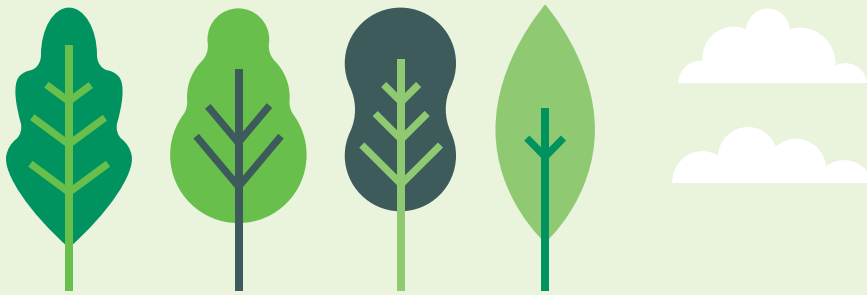


Sustainability is Growing

2021 Sustainability Commitments Progress Report



BC COUNCIL
OF FOREST
INDUSTRIES



About this Report

The *2021 Sustainability Commitments Progress Report* was developed by the BC Council of Forest Industries (COFI), which represents most lumber, pulp and paper, and manufactured wood producers from across the province.

This inaugural report provides details with respect to COFI members, and – in certain instances – broader BC forest industry aggregate performance against the ten environmental, social and governance-focused commitments outlined in COFI’s *Statement of Sustainability Commitments*. These commitments were endorsed by Council members as a condition of membership in 2021.

The report is based on quantitative and qualitative data collected by COFI from a number of different sources including the BC Government, Statistics Canada, the BC Forest Safety Council and individual companies. This data reflects both activities that are legal requirements and voluntary efforts made by member companies. This report is intended to provide an aggregate overview of the membership’s performance in relation to COFI’s *Statement of Sustainability Commitments* and cannot be interpreted as a statement of any individual member’s sustainability performance.

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Building on a Strong Foundation for a More Sustainable Future



“ In 2021, forest product companies that are members of the BC Council of Forest Industries endorsed 10 sustainability commitments and a process for reporting on collective progress on these. This inaugural report is just a start. COFI members are committed to working with others to do what is required to grow sustainability in BC’s forest sector. We will seek feedback on this report and how our industry can strengthen its performance on new and ongoing sustainability challenges and opportunities. ”

Linda Coady
President and CEO, COFI



COFI STATEMENT OF SUSTAINABILITY COMMITMENTS

As COFI member companies, we strive to be a globally competitive forest sector that is a model for the world in product innovation, technological advances and environmental care — supporting skilled jobs and communities in British Columbia.

To achieve this vision, we recognize our environmental, social, governance and economic performance must reflect the evolving priorities of our communities of interest including employees, communities, Indigenous Peoples, supply chain partners, customers, shareholders, investors and governments.

Guiding us in the work we do each day is our **Statement of Sustainability Commitments**.

COFI SUSTAINABILITY COMMITMENTS



Environment

1. Demonstrate leadership in sustainable forest management
2. Drive innovation to continuously improve our environmental performance
3. Promote the role our low carbon forest products can play in the global fight against climate change



Social

4. Protect the health and safety of our employees, contractors, and the communities in which we operate
5. Engage and respond to the priorities, needs and interests of the communities in which we operate
6. Respect the rights, cultures, interests and aspirations of Indigenous Peoples within whose traditional territories we operate
7. Increase Indigenous participation in the industry
8. Increase the diversity of our workforce and ready it for the jobs of tomorrow



Governance

9. Engage and seek dialogue on our commitments and our performance
10. Measure, track and report on our progress

MEASURING OUR PERFORMANCE

In our journey towards continued improvement, we use both qualitative and quantitative measures to track and report on our performance. Outlined below are some examples of metrics that we can use to report out on annually.



- # of trees planted
- % of members' licenced tenure area with internationally recognized sustainability certification
- % of members with Environmental Management Systems in place
- Examples of initiatives undertaken to support GHG emissions reduction and promote the use of low-carbon forest products
- Carbon captured by forest products produced by member companies



- % of members with Safety Management System in place
- Public support for BC's forest industry
- Member spend on goods and services provided by suppliers in communities province-wide
- Indigenous participation by employment, economic and stewardship partnerships and spend on Indigenous-affiliated goods and services
- Diversity of employee base as reported by Statistics Canada
- Reach of COFI's Forest Education Program



- Feedback on our performance and progress

ABOUT OUR COMMITMENTS

As COFI members, we support the **Statement of Sustainability Commitments**. We aim for continuous improvement in delivering on our commitments as we undertake our activities in BC. To keep track of the progress we are making, COFI will measure and track our performance on a regular basis. COFI will also seek feedback on this report and our efforts to strengthen our performance on climate and biodiversity issues, respecting and advancing Indigenous rights and reconciliation, and building a more diverse and inclusive forest sector in BC.



COMMITMENT #1

Demonstrate Leadership in Sustainable Forest Management

British Columbia is home to expansive and diverse forests. All of these are within the traditional territories of Indigenous Peoples who have stewarded the lands for generations.

These forests support thousands of species of animals and plants and are cherished by British Columbians who care about keeping the land on which they work, live and play – healthy.

COFI members also care about keeping BC's forests healthy. That's why they are doing their part and always looking to do things better.

2021 Highlights

- 280 million trees from 20 species planted by industry and partners
- 94% of members' tenure certified to internationally-recognized sustainability standards*
- 94% of members have an environmental management system in place for their forestry operations and/or their facilities**

Source: Government of BC Silviculture Statistics, Certification Canada; Iso.org

* COFI members not currently certified to Sustainable Forestry Initiative, Canadian Standard Association's sustainable forest management standard or Forest Stewardship Certification commit to working towards certification as a condition of membership

** COFI members without a formal EMS, have internal environmental management approaches that monitor and track compliance to support continuous improvement and are working towards formalizing these approaches into an EMS

SUSTAINABILITY IS GROWING, 3,000 TREES AT A TIME ...

In 2021, inspired by his family's tradition of caring for BC's forests and growing a greener tomorrow, Colby Hawkenson set a personal record of planting over 3,000 trees in a single day Northwest of Prince George.

COFI members, in this case, Canfor, work with tree planters like Colby to ensure that BC's forests are responsibly managed for future generations.



Colby Hawkenson, tree planter
for Folklore Contracting Ltd.



COMMITMENT #2

Drive Innovation to Continuously Improve our Environmental Performance

Whether they are foresters, biologists, engineers or data analysts – British Columbia forest workers are innovators – always looking to do things better, safer and in ways that have a lighter footprint on the environment.

They are exploring and adopting new digital technologies, finding new ways to collaborate and partner, learning new skills and contributing solutions.

The result – the adoption of forest-tech is growing, putting clean technologies and data-driven tech like augmented and virtual reality and machine-to-machine learning to work. By exploring and adopting these new and evolving technologies, COFI members can more nimbly collect and share helpful data and plan for everything from how climate change is impacting forests to how to best reduce emissions from operations.

DYK: What's an Environmental Management System?

In BC's forest industry, environmental management systems (EMS) are used by companies in their woodland operations and wood processing and manufacturing facilities to help monitor, assess and reduce the environmental impacts of a company's activities.

Many choose to build upon the International Organization for Standardization (ISO) – Environmental Management System standard, ISO 14001 – a voluntary, international standard and framework that is applicable to all industry sectors. Additionally, for woodland operations, meeting sustainable forest standards like Sustainable Forestry Initiative certification either require organizations to have an EMS in place or consider EMS as a key indicator of meeting their objectives.

THE FUTURE OF FORESTRY IS ELECTRIC

As part of its commitment to achieving carbon neutrality by 2035, Mosaic is trialling electric logging trucks in partnership with a local Vancouver Island service provider, EcoWest Driven.

Read more at mosaicforests.com



Electric trucking fleets are being adopted around the world





COMMITMENT #3

Promote the role our low carbon forest products can play in the global fight against climate change

Increasingly, customers and jurisdictions around the world are turning to wood products because they are a better choice for the planet.

That's because every time we use wood instead of concrete or steel to build things like homes or tall commercial buildings — those products are storing carbon for their lifetime and helping us fight climate change.

Looking forward, as we continue to seek to further maximize the power of climate smart forestry with the carbon storing potential of wood products — BC's forest sector can help play an increasingly important role in the fight against climate change.

2021 Highlights:

- Over **11 million tonnes of CO₂e** stored in solid wood products produced by COFI members

Sources: BC Government Carbon Calculator for Harvested Wood Products, NRCan Greenhouse Gas Equivalencies Calculator

DOING THE MATH...

11 million tonnes is the same as ...

- Amount of CO₂e produced by **over 3 million cars annually**



Note to reader: This report does not include commitments or data with respect to carbon that may be emitted or sequestered as a result of sustainable forest management or operations. Data on these is collected by the BC Government and can be found here: <https://www2.gov.bc.ca/gov/content/environment/climate-change/data/provincial-inventory>.





COMMITMENT #4

Protect the health and safety of our employees, contractors, and the communities in which we operate

The health and safety of employees is at the forefront of all that COFI members do to ensure workers get home to their families and friends at the end of each day.

Over the years, numerous health and safety regulations, along with new programs, practices and certifications have been put in place to ensure the health and safety of people who work in all parts of the industry.

2021 Highlights:

- 100% of members have health and safety programs in place* with additional voluntary MAG SAFE and COR certification held by most

**As required under BC Workers Compensation Act
Source: BC Forest Safety Council*

GOING HOME SAFE EVERY DAY

COFI is a member of the BC Forest Safety Council (BCFSC). Established in 2004, the BCFSC works with forest sector employers, workers, unions, contractors and provincial government agencies to support industry in implementing changes necessary to eliminate fatalities and serious injuries in the forest sector.

The BCFSC provides resources, information, education and training for forest harvesting, sawmills and wood pellet manufacturing throughout BC. It offers SAFE Certification, in-field safety advice and auditing services to ensure safety remains a top priority in all forestry work places.

For more information, visit: bcforestsafesafe.org

*Certain photos courtesy
naturallywood.com*





COMMITMENT #5

Engage and respond to the priorities, needs and interests of the communities in which we operate

COFI and our members are committed to listening to and learning from people in communities across British Columbia. We want to know what people care about and what's keeping them up at night.

That's why, in addition to meeting regularly with Mayors, Councillors, municipal associations, and various community groups all over BC, we also undertake public opinion research. What we learn helps inform how we prioritize and act upon what's important to people.

2021 Highlights:

- 87% of British Columbians view a strong forest sector as vital to BC's economy
- Close to 80% of people in BC consider BC among the world's leaders in sustainable and responsible forestry practices
- Almost 90% see building with sustainable low carbon BC forest products as a great way to fight climate change

Source: Abacus Data

AN IMPORTANT CONVERSATION ABOUT THE FUTURE OF FORESTRY IS HAPPENING IN BC

From downtown Vancouver and Surrey to Prince George and Nanaimo, people across the province have been talking about the future of forestry, including old growth.

We've been listening to what British Columbians have to say — workers, Indigenous partners, community members, families, friends and neighbours.

What we've heard is that while forestry, including old growth, may mean different things to different people, British Columbians care about the path forward. People care about the future — about conservation, keeping BC's forests healthy and helping tackle climate change. They also care about families and communities' wellbeing.

That's why we continue to build partnerships with government, Indigenous Peoples, labour, communities, environmental organizations and others — together, we can find solutions.



COFI's Adam McPhee chatting with delegates at a local government convention



COMMITMENT #6

Respect the rights, cultures, interests and aspirations of Indigenous Peoples within whose traditional territories we operate

COFI members' operations fall within the traditional territories of many Indigenous Nations. We respect the deep connection Indigenous Peoples have to the land.

COFI wants to do its part to advance reconciliation with Indigenous Peoples, appreciating reconciliation means different things to different communities. We want to strengthen our relationships and work collaboratively with First Nations and government as the United Nations' Declaration on the Rights of Indigenous Peoples (UNDRIP) is implemented in BC and Canada.

2021 Highlights

- Developed a *COFI Statement on Reconciliation*

Source: cofi.org



RECONCILIATION IN ACTION



STATEMENT ON RECONCILIATION

Our members' operations fall within the traditional territories of many Indigenous Nations. We respect the deep connection Indigenous Peoples have to the land. We also recognize that some Nations and organizations are seeking to increase Indigenous participation in the forest sector.

COFI wants to do its part to advance reconciliation with Indigenous Peoples, appreciating reconciliation means different things to different communities. We want to strengthen our relationships, listen to the aspirations of Nations and work collaboratively with First Nations and government as the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) is implemented in BC and Canada.

Indigenous communities are vital to BC's forest sector as owners, business and stewardship partners and employees. Many Nations are licensees and engage in unique partnerships with COFI member companies including through joint ventures and tenure, co-management and reconciliation protocol agreements – playing a critical role in the governance and stewardship of forest lands and resources. Indigenous-affiliated contractors and entrepreneurs are also providing logging, road construction, firefighting, silviculture as well as other services and supplies. Additionally, more than 5,300 Indigenous people are directly employed in forestry, contributing skills, knowledge and know-how across the sector.

COFI MEMBER COMMITMENTS

COFI and our members are proud of the relationships we have established over many years, but we know there is more work to do. To that end, we commit to continuing the work to:

- Build meaningful trusted relationships with Indigenous Peoples and communities based on honesty, integrity and respect
- Seek opportunities for partnership, collaboration and consensus-building
- Provide cultural awareness training
- Increase Indigenous participation in the industry and provide education and skills-training opportunities
- Integrate Indigenous perspectives and traditional knowledge within our operations
- Support increased resource revenue sharing from government to support sustainable economic benefits flowing to Indigenous communities

In doing so, we are guided by COFI's *Statement of Sustainability Commitments* and our respect for the rights, diverse cultures, interests and aspirations of Indigenous Peoples on whose traditional territory forest product companies operate. We are also guided by our support of the Truth and Reconciliation Commission's Call to Action #92 (Business and Reconciliation) and will continue to help achieve the intentions outlined in UNDRIP, including the underlying principle of Free, Prior and Informed Consent.



FORESTRY FOR THE PLANET.
FOREST PRODUCTS FOR THE WORLD.

In 2021, COFI developed a **Statement on Reconciliation**, outlining its members' commitments to doing the work to advance reconciliation with Indigenous Peoples in BC.

In 2021, Mosaic was honoured to donate this cedar log, crafted into the new welcome totem pole in Nanaimo's Maffeo Sutton Park. The pole, created by Snuneymuxw carver Noel Brown carries special meaning as it re-establishes a presence at the ancient ancestral site of the Snuneymuxw people.



COMMITMENT #7

Increase Indigenous Participation in the Industry

As UNDRIP is implemented in British Columbia through the *Declaration on the Rights of Indigenous Peoples Act* (DRIPA), we recognize that some Indigenous Nations and organizations are seeking increased participation across the forest sector — as shared-decision makers, owners, business and stewardship partners and more.

In addition to supporting the implementation of DRIPA, COFI members continue to work with communities to ensure benefits from the forest sector flow to citizens and to support Indigenous Peoples who want to get involved in the forest products industry.

Highlights

- Close to 120 Indigenous Nations or affiliated organizations are active participants in BC's forest industry annually
- Over \$250 million in economic benefits to Indigenous Nations annually

Source: COFI 2019 Regional Supply Chain Study

AN ENDURING RELATIONSHIP

The partnership between Burns Lake Native Development Corporation (BLNDC) and Hampton Lumber is among one of the most successful and enduring business relationships between an Indigenous organization and a forest company in BC.

BLNDC and its subsidiary Burns Lake Native Logging Ltd. (BLNLL), were incorporated in 1974 by six Indigenous groups to empower their collective 3,600 members to realize their economic aspirations within the traditional territories of the Ts'il Kaz Koh First Nation, Lake Babine Nation, Skin Tyee Band, Cheslatta Carrier Nation, Nee Tahi Buhn Band and Wet'suwet'en First Nation.

Through the relationship, contracting, employment and equity ownership opportunities have grown. Today, BLNDC owns 11 percent of the Babine and Decker Lake sawmills operated by Hampton. Hampton purchases 150,000 cubic metres of wood harvested by BLNLL for the mills each year. In addition, local Indigenous Peoples make up over 60 percent of the employee base of the Babine sawmill.



BLNLL Heavy Equipment Operator Training



COMMITMENT #8

Increase the diversity of our workforce and ready it for the jobs of tomorrow

A diverse, inclusive and equitable workforce is foundational to ensuring we have a strong, sustainable sector for generations to come.

While some progress is being made to grow the participation of underrepresented groups in the industry, there is much more work to do. Looking ahead, we look forward to doubling down on this important work.

2021 Highlights:

- 13% of BC forest sector employees self-identify as Indigenous
- 13% of employees identify as female
- 7,000 students reached through COFI Forest Education Program
- 13 COFI Forestry Scholarships awarded to youth pursuing post-secondary education or training
- Three of the scholarships are awarded to Indigenous students in partnership with the New Relationship Trust Foundation

Source: Statistics Canada Labour Force Survey, COFI Forest Education Program

INSPIRING THE NEXT GENERATION

“What inspires me about the forest industry is learning about forest management and how forests can provide economic, environmental and social benefits to British Columbians.”

—Sara Salad

2021 COFI Forestry Scholarship recipient and Forest Resource Management student at the University of British Columbia



Forest Education Manager, Jim Costley, brings the classroom to the outdoors



COMMITMENT #9

Engage and seek dialogue on our commitments and our performance

At COFI, we're committed to listening to, learning from and partnering with communities so that we can keep doing things better.

In 2023, COFI will also seek feedback on this report and our efforts to strengthen our performance on climate and biodiversity issues, respecting and advancing Indigenous rights and reconciliation, and building a more diverse and inclusive forest sector in BC.

This feedback will be incorporated into future performance reports.

COMMITMENT #10

Measure, track and report on our progress



COFI Convention delegates share what the future of forestry means to them

LISTENING TO BRITISH COLUMBIANS

Each year, COFI members, industry and supply chain partners and Indigenous, community, labour and government leaders come together to talk about the issues and opportunities facing the sector at the COFI Convention and other community events.

We look forward to further strengthening opportunities for inclusive dialogue about what the future of forestry means to people across BC.

Looking Ahead

COFI members and the broader BC forest industry have worked hard over decades to continuously evolve and build a solid foundation of responsible practices.

We also know there's still a lot of work to do. Together we want to ensure the forest sector is rising to this challenge and meeting the expectations of citizens, workers, communities, Indigenous Peoples, supply chain partners, investors and more.

Along with our members, we look forward to continuing to learn, partner, take action and highlight what's going well and where we need to double down and collaborate to do things better.

British Columbians and the world will benefit from having a strong, sustainable forest products industry here in the province for generations to come.

We're up for the challenge. So let's get to work and keep growing sustainability, together.

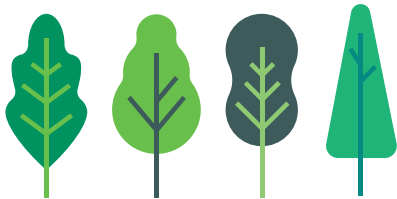


Photo above, credit: Brudder Productions, courtesy naturallywood.com

Below: Forest Sciences Centre, UBC; credit Don Erhardt, courtesy naturallywood.com



Setting the Foundation for Growth

In Summary: 2021 Sustainability Highlights



ENVIRONMENT

In 2021, forestry workers continued to take care of forests, biodiversity, air and water...

- **280 million trees from 20 species** planted by industry and partners



Source: Government of BC Silviculture Statistics

- **94%** of members' tenure certified to internationally-recognized sustainability standards; those without are working towards certification

Sources: Certification Canada, Iso.org



- **94% of members** have **Environmental Management Systems** in place at operations and facilities; those without a formal EMS are working towards formalizing management approaches into an EMS



11 million tonnes of carbon stored in solid wood products produced by COFI members; same as

- Amount of CO₂e produced by over **3 million cars** annually



Sources: BC Government Carbon Calculator for Harvested Wood Products, NRCan Greenhouse Gas Equivalencies Calculator



SOCIAL

Forestry companies also worked hard to put people and communities first...

- **100% of members** have health and safety programs in place* with additional voluntary MAG SAFE and COR certification held by most

*As required under BC Workers Compensation Act

Source: BC Forest Safety Council



- Developed a **COFI Statement on Reconciliation**
- Close to **120 Indigenous Nations** or affiliated organizations are active participants in BC's forest industry annually
- Over **\$250 million in economic benefits** to Indigenous Nations annually

Source: COFI 2019 Regional supply Chain Study



The forest industry also recognized it has more work to do to grow underrepresented groups' participation in the industry and equip the workforce of tomorrow with the skills it needs...

- 13% of BC forest sector employees self-identify as Indigenous
- 13% of employees identify as female



Source: Statistics Canada Labour Force Survey

- 7,000 students reached through COFI Forest Education Program



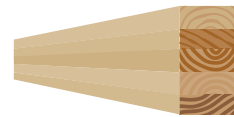
- 13 COFI Forestry Scholarships awarded to youth pursuing post-secondary education or training
- Three of the scholarships are awarded to Indigenous students in partnership with the New Relationship Trust Foundation

What we're hearing from British Columbians in terms of how we're doing...

- 87% view a strong forest sector as vital to BC's economy



- Close to 80% consider BC among the world's leaders in sustainable and responsible forestry practices
- Almost 90% see building with sustainable low carbon BC forest products as a great tool to fight climate change



Source: Abacus Data

Lots of British Columbians are talking about the future of forestry, including old growth. We're listening.

What we've heard is that while forestry, including old growth, may mean different things to different people, British Columbians care about the path forward. People care about the future — about conservation, keeping BC's forests healthy and helping tackle climate change. They also care about families and communities' wellbeing.



GOVERNANCE

While we're making progress, we know we're not perfect and there's always more work to do. That's why we will:

- Report on our progress regularly
- Get feedback on key sustainability opportunities and challenges



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