

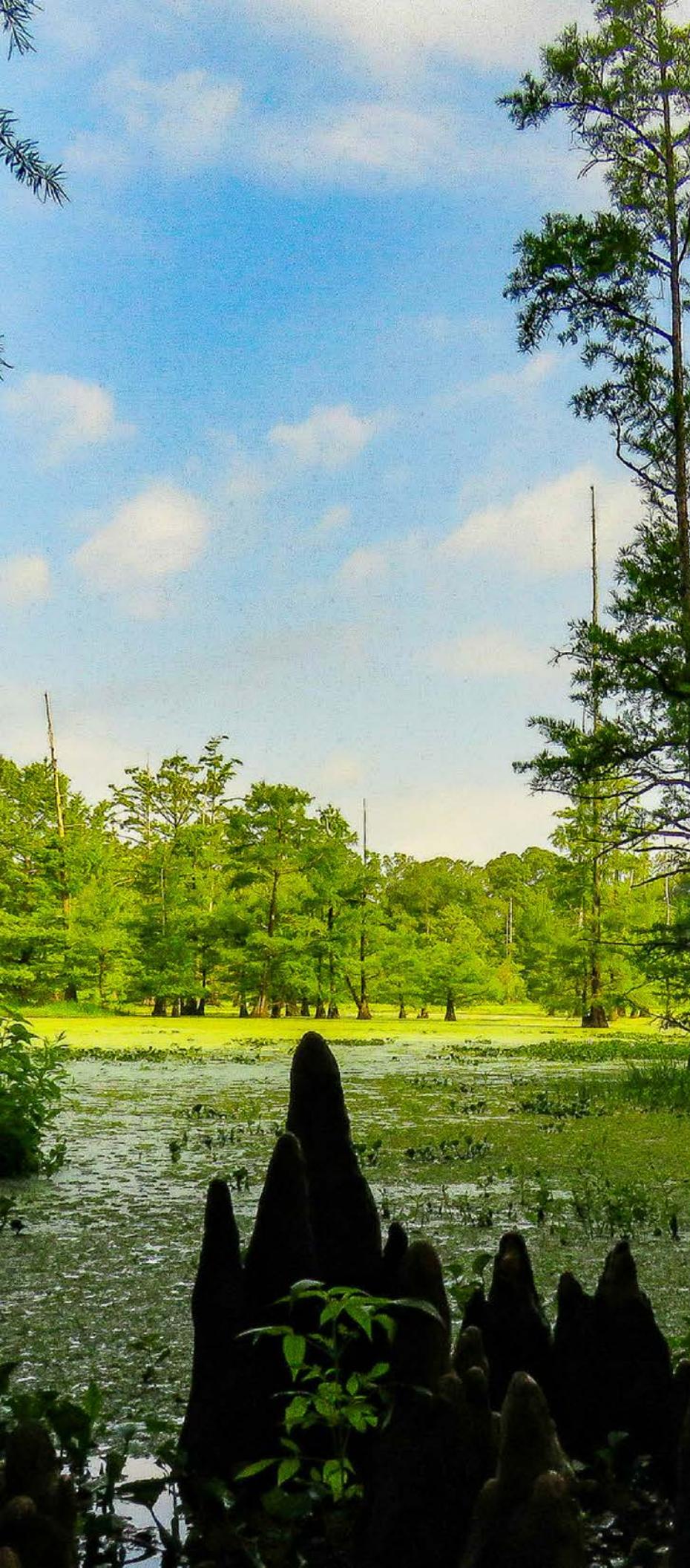


2023 SUSTAINABILITY REPORT

CELEBRATING 75 YEARS OF FOREST
RESOURCES







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CLOSING MESSAGE

All facts and figures reported from 2023.

Unless otherwise noted, all of the photos in this document are from Westervelt – our people, our lands, our products, and our partnerships.

Message from the CEO



2023 marked the end of an era. Our long-time CEO, Brian Luoma, retired at the end of the year, and I was fortunate enough to be given the opportunity to follow in his footsteps. I am humbled and honored and feel a deep sense of responsibility to build upon our organization's tremendous legacy.

Cade Warner
President & CEO

In his final contribution to our Sustainability Report series, Brian reflected on what sustainability meant to him and to the organization. Throughout our storied past, each of our leaders has embraced sustainability and built upon the efforts of all those who came before them, and I feel a deep sense of duty to keep this tradition alive. Similar to Brian, my vision for growth, specialization, and diversification is built entirely around sustainability.

Whether you are a first-time reader of this report or a long-time member of the Westervelt Green Tree Family, I suspect you already know how important sustainability is to Westervelt. As I am sure you are aware, we are quite fanatical about sustainability. It is our brand and our battle cry. You have probably seen countless definitions from us and others and have seen us reference it in a myriad of ways. Still, you may be asking yourself, what exactly is sustainability? So, I figure it's about time that I set the record straight.

What is sustainability?

Sustainability is one of Westervelt's premier corporate values. Corporate values are more than priorities or initiatives. They have staying power. They are what make up an organization's cultural fabric. Priorities and initiatives change, values do not.

As a Westervelt value, sustainability is not just a term. Sustainability is Westervelt, and Westervelt is sustainability – the two are synonymous. Sustainability always has been and always will be the lifeblood of this company. To us, sustainability means so much more than simply sound environmental practices. It's our ethos, strategy, and approach to business. Sustainability is the way we make decisions and the way we create value. But most of all, sustainability is our commitment – and it is a big one – to ourselves and to anyone reading this report.



Message from the CEO

At Westervelt, when we say we are committed to sustainability, we are committing to:

- An everlasting goal of creating more than we consume.
- Focusing on creating long-term, enduring value for our Green Tree Family.
- Managing our operations and making decisions according to the principles of the 4 Es.
- Acknowledging that our actions matter and that how we do work is as important as the work we do.
- Creating value through environmentally resilient and economically accretive products, practices, and processes.
- Maintaining a multigenerational perspective and thinking in quarter centuries and not quarter years.
- Fostering long-lasting, symbiotic relationships with our stakeholders that are built on trust and mutual prosperity.
- Offering good jobs where our people's professional and personal growth is aligned with the Company's growth and ensuring that our people's health and safety are valued above all else.
- Keeping the customer front of mind and embodying the principle of "quality counts."
- Striving for continuous improvement, innovation, and zealously pursuing excellence in all things.
- And lastly, and most important of all, cultivating the capacity for change, learning, flexibility, and adaptability.

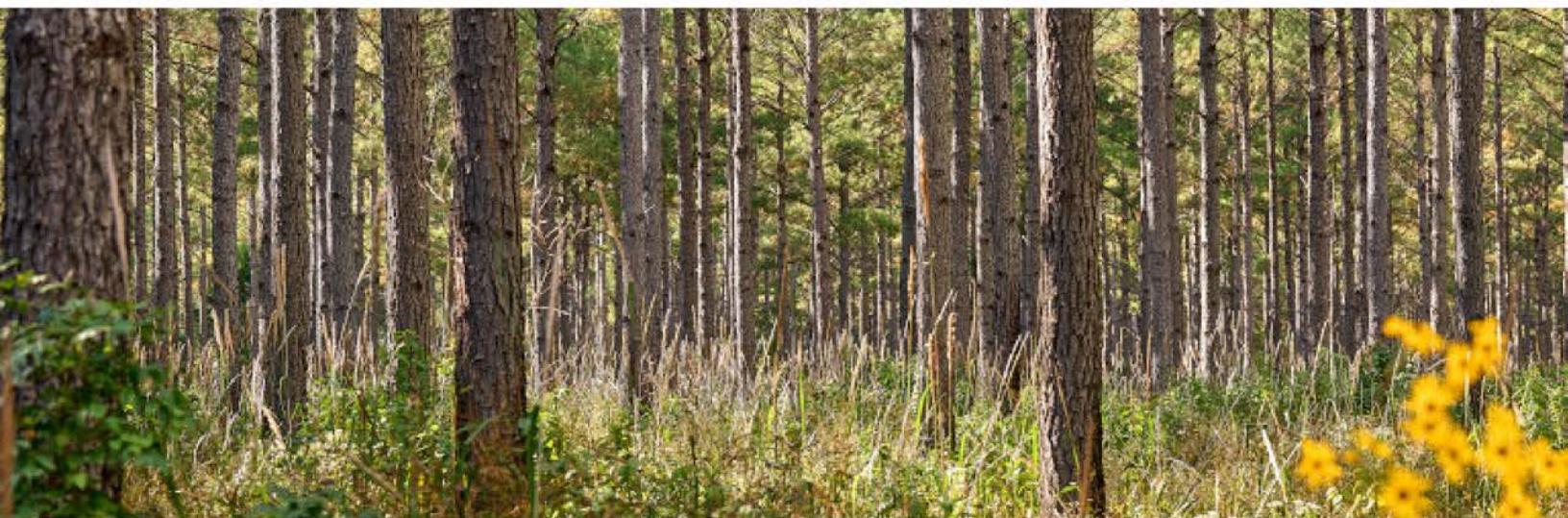
I'll end by saying what you all have heard me say so many times - we are a multigenerational family company that thinks in generations. We rely absolutely on the wise and sustainable use of the earth's natural resources. We have survived multiple wars, multiple recessions, countless natural disasters, and constantly changing political climates. We have built an institution that has operated at the pinnacle for decades. We are known in lands far and wide as the standard to which others aspire. Our base is strong, and our future is bright. I have never been prouder of this organization, and I am beyond excited by what the future holds. The path forward will surely change with time, but our approach to business will never waiver. This business is about family, community, mutual prosperity for all our stakeholders, and being part of something bigger.

So, what is sustainability? It is everything to us.

MISSION & SUSTAINABILITY STATEMENT

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.



Sustainability



Stewards of the Land

We believe that sustainability, the core of our legacy as stewards of the land, is one of our greatest responsibilities to uphold. Protecting our natural resources and ensuring a diversity of habitats across our lands is more than a commitment – it's the standard we hold ourselves to.

Core Values

Safety



Community



Culture



Quality



Values of Excellence

Learning



Accountability



Collaboration



THE 4 Es



ETHICS

We produce our products and services through respectable, ethical, and high-quality practices. We believe in creating lasting, respectful, and mutually beneficial relationships and shared prosperity. Our ethical principles include a safety-first approach to business, business relations built around integrity and respect, a family approach to stakeholder relations, managing our business through accountability and trustworthiness, and focusing on creating shared value for all our many constituents.



ECONOMIC

We consistently deliver sustainable sources of high-quality profits and long-term value creation. We are intentional in balancing long-term economic value and short-term profit and cash flow. Our economic principles include stakeholder value, multigenerational thinking, disciplined risk taking and capital allocation, maintaining a balanced portfolio, and building business resilience so that we can not only survive tough times, but thrive in them.



ENVIRONMENTAL

We produce our products and services through sustainable practices and processes while trying to improve the environment in the process. At minimum, we attempt to minimize any environmental harm and seek to leave the world better than we found it. Our environmental principles include our deeply held land ethic, our adherence to the highest levels of genuine environmental integrity, our stewardship approach to management, our focus on sustainable business practices and products, our intentional approach to conservation, our belief that being a good corporate citizen in our communities is a responsibility, and our scientific approach to making decisions.

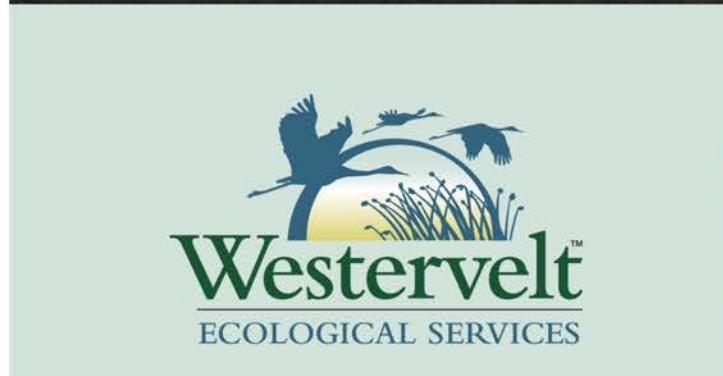


EXCELLENCE

We believe in delivering high-quality products and services to our customers via high-quality relationships with our employees, suppliers, and other stakeholders. We strive to maintain an innovative and competitive spirit. We believe anything worth doing is worth doing well. Our principles of excellence center around our mantra of quality counts, our intentional focus on continuous improvement, our obsession with providing our customers value, our intentional approach to developing people, the passion we have for our work, and our tenacious and competitive spirit.

The 4 Es are integral to all aspects of our decision-making, whether day-to-day or long-term strategic considerations, including how we view sustainability. This report includes examples of all 4 Es reflected in metrics and stories. As you read ahead, we encourage you to visualize how the 4 Es are demonstrated in each section.

BUSINESS GROUPS







In many ways, our working forestland, spread across six states in the Southeastern U.S., represents the lifeblood of sustainability for Westervelt. This 620,000+ acre land base forms a significant footprint in the region and provides meaningful environmental, economic, and social benefits. As a result of our science-based management approach, our forest has historically excelled at producing sustainable forest products while simultaneously protecting water quality, wildlife habitat, recreational opportunities, and rural prosperity, contributing significantly to climate change mitigation. It is Forest Resources' essential responsibility to perpetuate and continuously improve our ability to sustain all of these sources of value.

Sustainably managing our forestland base requires focus on many aspects and considerations. Forest Resources consists of a group of specialists dedicated to the following areas of expertise:

- Silviculture (maintaining a healthy and productive forest that provides sustainable wood products that society needs)
- Wood flow and timber marketing
- Watershed management and implementation of forestry best management practices (BMPs)
- Forest genetics, nursery, and seed orchard management
- Forest modeling, geographic information systems, remote sensing, and economic analysis
- Wildlife biology and habitat management
- Forest recreation
- Environmental policy, regulations, and forest certification
- Forest carbon accounting

By continuing to strive for excellence in our forest management practices and seeking to understand societal needs and values, we know that our Forest Resources group will provide long-term solutions in a constantly changing world.



"When I think of all of the many benefits our timberlands provide, I feel honored to get to do what we do."

Dave Donaldson
EVP & General
Manager, Forest
Resources





A Note from Cade: 75 years of sustainable forest management



Cade Warner
President & CEO

I'll start by saying - wow! 75 years is a tremendously long time, and for a company's division, it's an eternity. 75 years of business success in the forestry industry is almost unheard of today with the shift to REIT and institutional ownership.

I want to congratulate and thank each one of you for your part in this achievement. Our past and current employees have starred in so many of the chapters that is the story of Westervelt Forest Resources - and it has been a long and remarkable tale to date. Our story is filled with characters that capture the imagination, trials and tribulations, failures and successes, and learnings and growth.

It is with great pleasure and fortune that I can commit to each of you that we are nowhere near the conclusion of this tale. While many of the characters have changed, and the plot has certainly thickened, the arc of the story remains. While I cannot tell you exactly how the future chapters will play out, I know our story will be that of continued tenacity, growth, passion, and triumph.

I've been asked to talk about what the future holds for Westervelt Forest Resources. I will start by saying this. The future is bright. The future is growth. The future is continuous improvement. The future is sustainability.

Before talking more about our specific goals for the future, I want to recognize the trailblazers who came before us as there would be no future to discuss without the seeds planted in the past. Our current business operations would not be what they are today without the pioneering efforts of our predecessors. Our present team is truly standing on the shoulders of giants. We are fortunate to be able to reap the benefits sown by so many before us and we are responsible for sowing the benefits to be reaped by others in the future. Our predecessors' passion, determination, and creativity built an institution that will benefit countless future generations. Their efforts embody the definition of stewardship and sustainability, and their values became the definition of how we do business.



75 years of sustainable forest management

When Mildred Westervelt Warner started the Forestry division 75 years ago, she said, "It pays to be different." Well, folks, we were different then, we are different now, and we always will be different.

What will the future hold?

While the future is, by definition, uncertain and unknown, there are things of which I am certain. I am certain that as Westervelt Forest Resources:

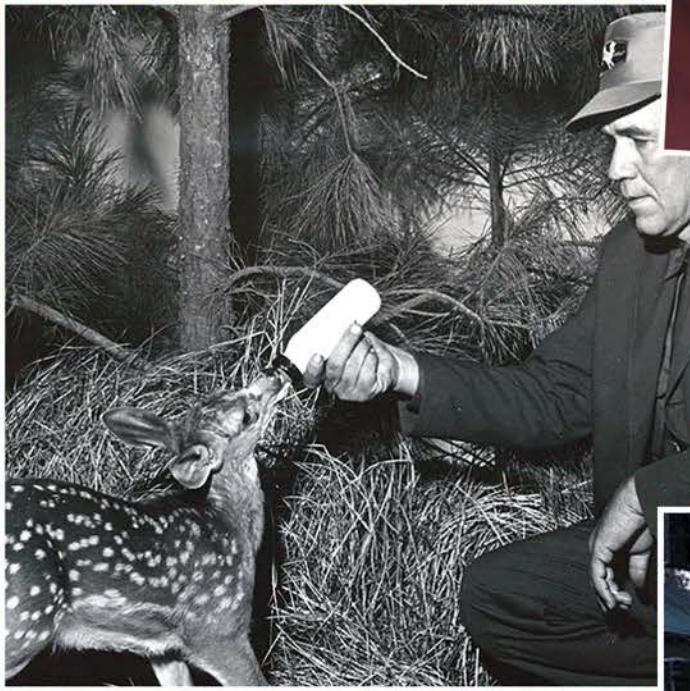
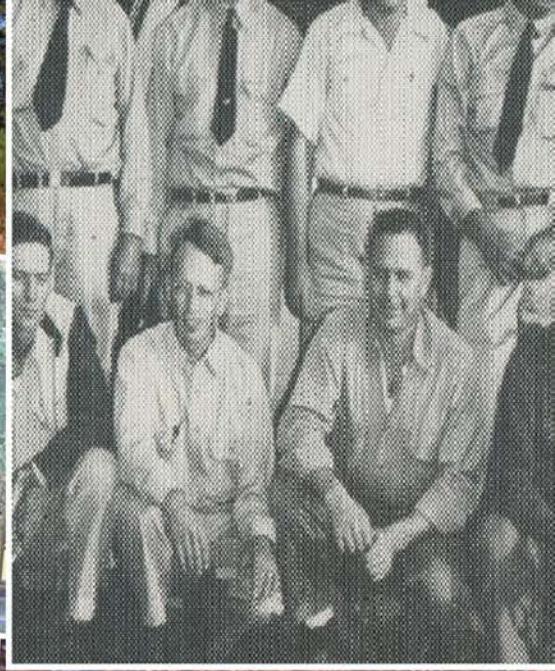
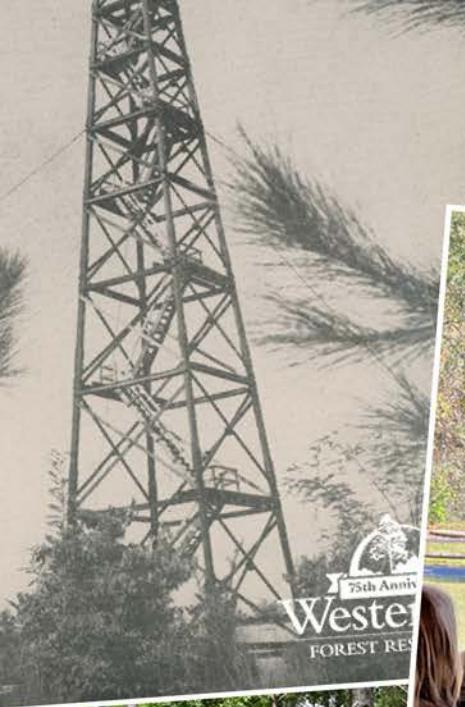
- We will continue to value the health and safety of our employees more than anything else. We owe it to each other and to our families.
- We will maintain a commitment to the highest levels of ethical, environmental, and economical integrity. What we do, we do to the highest standards.
- We will continue to foster long-lasting relationships with our suppliers and vendors that are built on trust and mutual prosperity. We cannot do it without them.
- We will continue to maintain a multigenerational perspective and plan in quarter centuries and not quarter years. The nature of our business ensures it.
- We will continue to take immense pride in the efforts of our forbearers and will always maintain a deeply held feeling of responsibility to build on their efforts by continually improving ourselves and our operations. We all sit in the shade of trees planted by the foresters of years ago.
- We will look to grow our land base in Alabama and will continue to branch out to other areas throughout the South. There is no place like home, and we know it better than anyone.
- We will focus on high-quality timberland acquisitions that improve the productivity of our forests and the markets we operate in. Quality has always counted, and it always will.
- We will grow our recreation offerings and maintain our pioneering approach to wildlife management and conservation. We were the first, and we will be the last.
- We will expand our nursery and orchard operations and increase our position in external seed and seedling markets. We have the best genetics available, why not?
- We will holistically consider all the natural resources we manage – including minerals, air, water, and wildlife – when we make land use decisions. We recognize the forest is part of a larger ecosystem.



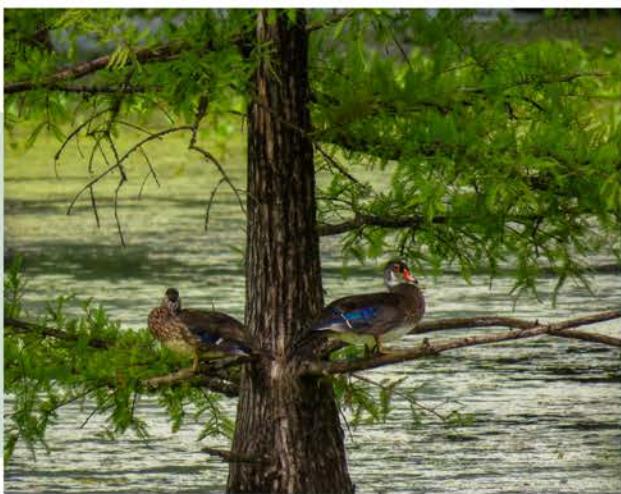
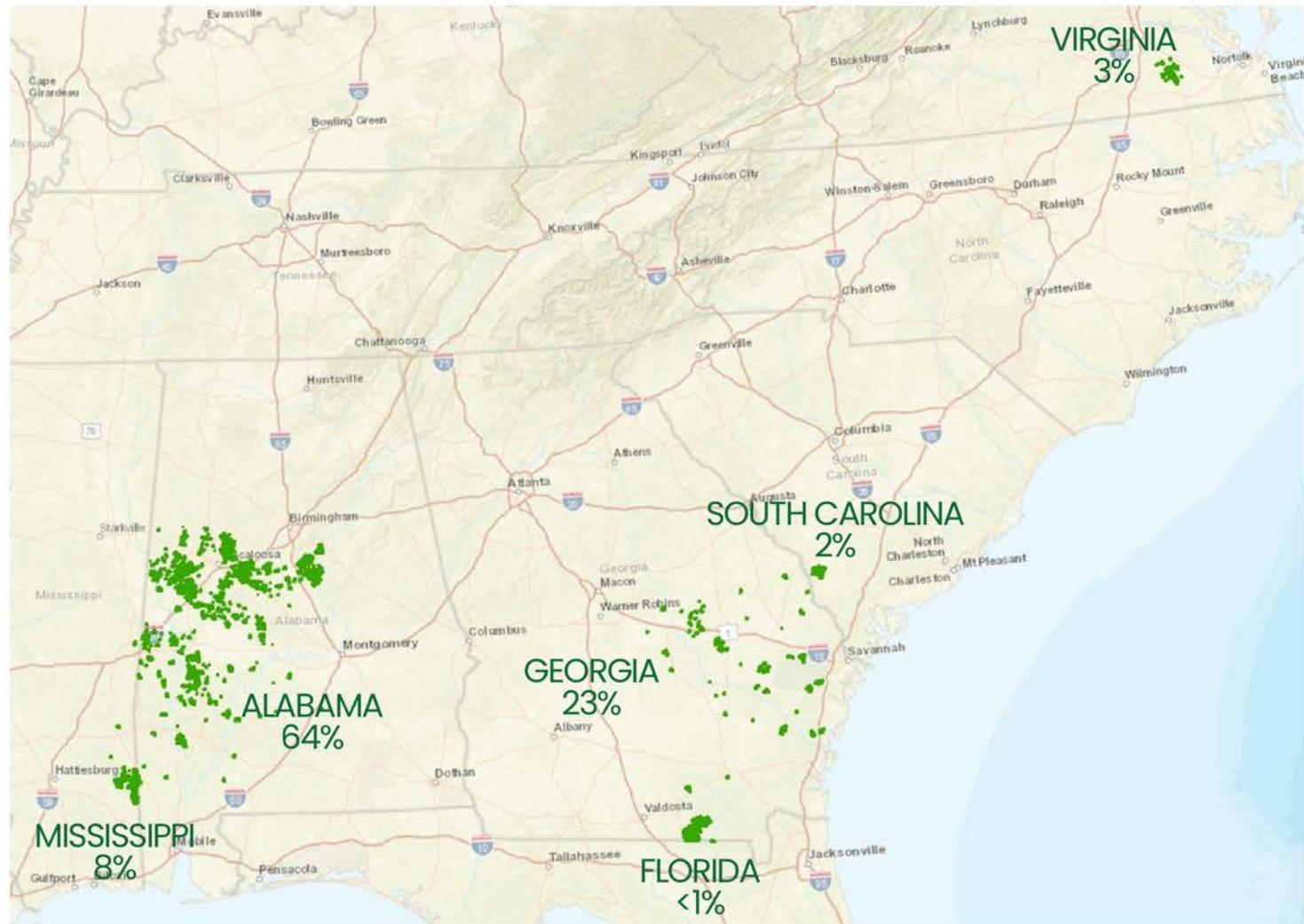
- We will continually seek improvements in the health, resiliency, productivity, and sustainability of our forests through the implementation of innovative silviculture and management practices, and the latest in research and development. A healthy forest is key to a healthy Westervelt.
- We will continue to support numerous domestic and international industries that provide quality jobs and drive economic development in the places we call home. Healthy markets equal healthy forests, and healthy forests equal healthy communities.
- We will remain focused on sustainability and continually challenge ourselves to be better stewards of the resources we are fortunate enough to manage. We take great pride in this responsibility and certainly love a good challenge.
- We will explore new opportunities in developing markets, such as carbon sequestration, biofuels, and green energy. Innovation is in our DNA.
- Finally, I am certain that we will continue to ensure that those who come after us will inherit a world with all the opportunities we have been given and many more. The Green Tree Family does not stop with us.

For someone who is not certain of much, I am quite certain about the future of this division.





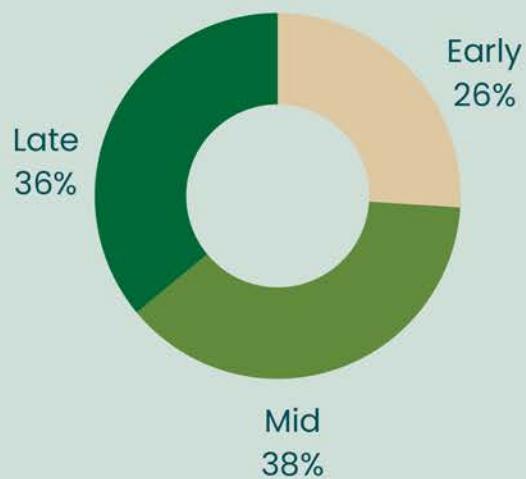
FOREST OWNERSHIP BY STATE



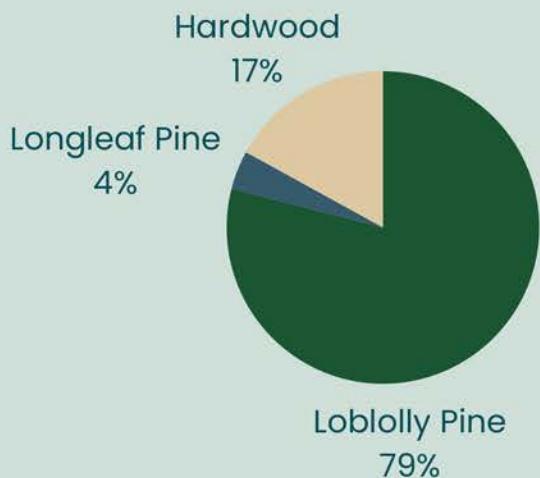
LAND FACTS

**623,062**total acres of
forest land**16,846**acres
thinned**17,237**acres
harvested**100%**of harvested
land is
reforested

Forest Land by
Successional Stage



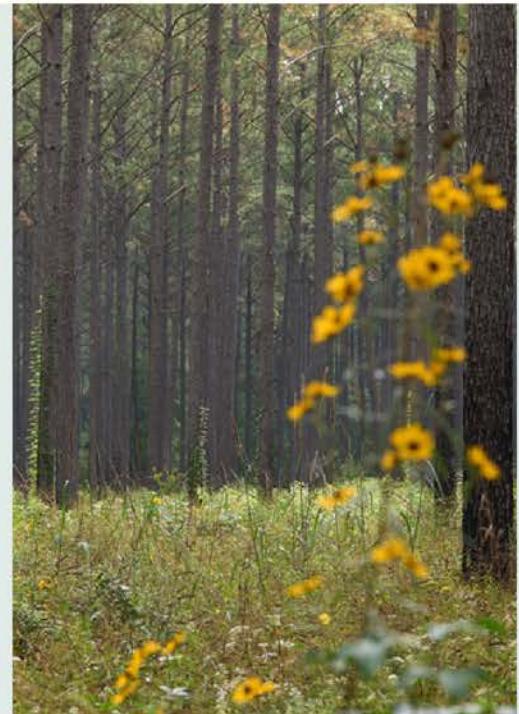
Forest Composition
by Species Type



LAND FACTS

7,400 acres burned

Prescribed fire creates early ecological succession habitat, benefiting many wildlife-friendly grass and forb species.



“Longleaf pine forests provide a unique habitat and quality forest products. As a land manager, I believe longleaf is an important pine species to manage and incorporate into the landscape. Special thought and attention are required to properly promote the growth and establishment of this fire-adapted species.”

Brock Story, Resource Management Forester

FOREST CERTIFICATION

FSC® FOREST MANAGEMENT

- No non-conformances
- One observation on protection of water quality

SFI® FOREST MANAGEMENT

- No non-conformances
- One opportunity for improvement on a particular erosion control measure

INTERNAL AUDIT

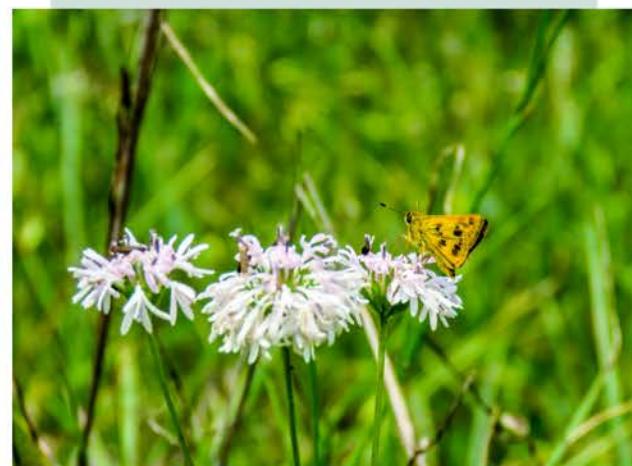
- One opportunity for improvement on a low-water crossing in need of repair

All audit results were used to inform process updates, make any needed improvements, and identify training needs to ensure we are maintaining our highest level of sustainability performance.

100%



of working forestland is certified to the Sustainable Forestry Initiative (SFI®) and/or the Forest Stewardship Council (FSC®)



REFORESTATION



100%

of pine seedlings grown in our nursery produced from our seed orchard



2,806 lbs

of seeds produced from our seed orchard



56,400

acres can be reforested by our seed orchard yield



7.6

million loblolly pine and **576 thousand** longleaf pine seedlings grown



"In my time as a Resource Management Forester, I've always had the freedom and support to base my silvicultural prescriptions on multiple factors, from ecology to economics. Not being restricted to a single short term goal allows me to do what's right for each tract of land. We view land as the most important natural resource to be wisely managed now and in the future. This year, we have identified multiple stands in the Tombigbee Region that will be best suited for longleaf pine, others for bottomland hardwood, and are putting plans in place to manage these stands accordingly going forward."

Elliott Glass
Resource Management
Forester

While we predominately actively manage for loblolly and longleaf pine, we manage for many hardwood species, including cherrybark oak, Nuttall oak, Shumard oak, swamp chestnut oak, red oak, overcup oak, willow oak, white oak, bald-cypress, and sweetgum.

 **WILDLIFE**

BIRD AND POLLINATOR RESEARCH



To better understand how our management practices affect wildlife, we partnered with the National Council of Air and Stream Improvement (NCASI) and Mississippi State University to provide study sites for research that seeks to quantify bird and pollinator use of working forests. Some study findings are shown below.

- Stand edges, with important understory characteristics including exposed bare soil and flowering plant diversity, benefit bee communities within working pine forests in the southeastern United States.
- Approximately 48 different species of birds were observed on the study site.
- There is a lack of information on many species' life history as well as how bees travel and utilize resources across the landscape, which will affect the ability to plan management efforts to conserve bee communities within working pine forest systems.
- Most bee species are associated with stand edges, although there are a few exceptions that are associated with stand interiors.



We are proud to work with these and other research partners to better understand the important role of working forests in providing wildlife habitat. We also are able to incorporate what we learn into our forest management decisions in order to enhance habitat features.

 **WILDLIFE**

Westervelt and the CWD Coalition, comprised of 15 members from the timber industry and NGOs, continued our campaign to increase awareness around chronic wasting disease (CWD) in white-tailed deer. Our goal has been to promote practices that help discover, manage, and mitigate the negative impacts of CWD. Westervelt has committed to being proactive and taking science-based precautions to avoid facilitating the spread of the disease, such as not allowing the use of artificial bait and feeds on our property.



Recent research from Mississippi State University attempts to better understand the impact of artificial feeders on the spread of CWD. Researchers found that “the relative first comparison showed that almost three times more deer visited sample areas around feeders than equivalent areas within food plots. The more deer that frequent a small area the greater the risk for CWD to spread through direct and indirect contact between those deer. The conclusion is that deer at feeders are more at risk for catching CWD from other infected deer than at food plots.”

We actively educate our customer base and offer incentives to encourage the collection of samples for state agency testing programs. Our CWD education efforts will continue to grow as research identifies even more areas of high concern and risk. Additionally, we implemented a survey for our hunting lease customers to gauge their perspectives on CWD. We found customer knowledge of CWD to be high, their accessibility to email for educational materials to be high, and their motivation to hunt is primarily for experiencing nature and viewing wildlife.



click or scan to read more about MSU's CWD research

FOREST MANAGEMENT IMPACTS ON WILDLIFE DIVERSITY



"Each Westervelt property is a diverse landscape with many different habitat types. We manage our forests for this diversity. The mosaic of habitat types ensures that wildlife always have access to the resources they need. Each of these habitat types are important in providing for the individual needs of wildlife." Daniel Sellers, Wildlife Biologist



Recent Harvest:

A harvest exposes bare soil to sunlight and allows seeds lying dormant in the seedbank and wind-dispersed seed to germinate. Herbaceous plants, including many native grasses, quickly populate the area and provide lots of seed and forage for various wildlife. As these stands age, they can also provide nesting and escape cover.

Pre-Merchantable Stand:

Sunlight is no longer able to reach the soil, so much of the nutritious forage is gone. However, these stands provide excellent bedding and escape cover. The thick covering of trees protects wildlife from the elements and many forms of danger.



Post-Thin Stand:

After a stand is thinned, sunlight can reach the ground again through gaps in the forest canopy. Native grasses and forbs quickly germinate in the understory, providing excellent forage opportunities for wildlife. These areas are also excellent nesting and brooding areas for ground-nesting birds. If maintained by fire or some other form of disturbance, these stands can continue to provide for wildlife until they reach maturity.

SMZs:

Streamside management zones (SMZs) are primarily dominated by hardwood trees and are left as a buffer area to protect streams. These areas provide excellent travel corridors for wildlife since they usually have an open understory. The streams provide a water source, and many trees produce mast that offers a highly nutritious food source.



ECOLOGICALLY SPECIAL SITES

20 Special Ecological Sites



Alabama is well known for its unique plant communities called glades. The Ketona Dolomite glades are special plant communities found only in Bibb Co, Alabama. These glades are home to 8 endemic species that occur only on these special sites. We work with the Alabama Natural Heritage Program and The Nature Conservancy to conserve these glades and other ecologically special sites on company land. We take pride in knowing we are protecting globally rare and unique species!



We have partnerships with NCASI and NatureServe to source locations of protected species so our land managers know where to conserve these species.



Considered one of the rarest shrubs in the United States, the Alabama croton is one of the many rare species managed for at our Ketona glade special site.



CARBON AND CLIMATE

We continue to advance our understanding of how our forest management practices impact carbon and how this translates to climate change mitigation. We believe that a healthy and productive forest results in optimal economic return on timber products and carbon sequestration and storage benefits. We partner with groups like the Forest-Climate Working Group, NCASI, National Alliance of Forest Owners (NAFO), and American Wood Council (AWC) to improve knowledge and transparency of the carbon and climate benefits of working forests.

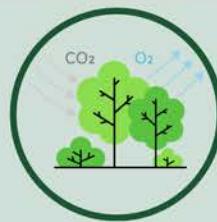


National Alliance
of Forest Owners



FOREST-CLIMATE
WORKING GROUP

Our working forest carbon stocks are more than the annual home electricity usage from households in Mississippi, Alabama, and South Carolina combined, according to EPA averages and Census Bureau statistics.



34,072,096 MT
CO₂e

working forest carbon stocks
from above ground woody
alive/dead biomass



363,059 MT
CO₂e

sequestered from
forests in 2023

WATER

Best management practices (BMPs) are the stewardship guidelines used in forestry operations to protect water quality. One of the most essential BMP guidelines is SMZs. SMZs are a buffer around intermittent and perennial streams protected during harvest and silvicultural activities. The primary function of an SMZ is to maintain water quality by limiting the amount of sediments entering streams adjacent to forestry activities. They also help to stabilize stream water temperatures while providing food, cover, and travel corridors for wildlife. Westervelt follows BMPs on all forest land and any forest that sends wood to our mills.



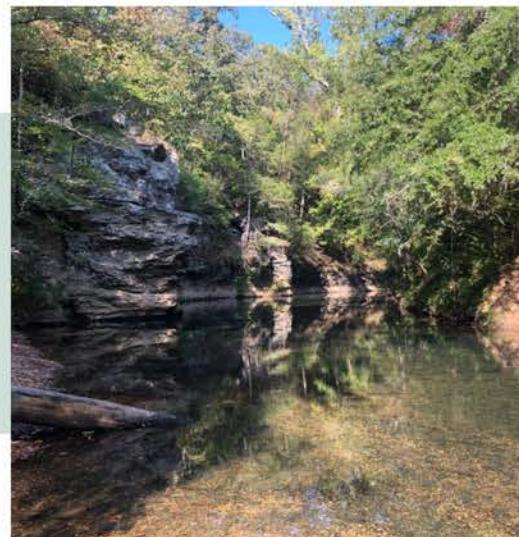
2,044 miles

of rivers and streams
protected by SMZs



85,705 acres

of forest in SMZs



RECREATION



99%

of our land is available to the public via recreational leases. Wildlife biologists are assigned to each available parcel to assist customers in improving their recreational experience.



Westervelt Lodge offers premier recreational opportunities. Since 1951, this property has been actively managed to promote white-tailed deer and wild turkey populations.



SUSTAINABLE SOURCING



SUSTAINABLE
FORESTRY
INITIATIVE
SFI-00062



PEFC
PEFC/29-31-478



FSC
www.fsc.org
FSC® C106188

The mark of
responsible forestry



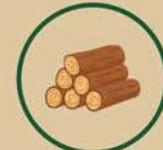
Westervelt Lumber is committed to sourcing sustainably managed and harvested raw materials. All raw material sourcing for our facilities is certified to rigorous procurement due diligence sustainability standards set forth by FSC®, SFI®, and PEFC. We hold the following certificates to each: FSC Controlled Wood, FSC Chain of Custody, SFI Fiber Sourcing, SFI Chain of Custody, and PEFC Chain of Custody.

These certification systems ensure that every piece of lumber we sell comes from legal, sustainable, and responsible sources (as defined by our sustainability standards) and from timber harvesters who are trained in sustainable forestry practices. Our procurement, management, and harvesting operations undergo rigorous third-party audits annually. We are proud to report that in 2023, these audits found no non-conformances.



"All of the roundwood brought into our lumber manufacturing facilities is certified to rigorous procurement due diligence sustainability standards set forth by FSC®, SFI®, and/or PEFC."

Chris Chambers
Timber Procurement Manager



2,179,050

total tons of logs utilized



40.8%

of logs sourced from SFI®, FSC®, or American Tree Farm System (ATFS) certified lands



22.9%

of logs sourced from Westervelt land



100%

of logs are from legal and responsible source

VERIFYING OUR PERFORMANCE

Chain of Custody Audit Findings

- FSC CoC – no non-conformances
- SFI CoC – no non-conformances
- PEFC CoC – no non-conformances; one opportunity for improvement for editing a trademark symbol in documentation

Procurement Due Diligence

- SFI Fiber Sourcing – no non-conformances; one exceedance of the standard for BMP monitoring
- FSC Controlled Wood – no non-conformances

Water and Air Regulations

- 0 notices of violation for water and air regulations

Internal Audit Results

- Triple chain of custody (CoC) procedures, SFI® Fiber Sourcing, and FSC® Controlled Wood – 3 corrective action reports (CAR) were issued. All of these issues were limited in extent and were immediately corrected and recorded in our CAR log.
 - FSC's International Labor Organization (ILO) labor requirement was missing from a stumpage contract
 - Non-conforming product was sent to markets
 - Incorrect FSC® claim was used on lumber sale documents



WOOD SOLUTIONS

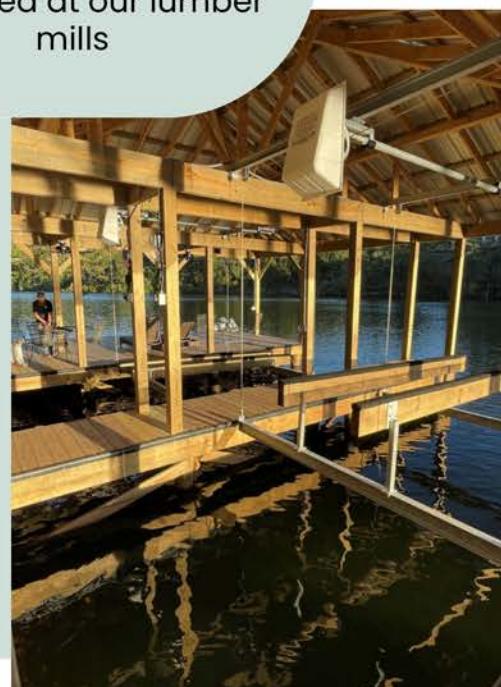
EFFICIENT UTILIZATION

We are proud to have effectively 0 percent waste of green logs that come into our facilities. Wood residuals are used internally for energy in our boilers and sold to external markets to be manufactured into products such as mulch, horse bedding, and various pulp and paper products. Additionally, wood ash from our boilers is applied to land for soil amendment. Virtually all wood fiber is used in the production of lumber, energy, or sold to make other wood products.

CARBON IN WOOD PRODUCTS

The built environment continues to be responsible for a significant portion of annual global CO₂e emissions. Embodied carbon in non-renewable building products such as concrete, steel, iron, and aluminum make up a substantial portion of the carbon debt. Using more wood products provides viable solutions that can improve climate mitigation efforts.

318,928 MT CO₂e
stored in long-term
wood products
produced at our lumber
mills



MOUNDVILLE MILL UPGRADE

In 2023, we underwent one of the largest upgrades our company has made to an existing facility at our Westervelt Lumber mill in Moundville, AL. It is expected to increase production capacity materially and do so in a manner that is more efficient and sustainable than ever. Most importantly, all construction was completed in the safest manner possible without any recordable injuries to our employees or contractors. We look forward to the positive impacts that this investment will have on our business, community, and local forest economy.

SAFETY

Safety Process Improvements (SPIs) create a safer work environment, reducing the likelihood of accidents or incidents, and protect the well-being of our employees and visitors.

SPI Case Study: Signs warning pedestrians to be aware of lift truck traffic.



Employees Jake Johnston, Pete Royster, Allen Corley, (from left to right) who created this SPI, also added a protective guardrail in the event of a pedestrian tripping on the stairs as they exit the doorway.

LUMBER MILL ENGAGEMENT



The Thomasville Mill Team sleighed the Christmas parade and won third in Best Overall Float with their Grinch-themed masterpiece.

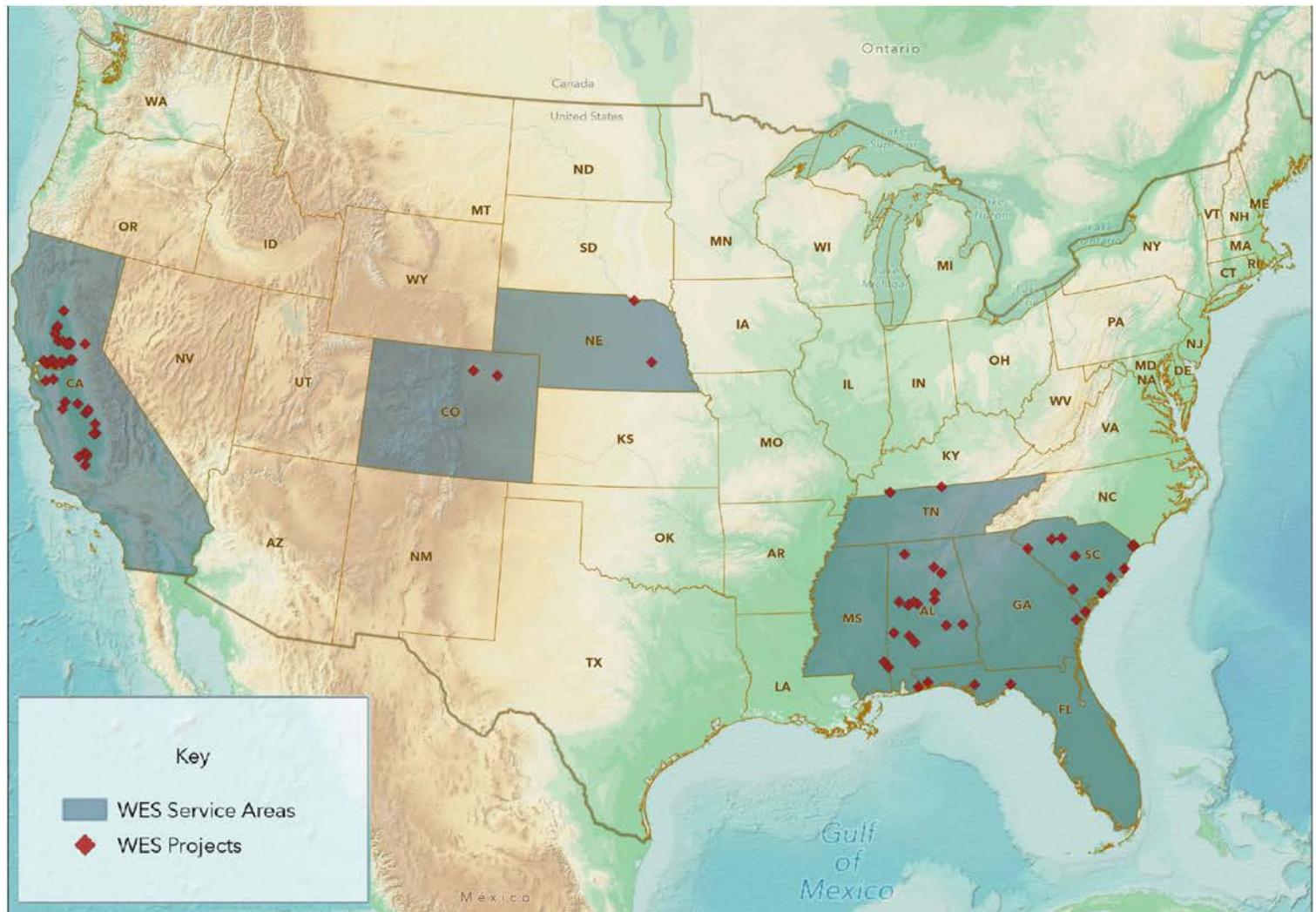
Westervelt Lumber made spirits bright this holiday season by donating toys for needy families through the Thomasville Salvation Army.



Westervelt team members visited Clarke County High School, and each senior had the opportunity to participate in a mock interview. Three students were presented with job offers.



ECOLOGICAL RESTORATION PROJECTS



Alameda whipsnake



California tiger salamander



California red-legged frogs



Conservancy fairy shrimp

WETLAND MITIGATION BANKS

A mitigation bank is an area that has been restored, established, enhanced, or preserved to offset the loss of streams, wetlands, or a listed species habitat.

Our wetland mitigation banks generate credits from the ecological restoration, and we sell the credits to a client or permittee needing to offset their environmental impact.

The quality and type of mitigation determine the number of credits at a bank. Generally, credits are measured based on acres, functional units, or another assessment method. The credits offset impacts arising from projects such as residential, commercial, and infrastructure development.

River cane restoration at Tuckabum Creek Mitigation Bank



25,114 acres
in wetland
mitigation banks



22
wetland mitigation
bank projects

🔍 WETLAND MITIGATION CASE STUDY

Westervelt Ecological Services (WES) has been working with the Nebraska Department of Transportation to provide wetland mitigation solutions for a widening and improvement project of flood-prone Highway 12, which is the primary route through the town of Niobrara near the South Dakota border. During the project's development phase, we worked to both find a piece of property to purchase that met the mitigation requirements and consult with the local Ponca Nation to ensure that the mitigation process met their approval since the area is part of their tribal landscape.

WES consulted a Traditional Knowledge Keeper of the Ponca Nation, Stacy Laravie, on how and where to incorporate traditional and tribal plants of importance and in designing areas of the site to ensure safe and sustained access of Ponca Nation members for foraging and collection of wild plants for consumption and use.

With the new road design, there will be unavoidable impacts on wetlands, and they need to be mitigated. WES identified an appropriate mitigation area and purchased a 109-acre property in October called the Ništ'ášt'à Nqdáha Permittee Responsible Mitigation Site. Upon construction of the wetland mitigation site, WES has approximately three years to show that the restoration process is performing as planned. Upon achieving restoration goals, the property will be placed in perpetual conservation, and the company will handle long-term management activities.



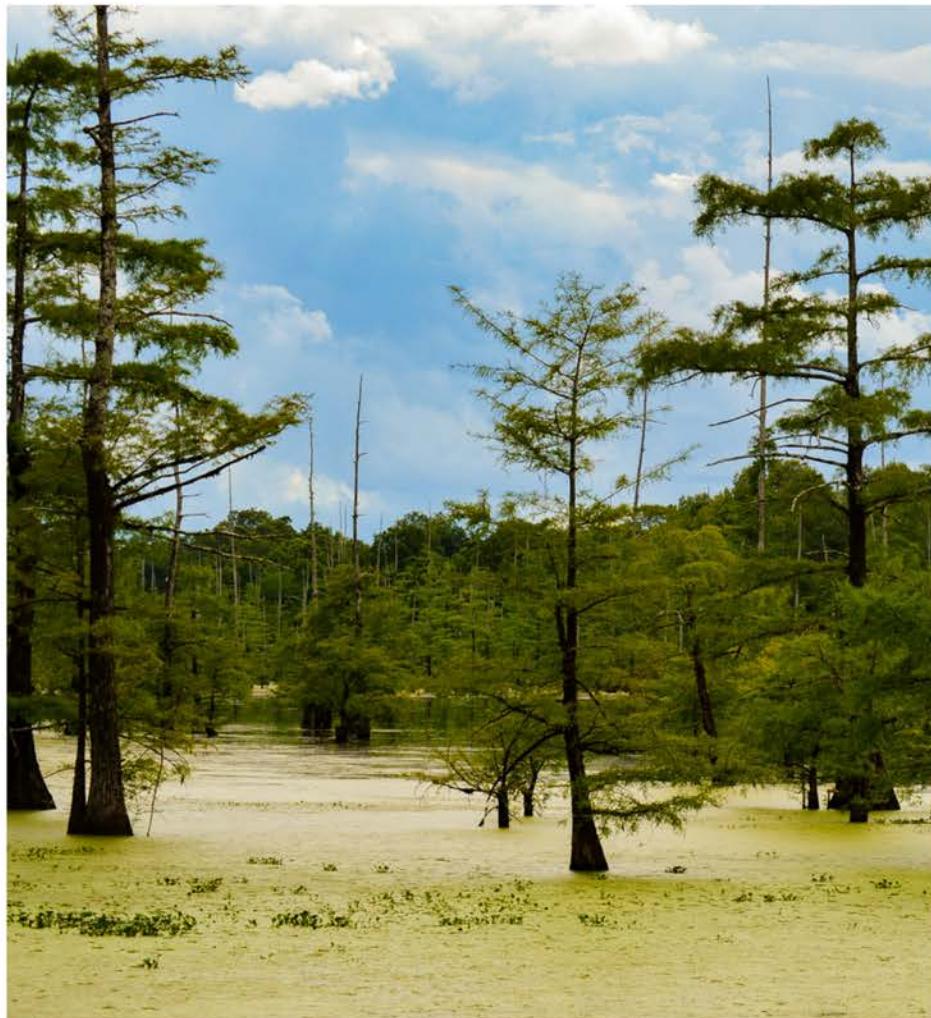
"We had to get buy-in from the Ponca Nation. They were such an important party to this whole process because this is part of their landscape."

Tyler Bell
WES Rocky Mountain Regional Director and Project Manager



CONSERVATION BANKS

Conservation banks are permanently protected lands that contain natural resource values. These lands are conserved and permanently managed for species that are endangered, threatened, candidates for listing, or are otherwise species-at-risk. Conservation banks function to offset adverse impacts to these species that occurred elsewhere.



18
threatened and
endangered
species protected



15
conservation bank
projects



11,048
acres in
conservation banks

Note: Some of our projects fall under both wetland and conservation bank status.

🔍 CONSERVATION BANK CASE STUDY



California tiger salamander larva



Western burrowing owl

In 2023, WES moved forward on two large-scale projects within the California Central Valley. These two projects will preserve both wetland and upland habitat for federal and state threatened and endangered species.

WES has contracted with Shell Pipeline to conserve over 61 acres at our Mulqueeney Ranch property, providing habitat for the California tiger salamander, California red-legged frog, and San Joaquin kit fox. The turnkey project for Shell is a small subset of the Mulqueeney Ranch property that encompasses 500 acres in Alameda County. This property provides habitat for several listed and protected species, including the California tiger salamander, California red-legged frog, San Joaquin kit fox, Swainson's hawk, tricolored blackbird, golden eagle, and western burrowing owl.

Additionally, WES secured the conservation rights to over 1,000 acres in Madera County, immediately adjacent to the Fresno River. WES is calling the proposed site Buck Ridge Conservation Bank. Biological surveys have found several protected species on the property, including the California tiger salamander, Swainson's hawk, western spadefoot toad, and vernal pool fairy shrimp.

THREATENED & ENDANGERED SPECIES

WES's 15 conservation banks provide protection for 18 distinct species credited across the country. WES staff undergoes ongoing training and partners with industry professionals to ensure that we properly monitor and manage these species on our properties, including:

Alameda whipsnake
California red-legged frog
California tiger salamander
Callippe Silverspot butterfly
Central Valley Spring-Run Chinook salmon
Central Valley steelhead
Conservancy fairy shrimp
Giant garter snake
Gopher tortoise

Sacramento River Winter-Run Chinook salmon
Salmonid habitat
San Joaquin kit fox
Swainson's hawk
Valley elderberry longhorn beetle
Vernal pool fairy shrimp
Vernal pool tadpole shrimp
Western burrowing owl
Western spadefoot toad

Intern Thomas Garcia
helps with a survey of
giant garter snakes at
Colusa Basin
Conservation Bank



Giant garter snake



Valley elderberry longhorn beetle



Gopher tortoise



In 2023, WES made a significant move by acquiring American Mitigation Company, marking a strategic expansion of our presence in the southeastern region. Established in South Carolina in 2016, American Mitigation Company has been dedicated to developing and managing natural resource mitigation projects, focusing primarily on South Carolina and Georgia. Aligned with WES's ecological and economic objectives, American Mitigation Company shares our commitment to delivering top-tier restoration projects that rejuvenate ecosystems and stimulate economic growth.



Westervelt's partnership with Canadian-based Caisse de dépôt et placement du Québec (CDPQ) started in 2021. Both groups have shared values around culture, sustainability, and philosophies of investments. In 2023, CDPQ joined WES as a minority investor. We are both actively participating in a WES Board of Directors that allows us to share operational updates and provide strategic direction to the business. Because of our partnership, in December, WES closed on its first business acquisition of a small restoration company, AMC. We look forward to continuing our efforts to expand our regional footprints and enter new markets across the United States.



"We are focused on disciplined growth and AMC's strong reputation in the South Carolina restoration market makes them an ideal fit for our organization. Together, our teams will enable us to continue delivering exceptional value and solutions to our clients. We are excited to start working with the new staff from AMC."

Travis Hemmen
WES EVP & General Manager

PARTNERSHIPS

For the fourth year, WES supported and participated in the Youth Environmental Leadership Camp (YELC) hosted by Sacramento Splash (Splash). Splash is a non-profit that has helped children understand the value of our natural world for over twenty-five years. Splash provides several programs targeting different age levels that provide students with hands-on, nature-based learning opportunities.

YELC is a week-long summer camp free to students entering 6th or 7th grade and is a hands-on experience for young environmental enthusiasts seeking to deepen their understanding of sustainability and conservation. The camp offers a unique opportunity for campers to immerse themselves in discussions focused on environmental stewardship. Through engaging sessions led by experts in various fields, campers learn about pressing environmental issues, such as climate change, biodiversity loss, and resource depletion, while exploring innovative solutions and advocacy strategies.

The last day of the camp culminates in a morning at WES' Cosumnes Floodplain Mitigation Bank. Upon arrival, students are given a brief introduction to the site and get to learn about some of the different jobs and skill sets required to make a project like Cosumnes successful. Afterward, WES staff take students on a walk through the site, where they get to explore the restored floodplain and see where the site connects to the Cosumnes River. It's truly rewarding to see students curious and engaged in learning how conserved spaces can play an important role in sustainable development. Over 240 students have come through the site, and we eagerly anticipate participating in the camp again in 2024.



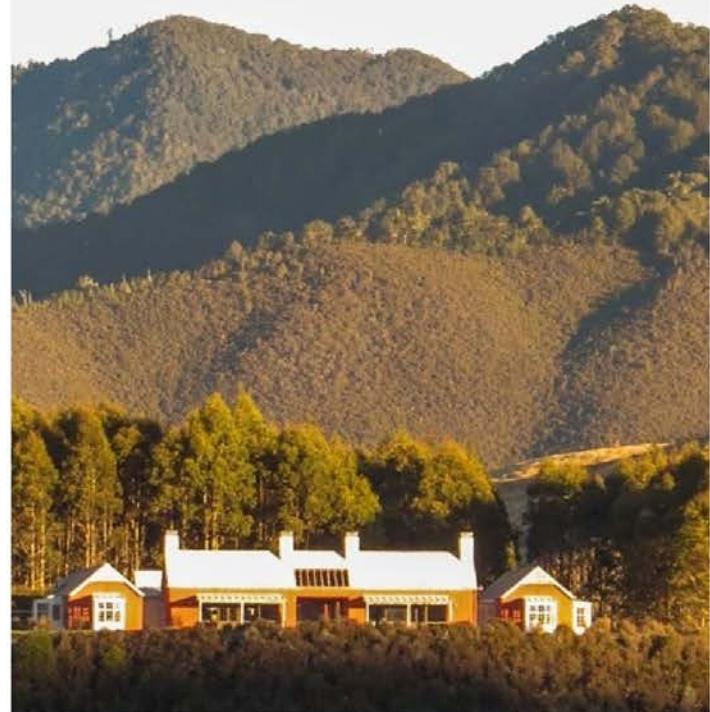


CONSERVATION IN NEW ZEALAND

A small island nation, New Zealand's native fauna are characterized by an almost total lack of mammals – the only two species that occur are small bats. This is offset by a unique assemblage of flightless birds and reptiles that have long enjoyed the lack of natural predators! The intervention of man has changed this situation, and many species are either extinct or endangered. Among them is the small-scaled skink, which is found in a small number of locations and is noted as vulnerable and in serious decline. Poronui is home to a population of small-scaled skink, though they are so cryptic in nature that they are seldom sighted! The habitat has been fenced to safeguard the population to prevent stock access. Westervelt works closely with the Department of Conservation to ensure the skinks that call Poronui home remain protected.



The rare small-scaled skink found at Poronui



Poronui is home to several acutely threatened fen and bog wetlands. These regionally significant sites are home to a unique assemblage of frost flat vegetation and rare native bird species, the spotless crake and fernbird. The wetlands have been fenced to protect them from livestock encroachment. One site is now considered one of the healthiest in the regional wetland monitoring program, with 80 percent of native species at the canopy level. Current efforts are focused on removing invasive plants such as grey willow and gorse and trapping predators and herbivores such as possums.

SUSTAINABLE EXPERIENCES

Poronui has committed to delivering the principles of the national Tiaki Promise when hosting guests. Put simply, Tiaki means to care, conserve, and protect. This program was created through a collective desire to share a connection to the natural world, inspiring and helping visitors to travel safely and conscientiously. The Tiaki kaupapa or principle invites our visitors to commit to a promise to care for New Zealand.



Poronui

To help minimize waste, Poronui has replaced single use plastic bottles with reusable bottles made from plant-based products. To highlight the impact, one couple who have stayed each year for 19 days would typically have used 152 single-use plastic bottles. Instead, they used two reusable plant-based products and took them home at the end of their stay!



"Poronui guests are privileged to enjoy some of the best backcountry fly fishing. Fishing for big fish in clear, fast flowing rivers while in a unique wilderness environment, it is easy to understand why guests come back year after year. To preserve the quality of the experience, Poronui has actively practiced catch and release for over 30 years."

Steve Smith
New Zealand
General Manager



EMPLOYEE FACTS



95%
of jobs offers
accepted



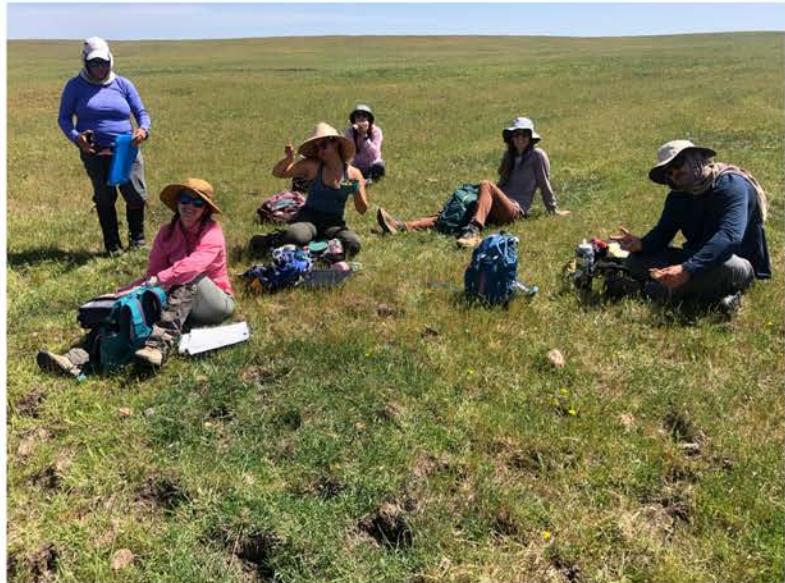
8.3
years average job
tenure



745
total employees



39
interns



From paid time off to educational assistance and service awards, we strive to keep our employee benefits package one that our diverse employees will enjoy and use. In addition to Health, Dental, Vision, Life, Savings and investment, Wellness, Tax-Free Spending Accounts, and Disability benefits, The Westervelt Company offers a variety of other benefits to round out our robust employee benefits package.

The Westervelt Company builds a culture that embraces our people's distinctive and diverse talents and is deeply committed to reflecting their unique experiences and perspectives. We believe in a supportive culture of belonging that provides equal opportunity for each to do their best work and sharing the sense of purpose and connection that leads to an exceptional blend of people.

EMPLOYEE GROWTH

We invest in Lean Six Sigma (LSS) training through our Growing Excellence initiative because we believe it pays dividends. Since 2019, we have offered Black Belt and Green Belt certification, Lean Fundamentals, Root Cause Analysis, and Facilitation training. We strongly believe that investing in our employees is the catalyst that allows the company to grow and prosper.

\$307,925
invested in developing
and training our
employees

56%
of Executive Team is LSS
Black or Green Belt
certified

308
employees spent 9,628
hours in employee
development and
training

53%
of Leadership Team is
LSS Black or Green Belt
certified



"Investing in our employees not only enriches their lives but allows the company to remain competitive and continue to grow. We grow together intellectually."

Mike Williams
Strategic Planning &
Improvement Director



"Our Neck of the Woods" is our quarterly internal newsletter launched in 2023. It highlights the accomplishments and updates from all our businesses and functional groups.





Warner College Scholarship

2023 WARNER SCHOLARSHIP RECIPIENTS

The Warner College Scholarship was established in honor of the longtime Chairman of the Board and CEO and his wife, the late Jack and Elizabeth Butler Warner, to ensure a brighter future for outstanding students who are children of The Westervelt Company employees.

Mary Grogan – Hillcrest High School, Tuscaloosa

Maxwell Grogan – Hillcrest High School, Tuscaloosa

James Lindsay – Demopolis High School, Demopolis

Lauren Carroll – American Christian Academy, Tuscaloosa

Bradleigh Taylor – Tuscaloosa Christian, Tuscaloosa

Heather Medlin – Muscle Shoals High School, Muscle Shoals

John Nicholson – University Church Christian Academy, Tuscaloosa

\$381,300

cumulatively
awarded in the
scholarship's
history

\$17,500

awarded to
scholarship
recipients this year



COMMUNITY PARTNERSHIPS

The Westervelt Foundation contributed over \$230,000 to various civic, environmental, and educational causes that support community initiatives.

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
Freshwater Land Trust
Girl Scouts of North-Central AL
Jimmy Rane Foundation
Junior Achievement
Lanark
Sacramento SPLASH
Schoolyard Roots
United Way of Southwest AL
United Way of West Alabama
West Alabama Food Bank
& Many More





128

**Safety Process
Improvements
(SPIs) Completed**



.46

**Lost Time Case
Rate**



1.15

**Total Recordable
Incident Rate**

Our Moundville Mill completed 2 years without a lost time incident, an incredible feat!



Our functional groups had a big party to celebrate 5 years without a recordable incident!



GREEN TREE FAMILY

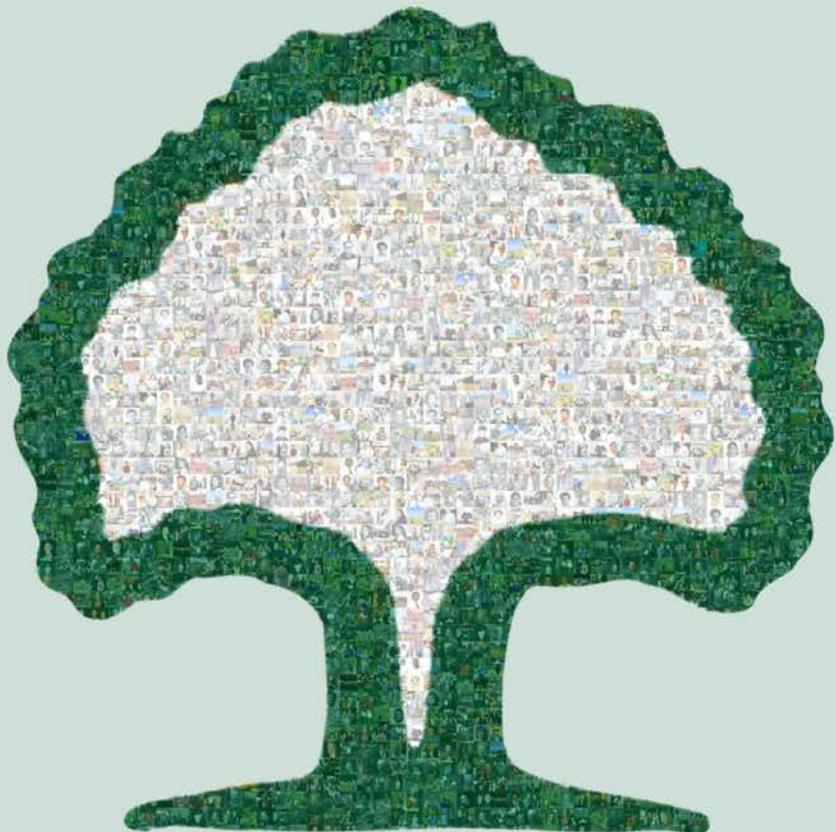
"The Green Tree Family is a wonderful analogy. I like to visualize the concept. In my mind, our capital providers (shareholders, bankers, partners) and communities are the roots that provide the structural anchorage, stability, and resources for everything we do.



Cade Warner
President & CEO

The company itself is the trunk. Its bark defends all our stakeholders from competition in our environment and its vascular system allocates resources where they are most needed. Our customers, employees and suppliers are the branches and leaves that let us grow upward and outward through time by adding value to the elements they take in and synthesizing opportunity into energy.

Our Green Tree Family is an acknowledgment that our livelihood and future as an organization are the result of all our stakeholders working together as one for the benefit of all. It is a recognition that we are all part of something bigger."



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 calls to +1-678-250-7597.

We employ diverse tracking methods to measure our performance against both internal benchmarks and external standards. Additionally, annual financial audits are performed to verify alignment with regulatory requirements and internal protocols.

Financial Audit

Auditor's Opinions: "We have audited the accompanying consolidated financial statements of The Westervelt Company (a Delaware corporation) and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023, and January 1, 2023, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and January 1, 2023, and the results of its operation and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America."

Corporate Environmental Monitoring

Met internal compliance objectives for our manufacturing and forest operations.

CLOSING MESSAGE

2023 was an important year of reflection on legacy as well as focus on the future for Westervelt. We have come a long way to the point of being recognized as a leading sustainability company. We believe our balanced approach of incorporating environmental and social values into our businesses has been a key to our success.

We will continue to focus on providing quality forest products, healthy and productive working forests, premium ecological services, and world class recreation opportunities for our customers, as well as important economic sustenance to our employees and the communities where we operate. We are proud to be a part of sustainable solutions for society.

As I reflect on my 25-year (and counting) career at Westervelt, I am reminded that 25 years is the current average rotation age of our loblolly pine stands! It is one thing to study about sustainability and renewable natural resources, but it is a whole other thing to see it proved out over time on a given landscape. I have witnessed the same areas that I conducted timber inventory on be harvested, regenerated, and managed to a new high quality merchantable stand to perpetuate that cycle. All the while, water quality, wildlife habitat, recreational opportunities, clean air, and livelihoods have been enhanced in these areas. Because of healthy market demand for wood products that society needs, our working forests remain as functioning ecosystems providing diverse values. It feels good to be a little part of the 75-year history of our Forest Resources Business Unit.

A critical part of our continued success is how we interact with stakeholders. This includes employees, customers, suppliers, agencies, and conservation partners. One such effort we are glad to be a part of is the Working Forests Initiative (WFI). WFI is a group of leading forest sector companies and trade associations that are working together to share information about working forests values and the critical role forests play in meeting societal needs while providing natural climate solutions. This year, we were thrilled to participate in a production highlighting how we provide habitat for gopher tortoises on our land.



Jonathan Lowery
VP Sustainability &
Government Relations



Meet Amos the gopher tortoise, a keystone species found on Westervelt land. We had the pleasure of participating in this Working Forest Initiative project, and we hope you enjoy the video!



[Click or scan to watch WFI Video](#)

ESG STEERING COMMITTEE

As a company, we are proud to present this report as a testament to our long-standing values. We hope you were able to see the application of the 4 Es throughout these pages. Thank you for your interest in our company. This report would not be possible without the contributions of our cross-functional ESG Steering Committee.



Jonathan Lowery

Sustainability & Government Relations



Sam Blumenfeld

Sustainability & Government Relations



Briana Lipkin

Marketing & Public Relations



Susan Poole

Marketing & Public Relations



Mike Williams

Strategy & Planning, Continuous Improvement



Chris Chambers

Westervelt Wood Products



Kendra Rogers

Westervelt Forest Resources



LaDonna Wilson

Human Resources Thomasville



Ray Robbins

Legal & Shareholder Relations



Steve Smith

Westervelt New Zealand



Matt Gause

Westervelt Ecological Services



Aprille Cook

Sustainability & Government Relations



Tyler Bell

Westervelt Ecological Services



