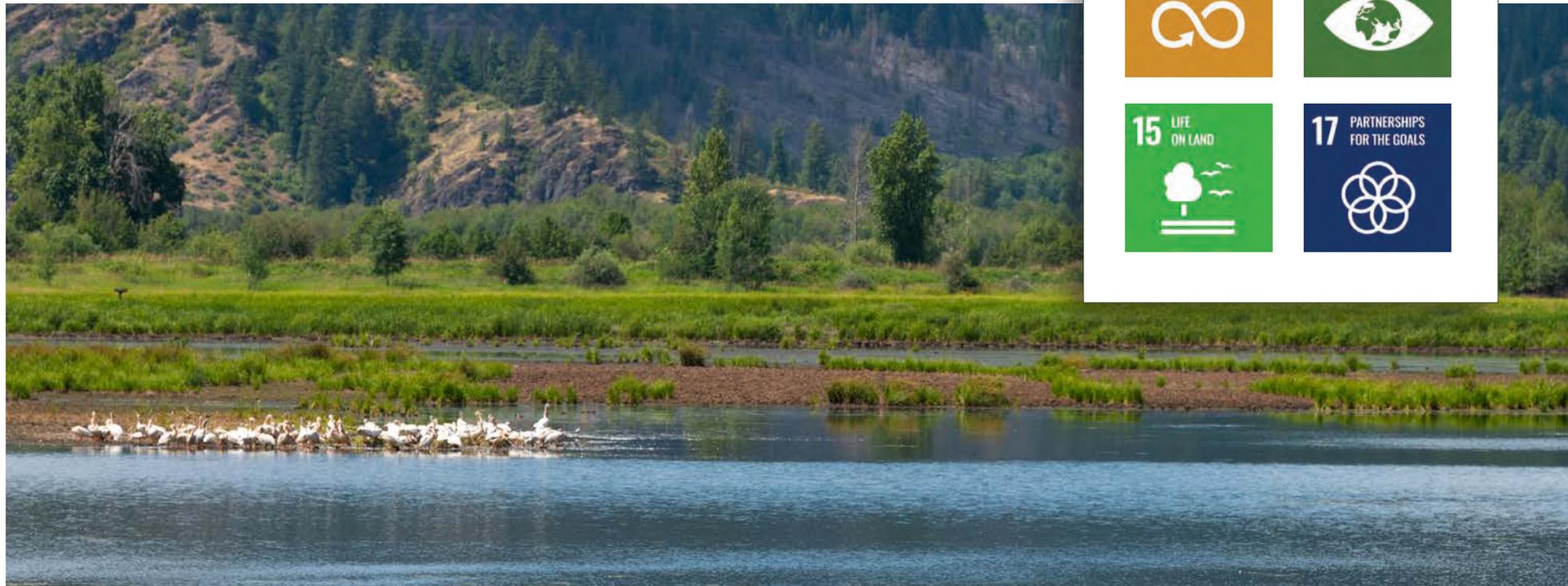
Encouraging involvement and partnerships with other organizations, including research organizations, industry associations, and universities. Promoting engagement and collaboration with NGOs.

Risk Management

Systematically evaluating and managing potential risks and inclusion of risk factors and opportunities (particularly related to sustainability topics) in business decisions. Taking steps to mitigate risks and capitalize on opportunities to protect the business and assets.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States in 2015. At its core are the [UN Sustainable Development Goals \(UN SDGs\)](#), which represent a global partnership between developed and developing countries to end poverty, protect the planet, and improve the lives and prospects of people everywhere. There are 17 UN SDGs with 169 underlying targets. The private sector has been asked to partner towards the successful achievement of the UN SDGs by identifying opportunities to incorporate them into business strategies. While PotlatchDeltic supports all the UN SDGs, we focus on the six core UN SDGs where we have the greatest impact. We also include an additional five goals that closely align with our policies and initiatives. In our ESG report, we highlight some of our work that reflects these international goals.



OUR CORE UN SDGs

 <p>6 CLEAN WATER AND SANITATION</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	 <p>13 CLIMATE ACTION</p>
 <p>15 LIFE ON LAND</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p>

OUR ALIGNED UN SDGs

	<p>UN SDG 3 Good Health and Well-being</p>		<p>UN SDG 4 Quality Education</p>		<p>UN SDG 5 Gender Equality</p>		<p>UN SDG 10. Reduced Inequalities</p>		<p>UN SDG 11 Sustainable Cities and Communities</p>
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SDG Target 6.6

Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes

UN SDG 6 – CLEAN WATER AND SANITATION. Ensure availability and sustainable management of water and sanitation for all

An estimated 80% of U.S. freshwater resources come from forests, and the USDA estimates that 180 million people in over 68,000 communities depend on forested lands to capture and filter their drinking water. PotlatchDeltic’s forests play a fundamental role in protecting water quality and providing aquatic habitat. Protecting and restoring water-related ecosystems is fundamental to our forest management efforts. Our wood products facilities seek to minimize use of water and promote water quality. We also seek conservation outcomes through rural land sales that protect water and aquatic habitats.

2021 Highlights

- Took leadership role in Idaho Forest Practices Act rulemaking to enhance water quality
- Improved stream crossings in southern timberlands through use of rock-filled gabion baskets
- Followed [best management practices](#) across timberlands to protect water quality, including use of [streamside management zones](#)
- Sold 500 acres near Little Rock to The Nature Conservancy to help protect the city’s drinking water source at Lake Maumelle, among other conservation benefits

Goals and Initiatives

- Install stormwater system upgrades at St. Maries to improve discharge water quality
- Increase water monitoring at wood products facilities
- Continue to seek conservation outcomes through rural real estate sales
- Ensure effective use of best management practices in timberlands to protect water quality, including the use of streamside management zones

ESG MATERIALITY

- Best Forest Management Practices
- Environmental Impacts
- Conservation





UN SDG 8 – DECENT WORK AND ECONOMIC GROWTH. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

SDG Target 8.2

Achieve higher economic productivity through diversification, technological upgrading, and innovation

SDG Target 8.5

Achieve full and productive employment

SDG Target 8.6

Reduce youth not in employment, education, or training

SDG Target 8.8

Protect labor rights and promote safe and secure working environments

ESG MATERIALITY

- Economic Performance
- Economic Contribution
- Safety
- Recruitment and Retention
- Diversity and Inclusion

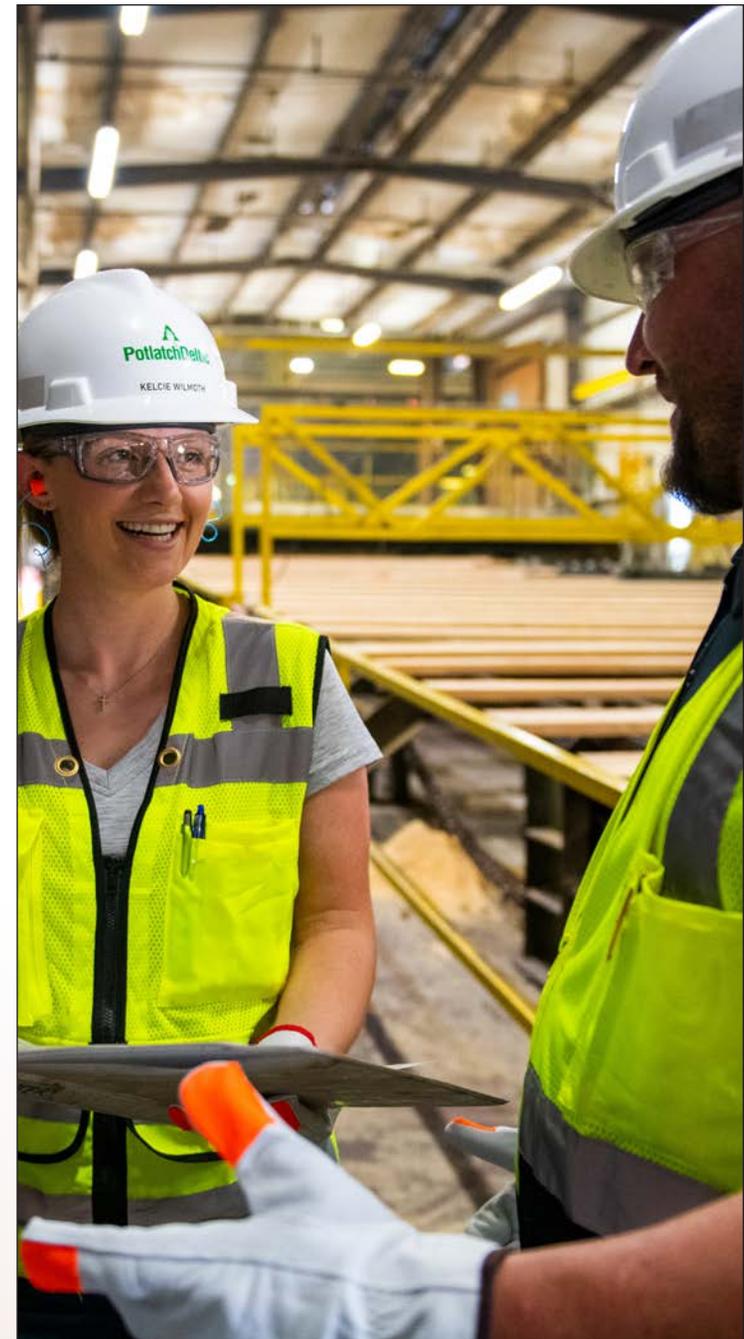
PotlatchDeltic invests in technological improvements at our wood products facilities to increase productivity and resource efficiency. We cultivate a workplace of excellence through our inclusive culture, fair compensation, and opportunities for development. We maintain partnerships with high schools, technical schools, and universities within our communities. We focus on preventing occupational illness and injuries by uncompromisingly ensuring the health and safety of our employees. This is at the core of every decision we make.

2021 Highlights

- Made capital investments at wood products facilities including visual graders with Artificial Intelligence technology and various improvements to our sawmill lines
- Improved safety measures at wood products facilities through investment in automated scarfing line at our plywood facility, First Strike rescue training, saw automation, and catwalk replacements
- Offered [internships](#) at wood products facilities and in timberlands and employee training programs for team members including our maintenance, electricians, and saw filers.
- Conducted annual timberland contractor safety training and provided satellite communications devices for foresters
- Implemented a new risk assessment tool ([SLAM - Stop, Look, Assess, and Manage](#)) and a global standard for Hazardous Energy Control across wood products facilities
- Improved safety systems with a focus on [fire protection](#), including standardization across southern mills and a hot works focus safety group
- Implemented [COVID-19](#) response measures throughout the workforce including vaccination clinics

Goals and Initiatives

- Make capital investments at wood products facilities focusing on improving recovery and productivity, and upgrading technology
- Continue internship program and summer hiring for college students.
- Work towards OSHA VPP status for Waldo and Warren facilities
- Provide training at Safety Summit and attend National Fire Protection Association safety training





UN SDG 12 – RESPONSIBLE PRODUCTION AND CONSUMPTION. Ensure sustainable consumption and production patterns

SDG Target 12.2

Sustainable management and efficient use of natural resources

SDG Target 12.4

Reduce releases of emissions to air, water, and soil

SDG Target 12.5

Reduce waste generation through prevention, reduction, recycling, and reuse

SDG Target 12.6

Adopt sustainable practices and integrate sustainability information in reporting

ESG MATERIALITY

- Best Forest Management Practices
- Sustainability
- Environmental Impacts
- Supply Chain Responsibility

Sustainability is a hallmark of effective forest management and wood products manufacturing. With over 100 years of experience, PotlatchDeltic embodies sustainable consumption and production. From pollution prevention programs to constant technology upgrades, we have many examples of reducing emissions, reducing waste generation, and maximizing the efficient use of natural resources. By combining these efforts with sustainable practices and integrated sustainability benchmarks, we provide a winning combination for our shareholders, our employees, and our communities.

2021 Highlights

- Embedded ESG considerations in capital decision and approval process
- Reduced waste at wood products facilities: beneficial re-use for ash and organic material (Ola and Waldo), and material recovery project (Waldo)
- [Reduced air emissions](#) at wood products facilities: updated boiler data management systems (Bemidji, Gwinn, and Waldo) and re-skinned kiln (Ola). Continued wood stove changeout partnership (St. Maries)
- Reduced Idaho seedling size by 25% which lowered nursery space use and packaging waste, and increased storage and transportation efficiency
- Installed new foam-filled [roof \(Bemidji\)](#) which increased insulation value

Goals and Initiatives

- Improve environmental data management for wood products facilities: upgrade boiler software, improve boiler data, and increase use of water meters
- Make capital investments at wood products facilities to improve efficiency, recovery, and/or reduce waste: large line upgrade (Ola), remove boiler and upgrade kilns (Ola), auto patch-line and vat control upgrade (St. Maries plywood), planer bin dust collection system (St. Maries), and log yard sprinkler upgrade (Waldo)
- Efficiency projects: implement circulation upgrade for energy efficiency (Bemidji), increase railcar utilization to improve shipping efficiency (Gwinn), install water bottle filling stations to reduce plastic waste (Ola), improve recovery and reduce residuals (Warren)





SDG Target 13.1

Strengthen climate change resilience and adaptive capacity

SDG Target 13.2

Integrate climate change measures into policies, strategies, and planning

SDG Target 13.3

Improve education and awareness-raising on climate change

ESG MATERIALITY

- Climate Change
- Natural Climate Solutions
- Sustainability
- Environmental Impacts
- Associations
- Public Advocacy

UN SDG 13 – CLIMATE ACTION. Take urgent action to combat climate change and its impacts

As a steward of Earth's natural resources, PotlatchDeltic recognizes the need for climate action, and that timberlands play a powerful positive role in combating climate change through carbon sequestration. We continue to improve our climate change resilience and adaptive capacity across our organization, from specialized seedling selection for planting to increased resource utilization efficiency at our mills. This is an iterative process to integrate climate change measures into our policies, strategies, and planning cycles. In addition, wood products store naturally sequestered carbon as a climate solution.

2021 Highlights

- Sequestered 7 million metric tons of CO₂e in our timberlands and stored 2.7 million metric tons of CO₂e in wood products
- Implemented ESG Carbon & Climate Teams across business units
- Utilized LiDAR[®] to create a slope stability tool and to improve stand density management
- Developed proprietary seedling genetics to increase tolerance and performance
- Implemented procedures for monitoring of [fire](#) danger conditions (Idaho)
- Utilized satellite log yards to reduce weather impacts to log flows at facilities
- Completed LED lighting upgrades in log yard (St. Maries) and energy efficiency lighting upgrades across facilities

Goals and Initiatives

- Develop improved water sources for wildfire suppression (Idaho)
- Work with utilities to increase green energy, energy efficiency, and optimize grid load
- Evaluate greenhouse gas reduction strategies and determine opportunities to reduce waste and lower water usage
- Conduct climate change scenario analysis across our assets
- Continue to assess nature-based solutions to climate change as carbon markets develop





UN SDG 15 – LIFE ON LAND. Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss

SDG Target 15.1

Conservation and sustainable use of freshwater ecosystems

SDG Target 15.2

Sustainable management of forests and reforestation

SDG Target 15.5

Biodiversity and protection of threatened species

SDG Target 15.8

Reduce impact of invasive alien species

ESG MATERIALITY

- Best Forest Management Practices
- Sustainability
- Biodiversity
- Conservation
- Supply Chain Responsibility

PotlatchDeltic has a vested interest in conservation and the sustainable use and management of our forests. We are a leader in the sustainable management of forests through best management practices, reforestation, and the protection of biodiversity and threatened species. As part of our sustainability commitment, we remain diligent in reducing the impacts of invasive and alien species through targeted control efforts.

2021 Highlights

- Planted 23.4 million seedlings across 47,162 acres
- Conducted prescribed burns to improve habitat for [Red-cockaded woodpecker](#) and monitored population growth on Moro Big Pine
- Completed Sustainable Forestry Initiative® (SFI) and Forest Stewardship Council® (FSC) audits in timberlands and FSC Chain of Custody® and SFI Fiber Sourcing® audits in wood products
- Sold 4,837 acres of rural real estate with conservation outcomes, including over 4,300 acres to the Minnesota Land Trust
- Initiated mobile application to monitor best management practices for third-party supplied (gateway) logs

Goals and Initiatives

- Update plan in Idaho to reduce damage and fire risk from recreational motor vehicle use on our timberlands
- Participate in Idaho Governor’s Forum on Water and Idaho Shared Stewardship Advisory Group
- Continue active involvement in Wildlife Conservation Initiative to conserve terrestrial and aquatic species
- Maintain 100% certification of our timberlands and SFI and FSC certification on chain of custody for mill procurement
- Pursue conservation land sales





UN SDG 17 – PARTNERSHIPS FOR THE GOALS. Strengthen the means of implementation and revitalize the global partnership for sustainable development

SDG Target 17.6

Cooperation on and access to science, technology, and knowledge-sharing

SDG Target 17.14

Enhance policy coherence for sustainable development

SDG Target 17.16

Enhance partnerships to support the sustainable development goals

ESG MATERIALITY

- Best Forest Management Practices
- Environmental Impacts
- Biodiversity
- Conservation
- Climate Change
- Natural Climate Solutions
- Associations
- Public Advocacy

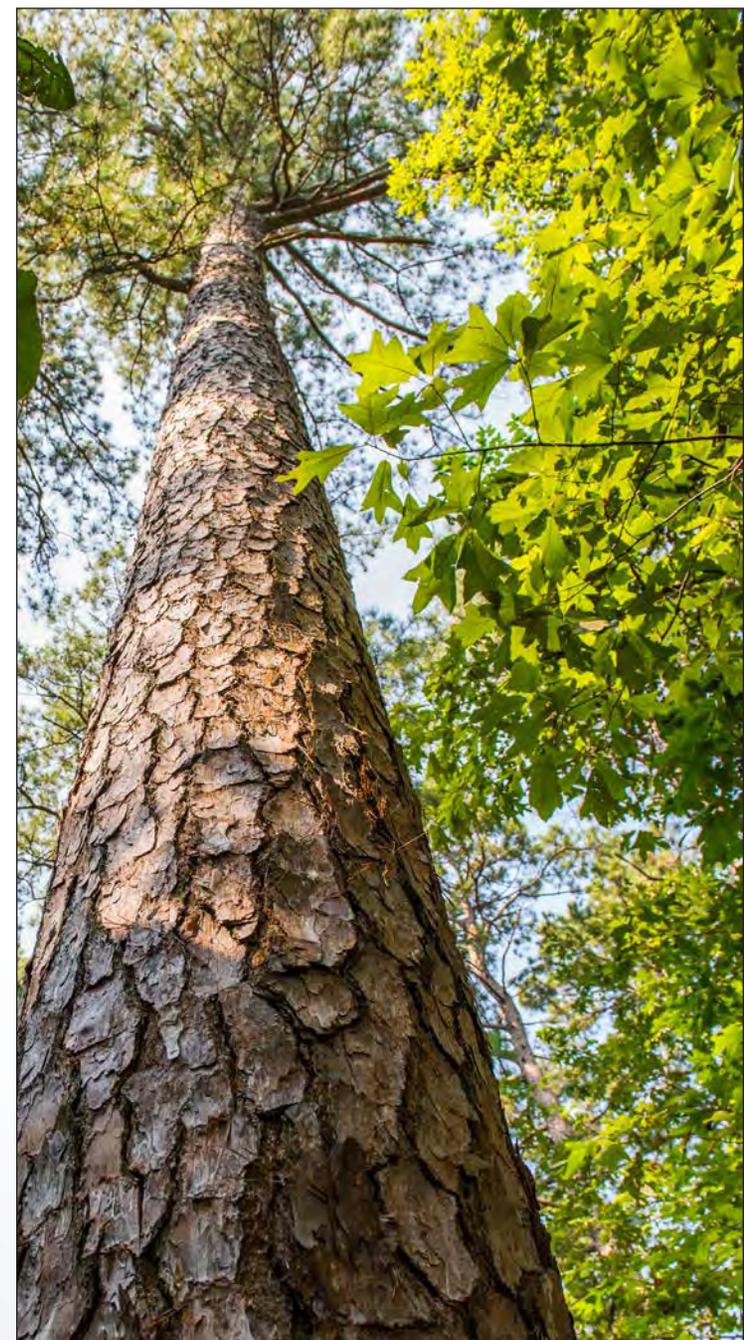
Partnerships represent combined and often multiplicative efforts to improve the world in which we live. PotlatchDeltic maintains that cooperation and access to science, technology, and knowledge-sharing is foundational to sustainable development. Our work with research organizations, coalitions, cooperatives, and industry associations provides evidence of this philosophy, which results in progress towards several of the UN SDGs.

2021 Highlights

- Coordinated with industry associations and coalitions on tools and data related to carbon sequestration, fiber sourcing, and carbon markets
- Worked with the Idaho Department of Environmental Quality’s Panhandle Basin Advisory Group to improve water quality
- Participated in [St. Maries PM Advance](#) program’s Citizens Advisory Committee to improve air quality
- Worked as key member of SFI and FSC on new forest certification standards
- Participated in the Montana-Idaho Airshed Group for smoke management
- Worked with the Mica Research partnership with the University of Idaho to assess best management practices efficacy in a changing climate
- Worked with the National Council for Air and Stream Improvement (NCASI) and other research organizations towards natural climate solutions and environmental improvement

2022 Goals and Initiatives

- Collaborate with NCASI and coalition pilot programs on carbon and greenhouse gas calculations and on climate scenario analysis
- Work with our industry associations and coalitions to develop policy platforms related to carbon markets and the ability of working forests to be part of nature-based climate solutions
- Develop data and life cycle assessments through industry associations and coalitions to support climate and carbon policy initiatives to build with wood products



OUR ALIGNED UN SDGs



UN SDG 3
Good Health
and Well-being



UN SDG 4
Quality
Education



UN SDG 5
Gender
Equality



UN SDG 10
Reduced
Inequalities



UN SDG 11
Sustainable Cities
and Communities

A positive human experience enables our employees to do their best work and our stakeholders to align with our mission. Our culture has health and safety as a core value and offers employees and their families comprehensive benefits and wellness initiatives. We value an environment of ethical, diverse, and inclusive teamwork and look to attract talent with diverse backgrounds and experience. Employee engagement, training, and development is promoted through a strategy of continuous performance improvement. We promote the use of wood products and innovations like mass timber in buildings as nature-based climate solutions. Our charitable giving focuses on supporting the communities where we operate.

2021 Highlights

- Increased the overall diversity of our executive team and Board of Directors
- Expanded employee leave programs to include paid [parental leave](#) for all employees
- Introduced [flexible work](#) policy, providing eligible employees with the ability to select their preferred work schedule
- Lectured at school and college classes and provided field trips for forest management, ESG, and our business
- Supported industry association efforts to promote initiatives that encourage building with wood and mass timber

2022 Goals and Initiatives

- Enhance our training systems for salaried and hourly employees
- Establish partnerships with local colleges to establish a framework for future apprenticeship programs
- Identify and develop future leaders to become operational supervisors in the next 1-5 years
- Increase our charitable giving impact in the communities where we operate
- Recruit interns to experience working in timberlands and wood products
- Through our associations, develop resources that better identify the life cycle and carbon footprint of wood products

ESG MATERIALITY

- Diversity, Equity, and Inclusion
- Employee Engagement
- Community Impact
- Recruitment and Retention
- Ethics





Committed to

**ENVIRONMENTAL
RESPONSIBILITY**

OUR APPROACH

We have a long legacy of excellence in sustainable timberland management and in protecting water, soil, and wildlife. Our wood products manufacturing process focuses on safety and operational excellence while minimizing our environmental footprint.

PotlatchDeltic is committed to the sustainable management of our timberlands and responsible environmental operations in our wood products facilities. This approach is reinforced through our Environmental, Health, and Safety Policy and Forest Stewardship Policy.

Our approach includes managing timberlands using advanced long-term strategic harvest scheduling models and replanting harvested areas. Foresters manage timberlands using best management practices that protect water quality and biodiversity and comply with environmental

laws and regulations. We are a leader in forest stewardship and sustainability with rigorous third-party auditing and certification of our practices. We use a comprehensive timberland environmental management system that focuses on continual improvement. We also recognize that some areas need to be conserved and species at risk need to be protected on the lands we manage.

In real estate, conservation outcomes are at the heart of our rural land sales objectives. We also seek to incorporate environmental practices into any communities we develop.

Our wood products facilities focus on responsible manufacturing and resource efficiency. An experienced professional team actively manages environmental compliance at our manufacturing facilities, and we have implemented compliance programs that include environmental education and training for our employees. Facilities minimize air emissions, monitor water discharge, and protect streams and rivers. We pursue opportunities to reduce energy consumption, conserve resources, and increase the use of renewable energy. Waste is managed throughout our facilities to reduce the amount we create, repurposing or recycling whenever possible to avoid landfills.



Core United Nations SDGs



Supported United Nations SDGs



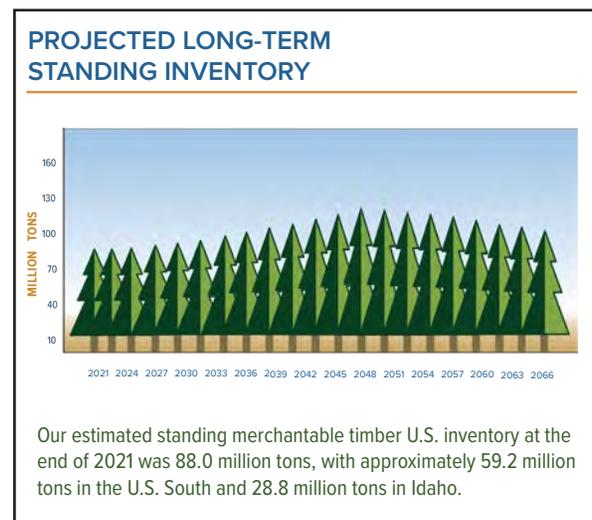
SUSTAINABLE FOREST MANAGEMENT

The forest management cycle combines decades of biological knowledge with technical advances in forest management. Our Forest Stewardship Policy reflects our commitment to sustainable forest management.

STANDING MERCHANTABLE INVENTORY

Long-term strategic harvest scheduling starts with the detailed inventory of our timberlands. The forest planning and inventory team oversees independent and audited annual timber cruising of tracts to measure timber growth, which is used to update standing timber inventory volumes. Standing inventory measurements are completed over an approximately five-year cycle in the South and a ten-year cycle in Idaho.

The estimated total volume of standing merchantable timber inventory is updated annually. Standing merchantable inventory means that the tree being measured has met



the size, quality, and other characteristics of the regional market. The annual update reflects additions of young timber that has met minimum diameter requirements, growth of existing merchantable timber inventory, decreases of timber due to harvests, wildfire, or insects and disease, and the impact of acquisitions and divestitures.

STRATEGIC MANAGEMENT PLANS

Timberlands are managed using 50-year strategic management plans based on harvest schedule models. Timber inventory data are utilized in growth-and-yield models, which optimize long-term harvesting and forest management operations and project sustainable harvest volumes over the 50-year time horizon. The harvest schedule is performed every two years, alternating between the southern region and Idaho each year.

Within the strategic harvest schedule model, timberlands are organized into stands by common characteristics such as age and forest management prescriptions. Each stand carries a specific soil productivity designation called site index, which is based on the height of the dominant trees at a specific age. The higher the height of the dominant tree, the higher the site index on that stand. Site index also enables the inventory model to capture the expected impact of silvicultural improvements such as advanced genetics or fertilization.

The long-term strategic harvest schedule uses the starting forest inventory of each timber stand and then incorporates

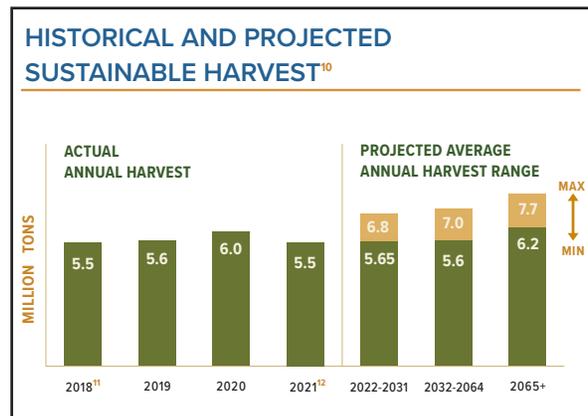


forest management activities such as site preparation, planting, thinning, fertilization, and harvest. Areas that have harvest restrictions are identified, such as streamside management zones, so that the model does not include them for harvest actions. Using all this information and a yield table – a table of tree heights, diameters, and volumes for each stand over the next 50 years – the model creates an optimization matrix that “grows” and “harvests” each stand of timber over time.

The strategic harvest schedule model builds an optimization matrix that contains all the possible choices for each stand over 50 years according to defined management constraints, including not harvesting restricted areas and replanting or regenerating every acre harvested. The harvest model checks every possible stand activity and combination over the planning horizon and produces a detailed stand-by-stand harvest schedule that maximizes Net Present Value (NPV)⁹ based on starting stand structure, yields, product prices, management choices, and harvest constraints.

ANNUAL MANAGEMENT PLANS

Foresters prepare five-year tactical plans of tracts for silviculture work and harvest based on the results of the harvest schedule. Foresters select the timing of treatments and harvest based on timber type, growth stage, markets, road access, weather conditions, and operability of the site. Tracts are then moved into annual operating plans and site-specific prescriptions are developed for each forest management operation.



Harvest operations are conducted in accordance with Company best practices, regulatory, and certification requirements that protect water quality, wildlife habitat, and worker safety. Logging contractors must be on an approved contractor list and receive annual training. Foresters monitor logging activity to ensure environmental protections are implemented and specific prescriptions for the tract being harvested are followed.

Following harvest, the remaining residuals, or slash, are treated as appropriate for the geographic region. In Idaho, slash is managed to minimize fire risk through installation of fire breaks, mechanical piling, and pile burning. Southern harvesting operations result in less slash at final harvest due to stand thinning techniques to promote timber

yield, allowing slash to be mechanically spread back into the tract and returning nutrients to the soil. Following slash management, sites are often treated with herbicides to control competing vegetation in order to promote growth of seedlings.

During planting season in late fall or spring, contractors plant seedlings on tracts that were harvested 12 - 18 months earlier. A release herbicide treatment is typically applied to enable seedlings to grow above competing vegetation. Third-party nurseries grow Idaho seedlings with 70% of the seeds being sourced from our Cherrylane Seed Orchard. The species that is best suited to the site-specific location and elevation is selected for replanting. In the U.S. South, seedlings are purchased from third-party nurseries and benefit from generations of selective breeding to promote favorable growth and yield characteristics as well as resistance to disease and insects.

Foresters monitor the growth of the timber stands by conducting physical stand exams, as well as by using modern tools such as drones, satellite imagery and GIS¹³ technology. New inventory data is synthesized along with information about operational activities into the long-term harvest scheduling model.

Commercial thinning is typically required on stands in the South and on occasion in Idaho to reduce stocking density to improve stand growth and development. Pre-commercial thinning is utilized when the number of stems is high enough that diameter growth will be reduced to a level where it is financially advantageous to bear the cost to reduce the density of trees, increase diameter growth and reduce the risk of insect or disease entering an over-stocked stand.

After harvest, the forest management growth cycle begins anew. Our foresters pride themselves on the tracts they grow over their careers.



Tim Sydor
Manager, Forest Planning
and Inventory,
PotlatchDeltic

“Our advanced harvest scheduling models are calibrated to the timber growing regions and markets where we operate. We are continuously improving our harvest outlooks and incorporating environmental protections into our models to ensure that our long-term harvest plans provide economically sound, long-term sustainable wood flows, and meet our commitments to protect sensitive sites, rare species, and streams.”



CASE STUDY: IDAHO TREE PLANTING

On our Idaho timberlands, nothing beckons the awakening of the forest to spring like the sudden bustle of tree planting season. In six to eight weeks, roughly 6 million seedlings are planted across 15,000 acres of forestland. Planting is the culmination of an 18-month process that involves planning, preparation, and the growing of seedlings in the nursery. The climate and steep terrain in Idaho force this uniquely compressed tree planting window. To ensure high planting survival, seedlings must be planted into moist, warming soils with adequate time to grow new roots and become established on the site before the inevitable summer dry-down comes. The logistics are challenging, yet our foresters, contractors, and support staff do an excellent job ensuring the planting crews are just behind the snow as it recedes up the mountains in the spring.

Seedlings for spring planting are grown at several different nurseries located throughout the Pacific Northwest and southern British Columbia. Over 90% of our seedlings are from first-generation tree improvement programs and more than 70% of the seed is sourced at PotlatchDeltic's own Cherrylane Seed Orchard. Seedlings must be thawed and then shipped to our cold storage buildings. Thirty to forty deliveries are planned and executed to keep seedlings on hand for the planting crews while minimizing the time between thawing and planting to improve seedling out-planting success. Planting inspectors are on site at every planting unit to make sure the operations plan is followed and to sample planting quality. At the peak of planting season in early May, over 200 people are actively involved in the planting program with more than 280,000 seedlings per day being planted - over one square mile planted in each day! We recently undertook initiatives to decrease seedling stock size to lower growing, transportation, and planting costs and to reduce the inputs per seedling, including water, energy, soil, fertilizer, and packaging. We plant up to 6 different conifer species. Every tree species has evolved to fill an ecological niche in the forest, and we match those attributes to the conditions of the planting site. Each planting site is

reviewed by our foresters and the appropriate species are selected with multiple species often planted in one planting unit. This process bolsters the diversity and resiliency of our timberlands, minimizing risks from climate and disturbance. Idaho's steep and variable terrain limits planting operations to manual hand planting. Planters use either a shovel or hoedads to open a hole to mineral soil in which the seedling is planted. Planters carry the seedlings in tree bags they wear via a belt and suspenders with seedling holding compartments located on either hip. Each planter carries between 220 and 300 seedlings at a time - approximately 35 pounds.

High-quality, detailed planting is critical to the growth and survival of the seedlings - a seedling planted with minor error such as a crooked root or one planted too shallow with the root plug exposed will not survive. The critical job of planting the seedlings is done by contractors that rely on H-2B temporary labor visas to staff their crews. Companies must go through a heavily regulated process to get approval for the capped number of visas available. This includes the demonstration that the jobs are posted and available to American citizens but cannot be filled domestically. If contractors cannot secure sufficient H-2-B visas, the seedlings grown the previous year may be wasted, and reforestation that is critical for regulatory, certification, environmental management, and wildlife may be delayed. Planting crews consist of one foreperson and typically 14 planters. A tree planter averages 1,700 seedlings planted per day - that is one seedling every 3.5 seconds for 8 hours. The work is hard, but you will not find a more pleasant group of people to work with than those reforesting our timberlands. We've built long-standing relationships with many of the planting companies, with some working with us for more than a quarter century. Many of the tree planters return for many seasons to plant seedlings on PotlatchDeltic timberlands and it's great to see familiar faces and build relationships year after year.

Tree planting is one of the most important investments a timberland company undertakes, setting the stage for the future and ensuring all the benefits that forests provide are perpetuated.



CASE STUDY: DRONE IMAGERY

We recently engaged trials with robotics experts at [Treeswift](#) to explore and test proof-of-concept for a novel approach to field inventory measurements to stay on the leading edge of developments in forest inventory technology. Though work on the project continues, approximately 200 acres of our Alabama timberlands have been scanned, modeled, and analyzed in the initial pilot study. Additionally, we have been an active collaborator in assisting Treeswift in its efforts to develop forestry-specific expertise so the technology can be better utilized for commercial forestry.

The robotics approach utilizes drones equipped with a suite of remote sensors to fly through a forest at both ground level and canopy level. As the drones are flying, the attached sensors extract data about trees and the forest. The drones have LiDAR scanners as well as high-resolution cameras that allow them to create a virtual three-dimensional model of a forest. These highly precise scanners allow the user to increase the accuracy and precision of individual tree measurements such as tree-diameter and tree-height.

An additional expected benefit of utilizing the drones is greater efficiency of inventory crews collecting forest measurements. Increased collection speed would allow the user to obtain more data, resulting in increased accuracy of forest-level and stand-level metrics such as basal area, volume, and woody competition. The drone-based approach to LiDAR collection is an effective way to utilize advantages of LiDAR-sensed measurements.



ENVIRONMENTAL MANAGEMENT - TIMBERLANDS

Our forest management practices adhere to a combination of legislation, regulation, best management practices, and certification standards. These, combined with our expertise, ensure the health of forest soil, water, vegetation, wildlife, and aquatic habitat.

BEST MANAGEMENT PRACTICES

Our timberland management practices are driven by our objectives for sustainable timberland production and for environmental protection. Utilizing our decades of timberland management expertise, we have developed internal Best Management Practices (BMPs) that include regulatory and certification frameworks and provide a consistent, tested means of implementing environmental protection. Our timberland management requirements are used as a proactive approach to maintain the health of forest soil, protect water quality and aquatic habitat, and promote biodiversity. Our foresters implement BMPs as part of our environmental management system during all phases of forest management and across all our timberlands. We require that all contractors implement applicable BMPs during forest management activities on our lands and in our mill supply chains. The BMPs are evaluated in formal studies, field tested, revised, and adapted over time to continuously improve their effectiveness.

Our BMPs are influenced by a wide range of federal, state, and local legislation and regulations. At the federal level, the 1972 Clean Water Act (CWA) and Endangered Species Act of 1973 (ESA) are the primary laws surrounding environmental protection for private working forests. Federal measures are combined with state water quality BMPs that establish standards for logging, road building, reforestation, streamside protection, and other activities. Alabama,

Arkansas, Louisiana, and Mississippi are among the states that have voluntary BMPs. In Idaho, BMPs are required under the [Idaho Forest Practices Act \(FPA\)](#). Standards and criteria under third-party forest certification programs such as the Sustainable Forestry Initiative (SFI) or Forest Stewardship Council (FSC) include implementation of all state BMPs and measures beyond the federal and state requirements to ensure the conservation and proper management of timberlands. BMP implementation monitoring is a requirement of our environmental management system, and we conduct annual internal and external third-party audits of compliance.



Darin Ball
Vice President, Timberlands
PotlatchDeltic

“Managing working forests to create forest values is the focus of our timberlands management at PotlatchDeltic. Our values include first in class timberland financial returns and conservation of wildlife habitat, providing recreational opportunities, protecting waters, and increasing our understanding of how our forests and the wood products made from them help offset the impacts of climate change.”

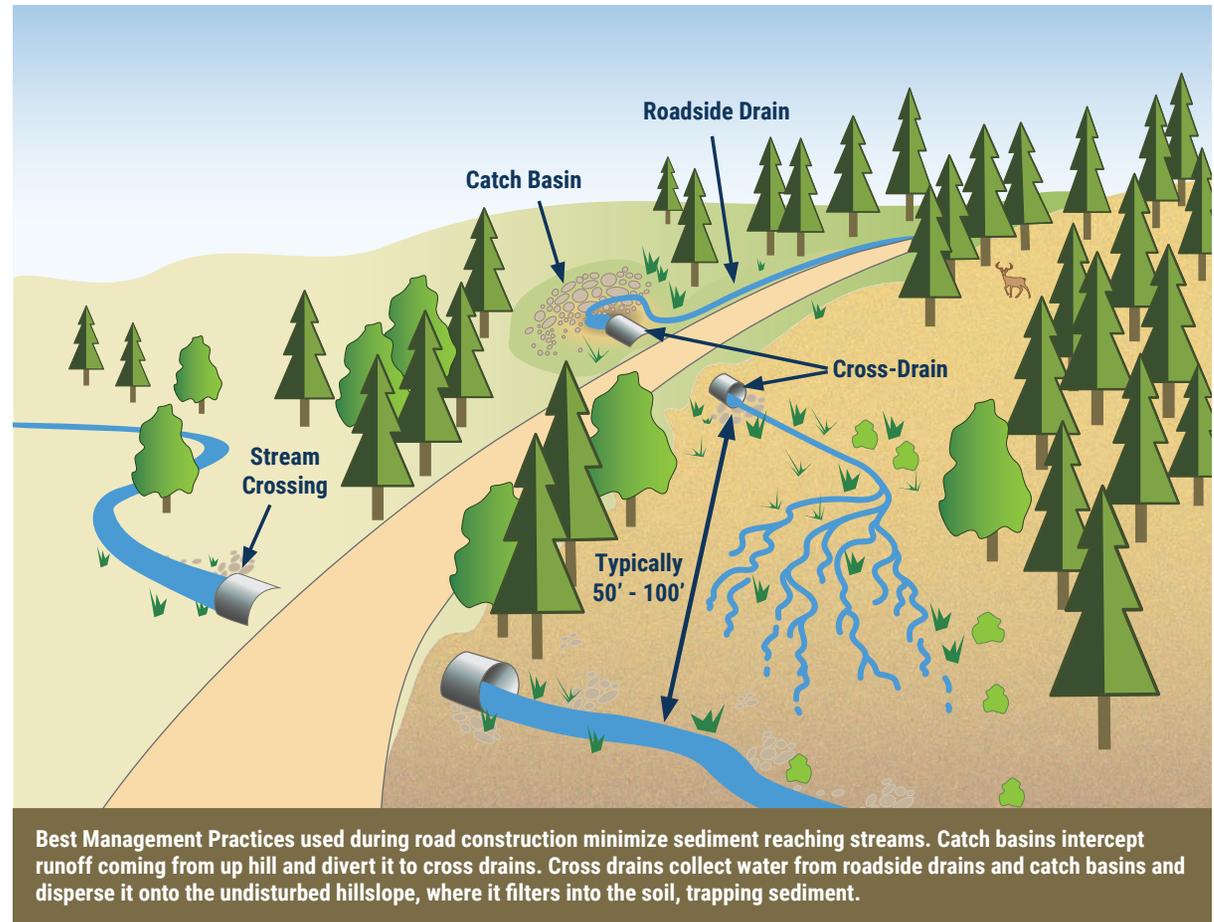
SOIL QUALITY

Soil productivity is protected by minimizing soil erosion and safeguarding the uppermost organic layer during forest management. The organic layer forms under the canopy of a growing forest and is a critical part of the chemical, biological, and physiological soil properties that contribute to biodiversity and site productivity.

Through planning and experience, we have learned how to protect site productivity during harvesting when using large machinery to cut and move trees to log landings, which are areas where logs are delimbed, sorted, and loaded onto trucks for transport to mills. To reduce soil erosion and sediment loss, landings are kept as flat as possible, occupy as small a footprint as is feasible, and are located on dry sites. We have incorporated soil protection measures into our environmental management system for harvesting that include limiting logging on soils with poor soil drainage during wet weather and using specialized equipment and logging techniques to spread out the weight of the equipment to minimize soil compaction and maintain site productivity.



CATCH BASIN AND CROSS-DRAIN ABOVE STREAM CROSSING



In our southern operations, harvesting operations typically utilize a combination of harvesters to cut trees and log moving equipment to transfer the trees to landings for processing and hauling. We match the type of equipment to site conditions to protect the soil such as the use of track machinery to spread the weight of equipment and reduce ground pressure in wetter soils. Other techniques that protect soils and minimize soil compaction include building a mat of logs upon which the large equipment operates.

In Idaho, we encourage our contractors' use of equipment that minimizes soil disturbance including the use of new innovations such as winch-assisted logging systems. These systems tether harvesting equipment using cables to stabilize it and virtually eliminate loss of traction and spinning that can loosen soil and accelerate erosion. Extra attention and investment is made in road BMPs, such as using gravel to surface roads that cross creeks, and to minimize sediment.

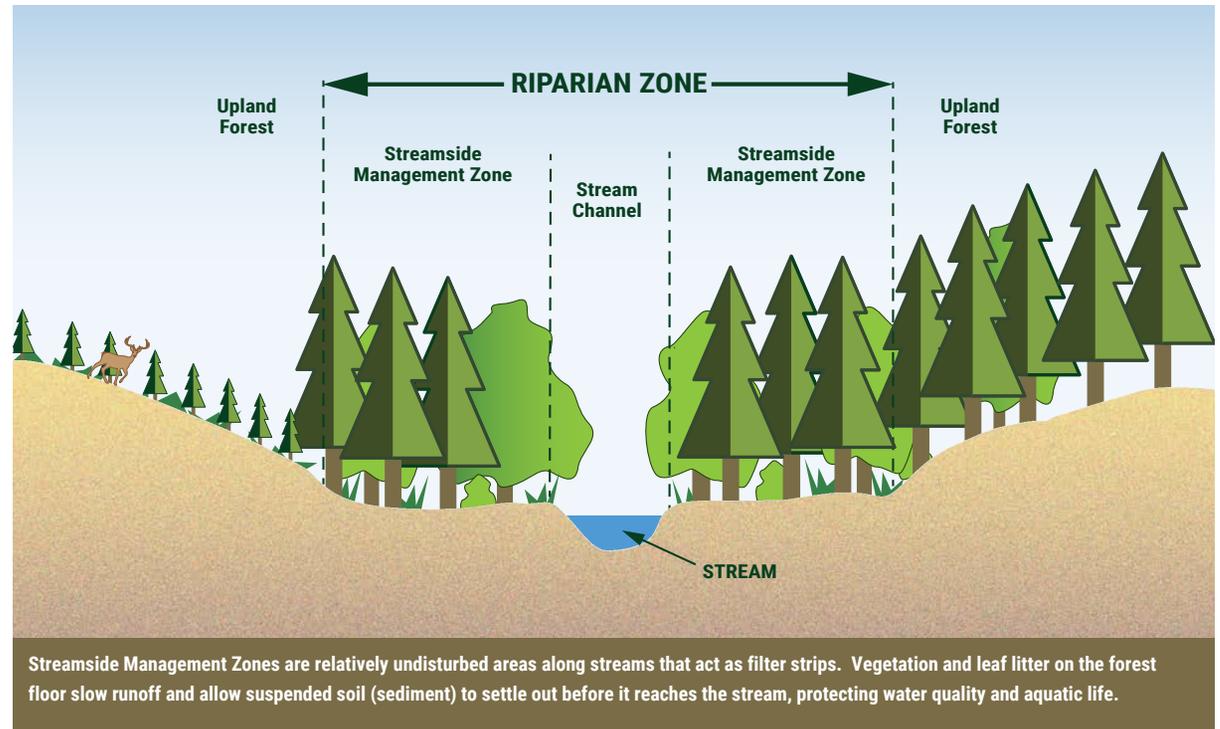
WATER QUALITY

Over 50 percent of the nation’s drinking water originates from forests¹⁴ and timberland owners play an important role in protecting water quality. The role of water quality BMPs is to conserve and protect water quality by minimizing sediment through the filtering ability of natural vegetation and erosion control measures adjacent to water bodies. BMPs include practices such as leaving streamside management zones (SMZs) during harvest, properly designing and constructing logging roads, and using logging methods and equipment that protect water quality.

SMZs are unharvested or lightly harvested buffers that run along the length of streams and are designed to capture runoff and sediment. The SMZs provide significant other benefits, including stabilizing the banks of streams and acting as a source of food for aquatic organisms. By retaining trees alongside the streams, SMZs also shade the water’s surface from direct sunlight and significantly reduce radiative heating, keeping streams cool and clear, a particularly important objective in northern regions where cold-water fisheries are present. Riparian areas are important habitats for wildlife species and SMZs can provide wildlife with favorable habitat and travel corridors.

In addition to SMZs, proper design and construction of logging roads and use of logging methods and equipment that protect water quality are key components of our BMP implementation program in our Environmental Management System. Objectives include preventing surface water from flowing directly into a stream, keeping debris away from drainage zones, and minimizing sediment. Sediment is minimized for harvesting operations through BMPs that are designed to disconnect surface flow in areas where equipment may have exposed soil. Disconnecting is accomplished by building small earthen diversions or placing treetops or “slash” where water may flow, moving it off exposed soils, slowing the runoff, and causing the water

STREAMSIDE MANAGEMENT ZONES



to filter into the forest floor, which traps sediment. Road construction, reconstruction, and maintenance can be a source of sediment that negatively impacts water quality and fisheries’ habitats. Our roads are designed to avoid or minimize stream crossings and to cross streams at right angles. If roads cross streams, we implement BMPs on all crossings to minimize stream sediment. Permanent stream crossings use bridges or culverts and are designed to protect the approaches to crossings from erosion. Proper road drainage is ensured using dips, bridges, and culverts, with an objective to disperse water away from the road and promote filtration into the soil.

The effectiveness of water quality BMPs implemented during harvesting, road building and site preparation has

been the focus of numerous scientific studies. The results repeatedly show that the BMPs protect water quality and provide for healthy aquatic habitats supporting fish, aquatic insects, and mussels and clean water for human use and consumption.

Thirty years ago, we established the [Mica Creek Experimental Watershed](#) — an area southeast of Coeur d’Alene, Idaho, comprising the 6,672-acre catchments of Mica Creek, a tributary of the St. Joe River. We created this “living laboratory” for one main reason: to conduct a multi-decade study of the effects of contemporary water quality BMPs on stream quality. Conclusions to date show that forest management that adheres to Idaho Forest Practices Act BMPs has little to no adverse effect on streams or aquatic life.

CASE STUDY: ROAD CONSTRUCTION

Correctly planning and constructing forest roads is an essential component of our environmental management programs. Roads are designed to manage the traffic load while minimizing environmental impact. We plan road construction using topographical maps, aerial photographs, and soil data to minimize disturbance to forest productivity, water quality, fish, and wildlife habitat.

Roads are planned to provide access for forest management and harvest with the least road length and width necessary and are located to avoid hazard areas and high-risk environmental areas such as swamps and unstable slopes. Following planning and design, trees are cleared from the areas where the road will be built. Trees removed during clearing are merchandized and hauled to mills for processing. The tops and limbs from the cleared trees are used as a slash filter windrow on the downslope side of the road fill to minimize soil movement.

Road construction requires the movement of soil to form a roadbed, road surface, and associated road ditches. We align the road to fit the natural terrain features as closely as possible so that the amount of soil movement is minimized. Construction techniques, culverts, and surface shaping techniques are utilized to limit the concentration of surface runoff and divert it away from roads and into the surrounding area in a way that minimizes effects to the watershed, streams, and fish. Exposed soil that has been shaped to form the road or roadsides is stabilized by seeding, compacting, or rocking the surface to minimize soil movement.

Stream crossings are minimized and whenever a road must cross a stream, the crossing is designed to provide for fish passage using techniques such as placing culverts so that they do not create an inlet or outlet drop that blocks fish movement and installing culverts at moderate gradients so that water velocities allow fish to swim through the pipe. For larger and steeper streams, additional structures such as arch culverts, bottomless culverts, or bridges are used so that the bottom of the stream is minimally disturbed and flows are maintained.

Regular preventive maintenance operations are conducted on roads to maintain use and minimize disturbance and damage to forest productivity, water quality, and fish and wildlife habitat.



CASE STUDY: TETHERED LOGGING IN IDAHO

Tethered or winch-assist logging systems are a relatively new technology being utilized on steep terrain and an approach that some of our contract loggers have adopted. In tethered systems, a winch is fitted to the harvester which is then utilized to allow the harvester to access slopes by tying to an anchor point and “climbing” down the side of the slope.

Our foresters identified the technology as an opportunity a few years ago and worked with the Idaho Department of Lands to obtain the Forest Practices Act changes to enable the use of these systems. Today, seven of our Idaho contractors are using winch-assist technology to log steep ground.

The winch-assist logging systems have been a large investment for our logging contractors. The logging system has several benefits, however, including improved safety with fewer workers exposed to traditional timber falling. Productivity and efficiency gains can also be captured as logging contractors generate higher daily production volumes in steep slope settings. Environmental benefits include less soil disturbance and compaction as ground pressure is reduced. Experience has also shown that the equipment is a valuable tool in constructing fire lines.



CASE STUDY: MICA CREEK

Following passage of the Clean Water Act in 1972, many states adopted forest management guidelines intended to reduce forestry's negative effects on waters. At the time, there was little research showing whether these new guidelines worked. That's why PotlatchDeltic undertook a landmark study which remains one of the most comprehensive in scope and findings.

In 1990, with help from the U.S. Forest Service and the Idaho Department of Lands, we established the Mica Creek Experimental Watershed — an area southeast of Coeur d'Alene, Idaho, comprising the 6,672-acre catchments of Mica Creek, a tributary of the St. Joe River. While the watershed has been the site of numerous research projects over the years, we created this “living laboratory” for one main reason: to conduct a multi-decade study of the effects of modern forest best management practices on stream quality.

Over the course of the study, we have worked with scientists from the University of Idaho and other academic institutions to collect data on the effects of tree harvesting, road building, and other practices. The results of that research are published¹⁵ in independent, peer-reviewed academic journals such as Forest Science and presented at scientific conferences. In our leadership roles serving on the Idaho Forest Practices Act Committee, we work to incorporate the results of the Mica research into effective and efficient Forest Practices Act rules.

The conclusions to date are encouraging. They show that forest management that adheres to contemporary best management practices has little to no adverse effect on streams.

Key Findings of Mica Research:

- Stream flows generally increase only modestly following tree harvests
- Stream temperature in fish-bearing streams within harvest sites increases slightly in the spring and decreases slightly in the summer
- Measurable suspended sediment increases in the first spring following a thinning or harvesting, and quickly returns to pre-harvest levels
- Forest management that adheres to contemporary best practices has no detrimental effect on fish, amphibians, or aquatic insect communities

The initial study is now complete, and the Mica Creek Experimental Watershed has once again become part of our working forest — the forestlands that we regularly harvest and replant. In collaboration with the University of Idaho, we will continue to collect data on water flow, sedimentation, fish, and other key environmental conditions in the watershed to provide ongoing evaluation of our forest practices.



CASE STUDY: USING FIRE

Fire is an important forest management tool for removing post-logging woody debris known as slash and to help prepare sites for replanting. Low-intensity ground fires can be used to control vegetation, while bark provides thermal insulation from the fire for overstory trees. The seeds of some plants will only break dormancy when signaled by smoke and charred plant matter, while others may only flower after a fire. Fire also provides nutrient recycling through the char left behind, reduces insect and disease risk, and can promote diversity for wildlife by creating a mosaic of habitats. The use of low-intensity fires in managed working forests can also help reduce the risk of high-intensity catastrophic wildfires.

We utilize fire differently in our Idaho and southern timberlands. In Idaho, we are required under the Forest Practices Act to remove slash after harvest to reduce fire, insect, and disease risk, and to optimize regeneration conditions. In our southern timberlands, fire is used less frequently, with logging slash typically left to decay on the forest floor without posing a fire risk.

Use of low-intensity fire to reduce fuel load and lessen wildfire risk can be accomplished through prescribed burns or through pile burns. Burns are planned when fuel moisture, relative humidity, air temperature, wind speed, wind direction, and smoke dispersion are within prescribed ranges. Burns are typically done in the late fall or early spring outside of the fire season.

Prescribed fires are designed to stay within a pre-determined area and are continuous across the landscape. We minimize using prescribed burning in Idaho due to safety and fire risks,

using it in situations such as on steeper ground with heavy slash where other removal options are limited. We occasionally use prescribed fire in our southern timberlands to achieve specific biodiversity objectives for species that require fire-maintained habitat. In the South, warm and wet conditions enable us to typically leave slash and return nutrients to the soil.

Pile burning fires are used in Idaho to reduce post-harvest slash and to create fire lines or fuel breaks as a mitigation measure for wildfire. Our foresters evaluate fuel loading to determine areas where slash needs to be piled within a harvested area and piling is done with an excavator.

Regardless of method chosen, approvals are required for burns in Idaho, and fires are only accomplished in appropriate weather conditions. In Idaho, we are members of the [Montana Idaho Airshed Group](#), which was formed to limit the impacts of smoke from fire used as a working forest management tool. Members consist of federal, state, and tribal agencies; industrial forest owners; and a non-profit organization who work to proactively protect air quality. The units to be burned are submitted, along with information describing the amount of fuel to be burned, location and elevation of unit, type of burn, and number of acres. The airshed group program coordinator and a meteorologist determine which airsheds (similar geographic areas of the same topography, elevation, and weather patterns) have restrictions on burning on a given day and give approval for requested burns.



CASE STUDY: USE OF HERBICIDES

Chemicals used in our forest management include herbicides to manage weeds or competing vegetation in order to allow seedlings to survive and grow and return the treated area to a forest as rapidly as possible. Herbicides are also used in forestry to control invasive plant species. Occasionally, pesticides are utilized for insects and disease. Fertilizers can be applied to promote growth when conditions warrant. We apply all chemicals in a way that does not endanger aquatic and terrestrial habitats and we safeguard streams and streamside vegetation through buffers and other protective measures.

Herbicide types, rates, and application methods for each treatment area are determined by evaluating site-specific conditions and the competing vegetation targeted for control. Prior to application, we inspect each site for water bodies and provide detailed maps to applicators of any sensitive areas with boundaries of the area to be treated clearly delineated. Property line buffers and buffers along water are included on the application maps. Forestry herbicides are applied by tractors, helicopters, and by hand depending on the site. All applications are made by licensed applicators.

As part of our focus on stakeholder engagement, we notify neighboring property owners in Idaho of our intent to spray, provide information on the proposed treatment, and file all requirements with state regulatory agencies.



ENVIRONMENTAL MANAGEMENT SYSTEM

PotlatchDeltic utilizes a comprehensive timberland environmental management system (EMS) which focuses on continual improvement in achieving our sustainable forest management objectives. The EMS includes training foresters and contractors, and prescribing, monitoring, and inspecting forest management practices in all our operations. It also includes tracking and incorporating stakeholder feedback on our environmental performance. We conduct internal inspections of EMS implementation, and we have implementation rates averaging 95% or greater. The EMS includes monthly regional reporting and annual Timberland business unit reviews of environmental performance indicators.

The implementation of our EMS ensures that we conduct all our activities to meet or exceed federal, state, and local statutes and regulations for conservation of wildlife and biological diversity and protection of water, fish, and endangered species. In addition, the EMS ensures that we achieve and maintain third-party certification for all our timberlands under either the Forest Stewardship Council or the Sustainable Forestry Initiative standards. Our EMS also covers log sourcing for our wood products facilities from responsible third-party sources under the Sustainable Forestry Initiative Fiber Sourcing standard and, where applicable, the FSC Chain of Custody standard.



Trevor Stone
Idaho Timberlands Manager,
PotlatchDeltic

“Our Timberlands EMS allows us to track environmental data and identify trends in areas important to our business. We review our harvest inspection and forest management data on a monthly basis to identify areas that need to be prioritized for training and improvement.”



Robert Gray
Southern Timberlands Manager,
PotlatchDeltic

“Our southern timberlands business operates in four states, each with different forest types, topographies, foresters, and contractors. Our EMS provides a consistent system across our operations to efficiently train on and implement environmental procedures. Consistency is especially valuable for new employees, when employees change responsibilities, and for new contractors.”



BIODIVERSITY & WILDLIFE

Sustainably managed private working forests are healthy and resilient and provide forest habitat that supports a significant amount of the forest species. Our forest stewardship commitments include the responsibility to conserve wildlife species and their habitats. Conservation on our lands is implemented by our professional foresters using their experience in the regional forest systems they manage and includes common and rare species.

Forests are diverse ecological systems with habitats for plants, animals, and organisms. Active forest management is a valuable tool for creating and maintaining a wide range of biodiversity benefits, enabling forests to stay healthy and productive. Across a landscape, a mosaic of forest ages from recently harvested to old-growth can be maintained – these forests in turn support long-term viability of wildlife species, plants, and biodiversity. At a broader scale, managed forests can provide habitat connectivity and help maintain and enlarge intact forested areas.

Markets for forest products provide an incentive to conserve forests as forests compared to alternative land uses that are not as beneficial to water quality, wildlife habitat, carbon sequestration and recreation. Healthy and vigorously managed forests are also less susceptible to catastrophic loss from insects, disease, and wildfire.

Our commitment to conserving biodiversity on our forest lands is based on this recognition that well-managed working forest lands provide a broad range of habitats for aquatic, avian, and terrestrial biodiversity. Four main components comprise our approach to maintaining and enhancing biodiversity: (1) landscape-level management; (2) stand-level diversity; (3) protection of ecologically unique sites or species; and (4) research.

We provide habitat diversity at the landscape level by utilizing stand size and age class adjacency restrictions for final harvest, identifying streamside management zones, maintaining a diversity of cover types, and replanting native species. The managed landscape provides a mixture of forest structure, age classes, and cover types, intermingled with less intensively managed riparian areas and embedded conservation of unique sites. Diverse working forest landscapes provide abundant habitat for large ungulates such as deer, elk and moose and a wide diversity of birds such as red-bellied woodpeckers, prairie warblers and wild turkeys.

We achieve stand-level diversity that enhances habitat for a variety of wildlife species through site-specific forest management including planning, implementation, and evaluation. Stand level diversity techniques include retaining unharvested areas, retention of den trees or snags, retention of slash piles, utilizing irregularly shaped openings, and protection of non-forested areas such as glades, meadows, and non-forested wetlands. We identify sites with species or communities that are unique, rare, or listed as federally threatened or endangered through exchange of data with state natural heritage programs, NatureServe, state wildlife agencies, and by internal discovery. Site locations are then mapped and included in our Land Resource



Kit Hart
Director Forest Planning
and Environment,
PotlatchDeltic

“After 45 years of managing private working forests, I am continually reminded of their contributions to wildlife and biodiversity conservation. Active forest management’s role in keeping forests healthy and resilient and providing a long-term, sustainable habitat base for the fish and wildlife that we all cherish is a legacy I am proud to be a part of.”

Manager system. Foresters use this proprietary, real-time information when preparing detailed harvest plans to ensure these unique features are incorporated into our management plans.

PotlatchDeltic has a long and continuing commitment to investing in and utilizing research to improve biodiversity conservation and environmental protection. We actively participate in and fund research with NCASI, universities, and fish and wildlife organizations to understand habitat and biodiversity response to forest management and then integrate research findings into our management. In addition, we actively advocate for laws and regulations that protect fish and wildlife and promote practical approaches that recognize the benefits of working forest lands.

IDAHO BIODIVERSITY MANAGEMENT

Our wildlife and biodiversity management in Idaho focuses on a wide range of animals, fish, and plants.

In northern Idaho, elk, deer, and moose are vitally important to rural communities' culture, traditions and economy and serve societal needs as game animals or subsistence foods. These large ungulates can also affect native vegetation and agricultural crops because of their large body size, diet choices, and widespread distributions. PotlatchDeltic recognizes the importance of these species and maintaining healthy herds in balance with native vegetation. As a result, we have made substantial commitments to research, conservation, and public recreation through partnerships with Idaho Department of Fish and Game (IDFG) and oth-

ers. Our partnership with IDFG has continued to grow and includes efforts to balance recreational use with resource protection by ensuring that vehicle access is planned to limit disturbance to wildlife and allows full utilization of habitat by deer, elk, and moose.

The Westslope cutthroat trout is native to our northern Idaho forest lands and occupies many of the headwater streams within our actively managed working forests. They feed primarily on aquatic insect life and zooplankton. Cutthroat spawn in tributary streams in the springtime when water temperature is about 10 degrees C and flows are high with spring run-off, burying their eggs in a nest called a redd. The eggs hatch in a few weeks to a couple of months and most of the cutthroat remain as resident fish and spend their entire life in these tributary streams within



our forests. Our [Mica Creek Research project](#) has demonstrated that the contemporary BMPs, which are the foundation of the Idaho Forest Practices Act, fully provide cutthroat conservation. The Mica study has consistently shown that cutthroat increase in number and extent when forest harvest occurs within the cold and nutrient-poor headwater stream watersheds.

The PotlatchDeltic northern Idaho timberlands are home to a broader range of biodiversity that, while not as notable as elk and cutthroat, are an important part of our conservation efforts. These range from the many types of fungus that emerge in our conifer stands such as morel mushrooms, which tend to show up in newly planted stands in the spring, to the angel wing mushroom that grows on the sides of conifer trees and are widely sought by animals for their forage value. There are also the Clearwater Phlox and the northern goshawk. The phlox and goshawk are both species that are identified in our GIS map layer of biodiversity and that we have conservation protocols for within our EMS.



U.S. SOUTH BIODIVERSITY MANAGEMENT

Our southern timberlands have long growing seasons and plentiful rainfall that make a very productive system that supports a tremendous diversity of animals and plants. And in many cases, lots of them! On a spring day in our southern working forest the sounds of native birds singing, frogs calling and croaking, and the buzz of native bees can make for a noisy workplace for our foresters. Just the chirps of spring peepers, small chorus frogs, can reach the level where it is hard to hear much else.

Southern working forests have been documented to have more than 80 breeding bird species and many more species that migrate through twice a year. Forest lands at different stages of management and ages can be a

boon to southern birds. A few examples of bird-benefiting forest management practices include riparian buffers that protect not only water quality but also Swallow-tailed Kites and Hooded Warblers and provide their nesting habitat. Mixed forest stands are home to Pileated Woodpeckers, Red-shouldered Hawks, and Barred Owls. Regenerating pine forests are important for the Prairie Warbler and Northern Bobwhite. Prairie Warblers are known to prefer recently thinned stands. Harvested areas with standing snags attract Red-headed Woodpeckers and Eastern Bluebirds as well as raptors, including nesting American Kestrels.

The traditional game species of white-tailed deer and eastern wild turkey have long inhabited and benefitted from active forest management and are sought after by the recreationists that utilize our southern forest lands. Deer



thrive in areas that have been recently disturbed by forest management where lush herbaceous vegetation follows management such as final clearcut harvests or thinning. Turkeys utilize pine stands with open canopies for nesting and foraging, and hens take their broods to young stands that have lots of weeds and bugs to eat. Many a gobbler has been found strutting on open, grassy logging roads where traffic is restricted by gating, and the sun catches their iridescent feathers.

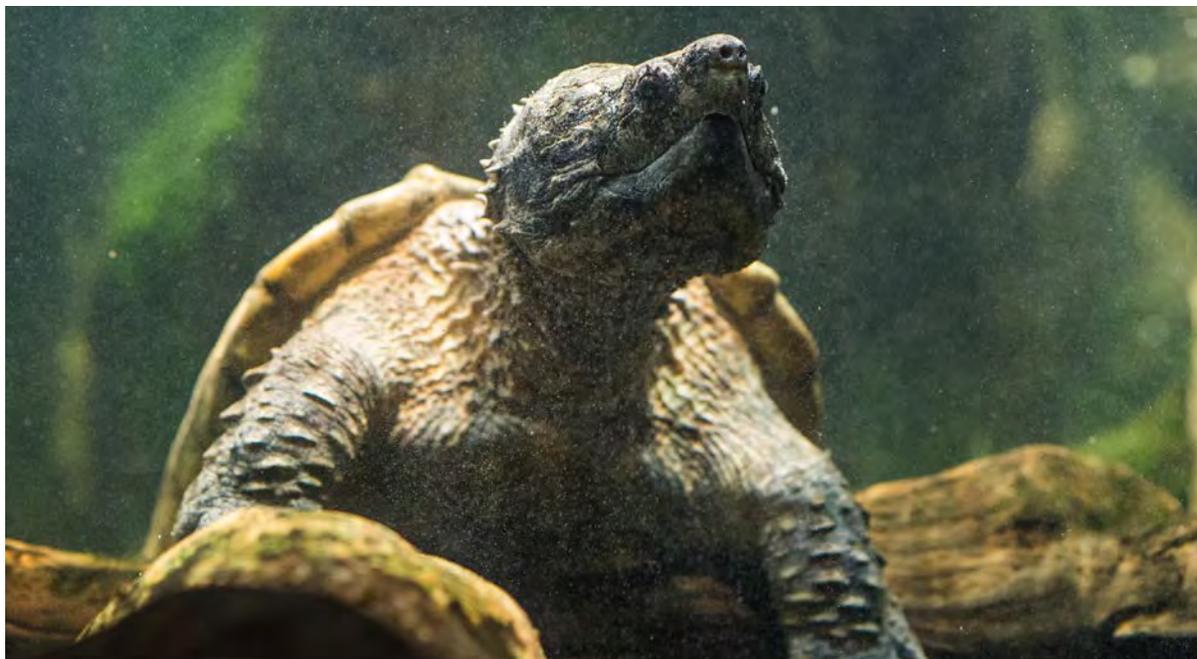
There is no better example of biodiversity conservation in working forests than the 40-year history of private forest landowners implementing voluntary BMPs for water quality protection. The South has a tremendous number of aquatic species including fishes, mussels, and turtles. These species have been conserved on actively managed forestlands yet have declined in non-forested watersheds and where dams have altered river flow. These aquatic species come by many interesting names such as the fat pocketbook mussel and candy darter, both of which are listed as endangered species, occupy stream reaches on our southern ownership, and are protected by our BMP implementation.



WILDLIFE CONSERVATION INITIATIVE

Working forests are critical to the effort to conserve biodiversity. PotlatchDeltic combines scientific data with our decades of experience sustainably managing forest lands to advocate for policies and regulations that recognize conservation values and reward landowners for the contributions that our managed forests provide.

The [Wildlife Conservation Initiative \(WCI\)](#) is an effort by the [National Alliance of Forest Owners \(NAFO\)](#) members to build a partnership with the U.S. Fish and Wildlife Service (Service) to create a trusted, durable relationship to implement science-based conservation for at-risk species. The underlying concept is recognition of the wildlife conservation benefits of working forests to at-risk species, implementation of on-the-ground practices to conserve species and use of third-party forest certification to provide assurances to the Service.



PotlatchDeltic was a leader with other landowners of the WCI in Arkansas and the Lake States. We initiated the first meeting with the Service's Arkansas Field Office to introduce the concept of third-party forest certification to the field office. In the Lake States, we led WCI efforts with the Service to design and expand the WCI partnership in the region. The initiative resulted in the Service recognizing the benefits of managed forest lands and Best Management Practice (BMP) implementation in their Endangered Species Act (ESA) listing evaluations.

Service evaluations of aquatic species endemic to streams within the working forests of the southern U.S. have resulted in many determinations that the species were "not warranted" for listing under ESA. Where aquatic species have been listed based on non-forestry threats, the listing rules for these species have recognized forestry water quality BMPs as protective of the species. These are meaningful long-term results for landowners, and they serve as a



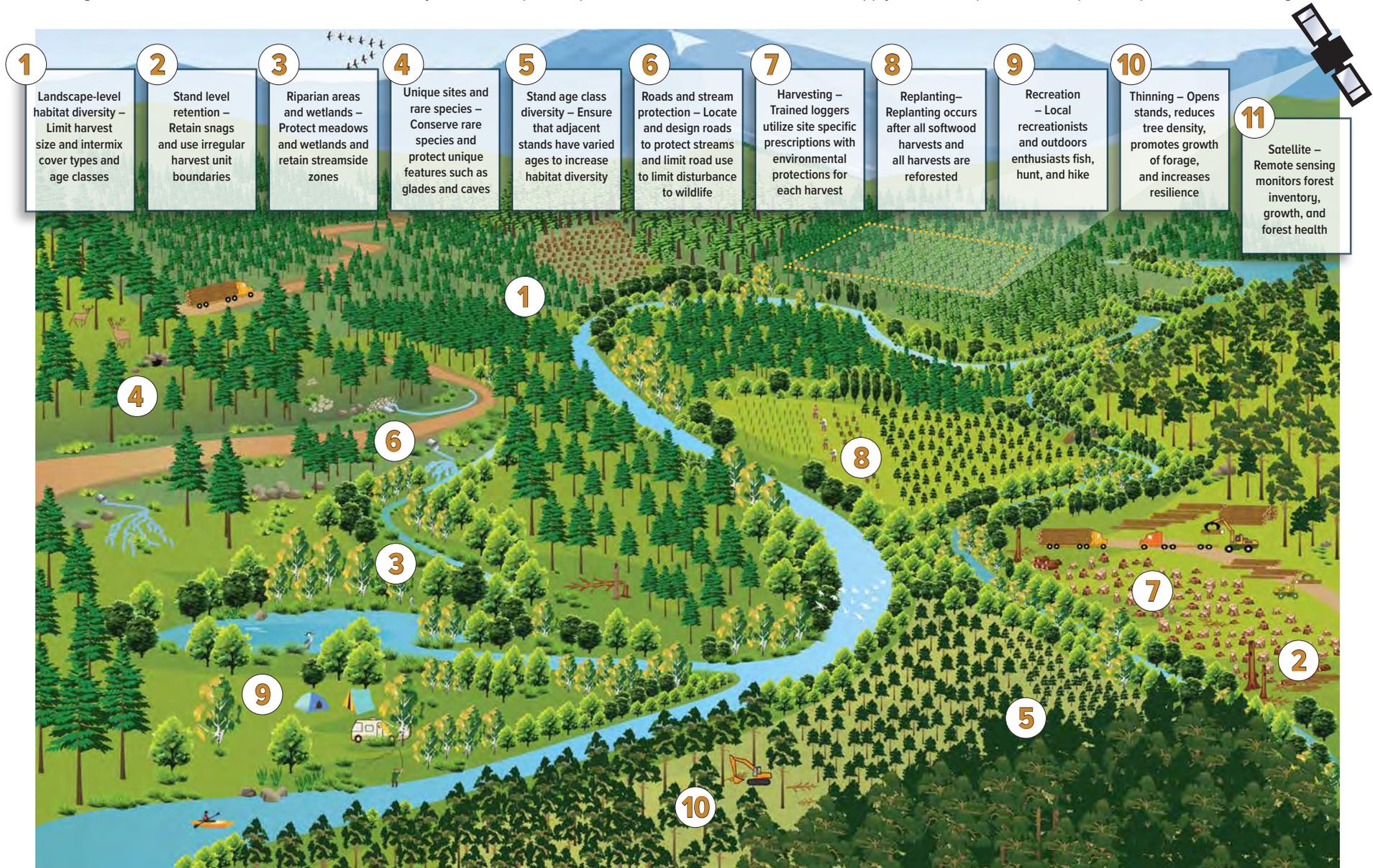
testament to the conservation value of voluntary practices implemented on private working lands.

The key link with forestry is the recognition by the Service of the effectiveness of BMPs to protect water quality, and the understanding that BMP implementation is broad and consistent across all working forest lands. The breadth of implementation is a result of landowners certifying their lands and companies buying wood fiber adopting SFI certified fiber sourcing, which requires that all wood delivered/purchased is harvested consistently with applicable forestry BMPs.

The WCI has strengthened and expanded since it was initiated in 2016 and now has cooperative landowner-Service projects in all the primary timber growing regions. The projects include species surveys, habitat research projects, and dialogue on how to simplify and reduce the administrative and regulatory burden of expanding conservation of listed species on private lands.

ENVIRONMENTAL RESPONSIBILITY

Active forest management creates resilient, healthy forests that are the foundation for diverse and sustainable wildlife habitats. Harvesting followed by forest regeneration results in early successional habitat with abundant grasses and shrubs, scattered down wood, and standing snags that are used by many mammals, birds, and insects. The broader managed forest landscape has an interspersed of extensively managed streamside zones, swamps and meadows, and a mosaic of managed stands of trees that broaden the biodiversity that inhabits working forest lands. Within this diverse and biodiversity-rich landscape are specific conservation measures that we apply to benefit species that require unique habitats or management.



ENDANGERED SPECIES

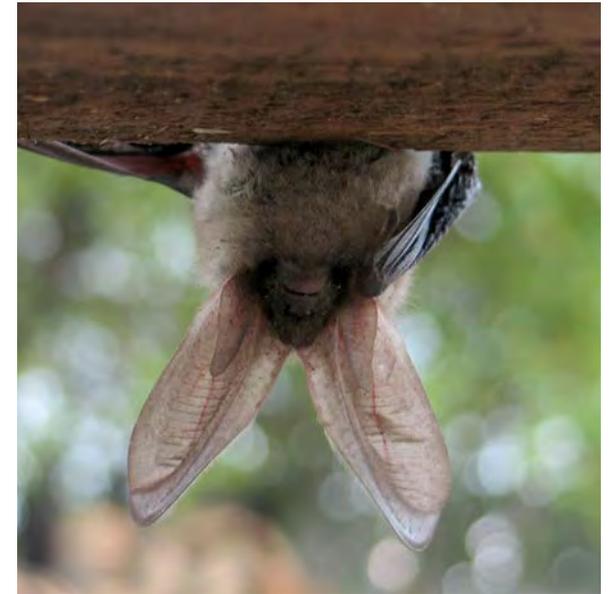
As a custodian of its timberlands, PotlatchDeltic recognizes that some of its lands need to be conserved as forestland in perpetuity. We realize this goal through land partnerships, conservation land sales, and conservation easements. We work with a wide range of stakeholders for conservation, including states, cities, counties, water authorities, and environmental/conservation organizations including The Conservation Fund, The Nature Conservancy, and the Trust for Public Land. In addition, we commit to the protection of species at-risk and have entered into habitat conservation agreements to protect endangered species.

Through our conservation land sales, public agencies have increased forest ownership and connected parcels previously blocked from public access, while securing working forests for the future. Wildlife management areas have been expanded and availability for public recreation and hunting has been increased. Water management authorities have increased watershed protection and areas have

been protected from future development. Cities and towns have increased land for infrastructure and public recreation and use.

PotlatchDeltic occasionally enters into formal agreements through conservation easements that limit timber harvesting or development on our timberland. We offer this commitment to conservation to support wildlife habitat and biodiversity or to preserve places and landscapes that have exceptional natural, social, or cultural value.

Across our timberlands and procurement basins, species ranging from the Canada lynx to the northern long-eared bat have been identified as endangered or threatened and are protected under the Endangered Species Act (ESA). For the endangered red-cockaded woodpecker that occurs on our lands in southern Arkansas, we participate in a Habitat Conservation Plan (HCP)¹⁶ with the U.S. Fish and Wildlife Service to implement a variety of conservation measures for its unique habitat requirements.



Whenever species or communities that are unique, rare, or listed as federally threatened or endangered are present on our timberlands, we integrate habitat management for their conservation into our forestry management practices. Our experience working to conserve these species has shown that voluntary partnerships and agreements, such as those we advocate for in the Wildlife Conservation Initiative, are most effective at conservation delivery.

We have five critically imperiled and 18 imperiled animal or plant species or communities on our land base. All the species and the areas where they occur are mapped in our GIS system and their habitats conserved during forest management. Most of the species are aquatic and are protected by implementation of BMPs.

Overall, we own 70,723 acres of timberland that have protected conservation easement status. Of this, 15,961 acres are within a conservation easement in Arkansas. This conservation easement is also covered by our red-cockaded woodpecker HCP.



Red-cockaded Woodpecker

PotlatchDeltic occasionally enters into formal agreements with nonprofit and governmental agencies that limit timber harvesting or development on our forestland. We offer such easements to support the recovery of a threatened or endangered species, or to preserve places and landscapes that have exceptional natural, social, or cultural value.

We are especially proud of the conservation easement that we use as part of the habitat conservation plan for the endangered red-cockaded woodpecker (RCW) in Arkansas.

The RCW was listed as an endangered species in 1970. Its numbers had dropped to an estimated 15,000 from an original population of 1.5 million but has since shown recovery. It is a habitat specialist occupying fire-maintained open pine woodlands and savanna and is the only woodpecker in North America to excavate cavities in living pine trees, which they utilize for roosting and nesting. They practice cooperative breeding, a social system in which some mature adults forgo reproduction and instead assist in raising the offspring of others. These characteristics contribute to the importance of available cavity trees and prescribed fire to provide habitat for breeding groups and maintain healthy populations.

In 1995, we entered a historic partnership with the U.S. Fish and Wildlife Service to create a habitat conservation plan, or HCP, for the RCW, providing a variety of strategies for encouraging the bird's recovery. More recently, we rewrote the HCP and embedded it in a 15,961-acre conservation easement in prime RCW habitat. This easement with the Nature Conservancy and the State of Arkansas, known as the Moro Big Pine Working Forest Conservation Easement, sets these lands apart in perpetuity.

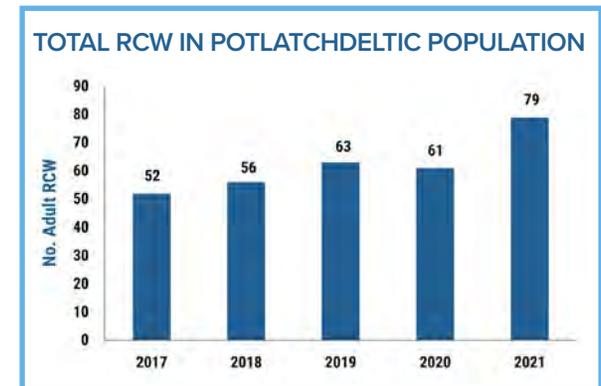
Biologists from The Wildlife Company monitor the red-cockaded woodpecker population on our lands, conducting an annual survey and banding all newly fledged birds. Our researchers also regularly use "video peepers" to investigate the tree cavities where the RCW nests.

The 2018 merger with Deltic Timber Corporation brought a small number of RCWs scattered in non-viable demographic settings, and we translocated them to Moro Big Pine. Following the merger, we visited all sites with recorded observations of RCWs to determine if they were active, the number of RCW present, and their proximity to other RCWs. We also surveyed areas with potential for RCW cavity trees to determine if there were previously unknown locations with RCW. Our assessment revealed seven sites with RCWs present or with signs of RCW use within the last few years and that they were demographically isolated, meaning that there were no other RCWs close enough to their nesting locations to fill breeding vacancies created by the loss of a mate or to allow offspring to find other RCWs and become breeders.

We then initiated permit applications with the U.S. Fish and Wildlife Service to allow translocation of the isolated RCWs to our Moro Big Pine Conservation Area in southcentral Arkansas. With permits secured, the fieldwork of capturing and translocating RCWs was initiated in early April of 2020. Capturing RCWs is conducted using well-developed protocols to ensure successful relocation and requires many hours of early morning and evening observations of cavities to determine roost locations. Nets with long poles that allow for capture of RCW from their roost cavities were located 30-70 feet above the ground. All the RCWs on the new lands - a total of six, consisting of two pairs and two singles from four different sites - were translocated. The RCWs were moved to high-quality habitat on Moro Big Pine, which increased the population size and viability

there, where cavity trees are readily available and fire is used to maintain open pine, high-quality habitat.

Eighteen years of habitat management and translocation of RCWs to improve population viability has resulted in the population on Moro Big Pine growing from 24 adult birds with 9 potential breeding groups to the 2021 population of 79 adults with 29 potential breeding groups. The RCW population on Moro Big Pine is now large enough that we are working in partnership with the [Arkansas Natural Heritage Commission](#) to translocate sub-adults from Moro to other small RCW populations in Arkansas to increase their genetic diversity.



"PotlatchDeltic has done a tremendous job of habitat restoration and management at Moro Big Pine Natural Area Wildlife Management Area, as reflected in the growth of the RCW population there, and the translocated birds will benefit from those efforts."

- Bill Holimon, Agency Director
Arkansas Natural Heritage Commission

FOREST CERTIFICATION

Third-party certification confirms that science-based stakeholder developed forest management practices and continual improvement are occurring on all timberland across the Company.

Third-party forest certification plays a vital role in fostering an understanding of the value of properly managed working forests, which helps ensure both tangible forest products and numerous quality-of-life benefits sustainably into the future. PotlatchDeltic first became third-party certified to standards developed by the SFI in 2002 and by FSC in 2004. As a leader in sustainable forestry, we were also the first publicly traded company in the United States to become FSC certified. Since that time, we have endeavored to continually improve our forest management practices as new scientific discoveries have been made and forest certification systems have evolved. Independent third-party certification provides a credible assurance that our forest management and our wood fiber procurement practices meet clearly defined standards, which have been developed and regularly reviewed by a range of stakeholders interested in the values forests provide.

Our third-party forest certification reflects the rigor of our environmental management system, which is based on an ongoing continual improvement process. As new information is discovered, practices are adjusted and improved, whether that be in threatened and endangered species management, forest productivity, water quality or climate change. Forest certification challenges us to think long term, and to invest with research organizations to study and improve the industry’s technical knowledge. In addition, it encourages us to engage with the communities and stakeholders who are connected to us through our timberlands and all they have to offer.

SUSTAINABLE FORESTRY INITIATIVE

SFI is an independent non-profit sustainability organization that collaborates on forest initiatives with the forest sector, conservation groups, academia, local communities, Indigenous peoples, and educators. SFI recognizes that forestland owners have a responsibility for stewardship through reforestation and the management, growing, nurturing, and harvesting of trees. However, SFI also requires a much broader involvement in areas such as research,



community outreach, education, and climate change. SFI oversees the standards for certification of approximately 352 million acres of timberland in North America and 67 million acres in the United States. SFI forest certification is based on 17 objectives, 41 performance measures, and 141 indicators that are centered around promoting sustainable forest management practices. These criteria include forest management planning, prompt reforestation, protection of water quality and quantity, wildlife habitat management and biodiversity, recreational opportunities, protection of

species at risk, efficient use of fiber resources, Indigenous peoples’ rights, climate-smart forestry, fire resilience, forest research, forest education, and community outreach.

Certification is a broad effort and encompasses much more than just replanting trees that are harvested. For example, the SFI standard includes a multi-faceted approach for education that includes not only ensuring participant staff and logging contractors are appropriately trained as professionals, but also reaching out to students and families to experience the outdoors and to help others understand the importance of sustainable forestry both now and in the future.

Recent SFI forest management standard updates also address the role of forests as a nature-based solution to climate change. SFI’s Climate Smart Forestry Objective requires that climate change risks to forests and forest operations be identified and addressed with appropriate adaptation strategies implemented. In addition, the updates recognize that forest management is an important catastrophic wildfire mitigation tool. SFI certification requires the evaluation of fire risks, management techniques that mitigate fire impacts, and restoration of forests following wildfire damage.

SFI 2021 AUDIT RESULTS

GOOD PRACTICE NOTED

Gabion¹⁷ water crossing in Alabama.

NON-CONFORMANCES

We received no non-conformances in 2021.

PotlatchDeltic is certified to the SFI Forest Management Standards on 100% of its timberlands. To meet certification standards, our forest management practices are reviewed through an annual third-party surveillance audit, and full recertification audits every five years. Our 2021 SFI Forest Management surveillance audits were in Arkansas, Alabama, and Mississippi which resulted in successful recertification.

FOREST STEWARDSHIP COUNCIL

PotlatchDeltic is also certified on 70% of our combined timberlands in Arkansas and Louisiana to [FSC](#) Forest Management standards. FSC sets standards for responsible forest management on more than 587 million acres in 82 countries worldwide. Over 163 million acres are FSC certified in North America, including over 36 million acres in the United States. FSC's mission is to promote environmentally sound, socially beneficial, and economically prosperous manage-



The mark of responsible forestry

ment of the world's forests. The FSC U.S. standard is based on 10 principles, 57 criteria, and 200 indicators that include compliance with laws, Indigenous rights, conservation of biological diversity and high conservation value forests, water quality protection, community relations and workers' rights, and others.

Our decision to dual-certify some of our timberlands through FSC reflects the specifications of some of our customers who produce paper and packaging that are sold to international consumers who prefer FSC product certification. FSC surveillance audits are conducted annually with a full re-certification every five years. Our 2021 FSC audit found no non-conformances.

FSC 2021 AUDIT RESULTS

NON-CONFORMANCES

We received no non-conformances in 2021.

INTERNAL AUDITS

In addition to third-party certification, we also conduct annual internal audits at every forest district to ensure that our environmental management system is effectively implemented. Internal audits focus on adherence to our environmental management system policies and procedures by foresters and professional staff, application of site-level BMPs on the ground, contract logger understanding and application of policies and practices, employee and contractor safety performance, and understanding of fire risk policies and equipment, among many other areas.

Our 2021 internal audits were in Alabama, Mississippi, Arkansas, and Idaho and resulted in one minor non-compliance in Arkansas for not adequately incorporating a



Mike Houser
Manager, Environment
and Sustainability,
PotlatchDeltic

“SFI and FSC third-party forest certification standards are based on continual improvement, which challenges us to implement innovative sustainable forest management principles in our business. As scientific research reveals new findings, these standards adjust and raise the bar on our performance. Both SFI and FSC are incorporating new expectations around carbon and climate to ensure forest managers are intentional about the positive role forest management plays as a nature-based solution.”

rare feature restriction process into site planning. We also found Opportunities for Improvement (OFI) regarding wet weather protection of site productivity and remediation of skid trails, and logger awareness of PotlatchDeltic policies. OFIs are not considered non-conformances, but rather, are issues that should be reviewed to ensure they do not become non-conformances in the future. Several favorable notable practices were also identified including wet weather harvesting, communications, and stream crossings.

TIMBERLANDS SNAPSHOT

IDAHO



LONG-TERM SUSTAINABLE
FOREST MANAGEMENT
PLANS INCORPORATE
BEST MANAGEMENT
PRACTICES



Timber **GROWS**
3-6%
per year

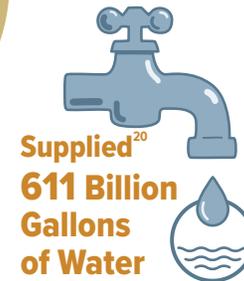
Timberlands
Harvest at
45-65 years



U.S. SOUTH



LONG-TERM SUSTAINABLE
FOREST MANAGEMENT
PLANS INCORPORATE
BEST MANAGEMENT
PRACTICES



Timber **GROWS**
6-9%
per year

Timberlands
Harvest at
25-28 years





REAL ESTATE

Our real estate developments incorporate environmental practices. In rural real estate, conservation outcomes are at the heart of our objectives, and we seek to partner with organizations to benefit recreation, water quality, and wildlife.

DEVELOPMENT

PotlatchDeltic's real estate development business currently consists of two communities that were part of the merger in 2018 with Deltic Timber Corporation: Chenal Valley and Red Oak Ridge.

Our Chenal Valley master-planned community in west Little Rock is one of the premier real estate developments in Arkansas. We develop and sell both residential and commercial property while incorporating several environmentally conscious practices into the development process. The Chenal area consists of 6,700 acres, of which 60% is designated as residential. Approximately 20% of each neighborhood is set aside as greenspace. In addition, large areas of greenspace, about 15% of the total acreage, are preserved throughout the development and between neighborhoods.

The master plan is generally designed around the existing topography with more dense development in flat areas and less dense development and greenspace in the areas with steeper slopes. Walking paths have been constructed to connect the different areas of Chenal, along with bike paths and playgrounds, to promote a healthy lifestyle for residents.

The Chenal Valley community includes the Chenal Golf and Country Club in Little Rock, which consists of two 18-hole professional golf courses woven throughout the development. Both courses use current technology to manage and conserve water usage as well as to offer urban habitats for

wildlife. This technology includes the use of highly efficient irrigation equipment and monitoring equipment including rainfall sensors. These courses provide stormwater detention for the entire Chenal Valley development within the Rock Creek watershed and maintain peak discharges to predevelopment levels. Water management for each course was designed and engineered based upon the distinct geographic and environmental conditions found on each site. Both golf courses are certified as Audubon Cooperative Sanctuaries. This designation exemplifies the Club's long-term commitment to the protection of the natural environment.

Our Red Oak Ridge development in Hot Springs, Arkansas incorporates many of the same environmentally conscious practices. Large areas within and around the neighborhoods are set aside as greenspace. Walking paths connect the neighborhoods and traverse through adjacent forestland. In addition, Red Oak includes two man-made lakes that provide stormwater detention for the development. The area surrounding the lakes retains its natural vegetative cover to limit erosion and sedimentation. We have developed a fish management program to enhance fishing and we prohibit motorized boats to maintain water quality and a peaceful environment.



RURAL

Our rural land sales efforts have focused on lands that we have identified as non-strategic or that have a higher and better use than timberland management. These higher uses can be the result of conservation objectives, demand for rural recreational real estate, or other uses such as solar energy sites. In Minnesota, rural lands have been in high demand for both conservation and recreational purposes, and we have largely completed a strategic initiative to sell these lands over the last 15 years. In Arkansas, and our other southern states, rural land sales tend to focus more on recreation and adjacent landowner interest. The merger with Deltic Timber provided additional future lands for sale that were analyzed through our land stratification process. In total, we have currently identified 102,000 rural acres that we intend to sell over time.



We are proud to have a significant amount of conservation outcomes from our rural land sales, totaling nearly 240,000 acres since 2004. More recently, since 2018, approximately 70% of our rural land sales acreage has been for conservation outcomes with nearly all the remaining 30% for recreational purposes. These conservation outcomes have been particularly prevalent in Minnesota where our lands were scattered in areas with unique recreational values and wildlife habitats. In Idaho, early conservation transactions included a conservation easement on over 50,000 acres as part of [Idaho's Forest Legacy Program](#) along the scenic St. Joe River. The St. Joe River is a blue-ribbon West-slope cutthroat trout fishery and the easement permanently secured public access and protected wildlife habitat and sustainable forest management in perpetuity. In Arkansas, we partnered with and sold land to the Central Arkansas Water District, which had established a 4,500-acre land purchase program to acquire properties with the objective of safeguarding one of the largest sources of drinking water in the region – Lake Maumelle and the Maumelle River. The purchases enabled specific restoration initiatives in the watershed by focusing on minimizing erosion and silting in the lake and preventing development. A notable Arkansas conservation outcome this year was the sale to [The Nature Conservancy](#) to extend the Blue Mountain Nature Reserve, adding nature and bike trails for public use.

Rural recreational land transactions provide an opportunity for neighboring landowners to increase their ownership, and for both in-state and out-of-state buyers to find a place where they can get away to a rural home, go hunting, fishing, hiking, and enjoy the outdoors. Recreational land buyers often have a management plan for wildlife habitat on the property and may obtain a related income stream from active timber management. These transactions can provide the owner a legacy of land ownership and can introduce future generations to the benefits of the outdoors, timberlands, and wildlife.



Bill DeReu
Vice President, Real Estate
PotlatchDeltic

“We seek to achieve conservation and recreation outcomes within our rural land sales program and continue to integrate environmental considerations and greenspace into our Chenal and Red Oak Ridge developments.”





ENVIRONMENTAL MANAGEMENT – FACILITIES

Understanding the depth and breadth of all applicable requirements of environmental laws and our operating permits, and establishing reliable methods to meet those requirements, are critical in establishing a reliable compliance assurance program.

PotlatchDeltic operates six lumber mills and an industrial plywood facility. Each mill operates subject to stringent limits and legal requirements within various environmental permits and regulations that are in place to protect air and water quality.

Under the Clean Air Act and our site-specific Renewable Operating Permits, our mills closely monitor operating parameters and air emissions, including hazardous air pollutants (HAPs) to ensure those emissions are minimized. Under the Clean Water Act, we protect water quality by meeting strict discharge limits and other provisions established at each site for process water and stormwater discharges through the National Pollutant Discharge Elimination System (NPDES). Resource efficiency is a critical component of our operations, and we are continually working to reduce our waste.

ENVIRONMENTAL MANAGEMENT SYSTEM

PotlatchDeltic wood products facilities have procedures and programs in place to comply with all applicable environmental laws and regulations. An environmental compliance management system (CMS) establishes best practices, programs, and procedures that strive for 100% compliance with federal, state, and local regulations governing air emissions, water discharges, and waste disposal.

The CMS provides a standard framework to promote reliable environmental compliance in alignment with our Environmental, Health, and Safety Policy. The CMS also

includes processes for the establishment and execution of annual Wood Products Division and facility-specific objectives and targets intended to drive continual improvement in environmental performance and regulatory compliance reliability.

The CMS includes a “Roadmap Process” used to identify all applicable environmental compliance requirements for air, water, and waste. The Roadmap Process links the identified actionable items with standard operating procedures to meet those specific requirements. Supporting management system elements integrated into the road mapping process include monitoring and measurement, operational control, and recordkeeping.

We pursue continual improvement in the reliability of our compliance assurance programs through employee training, process monitoring, systematic performance evaluations, and through regular internal compliance audit²² and corrective action processes. Key findings and best practices identified in these audits are shared

ENVIRONMENTAL COMPLIANCE

	2019	2020	2021
Agency Inspections	6	3	6
Internal Audits	3	3	3
Notices of Violation	1	-	1
Fines and Penalties	\$3,168	\$5,040	-
Significant Spills	1	1	2



Tom Mosher
Wood Products
Environmental Director,
PotlatchDeltic

“Time and money spent on compliance and sustainability efforts isn’t just another cost of doing business. It’s an investment in the long-term health and well-being of the communities and forests we all live, work, and recreate in.”

across facilities to focus improvement across the division. We establish objectives, targets, and programs to improve compliance reliability and enhance overall environmental performance. Each site reviews their compliance status as well as progress against environmental objectives at least semiannually. In addition, business level reviews take place several times per year as part of the annual planning process.



PROCUREMENT - CHAIN OF CUSTODY

We are committed to responsibly sourcing the raw materials used to make our lumber and plywood while meeting customer demand for quality.

The raw materials for lumber and plywood include logs from our own company lands, logs from other private industrial and family-owned landowners, and from public agency landowners. No matter where these logs originate, we commit that they are sourced in a manner that protects the values these forests provide.

Some of the logs we use come from land that is certified to either SFI or FSC standards including our own ownership, other industrial landowners that have chosen to be certified, and some state and county agency lands. Given approximately 90% of the world's forests are not certified, however, both SFI and FSC have systems in place to ensure

responsible procurement occurs when purchasing fiber from non-certified lands. We use both SFI Fiber Sourcing and FSC Chain of Custody programs to assure our customers and stakeholders that the wood we purchase to make our products originates from responsible sources.

All seven of our facilities are certified to the SFI Fiber Sourcing standard, which provides structure to how we, as an SFI Program Participant purchase fiber from both certified and non-certified forestland. This standard is designed to extend the positive reach of sustainable forestry information and practices to landowners on such topics as forest regeneration, forestry best management practices

for water quality, wildlife and biodiversity, use of professional logging contractors, and avoiding controversial sources such as illegal logging.

The 2022 SFI Fiber Sourcing Standard has 13 Principles, 11 Objectives, 29 Performance Measures and 59 Indicators, all designed to promote responsible procurement. In addition to sharing sustainable forestry information with landowners, we also must demonstrate adherence to all federal, state, and local forestry laws, invest in forestry research, science, and technology, and develop verifiable monitoring systems to evaluate the use of best management practices across the geographic area where we procure wood.

In 2021, 100% of the timber consumption at all our wood products facilities was SFI Fiber Sourcing certified.



Our Gwinn, Michigan, and Warren and Waldo, Arkansas facilities are also FSC Chain of Custody certified. This means we track the path of our products from the forest through the supply chain, ensuring that FSC-certified material is identified from non-certified material throughout that chain. In addition, FSC certification requires that wood that is procured from land not FSC certified falls under the FSC Controlled Wood standard. The Controlled Wood standard requires that the non-certified wood we purchase does not come from undesirable sources. FSC considers all the following undesirable sources: illegally harvested forests; forests that were harvested in violation of traditional and civil rights; forests where high conservation values are threatened by management activities; natural forests that were converted to non-forest uses; and forests with genetically modified trees.

In 2021, 57% of timber consumption at all our wood products facilities was FSC Chain of Custody certified, and 100% of the timber consumption at our Gwinn, Warren, and Waldo facilities was FSC Chain of Custody certified. In 2021, 40% of timber consumption at all our wood products facilities was FSC Controlled Wood certified.

We have traceability systems at all wood products facilities based on our SFI Fiber Sourcing procedures. Our SFI procedures are designed to ensure that our sourcing is from legal and responsible sources with emphasis on uncertified

sources. We track all log purchases to section, township, and range, with the only exception being two remote concentration yards where we know state and county of origin only. In every case, we have a system to assess the risk that logs could be acquired from illegal logging sources that includes communications with suppliers, contract documentation, and maintenance of records. We identify and address any significant risks.

Our risk assessment procedures, plan implementation and results are evaluated in internal and third-party audits. We have not identified any issues with illegal sourcing. In addition, we have policies and procedures designed to promote compliance with all applicable chain of custody laws and to extend legal compliance throughout our supply chain. Our procedures for ensuring chain of custody legal compliance are internally and externally audited and we have also not identified any material issues with legal compliance. All our sourcing is verified to be from legal, responsible sources and produced by trained logging contractors.

Our 2021 SFI Fiber Sourcing audits were conducted at our Warren and Waldo wood products facilities in Arkansas and no major or minor non-conformances were found. Our 2021 FSC Chain of Custody audits were also completed at our Warren and Waldo, Arkansas facilities, and we had one minor non-conformance at the Waldo facility for not updating our FSC credit account within one month after a certified lumber sale. We had a surplus of credits in the account and the root cause was found to be timely communication between the sales team and the credit account manager.

PotlatchDeltic understands the importance of good forest stewardship not only on our own land but also with the many other landowners we work with. This stewardship plays a key role in our commitment to sustainability for our shareholders, customers, communities in which we operate, and numerous other stakeholders.



SFI FIBER SOURCING 2021 AUDIT RESULTS

MINOR NON-CONFORMANCES

We received no non-conformances in 2021.

FSC COC 2021 AUDIT RESULTS

NON-CONFORMANCES

FSC Credit Account Management:

We received one minor non-conformance in 2021 for not having our credit account up to date in one month after an FSC lumber sale.

ENERGY

Reducing energy consumption and conserving resources are integral to our success. Energy consumption has accompanying financial and environmental costs that vary depending on the type of energy used. We continually evaluate our operations and planned projects to minimize these costs by emphasizing conservation and the use of renewable energy.

Energy needs at our wood products facilities are principally supplied by residual wood-fired boilers, purchased electricity, and some fossil fuels. Residual wood from lumber production is utilized in boilers to produce steam energy to dry wood in the kilns and to provide comfort heating. Purchased electricity is used to run process equipment and for heating and cooling. Other fossil fuels (mostly diesel) are predominantly used in mobile equipment with one facility also having a supplemental natural gas-fired boiler and direct-fired kiln.

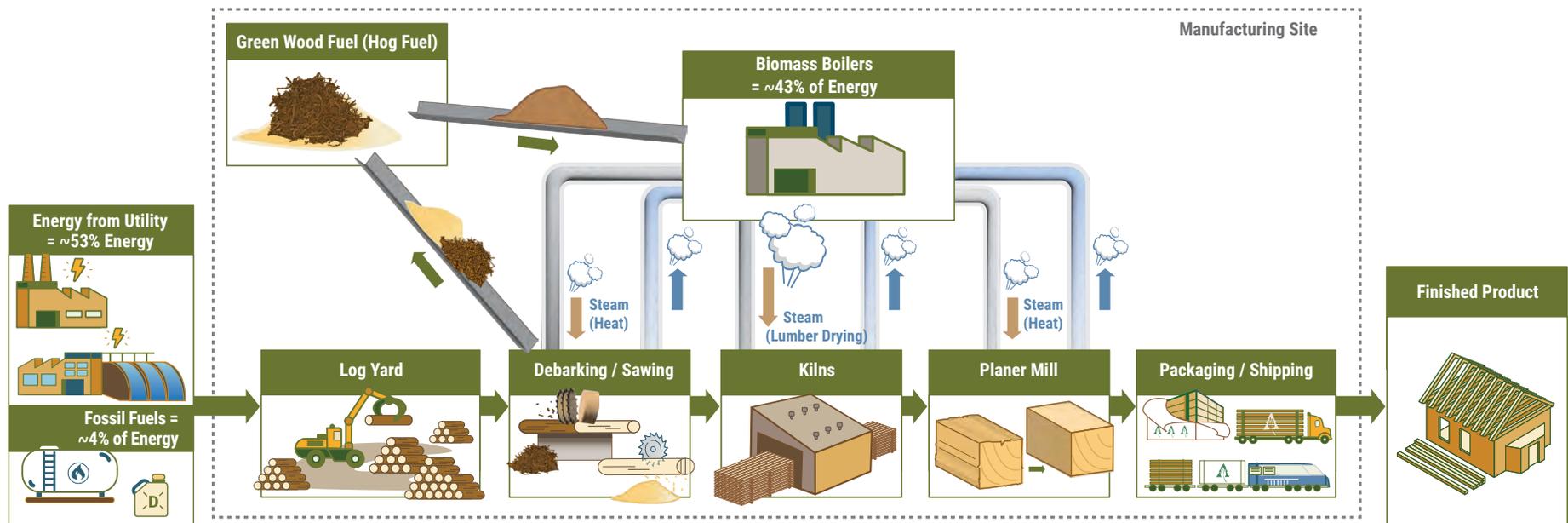
Another energy consuming piece of equipment is our regenerative catalytic oxidizer (RCO), which is an air pollution control device at our plywood mill. The RCO uses propane to maintain a sufficient temperature to destroy air pollutants before they're released. The catalyst in the RCO allows for a lower temperature, therefore reducing propane usage.

Residual wood-fired boilers represent the heart of our wood products facilities. These boilers create steam that

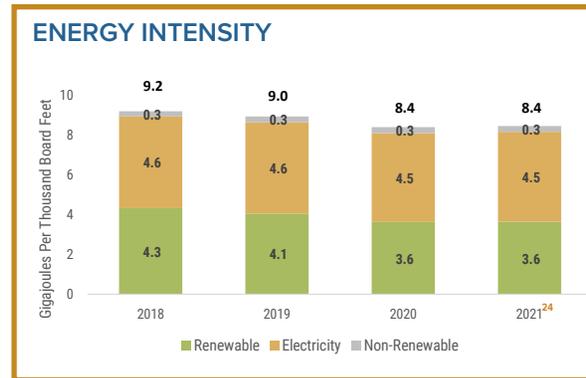
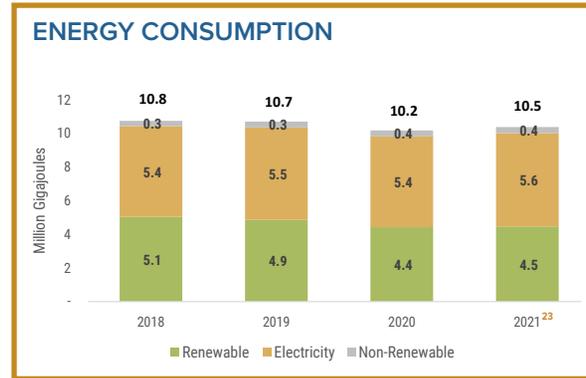
provides heat to our operations and power to our kilns where lumber is dried. At St. Maries, the boilers also provide efficient and economical steam heat to the veneer dryers. The boiler energy is provided by renewable wood residuals in the form of hogged fuel. Hogged fuel is a mixture of bark, wood, and sawdust residuals from the manufacturing process that are ground up or "hogged" for better consistency.

In 2021, our wood products facilities' internal energy consumption was 9.5 petajoule (PJ). A fire at our Ola facility, with downtime for repair throughout the second half of 2021, does not make actual data representative. Using the 2018-2020 average, energy consumption at our wood products facilities would have been 10.5 PJ. On this basis, total energy consumed consisted of ~53% electricity, ~43% renewable sources, and ~4% non-renewable fossil fuels.

ENERGY PROCESS FLOW



In 2021, our wood products facilities' energy intensity in gigajoules (GJ) per thousand board feet was 8.2. Using the 2018-2020 average for Ola, energy intensity at our wood products facilities would have been 8.4 GJ per thousand board feet.

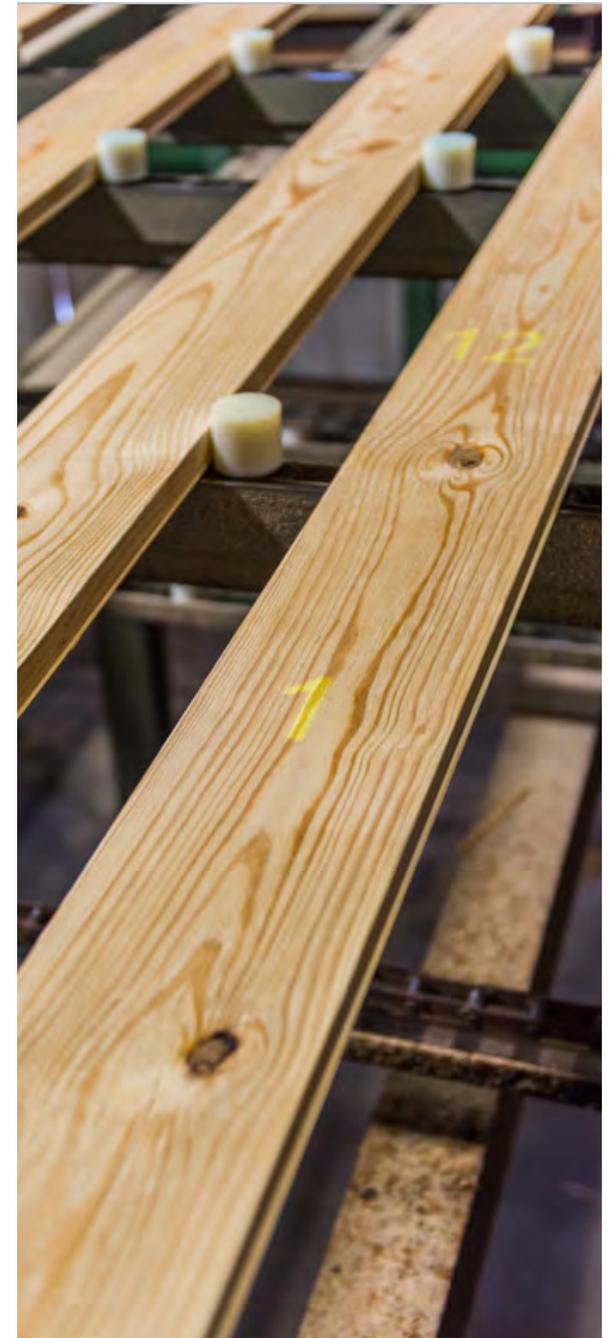
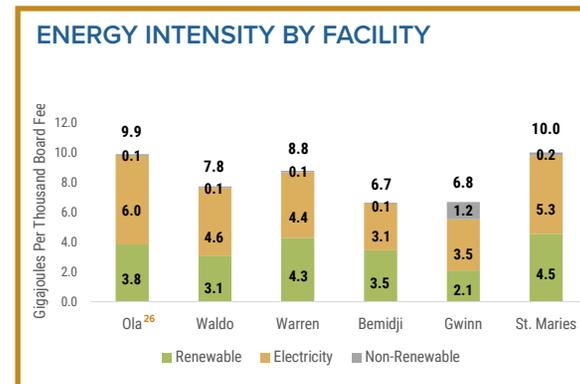
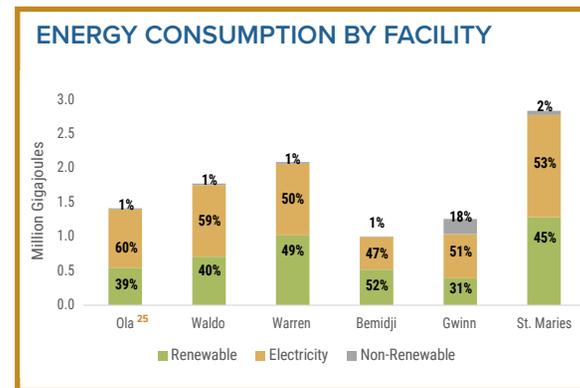


The sources of energy consumed at each mill vary depending on equipment configuration. The goal is to optimize the use of renewable fuels such as our wood residuals, within the physical equipment constraints while minimizing other environmental impacts.

Our Warren and Bemidji wood products facilities obtain approximately half of their energy requirements from wood residuals. The Gwinn facility utilizes natural gas and other

fossil fuels to meet about 18% of total energy needs. The natural gas fired boiler and kiln at Gwinn minimize emissions of criteria air pollutants such as particulate matter, carbon monoxide, and oxides of nitrogen compared to emissions from a biomass boiler. The regenerative catalytic oxidizer used to meet the NESHAP Rules at our St. Maries plywood facility also uses propane to destroy the hazardous air pollutants from the veneer dryers.

In 2021, our wood products facilities utilized an average of 19% of the wood residuals they produced for fuel in their boilers to generate thermal energy in the form of steam. In fact, wood residuals provide all the thermal energy needs at our mills except for Gwinn where natural gas is used to supplement its wood-fired steam generators. Overall, this



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



CASE STUDY: ENERGY INITIATIVES

During 2021, our wood products facilities completed several projects and initiatives that reduced energy usage. These improvements, and others, are examples of the continuous actions taken to improve our energy efficiency.

Bemidji Roof Insulation Upgrade:

At our Bemidji facility, we replaced almost 11,000 square feet of the roofing at the planer and upgraded the insulation. This project took the insulation value from R-10 to R-26 by replacing the steel roof and fiberglass insulation with a double-steel roof and Styrofoam™ insulation. This improved insulation helps moderate the high and low temperatures and reduces the need for any additional cooling or heating in that area.

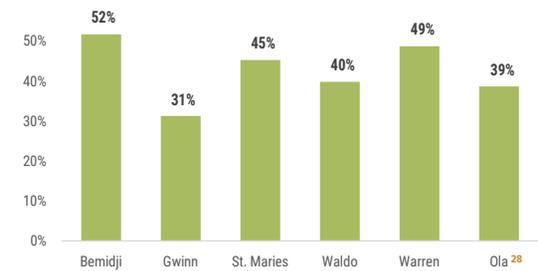
Warren Energy Efficiency:

We replaced hydraulic air dryers and air compressors at our Warren facility with electric systems. This change improved the systems' efficacy at colder temperatures and provided energy savings.

sustainable source of fuel provided on average 42% of the 2021 energy requirements at our wood products facilities.

The greenhouse gas emissions from the boilers burning wood residuals produce biogenic emissions. Even though the wood residuals emit CO₂ when burned, the carbon emitted is part of the biogenic cycle²⁷ rather than an increase in total carbon in the atmosphere from burning fossil fuels. Using residuals for energy sourced from sustainably managed forests reduces wood waste and has the additional benefit of avoiding carbon emissions from fossil fuels.

WOOD RESIDUALS - INTERNAL ENERGY GENERATED



AIR

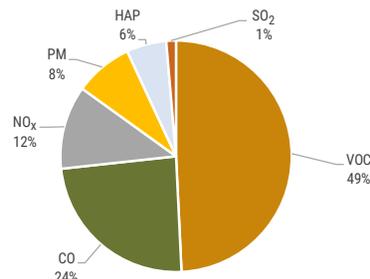
We are committed to protecting air quality and work to minimize air emissions through proper operation and maintenance of our process equipment and use of state-of-the-art pollution control technologies.

Air emissions from our wood products facilities are generated primarily from the combustion of fuels to generate energy. Combustion of residual wood in boilers that produce steam energy for use in the kilns to dry lumber produces combustion-typical emissions such as carbon monoxide (CO), nitrogen oxides (NO_x), sulfur dioxide (SO₂), Hazardous Air Pollutants (HAPs), and particulate matter (PM). When drying lumber in a kiln, wood extractives in the form of volatile organic compounds (VOCs), HAPs, and PM (formed from the condensation of VOCs) are released. The air emissions are limited under several federal and state regulatory programs including the National Emissions Standard for Hazardous Air Pollutants (NESHAP) and New Source Performance Standards (NSPS). The performance standards created by these rules are implemented at our facilities in regulatory permitting programs that establish source-specific operating conditions. These permits guide our facilities to meet the regulatory performance standards and prevent degradation of air quality.

We measure and report air emissions²⁹ at each of our facilities and monitor compliance with emission limits for each source and emission type established in our Renewable Operating Permits. Stack emissions from larger sources like wood-fired boilers are measured by qualified third-party testing companies on a set schedule defined in our permits. The data collected during the tests are used to verify compliance with short-term (typically hourly) emission limits for select pollutants and are used to develop conversion factors to continuously track compliance against longer-term (typically monthly or annual) limits. Continuous monitoring systems are also

used to measure the opacity of stack emissions as a surrogate parameter for particulate emissions. Industry accepted conversion factors are used to characterize emissions from smaller sources and operating parameters are established to ensure their air quality impacts are minimized. Data integrity is monitored continually and is reviewed each quarter. Internal audits are also conducted every two years to verify that the site compliance monitoring requirements are being met.

AIR EMISSIONS BY TYPE



We evaluate the operation and maintenance of all our emission sources and their associated control devices. Proper design, operation, and maintenance of the production equipment minimizes emissions and is an important part of our air quality commitments. Facilities also utilize cyclones and baghouses to control particulate emissions. In addition, our St. Maries, Idaho plywood facility operates special pollution control equipment to satisfy requirements under the NESHAP regulations, known as Maximum Achievable Control Technology (MACT). Exhaust from the heated zones of the plywood veneer dryers is collected and routed to a regenerative catalytic oxidizer (RCO) where more than 90% of the hazardous air pollutants in the exhaust are oxidized into water vapor and carbon dioxide.

AIR EMISSIONS

(⁰⁰⁰ Kilograms)

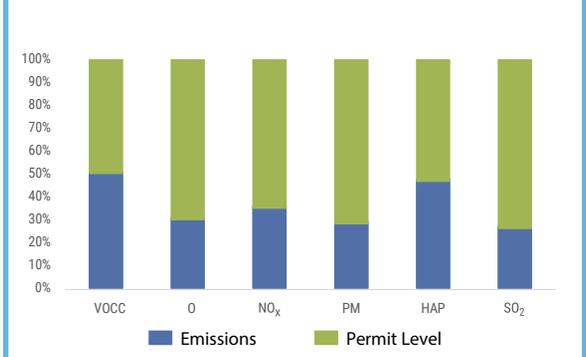
	2018	2019	2020	2021 ³⁰
Volatile Organic Compounds	1,314	1,322	1,339	1,390
Carbon Monoxide	801	755	665	678
Nitrogen Oxide	393	379	331	329
Particulate Matter	186	194	225	230
HAP	144	149	154	157
Sulfur Dioxide	45	43	40	38
Total	2,883	2,842	2,754	2,822

AIR EMISSIONS INTENSITY

(Kilograms / Thousand Board Feet Produced)

	2018	2019	2020	2021 ³¹
Volatile Organic Compounds	1.12	1.10	1.10	1.13
Carbon Monoxide	0.68	0.63	0.54	0.55
Nitrogen Oxide	0.34	0.32	0.27	0.27
Particulate Matter	0.16	0.16	0.18	0.19
HAP	0.12	0.12	0.13	0.13
Sulfur Dioxide	0.04	0.04	0.03	0.03
Total	2.46	2.37	2.25	2.30

AIR EMISSIONS vs. PERMIT LEVELS³²



CASE STUDY: AIR INITIATIVES

During 2021, our wood products facilities completed several projects and initiatives that reduced air emissions. The examples below represent some of the continuous improvement actions taken to enhance our compliance reliability and reduce emissions.

Updated Boiler Management System:

We updated our boiler data management systems at two of our mills, Bemidji, and Gwinn. These upgrades improved data collection, data completeness, and data feedback loops. Data collection is important because certain events such as equipment upsets and power outages can result in small but cumulative data gaps. Data feedback loops are also important. Boiler operators monitor many data points to maximize combustion efficiency, which improves energy efficiency and reduces air pollution. Improving data feedback loops allows boiler operators to further increase efficiency.

St. Maries Wood Stove Changeout Initiative:

The City of St. Maries in Idaho has undertaken a multi-party effort to improve local air quality, which is near the National Ambient Air Quality Standards, or NAAQS, limit. This is primarily due to the tightening of the air quality standards over time and because the area is prone to natural air inversions which can trap particulate matter. The City of St. Maries and other local leaders, including PotlatchDeltic, are implementing local solutions. Part of this effort is changing outdated inefficient residential woodstoves to new models with much greater combustion efficiency. This cuts trips to the woodshed and reduces air pollution from woodstoves during cold winter months when there is limited air circulation in the mountainous terrain. PotlatchDeltic donated \$20,000 in 2021 to this program, so that qualifying residents could receive free or very low-cost replacements for outdated woodstoves. This resulted in additional woodstove replacements.

St. Maries RCO³³ Improvement:

We completed several projects at our plywood mill in St. Maries to improve the efficiency of the Regenerative Catalytic Oxidizer (RCO). The RCO controls HAP and VOC emissions from our veneer dryers. The RCO burns propane to oxidize greater than 90% of these emissions into CO₂ and water vapor at high temperatures. The catalyst in the RCO results in a more efficient process by lowering the temperature threshold necessary to achieve this high level of emissions control. We installed a fresh catalyst, upgraded the insulation, and completed other mechanical improvements during a project in 2021. This major equipment overhaul improved the RCO's energy efficiency, and the new catalyst reduced the temperature threshold, lowering propane consumption and therefore greenhouse gas emissions, while ensuring 90% plus control of emissions from the veneer dryers going forward.



WATER

We consider water stewardship to be a critical commitment, so we make every effort to reduce, reuse, and recycle water at all our locations to reduce consumption.

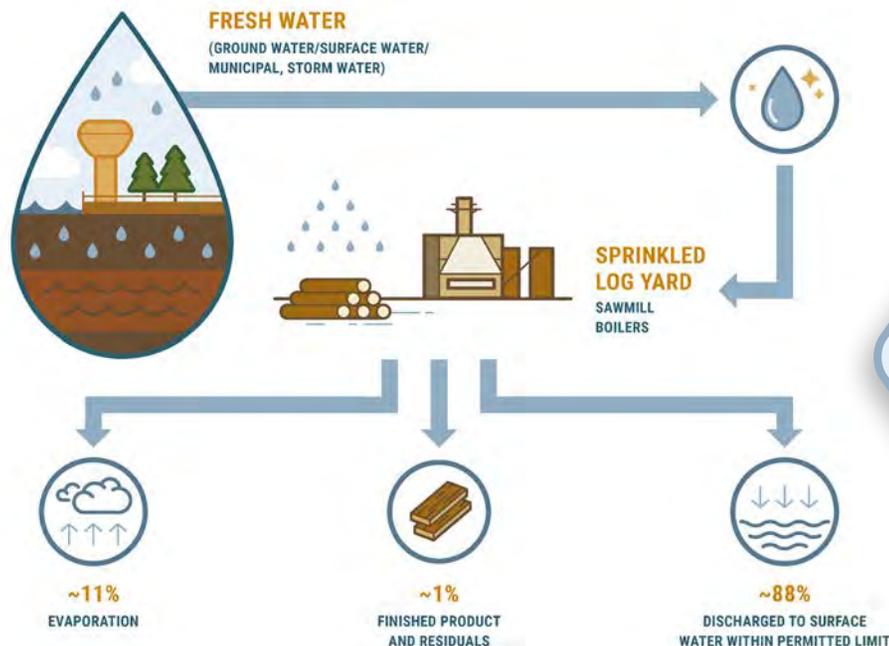
Our wood products facilities use little process water in manufacturing operations. Water is obtained from surface water, groundwater, and municipal sources and is used principally for watering log decks, saw cooling, make-up water at the boilers for steam production, and fire protection. Water withdrawals are minimized through extensive reuse and recycling, especially at the log deck. What little water is discharged is first sent to settling ponds for solids removal prior to being released. Water loss across the facilities is mostly due to evaporation from log watering activities.

Discharges of water are monitored under two permit programs. The National Pollutant Discharge Elimination System (NPDES) is the permitting program that covers discharges of both wastewater and stormwater in the U.S. This wastewater permitting program allows for only certain types of discharges, establishes monitoring requirements, and sets discharge limitations. PotlatchDeltic has NPDES wastewater discharge permits at St. Maries, Waldo, Warren, and Ola because these facilities occasionally discharge to surface water. Stormwater discharges at Waldo, Warren, Ola, and Bemidji currently are regulated

under the NPDES 2021 Multi-Sector General Permit (MSGP). The MSGP program establishes monitoring requirements and discharge benchmarks for stormwater to protect water quality.

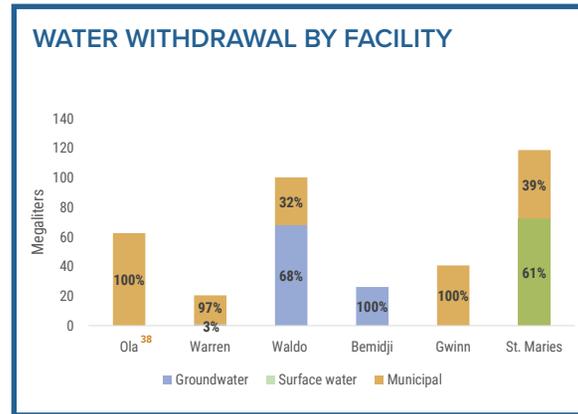
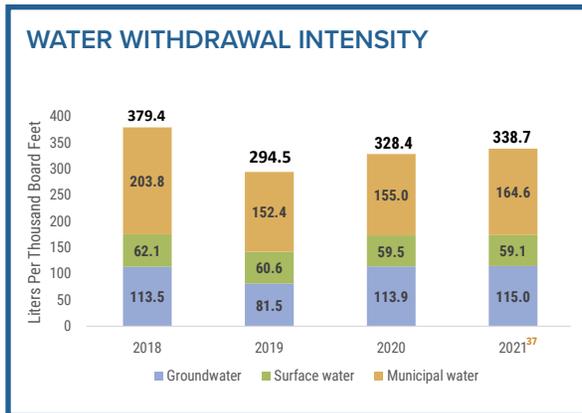
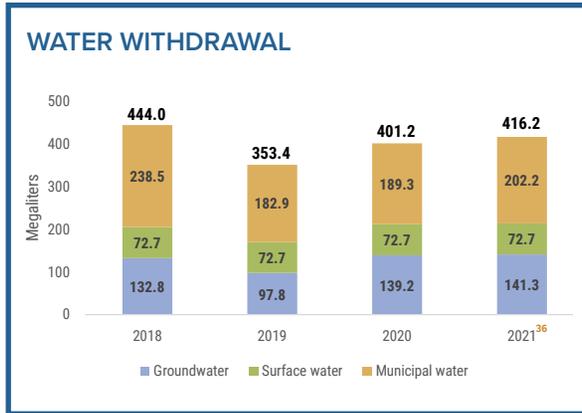
The NPDES permits have parameter limits and the MSGP permits include benchmarks for pollutants such as zinc, chemical oxygen demand (COD), and total suspended solids (TSS). NPDES permits have set monitoring regimes that include weekly, quarterly, semi-annual, and/or annual sampling for various parameters. Stormwater monitoring occurs with a qualifying precipitation event that results in runoff. Sampling is conducted by our on-site environmental managers or by qualified environmental consultants. As required, we submit the data to the appropriate regulatory agency within a timeline defined in the permit. NPDES permits can have additional immediate notification requirements if a limit is exceeded, and the MSGP permits have requirements to develop corrective actions if a benchmark is exceeded. The MSGP program requires additional routine site inspections to confirm proper function of stormwater controls. Periodic internal audits are conducted to verify that the required inspections, corrective action planning, and reporting are being followed.

WOOD PRODUCTS MANUFACTURING - TYPICAL WATER USE



Water used at our facilities is mostly borrowed water. The National Council for Air and Stream Improvement (NCASI) reviewed and summarized the water profile of manufacturing facilities³⁴ in the U.S. Forest Products Industry and found that approximately 88% of the water used at manufacturing facilities gets treated and reintegrated into the surface water cycle. State and federal standards ensure the protection of the waters receiving treated effluent discharges. Approximately 11% is returned to the atmospheric water cycle through evaporation and the remaining water (~1%) is contained within finished products and residuals.

In 2021, total water withdrawn from all sources was 416 megaliters,³⁵ with 49% of this water usage from municipal sources, 17% from surface water sources, and 34% from groundwater sources.



Water usage by type varied significantly by location, depending on available water sources. Warren, Waldo, and Bemidji were the three facilities that had some reliance on groundwater, with Bemidji water withdrawal entirely from groundwater. St. Maries was the only facility that sourced water directly from surface water, utilizing the St. Joe River.

WATER WITHDRAWAL

Water Withdrawal By Source	(Megaliters)	
	All Areas	Areas with Water Stress
Surface water	72.7	-
Groundwater	141.3	68.6
Seawater	-	-
Produced water	-	-
Total Water Withdrawal	416.2	121.0

Third-Party Water Withdrawal By Source	(Megaliters)	
	All Areas	Areas with Water Stress
Surface water	-	-
Groundwater	202.2	52.4
Seawater	-	-
Produced water	-	-
Total Water Withdrawal	416.2	121.0

Water is relatively abundant at all our locations. Two of our Arkansas facilities, Warren, and Waldo, however, are in critical groundwater areas due to reliance on the Sparta Aquifer. Total water sourced at Warren was 97% from municipal water and 3% from groundwater, however, municipal water supplied to Warren is partially sourced from the Sparta Aquifer.³⁹ Total water for Waldo was sourced 68% from groundwater and 32% from municipal water. Municipal water supplied to Waldo is surface water sourced from Lake Columbia.

WATER WITHDRAWAL

(Megaliters)	Waldo	Warren
Water Withdrawal By Source		
Surface water (total)	-	-
Groundwater (total)	68.0	0.6
Seawater (total)	-	-
Produced water (total)	-	-
Third-party water (total)	32.4	20.0
Total Water Withdrawal	100.4	20.6



CASE STUDY: WATER INITIATIVES

During 2021, our wood products facilities completed several projects and initiatives that reduced water usage or improved water quality. These projects and initiatives, among others, are examples of some of the continuous improvement actions taken to reduce water usage, improve our compliance performance, and reduce pollutant discharges.

St. Maries Complex Stormwater Upgrades:

We continue to improve our stormwater system at our St. Maries facility. In 2021, we installed additional settling basins, expanded the capacity of an existing settling basin, and added in rock check dams to increase the residence time within each stage of the settling basin. This increased residence time allows suspended solids to sink out of the water column. We also improved water routing to ensure maximum efficacy of our stormwater controls. Our technical staff and our consultants worked with the Environmental Protection Agency (EPA) and the Coeur d'Alene Tribe on the renewal of our water permit at the St. Maries Complex. This technical work ensures that any water discharge meets federal and tribal standards for water quality. This work to make additional improvements has continued into 2022.

Paving:

Paving areas at our facilities creates a smoother surface for equipment, reduces fugitive dust emissions, and reduces stormwater contamination. It allows us to better manage stormwater and reduce TSS, a stormwater contaminant. Appropriate grading of the pavement guides stormwater flow into treatment areas, and it allows us to use street sweepers to keep the pavement clean and prevent TSS loading in stormwater. It also reduces the need for other surface treatments that can lead to stormwater contamination. In 2021, we added pavement at our St. Maries, Bemidji, and Gwinn facilities. We evaluate water flow during storm events to identify areas of highest priority for these paving opportunities

Bemidji Log Sprinkling:

Wood products facilities often utilize sprinklers to provide wet decks for log storage to prevent the drying and damaging of logs⁴⁸ stored for long periods over the summer. During the summer of 2021, our Bemidji facility managed log inventories efficiently to prevent the need to run the sprinklers in the log yard. This active management of log flows greatly reduced the water usage by Bemidji in 2021.



WASTE

We recognize the need to manage waste throughout our facilities and strive to reduce the amount of waste we create, repurposing or recycling it whenever possible to avoid landfills.

Wood residuals constitute most of the waste from our wood products production. Approximately 81% of residuals generated are sold for a wide range of end uses, with the remainder used internally for energy. Wood ash is also generated from burning wood residuals for fuel in the boilers. In many of our locations, wood ash is land applied for soil amendment as a soil liming substitute in agricultural and silvicultural applications. This application provides a natural means of increasing alkalinity while supplying certain micronutrients that help plants thrive.

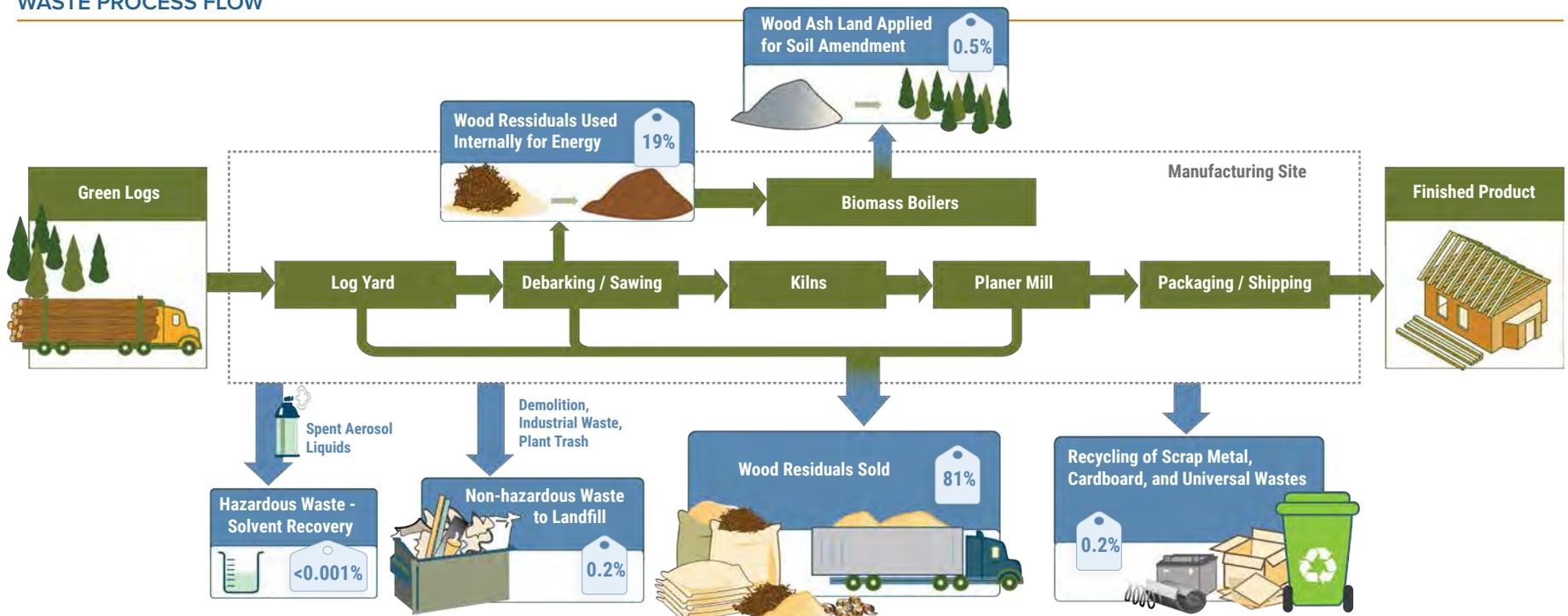
The remainder of our wastes principally consist of a range of non-hazardous wastes which are either reused, recycled, or sent to landfills. The primary non-hazardous waste streams generated by our wood products facilities, other than wood residuals and wood ash, include trash, industrial waste, scrap metal, cardboard, and universal waste. Materials such as cardboard and scrap metal accounted for 3,854 metric tons of waste in 2021 and were diverted from the landfill through recycling. Trash and industrial wastes accounted for 4,776 metric tons of waste

and include general facility trash such as canteen waste, packaging, plastics, and other materials that cannot be recycled and are landfilled.

Hazardous waste generated at our facilities consists of the drained contents of spent aerosol cans and amounted to a total of 0.47 metric tons (465 kilograms) in 2021. The final disposal method for this waste is done by a licensed third-party treatment and disposal facility and involves refining the waste liquid to recover useable solvents prior to burning for energy recovery. The steel aerosol cans are recycled after they are emptied.

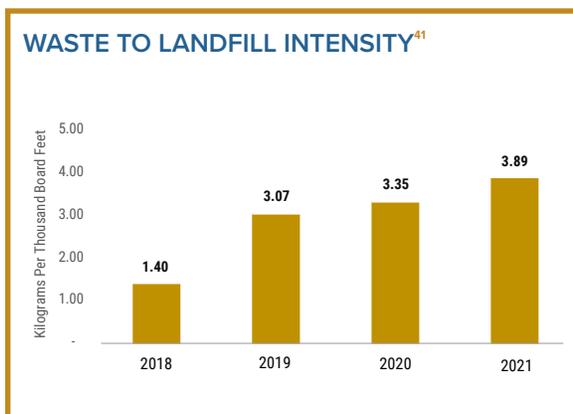
Universal waste is also generated at our facilities and includes materials such as fluorescent and HID lamps,

WASTE PROCESS FLOW



mercury-containing equipment such as thermostats, and certain types of batteries. These wastes are sent to licensed universal waste handling facilities for recycling. All wastes are stored, recycled, and transported in compliance with applicable laws. We are committed to minimizing hazardous waste.

Our waste to landfill intensity⁴¹ in 2021 was 3.89 kilograms per thousand board feet. Each facility has recycling and waste reduction programs in place. Increased emphasis over the past two years has resulted in an over 300% increase in recycled materials across the Wood Products Division.



WASTE BY COMPOSITION⁴²

('000 Metric Tons)			
Waste Composition	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Wood Residuals/Wood Ash	1,985.0	1,985.0	-
Non-Hazardous Waste	8.7	3.9	4.8
Hazardous Waste ⁴³	-	-	-
Total Waste	1,993.7	1,988.9	4.8

WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATION⁴²

('000 Metric Tons)			
Non-Hazardous Waste	Waste Diverted Onsite	Waste Diverted Offsite	Total Waste Diverted
Wood Residuals Used Internally for Energy	355.7	-	355.7
Wood Residuals Sold	-	1,619.5	1,619.5
Wood Ash Land Applied for Soil Amendment	-	9.8	9.8
Recycling of Scrap Metal, Cardboard and Universal Wastes	-	3.9	3.9
Hazardous Waste			
Solvent Recovery - Spent Aerosol Liquids	-	-	-
Total Waste Diverted	355.7	1,633.2	1,988.9

WASTE DIRECTED TO DISPOSAL BY DISPOSAL OPERATION⁴²

('000 Metric Tons)			
Non-Hazardous Waste	Waste Disposed Onsite	Waste Disposed Offsite	Total Waste Disposed
Landfilling (Demolition, Industrial Waste, Plant Trash)	-	4.8	4.8





CARBON REMOVAL AND STORAGE

Sustainably managed forests combat climate change through carbon removal. Trees absorb atmospheric carbon dioxide and store it in growth in the branches, trunk, needles, and roots, and respire oxygen. At a landscape scale, managed forests are considered carbon sinks, meaning they reduce the net amount of carbon dioxide in the atmosphere as they grow.

OUR CARBON CYCLE

Active forest management enhances carbon removal from the atmosphere because the rate of carbon sequestration slows as forests mature, and natural tree mortality increases. Unmanaged forests increase the chance of massive carbon losses from disturbances such as fire, insects, or disease infestations. Working forests are managed to maintain optimum tree density and spacing and maintain a vigorously growing forest that minimizes the risk of catastrophic losses. Forest management concentrates growth on harvestable crop trees for use in solid wood products, which maximizes the amount of forest carbon that is captured and stored in long-lived wood products. Harvesting mature trees and replanting increases the rate of carbon uptake, as well as generating wood for lumber and other wood products. Overall, forests, harvested wood products, and urban trees in the U.S. offset more than 11%⁴⁴ of total GHG emissions annually.

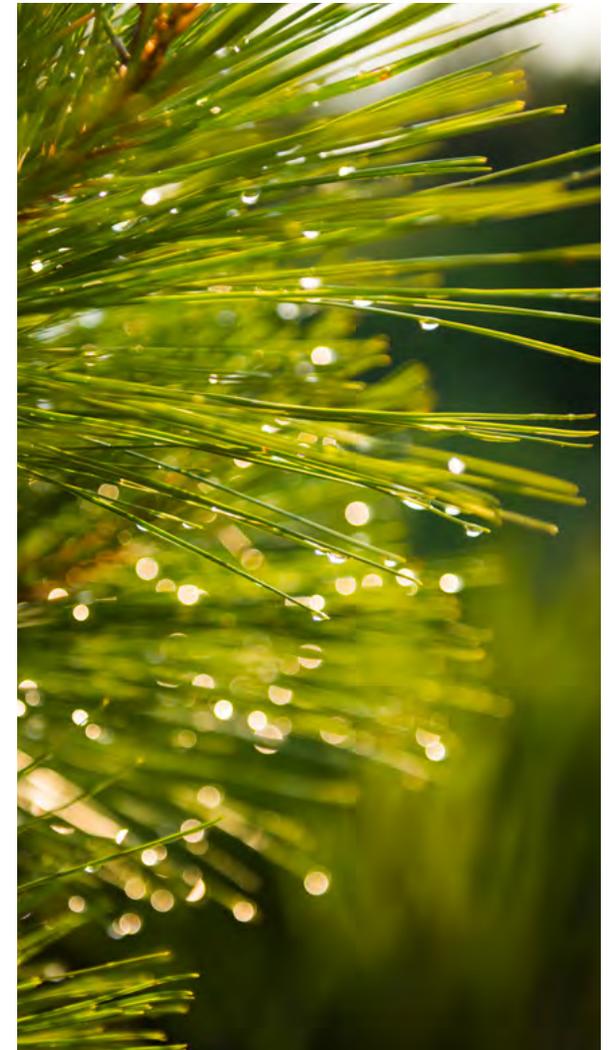


We account for carbon stored in different components of our managed timberlands just like we account for our standing timber inventory and the types of products they contain – such as sawtimber or pulpwood.

We have divided our forest carbon stocks into three pools that allow us to track our carbon inventory and to follow and account for stored carbon when timber is harvested. The three pools are: 1) merchantable portions of trees, 2) aboveground non-merchantable portions of merchantable trees and pre-merchantable trees, and 3) below ground portions of all trees (excludes soil carbon). At the end of 2021, our forests stored a total of 114 million metric tons of CO₂e in all three pools. Sixty-nine million metric tons of CO₂e were in merchantable above-ground portions and 19 million metric tons were in below ground portions of trees.

In 2021, tree growth removed from the atmosphere an additional 6.6 million metric tons of CO₂e to our standing inventory from all three pools. In 2021, merchantable tree growth accounted for 4.2 million of the 6.6 million metric tons of CO₂e. Merchantable tree growth in Idaho accounted for 1.3 million metric tons and the U.S. South accounted for 2.9 million metric tons of CO₂e.

In 2020 and 2019, merchantable tree growth accounted for 5.1 and 5.6 million metric tons of CO₂e, respectively. The difference in 2021 data from the previous years is due to the updated methodology⁴⁵ we applied in calculating 2021 removals.



Timber harvest initiates the forest products manufacturing process and long-term storage of forest carbon in wood products. Reforestation after harvest simultaneously restarts the process of sequestration and storage in the next tree growing cycle. At the time of harvest, 68% of the carbon in a typical sawtimber tree is transported to the mill and 32% remains on site and enters the mineral cycling process. This is a biogeochemical cycle where elements including carbon move through the soil, living organisms, air, and water.

The decomposition of treetops and roots and movement of tree carbon into the mineral cycle where it moves into the soil and atmosphere is a slow process.⁴⁶ Twenty years after harvest in Idaho, approximately 35% of the carbon in tree parts that remained in the forest at the time of harvest is still held in tree biomass. Twenty years after harvest in the U.S. South, approximately 20% is held in tree biomass.

Newly planted trees grow and capture additional carbon. Once they grow to the end of a rotation, harvest occurs and conversion of the harvested logs to wood products begins the long-term carbon storage and replanting re-starts the sequestration process. When multiple cycles of tree growing and harvest, or rotations, overlap carbon storage in wood products, the result is cumulative carbon storage that accumulates and increases over time.

ANNUAL CARBON REMOVAL

(Rounded to nearest million)

~7 Million CO₂e Removed from the Atmosphere Through Growth in 2021

WE RENEW THE CYCLE WITH GROWTH AND PLANT SEEDLINGS ANNUALLY

EXISTING CARBON STORED



Wood products manufacturing converts the logs into long-lived wood products, storing about 55% of the carbon in the wood and acting like a “carbon vault.” The residuals or byproducts produced during the lumber and wood panel manufacturing process are utilized to manufacture additional forest products or to produce biogenic energy. The cumulative impact of carbon storage in wood and paper products, including landfills, from one year of harvest from our timberlands repeated over a period of 108 years (two rotations in Idaho and four rotations⁴⁷ in the U.S. South) is shown in the graph “Carbon Storage Over Annual Harvest Rotations.”

Carbon from harvested wood remains in wood and paper products until the end of their use. The rate of decrease in storage is dependent on the mix of products. Approximately 68% of total tree carbon in a sawlog-sized tree is transported to a sawmill and 55% of that amount is captured in solid wood products, such as lumber and

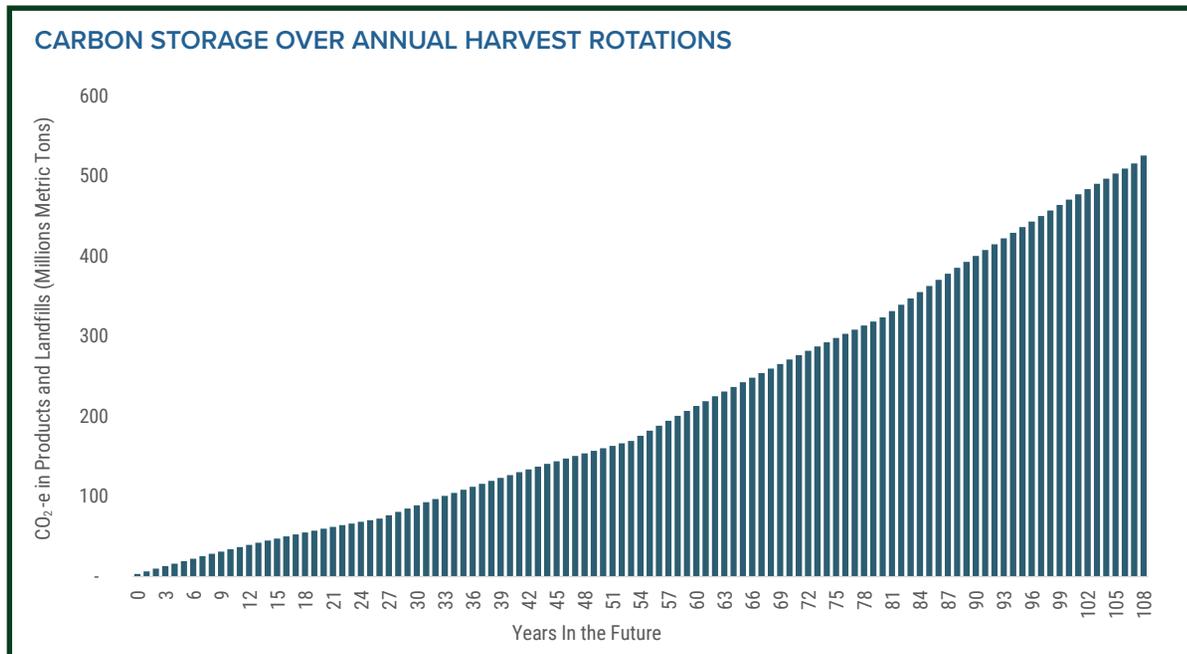
plywood, as a long-lived carbon vault. The total tree carbon that is used for pulp and paper products has a shorter life span. Pulp and paper products have a rate of decay or release that is high initially as products are used, recycled, or disposed of, then the rate slows substantially after initial use because of the portion that is stored in landfills.

When wood-based products are used in place of fossil fuel-intensive products like steel, concrete, or plastic, there is a permanent benefit to our atmosphere. For example, researchers have found that the CO₂ intensity of lumber production is about 20% less than that of fabricated metal products, less than 50% that of iron and steel, and less than 25% that of cement.⁴⁸

By building with wood, we are storing additional carbon in everyday products and buildings. If a wood house stands for 108 years, it will store carbon until it decays or is replaced. In that time, the forest will have regrown two

to four cycles resulting in compounding carbon storage. When trees are sustainably harvested, wood continues to store carbon in the thousands of products we use every day, from paper products to lumber to energy generation. Trees then regrow, repeating the cycle.

The continuing cycle of active forest management, including planting, growing, and harvesting, optimizes a forest’s ability to sequester and store carbon and improves resiliency, maintaining the ability to sequester carbon in the future. The life cycle of managed forests and the production of long-lasting wood products have a significant climate benefit, with relatively low emissions associated with the production of lumber. Over multiple cycles of wood products production and forest renewal, net carbon storage grows. In addition, wood carbon transferred to wood products can substitute for fossil-fuel emissions-intensive building materials, such as steel and concrete, lowering the carbon footprint.

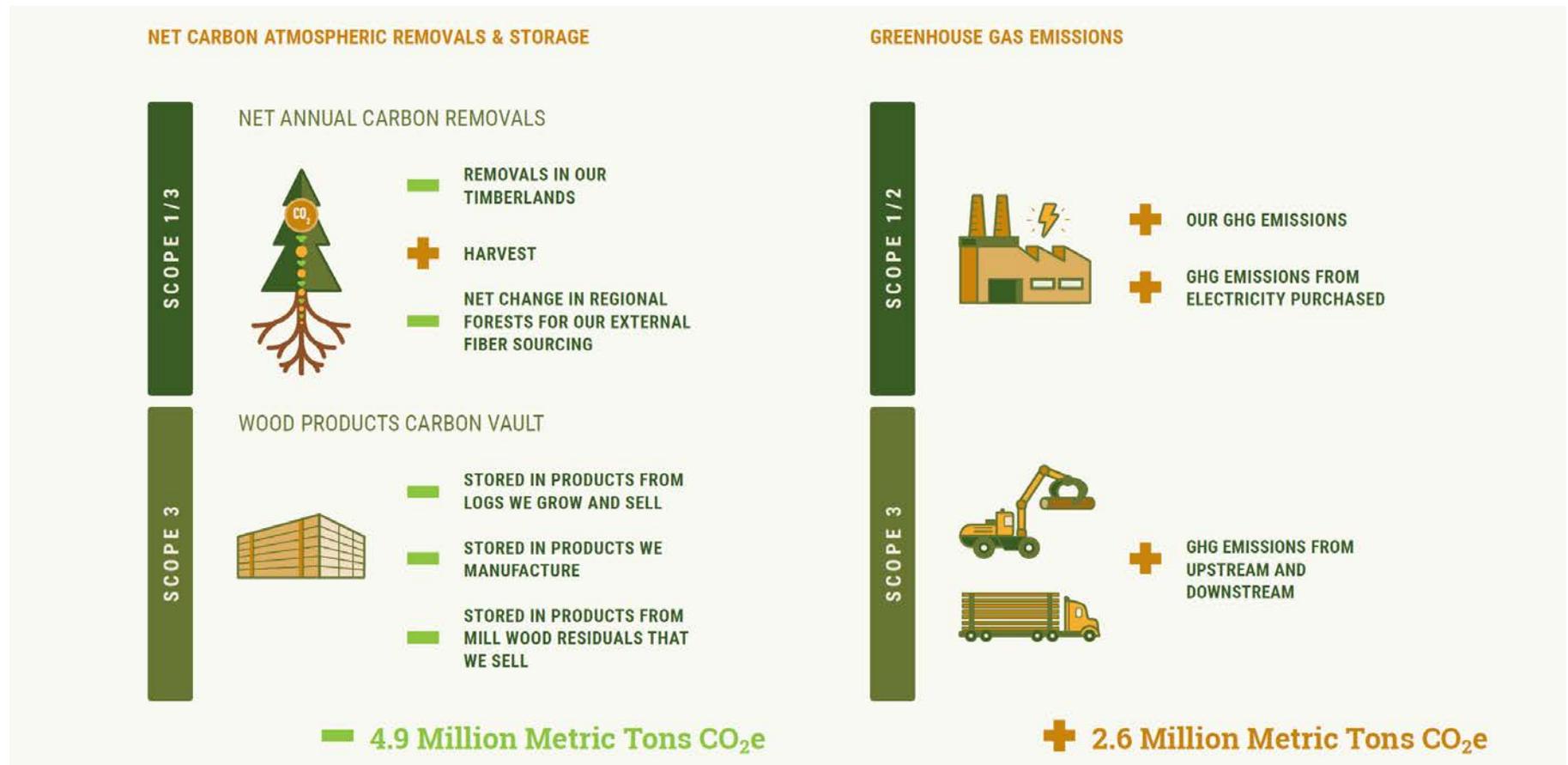


CARBON REMOVALS AND EMISSIONS

The growing and harvesting of timber, the production of primary wood products such as lumber, and the use of sawmill residuals to manufacture secondary products create complex fiber flows into multiple end products. We utilize a comprehensive carbon and GHG accounting methodology that tracks removal of carbon from the atmosphere, storage in standing trees, storage in end products, and greenhouse gas emissions from forest management, harvesting and hauling, and manufacturing.

Our net annual atmospheric carbon removals include the growth and harvest on our timberlands and our share of the change in carbon in the standing stocks of trees on other landowners in the procurement basins from which our mills source logs. Carbon storage values include the products we manufacture, and products manufactured by others from our logs and mill residuals. Greenhouse gas emissions include our Scope 1 and 2 emissions as well as Scope 3 upstream and downstream emissions.

Overall, our 2021 atmospheric carbon removals, product storage, and all emissions position us as carbon negative – meaning the carbon removed from the air by our trees and the carbon stored in wood products we manufacture is greater than our total annual scope 1-3 emissions. We expect to publish a Carbon and Climate Report in the fall which will provide greater details on the methods, data, and results of our carbon accounting and GHG initiatives.



NET ATMOSPHERIC CARBON REMOVALS AND STORAGE

Land Sector Carbon Removals Scope 1

Net Change in Our Timberlands

To calculate the annual change in carbon stocks on our land base that result from our management actions and to avoid counting stock changes that are the result of acquisitions and divestitures, we compare carbon storage only on acreage we owned at both the beginning and the end of the year. Any acquisitions or divestitures that occurred during the year are omitted from the analysis. We apply biomass estimators to our tree-level inventory and expand the analysis to the stand-level. The difference in total tree carbon storage between the beginning and end of the year represents the net change for the year. The magnitude of the annual change associated with different activities such as harvest, growth, or an updated stand inventory, is tracked.

Land Sector Carbon Removals

Scope 3: Category 1

Net Change in Forests of Sourcing Region

Each of our wood products facilities has a geographic sourcing region (state) and the carbon stored in the standing forests in each of these regions changes over time and at any particular year may act as a sink or a source of carbon. Our Scope 3 carbon removal accounting determines the percentage of harvest purchased from non-PotlatchDeltic lands within each region by our wood products facilities and accounts for the equivalent proportion of the regional carbon flux.

Product-Based Carbon Storage

Scope 3: Category 11

Carbon Stored in End Products

Carbon storage in products results from logs sold externally for various end uses and from the lumber and plywood produced at our wood products facilities. Products store carbon for the useful life of the product and when they



2021 CARBON REMOVAL AND STORAGE⁴⁹

(Metric Tons CO₂e)

Land-Based

Scope 1	Net Change in Our Timberlands	440,000
Scope 3 (Category 1)	Net Change in the Forests of our Sourcing Regions	1,800,000

Product-Based

Scope 3 (Category 11)	Our Logs Sold Externally for Various End Uses	1,100,000
Scope 3 (Category 11)	Wood Products Manufactured at Our Facilities	
	Logs Sourced Internally	530,000
	Logs Sourced Externally	840,000
Scope 3 (Category 11)	Products from Wood Residual Sold by Our Facilities	200,000

Total Carbon Removal and Storage		4,900,000
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are disposed of and placed in landfills. Our Scope 3 carbon storage accounting calculates this carbon storage based on our 2021 product shipments. Our facilities also produce wood residuals (chips, shavings, sawdust, bark) as a by-product of the manufacturing process. In 2021, approximately 19% of wood residuals were utilized internally for energy. The remainder were sold externally for a range of end uses such as manufacture of medium-density fiberboard, particleboard, or paper, and for landscaping or energy uses. The carbon stored in “in-use” products or trapped in a landfill for each of these various uses is calculated using the volume of wood residuals sold for each end use.

GREENHOUSE GAS EMISSIONS

Scope 1: Direct Emissions from our Operations

Our scope 1 emissions are the direct emissions from our operations, principally from our wood products facilities. Emissions are from stationary sources, pollution control devices, mobile sources, and long-term storage of wood residuals.

Our consolidated 2021 direct (scope 1) emissions were approximately 35,000 metric tons of CO₂e.⁵⁰ These emissions were calculated using the Greenhouse Gas Protocol Corporate Standard and a National Council on Air and Stream Improvement (NCASI) GHG calculator. The largest source of our consolidated direct (scope 1) GHG emissions is from combustion of natural gas and propane in boilers, kilns, and pollution control equipment. These accounted for 31% of our scope 1 GHG emissions. Mobile sources and Company-owned vehicles accounted for 28% and another 23% is from long-term storage of wood residuals. The remaining 18% is from non-biogenic emissions from biomass combustions (CH₄ and N₂O).

Emissions generated from biogenic carbon include energy fueled by residual wood sourced from sustainably managed forests that are processed at our wood products facilities. These emissions in 2021 were 500,000 metric tons of CO₂ and were not included in our GHG Direct Scope 1 emissions. The methane (CH₄) and nitrous oxide (N₂O) emissions from this source, however, were included in scope 1 emissions. Biogenic CO₂ emissions can be considered carbon-neutral given the residual wood used for energy has a net sequestration benefit as areas harvested are replanted and the CO₂ absorption cycle is renewed as the forests grow. These biogenic emissions are also not additive to the carbon released into the atmosphere because they are considered part of the natural carbon cycle and as a result, they are preferable to the alternative use of fossil fuels.

Scope 2: Indirect Emissions from Electricity

Scope 2 emissions are GHG emissions associated with the production of the grid electricity used at our facilities.

Our consolidated indirect (scope 2) GHG emissions were approximately 53,000 metric tons of CO₂e in 2021, using the most up-to-date emission factor from EPA's eGRID.⁵¹ These emissions were calculated on both a location-based and market-based method as required in GHG Protocol Scope 2 Guidance and using the NCASI GHG calculator and state-specific EPA eGRID emissions factors. Our Scope 2 emissions for 2021 under both methodologies are identical because we did not have any contractual agreements with electrical suppliers, such as Purchased Power Agreements or Renewable Energy Credits / Certificates.

Scope 3: Indirect Emissions from Value Chain

Our Scope 3 emissions are the GHG emissions associated with our upstream and downstream value chain. Our consolidated 2021 Scope 3 emissions were approximately 2,500,000 metric tons of CO₂e.⁵²

Scope 3 is divided into 15 categories which represent emissions ranging from products and services that are paid for to assets leased to other entities. Scope 3 emissions were calculated using the NCASI Scope 3 Screening Tool which has an estimated 80% accuracy. These emissions were calculated using the Greenhouse Gas (GHG) Protocol Scope 3 Guidance and the NCASI GHG Screening Tool utilizing fiber flow data. We calculated Scope 3 emissions for categories 1 (Purchased Goods & Services), 3 (Fuels & Energy Related Activities), 4 (Upstream Transportation & Distribution), 9 (Downstream Transportation & Distribution), 10 (Processing of Sold Products), and 12 (End-of-Life Treatment of Sold Products). Category 1 accounted for 7% and category 3 accounted for <1% of our Scope 3 emissions. Category 4 accounted for 3%, category 9 accounted for 6%, and category 10 accounted for 39%. Finally, Category 12 accounted for an additional 44%.

We anticipate using a NCASI Scope 3 Calculator for the data in the Carbon and Climate Report that we plan to publish in the fall. The GHG emissions provided in this report are preliminary as the Calculator is expected to increase accuracy.

GREENHOUSE GAS EMISSIONS⁵³

	Baseline 2018	2019	2020	2021
Scope 1 Direct Emissions (metric ton CO ₂ e) ⁵⁴	33,000	35,000	35,000	35,000
Scope 2 Market-based Indirect Emissions (metric ton CO ₂ e)	63,000	61,000	52,000	53,000
Scope 2 Location-based Indirect Emissions (metric ton CO ₂ e)	63,000	61,000	52,000	53,000
Total Scope 1 & 2 Emissions (metric ton CO₂e)	96,000	96,000	87,000	88,000
Scope 3 Indirect Emissions (metric ton CO ₂ e)	-	-	2,700,000	2,500,000
Total Scope 1, 2, & 3 Emissions (metric ton CO₂e)	-	-	2,800,000	2,600,000
Scope 1 GHG Intensity Total (metric ton CO ₂ e/thousand board feet)	0.028	0.029	0.029	0.030
Scope 2 GHG Intensity Total (metric ton CO ₂ e/thousand board feet)	0.054	0.051	0.043	0.045
Scope 1 & 2 GHG Intensity Total⁵⁵ (metric ton CO₂e/thousand board feet)	0.082	0.080	0.071	0.075
Scopes 1-3 GHG Intensity Total (metric ton CO ₂ e/metric ton products)	-	-	0.91	0.83
Wood Residual Derived Biogenic Emissions (metric ton CO ₂)	510,000	500,000	470,000	500,000

CLIMATE RISKS AND OPPORTUNITIES

Climate change can physically impact our timberlands, biodiversity, and operations in both negative and positive ways. Transition impacts are more likely to be opportunities, leveraging the tremendous benefit of trees and wood products as nature-based solutions to climate change. We continue to evaluate both these opportunities and any risks and how we can respond.

Climate change presents both risks and opportunities for PotlatchDeltic. The Board of Directors and the management team continue to expand their consideration of these risks and opportunities on Company strategy, operational decisions, risk management oversight, and performance. Stakeholders seek greater analysis of the potential impacts of climate change on our assets, markets, and economic performance, including the impact of possible policy changes under divergent temperature forecast assumptions ranging from 2.6° to 8.5°C.⁵⁶ We are committed to completing scenario analysis for our business, aligned with TCFD guidance, and we plan to report the results in a Carbon and Climate Report in the fall.

Climate-related risks and opportunities include those arising from potential changes to our timberlands caused by rising mean temperatures, changing weather patterns, and extreme weather events. In addition, transition risks and opportunities include changes in policy or regulatory requirements, technology-related requirements, and market changes. The risks identified are incorporated into our Enterprise Risk Management process, and we continue to enhance our mitigation measures. Opportunities are considered in our strategic and operating plans and in our advocacy and policy initiatives. These factors can impact our business, strategy, and financial planning and will be evaluated in greater detail as we conduct our detailed scenario analysis in the years to come.

PHYSICAL RISKS AND OPPORTUNITIES

There are several models that help us to understand the potential physical impacts of climate change in our timberland regions, and methods to evaluate the consistency and likelihood of trends. The key variables to consider when evaluating the potential physical impacts of 2.6° to 8.5°C warming to our timberlands include: 1) the growth response from higher CO₂; 2) changes in precipitation patterns including volume, type (snow vs rain), and timing; 3) changes in soil moisture conditions; 4) changes in flooding or severe weather; 5) changes in risks from insects and disease; and 6) wildfire risk. Most of the physical risks and opportunities for our timberlands are expected to unfold over the medium and longer-term. While overall trends exist on a global or national scale, regional variances could be meaningful and are often the source of model outcome variability.

Generally, increases in CO₂ and temperature result in increased growth rate or productivity of trees. Furthermore, increased growth rates of hardwoods and early succession species, including many softwoods, are predicted to be more significant than late succession species. Global temperature increases can result in significant regional differences in weather patterns that affect tree growth and patterns of disturbance, including wildfire, insects, and disease. Models overall suggest limited productivity impacts in Idaho and improved productivity growth in Arkansas,

Louisiana, Mississippi, and Alabama. Improved productivity could contribute directly to additional carbon offset sales or shorten rotations and support increased capacity in wood products manufacturing.

TRANSITION RISKS AND OPPORTUNITIES

Policies could emerge supporting markets for biomass or liquid fuels from wood residuals sourced from sustainably managed forests. These policies could expand market demand for residual wood fiber remaining from wood product manufacturing, a portion of which otherwise could go to waste. Policies could also promote biochar markets for use as a soil ameliorant and carbon sequestration. The use of these residual materials for energy or liquid fuels would substitute biogenic emissions for emissions from fossil fuels.

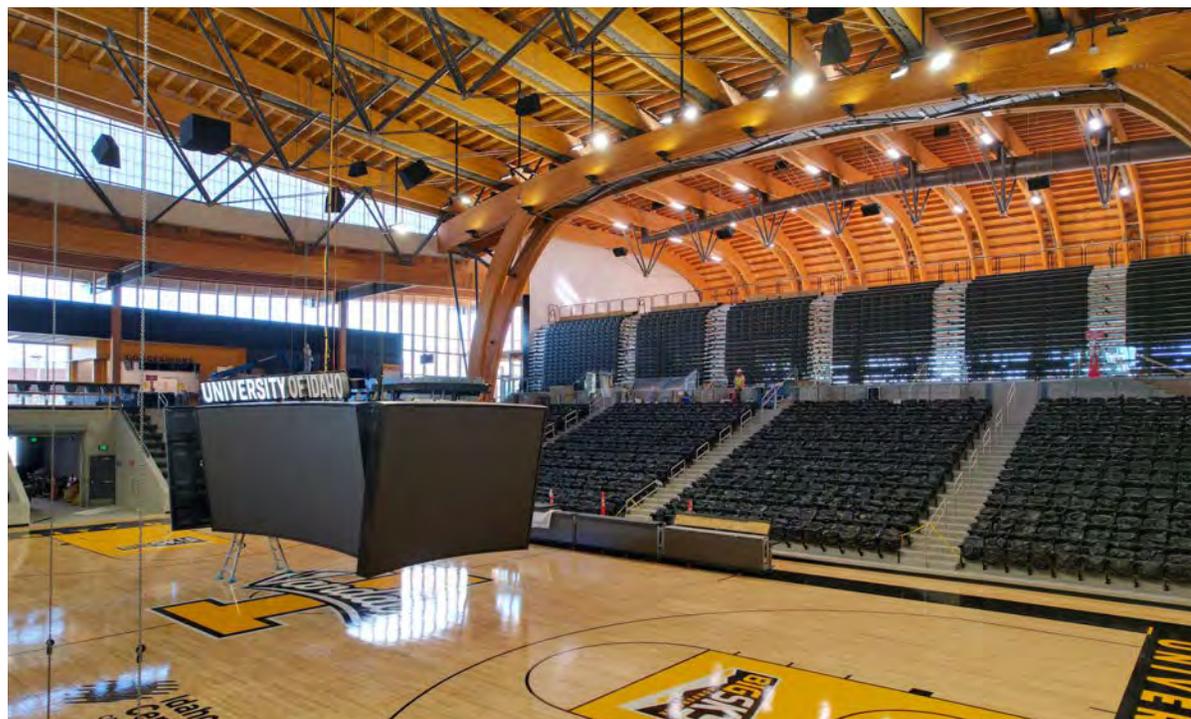
The emerging momentum for mass timber in tall buildings exemplifies how innovation in wood products can provide significant opportunities. Developers and architects are attracted to the ability to incorporate sustainability and the carbon capture benefits of mass timber, its advantages, and its aesthetic appeal in non-residential and multifamily



buildings. The recent changes to the International Building Codes allow mass timber to be used to construct buildings that are up to eighteen stories and provide potential for significant growth of mass timber use. Other new technologies for products using cellulose or wood fiber also continue to be developed and could increase with incentives that promote their development.

Policies and incentives that encourage greater use of wood-based products in buildings or in building materials are also expected to increase, including emphasis on green building certification programs. Buildings are responsible for 39% of global energy-related carbon emissions, of which 28% are from operational emissions and 11% are from materials and construction (embodied carbon).⁵⁷ Incentives, such as a transferable tax credit, could be established for use of higher performing products in construction to lower the embodied carbon or CO₂ equivalent emissions associated with a cradle-to-grave footprint. Federal procurement policies could also prioritize carbon beneficial building materials. Wood products are well positioned to benefit from such policies given that they store carbon and have lower embodied carbon emissions, when sourced from sustainably managed forests, relative to other substitute materials.

Carbon taxes could be introduced to set a price that emitters pay per ton of GHG emissions to encourage companies to reduce their emissions. Taxes could be based on emissions or be applied to specific GHG intensive products such as gasoline. Our GHG emissions are relatively low and are mostly from natural gas and electricity used at our wood products facilities and from mobile sources harvesting timber and hauling logs. A tax could increase costs associated with these operations or result in additional capital expenditures to shift to other technologies.



The development of emissions trading systems (cap-and-trade) could continue to expand through emissions caps across specific industries. This mechanism currently exists in California as a statewide multi-sector initiative. We currently participate in the California Air Resources Board Cap-and-Trade system, which limits the amount of greenhouse gases (GHG) industries can emit.

Market-based policy mechanisms that reward carbon benefits at scale have the potential to support a significant market opportunity for sustainably managed working forests. These could develop as a transferable landowner tax credit for carbon sequestration as well as through carbon offset programs. For example, frameworks could utilize a practice-based option where the tax credit or offset is determined by forest owner implementation of USDA practices based on science-based sequestration

estimates. In addition, frameworks could also provide a performance-based option that would enable a tax credit or offset to be determined by carbon sequestration above a baseline using a credible carbon accounting framework that is rigorous and streamlined.

Voluntary offset markets for carbon emissions are likely to continue to grow rapidly as companies rely on offsetting projects to achieve national or corporate GHG reduction targets by mitigating some of their emissions. As demand for carbon credits grows, voluntary markets that are large, transparent, and verifiable will likely emerge. As industry and public policy develop to overcome the challenges of establishing a robust carbon credit market, additional opportunities may become available for forest landowners to provide natural climate solutions.

PHYSICAL RISKS AND OPPORTUNITIES

TYPE	RISK/OPPORTUNITY	DESCRIPTION
GROWTH	Increased productivity and yield in tree growth due to higher CO ₂	Shorter rotations and opportunities for increased manufacturing capacity in areas benefiting from higher growth.
WEATHER	Increased severity of extreme weather including heavy precipitation, tornadoes, and flooding	Potential damage to timberlands, roads, or facilities. Risk of difficulty accessing timberlands at times and log disruptions to mills.
WILDFIRE	Increased risk of wildfire, especially in the Inland Northwest	Increased costs for firefighting and for measures to reduce fire risk.

TRANSITION, REGULATORY RISKS AND OPPORTUNITIES

TYPE	RISK/OPPORTUNITY	DESCRIPTION
REGULATORY	Policy for biogenic energy from wood residuals from sustainably managed forests	Increased internal use of residuals and higher residual demand from pellet markets. Growth of residual demand for biochar markets.
MARKETS	Development of carbon offset markets	Potential new revenue streams from sale of carbon credits.
MARKETS	Increase in demand for products that have a lower GHG footprint	Increased demand for wood products from policies, standards and consumer preferences for buildings with greater use of low embodied carbon materials.
MARKETS/REGULATORY	Development of new products and substitutes	Increased demand for mass timber in tall buildings. Growth of domestic mass timber production.
TECHNOLOGY	Resource efficiency gains in sawmilling	Advance in technology could reduce wood residuals and improve productivity of sawmills.
OPERATIONAL	Change in energy costs	Higher natural gas prices or renewable energy could reduce wood residuals and improve productivity of sawmills.
REGULATORY	Change in regulatory requirements regarding air, water, or waste	Increased air monitoring/pollution control equipment in priority area designations. Increased water monitoring or effluent quality requirements in Arkansas due to Sparta aquifer.
REGULATORY	Increased pricing of GHG emissions/carbon tax	Increased costs for wood products facilities or capital costs to shift to technologies that reduce GHG emissions.

■ Opportunities

■ Risks



Committed to

SOCIAL
RESPONSIBILITY

OUR APPROACH

We recognize that our impacts on a broader community of people can affect our ability to be productive and profitable and we value the trust that stakeholders give us to be responsible and accountable.



We strive to make PotlatchDeltic a workplace of excellence through our Company culture, fair compensation, and comprehensive benefit options. We value an environment of ethical, diverse, and inclusive teamwork and look to attract talent with diverse backgrounds and experience. Our wide range of employee benefits helps our employees and their families to stay healthy and considers employees' need for flexibility. We promote equal opportunities for employee development and professional growth and

maximize employee engagement through a strategy of continuous performance improvement. We act with strong principles, honoring our commitments and building and maintaining trust with our stakeholders.

Our commitment to our employees starts with a strong culture that prioritizes health and safety at the core of every decision we make. We seek to provide and constantly maintain a safe work environment with comprehensive

health and safety programs that identify and mitigate risks, train employees properly, and focus on continuous improvement.

We view the relationships we have with our contractors and suppliers as essential to our success and expect them to follow best practices, focus on health and safety, be ethical, and respect and promote human rights.

PotlatchDeltic understands that we are an integral part of the communities where we live, work, and play. Our employees and their families are members of rural communities where our facilities operate, and our actions can often have a substantial impact on those communities. Active community engagement in these areas and in our larger communities through community involvement, charitable giving, and volunteering is a core part of our Company culture.

In addition, as stewards of our working forests, we are proud of the work we do and the positive impact we have on our planet. We believe people can best learn about forests by experiencing them and make most of our timberlands available to the public for a wide range of recreational uses.



HUMAN CAPITAL MANAGEMENT

We take a holistic approach to Human Capital Management recognizing that our success is highly dependent on selecting, developing, and retaining high performing employees who deliver results.

Our Human Capital Management strategy begins with our selection process. This is where employees and hiring managers first connect and where working relationships and expectations begin. We recognize this is one of the most crucial aspects of managing a high performing workforce and therefore invest in the development of our interview teams and hiring managers, training on topics such as behavioral interviewing techniques and eliminating

unconscious bias. This ensures we select the most qualified individual whose skills and abilities best match each position. Once hired, employees can expect to participate in development opportunities designed to grow their careers and create a pathway for advancement. These initiatives may be employee driven whereby the Company provides financial support for continuing education, tuition reimbursement, or attendance at professional conferences,



Robert Schwartz
Vice President,
Human Resources,
PotlatchDeltic

“Our ongoing commitment to invest in our employees results in high performing work teams that are adaptable and focused on creating value for the Company. This has never been more apparent than over the past couple of years as we successfully navigated through the Covid pandemic and its impact on the economy.”

or company driven through individual performance and development plans. Performance and development plans place an emphasis on goals and competencies and often include on-the-job training and coaching designed to prepare motivated employees to steadily move into positions of greater responsibility. This investment in our workforce is vital to our continued success. Of course, it is not enough to just invest in the development of our human capital. It is important that we retain our talent. That is why we employ a total rewards strategy aimed at engaging with and retaining our employees. We accomplish this by offering a suite of competitive pay, benefit, and work-life solutions designed to support employees and the changing needs of their families throughout their tenure with our Company and into retirement. The strength of our Company is defined by our employees, and we continue to look for strategic and innovative ways in which to grow our human capital so that we can quickly react to an ever-changing environment.



EMPLOYEES

At the end of 2021, PotlatchDeltic employed 1,299 team members across our businesses. Full-time employees account for 1,284 of the total employed, with 15 part-time employees as a result of a workplace flexibility option provided at our wood products facilities. In addition, 319 temporary team members worked at wood products facilities for utility, sorting, or other tasks.

Hourly workers represent over 74% of the total employed and include skilled trades, operators, and laborers. Salaried professionals and managers within our Company accounted for the remaining 26% of the total and include senior operations managers, accounting, finance, legal, IT, communications, and human resources professionals as well as our foresters and wood products salesforce.

Our wood products team members are 84% of employees, with 53% in northern facility locations (Idaho, Minnesota, and Michigan) and 47% in southern facility locations (Arkansas). Timberlands and real estate employees accounted for 6% of employees, with Spokane Corporate Office and other office locations constituting the remaining 10%.

We continue to fully support our employees' rights to self-organization; to form, join or assist labor organizations; to bargain collectively through representatives of their own choosing; and the right to refrain from such activities. Our Warren, Arkansas wood products facility is signatory to a collective bargaining agreement, covering 184 team members, or about 14% of our total workforce and 90% of the Warren workforce. In 2021, there were no work stoppages, strikes, or lockouts. Team members at all locations can report workplace concerns to management, Human Resources, or by utilizing our anonymous reporting hotline.

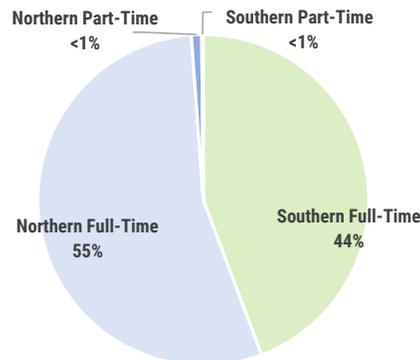
Our locations are often rural or smaller communities and attracting talent can be challenging. The competition for skilled labor has never been as great as it is today as companies throughout our operating regions compete for a smaller pool of qualified candidates. As a result, we work hard to create a strong culture at each wood products facility, paying particular attention to team member engagement and development. Our ability to grow, develop, and retain high-performing team members is critical to our success and in-turn supports the vitality of the communities in which we operate.



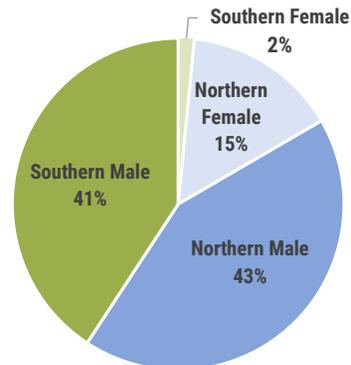
Ashlee Cribb
Vice President,
Wood Products,
PotlatchDeltic

“Building a team that has both inherent and acquired diversity is critical to the success of the wood products division. We believe that diversity improves our ability to innovatively solve problems. Our team members feel more engaged when they are included in creating and implementing solutions and understand the impact of their contributions on the business.”

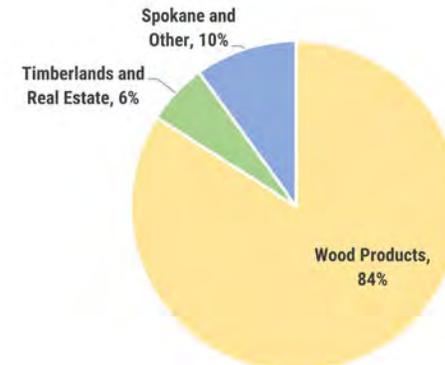
TOTAL EMPLOYEES⁵⁸



TEMPORARY EMPLOYEES⁵⁸



EMPLOYEES BY BUSINESS



DIVERSITY AND EQUAL OPPORTUNITY

PotlatchDeltic recognizes that employing a highly skilled and diverse workforce is a competitive advantage, and we are committed to advancing, supporting, and preserving a culture of diversity, equity, and inclusion where every employee feels like their ideas and unique perspectives are heard and valued. We also provide an environment that promotes equal opportunities for training and career advancement. These values help us attract and retain talent and lead to collaboration, motivation, and a professional work environment that supports our success.

Diversity and inclusion are a fundamental part of our values and are actively incorporated daily into our culture across our businesses. PotlatchDeltic’s diversity philosophy applies to our practices and policies governing recruitment, promotion, and selection, as well as to decisions on compensation, benefits, transfers, layoffs, return from layoff, company-sponsored training, continuing education, tuition assistance, and social and recreation programs. The principles underlying our commitment to diversity and inclusion are also reflected through our policies, including our [Diversity, Equity, and Inclusion Policy](#), [Corporate Conduct and Ethics Code](#), Equal Employment Opportunity Policy, and Americans with Disabilities Act Policy.

The Human Resources department tracks and monitors diversity metrics to measure the Company’s progress, reviews the data annually, and provides information and guidance to management and employees on diversity and inclusion issues. The CEO and the Board of Directors establish annual company diversity goals, for which senior leaders are responsible. Diversity and inclusion metrics are part of our annual performance planning process. We also maintain a robust reporting process that includes an ethics hotline, which provides an anonymous means by which employees can express their concerns regarding a variety of workplace issues.

We are amid a generational shift in our operations and are focused on transferring years of knowledge to the next generation of workers. This generational shift has created new opportunities for training and career advancement and sustains the economic benefits both the Company and our employees contribute to the communities where we operate. Overall, 33% of our workforce is over the age of 50, 48% is between 30 and 50, and 19% is under 30.

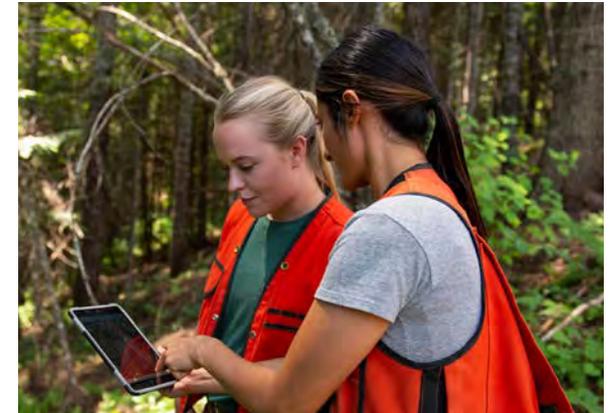
Women make up approximately 50% of the populations in which we operate, and we continue to explore how we might more effectively attract women to our industry and retain them to build a pipeline of talent from which to promote for future leadership roles. Women represent 18% of our total workforce and 38% of our executive management team. Women represent 23% of management roles,⁵⁹ including accounting, human resources, IT, audit, and legal, 32% of our other salaried roles, and 14% of our hourly workforce.⁶⁰

We evaluate gender pay equity on an on-going basis and adjust salaries as appropriate. Pay equity for women overall is 99.8%, with 100% pay equity among all hourly employees and on average 99.1% across all salaried roles. Salaried female employees had 99.3% pay equity in the northern locations and 98.7% in our southern locations. Our diversity strategies and statistics are discussed with our Board of Directors at least annually. The pay ratio of our entry level pay compared to state minimum wage is 1.9 in our northern locations for both male and female employees and is 1.4 in our southern locations for both male and female employees.

Many of our operations are in rural communities where the economy is driven by the timber industry and our workforce demographics reflect the uniqueness of those local cultures. Our employees work and live close to our operations, providing an economic benefit to the local area. We continue to place an emphasis on sourcing talent

PAY EQUITY RATIO⁶¹

	Total	Northern	Southern
Salaried	99.1%	99.3%	98.7%
Hourly	100.0%	100.0%	100.0%
Total	99.8%	99.8%	99.7%



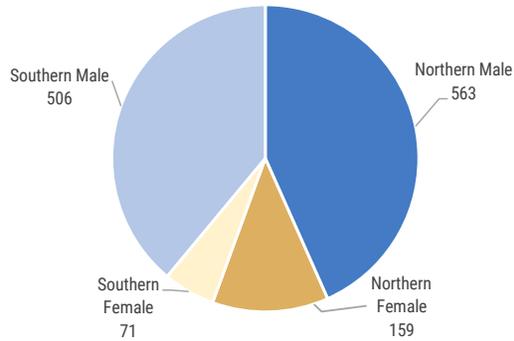
RACE BY WOOD PRODUCTS FACILITY

	White	Of Color
Bemidji, Minnesota	97%	3%
Gwinn, Michigan	93%	7%
Ola, Arkansas	88%	12%
St. Maries, Idaho	94%	6%
Waldo, Arkansas	45%	55%
Warren, Arkansas	57%	43%

from these local communities so that our workplace demographics can represent the communities in which we operate. Overall, based on self-identification, our racial diversity is 19% employees of color with 5% racial diversity in our northern locations and 36% racial diversity in our southern locations. In 2021, 100% of our senior managers were originally hired from within the regional community at each of our locations.

EMPLOYEES SNAPSHOT⁶²

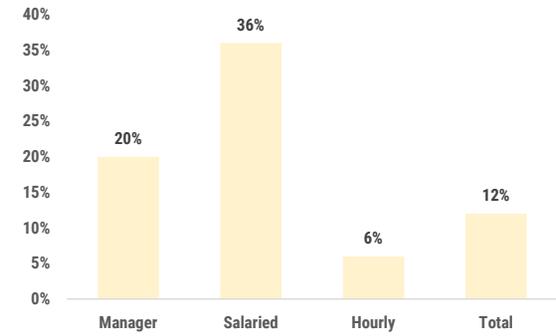
DIVERSITY - GENDER



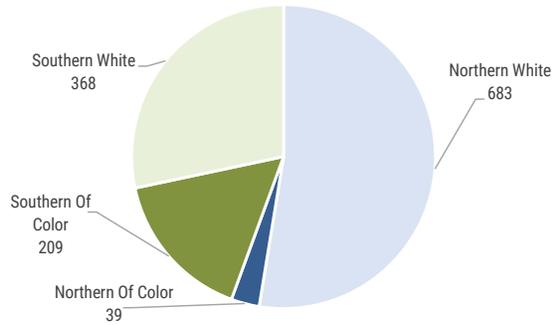
DIVERSITY - FEMALE NORTHERN



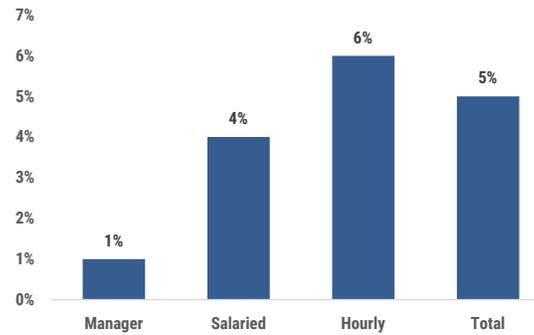
DIVERSITY - FEMALE SOUTHERN



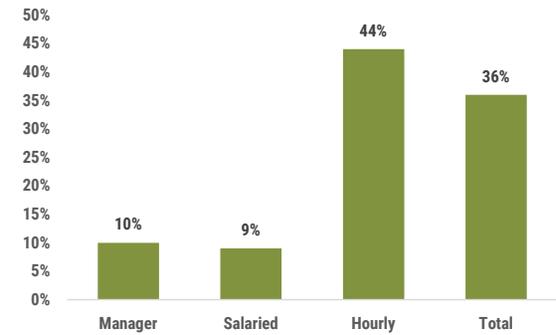
DIVERSITY - RACE



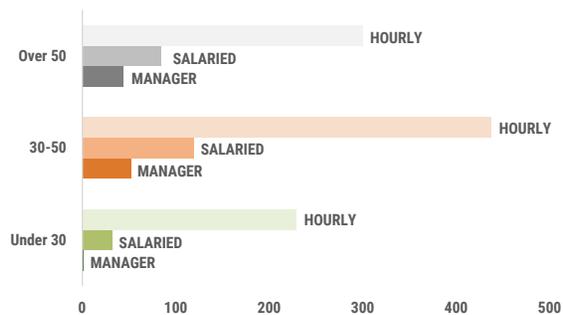
DIVERSITY - OF COLOR NORTHERN



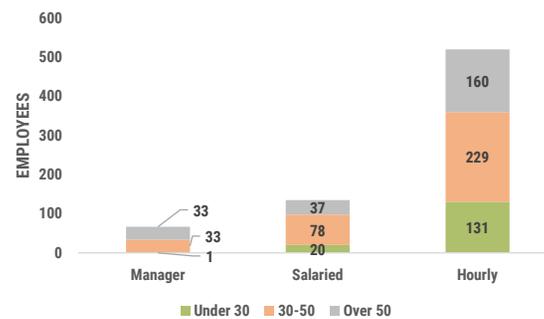
DIVERSITY - OF COLOR SOUTHERN



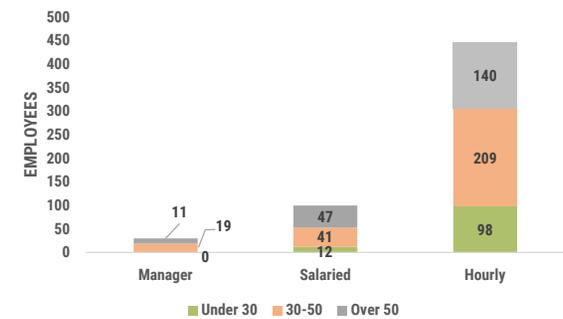
DIVERSITY - AGE



DIVERSITY - AGE NORTHERN



DIVERSITY - AGE SOUTHERN



HIRING AND TURNOVER

PotlatchDeltic works to attract and develop talent for our existing and future workforce. Recruiting can be challenging due to limited supply of qualified and experienced talent at some of our locations. This is especially true for very specific roles and skilled labor positions where it can take up to a year to find suitable candidates.

We recruit using job fairs, college career days, employee referrals, search firms, and social media. We offer paid internships for some positions to help build awareness and skills in potential future employees. Summer intern positions support the students at colleges and universities and provide meaningful summer projects that aid in students' academic development and job readiness.

Recruiting focuses on hiring individuals with diverse backgrounds and experience. We strive to ensure that 100% of all applicant pools contain a diverse slate of qualified candidates and that 90% of all final candidate pools for salaried new hires or promotions contain at least one diversity candidate. Gender diversity has improved over time, particularly in recruiting and promoting women into corporate roles.

We work with local staffing agencies to recruit and develop skilled candidates. We incorporate a range of strategies, including increased social media efforts, to staff hard to fill positions and broaden our search to include more diverse candidates. Partnerships with local high schools and technical colleges are critical for securing the skilled workforce needed at wood products facilities.



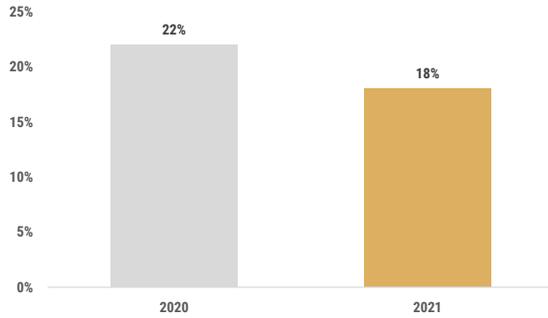
We hired 234 new employees in 2021, with 47% of new hires in northern states and 53% in southern states. Our wood products facilities accounted for 77% of hires. Overall, 18% of hires were female and 25% were underrepresented minorities. Nearly 46% of all new hires at our southern wood products facilities were hired to fill skilled maintenance-related openings such as millwrights, mechanics, and electricians. These types of positions remain among the most challenging to fill.

The overall employee turnover rate⁶³ in 2021 was 19% (excluding retirees); of that, 66% left voluntarily. Voluntary turnover was often due to a desire for further advancement opportunities, better schedules, and shorter commutes. Employee turnover, excluding retirees, is most prevalent in our wood products facilities which accounted for 76% of turnover in 2021. A significant amount of turnover at our southern wood products facilities was due to employees being discharged for violation of company policies such as safety procedures or attendance.

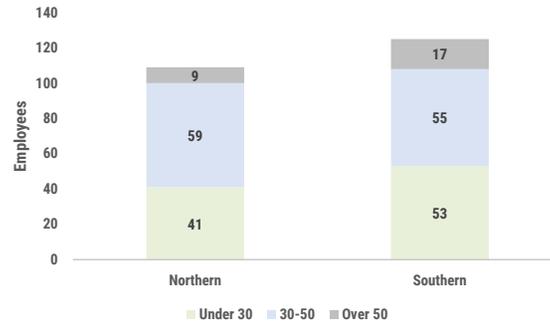


HIRING AND TURNOVER SNAPSHOT ⁶⁴

HIRING RATE



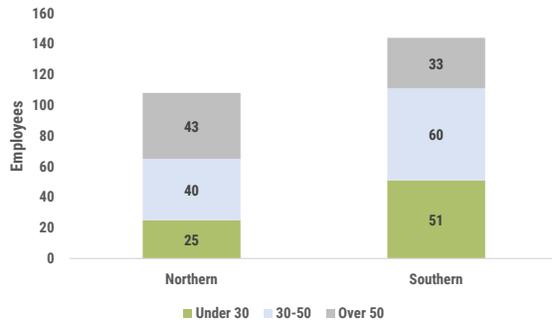
HIRES BY AGE AND LOCATION



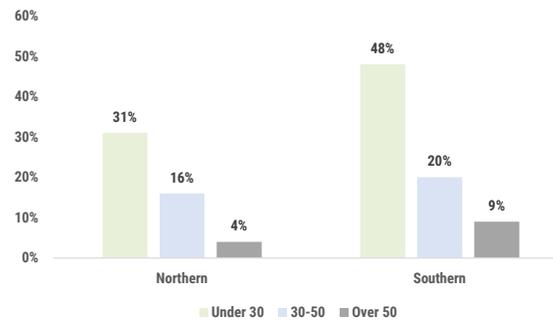
HIRES BY GENDER AND LOCATION



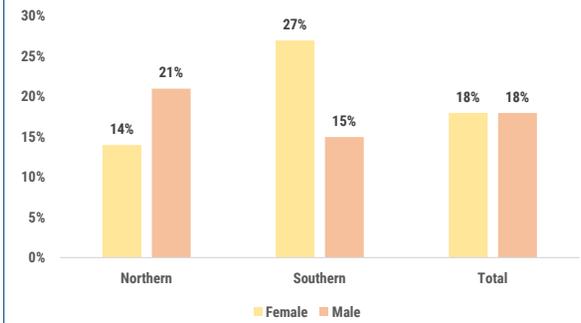
TURNOVER BY AGE AND LOCATION



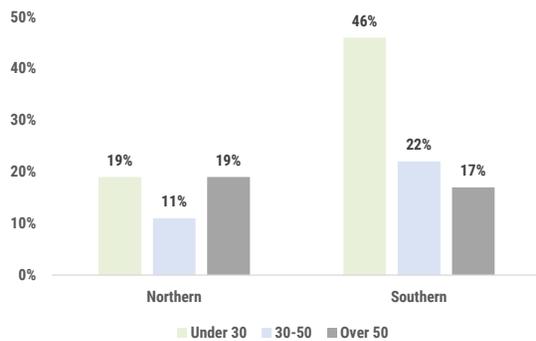
HIRING RATE BY AGE AND LOCATION



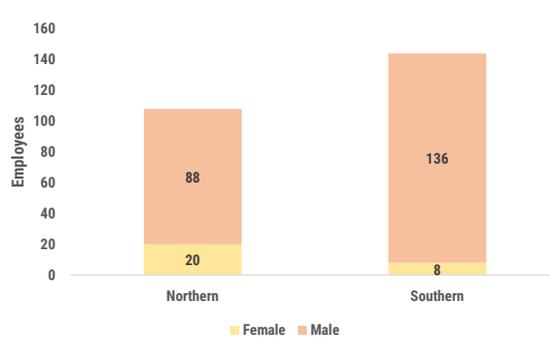
HIRING RATE BY GENDER AND LOCATION



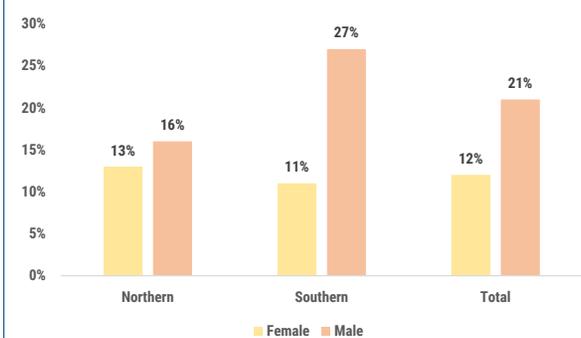
TURNOVER RATE BY AGE AND LOCATION



TURNOVER BY GENDER AND LOCATION



TURNOVER RATE BY GENDER AND LOCATION



EMPLOYEE BENEFITS

PotlatchDeltic offers a comprehensive benefits program to help protect and sustain the diverse health and financial needs of our employees and their families. We meet with our employees annually to introduce and describe changes to our benefit offerings. The annual meetings include one-on-one engagement with representatives from our health and welfare administrators. This is a valuable way for our employees to ask questions and get assistance about their enrollment elections.

Insurance

All full-time employees receive Company-paid Life Insurance and Accidental Death and Dismemberment (AD&D) Insurance. Full-time employees, except union employees, are also eligible to purchase supplemental employee, spouse and/or child life insurance as well as supplemental accidental death and dismemberment coverage. In addition, full-time employees traveling for business-related reasons can choose Business Travel Accident insurance for up to two times their annual salary.

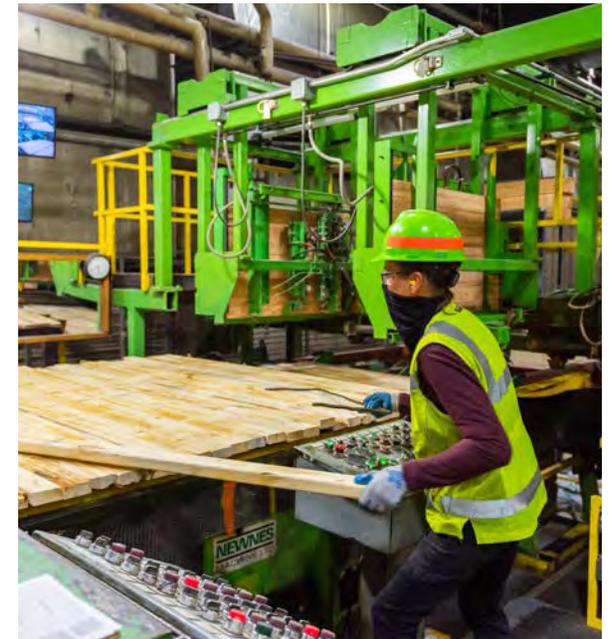


Health Care

Employees and covered family members are offered several programs to achieve and maintain their health and well-being goals through medical and prescription drug plans. Plans offer comprehensive medical and prescription drug coverage using the Blue Cross/Blue Shield network for medical services and Express-Scripts for prescription drug coverage and provide free annual preventive health screenings. We offer two quality medical and prescription drug plans, one plan with a health reimbursement account, or an alternative plan that includes an employer funded health savings account. Full-time union employees are offered the health reimbursement account only. In addition to the health reimbursement and health savings accounts offered with our medical plans, we also offer healthcare flexible spending accounts, all administered by a single provider, to make it easy for our employees to initiate reimbursements and track available balances.

Employees and families enrolled in our medical plans are extended multiple telehealth medical benefits and mental/emotional telehealth support. An employee assistance program provides professional counseling and referrals to address a wide array of personal and work-related concerns, including stress and anxiety, depression, marriage and relationship problems, substance abuse, and more.

Employees and covered family members have access to free chronic care monitoring through Livongo, a comprehensive solution to effectively manage the full spectrum of diabetes, pre-diabetes/weight management, and hypertension. This program is offered to employees and their families at no cost and is a program that helps members achieve positive outcomes with their chronic conditions and reach their wellness goals. It provides online programs, connected smart devices, and personalized coaching.



Employees and spouses are offered tobacco cessation support through Optum Behavioral Health. This program provides coaching, resources, and supplies to help individuals meet their goals by becoming tobacco-free.

All covered employees and spouses are eligible to enroll in Best Beginnings through our medical plan. This is a comprehensive maternity program that provides information and support for expectant mothers.

PotlatchDeltic offers a Centers of Excellence program to all covered employees and family members. The Centers of Excellence program identifies specialist care at locations across the U.S. with doctors that have expertise for conditions such as cancer care, cardiac care, knee and hip replacement, spine surgery, or transplants. The benefit does not have additional costs beyond the deductible and includes prepaid travel benefits and logistical support.

Disability and Invalidity Coverage

Short-term disability coverage is paid in full for all full-time employees. Benefits are provided for non-work-related illnesses and injuries for up to 26 weeks. After short-term disability coverage ends, employees may be eligible to continue long-term disability coverage. We pay for long-term disability insurance for all salaried employees. Hourly non-union employees are given the opportunity to purchase long-term disability insurance. Employees located in Washington State may receive up to 12 weeks of medical leave under the Company-sponsored Washington Paid Family and Medical Leave Program. Benefits are subject to the state-mandated weekly maximum.

Parental Leave

Full-time employees are eligible for maternity and parental leave benefits. Through the Family and Medical Leave Act (FMLA), employees may receive up to 12 weeks of unpaid, job-protected leave. This leave applies to

employees who became parents through birth, adoption, or foster care. Employees return to an equivalent position with equivalent pay and benefits. In addition, birth mothers receive 6-8 weeks of total paid time off for recovery under the Short-Term Disability plan. Employees located in Washington State are eligible for both Medical and Family Leave benefits, complying with the Washington Paid Family and Medical Leave Program. This program offers an additional 12 weeks of paid leave for both birth and non-birth parents.

During 2021, we expanded our leave programs to include a Paid Parental Leave Program, effective in 2022. This plan offers up to 4 weeks of paid leave for all new parents - maternal, paternal, adoptive, or surrogacy-assisted - upon the arrival of a new child. This plan is in addition to the 6-8 weeks of paid leave that employee birth mothers may receive under the Short-Term Disability plan. Paid Parental Leave may be taken up to 12 months after the birth or adoption placement of a new child. This program is offered

to all full-time employees except for Washington State employees and union employees.

Retirement Provision

Saving for the future is a responsibility PotlatchDeltic shares with our employees. We provide retirement saving opportunities for all employees through two 401(k) plans, a Salaried and an Hourly 401(k) plan. All employees are allowed to participate in the 401(k)-retirement savings plan, including both full-time and part-time employees. A wide variety of investment options are offered to choose from. In addition, professional investment assistance is available through Empower Retirement Advisory Services. We have 97% participation and an average savings rate of over 7.5% across our 401(k) plans.

For full-time employees hired before 2011 (or before 2015 for legacy Deltic employees), a comprehensive pension plan is provided. A full pension benefit is offered at age 65, or at age 62 if certain conditions are met, or a reduced pension is offered at age 55 under certain eligibility conditions. Potential retirees can engage with our pension administrators in dedicated sessions to assist with retirement and distribution election questions.

Stock Ownership

PotlatchDeltic employees can invest in Company stock through their 401(k) plans. Employees are encouraged to utilize advisory services offered in the 401(k) savings plan to diversify their investments and minimize overall portfolio risk.

Others

We offer competitive dental benefits through Cigna and 100% employer paid vision benefits through Vision Service Plan.

To further protect our employees' income, we offer supplemental insurance to all full-time employees, except union



employees. This includes long-term disability insurance, critical illness insurance (pays lump sum awards for critical illness diagnosis), hospital indemnity coverage (pays for inpatient admissions including pregnancy), and accident coverage (pays cash benefits if injured in an accident).

Our Employee Assistance Program (EAP) is a confidential, free service offered to all employees and their family members. This service provides professional counseling, referrals, tools, and resources to help employees and their families address mental and emotional health concerns. In addition, the EAP provides work/life resources that allow employees and their family members to achieve and maintain a healthy work/life balance.

Legal insurance is an employee-paid benefit offered to all full-time employees except for union employees and provides affordable legal counsel for a wide variety of



everyday legal matters. Pet insurance is offered on an employee-paid basis to all full-time employees except for union employees and provides comprehensive coverage for illnesses, injuries, and routine wellness care for our employees' beloved, pet family members.

During 2021, we worked towards introducing an Infertility and Adoption Reimbursement program for all full-time employees, except for union employees, effective 2022. This program, managed by Carrot Fertility, offers inclusive fertility and family-forming benefits that cover all paths to parenthood — adoption, gestational carrier arrangements (commonly referred to as surrogacy), fertility treatments, pregnancy, and more. This program provides counseling, guidance, and resources to make family forming benefits accessible to everyone. In addition, we provide reimbursement benefits of up to \$10,000 to assist towards infertility or adoption expenses.

Work-life Balance

PotlatchDeltic recognizes that providing flexible work hours and teleworking is a competitive business advantage that can support the Company's objectives while helping employees balance their personal commitments with work responsibilities. Flexible work arrangements are available to full-time employees that meet requirements and that work in a position that is conducive to flextime. Employees work eight hours per workday but have flexibility in scheduled start and end time. Employees may also work longer hours to allow for an extended lunch break. Employees may also work a compressed schedule working 40 hours per week in less than 5 days or opt for a 9/80 schedule where they work nine-hour workdays and receive one full day off every other week. Telework can be requested for up to 3 days per week or exclusively at a remote location temporarily. Some part-time positions are offered at our wood products facilities.



Dependent Care and Special Leave

PotlatchDeltic offers a Dependent Flexible Spending Account to allow all full-time employees to set aside pre-tax payroll deductions to use towards childcare or elder care expenses. Full-time employees may take unpaid, approved time off under FMLA (Family and Medical Leave Act) to care for any dependent with a serious health condition. The EAP (Employee Assistance Plan) offers free referral services to all employees. This includes expert referrals to child and adult/elder care providers, facilities, and other resources.

We offer a variety of paid and unpaid leave benefits for all full-time employees. All full-time employees are eligible for paid short-term disability leave to recover from their own medical illness or injury. They are also eligible for FMLA leave, where employees may receive up to 12 weeks of unpaid, job-protected leave to recover from their own health condition or to care for a family member with a

serious health condition. In addition, employees located in Washington State are eligible for Medical and Family Leave benefits, complying with the Washington Paid Family and Medical Leave Program, offering 12 weeks of paid leave for their own health condition or to care for a family member with a serious health condition. Employees are allowed to take up to 30 days of unpaid leave for personal or educational reasons and can take time away with pay while serving jury duty. Bereavement leave of up to 3 days is available to all salaried employees.

Restructurings

PotlatchDeltic is committed to responsibly managing our workforce such that we ensure employment security and minimize the risk of restructuring due to enhancements in technology or changing market conditions. Although our business has not experienced any significant job cuts or workforce restructurings over the past 3 years,

our wood products employees are at most risk given the cyclical nature of lumber markets. We consistently provide internal and external training opportunities for employees to grow and develop new skills to ensure that their skills do not become redundant.

In the event that improvements to manufacturing processes or technology result in the elimination of certain positions, we endeavor to redeploy our employees to new roles at our worksites. Should economic conditions deteriorate to the point in which we might contemplate temporary workforce reductions, employees are offered reduced work schedules and their wages are supplemented with leave pay or unemployment benefits. Layoffs are always seen as a last resort.

TRAINING AND DEVELOPMENT

We recognize that employing a highly skilled and diverse workforce is a competitive advantage and leads to better employee engagement. We are committed to the development of all employees in support of their career aspirations. To maximize employee engagement and retention, we have formal and informal programs to develop our workforce through employee improvement and professional growth.

Continuous Performance Improvement

Our continuous performance improvement strategy is grounded in healthy discussions between an employee and their manager. We expect managers to engage with employees and advocate for the growth and development of their direct reports. We see this development as a partnership that begins with setting meaningful annual goals.



Salaried employees set annual goals in performance, developmental, and personal categories. Employees also track progress towards six key competency areas which reinforce our belief that it's not enough to just accomplish your goals, but it's how you accomplish those goals that matters. Managers provide formal feedback at least once a year to employees regarding their performance and progress towards their goals. Employee performance is further calibrated across operating divisions and is finally reviewed by the executive team to ensure that performance measures were evaluated equitably across the organization. This annualized process provides a framework from which managers and employees can collaborate to ensure that employees remain on a meaningful growth trajectory aligned with the needs of the organization.

Employee Development

Because we know our employee population is eager to continue to develop and grow their talents, we offer a wide array of training opportunities for employees to become more proficient in their current roles and grow their careers in preparation for larger roles throughout the Company. Training is offered through a variety of mediums including classroom, in-house, or on-line to accommodate the diverse personal and professional needs of our employees as they move through their careers. Individual development is heavily supported through formal and informal on-the-job programs including paid apprenticeships and cross training. Employees are also encouraged to participate in a variety of cross-functional learning opportunities including safety audits, environmental audits, or capital installation projects. We believe there is no substitute for these diverse on-the-job learning opportunities and their ability to drive team member engagement.

We also recognize that not every employee is on the same development path and, therefore, we provide financial assistance through our tuition reimbursement program to



employees whose career development path may require more formal continuing education. We may also cover travel related expenses to help employees attend training that may not otherwise be hosted in our rural communities.

As part of our commitment to developing talent, we conduct leadership training programs to build bench strength at the supervisor and management level. The leadership training brings together mill, timberlands, real estate, and corporate employees who have been newly hired or promoted and who are individuals essential to developing future leaders. The multiday training modules include workshops on a wide range of issues such as leadership, conflict resolution, supervisory skills, and coaching tactics, and build a greater understanding of all the businesses within the Company. Employee engagement following the training has been very positive with employees feeling that interaction with executive leaders and peers strengthened their leadership network and that the skills they developed are directly applicable to the workplace challenges they face every day.

Succession Planning

Succession planning is critical to ensuring that we have the right people in the right position at the right time. We conduct annual succession planning meetings across the organization, starting with our local operations and rolling up to our division and corporate levels, including our executive team. This robust calibration process ensures that we review all employees and their potential to move throughout the organization. Individuals who have demonstrated a desire and ability to move to new leadership roles collaborate with their managers to document meaningful development plans designed to ensure that their development remains on track.

Internships

Our summer internship program provides a unique opportunity for undergraduate and graduate students to gain on-the-job experience in our businesses and to learn about PotlatchDeltic. Interns are provided with meaningful projects and collaborate with other students, as well as with employees and managers. Internships not only develop a pipeline of potential future talent, but also provide our employees an opportunity to be mentors and build their leadership skills.



CASE STUDY: STRAP APPRENTICESHIP

The School to Registered Apprenticeship Program (STRAP) offers Idaho students age 16 and over an opportunity to apprentice while completing high school. The student is paid first year apprenticeship wages and is provided a work-based learning experience including instruction, appropriate supervision, and safety training. PotlatchDeltic follows child labor requirements under this program. Two STRAP participants are currently participating in this program at our St. Maries facility in an electrician apprenticeship until they graduate in May 2022. Both STRAP apprentices have expressed an interest in becoming full-time team members upon graduation and continuing their electrician apprenticeship.



**RYAN OSIER – STRAP ELECTRICIAN
ST. MARIES, IDAHO**

“I did not know what I wanted to do after high school until this program came along. Trainers have been great – it’s been good working with and learning from them.”



**JAMES PLANTE – STRAP
ELECTRICIAN
ST. MARIES, IDAHO**

“I love working here – it’s pretty great to have this opportunity while still in high school. I had an idea this is what I wanted to do for a career – working here has allowed me to know what an electrician apprentice is.”



CASE STUDY: OUR SUMMER INTERNS

Our 2021 summer interns included five interns in our southern timberlands, four interns in Idaho timberlands and six interns at our Waldo wood products facility.

Timberlands interns worked on a variety of projects including monitoring the Douglas-fir tussock moth, using drone imagery to replace terrestrial field sampling for regeneration, performing planting inspection and gopher reconnaissance, conducting log quality checks and logging inspections, designing proper layout of harvest units and streamside management zones, preparing a timber sale appraisal for a harvest operation, developing road layout and inspections, and participating in a hazard management program exercise.

Three Waldo safety and environmental interns worked on projects that involved learning about safety training records, labeling of locks, storeroom organizing, battery disposal, and safety training for new hires. Three maintenance interns at Waldo performed entry level millwright duties and learned a range of hands-on skills.

One of our Idaho timberlands interns subsequently joined PotlatchDeltic as a forester in Arkansas.



4

QUALITY EDUCATION



8

DECENT WORK AND ECONOMIC GROWTH



13

CLIMATE ACTION





ROUGH GR RG 2 8 16

Item	Quantity	Unit	Description
1	1	EA	...
2	1	EA	...
3	1	EA	...
4	1	EA	...
5	1	EA	...
6	1	EA	...
7	1	EA	...
8	1	EA	...
9	1	EA	...
10	1	EA	...

14

A PROBLEM IS AT THE END OF THE SYSTEM. THE ADDRESS IS PROBABLY 57348. SERVICE THE EQUIPMENT.

PottlatchDeltic

HEALTH AND SAFETY

Safety is a core value at PotlatchDeltic. Our team members are our greatest asset, and we focus on their health and safety without compromise. Keeping team members and on-site contractors safe is a critical underpinning to our success.

Our health and safety commitment is implemented through our [Corporate Conduct and Ethics Code](#), Environmental Health & Safety Policy, [Supplier Code of Conduct](#), and the systems, procedures, and best practices established for our businesses and locations. Our procedures and systems meet or exceed the requirements of the Occupational Safety and Health Administration (OSHA) and incorporate best practices with a focus on continuous improvement. We strive for zero safety incidents and our measurement goal is zero OSHA recordable injuries⁶⁵ at all operations.

Our team members and our Company recognize the responsibility of every individual to be accountable for themselves and for those around them and to commit to making safe decisions in every situation. In addition, any team member or contractor concerned that safety protocols and practices are not being followed can report that concern to management or anonymously through our hotline.

WOOD PRODUCTS

Each wood products facility has well-established, site-specific health and safety systems, procedures, and practices to drive full implementation of OSHA and other health and safety requirements and a culture of best practices and exceptional care for people. The safety climate is supported by several division-wide procedures and approaches, which are augmented each year through a focus on continuous improvement. Annual internal and periodic external audits are also used to identify and improve processes. Each facility has an established emergency response plan.

The safety system at our wood products facilities applies to all employees and to vendors, suppliers, and contractors working on our premises. All facility team members follow required safety guidelines and are actively engaged in exposure reduction by eliminating, reducing, or controlling hazards. Our wood products facilities have a divisional safety manager who oversees the health and safety programs, conducts annual reviews, and guides safety plans according to legal, regulatory, and Company guidelines.

Each facility has a safety manager who implements and manages a comprehensive safety program that includes components such as training, performing safety-related audits, implementing contractor safety requirements, and



building team member engagement with site specific Safety Committees. Safety Committees comprised of cross-functional teams including management, supervisors, and hourly team members meet regularly and are utilized for their first-hand knowledge of safety concerns and to bolster safety communications. A safety audit team conducts inspections and audits regularly. The team shares any issues identified with mill leadership, schedules action plans, and develops appropriate corrective actions.

A core foundation of our wood products health and safety system is hazard identification, risk assessment and mitigation, incident investigation, and safety training. Hazards are identified through methods including pre-shift inspections, audits, behavior-based safety observations, job hazard identification processes, change analysis, and incident reviews. Risk assessments utilize a hierarchy of controls with inherent risks that cannot be eliminated. This process is supported by near-miss reporting to develop risk mitigation of hazards. Any recordable injury or near-miss incident which could have resulted in life-impacting injury is investigated by the site management team using approaches including root cause analysis. Sustainable corrective actions are put into place and a divisional review for knowledge share is executed.

Every team member has the responsibility to stop work in an unsafe situation, leverages peer-to-peer accountability, and is expected and encouraged to report unsafe or hazardous work conditions. There are several avenues to report hazards including open-door policies with safety managers and leadership, safety work orders, submission of a hazard recognition form, entering the hazard recognition into an online reporting platform, or utilizing our anonymous reporting hotline. A consultative environment exists at each facility regarding safety. Team members are encouraged to report hazards and risks frequently and are recognized for this through a quarterly safety recognition program.

Hazard recognition and near miss reports are reviewed by facility leadership and safety managers to ensure follow up and sustainable corrective actions. Work-related incidents are investigated swiftly and thoroughly deploying a range of investigative tools depending on incident severity. Our online health and safety incident management system is used to track incidents and near misses and to assign and monitor corrective actions. Retaliation against anyone who raises concerns or reports an unsafe work practice is prohibited.

New team members and team members given a new task are required to complete safety training and an assessment as part of their orientation. A job safety analysis (JSA) is required for new hires and team members prior to starting a new task. Training and communication about safety is conducted regularly through meetings, specialty classroom training workshops, daily before shift meetings, and online training modules during operating

hours. To keep safety at the forefront, safety topics and issues are a standard agenda item and discussed with opportunities for questions or clarifications. In addition, a divisional focus on risk assessment was implemented in 2021 including initiatives such as Stop, Look, Assess, and Manage (SLAM) and an updated hazardous energy control process.

Occupational health services provided at facilities include ergonomics analysis, scheduled athletic trainer and physical therapist visits as a proactive approach to soft tissue injuries, and COVID-19 and flu vaccination clinics. Worker health is also promoted through facility wellness initiatives to promote a healthy lifestyle. These range from a year-long wellness points contest to organized events and challenges.

Contractors, suppliers, and vendors are expected to comply with our safety systems and procedural guidelines



Stanza Donald
Wood Products Divisional
Safety Manager,
PotlatchDeltic

“Team members participate in their sites’ safety committee in incident root cause investigations, “fresh eyes” assessments, internal audits, and other continuous improvement activities. In most cases, these committees meet at least monthly to review and act upon worker safety data and concerns.”



and report unsafe or hazardous work conditions. An online contractor / supplier management system tracks contractor insurance, certification, and health and safety records. Contractors are scored on health and safety program status, Total Case Incident Rate (TCIR), Days Away, Restricted or Transferred (DART), experience modifier, safety citations, number of fatalities, insurance, job evaluations, and written safety programs.⁶⁶ This system enables efficient monitoring of contractor compliance, performance, and training. Only approved contractors that meet established training and performance requirements are permitted to work on site. Contractors receive annual training, which includes site specific emergency response plans.

CASE STUDY: SLAM

The SLAM (Stop, Look, Assess, Manage) technique was implemented across all our wood products facilities in 2021 as a risk assessment program. SLAM reinforces the responsibility of every individual to be accountable for themselves and for those around them and be aware of the risks of hazards before beginning certain tasks. It establishes a process to consciously plan work with safety in mind and reminds team members to place a priority on stop-work measures if something appears unsafe or if there is an identified unaddressed hazard. Safety Managers introduced SLAM at all facilities, followed up by on-line training for team members. Team members are asked to complete SLAM cards to improve risk awareness for any upset condition, non-routine task, or a task without a written job safety analysis (JSA). Situational awareness has increased with implementation of SLAM and numerous corrective actions are being implemented due to the dedicated pause that SLAM provides.

There are four stages to SLAM:

STOP

Stop and consider the work or task. Has anything changed? Do you have the training and are you comfortable doing the task? Do you need a permit?

LOOK

Look for and identify any work hazards before, during, and after the task. Decide what you will do to avoid any hazards. What might happen?

ASSESS

Assess what needs to be done. Do you have the correct knowledge, skills, training, and tools to complete the task safely? What impacts will hazards have?

MANAGE

Manage safety by eliminating identified hazards to reduce severity and likelihood of injury and applying the correct controls or personal protective equipment. If you feel unsafe stop working. Tell your supervisors what would make the situation safe.

CASE STUDY: OLA FIRE - LESSONS LEARNED

In June 2021, a fire occurred at our Ola, Arkansas wood products facility. The fire began after millwrights completed hot work. The primary log breakdown area of the facility was destroyed in the fire. The internal investigation identified several causes including inadequate hot work preparation and fire watch, poor housekeeping, and inadequate training and accountability. After the fire, an internal safety audit with a hot work and fire protection focus was completed with participation by safety professionals from all the wood products facilities. This resulted in several facility and divisional changes, the implementation of human element risk mitigation measures, and physical improvements related to fire protection.

An increased emphasis was placed on improving fire protection, hot work, and housekeeping processes for all facilities. Fire protection champions were appointed at each facility and a divisional wood products fire chief position has been established to oversee fire suppression systems, testing, processes, and training for facilities. Each facility also has created a fire suppression technician role responsible for fire suppression systems inspection, testing, and maintenance. All fire protection champions have participated in National Fire Protection Association fire protection and systems training. The fire champions conducted inspections of our Arkansas facilities to establish consistent roles and responsibilities and are developing division-wide fire safety standard operating procedures.

Physical improvements at Ola included updated fire pumps, fire equipment, and hoses and an improved fire monitoring and alarm system. Improved procedures for fire protection, particularly related to hot work, were also implemented across all facilities. Changes to hot work procedures included a comprehensive review of hot work training, development of an updated standardized hot work permit that incorporates risk management, and a revised hot work plan. In addition, development of a Job Safety Analysis for hot work and periodic safety audits on hot work were components of the changes.



CASE STUDY: ST. MARIES VOLUNTARY PROTECTION PROGRAM

The St. Maries lumber and plywood facility has set an exceptional standard for safety and has been in the [Voluntary Protection Program \(VPP\)](#) since 2000. The Occupational Safety and Health Administration (OSHA) administers the VPP, which represents a cooperative relationship to encourage worksite-based safety and health. VPP sets performance-based criteria for the safety and health system and, after a site applies for admission to the program, OSHA assesses the applicant against these criteria. This is above and beyond normal safety standards and results in a thorough onsite evaluation by a team of OSHA safety and health professionals.

Sites can have three levels under VPP, with Star being the highest standard. VPP recognizes teams that demonstrate exemplary achievement in the prevention and control of occupational safety and health hazards and the development, implementation and continuous improvement of their safety and health management system. The St. Maries Complex is a VPP Star site and has been since 2000 – one of only 13 in Idaho.

To qualify for VPP, St. Maries has demonstrated an effective and ongoing safety and health program including performance-based criteria. In addition, team members are required to demonstrate cooperation and participation to ensure continuous improvement, including participation in audits across facilities to cross-pollinate ideas. Results are expected to reflect the effectiveness of the program with injury and illness rates at or below the national industry average. Star participants are reevaluated every three to five years.

The last reevaluation was in 2019 during which the auditors highlighted as an exemplary practice our redesigned lockout / tagout procedures. The new procedures implemented color coding of all motors, so the color of a label matches the disconnect it locked out and added photos on the area lockout procedures. The complex introduced a self-audit lockout checklist for use each time an employee locks out a piece of equipment and conducted a plant-wide lockout refresher training class.

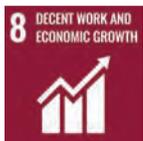
In 2021, the 3-year average TCIR at St. Maries was 1.6 compared to an industry average of 3.1 and DART was 0.6 compared to an industry average of 2.2.

BEMIDJI

The Minnesota program is called MNSTAR. Bemidji achieved MNSTAR status in 2001 and since then has maintained MNSTAR status. The last re-evaluation audit was in 2020 with several best practices highlighted including the facility's Safety Road Map program and goals, Making Safety Visible program, tailgate and fireside chats with top management, Safety Superstar program, Job Safety and Environmental Analysis program, the STRIDE program, and the SAFER program. One best practice noted was our onsite physical therapy and athletic training program, a proactive approach to prevent soft tissue injuries. Bemidji's safety efforts earned the Minnesota Safety Council's 2021 Governor's Meritorious Achievement Award in Occupational Safety. Bemidji achieved two years without an OSHA recordable incident in November 2021.

GWINN

The Gwinn, Michigan facility is a Star Worksite in the Michigan Voluntary Protection Program (MVPP). The facility is one of 24 Star Worksites in Michigan. Our Gwinn facility first received MVPP Rising Star status in 2010 and achieved MVPP Star status by early 2013. The last reevaluation was in 2019. The facility is scheduled to receive an MVPP re-evaluation audit in July of 2022. In 2021 the facility added another dedicated safety employee, which increased the ratio of dedicated safety personnel to employees to approximately 1:70. Gwinn also procured additional automated external defibrillators (AEDs) for the facility, increasing the number on site from 2 to 10, with the goal of having one in place within 200 feet of locations where most team members work, as an additional life and time saving measure.



TIMBERLANDS

Timberlands and rural real estate use a comprehensive health and safety management system to meet or exceed OSHA requirements, any state requirements, and industry best practices. Each location has emergency response plans for fire, weather, and other emergencies and has annual drills to prepare for these emergencies.

The management system applies to all PotlatchDeltic team members in these businesses and to all timberland contractors. Regional safety committees are responsible for maintaining the safety program, ensuring communication, and highlighting issues of concern to

management and team members. The committee consists of a cross-section of forestry specialists from each district appointed by regional managers.

Hazards are identified routinely, and risk elimination or mitigation measures are implemented. Significant hazards often relate to driving-related issues on logging roads, remote interactions with other stakeholders, and wildfire. Team members are encouraged to engage in open communication on hazards and report any concerns to managers or through the hotline.

An online tracking system is used to record safety incidents and near misses. Regional managers highlight

safety priorities and review near misses at monthly and weekly meetings and district managers conduct weekly operations meetings and do the same, all with an intent to continually improve safety related performance. The committee meets quarterly to review results and discuss any new hazards, incident investigations, and safety training requirements.

Safety training is completed using an online training system that matches appropriate safety courses to job positions and the unique responsibilities of those positions as well as in-person workshops. Courses are based on a risk analysis and training is provided to eliminate, minimize, and report those risks. Annual internal audits look at safety near misses and adherence to safety policies. In addition, annual external audits are used to monitor and report safety issues.

Contractor safety is a focal point of our timberland safety program. Timber harvesting, road building and trucking contractors must meet stringent state and federal OSHA safety regulations and all such contractors undergo annual industry specific and PotlatchDeltic safety training. State logger safety organizations also provide annual training to all certified loggers, which is a requirement to be on PotlatchDeltic's approved contractor list. Annual contracts with these contractors require adherence to OSHA and PotlatchDeltic safety policies. Training is tracked to ensure contractors are sufficiently prepared for safety issues and emergencies. We monitor contractor safety performance through activity and safety equipment inspections in the field and conduct annual internal and external audits. Contractors are encouraged to provide communication and feedback on hazards and safety concerns through discussions with team members or through use of our hotline.



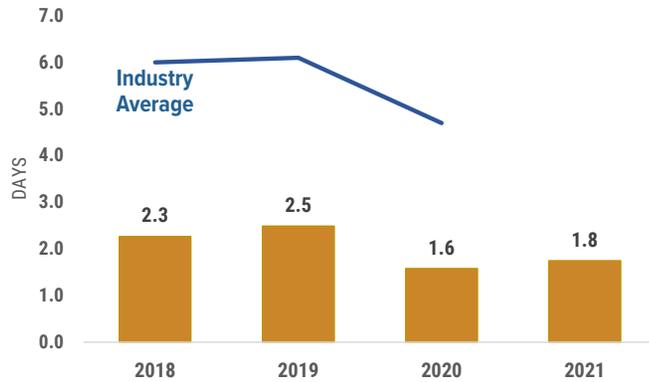
HEALTH AND SAFETY SNAPSHOT

100%

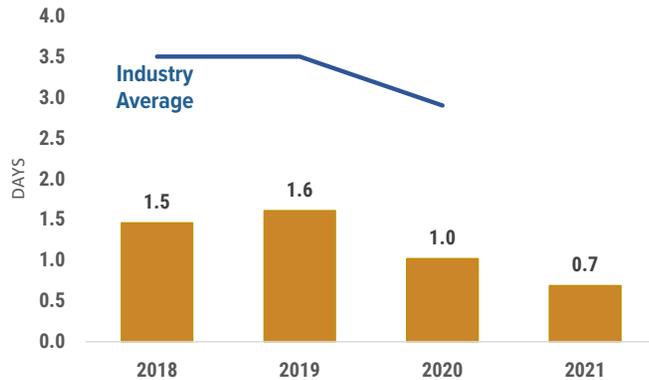


**Wood Products
Employees and Contractors
Covered and Trained**

WOOD PRODUCTS TCIR



WOOD PRODUCTS DART



ZERO

**2021 Employee
Fatalities or High
Consequence Injuries⁶⁷**

23

**2021 Wood Products
Recordable Injuries**
(Top trend: Hand and Finger)

**Hours of
Safety Training**
Employees: >10,000 Hours
Contractors: >2,000 Hours

ZERO

**2021 Contractor
Fatalities or High
Consequence Injuries⁶⁷**

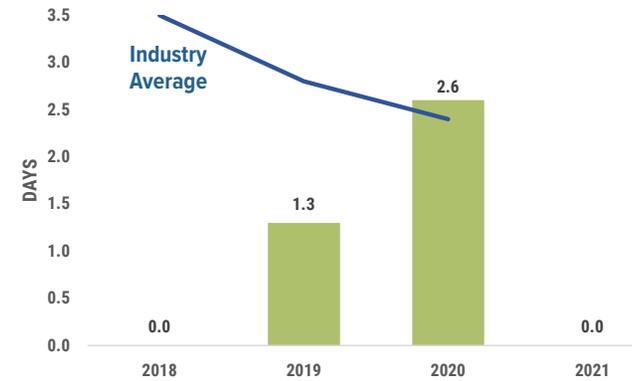
**1.5 DART
2.0 TCIR**
Wood Products
Contractors

100%

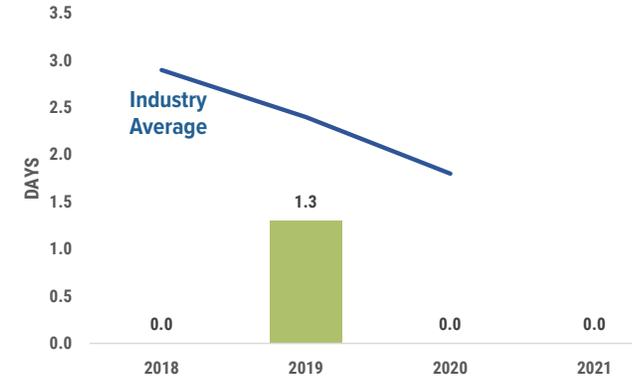


**Timberlands
Employees and Contractors
Covered and Trained**

TIMBERLANDS TCIR



TIMBERLANDS DART



COVID-19 RESPONSE

Throughout the COVID-19 pandemic, the health and safety of our employees has been a top priority. We implemented a range of protocols and secured personal protective equipment (PPE). During 2021, we monitored for changes in state and [CDC](#) recommendations and adjusted our processes and approach to minimize risk for our employees.

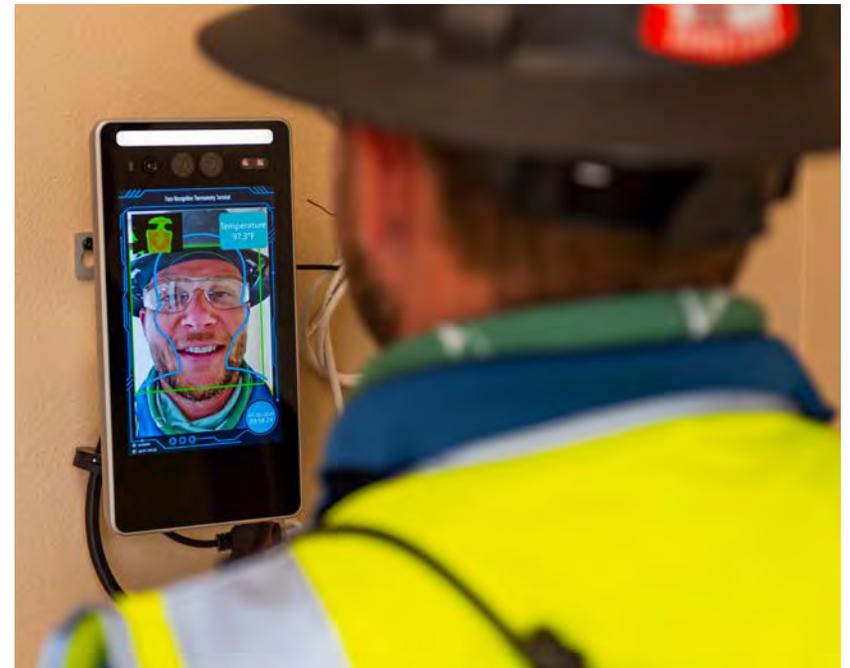
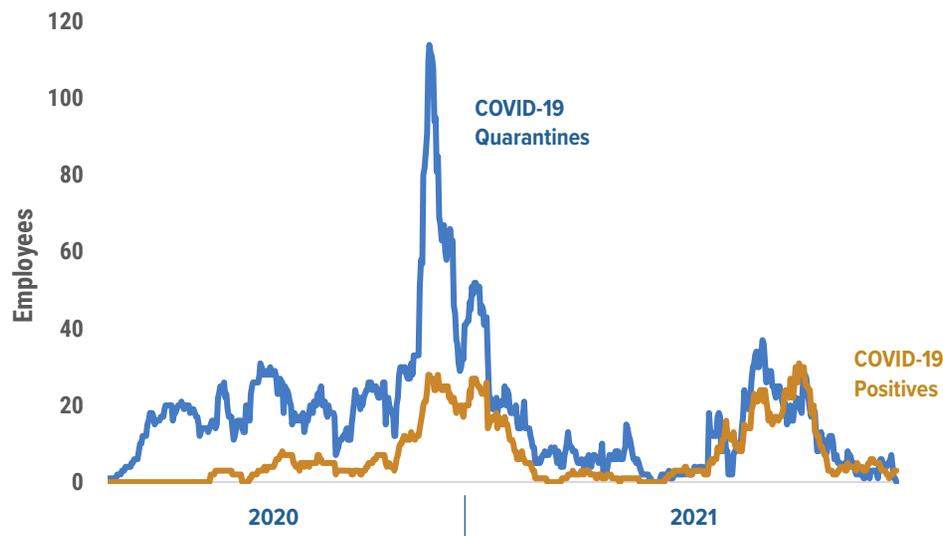
At our wood products facilities and in our timberlands and real estate locations, PotlatchDeltic continued health and safety measures as recommended by OSHA and the CDC to minimize the risk of the virus spreading through the workplace. Employee and visitor screening occurred through a series of CDC recommended symptomatic and exposure-related questions. Entry screening into the facilities also included temperature checks utilizing handheld

thermometers and touchless temperature face scanners at key entry points to identify anyone with a fever and deny their ability to enter. Enhanced cleaning protocols have been continued throughout the facilities.

Over the past two years we became more informed about how to manage case positives and close contacts and developed more precise workplace safety practices. We implemented robust tracking systems to track both vaccinated and unvaccinated employees and hosted on-site clinics to increase vaccine uptake. To help minimize the risk of spreading the virus we provided free COVID-19 tests and adapted isolation and quarantine requirements as recommended by the CDC. We believe our multiple layers of preventative measures, along with the diligence of our employees, helped to reduce the overall impact of COVID-19 on our operations in 2021.



COVID-19 EMPLOYEES ABSENT PER DAY





WORKING WITH SUPPLIERS AND CONTRACTORS

We expect our suppliers and contractors to have the same commitment to environmental responsibility and sustainable forest management, social responsibility, and responsible corporate governance, including human rights, as we do.

The relationships we have with the companies and individuals we work with across our entire value and supply chain are important and viewed as an essential part of our success. Our [Supplier Code of Conduct](#) (Supplier Code) and [Human Rights Policy](#) outline the expectations we have of our suppliers and contractors. As part of our standard contract terms and operating procedures, key contractors in our timberlands and wood products facilities are provided with our Supplier Code and asked to verify that they have read and comply with its components. In addition, we provide training to contractors on the Supplier Code.

TIMBERLAND CONTRACTORS

The logging companies that work in our timberlands are often run by individuals with decades of experience working in forests, with significant investment in equipment to handle different types of terrain, weather, and differing log sizes. These crews have expertise in understanding harvest prescriptions and best management practices, including protecting streamside management zones and water crossings, and minimizing soil disturbance. Harvest operators also need to be skilled in merchandising, which requires separating logs for different markets based on species, quality, and size.

Suppliers or contractors are also retained for growing or providing seedlings from a nursery, reforestation, silviculture work after the harvest, and managing insects and disease. Planting crews are a critical part of our supply chain,

keeping the crucial cycle of harvesting, regeneration, and forest planning cycles intact. Much of this work is done by migrant workers, employed by silviculture contractors under H-2B visa programs, who return year after year to plant seedlings either by hand or by machine, depending on soil type and terrain.

Contractors and subcontractors working in our timberlands must be on our approved contractor list and our foresters track their environmental and safety performance. They are trained annually on a wide range of measures including forestry best management practices, threatened and endangered species, and safety policies. To continue working with us, timberland contractors and suppliers must demonstrate good safety records, have current training, and maintain all required insurance.



WOOD PRODUCTS CONTRACTORS

At our wood products facilities, contractors perform a wide range of work including hauling logs from the woods to the mills, performing environmental testing, maintenance work, and other services, providing supplies, transporting wood residuals to other end-users and capital project. In addition, the range of high technology equipment in a sawmill that maximizes efficiency, productivity, and resources often requires expert maintenance.

The contractors working on-site at our wood products facilities are pre-cleared through an online compliance management system. Contractor and supplier information and requirements are tracked online based on specific criteria we have established, including maintenance of minimum insurance levels and acceptable safety performance. Contractors are regularly monitored and evaluated for their health and safety performance. All contractors working at our facilities must receive training before being cleared to work at our sites. This orientation session includes health and safety training and training on emergency procedures.

The contractors we work with typically live in nearby communities, often where they, along with PotlatchDeltic, are a key economic contributor. They also often participate in these communities through charitable work and volunteering. Being a good corporate citizen is made up of the choices we make every day, and we want to work with others who operate the same way.

ENVIRONMENTAL RESPONSIBILITY

Healthy sustainable timberlands play a vital role in our business and in the quality of life for the communities in which we operate. We expect those who work with us to follow and implement all forestry regulations and best management practices including protecting water quality, wildlife, and biodiversity. Timberland and real estate suppliers must

comply with all federal, state, and local environmental laws and regulations and any best management practices adopted by PotlatchDeltic to prevent environmental incidents. At our wood products facilities, suppliers and contractors must follow all laws and support our dedication to reduce air emissions, water use, energy use, and waste. Contractors and suppliers and their employees have the right to report environmental compliance concerns on PotlatchDeltic premises by reporting them to local management or by using the Hotline.

SOCIAL RESPONSIBILITY

We expect those we work with to respect and promote human rights and to be ethical in their relationships with their workers, including migrant workers. Harassment and abusive behavior of all kinds is prohibited. We expect our supply chain to comply with laws regarding working hours and wages, child labor, and the prohibition of forced labor. The safety and health of our employees and contractors is a core value in our work environments, achieved through a commitment at all levels.

RESPONSIBLE GOVERNANCE

PotlatchDeltic takes our governance principles seriously to ensure that we run our business in an ethical and transparent manner, and we expect the same from our suppliers and contractors. Company assets and information as well as other confidential information accessed must be protected. Suppliers and contractors must not impair nor appear to impair business integrity and, therefore, they must not offer bribes, kickbacks, or other improper payments to secure or retain business or favored business treatment. PotlatchDeltic expects all those we work with to comply with all applicable anti-corruption and antitrust laws.

HUMAN RIGHTS AND LABOR CONTRACTOR STANDARDS

Discrimination and Non-Harassment

We expect those we work with to respect and promote human rights and labor rights and to be ethical in their relationships with their workers. As a matter of law, contractors must not unlawfully discriminate in employment opportunities or in remuneration, nor tolerate harassment within the workforce, whether by supervisors or coworkers based on age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, race, religion, sexual orientation, genetic or family medical history, socio-economic status, veteran status, or any other category protected by law. We prohibit unlawful harassment and retaliation of all kinds in our workplaces, including unfair treatment and disrespectful, abusive, or inappropriate behavior.

Forced and Child Labor

Contractors must not use any form of forced labor, nor may they unlawfully use child labor. Because we operate only within the United States, our contractors are governed by applicable U.S. and state law. We also adhere to the principles articulated in the International Labour Organization (ILO) Convention C029 - Convention Concerning Forced or Compulsory Labor 1930, C105- Abolition of Forced Labor Convention, 1957, and C138 - Minimum Age Convention, 1973. We do not permit the use of any form of forced labor, including prison labor, indentured labor, bonded labor, modern forms of slavery, and any form of human trafficking. Workers must meet the legal age of employment according to the Fair Labor Standards Act and applicable state or local law.

Migrant Workers

If a contractor employs migrant workers to work in our operations, all of which are in the United States, the contractor and its agent must, at a minimum, comply with

U.S. laws regarding migrant workers, which require that the contractor use ethical recruitment practices, not withhold identity documents, not charge migrants recruitment fees, and take reasonable measures to ensure workers understand the terms of their written contract for employment.

Wages and Working Time

Laws regarding working hours and wages must be followed. Contractors must pay their workers within the time periods, without unlawful deductions, and with paycheck data required by applicable law. As required by applicable law, overtime work must be paid at a premium or higher rate, and wage deductions must not be used as a disciplinary measure. We agree with the principle that, unless otherwise permitted by applicable law or workers' agreements, working hours should be a maximum of 60 hours per week, with a 24-hour rest period every seven days.

Freedom of Association

Because our operations are entirely in the United States, contractors must follow U.S. laws, which provide their employees the freedom of association and right to collective bargaining. Contractors must ensure their employees are not subject to unlawful restriction, intimidation, or harassment in exercising their rights to lawfully associate with groups of their choice.

Regular Employment

We prefer that, where practical, contractors do not use excessive non-regular employment such as temporary contracts in lieu of full-time employment.

Health and Safety

We consider safety to be a core value and our contractors must also demonstrate a clear commitment to safety and follow PotlatchDeltic's safety policies and procedures in our health and safety management systems. Under applicable law at all our locations, contractors must provide workers with a safe and healthy work environment.



COMMUNITY INVOLVEMENT

We are an integral part of the communities where we work, live, and play. We provide jobs, volunteer, and invest in the well-being and vitality of our communities.

The sense of community and the opportunity to be part of what's important to our employees and our communities are integral to the work we do at PotlatchDeltic. Perhaps it is because so much of our work is centered in smaller towns and cities. Or maybe it's because after decades of forest management, we appreciate that everything, one way or another, is connected.

CHARITABLE GIVING

PotlatchDeltic has a long tradition of philanthropic giving through charitable contributions and through our support of employee giving. Our giving program focuses on making an impact and supporting the communities where we live and do business, and is concentrated in four areas: community programs, conservation of natural resources, education, and major gifts.

Community Programs

We give to a wide range of community programs, seeking to support as many aspects of our diverse communities as we can. We contribute to arts organizations, youth sports programs, clubs and more. Our community charitable efforts are driven by the locations where we operate, with each location allocating a charitable budget to programs that will best impact their community. Programs supported have included schools, community sports, fire departments, community cultural events, county fairs, food banks, and a wide range of charitable organizations. We contribute to Log A Load events across our footprint, a forest products community initiative to raise funds to improve children's health through treatment, education and research at Children's Miracle Network (CMN) Hospitals and other local children's

hospitals. We also match our employees' gifts to United Way at a rate of 50 cents on the dollar.

Conservation of Natural Resources

We support both local and national programs dedicated to the conservation of natural resources. At the local level, our gifts support conservation education, programs at various conservation organizations, and project work. We support organizations such as The Nature Conservancy, the Trust for Public Land, the Theodore Roosevelt Conservation Partnership, The Conservation Fund, the National Wild Turkey Federation, and the Ruffed Grouse Society.

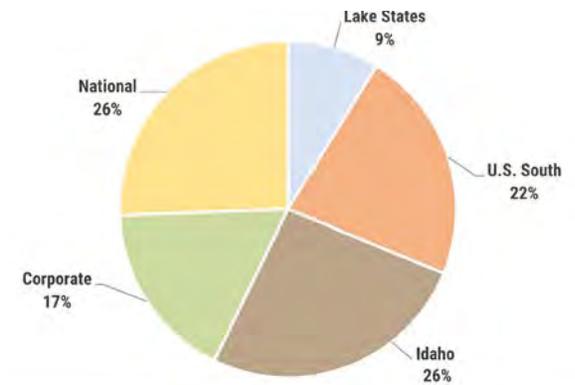
Education

PotlatchDeltic also maintains a keen awareness for opportunities to support education at all levels. We match our employees' gifts to qualifying educational institutions up to a total of \$1,500 per employee. We are also a major sponsor of the Idaho Governor's Cup Scholarship Fund. Although the 2021 Idaho Governor's Cup event was cancelled due to COVID-19, PotlatchDeltic maintained its sponsorship along with several other donors. As a result, the Idaho Governor's Cup was still able to provide scholarships to students who plan to further their education at an Idaho college, university, or trade school and who demonstrate a strong commitment to public service.

Major Gifts

Periodically we make major gifts to capital campaigns and programs that are central to the quality of life in our communities. In 2021, we contributed to the fire department in both Waldo and Warren, to the Benewah County 4-H Fair in Idaho, and to Family Promise of Spokane.

2021 CHARITABLE GIVING



Our 2021 charitable giving budget was \$300,000 allocated by operating location. Charitable leads in each location determine how they can best impact their community. All giving in 2021 was cash with no in-kind donations.





Waldo Fire Department

The fire department in Waldo, Arkansas had purchased a replacement pumper truck and needed to acquire some associated equipment like hoses, nozzles, and air fans. Our Waldo facility decided to contribute the cost of these items. Although the Waldo sawmill has an internal fire brigade, the facility relies on the city fire department for fire protection as well as training. The fully rigged pumper truck will not only make the fire department better equipped to serve large industries but will also improve fire protection to the entire community.

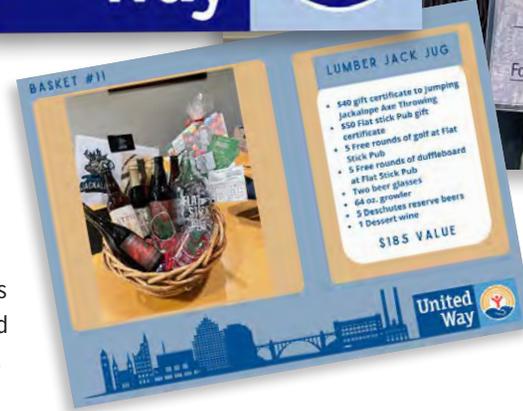


Spokane United Way Week

PotlatchDeltic has partnered with United Way for over a decade to raise money for local non-profits. At our corporate offices in Spokane, Washington, we hold a United Way Week every year.

Spokane employee United Way contributions had a 100% participation rate in 2021 and were augmented through a corporate fifty percent match per dollar contributed. United Way Week includes a range of activities to promote awareness about United Way's initiatives and to raise additional funds for charities. The United Way Week team came up with creative ways to hold virtual events in 2021 and the week was a great success. Events included our annual raffle for donated baskets, as well as virtual activities.

Each year, during United Way Week, our Spokane employees also give back to the community with a day of service. In 2021, COVID-19 limited our ability to do this. Instead, employees watched Zoom presentations from six local charitable organizations, learning more about their mission and how they could get involved. One of the presentations was from Family Promise of Spokane, an organization that is working to equip families and communities to end the cycle of homelessness. Employees voted to support this organization by donating forgone holiday party funds.



Benewah County 4-H Fair

In Benewah County, Idaho, where our St. Maries Complex is located, a highlight of the County Fair held each August is the Junior Livestock Show & Sale. The event enables local 4-H youth aged 5-18 to exhibit and sell animals they have learned to feed and care for under the 4-H youth program.

Youth in 4-H in the area participate in the program to learn about agriculture, poultry, and livestock production but also learn life skills. They own and work with the animals and are responsible for looking after the animals and keeping them healthy while they grow and then exhibiting them in the competitive show and sale. Often, raising and selling these animals is a big part of a student's savings for college.

The Junior Livestock Show & Sale is an important culmination of that work, and the sale of the animals is critical to enable the youth to pay for and look after another animal the following year. The impact of COVID-19 raised significant concerns about attendance at the show and whether challenging financial times would limit the number of bidders.

Our St. Maries Complex stepped in to support their community by purchasing animals featured at the event. In addition, St. Maries created a multiplier effect through how it donated the animals to charities in the community including the local food bank.

Our participation reflects our commitment to be an integral part of our communities by helping in times of need. Many of the towns where we operate are small and more isolated but are wonderful places to work and live. We recognize that PotlatchDeltic can have a tremendous impact on the quality of life in these towns.



One 4-H youth sent us a letter and plaque thanking us for purchasing her steer and inspiring her to achieve straight A's!



VOLUNTEERING

Being a part of the community where they work and live is important to our employees and many are actively involved in volunteering through a wide range of activities. We encourage our employees to explore their passions, build relationships with their communities and make meaningful contributions.

Employees volunteer to help with large festivals, raise money for veterans through fishing days, or raise donations towards supporting children's summer camps. Teams of coworkers participate in fundraising bowling tournaments, relays, runs, and walks to support national causes as well as local fundraisers such as the purchase of equipment for fire departments. Our employees volunteer many hours to help food banks, coach youth sports, volunteer with Log A Load, instruct on hunter safety, serve as wildlife leaders, help at-risk youth centers, and support local arts and culture.

In the communities surrounding our wood products facilities, mill employees often volunteer with fire departments. At our St. Maries Complex in Idaho, 4 of the 21 PotlatchDeltic fire department employees and 3 emergency medical technicians also volunteer at fire stations within the St. Maries Fire Protection District. Most of our other locations also have employees who volunteer at fire stations. These volunteers provide critical support to the community for fire and emergency response. We are proud of our employees who donate their time to support the community as first responders.

One of the special ways our mill management and foresters make a difference is through educational outreach. Our mill management will often visit local high schools and colleges to describe how lumber is made, the technology that exists in today's sawmills, and the types of jobs that exist in a sawmill. They also conduct facility tours. Foresters promote forest education about the sustainability of working forests and the environmental benefits that



they provide through classroom outreach, conducting field tours, and by hosting conservation workshops for teachers. Students are given hands on instruction in forest ecology, hydrology, forest regeneration and tree physiology.

Employees also work on several non-profit boards and committees. Several of our Spokane employees volunteer in some capacity, many with board level commitment, at organizations including Boys and Girls Clubs, YMCA, ISAAC Foundation, Venessa Behan, Spokane Symphony, Spokane Public Schools Foundation, Eastern WA Foundation, and Family Promise. They work tirelessly to help coordinate and encourage participation in fundraising galas and other organization events.

PotlatchDeltic supports many of the organizations that our employees serve through our corporate charitable giving contributions. The Company's financial contributions reflect our commitment to both corporate responsibility and to the devotion we share with our employees towards the communities where we live.



OPPORTUNITIES FOR RECREATION

Our foresters work every day to manage our timberlands on a sustainable basis and protect water quality, wildlife, and biodiversity. PotlatchDeltic is proud of our timberlands and the legacy we are protecting for future generations. Because we are so connected to the communities where we operate and because we believe that one way people come to appreciate the value of a forest is through recreation, most of our lands are available to the public for a wide variety of public uses. We believe that managing our lands and allowing others to enjoy them are not mutually exclusive.

In Idaho, our timberlands offer a majestic landscape and spectacular recreational opportunities for outdoor enthusiasts. Our timberlands are perfectly situated and are a favorite retreat for hunting, fly fishing, camping, and exploring the outdoors. We have leased day use recreational access on over 567,000 acres of Idaho timberland to the [Idaho Department of Fish and Game](#). The agreement secures and preserves access to the public for recreational activities. Through the agreement, the public is free to recreate on PotlatchDeltic Idaho lands, except for a few parcels associated with log yards, mill sites or certain acres listed for sale. In addition, we offer exclusive campsite leases in some exceptional areas in North Idaho.



Our timberlands in the southern states are ideal for connecting with the outdoors for fishing, hunting, and camping. We offer exclusive leases for recreation and hunting access across nearly all our southern timberlands. Groups and individuals purchase the annual leases and often return to their lease sites for many years as their place to “get away from it all.”

As our population continues to grow and land use patterns change, we believe the ability to connect with forests becomes increasingly important. Visitors to our lands engage in a wide range of activities including camping, fishing, hiking, riding ATVs, hunting, or wildlife watching. Our timberlands provide opportunities for solitude, experiences for friends, or memories with family. Our communities can explore the lands we manage as stewards of our forests for the generations to follow.





Committed to

**RESPONSIBLE
GOVERNANCE**

OUR APPROACH

Responsible corporate governance aligned with our mission, a culture that incorporates our values, and rigorous systems for the identification and mitigation of risks increase our competitiveness, build resiliency, and create long-term value for our stakeholders.

PotlatchDeltic maintains high standards of integrity and ethics and requires compliance with the law and our Corporate Conduct and Ethics Code. Our corporate governance policies and procedures, strong and effective Board of Directors, combined with our culture, guide us to ethical management that promotes respect for the community, a commitment to corporate responsibility, and sound financial management.

Effective governance enhances long-term shareholder value by executing our strategy through sustainable forest management practices, a commitment to environmental responsibility, a culture supporting a diverse, equitable, inclusive, and engaged workforce, strong health and safety programs, and a positive impact to our communities. Robust governance practices, including a culture of ethics and integrity, respect for human rights, and a commitment

to transparency, are the foundation of all we do. They influence the decisions we make across the Company every day. We expect everyone we work with, from our employees to our suppliers, to adhere to our ethical principles and to abide by these practices.

Our Board of Directors oversees our ESG governance system that supports the development of a cohesive ESG strategy and the evaluation of climate risks and opportunities. Our ESG practices are continuing to be integrated across our businesses. An enterprise-wide risk management and control framework identifies, assesses, and tracks mitigation strategies for material risks facing the Company, including ESG-related risks and cybersecurity.

Our engagement with stakeholders helps us to understand, prioritize, and manage our impacts.

We have a responsibility to advocate for laws and regulations that help support a policy environment that aligns with the interests of our business and stakeholders. Our public advocacy addresses a wide range of topics such as trade, H-2B visas, and natural climate solutions. We also work with several associations and coalitions and recognize that the best policy outcomes require collaboration and education.

Core United Nations SDGs



Supported United Nations SDGs



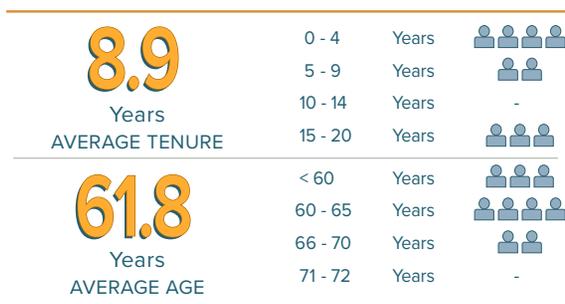
BOARD OF DIRECTORS

PotlatchDeltic's Board of Directors sets high standards for the Company's employees, officers, and Directors. Implicit in this philosophy is the importance of sound corporate governance for shareholders, the Board of Directors, management, employees, and public trust.

The Board of Directors oversees and provides policy guidance on corporate performance, the integrity of financial controls, and the effectiveness of legal compliance programs. The Board oversees the strategic and business planning process, which includes environmental, social, and governance matters, enterprise risk assessment and management, and the management and succession plans for key executives. The Board operates through three committees: [Audit Committee](#), [Executive Compensation and Personnel Policies Committee](#), and [Nominating and Corporate Governance Committee](#). The Board conducts annual self-evaluations to determine whether it and its committees are functioning effectively.

Our [Director Independence Policy](#) requires that the Board be comprised of a majority of independent Directors. Currently, seven of the nine Directors are independent, including a strong Lead Independent Director. The Lead

OUR BOARD TENURE AND AGE⁶⁸



OUR BOARD OF DIRECTORS⁶⁸

Size of Board	9
Number of Independent Directors	7
Separate Chair and CEO	Yes
Strong Lead Independent Director	Yes
Number of Board Meetings Held in 2021	4
Annual Board and Committee Evaluation	Yes
Mandatory Retirement Age	72
Number of Women	3/9
Number of Women Committee Chairs	2/3
Number of Ethnically Diverse Directors	1/9
Number of Military Veterans	1/9

OUR BOARD COMMITTEES⁶⁸

	Audit Committee	Executive Compensation and Personnel Policies Committee	Nominating and Corporate Governance Committee
Anne L. Alonzo			
Linda M. Breard			
Michael J. Covey			
Eric J. Cremers			
William L. Driscoll			
D. Mark Leland			
Lawrence S. Peiros			
R. Hunter Pierson, Jr.			
Lenore M. Sullivan			

Chairperson Member Lead Director Executive Chairperson President and CEO

Director contributes to the independence of the Board and has responsibilities that include consulting with the Chairperson in the development of meeting agendas, chairing meetings of the Board in the absence of the Chairperson, managing communication between the independent Directors and shareholders, and conducting the annual self-evaluation of the Board. During 2021, the Board of Directors held four meetings, with all Directors attending 100 percent of all meetings of the Board and Committees on which each Director served.

The Board is composed of individuals who are highly qualified and dedicated with diverse backgrounds, skills, professional experience, perspectives, age, and gender. Our [Director Nomination Policy](#) requires that Board members be selected for their character, judgment, diversity of experience, business acumen, and their ability to act on behalf of all stockholders. Directors must be committed to enhancing shareholder value, have sufficient time to effectively carry out duties, limit the number of public boards on which they serve, and be able to provide insights and practical wisdom based on their experience and expertise. The Board is committed to actively seeking out diverse candidates, including women and individuals from minority groups, to include in the pool from which new director nominees are selected.

The [Corporate Governance Guidelines](#) and [Corporate Conduct and Ethics Code](#), combined with the current [Certificate of Incorporation](#), [Bylaws](#), and Board Committee Charters establish our principal framework for governance, are referenced in the Governance section of our 2022 Proxy Statement, and may be accessed in the Investor Relations/Corporate Governance section of our website at www.potlatchdeltic.com.

ETHICS AND LEGAL COMPLIANCE

We comply with laws and regulations wherever we operate, and we exceed those legal structures by practicing a high standard of business and personal ethics.

Our [Corporate Conduct and Ethics Code](#) (Ethics Code) reaffirms our continuing commitment to act with integrity. It outlines our responsibilities to all our stakeholders, guides our decision-making, and outlines the minimum business standards we apply across our value chain. We work to instill the concepts of our Ethics Code in every employee. All employees acknowledge their review of the Ethics Code at the time of their onboarding. Additionally, certain employees, including management, supervisors, and procurement leads, are required to complete an annual review of the Ethics Code, including an attestation of their compliance. We also expect our suppliers and contractors to uphold the same legal and ethical standards and have established these requirements in our [Supplier Code of Conduct](#).

ANTI-CORRUPTION AND ANTI-BRIBERY

All employees are [prohibited](#) from accepting favors of other than nominal or token value from suppliers, contractors, customers, competitors, or others in a position to attempt to influence Company decisions. This prohibition applies to money, gifts, loans, unusual hospitality, or any other personal gain. We prohibit the use of Company assets for bribes, kickbacks, or other improper payments.

CONFLICTS OF INTEREST

PotlatchDeltic recognizes that Company [transactions](#) must be in the best interest of the Company and its shareholders. Directors and employees must avoid activities involving unauthorized use of Company time, equipment, or information that in any way conflict with the Company's interests or compromise its integrity or reputation.

SECURITIES LAW COMPLIANCE / INSIDER TRADING

Directors, officers, and employees, including related persons, are expected to adhere to strict [requirements](#) surrounding insider trading. Transactions based on material non-public information are prohibited. From time-to-time, trading blackouts are imposed on insiders with specific information. Directors, officers, and certain employees in a position to have access to material non-public information must obtain clearance from the General Counsel before trading in Company stock and may only conduct such transactions during open trading windows.

ANTITRUST

PotlatchDeltic is committed to strict adherence to the letter and spirit of the antitrust laws. At a minimum, each employee who has a sales, purchasing, or planning responsibility must have read and be familiar with our pamphlet entitled Antitrust Compliance Rules and Guidelines, which sets forth our [Antitrust Compliance Policy](#). PotlatchDeltic also conducts antitrust compliance training for sales, purchasing and other groups.

AUDIT AND ACCOUNTING / WHISTLEBLOWER

Full, fair, accurate, timely, and understandable disclosures in our public communications, including the periodic reports filed with the Securities and Exchange Commission and other governmental authorities, are legally required and are essential to our success. Each employee shares responsibility with management and the Board of Directors to maintain the integrity of the



Michele Tyler
Vice President,
General Counsel and
Corporate Secretary,
PotlatchDeltic

“PotlatchDeltic recognizes the value of adhering to high ethical standards and treating employees, customers, and business partners fairly and respectfully.”

Company's financial records and reporting processes. [Whistleblower procedures](#) have been established for the receipt, investigation, and reporting to the Audit Committee of any complaints regarding audit, accounting, or internal accounting controls.

REPORTING

PotlatchDeltic provides a [Hotline](#), maintained by an independent third-party, for stakeholders to anonymously report any suspected violation of the law or breach of established policies and procedures. After a report is made, a written report is sent to the Law Department. Reports in which an allegation of fraud is made are also sent directly to the Chair of the Audit Committee of the Company's Board of Directors.

HUMAN RIGHTS

We strive to respect and promote human rights in our relationships with our employees, suppliers, the communities where we operate, and other stakeholders.

Respect for human rights is a fundamental value of PotlatchDeltic. We recognize that we have an important role in fostering human rights. We comply with applicable domestic human rights laws, and we are committed to respect and support internationally recognized human rights including those recognized in the U.N. Guiding Principles on Business and Human Rights and the United Nations Universal Declaration of Human Rights.

Our commitment to human rights is embodied in our [Human Rights Policy](#) and supported by our [Corporate Conduct and Ethics Code](#), [Supplier Code of Conduct](#), [Diversity, Equity and Inclusion Policy](#), [Forest Stewardship Policy](#), [Environment, Health, and Safety Policy](#), and our other policies, standards, and practices. We respect Indigenous peoples and traditional livelihoods and value stakeholder engagement on these issues. We recognize the fundamental importance of water and respect the right to water including quality, sufficiency, and accessibility.

Our operations are entirely in the United States and do not include stakeholder resettlement, although we support the principle to seek free, prior, and informed consent, offer compensation, and avoid forced evictions of stakeholders. Similarly, our operations are not in conflict zones, but we support the principle that private security forces respect international human rights and the requirement to avoid complicity in public security force human rights violations.

We require that our suppliers and contractors observe all of the same elements of respect for human rights in their actions and relationships with PotlatchDeltic. We have outlined these requirements in our Supplier Code of Conduct.

All salaried employees receive training on selected components of the Human Rights Policy. We provide training to contractors and suppliers about our Supplier Code of Conduct, which includes our Human Rights Policy. Human rights are integrated into our enterprise risk management process. Regular internal and/or external audits monitor our procedures and activities. We provide an [ethics hotline](#) as an avenue for employees and external stakeholders to raise concerns regarding human rights and other issues. Reports may be made anonymously, and are made to an independent third party, which then notifies the Law Department.



COMPONENTS OF OUR HUMAN RIGHTS POLICY

Diversity, Equity, and Inclusion. We are committed to advancing, supporting, and preserving a culture of diversity, equity, and inclusion where every employee feels like their ideas and unique perspectives are heard and valued.

Safe and Healthy Workplace. The safety and health of our employees is a core value in our work environments, achieved through a commitment at all levels.

Benefits, Fair Wages, and Work Hours. We provide comprehensive benefits to our employees and compensate employees competitively relative to the industry and local labor market, and in compliance with all applicable compensation laws and collective bargaining agreements.

Freedom of Association and Collective Bargaining. We recognize and respect the legal right of employees to form, join, or not to join a trade union and to bargain collectively without fear of reprisal, intimidation, or harassment.

Forced Labor and Child Labor. We adhere to all applicable child labor laws in the unusual circumstance where we would hire a minor and prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, modern forms of slavery and any form of human trafficking.

Sustainability and Environment. We are committed to the sustainable management of our timberlands and to responsible environmental operations in our wood products facilities.

Communities and Stakeholder Engagement. We engage with stakeholders in our communities, and we make a difference through charitable initiatives.

Data Privacy. We respect the privacy of individuals including employees, vendors, and customers.

ESG GOVERNANCE

Strong ESG governance, including effective Board oversight, sets the framework for embedding ESG considerations throughout the organization and implementing ESG targets and initiatives.

The Vice President, Public Affairs and Chief ESG Officer provides senior leadership on PotlatchDeltic’s ESG reporting and initiatives. Updates are provided to the Board of Directors at least twice a year regarding ESG strategies, initiatives, and analysis, including climate risks and opportunities. The Board oversees PotlatchDeltic’s environmental management, social responsibility, health and safety, and corporate governance policies and practices.

The Vice President, Public Affairs and Chief ESG Officer regularly provides information to and leads discussion with the Chief Executive Officer, Chief Financial Officer, and management regarding the continuous improvement of our ESG strategic development.

An ESG Management Committee consisting of management across business units and corporate functions meets twice a year. The committee deliberates medium and long-term ESG strategies, addresses concerns and opportunities, evaluates disclosures, and fosters continuous improvement.

An ESG Working Group meets at least quarterly and drives the ESG strategies, data collection, analysis, systems, and goals. Experts from the ESG Working Group lead the greenhouse gas and carbon sequestration and storage analysis, the climate risks and opportunities analysis and the materiality assessment process. The ESG Working Group includes a wide breadth of in-house experts including the Director of Forest Planning, Inventory and

Environment, the Associate General Counsel and Assistant Corporate Secretary, the Environment and Certification Manager, the Wood Products Divisional Environmental Compliance Manager, a Human Resources Manager, a Senior Silviculture Forester, a Mill Environmental Representative, the Wood Products Divisional Health and Safety Manager, the ESG Reporting Manager, and the Vice President, Public Affairs and Chief ESG Officer.

The ESG Working Group works closely with employees across organization functions and geographies to support the development of ESG programs and initiatives. Day-to-day ownership and implementation of our environmental, social and governance strategies resides at the business operation and function level with oversight by environmental, safety, human resources, and public policy managers. Carbon and Climate teams have been established across the organization to evaluate opportunities for GHG reduction initiatives and to establish and track ESG targets and goals.

ESG programs are integrated into existing environmental management and safety systems, supported through annual internal and external audits, regional and divisional management reviews, safety team processes, setting of annual goals and objectives, annual training, and capital budgeting plans. Audit findings, stakeholder feedback, site inspection results, and hazard reporting are all reviewed for trends as part of continual improvement that also helps refine our ESG strategy.

Environmental management and ESG risks and opportunities, including climate-related issues, are coordinated within our annual Enterprise Risk Management framework. Change management procedures are in place to ensure that proposed changes and capital projects are evaluated for their potential ESG impacts as part of the approval process. Once identified, these impacts are mitigated or managed to ensure alignment with our ESG strategies. Employees participate in ESG training and reviews across business units.

We utilize the expertise of external research organizations like the National Council for Air and Stream Improvement (NCASI) for support of ESG initiatives.



RISK MANAGEMENT

PotlatchDeltic has a comprehensive process to identify and evaluate a broad spectrum of risks including ESG risks. Senior management collaborates to identify and seeks to mitigate the effect of risks as part of our Enterprise Risk Management process.

PotlatchDeltic utilizes an Enterprise Risk Management (ERM) framework to identify, assess and mitigate significant risks facing the Company, including risks related to a range of environmental, social and governance topics. The Audit Committee of the Board of Directors and senior management have primary responsibility for the oversight of risks facing the Company. The material risks identified by the ERM process are reported in our risk factors section of our annual report on Form 10-K.

The Internal Audit Director facilitates the formal enterprise-wide risk assessment process. Business unit and function leaders are interviewed annually to update, identify, and evaluate key environmental, financial, and business risks. An 11-member Risk Management Committee comprised of members of senior leadership and chaired by the Chief Financial Officer is responsible for the enterprise risk assessment process and evaluates the Company’s risk assessment results annually.

The risk assessment process includes evaluating the risk universe, emerging risks, and the risk attributes of likelihood, impact, velocity, and mitigation control strength. Risks are mapped into a matrix which identifies the significant risk areas for internal focus.

The Risk Committee Chair meets with the Audit Committee to discuss key inherent risks the ERM process has identified, current mitigation measures, and the resulting residual risks. This meeting also provides the Audit Committee members an opportunity to share key risk areas of concern to them. Results are shared with the full Board. As business leads prepare their strategic plans for the year, risks and mitigation measures are incorporated into their plans, as appropriate.

Specific risks related to environmental issues and climate change are identified, assessed, and mitigated where feasible as part of our ERM process. In addition, our Environmental Management System (EMS) and ESG review conducted annually at the business unit level evaluates business ESG risks and opportunities, including climate-related risks and opportunities.

The ESG Management Committee identifies and reviews climate-related risks across our business units. Risks are prioritized based on environmental and financial impact. PotlatchDeltic will continue to enhance its ERM framework for our businesses to identify and seek to mitigate emerging or shifting risks and opportunities. We are working to expand our climate risk management framework including the use of scenario analysis in line with TCFD recommendations.



Jesse Whitton
Internal Audit Director,
PotlatchDeltic

“We recognize the importance of assessing and managing risk as an essential part of our ESG responsibilities. Identifying risks across our operations allows us to actively manage risks that are critical to the achievement of our ESG objectives.”

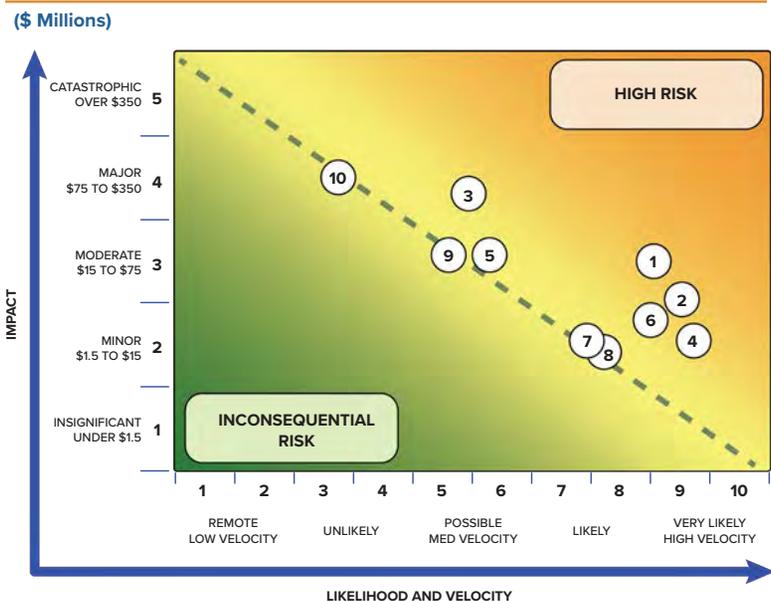


OUR 2021 TOP RISKS

- 1 Market Cyclicity
- 2 Catastrophic Fire - Wood Products & Timberlands
- 3 Climate Change
- 4 Pandemic
- 5 Geographic Concentration - Timberlands
- 6 Environmental Regulation & Compliance
- 7 Declining Pulpwood and Residual Demand
- 8 Shareholder Activism
- 9 Wood Products Usage - Public Policies
- 10 REIT Compliance

Overall, we are tracking nearly 100 risks. The matrix below presents the top ten risks identified in our 2021 ERM process. Market cyclicity remains our top risk given the degree to which our profitability is leveraged to lumber prices. Shareholder activism and REIT compliance moved up into top ten risks largely due to external developments and our high level of profitability. Net exports of wood products from North America dropped below the top ten risks and timberland wildfire risk was aggregated with mill fire risk in the current assessment.

RISK MATRIX



2021 TOP RISKS

MITIGATION ACTIVITIES

Market Cyclicity	<ul style="list-style-type: none"> • Modify harvest plans and mill production levels • Promote diverse customer base • Vertical integration with Company mills • Maintain conservative financial policies including maintaining a strong balance sheet and robust liquidity
Catastrophic Fire – Wood Products & Timberlands	<ul style="list-style-type: none"> • Continue robust safety, training, and compliance programs • Maintain significant hazard coverage through fire suppression and sprinkler systems (all mills over 90% sprinklered) • Adhere to wildfire risk mitigation policies and procedures • Maintain adequate level of liability and property insurance • Maintain diverse (noncontiguous) geographic ownership
Climate Change	<ul style="list-style-type: none"> • Continue focus on sustainable forest management practices and efficient wood products manufacturing • Minimize insect and disease risks • Strategically diversify geographic footprint over time • Maintain SFI and FSC certifications • Lobby for healthy Federal Forests
Pandemic	<ul style="list-style-type: none"> • Maintain comprehensive business continuity plan • Engage safety protocols - employee screening, education, social distancing programs and encourage vaccinations • Facilitate hybrid working capabilities and safe return-to-work practices
Geographic Concentration – Timberlands	<ul style="list-style-type: none"> • Strategically diversify geographic footprint over time
Environmental Regulation and Compliance	<ul style="list-style-type: none"> • Maintain robust environmental compliance programs • Conduct regular environmental audits • Leverage environmental management system to focus continuous improvement of our sustainable forest management objectives
Declining Pulpwood and Residual Demand	<ul style="list-style-type: none"> • Continue to engage in longer term residual and pulpwood contracts • Develop alternate markets through product diversification • Expand rail lines for more cost-effective delivery and to grow markets • Utilize onsite as renewable energy • Continue to leverage FSC certification for FSC credits
Shareholder Activism	<ul style="list-style-type: none"> • Continue to engage in comprehensive ESG reporting • Maintain Board oversight of climate risks and opportunities • Embed ESG into annual performance goals • Continue effective shareholder outreach
Wood Products Usage – Public Policies	<ul style="list-style-type: none"> • Continue to work with industry associations to develop life cycle assessments to quantify greenhouse gas emissions for wood products • Lobbying for governmental procurement practices
REIT Compliance	<ul style="list-style-type: none"> • Continue opportunistic timber acquisitions • Continue to maximize TRS to REIT cash distribution strategy • Special dividend

CASE STUDY: MITIGATING WILDFIRE RISK

Wildfires can occur because of lightning or human causes. While human causes are the source of over 87% of total fires, lightning accounts for over 54% of total acres burned. The U.S. West has seen an increase in fire size and frequency, driven by drought, high levels of federal or non-working forest ownership, and more remote acreage. In the U.S. South, weather, ownership, and access typically enable a more effective wildfire response. As climate change risks further increases in wildfire, mitigation measures and coordination across ownerships become increasingly important. Wildfire behavior can be influenced by weather, amount of readily combustible fuels, lack of moisture, and topography, and when the conditions are right, can increase fire severity and damage to the environment. The strongest mitigation tool for wildfire risk is to reduce the amount of fuel that is readily available in the understory, midstory, and overstory through thinning, prescribed fire, maintained fuel breaks, and strategically placed landscape-level fuels treatments. These timberland management treatments have also been proven to improve forest health and biodiversity benefits. In addition, a forest with age-class diversity changes the fuels and provides natural landscape breaks through younger stands.

Unmanaged lands typically have overstocked forests that provide significant ladder fuels, increasing the threat of crown fires. Ladder fuels provide continuous vertical fuels for the fire to climb from the forest floor to the canopy and become a crown fire. Insect and disease damage is also more prevalent in overcrowded forests, increasing readily combustible fuels. Crown fires are extremely challenging to stop using direct firefighting efforts and control is often accomplished through breaking fuel availability in the predicted path of the fire. This can mean the difference between a fire burning tens of thousands of acres in unmanaged timberland, compared to hundreds of acres in managed or working timberland. Efforts are underway to improve the forest health in unmanaged lands. [Good Neighbor Authority](#) enables federal land managers to enter into agreements with state governments to implement projects focused around restoring or improving overall forest health through treatments that target reducing hazardous fuels. [Idaho Shared Stewardship](#) establishes a policy for shared management by federal land managers with states, tribes, and other landowners to manage fire risk through a set of shared priorities. In addition, it calls for coordination among federal, state, tribal and local assets for wildfire prevention, suppression, and post-wildfire restoration, and for action to be taken to remove hazardous fuels and increase active management. Working forest owners are also engaging in policy solutions to review and update federal wildfire suppression with an eye toward improving interagency coordination and alignment around wildfire suppression, including decisions about initial attack, fire management, and the use of specific firefighting strategies.

In Idaho, we have implemented heightened measures to prevent fires, minimize damage from fires and to protect our timberlands from loss. In 2021, approximately 1,000 acres of our timberlands in Idaho and 500 acres in the U.S. South were impacted by wildfire. Overall, the state of Idaho had 1,332 fires in 2021 which impacted 439,660 acres of public and private land.⁶⁹ In our four southern states of Alabama, Arkansas, Louisiana, and Mississippi, there were a total of 2,847 fires that burned a combined 70,398 acres.⁷⁰



CASE STUDY: MITIGATING INSECT AND DISEASE RISK

We minimize insect and disease risks by actively managing forests to maintain their health and vigor. Vigorous stands of trees are resilient to attacks - virtually every major forest health epidemic has been caused by large extents of forests that were in poor health because of being overstocked and/or decadent.

Forest vigor and resilience is maintained through planning and implementation of forest management activities which include planting locally adapted species that are selectively bred to thrive in the location they are planted, judiciously controlling stocking density to ensure full site occupancy without becoming overstocked, maintaining optimum stocking levels as trees grow, controlling competing vegetation, utilizing harvest patterns to avoid large extents of single age classes, and actively monitoring insect, disease, and animal damage levels. Maintaining forest health through preventive measures is by far the most practical strategy to minimize losses from insects and disease and it is uncommon for us to need to use insecticides, fungicides or other direct insect and disease control measures.

Our utilization of locally adapted species that are selectively bred for site suitability, growth, and disease resistance is critically important to maintaining tree vigor throughout a 25 to 50-year growth period. The tree improvement programs that produce the families (genetic selections within each species) that we deploy on our timberlands all use regionally adapted seed sources and evaluate the progeny in the climate, weather, and pest environments where the families will be deployed. For instance, there are families of loblolly pine that are very resistant to a fungal disease, called fusiform rust, which causes cankers. The cankers can severely damage log quality and increase the likelihood of stem breakage during high winds. We plant seedlings with proven genetic resistance in areas where

fusiform rust is known to be prevalent, and the incidence of the disease has been dramatically reduced.

The seedlings we plant are the result of selective breeding programs and we do not use genetically modified planting stock, nor do we plant non-native species. The number and spacing of seedlings we plant on each acre is based on local site conditions so that the site will be fully occupied. The site preparation and planting method utilized are based on our foresters' experience and they adjust in response to local conditions and based on the success rate of prior plantings. Herbicides are used during the forest regeneration phase to control competing vegetation, which allows seedlings to establish quickly and reduces susceptibility to loss from pests or drought. As trees grow and fewer are required to fully occupy a site, we reduce their density through thinning using both precommercial and commercial thinning methods. This density control significantly lowers the risk of loss to insects and disease and distinguishes actively managed private working forests from less actively managed forests.

We plan harvest unit size and distribution so that we do not have large extents of same-age forests immediately adjacent to each other. The risk of loss from insects and diseases tends to increase as forest stands get older and site occupancy levels are maximized so having a mix of age classes significantly limits the spread of pests.

Throughout our timberland management initiatives, we monitor for pests, and we actively participate in external pest monitoring programs to determine the most appropriate management actions to minimize risks of loss and to maintain resilient forests.



CYBERSECURITY

Our comprehensive cybersecurity program maintains a strong focus on protecting the Company, our customers, partners, and vendors.

Cybersecurity continues to be a priority for PotlatchDeltic, and we have assembled a strong, multi-disciplined team to address current and future cybersecurity and privacy challenges faced by our industry. Our team has implemented certain best practices to secure system and network resources, and to protect the confidentiality of customer, vendor, and employee information.

We have strong governance, controls, policies, and practices, led by the Information Technology Director, who works with our Information Security Director and regularly reports to the Audit Committee of the Board of Directors. Our cybersecurity defense strategy includes access controls, monitoring, employee training, and breach response.

We devote significant resources to protecting and improving the security of our systems, and we partner with leading security firms to periodically review our program to help adjust priorities to the fast-evolving threat landscape. During 2021, we conducted an external cybersecurity assessment that concluded our program maturity is above the average of other manufacturing and natural resource peers.

PotlatchDeltic’s Information Security Program is aligned with the National Institute of Standards and Technology’s (NIST) Framework for Improving Critical Infrastructure Cybersecurity and uses a robust process to identify, detect, evaluate, and mitigate cyber risk. We continually evaluate threat levels for the most prevalent attack types and strengthen our controls to reduce the likelihood and impact of advanced malware, data leakage, and denial of service attacks. We continue to enhance our cybersecurity capabilities, including advanced threat detection, access controls, vulnerability management processes, and back-up and recovery structures.

A key component of our defense strategy is ensuring employees are aware of cybersecurity threats and can recognize and report issues. As part of this ongoing effort, all computer users receive annual cybersecurity training to learn how to spot and report potential threats. In addition, PotlatchDeltic uses continuous internal phishing campaigns to test our employees’ cyber knowledge and provides supplemental training when necessary. These efforts are paying dividends as we continue to see successful phishing incidents decrease year over year, and employees recognize and report more phishing emails.



Robert Andresen
IT Director,
PotlatchDeltic

“Like many organizations, PotlatchDeltic continues to see an increase in frequency and sophistication of attempted cyber attacks. To counter this trend, we are using a disciplined risk assessment process to identify new threats and continuously drive improvements in our cybersecurity program.”

During 2021, a key focus area was to reduce the risk and the potential impact of a cyber-attack on our manufacturing plants. We use logical separation to isolate our manufacturing environments from potential malware delivery vehicles such as email and VPN access. We continually evaluate vulnerabilities that impact the software and hardware used to run our manufacturing equipment, and appropriately mitigate those risks. We have replaced over 200 obsolete hardware endpoints in the last two years as we continue to strengthen our cyber defenses that protect our manufacturing assets. Finally, we ensure that adequate backup and disaster recovery structures are in place to make recovery from a cyber event more efficient.

In the event of a breach, we have robust incident response processes in place to ensure that strong forensic techniques are followed, and all regulatory and legal requirements are addressed. PotlatchDeltic is committed to protecting against and to detecting cyber threats but understands that having strong recovery and response processes in place is vital.

IDENTIFY	PROTECT	DETECT	RESPOND	RECOVER
Risk Assessment	Protective Technology	Security Professionals	Response Planning	Continuity Planning
Asset Management	Awareness Training	Detection Processes	Mitigation Infrastructure	Recovery Testing
Program Review	Data Security	Incident Monitoring	Communication Team	Lessons Learned

TAX STRATEGY

PotlatchDeltic believes it is our responsibility as a corporate citizen to pay our fair share of taxes. Our commitment to integrity and our Corporate Conduct and Ethics Code guide our activities related to taxation.

The taxes we pay are a significant economic contribution to our operating locations. These include corporate income taxes, employment taxes, sales taxes, and property taxes. All taxes are within the United States.

OUR APPROACH TO TAX

Our approach to tax aims to align with the needs and long-term interests of our various stakeholders including governments, shareholders, employees, and the communities where we operate. When considering tax affairs, we consider the Company’s corporate and social responsibilities and reputation. We recognize the importance of tax systems in helping governments fund programs to meet the needs of their communities. We support initiatives to improve transparency on tax matters.

TAX GOVERNANCE AND RISK MANAGEMENT

The policies and procedures we have in place are designed to ensure we comply fully with all applicable tax requirements in every jurisdiction where we operate. We have established robust internal controls in financial and tax reporting, and we rely on technology and appropriately qualified and capable employees across our operations to timely and accurately calculate, report, and pay our tax liabilities. Employees and external stakeholders can report tax concerns through our [hotline](#).

Responsibility for setting and implementing our tax policy and management of our tax risks ultimately sits with our Chief Financial Officer (CFO). Oversight is provided by the Audit Committee of the Company’s Board of Directors, consistent with our Enterprise Risk Management Framework. Day-to-day responsibility for the application of the tax policy and the management of our tax affairs is delegated by the CFO to the Tax Director, who is supported by a team of in-house tax and finance professionals.

ALIGNMENT WITH OUR BUSINESS

Our tax team partners with our business operations to provide tax planning that enhances value and sustainable development and manages tax risks. Our internal policies and procedures are designed to ensure we comply with applicable tax laws, including monitoring and minimizing tax risks. We have a low tolerance for tax risk and reject planning opportunities that are not in line with our values or are inconsistent with our reputation. Where uncertainty exists, and when appropriate, we seek clarification from external professional advisors.

STAKEHOLDER ENGAGEMENT

We are committed to maintaining professional, open, and transparent relationships with tax authorities in all jurisdictions in which we operate, including the Internal Revenue Service and U.S. state and local tax and revenue



Shane Hamby
Tax Director,
PotlatchDeltic

“We believe our approach to tax is a powerful indicator of how we view our role in society. Our compliance functions, transparency in tax planning, and partnerships with local governments ensure we pay the appropriate amount of taxes and help meet the needs of communities where we operate.”

departments. In the event a tax authority disagrees with our views on the appropriate tax treatment of a given item, we will work constructively to resolve the issue in a timely manner through appropriate methods of dispute resolution. We seek to be a valued partner to governments and advocate for tax legislation that increases clarity and encourages innovation and growth.

POTLATCHDELTAIC TAX PAYMENTS

(U.S. Dollars)	2019	2020	2021
Income Tax	\$ 7,148,489	\$ 25,790,047	\$ 98,669,574
Sales Tax	2,040,031	1,504,092	1,565,094
Property Tax	6,926,410	6,815,292	6,177,658
Severance Tax	461,586	436,004	395,420
Franchise Tax	449,071	540,779	377,674
Gross Receipts Tax	289,047	363,349	302,299
Payroll Tax	7,390,578	3,425,259 ⁷¹	9,907,697 ⁷¹



STAKEHOLDER ENGAGEMENT

We recognize the diverse interests of our stakeholders and believe that our relationships both within and outside of PotlatchDeltic are an important part of our value-creation and success.

We regularly engage with a broad range of stakeholders including investors and analysts, employees, communities, customers, government representatives, Indigenous peoples, industry associations, non-governmental organizations, research organizations, and suppliers. This helps us to understand, prioritize, and manage our impacts as an organization and our opportunities towards systemic change. Meaningful stakeholder engagement is also a critical part of our ESG strategy, promoting increased knowledge and awareness of ESG issues, inviting feedback on insights and trends, and nurturing trust and collaboration.

Our engagement typically has three principal objectives: 1) to share information; 2) to promote meaningful dialogue; and 3) to build and maintain sustainable relationships. By providing information surrounding our strategies, accomplishments, and goals we allow internal and external stakeholders to make informed decisions. We properly and fairly disclose material information in compliance with law, and with the goal of maintaining transparency and accountability. We also seek meaningful dialogue with stakeholders, listening to their concerns and opinions, to continuously improve our business and our communications. Collaboration is a cornerstone of our values, and we view this as an essential component in finding solutions to the challenges we face both every day and in the longer term. We believe that building sustainable relationships and considering valued perspectives results in better outcomes. We communicate with our stakeholders through direct conversations, meetings, workshops, or conferences, and through the public release of information.

We maintain regular engagement with our shareholders and analysts in one-on-one or group meetings, calls, conferences, and at the annual shareholder meeting. Shareholders and analysts participate in our biennial ESG Materiality Assessment survey. During 2021, members of executive management met with shareholders owning approximately 52 percent of active institutional ownership. We publish quarterly reports, Annual Reports on Form 10-K, Proxy Statements, and ESG Reports. We also respond to the CDP forests questionnaire and update our corporate /investor relations website. Topics discussed with shareholders and analysts included Company strategy, business fundamentals, capital allocation priorities, growth, and ESG. Feedback from the meetings was shared with the Board of Directors to keep them apprised of shareholder insights and trends. We continued to see increased interest in our ESG-related issues and reporting from investors and analysts during 2021 and we led several ESG focused site visits.

Transparency and engagement with our employees are an integral part of our culture. We engage with employees through day-to-day interactions, shift meetings, safety and other training sessions, meetings to review Company performance and progress on corporate initiatives, and through adherence to open-door policies. Town hall meetings and management visits provide opportunities for information sharing and for employees to ask questions. We also utilize external social media and an internal employee app to educate employees and share Company information on a timely basis. Topics discussed with employees include safety, COVID-19 protocols, health and wellness, benefits, diversity



Jerry Richards
Vice President, and
Chief Financial Officer,
PotlatchDeltic

“Regular two-way communication with our stakeholders provides valuable feedback that informs our efforts to continuously improve our financial, environmental, social and governance performance.”

and inclusion, training and development, ethics and legal compliance, carbon and climate, and human rights.

Employees have ready access to their human resources manager, can receive retirement counseling and personalized financial advisory services, and participate in benefit fairs and webinars. Employees regularly receive relevant training on safety, job-specific, and corporate governance topics. Employees work with managers and human resources to evaluate potential opportunities for professional development and training, to set personal goals, and to conduct annual performance evaluations. During 2021, we completed a series of workshops with a cross-section of employees across business units and levels to understand perceived strengths, weaknesses, and perceptions of PotlatchDeltic. The results were provided to senior management. We educate employees about our ESG efforts and work to embed ESG throughout the organization, including capital allocation decisions and issues related to carbon and climate. We conduct a biennial ESG Materiality Assessment survey, which includes a broad range of employees among the recipients.



Investors / Analysts

Board
Governance
Risk management
ESG transparency
Climate and carbon
Human capital management
Diversity and inclusion
Business strategy
Economic performance
Capital allocation

Our Engagement Approach

- Communicate regularly with investors and analysts in 1-1 or group meetings, calls, conferences, and annual shareholder meeting
- Publish ESG Report utilizing SASB and TCFD frameworks, respond to CDP forests questionnaire
- Conduct Materiality Assessment for ESG
- Publish quarterly reports, Annual Reports on Form 10-K, and regularly update corporate and investor relations website
- Site visits

Communities

Recreation
Sustainability
Environmental management
Employment
Community impact
Education

Our Engagement Approach

- Active involvement through supporting local initiatives, local government or state advisory boards, and charitable contributions
- Our employees volunteer in a wide range of organizations ranging from non-profit boards to volunteer firefighting
- Proactive communication to build our awareness of local issues and perspectives
- Access to our timberlands for recreational uses
- Educational outreach to schools and colleges

Customers

Product quality
Customer service
Conservation

Our Engagement Approach

- Regular meetings and conversations with our customers
- Vendor managed inventory and on-time delivery
- Real estate transactions with a conservation impact

Suppliers / Contractors

Training
Safety
Human rights / Ethics
Environmental management

Our Engagement Approach

- Train suppliers / contractors on environmental best practices, human rights, ethics requirements, hotline, health and safety, and Supplier Code of Conduct
- Hotline for human rights, environmental, and health and safety concerns
- Engage directly with contractors on-site

Indigenous Peoples

Environmental management
Conservation
Water

Our Engagement Approach

- Maintain strong working relationships with tribal representatives to discuss issues and opportunities. We own 160 acres on Indigenous land associated with our St. Maries, Idaho lumber and plywood complex, where the facility site is largely located on land within tribal reservation boundaries of the Coeur d'Alene Tribe

Research Organizations and Partnerships

Sustainable forestry
Biodiversity
Climate and carbon

Our Engagement Approach

- Conduct tree improvement research
- Support long-term environmental research and monitoring projects and initiatives on our lands
- Work with scientific research organizations and universities for ongoing advances in knowledge and best practices

Government

Employment
Environmental management
Climate and carbon
Sustainable forestry
Safety
Taxes

Our Engagement Approach

- Meet with representatives to provide information about policy, regulations and rules that support our initiatives, provide jobs, and benefit local economies
- Participate in state advisory groups and boards
- Work with local chambers of commerce

Employees

Safety
Health and wellness
Climate and carbon
ESG reporting
Benefits
Diversity and inclusion
Training and development
Ethics and legal compliance
Human rights

Our Engagement Approach

- Safety training
- Communication on COVID-19
- Day-to-day interactions, shift meetings and open-door policies
- Retirement counseling and personalized advisory services
- Education on long-term incentives program
- In-person benefit fairs / webinars during open enrollment
- Town hall meetings and management visits with opportunities for employees to ask questions
- Use of social media to educate employees and share information
- Professional development / training
- Performance evaluations and personal goals
- Ethics hotline for concerns

Industry Associations

Climate and carbon
Sustainable forestry
Forest certification
Building codes
Biodiversity
Employment
Human rights
Tax

Our Engagement Approach

- Participate in national and state associations at board and committee levels. With our peers, we address issues relevant to our industry and seek solutions
- Advocate and support the advocacy of our associations in educating legislators on forestry-related issues
- Certify our timberlands and wood products raw material sourcing through third party audits under SFI and/or FSC forest certification
- Grading certification for wood products

Non-governmental Organizations (NGOs)

Climate and carbon
Conservation
Endangered species
Biodiversity
Education
Sustainable forestry

Our Engagement Approach

- Collaboration in broad coalitions on policy issues including climate and carbon
- Participate in projects and initiatives such as water quality protection, wildlife conservation, and management for game animals
- Fund and participate in educational forestry events

PUBLIC POLICY AND ADVOCACY

Building relationships with federal, state, and local government representatives and their staff enables us to engage on issues that are important to our business and to influence policy through education and advocacy.

PotlatchDeltic’s business can be impacted by federal, state, and local public policy. Our Public Affairs team works with management to actively engage in the political process through public policy and legislative advocacy on issues that have the potential to impact our company and our industry.

We interact with national, state, and local elected officials and their staff through meetings. We often work together with industry associations or coalitions in these efforts to highlight issues of importance. Our involvement can range from writing letters in support of or opposition to legislation, educating legislators and their staff on an issue, or participating in rulemaking regarding proposed regulatory changes. We are committed to conducting these activities in an accountable and transparent manner.

POLITICAL CONTRIBUTIONS

Political contributions are one of the important ways we engage in the political process, and we take steps to comply with all laws and regulations regarding contributions. U.S. federal contributions are managed through the nonpartisan PotlatchDeltic political action committee (PAC), which is compliant with all applicable laws and is regulated by the Federal Election Commission (FEC).

The PotlatchDeltic PAC is funded entirely by voluntary employee and Director contributions. Contributions are not reimbursed directly or indirectly. Contributions to the PAC in 2021 totaled \$66,294.

PotlatchDeltic PAC disbursements are made to candidates based on several factors that include: whether the candidates are running in states or districts where we have employees, assets, or business interests; whether the candidates are in a leadership position in areas that directly affect our business; and whether the candidates have indicated their support for issues of importance to us. Our PotlatchDeltic PAC Charter establishes our PAC guidelines. The PotlatchDeltic PAC Steering Committee oversees the contribution plan and monitors that the candidates receiving contributions continue to meet our PAC disbursement criteria.

In 2021, total contributions were \$46,900 with 29% to Senators and 71% to Congressional Representatives. Nearly 81% of contributions were to representatives within our footprint. Contributions and disbursements were publicly disclosed as required by law and can be viewed on the [FEC Campaign Finance](#) database.

PotlatchDeltic makes corporate contributions to U.S. state and local candidates in states where contributions are permitted. In addition, corporate contributions are made to several state association PACs for state and local contributions. We typically do not make payments to influence ballot issues, unless the issues are directly tied to the Company’s core values and business interests.

In 2021, we did not make any direct state, local, or ballot issue contributions. We contributed \$15,150 to state industry association PACs in Alabama, Idaho, and Washington towards state contributions.

POTLATCHDELTA PAC 2021 CONTRIBUTIONS REPORT

LEADERSHIP AND ASSOCIATION PAC CONTRIBUTIONS

Recipient	State	Party	Amount
Land of Opportunity PAC <i>(Rep. Bruce Westerman)</i>	AR	Republican	\$2,500
CMR Political Action Committee <i>(Rep. Cathy McMorris Rodgers)</i>	WA	Republican	\$5,000
Ferguson Victory Fund <i>(Rep. Drew Ferguson)</i>	GA	Republican	\$1,000

U.S. SENATE CONTRIBUTIONS

Recipient	State	Party	Amount
Senator Lisa Murkowski	AK	Republican	\$1,500
Senator Mike Crapo	ID	Republican	\$5,000
Senator Deborah Stabenow	MI	Democratic	\$5,000
Senator John Boozman	AR	Republican	\$2,000

U.S. HOUSE OF REPRESENTATIVES CONTRIBUTIONS

Recipient	State/ District	Party	Amount
Rep. Bruce Westerman	AR-04	Republican	\$5,000
Rep. Jaime Herrera Beutler	WA-03	Republican	\$1,000
Rep. Cathy McMorris Rodgers	WA-05	Republican	\$400
Rep. Derek Kilmer	WA-06	Democratic	\$2,500
Rep. Suzanne Bonamici	OR-01	Democratic	\$1,000
Rep. Ann Kuster	NH-02	Democratic	\$1,000
Rep. David Scott	GA-13	Democratic	\$1,000
Rep. Mike Simpson	ID-02	Republican	\$2,500
Rep. Kurt Schrader	OR-05	Democratic	\$1,000
Rep. Mike Johnson	LA-04	Republican	\$1,000
Rep. Cliff Bentz	OR-02	Republican	\$2,500
Rep. Russ Fulcher	ID-01	Republican	\$2,500
Rep. Jaime Herrera Beutler	WA-03	Republican	\$1,000
Rep. Pete Stauber	MN-08	Republican	\$2,500

PUBLIC POLICY AND ADVOCACY ISSUES

During 2021, we engaged on several topics including softwood lumber trade, visas for H2-B workers, wildlife, and climate-related opportunities. We also continued to work towards solutions on issues related to wildfire, tax matters, and carbon neutrality of biomass, and continued to oppose anti-wood legislation. The key issues we advocated for in 2021 included:

Canada / US Softwood Lumber Dispute: PotlatchDeltic is a member of the [U.S. Lumber Coalition](#), an alliance of large and small softwood lumber producers from around the country. We continued our work through the coalition to address proceedings surrounding Canada's unfair softwood lumber trade practices.

H-2B Workers: Guestworkers employed by contractors are critical for our field work and planting. We worked with the [National Alliance of Forest Owners \(NAFO\)](#) and other partners to secure administration action to allow the 2020 ban on H-2B visas to expire and to provide supplemental visas in 2021. We continued to advocate for H-2B visa availability and for legislation to help provide an enduring solution to our guestworker needs.

Tall Mass Timber: We continued to advocate for the benefits of tall mass timber as a member of the [American Wood Council \(AWC\)](#), which supported states interested in adopting the tall mass timber provisions into state law. In 2021, 13 more states either began the process or indicated interest in adopting the tall mass timber provisions. In total, with the provisions having only been officially released for one year, 21 states have acted or shown interest in incorporating tall mass timber into building codes. AWC also led discussions on the public-private partnerships, including PotlatchDeltic, that resulted in the construction of a mass timber basketball arena at the University of Idaho. A [video](#) highlighting the vision of the project, the role of

Wood Innovation Grants in proving the concept, and the industry's strong role in seeing it to fruition was shared with Congressional offices.

Lumber Supply Disruptions: We engaged with Congressional and Senate offices on the factors contributing to increases in lumber pricing and the opportunities to alleviate supply constraints through addressing workforce shortages and transportation bottlenecks. AWC also provided information for the House Agriculture Committees Subcommittee on Conservation and Forestry hearing on ["The U.S. Wood Products Industry: Facilitating the Post COVID-19 Recovery."](#)

Working Forests as a Natural Climate Solution: Through our work with NAFO, we worked to secure recognition to include strengthening forest carbon market programs, carbon data and analysis, and wood utilization markets in the administration's Climate Smart Agriculture and Forestry Strategy. We also advocated for carbon-focused

funding for the U.S. Forest Service Forest Inventory and Analysis Program (FIA), wood life cycle assessment (LCA), and Wood Innovation Grants to strengthen our position as a climate solution. A [Forest Carbon Data Visualization](#) was developed by NAFO to position private forestry as a climate solution at scale.

Wildlife Conservation Initiative: Working through NAFO and alongside our peers, we continued to build a partnership with the U.S. Fish and Wildlife Service (USFWS) under the Wildlife Conservation Initiative (WCI) to create a trusted, durable relationship to implement science-based conservation for at-risk species. Through implementing on-the-ground practices and use of third-party forest certification, the USFWS was provided assurances about conserving at-risk and listed species. Ongoing funding was secured from the USFWS for the Wildlife Conservation Initiative and the Conservation Without Conflict coalition was formalized with a dedicated executive director.



CASE STUDY: FOREST DATA VISUALIZATION

Forest carbon data is hard to understand. NAFO developed a suite of resources to help policymakers, Hill staffers, administration officials, and influencers understand the enormous carbon benefits that private working forests provide. The forest carbon data visualization microsite explains key elements of the forest carbon cycle and visualizes complex data sets to show carbon sequestration, storage, and emissions in context. It also includes messaging and educational information helpful to those less familiar with forestry. It is interactive, so users can advance at their own pace. By visually depicting government data in an accessible and clear way, we advance our key audiences' comprehension, moving past the fundamentals for more productive conversations.

Key data points are depicted on a two-sided one-pager with the full experience at ForestCarbonDataViz.org. An animated [video](#) was also prepared for key takeaways.

Side 1: Forest Land Use & Markets

Some rules for the road on using this one pager:

1. Everything is represented proportionally.
2. All data is from publicly available government sources (citations provided at the website below).
3. Visit www.ForestCarbonDataViz.org for more in-depth info.
4. Read the data in order by data point number (O).

1 For perspective, let's say the surface area of **this entire sheet of paper (■)** represents **the total land area of the United States (2.3 billion acres)**.

2 The colored area below represents the **765,493,000 acres** that are forested in the U.S., which equals about **34% of our total land**.



5 U.S. forest owners implement some of the highest sustainability standards in the world. Since 1958 the total forest acreage in our country has remained relatively constant, but the total volume of wood growing in our forests has increased by nearly 60%.

- We harvest less than **2% of our working forests** each year. We also **plant or regrow 2% of our working forests** each year.
- **90% of the timber harvest** for wood and fiber in the U.S. comes from **private working forests**.
- Today, private working forests grow **43% more wood** than is harvested each year.
- 60% of all forests, and **70% of all working forests** in the U.S. are **privately owned**.

Visit ForestCarbonDataViz.org for more info

Next page: Forest Carbon Sequestration and Storage

Side 2: Forest Carbon Sequestration & Storage

1 On this side of the page, the surface area of this sheet of paper (■) represents the **total Industrial emissions of the U.S. (Estimated to be 6,676.6 million metric tons of CO₂e in 2018).**

2 Private working forests – which provide **90% of our timber harvest** for wood and fiber – also account for nearly **three quarters of our total gross forest carbon sequestration.**

3 **Private Working Forests**
1,151 MMT of CO₂e
Gross Carbon Sequestration

These green boxes are *gross* sequestration totals, meaning growing trees are sequestering this amount of CO₂ from the atmosphere.

Public Working Forests
325 MMT of CO₂e
Gross Carbon Sequestration

Private Non-Working Forests
12.9 MMT of CO₂e
Gross Carbon Sequestration

Public Non-Working Forests
62.1 MMT of CO₂e Gross Carbon Sequestration

4 **Examples of Emissions for Perspective:**
Remember, the boxes to the right are in proportion to the size of this page.

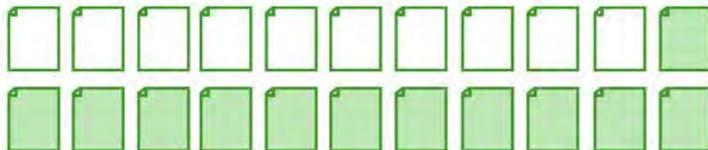
Emissions from Forest Products Manufacturing Facilities
76 MMT of CO₂e

Emissions from Forestry Operations in the Forest
4.2 MMT of CO₂e

There are other biogenic emissions not included on this page like biomass (366.1 MMT of CO₂e) or wildfire emissions (142.6 MMT of CO₂e).
Learn more visit ForestCarboDataViz.org.

5 **Forest and Forest Products Carbon Storage**
The carbon stored in U.S. forests is so massive **it cannot fit on this page.** In fact, to match our perspective of this sheet of paper equalling annual U.S. industrial emissions, the **149,560 MMT of CO₂e stored in U.S. forests** would cover **more than 22 sheets of paper.**

Forest Carbon Storage = THIS SHEET OF PAPER x 22



Private Working Forest Storage = THIS SHEET OF PAPER x 12

Of carbon stored in forests, **private working forests store 82,057 MMT of CO₂e** which is more than all other forest types combined. It would be more than **12 sheets of paper**, or 12 times our total annual industrial emissions.

6 **Wood Products Storage**
Half the weight of wood is carbon from the atmosphere. The **wood products carbon storage pool is about 9,786 MMT CO₂e**, about **1.5 sheets of paper**. Each year, about **100 MMT CO₂e** worth of new wood products are added to the wood product sink.

Wood Products Carbon Storage = THIS SHEET OF PAPER x 1.5



7 After all the sequestration, emissions from fire, combustion and decay, and timber harvest removals are accounted for, this much carbon is added to the forest carbon storage pool each year.

Net Sequestration 782.4 MMT of CO₂e, Represented by this green box.
Forest sequestration would allow you to cut the bottom of this page off, shrinking our nation's total industrial carbon impact.

Here is the silent part out loud: Private working forest owners sell sustainably-sourced, stored atmospheric carbon as useful and necessary products.

Visit ForestCarboDataViz.org



Forest Land Use & Markets

ASSOCIATION MEMBERSHIPS

PotlatchDeltic works within several national or state industry associations to direct lobbying outreach and participates in several coalitions and advisory boards. The topics we have been engaged in vary from state issues to broader national matters. Some issues are resolved in a short timeframe while others can evolve over many years. Some of these associations may have interactions with federal or state government officials. Federal trade associations establish the percentage of dues attributable to lobbying activity. In 2021, the total amount for PotlatchDeltic was \$244,278.



2021 KEY ASSOCIATION MEMBERSHIPS

Organization	Description
Alabama Forestry Association (AFA)	State advocacy organization supports sustainable forestry practices, programs, and policies for landowners and forest business owners. We are members.
American Wood Council (AWC)	National advocacy organization that supports the development of wood products policies, codes, and regulations. We serve on the board and various committees.
Arkansas Forestry Association (AFA)	State advocacy organization supports the sustainable use and stewardship of Arkansas's forests. We serve on the board and various committees.
Arkansas Forest & Paper Council (AF&PC)	State advocacy organization with a mission to promote and improve the forest industry in Arkansas. We serve on the board and committees.
Forest Stewardship Council (FSC)	International forest certification organization that promotes sound management of the world's forests. We serve on the FSC US Board, representing the Economic Chamber.
Idaho Association of Commerce & Industry (IACI)	State advocacy organization that supports public policies to achieve economic growth and progress in Idaho. We serve on the board and various committees.
Idaho Forest Products Commission (IFPC)	State advocacy organization working to maintain working forests in Idaho through responsible management and through an informed public. We serve on the board and various committees.
Louisiana Forestry Association (LFA)	State advocacy organization whose mission is to promote the health and productivity of Louisiana's forests through the practice of sustainable forestry. We are members.
Michigan Forest Products Council (MFPC)	State advocacy organization committed to educate and inform citizens about the benefits of sustainable management of Michigan's forests. We serve on the board and various committees.
Minnesota Forest Industries Association (MFI)	State advocacy organization to inform and educate the public about forest industry practices in Minnesota. We serve on the board and various committees.
Mississippi Forestry Association (MFA)	State advocacy organization dedicated to sustaining Mississippi's forests through conservation, development, and wise use of forestland and resources. We are members.
National Alliance of Forest Owners (NAFO)	National advocacy organization committed to advancing federal policies that ensure our working forests provide clean air, water, wildlife habitat and jobs through sustainable practices and strong markets. We serve on the board and various committees.
National Association of Real Estate Investment Trusts (Nareit)	National advocacy organization serves as the voice for REITs and real estate companies with an interest in U.S. real estate. We are members.
National Council for Air & Stream Improvement (NCASI)	North American research organization that provides forest industry scientific research and technical information. We serve on the board and committees/task groups.
Sustainable Forestry Initiative (SFI)	A North American forest certification organization whose mission is to advance sustainability. We serve on various ad hoc committees.
Softwood Lumber Board (SLB)	National organization established to promote the benefits and uses of softwood lumber products. We serve on the USDA-appointed board.
U.S. Lumber Coalition	National alliance of softwood lumber producers working to address Canada's unfair lumber trade practices. We serve on the board and committees.



APPENDIX

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

The Sustainability Accounting Standards Board (“SASB”) is an independent, private sector standards-setting organization whose mission is to develop sustainability metrics to disclose material, useful information to investors. The table below shows the topics from those listed by SASB in our relevant industries and that are discussed in PotlatchDeltic’s 2021 ESG Report. For quick reference, we have indicated below the location(s) in our ESG report and other public reports where these topics and metrics are discussed. For those issues not discussed in our 2021 ESG Report, or with as much detail as provided in the table, only data is included without location references. Information is as of December 31, 2021 unless noted as different.

SECTOR: RENEWABLE RESOURCES & ALTERNATIVE ENERGY SASB STANDARD - FORESTRY MANAGEMENT

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE/ESG REPORT LOCATION
Ecosystem Service & Impacts	Area of forestland certified to a third-party forest management standard, percentage certified to each standard	Quantitative	Acres (ac), Percentage (%)	RR-FM-160a.1	SFI – 1,803,865 acres; 100% 2021 ESG Report pages 8, 47, and 48 FSC – 682,693 acres; 38%
	Area of forestland with protected conservation status	Quantitative	Acres (ac)	RR-FM-160a.2	70,723 acres. 2021 ESG Report, pages 44
	Area of forestland in endangered species habitat	Quantitative	Acres (ac)	RR-FM-160a.3	15,961 acres. 2021 ESG Report, pages 44-45
	Description of approach to optimizing opportunities from ecosystem services provided by forestlands	Discussion and Analysis	n/a	RR-FM-160a.4	2021 ESG Report, pages 30-32 and 38-47. 2021 Annual Report Form 10-K, pages 7 and 10
Rights of Indigenous Peoples	Area of forestland in indigenous land	Quantitative	Acres (ac)	RR-FM-210a.1	St. Maries, Idaho complex - 160 acres. 2021 ESG Report, page 124
	Description of engagement processes and due diligence practices with respect to human rights, indigenous rights, and the local community	Discussion and Analysis	n/a	RR-FM-210a.2	2021 ESG Report, pages 78, 81, 101-102, 104-108, 114, and 124
Climate Change Adaptation	Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change	Discussion and Analysis	n/a	RR-FM-450a.1	2021 ESG Report, pages 19, 26-27, 67-71, 73-75, and 117. 2021 Annual Report Form 10-K, pages 5, 11, 18, and 21

Table 2. Activity Metrics - Forestry Management

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE/ESG REPORT LOCATION
Forestry Management	Area of forestland owned, leased, and/or managed by the entity	Quantitative	Acres (ac)	RR-FM-000.A	1,803,865 acres. 2021 Annual Report Form 10-K, page 6
Forestry Management	Aggregate standing timber inventory	Quantitative	Cubic meters (m ³)	RR-FM-000.B	2021 ESG Report pages 26-27. 2021 Annual Report Form 10-K, page 6
Forestry Management	Timber harvest volume	Quantitative	Cubic meters (m ³)	RR-FM-000.C	2021 Annual Report Form 10-K, pages 6-7 and 35-36

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) CONTINUED

SECTOR: CONSUMER GOODS

SASB STANDARD - BUILDING PRODUCTS AND FURNISHINGS

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE/ESG REPORT LOCATION
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	CG-BF-130a.1	2021 ESG Report, pages 56-58
Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-BF-250a.1	Not applicable
	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	Quantitative	Percentage (%) by revenue	CG-BF-250a.2	100%
Product Lifecycle Environmental Impacts	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	Discussion and Analysis	n/a	CG-BF-410a.1	2021 ESG Report, pages 18, 26-27, 30-32, 38, 46-48, 53-55, and 67-72
	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	Quantitative	Metric tons (t), Percentage (%) by weight	CG-BF-410a.2	Not applicable
Wood Supply Chain Management	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by standard 2	Quantitative	Metric tons (t), Percentage (%) by weight	CG-BF-430a.1	(1) Total weight of wood fiber materials purchased - 3,680,215 metric tons; (2) purchased from third party certified forestlands - 49%; (3) SFI and FSC - 22%; SFI only - 26%; FSC only - 1%; American Tree Farm System - <1%; (4) certified to other wood fiber standards (procurement standards) - 51% ; (5) SFI Fiber Sourcing and FSC Controlled Wood 36%; SFI Fiber Sourcing only - 15%

Table 2. Activity Metrics - Building Products and Furnishings

ACTIVITY METRIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE/ESG REPORT LOCATION
Annual Production	Quantitative	Quantitative	Units	CG-BF-000.A	Production shipped in 2021: 1.0 BBF lumber and 132,047 MMSF 3/8" industrial plywood 2021 ESG Report, pages 11-12 2021 Annual Report Form 10-K pages 8, 32, and 36
Area of Manufacturing Facilities	Quantitative	Quantitative	Square meters (m ²)	CG-BF-000.B	Area of manufacturing facilities - 182,114 m ²

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

The Financial Stability Board Task Force on Climate-related Financial Disclosure (TCFD) has developed a voluntary, consistent climate-related financial risk disclosure to provide information to investors, lenders, insurers and other stakeholders. The TCFD framework rests on four main tenets – Governance, Strategy, Risk Management and Metrics & Targets. PotlatchDeltic recognizes that climate change is a topic of interest for our stakeholders. The table below shows how we address the disclosures and how and where our 2021 ESG Report aligns with recommendations by TCFD. We are committed to continuing to expand our climate-related financial disclosures within this framework.

GOVERNANCE	COMMENT	DISCLOSURES
a) Describe the Board's oversight of climate-related risks and opportunities.	Our Corporate Governance Guidelines provides for Board oversight of the Company's Enterprise Risk Management (ERM) framework and ESG matters. PotlatchDeltic's ERM framework provides for risk identification and management of significant risks, including those potentially associated with climate change. The Board oversees managements' integration of ESG throughout the enterprise to drive long-term value for stakeholders. The Board is updated regularly on ESG initiatives, including climate-related risks and opportunitie and ESG initiatives.	2021 ESG Report - pages 112, 115 2022 Proxy Statement - pages 13-16
b) Describe management's role in assessing and managing climate-related risks and opportunities.	The Vice President, Public Affairs and Chief ESG Officer provides senior leadership on PotlatchDeltic's ESG reporting and initiatives, and regularly provides information to and leads discussions with the Board and management on ESG matters, including climate-related risks and opportunities. An ESG Management Committee, consisting of managers across business units and corporate functions, meets twice a year to deliberate medium and long-term ESG strategies and goals, including climate-related risks and opportunities. An ESG Working Group, which includes a breadth of in-house experts and a cross-section both functionally and geographically, meets at least quarterly to drive ESG strategies, data collection, analysis, systems, and initiatives. At the business unit level, climate-related regulatory risks and opportunities are regularly monitored and assessed. Carbon and Climate teams meet regularly to evaluate greenhouse gas reduction strategies or opportunities to increase carbon removals. Our Vice President Public Affairs and Chief ESG Officer works with associations and coalitions on climate-related policy and tools. Environmental and ESG issues, including climate-related risks are identified, assessed, and mitigated where feasible as part of our annual ERM framework.	2021 ESG Report - pages 115, 116-117 2021 Annual Report on Form 10-K - page 11
STRATEGY	COMMENT	DISCLOSURES
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Climate-related risks and opportunities include potential physical changes to our timberlands as a result of rising mean temperatures, changing weather patterns and extreme weather events. Longer-term opportunities could include increased productivity and yield on our timberlands. Risks could include increased weather severity and wildfire (medium-term). In addition, transition risks and opportunities could include changes in policy or regulatory requirements, technology-related requirements, and market changes. Short-to-medium-term opportunities could include policy changes related to the use of wood residuals, the development of carbon offset markets, and policies and standards that support the increased use of mass timber or building with wood. Longer-term opportunities could include the development of new products and resource efficiency gains. Potential transition risks include changes in air and water quality regulations (medium-term), and possible increased pricing of GHG emissions or the introduction of a carbon tax (medium-term), and increased energy costs (long-term).	2021 ESG Report - pages 73-75, 126-128 2021 Annual Report on Form 10-K - pages 15-22

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) CONTINUED

STRATEGY (CONT.)	COMMENT	DISCLOSURES
b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	Due diligence in reviewing climate-related risks and opportunities is being integrated into operational and capital planning processes to ensure inclusion in our business and financial strategies. The analysis of physical climate change risks and opportunities is also supported through our work with external scientific research organizations. In addition, we participate in coalitions and industry associations to identify and evaluate transitional climate-related risks and opportunities. We believe we are well positioned through the role that sustainably managed forests and wood products produced from them have as part of the solution to climate change. We plan to publish expanded disclosures on climate risks and opportunities in our Carbon and Climate Report in the fall of 2022.	2021 ESG Report - pages 73-75
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We are conducting climate-related scenario analysis on our timberlands, including a 2°C or lower scenario. We plan to publish the results of this analysis in our Carbon and Climate Report in the fall of 2022.	2021 ESG Report - pages 73-75
RISK MANAGEMENT	COMMENT	DISCLOSURES
a) Describe the organization's process for identifying and assessing climate-related risks.	We identify and monitor climate-related risks on a regular basis and have incorporated climate change risks into our ERM framework. Physical risks are monitored through our business operations and legal oversight. We identify and monitor transitional risks through our work with industry associations, coalitions, and research organizations. Our climate risk and opportunity scenario analysis will be conducted by the ESG Working Group and members of the environment and sustainability teams, with the support of outside research organizations and associations. The results will be summarized by potential impact, timing, and likelihood and integrated into the ERM framework.	2021 ESG Report - pages 115-117
b) Describe the organization's processes for managing climate-related risks.	The ESG Working Group is responsible for identifying climate-related issues and coordinating with business units to integrate them into business and operational strategies. ESG is integrated into capital expenditure decisions and managers have included ESG in their individual performance goals. In addition, comprehensive environmental management systems are in place across our businesses which focus on continual improvement and research and monitoring progress towards goals or initiatives. Transitional risks are managed through policy work with industry associations and coalitions or through regulatory negotiations.	2021 ESG Report - pages 5, 115

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) CONTINUED

RISK MANAGEMENT (CONT.)	COMMENT	DISCLOSURES
<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>Key climate-related risks identified are incorporated into the ERM process. Business unit and function leaders are interviewed annually to update, identify, and evaluate key risks. An evaluation is made of the risk universe, emerging risks, and the risk attributes of likelihood, impact, velocity, and mitigation control strength. Risks are mapped into a matrix which identifies the significant risk areas for internal focus. A Risk Management Committee comprised of members of senior leadership and chaired by the Chief Financial Officer is responsible for the ERM process. The Chief Financial Officer periodically reviews the significant risks and the steps taken to mitigate and monitor those risks with the Audit Committee of the Board of Directors. The Board has overall responsibility for risk oversight, including the risk presented by climate change.</p>	<p>2021 ESG Report - pages 116-117</p> <p>2021 Annual Report on Form 10-K - pages 15-22</p>
METRICS AND TARGETS	COMMENT	DISCLOSURES
<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process.</p>	<p>Our sustainable forest management practices are certified using third-party audits. We utilize a comprehensive environmental management system for our timberlands. We continually evaluate opportunities to enhance our sustainable forest management and biodiversity practices. We calculate the carbon removals in our timberlands annually and the estimated total carbon stored in wood products from the trees we harvest. We have comprehensive environmental management systems in place involving wood products facilities. Our ESG reporting includes data on water consumed, energy intensity, and waste to landfill intensity. We disclose Scope 1-3 greenhouse gas emissions and Scope 1,3 carbon removal and storage. We monitor regulatory and policy changes related to our operations and participate in discussions regarding the principles surrounding their development. We incorporate ESG considerations into the due diligence surrounding capital expenditures and acquisitions. Our Carbon and Climate teams evaluate climate-related opportunities.</p>	<p>2021 ESG Report - pages 46-47, 54-55, 56-65, 70-72, 124, 125-126</p>
<p>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p>	<p>PotlatchDeltic discloses Scope 1, 2 and 3 GHG emissions annually. In addition, we estimate the carbon removals and storage from our timberlands.</p>	<p>2021 ESG Report - pages 70-72</p>
<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>PotlatchDeltic has not set greenhouse gas reduction targets or other climate-related targets. We plan to publish a Climate and Carbon Report in fall of 2022 that will expand our disclosures.</p>	<p>2021 ESG Report - pages 70-72</p>

GRI CONTENT INDEX

STATEMENT OF USE

PotlatchDeltic Corporation has reported the information cited in this GRI content index for the period 1 January, 2021 to 31 December, 2021 with reference to the GRI Standards.

GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SOURCE	LOCATION	UN SDG	
GRI 2: General Disclosures 2021	2-1	Organizational details	2021 Annual Report on Form 10-K: Part 1-Item 1. Business	3	
	2-2	Entities included in the organization's sustainability reporting	2021 Annual Report on Form 10-K: Part 1-Item 1. Business 2021 ESG Report PotlatchDeltic Investor Website - About	3-9; 84-88, Exhibit 21 7-12 Website	
	2-3	Reporting period, frequency and contact point	2021 Annual Report on Form 10-K: Part 1-Item 1. Business 2021 ESG Report	3-4 6, 147	
	2-4	Restatements of information	2021 ESG Report	67	
	2-5	External assurance	2021 Annual Report on Form 10-K: Part 1-Item 1. Business 2021 ESG Report	82 46-47, 54-55; 116	
	2-6	Activities, value chain and other business relationships	2021 Annual Report on Form 10-K: Part 1-Item 1. Business 2021 ESG Report	5-9 8-12	
	2-7	Employees	2021 Annual Report on Form 10-K: Part 1-Item 1. Business 2021 ESG Report	12-13 80-84	#8
	2-8	Workers who are not employees	2021 ESG Report	80	#8
	2-9	Governance structure and composition	2022 Proxy Statement 2021 ESG Report PotlatchDeltic Investor Website / Corporate Governance	6-18 112 Website	#5
	2-10	Nomination and selection of the highest governance body	2022 Proxy Statement 2021 ESG Report PotlatchDeltic Investor Website / Corporate Governance / Nominating and Corporate Governance Committee Charter	6-18 112 Website	#5
	2-11	Chair of the highest governance body	2022 Proxy Statement	12-13	
	2-12	Role of the highest governance body in overseeing the management of impacts	2022 Proxy Statement 2021 ESG Report 2021 Annual Report on Form 10-K: Part 1-Item 1. Business	13-18 111-117, 123-124 10-13	
	2-13	Delegation of responsibility for managing impacts	2022 Proxy Statement 2021 ESG Report 2021 Annual Report on Form 10-K: Part 1-Item 1. Business	13-18 111-117, 123-124 10-13	
	2-14	Role of the highest governance body in sustainability reporting	2022 Proxy Statement 2021 ESG Report	13-18 111-112, 115	
	2-15	Conflicts of interest	2022 Proxy Statement 2021 ESG Report PotlatchDeltic Investor Website/ Corporate Governance - Corpo- rate Conduct and Ethics Code, Related Persons Transactions Policy	10, 17 113 Website	
	2-16	Communication of critical concerns	2022 Proxy Statement 2021 ESG Report PotlatchDeltic Investor Website/ Corporate Governance - Whistleblower, Hotline, Contact Our Board	10, 18-19 113 Website	
	2-17	Collective knowledge of the highest governance body	2022 Proxy Statement 2021 ESG Report	6-9, 11-12 112, 115	#4

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GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SOURCE	LOCATION	UN SDG
GRI 2: General Disclosures 2021 (cont.)	2-18 Evaluation of the performance of the highest governance body	2022 Proxy Statement	11	
		2021 ESG Report PotlatchDeltic Investor Website / Corporate Governance - Corporate Governance Guidelines	112 Website	
	2-19 Remuneration policies	2022 Proxy Statement	20-22, 29-41	#8
	2-20 Process to determine remuneration	2022 Proxy Statement	20-22, 29-41	#8
	2-21 Annual total compensation ratio	2022 Proxy Statement	57	#8
	2-22 Statement on sustainable development strategy	2021 ESG Report	4, 7, 15-22	
		PotlatchDeltic Investor Website / Corporate Governance - Forest Stewardship Policy	Website	
	2-23 Policy commitments	2021 ESG Report PotlatchDeltic Investor Website / Corporate Governance	26, 93, 111-114 Website	
	2-24 Embedding policy commitments			
	2-25 Processes to remediate negative impacts	2021 ESG Report	38, 46-47, 53-55, 101-102, 112-114, 123-124	
		PotlatchDeltic Investor Website / Corporate Governance	Website	
	2-26 Mechanisms for seeking advice and raising concerns	2021 ESG Report	101-102, 112-113	
		2022 Proxy Statement PotlatchDeltic Investor Website / Corporate Governance - Whistleblower, Hotline, Contact Our Board	10, 19 Website	
2-27 Compliance with laws and regulations	2021 ESG Report	30-32, 46-47, 53- 55, 113		
	PotlatchDeltic Investor Website / Corporate Governance	Website		
2-28 Membership associations	2021 ESG Report	129	#13	
2-29 Approach to stakeholder engagement	2021 ESG Report	123-124		
	2022 Proxy Statement	16		
2-30 Collective bargaining agreements	2021 ESG Report	80		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2021 ESG Report	13	
	3-2 List of material topics	2021 ESG Report	13-14	
	3-3 Management of material topics	2021 ESG Report	13-14, 15-22	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2021 Annual Report on Form 10-K: Part 1 - Item 7. MD&A	31-80	#5
		Investor Presentation	Website	#8
		2021 ESG Report	8	#9 #11
201-2 Financial implications and other risks and opportunities due to climate change	2021 Annual Report on Form 10-K: Part 1 - Item 1. Business, Item 1A. Risk Factors 2021 ESG Report	9-21 73-75	#13	
201-3 Defined benefit plan obligations and other retirement plans	2021 Annual Report on Form 10-K: Part 1 - Item 8. Financial Statements and Supplementary Data, Note 15. Savings Plans, Pension Plans and other Postretirement Employee Benefits	59-60, 75-80		

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GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SOURCE	LOCATION	UN SDG
GRI 201: Economic Performance 2016 (cont.)	201-3 Defined benefit plan obligations and other retirement plans (cont.)	2021 ESG Report	86	
	201-4 Financial assistance received from government	None in 2021	----	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	2021 ESG Report	81	#1 #5 #8
	202-2 Proportion of senior management hired from the local community	2021 ESG Report	81	#2 #8
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	2021 ESG Report	30-33, 50	#8
	203-2 Significant indirect economic impacts	2021 ESG Report	7, 9-12, 80, 85-91, 101-102, 104-108, 121, 125-126	#2 #3 #8
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2021 ESG Report <i>A minimum of 50% percent of our overall spending can be considered from "local" suppliers since this our approximate spend on logs and wood fiber for our wood products facilities.</i>	12, 101-102	#12
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2021 ESG Report	101-102, 113	
	205-2 Communication and training about anti-corruption policies and procedures	2021 ESG Report	101, 113-114	
	205-3 Confirmed incidents of corruption and actions taken	None in 2021	-----	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2021 ESG Report <i>1 civil action pending where we are a defendant; 1 civil action pending where we are a plaintiff. 0 actions complete.</i>	113	#1
GRI 207: Tax 2019	207-1 Approach to tax	2021 Annual Report on Form 10-K: Part 1 - Item 8. Financial Statements and Supplementary Data, Note 1, Summary of Significant Accounting Policies 2021 ESG Report	59 121	#1
	207-2 Tax governance, control, and risk management	2021 ESG Report	121	#1
	207-3 Stakeholder engagement and management of concerns related to tax	2021 ESG Report	121	#1
	207-4 Country-by-country reporting	2021 Annual Report on Form 10-K: Part 1 - Item 8. Financial Statements and Supplementary Data, Note 14, Income Taxes 2021 ESG Report	73-74 121	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2021 ESG Report	12, 56, 61	#8 #12
	301-2 Recycled input materials used	2021 ESG Report	12, 56-58	#8 #12
	301-3 Reclaimed products and their packaging materials	This metric is not significant to our company. Our focus is on sustainably growing and managing forests and producing wood products from this renewable resource	----	

GRI CONTENT INDEX CONTINUED

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GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SOURCE	LOCATION	UN SDG	
GRI 301: Materials 2016 (cont.)	302-1 Energy consumption within the organization	2021 ESG Report	25, 56-58	#8 #12 #13	
	302-2 Energy consumption outside of the organization	PotlatchDeltic Investor Website - Investor Presentation - Mass Timber Demand 2021 ESG Report	Website 67-69, 126-128	#8 #12 #13	
GRI 302: Energy 2016	302-3 Energy intensity	2021 ESG Report	57	#8 #12 #13	
	302-4 Reduction of energy consumption	2021 ESG Report	18, 25, 56-58	#8 #12 #13	
	302-5 Reductions in energy requirements of products and services	PotlatchDeltic Investor Website - Investor Presentation - Mass Timber Demand 2021 ESG Report	Website 67-69, 126-128	#8 #11 #12 #13	
	GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	2021 ESG Report	16, 18, 20, 30- 32, 35, 61-63	#6 #15
		303-2 Management of water discharge-related impacts	2021 ESG Report	15, 17, 19, 30- 32, 35, 61-63	#6
303-3 Water withdrawal		2021 ESG Report	61-63	#6	
303-4 Water discharge		2021 ESG Report	61	#6	
303-5 Water consumption		2021 ESG Report	16, 18	#6	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	2021 Annual Report on Form 10-K: Part 1 - Item 1. Business 2021 ESG Report	5-7 9, 16, 20, 21, 27, 30-32	#15	
	304-2 Significant impacts of activities, products and services on biodiversity	2021 ESG Report	9, 15, 19-20, 26, 29-34, 38-43	#15	
	304-3 Habitats protected or restored	2021 ESG Report	43-45	#15	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	2021 ESG Report	43-45	#15	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2021 ESG Report	70-72	#12 #13 #15	
	305-2 Energy indirect (Scope 2) GHG emissions	2021 ESG Report	70-72	#12 #13 #15	
	305-3 Other indirect (Scope 3) GHG emissions	2021 ESG Report	70-72	#12 #13 #15	

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PotlatchDeltic Corporation has reported the information cited in this GRI content index for the period 1 January, 2021 to 31 December, 2021 with reference to the GRI Standards.

GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SOURCE	LOCATION	UN SDG
GRI 305: Emissions 2016 (cont.)	305-4 GHG emissions intensity	2021 ESG Report	72	#12 #13 #15
	305-5 Reduction of GHG emissions	2021 ESG Report	5, 115	#12 #13 #15
	305-6 Emissions of ozone-depleting substances (ODS)	<i>None in 2021</i>	-----	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2021 ESG Report	59-60	#12 #13 #15
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2021 ESG Report	64-65	#12
	306-2 Management of significant waste-related impacts	2021 ESG Report	18, 64-65	#12
	306-3 Waste generated	2021 ESG Report	65	#12
	306-4 Waste diverted from disposal	2021 ESG Report	65	#12
	306-5 Waste directed to disposal	2021 ESG Report	65	#12
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2021 ESG Report	46-47, 54-55, 101-102	
	308-2 Negative environmental impacts in the supply chain and actions taken	2021 ESG Report	46-47, 54-55, 101-102	#12
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2021 ESG Report	83-84	#5 #8
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2021 ESG Report Note approximately 1% of our workforce is part-time	80, 85-88	#8
	401-3 Parental leave	2021 ESG Report	86	#5 #8
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	2021 ESG Report	88	#8
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2021 Annual Report on Form 10-K: Part 1 - Item 1. Business 2021 ESG Report	12 93-97	#3 #8
	403-2 Hazard identification, risk assessment, and incident investigation	2021 ESG Report	93-94, 97	#3 #8
	403-3 Occupational health services	2021 ESG Report	93-97	#3 #8
	403-4 Worker participation, consultation, and communication on occupational health and safety	2021 ESG Report	94, 96	#3 #8
	403-5 Worker training on occupational health and safety	2021 ESG Report	93-99	#3 #8
	403-6 Promotion of worker health	2021 ESG Report	93-99	#3 #8

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PotlatchDeltic Corporation has reported the information cited in this GRI content index for the period 1 January, 2021 to 31 December, 2021 with reference to the GRI Standards.

GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SOURCE	LOCATION	UN SDG
GRI 403: Occupational Health and Safety 2018 (cont.)	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2021 ESG Report PotlatchDeltic Investor Website / Corporate Governance, Supplier Code of Conduct	93-99 Website	#8
	403-8 Workers covered by an occupational health and safety management system	2021 ESG Report	93-99	#8
	403-9 Work-related injuries	2021 ESG Report	93-99	#8
	403-10 Work-related ill health	2021 ESG Report	93-99	#8
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2021 ESG Report <i>PotlatchDeltic does not currently track training hours of our employees across all categories of training</i>	89-91 -----	#4 #5 #8
	404-2 Programs for upgrading employee skills and transition assistance programs	2021 ESG Report	89-91	#8
	404-3 Percentage of employees receiving regular performance and career development reviews	2021 ESG Report	89-91	#5 #8
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2022 Proxy Statement 2021 ESG Report 2021 Annual report on Form 10-K: Part 1 - Item 1. Business	6, 15-16 81-82, 112 12	#5 #8
	405-2 Ratio of basic salary and remuneration of women to men	2021 ESG Report 2022 Proxy Statement 2021 Annual Report on Form 10-K: Part 1 - Item 1. Business	81 16 12	#5 #8
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<i>None in 2021</i> 2021 ESG Report	----- 80-81, 113-114	#5 #8
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<i>None in 2021</i> 2021 ESG Report	----- 80, 101-102, 114	#8
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	<i>None in 2021</i> 2021 ESG Report	----- 80, 101-102, 114	#8
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<i>None in 2021</i> 2021 ESG Report	----- 80, 101-102, 114	#8
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	<i>Not applicable to our operations</i> 2021 ESG Report	----- 80, 101-102, 114	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	<i>None in 2021</i> 2021 ESG Report	----- 80, 101-102, 114, 123-124	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	2021 ESG Report	104-108	
	413-2 Operations with significant actual and potential negative impacts on local communities	<i>None in 2021</i> 2021 ESG Report	104-108, 123-124	#1
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2021 ESG Report	101-102	#5 #8

GRI CONTENT INDEX CONTINUED

STATEMENT OF USE

PotlatchDeltic Corporation has reported the information cited in this GRI content index for the period 1 January, 2021 to 31 December, 2021 with reference to the GRI Standards.

GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SOURCE	LOCATION	UN SDG
GRI 414: Supplier Social Assessment 2016 (cont.)	414-2 Negative social impacts in the supply chain and actions taken	<i>None in 2021</i>	----	#5 #8
GRI 415: Public Policy 2016	415-1 Political contributions	2021 ESG Report	125-126	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2021 ESG Report	7, 46-47, 54-55, Footnote 1	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<i>None in 2021</i> 2021 ESG Report	----- 7	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	PotlatchDeltic Website - Material Safety Data Sheets 2021 ESG Report	Website 45-47, 54-55	
	417-2 Incidents of non-compliance concerning product and service information and labeling	<i>None in 2021</i>	-----	
	417-3 Incidents of non-compliance concerning marketing communications	<i>None in 2021</i>	-----	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<i>None in 2021</i> 2021 ESG Report	---- 120	

FOOTNOTES

1. Lumber is graded using high technology equipment to ensure the product is properly manufactured and meets the grade requirements of our customers for their structural applications. American Lumber Standard Committee (ALSC) third-party certified agencies are used to validate grading. Each piece of lumber is stamped with a registered grade mark from the certified agency. Our plywood is manufactured to meet various American National Standards Institute (ANSI) and APA-The Engineered Wood Association (APA) performance requirements. Plywood that meets the applicable standard has a trademark that signifies that the panel quality has been verified through an audit by APA. This is designed to assure the plywood is in conformance with the ANSI/APA performance standards or the standard shown in the mark. Also, plywood products are manufactured using low emitting, moisture-resistant phenolic adhesives, per the applicable ANSI/APA product standards and building codes that govern them.
2. Economic value generated includes operating costs, employee wages and benefits, community investments, capital expenditures for each of our businesses, taxes paid to governmental jurisdictions, interest payments on debt and dividends to shareholders. Operating costs exclude depreciation, depletion, amortization and basis in real estate sold.
3. Acres in thousands, as of December 31, 2021.
4. Rural real estate as of December 31, 2021.
5. Completed sale of ~72,000 acres in Minnesota for ~\$48MM in Q4 2020; PotlatchDeltic continued to own 11,000 acres in Minnesota at December 31, 2021.
6. Capacity as of December 31, 2021; Capacity represents the proven annual production capabilities of the facility under normal operating conditions and producing a normal product mix. Excludes overtime. Plywood production normally expressed in square footage, 3/8" basis has been converted to board feet and included in total (Plywood Production MBF = Plywood Production MSF 3/8" X 0.375 MBF/MSF 3/8"). MMBF stands for million board feet; MMSF stands for million square feet, 3/8-inch panel thickness basis.
7. In June 2021, a fire occurred in the sawmill's large-log primary breakdown machine center. Reconstruction is underway, and we expect to restart the large-log line in the third quarter of 2022. The sawmill's annual capacity is estimated to be 150 MMBF after the start-up phase is completed in 2023. Actual production was averaging approximately 130 MMBF prior to the fire.
8. LiDAR stands for Light Detection and Ranging.
9. Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting and investment planning to analyze the profitability of a projected investment or project.
10. Does not include the effect of future acquisitions or dispositions; reflects large 2020 Minnesota sale.
11. Deltic included for 10 months in 2018.
12. The Ola, Arkansas, sawmill fire reduced harvest in 2021.
13. A geographic information system (GIS) is a system designed to capture, store, analyze, manage, and present all types of geographic data.
14. Ning Liu et al. Forested lands dominate drinking water supply in the conterminous United States. *Environmental Research*, Volume 16, Number 8. <https://iopscience.iop.org/article/10.1088/1748-9326/ac09b0>
15. Studies characterizing the findings of the Mica Creek study include: Hubbart, J.A., et al. 2007 Timber Harvest Impacts on Water Yield in the Continental/Maritime Hydroclimatic Region of the United States. *Forest Science* 53(2) 2007 p. 169-180. Gravelle, J.A. and Link, T.E. 2007 Influence of Timber Harvesting on Headwater Peak Stream Temperatures in a Northern Idaho Watershed. *Forest Science* 53(2) 2007 p. 189-205. Gravelle J.A. et al. 2009 Effects of Timber Harvest on Aquatic Macroinvertebrate Community Composition in a Northern Idaho Watershed. *Forest Science* 55(4) 2009 p. 352-366. Karwan, A. L., et al 2007 Effects of Timber Harvest on Suspended Sediment Loads in Mica Creek, Idaho. *Forest Science* 53(2) 2007 p. 181-188. Gravelle J.A. and Link, T.E. 2022 draft manuscript Fish community response before and after timber harvest in a northern Idaho watershed. Unpublished manuscript.
16. A Habitat Conservation Plan (HCP) is a document authorizing the limited and unintentional take of listed species when it occurs incidental to otherwise lawful activities. The plan is designed not only to help landowners and communities but also to provide long-term benefits to species and their habitats. <https://www.fws.gov/service/habitat-conservation-plans>
17. Gabion Baskets are made from heavily galvanized steel wire mesh and are filled with rock and placed for water crossings. Water flows freely through the rock, which slows the flow, reduces erosion and solidifies stream crossings.
18. Average percent harvested per year in Idaho is the average harvest acres, excluding thinning, based on our 50-year harvest schedule as a percentage of net acres owned for 2020. Net acres exclude roads for Idaho.
19. Average percent harvested per year in U.S. South is the average harvest acres, excluding thinning, based on our 50-year harvest schedule as a percentage of net acres owned for 2020. Net acres include roads for the U.S. South.
20. Water supply calculated using Sustainable Forestry Initiative Water Benefits Tool <https://forests.org/water-tool/>
21. Environmental Protection Agency (EPA) estimate of average water consumption per person in the U.S. per year. <https://www.epa.gov/watersense/statistics-and-facts>
22. Internal multimedia compliance audits are conducted at each mill at least every two years. Environmental professionals from each mill participate in the internal compliance audits thus promoting sharing and implementation of best practices across the Company.
23. Energy consumption in 2021 includes Ola average for 2018-2020 instead of actual due to Ola fire in 2021 making actual usage unrepresentative. Actual total 2021 energy consumption was 9.5 million gigajoules. 2018 includes previous Deltic-owned Ola and Waldo mills for first two months of 2018 prior to merger.
24. Energy intensity in 2021 includes Ola average for 2018-2020 instead of actual due to Ola fire in 2021 making actual intensity unrepresentative. Actual total 2021 energy intensity was 8.6 gigajoules per thousand board feet. 2018 includes previous Deltic-owned Ola and Waldo mills for first two months of 2018 prior to merger.
25. Ola energy consumption in 2021 includes Ola average for 2018-2020 instead of actual due to Ola fire in 2021 making actual usage unrepresentative. Actual Ola 2021 energy consumption is 0.50 million gigajoules. 2018 includes previous Deltic-owned Ola and Waldo mills for first two months of 2018 prior to merger.
26. Ola energy intensity in 2021 includes Ola average for 2018-2020 instead of actual due to Ola fire in 2021 making actual intensity unrepresentative. Actual Ola 2021 energy intensity is 8.3 gigajoules per thousand board feet. Total Energy Intensity = total energy consumed/total division production. One petajoule is equal to 1 million gigajoules. Note that total division production includes plywood volume converted to board feet. 2018 includes previous Deltic-owned Ola and Waldo mills for first two months of 2018 prior to merger.
27. Biogenic CO₂ emissions are CO₂ emissions related to the natural carbon cycle, such as burning wood residuals. Biogenic emissions are considered carbon neutral because residual wood used for energy has a net sequestration benefit. Harvested areas are replanted and the CO₂ absorption cycle is renewed as the forest grows. These biogenic emissions are also not additive to the carbon released into the atmosphere because they are considered part

FOOTNOTES

- of the natural carbon cycle and, as a result, are preferable to the alternative use of fossil fuels.
28. Ola percent energy generated from wood residuals in 2021 includes Ola average for 2018-2020 instead of actual due to Ola fire in 2021 making actual percent unrepresentative. Actual Ola 2021 percent energy generated from wood residuals is 8.7%. 2018 includes previous Deltic-owned Ola and Waldo mills for first two months of 2018 prior to merger.
 29. Actual emission calculations based on the application of accepted industry emission factors and site-specific stack test data to production throughput in board feet and/or hours of operation. Production throughput includes plywood volumes converted from square feet, 3/8" basis to board feet.
 30. 2021 air emissions include Ola average for 2018-2020 instead of actual due to Ola fire in 2021 making actual emissions unrepresentative. Actual 2021 emissions ('000 kilograms) are 1,263 volatile organic compounds, 645 carbon monoxide, 316 nitrogen oxide, 219 particulate matter, 153 HAP, and 36 sulfur dioxide. 2018 includes previous Deltic-owned Ola and Waldo mills for first two months of 2018 prior to merger.
 31. 2021 air emissions intensity include Ola average for 2018-2020 instead of actual due to Ola fire in 2021 making actual emissions intensity unrepresentative. Actual 2021 emissions intensity (kilograms per thousand board foot production) are 1.10 volatile organic compounds, 0.59 carbon monoxide, 0.29 nitrogen oxide, 0.20 particulate matter, 0.14 HAP, and 0.03 sulfur dioxide. 2018 includes previous Deltic-owned Ola and Waldo mills for first two months of 2018 prior to merger.
 32. Permit levels include all mills combined and include an average of 2018-2020 for Ola.
 33. Regenerative catalytic oxidizers are pollution control devices that thermally oxidize volatile organic compounds (VOC) and hazardous air pollutants (HAP) into carbon dioxide and water. Their regenerative capability and use of catalysts in the heat exchange media make them up to 97% thermally efficient.
 34. NCASI Technical Bulletin No. 960: Water Profile of the United States Forest Products Industry.
 35. 1 Megaliter = 1,000,000 Liters
 36. 2021 water withdrawal includes Ola average for 2018-2020 instead of actual due to Ola fire in 2021 making actual withdrawal unrepresentative. Actual 2021 total water withdrawal 389.4 megaliters. 2018 includes previous Deltic-owned Ola and Waldo mills for first two months of 2018 prior to merger.
 37. 2021 water withdrawal intensity includes Ola average for 2018-2020 instead of actual due to Ola fire in 2021 making actual withdrawal intensity unrepresentative. Actual 2021 total water withdrawal intensity 354.0 liters per thousand board feet. 2018 includes previous Deltic-owned Ola and Waldo mills for first two months of 2018 prior to merger.
 38. Ola water withdrawal by facility includes Ola average for 2018-2020 instead of actual due to Ola fire making actual withdrawal unrepresentative. Actual 2021 Ola water withdrawal remains 100% municipal.
 39. The Sparta Aquifer is a primary source of ground water for industrial, municipal, and agricultural uses in southern Arkansas and northern Louisiana. In 1996, the Arkansas Soil and Water Conservation Commission designated five counties in southern Arkansas as "Critical Ground-Water Areas" due to water level decline. (<https://www.agriculture.arkansas.gov/natural-resources/news/commission-orders/designation-of-critical-ground-water-areas/>)
 40. Water is applied to the log decks to control Sap Stain or Blue Stain, a fungal growth in a harvested log that results in a cosmetic lumber defect.
 41. Total Waste Intensity = total waste generated/total division production. 2018 waste generation and production include previously Deltic-owned Ola and Waldo mills for the first two months of 2018 prior to the merger. 2021 waste intensity includes average of 2018-2020 for Ola due to impact of fire.
 42. Includes average of 2018-2020 for Ola due to impact of fire.
 43. Hazardous waste generated and diverted from disposal was 0.5 metric tons. Hazardous waste diverted offsite was 0.5 metric tons.
 44. U.S. Environmental Protection Agency (US EPA). 2020. Inventory of U.S. greenhouse gas emissions and sinks: 1990-2018. EPA 430-R-20-002. Washington, DC: U.S. Environmental Protection Agency.
 45. 2021 carbon removal and storage calculations were completed within the Carbon Sub-model in the Fire and Fuels Extension (FFE) of the Forest Vegetation Simulator and utilizing the Jenkins J. C. 2003 National- Scale Biomass Estimators for United States Tree Species. 2019 and 2020 Carbon removal and storage calculations utilized the component ratio method and FIA Evaluator <https://apps.fs.usda.gov/Evaluator/evaluator.jsp>.
 46. Harmon, M.E., Fasth, B.G., Yatskov, M. et al. Release of coarse woody detritus-related carbon: a synthesis across forest biomes. *Carbon Balance Manage* 15, 1 (2020). <https://doi.org/10.1186/s13021-019-0136-6>
 47. A rotation is the cycle of planting, growth, culture and final harvest for a single stand of trees.
 48. Winchester, N, Reilly, J. 2018. The Economic and Emissions Benefits of Engineered Wood Products in a Low-carbon Future. MIT Report 331. https://globalchange.mit.edu/sites/default/files/MITJPSPGC_Rpt331.pdf
 49. All values rounded to two significant figures. Individual values may not sum to the total. Total is rounded to two significant figures.
 50. Greenhouse gas emissions estimates are based on the methods outlined in NCASI Report Calculation Tools for Estimating Greenhouse Gas Emissions from Wood Products Facilities Version 1.0 and associated workbook NCASI Spreadsheets for Calculating GHG Emissions from Wood Products Manufacturing Facilities Version 1.0. CO₂e (CO₂-equivalent emissions) is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO₂e signifies the amount of CO₂ which would have the equivalent global warming impact. For PotlatchDeltic, CO₂e emissions include emissions of carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). Calculations include 2018-2020 average for Ola as actuals are not representative due to 2021 Ola fire.
 51. Scope 2 emissions have been updated to state-specific and year-specific carbon dioxide-equivalent emissions factors. Emissions for 2021 are using 2020 emissions factor due to delay in EPA's eGRID emissions factors publication. Calculations include 2018-2020 average for Ola as actuals are not representative due to 2021 Ola fire.
 52. Scope 3 emissions were calculated with NCASI's workbook NCASI Scope 3 Greenhouse Gas Screening Tool, Version 1.1, and fiber flow data. Calculations include 2018-2020 average for Ola as actuals not representative due to 2021 Ola fire.
 53. See note 50.
 54. Scope 1 emissions have been updated from 2020 methodology to include methane emissions from long-term, onsite woody debris storage.
 55. GHG Intensity = Total Scope 1 and 2 emissions per total division production.
 56. The 2.6°C-8.5°C scenarios correlate with the Representative Concentration Pathways from the IPCC Fifth Assessment Report (AR5).
 57. <https://www.worldgbc.org/news-media/global-status-report-2017> and <https://www.worldgbc.org/embodied-carbon>
 58. Northern Locations include employees in Idaho, Michigan, Minnesota, and Washington, and Southern Locations included employees in Alabama, Arkansas, and Mississippi.
 59. Managers include executive/senior level managers, first/mid-level managers, and professionals; salaried employees include all salaried employees but not fixed rate employees.

FOOTNOTES

60. Hourly employees include all hourly employees along with fixed rate employees.
61. Pay equity data is based on annual salaries or hourly rates and has not been adjusted for pay differences that may exist because of shift differentials, upgrades, overtime, or seniority.
62. All data as of December 31, 2021.
63. Turnover is the number of employees who left PotlatchDeltic and whose positions were rehired. Turnover does not include retirees, students, interns, and employees on long term leaves of absence.
64. Data as of December 31, 2021, for FY2021. Hire rate is new hires in a category in 2021/number of employees in a category as of December 31, 2021.
65. OSHA Recordable Injury – Any work-related injury or illness that results in days away from work, restricted work, transfer to another job, or loss of consciousness; any work-related injury or illness requiring medical treatment beyond first aid.
66. Total Case Incident Rate (TCIR) = (Number of OSHA recordable injuries and illnesses x 200,000)/Employee total hours worked; Days Away, Restricted or Transferred (DART) = (Number of OSHA recordable injuries and illnesses that resulted in days away, restricted or transferred x 200,000)/Employee total hours worked; Industry Averages are based on NAICS code 113 for Forestry and Logging, NAICS code 321 for the Wood Products Industry (sawmills and plywood mill combined).
67. An injury that results in a fatality or an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury status within six months.
68. Board tenure, age, and diversity data as of April 1, 2022.
69. 2021 Fires in Idaho – 1,332 fires burned 439,660 acres. This is for all public and private ownerships and all cover types i.e., grass lands and forest lands. All data is from National Interagency Fire Center. https://www.predictiveservices.nifc.gov/intelligence/2021_statssumm/fires_acres21.pdf
70. 2021 Total Fires in Arkansas, Alabama, Mississippi, and Louisiana – 2,847 fires burned 70,398 acres on all public and private ownerships and all cover types. All data is from National Interagency Fire Center. https://www.predictiveservices.nifc.gov/intelligence/2021_statssumm/fires_acres21.pdf
71. Under the CARES Act, employers were allowed to defer payment of certain 2020 employer payroll taxes until 2021 and 2022.

FORWARD LOOKING STATEMENTS

As used in this Report, the term “PotlatchDeltic” and such terms as “the Company,” “the corporation,” “our,” “its,” “we,” “management,” and “us” may refer to one or more of PotlatchDeltic’s consolidated subsidiaries or affiliates or to all of them taken as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Report contains, in addition to historical information, certain forward-looking statements within the meaning of the federal securities laws. Words such as “anticipate,” “expect,” “will,” “intend,” “aim,” “goal,” “plan,” “target,” “project,” “believe,” “continue,” “achieve,” “seek,” “scheduled,” “estimate,” “could,” “can,” “may,” “typically,” “might,” “likely,” “potential,” “strives,” “would,” “future,” “initiatives,” and similar expressions are intended to identify such forward-looking statements. Statements and assumptions with respect to achievement of goals and objectives; anticipated actions to meet goals and objectives; allocation of resources; planned, encouraged, or anticipated actions; planned performance of technology; or other efforts are also examples of forward-looking statements. Among the forward-looking statements in this Report are statements about our strategies regarding planned annual harvests, replanting, and forest management; future environmental management and compliance; wildlife conservation; energy consumption and reduction; management of air emissions, water pollutants, and wastes; estimates of the amount of CO₂e removed and sequestered by our forests; estimated GHG emissions; anticipated climate risks and opportunities; continued employee pay and benefit offerings; ability to meet safety goals for employees and suppliers; ability to ensure employee and supplier adherence to applicable policies and law; maintenance of third-party certifications; our ability to foresee and mitigate all risks to our business; our ability to meet our ESG goals and succeed with our ESG initiatives; our anticipated release of our Climate and Carbon Report; and similar matters.

These forward-looking statements reflect management’s current views regarding future events based on estimates and assumptions and are therefore subject to known and unknown risks, uncertainties and other factors, some of which are beyond our control, and are not guarantees of future conduct or policy. The actual conduct of our activities, including the development, implementation or continuation of any program, policy or initiative discussed in this Report may differ materially in the future. Many of the standards and metrics used in preparing this Report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation but should not be considered guarantees.

Actual results could differ materially from our historical results or those expressed or implied by forward-looking statements contained in this Report due to factors such as: the availability of funding for the programs described in this report; our ability to achieve our goals and objectives; changes in our priorities as well as changes in the priorities of our customers and suppliers; the amount of our future investments; the accuracy of our estimates and assumptions; acquisitions and divestitures; the future effect of legislation, rulemaking and changes in policy or best management practices; changes in production and production capacity in the forest products industry; the competitive environment; the ability to attract and retain personnel and suppliers with technical and other skills; technological developments; the willingness of suppliers to adopt and comply with our programs; the impact of cyber or other security threats or other disruptions to our business; changes in requirements for third-party certification of our timberlands, logs, and lumber; the potential disruption or interruption of the Company’s operations due to accidents, political events, civil unrest, severe weather, floods, fires, cyber threats, pandemics, or other natural or human causes beyond the Company’s control; and global economic, business, political, and climate conditions.

These are only some of the factors that may affect the forward-looking statements contained in this Report. For further information regarding risks and uncertainties associated with our business, please refer to our U.S. Securities and Exchange Commission (SEC) filings, including our Annual Report on Form 10-K for the year ended December 31, 2021, our 2022 Proxy Statement, and our 2022 Quarterly Reports on Form 10-Q, which can be obtained at the Company’s website, www.potlatchdeltic.com. The forward-looking statements in this report are intended to be subject to the safe harbor protection provided by federal securities laws.

Forward-looking statements contained in this Report present our views only as of the date of this report. Except as required under applicable law, we do not intend to issue updates concerning any future revisions of our views to reflect events or circumstances occurring after the date of this Report. Nothing in this Report is incorporated by reference or shall be deemed to be incorporated by reference into the documents that we have filed or will file with the SEC.

CONTACT INFORMATION

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Stock Listing

PotlatchDeltic’s stock is listed on Nasdaq under the symbol “PCH”

Website

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