

PotlatchDeltic 2024 Corporate Responsibility Report

Task Force on Climate-related Financial Disclosures (TCFD)



Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) has developed a voluntary, consistent climate-related financial risk disclosure to provide information to investors, lenders, insurers and other stakeholders. The TCFD framework rests on four main tenets – Governance, Strategy, Risk Management and Metrics & Targets. PotlatchDeltic recognizes that climate change is a topic of interest for our stakeholders. The table below shows how we address the disclosures and how and where our 2024 Corporate Responsibility Report or other disclosures align with recommendations by TCFD. We are committed to continuing to expand our climate-related financial disclosures within this framework.

TCFD Recommended Disclosures		
Table 1. Sustainability Disclosure Topics & Accounting Metrics		
Governance	Comment	Disclosures
a) Describe the Board’s oversight of climate-related risks and opportunities.	Our Corporate Governance Guidelines provide for Board oversight of the Company’s Corporate Responsibility and climate change matters and Enterprise Risk Management (ERM) framework. PotlatchDeltic’s ERM provides a framework for risk identification and management of significant risks, including those potentially associated with climate change and responsible sourcing. The Board oversees management’s integration of corporate responsibility to drive long-term value for stakeholders. The Board is updated regularly on corporate responsibility matters, including climate-related risks and opportunities and corporate responsibility initiatives, from multiple Board Committees, the Vice President, Public Affairs and Chief Sustainability Officer, and other members of management.	PotlatchDeltic Website - Corporate Responsibility - Performance - Board of Directors 2025 Proxy Statement, pages 12-13 2024 Annual Report on Form 10-K: Part 1 - Item 1. Business, pages 11 - 12, 14
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	The Vice President, Public Affairs and Chief Sustainability Officer provides senior leadership on PotlatchDeltic’s corporate responsibility reporting and initiatives, and regularly provides information to and leads discussions with the Board and management on corporate responsibility matters, including climate-related risks and opportunities. A Corporate Responsibility Management Committee, consisting of managers across business units and corporate functions, meets twice a year to deliberate medium and long-term corporate responsibility strategies and goals, including climate-related risks and opportunities. A Corporate Responsibility Working Group, which includes a breadth of in-house experts and a cross-section both functionally and geographically, meets periodically to drive corporate responsibility strategies, data collection, analysis, systems, and initiatives. At the business unit level, climate-related regulatory risks and opportunities are regularly monitored and assessed. Carbon and Climate teams meet regularly to evaluate greenhouse gas reduction strategies or opportunities to increase carbon removals. Our Vice President, Public Affairs and Chief Sustainability Officer works with associations and coalitions on climate-related policy and tools. Environmental and corporate responsibility issues, including climate-related risks are identified, assessed, and mitigated where feasible as part of our annual ERM framework. Our Vice President, Real Estate oversees the evaluation of Natural Climate Solutions opportunities.	PotlatchDeltic Website - Corporate Responsibility - Performance - Corporate Responsibility Governance 2024 Annual Report on Form 10-K: Part 1 - Item 1. Business, pages 9-14 and Part 1 - Item 1A. Risk Factors, pages 18, 20 - 22
Strategy	Comment	Disclosures
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Climate-related risks and opportunities include potential physical changes to our timberlands as a result of rising mean temperatures, changing weather patterns and extreme weather events. Longer-term opportunities could include increased productivity and yield on our timberlands. Risks could include increased weather severity and wildfire. In addition, transition risks and opportunities could include changes in policy or regulatory requirements, technology-related requirements, and market changes. Potential transition risks include changes in air and water quality regulations (medium-term), and possible increased pricing of GHG emissions or the introduction of a carbon tax (medium-term), and increased energy costs (long-term). Short-to-medium-term opportunities could include policy changes related to the use of wood residuals, the development of carbon offset markets, demand for carbon capture and storage, demand for solar sites, and policies and standards that support the increased use of mass timber or building with wood. Longer-term opportunities could include the development of new bio-products such as biofuel or bioplastics.	PotlatchDeltic Website - Corporate Responsibility - Planet - Climate Change 2025 Proxy Statement, pages 12-16 2024 Annual Report on Form 10-K: Part I - Business, pages 11-12; Part I- Item 1A. Risk Factors, pages 18-23

TCFD *(continued)*

Strategy	Comment	Disclosures
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.	Due diligence in reviewing climate-related risks and opportunities is being integrated into operational and capital planning processes to ensure inclusion in our business and financial strategies. In addition, climate-related risks are accounted for in our Enterprise Risk Management (ERM) framework. The analysis of physical climate change risks and opportunities is also supported through our work with external scientific research organizations. In addition, we participate in coalitions and industry associations to identify and evaluate transitional climate-related risks and opportunities. We believe we are well positioned to benefit from climate-related opportunities due to the role that sustainably managed forests and wood products produced from them have as part of the solution to climate change.	PotlatchDeltic Website - Corporate Responsibility - Planet - Climate Change 2025 Proxy Statement, pages 12-13
c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We conducted climate-related scenario analysis on our Idaho, Gulf South, and Southeast timberlands and our Lake States procurement region based on the Intergovernmental Panel on Climate Change (IPCC) scenarios called Representative Concentration Pathways (RCP). We evaluated four RCPs: RCP 2.6, RCP 4.5, RCP 6.0, and RCP 8.5. Results of these RCP scenarios can be found on our website in Case Studies for each region.	PotlatchDeltic Website - Corporate Responsibility - Planet - Climate Change
Risk Management	Comment	Disclosures
a) Describe the organization’s process for identifying and assessing climate-related risks.	We identify and monitor climate-related risks on a regular basis and have incorporated climate change risks into our ERM framework. Physical risks are monitored through our business operations and legal oversight. We identify and monitor transitional risks through our work with industry associations, coalitions, and research organizations. Our climate risk and opportunity scenario analysis is conducted by the Corporate Responsibility Working Group and members of the environment and sustainability teams, with the support of outside research organizations and associations. The results are summarized by potential impact, timing, and likelihood and integrated into the ERM framework.	PotlatchDeltic Website - Corporate Responsibility - Planet - Climate Change PotlatchDeltic Website - Corporate Responsibility - Performance - Corporate Responsibility Governance 2024 Annual Report on Form 10-K: Part 1 - Item 1. Business, page 14
b) Describe the organization’s processes for managing climate-related risks.	The Corporate Responsibility Working Group is responsible for identifying climate-related issues and coordinating with business units to integrate them into business and operational strategies. Corporate Responsibility is integrated into capital expenditure decisions and managers have included corporate responsibility metrics in their individual performance goals and pay. In addition, comprehensive environmental management systems are in place across our businesses which focus on continual improvement and research and on monitoring progress towards goals or initiatives. Transitional risks are managed through policy work with industry associations and coalitions or through regulatory negotiations.	PotlatchDeltic Website - Corporate Responsibility - Performance - Corporate Responsibility Governance

TCFD *(continued)*

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Key climate-related risks identified are incorporated into the ERM process. Business unit and function leaders are interviewed annually to update, identify, and evaluate key risks. An evaluation is made of the risk universe, emerging risks, and the risk attributes of likelihood, impact, velocity, and mitigation control strength. Risks are mapped into a matrix which identifies the significant risk areas for internal focus. A Risk Management Committee comprised of members of senior leadership and chaired by the Chief Financial Officer is responsible for the ERM process. The Internal Audit Director periodically reviews the significant risks and the steps taken to mitigate and monitor those risks with the Audit Committee of the Board of Directors. The Board has overall responsibility for risk oversight, including the risk presented by climate change.	PotlatchDeltic Website - Corporate Responsibility - Planet - Climate Change PotlatchDeltic Website - Corporate Responsibility - Performance - Corporate Responsibility Governance 2024 Annual Report on Form 10-K: Part I - Item 1. Business, page 14
Metrics and Targets	Comment	Disclosures
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process.	Our sustainable forest management practices are certified using third-party audits. We utilize a comprehensive environmental management system for our timberlands. We continually evaluate opportunities to enhance our sustainable forest management and biodiversity practices. We calculate the carbon removals in our timberlands annually and the estimated total carbon stored in wood products from the trees we harvest. We have comprehensive environmental management systems in place involving wood products facilities. Our corporate responsibility reporting includes data on water consumed, energy intensity, and waste to landfill intensity. We disclose Scopes 1-3 greenhouse gas emissions and Scopes 1 and 3 carbon removal and storage. We monitor regulatory and policy changes related to our operations and participate in discussions regarding the principles surrounding their development. We incorporate corporate responsibility considerations into the due diligence surrounding capital expenditures and acquisitions. Our Carbon, Climate, and Natural Climate Solutions teams evaluate climate-related opportunities.	PotlatchDeltic Website - Corporate Responsibility - Planet - Wood Products Environmental Management, Wood Products Energy, and Wood Products - Air, Water, Waste PotlatchDeltic Website - Corporate Responsibility - CR Reporting Hub - Corporate Responsibility Reports and Data - Data Tables - Planet 2024 Annual Report on Form 10-K: Part 1 - Item 1. Business, page 14
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	PotlatchDeltic discloses Scopes 1, 2 and 3 GHG emissions annually. In addition, we estimate the carbon removals and storage from our timberlands.	PotlatchDeltic Website - Corporate Responsibility - Planet - Carbon Record - Land Based Removals, Greenhouse Gas Emissions PotlatchDeltic Website - Corporate Responsibility - CR Reporting Hub - Corporate Responsibility Reports and Data - Data Tables - Planet
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Our corporate responsibility targets include a number of goals across our four corporate responsibility pillars of Forests, Planet, People, and Performance. We established a 2030 greenhouse gas emissions reduction target for our Scope 1 and Scope 2 GHG emissions by 42% from a 2021 baseline by 2030, in-line to keep global temperature increases to less than 1.5°C compared to pre-industrial levels. We also committed to achieve net-zero GHG emissions by 2050. We have also established a 2030 greenhouse gas emissions reduction target for our Scope 3 emissions of 25% from a 2021 baseline.	PotlatchDeltic Website - Corporate Responsibility - Planet - Carbon Record - Greenhouse Gas Initiatives