



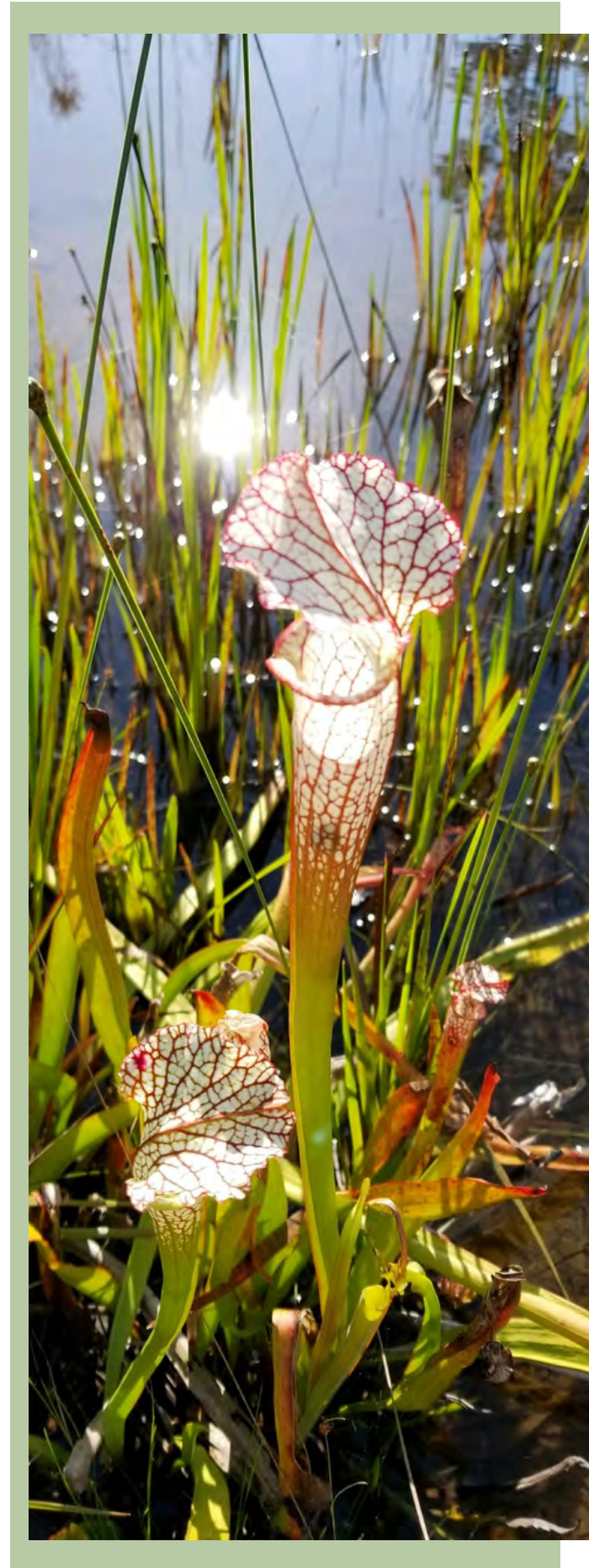
PART OF  
SOMETHING  
BIGGER

SUSTAINABILITY  
REPORT  
2022



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# MESSAGE FROM THE CEO

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The term Sustainability is defined different ways by different people. I used to think of Sustainability as mostly relating to forest management. I viewed it through the lens of Sustainable forestry, meaning you grow more than you cut, and protect and enhance all the other resources in the forest. Sustainable forestry still means that, of course, but Sustainability is thought of much more broadly. Today it's more of a catch-all for the Company to define its values, goals, and beliefs in totality, and then report how it did against them on an annual basis.

As I near retirement at the end of 2023, our Chief Operating Officer, Cade Warner, is preparing for his next role as CEO. When I joined Westervelt in 2017, the largest shareholder of the Company wanted it to be run based on the 3 E's – Economics, Environment and Ethics. Since then, Cade has added a fourth E – Excellence, which is both simple and powerful at the same time.

Throughout its history, Westervelt has had a commitment to Sustained Excellence that spans 139 years and four generations of family leadership. As Cade prepares to become the fifth generation of executive leadership in the Company's 140th year, Sustained Excellence is the basis for Sustainability at Westervelt in my mind.

I am happy with the state of the company and what our team has accomplished during my tenure at Westervelt, including the very existence of this report. When it comes to Sustainability, we believe in a holistic approach that goes beyond the forests and our landscape. I believe we did a good job incorporating the principles of the four E's into everything we have done over the past six and half years:

- We fostered a people-oriented culture anchored by safety, and our balance sheet is strong.
- We withdrew from some things we weren't so good at and invested in the things we are good at.
- We grew our individual businesses: we more than doubled our lumber production, added more than 100,000 acres of timberland, entered a partnership that will create more scale in Westervelt Ecological Services and timberland acquisitions, and made New Zealand self-sufficient.
- We implemented a strategic planning process, a continuous improvement process, an Enterprise Risk Management system and a new accounting system.

The most important thing we did by far was develop our people. Three of our current business leaders are a product of our succession planning and people development process, and the fourth will become our next CEO.

Of everything we accomplished, I am most proud of our people. A leader's legacy is judged by others, but if I leave any legacy at Westervelt at all, I want it to be that we supported the development of our people. As rewarding as it is to see our landscape flourish and sustain us into the future, it's even more so to watch our people develop and grow into future generations of leaders.

The Company is in great shape and well prepared for the future. Continued focus on the four E's will ensure Westervelt will be around for another 140 years. This is our 2022 Sustainability report; however, with it being published in the 2023 calendar year, this will be my last official contribution to Westervelt's Sustainability reporting. I am proud that Cade Warner will transition to CEO in 2024 and will provide Executive commentary to this report in the future.



**Brian Luoma**  
**President & CEO**  
**The Westervelt Company**

A handwritten signature in black ink, appearing to read 'Brian Luoma', written in a cursive style.

# ESG STEERING COMMITTEE



**Jonathan Lowery**  
Sustainability &  
Government Relations



**Susan Poole**  
Marketing & Public  
Relations



**Briana Lipkin**  
Marketing & Public  
Relations



**Chris Chambers**  
Westervelt Wood  
Products



**Kendra Rogers**  
Westervelt Forest  
Resources



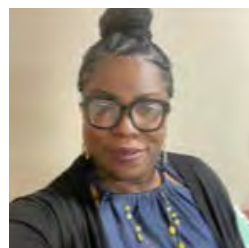
**Mike Williams**  
Strategy & Planning,  
Continuous Improvement



**Ray Robbins**  
Legal & Shareholder  
Relations



**Tyler Bell**  
Westervelt Ecological  
Services



**Ladonna Wilson**  
Human Resources Wood  
Products



**Steve Smith**  
Westervelt New  
Zealand



**Mark Richardson**  
Westervelt Wood  
Products



**Matt Gause**  
Westervelt Ecological  
Services



**Aprille Cook**  
Westervelt Forest  
Resources

Our cross-functional ESG Steering Committee includes representatives from each of our Business Units and Functional Groups to ensure that diverse perspectives are included in our strategy development and implementation.

Westervelt's history is founded on sustainable practices by virtue of managing renewable natural resources. To us, sustainability means so much more than environmental practices. It is a business ethic that centers around ensuring durable, quality, and naturally beneficial relationships with all our stakeholders. We approach business this way not only because it's the smart thing to do, but because it's the right thing to do. In today's rapidly changing world, our stakeholders are earnestly interested in how business practices affect the environment and people's lives.

Environmental, social, and governance (ESG) issues have become an important aspect for companies to assess the impacts of their operations. Westervelt has an ESG Steering Committee that considers ESG issues and trends. Our view of ESG is really about sustaining our natural resources (timber and wood products, water, air, carbon, biodiversity) as well as the people resources associated with Westervelt (customers, suppliers, employees, partners, conservation stakeholders, government officials, local communities) for the long term...like we have always done!



# MISSION

At The Westervelt Company, we are stewards of the land. We believe in sustainable management, conservation, and protection of our natural resources.

We are committed to our core values of ensuring the safety and well-being of our employees, providing the highest quality products and services for our customers, developing long-lasting, inclusive relationships in the diverse communities where we live and work, and advancing a culture where everyone is valued and respected.



## Core Values



Safety



Community



Culture



Quality

## Values of Excellence



Learning



Accountability



Collaboration





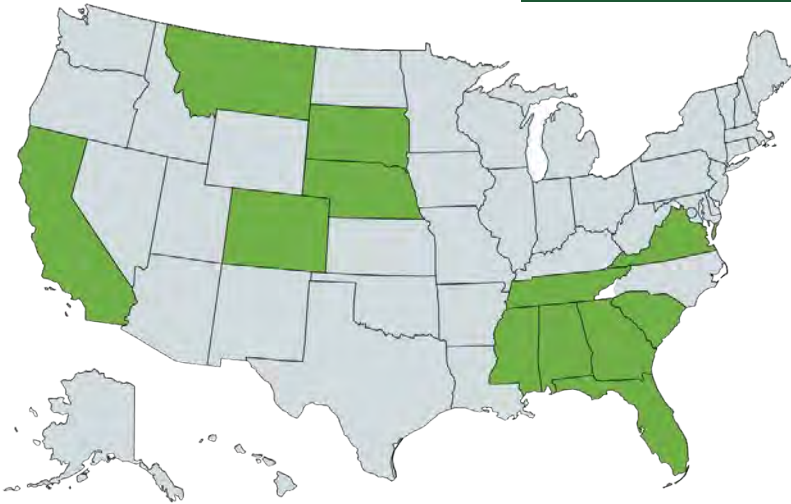
# BUSINESSES & SERVICE AREAS



Scan to learn more about our businesses



## 13 Service Areas



New Zealand





# ENVIRONMENTAL

Since 1884, The Westervelt Company has demonstrated responsible land use and manufacturing practices that have sustained our company, communities, and the environment. Our diverse businesses have a common goal: stewardship of natural resources for today, tomorrow, and future generations. We regard working forests as an essential contributor to clean air, clean water, and healthy ecosystems, and we demonstrate that the private sector plays a powerful role in conservation and that economic prosperity and environmental conservation are not mutually exclusive.

What we do every day on our lands and in our sawmills provides natural solutions to some of the most significant challenges faced by society today, including: climate change mitigation, air and water quality, and biodiversity. Our science-based practices meet or exceed legal, regulatory, and voluntary forest and fiber certification standards and are a key factor in our successful partnerships with stakeholders as we actively seek continuous learning that informs our sustainability mission.

We recognize that biodiversity and wildlife have no borders. Through sustainable forest management practices and scientific ecological restoration, Westervelt provides essential habitat for common, at-risk, and threatened and endangered species. We take great care to manage our lands in a way that ensures the conservation of sensitive ecosystems, while at the same time providing premium products and services to our diverse customers.

**Westervelt invested over \$148,000 in environmental research in 2022.**



Everything Westervelt does starts with the natural resources that we own and manage. We must maintain healthy and productive ecosystems for our businesses to flourish. Without clean water and air, quality wildlife habitat, productive soils, and effective carbon sequestration and storage, we couldn't provide the quality products and services our customers and clients expect. We take pride in how we manage our natural resources and work hard to continuously improve our stewardship practices.

## Sustainable Forest Management and Timber Procurement

As of Dec. 31, 2022

**617,771**

total working forest land acres



**14,807**

acres harvested  
(2.5% of our working forest)



**100%**

of land harvested is reforested



**19,628**

acres thinned



We continue to apply science-based management practices that improve forest health and productivity while maintaining quality ecosystem and recreational services.

All of our working forestland is certified to the Forest Stewardship Council (FSC®) and/or the Sustainable Forestry Initiative (SFI®) standards and undergoes third-party audits on an annual basis to ensure compliance to those standards.

Our lumber manufacturing facilities are also certified to fiber sourcing and chain-of-custody systems that ensure we only receive logs from legal and responsible sources and from timber harvesters who are trained in sustainable forestry practices.



# REFORESTATION

## 100%

OF SEEDLINGS WE GREW WERE PRODUCED FROM OUR SEED ORCHARD



## 5,148 lbs.

OF SEEDS WERE PRODUCED FROM OUR SEED ORCHARD.

THIS IS ENOUGH SEED TO GROW APPROXIMATELY 50 MILLION SEEDLINGS, ENOUGH TO REGENERATE ROUGHLY 100,000 ACRES



## 94%

OF SEEDLINGSS PLANTED IN OUR FOREST WERE GROWN AT OUR NURSERY

7.3 MILLION LOBLOLLY AND 50,000 LONGLEEF SEEDLINGS GROWN



## 5.6 MILLION



SEEDLINGS PLANTED





# FIBER SOURCING AT OUR FACILITIES

**2,243,255** tons of logs utilized

**100%**

of logs are from legal and responsible sources<sup>1</sup>

**33.5%**

of logs sourced from ATFS<sup>2</sup>, SFI<sup>3</sup> or FSC<sup>4</sup> certified lands

**19.4%**

of logs sourced from Westervelt land



<sup>1</sup>as defined by SFI Fiber Sourcing and FSC Controlled Wood  
<sup>2</sup>American Tree Farm System  
<sup>3</sup>Sustainable Forestry Initiative  
<sup>4</sup>Forest Stewardship Council  
2022 Year End Data



# FOREST MANAGEMENT COOPERATIVE RESEARCH AFFILIATION

We support leading research and development in sustainable forestry practices by partnering with the following organizations:





# CLIMATE

We continuously strive to increase our understanding of the net carbon impact of our operations. We realize that our business actions contribute CO<sub>2</sub> into the atmosphere. However, we also recognize our businesses are unique, in that they also sequester and store significant carbon reserves through our sustainable forest management practices, ecological restoration, and the manufacturing of carbon storing lumber products.

We are active in many collaborative efforts to improve the efficiency, accuracy, and transparency of how we account for carbon. Working with organizations like the Forest Climate Working Group, National Council for Air and Stream Improvement (NCASI), National Alliance of Forest Owners (NAFO) ([CEO Principles and Forest Data Viz](#)), American Wood Council (AWC), and Forests In the Farm Bill Coalition helps us accelerate our knowledge and advocate for policies that accurately reflect the best climate and carbon science.

## Case Study: Climate Smart Forestry Research

Westervelt helped fund a research position at Auburn University designed to study how active forest management in the Southeastern U.S. plays a role in climate change mitigation. The study found that advances in active forest management have aided in increased forest carbon storage and that forest products are essential to increased carbon storage beyond forest carbon baselines.

32,925,593 MT CO<sub>2</sub>e

Working forest carbon stocks (above ground woody alive/dead biomass)

480,000 MT CO<sub>2</sub>e

Carbon removed and stored in our forest and wood products, which is greater than the amount emitted from our forest and manufacturing operations



Scan to read case study



Scan to view CEO Principles and Forest Data Viz



# WATER

Maintaining water quality is an essential component of our management philosophy as stewards of the land. Forests play a critical role in keeping water clean. More than 50% of our nation’s water supply is furnished by forests.

Through our sustainable planning and operations activities, best management practices (BMPs) are implemented on our forestland as well as other landowners that supply timber to our mills.

These contractual requirements are third-party audited annually as part of our forest and fiber certifications. We also coordinate with regulatory agencies to ensure we meet all water quality and wetlands permitting requirements in our mitigation banking and lumber manufacturing operations.



Read more about water supply



**84,699**

acres in Streamside Management Zones (SMZ)

**2,020**

miles of stream protected by Forestry SMZs

**16,554**

acres of wetland protected by permanent easements

**195**

miles of stream protected by permanent easements

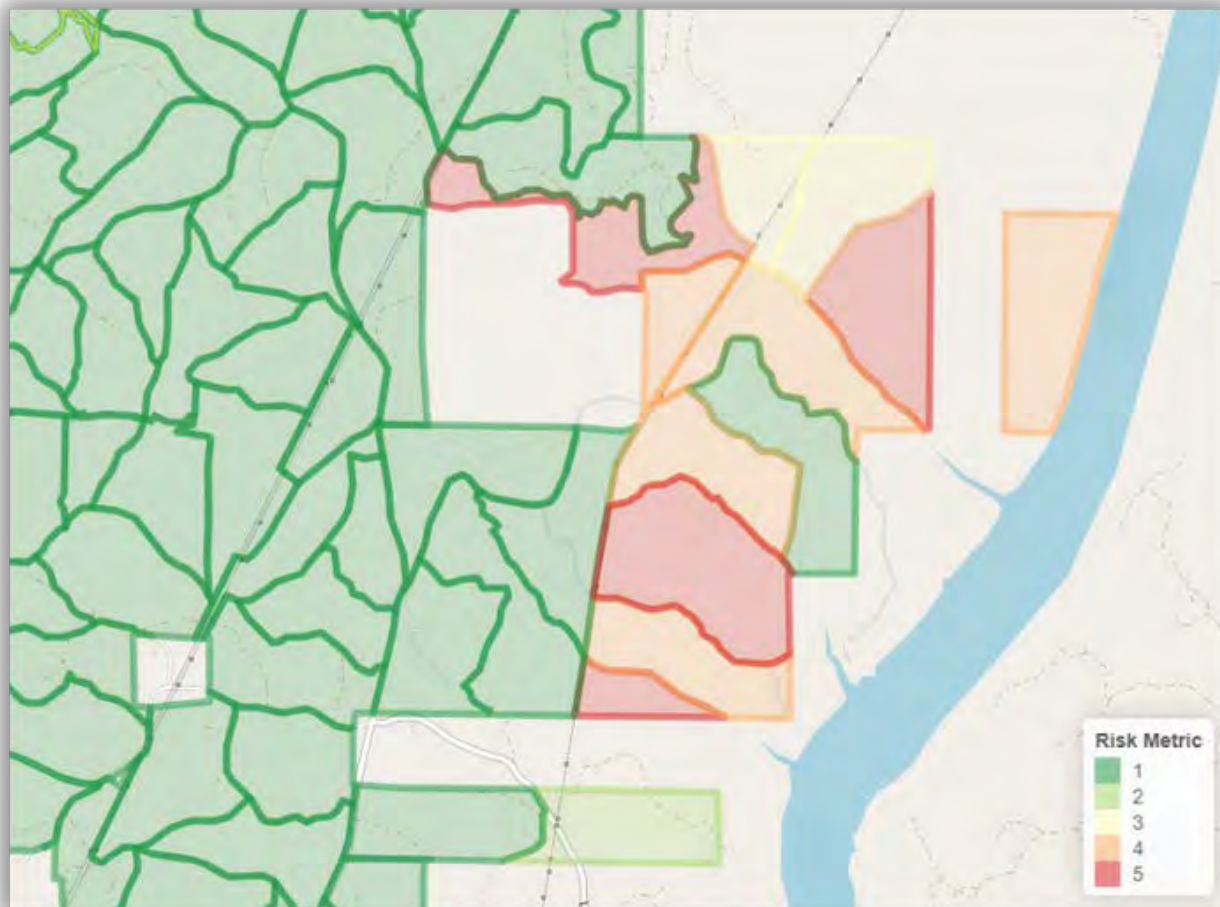
Zero notices of violation for both water and air regulations at our lumber manufacturing facilities



# WATER

## Case Study: HUC Basin Risk Assessment Tool

To consider potential impacts to water quality and quantity in our forest management activities, we developed a Hydrologic Unit Code (HUC) basin assessment tool.



This tool assigns risk ratings based on slope and area of our ownership within each HUC. Our forest managers use these ratings when planning forest management activities such as harvest and site preparation at the landscape level.



# WILDLIFE & BIODIVERSITY

**Biodiversity and wildlife habitat are foundational values for Westervelt. Throughout our land management history, we have demonstrated responsible forest and habitat management that incorporates biodiversity into business decisions.**



# WILDLIFE & BIODIVERSITY

We learn through our interactions with the natural world and continuously strive to find ways to maintain and enhance wildlife conservation. This is accomplished through our internal expertise and our vast network of conservation stakeholders and is carried out in our working forests, ecological restoration projects, and diverse New Zealand property.

**24** listed species represented within Westervelt Ecological Services' Conservation Banks



## 2022 WILDLIFE CONSERVATIONIST OF THE YEAR BY ALABAMA WILDLIFE FEDERATION ACCEPTED BY KEVIN MCKINSTRY



Westervelt has been on the leading edge of conservation for generations. Kevin McKinstry, Westervelt's Recreation Director, has been a significant part of that leadership throughout his long and distinguished career. Kevin's efforts were honored as he was named the 2022 Wildlife Conservationist of Year by the Alabama Wildlife Federation. This award reflects Kevin and Westervelt's commitment to conservation in the private sector. During his time at Westervelt, Kevin has been instrumental in leading and participating in significant wildlife management practices and research.



# WILDLIFE & BIODIVERSITY

## CASE STUDY: SPECIES REINTRODUCTION



In September, Westervelt Ecological Services (WES) successfully coordinated with the U.S. Fish and Wildlife Service (USFWS) and Alabama Department of Conservation and Natural Resources (ADCNR) to release Coosa moccasinshell mussels into Yellowleaf Creek (a tributary into Coosa River) on the Yellowleaf Mitigation Bank. The mussel has been listed as endangered by the USFWS since 1993 and is endemic to the Coosa River watershed. This was just the second release site in Alabama. The partnership will continue over the next few years with additional releases and monitoring to track the population on site.



# WILDLIFE & BIODIVERSITY

## CASE STUDY: GOPHER TORTOISE



The Species Status Assessment for the at-risk gopher tortoise was completed in 2022. Through this scientific process, (USFWS) was tasked with determining the need to list the gopher tortoise in the candidate range (portions of South Carolina, Georgia, Florida, and Alabama).

Westervelt was proud to be a part of an unprecedented effort by private forest landowners to provide our own internal species occurrence data as well as third-party survey and research results from our working forest to USFWS. Because of our proactive management practices and data sharing efforts, USFWS determined that the gopher tortoise did not need to be listed under ESA protection. This is a good decision for landowners and the species. Gopher tortoises are still state protected where they occur and remain a keystone species that we will continue to conserve through internal best practices.



# WILDLIFE & BIODIVERSITY

## CASE STUDY: WILDLIFE CONSERVATION INITIATIVE

### Jonathan Lowery with the USFWS Southeast Region's 2021-2022 Regional Director's Honor Award for Conservation

As part of our efforts to collaborate with USFWS and other conservation partners, Westervelt's Corporate Sustainability and Government Relations Director, Jonathan Lowery, was awarded the USFWS Southeast Region's 2021 - 2022 Regional Director's Honor Award for Conservation.



Westervelt was an early adopter of the Wildlife Conservation Initiative (WCI) through (NAFO) and (NCASI).

WCI works to build trust and understanding with the USFWS. Ongoing meetings with USFWS leadership have created a forum for education and exploration of the many ways that working forests are critical for numerous at-risk species.

In 2022, a memorandum of understanding (MOU) between NAFO, NCASI, and USFWS was developed to monument accomplishments to date as well as establish some actions for keeping the initiative strong.

The MOU commits collaborative conservation and research on private working forests at scale and strengthens the culture of trust that WCI has fostered. The MOU was signed by all parties in early 2023.

### Collaborative field meeting with WCI participants in Alabama.



Wildlife Conservation Initiative





# WILDLIFE & BIODIVERSITY

## CASE STUDY: TOMBIGBEE FOREST BIRD PARTNERSHIP



Westervelt co-hosted a Bird Friendly Forest Field Tour as part of the Tombigbee Forest Bird Partnership (TFBP). The TFBP concept was spawned from collaborative meetings with American Bird Conservancy, Mississippi State University, NCASI, private forest landowners/foresters, and forest products manufacturers in the west-central Alabama and east-central Mississippi area around the Tombigbee River watershed. This geography offers a large area of diverse working forest habitat and willing partners that seek to increase understanding about how birds use these forests.

During the field tour, we observed 41 different bird species within a variety of different forest types. Forest managers were able to understand the response and occurrence of the various species based on their management decisions. The importance of retaining dead snags and keeping harvest areas “messy” were some stand-level practices that were emphasized. At the landscape level, the mosaic of early successional pine, thinned pine, and riparian areas with older hardwood species were identified as critical components for birds.



# SPEAKING OF BIRDS....

Forest management practices that enhance value of southeastern managed pine landscapes to bird communities include:



- ① Retain structures such as snags and coarse woody debris
- ② Promote successful stand establishment
- ③ Promote forest thinning and vegetation management practices
- ④ Promote non-pine vegetative cover
- ⑤ Promote variation in stand ages and cover types, including streamside management zones



## Breakdown of TWC's forest successional stages as defined in the infographic above

**Recently Harvested: 4%**      **Intermediate Stands: 36%**  
**Early Succession: 24%**      **Mature Stands: 36%**



# CASE STUDY: CHRONIC WASTING DISEASE (CWD)

In 2022, the CWD Coalition (that Westervelt helped organize in 2021) developed CWD Best Management Practices. These practices were adopted by seven large forest landowning companies and four conservation organizations to help fight the spread of CWD among deer, elk, and other species of the deer family (known as cervids).

The coalition will promote practices that help discover, manage, and mitigate the negative impacts of CWD. Following a press release in December, the work of the CWD Coalition has been celebrated by several state agencies and additional conservation organizations. Other landowners and organizations will also be invited to join the CWD Coalition, and the management impact will continue to grow.

As part of our commitment to limiting the spread of CWD, Westervelt banned the practice of baiting deer on our working forest property. The practice of baiting deer is allowed in some states as part of hunting practices. However, bait sites artificially elevate the number of deer visiting a given area. Researchers believe these concentrated areas of deer can increase disease transmission, including CWD.



**CWD**  
COALITION



CWD Release



# SOCIAL





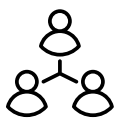
# #WORKINGWITHWESTERVELT

Our employees and the relationships they create and foster with various stakeholders are an essential component of our sustainability culture. Corporate citizenry is incorporated into our strategic business plans. All of our core values reflect and recognize the importance of relationships in all aspects of our business functions.



We have long been considered a preferred place of employment and we work hard to protect that sentiment. Realizing that our people are our greatest asset, we offer competitive pay and benefits to our employees. We are intentional in recruiting and retaining a skilled workforce that embraces our mission and values, and we recognize the values that diverse ideas and perspectives brings to our business performance. We are family run and strive to run like a family.

753



EMPLOYEES

10.9 Yrs



AVERAGE TENURE  
ALL EMPLOYEES

18



STUDENT INTERNS

95%



JOB OFFERS  
ACCEPTED

Robust 401k plan available to full-time employees

All full-time employees have paid vacation and paid time off



## 2022 WARNER SCHOLARSHIP RECIPIENTS



Heather Medlin  
Muscle Shoals High  
School



Bradleigh Taylor  
Tuscaloosa Christian  
School

**\$20,000**

awarded to  
Warner  
Scholarship  
Recipients in 2022

**\$375,800**

awarded  
cumulatively to  
Warner Scholarship  
since inception

## Professional Development

**327+**

salaried employees in  
leadership  
training

**10,000+**

hours in training

**\$325,000**

spent in employee  
development

**27**

categories of  
professional  
licenses/certification

We believe that investments in professional development not only create business value, but also enrich our employee's knowledge and satisfaction in their professional and personal life experience. Employees have many opportunities to continuously learn and grow throughout their career path.



# SAFETY & HEALTH

At Westervelt, safety comes first, no ifs, ands, or buts about it. A quick look at our core values will reveal that “Safety” is at the top of the list. Our goal is that our employees go home each day better than they arrived. We have a safety culture that empowers each employee to stop work if they are not comfortable with their work conditions or tasks from a safety standpoint.

We implement proactive safety training and engagement programs that encourage safe behaviors and innovative improvements in our program. We also offered annual health screenings to encourage healthy lifestyles.

## During 2022

**1.07 Total Incident Rate,**  
placing us in the industry top  
quartile on a 10 year rolling  
average

**2 Lost Time Incident Rate,**  
placing us in the industry  
top quartile on a 10 year  
rolling average

**131 Safety Process Improvements (SPIs).** SPIs are employee-driven assessments of our work processes that result in meaningful improvements to health or safety. Each business unit sets goals for SPIs. The total goal for 2022 was 114 across all businesses.







# CONTINUOUS IMPROVEMENT

We invest in our employees and the skills they acquire are beneficial on the job and in their personal lives. Involving our employees in helping minimize waste and defects in our process allows us to optimize our potential. Lean Six Sigma (LSS) is a proven managerial approach that various sectors have implemented to ensure business processes are maximizing their full potential. We call our implementation of LSS principles and other continuous improvement methodology “Growing Excellence” (GrowEx). Each business unit has Growing Excellence coordinators that work with their peers to identify and implement improvement ideas and LSS training initiatives throughout the organization.

**2022**

**1,937**

third-party delivered classroom training hours

**\$190,000**

external training investment

**Since the beginning of GrowEx we have achieved:**

**77**

employees certified as either LSS Black Belts or LSS Green Belts.

**50%**

of executive team members are LSS certified

**50%**

of the next level team members are LSS certified



# COMMUNITIES

As a dedicated corporate citizen, we are proud to support our local communities and actively consider ways to enhance their well-being through philanthropic initiatives, community outreach, and rural economic development.

Lumber donations - We made product donations from our lumber mills in excess of \$16,000 in 2022, ranging from helping the communities we operate in recover from natural disasters to organizations that help disadvantaged youth in our communities.

In 2022, the Westervelt Foundation contributed over \$200,000 to various civic, environmental, and educational causes that support community initiatives.



## Organizations we support:

- Alabama Wildlife Federation
- American Heart Association
- Arts 'n Autism
- Black Warrior Council Boy Scouts
- Boys & Girls Club Southwest AL
- Children's Hospital of AL
- Cottondale Elementary
- Girl Scouts of North-Central AL
- Jimmy Rane Foundation
- Junior Achievement
- Lanark
- Tuscaloosa's One Place
- United Way of West Alabama
- West Alabama Food Bank
- SPLASH
- Cumberland River Project
- United Way of Southwest AL
- Salvation Army
- & Many More



## CASE STUDY: THE WESTERVELT FOREST AT LANARK RIBBON CUTTING



Westervelt partnered with the Alabama Wildlife Federation (AWF) in 2020 to assist with the purchase of 70 acres near AWF's office and Nature Center in Millbrook, AL. The concept and vision of a demonstration working forest on the 70-acre tract became a reality in 2022 as many of the initial forest management activities were implemented.

This area will provide a unique opportunity for the thousands of annual visitors to the Nature Center to observe and understand the many values of working forests. This momentous event was commemorated with a ribbon cutting ceremony in December. We are excited about the AWF partnership and look forward the educational opportunities the Westervelt Forest will provide.



# Governance

We are proud of the Westervelt brand and we conduct our businesses in a way that respects and protects it. Our Mission and Values reflect our philosophy of how we interact with our employees, suppliers, customers, regulators, communities, policy makers, and all other stakeholders. We are open and honest in our relationships and prioritize trust as we conduct our business. We value continuous learning and improvement to sustain our expectations of excellence.

Each of our business units and functional groups incorporate elements of safety, operational excellence, corporate citizenry, and customer focus into setting strategic objectives, and all of our objectives align with our Mission and Values. Business leaders are accountable to our independent board of directors to make certain their respective areas meet our standards.



From left to right:  
Cade Warner, COO  
Alabama Governor Kay Ivey  
Susan Poole, Corporate Marketing  
and Public Relations Director



# AUDITING OUR PERFORMANCE



We implement various methods of tracking our performance against internal and external standards. Third-party forest and fiber audits are a condition of participation in the forest certification programs which provide evidence that we are adhering to rigorous environmental and social standards. We also conduct internal BMP and documentation audits to ensure processes are being followed and are effective at meeting intended outcomes. Annual financial audits are also conducted to confirm our accounting and finance practices meet regulatory and internal standards.

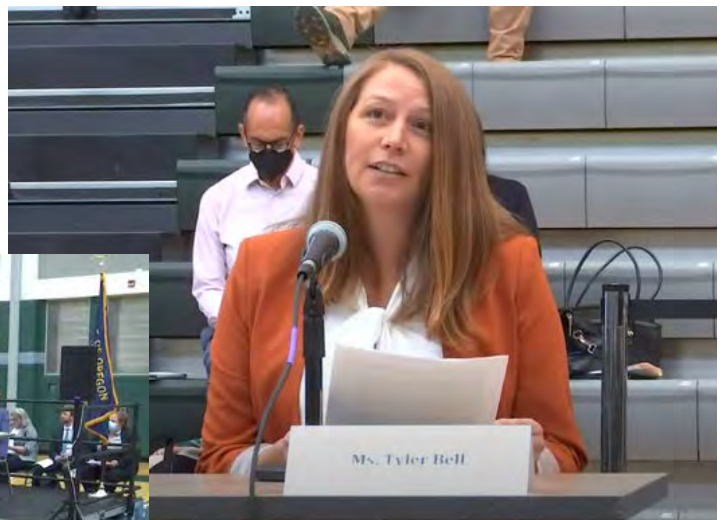
<p>Third-party Forest and Fiber</p>	<ul style="list-style-type: none"> <li>✓ No non-conformances on SFI Fiber Sourcing, FSC Controlled Wood, or Triple Chain-of-Custody certifications</li> <li>✓ No non-conformances from third-party forest certification audits</li> <li>★ One case of exceeding the standard on monitoring of BMPs</li> </ul>
<p>Internal Forest and Fiber Audit</p>	<ul style="list-style-type: none"> <li>• 2 Minor non-conformances on triple Chain-of-Custody (both were corrected in a timely manner)             <ul style="list-style-type: none"> <li>◦ Chain of Custody account was not updated to reflect a new conversion factor for one product group</li> <li>◦ Supplier letter regarding a forest certification risk assessment needed to be updated</li> </ul> </li> <li>• 4 minor non-conformances on Documentation Review audit (corrective actions were implemented to address these issues)             <ul style="list-style-type: none"> <li>◦ 1 failure to document BMP monitoring after tree planting</li> <li>◦ 3 inconsistencies on timber sale plans</li> </ul> </li> </ul>
<p>Corporate Environmental Monitoring</p>	<ul style="list-style-type: none"> <li>• Met internal compliance objectives for our manufacturing and forest operations</li> </ul>
<p>Financial Audit</p>	<ul style="list-style-type: none"> <li>• Auditor Findings: "In our opinion, the consolidated financial statements present fairly in all material respects, of the financial position. The Westervelt Company as of January 1, 2023 and January 2, 2022, and the results of its operation and its cash flows for the years then ended in accordance with accounting in the USA."</li> </ul>



# PUBLIC POLICY ENGAGEMENT

Westervelt believes it is important to engage in the public policy process as responsible corporate citizens. We actively work with our professional associations, regulators, and elected officials to maintain open lines of communication.

We have a duty to ensure accurate information about our business sectors is understood and communicated to promote the message of sustainability and conservation in a transparent manner.



Scan to watch video

On August 3, 2022, Tyler Bell, Rocky Mountain Region Director for WES, testified at a field hearing before the U.S. House of Representatives Select Committee on the Climate Crisis.

Tyler discussed how the private sector can provide meaningful climate change mitigation through working forests and compensatory ecological restoration.



# PARTNERSHIPS

Stakeholder relationships are critical in all aspects of our business. We are members and/or partners of over 100 organizations that work together to improve our various business objectives, collaborative conservation, or public policy efforts, and community enhancement. Involvement in these organizations allows us to engage in meaningful ways that consider a wide array of perspectives. The networking and active engagement in collaborative thinking help to maximize the economic, environmental, and social values of our businesses.



## Strategic Partnerships



**16** Professional Association Memberships

In late 2021, we formed a partnership with Canadian-based Caisse de dépôt et placement du Québec (CDPQ), a global investment group. This led to the acquisition of more than 76,000 acres of quality working forest in South Georgia. Both parties have been pleased with the partnership, and we are actively growing the portfolio. We are aligned on cultural, sustainability, operational, and investment philosophies. Both parties believe in improving the world through stewardship, investing, and conservation. This strategic partnership has proven to be a mutually beneficial relationship that continues to provide opportunities.

In early 2023, we announced a new partnership with CDPQ, as they joined us as a minority partner in Westervelt Ecological Services. We continue to operate WES as we have in the past, focusing on quality projects, great people, and delivering environmental solutions for our clients. The relationship combines our deep knowledge of the ecological services sector with CDPQ's strong financial capacity, which will allow us to carry out our strategy of disciplined growth for WES. We are excited by these developments with CDPQ and look forward to additional pathways to scale our business platforms that will create value and provide positive conservation and economic impacts to an expanded area of operation.



# ETHICS

Since the beginning of our company, our founder, Herbert Westervelt, insisted on the tenet of ethical behavior, and it remains foundational throughout our businesses. It is reflected in our Mission and Values, business practices, decision-making, and employee training. We know that trust is critical for building relationships and perpetuating a successful enterprise.

We are 100 percent committed to fair, honest, and ethical business practices. We offer an anonymous, toll-free hotline available 24 hours a day. Independently operated by Navex Global, the ethics hotline provides an anonymous outlet for reporting concerns of unethical activity. To contact the ethics hotline in the U.S., please call 866-280-3558. For New Zealand, please place international collect call to +1-678-250-7597.



# Message from the COO

## What I am proud of

I am proud of our company's legacy and that we have been around for nearly 140 years, have survived multiple wars, recessions and industry disruptions and throughout it all we were able to sustainably provide value to our customers and shareholders and enrich the lives of our employees, suppliers, partners, and communities.

I am proud that our leadership values the health and safety of our employees above all else and that every employee is authorized to stop any process if they feel unsafe.

I am proud that our leadership has the foresight to value sustainability so that we can ensure our children inherit a world with all the possibilities we've been given and many more.

I am proud that we grow productive and resilient forests that remove and store carbon from the atmosphere, provide habitat for numerous flora and fauna, and furnish numerous domestic and international industries ranging from consumer staples to renewable energy to housing markets – all of which provide quality goods and jobs and play a significant role in the global economy.

I am proud that we do incredible restoration work that creates lasting impacts for both society and the sensitive species and unique landscapes the projects are designed to protect all while generating numerous public and private employment opportunities.

I am proud that we have the opportunity to play a pivotal role in shaping the future of not only our own lives, but our planet.

Most of all, I am proud that we will change the world together and that our leadership takes this opportunity seriously by utilizing a holistic decision making process that considers all of our stakeholders.

Lastly, above all else, I am proud that many new people chose to join our Green Tree family<sup>1</sup> in 2022 and take this charge on with us. I truly believe our products, processes and people change the world for the better. I cannot imagine a more noble cause than this.

**Cade Warner**



Chief Operating Officer

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<sup>1</sup>a collective of Westervelt's internal and external stakeholders who depend on our success (customer, employees, suppliers, partners, environment, community, shareholders and others)





