Virtual Investor Day Prepared Remarks

September 22, 2021

WELCOME AND STRATEGIC OVERVIEW

Devin Stockfish, President and Chief Executive Officer

Hello and welcome to Weyerhaeuser's 2021 virtual investor day. And thank you for joining us. With me here today are Russell Hagen, our Chief Development Officer, and Nancy Loewe, our Chief Financial Officer. Let me spend just a moment here at the outset to walk you through today's agenda. I'll start off with a brief strategic overview, including a summary of what we've accomplished over the last couple of years and where we're heading over the next several years. Next, Russell will discuss Weyerhaeuser's growth and business development initiatives, including our Natural Climate Solutions, Timberlands and Wood Products businesses. After that, I will update you on our plans to capitalize on Operational Excellence ("OpX") and innovation to further improve our industry-leading operating performance. Nancy will then talk to you about our ESG leadership position and walk you through what is one of the most impressive carbon records of any company around. Following that she will cover our capital allocation approach and initiatives, including the announcements we made this morning. And then I will offer a few closing remarks. We'll then take a short 5-minute break. And after that, we'll open it up for questions and answers.

Before we start, I'll note that we will be making some forward-looking statements today. Please review the warning statements in the presentation slides and on our website regarding the risks associated with forward-looking statements. A copy of the presentation materials will be available on our website, and a replay of this session will be posted shortly after the event.

So, we'll go ahead and get started. Over the last several years, our employees and our management team have been hard at work making Weyerhaeuser a better and more valuable company. We've been optimizing and enhancing our portfolio of assets. We've been improving our operating performance. We've been pursuing new growth and value creation opportunities. And we have significantly strengthened our balance sheet. We have combined these strategic initiatives with solid execution to improve our competitive positioning and deliver record results over the past year. And today, we are very excited to share with all of you more details on how our strategy will support long-term, sustainable growth and drive strong returns for our shareholders.

I'll begin with our investment thesis. At Weyerhaeuser, we're focused on four key levers to drive value for our shareholders: an unmatched portfolio of assets, industry-leading performance, a strong ESG foundation and disciplined capital allocation. Over the last several years, we have made significant improvements across each of these areas. This has positioned us very well for the future. And today, we'll share more details about our longer-term plans across each of these levers and how we will drive superior value for our shareholders into the future. Before I move on, some of you may have noticed that we've added ESG to our investment thesis. While we have been focused on ESG at Weyerhaeuser for many decades, we believe it makes sense at this point to explicitly add that to our investment thesis. Similar to portfolio, performance and capital allocation, ESG plays an important role at our company. ESG principles guide us in how we conduct our business. But increasingly, sustainability represents a compelling business opportunity for Weyerhaeuser. And we believe our ESG leadership will drive significant long-term value for shareholders.

For those who are newer to our story, I'll spend a few minutes here with a brief description of our company. Weyerhaeuser is the largest private owner of timberlands in North America with 11 million acres of high quality, highly productive timberlands across the United States. We are one of North America's largest producers of wood products with 35 manufacturing facilities that produce lumber, OSB and a variety of engineered wood products. And we also have 18 distribution facilities located in key markets across the U.S. Finally, our Real Estate, Energy & Natural Resources ("ENR") segment focuses on maximizing the value from every acre we own, including through our new Natural Climate Solutions business. All of our businesses segments have significant scale and industry-leading performance, and we manage them within a tax-efficient REIT structure. In fact, we are one of the largest REITs in the U.S.

Over many decades as a leader in the industry, we've developed deep, unrivaled expertise in creating and capturing superior value across every step of our integrated supply chain. From our proprietary seedlings to our unmatched expertise in forest management to our efficient, low-cost manufacturing facilities - all the way to the end-customer. We're constantly striving to be the best and to drive value at each and every step of the process. That includes capturing incremental value through our HBU land sales, energy & natural resources leasing activity, and realizing the optionality across our land base through our new Natural Climate Solutions business. Our unique portfolio and differentiated capabilities together with our strong execution across the entire supply chain - including the ability to drive cross-business synergies - positions Weyerhaeuser to create significant value across all of our businesses.

Ultimately, our ability to generate strong returns for our shareholders over time is largely a function of the competitive advantages that we bring to the marketplace. And I can tell you - without hesitation - that we do bring significant advantages to the businesses and markets where we compete. No other company has the same scale, quality of assets, financial flexibility, and the breadth and depth of expertise across the entirety of the supply chain that we have here at Weyerhaeuser. When you combine that with the solid reputation and strong culture that we've built over many decades, we have a powerful platform to leverage in driving value for our customers, suppliers, employees and other stakeholders. And many of these things are very hard for our competitors to replicate. Further, these competitive advantages will help ensure that we deliver on the long-term plans and targets that we'll share with you today.

Let me pivot for a moment to some of the fundamental drivers that will - we believe - be significant tailwinds for Weyerhaeuser in the coming years. Russell will go into more detail on each of these here in a few minutes. But, at a high level, there are several macro trends driving continued growth in demand for our products and opening up new, and potentially meaningful, opportunities for our industry and our businesses over the next several years. As I have said before, we are very bullish on U.S. housing, both new construction as well as repair and remodel, which will continue to drive growing demand for our products. For a variety of reasons, including the environmental benefits of building with wood, we expect to see more and more usage of wood in construction beyond the traditional single family housing markets. This will be another increment of wood demand in the years to come. Additionally, we are expecting continued growth in the overall demand for wood fiber on a global basis. Weyerhaeuser will continue to benefit from this trend in the years to come. And lastly, I think we've all seen that there is growing appreciation for the risks and impacts of global warming and climate change. As the largest private owner of timberlands in North America and one of the largest manufacturers of climate friendly wood products, we expect our forests and wood products to play an important role in mitigating the effects of climate change. And our new Natural Climate Solutions business will be a key part of that effort, with cost-effective solutions to help customers meet net zero ambitions. Again, Russell will speak to each of these in more detail. I'll just say here that I'm very excited about the opportunities out in front of us. This should be a period of strong and growing demand for the forest products industry and Weyerhaeuser will be well positioned to capitalize on these strong markets and new opportunities to deliver superior returns for our investors.

As I mentioned at the outset, we've been hard at work driving improvements across each of the value levers of our investment thesis. Just since the beginning of 2020, and throughout the many challenges we've experienced over the last year, we've improved our timber portfolio, we've formed a new Natural Climate Solutions business with Russell leading that effort. We have continued to drive significant OpX improvements - which has led to industry-leading margins across our businesses. And as we have experienced over the last year, when we combine our industry-leading performance with a strong pricing environment, our businesses generate significant cash flows. We have also continued building on our long-standing ESG leadership position with our new sustainability strategy and our just-released carbon record – which we think will generate a lot of interest and excitement. We have paid down a significant amount of debt and we instituted a new dividend framework that will return a significant amount of cash to shareholders in a sustainable manner. Our people have done a remarkable job, we've made great progress, and we are now very well positioned to move into our next phase of driving growth and creating value for our shareholders.

Looking forward, we have detailed plans for how we will drive growth and deliver superior value. Specifically, we'll share with you today the targets we have set for the next several years through the end of 2025. Starting with our portfolio, we will of course continue optimizing and improving our portfolio of assets. Additionally, we intend to make investments of around $1 billion dollars over this time period to further grow our Timberlands portfolio. We will do it in a prudent manner and in a way that generates attractive returns and creates superior value for our shareholders. Within Real Estate, Energy & Natural Resources, we intend to grow Natural Climate Solutions to a $100 million dollar per year business. Russell will share more details on our growth plans in a few moments. We will remain focused on our operating performance and will look not only to maintain an industry-leading position, but to continue to further separate ourselves from our competition. I will share more details on how we intend to do that later in the presentation. We also plan to enhance our ESG leadership position through our "3 by 30" initiatives and our ongoing work around sustainability at Weyerhaeuser. We intend to make meaningful progress against the greenhouse gas emission reduction targets we announced today. And capitalize on our positive carbon story to position the company as a very attractive option for those looking to invest in leaders in the ESG space. Nancy will go through this in more detail during her ESG presentation. With our portfolio, industry-leading performance and the macro tailwinds I referenced earlier, we expect to generate strong cash flows through this 2025 timeframe and beyond. Through our disciplined capital allocation approach, we expect to generate significant amounts of free cash flow and return the vast majority of that cash to our shareholders through our new dividend framework as well as opportunistic share repurchases. As we have said, we will return 75-80% of adjusted FAD to shareholders through our base dividend, variable supplemental dividend, and share repurchase. Our dividend framework is designed to facilitate sustainable growth in our base dividend. And we do expect to grow our base dividend by approximately 5 percent per year from 2022 through the end of 2025. Nancy will provide more details on this and other capital allocation items, including the interim supplemental dividend and increased share repurchase authorization that we announced today.

In summary, we've made great progress on upgrading our portfolio, improving our operating performance, building on our ESG leadership, and demonstrating a commitment to disciplined capital allocation. We have detailed plans, with specific targets, to drive further improvements across each of these areas through 2025. And as we deliver on these targets, we will grow the company and deliver superior shareholder returns. Now, let me turn it over to Russell to share a bit more detail on our growth and business development initiatives, including Natural Climate Solutions.

STRATEGIC GROWTH AND BUSINESS DEVELOPMENT

Russell Hagen, Chief Development Officer

Thank you, Devin, and welcome everyone. I'm excited to speak with you for the first time in my new role as Chief Development Officer. In this role, I have the opportunity to lead a portfolio management team, which includes Acquisitions & Divestitures, Real Estate, Energy & Natural Resources, as well as our new Natural Climate Solutions business. This alignment gives us an end-to-end view of every aspect of portfolio management, which creates unique opportunities to identify and capture additional value across our operations. Over the past several years, Weyerhaeuser has built a strong track record of optimizing and enhancing our timber portfolio and using our asset value optimization process to maximize the value of every acre we own. We have also realized significant gains through our disciplined capital investments to enhance the value of our assets and drive improvements in our operating performance. Today, I'm looking forward to talking to you about the next generation of asset value optimization, and how we are using these tools to increase the value of our portfolio and capitalize on the optionality of our 11 million acres. I'll begin with a quick overview of the macro trends that are driving our overall growth strategy. Then I'll discuss growth and business development initiatives for each of our segments. I'll focus in particular on Natural Climate Solutions, which we believe, given our unique portfolio, will create a lot of value over the coming years and further position Weyerhaeuser as a uniquely attractive ESG investment.

As Devin mentioned, we believe four fundamental trends will drive substantial growth in demand for sustainable forest products and serve as catalysts for new market opportunities over the next decade. These trends include increased demand for housing, growth in wood-based building – or – mass timber construction, rising global demand for wood fiber, and emerging demand for Natural Climate Solutions. First on housing. On the demand side, Millennials and Generation Z are entering the homebuying market. Collectively, these demographic groups represent the largest population cohort in the U.S., and they are coming into their prime homebuying years. As this group enters the housing market, there is a growing demand for entry level housing and a shift from multi-family to single-family homes. Additionally, we are seeing a post-pandemic consumer preference for more single-family suburban homes, supported by ongoing work-from-home flexibility. On the supply side, the underlying demand for housing, which is driven by new household formations, has exceeded the level of new home construction in every year since the great recession. As a result, U.S. housing is now severely underbuilt, with a current deficit of approximately 4 million units. When combined with a shift in preference among older Americans to age in place, it's clear that the current 1.6 million annual housing start rate must increase if we are to significantly reduce the housing deficit.

Beyond U.S. housing, we expect global population growth and economic modernization will drive steady growth in global construction, including infrastructure, housing, and industrial and office buildings. Today, global construction totals over $12 trillion dollars a year, and on a square footage basis, is expected to increase 50 percent over the next several decades. As city planners, architects, developers, and consumers increasingly appreciate the benefits of wood-based construction, including its sustainable nature, lower carbon footprint, and -- ultimately, we believe – lower cost of construction compared with traditional steel and cement, we expect construction of tall wood buildings will become more and more commonplace. We've already seen a transition in building codes across developed countries to include mass timber in the construction of tall buildings, and we expect this trend to continue as technology and adoption improve.

Global growth also drives demand for many other uses of fiber, such as consumer products, packaging, and specialty pulp. Taking all of this into consideration, we expect global demand for softwood fiber will grow 25 percent by 2030. Relatively few timber growing regions can sustainably supply more softwood fiber. Declining harvest volumes and long-term supply chain challenges will limit supply from regions like Canada, Europe, and Russia. The U.S. West and New Zealand will continue to benefit from strong markets, but material supply growth is not likely from these regions. This paves the way for the U.S. South, which has significant upside and ability to respond to increasing domestic and export demand. With our unmatched Timberlands portfolio in the Western and Southern U.S., Weyerhaeuser is in a very strong position to benefit as these demand trends further develop over the next decade.

The final trend I will discuss is climate change, which has become one of the most significant challenges of our time. Governments and businesses across the globe are recognizing the urgency for climate action and making significant net zero commitments, and customers, investors and stakeholders are urging meaningful progress against these targets. Achieving these commitments will require governments and companies to take major steps to modify operations, invest in lower carbon activities, and buy offsets to reduce environmental impacts. This will serve as a catalyst for substantial reallocation of capital and resources throughout the global economy. There are currently limited cost-effective solutions to achieve meaningful carbon removals and climate change mitigation. We firmly believe that forests and renewable energy will be an important source of cost-effective solutions and that Carbon Capture and Storage, which I will discuss, will also contribute to future carbon reduction efforts. The time for action is upon us and limiting global warming will require all currently available solutions.

Turning to our strategic and business development initiatives. At a high level, our growth strategy through 2025 is focused on three areas: growing Natural Climate Solutions to a $100 million dollar per year business, continuing to optimize and invest in our Timberland portfolio with a target investment of $1 billion dollars, and investing in our Wood Products business to further reduce cost, improve productivity, and grow our lumber production by roughly 5 percent annually through 2025.

Before I go into the details, I want to set the stage with a brief discussion of our next generation asset value optimization process. AVO, or Asset Value Optimization, is our fundamental approach for maximizing the value of every acre we own. It was originally established several years ago to identify higher and better use properties that generate a premium over timberlands. As we've demonstrated, this AVO program has allowed us to consistently capture significant premiums to timber values through our real estate business. For the past year, we have been focused on developing a next-generation process that enhances our ability to identify and capture value from various timber and non-timber attributes, including carbon, renewable energy, and other Natural Climate Solutions opportunities. We are calling this AVO 2.0. This sophisticated, technology-enabled approach, which leverages remote sensing, satellite imagery, machine learning and other advanced data analytics, has generated step-change results in our ability to identify strategic growth opportunities and most importantly, manage every acre in our portfolio to maximize value across a full suite of attributes and opportunities.

I'll begin the discussion of our strategic and business development initiatives with Natural Climate Solutions – one of the most important focus areas for AVO 2.0.

There are four primary elements that make up this business. The first two are well-established in our portfolio and include Mitigation & Conservation and Renewable Energy. Forest Carbon and Carbon Capture & Storage, or CCS, are newer businesses that have the potential to drive significant long-term value as markets develop.

We expect to grow Natural Climate Solutions into a $100 million dollar business by the end of 2025. This is roughly a fivefold increase from where it is today. Currently, the business is comprised primarily of renewable energy leases and mitigation banking income. Although we are forecasting meaningful growth from these activities in the future, we expect the primary catalysts for growth will be Forest Carbon and Carbon Capture and Storage, which are currently in the early days of market development. It's important to note that our $100 million dollar target does not represent the full potential of this business. Demand for Natural Climate Solutions will span decades, and Weyerhaeuser is uniquely positioned to benefit as markets develop and expand well beyond 2025. Over the next several minutes I'll provide a more in-depth look at each of the four components of our Natural Climate Solutions business, with some context on the current landscape, future market drivers, and how we expect to participate.

I'll begin with Forest Carbon. Forest carbon offsets can be generated from carbon that is proven to be sequestered, measurable over time, and represents a permanent removal of carbon. Importantly, the carbon stored must be additional. That is, there must be a change in management practices that results in incremental carbon sequestration beyond what would occur under business-as-usual operations. Within North America, the most common project type is Improved Forest Management, and this will be our primary focus as we are evaluating potential Forest Carbon projects within Weyerhaeuser's existing footprint. This means we will consider opportunities to modify certain management practices, like silviculture, to capture and store more carbon than our baseline carbon inventory within project areas. Developing and managing verified carbon credits is not a trivial process, and all credits are not created equal from an integrity perspective. We are committed to only bringing projects to market that meet the highest level of integrity requirements, ensuring that our credits represent a meaningful carbon removal that clearly contributes to climate change mitigation. I also want to be clear that carbon credits, which I just discussed, are different from the carbon removals described in our Carbon Record, which Nancy will speak about later today. Our Carbon Record accounts for both carbon removals and emissions, but it does not necessarily represent a pool of carbon deemed as additional for the purpose of monetization in forest-based carbon credit projects.

Let's now discuss the two primary markets where forest carbon credits are transacted. Compliance markets are the result of government regulations to reduce greenhouse gas emissions. In this market, entities trade emission permits or purchase offsets to meet regulatory targets. The best-known U.S. compliance market is in California. It is highly complex, very restrictive and requires a time commitment in excess of 100 years. In contrast, voluntary markets are not driven by regulatory mandates. This market primarily serves buyers seeking ways to meet carbon reduction commitments, such as net zero targets. As more companies publicly commit to climate change mitigation and net zero goals, there will be a greater need for carbon offsets, which will drive growth in the voluntary markets. We believe the voluntary markets are best suited for the projects we develop given the complexity and time commitments of compliance markets. However, the timing and scope of our participation will depend on future carbon prices. Although pricing is highly variable, credit prices in the voluntary market generally range from $5 to $10 dollars. At this level, only a small number of our acres would generate favorable project economics. But we expect the range of candidate acres will expand as carbon pricing continues to improve.

Currently, voluntary markets are in the early stages of development, but the addressable market is significant. Global net zero commitments to date cover about 30 billion metric tons of annual carbon emissions. However, annual carbon credit issuances total only about 1 percent of the committed volume, and existing compliance mechanisms and emission trading programs will not be sufficient to move the world to net zero. Voluntary market transactions, in particular, forestry carbon offsets, are expected to contribute significantly. Last year alone, forestry and land use projects comprised 30 percent of voluntary credit issuances, and we believe the volume of forest carbon transactions is positioned to grow substantially over the coming years.

It's important to note that not all timberlands will be suitable for carbon projects. The value of standing timber differs by region, species type, productivity, and markets. This means the appeal of "growing for carbon vs. growing for timber" will vary by landowner and even within portfolios of timberlands. With this in mind, we expect owners of lower value timberlands to be the first to participate in the forest carbon markets given current pricing. The value proposition starts to look more compelling for owners of high-quality timberlands as carbon prices increase and become more competitive with timber prices. As the voluntary market grows and carbon prices increase, a broader group of timber owners will have an alternative to harvesting timber to generate income, which will result in additional competition for fiber and logs in certain wood baskets. This pricing competition should influence timberland values over time, which will benefit landowners even without direct participation in the market.

I'll close my discussion on Forest Carbon with a brief outline of the path to monetizing a carbon credit and an update on where we are along that pathway. Monetizing a credit involves a series of steps. It begins with assessing the carbon potential of a wood basket or region, after which specific projects are identified and documented. The project can then be submitted to a voluntary market registry for verification. After verification is complete, the credits are issued and available for sale. Finally, the seller must manage the carbon inventory for the life of the agreement. Typically, most landowners will outsource their carbon projects to 3rd party developers. The outsource model makes sense for landowners who don't have a large portfolio of potential carbon projects because of the complexity and expertise required to bring a project to market. However, landowners who outsource this work share a meaningful amount of the economics with the developer as a result. In general, we expect to develop and manage our own projects. Given our scale, timber management expertise, and technology-enabled approach, this will allow us to optimally manage our portfolio of carbon opportunities while capturing the highest value. We have completed initial assessments across the Northeast and for select locations in the West and South, and commenced work to develop potential project scenarios, economics, and timing across multiple candidate areas. As a result of this work, we are initiating a pilot project in New England, and positioning other timberlands for potential projects. We expect to have the New England project completed, with the option of bringing these credits to market, during 2022.

Turning now to Carbon Capture and Storage. In addition to carbon sequestration in our forests, we have a unique opportunity to participate in the development of geologic Carbon Capture and Storage, or CCS. This is enabled by our surface and subsurface ownership in targeted areas in the Gulf Coast region, where CCS development has the most near-term potential. At a high level, CCS is a process where carbon dioxide is captured at its source, typically an industrial facility, then transported along pipelines to a storage location and injected into deep subsurface formations for safe and permanent storage. This process has been used for decades in the oil and gas industry to improve hydrocarbon recovery; however, the costs have been a significant barrier to broader adoption for just carbon mitigation. But a few things have changed, which positions CCS for future growth. These include continued advances in technology and infrastructure, significant capital commitments to develop CCS by companies in heavy industries with hard to abate carbon, and last, federal tax and direct investment support. This includes recent legislation with specific CCS tax incentives and the new infrastructure bill which contains nearly $12 billion for large-scale CCS commercialization and pipeline infrastructure.

The map on this slide is an example of our AVO 2.0 process. It shows our surface and subsurface ownership, combined with proprietary geologic data mapped against major industrial carbon emitters and existing CO_2 pipeline infrastructure. Through this process we have identified the potential for several large-scale CCS "hubs" on 400,000 acres of Weyerhaeuser surface and subsurface ownership. And we are now in discussions with several potential companies that have significant expertise and interest in developing CCS projects on our acreage. Similar to our approach when partnering with developers of solar and wind projects on our acreage, we do not intend to invest in the development, or manage the operations, of CCS projects that we enter. Instead, we will benefit from lease and royalty payments for the access to our surface and subsurface ownership. As we think about how this business will develop over the next few years, it's important to note that even with growing market demand and government backing, it will take time to finalize geologic assessments, permits and infrastructure before projects become operational. As a result, we expect these revenues will begin to emerge towards the end of the 2022 to 2025 timeframe.

Last, I'll touch briefly on our Renewable Energy and Mitigation Banking businesses. Through our AVO 2.0 process, we have identified a number of potential new wind sites, primarily in our Western and Northeastern ownership. We've also identified 200,000 additional acres for potential solar development. As is typical in these types of projects, not all areas identified will be developed, but it does position us to create a significant project pipeline. Turning to our Mitigation Banking business; we are one of the largest providers of mitigation services in the Southeast. We have operating banks on over 20,000 acres, and additional mitigation projects in entitlement on 11,000 acres. With the expected increase in building and infrastructure required to support population expansion, particularly in the Southeast, demand for mitigation banking is expected to triple by 2030. We are well-positioned to grow our business as that market expands.

Turning now to Timberlands, the second focus area of our growth strategy.

Our portfolio optimization and acquisition decisions follow a rigorous analytical process. We have identified – using data analytics and market intelligence - a series of targeted investment zones where we see potential to strategically increase, or decrease, our timberlands footprint over time. That analysis forms the foundation for our portfolio decisions. We then apply our proprietary data analytics, including many of the AVO 2.0 tools I have described, and our deep, boots-on-the ground understanding of timber operations and markets to evaluate and prioritize specific investment opportunities. This approach allows us to efficiently pursue timberlands that fit our strategic profile and provide the highest return opportunities.

Over the past year, we've completed four acquisitions and divestitures, totaling over $1.2 billion dollars, that enhanced the value of our portfolio and demonstrated the benefits of these tools and approach. In our Western Timberlands, we sold lower value, less productive acreage in southern Oregon and north Washington. We also acquired highly productive acreage in mid-coast Oregon which fit seamlessly into our existing ownership, provides additional timber to our mills, and adds fee volume to our export business. In the South, we acquired high-quality timberlands in Alabama that are strategically located near our existing ownership and are in attractive pulp and log markets. Although these transactions reduced our Timberlands holdings by 140,000 acres collectively, they resulted in higher annual harvest volume, $30 million dollars of annual EBITDA improvement, and cash yield uplift of nearly 5 percent that will be sustained over the long-term. All while generating additional capital for future redeployment.

These recent transactions demonstrate our ability to enhance the value of our Timberlands through disciplined investment and portfolio management. We remain committed to growing the value of our Timberlands over time. Looking forward, we are targeting to invest $1 billion dollars in strategic timberlands acquisitions, focused in the U.S. South and West, between now and the end of 2025. These investments will be made with a high level of discipline and rigor, and we expect to generate near-term cash yields comparable to the recent transactions I just discussed. As Devin outlined in his opening remarks, we actively manage all aspects of our value chain, from the integration of our timberlands and mills, to our supply chain and log merchandising, to our marketing and log export program. This competitive advantage drives incremental value from the timberlands that we operate and enhances our near-term returns. In addition, our silviculture and productivity investments allow us to capture additional returns throughout the harvest cycle. Last – as I discussed in previous slides – the sheer size and diversity of our portfolio generates tremendous option value. While we do not include these values in our acquisition underwriting, we have repeatedly demonstrated that we have the expertise to capture additional value from real estate, ENR and conservation opportunities over time. And with increasing demand for emerging Natural Climate Solutions, there is an opportunity for even further upside.

I'll wrap up the Timberlands section with some comments on our business development efforts -- and specifically, our export growth strategy. Weyerhaeuser has a long history of exporting into the Asian markets from our Western Timberlands. Building on this experience, operational scale, and supply chain reliability, we are increasing efforts to target new markets for our western export program. This includes selling high-grade logs to new customers in China and exploring opportunities to sell into additional Asian markets. The southern markets, as I discussed earlier, are in the best position to respond to growing export demand, not only for logs into the Chinese and Indian markets, but for wood fiber, pulp, and biomass into the Japanese markets. We are also seeing increased interest from non-traditional markets such as Turkey, as well as the Middle East and other parts of East Asia. Today, our southern export program is in the early stages of development, but we are well-positioned for increased participation as this growing market continues to develop.

Turning now to Wood Products, the final focus area for growth.

We have transformed our Wood Products businesses over the last number of years through disciplined capital investments and OpX improvements. And as Devin previously mentioned, we have achieved black-at-the-bottom in Wood Products and delivered peer-leading margin performance across all our manufacturing businesses in 2020. Looking forward, our OSB and distribution businesses are well positioned given the favorable supply-demand outlook, and we will continue to improve efficiencies and reduce costs in these businesses. However, with rising demand for wood-based building, we see additional opportunity to expand our lumber production and enhance our engineered wood products offerings to serve the growing market for these products.

Looking specifically at lumber, we expect North American lumber demand will increase by 10 billion board feet, or 17 percent, from 2020 to 2025. This is supported by favorable demand fundamentals for new residential construction, particularly single-family housing, as well as repair and remodel and wood-based commercial construction. With western markets in balance and limited ability to add production capacity, and continued reductions in Canadian production over time, we expect the U.S. South to serve as the primary supplier of incremental lumber supply. As a result, our Southern Timberlands and manufacturing operations are well-positioned to capitalize on this opportunity.

Another area of demand growth is mass timber, which is gaining acceptance in the United States and overseas. This trend is supported by the environmental benefits of mass timber and continuing improvements in the production and building processes. As the relative cost of mass timber construction decreases over time, and the benefits are demonstrated in larger projects, we expect to see capacity expansion and increasing adoption in the construction of commercial and multi-unit buildings. While Weyerhaeuser has no current plans to invest in cross-laminated timber or mass timber panel manufacturing, we do expect to benefit as a supplier of lumber and engineered wood products, which are feedstocks for mass timber construction materials. We view this as a compelling growth opportunity and are strategically positioned to serve this emerging market with our existing product base.

Turning now to our lumber portfolio. Several years ago, we made the decision to modernize two of our highly strategic lumber mills: Dierks, Arkansas and Millport, Alabama. These were relatively low-risk investments in proven operations, with strong teams, markets, and fee timber alignment. The projects were completed in 2018 and 2019, and the results have been outstanding. We have reduced controllable costs by 15 percent and enhanced our product mix. The projects also increased our lumber capacity by 320 million board feet at an attractive cost and have generated an estimated 30 percent return on investment. Following these strong results, we announced earlier this year a third modernization project at our Holden sawmill, with an expected completion date in 2023.

With the success of Dierks and Millport, and Holden on the horizon, we continue to view investments in our existing business as the primary catalyst for enhancing our Wood Products portfolio in the future. This proven strategy serves as a strong foundation for our target to organically grow lumber production by 5 percent annually. We expect this production growth will be achieved by capturing the full uplift of our Millport and Holden projects, as well as additional disciplined capital investments. Additionally, we will continue to position both our lumber and engineered wood products businesses to capitalize on the emerging mass timber market. With our unmatched portfolio of assets, deep expertise, and proven track record, we are well-positioned to achieve these targets.

Before passing the call back to Devin, I will just summarize the growth strategy we announced today. We are focused in three areas: growing Natural Climate Solutions to a $100 million dollar per year business, continuing to optimize and invest in our Timberland portfolio with a target investment of $1 billion dollars, and investing in our Wood Products business to further reduce cost, improve productivity, and grow our lumber production by roughly 5 percent annually through 2025. This growth strategy is aligned with our investment thesis, and we believe success in each of these areas will enhance portfolio value and shareholder returns. And now, I'll turn it over to Devin.

ACHIEVING INDUSTRY-LEADING PERFORMANCE

Devin Stockfish, President and Chief Executive Officer

Thanks, Russell. A core part of our company strategy for some time has been a relentless focus on achieving industry-leading performance across all of our businesses. This is something that we're focused on each and every day. And today, I will give you a little more detail on how we will continue to drive performance improvement going forward.

Since 2014, we've made tremendous progress on improving our operating performance in each of our businesses. Our unrelenting focus on Operational Excellence has been at the heart of this improvement. Across the company, we have been working to attain an industry-leading cost structure, driving superior execution in everything we do, and identifying opportunities for future improvements. OpX has become part of our culture and is now deeply engrained in our organizational DNA. Over the past couple of years, we've also increased our focus on innovation. I'm encouraged by the progress we're making, and we are now starting to really leverage innovation to accelerate improvements in all parts of the company. OpX and Innovation will be the primary drivers of our operating performance improvements going forward. And I think the OpX and Innovation culture that we've built will be a sustainable competitive advantage for us well into the future.

As a reminder, the foundation of OpX at Weyerhaeuser has always been cost control and margin improvement. That was the focus when we initiated the first Operational Excellence program back in 2014. And, it will undoubtedly continue to be a core part of OpX going forward. But as OpX has continued to evolve into what we call OpX. 2.0, we have broadened our approach for driving Operational Excellence and incremental value. Specifically, we've added future value creation – which is important for any company but certainly that's true for a long-term business such as ours. We've also included cost avoidance and efficiency as part of OpX 2.0 as we believe that incentivizing these activities will create a better business today and also position us well for the future. And we're always looking for more opportunities to drive cross-business synergies and improvements throughout our integrated supply chain. Over the last several years, Operational Excellence has become a core part of who we are as a company. In fact, during a recent employee survey, 95 percent of our employees indicated that they understood how their work contributed to our OpX goals. That level of alignment is a great indicator of how deeply engrained this is within the organization.

Our OpX 2.0 efforts are supported by an increased level of focus on innovation at the company. We've been working to foster an innovative culture across our businesses and functions. And we have implemented new tools to better engage our workforce around innovation. We've also been increasing the role that innovation – both big and small – plays in how we run our business on a day-to-day basis. I'm really excited about the progress that we've been making on this front. I've highlighted just a few examples here on the slide of innovations that are driving improvements in our businesses today. From increasing mechanization in steep slope logging out west to leveraging drones for a wide variety of forestry applications, we're seeing improvements across our Timberlands business. On the Wood Products side, we've been increasing our usage of automation and leveraging artificial intelligence to drive efficiencies and performance improvements in our mills. We've also been working on some propriety tools and processes for drying lumber, which is allowing us to capture more value and increase the amount of higher value product that we produce at the mills. Again, these are just a few examples, but I believe that our innovation program is a very powerful source of competitive advantage for Weyerhaeuser today and will be even more so in the future.

But, ultimately, these efforts are all about results. And as you can see, we have delivered meaningful improvements across our businesses. Through 2020, we've captured $750 million dollars of OpX improvements. We've achieved black-at-the-bottom in our manufacturing businesses, meaning we're positioned to be cash flow positive even in a historic downturn like the great recession. We've delivered record results – both in terms of cost structure and EBITDA generation. From an EBITDA benchmarking standpoint, we were #1 or #2 in all of our businesses in 2020, including being #1 across all of our manufacturing businesses. I'd also note that we haven't stopped there. We have targeted another $50-75 million of OpX in 2021. Our OpX and innovation efforts have been paying off in terms of improved operating performance. And we are fully committed to ongoing improvement.

Looking forward, we will continue to focus on leveraging OpX and Innovation. This will include maintaining an industry-leading cost structure, increasing the mix of higher value products, and improving reliability across our manufacturing operations. We plan to further reduce our controllable costs in our lumber business by approximately 10 percent and our OSB business by approximately 5 percent by the end of 2025, and will look to continue driving cross-business Operational Excellence at every opportunity. In total, we are targeting an additional $175 - $250 million of Operational Excellence improvements across the company from 2022 through the end of 2025. This supports our continued ability to deliver industry-leading performance across our businesses. Which will translate into improved cash flow generation and ultimately drive superior financial results and value creation. Now let me turn it over to Nancy to discuss ESG and our carbon record.

ESG UPDATE: SUSTAINABILITY AMBITIONS AND CARBON RECORD

Nancy Loewe, Chief Financial Officer

Thank you, Devin. Sustainability is one of our core values. It's been part of the way we do business since we were founded more than 120 years ago, and we believe our sustainability performance and strategy will be a key driver of shareholder value over the long term. Today, I'm excited to give you an update on our sustainability progress, with a particular focus on two meaningful milestones: the release of our Carbon Record and our submittal of a science-based greenhouse gas reduction target.

I'll start with a brief update on our sustainability strategy and ambitions. Last year, we launched a new sustainability strategy with three critical focus areas: first, continuing to build on and enhance our solid ESG foundation; second, fully integrating sustainability into our business processes and priorities; and third, intensifying our work in three critical challenge areas where we believe our company is uniquely positioned to have a positive impact on the world – contributing to climate change solutions, meeting the need for affordable and sustainable housing, and ensuring the rural communities in which we operate are thriving places to work and live. We are calling this work "3 By 30", and our commitment is to make tangible progress in each area by 2030.

Over the past year, we've made considerable progress in all three of our focus areas. With respect to our ESG foundation, we've refreshed our strategy on DE&I, which is Diversity, Equity and Inclusion, and we are implementing best practices that will improve our ability to attract and retain diverse talent. We also enhanced our ESG reporting with three new disclosure frameworks that align with the TCFD, SASB, and the UN Sustainable Development Goals. In Business Alignment, we are on track for fully integrating sustainability into our core business processes, key goals, performance plans, and capital allocation across all three business segments. This will create additional avenues to identify and drive value through sustainability-linked opportunities that improve margins, better service our customers, and meet new or emerging market demand, such as Natural Climate Solutions. And finally, with respect to Positive Impact, we have made strong progress across each of the three Positive Impact areas, and today I'm excited to share how we are leading the sector through two meaningful achievements related to Contributing to Climate Change Solutions. Those include today's release of our inaugural Carbon Record, and our submittal of a science-based greenhouse gas reduction target that aligns with the path to net zero.

Our forests and wood products have a tremendous role to play in mitigating climate change. We own millions of acres of forests that absorb carbon from the atmosphere, and that carbon is stored for decades in the long-lived wood products we produce. By 2030, we envision a world where the value of working forests and the products that come from them are fully recognized as one of the key solutions for slowing and reducing the impact of climate change. We believe this will drive incremental demand for our sustainable building products and support market opportunities for carbon and climate solutions, and we're excited about the role our company is poised to play as these markets continue to develop. Through our research, stewardship and industry leadership, we are committed to demonstrating how working forests can and should be part of a sustainable, biodiverse and climate-resilient solution – today and long into the future.

For the past two years our sustainability team has been deeply involved in the development of forest carbon accounting guidance. This guidance will specify how companies account for carbon removals and ensure consistency in measuring how forests and wood products provide critical carbon-removal climate solutions. Today, we are proud to lead our sector in disclosure and methodology as an early adopter of the future Greenhouse Gas Protocol on Carbon Removals and Land Use. With the publication of our *Carbon Record* today, we can confidently and proudly declare that our net impact is significantly carbon negative, meaning we remove more carbon from the atmosphere than we emit each year. We don't believe there is another industry that can make this claim. And given our scale, we believe there is no other company that's a better true "carbon negative" investment than Weyerhaeuser. As you can see from this slide, our annual carbon removals drastically outpace our emissions.

Turning to the components of our new Carbon Record, beginning with our direct carbon removals. Last year, our U.S. timberlands removed approximately 10 million tons of carbon dioxide equivalents from the atmosphere. This is the increase in aboveground carbon attributable to forest growth and management practices, after accounting for harvest and mortality. These removals alone exceeded our entire Scope 1, 2 and 3 carbon emissions. We are also responsible for another 22 million tons of Scope 3 removals across the value chain. This is primarily carbon stored in our own long-lived wood products and products that our customers make from our logs. Altogether, our carbon removals in 2020 totaled 32 million metric tons of carbon dioxide equivalents. This equates to removing 7 MM passenger vehicles from the road for one year, or offsetting the annual emissions from eight coal fired power plants. Moving now to our emissions, which totaled 7 million metric tons in 2020. Our direct and indirect emissions are primarily attributable to electricity and fuel usage within our wood products mills. These emissions totaled only 1 million metric tons, and the relatively minimal value speaks to the low carbon intensity of wood products manufacturing. We also have approximately 6 million tons of Scope 3 emissions. These are primarily emissions generated by customers who purchase our wood fiber and emissions associated with products and services we buy. As companies across our value chain work to reduce their emissions, which many of them already are or have committed to, we expect our Scope 3 emissions to decrease overtime. Finally, it is worth noting that, in alignment with the draft Greenhouse Gas Protocol guidelines, we are reporting carbon removals and emissions separately rather than adding them together. This clear separation promotes transparency and helps drive the focus for continuous emissions reductions over time, which will be critical to limiting global warming to 1.5 degrees Celsius.

In addition to our carbon emissions and removals, there is an *enormous* amount of carbon stored in our forests that remains in place, year after year, decade after decade. And when we say enormous, we are talking about 2.3 to 3.6 billion metric tons of CO_2 equivalents. Approximately 1 billion metric tons is stored in our trees and their roots. We can calculate this pool of stored carbon with a high degree of accuracy by leveraging our internal scientists and state-of-the-art inventory management system. Our forests also store an impressive 1.3 to 2.6 billion metric tons of CO_2 equivalents in soil and other biomass. For these pools, we rely on a mix of regional and species-specific estimates to quantify a range of stored carbon. We have been managing our forests sustainably for 120 years and are proud to be the stewards of such an amazing natural resource. This is why we firmly believe that our approach to sustainable forestry is one of the most impactful things we can do to combat climate change.

As a company, we are committed to contributing to climate change solutions. That means not only removing CO_2 from the atmosphere, but also doing our part by decreasing our own emissions. Last year, we committed to setting a greenhouse gas emission reduction target in line with the most recent climate predictions. Today, we are announcing that we have set and submitted that target to the Science-Based Targets Initiative at the most ambitious level, in alignment with the Paris Agreement goal of limiting global warming to 1.5 degrees Celsius. With this very important milestone, we are excited to join a select group of climate leaders who are on a path to net zero emissions. Our target includes a commitment to reduce our Scope 1 and 2 emissions by 42 percent overall and our Scope 3 emissions by 25 percent per ton of production, both by 2030. We expect to achieve these targets primarily through energy efficiency projects, increased renewable energy usage, and supplier engagement, and we will report on our progress annually. We expect to receive formal approval of our target later this year. In the meantime, we've shared the comprehensive methodology behind our calculations, as well as our broader carbon record on our sustainability website. We look forward to updating our carbon disclosures annually.

Before wrapping up, I'd like to spend a few moments on our ESG ratings and indices, where we have achieved best-in-class performance among North American companies and peers. We think it's critical to continuously benchmark our ESG progress, and take pride in efforts toward improving our ESG performance and scores, and increasing our disclosures. In 2020 alone, we achieved significant year-over-year improvements in our S&P Global, MSCI and ISS scores, as well as several others, as a result of improved performance and disclosure, and proactive engagement. We have worked hard to set and achieve ambitious sustainability goals, and this effort has earned us a myriad of external recognitions that we are very proud of. In addition to these specific awards and recognitions, we're also a part of numerous ESG and socially responsible investment indices. In summary, we have a long history of operating with a strong ESG foundation. It's part of our Strategy, and we are uniquely positioned with our Natural Climate Solutions business to grow as carbon markets develop. And with the announcements today on our Carbon Record and setting a science-based emissions reduction target, we have further enhanced our industry-leading position as a premier ESG investment opportunity.

CAPITAL ALLOCATION

Nancy Loewe, Chief Financial Officer

And now, I'm excited to talk to you about our ability to create value for shareholders through disciplined capital allocation, including the announcements we made earlier today.

I'll start with a quick review of our balanced capital allocation philosophy. At Weyerhaeuser, we have three key priorities for capital allocation: returning cash to shareholders, primarily through our dividend framework but also through opportunistic share repurchase; investing in our businesses through disciplined high-return capital projects and value-enhancing growth opportunities; all while maintaining an appropriate capital structure.

Over the past 18 months, we have taken strategic actions in all of these areas to position Weyerhaeuser to deliver superior long-term value for our shareholders. We implemented a new dividend framework that enhances our ability to return meaningful and appropriate amounts of cash to our shareholders across market cycles. We made disciplined investments to undertake additional high-return capital projects to enhance the value of our portfolio. And we significantly strengthened our balance sheet. I'll spend a few moments on each of these areas, beginning with our dividend framework.

Our framework targets a payout ratio of 75-80% of our annual Adjusted Funds Available for Distribution (or FAD). This underscores our commitment to return a significant portion of our free cash flow back to shareholders. The framework includes two components. First, is our sustainable quarterly base dividend, which is currently set at $0.17 per share. It is supported by the steady cash flow from our Timberlands, Real Estate and ENR segments. Our base dividend is sustainable across market cycles, and we are committed to growing it over time. We will supplement the base dividend each year with an additional return of cash to achieve the targeted 75-80% of Adjusted FAD. We expect to achieve this primarily through a variable supplemental cash dividend, which is largely tied to performance from our Wood Products segment. The supplemental dividend will normally be paid in the first quarter of each year, based on prior year cash flow. Under certain circumstances, we may also utilize opportunistic share repurchase to return cash to shareholders.

Next, I'll talk briefly about our capital expenditures, which are organic investments to sustain and enhance our Wood Products and Timberlands operations. These disciplined investments have been a key driver of the operating improvements and cost reductions that Devin talked about earlier and will support continued OpX improvements into the future. For 2021, we continue to anticipate $460 million dollars of CapEx, and this includes the beginning phase of our recently announced Holden sawmill modernization project. Looking forward, we expect our 2022-2025 annual CapEx level to be moderately lower than 2021, in the range of $420-440 million dollars. This level of investment includes CapEx required to support the growth targets that Russell previously discussed, and it demonstrates the low capital intensity of our growth strategy for those businesses.

Now, let's discuss our capital structure. Core to this is maintaining a solid investment grade credit profile. We ended the second quarter of 2021 with approximately $1.8 billion dollars of cash and a leverage ratio well below our target of 3.5 times. Over the past 18 months we have paid down $1.1 billion dollars of debt and reduced our pension liability by almost $800 million dollars. We also plan to retire $150 million dollars of debt when it matures in the fourth quarter. With these actions, we have strengthened our balance sheet, enhanced our credit profile, and created significant flexibility and dry powder in the form of debt capacity. This positions us to strategically deploy capital to grow the value of our portfolio and our returns to shareholders. I'll move now to a brief summary of our year-to-date cash flow generation and today's announcement that we have declared an interim supplemental dividend.

Our financial results in the first half of 2021 were truly unprecedented. We generated over $2 billion dollars of cash from operations, our highest first half operating cash flow on record, as lumber and OSB prices surged to historic highs during May and June. Adjusted FAD through the second quarter totaled nearly $1.9 billion dollars. Assuming the midpoint of our targeted 75-80% payout ratio, that translates to nearly $1.5 billion dollars of cash earmarked for shareholder returns through a combination of our base plus variable supplemental dividend. We've returned $255 million dollars of base dividends through mid-year 2021, leaving approximately $1.2 billion dollars of cash, or $1.60 per share, already earmarked for the variable supplemental component of our dividend.

As I previously stated, our intention is to generally pay the full supplemental dividend annually in the first quarter, based on the prior year's cash flow. But given the strength of the first half financial results, and a good line of sight to full-year cash generation, we are accelerating a small portion of our first quarter 2022 accumulated supplemental dividend for payment in the fourth quarter of this year. This morning we announced that our board of directors has declared a one-time interim supplemental cash dividend of $0.50 per share, payable on October 19, 2021, to shareholders of record as of close of business on October 5, 2021. I want to emphasize that this is a one-time, off-cycle cash return, and it should not be interpreted as a change to our commitment to generally pay the entirety of our supplemental dividend on an annual basis in the first quarter. The interim dividend enables our shareholders to benefit from extraordinary market conditions with a supplemental dividend in the first calendar year of our new dividend framework. Additionally, the specific amount of the dividend allows us to take advantage of a one-time tax planning opportunity to enhance our future NOL capacity. We are excited to accelerate this return of cash, and we also look forward to delivering a meaningful supplemental dividend in the first quarter of 2022. After the interim supplemental dividend is paid next month, there remains an impressive $1.10 per share of supplemental dividend earmarked for payment in first quarter 2022. This is prior to the contribution from our second half 2021 results.

I'll now discuss our expected full-year dividend payments for 2021 and 2022. Combining the interim supplemental dividend announcement today, and a full year of our base quarterly dividends, we expect our 2021 dividend payments will total $1.18 per share. This level of payout translates to an attractive dividend yield at our current share price. Looking forward to 2022, we're on pace to return more than $1.78 per share of dividends next year. Our base dividend is currently $0.68 on an annualized basis, and we anticipate this amount will increase next year. I will discuss that more in a moment. We also expect our variable supplemental dividend will increase beyond the $1.10 currently earmarked due to an incremental contribution from our second half 2021 results. This level of payout will generate a 2022 dividend yield that is well in excess of what we expect to deliver in 2021. It's worth noting that we anticipate second half 2021 Adjusted FAD will be lower than first half 2021, primarily due to lower average price realizations for lumber and OSB, as well as higher capital expenditures in the second half of the year.

Let's now spend a few minutes on our base dividend, and specifically our plan to grow it over time. Since establishing our new dividend framework in late 2020, it has been our intention to grow the base dividend as we generate incremental cash flow that is sustainable across market cycles. The portfolio growth and OpX targets that Russell and Devin have outlined will sustainably increase our annual cash flow generation over the next several years. As a result, today we are committing to grow our base dividend by approximately 5 percent annually beginning in 2022 and through 2025 as we make progress against those targets. We are excited to make this commitment in the first year of our new dividend framework, and we believe it underscores our ability to prudently return meaningful and growing amounts of cash to shareholders.

I'll now briefly summarize the components of our total dividend framework and recap what investors can expect between now and year-end 2025. I've already talked about the foundation of this framework, which is our growing base dividend, sustainable and supported by our Timberlands, Real Estate and ENR segments. We then add a variable supplemental dividend that is supported by strong Wood Products earning power. With our proven ability to be black-at-the-bottom in our Wood Products business, we have confidence that we will deliver an annual supplemental dividend across most market conditions. In summary, we are incredibly excited about the near- and long-term benefits of this dividend structure for our shareholders, and we look forward to returning meaningful amounts of cash through this framework across market cycles.

I'll wrap up this morning with a discussion of share repurchase. We believe share repurchase is a meaningful tool for returning capital to shareholders under certain circumstances, and we look to repurchase shares opportunistically when we believe it will create significant value. Entering the third quarter, we had $440 million dollars of authorization remaining under our existing $500 million dollar repurchase program. As you can see on the slide, we have executed on that authorization during the third quarter. And with the new $1 billion dollar authorization announced today, we have significant flexibility to opportunistically repurchase shares. We are committed to allocating capital for this purpose as we look to maximize shareholder value within our overall capital allocation framework.

In summary, driving superior long-term value for shareholders through disciplined and balanced capital allocation is the fourth lever in our investment thesis. The actions we have taken over the past 18 months have positioned us well for the future. With our new announcements today, we are further demonstrating our commitment to return meaningful and appropriate amounts of cash to shareholders across market cycles while also investing to grow the company over time. And now, I'll turn it over to Devin for some closing remarks.

CLOSING REMARKS

Devin Stockfish, President and Chief Executive Officer

Thank you, Nancy. Over the past few years, we have made significant progress on improving our portfolio and achieving industry-leading performance. We have continued to build on our strong ESG foundation and have taken a number of actions to strengthen our balance sheet, invest in our businesses and have positioned Weyerhaeuser to return significant amounts of cash to our shareholders.

Today, we detailed a number of strategic actions to enhance shareholder value over the coming years. These actions and related multi-year targets will support the growth of our company and our cash flows, improve our competitive position in the marketplace, and further differentiate our company as a leader in ESG. These actions will also ensure that we continue to return meaningful amounts of cash to our shareholders through a growing base dividend, a variable supplemental dividend that allows shareholders to continue to benefit from wood products markets, and through opportunistic share repurchase. All while continuing to invest in our businesses and maintaining an appropriate capital structure.

In summary, with our unmatched portfolio, our industry-leading performance, our strong ESG foundation, and our disciplined capital allocation approach – combined with the strategic actions that we have outlined today to further improve in each of these areas – we are well-positioned to drive superior total shareholder returns for our investors in the years to come.