



A Forest **STEWARDSHIP** Company

2022 Sustainability Report



Managing Our Natural Resources for the Long Term

As the President of Green Diamond, I am honored to share our inaugural Sustainability Report. While this is our first formal report, we have sustainably managed natural resources for over 100 years. With roots dating back to 1890, Green Diamond has always focused on creating long-term value for stakeholders, who include our shareholders, employees and neighbors. We are proud of our positive reputation in the industry, and we understand the importance of communicating our story to foster transparency and trust among all parties involved.

Focusing on what's most important

Several areas emerged as key topics for our business and stakeholders during our first materiality assessment focused on environmental stewardship and social responsibility. These included wildfire and catastrophic disaster prevention, natural climate solutions and sustainable forest management. We recognize the significance of these issues and are working diligently to address them.

Investing in a greener future

Our carbon sequestration and credit sales efforts present a three-pronged opportunity for Green Diamond: generating business value, mitigating climate change and positioning ourselves as a role model and thought leader in the industry. We are developing and implementing forest carbon offset projects that help build for the future through more resilient forests and more sustainable timber harvest. We are committed to doing our part in promoting responsible environmental practices.

In addition to our carbon initiatives, we have made significant strides in land conservation. Our efforts have enhanced biodiversity, and we are proud that we have undertaken these initiatives in concert with local communities. Conserving land for future generations can be a win-win for the global community, as well as the local one.

Stewardship of water quality and aquatic habitat is another area in which we have dedicated considerable resources. We are focused on ensuring clean water by implementing responsible aquatic resource management for all of our operations. Protecting stream corridors across watersheds ensures we contribute to healthier ecosystems and a more sustainable future.



In 2022, the University of Washington Tacoma's Milgard School of Business named Green Diamond Resource Company President Douglas Reed its Sustainable Business Leader of the Year.

Helping our people and communities flourish

Green Diamond is also committed to attracting diverse talent and partnering with educational institutions and others in the forest sector to address labor availability challenges. We believe that cultivating an inclusive workplace is essential for fostering innovation and ensuring long-term success. We work closely with rural communities where we operate, recognizing that our prosperity is interconnected with theirs. By supporting these communities and contributing to their well-being, we create a mutually beneficial relationship.

We are proud of the progress Green Diamond has made in the areas of climate change, sustainable forest management, land and water conservation, and community engagement. We will continue to communicate our story and lead by example, demonstrating our unwavering commitment to the environment, our stakeholders and our neighbors.

A handwritten signature in black ink, appearing to read 'D. Reed'.

Douglas Reed
President

A Legacy Rooted in Strong Governance and Forest Stewardship

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 **380 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



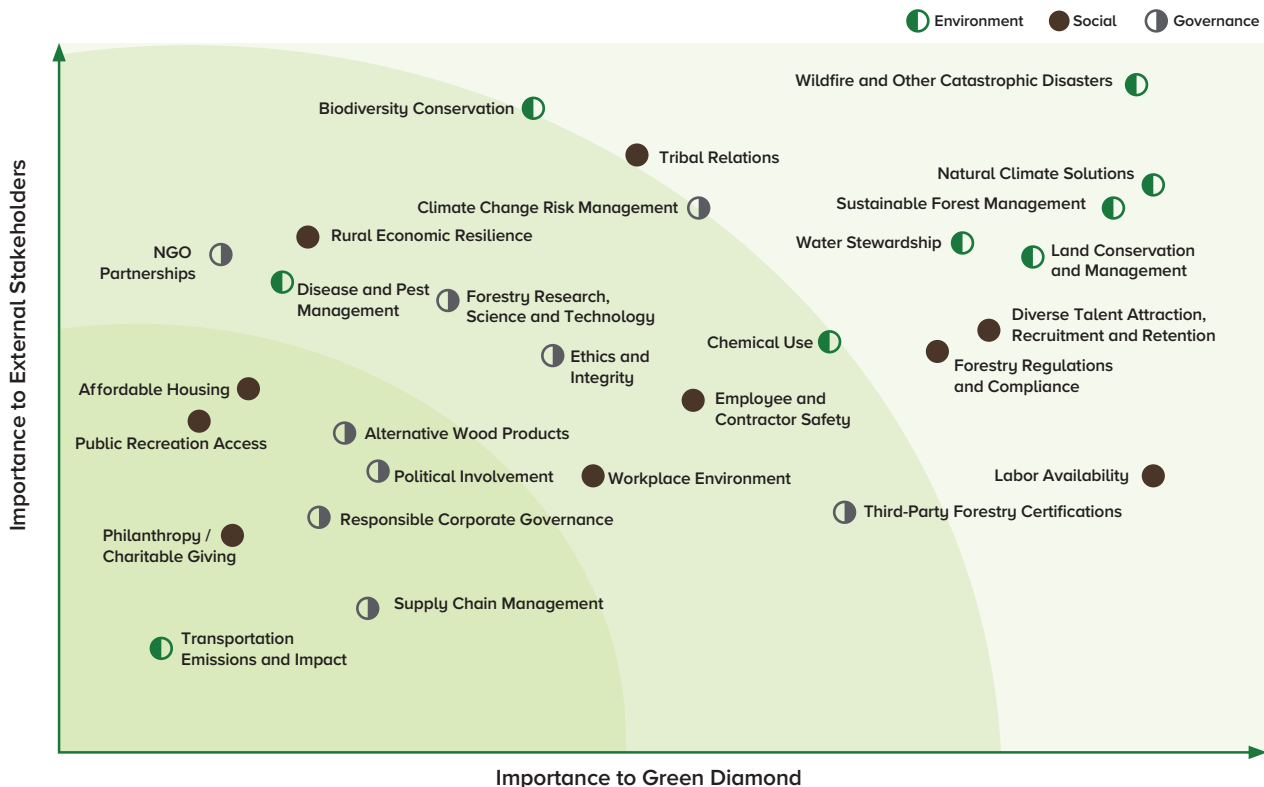
Living our **Core Values** of safety, integrity, stewardship, community and profitability each day

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:





How We Manage Sustainability at Green Diamond

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. In June 2022, we enhanced our ESG governance by establishing a Sustainability Council, which uses its insights to evaluate and advise our Resource Management Team.



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.



Working Forests that Sustain Our Planet

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 rely 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 Forest 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



2022 Sustainable Forestry Highlights



Partnered with Montana Fish, Wildlife and Parks (FWP) to relocate the Westslope Cutthroat Trout—an at-risk species native to the Thompson River region of Montana—into fishless creeks located above natural barriers on our Montana Timberlands.



Collaborated with The Peregrine Fund to create a conservation alliance aimed at providing safer habitats for the critically endangered California Condor.



Successfully implemented our updated Habitat Conservation Plan (HCP)—signed in 2019—to protect the northern spotted owl, including new efforts to address invasive species and other emerging population threats.



Renewed our FSC Forest Management Certificate for our California Timberlands through 2028, as well as the Chain of Custody certification held by our Humboldt Bay, California, chip facility.



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

Completed SFI audits for our Northwest, Columbia Basin and Oregon Timberlands, with our newly acquired Columbia Basin Timberlands achieving SFI certification for the first time.



Submitted a report to the California Department of Fish and Wildlife on Howell's montia—a flowering plant native to our California Timberlands—based on a decade-long monitoring project by our California botanists.



Sustainable Forestry by the Numbers

100%

of forest lands are third-party certified to one of the world's two leading sustainable forest management standards

1.5M+

acres managed under federal and state fish and wildlife conservation agreements

10

conservation agreements in place across four states

3+

decades of pioneering conservation work in partnership with the U.S. Fish and Wildlife Service

61

species directly covered by conservation agreements through Green Diamond and TCT

8,396

miles of streams protected or restored by Green Diamond

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](#)



Supporting the California Condor Comeback

For hundreds of years, the California Condor has proved its resilience, surviving mass extinctions of the last Ice Age and near extinction in the 1980s. Through decades of research, scientists at The Peregrine Fund have identified lead poisoning as the species' primary threat, caused by spent lead ammunition. By working with the hunting community, conservationists have begun to drive progress, with more than 500 condors now living in the wild.

Meanwhile, Green Diamond has spent the past decade collaborating with entities, including the Yurok Tribe, to establish the species' fifth reintroduction site in the world on our California Timberlands. In 2022, we teamed up with The Peregrine Fund to further protect the species through a new conservation alliance. As our first joint project, we aim to expand the reach of the North American Non-lead Partnership (NANP), which includes more than 40 organizations that are engaging hunters to lead the way in conservation.



Partnerships with industry leaders such as Green Diamond are opening new vistas to promote voluntary measures to increase the use of non-lead ammunition.”

Chris Parish, Co-founder of NANP and President and CEO of The Peregrine Fund



Timberlands that Build Value Over Time

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 133 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 seven years, we have tripled our land-management footprint, which today spans 2.2 million acres across nine states. Likewise, we have continued to expand the scope of our business, which includes carbon offsets, recreational programs, chips, biofuel 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 chip production via our Humboldt Bay facility and FSC-certified conifer sawlog production from the Timberlands.

Other features: Home to our reforestation-focused [Korbel Forest Nursery](#) and a 21-person 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 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 projects that are undergoing development.

Other features: We’ve continued voluntary enrollment in Montana FWP’s Block Management Program, which provides free public access and 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 slated to be removed 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.

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.

2022 Highlights

Partnered with the Arbor Day Foundation to plant 1.2 million trees across 4,800 acres in Oregon, which were burned by the Bootleg Fire in 2021.



Purchased a heavy-lift hexacopter drone for our California division to enhance cable yarding operations by making them both safer and more efficient.



Purchased an additional 3,800 acres in Alabama adjacent to our existing land footprint to ensure scalable and sustainable land management that will benefit forest wildlife and ecosystems.



Completed 42 Timber Harvesting Plan surveys covering 7,100 acres in California.



Continued working with Trout Unlimited, the Klamath Watershed Partnership and the Klamath Tribes on post-Bootleg Fire restoration efforts to repair streams that provide critical habitat for the federally protected Bull Trout.

Our Value Chain by the Numbers

3x
increase in land management footprint over the past 7 years

9
states with land open to public access and recreational programs

25,709
acres¹ reforested in 2022

9,380,524
seedlings¹ replanted in 2022

Piloting a Smart Solution to Optimize Our Operations

Imagine you're a logger harvesting timber and other large materials. How do you safely extract them from steep hillsides and rough terrain with minimal environmental impact? The key is a process called cable yarding, in which a logging crew attaches a cable system to a yarder on a nearby landing. Traditionally, creating this system requires loggers to pull metal haywire from the landing to a tail hold, then replace the haywire with main lines to complete the setup. The process can be risky, as it requires a crew to carry the haywire up and down steep slopes, and typically takes two-to-three hours by hand.

In the summer of 2022, our California division purchased a heavy-lift hexacopter drone that lifts up to 40 pounds. Certified remote pilots use the drone to fly lightweight ropes from the landing to the tail hold, which they then use to put the heavier haywire system in place. Now, they can complete the layout in about 15 minutes—boosting efficiency and minimizing safety risks for people on the ground.



Learn More

[Our timberlands in each region](#)

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

[The storied history of our Korbet Forest Nursery](#)

¹These metrics were higher than usual for 2022 due to our recovery efforts in response to the Bootleg and Slater fires.



Natural Climate Solutions for a Resilient Future

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.¹

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 Improved Forest Management (IFM) projects, with projects in Oregon, Montana, California and Alabama, either in development or underway.

2022 Highlights



Created a process to incorporate climate risks into our management decisions.

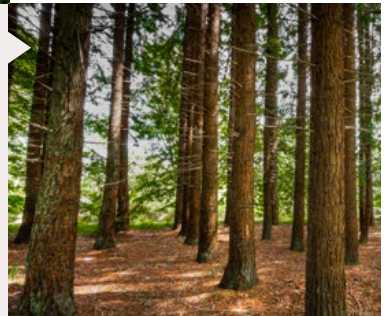


Continued a third-party Climate Action Reserve project in Alabama to retain natural hardwood stands, which will begin generating removal credits in 2024.

Continued the Moore Tract Reforestation project, planting approximately 3,500 acres of forest burned by the 2020 Slater Fire on the California-Oregon border.



Listed the California-based Mad River IFM and Klamath River North IFM projects in March. These projects are currently speculative and are focused on extending the rotation age of the forests to increase standing carbon stocks over time.



Purchased the timberland that included the Willits Woods IFM carbon offset project in September 2022. This project includes 17,682 acres in California's Mendocino County.



Continued our Humboldt Mixed Forest Improvement project in California, with a focus on retaining hardwood-dominated stands that have high carbon-storage capacity.

Klamath West IFM project in Oregon was verified, with 149,727 carbon credits issued in 2022. Klamath East IFM project verification is in process. Unfortunately, due to a large forest fire, this project may terminate as per the carbon protocol guidelines.



Began the development of two forest carbon offset projects in Montana that, together, incorporate about 80,000 acres: The Lost Trail IFM, which covers 6,551 acres, and the Thompson River IFM, which covers 71,865 acres. Additional projects will be developed in future years.



¹National Alliance of Forest Owners, "2022 Environmental Benefits Report."

Climate Solutions by the Numbers

628K+

acres in carbon offset projects

751K+

acres in active listed carbon projects

4

states with carbon projects in place or under development

81K+

acres in carbon projects undergoing a feasibility assessment

112M+

mtCO₂e² sequestered on our owned and managed lands in 2022

Learn More

[Our carbon projects in each state](#)

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

² Metric tons of carbon dioxide equivalent

Taking a Stand for a Greener Future

To move the needle on climate progress, we must act on multiple levels, leveraging both the private sector and public policy to accelerate the pace of change. Green Diamond's President Douglas Reed served as the Chair of the National Alliance of Forest Owners (NAFO) before passing the responsibility on in November 2022. In July 2022, he testified before the U.S. House Agriculture Committee's Subcommittee on Conservation and Forestry to represent the forest industry's perspective on the 2023 Farm Bill.

During his testimony, he outlined working forests' role as a critical natural climate solution, adding, "There's room to do more, and we've laid a path to get there as a sector." He continued, "Recently I joined NAFO, 42 of my fellow forestry CEOs and our counterparts at the Environmental Defense Fund and The Nature Conservancy to adopt a climate roadmap for private working forests." As our President advocates, we believe in speaking up and working together to create a more sustainable future for all.

“

There's room to do more, and we've laid a path to get there as a sector.”

Douglas Reed

Green Diamond President



Our Boots On the Ground

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.

2022 Highlights

Administered our Annual Employee Survey to 281 non-union employees and managers with a participation rate of 84%.



Provided a median salary that exceeds the median earnings in seven counties throughout California, Oregon and Washington.



Reduced our recordable injury rate by 1.5% and our lost time rate by 0.4% from 2021.



Completed mandatory Safety Compliance and Anti-Harassment, Civility and Code of Conduct Compliance training with a 90% or greater delivery rate across divisions.



Supported employee development through various internal and external opportunities, including employee participation in Advancing Georgia’s Leaders in Agriculture and Forestry, an 18-month program to educate, empower and connect agriculture, forestry and natural resources professionals.



Sponsored the 2022 Women’s Forest Congress, a forum to develop strategies and solutions for forests through a female lens.



Selected by Helly Hansen, a manufacturer and retailer of performance outdoor clothing and premium workwear, to be featured in a promotional video and photo series highlighting employees from our Northwest division to tell a collaborative story about sustainable forestry.

Our People by the Numbers

380+

employees dedicated to being great in the woods

~95%

of employees feel they can succeed at Green Diamond

~93%

of employees say they are satisfied with Green Diamond as a place to work

~8%

of employees are racially and/or ethnically diverse³

~23%

of employees are women³

~91%

of employees say the company lives up to its Core Values

Learn More

[Our workplace culture and development opportunities](#)

[Our internship programs](#)

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



Investing in Employee Development

Many employees spend decades at Green Diamond. For instance, in 2022, we awarded Richard Jones, the lead mechanic of our Korbel, California, operations, for his service over 45 years. When employees choose Green Diamond, they have opportunities for long-term growth, whether it be internally—through unique projects or training programs—or through external programs.

For some, the journey starts with our Opportunity Internship and Scholarship program, which we continued in 2022 for the sixth year. The program provides real-world forestry experience to students with diverse talents, interests and life experiences who are pursuing forestry or natural resources-related degrees.

Current employees can further their education through our Tuition Reimbursement Program. We also offer apprenticeships and Registered Professional Forester training to prepare employees for big career leaps and exams. At every level, we strive to empower our employees to explore new opportunities as their careers unfold.

³Race or gender of employees is self-designated.



Neighbors Who Call Our Communities Home

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 2022, we made it even easier for our employees to connect with causes they care about and support them by contributing their resources and time.

2022 Highlights

Worked with the Society of American Foresters and other forestry-related organizations to help put on the Billy Lancaster Forestry Youth Camp at Lake Jackson in Jackson, Georgia.



Partnered with Humboldt County and several stakeholder groups to officially open the McKay Community Forest, a nearly 2,000-acre forest formerly owned by Green Diamond and now open for public recreation in the heart of Eureka, California.

Rolled out a new Fidelity Workplace Giving portal that empowers employees to find causes that inspire them, contribute to charitable organizations and receive a dollar-for-dollar corporate match of up to \$3,000 per year.



Published our [Statement on Engagement with Native American and Traditional Communities](#), which outlines our Principles for Engagement.



Welcomed drivers and spectators to our Northwest Timberlands in Shelton, Washington, for the 2022 Olympus Rally motorsport rallying event.



Teamed up with North Fork Lumber Company to host a blood drive with the Northern California Community Blood Bank—which provides blood to all hospitals in California's Humboldt and Del Norte counties—and debuted a newly refurbished mini bloodmobile sponsored in part by the Simpson Family Fund.



Engaged our California communities through our Community Outreach Committee, which coordinated a donation drive for Toys for Tots, a winter coat drive to support Rescue Mission and Humboldt County Domestic Violence Services and other charitable and volunteer efforts throughout the year.

A young woman with a backpack in a forest. She is wearing a yellow jacket and a green backpack, looking off to the side. The background is a lush green forest.

Community Well-Being by the Numbers

\$622K+

total contributed through our new Impact Fund in 2022, including

\$40K+

contributed through company-matched employee contributions

\$39K

in scholarships contributed to students in 2022

6

years of our Opportunity Internship and Scholarship program

6

student internship opportunities offered to students in California, Georgia, Oregon and Washington in 2022

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](#)

Building a Strong Industry-Community Connection in Eureka

The Redwood Region Logging Conference (RRLC) is among the largest timber-related events on California's North Coast, bringing industry leaders and community members together each March. Green Diamond's California Division was proud to help plan and host RRLC in 2022—reviving the conference for the first time in two years.

For the 2021–2022 term, Joel Rink, Logging and Roads Superintendent, served as President of the RRLC Board of Directors and spoke to participants about the industry's essential role in supporting the local economy. His colleague, Kameron Crocker, Chief Planning Forester, served as Conference Director and helped lead an Education Day for more than 700 elementary and high school students from the North Coast. Rink and Crocker teamed up to plan and host RRLC's Timberman's Banquet and Auction, which raised approximately \$150,000 for future conferences and community education endeavors.

Women are a powerful force in the timber industry, and RRLC recognizes their achievements with its annual Shining Star award. The 2022 recipient was Carolyn Luster, Human Resources and Safety Manager. Luster earned special recognition for her contributions to workforce recruitment, employee safety and community outreach, which have made a positive impact at Green Diamond and industrywide.



Learn More

Thank you for reading our 2022 Sustainability Report. Learn more about how we put forest stewardship into action at [Greendiamond.com](https://www.greendiamond.com).

