
2026
Nature
Report
STELLA
JONES

Table of Contents

Introduction 3

Nature Commitments 4

Governance 5

Strategy 6

Risk & Impact Management 8

Metrics & Targets 12

What's Next 13

Cautionary Statements 14

Glossary 15

How to use the Interactive Menu

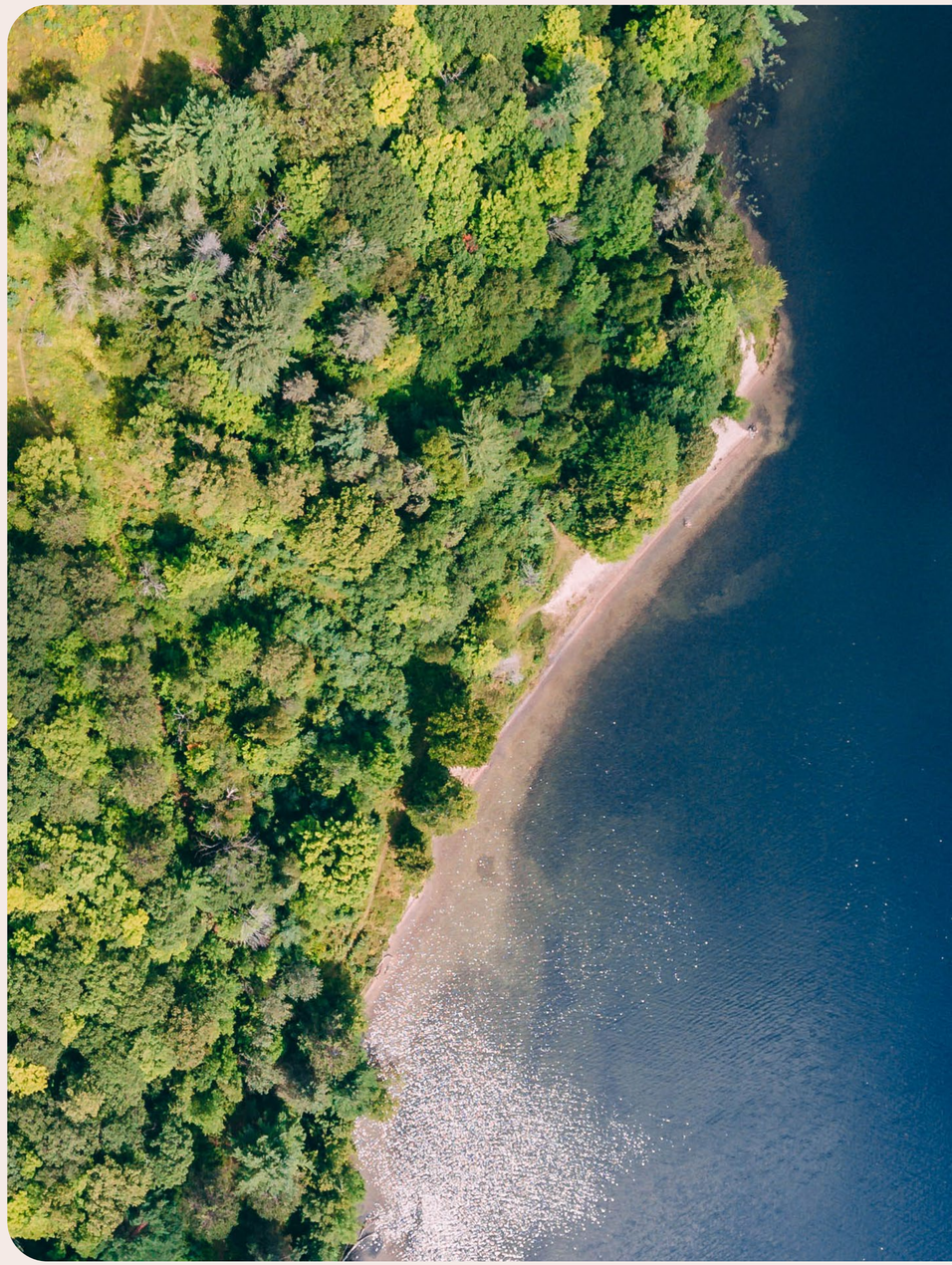
Click on the hamburger menu button on the left to return to the table of contents or click on the arrows to go to the previous or following page.

Introduction

Welcome to Stella-Jones' inaugural Nature Report. This Report aims to provide transparency and insight into the Company's nature-related dependencies, impacts, risks and opportunities across its operations and value chain. Prepared with reference to the recommendations of the **Taskforce on Nature-related Financial Disclosures (TNFD)**, this Report is structured across four sections covering **Governance, Strategy, Risk & Impact Management,** and **Metrics & Targets.** This Report builds upon Stella-Jones' published sustainability strategy and includes new commitments with accompanying nature-related strategies.

As an organization whose core business relies on healthy, working forests and resilient industrial supply chains, nature has long been integral to Stella-Jones' operational longevity. By adopting the TNFD framework, the Company aims to integrate nature considerations systematically into enterprise risk management, and long-term strategic decision-making.

Please refer to the cautionary statement entitled "Forward-Looking Statements" at the end of this Report for a discussion on certain of the risks and assumptions underlying the Company's nature-related commitments presented in this Report.



Contact

Stella-Jones welcomes stakeholder dialogue and feedback on this Report at sustainability@stella-jones.com.

Nature Commitments



Achieve zero deforestation and no land conversion within our British Columbia forest management tenures.



Regenerate 100% of harvested areas in our British Columbia forest management tenures within two years.



Progressively expand traceability across our North American wood baskets to track raw fibre procure-ment back to the harvest stand.

Governance

Stella-Jones maintains a disciplined governance structure to oversee nature-related risks, dependencies, and opportunities, ensuring accountability from facility operations to the Board of Directors.

Board of Directors

The Board of Directors (the "Board") maintains oversight of Stella-Jones' strategic direction, enterprise risks, and sustainability commitments. Through the semi-annual Enterprise Risk Management review, the Board evaluates material operational, regulatory, and reputational risks, including physical and transition risks related to climate and nature. The Board reviewed and approved this inaugural Nature Report.

Environmental, Health and Safety (EH&S) Committee of the Board

The EH&S Committee assists the Board in fulfilling its oversight responsibilities regarding environmental stewardship, compliance, sustainability and nature-related strategies. Meeting at least quarterly, the EH&S Committee reviews, among others:

- Operational adherence to the Company's Environmental, Health and Safety Management System;
- Status and findings of location-level risk assessments, including the LEAP (Locate, Evaluate, Assess and Prepare) methodology;
- Progress against sustainability commitments, including supply chain, Indigenous and environmental strategy implementation;
- Emerging regulatory developments and reporting standards including TNFD and the Canadian Sustainability Disclosure Standards.

The EH&S Committee delivers timely reporting to the full Board following each meeting.

Management Accountability

At the management level, the President and Chief Executive Officer (CEO) holds accountability for sustainability performance, resource allocation, and the approval of the sustainability strategy and action plan. The CEO endorsed the Company's first LEAP assessment completed in 2024, a precursor to this Nature Report.

Operational execution is led by the Senior Director, Sustainability and Project Management, who coordinates the Company's sustainability efforts and company-wide nature and climate risk and scenario analysis. This role works in close collaboration with the Senior Vice-President and Chief Legal Officer and Secretary who oversees risk management activities and regulatory compliance, the Vice-President, Environmental Compliance and the divisional procurement and forestry teams.

Policies and Programs

Stella-Jones' governance relating to nature matters is anchored by corporate policies reviewed annually by the Board:

- Environmental, Health and Safety (EH&S) Policy: Mandates regulatory compliance, pollution prevention, efficient water use, waste reduction, and continuous improvement across all treating facilities and peeling yards.
- Indigenous Peoples Policy: Guides Stella-Jones' commitment to respect Indigenous rights, recognize the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), ensure our forestry practices benefit from Indigenous perspectives and remain sustainable, and foster collaborative economic partnerships.
- Human Rights Policy: Establishes due diligence expectations across the Company's tier 1 suppliers and safeguarding against forced labour.

These policies are publicly available on the Company's website, and further detail on the specific nature-related programs in place can be found under the Strategy section of this Report.



« As a company whose products are rooted in natural resources, our relationship with nature is an important part of how we operate. It begins with the timberland that provides the fibre for our utility poles, crossarms, railway ties and lumber products. Our manufacturing facilities are situated throughout this same resource network, and we strive to be a responsible partner to the local communities and environments in which our employees live, work, and play. »

Kevin Comerford,
Senior Vice-President, Utility Poles
and U.S. Residential Lumber

Strategy

Stella-Jones evaluates nature-related risks, dependencies and opportunities across three interconnected segments of its value chain:

1. Production Locations:

Wood-preservation plants, utility pole peeling locations, coal tar distillery and steel lattice tower manufacturing facility.

2. Managed Forest Tenures:

Crown forest tenures managed directly by Stella-Jones in British Columbia, Canada.

3. Upstream Supply Chain:

Independent third-party suppliers of timber, sawlog, steel and zinc.

Stella-Jones evaluates these nature-related risks, dependencies and opportunities across the following time horizons:

- Short Term (<1 year): immediate operational horizons, annual budgeting and compliance cycles
- Medium Term (1-3 years): aligned with the Company's 3-year strategic and capital allocation plans.
- Long Term (>3 years): horizons reflecting tree rotation cycles, infrastructure durability and macroeconomic climate scenarios.

While Stella-Jones utilizes climate scenario analysis (SSP1-2.6, SSP2-4.5 and SSP5-8.5), formal quantitative nature scenario modeling and a dedicated nature transition plan remain under assessment as global methodology matures. The following table summarizes the key nature-related dependencies, impacts, risks and opportunities that have been identified across Stella-Jones' value chain.

Stella-Jones' strategy to address these identified nature opportunities, dependencies and risks is organized across the three key areas of the value chain.



« Responsible forest management practices have always been central to our long-term view at Stella-Jones. Engaging with the TNFD framework offered a valuable opportunity to build on that foundation and give our stakeholders clearer insight into the work our Forestry, Procurement, and Environment teams do every day. It provides a helpful structure as we continue to advance our reporting and share our progress. »

Rhiannah Carver, Senior Director Sustainability and Project Management

Nature Category	Description	Time Horizon	Location in the Value Chain	Financial Impact Type
Dependency (Ecosystem Service)	Forest Ecosystem Stability: Operations depend directly on provisioning and regulating ecosystem services (water filtration, soil stabilization, climate regulation, pest/disease moderation) to sustain commercial timber growth, stand productivity, and harvesting access.	Short, Medium and Long term	Upstream Fibre Supply & Managed Tenures	Revenue: Volume availability and pricing
Opportunity (Resilience)	Active Stewardship & Fire-Resilient Landscapes: Supporting sustainable forest management including commercial thinning, brush clearing, and regeneration, enhances landscape resilience against catastrophic wildfires and pest outbreaks, securing long-term timber supply and reinforcing customer trust.	Long term	Upstream Fibre Supply & Managed Tenures	Revenue: Supply security and market preference
Impact/Risk (Operational Containment)	Facility Preservative Releases: Potential uncontained releases of chemical preservatives (creosote, CCA, DCOI) or industrial hydrocarbons during treating or bulk transfer could contaminate local soils, groundwater, or surface water bodies.	Short term	Production Facilities	Liabilities & Capital Expenditures: Remediation costs, fines, and legal liabilities.
Impact/Risk (Upstream Extraction)	Zinc Extraction & Galvanizing Footprint: Mining and refining zinc for steel structure galvanization generates tailings, high water consumption, and acid rock drainage risks. Upstream environmental liabilities or stricter environmental standards could elevate processing costs.	Medium term	Upstream Steel & Zinc Supply Chain	Operating Costs: Increased pricing for galvanizing inputs.

Production Locations

Stella-Jones seeks to minimize its impact on local water resources and is committed to safeguarding the environment where it operates through robust management programs for spill prevention, stormwater and groundwater management, and land remediation. The following are key programs that support these goals.

- Water Quality Program: Production facilities are expected to implement and continuously improve best management practices for the protection of water, including secondary containment for chemical storage, sloped impervious drip pads and rail car drip pans for loading and treating areas, routine stormwater sampling, and comprehensive inspection schedules. The program acts to ensure adherence to local and national requirements including stormwater permits and prevent any contamination that could impact aquatic ecosystems.
- Bulk Liquid Transfer and Control Program: Enforces standardized protocols for loading, unloading, and transferring preservatives. Ensures controls, such as automated container capacity verification, mandatory pre-transfer hose inspections, operator line-of-sight monitoring, and certified secondary containment systems, are in place and operational. The program is in place to safeguard the surrounding environment and mitigate soil and groundwater contamination risks, protecting local watersheds and stormwater networks.
- Voluntary Land Remediation Program: Aims to proactively address historical environmental contamination acquired from legacy operations. Involves groundwater monitoring wells, in situ soil stabilization, and remediation in collaboration with provincial and state authorities.

Managed Forest Tenures

Stella-Jones is not a major land manager or tenure holder. Most of the Company's fibre supply continues to come from third-party sources. However, Stella-Jones does maintain a dedicated woodlands team to manage its forest tenures in British Columbia, Canada. The Company takes a long-term stewardship approach, working closely with a broad range of forest stakeholders and interest groups. Stella-Jones is committed to incorporating Indigenous perspectives into forest management and prioritizing forest diversity, including strategies that enhance wildfire resilience and protect against invasive species. The following are key measures in place to support its approach:

- Forestry Management Plans: Governed by the British Columbia Forest and Range Practices Act, 5-year Forest Stewardship Plans (FSPs), which are map-based, landscape-level plans covering areas where Stella-Jones actively manages the forest, including harvesting, road-building, and reforestation, are maintained by the Company's woodlands team. Plans are publicly reviewed, formally consulted upon with First Nations, and address 11 mandated resource values: soils, timber, wildlife, water quality, fish habitat, biodiversity, visual quality, cultural heritage, resource features, recreation, and forage.
- Forest Connectivity & Road Neutrality: Where practical the woodlands team aims for "no-net-gain" in roads across managed tenures, systematically rehabilitating and deactivating older logging roads as new operational routes are developed to preserve contiguous habitat corridors.
- Invasive Species Program: To address the devastating impact of White Pine Blister Rust, Stella-Jones avoids cutting healthy white pine where practicable and plants disease-resistant seedlings. Large equipment is manually cleaned to the extent possible prior to leaving the harvest site to prevent the vectoring of invasive seeds and soil pathogens. Additionally, all Stella-Jones forestry staff complete annual training on how to identify invasive species in their forest areas. The team uses a mobile application to report the location of identified invasive species.
- Wildfire Monitoring App: In collaboration with an external partner, the Company's woodlands team developed a real-time wildfire monitoring application. Integrating ArcGIS thermal mapping and fire perimeter data, the tool supports Stella-Jones' risk-based approach to forest tenure management and enhances response coordination with the British Columbia Wildfire Service.

Upstream Supply Chain

Stella-Jones partners with trusted fibre suppliers which share its commitment to rigorous compliance with forest management regulations across the United States and Canada. The Company's strategy focuses on deepening collaboration with suppliers operating in areas of higher nature-related risk, where there is also the greatest potential for positive environmental impact. Through strong supply chain partnerships and active participation in industry associations, Stella-Jones is working to build resilient, sustainable forests for the future.

- Sustainable Fibre Procurement: The majority of Stella-Jones' timber is harvested across Canada and the United States under stringent federal, provincial, and state forestry regulations. For residential lumber lines, 87% of supply was sourced from third-party certified woodlands (FSC®, SFI®, PEFC®, CSA) in 2025.
- Timber Tract Traceability: Stella-Jones' Southern Yellow Pine ("SYP") procurement division deployed a traceability pilot, mapping delivered raw fibre directly to distinct harvest stands. Scale-ticket data is tied to the latitude and longitude of the contract harvest stand, establishing verification of origin. This information will support future risk assessments to track forest health over time, as well as support Scope 3 Forest, Land, and Agriculture (FLAG) accounting. The next steps are to program the required changes in the Company's fibre procurement software to enable reporting capabilities and future expansion.
- Small Land Holder Seedling Donation Program: Stella-Jones' fibre procurement team is advancing a seedling donation program for small private woodland owners, a supplier group particularly vulnerable to post-harvest land conversion. Prompt reforestation is critical to sustaining resilient working forests and ensuring a stable wood fibre supply. The program will target providing three seedlings for every utility pole purchased from these suppliers. Distribution mechanisms are currently being finalized, with progress metrics to be reported in upcoming Sustainability Reports of the Company.
- Zinc Governance: Stella-Jones' zinc supply chain extends from mining to ingot manufacturing and ultimately to third-party galvanizers, who contract directly with the Company under long term contracts with annual price adjustment mechanisms. Because zinc is a widely traded commodity, Stella-Jones can readily assess and engage alternate zinc suppliers across the supply chain should any environmental non-compliance arise.

Risk & Impact Management

In 2024, Stella-Jones completed its first comprehensive nature-related risk assessment, utilizing the TNFD's LEAP framework. Utilizing the Frontierra Climate and Nature Platform, the assessment involved mapping the Company's operations and supply chain and used Geographical Information System (GIS) software to compare the locations with a range of key state-of-nature datasets.

The TNFD LEAP Process

1. Locate
Interface with Nature (509 sites)

2. Evaluate
Dependencies and impacts

3. Assess
Risks and Opportunities

4. Prepare
Respond and Report

1. Locate: Interface with Nature

The intersectional analysis included 509 locations across Stella-Jones' value chain:

- 65 wood treating, pole peeling and steel lattice tower production locations
- 20 forest management tenures
- 348 fibre sourcing locations
- 76 third-party residential lumber mills.

The steel and zinc supply chain was not included in this initial assessment and will be considered at a future date.

Locations were screened against ten key state-of-nature indicators: protected areas, Indigenous lands, critical habitats, biodiversity hotspots, water stress, natural lands, global deforestation fronts, 5-year forest loss, Mean Species Abundance (MSA), and the Biodiversity Intactness Index (BII).

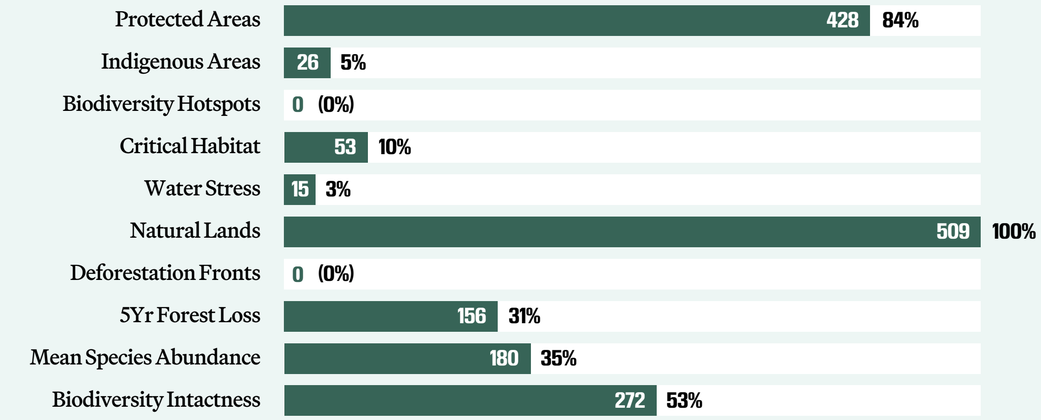
You can read more about the datasets used in the Glossary section at the end of this Report.

Key Findings

None of the locations were identified as within deforestation fronts, as global deforestation fronts are mostly located across South America, Africa, Oceania and Southeast Asia.

The 31% of areas that overlap with 5-year forest loss reflects normal harvesting activities and includes areas still in the early stages of regeneration. The high level of mean species abundance and biodiversity intactness observed in Stella-Jones' forest management tenure is consistent with effective replanting and regeneration activities.

Stella-Jones Nature Interface



2. Evaluate & Assess: Exposure to Nature-Related Issues (ENRI)

The results of the analysis were then combined into an *Exposure to Nature-Related Issues (ENRI)* rating to enable categorization and prioritization of locations.

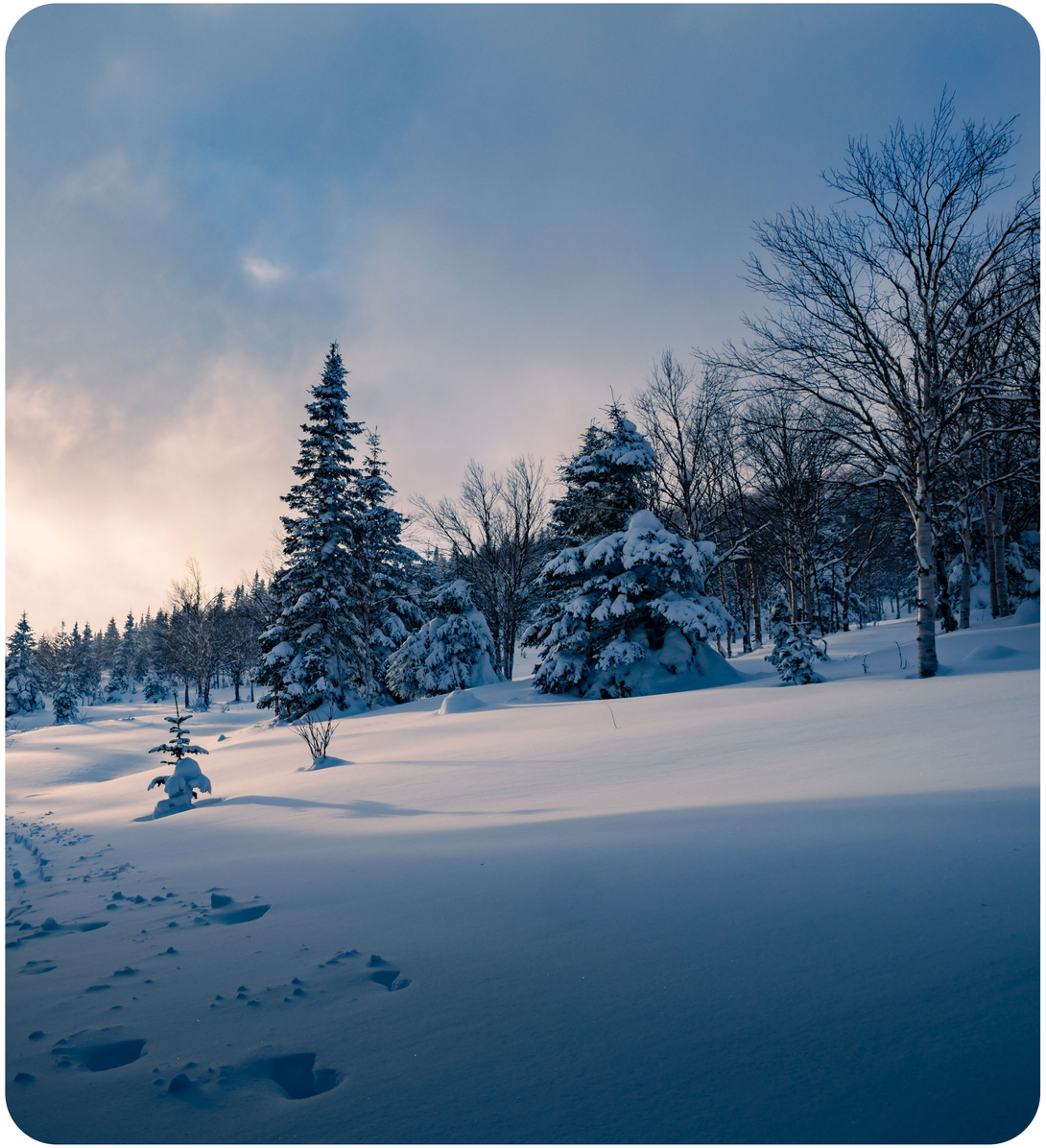
The ENRI rating can be used to:

- Indicate the vulnerability and sensitivity of each location
- Enable categorization, ranking and prioritization of locations for further actions.

Zero locations within Stella-Jones' direct operations or supply chain were identified as Critical, and 4% and 9% of locations were rated *Very High* and *High*, respectively.

A *Very High* or *High* rating indicates intersection with identified risk factors and reflects the baseline ecological context of the area but does not indicate that production or harvesting activities cause, contribute to, or exacerbate that risk.

ENRI Rating	Description	Production Locations	Forest Management Areas	Fibre Supply Chain
Critical	Critical number of nature-related issues identified at site. Immediate review recommended.	0	0	0
Very High	Very high number of nature-related issues identified at site. Review should be prioritized.	0	0	20
High	High number of nature-related issues identified at site. Review is likely warranted.	1	5	39
Medium	Medium number of nature-related issues identified at site. Review may be warranted.	44	15	344
Low	Low number of nature-related issues identified at site. Review is unlikely to be warranted.	20	0	20



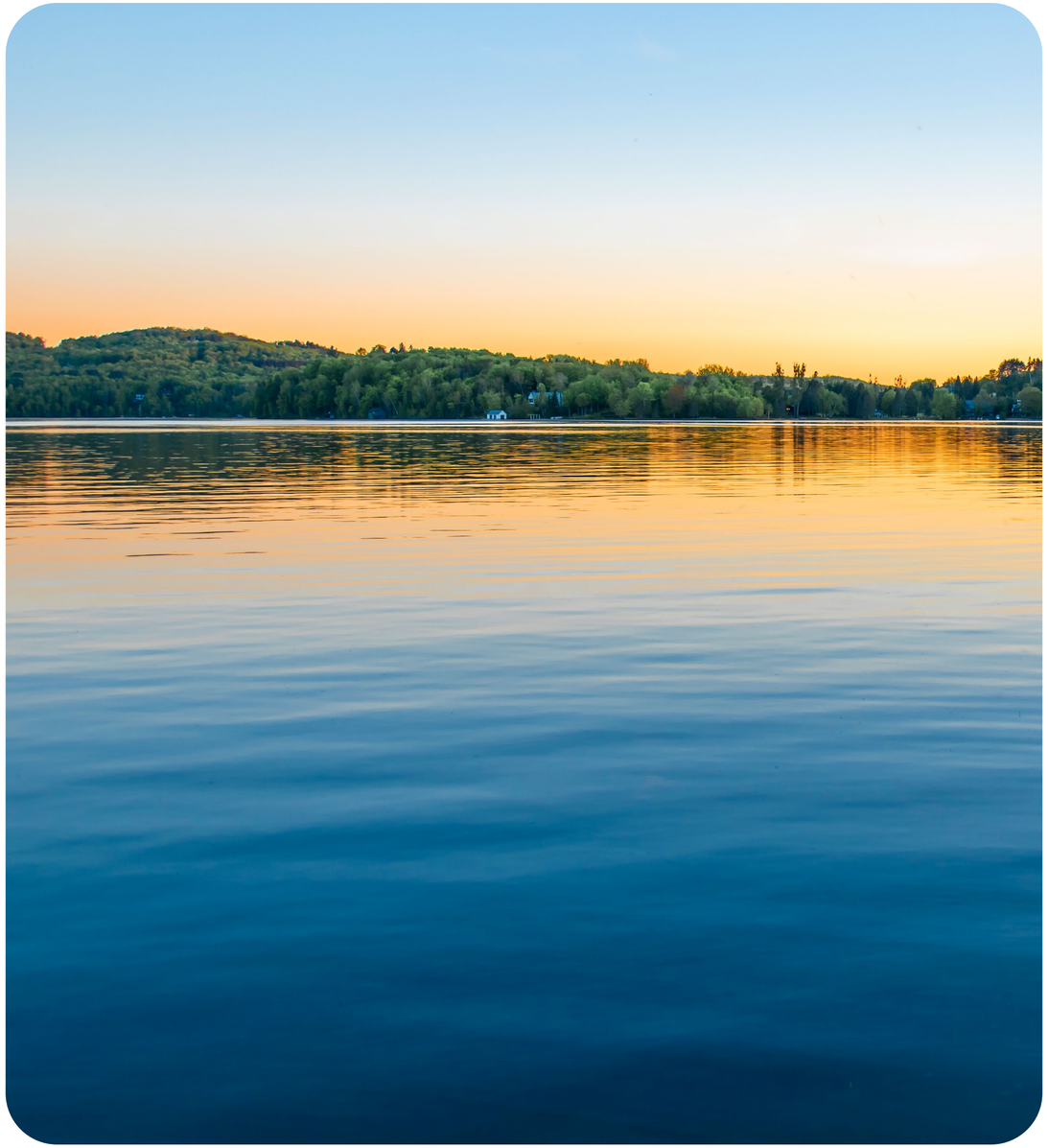
Priority Locations

The top locations across the Stella-Jones value chain are presented below. These include the following:

- One production facility in South Carolina was rated high due to its intersection with natural lands and surrounding five-year forest loss. This location is situated in proximity to the Savannah River, which is critical habitat for the Atlantic Sturgeon.
- The five tenure areas that were evaluated as a high priority were due to the intersection with protected areas, indigenous areas, natural lands and high-water risk. Positively however, the high mean species abundance and high biodiversity intactness reflects the overall health of the forest management tenure.
- Lastly, the 20 areas rated as Very High in the Fibre Supply Chain were grouped into two states of Virginia and Texas for the purpose of this report.

Value Chain Location	Location	Area (ha)	Nature-Related Risks							Ecosystem Health	
			Protected Areas	Indigenous Areas	Critical Habitat	Water Risk	Natural Lands	Deforestation	5 Yr Forest Loss	Mean Species Abundance	Biodiversity Intactness
Production Location	South Carolina	63	NONE	NONE	MED	MED	HIGH	NONE	HIGH	MED	MED
Forest Management Tenure	British Columbia	44,493	HIGH	HIGH	LOW	HIGH	HIGH	NONE	HIGH	HIGH	HIGH
Fibre Supply	Virginia	1,089,986	HIGH	HIGH	HIGH	HIGH	HIGH	NONE	HIGH	LOW	MED
	Texas	3,649,511	HIGH	HIGH	HIGH	HIGH	HIGH	NONE	HIGH	LOW	MED

The indicators in the above table fall into two groups, namely Nature-Related Risks and Ecosystem Health. A HIGH rating means something different in each. Under Nature-Related Risks, a HIGH rating means the location overlaps with a sensitive natural feature, such as critical habitat. This signals greater potential exposure to risk. It does not mean the Company's activities cause that risk. Under Ecosystem Health, a HIGH rating means the ecosystem is in good condition, which is a positive result.



Water Stressed Facility Analysis

Four operating facilities are located in water-stressed areas. Together, they represent approximately 8% of the total carrying value of Stella-Jones' property, plant and equipment as of December 31, 2025.

Two of the four facilities, namely Carseland, Alberta and Eloy, Arizona, use a water-borne preservative in their treatment process. The other treatment location, Silver Springs, Nevada, utilizes an oil-borne preservative requiring minimal water limited to the steam boiler operation and closed-loop cooling. Sarepta, Louisiana is a pole-peeling yard which requires no process water, and consumption is limited to site dust suppression, cleaning, and potable needs. As such, Stella-Jones' operations at Silver Springs and Sarepta are not considered significant water consumers.

Location	Production Facility Type	Water Risk	Water Basin	Government Management Approach	Treatment Preservative Type
Eloy, Arizona	Treating	Extremely High	Pinal AMA	Tucson Active Management Area	Water-borne
Carseland, Alberta	Treating	High	Bow River Basin	Alberta Government classifies the region as Drought Stage 1 – monitoring and observation	Water-borne
Silver Springs, Nevada	Treating	High	Churchill Valley Ground-water Basin	Tier 1 water shortage, with the site located next to the Lahontan Reservoir with increasingly low water levels	Oil-borne
Sarepta, Louisiana	Peeling	High	Red River Basin	Severe drought recorded for the area, with Louisiana Department of Environmental Quality also working on water-shed resto-ration programs.	No treating

Metrics & Targets

As industry standards for nature-related reporting continue to evolve, Stella-Jones actively monitors developments in TNFD guidance. The 'State of Nature' metrics disclosed in this Report represent a periodic baseline derived from the Company's LEAP assessment and will be updated when new ecosystem level data becomes available. Stella-Jones has also identified industry-specific, measurable data points that are relevant to its operations. These metrics will inform the development of long-term nature-related goals, commitments and targets. Both sets of metrics are presented below.

State of Nature Metric - Level of Ecosystem Condition

Stella-Jones has used the average biodiversity intactness rating and mean species abundance as a proxy for this metric. It has been separated by business activity and biome.

Business Activity	Biome	MSA	BII
Production facilities	Boreal Forests/Taiga	LOW	HIGH
	Deserts & Xeric Shrublands	LOW	MEDIUM
	Temperate Broadleaf & Mixed Forests	LOW	MEDIUM
	Temperate Conifer Forests	LOW	MEDIUM
	Temperate Grasslands, Savannas & Shrublands	LOW	MEDIUM
Forest Management Areas	Temperate Conifer Forests	HIGH	HIGH
Fibre Sourcing	Boreal Forests/Taiga	MEDIUM	HIGH
	Temperate Broadleaf & Mixed Forests	MEDIUM	MEDIUM
	Temperate Conifer Forests	MEDIUM	MEDIUM
	Temperate Grasslands, Savannas & Shrublands	LOW	MEDIUM

Stella-Jones Nature Metrics

Topic	Metric	Unit Of Measurement	2025
Water	Water consumption at facilities located in areas of water stress	Million Gallons	4.65
	Quantity of reportable releases[1]	Gallons	13,383
	Number of reportable releases[1]	Total Number (#)	9
Forest Management	Area of managed forest tenure	Thousand Hectares ('000s)	107
	Percentage of managed forest tenure with Designated Non-Harvest Status[2]	Percentage (%)	28%
	Percentage of harvestable land base within the management tenure	Percentage (%)	25%
	Seedlings planted	Total number ('000s)	320
	Native seedlings/Seeds planted	Percentage (%)	100%
	Harvested area planted within two years	Percentage (%)	100%
Fibre Supply	Total volume of sourced raw fibre	Millions Cubic Feet (FT3)	37.3
	Percentage of sourced raw fibre traceable to the timber tract	Percentage (%)	0%[3]
	Percentage of certified residential lumber procured	Percentage (%)	87%

(1) An unintended release of a hazardous substance in an amount equal to or greater than the substance's reportable quantity or greater than the minimum quantity outlined in the spill reporting regulations, or has caused or may cause an adverse environmental effect. This excludes reportable permit limit exceedances.

(2) Forest land formally reserved from commercial harvest for caribou habitat, old-growth stands, riparian buffers, wildlife biology, cultural heritage, or visual quality.

(3) Data collection is currently manual; disclosure will commence once the fibre procurement system is configured to automate and standardize reporting.



What's Next

This inaugural Nature Report marks an important milestone in Stella-Jones' sustainability journey. Resilient, healthy ecosystems are foundational to the Company's business. Looking ahead, Stella-Jones intends to advance geographic traceability across more timber species and regions, expand its LEAP assessments to encompass the steel supply chain, and establish meaningful, measurable targets to guide progress. Consistent with its commitment to transparency, Stella-Jones intends to measure and communicate its nature-related progress with the same rigor applied to the Company's other sustainability disclosures.

Stella-Jones looks forward to sharing that progress with its stakeholders.

Cautionary Statements

Certain Defined Terms

In this document, referred to as this "Report", the terms "we", "us", "our", "Company" and "Stella-Jones" refer to Stella-Jones Inc. and where applicable, its subsidiaries. To the extent first-person pronouns appear in this Report, they refer to Stella-Jones Inc. and its subsidiaries.

Information Currency

The information in this Report is current as of November 9, 2026 unless otherwise stated.

Forward-Looking Statements

This Report contains forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). The words "may", "could", "should", "would", "assumptions", "plan", "strategy", "believe", "anticipate", "estimate", "expect", "intend", "objective", the use of the future and conditional tenses, and words and expressions of similar nature are intended to identify forward-looking statements. Forward-looking statements include, among others, statements about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments, including the statements regarding the Company's commitments to achieving zero deforestation and no land conversion within its British Columbia forest management tenures, regenerating 100% of harvested areas in its British Columbia forest management tenures within two years, and progressively expanding traceability across its North American wood baskets to track raw fibre procurement back to the harvest stand; the Company's aim to integrate nature considerations into its enterprise risk management and long-term strategic decision-making; the Company's intention to advance geographic traceability across more timber species and regions, expand its LEAP assessments to encompass the steel and zinc supply chain, establish meaningful, measurable nature-related goals, commitments and targets, and measure and communicate its nature-related progress; the nature-related dependencies, impacts, risks and opportunities identified in this Report, the Company's commitment to incorporating Indigenous perspectives into forest management and prioritizing forest diversity, including measures in support thereof; the Company's objective to safeguarding the environment through management programs for spill prevention, stormwater and groundwater management, and land remediation, including key programs in support thereof; the Company's commitment to rigorous compliance with forest management regulations across Canada and the United States and to building resilient, sustainable forests for the future, including programs in support thereof,; and the commencement of fibre traceability disclosure, and are provided for the purpose of assisting the reader in understanding the Company's nature-related strategy and management's current expectations and plans (and may not be appropriate for other purposes). Such statements are based upon a number of estimates and assumptions and are made by the Company in light of the experience of management and their perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such risks and uncertainties include, but are not limited to: climate change, natural disasters and adverse weather conditions including wildfire, pest and disease risks to timber supply; delays or failures in obtaining, renewing or maintaining required environmental and operating licenses; changes in laws and regulations; environmental compliance and related costs; operational disruptions, including potential contamination events and legacy remediation liabilities; the level of cooperation received from suppliers, communities in which the Company operates and other stakeholders; water stress or scarcity at operating locations; the development, effectiveness and cost of solutions to improve forest regeneration and traceability; the availability of, and ability to access, technology needed to achieve the Company's commitments at reasonable and sustainable costs; evolving nature-related reporting frameworks, methodologies and third-party data; the sufficiency of internal and external resources and data availability; the other factors and assumptions referenced herein; and the risks and uncertainties related to the Company's business described in greater detail in the section entitled "Risks and Uncertainties" of the Company's management's discussion and analysis for the year ended December 31, 2025.

Many of these risks are beyond the Company's ability to control or predict. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. Unless required to do so under applicable securities legislation, the Company's management does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes after the date hereof.

TNFD LEAP Methodology

This Report relies on a methodology which was conducted in accordance with the TNFD LEAP framework. The LEAP assessment undertaken by the Company is a voluntary effort to identify and assess nature-related risks and opportunities, which we supplemented with publicly available technical guidance from recognized international institutions. All outputs of the LEAP assessment are modelled estimates derived from publicly available third-party data that underwent an internal review, and have not been independently audited. The results outlined in the LEAP assessment further reflect the state of available data and methodology as of December 2024. While efforts are made to ensure the results of the LEAP assessment are true and accurate, results from the third-party data, as well as changes in the LEAP framework, technical guidance and other planned or accepted methodology, assumptions, and interpretations of the third-party data subsequent to the date of this Report, may justify revision of such methodology and may yield results that differ, perhaps materially, from the current results presented in this Report, and readers are cautioned against attributing undue certainty to such results and data.

Note on Materiality

Materiality, as used in this Report, is different from the definition used in the context of filings with Canadian securities authorities. Issues deemed material for the purposes of this Report may not be considered material for securities reporting purposes.

Glossary

Dataset	Description
Biome	Global-scale zones, generally defined by the type of plant life that they support in response to average rainfall and temperature patterns e.g., tundra, coral reefs or savannas.
Biodiversity Hotspots	Identified as being key zones of biodiversity in need of protection. Used to identify areas of high biodiversity importance.
Critical Habitat	Identified as being critical locations of habitat for endangered or endemic species.
Protected Areas	Areas with formal protection status, which typically correlate with higher levels of intact biodiversity and stricter regulatory requirements. The presence of protected areas near operational sites may indicate a greater potential for business operations to interact with intact ecosystems.
Indigenous Areas	The identification of Indigenous Areas within a sourcing zone indicates a strong correlation with intact biodiversity. 80% of the world's biodiversity is located in Indigenous Peoples' lands. Indigenous Peoples often play a vital role in safeguarding nature and are highly dependent on nature for their livelihoods.
Natural Lands	Indicates presence of natural vegetation types beyond a simple forest or non-forest approach. This dataset has been built to comply with the SBTN approach and is valuable for all nature and biodiversity assessments, including TNFD.
Deforestation Fronts	Global regions of emerging and increasing rates of deforestation. Used to identify areas of rapid decline in integrity.
Forest loss from previous five years	Analysis of forest loss within the previous five years according to tree cover loss data produced by the University of Maryland. This data is the most granular forest loss data available open source, globally. Where plantation data was available (USA only), harvesting on plantations has been removed from the analysis. Note that legal harvesting of native forest will be detected as forest loss.

Dataset	Description
Mean Species Abundance (MSA)	An indicator of the mean abundance of original species relative to their abundance in undisturbed ecosystems. Higher values indicate a greater likelihood of intact, species-rich ecosystems. Used to identify high-integrity ecosystems. Latest data from 2015.
Biodiversity Intactness Index (BII)	A local indicator of biodiversity intactness. Higher values indicate a higher probability of varied species and pristine ecosystems free from human influence. Used to identify high integrity ecosystems. Latest data from 2020.
Water Stress	Indicates the level of water stress in a region due to water use and availability. Globally produced data from a reputable NGO.
SSP1-2.6	Shared Socio-Economic Pathway SSP1-2.6 is the sustainable development scenario with a climate future of approximately 2°C above pre-industrial levels by 2100. This scenario results from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.
SSP2-4.5	Shared Socio-Economic Pathway SSP2-4.5 is the 'middle of the road' scenario where the world continues with current development patterns resulting in a climate future of approximately 2.7°C above pre-industrial levels by 2100. This scenario results from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.
SSP5-8.5	Shared Socio-Economic Pathway SSP5-8.5 is the fossil-fueled development scenario with a climate future of approximately 4.4°C above pre-industrial levels by 2100. This scenario results from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

STELLA JONES

sustainability@stella-jones.com
stella-jones.com

