

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

PotlatchDeltic Corporation (Nasdaq: PCH) is a leading timberland real estate investment trust (REIT) with operations in seven states. We own nearly 1.8 million acres of timberland, six sawmills and an industrial grade plywood mill, a residential and commercial real estate development business, and a rural timberland sales program. PotlatchDeltic was founded in 1903 and has a long legacy of excellence in timberland management and wood products manufacturing. PotlatchDeltic shares are listed on the Nasdaq exchange (Nasdaq: PCH). Our operations are organized into three business segments: Timberlands, Wood Products, and Real Estate.

The Timberlands segment manages our timberlands in Arkansas, Idaho, Mississippi, Alabama, Minnesota, and Louisiana. Our timberlands are working forests, managed on a sustainable basis using long-term and short-term harvest plans that optimize harvest timing and incorporate best management practices. Our timberlands are 100% certified to the SFI® Forest Management standards and 70% of our timberlands in Arkansas are certified to the FSC® Forest Management standards. Timberland management practices are conducted in accordance with regulatory and certification requirements and seek to protect water quality, wildlife habitat, and other ecosystem values. On average, we harvest 2.4% of our timberlands each year (excluding thinning) and replant approximately 2.9 seedlings for each tree harvested. In 2020 we planted nearly 22 million seedlings and our timberlands sequestered approximately 7.5 million metric tons CO₂e in 2020.

The Wood Products segment manufactures and sells lumber, industrial plywood, and residual products at seven facilities located in Arkansas, Idaho, Michigan, and Minnesota with 1.2 billion board feet of capacity. PotlatchDeltic is committed to responsible procurement of raw materials and we use both SFI® Fiber Sourcing and FSC® Chain of Custody programs to assure that the wood we purchase originates from responsible sources. All of our wood products facilities are certified to SFI Fiber Sourcing standard. SFI Fiber Sourcing is designed to ensure that wood purchased from uncertified lands is legally and responsibly sourced and requires measures to use best management practices, utilize trained logging professionals and foresters and verify that the measures are effective. In addition, our Gwinn, Michigan and Warren and Waldo, Arkansas mills are also FSC Chain of Custody certified. The FSC Chain of Custody means we track the path of our products, ensuring that FSC certified material is identified and that non-FSC certified wood meets the FSC Controlled Wood standard and does not come from undesirable sources. We continually invest in our wood products facilities, including projects to maximize recovery and reduce environmental impact. Nearly 100% of the logs processed at our wood products facilities are utilized, resulting in lumber, industrial plywood, or wood residuals. Wood residuals are used internally in our boilers for steam energy, with the remainder sold. The lumber and plywood produced act as a carbon vault storing carbon in long-life products, with 2020 production accounting for approximately 2 million CO₂e stored.

The Real Estate segment focuses on two activities: rural real estate and real estate development. Rural real estate primarily consists of the sale of rural land that is not strategic to core timberland operations. We continually assess the highest value and best use of timberlands to identify rural real estate opportunities. Higher uses include conservation and recreational use. Real estate development consists of the development and sale of residential lots and commercial sites at two master-planned communities in Arkansas.

Corporate responsibility is a core value of PotlatchDeltic. We have a long legacy of excellence in timberland management and wood products manufacturing and we are committed to being a responsible citizen. This commitment includes practicing sustainable forest management, ensuring our compliance with environmental laws, effectively utilizing resources, and minimizing our environmental impact. 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 factors are the foundation for our long-term success.

In 2020, PotlatchDeltic's annual revenues were approximately \$1.0 billion. At end of 2020 we employed 1,316 personnel across our businesses, all in the United States. Our head office is located in Spokane, Washington. PotlatchDeltic's common stock trades on the NASDAQ exchange under the symbol PCH. More information about PotlatchDeltic is available on our website at www.PotlatchDeltic.com and in our 2020 ESG Report.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2020	December 31 2020

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Production Processing Manufacturing Retailing	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Growing/production of raw materials
Harvesting
Milling

Form of commodity

Hardwood logs
Softwood logs
Sawn timber, veneer, chips
Unprocessed wood fiber
Boards, plywood, engineered wood
Wood-based bioenergy

Source

Owned/managed land
Smallholders
Multiple contracted producers

Country/Area of origin

United States of America

% of procurement spend

71-80%

Comment

In 2020, approximately 1.8 million tons or 40% of the wood and residuals used at our facilities was sourced from our own timberlands. An additional 2.7 million tons or 60% of the wood and residuals used at our facilities was sourced from external sources. Wood costs, including harvest costs, were approximately 75% of our total costs of goods sold of \$688 million in 2020.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	91-99%	A substantial portion of our revenues are from growing and harvesting trees, manufacturing and selling wood products, and selling wood residuals. Our Timberland and Wood Products businesses are 100% dependent on timber. Within Real Estate, our rural real estate business maximizes the value of timberland through acreage sales. Our real estate development business in Real Estate is not dependent on timber.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.3

(F1.3) Provide details on the land area you control and/or manage that is used for the production of your disclosed commodity(ies).

Forest risk commodity

Timber products

Type of control

Own land

Country/Area

United States of America

Land type

Managed natural forests

Area (Hectares)

708150

% Area certified

100

Certification scheme

FSC Forest Management certification

SFI Forest Management Standard certification

Conversion of natural ecosystems during the reporting year

No

Area converted during the reporting year (hectares)

<Not Applicable>

% covered by natural forests

<Not Applicable>

Please explain

At the end of 2020, PotlatchDeltic owned 708,150 hectares of timberlands in the United States, excluding acreage under long-term leases. 100% of the timberlands are certified to the SFI Forest management standards and 70% of our Arkansas timberlands acreage (or 37% of the total) are also certified to FSC Forest Management standards.

Forest risk commodity

Timber products

Type of control

Concession/lease

Country/Area

United States of America

Land type

Managed natural forests

Area (Hectares)

6120

% Area certified

100

Certification scheme

FSC Forest Management certification

SFI Forest Management Standard certification

Conversion of natural ecosystems during the reporting year

No

Area converted during the reporting year (hectares)

<Not Applicable>

% covered by natural forests

<Not Applicable>

Please explain

At the end of 2020, PotlatchDeltic managed approximately 6,120 hectares (18,000 acres) of timberland in the United States under long-term leases. 100% of the timberlands are certified to the SFI Forest management standards and 100 hectares (248 acres) are also certified to FSC Forest Management standards.

F1.4

(F1.4) Provide details on the land you control and/or manage that was not used for the production of your disclosed commodity(ies) in the reporting year.

Forest risk commodity

Timber products

Country/Area

United States of America

Type of control

Own land

Land type

Other land type, please specify (Land protected from being converted to non-forest land use)

Area (hectares)

28621

% covered by natural forests

100

Please explain

At the end of 2020, PotlatchDeltic held 70,723 acres of timberland with protected conservation status within the 1.765 million acres of timberland we own and manage. This includes 15,961 acres within a conservation easement in Arkansas managed under a habitat conservation plan with the U.S. Fish and Wildlife Service to implement conservation measures for the red-cockaded woodpecker. A small number of acres is also set aside for oil and natural gas leases by third-parties, rights of way easements, and mineral interests.

Forest risk commodity

Timber products

Country/Area

United States of America

Type of control

Own land

Land type

Other land type, please specify (Real estate development)

Area (hectares)

815

% covered by natural forests

24

Please explain

In addition to our 1.8 million acres of timberlands, PotlatchDeltic has a small real estate development business. Our real estate development business in Arkansas includes a master plan community in Little Rock. Total undeveloped residential and commercial property remaining to be developed and sold is 2,014 acres as of the end of 2020. In 2020, approximately 24% of the 85 project acres developed were set aside as permanent greenbelt.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption and production data available, disclosing
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber products

Data type

Production data

Volume

5449000

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

Forest risk commodity

Timber products

Data type

Consumption data

Volume

4082000

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

100

Please explain

We own and manage approximately 1.8 million acres of timberlands in the United States. Our wood products facilities source timber from our timberlands and from external sources. In 2020, wood procurement for our mills was nearly entirely from the United States with less than 0.4% from Canada.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants

Please explain

Forest-related risks and opportunities are evaluated as part of our Enterprise Risk Management (ERM) process which is used to identify, assess and mitigate significant risks. The ERM program is facilitated by the Internal Audit Director with assistance from senior management and is reviewed by the Board of Directors. The ERM process also incorporates ESG issues, including our environmental management, social responsibility, health and safety, corporate governance policies and practices, and climate-related risks and opportunities. Forest-related risks are also identified, assessed, and mitigated within the timberlands business segment. Our forest management planning combines decades of biological knowledge with technical advances in forest management. Timberlands are managed using 50-year management plans based on harvest schedule models which optimize long term harvesting and forest management operations and project sustainable harvest volumes. Foresters prepare five-year tactical plans of tracts for silviculture work and harvest based on the results of the harvest schedule and tracts are then moved into annual operating plans. Forest management professionals monitor conditions in the forests utilizing advanced mapping functionality and on-the-ground monitoring and inspections to implement sustainable forest management including biodiversity, conservation, environmental best management practices, and water quality protection. Our timberlands are also 100% third-party certified to SFI standards and 70% of our Arkansas timberlands are also certified to FSC standards. We conduct annual internal audits of our EMS implementation and effectiveness on our timberlands operating units and wood products facility supply chains. Independent third-party certification provides credible assurance and transparency 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. Our third-party forest certifications reflect the rigor of our environmental management system, which is based on an ongoing continual improvement process and includes annual review by senior management. All of our wood products facilities are certified to the SFI Fiber sourcing standard. Our Gwinn, Michigan, and Warren and Waldo, Arkansas, mills are also FSC Chain of Custody certified.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Timber is the primary raw material for our wood products facilities to produce lumber and industrial plywood and a sustainable supply is critical for our business. Our facilities rely on the timely availability of logs from both our owned timberlands and external sources that meet the species, quality, and size specifications of our manufacturing facilities. In addition, log procurement at our facilities must meet standards to be certified to the SFI Fiber sourcing standard. Our Gwinn, Michigan, and Warren and Waldo, Arkansas facility procurement must also meet FSC Chain of Custody certification requirements. Our Wood Products business works closely with our Timberlands business to understand our long-term sustainable harvest plans on our ownership as well as log supply that is available from external suppliers. In addition, our wood products procurement staff uses market factors and on the ground conditions such as weather to plan for log availability and determine optimal log deliveries to our wood products facilities. Significant changes in risks or opportunities regarding log availability are brought to regional managers and to the management team in regular meetings. Our annual enterprise risk management review includes an evaluation of risks that our timber harvest levels and sales may be limited due to weather conditions, timber growth cycles, restrictions on access, availability of contract loggers, and regulatory changes. The evaluation also considers changes in supply and demand for logs in the regions where we operate which could impact availability and prices.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

The quality of timber available is critical for both our external customers and for our wood products facilities. Logs of adequate size, appropriate species mix, and free from defect are a key component of manufacturing productivity, log recovery, and lumber or plywood end-use market demand. Although recovery and end-product value can be maximized through the use of computerized optimizers, initial log quality is a key determinate of the value of the lumber. Lumber is inspected and graded based on quality factors including appearance, yield of defect-free wood, and stiffness. In addition, we produce premium MSR lumber which requires higher log quality. This quality risk is mitigated in our timberland operations through our decades of forest management, tree breeding for important commercial species, and silviculture expertise which results in high quality or superior performing trees with favorable characteristics. Harvesting contractors are trained with operating guidelines regarding harvest methods, merchandizing, and tree selection. Log market demand and pricing can be competitive and is determined by haul distances to wood products facilities, species, quality, and assurance of steady supply. Our wood products customers value the quality of our logs, consistency of delivery volumes, and our third-party environmental certifications. Pulp and paper customers that prefer FSC chain of custody certification value the assured supply of pulpwood to meet their end-use customer requirements. For externally sourced logs, mill procurement delineates specific quality requirements for orders which are monitored at the mill gate. Log quality is monitored in timberland operations and procurement and risks or opportunities are brought to regional managers and to the management team in regular meetings. Our annual enterprise risk management review includes an evaluation of risks that our timber quality may be impacted by fire, disease, insects, or climate change.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

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. Forest management practices across our timberlands are influenced by a wide range of state and federal measures. Failure to follow the requirements can have both financial and reputational impacts. Certification of our timberlands through third-party forest certification programs such as SFI or FSC enhance habitat protections as standards and criteria in these programs include measures beyond the federal and state requirements to promote the conservation of rare or declining wildlife and their habitats. PotlatchDeltic has developed internal best management practices (BMPs) as part of our EMS to promote biodiversity and ecosystem management and protect ecologically or socially valuable areas. Company measures are used as a proactive approach within our sustainable timberland management and EMS to maintain the health of forest soil, protect water quality and aquatic habitat, and promote biodiversity. Our foresters implement our BMPs as part of our environmental management system, and we require that all contractors are trained on and implement applicable BMPs during forest management activities on our lands and in our mill supply chains. Prescriptions and their implementation are tracked using robust software with enhanced mapping functionality and real-time updates from foresters on the ground. The BMPs are evaluated in formal studies, field tested, revised and adapted over time to continuously improve their effectiveness. Implementation of the BMPs and our success in ecosystem management are monitored through our regular harvest and silviculture inspections, internal audits, and independent third-party certification process within SFI or FSC. Our annual enterprise risk management review includes an evaluation of risks that ecosystem and habitat management standards could change, impacting our timberland management requirements.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

Forest management practices across our timberlands 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 the 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 best management practices (BMPs). Alabama, Arkansas, Louisiana, and Mississippi are among the states that have voluntary BMPs. In Idaho, a regulatory approach is taken, with BMPs legislated under the Idaho Forest Practices Act (FPA). Environmental laws and regulations including those governing air emissions, harvesting, silviculture activities, surface water management, and wildlife could impact harvest levels on our timberlands. Wood products facilities operate under stringent limits and legal requirements delineated under 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 verify that 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 under the EPA National Pollutant Discharge Elimination System (NPDES) program. PotlatchDeltic is subject to a wide range of other laws and regulations, including those related to health and safety. Our environmental management and health and safety systems are designed to promote full compliance with laws and regulations. Operational personnel monitor, inspect, participate in internal and external audits and drive for continual improvement. Regulations are monitored for changes at the operational, legal and public policy level. Regulatory compliance and emerging issues are reported to regional managers and the executive team. Our annual enterprise risk management review includes an evaluation of risks that laws and regulations could change, impacting our timberland management requirements or wood products facilities.

Climate change

Relevance & inclusion

Relevant, always included

Please explain

Climate-related risks and opportunities for PotlatchDeltic include those arising from potential changes to our timberlands caused by rising mean temperatures, changing weather patterns and extreme weather events. Generally, increases in CO₂ and temperature result in increased growth rate or productivity of trees, however significant regional differences can occur in weather patterns that affect tree growth. Models overall suggest limited productivity impacts in Idaho and improved productivity growth in Arkansas, Mississippi and Alabama. Improved productivity could contribute directly to carbon offset sales or shorten rotations and support increased wood products capacity. Wildfire could increase in Idaho but is not expected to increase in risk in the U.S. South. Increased wet weather or storms could impact harvesting operations, transportation, and log availability for wood products facilities in the U.S. South. Many of these physical risks can be mitigated through forest management practices and operational adjustments. In addition, transition risks and opportunities include changes in policy or regulatory requirements, technology-related requirements, and market changes. Regulatory requirements could become more stringent, requiring investment in additional monitoring or pollution control. Voluntary offset markets for carbon emissions are likely to continue to mature and grow as companies rely on offsetting projects to aid their greenhouse gas reduction targets. Policies could emerge that encourage greater use of wood-based products in buildings or in building materials or that support markets for biomass from wood residuals sourced from sustainably managed forests. We are conducting climate change scenario analysis under various temperature scenarios to fully assess the risks and opportunities facing our businesses. 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. The Board and the management team continue to expand their consideration of these risks and opportunities on Company strategy, operational decisions, risk management oversight, and performance.

Impact on water security

Relevance & inclusion

Relevant, always included

Please explain

Forests play an important role in providing our communities with drinking water and in supporting biodiversity and riparian ecosystems. Water also plays a crucial role in forest productivity. Negative impacts to water quality or quantity could have financial and reputational impact, including the third-party certification of our timberlands. We utilize BMPs 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. 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. SMZs with retained trees along streams also shade them from direct sunlight to the water's surface 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 habitat for wildlife species and SMZs provide wildlife with favorable habitat and travel corridors. Protecting water is a core part of our comprehensive timberland environmental management systems (EMS). This includes training foresters and contractors, and prescribing, monitoring and inspecting forest management practices on all our operations. Independent certification of our forest management under SFI or FSC requires audits which evaluate our conformance to BMPs. We conduct internal inspections of implementation and have implementation rates averaging 95% or greater. The EMS includes monthly regional reporting and annual reviews of environmental performance indicators to the management team. Our annual enterprise risk management review includes an evaluation of risks surrounding water security.

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

Wood products are highly cyclical, affected by the level of new residential construction, home repair and remodeling, and commercial and industrial building activity, which are subject to fluctuations due to changes in economic conditions, consumer confidence, interest rates, credit availability, population growth, weather conditions, and other factors. Our sawlog price realizations in Idaho are subject to fluctuation in lumber prices as we index a significant portion of these sawlogs under long-term supply agreements. A variety of factors affect prices and demand for timber, including economic conditions, new construction and remodeling activity, weather conditions, as well as changes in timber supply and other factors. These factors can vary by region, timber type and species. On a local level, timber supplies can fluctuate depending upon factors such as changes in weather conditions and harvest strategies of local timberland owners and availability of timber from public lands. Industry slowdowns, mill closures and curtailments, and increased regulation, can have a material adverse effect on timber supply and pricing. In addition, the volume of lumber imports entering the U.S. markets can impact pricing. For decades, the U.S. and Canada have been in a dispute over sales of softwood lumber entering the U.S., which has resulted in trade cases and negotiated agreements. The most recent U.S. and Canada Softwood Lumber Agreement expired in October 2015. The U.S. Department of Commerce has since issued countervailing (CVD) and anti-dumping (AD) duties on Canadian lumber imports combined with an injury determination by the U.S. International Trade Commission. We are not able to predict when, or if, a new softwood lumber agreement will be reached and we are not able to predict if the current U.S. policy of imposing import duties on Canadian softwood lumber will continue. We could, therefore, experience significant downward pressure on lumber prices and impacts on timber markets as a result of Canadian lumber imports. Log and lumber markets and pricing are monitored regularly in our businesses and by executive management. Our annual enterprise risk management review includes an evaluation of risks of pricing impacts.

Loss of markets

Relevance & inclusion

Relevant, always included

Please explain

Timber markets are highly impacted by local demand changes due to sourcing limitations from the costs associated with haul distances. Local or regional mill closures and curtailments can have a material adverse effect on timber supply and pricing. A prolonged downturn in housing and lumber markets could result in the closure of higher cost sawmills and impact sawtimber availability and prices. When lumber market demand improves, there could be a lag before new facilities are announced and significant lead times for equipment. Timber pricing and demand for pulpwood have been impacted in some of our regions as declining demand has resulted in the closures of pulp mills. This has adversely affected the demand and pricing for pulpwood and wood chips in certain of the regions in which we operate. Loss of markets from failure to meet customer requirements is mitigated by third-party certifying our timberlands 100% to SFI standards and certifying 70% of our Arkansas timberlands to FSI standards. Independent third-party certification provides credible assurance and transparency 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. Loss of markets and capacity changes are monitored regularly in our businesses and by executive management. Our annual enterprise risk management review includes an evaluation of risks of impacts from loss of markets.

Leakage markets

Relevance & inclusion

Not considered

Please explain

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

PotlatchDeltic's activities are closely monitored by investors, analysts, employees, contractors/suppliers, NGOs, the communities where we operate, and other stakeholders. Our foresters work every day to manage our timberlands on a sustainable basis and protect water quality, wildlife, and biodiversity. We are proud of our timberlands and the legacy we are protecting for future generations. We certify 100% of our timberlands to third-party SFI Forest Management standards and 70% of our Arkansas timberlands to FSC Forest Management standards. We hold our contractors and suppliers to the same environmental and sustainable forests management standards. Any significant change in the acceptability of these standards could impact our reputation and result in reduced demand for timber or wood products or require us to invest in alternative certification processes. However, there is still significant misunderstanding by NGOs and the public about working forests and the benefits of sustainable forest management. In addition, there is a lack of awareness that forest volume has actually increased since 1953 on a stable forestland base. This remains a reputational challenge for the industry and for PotlatchDeltic. We engage with stakeholders regularly in discussions, and communicate through our website, ESG Report, social media, and financial reporting to provide accurate information. We also provide an ethics hotline to allow employees, suppliers and other stakeholders to report any violations.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

We have a long-standing commitment to comply with laws and regulations wherever we operate and to go beyond those legal structures by practicing a high standard of business and personal ethics. Company policies, procedures and guidelines reflect this commitment, are important components of our overall compliance and ethics program and have been adopted by the Board to guide PotlatchDeltic's activities. Our Corporate Conduct and Ethics Code summarizes PotlatchDeltic's policies on specific issues related to business conduct, including corruption. Further, it reaffirms our continuing commitment to integrity as our way of doing business. We work to instill the concepts in our Corporate Conduct and Ethics Code in every employee. Our Human Rights Policy reinforces that respect for human rights is a fundamental value of PotlatchDeltic. We strive to respect and promote human rights in our relationships with our employees, suppliers, the communities where we operate and other stakeholders. We require that our suppliers and contractors observe the same respect for human rights in their actions and relationships with PotlatchDeltic, which we have outlined in our Supplier Code of Conduct. 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 outlines the expectations we have of our suppliers and contractors. We provide an ethics hotline as an avenue for employees and others, on an anonymous or attributional basis, to raise concerns relating to financial reporting, unethical or illegal conduct, environmental, health and safety matters and other issues. The hotline provides reassurance that reporters will be protected from discrimination or retaliation.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

PotlatchDeltic's social responsibility is a core part of our license to operate and long-term success. Negative social impacts could lead to reputational damage, challenge in recruiting and retaining employees and impact our operations and shareholder value. As a result, negative social risks are considered as part of our risk assessment including health and safety, human capital, working with contractors and suppliers, and community involvement. 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 strive to make PotlatchDeltic a workplace of excellence through our culture, fair compensation and comprehensive benefits options. We promote equal opportunities for employee development and maximize employee engagement. Our culture prioritizes health and safety as a core value. We seek to provide and constantly maintain a safe work environment with comprehensive health and safety programs. In 2020, this included responding to the COVID-19 pandemic by staying informed, communicating with employees and other stakeholders, and taking prompt measures to reduce infection risks in the workplace. We view the relationships we have with contractors and suppliers as essential to our success and expect them to follow best practices. PotlatchDeltic has significant operations in rural areas where we are a significant employer, and which heavily depend on forests for their livelihood and recreation and we consider our social impacts. We recognize that our actions can often have a substantial impact on those communities and active community engagement through community involvement, charitable giving, and volunteering is a core part of our culture.

Other, please specify

Relevance & inclusion

Please explain

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

We regularly engage with customers through meetings and discussions to share information, promote meaningful dialogue and build and maintain long-term relationships. Our customers are knowledgeable about our forest-related risks and ongoing dialogue enables our operations, sales and procurement teams to provide regular feedback to divisional management and to the executive team regarding forest-related risks. Information from customers is included in the forests-related risk assessment. Customers depend on our forests-related commodities for their use and as a result they are included as part of our 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. Regular engagement 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, creating feedback on insights and trends, and nurturing trust and collaboration. In addition, in 2020 we conducted a materiality assessment survey on a wide range of ESG issues, with customers participating in the survey.

Employees

Relevance & inclusion

Relevant, always included

Please explain

Our employees are key stakeholders in our forests-related risk management process. PotlatchDeltic utilizes a comprehensive timberland environmental management system (EMS) which focuses on continual improvement in achieving our sustainable forest management objectives, and complying with laws, regulations and standards. This includes training foresters and contractors, and prescribing, monitoring and inspecting forest management practices on all our operations. We conduct internal inspections of implementation and have implementation rates averaging 95% or greater. Through day to day forest management operations, our employees have substantial knowledge about forests-related risks through on-the-ground observations and engagement with other stakeholders. The EMS includes monthly regional reporting and annual reviews of environmental performance indicators. In addition, employees in the Wood Products business, including procurement, operations, and sales have significant knowledge and insight regarding forests-related risks. 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. Regular engagement 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, creating feedback on insights and trends, and nurturing trust and collaboration. In addition, in 2020 we conducted a materiality assessment survey on a wide range of ESG issues, with employees participating in the survey.

Investors

Relevance & inclusion

Relevant, always included

Please explain

We regularly communicate with existing and potential investors and our analysts through 1-1 or group meetings, calls, conferences, site visits, and the annual shareholder meeting. In addition, to aid investors in their understanding of PotlatchDeltic we publish press releases, Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K, proxy statements, and regularly update our corporate and investor relations website. During 2020, members of executive management met with shareholders owning approximately 59% of outstanding active institutional shareholder ownership. Discussions with investors include our business strategy, economic performance, capital allocation, diversity and inclusion, human capital management, ESG transparency, risk management, governance and climate change. Investors provide feedback on issues which we incorporate into our business when appropriate. 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. Regular engagement 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, creating feedback on insights and trends, and nurturing trust and collaboration. In addition, in 2020 we conducted a materiality assessment survey on a wide range of ESG issues, with investors participating in the survey.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

Our communities are part of our forests-related risk management process. Our local communities are an integral part of our businesses and we believe the sense of community and the opportunity to be part of what is important to our employees and our communities is essential for PotlatchDeltic. We are actively involved in our communities through supporting local initiatives, local government or state advisory boards and through charitable contributions. We encourage our employees to volunteer with representation on activities ranging from non-profit boards to volunteer firefighting. Most of our timberlands are available to the public for a wide variety of public uses. Our engagement with communities helps us to understand, prioritize, and manage our impacts as an organization and our opportunities towards systemic change. 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. Regular engagement 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, creating feedback on insights and trends, and nurturing trust and collaboration. In addition, in 2020 we conducted a materiality assessment survey on a wide range of ESG issues, with community leaders participating in the survey.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

Non-governmental organizations (NGOs) are part of our forests-related risk management process. We collaborate in broad coalitions on a range of policy issues, including climate change and the role of forests as part of the solution. We also participate in projects and initiatives such as water quality protection, wildlife conservation, and management for game animals. We fund and participate in educational forestry events and in activities with charitable organizations. We have also successfully worked with NGOs like The Conservation Fund for conservation outcomes for our rural real estate lands. Our engagement with NGOs helps us to understand, prioritize, and manage our impacts as an organization and our opportunities towards systemic change. 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. Regular engagement 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, creating feedback on insights and trends, and nurturing trust and collaboration. In addition, in 2020 we conducted a materiality assessment survey on a wide range of ESG issues, with NGOs participating in the survey.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

Other forest risk commodity users include other timberland owners and they are part of our forests-related risk management process. Our engagement with these peers is typically through industry associations or as other local timber owners. We are actively involved in national and state associations at board and committee levels. With our peers we address issues relevant to our industry and seek solutions. Associations are also focused on certification standards for timberlands and for wood products raw material sourcing as well as for grading and product quality certification issues related to wood products. Engagement helps us to understand, prioritize, and manage our impacts as an organization and our opportunities towards systemic change. 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. Regular engagement 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, creating feedback on insights and trends, and nurturing trust and collaboration. In addition, in 2020 we conducted a materiality assessment survey on a wide range of ESG issues, with industry associations participating in the survey.

Regulators

Relevance & inclusion

Relevant, always included

Please explain

Our discussions with regulators are part of our forests-related risk management process. Laws, regulations, and policies can impact forest management and wood products manufacturing and other business matters at the federal, state, and local level. We consult with federal, state, and local representatives to provide information either directly or through industry associations. In addition, we evaluate the potential impact of proposed laws, regulations, and policies and discuss their impact or alternatives with federal, state, or local representatives. This is an important part of our forests-related risk management. Engagement helps us to understand, prioritize, and manage our impacts as an organization and our opportunities towards systemic change. 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. Regular engagement 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, creating feedback on insights and trends, and nurturing trust and collaboration.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

Our interaction with suppliers/contractors is part of our forests-related risk management process. We rely on contractors for harvesting and for the hauling of timber to our wood products facilities or to other external buyers. The direct knowledge in the field of these contractors provides important information for our assessment of risks. In addition, the contractors are an integral part of our forest best management practices and sustainability efforts. We also rely on contractors for tree planting and silviculture. Our wood products facilities use third-party suppliers for a portion of their log requirements. The discussions with these third-party suppliers provide important information. Our suppliers and contractors are required to abide by our Supplier Code of Conduct, which includes Human Rights, and our Forest Stewardship Policy. Engagement helps us to understand, prioritize, and manage our impacts as an organization and our opportunities towards systemic change. 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. Regular engagement 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, creating feedback on insights and trends, and nurturing trust and collaboration. In addition, in 2020 we conducted a materiality assessment survey on a wide range of ESG issues, with several suppliers participating in the survey.

Other stakeholders, please specify

Relevance & inclusion

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

Our annual risk assessment process includes evaluating the attributes of likelihood, impact and velocity of identified risks to determine an inherent risk score and the mitigating control strength of these risks to determine a residual risk ranking of the identified risks. These risks include financial, operational and strategic risks. This analysis is developed and evaluated by the Risk Management Committee comprised of members of senior leadership and chaired by the Chief Financial Officer. The Chair periodically reviews the substantive risks and the steps being taken to mitigate and monitor those risks with the Audit Committee of the Board of Directors.

For Enterprise Risk Management purposes Business Segment level impact scales are as follows (score / impact description / impact \$ amount):

- 5 / Catastrophic / over \$350 million
- 4 / Major / between \$75 million - \$350 million
- 3 / Moderate / between \$15 million - \$75 million
- 2 / Minor / between \$1.5 million - \$15 million
- 1 / negligible / under \$1.5 million

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation
Supply chain

Primary risk driver

Rising mean temperatures

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Scientific research supports that emissions of greenhouse gases continue to alter the composition of the global atmosphere in ways that are affecting and are expected to continue affecting the global temperatures and climate. Rising temperatures and increased CO2 levels create both risks and opportunities to our timberlands. Increased temperature and CO2 can lead to higher forest productivity in some regions, whereas in other regions the impacts may be limited. Rising temperatures or drought in some regions could impact operating conditions in our timberlands for our employees or contractors, impacting harvesting. In some regions, changing weather patterns and climatic conditions from rising temperatures could add to the unpredictability and frequency of natural disasters, such as hurricanes, earthquakes, hailstorms, wildfires, snow, ice storms, the spread of disease, and insect infestations. Changes in precipitation resulting in droughts could make wildfires more frequent or more severe and could adversely affect productivity of our forests. Any of these natural disasters could affect our timberlands, timber growth rates, productivity of our timberlands, our harvest operations, wood products manufacturing, or cause variations in the cost of raw materials.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Our revenues and cash flows are primarily from our timberland and wood products businesses. The ability to access our timberlands is critical to sustainably manage our forests, conduct annual harvest plans, and complete silviculture and planting work. Disruptions in access, inclement weather, or insects and disease could impact our financial performance. Mitigating the potential risk of rising mean temperatures is incorporated into the sustainable management planning and work we do in our forests, including best management practices and third-party certification of SFI and FSC. These risks are embedded into our environmental management system, business unit reporting frameworks, and the executive management ERM process.

Primary response to risk

Implementation of environmental best practices in direct operations

Description of response

We utilize native tree species and tree genetics that are the result of tree breeding and testing programs that select trees with the best ability to survive, grow and resist disease. Our silviculture practices including species and genetic selection, genetic deployment, planting density, competition and invasive species control, and maintenance of optimal tree density and spacing throughout the growth cycle improve resiliency and reduce climate risk. Our sustainable harvest planning and scheduling utilizes forest inventory data that are continually updated and growth models that are frequently calibrated to the growth and mortality on our timberlands that may change and evolve in response to slowly changing temperature, precipitation patterns and CO2 levels. Our environmental best practices are part of our EMS and have been embedded in a continuous improvement cycle that includes site specific prescriptions, inspections during implementation, summarization of implementation and effectiveness, identification of trends and opportunities for improvement, adjustments to best practices, training and redeployment. In addition, we have initiated a climate scenario risk and opportunity analysis and are evaluating the potential impacts of climate change including rising mean temperatures, changing precipitation patterns and increased CO2 levels for each of our geographic regions including potential mitigation strategies.

Cost of response

0

Explanation of cost of response

We mitigate the substantive financial or strategic risk of climate change, including rising mean temperatures through our timberland management and operational policies and practices described in the primary response section. These functions described have been built into our business. As we identify additional physical and transitional risks during climate scenario analysis we will build additional functionality into our business processes.

Forest risk commodity

Timber products

Type of risk

Physical

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Forest fires

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Changing weather patterns and over-mature, decadent timber that is not actively managed on federal forests have increased wildfire risk in the Pacific Northwest. Fires can start due to lightning strikes or from human impacts but are more likely to be minimized on working forests due to active monitoring and forest management that reduces fuel loads. However, some of our timberland ownership in Idaho is adjacent or checkerboard to federal forests, increasing the risk of the spread of wildfire to our timberlands. Fires could burn growing or mature timber and impact future harvest levels. Our U.S. South timberlands do not face fire as a substantive financial risk due to ownership patterns, ease of access and wetter conditions with higher humidity.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

We assume substantially all risk of loss to the standing timber we own from fire and other hazards because insuring for such losses is not practicable. General liability insurance is maintained where practical. Consequently, a reduction in our timber inventory from such events could adversely affect our financial results and cash flows. Disruptions in harvesting activity can also impact log deliveries to our wood products facilities and to our customers. These risks are embedded into our environmental management system, business unit reporting frameworks, and the executive management ERM process.

Primary response to risk

Implementation of environmental best practices in direct operations

Description of response

Practices to help mitigate fire risk on our Idaho timberlands include participating in fire protection districts with state, federal and timberland owners where participants contribute assets and resources to fight fires regardless of the location of the fire. During periods of high fire danger, we may prohibit campfires, close access, or adjust harvest schedules to late evening/early mornings and post individuals on site following logging activities to monitor for potential fire outbreaks. From May to October, our agreements with both logging and silviculture contractors require them to have specific firefighting resources on site. Additionally, remaining slash is reduced to minimize fire risk through either mechanical piling or prescribed burning. Our Southern timberlands are less susceptible to fires. In addition, our 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. These practices not only help ensure our timberlands are available for future harvest, but also reduce potential environmental impacts that often come from timberland fires. In addition, we will be undertaking a climate scenario risk and opportunity analysis which will evaluate the risks of forest fires in each of our regions under various climate change scenarios and potential mitigation strategies.

Cost of response

0

Explanation of cost of response

We mitigate the substantive financial or strategic risk of fire through our timberland management and operational policies and practices. Our commitment to using best management practices and our third-part certification through SFI or FSC includes integrating forest management practices that reduce fire risk.

Forest risk commodity

Timber products

Type of risk

Regulatory

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Regulatory uncertainty

Primary potential impact

Increased operating costs

Company-specific description

Our timberlands are subject to a wide range of legislation, regulations and requirements at the national, state and local levels. We manage our timberlands with these requirements through robust environmental management systems and forest management planning. Enactment of new environmental laws or regulations, or changes in existing laws or regulations, could have a direct impact on our operations. Changes in regulations relating to air, wildlife, and water quality can impact timberland management and increase harvesting restrictions. Legislation or policy surrounding climate change could impact timber or wood products demand or the use of wood residuals.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Our revenues and cash flows are primarily from our timberland and wood products businesses. The ability to continue to harvest from our timberlands on a sustainable basis is critical to our planning, businesses and financial results. Changes to policy or regulations can disrupt markets, impact investments, and alter the volume of harvest from our timberlands for internal use at our wood products facilities and to external customers. Disruptions to the supply of logs to our wood product facilities can impact revenues and margins. New regulations or their enforcement may require significant expenditures by us or may also adversely affect our timberland management, harvesting activities and manufacturing operations. These risks are embedded into our environmental management system, business unit reporting frameworks, and the executive management ERM process.

Primary response to risk

Other, please specify (Participation in regulatory and political process and work through coalitions)

Description of response

We engage in the political process through public policy and legislative advocacy on issues that have the potential to impact us. We interact with national, state, and local elected officials through meetings and participating in coalitions. Our involvement can range from writing letters in support or opposition to legislation, meeting with legislators and their staff on an issue, or rulemaking regarding proposed regulatory changes. 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. Federal contributions are managed through the PotlatchDeltic political action committee (PAC), which is compliant with all applicable laws and is regulated by the Federal Election Commission (FEC). Contributions from the PAC are publicly disclosed in the FEC Campaign Finance database. During the 2019-2020 cycle, PotlatchDeltic PAC contributed \$92,830 to 23 U.S. House and U.S. Senate representatives and candidates of both major political parties.

Cost of response

0

Explanation of cost of response

We mitigate the potential risk of new or changing regulations through our robust timberland management and environmental management system. In addition, we have ongoing contact with regulators and policy makers either directly or through our industry associations that includes discussions on the potential impacts of proposed rules or changes. Senior management review potential regulatory risks on a regular basis.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Other reputational and market driver, please specify (Cyclicality)

Primary potential impact

Change in revenue mix and sources

Company-specific description

The financial performance of our operations is affected by the cyclical nature of our business. A variety of factors affect prices and demand for timber, including factors such as changes in economic conditions, the level of domestic new construction and remodeling activity, foreign demand, interest rates, credit availability, population growth, weather conditions and pest infestation, as well as changes in timber supply and other factors. All of these factors can vary by region, timber type (sawlogs or pulpwood logs) and species. On a local level, supplies can fluctuate depending upon factors such as changes in weather conditions and harvest strategies of local timberland owners, as well as occasionally high timber salvage efforts due to events such as unusual pest infestations or fires. We may be susceptible to adverse economic and other developments in the regions where we own timberlands, including industry slowdowns, mill closures and curtailments, business layoffs or downsizing, relocations of businesses, changes in demographics, increases in real estate and other taxes and increased regulation, any of which could have a material adverse effect on us. As the demand for paper nationwide continues to decline, closures and curtailment of pulp mills have adversely affected the demand and pricing for pulpwood and wood chips in certain of the regions in which we operate.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Medium

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Our operating results and cash flows will be materially affected by the cyclical supply and demand for timber. In addition, significant structural changes in market demand, or prolonged oversupply of timber in an area can impact timberland values.

Primary response to risk

Other, please specify (Market monitoring and customer engagement)

Description of response

We mitigate the potential risk of market volatility and impacts through comprehensive monitoring of local conditions and regional and national market trends. In addition, we have ongoing engagement with our customers to understand local market conditions and continually evaluate new market opportunities. We utilize internal and external specialists in forecasting broader trends.

Cost of response

0

Explanation of cost of response

These risks are embedded into our operations, business unit reporting frameworks, and the executive management ERM process.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation
Supply chain

Primary forests-related opportunity

Expansion into new markets

Company-specific description & strategy to realize opportunity

Voluntary and regulatory GHG reductions are driving the demand for forest-based carbon offsets. Forest landowners receive payment for increasing carbon storage on their forest lands and/or credit for wood that is manufactured into long-lived forest products. Climate change and specifically higher atmospheric CO2 levels are resulting in higher growth rates on timberlands in the U.S. gulf south. Increased growth from climate change and improved tree genetics paired with improved cultural practices shortens the time required to produce timber that can be manufactured into long-lived forest products. This enables more wood products manufacturing and the ability to utilize forests to provide a natural climate solution in the form of offsets. The combination could increase revenues and cash flows from the timber business.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Higher growth rates could increase available sustainable annual harvests and increase revenue and cash flow streams. Increased harvests could provide opportunities for mill modernizations or additional capacity which if completed could increase revenues and cash flows. The development of carbon offsets at attractive pricing levels could create additional revenue and cash flow streams.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation
Supply chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description & strategy to realize opportunity

The carbon storage benefits of wood products are well proven and consumer preferences for high carbon storage, low embodied GHG emissions, and renewable building and packaging products as well as demand for biogenic energy production and liquid fuels derived from woody biomass are all likely to increase the use of wood. When

these materials are produced from sustainably managed timberlands their use has the additional benefit of providing the co-benefits of biodiversity conservation, and water quality protection. Consumer preferences for building with wood, and utilization of mass timber to substitute for alternative building materials with higher embodied carbon emissions are already taking place. Increased wood demand creates opportunities for capacity expansion and could result in increased revenues and cash flow.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Increased market demand for wood could create opportunities for additional wood products manufacturing capacity and additional revenue and cash flow streams.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Other, please specify (Board Chair and Board Members)	Because our business is primarily focused on timberlands and wood products, the structure of the Board leadership aligns with responsibility for forest-related issues. Our full Board, which is comprised of nine members, makes decisions focused on the sustainable management of our forests and the responsible procurement of timber to make wood products. The Board oversees the company's business, including the company's strategy, ESG matters, including our environmental management, social responsibility, health and safety, and corporate governance policies and practices, climate-related risks and opportunities, and other matters.
Board-level committee	Our full Board is responsible for and makes decisions focused on the sustainable management of our forests, the responsible procurement of timber to make wood products, and other forest-related issues. The Board has three committees. These committees and the full board advise our senior management team on the future direction of our company. The Nominating and Corporate Governance Committee is responsible for overseeing governance matters, including the function and operation of the Board. The Audit Committee is responsible for overseeing financial reporting, risk management, legal and regulatory compliance activities and other matters. The Executive Compensation and Personnel Policies Committee oversees our executive compensation program and assists the Board in its oversight of our policies and strategies relating to human capital management.
Other, please specify (Director, President and Chief Executive Officer (CEO))	The President and CEO has responsibility for forest-related issues. Our full Board, with input from the President and CEO, is responsible for the sustainable management of our forests, the responsible procurement of timber to make wood products, and other forest-related issues.

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Reviewing and guiding risk management policies Other, please specify (Overseeing governance matters and ESG reporting)	Our full Board is responsible for oversight of the Company’s business, which includes, among other matters, overseeing mergers and acquisitions with other timberland and wood products companies, major transactions (including significant dispositions of timberland) and plans of action, strategy and sustainable management of our forests, as well as the responsible procurement of timber to make wood products. The Board meets at least four times a year. Our Audit Committee, comprised of four independent directors, assists the Board in overseeing financial reporting, risk management, legal and regulatory compliance activities and other matters. The Committee meets at least four times a year for regular meetings and also holds special quarterly meetings to review the Company’s financial reports. Our Nominating and Corporate Governance Committee, comprised of three independent directors, is responsible for overseeing governance matters, including reviewing and recommending the corporate governance principles and related policies. The Committee meets regularly, at least four times a year. Once a year, the Board reviews and approves our annual ESG Report. The Vice President Public Affairs is responsible for ESG Reporting, and regularly presents ESG related issues to the Board for oversight, including forests related initiatives. The VP Public Affairs also provides a mid-cycle update each year on climate risks and opportunities.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Other C-Suite Officer, please specify (President and Chief Executive Officer)	Both assessing and managing forests-related risks and opportunities	Quarterly	The President and CEO has responsibility for forest-related issues and for managing Board agendas so that the Board is kept informed of forest-related issues. Our full Board is responsible for oversight of the sustainable management of our forests, the responsible procurement of timber to make wood products, and other forest-related issues. The Board meets at least four times a year.
Chief Financial Officer (CFO)	Both assessing and managing forests-related risks and opportunities	Quarterly	The VP and Chief Financial Officer provides quarterly updates to the Board on the performance of the Timberlands business segment. He also leads the risk management process and reports to the Audit Committee on risk assessment matters.
Other C-Suite Officer, please specify (Vice President Timberlands)	Both assessing and managing forests-related risks and opportunities	As important matters arise	The VP - Timberlands guides the management of our timberlands business segment and reports to the board through the CEO and CFO, with direct presentations as needed. We own or manage approximately 1.8 million acres of timberlands in the United States. Our timberlands are 100% certified to the SFI Forest Management standards and 70% of our timberlands in Arkansas are certified to the FSC Forest Management standards. We adhere to principles that include commitments to sustainable forestry, responsible practices, forest health and productivity and other matters.
Other C-Suite Officer, please specify (Vice President Public Affairs)	Both assessing and managing forests-related risks and opportunities	Half-yearly	The Vice President Public Affairs provides senior leadership on ESG reporting and reports regularly to the Board on ESG matters and initiatives.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	As a leading timberland REIT, our business is structured on responsible and sustainable management of our forests. Employment opportunities, pay, and benefits are dependent on our successful management of our forests.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Financial Officer (CFO) Other C-suite Officer	Achievement of commitments and targets	Our performance as a company depends on our ability to successfully manage forest-related issues. Our executives' pay is determined by our company's ability to meet specific business targets. In addition, factors for the assessment of individual performance for certain executives include (i) attaining zero violations of State Forest Practices Act standards (either voluntary or by statute) or Federal standards, including the Endangered Species Act, and/or (ii) maintaining our FSC® and SFI® certifications.
Non-monetary reward	Please select	Please select	

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Please select	We have a publicly available Forest Stewardship Policy which highlights our commitment to sustainably manage our timberlands and to responsible sourcing of wood fiber at our wood products facilities. The policy includes our commitment to responsible forest stewardship, enhancing water, wildlife, and resource values, sustainably harvesting forests through management and perpetual renewal, efficient utilization of resources, high ethical standards and open forthright relationships with all stakeholders, and practicing forest stewardship with a high degree of awareness of impacts on the public. The policy outlines that we will maintain an environmental management system (EMS) that supports our Timberland management and our Wood Products business' log procurement activities. The EMS is designed to promote conduct that meets or exceeds applicable federal, state, and local statutes and regulations for conservation of wildlife and biological diversity, and protection of water, fish and endangered species and prompt reforestation by planting or planned natural regeneration. In addition, the EMS guides activities to achieve and maintain third-party certification for all of our timberlands under either the Forest Stewardship Council or the Sustainable Forestry Initiative management standards, source our the log supply chain for our wood products facilities from responsible sources, promote reforestation and natural resource conservation, and achieve and maintain third party certification of our wood products log supply chain under the Sustainable Forestry Initiative Fiber Sourcing standard and where applicable FSC Chain of Custody standard. In addition, we have a publicly available Supplier Code of Conduct which outlines the principles and guidelines PotlatchDeltic expects its suppliers and their subcontractors to adhere to. The standards delineated include sustainability and utilizing best management practices in forestry including considerations to protect water quality and promote biodiversity, environmental compliance and resource efficiency. PotlatchDeltic acknowledges the importance of the United Nations' Sustainable Development Goals (UN SDGs). We support all of the UN SDGs, but two most align with our forest stewardship policies and initiatives. These include SDG 12: Responsible Consumption and Production, SDG 13: Climate Action and SDG 15: Life on Land.

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitments beyond regulatory compliance Recognition of the overall importance of forests and other natural ecosystems List of timebound commitments and targets Description of forests-related performance standards for direct operations Description of forests-related standards for procurement	We have a publicly available Forest Stewardship Policy which highlights our commitment to sustainably manage our timberlands and to responsible sourcing of wood fiber at our wood products facilities. The policy includes our commitment to responsible forest stewardship, enhancing water, wildlife, and resource values, sustainably harvesting forests through management and perpetual renewal, efficient utilization of resources, high ethical standards and open forthright relationships with all stakeholders, and practicing forest stewardship with a high degree of awareness of impacts on the public. The policy outlines that we will maintain an environmental management system (EMS) that supports our Timberland management and our Wood Products business' log procurement activities. The EMS is designed to promote conduct that meets or exceeds applicable federal, state, and local statutes and regulations for conservation of wildlife and biological diversity, and protection of water, fish and endangered species and prompt reforestation by planting or planned natural regeneration. In addition, the EMS guides activities to achieve and maintain third-party certification for all of our timberlands under either the Forest Stewardship Council or the Sustainable Forestry Initiative management standards, source our the log supply chain for our wood products facilities from responsible sources, promote reforestation and natural resource conservation, and achieve and maintain third party certification of our wood products log supply chain under the Sustainable Forestry Initiative Fiber Sourcing standard and where applicable FSC Chain of Custody standard. In addition, we have a publicly available Supplier Code of Conduct which outlines the principles and guidelines PotlatchDeltic expects its suppliers and their subcontractors to adhere to. The standards delineated include sustainability and utilizing best management practices in forestry including considerations to protect water quality and promote biodiversity, environmental compliance and resource efficiency. PotlatchDeltic acknowledges the importance of the United Nations' Sustainable Development Goals (UN SDGs). We support all of the UN SDGs, but two most align with our forest stewardship policies and initiatives. These include SDG 12: Responsible Consumption and Production, SDG 13: Climate Action and SDG 15: Life on Land.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify (100% certification to SFI Forest Management and SFI Fiber Sourcing Standard. FSC Certification on 70% of our Arkansas timberlands and FSC chain of Custody Certification at three of our wood products facilities.)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Please select

Criteria

- Zero net deforestation
- Avoidance of negative impacts on threatened and protected species and habitats
- No trade of CITES listed species
- No conversion of High Conservation Value areas
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2005

Commitment target date

2020

Please explain

PotlatchDeltic is committed to sustainable forest management and has a long legacy of excellence in forest management which is delineated in our Forest Stewardship Policy. This includes planning forest management on a sustainable basis using 50-year, 5-year and annual plans, reforesting harvested areas, protecting water quality and riparian zones, promoting biodiversity and wildlife habitat, conserving high conservation value areas, and protecting at-risk species. We commit to follow best forest management practices which provide guidelines or requirements on how to accomplish the objectives. PotlatchDeltic set a goal to certify 100% of its timberlands to SFI or FSC forest management standards by 2007. We met this goal in 2005 and have maintained certification on all ownership since achieving certification. We have certified newly acquired lands under one or both standards promptly following acquisition. Third-party certification of our forest management practices under SFI or FSC standards ensures we meet requirements. PotlatchDeltic is committed to producing wood products from responsibly sourced raw materials including logs from our own company lands, from other private industrial and family landowners, and public agencies. We commit that logs are sourced in a manner that protects the many other values the forests provide. Some of the logs we use come from land that is certified to either SFI, FSC, or ATFS standards. This includes our own ownership, other industrial landowners and family tree farms that have chosen to be certified, and state and county agency lands. Both SFI and FSC have systems in place to promote responsible procurement when purchasing fiber from non-certified lands. We use both SFI Fiber Sourcing and FSC Chain of Custody (CoC) programs to assure that the wood we purchase to make our products originates from responsible sources. We also set a goal to certify our entire Wood Products supply chain by 2018 and achieved SFI Fiber Sourcing certification for all locations in 2017 and continue to maintain it. SFI Fiber Sourcing is designed to ensure that wood purchased from uncertified lands is legally and responsibly sourced and requires measures to promote reforestation, protect water quality, promote conservation of biodiversity, utilize trained logging professionals and foresters, and verify that the measures are effective. We FSC CoC certify our Wood Products locations that have a reliable source of FSC FM logs and a market for FSC certified mill residuals. Our Gwinn, Michigan, and Warren and Waldo, Arkansas, mills are also FSC CoC certified, which means we track the path 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 of 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 addition, we have a publicly available Supplier Code of Conduct which outlines the principles and guidelines PotlatchDeltic expects its suppliers and their subcontractors to adhere to. The principles delineated include sustainability and utilizing best management practices in forestry including considerations to protect water quality and promote biodiversity, environmental compliance and resource efficiency. Our Human Rights Policy includes specific commitments to human rights including a safe and healthy workplace, sustainability and environmental responsibility, communities, and stakeholder engagement.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	>30	The goal of our Timberlands segment is to maximize cash flow by selling logs to our wood product facilities and both delivered logs and stumpage sales to external customers, while managing our timberlands sustainably over the long term. On average, we harvest about 2.4% of our timberlands annually and replant 2.9 seedlings per tree harvested. Leveraging decades of management experience and working closely with scientific research organizations, we also manage our timberlands while considering how climate change could create potential risks and opportunities. We are a leader in forest stewardship and sustainability and our timberlands are working forests where we take appropriate measures to protect biological diversity, water quality, and other ecosystem values. We also recognize that some areas need to be conserved and species at risk need to be protected on the lands that we manage. Our timberlands also provide unique environmental, cultural, historical and recreational value. We manage timberlands following regulatory requirements and with best management practices that protect water quality and biodiversity. We use a comprehensive timberland environmental management system that focuses on continual improvement with rigorous third-party auditing and certification of our practices under SFI or FSC forest management standards. The Timberlands segment sells a portion of its logs at market prices to our wood products facilities. Our Wood Products segment manufactures and sells Lumber, plywood and residual wood products. Our wood products strategy includes efficient and productive wood products facilities and we continually invest in maintenance and discretionary capital projects at our wood products facilities to increase productivity, enhance employee safety, comply with regulatory standards, or improve log utilization. Our procurement foresters purchase wood fiber for our facilities from our timberlands or from private, state, and federal sources and focus on providing the wood products facilities with a sustainable and competitive timber supply. We use both SFI Fiber Sourcing and FSC Chain of Custody (CoC) programs to assure our customers and stakeholders that the wood we purchase to make our products originates from responsible sources.
Strategy for long-term objectives	Yes, forests-related issues are integrated	>30	Timberlands are managed sustainably over the long-term using harvest schedule models (50 years) which use timber inventory data and optimize long-term harvesting and forest management operations and project sustainable harvest volumes. They incorporate forest management activities such as site preparation, planting, thinning, and harvest and add harvest restrictions such as streamside management zones. Foresters prepare five-year tactical plans for silviculture work and harvest which are moved into annual operating plans with site-specific prescriptions. Harvest operations are conducted in accordance with 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 verify that environmental protections are implemented and specific prescriptions for the tract being harvested are followed. During planting season in late fall or spring, contractors plant seedlings on tracts that were harvested 12 - 18 months earlier. Foresters monitor the growth of the timber stands by conducting physical stand exams, as well as using modern tools such as drones, satellite imagery and GIS technology. New inventory data are 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. In the South stands are ready for final harvest at around 25 - 28 years of age, while in Idaho stands are harvested at about 45 - 65 years of age. After harvest, the forest management growth cycle begins anew. Forest management practices are inspected, audited internally and third-party audited under SFI through an annual surveillance audit and recertification audit every five years. FSC surveillance audits are conducted annually with a full re-certification every five years. Procurement foresters implement procedures to ensure logs used in wood products facilities are responsibly sourced and meet chain of custody certification requirements where applicable. Our timberlands and wood products businesses require the integration of forests-related issues in all we do over time horizons that account for the life cycle of forests.
Financial planning	Yes, forests-related issues are integrated	>30	Forest-related issues are fully integrated into our financial planning. We own high-quality timberlands under a tax-efficient REIT structure, representing over 80% of our gross asset value. Our business depends on the sustainable management of our timberland over the long term using best management practices designed to optimize the balance among timber growth, prudent environmental management and current cash flow, in order to achieve increasing levels of sustainable yield over the long-term. The stability of our timberlands supports a sustainable and growing dividend. Our wood products facilities rely on timber from our timberlands in our integrated timberlands and wood products operating model. Internal log sales to our mills comprised 37% of our Timberlands segment revenues in 2020. This represented 51% of our wood products facilities' costs. This strategy enables us to maximize the value of our assets, and, because we are a net log buyer in the South, our integrated model provides a natural hedge against southern sawlog prices that remain below long-term levels. Our timberlands and wood products businesses require the integration of forests-related issues in all we do over time horizons that account for the life cycle of forests.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

Maintain 100% of timberlands and procurement operations under SFI third-party forest management and fiber sourcing certification for 1.8 million acres of timberlands owned and managed.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

SFI Forest Management standard

SFI Fiber Sourcing certification

Start year

2005

Target year

2020

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

PotlatchDeltic set a goal to certify 100% of its timberlands to SFI forest management standards by 2007. We met this goal in 2005 and have maintained certification on all ownership since achieving certification, including 2020. We have certified newly acquired lands under the standard promptly following acquisition. Third-party certification of our forest management practices under SFI standards ensures we meet requirements. PotlatchDeltic is committed to producing wood products from responsibly sourced raw materials including logs from our own company lands, from other private industrial and family landowners, and public agencies. We commit that logs are sourced in a manner that protects the other values the forests provide. Some of the logs we use come from land that is certified to either SFI, FSC, or ATFS standards. This includes our own ownership, other industrial landowners and family tree farms that have chosen to be certified, and state and county agency lands. Both SFI and FSC have systems in place designed to responsible procurement when purchasing fiber from non-certified lands. We use SFI Fiber Sourcing programs to assure that the wood we purchase to make our products originates from responsible sources. We also set a goal to certify our entire Wood Products supply chain by 2018 and achieved SFI Fiber Sourcing certification for all locations in 2017 and continue to maintain it. SFI Fiber Sourcing is designed to ensure that wood purchased from uncertified lands is legally and responsibly sourced and requires measures to promote reforestation, protect water quality, promote conservation of biodiversity, utilize trained logging professionals and foresters, and verify that the measures are effective.

Target reference number

Target 2

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

Maintain 100% of timberlands and procurement operations under FSC third-party forest management for 665,000 acres of timberlands owned and managed.

Linked commitment

Please select

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Forest Management certification

Start year

2005

Target year

2020

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

PotlatchDeltic set a goal to certify 100% of timberlands in our Warren and Waldo operating units in Arkansas to FSC forest management standards by 2007. We met this goal in 2005 and have maintained certification on this ownership since achieving certification, including 2020. We have certified newly acquired lands in these operating units under the standard promptly following acquisition. Third-party certification of our forest management practices under FSC standards ensures we meet requirements.

Target reference number

Target 3

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

Maintain 100% of FSC chain of custody and controlled wood third-party certification for Gwinn, Warren, and Waldo mills.

Linked commitment

Please select

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Chain of Custody
FSC Controlled Wood

Start year

2005

Target year

2020

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

PotlatchDeltic is committed to producing wood products from responsibly sourced raw materials including logs from our own company lands, from other private industrial and family landowners, and public agencies. We commit that logs are sourced in a manner that protects the other values the forests provide. Some of the logs we use come from land that is certified to either SFI, FSC, or ATFS standards. This includes our own ownership, other industrial landowners and family tree farms that have chosen to be certified, and state and county agency lands. Both SFI and FSC have systems in place designed to responsible procurement when purchasing fiber from non-certified lands. We use FSC Chain of Custody (CoC) programs to assure that the wood we purchase to make our products originates from responsible sources. We FSC CoC certify our Wood Products locations that have a reliable source of FSC FM logs and a market for FSC certified mill residuals. Our Gwinn, Michigan, and Warren and Waldo, Arkansas, mills are also FSC CoC certified. We track the path from the forest through the supply 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. We set a goal to certify our Gwinn, Waldo, and Warren mills' supply chain by 2018 and achieved FSC Chain of Custody and Controlled Wood certification for these locations in 2017 and continue to maintain it.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	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. 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, implementation and results are evaluated in internal audits and via third party audits and we have not identified any issues with illegal sourcing. In addition, we have policies and procedures to comply with all applicable laws and to extend the legal compliance throughout our supply chain. Our procedures for ensuring legal compliance are internally audited and audited by a third party and we have 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.	Facility	We have two concentration yards in the lake states where we buy logs from loggers and wood buyers and where we track origin to country and state. For log yard purchases we apply our illegal logging and legal compliance risk evaluation procedures (described in response to traceability above) and the source sites are subject to internal and external audit. We have not identified any material issues with legality and our audit selection procedures are weighted to test for legality risks from uncertified sources.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Forest management unit	100
Timber products	Mill	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	100
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

SFI Forest Management standard

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

100

Form of commodity

Hardwood logs

Softwood logs

Volume of production/ consumption certified

5443000

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

100% of 2020 timber production volumes is certified to SFI Forest Management standards. 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 in the near future, climate change. SFI oversees the standards for certification of more than 360 million acres of timberland in North America and 63 million acres in the United States. SFI forest certification is based on 15 objectives, 37 performance measures, and 101 indicators that are centered around promoting sustainable forest management practices. These include forest management planning, prompt reforestation, protection of water quality, wildlife habitat management, recreational opportunities, protection of species at risk, forest research, forest education, and community outreach. To meet certification standards, our forest management practices are reviewed through an annual surveillance audit and full recertification audits every five years. In 2020, SFI Forest Management surveillance audits occurred in Arkansas and Idaho and resulted in successful recertification.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Forest Management certification

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

42

Form of commodity

Hardwood logs

Softwood logs

Volume of production/ consumption certified

2286100

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

42% of 2020 timber production volumes are certified to FSC Forest Management standards. FSC sets standards for responsible forest management on more than 550

million acres in 78 countries worldwide. Over 35 million acres are FSC certified in the United States. FSC's mission is to promote environmentally sound, socially beneficial and economically prosperous management of the world's forests. FSC certification 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. 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.

Forest risk commodity

Timber products

Third-party certification scheme

SFI Fiber Sourcing certification

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

100

Form of commodity

Softwood logs

Volume of production/ consumption certified

4082300

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

100% of 2020 timber consumption at our wood products facilities was SFI Fiber Sourcing certified. All seven of our wood products 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 to landowners on such practices as forestry best management practices for water quality, wildlife and biodiversity, use of professional logging contractors and avoiding controversial sources such as illegal logging. Specifically, the SFI Fiber Sourcing Standard has 14 Principles, 13 Objectives, 21 Performance Measures and 55 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.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Chain of Custody

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

17

Form of commodity

Softwood logs

Volume of production/ consumption certified

696799

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

17% of 2020 timber consumption at all of our wood products facilities was FSC Chain of Custody certified. Our Gwinn, Michigan, and Warren and Waldo, Arkansas, wood products are FSC CoC certified, which 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. 100% of the 2020 timber consumption at these wood products facilities was FSC Chain of Custody certified.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Controlled Wood

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

37

Form of commodity

Softwood logs

Volume of production/ consumption certified

1496701

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

37% of 2020 timber consumption at all of our wood products facilities was FSC Controlled Wood certified. Our Gwinn, Michigan, and Warren and Waldo, Arkansas, wood products are FSC Controlled Wood certified. FSC certification requires that wood that is procured from land not FSC-certified falls under the FSC Controlled Wood standard. The Controlled Wood standard in turn requires that the non-certified wood we purchase does not come from undesirable sources. FSC considers all of 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.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Direct operations

Supply chain

Description of control systems

We conduct a due diligence procedure to reduce the risk of sourcing from converted lands. The due diligence system is subject to annual internal and external auditing. In addition, trained loggers are utilized and contract requirements with suppliers are in place to not deliver wood from conversion sites. In addition, contractors are required to maintain BMP compliance and promote and provide education and outreach to landowners for reforestation, wildlife, water and fish conservation, maintenance of site productivity, control of invasive species, protection of special sites and forests with exceptional conservation value, and reduction of wildfire risk.

Monitoring and verification approach

Ground-based monitoring system

First-party verification

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Please explain

Suppliers that are found not to comply with the procedures are provided information on non-compliances and then re-evaluated for compliance in subsequent audits. If compliance is not adequate, they are no longer allowed to be a supplier of ours.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Yes, working with smallholders	Supply chain mapping Capacity building	Supplier audits Disseminating technical materials	184	Our Procurement foresters and contractors work directly with small landowners and we are active supporters of SFI State Implementation Committees that emphasize and work collaboratively to provide resources to landowners. Our work with SFI State Implementation Committees includes developing and disseminating educational materials to help landowners successfully reforest, protect water quality and conserve wildlife habitat. The committees also fund logger training and ensure that continuing education is relevant and available to contractors. Our procurement foresters direct work with landowners includes purchase of timber, execution of harvests, Best Management Practice use, and assistance with reforestation.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier audits Offering on-site training and technical assistance	100%	We actively work with suppliers to provide training and support for environmental and safety and require that direct suppliers be trained under the SFI Fiber sourcing training programs in each state where they operate. We also require that contractors maintain the continuing education requirements that each SFI State Implementation Committee requires for maintaining Pro Logger training. For contractors that work on our Timberlands we hold annual internal environmental management system training and track participation. Our training focuses on helping contractors understand all applicable environmental requirements. We maintain an open dialogue with contractors, respond to questions and provide detailed information on questions of compliance and improving implementation and effectiveness of best management practices. 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 are skilled in merchandising, which requires separating logs for different markets based on species, quality, and size.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier audits Offering on-site training and technical assistance Disseminating technical materials	Our Supply Chain includes very few suppliers that are not tier one suppliers. Our SFI Fiber Sourcing procedures include procedures to avoid conversion sources including deforestation. All sourcing from uncertified lands is monitored for conversion/deforestation sources. We conduct a due diligence procedure to reduce the risk of sourcing from converted/deforested lands. The due diligence system is subject to annual internal and external auditing. In addition, trained loggers are utilized and contract requirements with suppliers are in place to not deliver wood from conversion/deforestation sites.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Forest Stewardship Council (FSC)
Sustainable Forestry Initiative (SFI)

Jurisdictional approaches

<Not Applicable>

Please explain

PotlatchDeltic works within several national and state forestry and wood products industry associations. The topics we have been engaged in vary from state issues to broader national matters. Our forestry focused initiative involvement includes membership and active involvement in all the state forestry association in the states where we operate. Our state involvement supports sustainable forestry practices, programs, and policies for landowners and forest business owners. Key national organizations we are members of and actively participate in include: the Forest Stewardship Council (FSC), where we serve on the board and committees; National Alliance of Forest Owners (NAFO) a National advocacy organization committed to advancing federal policies that ensure our working forests provide clean air, clean water, wildlife habitat and jobs through sustainable practices and strong markets, where we serve on the board and committees; Sustainable Forestry Initiative (SFI), where we serve on committees.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with policymakers or governments

Initiatives

<Not Applicable>

Jurisdictional approaches

<Not Applicable>

Please explain

PotlatchDeltic works within several national and state forestry and wood products industry associations. The topics we have been engaged in vary from state issues to broader national matters. Our forestry focused initiative involvement includes membership and active involvement in all the state forestry association in the states where we operate. Our state involvement supports sustainable forestry practices, programs, and policies for landowners and forest business owners. Key national organizations we are members of and actively participate in include: the Forest Stewardship Council (FSC), where we serve on the board and committees; National Alliance of Forest Owners (NAFO) a National advocacy organization committed to advancing federal policies that ensure our working forests provide clean air, clean water, wildlife habitat and jobs through sustainable practices and strong markets, where we serve on the board and committees; Sustainable Forestry Initiative (SFI), where we serve on committees.

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.11a

(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Forest ecosystem restoration

Primary motivation

Voluntary

Description of project

We are actively restoring and managing a 6,459-hectare pine flatwoods site located in the West Gulf Coastal Plain physiographic province in southern Arkansas known as Moro Big Pine Wildlife Management Area and Natural Area (hereafter, Moro Big Pine). Moro Big Pine is managed by PotlatchDeltic in partnership with Arkansas Game and Fish, Arkansas Natural Heritage Commission, and the Nature Conservancy. The company holds title to the land and the conservation partners hold a perpetual conservation easement focused on restoring and maintaining a fire-maintained pine ecosystem with intervening natural hardwoods occupying the riparian forest along streams and rivers. The easement also provides for public access and the area receives use for hunting, hiking and observation of nature. Moro Big Pine also supports a growing population of federally-listed endangered red-cockaded woodpeckers that is managed according to a Habitat Conservation Plan approved by the US Fish and Wildlife Service. Forest management on Moro Big Pine is focused on restoring and managing the natural stands of loblolly and shortleaf pine native to the flatwoods site. Historically these stands had frequent fire that maintained pine-dominated sub climax conditions with open canopies and rich herbaceous ground cover with limited hardwood brush or mid-story. PotlatchDeltic has applied active management to restore natural fire regimes, thin overstocked stands and open the canopy. The company has reintroduced a cycle of frequent prescribed burning resulting in 54,000 acres of burning since 2003. Forest thinning and improvement harvests have covered 13,484 acres over the same period. The restoration of open, mature pine forests with lush herbaceous understory has largely been completed and ongoing management is targeted at maintaining these conditions over the long term. The red-cockaded woodpecker population has benefited from the forest management, habitat management and installation of cavity inserts that are used for nesting and roosting. Annual monitoring of the population reveals it has grown from 9 groups with 24 adults in 2003 to 31 groups with 70 adults in 2021. Over this period 153 cavity inserts were installed, and the population growth rate has been as high as any observed over the range of red-cockaded woodpeckers.

Start year

2006

Target year

Indefinitely

Project area to date (Hectares)

6459

Project area in the target year (Hectares)

6459

Country/Area

United States of America

Latitude

33.408

Longitude

-92.475

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity
Carbon sequestration
Financial

Please explain

Monitoring and reporting of measured outcomes by PotlatchDeltic and our contractors is completed annually and includes status and reproductive monitoring of red-cockaded woodpecker, habitat and natural area condition, summary of acreage prescribed burned, and harvest acreage, volume and conditions, and the amount of carbon sequestered and stored above baseline. The results for red-cockaded woodpecker have been excellent and are described in the previous section as are the amount of burning, restoration harvesting and habitat management. The Arkansas Game and Fish collects information on abundance of focal species including wild turkey, bobwhite quail and ground nesting songbirds. They also collect harvest data on white-tailed deer and wild turkey. Moro Big Pine is one of the most productive wildlife areas for public use and game harvest rates per acre. An annual meeting of the company, conservation easement holder partners, and local stakeholders is held annually. Updates on forest management completed, red-cockaded woodpecker monitoring, recreational use and game harvest are provided. A field tour is held in conjunction with the annual meeting and on-the-ground conditions are observed and discussed. Collaboration and discussion results in adjustments to management to achieve and maintain the easement goals. The Moro Big Pine Partnership has created a strong public-private conservation effort that is expanding to private lands in the vicinity of the area. Management of the area has been lauded by the conservation partners and recreational users and satisfaction with the easement conditions is high.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, we do not verify any forests-related information reported in our CDP disclosure, and there are no plans to do so

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Direct operations
Supply chain

Primary barrier/challenge type

Other, please specify (No significant challenges)

Comment

PotlatchDeltic does not face significant challenges in eliminating deforestation or conversion in our direct operations or in our value chain. We manage our forests sustainably using best management practices. Our wood products facilities procurement has full control over how we source logs and we commit that they are sourced in a manner that protects the many values the forests provide. We use both SFI fiber Sourcing and FSC Chain of Custody programs to assure that the wood we purchase to make our products originates from responsible sources. Risks associated with illegal logging do not pose challenges in the areas where we operate.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Direct operations
Supply chain

Main measure

Increased demand for certified products

Comment

PotlatchDeltic does not face significant challenges in eliminating deforestation or conversion. We certify 100% of our timberlands to SFI forest management standards and 70% of our Arkansas timberlands are certified to FSC forest management standards. We use both SFI fiber Sourcing and FSC Chain of Custody programs to assure that the logs we purchase at our wood products facilities originate from responsible sources. However, the broader industry could better manage deforestation and conversion risks through greater education and engagement with timberland owners to promote sustainable forest management. In addition, policymakers, NGOs and the overall public could increase their appreciation and understanding of the value of sustainable working forests in promoting water quality, wildlife habitat and reforestation. For example, there is a lack of awareness that forest volumes have actually increased since 1953 on a stable forestland acreage base. This remains a reputational challenge for the industry and for PotlatchDeltic. Increased demand for sustainably managed timber as part of the solution to climate change through carbon offset markets or through increased use of wood products in building would promote the benefits of sustainable forest management and certification.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Vice President Public Affairs	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms