



A Forest **STEWARDSHIP** Company

2023 Sustainability Report



A MESSAGE FROM DOUGLAS REED



Every day, our foresters, biologists and all our employees contribute in small yet significant ways toward a successful future for our company, the environment and the communities we serve.

Thank you for reviewing Green Diamond's 2023 Sustainability Report. As usual, I believe there's a lot of valuable information in the report, but it still doesn't encompass everything we do to ensure our business remains sustainable. Every day, our foresters, biologists and all our employees contribute in small yet significant ways toward a successful future for our company, the environment and the communities we serve. These small contributions are challenging to quantify, but their impact is evident in nearly 135 years of careful stewardship.

Some of our actions are measurable, such as achieving 10 years of Forest Stewardship Council® (FSC®) certification in California. FSC certification has not always been straightforward, but over the past decade, we've established a strong track record with independent auditors who now understand how seriously we take our stewardship responsibilities.

We are also making progress in carbon markets and have recently ventured into a new form of carbon sequestration: afforestation. Afforestation involves replanting forests where they haven't existed for a decade or more. In 2023, we initiated a small afforestation project in Mississippi, and we believe that with the right conditions, this type of project could expand significantly. While we still have many questions to answer before we scale up afforestation, it's an excellent example of our willingness to adapt our business model when economic and ecological incentives align. We believe the opportunities in this realm will continue to expand, even beyond carbon sequestration.

I am also pleased to highlight some of our community-focused sustainability efforts. We made significant Impact Fund gifts to Flathead Valley Community College and Klamath Community

College, focusing on training and workforce development. We cannot operate effectively in the future without knowledgeable employees to carry out our work.

I hope these examples demonstrate that Green Diamond truly "walks the walk" in sustainability. Whether it's planting trees that won't be harvested for two generations or initiating peer-reviewed science to help endangered seabird populations, Green Diamond is committed to long-term management. We know we need to earn the support of our communities, shareholders, co-investors and society to be successful. By showing you what we do and how we do it, we aim to continue earning that support.

Thank you once again,

A handwritten signature in black ink, appearing to read "D. Reed", written in a cursive style.

Douglas Reed
President

GDRC at-a-Glance and Materiality

Green Diamond is a sixth-generation, family-owned company that owns and manages working forests in nine states throughout the western and southern U.S.



Founded in 1890
as Simpson Logging Company



Operating in **9 states**, including five states in the Southeast managed through our investment in the Twin Creeks Timber (TCT) portfolio



Celebrating
6 generations
of family ownership



Bringing together **381 dedicated employees** with an average employee tenure of ~10 years



Managing **2.2 million acres** in accordance with the world's leading sustainable forest management standards



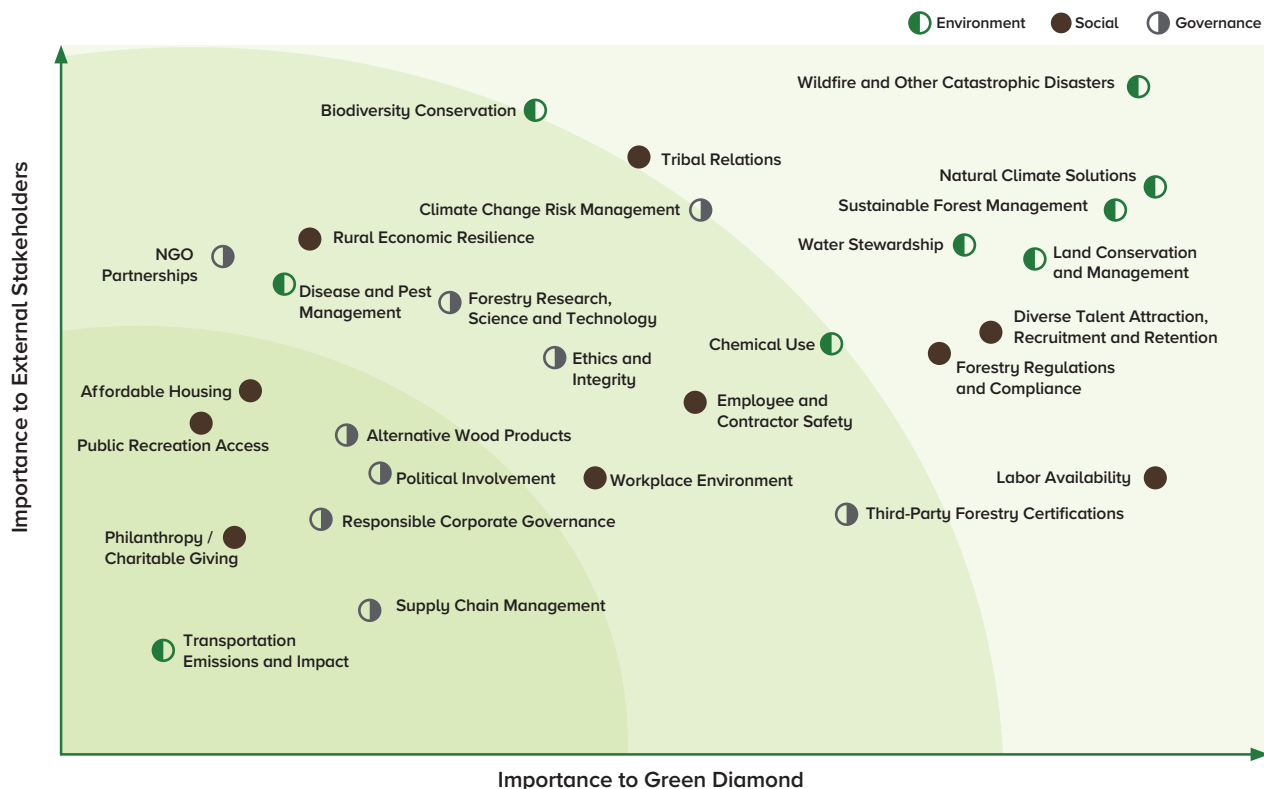
Living our **Core Values** of safety, integrity, stewardship, community and profitability each day

Our Guiding Principles

Think and act in the long term • Invest where we can add value • Be great in the woods

Our ESG Priorities

In 2022, Green Diamond completed an environmental, social and governance (ESG) materiality assessment to identify issues that are most important to our business and stakeholders. We engaged stakeholders through in-depth interviews and a quantitative survey process, the results of which helped us prioritize the following key ESG topics:



Sustainability Governance

We ensure the continuity of our business and position our future leaders for success through strong corporate governance.

Our current leadership team benefits from sustainability-focused investments made by those who came before them and strives to continue that tradition to support generations to come. Sustainability is built into our leaders' financial decision-making, shaping the company's long-term investments and forest stewardship approach. Our Sustainability Council oversees the execution of our sustainability program, using its insights to evaluate and advise our Resource Management Team, and provides an annual update to the Board of Directors.



HOW WE MANAGE SUSTAINABILITY

Board of Directors

- Consists of eight members—four family shareholders and four widely respected professionals—who sit on our Audit, Nominating and Governance, and Compensation committees.
- Responsible for providing guidance and oversight to our Resource Management Team.

Resource Management Team

- Consists of 10 members, including our President, Senior Vice President and eight Vice Presidents.
 - Responsible for leading our day-to-day business activities.

Sustainability Council

- Consists of the Director of Sustainability, a member from corporate and five divisional members, each representing a different geography.
- Responsible for identifying, understanding, monitoring and periodically updating the sustainability issues considered most material to our business and using these insights to advise the Resource Management Team.

Climate Change Opportunities and Risks

Foresters have long expected and worked with uncertainty in nature and changing markets. Today, the changing climate is another uncertainty that is increasing in both the ecological and sociopolitical realms. Each of our operating regions will likely experience a different set of climate-related impacts. We employ a proactive land management approach to gain an edge in adapting to these changes and contributing to long-term solutions.

In 2019, we worked with a third party to conduct a climate change risk and opportunity analysis for Green Diamond. The resulting 2020 report outlined ecological and sociopolitical climate change risks across five of our regions, as well as our management approaches and available mitigation resources.

In 2022, we updated the report to include new additions to our portfolio, including 92,000 acres in the Columbia River Gorge of Washington and Oregon and 291,000 acres in Northwestern Montana. By completing these assessments, we're ensuring our managers and subject matter experts have the scientific information needed to comply with evolving sustainable forest management practices.



Sustainable Forestry

When our working forests thrive, so do we.

While our forests are privately owned and managed, their benefits extend far beyond Green Diamond. They provide livelihoods for many rural communities, along with critical habitats to countless species of wildlife, fish and plants. To support forest biodiversity, we voluntarily engage in long-term conservation agreements. We strive to deliver positive conservation outcomes through management practices backed by decades of experience, informed by research and based in science.

Ecosystems exist without borders. The health of our diverse landscapes and waterways relies on cooperation with state and federal agencies, community members and tribes. We also open our forests to voluntary, third-party assessments. Today, 100% of the land we own and manage is certified by either the Sustainable Forestry Initiative® (SFI) or the Forest Stewardship Council® (FSC®). These standards shape our approach to providing essential forest products while helping us advance sustainability through best practices and collaboration.



The mark of responsible forestry



2023 Highlights



Proposed placing 47,097 acres of timberland along Montana's Thompson River under conservation easement in partnership with Montana Fish, Wildlife & Parks and The Trust for Public Land.



Partnered with the Burke Museum to identify evidence of centuries' worth of creatures residing in our Northwest Timberlands, including Gollieti, a fossilized worm tube named after a Green Diamond biologist.



Continued our multi-decade survey of Little River fish populations under our California Aquatic Habitat Conservation Plan and discovered an upward trend spanning three cohorts of Coho salmon, with observations of the federally endangered Eulachon for the fourth consecutive year.



Commemorated 10 years of certification under the FSC Forest Management Standard for the United States, welcoming the FSC-U.S. president and board members to our California Timberlands to recognize this milestone.



Sustainable Forestry by the Numbers

1.52M

acres managed under
conservation agreements

10

conservation agreements
in place in four states

61

species under
conservation agreements

8,930

miles of streams protected

Learn More

[Our approach to forest stewardship](#)

[Our SFI and FSC certifications](#)

[Our science-backed forest management practices](#)

[Our trailblazing conservation efforts and
research partnerships](#)

Protecting the Bats Roosting in Our California Forests

Green Diamond timberlands offer a unique opportunity for scientists and conservationists to better understand and protect the species that call them home. In California, this includes bats that have found an ideal habitat in historic mill housing in our working forests. Bat colonies of multiple species have roosted in these unoccupied buildings, giving biologists and conservationists an optimal chance to study and sample them up close.

In 2023, we partnered with the California Department of Fish and Wildlife (CDFW) to assess bats in our forests for White-nose Syndrome (WNS). WNS is a deadly disease that is caused by a fungal pathogen and thrives in dark, damp environments, leaving hibernating bats at greater risk. Biologists and genetic specialists collected samples from the bats, with no cases detected in 2022 and one in 2023. Its deadly nature and easy transmissibility make early detection of WNS critical. Green Diamond and CDFW will continue to conduct sampling for WNS annually, taking steps to protect bat roosts in the meantime.





Timberlands

Integrity, innovation and a long-term focus—these are the foundations of our business success.

The core of our business is timber production, which has sustained Green Diamond for 134 years. Customers count on us for high-quality, FSC- and SFI-certified wood, which they use to create everyday essentials and build carbon-smart infrastructure and homes.

Over the past eight years, we have tripled our land-management footprint, which today spans 2.2 million acres across 9 states. Likewise, we have continued to expand the scope of our business, which includes carbon offsets, recreational programs, chips and more. Owning and managing forested lands is a serious responsibility—

requiring foresight, vigilance, determination, patience and hard work. As a growing population requires more high-quality wood fiber products, we are proud to be part of the solution to meeting that need.

Each of our operating regions has a unique ecology and economy, and we empower our teams to take a customized management approach. Whether we're restoring the landscape after a wildfire or nurturing a healthy, productive stand of trees, we derive value from our timberlands by investing in their long-term health.

Our Operations by Region

California

Forest type: Coastal redwood forests and Douglas-fir.

Operations: FSC-certified conifer sawlog production from the Timberlands and FSC-certified chip production via our Humboldt Bay facility.

Other features: Home to our [Korbel Forest Nursery](#) and a Conservation planning team dedicated to the care of a variety of plant and animal species, including the northern spotted owl. We protect these species through an Aquatic Habitat Conservation Plan (HCP), a Forest HCP and a Safe Harbor Agreement for the Humboldt Marten.

Washington

Forest type: A mix of Douglas-fir, ponderosa pine and western hemlock, among other species.

Operations: Corporate headquarters in Seattle and SFI-certified timber production via our Northwest Timberlands and Columbia Basin divisions.

Other features: Most of our Washington lands are open to public access, including through our Recreational Access Permit Program. The region includes one of our largest HCPs, which protects 51 species, along with participation in a Candidate Conservation Agreement with Assurances (CCAA) for the Pacific fisher.

Montana

Forest type: A mix including Douglas-fir, larch, true firs, western redcedar, lodgepole and ponderosa pine.

Operations: SFI-certified timber production and carbon offset projects, including two verified Improved Forest Management (IFM) projects.

Other features: We've continued voluntary enrollment in Montana FWP's Block Management Program, which provides free public access for fishing and hunting. The region also features a Native Fish HCP and the Thompson-Fisher River Conservation Easement, which protects 142,000 acres from being subdivided and developed.



Oregon

Forest type: Douglas-fir, ponderosa and lodgepole pine, true firs and western larch.

Operations: SFI-certified timber production, with 634,000 acres being managed for large-scale carbon projects.

Other features: The region is home to the largest concentration of wintering Bald Eagles in the lower 48 states and is managed pursuant to a Pacific Fisher CCAA. The land sits at the headwaters of the Klamath River, where four dams are being removed with restoration occurring in coming years, opening over 400 miles of salmon-spawning habitat. Nearly all our Oregon land is open to the public, and our focus for the region is to improve fire resilience and long-term forest health.

Southeast

Forest type: A blend of cultivated pine and natural hardwoods.

Operations: SFI-certified timber production and chip production. As the property manager for TCT, we also have a forest carbon offset project underway in Alabama and in Mississippi.

Other features: Opportunities for hunting, camping and other activities through our Recreational Lease Program and compliance with state best practices and take-avoidance policies to protect threatened and endangered species. Approximately 5,630 acres under conservation easements in South Carolina.

2023 Highlights

Received grant from the Montana Department of Natural Resources and Conservation to bolster regional forest resiliency, lessen wildfire danger and protect the communities surrounding our Montana Timberlands.



Conducted electric vehicle (EV) pilot for our operations in California and Washington, evaluating the costs and considerations of integrating EVs into these regional fleets.

Continued partnership with the Arbor Day Foundation to restore forests burned in the 2021 Bootleg Fire, planting 2.9 million trees covering approximately 15,000 acres in Oregon.



Served as the only forest landowner on the Montana Forest Action Advisory Council, a governor-appointed group responsible for oversight of the state's forest health and management plan.



Participated in Placer County Resource Conservation District's Forestry and Natural Resources Career Mentorship Program to mentor California college students interested in a forestry career.



Celebrated with project partners and community members the official groundbreaking of the Humboldt Bay Trail South, a four-mile multi-use trail in California's North Coast that includes a one-mile easement across Green Diamond property.

Our Value Chain by the Numbers

32%

increase in land management footprint over the past 5 years

9

states with land open to public access and recreational programs

Learn More

[Our timberlands in each region](#)

[How we help our neighbors prevent and recover from wildfires](#)

33,527¹

acres reforested in 2023

12,233,102¹

seedlings replanted in 2023

Innovating for an Easier Grazing Solution

Green Diamond's 90,773-acre Columbia Basin Management Area (CBMA) gained a new partner in climate action and wildfire mitigation in 2023: cattle. CBMA leadership began working with local ranchers to allow cattle to graze on grasslands interspersed in forests along the Washington-Oregon border. This collaboration went beyond the borders of traditional grazing to test out a new solution, virtual fencing, which uses GPS-enabled collars to allow cattle to graze within a certain range. Without a physical fence, grazing is more accessible for ranchers and easier for Green Diamond to enable, eliminating the need to harvest trees or maintain equipment.

Increased grazing on our CBMA forestlands supports our forest resiliency strategy and climate ambitions. Grazing helps lessen dry grass that can serve as fuel for wildfires, reduces brush and improves soil's water retention. It's also a boost for local economies dependent on the health of our forests and the region's livestock.



¹These metrics were higher than usual for 2023 due to our recovery efforts in response to the Bootleg and Slater fires.



Natural Climate Solutions

In the fight against climate change, forests are a powerful ally.

As a company committed to long-term sustainability, we know our working forests have an essential role to play. These dynamic ecosystems have been sequestering carbon for millions of years. Today, they are among the most effective and reliable carbon sinks on the planet, absorbing carbon dioxide from the atmosphere and storing it in soil, trees and plants. In the U.S., private working forests provide 80% of our annual net carbon sequestration. And, these trees retain their carbon-storage capacity after harvest, with carbon accounting for about half of a wood product's dry weight.

We focus on reforestation and afforestation and have dedicated hundreds of thousands of acres of our timberlands to innovative carbon offset projects. Today, Green Diamond is one of the largest owner-operators of IFM projects, with projects in Oregon, Montana, California and Alabama, either in development or underway.

Our afforestation projects include a pilot underway to restore degraded pastureland in Mississippi, which could cover up to 20,000 acres. We're also exploring an afforestation project in Hawaii that could restore 10,000-20,000 acres of native tropical forest, helping boost local biodiversity and creating a new revenue stream for landowners.

2023 Highlights



Contributed to the Klamath River restoration project, the largest in history, at the California-Oregon border through providing trees to help revitalize the river's ecosystem and wildlife habitats.



We are accelerating the development of our Lost Trail IFM carbon project in Montana. This project will continue the work of other MT carbon projects in improving forest health and resiliency while generating approximately 40,000 mtCO₂e per year once complete.



Applied the National Council for Air and Stream Improvement's model for climate risk assessment to each of our business divisions to better understand and prepare for climate impacts.



Membership in the [California Forest Carbon Coalition](#).

Climate Solutions by the Numbers

750K

acres in carbon offset projects

5

states with carbon projects

21K

acres in carbon projects undergoing feasibility study

115,661,823

mt/CO₂e sequestered in 2023

Learn More

[Our carbon projects in each state](#)

[How we manage forests to enhance their potential to store and sequester carbon](#)

Standing Out in the Carbon Market

Green Diamond's commitment to forest stewardship is helping to distinguish our offerings in the natural carbon market. We develop Improved Forest Management (IFM) projects, which integrate with sustainable forest management practices and focus on increasing the carbon stock of a forest while supporting core timber business. With this approach, a carbon credit becomes an additional output we can generate from a forest in tandem with timber harvesting and production.

The credits we offer through our IFM projects are removal credits, which remove greenhouse gases from the atmosphere, rather than avoidance credits, which prevent additional carbon emissions from entering the atmosphere. This focus has helped us develop long-term, productive partnerships with buyers who want to see real impact through their purchases. For example, 2023 marked the third of a seven-year partnership with Microsoft on our Klamath West IFM project.

We have listed and are developing a voluntary forest carbon offset project in Mississippi with afforestation of degraded agricultural land as the primary focus. As a first step, we have acquired and planted a pilot site within this project. The project has already seen interest from major technology companies and others. As with all afforestation projects, credits take time to create and we expect first credits to be issued in 2027.





Employees

Everything we do for our environment, communities and customers comes down to the hard work of our Green Diamond employees.

From highly trained foresters to conservation scientists to business professionals and more, our operations bring together people with diverse backgrounds and decades of expertise. Our average employee tenure is approximately 10 years—a testament to the long-term dedication of our Green Diamond team. We’re a company grounded in our Core Values of safety, integrity, stewardship, community and profitability. In line with these values, we’re focused on building an inclusive workplace where every employee can excel.

We emphasize safe working behaviors, family-friendly policies, flexibility and comprehensive benefits to help our employees strike a balance between work and life. We also invest in a variety of opportunities for employees to expand their knowledge and skills. Wherever employees may be in their careers, we want them to have the tools and support to continue to contribute to our legacy of being great in the woods.

2023 Highlights

Administered our Annual Employee Survey to 326 nonunion employees and managers with a participation rate of 57%, with 95% of those surveyed saying they are satisfied with Green Diamond as a place to work.



Expanded our Wellness Reimbursement program for employees, increasing the annual reimbursement amount and broadening qualifying activities and expenses to include outdoor recreation passes, sports leagues and more.

Conducted social media and crisis communications training for public affairs colleagues to understand the best use of platforms and prepare for emergency communications.



Took first place in log loading competitions at the Sierra Cascade Logging Conference in Anderson, CA, and the Oregon Logging Conference in Eugene, OR, thanks to one California-based Green Diamond employee.

Celebrated California Timberlands’ Senior Geologist Jason Woodward for receiving the Association of Environmental & Engineering Geologists’ Publication Award—recognizing his research paper as the most outstanding article its journal published in 2023.





Reduced our recordable injury rate by 50% and our lost time rate by 12.5% from 2022.



Formed study group for Green Diamond team members preparing to become Registered Professional Foresters in California, with 50% passing their certification exam.



Contributed to industry and regional forestry leadership with team members helping to organize the Georgia Forest Association’s annual conference and others attending the Society of American Foresters National Convention; Bloom 23; Forester’s Forum; and Minorities in Agriculture, Natural Resources, and Related Sciences National Conference.

Our People by the Numbers

381

employees dedicated to being great in the woods

11%

of employees are racially and/or ethnically diverse

95%

employees say they are satisfied working for Green Diamond

23%

of employees are women²

² Race or gender of employees is self-designated.

Learn More

[Our workplace culture and development opportunities](#)

[Our internship programs](#)

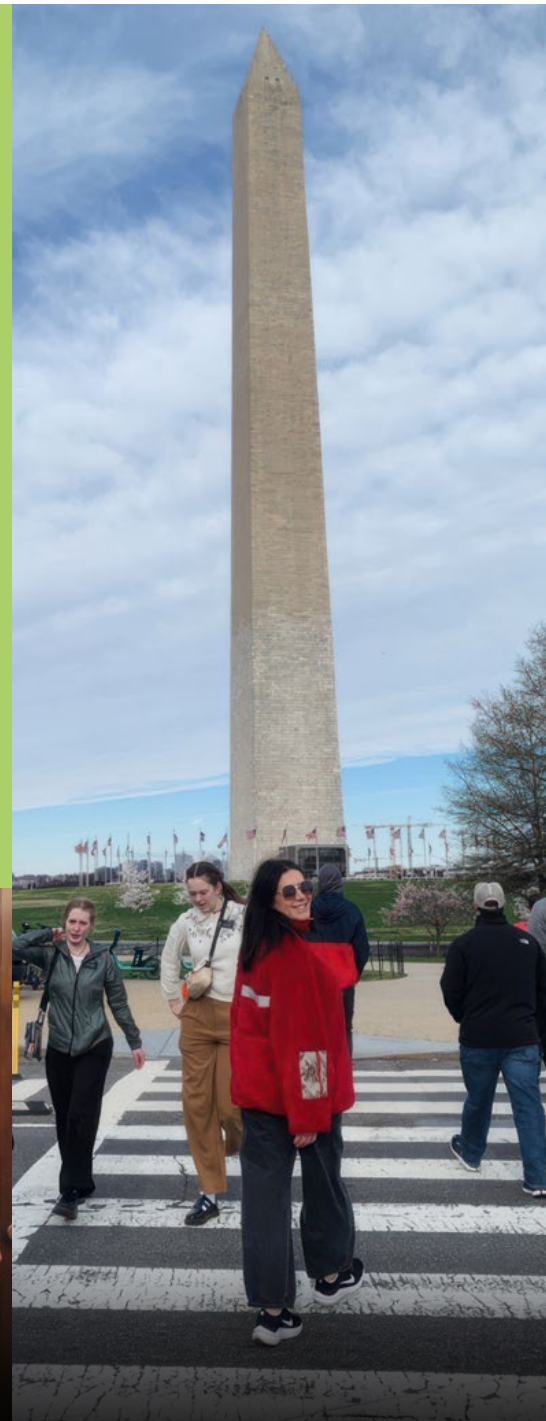
[Our comprehensive benefits programs and opportunities to join our team](#)

Cultivating Industry Leaders and Learners

Natalie Marshall, Public Affairs Coordinator, grew up in what she calls a “timber family.” She’s among the fourth generation on both sides of her family to work in the industry in some capacity and, after nearly six years at Green Diamond, is growing as a leader. Marshall is participating in the [AgForestry Leadership Program](#), a leadership development program for individuals working in agriculture, forestry and other natural resource-based businesses in Washington state. The program covers three modules focused on personal leadership, leadership in public policy, and leadership and systems thinking.

The 18-month program kicked off in October 2023, and, since completing the first two modules, Marshall has discovered new interests and skills that complement her role in public affairs and community relations. From completing media training and visiting news outlets to taking trips to the Washington State Capitol in Olympia and the U.S. Capitol in Washington, D.C., Marshall received a firsthand look into working in media and government relations—all while getting out of her comfort zone. In the current AgForestry cohort of 18 participants, Marshall is one of just three who work in forestry and the only professional with private forest industry experience. She has introduced her peers to her work, including a site visit to Green Diamond, and learned from their expertise as well.

For Marshall, AgForestry has been one of the most valuable aspects of her career growth. She also credits joining a local Toastmasters group, Dawn Talkers, with improving her communication and public speaking expertise. These programs have helped her not only build skills, but connections and a community she can turn to throughout her career.





Community

Working forests have a way of bringing people together

Working forests bolster local economies, create spaces for recreation, protect drinking water sources and provide avenues for our teams to get involved. In many locations, such as Shelton, Washington, the history of Green Diamond and the community are intertwined. We've shaped our legacies together and will continue to do so for decades to come.

Our operations take place in rural communities throughout the U.S., many of which rely on Green Diamond as a reputable business partner and provider of well-paid jobs. As a large-scale landowner and manager, we recognize there is a strong public interest in our business. Our Public Affairs team collaborates on key issues with various state and

industry organizations and has cultivated strong relationships with many local tribes.

We work with communities, tribes and other neighbors and stakeholders on partnerships aimed at species conservation, habitat restoration and wildfire resilience. We also invest in community well-being through student scholarships, the Simpson Family Fund and community grants. In 2023, we made it even easier for our employees to connect with causes they care about and support them by contributing their resources and time.

2023 Highlights



Completed tribal relations training with Seventh Sovereign, a leading legal consultancy, and tribal engagement training with Washington State Representative Debra Lekanoff, the only Native American woman currently serving in the state's House of Representatives.



Partnered with the Ponderosa Middle School Parent-Teacher Organization to plant 65 ponderosa pine trees in honor of the school's 65th anniversary, providing plastic sleeves and stakes for planting.



Awarded Mark E. Reed Scholarships of \$3,000 each to 29 individuals pursuing higher education in natural resources-related topics.



Sponsored the 2023 Intertribal Timber Council's Annual National Indian Timber Symposium, a gathering to facilitate dialogue between tribes, the Bureau of Indian Affairs, private industry, legislative bodies and academia on forestry management practices.



Donated new equipment trailer to California's North Coast Junior Lifeguards program, which helps nearly 400 kids each year learn ocean recreational safety and emergency skills like CPR.



Contributed \$50,000 to the Society of American Foresters Diversity Scholar Program, a mentoring and professional development initiative for students from underrepresented backgrounds studying forestry or related natural resource topics.

Supported Flathead Valley Community College in Kalispell, MT, with a \$50,000 Impact Fund gift to the College's Heavy Equipment Operators program to provide updated training technology and equipment.

Community Well-Being by the Numbers

\$529K

total contributed through Impact Fund in 2023

\$61K

in scholarships contributed to students

7

years of our Opportunity Internship and Scholarship program

\$37K

contributed through company-matched employee contributions

Learn More

[How we engage and give back to our local communities](#)

[How we empower local students through our scholarship programs](#)

[Our approach to stakeholder engagement](#)

3

student internship opportunities offered to students in California, Georgia, Oregon and Washington

Welcoming Teachers to Our Working Forest Classroom

For many schoolteachers, summer is not only about time off but also time to learn. Our California Timberlands served as a working forest classroom for teachers from across the state in summer 2023. In July 2023, we hosted a group of more than 30 educators participating in the Forestry Institute for Teachers (FIT), a week-long, hands-on experience for pre-K through 12th grade teachers to learn about forest ecology and management from natural resource professionals in Humboldt County.

As part of this program, a team of 15 Green Diamond colleagues led participants on two forest tours, showing them firsthand what goes into industrial forest maintenance and how we approach habitat conservation. Green Diamond has partnered with FIT since its founding in 1993, welcoming more than 900 teachers to our California Timberlands over the last 30 years. This partnership ultimately helps share the value of forest ecosystems with students, some of whom may not have access to these environments and inspire future generations to invest in the health and sustainability of forests.

“

It was so amazing to meet such passionate, knowledgeable, and caring people. The commitments to these trees, the land, the water, and the community are without equal. The wider public needs to know more about the great work the forestry community is doing, and I will do what I can to help spread the word.”

2023 FIT Educator Participant





Learn More

Thank you for reading our 2023 Sustainability Report.
Learn more about how we put forest stewardship into
action at greendiamond.com.

